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THE WALL STREET JOURNAL.

DOW JONES | News Corp ★★★★ TUESDAY, AUGUST 8, 2017 ~ VOL. CCLXX NO. 32 WSJ.com ★★★★ $4.00

DJIA 22118.42 ▲ 25.61 0.1% NASDAQ 6383.77 ▲ 0.5% STOXX 600 382.01 ▼ 0.1% 10-YR. TREAS. ▲ 3/32, yield 2.258% OIL $49.39 ▼ $0.19 GOLD $1,258.20 ▼ $0.10 EURO $1.1797 YEN 110.75

What's News

Business & Finance

Tesla set plans to raise $1.5 billion through the sale of junk bonds, as the firm seeks to sharply increase its manufacturing capability. **A1**

◆ **An investor consensus** that the dollar will continue to weaken is fueling rallies in everything from U.S. stocks to commodities. **A1**

◆ **U.S. consumers are** most likely to feel the impact of Libor's demise in adjustable-rate mortgages. **B1**

◆ **Google fired** an employee who wrote a memo suggesting men are better suited for tech jobs than women. **B1**

◆ **Uber won't be bringing** co-founder Kalanick back as CEO, the company's chairman told employees. **B1**

◆ **United Technologies** has made an approach for Rockwell Collins, but the firms are wrangling over a deal price that would top $20 billion. **B1**

◆ **Pershing Square said** it is nominating founder Ackman and two others to the board of ADP. **B10**

◆ **Netflix made** its first acquisition, buying comic-book publisher Millarworld. **B3**

◆ **U.S. stocks climbed**, with major indexes adding to gains. The Dow closed up 25.61 points at 22118.42. **B11**

◆ **China's foreign-exchange** reserves rose for a sixth straight month in July. **B10**

World-Wide

◆ **North Korea threatened** to use nuclear weapons against the U.S. if militarily provoked and said it wouldn't negotiate on its nuclear and missile programs. **A1**

◆ **Tillerson told** Russia's foreign minister the U.S. would respond to Moscow's recent expulsion of American diplomats by Sept. 1. **A6**

◆ **Venezuela's defense chief** said authorities were still looking for rebels who raided an army base and stole weapons early Sunday. **A7**

◆ **Trump attacked** Democratic Sen. Blumenthal of Connecticut and news-media outlets in tweets on his first weekday of vacation. **A4**

◆ **The Justice Department** said guidelines for the use of forensic evidence in court will now be spearheaded by a former state prosecutor. **A5**

◆ **Canada played down** the prospect of resolving a trade spat on lumber with the U.S. before the start of talks to revamp Nafta. **A7**

◆ **The U.N. said** it supports the work of a Syria inquiry panel and expressed regret over the resignation of veteran prosecutor Del Ponte. **A16**

◆ **Interior Secretary Zinke** ordered a revised management plan for sage grouse, a move that could undo some Obama-era protections. **A4**

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Weather..... A10
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Amid Tensions, Kenya Readies for Election

BAZ RATNER/REUTERS

COUNTDOWN: Officials in Nairobi, Kenya, organized ballot boxes to distribute to polling centers for Tuesday's presidential contest. The recent murder of a key election official has put the country on edge.

North Korea Warns U.S., Rejects Talks

By Ben Otto and Jake Maxwell Watts in Manila and Farnaz Fassihi at the United Nations

Defying pressure from new United Nations sanctions, North Korea threatened to use nuclear weapons against the U.S. if militarily provoked and said it would "under no circumstances" negotiate on its nuclear and missile weapons programs.

North Korean Foreign Minister Ri Yong Ho on Monday delivered the strongly worded statement to reporters on the sidelines of an Asian regional security conference hours after U.S. Secretary of State Rex Tillerson vowed to enforce the stiffest sanctions yet imposed on the Pyongyang regime.

Washington is seeking to build support in its campaign to pressure North Korea to give up its nuclear program after the country launched ballistic missiles last month capable of reaching the U.S. The sanctions adopted unanimously by the Security Council over the weekend had the crucial support of China, North Korea's chief economic partner, and Russia.

Mr. Ri's statement rejected assertions by some Security Council members that North Korea's military programs constituted a global threat and

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◆ Tillerson cautions Russia against expulsions..... A6

Tesla Adds Debt In Growth Push

By Matt Wirz And John D. Stoll

Tesla Inc. took a step toward financing its transformation from a niche builder of pricey luxury cars to a mass-market rival of Fords and Chevrolets, setting plans to raise $1.5 billion in its first-ever sale of traditional bonds.

The electric-car maker, gearing up for an ambitious expansion with the introduction of its more moderately priced Model 3 sedan, is expected to sell the bonds as early as Friday in a deal underwritten by Goldman Sachs Group Inc.

The Palo Alto, Calif., company said on Monday that the funds would help push broader sales of its lower-price Model 3 sedan, which the company plans to use to steal a march on mass-market rivals such as Ford Motor Co.

Tesla has been a big winner in the stock market—up more than 1,000% in the past five years to a recent market value of $59 billion—and investors said they expect the firm's efforts to sell junk bonds to succeed, given the market's thirst for high-yield debt.

At the same time, the auto industry is among the most capital-intensive ventures in

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◆ Heard on the Street: Missed opportunity for Tesla..... B12

INTERNET'S NEXT USERS: MORE VIDEO, LESS TYPING

Tech firms rethink products for the developing world; new winners, losers

By Eric Bellman

The internet's global expansion is entering a new phase, and it looks decidedly unlike the last one.

Instead of typing searches and emails, a wave of newcomers—"the next billion," the tech industry calls them—is avoiding text, using voice activation and communicating with images. They are a swath of the world's less-educated, online for the first time thanks to low-end smartphones, cheap data plans and intuitive apps that let them navigate despite poor literacy.

Incumbent tech companies are finding they must rethink their products for these newcomers and face local competitors that have been quicker to figure them out. "We are seeing a new kind of internet user," said Caesar Sengupta, who heads a group at Alphabet Inc.'s Google trying to adapt to the new wave. "The new users are very different from the first billion."

A look at Megh Singh's smartphone suggests how the next billion might determine a new set of winners and losers in tech.

Mr. Singh, 36, balances suitcases on his head in New Delhi, earning less than $8 a day as a porter in one of India's biggest railway stations. He isn't comfortable reading or using a keyboard. That doesn't stop him from checking train schedules, messaging family and downloading movies.

"We don't know anything about emails or even how to send one," said Mr. Singh, who went online only in the past year. "But we are enjoying the internet to the fullest."

Mr. Singh squatted under the station stairwell, whispering into his phone using speech recognition on the station's free Wi-Fi. It is a simple affair, a Sony Corp. model with 4GB of storage, versus the 32GB that is typically considered minimal in the developed world.

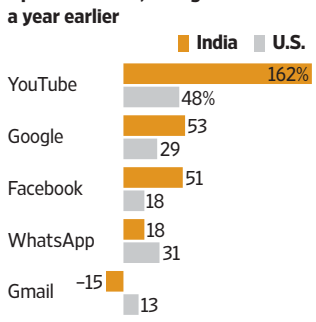
On his screen are some of the world's most

Please see WEB page A8

Net Gains

A new wave of people online in India is boosting some apps.

Total hours spent on apps in April-June 2017, change from a year earlier



Source: App Annie
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INSIDE

CREATING A VILLAIN WE LOVE TO HATE

LIFE & ARTS, A9

MUELLER CAN AVOID AN IRAN-CONTRA REPEAT

OPINION, A15

Weakened U.S. Dollar Powers Market's Rise

A growing investor consensus that the dollar will keep weakening is rippling around the world, fueling rallies in everything from U.S. stocks to commodities.

By Ira Iosebashvili, Chelsey Dulaney and Riva Gold

The dollar has been suffering through one of its worst stretches in years, weighed down by scant inflation and doubts whether the Federal Reserve will raise rates anytime soon.

The U.S. currency rallied on Friday after a strong U.S. jobs report, but the WSJ Dollar Index remained down roughly 7% since the start of the year and has declined for five straight months.

On Monday, the index, which measures the dollar against a basket of 16 currencies, edged up less than 0.1% as the Dow Jones Industrial Average and S&P 500 climbed to fresh highs.

President Donald Trump's election last November had sparked a brief dollar rally, as

Please see DOLLAR page A7

About Those Online Password Rules... N3v$r M1#d!

* * *

Expert who touted mixing letters, digits, symbols now regrets it

By Robert McMillan

The man who wrote the book on password management has a confession to make: He blew it.

Back in 2003, as a midlevel manager at the National Institute of Standards and Technology, Bill Burr was the author of "NIST Special Publication 800-63. Appendix A." The 8-page primer advised people to protect their accounts by inventing awkward new words rife with obscure characters, capital letters and numbers—and to change them regularly.

The document became a sort of Hammurabi Code of passwords, the go-to guide for federal agencies, universities and large companies looking for a set of password-setting rules to follow.

The problem is the advice ended up largely incorrect, Mr. Burr says. Change your password every 90 days? Most people make minor changes that are easy to guess, he laments. Changing Pa55word!1 to Pa55word!2 doesn't keep the hackers at bay.

Also off the mark: demanding a letter, number, uppercase letter and special character such as an exclamation point or question mark—a finger-twisting requirement.

"Much of what I did I now regret," said Mr. Burr, 72 years old, who is now retired.

In June, Special Publication 800-63 got a thorough rewrite, jettisoning the worst of these password commandments. Paul

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U.S. NEWS

Detroit Vote Is Test Of City's Progress

By Shayndi Raice

Detroit is gearing up for a mayoral primary Tuesday that will signal whether the progress made under Mayor Mike Duggan is enough to propel him to a second term in November.

Since filing the country's largest municipal bankruptcy in 2013, Detroit has seen its downtown revitalized with a luxury-apartment boom, trendy restaurants and an influx of young residents. Basic services like streetlights, public transportation and police response times have improved.

But the mayor's top challenger, Coleman Young II, has argued that the revitalization has come at the expense of lower-income neighborhoods. Mr. Young, the son of Detroit's first black mayor, Coleman Young, has staked his campaign on the idea that poorer, black communities are being left behind.

"What is the purpose of creating jobs downtown if we don't provide jobs to the residents who need it?" Mr. Young asked when announcing his candidacy in February.

"It's two Detroits," said Mr. Young's spokesman, Adolph Mongo. "One rich and one poor. One black and one white." Over 80% of Detroit's residents are black. Mr. Duggan is the city's first white mayor in four decades.

Detroit's population keeps shrinking, and though the city has attracted young residents downtown, rising home prices have made parts of the city unaffordable to older ones.

Violent crime dropped 13% in 2015 from a year earlier, but Detroit still has the second-highest violent-crime rate for cities with more than 100,000 residents, according to Federal Bureau of Investigation statistics.

Sharon Banks, a spokeswoman for Mr. Duggan, said the mayor's first priority when taking office in 2014 was to stabilize the city's infrastructure.

Mr. Young's family history has helped propel the state senator representing Detroit to the front of Mr. Duggan's seven primary challengers.

Still, Mr. Duggan, a former businessman, has led in the polls by a wide margin. He also has seen strong support from black political organizations, including ones that supported Mr. Young's father.

A recent poll by Target Insyght found 64% of respondents were likely to vote for Mr. Duggan, while 30% planned to support Mr. Young.

The top two vote-getters on Tuesday will proceed to the general election Nov. 7.

School Choice Prompts Backlash

By Tawnell D. Hobbs

TEMPE, Ariz.—A group aiming to stop the expansion of an Arizona program that gives parents state taxpayer money to pay for private schools or other education claimed an early victory Monday.

Save Our Schools Arizona said it had gathered more than 100,000 signatures of registered voters, exceeding the 75,321 required to halt expansion of the Empowerment Scholarship Account program, scheduled to take effect Wednesday.

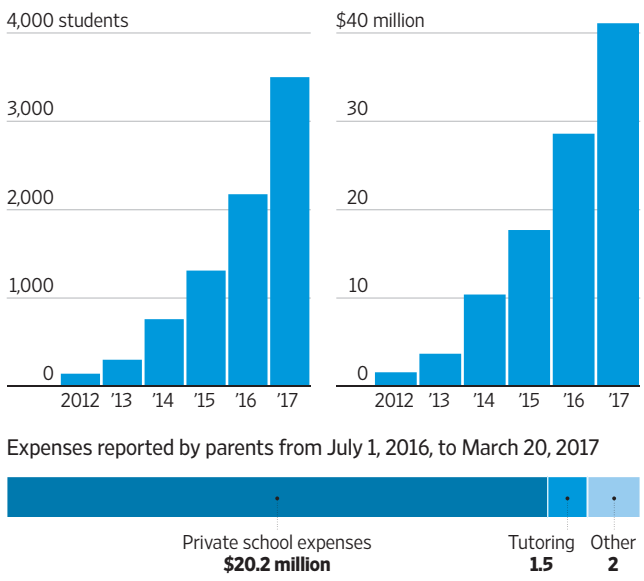
The group plans to give the signatures to the Arizona Secretary of State's office by Tuesday's deadline for verification. A spokesman for the office said the review could finish in September, but the expansion would be halted meanwhile.

If the signature requirement is met, voters would decide on the legislatively approved expansion at the polls in November 2018.

The effort by the public-school advocacy group included rallies and knocking on doors to gather signatures. The group believes the program would wreak havoc on public-school budgets if it were allowed to expand from its current enrollment of 3,500 to about 30,000 students.

More Students, More Tax Dollars

The number of students using the Empowerment Scholarship Account program in Arizona has increased over the last several years, as have overall amounts paid to families.



Note: Charts show school years ending in displayed year. Figures in expense chart are rounded to the nearest hundred thousand.
Source: Arizona Department of Education

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Robert Enlow, president and chief executive of EdChoice, a pro-school-choice group, called the effort to stop the expansion "repugnant."

"We trust parents to make good decisions about their children," Mr. Enlow said.

Roughly 12,000 students throughout the country are using such programs, often called education savings accounts, or ESAs. The Arizona program is the nation's oldest and one of the largest by enrollment.

Florida, Mississippi and Tennessee use similar programs. North Carolina's program, approved this year, will start providing money to families in the 2018-19 school year.

Elected officials and education leaders in other states, including Texas and Louisiana, have discussed using an ESA.

The programs give parents more spending flexibility than school vouchers, which typically limit use to private schools. There has been little research so far on how the programs affect academic outcomes, in part because parents can spend the money in various ways and tracking benefits of each can be difficult.

The Arizona program, launched in 2011, provides parents of students who forgo public schools with debit cards to pay for educational expenses, such as private-school tuition, tutoring, nonpublic online learning and speech therapy.

The expansion, signed into law in April, would allow all of Arizona's 1.1 million public-school students to apply for the program, no longer limiting it to special-education students and other select groups.

Under the expansion, current students in the program would remain as long as they still qualify. Additional slots would be divvied up on a first-come, first-served basis.

Participating students receive 90% of the state funding that a public school would receive. But under the expansion, lower-income students could receive 100% of funding.

Veterans Honored on National Purple Heart Day

CHIP SOMODEVILLA/GETTY IMAGES

APPLAUSE: Korean War veteran Alfred Ortiz, of Vienna, Va., was hailed by fellow Purple Heart recipients Monday during a ceremony at George Washington's home, Mount Vernon. In 1782, Washington established a badge of merit that would become the Purple Heart.

TESLA

Continued from Page One

business. Tesla posted a loss of $336 million in its most recent quarter despite rising revenue, highlighting the firm's dependence on raising capital in the financial markets. Tesla is the most valuable U.S. auto maker, but it sells a fraction of the vehicles sold by General Motors Co., Ford or Fiat Chrysler Automobiles NV—and has yet to report an annual profit after nearly 15 years in business.

Tesla "burns a lot of cash and it's not clear they have a sustainable business," said Bob Schwartz, a bond analyst for AllianceBernstein LP who is debating whether to buy the new debt. The deal is likely to get strong support from investment firms that already own Tesla stock, but "just because it has a huge market cap doesn't mean it's a good credit," he said.

Tesla is rated B-minus by S&P Global, seven notches below the firm's rating of Ford.

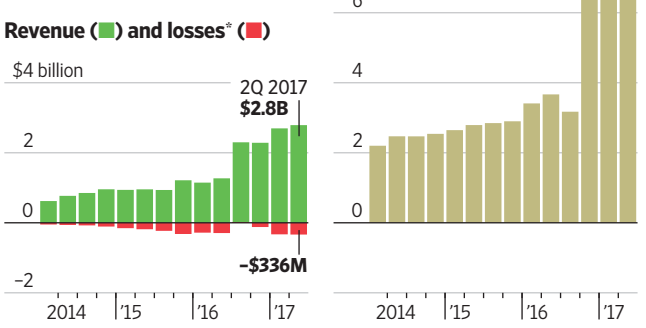
Turning to the bond market allows Tesla Chief Executive Elon Musk to raise money without diluting his ownership or further encumbering corporate assets.

Tesla tapped Goldman to arrange the issue of an eight-year, $1.5 billion bond, and the investment bank is unofficially marketing it to yield 5.25%, a person familiar with the matter said. Goldman is offering prospective investors a tour of the company's factory on Wednesday to introduce them to the firm, according to an investor.

The sale comes after Tesla repeatedly sold stock and convertible bonds, which can be exchanged for equity later, raising almost $8.5 billion in such deals since 2010, according to Dealogic.

Revving Up

Tesla is preparing to raise $1.5 billion its first-ever traditional bond, as the auto maker pushes to expand production.



*Attributable to common shareholders; Tesla posted a $21.9 million profit in 3Q 2016
Sources: S&P Global Capital Markets; S&P Capital IQ

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The business case for electric cars remains murky. Gasoline is cheap, driving people to pickups and sport-utility vehicles powered by internal combustion engines, and battery-powered cars are seen as taking too long to charge, expensive and lacking range. Tesla's cars, to date, have qualified for a $7,500 federal tax credit and Tesla has spent heavily to place so-called fast chargers all over the world.

Recently, Tesla's Mr. Musk promised to add electric pickup trucks, small SUVs, large trucks and bus-like vehicles. Analysts expect the future ambitions of Tesla, which is already committing a substantial chunk of the company's revenue to capital expenditures and R&D, to require additional capital increases.

The Model 3 is aimed at more mainstream buyers, with a base price of $35,000. Critics say that car can't be plagued with the same quality glitches that Model S or X buyers experienced, and that wait times for service or delivery need to be curtailed. Selling hundreds of thousands of Model 3s is seen as necessary because it could bring battery costs closer in line with conventional engines.

An electric car can cost upward of $10,000 more than its conventional counterpart, and analysts say it could take nearly a decade to close the gap. Tesla, building its own batteries, could have disproportionate influence in bringing those costs down due to its deep experience, access to technical experts and considerable scale.

A year ago, Mr. Musk combined Tesla with SolarCity, a home-solar company that he served as chairman of at the time. Combining the two companies was designed to make Tesla a more diverse company focused on batteries, solar energy and automobiles. Other auto makers have scaled back on alternative business lines.

Mr. Musk runs several ventures outside of the car business, including Space Exploration Technologies Corp. He is a major backer of those companies, with shares in some being used as collateral for personal loans used to buy even more stock in the companies he runs.

Bond investors are eager for new deals because there has been little supply in recent months due to a slowdown in mergers and acquisitions, which are usually funded with junk bonds. High-yield companies issued $9 billion of new bonds in July, the lowest amount since January 2016, according to Dealogic, when collapsing oil prices caused junk-debt markets to shut down.

"There hasn't been much new supply and investors have cash they need to spend," said Tom O'Reilly, head of non-investment-grade credit for Neuberger Berman Group LLC, who says he won't participate in the sale. "As a new borrower, that's going to play to your advantage."

The bond sale also comes during a summer slowdown in corporate-debt offerings, which some fund managers said could produce favorable terms for Tesla among investors hungry for new bonds. Yet several prospective buyers said they remain leery of lending to a company that loses billions and has one of the lowest-possible credit ratings.

U.S. WATCH

MISSOURI

Search Continues for Officer's Alleged Killer

Missouri law-enforcement officials were searching for a man suspected of fatally shooting a police officer from the roughly 9,000-person town of Clinton, about 75 miles south of Kansas City, during a traffic stop Sunday night.

Members of the Missouri State Highway Patrol's Division of Drug and Crime Control, the Clinton Police Department and the Henry County Sheriff's Office were searching Monday for Ian McCarthy, the 39-year-old suspect from Clinton, Mo., who allegedly opened fire on Clinton Police Officer Gary Michael, 37, at 10:45 p.m. Sunday, according to the Missouri State Highway Patrol.

The two engaged in a shootout after Mr. Michael pulled over the suspect's 2008 Dodge Nitro for a traffic violation on Green Street, south of Missouri Highway 13, according to the release. Mr. Michael died at a local hospital following the encounter.

Law-enforcement officials recovered Mr. McCarthy's vehicle roughly two blocks south of the shooting. He was still at large and considered armed and dangerous, according to the release.

—Quint Forgey

OHIO

Maker of Fair Ride Blames Corrosion

The Dutch manufacturer of a thrill ride that broke on the opening day of the Ohio State Fair two weeks ago, killing one person and injuring seven, said "excessive corrosion" weakened a support beam that caused "the catastrophic failure."

Investigators for the company, KMG, traveled to Columbus to review video footage of the July 26 incident and conduct an inspection of the 18-year-old Fireball ride, according to the statement, which the company posted on its Facebook page.

"KMG has reviewed the results of the inspection and worked with industry safety experts to develop an inspection protocol in the form of a Safety Bulletin to allow properly inspected and maintained rides to safely reopen," the manufacturer said in the statement.

Ohio Gov. John Kasich called the accident the worst tragedy in the fair's history and ordered the state Highway Patrol to conduct an investigation.

Tyler Jarrell, an 18-year-old man from Columbus, Ohio, was pronounced dead at the fairgrounds after the accident, according to a Highway Patrol news release. The youngest of the seven injured was 14 years old.

—Quint Forgey

ALASKA

Volcanic Eruption Could Disrupt Airways

The Alaska Volcano Observatory said the latest eruption of a volcano in the Aleutian Islands sent up an ash cloud that could affect jet traffic.

Bogoslof Volcano erupted Monday morning, and a pilot reported seeing the accompanying ash cloud at 32,000 feet.

Ash clouds above 20,000 feet can harm jetliners traveling between Asia and North America.

Pilots warned of ash clouds fly over or around them to avoid engine damage.

The observatory said data suggested that the ash emission continued after the initial eruption.

Winds were pushing the cloud south. No hazards for communities were expected.

Bogoslof has erupted periodically since mid-December. The volcano is 850 miles southwest of Anchorage.

The Alaska Volcano Observatory says a volcano in the Aleutian Islands spewed ash for about three hours.

An eruption began at about 10 a.m. Monday Alaska time and continued until 1 p.m. at Bogoslof.

The National Weather Service issued a message warning aviators of an ash cloud as high as 34,000 feet.

—Associated Press

CORRECTIONS & AMPLIFICATIONS

In a graphic accompanying a U.S. News article Friday about a lawsuit against Harvard University, the categories showing the ethnic composition of the school's class of 2020 totaled more than 100% because students in a survey were allowed to select multiple options, a fact that wasn't noted in the chart.

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Nuclear Plant's Halt Spurs Stiff Reaction

South Carolina seeks to salvage a project abandoned after nine years, billions spent

By Valerie Bauerlein And Russell Gold

A 2016 photo of unit one of the V.C. Summer Nuclear Station near Jenkinsville, S.C., which Scana Corp. said last week it would abandon.

CHUCK BURTON/ASSOCIATED PRESS

An energy company's decision to abandon work on a nuclear project in South Carolina has left the state reeling and the governor seeking one of several solutions to save at least one of the two reactors.

Last week, Scana Corp. said it would walk away from its project to build two nuclear reactors in tiny Jenkinsville—after nine years and $10.4 billion spent—stunning local leaders and the 600 nuclear employees and 5,000 construction workers at its V.C. Summer Nuclear Station. The company said its decision was forced by the March bankruptcy of main contractor Westinghouse Electric Co., which partly came about because of cost overruns in South Carolina and a similar project in Georgia.

The move left Jenkinsville, population 71, with an unfinished worksite the size of 1,000 football fields, while electric customers continue to pay 18% of their bill for a nuclear-power plant that may never generate a single kilowatt. "I just hope that people who bought new houses, new cars, didn't create a situation where they lose everything they worked so hard to get," said Jenkinsville Mayor Gregrey Ginyard.

The decision has been politically destabilizing, opening a rift between elected officials and Scana, the project's primary partner, as well as with Santee Cooper, the state-run utility that is the project's junior partner. Gov. Henry McMaster called the shuttering of the plant "a jarring break of faith," in a statement.

Mr. McMaster, a Republican, is pursuing a number of options to try and ensure that at least one of the two reactors gets up and running, according to a person close to the governor. Those options include the sale of Santee Cooper's 45% of the facility or even the sale of Santee Cooper itself, this person said. The board members of Santee Cooper are appointed by the governor.

Separately, a bipartisan group of state senators is calling for a special session to temporarily block the utilities from raising rates and passing on the costs of dismantling the reactors to customers.

Scana, a public company based in Cayce, S.C., said a recently completed assessment by Santee Cooper indicated the overall cost to build the facility rose to $25.7 billion from $14 billion. Scana said it had been ready to go ahead with building one of the two planned reactors.

"The costs of these units are simply too much for our customers to bear," said Santee Cooper Chairman Leighton Lord, in a statement.

A Santee spokeswoman declined to comment.

The move could lead to higher electricity bills in South Carolina. Scana's utility in the state has some of the highest prices among the 100 largest power providers in the southeast, according to the Energy Information Administration.

The decision to abandon the V.C. Summer plant shows the challenges of building nuclear power in the U.S., where a nuclear plant hasn't been built since the 1980s. These projects take years to execute, while energy markets are changing quickly.

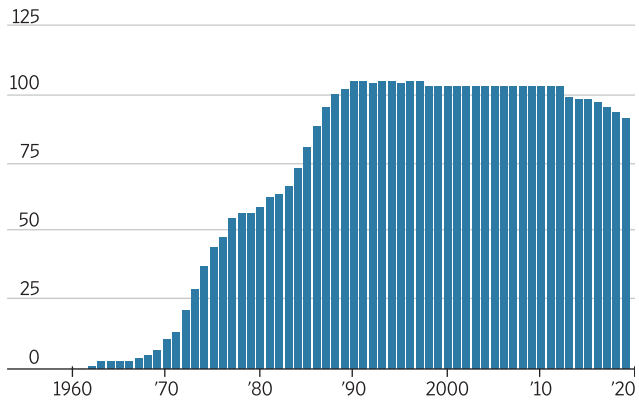
Scana said it plans to ask regulators to approve a rate increase that would have customers foot a $2.2 billion bill for the uncompleted work. The company is expected to vigorously defend any attempt to force it to swallow costs associated with securing the site.

Legislators seeking recourse for the failure of the plant have themselves to blame, said Brett Bursey, an energy expert with the South Carolina Progressive Network, a liberal advocacy group. In 2007, the legislature allowed the utility to charge customers in advance for future nuclear electricity, a rare and generous move benefiting utilities, he said.

Some former supporters said the 2007 law was viewed as the best vehicle for bringing clean energy and economic development to the state.

Losing Power

Number of active nuclear reactors in the U.S.



Note: 2018 and 2019 figures are based on already-filed reactor closure plans.
Source: Energy Information Administration; Nuclear Regulatory Commission

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Companies, States Tangle Over Plants

Other states in the South have run into trouble with new energy plants.

Mississippi regulators got fed up earlier this year with **Southern** Co.'s construction of a "clean coal" plant that had taken $7.5 billion and seven years and still wasn't fully operational. So the state's top regulator ordered the company to stop building the coal-gasification technology and "not increase rates one penny."

Last week, Southern said it would take a $2.8 billion pretax charge related to the Mississippi plant, transferring most of the remaining costs to its shareholders.

Georgia, meanwhile, is awaiting a decision from Atlanta-based Southern on whether it will keep pushing forward with its half-finished nuclear-power plant near Augusta. It is facing the same challenges as in South Carolina, with the Westinghouse bankruptcy also making the costs of completing the plant significantly higher than previously believed. Southern hasn't decided whether to continue work on the Augusta facility.

—Valerie Bauerlein and Russell Gold

Build a Wall of Sound to Stop Asian Carp, Report Urges

The U.S. Army Corps of Engineers is recommending technological fortifications to stop Asian carp from reaching the Great Lakes.

M. SPENCER GREEN/ASSOCIATED PRESS

By Quint Forgey

The U.S. Army Corps of Engineers is recommending a new weapon to defend the Great Lakes from invading Asian carp: a high-tech sound system to scare the critters away.

The Army Corps has used an underwater network of electric fences for about 15 years, but the fish have been inching closer to the Great Lakes, threatening native species and the $7 billion fishing industry.

"The various noises that this complex noise would create would deter the fish from coming to that area," said Allen Marshall, a Corps spokesman.

In a study released Monday, the Army Corps recommended several new technological fortifications at Brandon Road Lock and Dam in Will County, Ill. These include a new electric barrier, complex noise generators, water jets, an engineered channel and a flushing lock. Construction costs for the suggested plan are estimated at more than $275 million.

Brandon Road Lock and Dam, on the Des Plaines River, is situated roughly 15 miles downstream from an existing electric-fencing system in the 160-foot-wide Chicago Sanitary and Ship Canal. The nonlethal fences are meant to prevent Asian carp from entering the tributaries of the Chicago Area Waterway System and making their way about 37 miles upstream to Lake Michigan.

Only two carp have been found above the fences—one bighead carp in 2010 and one silver carp in June—and there is no evidence either species currently exists in the lakes, said Kevin Irons, aquatic nuisance species program manager with the Illinois Department of Natural Resources.

Still, Midwestern states have undertaken several initiatives in recent years to deny Asian carp entry to the basin. Last week, Michigan Gov. Rick Snyder announced an international competition that will award up to $700,000 in cash prizes for creative solutions to halt the carp's expansion.

The carp compete for space and food with smaller fish, threatening the Great Lakes' roughly $7 billion fishing business, said Tammy Newcomb, senior water policy adviser with the Michigan Department of Natural Resources.

The silver carp's affinity for launching itself several feet in the air terrorizes the region's roughly $16 billion boating industry, she said. "People don't want to get hit by flying, 50-pound fish."

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Afghan Policy Pits Trump Against Himself

CAPITAL JOURNAL
By Gerald F. Seib

President Donald Trump's national security adviser, H.R. McMaster, right, is among those reviewing U.S. policy in Afghanistan.

SAUL LOEB/AGENCE FRANCE-PRESSE/GETTY IMAGES

To understand the Trump administration's struggle to agree on a strategy to reverse the deteriorating situation in Afghanistan, it's useful first to look back in time.

In early 2013, Donald Trump tweeted: "We should leave Afghanistan immediately. No more wasted lives."

Early the following year, when President Barack Obama was trying to withdraw virtually all American combat troops, he tweeted: "I agree with Pres. Obama on Afghanistan. We should have a speedy withdrawal. Why should we keep wasting our money—rebuild the U.S.!"

Thus, when Mr. Trump argues, as officials say he has in meetings, that the U.S. is "losing" in Afghanistan, that isn't a new thought. When he appears conflicted about sending in more troops to reverse Taliban gains there, that reflects his longstanding doubts about a prolonged American presence there.

And when administration officials argue that Mr. Obama made a serious mistake by publicly declaring he would withdraw American troops by the end of 2014, helping open the door for a Taliban resurgence, they are probably right. But that was a decision that private citizen Donald Trump openly cheered.

Thus, the struggle to figure out what to do now is less about Mr. Trump arguing with his advisers or military leaders, and more about Mr. Trump arguing with himself. He is a man who hates losing, yet fears he's stuck with a losing proposition in Afghanistan.

Mr. Trump is, to be sure, the third American president over a 16-year period to try to figure out a formula to turn around Afghanistan. And he is the third president to be frustrated.

It's important to remember what the administration actually is debating as it tries to finish a delayed strategy review. It already has effectively decided to increase America's troop presence in Afghanistan. That happened when Defense Secretary Jim Mattis was given the authority early to decide on troop levels, allowing him to go above the 8,400 U.S. troops there now.

That authority, along with the decision earlier this year to drop the biggest nonnuclear bomb in the American arsenal on a group of Islamic State fighters who had set up shop in Afghanistan, suggests the U.S. is prepared to make a broader military commitment.

Senior administration officials—Secretary of State Rex Tillerson, national security adviser H.R. McMaster, Central Intelligence Agency Director Mike Pompeo—all agree with this approach, officials say. Attorney General Jeff Sessions, the cabinet officer most intimately involved with the Trump campaign, has expressed misgivings about a broader commitment, as has senior White House adviser Steve Bannon.

What's lacking—and what's prevented Mr. Mattis from pulling the trigger on the increase in troop levels—is a broader strategy for using those troops. How deeply involved will they be in combat operations, as opposed to advising and training the Afghan armed forces? Will they be free to go after fighters from the Taliban and the Haqqani network of guerrillas fighting the Afghan government, not just remnants of the al Qaeda organization?

Crucially, the new strategy will include a broader decision on how to handle Pakistan, which continues to provide sanctuary to Taliban and Haqqani fighters just across the border.

The policy review may well produce a plan to use more sticks and fewer carrots to persuade Pakistan to stop aiding enemies of the Afghan government. Pakistan could find it is receiving less aid and more cross-border airstrikes by American forces until it changes behavior.

A few things are certain. One is that Afghanistan remains the home for a toxic brew of Taliban, al Qaeda and Islamic State fighters, ready to turn the country into the same kind of cauldron of Islamic extremism it was when it became the launchpad for the Sept. 11, 2001, terror attacks on America.

The second certainty is that Mr. Trump has on hand a cast of advisers with extraordinarily deep experience in and knowledge of Afghanistan. Mr. Mattis led an expeditionary brigade there and later oversaw all American forces in the Middle East. Mr. McMaster—currently the target of a nasty campaign by critics trying to undermine his authority—was a top commander of U.S. forces in Afghanistan. The White House chief of staff, retired Marine Gen. John Kelly, has a personal connection to the risks involved: His son, a Marine officer, was killed when he stepped on a land mine in Afghanistan in 2010.

The third certainty is that, as analyst Michael O'Hanlon of the Brookings Institution put it, "there probably aren't great Afghan options."

Which leads to what even Mr. Trump is likely to decide is the fourth certainty: The U.S. is compelled to be in Afghanistan for the long haul. A review of Afghan policy this summer by a star-studded Brookings panel of former military and diplomatic leaders in the region concluded: "The U.S.-Afghan partnership should be recognized as generational in duration, given the nature of the threat and the likely longevity of its future manifestations."

President's Twitter Feed Isn't Taking a Vacation

By Louise Radnofsky

PISCATAWAY, N.J.—On the first weekday of his working vacation, President Donald Trump launched social-media attacks on a familiar set of targets, including a Democratic critic and various news-media outlets, while asserting that his base of support was stronger than ever.

"The fact is the Fake News Russian collusion story, record Stock Market, border security, military strength, jobs..... Supreme Court pick, economic enthusiasm, deregulation & so much more have driven the Trump base even closer together," Mr. Trump wrote in two of nine morning tweets.

"Interesting to watch Senator Richard Blumenthal of Connecticut talking about hoax Russian collusion when he was a phony Vietnam con artist!" he continued.

Mr. Trump's attack came soon after Mr. Blumenthal, a Democrat, appeared on CNN discussing the federal investigation into Russia's efforts to influence the 2016 election.

Mr. Blumenthal said in his TV interview that the impaneling of a grand jury by Special Counsel Robert Mueller showed that the attack by the Russians "was purposeful and relentless and it involved propaganda and hacking into our voting machines—or at least an attempt to do it—and potential collusion by the Trump campaign and then obstruction of justice. That investigation must be pursued."

Moscow has denied seeking to influence the election, and Mr. Trump has disputed allegations of collusion.

Later in the day, Mr. Trump suggested on Twitter that Mr. Blumenthal "take a nice long vacation in Vietnam, where he lied about his service, so he can at least say he was there."

In his 2010 Senate race, Mr. Blumenthal was criticized for indicating in public appearances that he had served in Vietnam, when he was a Marine Corps reservist who stayed in the U.S. during the war. Mr. Trump, who was given deferments and didn't serve in Vietnam, has repeatedly attacked Mr. Blumenthal over the matter.

"I have no idea about what is in his mind," Mr. Blumenthal said later in another CNN interview. "What I do know is I will not be distracted by this bullying. These bullying tweets reinforce for me the need for a piece of legislation...to prevent the firing of the special counsel."

Also late in the day, Mr. Trump attacked the "Fake News Media" that he said "will not talk about" a United Nations Security Council resolution passed Saturday that imposed a new package of economic sanctions on North Korea, as well as the "failing nytimes."

The U.N. sanctions resolution has been broadly covered in the news media, including in The Wall Street Journal and the New York Times.

Republican and Democratic senators have taken steps in recent days to protect the special counsel from interference, a response to Mr. Trump's criticism of the Russia probe and to his past dismissal of James Comey as director of the Federal Bureau of Investigation.

On Monday, Mr. Trump received an intelligence briefing and spoke for an hour with Secretary of State Rex Tillerson and Chief of Staff John Kelly to discuss North Korea, the White House said. Mr. Kelly is with the president in New Jersey. Mr. Tillerson is on a trip to the Philippines, Thailand and Malaysia, and the president also heard an update on that, deputy press secretary Lindsay Walters said.

The president, who is staying at his New Jersey resort, had no public events planned for Monday, the White House said. Mr. Trump departed Washington on Friday and is set to return Aug. 20.

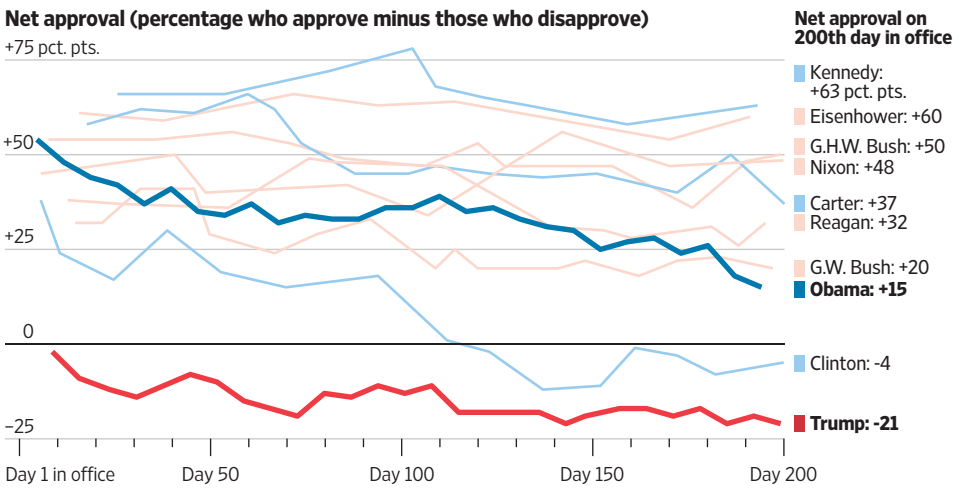
Officials didn't describe the president's activities over the weekend at the resort, though pictures posted on social media suggested that he played golf and greeted guests at a wedding being held at the club.

Sunday night, South Korean President Moon Jae-in requested a call with Mr. Trump, in which the two leaders discussed North Korea's July 28 launch of an intercontinental ballistic missile, the White House said, as well as the U.N. North Korea sanctions. Mr. Trump was also kept updated by Mr. Kelly on the crash of a U.S. military Osprey off Australia, a White House official said.

Later this week, senior policy advisers, cabinet secretaries and Vice President Mike Pence are expected to come to New Jersey to discuss issues including health care and a tax system overhaul, the White House said.

Trump's Approval Rating: A Rocky 200 Days

President Donald Trump's job-approval rating stayed far below most of his predecessors. His approval rating currently stands at 37%; his disapproval rating is at 58%.



Source: Gallup Note: Trump and Obama numbers are based on weekly averages from daily tracking polls THE WALL STREET JOURNAL.

Interior's Plan for Sage Grouse Could Loosen Protections

By Jim Carlton

Interior Secretary Ryan Zinke has ordered his agencies to begin implementing a revised management plan for the protection of the greater sage grouse, a move that could undo some protections created under the Obama administration.

The recommendations compiled by an Interior task force at Mr. Zinke's request call for potentially loosening sage grouse protections around mineral-leasing areas. This would involve the use of states' conservation plans that provide more flexibility for possible economic development as well as using potentially increased cattle grazing in some sage grouse areas as a tool to protect the birds' habitat against wildfire and invasive grasses.

"I am particularly interested in assisting the states in setting sage grouse population objectives to improve management of the species," Mr. Zinke said in an order signed Friday to the Bureau of Land Management, U.S. Fish and Wildlife Service, U.S. Geological Survey and other offices in the Interior Department. The order was made public by his office Monday morning.

Separately, the Interior secretary announced Monday that he is repealing an Obama administration rule that was supposed to go into effect earlier this year that would change how oil, gas and coal is valued on federal leases, in a way the energy industry had said could make it pay more in royalties. The repeal of the valuation rule, which Mr. Zinke suspended in February, is set to go into effect on Sept. 6.

The actions represent the latest moves by the Trump administration to modify environmental policies established by the previous president. The Obama plan adopted in 2015 relied heavily on setting up habitat zones that in many cases excluded drilling and other land uses. On June 7, Mr. Zinke directed a revised report on how to protect sage grouse, whose numbers have plunged across the West in recent decades.

While ranchers and other business groups welcomed the call for a more lenient approach, environmentalists blasted Mr. Zinke's review. They said it threatened to undermine a plan that was formulated after years of consultation with Western U.S. states.

"Secretary Zinke is selling out the sage grouse—and western states—to oil and gas developers," Rebecca Riley, senior attorney with the Natural Resources Defense Council, said in a statement.

A greater sage grouse male strutting in a bid to attract a mate near Bridgeport, Calif.

JEANNIE STAFFORD/U.S. FISH AND WILDLIFE SERVICE/ASSOCIATED PRESS

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WASHINGTON WIRE

PENTAGON

Military Gets Approval To Disable Drones

The Pentagon has sent new guidance to the armed services that outlines the military's authority to disable or shoot down any drone that violates airspace restrictions over a U.S. base and is deemed a security risk.

Navy Capt. Jeff Davis said a classified policy was approved in July. On Friday, additional public information was sent to military bases around the country so officials can alert their communities about the restrictions and the actions the military can take.

He said the new policy provides details about the actions the military can take to stop any threat, including destroying or seizing any unmanned aircraft—including the smaller ones that the general public can easily buy—that is flown over a base.

"The increase of commercial and private drones in the U.S. has raised our concerns with regards to safety and security of our installations," Capt. Davis said.

—Associated Press

HEALTH

Group Urges Trump To Mend Obamacare

A group of conservative and liberal health-policy experts is pressing the Trump administration and Congress to take steps to quickly shore up coverage under the Obama health care law, an idea that has been anathema to President Donald Trump and many congressional Republicans.

The plan, a copy of which was obtained by the Associated Press, includes continuing federal payments to insurers Mr. Trump has threatened to block. It says Mr. Trump and lawmakers should find a way for people to buy coverage in the counties that may have no insurers next year in the federal and state insurance exchanges.

It is unclear whether the recommendations will have much influence.

—Associated Press

Sessions Scuttles Forensics Team

By Beth Reinhard

Prosecutors notched a victory Monday over academics and defense attorneys in the long-running debate about what qualifies as sound crime-scene evidence versus "junk science" used to wrongly convict defendants.

Guidelines for the use of forensic evidence in court, previously developed by a partnership between the Justice Department and a panel of scientists, will now be spearheaded by a former state prosecutor who reports to the department's top leadership.

Forensic science has come under heightened scrutiny since a 2009 report by the National Academy of Sciences concluded that hair samples, bite marks, ballistics reports and handwriting analysis used to prove guilt were scientifically flawed. The Federal Bureau of Investigation has acknowledged that it used scientifically questionable microscopic hair comparisons to help identify suspects in hundreds of convictions dating back to the mid-1980s.

Prosecutors often say defense lawyers, in challenging scientific evidence, can persuade courts to question techniques that are entirely solid. Deputy Attorney General Rod Rosenstein said Monday that the new initiative to guide what forensic examiners and prosecutors can say about clues collected from crime scenes would counter "efforts in the courtroom and elsewhere to reject reliable and admissible forensic evidence."

The move reflects Attorney General Jeff Sessions' crackdown on violent crime and is another step toward dismantling former President Barack Obama's legacy on criminal justice. Monday's announcement has been expected since Mr. Sessions declined in April to renew the National Commission on Forensic Science, an advisory group of scientists and lawyers created in 2013 after a series of crime lab blunders by federal, state and local police.

BRENDAN SMIALOWSKI/AGENCE FRANCE-PRESSE/GETTY IMAGES

Attorney General Jeff Sessions, left, accompanied by his deputy, Rod Rosenstein, spoke last week.

In his most sweeping criminal justice policy change, Mr. Sessions scrapped an Obama administration policy that avoided charges carrying long, mandatory-minimum sentences for nonviolent drug offenders. The attorney general has also reversed decisions under Mr. Obama to retreat from contracts with for-profit, private prisons and to intervene in local police departments accused of civil-rights abuses.

Despite the attorney general's success at executing President Donald Trump's law-and-order agenda, the president has criticized him repeatedly for recusing himself from the probe into Russia's alleged interference in the 2016 presidential election.

Mr. Sessions appears to be back on Mr. Trump's good side, however, after promising on Friday to take a tougher stance against leaks of classified information. "After many years of LEAKS going on in Washington, it is great to see the A.G. taking action!" Mr. Trump posted Saturday on Twitter.

Attorney general opts for prosecutors to develop guidelines, cutting out scientists.

Defense attorneys, academics and civil-rights activists at odds with many of Mr. Sessions' policies raised concerns about his decision to walk away from the National Commission on Forensic Science.

The partnership between the Justice Department and a scientific panel called the National Institute of Standards and Technology offered a more thoughtful check on courtroom practices, they said, than would an internal Justice Department committee.

Misuse of forensic science contributed to wrongful convictions in nearly half of the 350 cases in which the Innocence Project, a nonprofit at the Cardozo School of Law in New York City, used DNA to help exonerate wrongly convicted defendants.

"The legal perspective is well represented by the Department of Justice, and it's the scientific perspective that I'm concerned won't get the attention it needs," said Suzanne Bell, chairwoman of the Department of Forensic and Investigative Science at West Virginia University and a former member of the National Commission on Forensic Science.

Ted Hunt, a former state prosecutor in Kansas City, Mo., who also served on the commission, will serve as the department's new senior adviser on forensics. Mr. Hunt's biography says that he has prosecuted more than 100 felony jury trials, most of which involved the presentation of forensic evidence.

"His skill set will be of great value to the criminal justice system nationwide," said Jason Lamb, executive director of the Missouri Association of Prosecuting Attorneys.

Under Mr. Hunt's direction, the new Forensic Science Working Group will create a program to monitor the accuracy of forensic testimony and assess the need for more personnel and equipment in crime labs. The National District Attorneys Association called those efforts "important steps to ensure consistent application of forensic science in the courtroom."

Mr. Rosenstein announced the initiative in a speech in Atlanta to the International Association for Identification, an association of forensic experts. A spokesman for the group, Bill Schade, said the commission jettisoned by Mr. Sessions did good work, but he added that it was the new administration's prerogative to take a different approach to forensic science standards.

"I hope the Justice Department is going to try to find a balance between the legal practitioners and the academics when it comes to forensic science," he said. "It's an adversarial system, and each side is trying to win."

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WORLD NEWS

Tillerson Cautions Russia on Expulsions

Secretary of state says U.S. will respond by Sept. 1 to Moscow's ejection of diplomats

By Ben Otto

MANILA—Secretary of State Rex Tillerson told Russia's foreign minister the U.S. would respond to the country's recent expulsion of American diplomats by Sept. 1 and the nations must confront the distrust created by Moscow's meddling in the U.S. presidential election.

Speaking with journalists Monday at an Asian regional security conference in the Philippines, Mr. Tillerson said he told his Russian counterpart in a meeting a day earlier that he wanted Russia to "understand just how serious this incident had been and how seriously it had damaged the relationship between...the American people and the Russian people."

He told Russia, "We simply have to find some way to deal with that," Mr. Tillerson said.

Mr. Tillerson and Russian Foreign Minister Sergei Lavrov got together Sunday for an hour in a much-anticipated meeting on the sidelines of the conference following a spell of increasing acrimony over sanctions against Russia adopted by the U.S. Congress and reluctantly signed into law by President Donald Trump.

US DEPARTMENT OF STATE/REX/SHUTTERSTOCK/EUROPEAN PRESSPHOTO AGENCY

Secretary of State Rex Tillerson said the Trump administration has taken a pragmatic view of U.S. relations with Russia.

The Russian Foreign Ministry said the meeting began with Mr. Lavrov explaining the reasoning behind Russia's decision to expel U.S. diplomats. The decision came "after a long wait for the U.S. not to go down the path of confrontation. But, unfortunately, Russophobic members of Congress prevented that from happening," the ministry said.

The ministers discussed a range of global issues, including cybersecurity, North Korea, Syria and Ukraine, the ministry said.

The sanctions were intended to punish Russia after the U.S. intelligence community concluded that Moscow had sought to interfere in the election.

Russian President Vladimir Putin responded by saying the U.S. would have to cut 755 diplomats and staff in the country by September.

Mr. Tillerson said Monday that he asked Mr. Lavrov several clarifying questions about that move, and promised a U.S. response by Sept. 1.

Mr. Trump, who has said that relations between the powers are at "an all-time low," has publicly questioned the intelligence findings on the election and dismissed investigations by Congress and a Justice Department special prosecutor into the matter.

Russia has denied meddling in the election.

Mr. Tillerson said Mr. Lavrov indicated "some willingness" to resolve tensions over Ukraine. The countries have been in conflict since 2014, when Moscow annexed the Black Sea peninsula of Crimea and Russian-backed separatists started a war in the eastern part of the country.

After the territory grab, the U.S. and the European Union imposed sanctions on Moscow, which Russia has tried unsuccessfully to have lifted. Mr. Trump, who has spoken favorably of the Russian leader, has called for the two countries to make peace.

Mr. Tillerson said the administration viewed the relationship with Russia with pragmatism.

"We want to work with them on areas that are of serious national security interest to us while at the same time having this extraordinary issue of mistrust that divides us," Mr. Tillerson said. "That's just what we in the diplomatic part of our relationship are required to do."

—James Marson in Moscow contributed to this article.

KOREA

Continued from Page One

said they were instead a legitimate option for self-defense "in the face of a clear and real nuclear threat posed by the U.S."

If the U.S. attacks North Korea, the country "is ready to teach the U.S. a severe lesson with its nuclear strategic force," the statement said. Other countries weren't being threatened unless they joined the U.S. in a military attack, it said.

North Korea also vowed to forge ahead with its nuclear and military programs, in a statement from its mission to the U.N. In the statement, North Korea blamed the U.S. for the sanctions and criticized the countries that had endorsed the resolution.

"The unwise conduct of the U.S. will only speed up its own extinction," North Korea said in the statement, adding that the U.S. was getting "more frenzied and desperate" instead of learning to coexist with the country.

Diplomats said the reaction from North Korea showed that the new sanctions would have an impact. "Ultimately, the regime bears responsibility for these sanctions. They hold the key to creating conditions for their removal," said the U.K.'s ambassador to the U.N., Matthew Rycroft.

ROLEX DELA PEÑA, PRESS POOL

Foreign Minister Ri Yong Ho delivered a statement warning Pyongyang is ready to teach the U.S. a 'lesson.'

The sanctions are meant to close loopholes that have allowed the rogue regime to cultivate trade, financing and labor ties, generating revenue to support its nuclear and military programs. The sanctions ban trade in coal and other items with North Korea and bar countries from employing North Korean laborers and entering into joint ventures with Pyongyang.

The sanctions resolution aims to cut a third, or $1 billion, from North Korea's annual foreign revenue.

Mr. Tillerson said that if North Korea wants talks with Washington, it must first stop launching missiles. "That would be the first and strongest signal," he said. "We have not had extended periods of time where they were not taking some type of provocative action by launching ballistic missiles."

Mr. Tillerson said the next step for the U.S. is to see that sanctions are fully enforced around the world.

On Monday, President Donald Trump received an intelligence briefing and spoke for an hour with Mr. Tillerson and Chief of Staff John Kelly to discuss North Korea, the White House said.

At a dinner for conference attendees Sunday, Mr. Ri told his South Korean counterpart that Seoul's offer last month of talks lacked "sincerity," Yonhap News reported, citing a South Korean government source. The offer came from the administration of new South Korean President Moon Jae-in, the country's first left-leaning president in nearly a decade.

Sunday night, Mr. Moon requested a call with Mr. Trump, in which the two leaders discussed North Korea's July 28 launch of an intercontinental ballistic missile, the White House said, as well as the U.N. sanctions.

Asia remains divided on how best to address North Korea's effort to produce a long-range nuclear missile. Some experts say they believe North Korea could develop a missile capable of handling atmospheric re-entry as early as next year. It is uncertain whether North Korea has developed the technology to miniaturize a nuclear device for such a missile.

Australia and Japan said in a joint statement with the U.S. that they were pushing the international community to enforce sanctions and impose additional diplomatic and economic measures. China and Russia say they prefer diplomatic engagement with North Korea.

—Louise Radnofsky and Min Sun Lee contributed to this article.

Southeast Asia Bloc Cool to Sanctions Against Pyongyang

MANILA—Diplomacy is preferable to sanctions as a means to pressure North Korea to give up its nuclear program, the head of Southeast Asia's diplomatic forum said, offering lukewarm support for the latest U.S.-led moves to cut off Pyongyang's ability to fund weapons development.

Most of the 10 members of the Association of Southeast Asian Nations are "not for unilateral [actions] and largely not for sanctions. We are for mutual existence," Le Luong Minh, the group's secretary-general, said in an interview Monday.

Mr. Minh was speaking on the sidelines of a gathering of regional foreign ministers in Manila, also attended by Secretary of State Rex Tillerson and ministers from Asian nations including China and Japan.

Washington has led a fresh push to isolate the North Korean regime in response to Pyongyang's tests last month of two intercontinental ballistic missiles. Several Southeast Asian countries maintain diplomatic relations with North Korea, and trade with the country where such activities don't breach sanctions.

—Jake Maxwell Watts

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Indonesia Posts Flat Quarterly Growth

By I Made Sentana

JAKARTA — Indonesia's growth was stagnant in the second quarter as the government struggled to boost the economy amid a short-lived rebound in commodity prices and weak household consumption.

After a series of rate cuts late last year, lower-than-expected growth could prompt Bank Indonesia, the central bank, to consider loosening its monetary stance, economists say.

In the April-June period, Southeast Asia's largest economy expanded 5.01% from a year earlier, unchanged from the 5.01% expansion in the first quarter, the official statistics agency said Monday. Sequentially, it grew 4%, after shrinking 0.34% in the previous quarter.

The median forecast from a Wall Street Journal poll of 10 economists was for a 5.04% year-on-year expansion and a 4.04% quarter-on-quarter increase.

"Commodity prices dropped during the second quarter compared with the first quarter," said Suhariyanto, the statistics agency's chairman, who goes by one name. He said that dragged down total exports 3.5% from the first quarter, but noted that they still rose 9.19% compared with a year earlier. A recovery in demand from China and the U.S. helped mitigate the export slowdown, Mr. Suhariyanto said.

Household consumption, which contributed around 56% of gross domestic product, rose 4.95% from a year earlier, little changed from the 4.94% growth in the first quarter. Earlier this year, the government raised electricity costs for some households as parts of President Joko Widodo's efforts to free more funds to improve roads, seaports and irrigation across the country.

Sliding vehicle sales in recent months showed weakened purchasing power, economists said.

Investment growth accelerated to 5.35% year-on-year from 4.78% in the first quarter.

A significant pickup isn't expected in the second half, economists said, as growth in private investment hasn't accelerated as fast as expected.

"The recovery is ongoing, just at a slower pace than we have previously expected. Overall, we now see more downside risks to our 2018 GDP growth forecast of 5.4%," said DBS economist Gundy Cahyadi. However, he maintained his 5.1% forecast for the full year.

Venezuela Hunts for Rebels in Raid

By Anatoly Kurmanaev

CARACAS, Venezuela—Venezuela´s defense minister said authorities were still looking for a small group of rebels—including active military officers—who raided an army base and stole weapons early Sunday.

The dawn raid, which led to three deaths, was an embarrassment to the government by underscoring how easily a group of civilians and former soldiers raided the ammunition depot of the Paramacay artillery base, home to an armored brigade.

The government said the attackers made off with close to 100 AK-103 assault rifles and a handful of grenade launchers. The incident in Valencia, the country's third-largest city, left two attackers dead, according to the government.

"I call to reject these vile acts of treason against the fatherland," Defense Minister Gen. Vladimir Padrino said in a televised speech Monday.

The attack further raised tensions in Venezuela following four months of antigovernment unrest and elevated fears that government opponents could begin to arm themselves for conflict.

One protester was shot dead in Valencia during a demonstration in support of the attack. Security forces also dispersed protesters throughout the country into Monday morning.

FEDERICO PARRA/AGENCE FRANCE-PRESSE/GETTY IMAGES

Pro-government activists held a rally in Caracas in support of Venezuela's constituent assembly.

The assailants were aided by Paramacay's ammunitions keeper, Lt. Yefferson Garcia, said Gen. Padrino.

The brazenness of the attack and the complicity of active officers raise questions about the military's willingness and ability to defend an increasingly unpopular government of President Nicolás Maduro, said Nicholas Watson, London-based political risk analyst at Teneo Intelligence.

"The fact that security was breached in this way, and weapons apparently seized, will be a major concern for the regime," he said. "This is highly unlikely to be the last such uprising."

The attack appears to have been focused on acquiring arms, rather than triggering a military uprising, said Luis Esculpi, a Venezuelan military analyst and former head of the congressional defense committee. The raid is the first significant sign of antigovernment groups seeking to arm themselves against Mr. Maduro, he said.

"This is very worrying, because it could be putting Venezuela in a situation of pre-civil war," he said.

The raiding party was led by a National Guard Capt. Juan Caguaripano, who deserted in 2014 in protest at the government's increasingly authoritarian tilt. He has since given a few interviews with media from hiding. He remained at large Monday.

Venezuela's opposition alliance has relied on peaceful demonstrations to pressure Mr. Maduro to call general elections, which polls show he would lose. Mr. Maduro has responded with repression and moved ahead with installing an all-powerful assembly, tasked with consolidating his power.

The repression has led to an increasingly violent response at protests from radical government opponents, who say peaceful demonstrations have failed to produce political change.

"Until now we have seen the civil society marching [against Mr. Maduro] with whistles and flags," said Rocio San Miguel, security expert at the policy group Citizens Control, in Caracas. "But a sense of defeat, desperation could produce in the medium-term groups that are prepared to take up arms to achieve their goals."

A retired Venezuelan general, Heberto Garcia Plaza, said he was told by active duty officers that Capt. Caguaripano had also taken 188 40mm grenades and seven shoulder-held grenade launchers. He said he feared that armed resistance groups would soon emerge.

"When the right of political expression is stolen from you, the only thing that is left is insurgency," he said.

Canada Warns of Slow Lumber-Trade Talks

By Paul Vieira

OTTAWA—Canada played down the prospect of a resolution with the U.S. over a trade spat on lumber imports before the start of talks to revamp the North American Free Trade Agreement, denting enthusiasm raised by Prime Minister Justin Trudeau last month for such an outcome.

The inability to cut such a deal before the start of the renegotiations, set to formally start on Aug. 16, threatens to add another layer of complexity in efforts by the U.S., Canada and Mexico to find common ground on a new continental trade pact, Canadian lawmakers and trade watchers have warned.

Talks are aimed at settling the latest chapter in a decadeslong trade dispute between Washington and Ottawa over Canadian softwood lumber, which is mostly used to build houses.

Canadian Foreign Minister Chrystia Freeland told reporters Monday that "she was unable to predict when we might reach an agreement." She said talks continue, adding she and

PAUL CHIASSON/ASSOCIATED PRESS

Chrystia Freeland, Canada's foreign minister, said she couldn't predict when a deal might be reached. Above, a Montreal lumberyard.

U.S. Commerce Secretary Wilbur Ross have been "actively, energetically and substantively engaged" for the past two months.

She didn't elaborate on what is dividing the two countries. "I do think an agreement which benefits both Canada and U.S....is absolutely possible and achievable, and I can see the outlines of that agreement already," she said.

Last month, Mr. Trudeau said both the U.S. and Canada expressed a desire to settle the softwood dispute before the start of Nafta negotiations.

In April and again in June, the Trump administration put duties on Canadian softwood lumber, reaching as high as 30% on some products. The U.S. accuses Canada of unfairly selling its lumber in the U.S. at prices below production costs, and providing subsidies to producers. The Canadian government has repeatedly said there is no merit in the U.S. accusations.

DOLLAR

Continued from Page One

the market counted on policies such as tax cuts and infrastructure spending to boost the economy, and the dollar with it. But with gridlock in Washington putting those policies in doubt—or at least on hold—many believe the dollar stands to fall further.

Investors last week held roughly $7.9 billion in bets on a weaker dollar, the biggest bearish position since early 2013, Commodity Futures Trading Commission data show.

That leaves some analysts concerned that a change in the economic or political outlook could send investors scrambling to cover bets against the currency, potentially sparking a dollar rally and a reversal of gains in other assets.

Because the dollar is the global currency, any significant change in its value ripples throughout financial markets.

"The broad-based nature of the dollar touches everything," said Alan Robinson, global portfolio adviser at RBC Wealth Management, which oversees $294 billion. "We believe the dollar is moving into a bear cycle, and this is pushing us to make sure our portfolios are properly positioned."

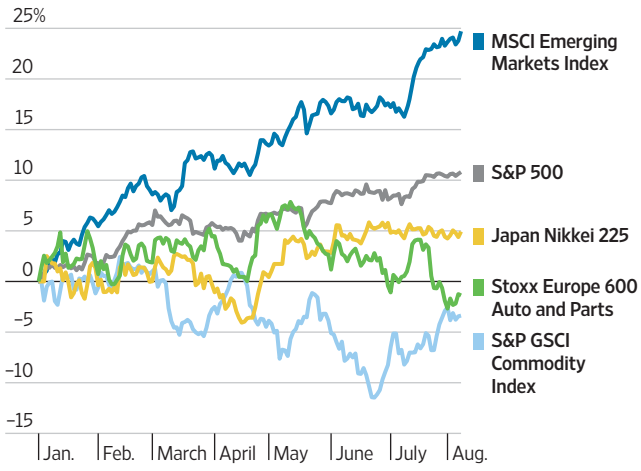
A weaker dollar is typically good for shares of U.S. exporters, making their products cheaper for overseas buyers.

S&P 500 companies got about 43% of their sales abroad in 2016, according to S&P Dow Jones Indices.

Ripple Effects

The dollar's slide this year has boosted U.S. exporters, emerging markets and commodities while hurting some foreign companies.

Index performance this year



Source: FactSet

THE WALL STREET JOURNAL.

Companies including PepsiCo Inc. and railroad CSX Corp. recently cited the weak dollar as helping lift earnings, providing another level of support for a long stock market rally that many think looks stretched. Morgan Stanley estimates that profits for companies in the S&P 500 increase by 1% for every 2% decline in the dollar.

A falling dollar helps commodities, too, which are priced in the U.S. currency and become more affordable to foreign investors when the dollar declines. The S&P GSCI commodity index recently closed out its best month of the year, up more than 4% in July.

That is also good news for commodity-exporting emerging markets, where stocks are up around 25% this year.

The opportunity in emerging markets "is as big as anything we have seen since the mid-90s," said Lance Humphrey, who oversees $6.4 billion as a global multiasset portfolio manager at USAA, a fund manager.

Signs that central banks plan to wind down the easy-money policies that have helped boost risky investments hurt assets in developing countries last month, when flows into emerging market funds slowed or even turned negative.

But those fund flows have picked up again recently, analysts say, in part because of the weakening dollar. A weaker U.S. currency makes it easier for these countries to pay back their dollar-denominated debt.

The dollar's decline, however, can cause challenges for European companies by making their exports less competitive and their U.S. sales worth less when translated back into euros.

Some money managers aren't ready to count the dollar out. "The dollar has been oversold," said James Athey, senior investment manager at Aberdeen Asset Management. "If Trump achieves anything, it's just icing on the cake." He is betting the dollar will rise against the euro and Japanese yen in the months ahead.

But even if the rebound continues, many investors say it would more likely represent a pause than a turnaround without U.S. interest rates moving higher or further indications that economic growth is picking up.

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WEB

Continued from Page One

popular apps—Google's search, Facebook Inc.'s WhatsApp—but also many that are unfamiliar in the developed world, including UC Browser, MX Player and SHAREit, that have been tailored for slow connections and skimpy data storage.

Those three apps, not among the top 100 downloads in the U.S., were in India's top 10 over the 30 months through June, according to App Annie, which tracks apps; many of America's most popular apps aren't in India's top 100.

Mr. Singh's phone uses Google's Android operating system, which nearly monopolizes India's smartphone market in phones from companies such as South Korea's Samsung Electronics Co. and India's Micromax Informatics Ltd.

Apple Inc., in contrast, has a 3% smartphone market share in India, estimates market-research firm Kantar Worldpanel, in part because its least expensive iPhone costs over $300; in India, more than 90% of smartphones cost less than that.

Apple declined to comment on its India strategy. During a call with analysts last week, Apple Chief Executive Tim Cook said he was "very, very bullish and very, very optimistic about India."

Ilphaz Khan, 24, communicates with a family member via voice text on WhatsApp from a New Delhi railway station.

KARAN DEEP SINGH/THE WALL STREET JOURNAL

'Up for grabs'

Scenes like Mr. Singh's are playing out on smartphones across Asia, the Middle East and Africa in places with pockets of less-educated people who are just getting online. UC Browser is a top download in countries such as Indonesia and Yemen. SHAREit is popular in Iran and South Africa. MX Player is big in Bangladesh, Oman and Cambodia.

"Since these are new consumers, everything is up for grabs," said Jan Chipchase, founder of Studio D Radiodurans, a consultancy that analyzes consumer behavior in emerging markets. "That's the potential for disruption."

The sheer size of the Indian market means gaining even a small share can bring huge traffic and expansion. Only around 400 million of India's 1.3 billion people are online, according to the latest numbers from the Telecom Regulatory Authority of India.

This year, more Indians are getting online en masse thanks to a price war. Aiming to bring new customers to the web, Reliance Jio Infocomm Ltd.—a new phone service backed by an Indian billionaire—offered free unlimited 4G-speed data for six months starting last September. That forced competitors to slash rates as well. Data usage in India shot up from less than half a gigabyte per customer a month to more than 6GBs, said Rajan Mathews, director general of the Cellular Operators Association of India.

India's largest cellular company, a Vodafone Group PLC subsidiary, said it figured out new users didn't understand data limits, so it has given them an option of buying unlimited data at less than 25 cents for an hour. "The way the journey seems to start today is with social messaging, YouTube and entertainment apps," not email or social media, said Sandeep Kataria, chief commercial officer at Vodafone India. "Five years ago it was the other way around."

In the year through June, use of YouTube in India has more than doubled, while Gmail use fell 15%, according to App Annie. In the U.S., YouTube growth was 48% over the same period, while Gmail use was up 13%.

Facebook's WhatsApp messenger service says its top two markets are India and Brazil. It has become the first stop on the internet for many who have been using it instead of email or social media. WhatsApp saw the opportunity early on, said WhatsApp Vice President Neeraj Arora, and has its employees come home from India and other emerging markets with suitcases full of the many different types of smartphones on the market to ensure its service works on them.

Facebook has sponsored free Wi-Fi hot spots across India. It has "2G Tuesdays" in its Menlo Park headquarters, when developers can experience a slow connection and how Facebook works on it. It has built a lighter version of Facebook for emerging markets. Facebook says it has just over 200 million active users in India, the largest number outside the U.S.

Nimble adversaries

Global tech titans are monitoring local competition in emerging markets, where nimble adversaries often are the first to figure out ways to serve the less affluent, less educated web surfer.

The emerging leaders are "building apps and services that respond to local needs, and in doing so, they're building products for the future of the internet," said Google's Mr. Sengupta. "The next generation of global tech companies are just as likely to come out of a local coffee shop in Bangalore or Ho Chi Minh City as they are from Silicon Valley."

That includes apps on Mr. Singh's phone. UC Browser, from Alibaba Group Holding Ltd.'s UCWeb, is optimized to use less data for low-speed connections like those India's poor use. UC Browser, with a less-than-1% market share in the U.S. and Europe, controls more than 40% of India's mobile browser market, according to research firm StatCounter.

SHAREit, an app from China's Lenovo Group Ltd., lets people transfer music and movies to friends' phones offline—a popular feature among poor users avoiding the cost of going online. MX Player lets people store online videos to watch offline.

Another app popular in India is Babajob, recently acquired by online classified portal Quikr India Pvt. Ltd., which provides job ads for basic positions such as driver, maid and gardener that pay less than $200 a month. It uses a simple interface that can work by voice. It has reached more than eight million job seekers and 500,000 employers, said Vir Kashyap, one of the company's founders.

In contrast, LinkedIn Corp. has been focusing on the higher-end jobs in India, although it is looking into ways to help blue-collar workers find jobs, said Akshay Kothari, head of LinkedIn India. It launched LinkedIn Lite, an app less data-heavy so people can use it on 2G phones, he said, because "we need to make sure that connectivity and technology is not a barrier," for job seekers.

Google has revamped the way certain searches look in India. Seek a local cricket star, and the top of the search is crowded with photos and videos instead of long lists of links. Google's YouTube created apps in India to make it easier for users to share videos directly—helping them avoid data costs and circumvent slow internet speeds.

One five-person Google team took a long train ride through the western Indian state of Maharashtra recently to poll passengers. "How does he get new music?" asked project manager Scott Velicer through a translator. "Ask him if he has trouble getting to know the name of songs he hears on TV."

The team showed passengers a "low-fidelity prototype," basically phone screens printed on paper with different apps and instructions, asking what they would do if they saw one of the screens. The group later stood at the Lonavla Station and discussed what it learned. "People here don't read the text," so the icons need to be easy to understand, Mr. Velicer said.

Google has also benefited from the dominance of its Android operating system.

Apple has been upping its bet on India, contracting with a manufacturer to assemble handsets locally, rolling out a bigger retail network and investing to support developers of more apps aimed at Indians. It has begun offering Apple Music—available for Android phones—for a lower price than in the U.S.

Last year, Indian banks launched a mobile payment system that after a simple sign-up process allows the less-tech-literate to make payments and transfer money from their accounts with their phones. Paytm, the biggest mobile money app in India, now has more than 200 million users in India, vastly more the number of credit-card holders in India.

A wave of newcomers is avoiding text, using voice activation and images instead.

PayPal is one of the most popular services for international transactions in India, but has yet to launch a payments system for the domestic market. PayPal Holdings Inc. said it plans to start a domestic service and that its deep experience and better technology will help it catch up.

Some poor users say they are willing to pay for data even if it means forgoing consumption of things like cigarettes to afford prepaid cards. Sales of shampoo and some snacks foods have slipped for certain consumers as they put more rupees aside for their phones, say consumer-goods companies such as Nestlé SA.

In few places is the impact of newfound internet access as striking as in the New Delhi station. More than half a million people a day chug through the station, where signs declare the standard porter rates: "Luggage up to 40 kg. 60 rupees" (94 cents). The station's more-than-1,000 porters rush taxis and jump on moving trains, shouting: "Coolie, coolie, coolie." For 30 rupees, they fill up on roti and dal at a garage-sized structure labeled "Coolie Shelter," where they can nap, play cards and lock up their few belongings.

Most porters still think smartphones and the internet are only for the rich and literate. The internet is "not for us," said porter Sajid Khan. "We are not educated, we are like this," he said, sticking his thumb out and pressing it down slowly to mime how he signs documents.

But a growing minority of porters have been using cheap smartphones to get online since the station started offering free Wi-Fi in 2015. One brags he now uses the web to download videos of religious songs using an app called VidMate. Another explains how through his phone he tracks how far a train has reached using an app called Indian Train Locator Live.

Mr. Singh said he gets to the station early every morning to send his friends and family at home recorded messages via WhatsApp. "Is everyone OK in the village? Anyone die?" he asks into his phone. Recorded replies come back throughout the day.

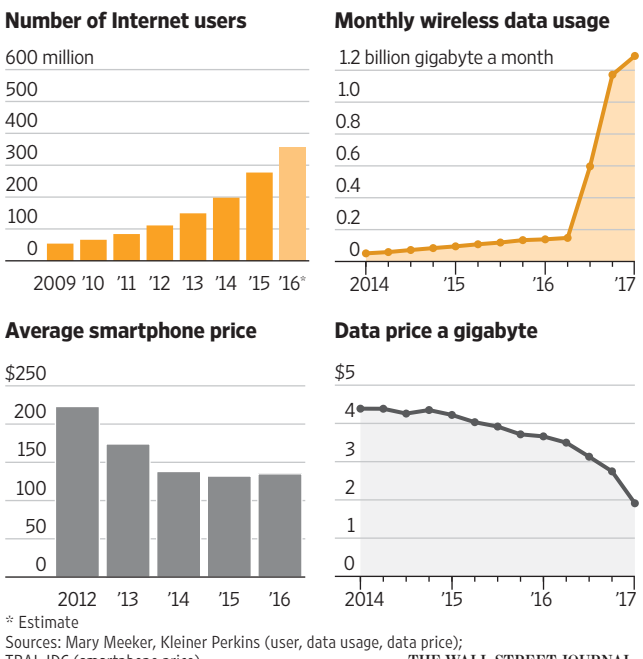
He scours the internet for shows and clips using YouTube, Google and MX Player all day. On YouTube, he starts with a voice search. "Woman singing Rajasthani folk songs," he said in Hindi and looked at the screen to see what shows up. He downloads more than 20 clips a day to watch at night when he returns to the flophouse room he shares with five other porters.

"Life has become better. Life has become faster," he said. "I wish I had it earlier. We wouldn't be so backward."

—Karan Deep Singh contributed to this article.

Affordable Net

In India, millions are getting online for the first time as smartphone and data prices plunge.



* Estimate
Sources: Mary Meeker, Kleiner Perkins (user, data usage, data price); TRAI, IDC (smartphone price)
THE WALL STREET JOURNAL.

RULES

Continued from Page One

Grassi, an NIST standards-and-technology adviser who led the two-year-long do-over, said the group thought at the outset the document would require only a light edit.

"We ended up starting from scratch," Mr. Grassi said.

The new guidelines, which are already filtering through to the wider world, drop the password-expiration advice and the requirement for special characters, Mr. Grassi said. Those rules did little for security—they "actually had a negative impact on usability," he said.

Long, easy-to-remember phrases now get the nod over crazy characters, and users should be forced to change passwords only if there is a sign they may have been stolen, says NIST, the federal agency that helps set industrial standards in the U.S.

Amy LaMere had long suspected she was wasting her time with the hour a month it takes to keep track of the hundreds of passwords she has to juggle for her job as a client-resources manager with a trade-show-display company in Minneapolis. "The rules make it harder for you to remember what your password is," she said. "Then you have to reset it and it just makes it take longer."

When informed that password advice is changing, however, she wasn't outraged. Instead, she said it just made her feel better. "I'm right," she said of the previous rules. "It just doesn't make sense."

Academics who have studied passwords say using a series of four words can be harder for hackers to crack than a shorter hodgepodge of strange characters—since having a large number of letters makes things harder than a smaller number of letters, characters and numbers.

In a widely circulated piece, cartoonist Randall Munroe calculated it would take 550 years to crack the password "correct horse battery staple," all written as one word. The password Tr0ub4dor&3—a typical example of a password using Mr. Burr's old rules—could be cracked in three days, according to Mr. Munroe's calculations, which have been verified by computer-security specialists.

Mr. Burr, who once programmed Army mainframe computers during the Vietnam War, had wanted to base his advice on real-world password data. But back in 2003, there just wasn't much to find, and he said he was under pressure to publish guidance quickly.

He asked the computer administrators at NIST if they would let him have a look at the actual passwords on their network. They refused to share them, he said, citing privacy concerns. "They were appalled I even asked," Mr. Burr said.

With no empirical data on computer-password security to be found, Mr. Burr leaned heavily on a white paper written in the mid-1980s—long before consumers bought DVDs and cat food online.

The published guidelines were the best he could do.

"In the end, it was probably too complicated for a lot of folks to understand very well, and the truth is, it was barking up the wrong tree," said Mr. Burr.

Nevertheless, NIST's password advice became widely influential, not just within the federal government but on corporate networks, websites and mobile devices.

Collectively, humans spend the equivalent of more than 1,300 years each day typing passwords, according to Cormac Herley, a principal researcher at Microsoft Corp. His company once followed the Burr code for passwords, but no more.

The biggest argument against Mr. Burr's prescriptions: they haven't worked well. "It just drives people bananas and they don't pick good passwords no matter what you do," Mr. Burr said.

The past decade has seen a data-breach boom. Hackers have stolen and posted online hundreds of millions of passwords from companies such as MySpace, LinkedIn and Gawker Media.

Those postings have given researchers the data they need to take a hard look at how people's passwords fare against the tools hackers used to break them. Their conclusion? While we may think our passwords are clever, they aren't. We tend to gravitate toward the same old combinations over and over.

Lorrie Faith Cranor's dress is covered in common passwords.

LORRIE CRANO

Back in 2003, Mr. Burr didn't have the data to understand this phenomenon. Today, it is obvious to people like Lorrie Faith Cranor. After years of studying terrible concoctions, she put 500 of the most commonly used passwords on a blue and purple shift dress she made and wore to a 2015 White House cybersecurity summit at Stanford University.

Adorned with the world's most common passwords—princess, monkey, iloveyou and others that are unprintable here—the dress has prompted careful study, and embarrassment.

"I've had people look at it and they're like, 'Oh, I'd better go change my passwords,' " said Ms. Cranor, a professor at Carnegie Mellon University.

The NIST rules were supposed to give us randomness. Instead they spawned a generation of widely used and goofy looking passwords such as Pa$$w0rd or Monkey1! "It's not really random if you and 10,000 other people are doing it," said Mr. Herley, the Microsoft researcher.

Mr. Grassi, who rewrote NIST's new password guidelines, thinks his former colleague Mr. Burr is being a little bit hard on himself over his 2003 advice.

"He wrote a security document that held up for 10 to 15 years," Mr. Grassi said. "I only hope to be able to have a document hold up that long."

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GREATER NEW YORK

Subway Fixes Prove Divisive

Senate leader knocks plan to tax the wealthy, while governor weighs congestion pricing

By Mike Vilensky

New York's elected officials and transit advocates on Monday debated dueling ideas from the mayor and the governor on improving the subway.

Mayor Bill de Blasio, a Democrat, unveiled his plan to tax New York City's highest earners and use the revenue for subway repairs and subsidized fares. His plan, however, was met with swift pushback from the state Senate.

"Raising taxes is not the answer," said Senate Majority Leader John Flanagan, a Long Island Republican.

Meanwhile, Democratic Gov. Andrew Cuomo is considering a long-sought plan to levy fees on Manhattan drivers at peak hours, his office said Sunday.

A congestion-pricing plan could help Mr. Cuomo shore up support among transit wonks and liberal advocates, even as he dismisses Mr. de Blasio's tax-the-rich plan, which also has support on the left.

Mr. de Blasio previously has rejected congestion pricing, but with Mr. Cuomo's administration considering it, hopes were raised on Monday among supporters of the idea.

"I'm sorry it had to wait until a crisis that we were predicting all along," said Sam Schwartz, an engineering consultant who has advocated for congestion-pricing. "But now we have the best shot going forward that we've had in 50 years."

The idea is to reduce gridlock in the city's central-business district by setting a fine for driving there at its most crowded times. The money would be used to repair the public-transportation systems.

The Metropolitan Transportation Authority has a roughly $15 billion annual operating budget and a $32 billion capital plan. MTA Chairman Joseph Lhota is pushing an $800 million improvement plan.

Mayors from John Lindsay to Michael Bloomberg attempted to implement a congestion-pricing plan but were bedeviled by state lawmakers. It isn't clear if Albany has an appetite now for congestion pricing even if Mr. Cuomo pushes it.

"You can't keep asking people in the outer boroughs to reach into their pockets when there aren't equitable transit options for us," said Assemblywoman Nily Rozic, a Queens Democrat, on Monday.

Mr. de Blasio's tax plan also appears to be a long shot.

The state Senate is run by Republicans in a power-sharing arrangement with Democrats who have broken off from their conference. These Democrats are occasional allies of Mr. de Blasio but they expressed little interest in his tax plan Monday.

SACHELLE BABBAR/ZUMA PRESS

Mayor Bill de Blasio favors taxing the rich to improve the subway.

"Before we decide on any plan to increase future funding, we should be utilizing all currently available city and state resources to address the issues plaguing the system," a spokeswoman for the group said.

Mike Whyland, a spokesman for the Assembly speaker, Bronx Democrat Carl Heastie, said congestion pricing and Mr. de Blasio's tax proposal likely would be considered when the Legislature reconvenes in 2018.

Summer Takes a Break as Mist Rolls In

JUSTIN LANE/EUROPEAN PRESSPHOTO AGENCY

FUZZY VIEW: A man gazed at the George Washington Bridge on Monday from Rockefeller Lookout in Englewood Cliffs, N.J. Temperatures were forecast to warm into the 80s in New York City on Tuesday, but rain could return by the end of the week.

Officials Join Immigrant Case

By Joseph De Avila

Joel Colindres came to the U.S. in 2004 after fleeing Guatemala because he said he feared for his life. Now his attorney says a paperwork error could result in his deportation.

Mr. Colindres, 33, missed an immigration court hearing and a judge ordered his removal from the U.S. He never received a notice of the hearing due to a misspelling of his name, his attorney said.

Federal immigration officials in June denied his request to stay the removal and ordered Mr. Colindres, who lives in New Fairfield, Conn., to leave the country by Aug 17.

The case has attracted the attention of some Democratic U.S. lawmakers from Connecticut.

U.S. Sen. Richard Blumenthal and U.S. Rep. Elizabeth Esty are asking immigration officials to allow Mr. Colindres to remain in the U.S. while he is pursuing legal status.

The Connecticut lawmakers noted that Mr. Colindres doesn't have a criminal record, is married to a U.S. citizen and has two American-born children ages 6 and 2.

"It would be an injustice and not comport with our values to deport this father and husband," Ms. Esty said.

U.S. Sen. Chris Murphy of Connecticut has also written to immigration officials asking them to reconsider.

The deportation order has prevented Mr. Colindres from gaining permanent residency after marrying his wife in 2010, said Erin O'Neil-Baker, his attorney.

Mr. Colindres said he is frustrated with the process but wants to make it right.

"They ask you to do the right thing, and you do the right thing. And they come back to you like this?" said Mr. Colindres. "We are just asking for more time so we can fix this."

U.S. Immigration and Customs Enforcement officials said Mr. Colindres was issued a final order of removal by an immigration judge in 2004.

Joel Colindres is fighting an attempt by immigration officials to deport him to Guatemala.

"Since then he has sought relief from removal via several court actions and has been denied each," said Shawn Neudauer, a spokesman for ICE.

ICE officials said the name they have on file is Joel Calinders-Guerra.

Mr. Colindres, who works in construction, worries that his wife won't be able to pay their mortgage and care for their children without him, said Ms. O'Neil-Baker.

He is pursuing several options, including asylum, that could allow him to remain in the U.S. legally, she said.

"We are preparing for the worst, but we are looking at all possibilities," said Ms. O'Neil-Baker.

Charter Schools Press for More Space

By Leslie Brody

When he was under pressure a month ago to make concessions as he tried to extend his control over New York City public schools, Mayor Bill de Blasio pledged to improve his working relationship with the charter sector.

Several charter leaders teamed up Monday to say it is time for him to back up his words with action and to provide more classroom space in city buildings. A spokesman for the city Department of Education said the agency would continue "to assess space requests in a timely manner."

Mr. de Blasio and some charter leaders have had a thorny relationship for years, especially over the city's obligation to provide free space in district buildings or chip in to pay rent for private sites.

Eva Moskowitz, founder of Success Academy Charter Schools, said that in January she asked for district space for 2,100 future middle schoolers in her high-performing network for the fall of 2018. She said she is still waiting for the city to offer appropriate sites, and needs to know soon so parents can make plans for the next academic year.

"These 2,100 kids are going to have their education aborted at fourth grade if we don't have a solution," she said.

Acquiring and renovating private space is prohibitively expensive and time-consuming, Ms. Moskowitz said. Her plan to start 41 more schools during the next decade would cost her network more than $1 billion in construction costs and leases if all opened in private space, she said.

The city is "working with the charter sector to ensure every child, whether in a district or charter school, has access to an excellent education," said a spokeswoman for the mayor.

Charter leaders say they are waiting to hear about availability for the 2017-18 year.

Leaders of International Charter School of New York in Brooklyn and Bronx Charter School for the Arts joined Ms. Moskowitz on a phone call Monday with reporters, organized by Families for Excellent Schools, a pro-charter advocacy group.

The group said 27 charters in the city have pending requests for space. It analyzed the Department of Education's "blue book," detailing school capacity in 2015-16, and concluded that in neighborhoods where charters want to expand, the city has 68 chronically underused buildings, meaning they have more than 300 empty seats for several years.

Michael Aciman, a spokesman for the city Department of Education, said "this misleading report is just another attempt to politicize the education of New York City children."

According to the department, the blue book doesn't reflect programs already planned for a building, zoning changes, and whether a layout is appropriate for adding a separate school, among other issues.

D.A. Funds Will Expand Prison College Classes

By Corinne Ramey

New York University, Cornell University and Bard College will be among the New York institutions providing college classes to state inmates this fall.

Those institutions and four others—Medaille College, Mercy College, Mohawk Valley Community College and Jefferson Community College—were awarded grants to provide the classes to New York prisoners, state officials said Monday.

The colleges, which applied for the grants, will offer classes at 17 prisons including Sing Sing Correctional Facility and Taconic Correctional Facility, both in Westchester County, and Green Haven Correctional Facility, in Dutchess County.

The program, which allocates $7.3 million during the next five years, is financed with criminal-asset forfeiture funds seized by the Manhattan district attorney's office. It is expected to serve about 600 inmates a year.

"Every time we send someone to prison we should have a strategy for how they can succeed when they leave," Manhattan District Attorney Cyrus Vance Jr. said in an interview. "A college education in prison is the single most significant factor that can reduce recidivism."

JASON ANDREW FOR THE WALL STREET JOURNAL

Tamara Porter, a SUNY Sullivan professor, taught a geology class last year to inmates at Sullivan Correctional Facility in New York.

While college programs already exist in some New York state prisons, they largely are privately funded. In 2014, Gov. Andrew Cuomo, a Democrat, proposed using state money for college classes in prison but lawmakers opposed it.

Proponents of such programs say inmates who attend college are significantly less likely to return to prison, saving taxpayer dollars. Critics contend vocational programs are more appropriate for inmates, and taxpayer money shouldn't be used to educate prisoners.

Cornell University has run prison classes for the past 12 years, but the new funding will expand the institution's ability to do so, said Bruce Levitt, faculty director for the Cornell Prison Education Program.

"Ninety-five percent of the people incarcerated in this country are coming home," he said. "The question is: How do you want them to be when they come home?" College classes are the best way to train inmates to be good citizens, enter the workforce and lead productive lives outside of prison, he added.

Sean Pica, who attended college while incarcerated in a New York state prison, said earning a degree helped him land a good job when he was released. He is now executive director of Hudson Link for Higher Education in Prison, a nonprofit that coordinates prison classes.

"They come to us as scared, insecure, the toughest sons of bitches you'll ever meet," Mr. Pica said. "Then you see that confidence start to build, and they start to say, 'I'll accept nothing but an A.' "

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LIFE & ARTS

FILM

Creating a Villain We Love to Hate

What goes into creating a Hollywood antihero who rivets—and terrifies—audiences? Some actors are naturals at playing scary parts

BY ELLEN GAMERMAN

WILL POULTER IS emerging as a powerful new villain in the movie, "Detroit," with critics latching onto not only his performance but his face, an unnerving mix of impishness and evil.

What goes into building a screen villain who terrifies at first sight?

Thanks to digital effects, filmmakers have more tools than ever to heighten an actor's air of menace. At the same time, neuroscientists are pushing to understand how fear is processed and threat is conveyed in facial expressions. Still, in the business of looking sinister on screen, success often comes down to one plain truth: You either have it or you don't.

"He's the only one who really scared the guys at the read-through," casting director Victoria Thomas said of Mr. Poulter's "Detroit" audition. Reading the role of a white police officer who terrorizes black civilians at a motel during that city's 1967 riot, the young British performer unnerved the cast more than any other actor. "Just his presence and demeanor scared the guys. He wasn't trying outwardly to scare them, he wasn't yelling, he just was."

Mr. Poulter, whose career launched with help from his goofy role in the comedy "We're the Millers," is aware of his intense look. Discussing his performance in the 2015 film "The Revenant," he told the Times of London how "there is something inherently strange about me," adding that director Alejandro Iñárritu described it as the "interior baggage in my eyes."

Filmmakers have long used makeup and lighting to dial up the intensity of a villain's face. "There's a lot of power in the 45-degree angle," said movie makeup artist Joel Harlow, calling eyebrows, cheekbones, jawbones, ears and hair instantly more menacing

The intense look of Will Poulter, above right, suited his role in 'Detroit.'

at that slant because they evoke the expression of an animal predator. "That speaks to us on a primal level," he said.

The arched eyebrows of villains have been compared to those of dead and decaying bodies, an effect central to creating unease particularly in the horror genre. "Through the natural atrophy of the forehead and the skin along the face that accompanies decay and death, the middle part of the eyebrows gets tugged downwards, and the skin along the temples stretches," said Steven Schlozman, an assistant professor of psychiatry at Harvard Medical School who teaches an undergraduate course on horror stories.

Often, he said, it's the conflicting traits that spook audiences the most. "Scary faces play a lot with what Freud and others called the uncanny, this idea where something is familiar but just a little bit off," Dr. Schlozman said. "It's just off enough to make you do a double take."

Judging by Cade Jones and his older brother Blake, looks go a long way in determining whether an actor portrays a friend or foe. Cade, 15, who is shorter and stockier than his sibling, played a bully in the Netflix science-fiction series "Stranger Things." He has gotten calls to audition for bullies ever since he hit Billy Crystal in the crotch with a baseball bat in the 2012 movie "Parental Guidance."

EVERETT COLLECTION (4); ANNAPURNA PICTURES ('DETROIT')

Actors who played memorable villains in movies include, clockwise from above left: Heath Ledger, Jack Nicholson, Javier Bardem and Kathy Bates.

Blake, 19, who is lanky with the easy bearing of a jokester, played a young Chesley "Sully" Sullenberger in the 2016 movie "Sully"—a pilot hero portrayed as an adult by the ultimate good guy, Tom Hanks.

"Blake has actually auditioned for quite a few bully roles, and when he walks in the room, people are like, 'No.' He just can't go there—his aura is completely different," said Julie Jones, the actors' mother. She understands why Cade gets the villains. "He's given his mom some looks—I know it's in there," she said. "It's usually when I ask him to stop playing videogames."

In "Get Out," a psychological thriller set around a black man's visit to his white girlfriend's family, cinematographer Toby Oliver at first filmed the father, played by Bradley Whitford, with the golden light reserved for protagonists. When viewers finally learn the truth about that character, Mr. Oliver shoots the actor's face from below, making his eye sockets look like caves and his features appear more jagged. A reflection of flames from a fireplace flickers in Mr. Whitford's glasses. "It starts putting him in a very menacing visual space," Mr. Oliver said.

Bad guys often have less screen time to establish their back stories than heroes, making it more challenging to convey their complexity. Tobin Bell, who plays the villain in the "Saw" movies, which return in October with "Jigsaw," looks for the logic in his character's actions and searches for what makes him human. "He's someone who was a child once and had a mother who loved him, the same as all of us," Mr. Bell said. "It's just that his path led him down a different life."

Some actors can draw on special talents. After director Andy Muschietti cast Bill Skarsgård as the villain in "IT," the Stephen King horror movie out next month, he told the actor that he wanted to digitally add a wandering eye to his face in post-production. "He goes, 'Uh, I can do it,'" Mr. Muschietti said, recalling how Mr. Skarsgård then turned one eye outward on the spot. "What are the odds that the one you pick for a role can do that?"

MUSIC

YO-YO MA'S PLEA TO SAVE A MUSICAL BARGE

SEAN BENHAM/FLICKR

Bidders from Estonia, France, the U.K. and the U.S. have emerged to save this Louis Kahn-designed orchestral vessel.

BY BRENDA CRONIN

A MUSICAL BARGE with an architectural pedigree and the silhouette of a spaceship may have dodged a trip to the scrapyard.

The Point Counterpoint II, a 195-foot steel vessel designed by the award-winning architect Louis Kahn, has served since 1976 as a floating stage for the American Wind Symphony Orchestra.

Robert Boudreau, the symphony's maestro—and skipper of the Point Counterpoint II—recently turned 90 and is ready to relinquish his baton and the helm. His wife and first mate, Kathleen Boudreau, also is stepping down. With no successor in sight, things looked bleak for the Point Counterpoint II.

But last month, cellist Yo-Yo Ma wrote a plea for help in the New York Review of Books. Concerned that the Point Counterpoint II was in peril, Mr. Ma hailed the vessel as "a vibrant ambassador for our national unity."

Within days, inquiries from across America, France, the U.K. and elsewhere poured into the Pennsylvania farm that is both the Boudreaus' home on terra firma and the headquarters of the American Wind Symphony Orchestra.

Mr. Boudreau has heard from supporters in Mr. Kahn's birthplace, Estonia, and from the president of a French chateau and museum eager to dock the Point Counterpoint II along the Loire River for concerts on its open-air stage.

The new stewards of the Point Counterpoint II will face significant logistical hurdles, such as relocating the 1,600-ton vessel. The boat is in Ottawa, Ill., following the orchestra's swan-song tour this summer on the Great Lakes and the Illinois River.

"We don't have to worry about going to the scrapyard at this point," says Mr. Boudreau, who said that because relocating the barge is such a job, she is likely to end up in the U.S. Bids for the

Please see BARGE page A10

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MUSIC

In Search of a New Lead Singer?

Treble, a new app, connects musicians with potential collaborators and gigs

JAN FEINDT

BY ERIC R. DANTON

WHEN THE PIXIES were looking for a bass player 30 years ago, the alt-rock band put a classified ad in a Boston newspaper seeking a woman who liked both the band Hüsker Dü and folk trio Peter, Paul and Mary. These days, the Pixies might have turned to Treble instead.

Treble is a new app that connects songwriters, rappers, singers, musicians, producers and other potential collaborators. Participants post and peruse profiles on the app and get together for one-off jobs or longer-term work. Treble users can sift through musicians' profiles, hear samples of their work and post opportunities on a bulletin board.Treble was released on Apple's app store this month, following a test phase that began in December.

Brooklyn singer Christa Williamson connected there with a producer to make beats for an EP she's working on. Ms. Williamson, who is 21 years old, also is using Treble to find a bassist and guitarist to play with her in the studio. A rapper she met at a Treble mixer invited her to sing on one of his tracks. "It's legit. People actually care to connect," she said.

Not every musician is inclined to comb cyberspace for collaborators. Katie Von Schleicher, 30, a Brooklyn musician who just released her second album, prefers finding them the old-fashioned way. "What's beautiful, at least if you're based in New York, is that you simply have to go talk to someone at a show," Ms. Von Schleicher said.

While the Beyoncés and Coldplays of the world are unlikely to use the app, Treble sees potential among aspiring musicians who aren't necessarily destined for superstardom. "They might never win a Grammy or have a platinum record, but they're incredibly passionate about what they do," says Matt Bond, Treble's 25-year-old chief executive.

> Some musicians say they would rather find collaborators in person instead of online.

Mr. Bond had the idea for Treble when he was a student at New York University. At the time, he was an aspiring rapper and was having trouble finding producers with whom to work. "There's technology to connect people for so many other purposes, but there was no platform to connect artists and musicians," said Mr. Bond, who graduated in 2014.

After working in advertising, he quit in 2015 to develop Treble with two friends and help from 30 Weeks, a start-up incubator that Google ran for designers. He declined to say how much it has cost to develop Treble so far.

The company has been sustained by corporate-sponsorship deals and ticket sales for special events, along with cash from outside investors as well as Mr. Bond's savings and "bar mitzvah money."

Since last year's soft launch, Treble has assembled about 1,500 users, who all had to apply.

"We wanted to manually cultivate the right community and culture," Mr. Bond says. When the company makes its platform widely available through Apple, anyone with an iPhone will be able to create a profile, free. A web-based version will follow in the fall. Treble likely will add a premium tier along with some kind of advertisements.

Though Treble bills itself as a platform for any music maker, it is proving very popular with rappers and electronic musicians. "There's a constant need to find new people to work with" in those genres, Mr. Bond says.

Chicago rapper Taylor Bennett found a whole band on Treble to play on his song "New York Nights."

"It's kind of like a Tinder for musicians," said Mr. Bennett, 21, referring to the dating app with tens of millions of users.

While Mr. Bennett knows plenty of musicians—his older brother is Chance the Rapper—he says Treble is perfect for "those times when you're like, 'Oh, my God, I need strings on this, and I don't know anybody who plays violin.'"

A piper greets the Point Counterpoint II in Ontario in 2009.

BARGE

Continued from page A9

Point Counterpoint II began at around $3 million and have risen to $4 million, he said.

Mr. Boudreau is sorting through inquiries from supporters in Philadelphia, where Mr. Kahn worked, as well as Charleston, S.C., and Washington, D.C. Last week, he traveled to Buffalo, N.Y., and Kingston, N.Y., to hear pitches to host Mr. Kahn's distinctive creation. Buffalo's reviving waterfront, architectural heritage and celebrated Philharmonic make it the perfect home for the Point Counterpoint II, said Newell Nussbaumer, founder and editor of the online magazine Buffalo Rising, and a force behind the campaign for the barge.

Kingston has a thriving waterfront and music scene, said the city's mayor, Steve Noble, with recent performers including Bob Dylan. "We do care a lot about this type of culture," Mayor Noble said. "And we want to see this type of architecture not be given to a scrapyard."

Mr. Boudreau would like the next owner to continue the kind of concerts he led with the American Wind Symphony Orchestra. A Juilliard-trained trumpet player, he established the "symphony orchestra minus the strings" in 1957. Benefactors sustained his idea of roving musical ambassadors performing world-wide. Every year, the Boudreaus auditioned young musicians from around the world and assembled about 45 of them, most in their early 20s, for tours. Aboard the Point Counterpoint II, the orchestra performed along waterways in the U.S., Europe and the Caribbean.

Navigating can be "a little scary sometimes," says Mr. Boudreau, who has weathered more than 500,000 miles aboard the vessel. During a stop a few years ago in West Virginia, he recalls walking "through three feet of water just to get to the gangplank." Flooding in Pennsylvania once washed the boat on to a highway, where she had to be retrieved by cranes. On the Erie Canal, he says, the 38-foot-wide barge has a mere foot or so "on each side when we go through a lock."

During the tours, Mr. and Mrs. Boudreau lived aboard the boat. The musicians, who received a stipend, stayed with host families along the route. They played 90-minute concerts on the barge's deck, while the audience watched from the waterfront. Mr. Boudreau mixed in chestnuts such as Handel's "Water Music" and John Philip Sousa with new commissions. An unabashed showman, he liked to kick off performances conducting Aaron Copland's "Fanfare for the Common Man" while the roof above the deck retracted, revealing the orchestra.

Conductor Robert Boudreau, with baton, in 1961

FROM TOP: MICHAEL ROBERTS; KEYSTONE PRESS AGENCY/ZUMA PRESS

"My dream has always been to help young people follow their dreams," Mr. Boudreau says. After the orchestra outgrew its first vessel, the Point Counterpoint I, Mr. Boudreau asked Mr. Kahn to work on a successor. Support from philanthropists, corporate donors and government helped fund the construction.

The architect's design included a performance space on deck as well as a small indoor theater and an art gallery. The barge's inaugural tour coincided with the U.S. Bicentennial, two years after Mr. Kahn's death in 1974.

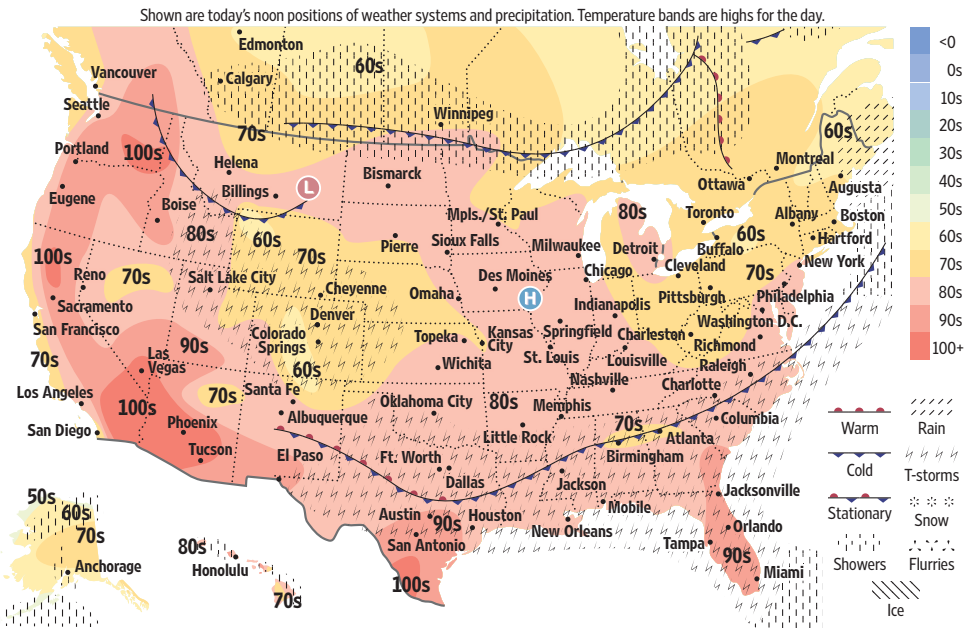
Mr. Ma, a longtime Louis Kahn buff, got to know Mr. Boudreau a few years ago and was struck by his "enormous generosity of spirit...that inspires other people."

"I want to be like him when I'm 90," Mr. Ma said.

Weather

AccuWeather.com

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



U.S. Forecasts

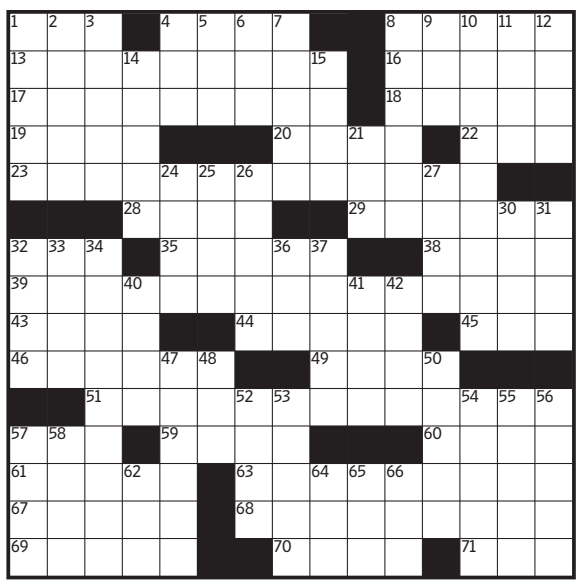
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Anchorage	69	57	c	66	57	r
Atlanta	79	69	t	83	71	t
Austin	92	73	t	94	73	t
Baltimore	80	58	pc	82	62	s
Boise	95	66	pc	94	67	s
Boston	73	62	pc	82	65	s
Burlington	74	58	sh	80	61	pc
Charlotte	82	66	t	83	67	t
Chicago	82	63	s	84	65	pc
Cleveland	77	61	s	84	64	s
Dallas	88	73	pc	90	77	pc
Denver	77	55	pc	76	57	t
Detroit	82	60	s	85	64	pc
Honolulu	88	76	pc	89	76	sh
Houston	88	76	t	91	78	t
Indianapolis	80	60	s	80	63	s
Kansas City	79	63	pc	76	65	t
Las Vegas	104	82	s	106	83	s
Little Rock	84	68	pc	85	70	c
Los Angeles	86	67	pc	85	66	pc
Miami	92	81	c	91	82	t
Milwaukee	82	64	s	82	66	pc
Minneapolis	82	63	pc	76	64	t
Nashville	84	65	pc	85	69	c
New Orleans	88	77	pc	87	77	t
New York City	80	65	pc	82	67	s
Oklahoma City	84	68	pc	88	71	t
Omaha	81	63	pc	77	63	t
Orlando	91	75	t	92	76	t
Philadelphia	82	63	pc	83	65	s
Phoenix	109	84	s	111	88	s
Pittsburgh	75	54	pc	81	60	s
Portland, Maine	72	56	pc	82	62	s
Portland, Ore.	94	64	pc	96	64	pc
Sacramento	93	63	s	93	61	s
St. Louis	84	64	s	86	69	pc
Salt Lake City	88	68	pc	90	70	pc
San Francisco	73	59	pc	72	60	pc
Santa Fe	84	58	pc	88	59	pc
Seattle	89	64	pc	93	63	pc
Sioux Falls	80	61	pc	75	58	c
Wash., D.C.	82	64	pc	83	67	s

International

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Amsterdam	70	56	t	68	55	t
Athens	98	82	pc	94	81	pc
Baghdad	121	89	s	122	87	s
Bangkok	93	81	t	94	80	t
Beijing	92	73	t	89	72	t
Berlin	80	65	pc	77	61	pc
Brussels	67	54	t	68	53	t
Buenos Aires	62	45	pc	64	53	pc
Dubai	114	94	s	111	93	s
Dublin	60	50	pc	64	47	pc
Edinburgh	64	48	sh	65	47	pc
Frankfurt	74	57	r	76	57	pc
Geneva	70	57	r	75	55	sh
Havana	92	73	pc	91	73	pc
Hong Kong	94	85	t	94	85	t
Istanbul	91	77	s	92	78	s
Jakarta	90	76	pc	89	75	sh
Jerusalem	89	71	s	91	72	s
Johannesburg	67	45	s	68	46	s
London	63	55	r	61	54	r
Madrid	87	61	s	86	55	s
Manila	92	80	t	91	80	t
Melbourne	58	47	c	61	50	pc
Mexico City	78	54	pc	73	58	pc
Milan	87	67	pc	85	65	pc
Moscow	72	55	c	73	54	s
Mumbai	87	81	sh	88	79	sh
Paris	69	54	t	70	53	t
Rio de Janeiro	84	68	pc	88	68	s
Riyadh	112	84	s	113	85	s
Rome	90	72	pc	90	72	pc
San Juan	89	81	sh	89	79	sh
Seoul	90	75	s	92	76	pc
Shanghai	100	81	pc	89	81	r
Singapore	87	80	t	88	79	t
Sydney	66	48	s	69	49	s
Taipei	100	84	t	101	83	pc
Tokyo	87	80	sh	91	76	pc
Toronto	77	62	s	82	64	pc
Vancouver	77	62	s	78	63	s
Warsaw	78	61	pc	86	66	pc
Zurich	75	55	r	71	53	sh

The WSJ Daily Crossword | Edited by Mike Shenk



FIVE-STEP PROGRAM | By Jamey Smith

Across

1 Slangy greetings
4 Creamy color
8 Piggery enclosures
13 Mottled mount
16 Racy wall art
17 Bowler or batsman, e.g.
18 Opening words or bars
19 Antlered animal
20 Sierra Club founder John
22 Steaming
23 Show billed as "The Ultimate Job Interview"
28 Gin-flavoring fruit
29 Steadfast
32 Period of decline
35 "¿Cómo ___?" ("How are you?" in Spain)
38 Declared
39 Celebrates with abandon
43 Brain-freezing brand
44 Rap sheet listing
45 Baseball Hall of Famer Griffey Jr.
46 Hindu text regarding rituals
49 Some are easily bruised
51 Hilarious
57 "Oh, nasty!"
59 Straight, at the bar
60 Aboard a liner, e.g.
61 News sources
63 Book containing lots of legends?
67 Like a Reuben
68 Software for your phone, and a clue to four other Across answers
69 Mount
70 Banana discard
71 Punctured tire sound

Down

1 Blue blood vessel?
2 Barack awarded her the Presidential Medal of Freedom
3 Skyline feature
4 Antlered animal
5 British miler Sebastian
6 Hooey
7 1972 Bill Withers hit
8 Pluck
9 Bronze ingredient
10 Safe and sound, theoretically
11 Cologne currency
12 Location
14 Substitute for
15 Make ___ for it (flee)
21 Part of TGIF
24 Entreaty
25 Ritzy
26 Draw upon again
27 Javier's house
30 Nasty infestation
31 Blissful place
32 Work on a film or a manuscript
33 Florida city, familiarly
34 "I know just how you feel"
36 Loan letters
37 Pitch, of a sort
40 "Late Night" host Meyers
41 Spa class
42 Plummet
47 Freed of lather
48 Biography figure
50 More than a trickle
52 Hippocratic oath no-no
53 Brownstone feature
54 Cozumel y Mallorca, por ejemplo
55 Semimonthly tides
56 Sharp intakes
57 Hovering flyers
58 Mannerly fellow
62 Salon stock
64 Prez on pennies
65 Conk out
66 Monopolist's share

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Previous Puzzle's Solution

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OPERA REVIEW

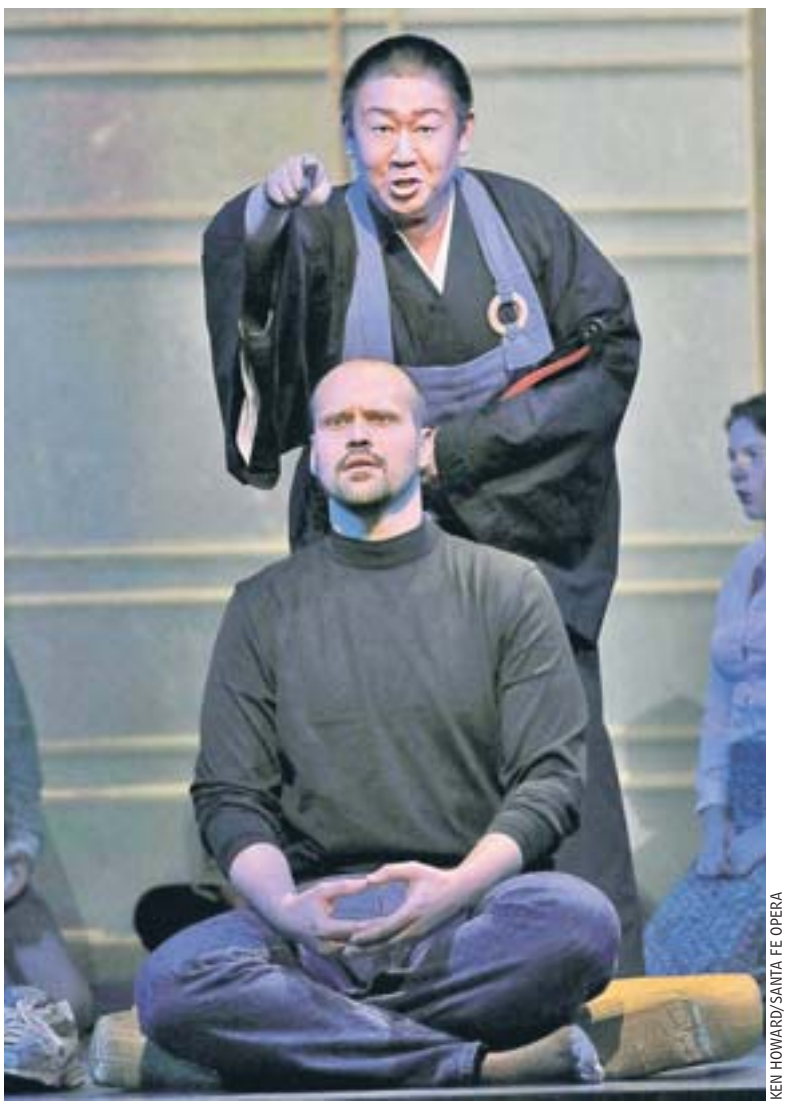
Steve Jobs Gets His Own Aria

BY HEIDI WALESON

Santa Fe, N.M.

TWO SCENES STAND OUT in Mason Bates's "The (R)evolution of Steve Jobs," now in its world premiere engagement at the Santa Fe Opera. In both of those scenes, the energy of the composer reacts with that of his mercurial subject to create something theatrically arresting and new. The first happens early. After a brief prologue that takes place in 1965 on Steve's 10th birthday, we are suddenly plunged into the 2007 product launch of the iPhone (we know what it is, though Apple and its products are never named). The tempo picks up, the orchestra ticks and pulsates with rhythmic excitement, and as the adult Steve (Edward Parks) demonstrates—"One device / Does it all. In one hand"—images of computer icons and webpages (by 59 Productions) flash on Victoria "Vita" Tzykun's paneled set. Steve's jittery aria—"Tap / Get the news / Tap / Book a flight," and so on, with every other function one could possibly wish—sweeps the chorus along in a moment of triumph that captures the zeitgeist of this revolution in technology. In the other memorable scene, which takes place about two-thirds of the way through the 90-minute opera, the rhythmic energy lurches toward chaos: Now we're back in the 1980s, Apple's fortunes are falling, and Steve, reacting to every design idea with "Wrong. All wrong," sows discord in the company, pushes his old friend and collaborator, Steve Wozniak ("Woz"), away, and, after the board sidelines him, quits as the orchestral roar turns into the cacophony in his head.

The contemporary, original vitality of these scenes doesn't sustain through the rest of the opera, however. The librettist, Mark Campbell, tells the story of Jobs in 18 non-chronological vignettes; his through-line is how an obsessive, controlling, closed-off person learned to be human. This transformation occurs at the 11th hour, when, thanks to the love of a good woman, his wife Laurene, he accepts his own imperfections, including his fatal illness. At Steve's memorial service, Mr. Campbell has Laurene sing that "Version 2.0" of her husband would tell people to look at the stars, not at their phones. This uplift feels preachy and artificial, just as other aspects of the libretto wrap up too neatly: for example, how Steve's fear of the messiness of life leads him to insist that the innards of his computers be sealed away from prying eyes. Also, having Steve talk about music as a metaphor for his creative impulses seems to pander to the opera crowd. Whether it's true or not doesn't matter: The effect is to give this extremely modern story a jarringly old-fashioned cast.



KEN HOWARD/SANTA FE OPERA

Edward Parks as Steve Jobs, above with the Santa Fe Opera Chorus and at right with Wei Wu as Kōbun Chino Otogawa

This is the first opera for Mr. Bates, who is best known for integrating electronica and techno rhythms with classical instrumentation. His vocal writing here is tuneful and accessible, if not gripping; the opera's most interesting music is for the orchestra and the complex, overlapping ensembles like the two driving, aforementioned scenes. Electronic sounds create unusual effects, like the moment right after the launch, as Steve's illness overcomes him, when the whole orchestra seems to groan; so does the use of a guitar as a leitmotif for Steve. The principal singers are lightly amplified, which helped make their words more intelligible; despite that, the pit-stage balances were sometimes off.

Baritone Mr. Parks, in Jobs's trademark black turtleneck, jeans and sneakers, was onstage the whole time. Though he has the least distinctive vocal music, he acted with authority. Sasha Cooke seized Laurene's long, arching phrases and, with her eloquent mezzo, made you believe in them. Also impressive was bass Wei Wu as Steve's (deceased) spiritual adviser, the Buddhist Kōbun Chino Otogawa, who appears to Steve as he walks in the hills after the 2007 launch and guides him as he thinks back over his life. Garrett Sorenson brought sincerity to the geeky Woz, especially in the aria where he denounces Steve for having become "one of the bastards we hated." Jessica E. Jones was a plaintive Chrisann, the girlfriend that Steve impregnates and then brutally rejects, along with their daughter. Michael Christie was the forceful conductor.

The most modern and consistently exciting aspect of the show was the production. Six translucent boxes, their design reminiscent of the Apple stores, moved around swiftly to become the different locations, aided by the projections, which ranged from subtle paper screens in a Zen center, to the flashing headlines tracking Steve's rise and fall, to animated computer circuit boards (in one scene, brightly colored by an acid trip). The opera is already scheduled to play San Francisco and Seattle; one lovely effect unavailable to those houses is the open back of the Santa Fe Opera House, with the New Mexico mountains standing in for the hills around Cupertino. Japhy Weideman's lighting and Paul Carey's costumes complemented the look, and Kevin Newbury's brisk and thoughtful directing told the story with clarity and verve.

The (R)evolution of Steve Jobs
Santa Fe Opera, through Aug. 25

Ms. Waleson writes about opera for the Journal.

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SPORTS

NFL

Falcons Look to Shake Super Bowl Hangover

After blowing a 28-3 lead to the New England Patriots, Atlanta is trying to use the painful memory as motivation this season

BY ANDREW BEATON

Flowery Branch, Ga.

BEFORE THIS SEASON, Falcons coach Dan Quinn called the team together for an emotional meeting. Some players spoke, others didn't.

But they had to let it out. Transitioning to 2017 had to begin with airing any feelings or grievances lingering from their ignominious status as the team that blew the biggest Super Bowl lead ever.

Quinn told the team, "'If anybody has anything on their chest, get it off your chest right now,'" said wide receiver Taylor Gabriel. "We just had an open dialogue."

Nobody can know for sure just yet how Atlanta will respond this season. That's because no team in Super Bowl history lost quite like the Falcons did.

The Patriots trailed Atlanta 28-3 in the third quarter and, according to most estimates, had roughly a 1% chance at winning. Then, 31 unanswered points later, Tom Brady and Bill Belichick collected their fifth Super Bowl rings.

The Falcons are trying to use the memory as motivation, even though they know it might not work out that way.

"Hearing all the hype about how the Patriots came back, it just added fuel to the fire for us," said star linebacker Vic Beasley. "We can't allow that outcome to affect our next season."

Whether that latter statement is true will come to define the Falcons' season. It may decide which team hoists the Lombardi Trophy this coming February.

That's because the Falcons have as good a chance as any to dethrone New England. There's little doubting their talent—they return MVP quarterback Matt Ryan, star wideout Julio Jones and the bevy of weapons that made their offense historically productive a year ago. And the defense still has Beasley, who is just 25 years old and led the NFL in sacks in 2016.

But winning it all may not be just a football task for Atlanta. It's a psychological battle in a sport that is already mentally grueling.

Players say they have meticulously watched the film from that game. Ryan said this offseason he watched the tape the day after the Super Bowl. Then the next day. And the day after that too.

And it's possible that for some it's less about the emotions than studying the flaws that collapse exposed. And the same way they study any other week's film looking for ways they can improve, they did the same with that game. "It's pretty much: see where we can get better," said Deion Jones. Now, having done that, Jones says mentally "it's like a reset."

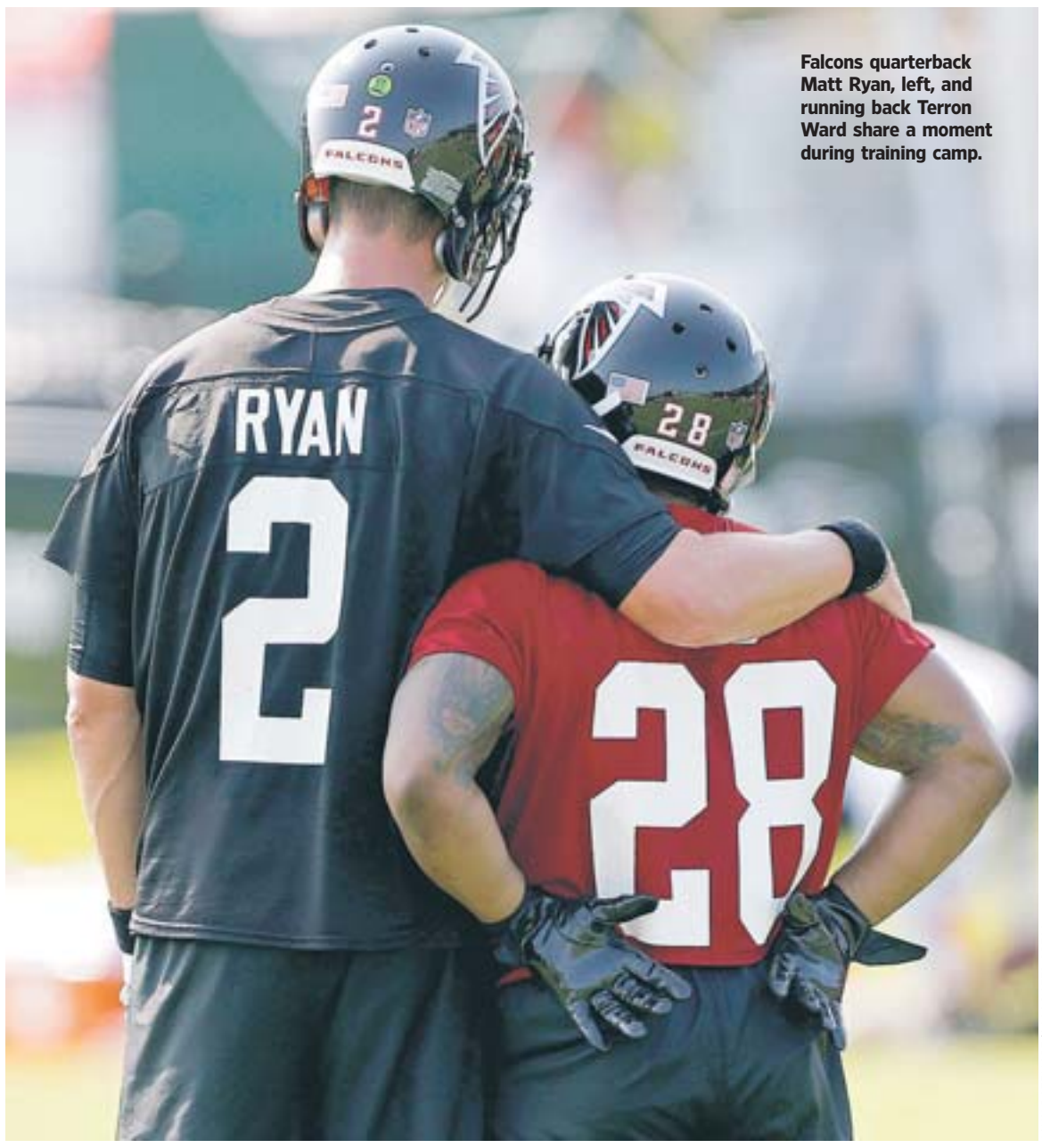
In that vein, some players tried to treat this offseason normally. They went on vacations. They spent time with family. Julio Jones lost expensive jewelry in a lake. "It wasn't like there was something different because the last game was the Super Bowl," Jones said at training camp. "All that stuff is last year."

That echoes the tune of their coach who has been preaching that the team must lock away the past since at least April. "No more looking back in the rearview, 2017 is officially here," he said then. "Let's go for it like we never have before."

Few know how difficult that will actually be, mentally and emotionally, than members of the 1992 Houston Oilers. That's the team that coughed up the biggest lead in NFL playoff history. The Oilers led the Bills 35-3, only to lose in overtime.

Al Del Greco, the kicker on that Oilers team, says that was even more crushing than his loss with the Titans in Super Bowl XXXIV, when Tennessee receiver Kevin Dyson was tackled one yard short of a game-tying touchdown in the final seconds. The reason: When you give away a lead that big, you're left with big-picture questions about the decisions that made it at all possible in the first place.

"You look back on it and say, 'Man, we could've done this differently,'" said Del Greco, noting the Oilers fought through it to go 12-4 the next year. "I still get sick to my stomach."



Falcons quarterback Matt Ryan, left, and running back Terron Ward share a moment during training camp.

JOHN BAZEMORE/ASSOCIATED PRESS

Sports psychologists say this relentless second-guessing can go one of two ways. It can lead to change for the better, or create festering issues that some may never be able to move past.

If the Falcons can ultimately learn from the loss and use the defeat as motivation, it's a form of post-traumatic growth, says Amy Baltzell, president-elect of the Association of Applied Sports Psychology. That's when people move on positively from some type of adverse event.

Baltzell adds that a team meeting, like the one Gabriel mentioned, is a good indicator that the Falcons are proactively looking to learn from it. "Being able to talk about it and have people hear you and normalize it is ideal," she said.

But it's also easy to look at the NFL and see why it might not go so smoothly. The Seattle Seahawks lost Super Bowl XLIX to the Patriots when, with the ball on the edge of the goal line, they chose to pass—resulting in an interception that cost them the game rather than a running touchdown that would have won it. Ever since, there have been murmurs that issues stemming from that decision remain.

Although there's no reason to believe there are any internal problems in Atlanta—their rallying cry is "The Brotherhood"—it's not dissimilar in that there were strategic questions afterward. Could they have milked more clock to prevent a possible comeback? What happened on defense to give up 31 unanswered points? What happened to the ultra-productive offense down the stretch?

If it's any encouragement for the Falcons, they're not alone. This has become a golden age in sports for stunning comebacks, and it isn't always so devastating the next season.

The Golden State Warriors coughed up a 3-1 lead in 2016 only to reclaim their crown afterward. (Kevin Durant may have played a role in changing that dynamic.)

And even one of Atlanta's new additions should be able to empathize. New Falcons offensive coordinator Steve Sarkisian held that same job at Alabama for exactly one game last season. That game was the national championship—where the Crimson Tide gave up the lead, and the college football title, to Clemson with a single second left on the clock.

CYCLING

HORRIFIC RIO CRASH IS A DISTANT MEMORY

BY JOSHUA ROBINSON

Marseille, France

ANNEMIEK VAN VLEUTEN missed the part of the Rio Olympics when everyone thought she was dead.

Even her own mother feared the worst when the Dutch cyclist flipped over her handlebars and landed on her neck during the women's road race. Her teammates, too, knew she was in trouble after they sailed by her crumpled body in the road. Everyone's ugliest fears about racing down the treacherous descent off Vista Chinesa had been confirmed with one gruesome slip.

When van Vleuten opened her eyes in a Brazilian recovery room, her friends and family all told her how insanely lucky she'd been to survive. Except van Vleuten's memories of overcooking that corner were blank. All she knew was that her head hurt, her back hurt, and that she wasn't relieved in the slightest.

"They were so happy that I was still alive," van Vleuten, 34, said in Marseille. "But I only woke up in hospital like, 'Shit I lost the gold medal.'"

She had blown up her rivals on the climb and was leading solo just seven miles from the finish line in Copacabana. Olympic gold was right there. Her regrets over that race lasted far longer than her injuries.

But in the year since she was peeled off the road, her career took a sudden, therapeutic turn: Van Vleuten started winning.

A month after the crash, having recovered from a severe concussion and three broken vertebrae, she wasn't just back on the bike, she was on the top step of the podium at the Lotto Belgium Tour. As she continued her transformation into one of the world's top climbers—a process she and her coach undertook in the year before the Olympics—she attacked the hardest races the calendar had to offer in 2017.

She finished third at the women's Giro d'Italia only due to a tactical error. Then in July, she won the two-stage women's race hosted by the Tour de France with a blistering climb up the Col d'Izoard in the Alps and a perfect time-trial in Marseille.

"I don't know what would have happened had she won in Rio, but there's a hunger there," because of the crash, said Gene Bates, van Vleuten's coach on the Orica-Scott team. "It certainly kicked on her career."

> In the year since her accident, Annemiek van Vleuten's career has taken a therapeutic turn.

Pro cyclists are no strangers to crashing. Scars and gashes on elbows, knees and collar bones are as much a part of the kit as padded shorts. It all comes with the territory in a sport that pushes inch-wide bike tires to the limits of grip and throws lightweight machines on narrow roads and hairpin curves at more than 25 mph.

A year before Rio, van Vleuten was hit by a car during training, suffering a broken collarbone and broken ribs, and called her mother like it was no big deal. And, 24 hours before her Olympic race, she had been reminded of how dangerous the Vista Chinesa descent was when she watched Italian Vincenzo Nibali wipe out in the leading group of the men's event.

None of that made sitting in a Brazilian hospital any easier. Due to the concussion, van Vleuten couldn't use her phone or her laptop or even watch television. There were no distractions from the single thought eating away at her. "I'd wake up in the morning with a stone in my stomach thinking, 'Why did I misjudge that corner?'" she said. "I was so near to something so big in my life, in my career, and I just made a stupid mistake. Why? What if? But also, that's not helpful."

Van Vleuten escaped Brazil as soon as she felt well enough to fly. And a week later she was back on two wheels: a town bike with tall handlebars that she could putter around on to cafes without worrying about power-to-weight ratios or mountain gearing. She started with half an hour. Then an hour. In mid-August, she posted a Strava file that showed she'd completed a 1.5-hour ride covering 14 miles.

For a pro racer, that barely counts as moving. For a pro racer making a comeback, it was something to believe in.

But soon, she found she needed to escape the Netherlands as well. Van Vleuten simply couldn't keep talking about the crash. So she and her mother flew to Livigno, a town in the Italian Alps where van Vleuten loved to train. This time, it would be strictly a vacation—at least initially.

The plan before Rio had been to make the rare move of turning her into a climber. Van Vleuten built her schedule around altitude camps. She quit her gym training to drop upper-body weight.

Without Olympic gold, van Vleuten worried she'd have nothing to show for all of her uphill toil. In Italy, however, she made a discovery: her form had survived the crash. She broke out her racing bike for the first time in weeks and the vacation morphed into a training camp. "I thought oh my God I still have my Rio shape," she said.

The climbing legs were still there. Now she and her coach needed to know if her head was, too. She linked up with the second-tier Nippo-Vini Fantini men's team for training rides. She relocated to the volcanic slopes of Sicily. Only one question remained. Was she brave enough to start descending again?

"The worst thing we could have done was thrown her down a dangerous descent in the wet again," Bates said.

The courage came through sheer repetition. Nothing made that clearer than her performance in France last month. She shot up the Izoard almost as fast as Warren Barguil, the top male climber in the Tour de France, and destroyed the women's field. Eleven months after the Olympics, she hit the summit and celebrated a pure climber's victory. This time, there was no descent on the other side.

"A lot of people think I don't want to talk about Rio. But actually, I'm super proud of what I did in Rio," van Vleuten said. "It's sometimes hard when [TV shows] introduce me and they only show the crash. Then I'm a bit sad. Come on, also show how strong I was uphill."

Annemiek van Vleuten was leading the Olympic road race before she crashed.

BRYN LENNON/GETTY IMAGES

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OPINION

Speak for Venezuela, Pope Francis

MAIN STREET
By William McGurn

When Pope Francis wants to make the objects of his disfavor feel his sting, he's never lacked for words—especially when it involves the U.S.

But when it comes to the brutality of Venezuela's government against its own people, Pope Francis and the Vatican have mostly avoided calling out Nicolás Maduro by name. Until Friday, that is. That's when a popular uprising in Venezuela finally pushed the Vatican to oppose the regime's bid to tighten its grip by imposing an illegitimate super-assembly to rewrite the constitution.

Even this late in the day, the Vatican's expression of "profound concern" is better than nothing. Particularly welcome is Rome's call for Mr. Maduro to "suspend" the new assembly. Still, it's hard not to notice that in sharp contrast to Venezuela's bishops—who recently tweeted a prayer to "free our homeland from the claws of communism and socialism"—even the toughest Vatican statement on Venezuela has all the zing of a World Bank communiqué calling for more resources for a clean-water project in Moldova.

How different the tone is when the subject is Donald Trump or Uncle Sam. Whether suggesting that Mr. Trump is not Christian, warning on Mr. Trump's inaugural day that populism can lead to Hitler, or implying that ours is an economy that "kills," Pope Francis has an argot of displeasure all his own.

It's absence here is particularly striking. Because for an example of a populism that leads to totalitarianism or an economy that kills, it's hard to beat oil- and mineral-rich Venezuela, whose citizens have now been reduced to picking through garbage cans while their leaders ratchet up the repression. Not to mention Cuba's military-socialist colonialism.

As for the bishops, good ones are not given to criticizing their pope publicly, and Venezuela's are no exception. But they may be speaking more frankly in private. In a June 11 article headlined "Stop being soft on our despot, Venezuela's bishops tell Francis," the Economist reported on a meeting six bishops forced onto Francis' schedule when they flew to Rome in June—uninvited.

Two months earlier, the bishops put it this way: "We have to defend our rights and the rights of others. It's time to very seriously, and responsibly, ask if civil disobedience, peaceful demonstrations, appeals to the national and international public power, and civic protest, are valid and opportune measures."

Defenders of the Francis approach have been assuring everyone the pope's reluctance to speak forthrightly against the regime, and his preference for talking about "both sides" as if they are morally equal, is part of a larger plan. In particular they claim that those criticizing the pope for his silence were playing into Mr. Maduro's hands, given how the Venezuelan strongman likes to chide his country's bishops for impeding the "dialogue" he and Francis have called for.

The first Latin American pontiff is harder on Trump than on Caracas's despot.

The events of the past week have shattered any silly pretense about some master Vatican plan. But the roots of Pope Francis' misreadings run deeper than Venezuela. In some ways, it is but the latest reflection of a historic misunderstanding that has often led a poor and Catholic Latin America to blame its wealthy and Protestant neighbor to the north for all its woes.

Just last month, for example, Pope Francis fed this trope by accusing the United States of having a "distorted view of the world." At nearly the same time, a semiofficial Jesuit-run Vatican journal carried an article decrying an alliance between American Catholics and evangelical Protestants as an "ecumenism of hate." On top of it all rests the old idea, still popular on the religious left, that socialism represents the Gospel ideal.

The Acton Institute's Samuel Gregg was probably closer to the mark when he recently put it this way: "Venezuela's crisis doesn't fit into Pope Francis's standard way of explaining contemporary political and economic problems. It's very hard for the pope to blame Venezuela's problems on the tyranny of Mammon, financial speculation, free trade agreements, arms-dealers, nefarious 'neoliberals,' or any of his usual list of suspects."

The ironies here are legion. In the latter half of the 20th century, Latin American liberation theologians posited a "people's church" pitted against a "formal church" whose hierarchy was aligned to the military dictatorships that prevailed in much of the continent. Before he was elected pope, Jorge Mario Bergoglio faced precisely this claim in the accusation that he did not adequately criticize the military regime that ruled his native Argentina during his time as the head of its Jesuit community.

Today Catholic priests and bishops are courageously defying a Venezuelan regime that has hijacked what was once the richest nation in Latin America and driven it to poverty and despotism. At this dark hour, don't the struggling people of Venezuela deserve some public inspiration from the first Latin American pope?

Write to mcgurn@wsj.com.

Immigration Anxieties, Then and Now

By Walter Russell Mead

It should come as no surprise that the Trump administration has endorsed the Raise Act, a bill by Sens. Tom Cotton and David Perdue to reduce the number of legal immigrants to the U.S. while giving greater priority to highly skilled workers. Immigration reform drove President Trump to victory in 2016, and he is unlikely to drop it now.

Yet immigration has been—and remains—a key to America's success. From colonial times, the country's ability to integrate newcomers has facilitated its economic and technological achievement. From Alexander Hamilton to Albert Einstein to Steve Jobs, immigrants and their children have enhanced American dynamism, challenged American insularity, and played critical roles in developing American power.

But the public doesn't always support a welcoming immigration policy. In 1924 the Johnson-Reed Act reduced legal immigration from the Old World by about 80%. Not even Hitler's persecution of the Jews could persuade Americans to raise the quota.

Four factors turned the U.S. restrictionist in the 1920s. First, the numbers felt overwhelming. In 1910, almost 15% of American adults—3 in every 20—were foreign-born.

Second, the immigrants arriving in the early 20th century were overwhelmingly from Eastern and Southern Europe, rather than the traditional source countries in Northern Europe and the British Isles. This wave of migrants was seen as culturally alien and thus a challenge to American values and coherence. The native population's fears amplified racism and xenophobia. The Ku Klux Klan, largely crushed by federal counterterrorism policies in the 1870s, was revived into a restrictionist force that was anti-Semitic and anti-Catholic as well as antiblack.

Circumstances today resemble those in 1924, when Congress curtailed legal entry.

Third, economic uncertainty was already high. The Industrial Revolution was disrupting society. Family farms, the foundation of middle-class prosperity and security for generations, were failing nationwide. Inequality was rising, incomes for many in the middle class were stagnant or falling, and the new economy was more volatile and offered less security. Native-born rural Americans feared that immigrants would compete for jobs and depress wages, and that their political power would marginalize traditional American values and concerns.

Fourth, a small proportion of immigrants brought violent ideologies with them. Anarchist terrorists had attacked heads of state and political leaders around the world. Luigi Galleani, an Italian immigrant to the U.S., organized mainly other immigrants and inspired attacks—valorized as "propaganda of the deed"—against prominent people and institutions. His disciples were believed responsible for a 1920 Wall Street bombing that killed 38. Russia's Bolshevik Revolution also sparked fears that immigrants might carry the "bacillus" of communism.

Do these factors sound familiar today? Immigration levels are at historic highs, the cultural gap between immigrants and the native population is wide, the economic outlook for many Americans is troubled, and a (very) small number of immigrants sympathize with horrific ideologies abroad. A fifth and serious additional factor, not paralleled in the early 20th century, is the presence of millions of illegal immigrants. As Mr. Trump understood, illegal immigration corrodes public sympathy for high levels of legal immigration.

Meanwhile, some of the classic arguments in favor of immigration may need to be re-examined. If automation will destroy millions of routine jobs in the next decade, how much unskilled labor does the U.S. require?

Nevertheless, America still needs immigrants. Their talent and dynamism are more vital than ever. If U.S. companies want to maintain their technological edge and profitability in a competitive world, they need skilled immigrant workers. Immigrants create jobs and industries, making the future brighter for all Americans, while paying into the country's hard-pressed social-insurance system.

Yet history suggests that when public opinion sours on immigration, policy eventually follows. Now that process may be getting under way. Public dissatisfaction with the relatively liberal immigration policies in place helped drive the 2016 election. The Raise Act is provocative, perhaps intentionally so. But giving greater priority to highly skilled immigrants, while reducing total numbers, might secure the many benefits of a liberal immigration regime while reducing the political fallout. Properly designed, a new system might offer Silicon Valley and other employers better access to the specialized professionals they need, while also addressing the politically potent concerns of Mr. Trump's populist base.

America's ability to welcome and integrate immigrants remains one of its strengths, but history suggests that a dogmatic insistence on the current policy may well stoke an anti-immigrant backlash. It is more prudent to accommodate these concerns than to defy them.

Mr. Mead is a fellow at the Hudson Institute and a professor of foreign affairs at Bard College,

A Kenyan Story of Forgiveness

By Jakki Kerubo

'Want to come with me to meet the former prime minister?" It was 2015 and I was in Europe visiting a cousin who writes about Kenyan politics. He had an invitation to meet with Raila Odinga, prime minister from 2008-13.

Mr. Odinga also may be Kenya's next president. He is running in Tuesday's election against the incumbent, Uhuru Kenyatta, and polls show a dead heat. Many Kenyans worship Mr. Odinga for his commitment to democracy.

But I had held a long grudge against him. In 1982 Mr. Odinga played what he described in his memoir, "The Flame of Freedom," as a "peripheral role" in a failed coup d'état against the sitting president. It led to an abrupt crackdown in Kisumu, the city where my family lived. I was 4. In the chaos, no one could pick me up from preschool. As tanks rolled by the school's gate, I pressed my nose on the playroom window, believing my family had perished.

Later, I learned Kisumu had earned the president's ire because it was home to Mr. Odinga's Luo tribe. As he blossomed into a revered opposition leader, the town changed.

A coup attempt, a crackdown—and a meeting decades later.

Non-Luos like my parents were targeted in 2007, after Mr. Odinga lost his first presidential bid allegedly because of vote-rigging. I was living in New Jersey and hardly slept for weeks, worried my folks wouldn't survive in the camp where they sought refuge.

Since then, I have associated Mr. Odinga with terror and unbridled ambition. I was angry that he pacified his fans only after securing a power-sharing agreement that created the prime-minister role for him. His quest for justice and fairness resonated with me, but I was convinced that he'd inflated his importance and devalued countless lives.

My cousin's invitation was a chance to confront the man who'd cast a long shadow over my life. I waited in a hotel lobby with a few of Mr. Odinga's family and allies, sharing hors d'oeuvres and martinis. They decried the Luos' marginalization and explained how Mr. Odinga gave them strength.

When he arrived, I tensed, uncertain I'd have the courage to ask the question I had written down in my notebook. He'd discarded his usual caftan for a corduroy blazer with leather elbow patches. He looked weary, perhaps from jet lag or the recent loss of his son. Although his smooth charcoal skin concealed his 70 years, he looked old.

As he rehashed history, going back a half-century to when his father, Jaramogi Oginga, and the current president's father, Jomo Kenyatta, were political enemies, my heart softened. He admitted his flaws and seemed tortured by his failings. I was in my 30s and already had many regrets. How many more he must have accumulated! There was no need to add to his sorrows.

Posing for a photo with him, I felt grateful for what he had unwittingly given me: the instinct for self-preservation developed by the terror of my early life. As I stepped out into the London rain, I felt free of umbrage and lucky to be alive.

I don't know if Kenyans will choose Mr. Odinga to lead them. But I feel hopeful that my countrymen, whatever the result, have learned from the past and won't descend to turning against their neighbors for the sake of one man.

Ms. Kerubo is a writer in New York.

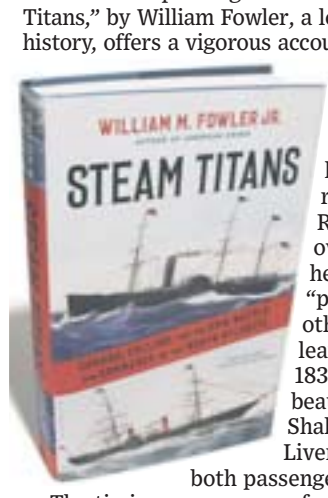
BOOKSHELF | By Charles R. Morris

The Race Across the Water

Steam Titans

By William M. Fowler Jr.
(Bloomsbury, 358 pages, $30)

Steam power was the magic elixir of the Industrial Revolution. By the turn of the 19th century, giant coal-fed steam engines powered England's mines and mills, and canny inventors were expanding steam's ambit to travel by water and rail. British industrialists regarded steam power as an imperial preserve and were badly discountenanced when they were bested by the Americans in a contest to provide the fastest steam passenger service across the Atlantic. "Steam Titans," by William Fowler, a longtime chronicler of maritime history, offers a vigorous account of the rivalry.



The standard bearer for the American side was Edward Collins, a resourceful merchant and sea captain who had proved himself in the pirate-ridden Caribbean trade. Returning to New York to take over his father's shipping firm, he created a fleet of sail-driven "packet ships" carrying mail and other goods between New Orleans and New York. Then, in 1836, he launched a large and beautifully appointed ship, the Shakespeare, on the New York to Liverpool route, aiming to carry both passengers and commercial cargo.

The timing was near-perfect, playing to England's demand for cotton as well as to a swelling appetite on both sides of the Atlantic for international travel. The Shakespeare was quickly followed by three similar ships, along with the firm's novel promise to maintain strict schedules. Collins used theatrical names for his ships—the Garrick, for instance, joined the Shakespeare—so the press dubbed his operation the "Dramatic Line."

Sniffing opportunity, Samuel Cunard, a wealthy Canadian merchant and investor, secured a lucrative contract from Britain's royal mail in 1839 to provide regular service from Liverpool to Halifax, Nova Scotia, with a terminus in Boston. By contract, though, Cunard committed himself to providing service with steamships, for their speed and smoother passages. For his engines, he contracted with Robert Napier, arguably the top naval steam-engine manufacturer. By 1842 Cunard had put four large steamships into service that halved the average times of sailing ships. Boston rallied behind him in the hope of toppling New York from its position as the country's premier commercial city.

For Collins, Cunard's entry into the lists, with steamships instead of sail, looked like a lethal challenge. He had long hoped to convert his operations to steam, but the costs were daunting. The power for sailing vessels was free. But ocean-going steamships required massive steam engines, 24-hour coal heaving and machinists to deal with frequent breakdowns, on top of full sail rigging and rigging crews to conserve fuel and take over when the engine went down.

Inevitably, Collins, like Cunard, turned to government for help. In Washington, Henry Clay and other public-works stalwarts in Congress took up the cudgels, money furtively changed hands and Collins got his subsidy from the U.S. Post Office, part of an 1845 bill that funded "Transportation of the Mail Between the United States and Foreign Countries."

Since the steamship lines ran the same route, a speed contest was inevitable—as was a contest for commercial success.

Collins promised to match Cunard's twice-a-month service with the same four-ship rotation. Cunard's steam-powered ships had been performing splendidly for roughly three years. Still, he did not break even until he returned to Parliament in 1846 and secured an increased subsidy to finance another four-ship schedule terminating in New York rather than in Boston.

Collins didn't get his four ships on the water until 1850, after a long battle to get his subsidy through Congress. Once up and running, however, the Collins steamships made a spectacular showing. They were among the largest afloat, and their engines had the largest piston dimensions. No others were so lavishly furnished and provisioned. The dining saloons were "large, airy and beautiful," as Mr. Fowler writes, the tables groaning with unlimited food.

Since Cunard and Collins were now both running New York to Liverpool service, speed contests were inevitable. Collins's ships decisively outpaced Cunard's again and again. But time was running against Collins in another way. His operational losses forced him back to Congress for more subsidy, which he got—but it was a close thing. The lavishness of the Collins services undercut his case. Cunard provided commodious, but not lavish, services at much lower cost.

Tragedy struck when one of Collins's premier ships, the Arctic, sank after a collision in the fog. The colliding ship's iron prow, Mr. Fowler writes, "sliced through *Arctic*'s wooden hull at the waterline, splintering the thick pine planks." The Arctic found itself listing badly. "On deck the passengers and crew watched the water lapping up toward them as they cornered themselves on the port quarter." One passenger who survived remembered seeing "the deep seated thoughtful look of despair on their faces."

Members of Collins's family were lost in the disaster, including his wife, as were family members of his leading investors. The next year, another of the Collins ships was lost at sea with barely a trace, probably from an encounter with ice. With only two remaining ships, on top of a drastic reduction in subsidy, the Collins lines were forced into bankruptcy in 1858. Cunard's thrift and caution had won the day.

With "Steam Titans," Mr. Fowler has crafted an enjoyable book, with enough technical detail and colorful tales to appeal to the casual weekend sailor and skilled mariner alike. The only cavil might be that he does not, toward the end of his tale, make enough of the strides in British naval technology in the 1850s. The Crimean War (1853-56) persuaded the Admiralty to shift wholesale to coal-conserving, screw-driven ships with compartmentalized iron hulls. These were much more resistant to ice and other accidents, and Cunard rapidly shifted his fleet to the same designs.

By then, the United States had turned its manufacturing capacities to opening the "West," the resource-rich lands between the Appalachians and the Mississippi River, leaving the ocean to the British for most of the next century, until America emerged as the world hyperpower.

Mr. Morris's latest book is "A Rabble of Dead Money: The Great Crash and the Global Depression: 1929-1939."

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OPINION

REVIEW & OUTLOOK

EPA Resignation Facts

The rest of the story behind those loud civil-servant protests.

The media and federal unions are making a cause celebre out of federal scientists who have resigned and then denounced Trump Administration policies on the way out. We're all for shrinking the government workforce, but the political melodrama could use a few leavening facts.

The latest splash is from Elizabeth Southerland, until recently the director of science and technology in the Environmental Protection Agency's Office of Water. Ms. Southerland ended a 30-year EPA career last week with an internal memo decrying Donald Trump's "draconian" budget cuts, and his "industry deregulation." She said her "civic duty" required that she warn that "our children and grandchildren" face "increased public health and safety risks and a degraded environment."

This follows the much-publicized April departure of Michael Cox, who quit the EPA in Washington state after 25 years, complaining in a letter to Administrator Scott Pruitt about "indefensible budget cuts" and efforts to "dismantle EPA and its staff as quickly as possible."

Both EPA employees are of retirement age, and they are right to bow out if they can't in good faith work for Mr. Pruitt. Their letters nonetheless reveal an entrenched and liberal federal bureaucracy. Though career civil servants who are supposed to serve political appointees of any party, they have clearly become progressive ideological partisans.

Their exits also explain why so much of the EPA workforce is misrepresenting or missing the point of Mr. Pruitt's policy changes. Ms. Southerland raps the Administrator's call to rebalance power between the feds and states, as she claims the EPA "has always followed a cooperative federalism approach."

Really? During the combined presidencies of George H.W. Bush, Bill Clinton and George W. Bush, the EPA imposed five federal air-quality implementation plans on states. Barack Obama's EPA imposed 56.

The Obama EPA also stripped states of their statutory development authority, whether with its pre-emptive veto of Alaska's Pebble Mine, or its Waters of the United States rule that gave the feds de facto sway over tens of millions of acres of private land. EPA employees embraced these new powers, but they violate the Constitution and hurt the environment.

Ms. Southerland seems to have forgotten that the largest clean-water disaster in recent years resulted from the EPA's 2015 decision to punch a hole in the Gold King Mine in Colorado, turning the Animas River yellow with waste water and heavy metals. The agency shares blame for the Flint, Michigan, lead crisis, having failed to alert the public.

The Fish and Wildlife Service has a dismal record recovering endangered species, while the Forest Service's logging restrictions have left millions of acres of dead, bug-infested trees as tinder for catastrophic wildfires.

Mr. Trump has proposed a 30% cut in EPA funding, but Congress won't cut anything close. Mr. Pruitt's decision to refocus on core jobs like Superfund cleanups means a shift in EPA spending in any event. The goal should be an EPA that is more efficient and effective—rather than one measured by employee numbers.

Ms. Southerland's exit may also free up some dollars. Federal records show she earned $249,000 last year in combined salary and bonus—$1,000 less than a Supreme Court Justice and about $200,000 more than the average taxpayer. She'll receive an annual lifetime pension worth about 75% of the average of the last three years of her career. With that sinecure, she should forgive taxpayers for thinking a little fiscal discipline at EPA might be in order.

The Latest North Korean Sanctions Show

Why did China agree to tougher measures against its client state?

The Trump Administration and the United Nations Security Council are heralding Saturday's Resolution 2371, which imposes new sanctions on North Korea. But as Pyongyang sprints to the ICBM finish line, the insistence that this resolution will succeed when others failed is—let's be kind here—hard to believe.

On the positive side, Saturday's agreement completely bans trade in North Korean coal instead of capping it as U.N. Resolution 2321 did in November. Chinese companies evaded those sanctions by transhipping coal through third countries. Any coal shipments will be proof of cheating under the new sanctions, meaning Beijing will be exposed faster if it fails to hold up its end.

Coal is Pyongyang's biggest export earner, accounting for 40% of its exports and 10% of GDP by some estimates. The U.S. projects that the new sanctions will cut $1 billion from the $3 billion the regime earns in annual exports. If China follows through, it would show that loyalty to an ally is yielding to fears of a nuclear crisis on its border.

Also potentially significant is tightened control over financial transactions with North Korea. The U.S. designated Pyongyang a "primary money laundering concern" in May last year, opening up financial institutions that do business in U.S. dollars with the regime to secondary sanctions. North Korean front companies tried to use other institutions and currencies to continue trading. Saturday's resolution extends that ban to all convertible currencies and institutions, including trading companies. China could be embarrassed if its companies continue to cheat, assuming that it cares.

The problem is that the resolution falls short in significant areas. It merely caps the employment of North Korean workers in other countries, meaning that Pyongyang can continue to earn money from exploiting the slave labor of its own citizens to earn hard currency that is funneled to the regime. Most of these workers are in China and Russia.

The resolution also allows foreign companies in existing joint ventures with North Korea to carry on doing business. Most important, China's sales of crude oil and refined-oil products to North Korea are left untouched. Cutting off these could bring down the regime, and Beijing's refusal to use this leverage shows that it still sees value in Kim Jong Un's survival.

North Korea reacted with fury on Monday, so the new sanctions must have some potential to bite. But the real test, as ever, will be China's enforcement. Did Chinese leaders agree to these new steps because they want to avoid even tougher U.S. action, including U.S. sanctions against Chinese firms? Or is this a genuine attempt to squeeze the North at long last to give up its nuclear weapons?

More than a decade of evidence suggests the answer is the former, and the new sanctions mean the U.S. will now have to delay further action to see if they work. If they don't, the U.S. will have to call China's bluff sooner rather than later.

Money for Marrow, Finally

HHS withdraws an Obama rule that literally kills people.

Arya Majumder would have celebrated his 19th birthday last month. Instead he died of cancer in 2010, his condition exacerbated by a scarcity of bone-marrow donors. Arya's father later recounted how the loss of his only child "took away my very heart and soul, and triggered the collapse of my 23-year-old marriage."

Other families may be spared the same life-upending sorrow because last week the Department of Health and Human Services withdrew a proposed Obama-era regulation that would have prohibited compensation for bone-marrow donation. About 11,000 ailing Americans are currently searching the national marrow registry, hoping to find a compatible donor. This year at least 3,000 people will die waiting for a transplant. Others, like Arya, must settle for an inexact match, which can cause lifelong health complications or prove fatal.

The odds of finding a stranger with matching marrow markers can be especially daunting for patients of color. One example: 10-year-old Texas girl Gabi Ornelas, diagnosed with acute lymphoblastic leukemia in 2015, urgently needs a marrow transplant but hasn't found a match because there are too few Hispanic donors.

The bitter irony is that it's easier than ever to be a donor. Apheresis, a medical breakthrough from the mid-1980s, transformed most marrow extraction into an outpatient procedure. Donors receive a series of injections to boost blood-forming cells, which are then harvested through a six-hour process that's much like giving plasma.

Apheresis is not pleasant—the injections can cause flu-like symptoms, and it usually takes about a week to fully recover. But the process, now used in 70% of donations, sure beats the old needle-through-bone method. Still, merely 2% of the American population has opted into the registry, and only half of those are ready to donate at any given moment.

Compensation could dramatically boost the number willing to give bone marrow. Nonprofit or third-party involvement could mitigate ethical concerns, refereeing to make sure neither the buyer or seller is exploited, and remuneration could come in the form of a perk, like a scholarship or paid month's rent, or cash.

Federal policy has long trailed medical progress. The 1984 National Organ Transplant Act prohibited payment for organ donors, and bone marrow was included, though it regenerates like blood, eggs or plasma. Represented by the Institute for Justice in 2012, the mother of three girls suffering from a condition known as Fanconi anemi, which often impairs bone marrow function, won a lawsuit against the federal government to allow compensation.

But the Obama Administration then wrote new rules to recriminalize payment for marrow, and HHS sat on the pending regulation for four years, leaving sick patients and their families in limbo. The regulatory uncertainty deflated the interest of entrepreneurs seeking to invest in much-needed marrow-supply services, as well as of top-tier researchers who wanted to study the effectiveness of compensation.

This regulatory reversal will literally save lives. But the Majumder and Ornelas families would be justified in asking the federal government what took so long.

LETTERS TO THE EDITOR

End Qatar's Policy of Strategic Ambiguity

Regarding "Tillerson Can End the Qatar Standoff" (op-ed, Aug. 2): Dennis Ross posits two reasons for the U.S. to resolve the Qatar standoff—restore unity among Sunni states and score a diplomatic success for Secretary of State Rex Tillerson. But success requires the resolution of the standoff that promotes America's strategic interests. Pressuring Riyadh to help Qatar save face without making any meaningful concessions on the Saudi-led Coalition's 13 demands does not achieve this goal.

For decades, Qatar has been the leading, albeit not the only, Middle East practitioner of a policy of strategic ambiguity, cooperating with the U.S. on some issues, while placating terrorist groups, inciting religious extremism through Al Jazeera and other channels, and cooperating with Iran. This policy has always been harmful to U.S. interests but has become particularly untenable given Tehran's intensifying drive to dominate the Persian Gulf. Getting Qatar's ruling Al-Thani family to abandon this policy will be difficult and time-consuming. But it would be a strategic coup for both American and Saudi statecraft.

The criticisms against this course of action are wrong. Avoiding strife within the Sunni world is desirable, but not the only consideration. The risks that Qatar will prevent the U.S. military from using Al Udeid Air Base are negligible, since Qatar views America's military presence as its ultimate security guarantee. The danger of Qatar evolving into a full-fledged Iranian client state is vastly overblown; this is not something that the Al-Thani family would find palatable. The notion that it is somehow unfair to squeeze Qatar for sins that are not unique to it is best rebutted by U.S. long-standing policy against Cuba, which has dealt harsher with a Castro junta than with many other communist regimes.

The key U.S. strategic priority is to stop Iran's drive for regional domination. Bolstering Iranian sanctions and opposing Tehran's proxy forces in Syria, Iraq and Lebanon and bleeding the Revolutionary Guards are the key components of this effort. But, as President Trump said during his May Jeddah speech, the U.S. also needs a militarily viable and committed Sunni coalition that puts "boots on the ground" and opposes religious extremism, with Saudi Arabia, Egypt and Jordan as the key pillars. Cooperating fully with Saudi Arabia's new leadership—which is pursuing domestic reforms and working to stabilize the Gulf by opposing pro-Iranian forces in Yemen—playing the leadership role within the Gulf Cooperation Council and ending Qatar's policy of strategic ambiguity is an indispensable part of creating such a coalition.

DAVID B. RIVKIN, JR.
Falls Church, Va.

Insurers Say They Need More Federal Funds

"The Coming ObamaCare Bailout" (Review & Outlook, Aug. 3) exploits a political buzzword to argue for a policy that would further destabilize the individual insurance market. Let's look at the facts.

First, health plans do not keep a single dime from this program. This funding is passed directly through to doctors, hospitals and pharmacies on behalf of patients—and only for care that's actually provided. Hardly a bailout.

Second, eliminating this funding now would create something akin to an unfunded mandate. If health plans are required by law to offer these lower deductible and cost sharing plans to lower-income people without being reimbursed, this de facto mandate on the private sector will drive up premiums by approximately 20% for all consumers who purchase their own coverage.

Third, eliminating this funding now would hurt states, doctors, hospitals and hardworking taxpayers. Recent studies show that the resulting higher premiums would cost taxpayers $2 billion more in additional spending. States, as shown by a federal court decision earlier this week, would face new uncompensated care costs because public hospitals would care for more uninsured patients. Same goes for many doctors.

It's time to focus on real solutions. Let's keep the market stable so that Congress, the administration and the private health-care sector can work together on long-term solutions that actually work. Otherwise, there may not be an individual insurance market to improve.

DAVID MERRITT
Vice President of Public Affairs
America's Health Insurance Plans
Washington

Concussions Affect More Sports Than Pro Football

Regarding "NFL: Could Football Ever End?" (Sports, July 31), we should also consider sports in which the objective is to give the opponent a concussion—e.g., boxing and mixed martial arts. Brain damage is likely evident in 100% of participants. Aspiring to fame and fortune in their youth, these athletes are sacrificing a significant quality of life. Yes, there is risk of bodily harm in many sports activities—from heading soccer balls to colliding with trees on skis—but each is associated with a different likelihood of self-harm and to a different degree. What is needed are actual data on the risks associated with each of our activities so that we can make more informed decisions on those in which we choose to engage.

PETER IRWIN
Kingston, N.Y.

Jason Gay concludes his article by simply wishing Tom Brady "good luck." Mr. Brady and other NFL players will need more than luck. They will need a minimum of providential intervention.

JIM FITZPATRICK
Charlotte, N.C.

Hearing From Friends Via Facebook Consoles Mourners

I agree with "Facebook's Surprising Power to Console Mourners" (Review, July 15). After my 36-year-old son passed away unexpectedly late last year, many of his friends reached out to us, telling us funny stories and saying how much they loved him and missed him and were praying for our family. Adam had moved multiple times across the country for his job, and he had many friends that we never had the pleasure to meet. Hearing from so many of his friends and co-workers telling us how much they valued his friendship was a great comfort as we grieved. Without Facebook, we would never have been able to have contact with so many from so far away.

KATHY HAYMAN
Houston

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Trading Partners Must Kill Barriers to U.S. Exporters

It is refreshing to see a senior government leader, Commerce Secretary Wilbur Ross, offer a candid assessment of global trade ("Free-Trade Is a Two-Way Street," op-ed, Aug. 1). Unfortunately, much of the discussion of trade policy in the U.S. has been dominated by academic theory instead of being based in reality.

As Mr. Ross makes clear, the U.S. has the most open and accessible markets in the world with none of our trading partners reciprocating in kind. Too often, members of the media, government officials and economists take other countries at their word when they say they support free trade, while failing to look critically at how they actually behave.

We in the steel industry know that many countries still provide generous subsidies to their steel producers, thus propping up an inefficient capacity that would not survive in a truly free market. Our open trade policy makes the U.S. a dumping ground for excess steel to the detriment of U.S. steelmakers and their employees.

It is time other countries end their subsidies and remove other barriers to U.S. companies looking to export goods or do business in their countries. If not, we should treat them the same way they treat us.

JOHN FERRIOLA
Chairman, CEO and President
Nucor Corporation
Charlotte, N.C.

Pepper ... And Salt

THE WALL STREET JOURNAL

"Of course I hear it when you say 'come.' I just choose to ignore it."

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OPINION

Mueller Can Avoid an Iran-Contra Repeat

By C. Boyden Gray

Will Special Counsel Robert Mueller's investigation morph into an open-ended inquisition? Independent and special counsel investigations of the executive branch since Watergate often have. Mr. Mueller's recently reported impaneling of a grand jury in Washington does not guarantee that it will happen again, or even that anyone will be indicted. But it seems that the investigation is moving beyond questions of campaign collusion with Russia.

He should proceed quickly to get the facts out. So should congressional investigators.

There has been a Russia investigation under way for more than a year, with no indication yet of a collusion crime, notwithstanding the leakiest period in presidential history. This is not to deny that the Russians have meddled in U.S. elections. Nor is it to say that persons associated with the Trump campaign might not possibly have committed offenses unrelated to collusion that merit prosecution. Such investigations may be beyond Mr. Mueller's core jurisdiction, but the wording of his assignment lets him roam far beyond collusion issues.

As a practical matter, there is no firm, clear limit to the resources or time that can be devoted to special-counsel investigations. Nor is there an obvious limit on their scope. As Attorney General (later Justice) Robert Jackson observed in 1940, the prosecutor's "most dangerous power" is "that he will pick people that he thinks he should get, rather than cases that need to be prosecuted. With the law books filled with a great assortment of crimes, a prosecutor stands a fair chance of finding at least a technical violation of some act on the part of almost anyone." Willie Stark—seeking dirt on a political opponent—explained this truth succinctly in Robert Penn Warren's "All the King's Men": "Man is conceived in sin and born in corruption. . . . There is always something."

The Iran-Contra independent counsel investigation (1986-93), authorized under a now-expired post-Watergate statute, illustrates the point. Despite nearly seven years of distracting inquiries sustained by unlimited budgets—and unfair political effects and leaks—no one was convicted or even indicted for any action pertaining to Iran or the Contras. The law barring certain funding for the Contras in Nicaragua, the Boland Amendment, was an appropriations provision, containing no civil or criminal penalties.

That didn't matter. The independent counsel obtained a series of peripheral convictions, mostly for obstructing Congress's Iran-Contra investigation in various ways. The investigation didn't end until after President George H.W. Bush pardoned former Defense Secretary Caspar Weinberger—a vigorous *opponent* of the Iran-Contra transactions—for alleged offenses relating to diary and meeting notes that he had not produced to investigators.

ASSOCIATED PRESS

Then-FBI Director Robert Mueller testifies on Capitol Hill in 2013.

The independent counsel statute plagued presidents of both parties and expired unceremoniously in 1999, a few months after Bill Clinton's impeachment trial. But Justice Department regulations still provide for the authorization of special counsels like Mr. Mueller.

Will history repeat itself? Deputy Attorney General Rod Rosenstein, who appointed Mr. Mueller, told "Fox News Sunday" this past weekend that "Bob Mueller understands and I understand the specific scope of the investigation and so, it's not a fishing expedition." But Mr. Rosenstein's order appointing Mr. Mueller is somewhat mixed. It authorizes Mr. Mueller to investigate not only "any links and/or coordination" between Trump campaign associates and the Russian government, but also "any matters that arose or may arise directly from the investigation."

President Trump has understandable grounds for concern that the probe will drag on. But the best solution is not to dismiss Mr. Mueller. It is for all responsible parties to get the facts out speedily. That includes the congressional committees investigating the matter, which are under no obligation to lag the Mueller inquiry. Any valid prosecutions should also proceed quickly.

So far the publicly available evidence does not paint a picture of a conspiracy to collude with Russia. That includes the infamous June 2016 meeting between campaign principals and various Russian nationals at Trump Tower. The meeting—and an ill-considered email chain preceding it, involving the Donald Trump Jr. and others—was unwise. But there does not seem to have been any follow-up.

It bears repeating that not every interaction between campaign personnel and foreign nationals or governments is unlawful or even inappropriate. U.S. law is more complicated. Various forms of foreign involvement in American elections are prohibited. Most prominently, U.S. law forbids campaign donations in U.S. elections by foreign governments and nonresident aliens. And the Foreign Agents Registration Act, among other statutes, imposes criminally enforceable disclosure requirements on agents of foreign governments who attempt to influence public opinion, policy and law.

Yet the Foreign Agents Registration Act is not the Foreign Agents Prohibition Act. U.S. law allows foreign agents significant freedom to advocate and even to lobby. Saudi Arabia and Qatar are prime examples. More prosaically, foreign nationals and governments often participate in agency rule makings, which can have campaign impact.

To prevent a never-ending replay of Iran-Contra, it will be essential to flush out the Russia facts, in a disciplined way, as soon as possible. No statements should be made or actions taken that could be construed as undermining the investigations. Equally important, the investigators must proceed promptly and evenhandedly. Within their proper mandates, investigators ought to review questions about potentially troubling behavior by Democrats during the 2016 campaign, too.

Mr. Gray served as counsel to the vice president (1981-89) and White House counsel (1989-93).

Have a Heart, Mr. President, and Defend These Immigrants in Court

By Jeh Charles Johnson

The attorneys general of 10 states have written the U.S. Justice Department in recent months, threatening to sue the federal government unless it ends the policy of Deferred Action for Childhood Arrivals. The states have given the administration until September 5 to decide to end DACA or face a lawsuit. Thus, now is the time for President Trump to make a decision about the policy's future; he should continue DACA and instruct his attorney general to defend it in court.

Mr. Trump's experience in the business world should help him understand his role in the coming legal conflict. The attorney general is the top lawyer for the U.S. government, and the president is its CEO. It is the prerogative of the president to instruct his attorney general to defend his administration's policies whenever there is a good-faith legal basis to do so. The DACA challenges present one such opportunity.

Established in 2012, DACA is a policy by which the Department of Homeland Security will, after a background check, grant a two-year deferral from deportation for aliens who were brought to the U.S. illegally as children, have been here for at least five years, and have committed no serious crimes. A decision by President Trump to defend DACA would be consistent with his own public statements that many DACA recipients are "absolutely incredible kids" for whom we should show "great heart." In 2013, Mr. Trump met a few of these young people. He was impressed: "You convinced me," he reportedly told them at the end of the meeting. And in accordance with that, the Department of Homeland Security has continued to issue new and renewed DACA work permits since Mr. Trump took office.

Sens. Lindsey Graham (R., S.C.), Dick Durbin (D., Ill.) and others have sponsored legislation to provide legal status to DACA recipients. If passed, this legislation would nullify the states' threatened lawsuit. But until it is passed the proposal will do nothing to discourage the lawsuits, and the September 5 deadline does not leave Congress very much time.

If the states sue, they will argue that legal logic of the court decisions striking down a policy called DAPA requires that DACA suffer the same fate. I know about DAPA—Deferred Action for Parents of American Citizens—as I was its author in 2014. There are important legal and factual differences between DACA and DAPA.

States threaten to sue over DACA, the policy deferring deportation for aliens brought here as children.

First, unlike DAPA, which was challenged and enjoined in court before it went into effect, DACA has existed for more than five years and has survived court challenge. Second, our loss in court over DAPA was a narrow one. The trial judge who heard the case enjoined DAPA. Then, of the 12 appellate judges at the circuit and Supreme Court level who heard the case over the course of three separate hearings, six ruled one way and six ruled the other. Because of a vacancy on the high court, the justices split 4-4, resulting in an affirmance of the injunction. Finally, unlike DAPA, which would have potentially benefited about four million people, DACA is a far narrower policy that covers about one million people.

Deciding the future of DACA presents a chance for the president to show a "great heart." Public office and the manner in which we enforce the law permits us to do that once in a while. DACA recipients came here as kids, and they've been here for years. As Mr. Trump himself has observed, they are almost all outstanding young men and women who grew up and went to school here, work hard, follow the law, and hope to share in the American dream. They are American in fact though not in law.

During my three years as secretary of homeland security, the government returned, removed or repatriated more than a million illegal aliens. But I always endeavored personally to hear the individual stories of those immigrants our government arrests or deports. One of my lasting memories is that of a young man I met in Honduras who came to the U.S. as a child with his mother and brother, and who grew up in New Jersey. Before the creation of DACA in 2012, he was scooped up and deported back to Honduras alone, without his family. In all visible respects he was American—he spoke perfect English with a familiar New York-New Jersey accent, grew up with American television, and is a New York Giants fan. Somehow, though he was evicted from the U.S., dislodged from his family here, and forced to make a new life in Honduras, he still loves America and the New York Giants.

Mr. President, do the right thing. Protect the kids. Don't end DACA.

Mr. Johnson was secretary of homeland security, 2013-17.

Iran Is Using Syria to Advance Toward the Mediterranean

By Naftali Bennett

Hezbollah announced last month that it had captured the Syrian-Lebanese border area of Juroud Arsal from Islamic State forces. Far from being a minor development in a violent and unstable region, this marks another Iranian success in its quest for power and dominance across the Middle East.

Since its 1979 revolution, Iran has sought to become a dominant world power capable of imposing Islamic rule on as many people as possible. The Iranian regime finances and supports armed militias in other countries and is the world's top exporter of terror. Hundreds if not thousands of Americans have died at the hands of Iran's terrorist proxies.

An essential part of Tehran's grand strategy is to control a land corridor from Iran to the Mediterranean Sea. Under the cover of Syria's bloody civil war, Hezbollah is helping to build such a highway. Hezbollah, trained and supported by Tehran, is classified as a terror group by the U.S., France and the Arab League, among others.

Its effort endangers the entire Western world. Controlling this corridor would directly connect Iran with its proxies in Syria and Lebanon, allowing it to transfer advanced weapons cheaply and quickly. The highway would let Iran build its military presence on the Mediterranean, bringing much of Europe into the range of its air force, navy and midrange missiles. Iran could even build arms factories outside its borders.

Iranian apologists frame Hezbollah's capture of the border area as a victory over ISIS, as if the U.S.-led coalition ought to be cheering. ISIS needs to be stopped, but Iran is a far greater problem in the long run. Tehran shouldn't be mistaken for part of the solution.

As Syria disintegrated through civil war, Iran acted swiftly. It broke international law and forcefully expelled the Sunni population and replaced it with Shiites. This changed the local demography to support Tehran's planned land corridor through Syria and Iraq. Iran also sent its generals to train Bashar Assad's troops. Hezbollah has effectively morphed from a terror group into a division of the Iranian army, working for Tehran not only in Lebanon and Syria, but also in Yemen and Iraq.

In the game of chess that Syria has become, Western leaders are so focused on the knight attacking their pawns they cannot see the queen maneuvering to defeat them. Mistaking ISIS as the most serious threat has allowed Iran to move its pieces forward and gain better position. The nuclear deal Iran signed in 2015 demonstrates Tehran's patience, as it temporarily slows the country's preparations to acquire nuclear weapons without stopping them over the long term.

I and others are concerned by the cease-fire in southern Syria brokered by the U.S., Russia and Jordan last month. With American and allied forces present in the north, Iran has focused its efforts on the south. The hiatus from violence in that region only gives Tehran another piece of territory in its bid to build a highway to the coast.

Islamic State needs to be stopped, but Tehran is a far more menacing strategic threat.

It will take time and patience to stop Iran. The international community needs to defeat Tehran wherever its forces advance: in cyberspace, on the battlefields of Yemen and Iraq, and in advanced-weapons laboratories. This effort will be both public and covert, economic and technological. If it results in direct military confrontation, Iran's foes must be ready to win there too.

Iran must be made to pay a price every day its soldiers remain on Syrian soil helping the Assad regime kill its own people. Tehran's leaders must know that every violation of the nuclear deal will trigger harsh sanctions. They cannot direct terror attacks in Europe, Asia and America and expect the world to ignore their actions.

There are many possible courses of action against Iran. Yet the free world—led by the U.S.—has yet to take the first and most important step: declaring that it cannot abide an Iranian empire from the Persian Gulf to the Mediterranean Sea.

Mr. Bennett is a member of Israel's Security Cabinet and a reserve major in the Israel Defense Forces' General Staff Reconnaissance Unit.

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DOW JONES News Corp

Notable & Quotable: Cuddling Against Trump

From "Why Professional Cuddling Is Booming Under Trump," RollingStone.com, Aug. 4:

As executive orders, cabinet appointments, abuse of power, protests and other signs of political unrest sweep the nation, there's a sense of unease brewing in many. They are turning to alternative forms of care to alleviate these fears. . . . A significant number of those seeking professional cuddling services have experienced abuse, and some see in Trump qualities that remind them of past trauma. . . .

For others, generalized anxiety and depression are heightened because of some of Trump's executive orders. John, who declined to give his last name, originally sought out cuddling services after determining talk therapy and prescribed medications didn't fit his needs. A veteran who served in Iraq, John felt that a combination of his experiences and chemical makeup contributed to his mental health and that the inclusion of positive touch in his life was the most effective form of treatment. Since Trump took office, he noticed his stress levels creeping higher again. The day prior to the inauguration, John received a career-changing job offer. Days later, it was rescinded—the job was a government position and Trump's federal hiring freeze prevented the department from moving forward with John's employment. Cuddling has been a way to help him cope.

Abhit Singh has worked past his initial cuddle shyness and engages in the spoon train. . . .

His mood fluctuates, he says, but for the most part, the start of 2017 is a lot harder for him, emotionally, than the end of 2016 because of the new administration.

"There's a lingering sadness but it's not like I'm still in the shock phase. I've gotten over that," Singh mentions. "If that triggered [me] attending an event, I didn't consciously think about it, but it could've been a perfect storm, [Trump] driving me subconsciously to attend this."

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Wary Companies Delay U.K. Investment

With eyes on Brexit, firms are holding back despite healthy profits and low unemployment

By Wiktor Szary And Eric Sylvers

LONDON—As the clock ticks toward Britain's exit from the European Union, evidence is mounting that companies are postponing investment plans in the U.K.

After investment fell last year for the first time since 2009, according to government figures, a series of national surveys is finding that Brexit is weighing on business leaders' decision making.

Britain has been gripped by political turmoil, as an electoral setback for Prime Minister Theresa May in June added further uncertainty about its path out of the bloc as negotiations began over terms of its departure. Ministers have suggested the U.K. will seek a transition agreement to give businesses time to adapt, but have sent mixed signals on the shape of such a deal—keeping companies on edge.

Chancellor of the Exchequer Philip Hammond says uncertainty is giving companies pause. "It is absolutely clear businesses—where they have discretion over investment, where they can hold off—are doing so," he told the British Broadcasting Corp. in July.

Backers say it is too soon to gauge the impact of Britain's impending departure on business investment.

"The plural of anecdote is not data," said Andrew Lilico, a Brexit backer and the executive director of London-based consultancy Europe Economics. He acknowledged a drop in investment is likely to come but said new trade deals will eventually pay off.

A survey by Deloitte LLP, covering the second quarter of this year, showed business leaders' moods have soured. A third of chief financial officers surveyed said they expected their capital expenditure to decline over the next three years. Brexit risks were CFOs' top fear.

The British car industry, which exported 80% of the 1.7 million vehicles produced last year, has pulled back considerably, with investment in the first half of the year reaching only £322 million ($419 million), according to industry lobby Society of Motor Manufacturers and Traders.

If that pace continues for the rest of the year, investment will be down 60% compared with 2016, itself down a third from 2015.

Big industry players, including Ford Motor Co., are looking for clarity on Britain's post-Brexit trading arrangements before they press on with their investment plans.

"We have significant investment decisions to make during the Brexit negotiating period," said Andrew McCall, Ford of Europe's vice president for governmental affairs. "We are following the negotiations closely."

Business reluctance to invest ahead of Britain's expected exit from the bloc in March 2019 is beginning to feed into official economic figures.

Business investment grew only moderately in the first three months of the year, expanding by 0.6% on the quarter, only partly offsetting the steeper fourth-quarter decline of 0.9%, data published by the Office for National Statistics showed. Preliminary second-quarter data will be published in late August.

In the whole of 2016—the year of the Brexit referendum and significant political upheaval—business investment shrank compared with the previous year for the first time since 2009. That's unusual given U.K. companies' healthy profits and an unemployment rate of 4.5%, at its lowest in more than 40 years.

Business investment should be "racing ahead" right now, said Samuel Tombs, chief U.K. economist at Pantheon Macroeconomics in London. Brexit uncertainty is likely the reason it isn't, he said.

Mr. Lilico said the official figures don't add up to material evidence of a Brexit-induced slowdown. "There are lots of anecdotes about investment slowing down because of Brexit, but in aggregate, I don't think the figures particularly bear that out," he said.

However, some drop-off in business investment specifically because of Brexit is likely to materialize later this year and last until as late as 2020, he said.

"I don't think anyone can expect that the event on the scale of leaving the European Union can be without some transitional costs," he said. "I think that the losses from leaving will come first, and the opportunities, such as new trade deals with the U.S., Japan or changes to the U.K. regulatory environment, are a little down the line."

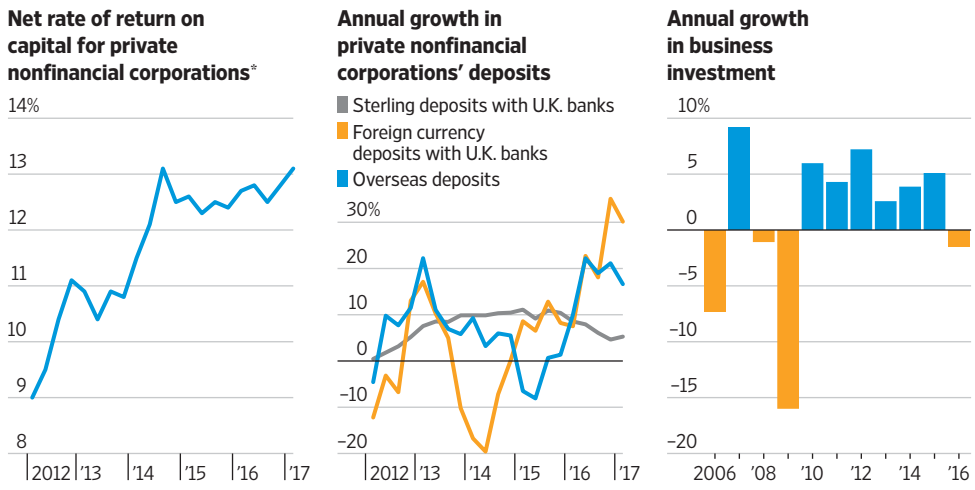
Further hints British companies are already holding back on investment come from ONS data showing that they are stockpiling cash, much of it outside the U.K.

Private nonfinancial companies' bank deposits grew by a huge £66 billion in the 12 months through March, hitting nearly £648 billion, almost four times the total amount invested by U.K. businesses last year.

Much of that increase, some £30 billion, came from U.K. businesses depositing money abroad, with a further £18 billion increase in foreign currency held with domestic banks.

Fear of Commitment

Despite robust profits, U.K. companies are stockpiling cash abroad instead of investing at home.



Source: Office for National Statistics *Excludes oil and gas producers THE WALL STREET JOURNAL.

Output Slips, but German Growth Is Strong

By Todd Buell

The German economy remains on a path of strong growth despite a surprising decline in factory output in June, economists said following Monday's release of data on industrial production for Europe's biggest economy.

In adjusted terms, output declined by 1.1% in June from the previous month, the country's Economics Ministry reported, marking the index's first monthly decline since December. Economists polled last week by The Wall Street Journal had expected a slight gain of 0.1%. The monthly decline was broad-based, with manufacturing output down 1.4% and construction output also down 1.0%. On the flip side, energy output grew 1.4% compared with May.

However, output increased 1.8% in the three months to the end of June from the previous quarter, the ministry reported. Indicators for new orders and business confidence pointed to a continued upward trend in industry, it said. Late last month, Germany's closely watched Ifo index of business sentiment hit a record high.

"This morning's decline isn't the end of the world, on the contrary. After a total of five consecutive monthly increases, it was sooner or later time for a technical breather," said UniCredit economist Andreas Rees in a note. He expects the German economy to have grown by 0.7% in the second quarter of the year. Data on economic output are due out next week.

Other economists agreed. "As unexpected as today's drop in industrial production has been, the German economy is still on track to post another strong quarter," ING economist Carsten Brzeski said in a research note. "Given the sound fundamentals, a month of weaker industrial data should only be like a rain shower on hot and humid summer day: a welcome refresher."

The ministry said Friday that total orders for the manufacturing sector increased by 1% in June compared with May, adjusted for seasonal swings and calendar effects.

KRISZTIAN BOCSI/BLOOMBERG NEWS

At the Siemens AG Healthineers factory in Forchheim, Germany, an employee works on the assembly line using a robotic arm.

U.N. Backs Inquiry on Syria After Departure

Associated Press

UNITED NATIONS—Secretary-General António Guterres supports the work of the U.N.'s independent Commission of Inquiry on Syria in gathering evidence of alleged crimes against civilians during the 6½-year war and regrets the resignation of Carla Del Ponte, the U.N. said on Monday.

Ms. Del Ponte announced she was resigning from the commission in frustration over the Security Council's inaction to hold criminals accountable in war-battered Syria where she said "everyone is bad." In comments published Sunday by the Swiss magazine Blick, she criticized President Bashar al-Assad's government, his opponents and the international community.

U.N. spokesman Stephane Dujarric said the secretary-general considers accountability "critical" and "supports the continued work of the commission as an important and integral part of the accountability process."

Ms. Del Ponte, who gained fame as the prosecutor for the international tribunals that investigated atrocities in Rwanda and Yugoslavia, has repeatedly decried the Security Council's refusal to appoint a similar court for the Syrian conflict.

Permanent members Russia, a key backer of Mr. Assad's government, and China vetoed a U.N. resolution in May 2014 to refer the situation in Syria to the International Criminal Court, the world's permanent war-crimes tribunal.

"Believe me, the terrible crimes committed in Syria I neither saw in Rwanda nor ex-Yugoslavia," Ms. Del Ponte told Blick. "We thought the international community had learned from Rwanda. But no, it learned nothing."

"I give up. The states in the Security Council don't want justice," Ms. Del Ponte said. "I can't any longer be part of this commission which simply doesn't do anything."

The commission was set up in August 2011 by the Geneva-based Human Rights Council to investigate crimes in Syria, no matter who committed them. Since then, it has compiled thousands of interviews and keeps a list of suspected war criminals under lock and key at the offices of the U.N. High Commissioner for Human Rights in Geneva.

The commission issued a statement saying it was aware since mid-June of Ms. Del Ponte's plans to leave and insisted that its work "must continue" to help bring perpetrators in Syria to justice.

WORLD WATCH

SVEN GÖSMANN/DPA/ZUMA PRESS

LEAVING THE MUDSLIDE ZONE: A road in the tourist town of Grossarl, Austria, reopened Monday after a one-day closing following a mudslide, which had buried more than a mile of the street.

JORDAN

King Visits West Bank For Talks With Abbas

Jordan's king flew by helicopter to the West Bank on Monday—a rare and brief visit seen as a signal to Israel that he is closing ranks with the Palestinians on key issues such as a contested Jerusalem shrine.

Palestinian Authority President Mahmoud Abbas and King Abdullah II met for about two hours.

The two leaders discussed the recent showdown with Israel over the Muslim-administered shrine, including confronting alleged Israeli attempts to expand its role there, said Palestinian Foreign Minister Riad Malki.

Israel has denied allegations by Muslims that it was trying to encroach on their rights at the holy site, which is also revered by Jews.

King Abdullah's visit to the West Bank, his first in five years, came amid rising Israeli-Jordanian and Israeli-Palestinian tensions over the shrine, known to Muslims as the Noble Sanctuary and to Jews as the Temple Mount. Jordan serves as the Muslim custodian of the site.

The shrine is the third holiest site in Islam and the most sacred one in Judaism.

—Associated Press

PAKISTAN

Explosion in Lahore Leaves 10 Wounded

A blast near parked fruit trucks left at least 10 people wounded, collapsed the roof of small school building and destroyed a truck in the eastern city of Lahore, Pakistani police said Monday. The explosion is being investigated, senior police officer Adil Memon said.

Lahore, the capital of Punjab province, is the power base of deposed Prime Minister Nawaz Sharif. The Supreme Court recently disqualified Mr. Sharif for concealing assets.

—Associated Press

RUSSIA

Band Members Held After Protest Rally

Two members of Russian feminist punk band Pussy Riot were briefly detained after rallying for the release of a Ukrainian filmmaker outside his Siberian prison. The protest was held in Yakutsk, where Oleg Sentsov is serving his sentence.

Pussy Riot member Olga Borisova said on Facebook that she and Maria Alyokhina were released after a judge found flaws in the case.

—Associated Press

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TECHNOLOGY: SMARTPHONE NOTIFICATIONS PAY OFF FOR GAME MAKERS B4

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.
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S&P 2480.91 ▲ 0.16% | S&P FIN ▼ 0.18% | S&P IT ▲ 0.59% | DJ TRANS ▲ 0.08% | WSJ $ IDX ▲ 0.003% | LIBOR 3M 1.311 | NIKKEI (Midday) 19992.17 ▼ 0.32% | See more at WSJMarkets.com

Libor's End Will Jolt Mortgages

Once index vanishes, it's unclear what peg a sizable portion of the market will use

By Christina Rexrode

The Libor index is going away. For U.S. consumers, its demise is most likely to be felt in adjustable-rate mortgages.

So-called ARMs—on which the interest rate rises and falls with broader indexes—are often closely tied to Libor, or the London interbank offered rate. While ARMs are out of favor these days, they are still a sizable portion of the mortgage market, and once Libor disappears it is unclear what those mortgages would be pegged to.

U.K. authorities recently said Libor would be phased out over the next five years due to allegations that bankers manipulated it, which could prove troublesome for borrowers, lenders and investors in mortgage securities.

"In a fairly short amount of time, no one is going to know how to compute what the next payment is going to be" for this kind of mortgage, said Lou Barnes, a capital markets analyst with **Premier Mortgage Group** in Boulder, Colo. "And that's why it's important."

Such mortgages were popular before the financial crisis, when lenders used their low teaser rates to get borrowers into pricier homes. They have been a tougher sell in an era of superlow interest rates, but still account for roughly $1.33 trillion of mortgages outstanding in the U.S., according to Black Knight Financial Services Inc., a mortgage data and technology firm.

Bond Bellwethers

Yield on two popular fixed-income benchmarks

That is nearly 14% of the overall market, and lenders had been expecting that share to grow as the Federal Reserve continues to raise interest rates. Banks also favor ARMs for jumbo mortgages, high-dollar amount loans they view as a source of revenue growth.

In a typical ARM, borrowers pay a fixed rate for five, seven or 10 years. After that, their rate resets each year, calculated as Libor plus a margin, often 2 to 3 percentage points.

"One issue is, should we be changing our product line now?" said Kirstin Hammond, who runs capital markets for United Wholesale Mortgage, one of the 20 largest mortgage lenders in the U.S. "Does it make sense to offer a [seven-year] ARM tied to Libor when Libor is not going to be around in seven years?"

Lenders have a vague blueprint for what to do when Libor disappears. Most ARM contracts specify that if the underlying index is no longer available, the lender or investor will pick a new "comparable" index.

What qualifies as "comparable" isn't clear, but banks are already studying alternatives.

Banks that plan to keep the mortgages on their books could presumably set the ARMs to any index they wish. To sell the ARMs to investors, they will likely follow whatever guidelines are set by Fannie Mae and Freddie Mac, the government-backed housing finance agencies that buy, bundle and sell mortgages to

Please see LIBOR page B2

Google Employee Fired for Memo

By Jack Nicas

Google on Monday fired the employee who wrote an internal memo suggesting men are better suited for tech jobs than women, according to a person familiar with the matter.

The employee's firing followed an email earlier in the day from Google Chief Executive Sundar Pichai to employees, saying the memo writer violated company policy. Google parent **Alphabet** Inc. hasn't named the employee.

Mr. Pichai is the most senior executive to respond to a growing controversy that in recent days has raised difficult questions for one of the world's largest companies on how it would handle an employee offering opinions that were, to some, offensive.

Last week, a Google engineer published an internal memo that criticized Google's efforts to increase diversity at the company, arguing the program discriminated against some employees. The employee said that men were generally better at engineering jobs than women and that Google's culture made it difficult to discuss the issue.

"We strongly support the right of Googlers to express themselves, and much of what was in that memo is fair to debate, regardless of whether a vast majority of Googlers disagree with it," Mr. Pichai said in his email to staff.

"However, portions of the memo violate our Code of Conduct and cross the line by advancing harmful gender stereotypes in our workplace," he said.

He added that the company's code of conduct requires "each Googler to do their utmost to create a workplace culture that is free of harassment, intimidation, bias and unlawful discrimination."

The memo went viral inside the company and was publicly criticized online by Google employees. Google's diversity chief also criticized the memo in a note to employees on Saturday night.

The employee's firing could spark a larger debate inside and outside Google about free speech. Mr. Pichai said he scheduled an employee town hall to discuss the issue on Thursday.

Uber Says Ex-CEO Won't Be Returning

By Greg Bensinger

Uber Technologies Inc. won't be bringing co-founder Travis Kalanick back as chief executive, Uber's chairman told employees in an attempt to quell reports the co-founder was attempting a comeback.

"Travis is not returning as CEO," Garrett Camp, himself a co-founder, wrote Monday in a staff email reviewed by The Wall Street Journal. "We are committed to hiring a new world-class CEO to lead Uber."

In his note, Mr. Camp said the subject of Mr. Kalanick returning as CEO came up during a product leadership meeting last week and he wanted to tamp down the speculation. Uber, according to people familiar with the matter, has narrowed its list of outside CEO candidates to three, including former General Electric Co. CEO Jeff Immelt.

Mr. Kalanick was pushed out in June by a group of investors after nearly a half-year of scandal and negative attention surrounded Uber, last valued by investors at $68 billion. The San Francisco company underwent a monthslong probe into its culture following allegations of sexism and sexual harassment and is fighting a lawsuit from rival **Alphabet** Inc. over allegedly stolen trade secrets. The company also has to fill other executive spots, such as chiefs of finance, marketing and operations.

An Uber spokesman declined to comment. Messrs. Kalanick and Camp didn't respond to requests for comment.

The note came as a surprise to other board members, who

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◆ SoftBank's CEO is eager to invest in Uber or Lyft..... B4

SIMON SIMARD FOR THE WALL STREET JOURNAL

UPPAbaby uses stroller tuneups to draw customers to local retailers. The event brings in customers who bought their strollers elsewhere.

Brands Try to Slip Amazon's Grip

By Ruth Simon

As **Amazon.com** Inc. tightens its grip on retail sales, more brands are pushing back by championing local retailers.

Some manufacturers are enforcing minimum advertised prices to make it harder for online sellers to undercut local merchants, while others give local stores first dibs on new products or funnel customers from their own websites to local outlets.

"The pendulum has swung," said Rich Tauer, president of Quality Bicycle Products, a Bloomington, Minn., bicycle wholesaler that won't sell to Amazon. The company's sales representatives push brands that support local retailers by restricting advertised prices and enforcing restrictions on where products are being sold.

Nearly 90% of U.S. consumers selected Amazon as the online retail site they use most, according to RBC Capital Markets, which estimates the Seattle giant controls 20% of U.S. online retail sales.

Amazon says more than half of the items sold on its site come from small businesses and entrepreneurs. "Amazon helps small businesses increase sales and reach new customers by providing access to more than 300 million customers worldwide," a spokesman said.

While many brands sell directly to Amazon or through third parties, some worry about tying their fortunes too closely to one customer and fear that online price wars will damage their image.

Here are some of the strategies brands are using to help local merchants strengthen their hand.

Luxottica

Luxottica Group SpA last year launched a minimum advertised pricing program that restricts the price at which its Ray-Ban and Oakley sunglasses can be advertised. Like other MAP programs, Luxottica's policy doesn't set the actual sales price.

"It was a race to the bottom that was not sustainable long-term," said Fabrizio Uguzzoni, president of Luxottica's North American wholesale division.

The average discount on Ray-Ban sunglasses on Ama-

Please see LOCAL page B2

Rockwell Considers Takeover Approach

By Dana Mattioli And Joann S. Lublin

United Technologies Corp. has made an approach to acquire **Rockwell Collins** Inc., but the two aerospace suppliers are still wrangling over the price of a takeover that would exceed $20 billion, said people familiar with the matter.

United Technologies recently made an initial offer of less than $140 a share, according to a person familiar with the matter. The two sides are still in discussions and it is unclear whether the talks will result in an agreement, the people said.

The timing of the discussions is unusual as they come just a few months after Rockwell Collins closed on its $6.4 billion purchase of **B/E Aerospace**. United Technologies executives have said recently that they are looking for potential acquisitions, but suggested they would focus on smaller deals.

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INSIDE

CBS STEPS UP ITS DIGITAL GAME
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HEARD ON THE STREET By Spencer Jakab

A Gusher of Oil Cash Springs From Suncor

Canada's oil sands are dirty, costly and the opposite of fast-money shale drilling, but the companies that mine them generate gushers of cash and are some of the biggest bargains in the stock market.

Canada's **Suncor Energy** is among the world's higher-cost producers of oil. By all rights, it should have scaled back its ambitions during the past few difficult years. Instead, it did the opposite, buying out partners on the cheap and plowing ahead with projects that could pay off for decades.

Suncor produces conventional crude and it has large refining and fuel-marketing operations, but its main business is mining oil sands in remote parts of Canada. Unlike shale, oil sands require huge upfront investments.

At current prices, it would be foolhardy to start a new oil sands operation.

But the rewards rack up quickly the more optimistic one is about crude in the long run.

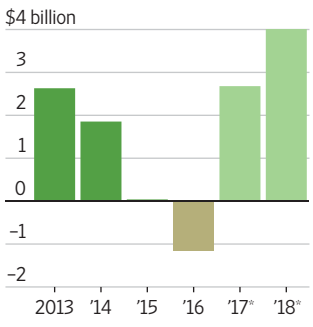
At $37 a barrel for U.S. benchmark crude, Suncor's funds from operations cover maintenance capital expenditures and its dividend—its shares currently yield 3%. At a price of $50 to $55, Suncor can double its return of cash to shareholders with an equivalent outlay for stock buybacks.

At a price of $60, Suncor would have generated excess funds from operations equal to nearly 15% of its market value in the past 12 months. Cash flow will almost certainly rise in the near future if oil prices remain stable. The biggest reason is the nearly completed Fort Hills mining project, which has a capacity of 194,000 barrels a day. It should reach full capacity in a year and produce oil for an extraordinary 50 years.

Fort Hills is an example of Suncor's contrarian bent. Near the depths of the oil-price slump, Suncor raised its stake in the project to 50.8%.

Northern Light

Suncor free cash flow



*Projection
Source: FactSet
THE WALL STREET JOURNAL.

SUMMERTIME PICKS

Suncor Energy

Share price: $33.01
Recommendation: Buy
Why: Huge cash generator

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DEAL

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Rockwell Collins had a $19.4 billion market value as of Friday's close. The company's share price rose 6.8% to $127.07 on Monday, after reports of the discussions. Shares of United Technologies fell 2.4% to $118.52.

A deal would increase United Technologies' role as a significant supplier to **Boeing** Co. and **Airbus** SE as the aerospace industry boosts production for a new generation of jets. The company already owns one of the world's biggest jet-engine makers, Pratt & Whitney, and an aerospace division that makes parts such as wheels and landing gears.

Rockwell specializes in cockpit displays and communications systems for passenger jets and military programs. In April, the Cedar Rapids, Iowa, company closed its acquisition of B/E Aerospace, a maker of plane seats and interiors. The deal added almost $3 billion in annual sales to a company with $5.3 billion in revenue.

A deal would increase United Technologies' role as a supplier to Boeing and Airbus.

In June, United Technologies Chief Executive Greg Hayes told analysts the company, which had about $7 billion in cash, was looking to spend roughly $1 billion on acquisitions this year.

The Farmington, Conn., company also manufactures Otis elevators and Carrier air conditioners, but more than half its $15.28 billion in second-quarter revenue came from its jet-engine and aerospace divisions.

Analysts at William Blair said a takeover of Rockwell Collins would make "tremendous strategic sense" as it would expand United Technologies' most profitable business with little overlap. But the firm thinks a deal is unlikely because United Technologies has said it is interested in smaller transactions.

Several analysts said they wouldn't expect significant antitrust issues with a merger, but airplane makers might voice concerns about any consolidation among their suppliers. Both companies are also major Pentagon suppliers.

Nigel Coe, analyst with Morgan Stanley, said the combination has little overlap in the airplane parts the companies make. Rockwell's portfolio includes displays, seating and communications, while United Technology provides electrical systems, wheels and engine controls.

The deal comes as the aerospace sector is looking at increased competition from its own customers. Engine makers—like United Technologies' Pratt & Whitney division—typically sell the huge machines with little or no profit but then make up the money by selling decades of servicing and parts. But Boeing and Airbus have been nudging their way into that aftermarket business to capture some of that profit—a strategy that puts them on a collision course with suppliers.

"Further consolidation among aerospace suppliers would be a natural reaction to the airframers' efforts to shift industry profitability towards them," Credit Suisse analyst Julian Mitchell said.

Boeing recently created a new unit to develop and build aircraft avionics systems, focusing on equipment for future products but moving deeper into the territory of Rockwell Collins and **Honeywell International** Inc.

—Thomas Gryta contributed to this article.

BUSINESS & FINANCE

LOCAL

Continued from the prior page

zon has shrunk to about 3% as of this month from 37% in April 2016, according to Luxottica. The sunglass maker has shut down several thousand accounts that didn't agree with or refused to follow the new policy, Mr. Uguzzoni said.

Online sales to third parties in North America fell 60% after the MAP program took effect, but a company survey conducted in October found that the opticians and optometrists who account for most sales welcomed the new plan. "Our independents tend to discount as little as they can," Mr. Uguzzoni said.

SIMON SIMARD FOR THE WALL STREET JOURNAL (2)

Apparel maker Arc'teryx uses e-commerce sales data to advise merchants. Below, a Thule bike rack.

UPPAbaby

Free stroller tuneups are one way UPPAbaby, a Hingham, Mass.-based maker of baby strollers and car seats, draws customers back to local retailers carrying its products after they buy one of its strollers, which cost up to $900.

Tadpole, a children's store in Boston, has hosted two tuneup clinics this year, with over 90 UPPAbaby customers receiving an appointment.

The events aren't only a selling point—they also bring in customers who bought their strollers elsewhere, including some "who may not even have known about us," said Tadpole co-owner David Hauck.

Brooks

Running-gear maker Brooks is testing a new app that uses an iPad connected to a treadmill to help local retailers determine which Brooks shoe best suits a runner's biomechanics.

Brooks will help key retailers cover the $960 cost, said Rick Wilhelm, a vice president of sales for Brooks, a unit of Berkshire Hathaway Inc.

The setup "allows stores to be the center of communication," he said.

In April, Brooks launched a website that lets stores order products they don't have in stock—and then drop-ship them directly to customers' homes. The system reduces the likelihood that a retailer will take the time to fit a customer with the perfect shoe, but then lose the sale to an online competitor.

Thule

Local retailers typically don't have enough shelf space to carry all the bulky cargo containers, bicycle racks and luggage Thule Group makes.

So the Sweden-based company has started providing stores with tablet computers that act as a digital catalog, said Schuyler Horton, a vice president of sales. A dozen U.S. stores are piloting the $500 tablets, paid for by Thule.

Thule doesn't sell its products directly on its website. Instead, it funnels the orders it gets to about 70 local retailers, with the help of software provider Kibo.

"It's a total meritocracy," said Mr. Horton. Retailers, he said, win the online order "not by being aggressive on price. They win the order by being able to confirm they have exactly what the consumer is looking for" and being closest to the customer's location.

Orb

When toy maker **Orb** unveiled PlushCraft, a line of no-sew fabric craft kits in 2013, the feedback from local retailers was quick and pointed. Customers wanted cats, not birds, they said.

"We get really valuable information from them that you can't get from focus groups," said Stephanie Carver, marketing manager for Orb, which is based in Nova Scotia, Canada.

Orb has a program designed to encourage local retailers to try out new products without worrying they might be saddled with excess inventory. At the end of each quarter, local stores can donate slow-selling items to a favorite charity. Orb then replaces the donated goods with new items selected by the retailer at no extra charge.

Arc'teryx

When Arc'teryx, an outdoor-sports apparel maker, holds promotions at one of 17 company-owned stores in North America, the company brings in local retailers.

For a November event in New York City, employees from nearby **Paragon Sports** Co. waxed skis and directed customers to Paragon for other services and for products Arc'teryx, a unit of **Amer Sports** Corp., doesn't carry.

Arc'teryx salespeople also use e-commerce sales data to help merchants determine which styles of clothing, shoes and backpacks are best sellers in their local market.

BRITTA PEDERSEN/DPA/ZUMA PRESS

Travis Kalanick left Uber after nearly a half-year of scandal.

UBER

Continued from the prior page

hadn't seen its contents or been briefed on it prior to it being sent to all staff, according to people familiar with the matter. Though chairman, Mr. Camp doesn't sit on the five-member executive search committee, these people noted.

"Uber must evolve and mature as we improve our culture and practices," Mr. Camp said in the email. News site Recode reported the email earlier.

The next CEO of the company will have to quickly fill the deputy positions, while also seeking a new independent chairman to replace Mr. Camp who is relinquishing the post but is expected to remain as a director.

Uber retained executive-search firm **Heidrick & Struggles International** Inc. to help it find its new CEO and COO. Meg Whitman, the Hewlett Packard Enterprise CEO, was a contender for the top job at Uber, according to people familiar with the matter, but last month on Twitter declared herself out of the running.

Separately, major Uber investor **Benchmark Capital** on Monday sent a series of tweets apparently meant to alleviate tensions between the venture firm and the ride-hailing company. The firm, which was the driver behind Mr. Kalanick's June ouster, has been discussing selling a portion of its stake to **SoftBank Group** Corp. at a valuation below that of Uber's last funding round, according to people familiar with the matter.

Benchmark, on Twitter, said it is "incredibly optimistic about Uber's future" and that it is "long Uber," while noting it thinks the company's value could exceed $100 billion—compared with about $70 billion now. Benchmark partner Matt Cohler is an Uber board member and sits on the executive search committee.

LIBOR

Continued from the prior page

investors.

A Fannie Mae spokeswoman said the agency is "monitoring the Libor situation closely and will notify the market when we come to a decision." A Freddie Mac spokeswoman said it would try "to minimize the impact on borrowers."

It isn't clear if there will be a single replacement, though some industry officials said they would prefer that Fannie, Freddie or regulators mandate a replacement.

Investors would prefer that, too, said Mr. Barnes of Premier Mortgage Group. They don't want to deal with mortgage pools where the underlying loans react differently to Libor's disappearance, he said.

The Alternative Reference Rates Committee, a group of banks convened by the Fed to look at Libor alternatives after the scandals broke, has proposed switching to a benchmark based on short-term loans known as repurchase agreements, or "repo" trades, backed by Treasury securities.

Meanwhile, some ARMs are tied to the yield of the one-year Treasury rate. While banks might be willing to offer new ARMs tied to Treasury rates, they will probably be reluctant to switch current ARMs to that because of potential lost income. The one-year Treasury is trading around 1.2%, compared with the one-year Libor at 1.7%.

Global investors could also balk at that substitute, preferring something less dependent on the whims of the U.S. central bank, said Keith Gumbinger, vice president of the mortgage information website HSH.com.

Rep. Brad Sherman, a Democrat from California on the House Financial Services Committee who has advocated for replacing Libor because of the manipulation scandals, said he would be watching to see how consumers are affected.

Imagine if banks figured out a way to add just 0.10 percentage point to the cost of a mortgage, he said. "It would cost a consumer hundreds of dollars in the first year...and it would be very unfair."

What financing rate is your broker charging you?

US Margin Loan Rates Comparison $300k

Interactive Brokers	2.32%[1]
Schwab	6.82%
Fidelity	6.82%
TD Ameritrade	7.50%
E*TRADE	7.75%
Scottrade	7.00%
Vanguard	6.00%

Competitor firm information is for margin loan rates obtained from their respective websites as of 7/10/17.
Competitor rates and offers subject to change without notice.

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Netflix Buys Into Superhero Universe

By Joe Flint
And Cara Lombardo

Netflix Inc. acquired comic-book publisher Millarworld, best known for characters and stories such as "Kick-Ass" and "Old Man Logan," as part of its broader strategy to create and own more original content.

The deal is Netflix's first acquisition. Financial terms weren't disclosed, but a person familiar with the matter said the price was in the range of $50 million to $100 million.

While it is a small outlay for a company with a $78 billion market capitalization and $1.9 billion in cash, it is a notable shift for the streaming giant. Netflix has evolved from purely licensing TV shows and movies from other studios and networks, to funding original content, to now owning intellectual property and production.

By developing more of its own content and holding intellectual-property rights, Netflix can decrease its reliance on the outcome of contract negotiations, better control costs and dabble in selling consumer products.

The purchase comes as its competitors—particularly traditional broadcast and cable networks—are also increasingly seeking to own as much of their content as possible.

Founded by Mark Millar, Millarworld has content that ranges from superheroes to science fiction and fantasy. Other well-known properties include "Kingsman," "Jupiter's Circle," "Reborn" and "Empress." "Kick-Ass," "Kingsman," and another Millarworld property "Wanted" have been made into movies and combined have grossed close to $1 billion in world-wide box-office receipts. The "Kick-Ass" and "Kingsman" properties, though, aren't part of the sale because of existing Hollywood deals, Mr. Millar wrote in a letter to fans on his company's website.

In unveiling the purchase, Netflix Chief Content Officer Ted Sarandos said Mr. Millar is "as close as you can get to a modern-day Stan Lee," referring to the Marvel Comics legend.

Before starting his own company, Mr. Millar was at Marvel for nearly a decade and was involved in the development of the first "Avengers" movie as well as "Captain America: Civil War" and "Logan."

Talks between Netflix and Millarworld started late last year, according to Mr. Millar's letter. The Netflix team, he said, "felt like people who would help us take Millarworld's characters and turn them into global powerhouses."

For Netflix, the acquisition is another bet on comic book-driven content to drive sign-ups and retain existing subscribers. It already has a deal with Walt Disney Co.'s Marvel that has resulted in the series "Daredevil," "Jessica Jones" and "Luke Cage."

CBS Steps Up Its Digital Strategy as Viewing Habits Evolve

CBS Corp. is ramping up its digital efforts by expanding its online streaming service "All Access" abroad and launching a new digital sports network later this year in the U.S.

The aggressive expansion of its digital operations is the latest sign that growth for so-called traditional media companies such as CBS will lie in online platforms as viewing habits change.

"Clearly there is a lot of upside here," CBS Chief Executive Leslie Moonves said of the digital businesses, when he unveiled the latest plans during the company's earnings call Monday.

CBS's net income for the second quarter fell to $58 million, or 14 cents a share, from $423 million, or 93 cents a share, a year earlier. The earnings included a noncash charge of $365 million related to the spinoff of its radio unit. Adjusted net earnings were $1.04 a share. Revenue jumped 9% to $3.26 billion. Analysts polled by Thomson Reuters had forecast earnings of 98 cents on $3.09 billion in revenue.

Advertising revenue—the largest contributor to CBS's top line—grew 4.3% to $1.3 billion, led by the semifinals and finals of the NCAA Division I Men's Basketball Championship in April. (At right, a Final Four game.)

—Joe Flint and Imani Moise

RONALD MARTINEZ/GETTY IMAGES

Renault Joins Push for Iran Deals

By Matthew Dalton in Paris and Asa Fitch in Dubai

French car maker **Renault** SA is set to open a new factory in Iran, in the latest sign of deepening Western business ties with Tehran following the lifting of sanctions.

Renault said Monday that the factory would produce 150,000 vehicles a year, in a joint venture with state-owned Iranian conglomerate Industrial Development & Renovation Organization, or IDRO, and Parto Negin Naseh, which imports Renault vehicles to Iran.

The deal, which the head of IDRO said was valued at about €660 million ($777 million) in its first phase, according to Iran's state news agency, comes on top of Renault's existing joint venture in Iran. Renault declined to comment on the deal's value.

The agreement is the latest in a wave of deals by Western corporations following the 2015 nuclear accord, with European companies so far appearing more active than their U.S. counterparts.

European energy and infrastructure giants, including Germany's **Siemens** AG and France's **Total** SA, have reached major deals in Iran since the lifting of sanctions, defying a push by the Trump administration to penalize Iran over its ballistic-missile program.

Against a backdrop of renewed sanctions pressure under President Donald Trump and Congress, American investors have been skittish in their approach to the Iranian market.

The Trump administration imposed its latest round of sanctions last month, and Congress passed additional sanctions targeting Iran, Russia and North Korea. Mr. Trump signed that bill on Wednesday.

Under the deal announced Monday, Renault will be the majority shareholder in the venture after an initial period of joint control. It announced in September plans to form the new venture, but only fully disclosed the partnership structure Monday.

Cars will start entering the country late in the next Iranian year, which ends in early 2019, IDRO chief Mansour Moazami said.

In addition to the vehicle plant, Renault said an engine plant with a capacity of 150,000 units a year is also planned. The facilities will be in Saveh, 70 miles south of Tehran.

Renault has 60% of the shares of the venture, with the remaining 20% with IDRO and 20% with Parto Negin Naseh, according to the Islamic Republic News Agency. The deal will create 3,000 jobs, it added, and Renault will provide distribution, sales and after-sales services.

Renault already had capacity to build 200,000 vehicles a year in Iran before the new production deal, but its expansion had been slowed by sanctions before the nuclear accord.

In January 2016, Western powers and the United Nations lifted penalties intended to block Iran from developing a nuclear weapon, after confirming the country was sticking to the initial terms of the 2015 accord.

Since the deal, Western firms have moved in. Last month, Total said it would sign a deal to complete a $1 billion investment in an Iranian gas field as part of a partnership with **China National Petroleum** Corp. and an Iranian company.

Alibaba-Marriott Deal Pursues Chinese Travelers

THE RITZ-CARLTON

A Ritz-Carlton property in Thailand. The Chinese appetite for international travel is increasing in tandem with income.

By Liza Lin
And Chris Kirkham

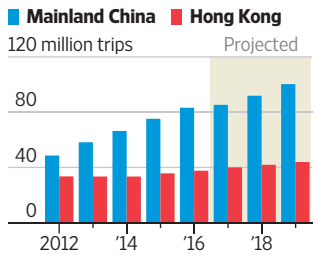
Alibaba Group Holding Ltd. said it would team up with U.S. hotel company **Marriott International** Inc. to expand its online-travel footprint as more Chinese venture abroad.

Chinese consumers will be able to use Alibaba's travel-service website and app to book rooms in the more than 6,200 hotel properties worldwide that Marriott operates under such names as Marriott, Courtyard, Ritz-Carlton and Sheraton, Alibaba said Monday. They also will be able to use the same Alipay smartphone payment platform they use at home when they stay in Marriott properties abroad.

Chinese e-commerce leader Alibaba, based in Hangzhou, is expanding beyond traditional retail categories, such as clothing, into entertainment and travel bookings as the Chinese appetite for international travel rises in tandem with income.

On the Move

Chinese outbound travel is projected to grow by nearly 20% over the next three years.



Source: Euromonitor International
THE WALL STREET JOURNAL.

Marriott executives said the joint venture, which involves undisclosed investments from both companies, is aimed at getting more Chinese consumers into Marriott's loyalty programs and hotel properties across the world.

Stephanie Linnartz, Marriott's global chief commercial officer, said in an interview that Alibaba's understanding of Chinese consumer tastes will give the hotel company a market-share advantage.

"They have significant customer data and insights on the Chinese consumer," she said.

Marriott, based in Bethesda, Md., already has a large presence in China, with over 600 hotels that are open or in the pipeline.

The partnership with Alibaba also will help Marriott drive more direct bookings to its hotels. Many of the world's largest hotel chains have been trying to claw back business from third-party travel sites run by companies such as **Expedia** Inc., **Priceline Group** Inc. and China's largest travel website, **Ctrip.com International** Ltd.

Avis Feels Pressure From Prices

Avis Budget Group Inc. cut its earnings forecast for the year, citing a difficult first half hurt by price pressure and higher fleet costs.

Avis said oversupply in the industry had pressured prices, but there was improvement in July as fleet levels in the Americas leveled off. Avis said per-unit fleet costs in the Americas rose 10% in the latest period because of lower used-car values. Companies like Avis and **Hertz Global Holdings** Inc. lease rental vehicles and are vulnerable to falling used-car prices.

Avis reported a profit of $3 million, or 4 cents a share, in the quarter ended June 30, compared with a year-earlier profit of $36 million, or 38 cents a share. Excluding items, profit fell to 30 cents a share from 63 cents a year earlier. Revenue was roughly flat at $2.24 billion.

—Maria Armental

Chicken, Bacon Sales Bolster Tyson Outlook

By Jacob Bunge

Tyson Foods Inc. predicted a continued boom in meat sales, as consumers gobble up more chicken strips and bacon even at higher prices.

U.S. restaurants are laying more bacon on entrees, and Americans are expected to consume a record 91.3 pounds of chicken each this year. On top of increased demand from foreign buyers, Tyson, the top U.S. meat company, says it is sometimes struggling to keep up.

"We're essentially busting at the seams," Tyson Chief Executive Tom Hayes said. Tyson shares climbed 4.9% on Monday after the company reported higher than expected profit and revenue for the second quarter. Tyson said it expects sales to increase 6% in its fiscal 2018, which begins in October.

Growing demand for meat has also benefited other big meat companies like **Pilgrim's Pride** Corp., **Hormel Foods** Corp. and **Sanderson Farms** Inc. Low grain prices have made it cheaper to raise cattle, hogs and chickens.

Expansion poses challenges for Tyson, however. The company has worked to focus its business on higher-profit meat products that can require additional processing, rather than on basic chicken, pork and beef cuts that are priced as cheaply as possible. As part of the shift, Tyson has sometimes bought chicken from rivals rather than investing to expand its own production. That recently left Tyson paying up for poultry to meet demand.

For the most recent quarter, Tyson reported a profit of $447 million, or $1.21 a share, down from $484 million, or $1.25, a year earlier. Excluding items such as the purchase of AdvancePierre Foods, earnings rose to $1.28 a share. Revenue rose 4.8% to $9.85 billion.

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Valuable Tool For Games: Access to You

Publishers use phone notifications to get players to come back and play even more

By Sarah E. Needleman

ELECTRONIC ARTS

The Electronic Arts mobile videogame 'Star Wars: Galaxy of Heroes' sends players notifications, which helps fuel sales of virtual goods.

The mobile videogame "Star Wars: Galaxy of Heroes" frequently sends smartphone notifications to players, in some cases multiple times daily, persuading them to open the app to outfit Han Solo, Rey and other famous characters for battle.

That tactic, akin to a virtual tap on the shoulder, is working. Players spent an average 162 minutes a day in the mobile videogame in the first six months of year, according to its publisher, **Electronic Arts** Inc. Typically, people spend about 45 minutes daily playing mobile games, the research firm EEDAR estimates.

While most mobile games are free to play, developers have ways of enticing people to spend, often to help them progress quickly through levels. Smartphone home-screen alerts, bonus rewards for frequent logins and reminders between players to take their turns are driving up engagement. The more engaged players become, the more likely they will open their wallets, said Mike Hickey, a technology analyst at Benchmark Co.

Overall, mobile games are expected to make up 42% of the $108.9 billion in videogame revenue projected for this year, up 7.8% from 2016 and 54% from 2012, about the time when free-to-download games became popular, according to Newzoo BV.

Christopher Ponicki's smartphone buzzes with Star Wars notifications several times a day, he said. Initially, the messages were helpful reminders to log in and collect free virtual goods, the 23-year-old law student from Chicago said. Now, he routinely plays about 90 minutes a day and estimates he has spent some $200 since taking up the game soon after its November 2015 launch.

Less than 2% of people who play mobile games spend money inside them; those who do on average spend $21 a month, according to a June analysis from mobile-analytics company AppsFlyer Ltd. That is up from an average of about $18 a year ago.

Spenders make their first purchase inside a mobile game on average within 14 hours of downloading it, according to a 2016 report from Swrve Inc., a mobile marketing firm. About 56% go on to make a repeat purchase.

Even though notifications can be disabled, they remain among the most "powerful and invasive retention mechanisms," especially since they can be timed to typically idle moments of the day, such as a lunchbreak, said Jonathan Kay, operating chief of app-analytics firm Apptopia Inc.

In addition to notifications, EA's Star Wars game recently deployed a new tactic: "flash" events, or challenges and rewards available for a limited amount of time.

EA's mobile games had second-quarter net sales of $150 million, up 6% from a year earlier. Growth came primarily from the Star Wars game, as well as sports games, EA said. It credited robust software updates and special in-game events for the increase.

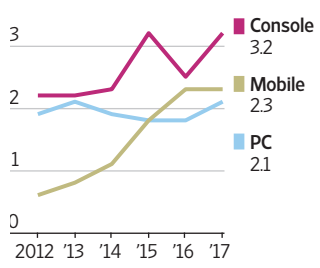
Playdemic Ltd., a U.K. studio owned by **Warner Bros. Interactive Entertainment**, also regularly holds contests in its games to hook players. In July, the studio's game "Golf Clash" took in $1.1 million in a single day, thanks to a limited-time tournament. "Our players love the mass participation and competition created by these events," said Playdemic Chief Executive Paul Gouge.

"Golf Clash" players are also frequently rewarded with free prizes, such as club upgrades that bestow more power or accuracy—just for returning to the game. People play it on average 48 minutes a day, according to the company.

By contrast, people on average spend more than 30 minutes a day on Snapchat, parent company **Snap** Inc. said on an earnings call in May.

Playtime

Average weekly hours spent gaming



Source: Nielsen

THE WALL STREET JOURNAL.

Prison Sought for Samsung Leader

By Eun-Young Jeong

AHN YOUNG-JOON/PRESS POOL/REUTERS

Samsung's Lee Jae-yong faces five charges relating to bribery.

South Korean prosecutors sought a 12-year sentence for Lee Jae-yong, the de facto head of the **Samsung** conglomerate, after a monthslong trial over a national corruption scandal that has ensnared many of the country's high-profile figures, including former President Park Geun-hye.

The prosecutors' sentence recommendation on Monday marks the end of Mr. Lee's court hearing.

The court will give its final ruling on Aug. 25. Mr. Lee can be detained without a ruling by law until Aug. 27.

Mr. Lee, the grandson of Samsung's founder and the vice chairman of Samsung Electronics Co., has been on trial since April. Prosecutors accuse Mr. Lee of agreeing to pay some $37 million to entities linked to a close friend of Ms. Park in exchange for the government's support in consolidating his grip over the Samsung empire. This included support for a merger between two Samsung affiliates that increased his personal stake in Samsung Electronics, the world's largest smartphone maker and the crown jewel of South Korea's largest conglomerate.

Mr. Lee, who has been detained since February as he undergoes trial, faces five charges revolving around bribery. Mr. Lee has denied all charges against him.

The prosecutors' recommended sentence goes above the minimum five-year sentence previously estimated by legal experts surveyed by The Wall Street Journal, and would make Mr. Lee the first Samsung leader to be imprisoned since the company was founded in 1938. By South Korean law, sentences of more than three years can't be suspended. If convicted, Mr. Lee would have to serve one-third of his sentence term before he could win parole.

Ms. Park was removed from office in March by the country's Constitutional Court following her impeachment over accusations that she colluded with her confidante, Choi Soon-sil, to extort money from Samsung and other South Korean conglomerates.

Also on Monday, prosecutors recommended 10-year prison sentences for three other former Samsung officials involved in the same case as Mr. Lee, including the one-time head of the Samsung conglomerate's corporate strategy office, the group's former control tower that was abolished in February. Prosecutors sought a seven-year sentence for one other former Samsung official.

Under South Korean law, Mr. Lee isn't required to relinquish his board seat at Samsung Electronics, even if convicted. However, experts say he may face pressure from shareholders to step down if he is found guilty of embezzling company funds, one of the five charges made by prosecutors.

Separately on Monday, South Korean police raided a management office for Samsung's family-owned residences in Seoul as part of an investigation into allegations of fund misappropriation and tax evasion related to interior renovations that took place between 2008 and 2015. Samsung declined to comment on the raid.

SoftBank CEO Is Eager To Invest in Uber, Lyft

By Mayumi Negishi

TOKYO—**SoftBank Group** Corp. Chief Executive Masayoshi Son expressed eagerness to invest in **Uber Technologies** Inc. or **Lyft** Inc. to gain access to the U.S. ride-hailing market after similar investments in Asia.

"We are interested in discussing with Uber. We are also interested in discussing with Lyft," the SoftBank chief said Monday at a news conference, adding that he wasn't sure what form an investment would take. "The U.S. is a very big market, the most important market, so we are definitely very much interested."

Masayoshi Son has stepped up his already frenetic deal-making pace recently.

Mr. Son, founder and head of the Japanese technology and telecommunications group, has stepped up his already frenetic deal-making pace recently as he approaches his 60th birthday later this week.

He said he was close to a deal involving SoftBank-controlled U.S. wireless operator **Sprint** Corp. that would trigger consolidation in the U.S. telecom industry.

SoftBank and Sprint are brokering "multiple possibilities," he said. He declined to comment on whether a combination with T-Mobile US Inc.—which Mr. Son has pursued on and off for years—was on the table.

His war chest is generated from solid revenue from SoftBank's telecom operations in Japan, a lucrative early investment in Chinese e-commerce company Alibaba Group Holding Ltd., and $93 billion in committed capital in the SoftBank Vision Fund, which was formed with Saudi government investment.

Already, SoftBank is a big investor in the three largest Asian ride-hailing companies: Singapore's GrabTaxi Holdings Pte., India's **Ola** and China's Didi Chuxing Technology Co. It has also invested in semiconductors, robotics and other areas relevant to autonomous driving.

By expanding its reach to Uber or Lyft, SoftBank could help determine the industry's direction in adopting autonomous-driving technology, Mr. Son said.

The technology "is definitely coming, and when that comes, this ride-sharing business becomes even more important," he said.

An Uber spokeswoman in Japan declined to comment on Mr. Son's remarks. A representative of Lyft couldn't immediately be reached.

Deal Set for Ad Technology

By Lara O'Reilly

U.S. ad-tech company **Tremor Video** is selling its "demand-side platform" to Israel-based mobile advertising firm **Taptica** for an enterprise value of $50 million, continuing a raft of consolidation in a sector facing stiff online competition from **Alphabet** Inc.'s Google and **Facebook** Inc.

Demand-side platforms help advertisers and their ad agencies buy online video ads using automated processes. Tremor Video is retaining its "supply-side platform," which helps online publishers manage and sell their video advertising inventory.

The $50 million price includes about $22.5 million of working capital, which mainly comprises accounts receivable, as Taptica looks to maintain Tremor Video's relationships with advertising agencies and marketers.

Taptica Chief Executive Hagai Tal said the company had looked at other businesses in the sector as it seeks to expand its presence geographically and extend its offerings in the media-buying space, but it chose Tremor Video due to its scale.

"We are seeing the budget that traditionally went to TV shifting into the digital area, and we thought it was the obvious bet for us to grow," Mr. Tal said.

Tremor Video CEO Mark Zagorski, who assumed the role on July 10 this year, said his company will now become more focused, rather than trying to offer services to both buyers and sellers.

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M/s Engineers India Ltd. on behalf of M/s Hindustan Petroleum Corporation Ltd. invites digitally signed & sealed (encrypted) e-tenders (online bid to be submitted only at site https://etender.hpcl.co.in) under single stage two bid system i.e. unpriced bid and priced bid in prescribed bid document from eligible bidders for **"SUPPLY OF LIQUID METERING SYSTEM – MASS FLOW METERS for MDPL Capacity Expansion and Palanpur-Vadodara Pipeline Project"** (Tender No: 17000051-HD-10129). Pre-Bid meeting: At **1330 Hours** IST on **21.08.2017.** Tender submission due date: Up to **06.09.2017** (1600 Hours IST). Un priced bid opening: **1630 Hours** IST on **06.09.2017**
The tender details/documents including EMD requirement etc. can be viewed and downloaded **02.08.2017 onwards** from our websites https://etender.hpcl.co.in and www.hindustanpetroleum.com (under tender section: link "Tenders & Contracts")
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NOTICE OF PUBLIC AUCTION

Reference is hereby made to that certain Indenture, dated as of March 7, 2001 (as the same has been amended and supplemented from time to time, the "**Indenture**"), by and among Crest 2001-1, Ltd. as Issuer, Crest 2001-1 Corp. as Co-Issuer, Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee (when acting in such capacity, the "**Trustee**"), Paying Agent, Calculation Agent, Transfer Agent, Custodial Securities Intermediary and Notes Registrar thereunder. In accordance with the applicable provisions of the Indenture and the Uniform Commercial Code as in effect in the State of New York, the following assets will be sold (individually or on a portfolio basis) to the highest qualified bidder(s) at a Public Auction to be held on the dates and times set forth below*:

Bid Deadline: August 22, 2017 at 10:00 a.m. (prevailing Eastern time)

No.	CUSIP	Type of Asset	Security	Original Principal Amount ($)
1	20046PAK4	CMBS	COMM 2000-C1 H	$6,734,000
2	337367AG1	CMBS	FULBA 1998-C2 IO	$250,000,000
3	42332QBE2	Zero Factor- CMBS	HFCMC 2000-PH1 J	$9,570,000
4	52108HBU7	Zero Factor- CMBS	LBUBS 2000-C4 K	$7,493,000
5	61910DFT4	Zero Factor- CMBS	MCF1 1998-MC3 H	$6,811,000
6	79548KX86	Zero Factor- CMBS	SBM7 2000-NL1 G	$10,861,000
7	52108HBT0	Zero Factor- CMBS	LBUBS 2000-C4J	$12,488,000

Additional Information. All bids must be submitted by the applicable above-noted Bid Deadline in accordance with the terms and conditions set forth in a bid package (the "**Bid Package**") relating to this Public Auction. In addition, please be advised that the sale of the above-noted assets (individually or on a portfolio basis) will be made only to the highest qualified bidder(s) and may be subject to a reserve level. For additional information regarding this Public Auction, and to obtain a Bid Package, please contact Dock Street Capital Management LLC, Attn: David Crowle, Managing Partner, Telephone No. (212) 457-8258, E-mail: liquidations@dockstreetcap.com; and Jeffrey Holtman, Managing Partner, Telephone No.: (212) 457-8255, E-mail: liquidations@dockstreetcap.com. The Public Auction will be a public disposition (within the meaning of Section 9-610 of the UCC).

Disclaimer. The Trustee is authorized at this Public Auction, if the Trustee deems it necessary or otherwise advisable or is required by applicable law to do so: (a) to restrict the prospective bidders on, or purchasers of, any of the above-noted assets to be sold to those persons who (i) represent and warrant that they are a "qualified institutional buyer," as such term is defined in Rule 144A(a)(i) promulgated by the SEC under the Securities Act of 1933, as amended (the "**Act**"), and a "qualified purchaser" for purposes of Section 3(c)(7) of the United States Investment Company Act of 1940, as amended; and (ii) agree that they will not resell such assets without compliance with the registration requirements of the Act and applicable state securities laws or pursuant to valid exemptions therefrom and (b) to impose such other limitations or conditions in connection with this Public Auction as the Trustee deems necessary or advisable in order to comply with the Act or any other applicable law.

* All of the information contained herein is made to the best of the knowledge of the Trustee as of the close of business on August 6, 2017.

Dividend Notice

The Board of Directors of Canadian National Railway Company has declared a quarterly dividend of CDN$0.4125 per share on the outstanding common shares. The quarterly dividend is payable on September 29, 2017 to shareholders of record at the close of business on September 8, 2017.

By order of the Board
Sean Finn
Executive Vice-President
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Fresenius Adds To Push in U.S. With Health Deal

By Ben Dummett

Fresenius SE's minority-owned kidney dialysis business agreed Monday to acquire **NxStage Medical** Inc. for about $2 billion as part of the German health-care provider's broader push into the U.S.

The NxStage deal comes less than five months after Fresenius SE, which owns 31% of **Fresenius Medical Care** AG, agreed to acquire U.S. generic-drug manufacturer **Akorn** Inc. for $4.3 billion.

That deal aimed to bolster and diversify its Fresenius Kabi unit's focus on sterile injectable medicines to treat critically and chronically ill patients.

Fresenius Medical Care of Germany is acquiring NxStage for about $2 billion.

Fresenius Medical Care, which describes itself as the world largest provider of dialysis products and services for the treatment of kidney diseases, is acquiring NxStage as hospitals face pressure to lower costs without undermining patient care. With the acquisition of NxStage, Fresenius Medical gains access to the Boston-based company's portable dialysis machines, for use in a patient's home as well as in hospitals and dialysis centers, that both health-care professionals and trained users can operate.

Fresenius Medical says it treats 315,305 patients globally through its networks of 3,690 dialysis clinics. The company, based in Bad Homburg, is also a provider of dialysis machines.

For Fresenius Medical, development of home therapies is a key research and development focus.

It is betting that rising health-care costs and limited availability of trained personnel will drive demand for NxStage's machines.

"Home dialysis is a critical component of renal care, and this acquisition would help us accelerate growth and innovation" in this area, said Bill Valle, head of Fresenius Medical's North American operations. Fresenius Medical is acquiring NxStage for $30 a share, about a 30% premium to the company's closing price in New York on Friday.

For NxStage, the deals give it access to the resources of a larger company. In 2016, Fresenius Medical generated revenue of $17.9 billion, compared with $366 million for NxStage.

The NxStage deal underscores Fresenius SE's overall strategy of targeting the U.S. as a source of revenue growth and cost savings through acquisitions that complement its operations. NxStage, like Fresenius Medical, has its U.S. headquarters in Massachusetts.

Fresenius Medical estimates annualized net cost savings through the deal of as much as $100 million, before tax, over three to five years.

In the Fresenius Kabi-Akorn deal, the German company estimated integration of the two businesses would generate about $100 million in pretax cost savings a year.

—William Wilkes contributed to this article.

Hanjin Raises Fraction of $10.5 Billion in Bankruptcy Claims

TIM RUE/BLOOMBERG

South Korea's **Hanjin Shipping** Co., which roiled global trade and temporarily marooned more than half a million cargo containers when it filed for bankruptcy, says it has raised only a fraction of what it needs to repay creditors, whose claims total about $10.5 billion.

In court papers filed Friday with the U.S. Bankruptcy Court in Newark, N.J., the trustee overseeing the carrier's bankruptcy proceeding in Seoul said Hanjin has raised about $220 million since filing for bankruptcy nearly a year ago.

Hanjin, once one of the world's largest container-shipping companies, filed for receivership in South Korea in August last year. The company has since sold ships, stakes in seaport terminals and other assets, with proceeds destined to repay creditors. The shipper says more than 180 creditors attended an initial court-supervised meeting June 1.

In Friday's court papers, Hanjin said it was unclear when distributions to creditors would begin. But it made clear those distributions would be carried out according to a plan worked out in South Korea and consistent with Korean bankruptcy law.

A Korean judge ordered Hanjin's liquidation earlier this year.

Hanjin filed for chapter 15 bankruptcy protection in the U.S. just days after filing for receivership in South Korea.

The company initially sought to keep its business alive through a restructuring but eventually succumbed to a mountain of debt.

—Tom Corrigan

New Nissan Leaf Photos Sprout Online

By Sean McLain

TOKYO—A month before the introduction of **Nissan Motor** Co.'s new electric-powered Leaf model, leaked photos from inside the factory where the car is being built have given a good glimpse of what it looks like despite Nissan's best efforts to keep it under wraps.

Nissan is betting heavily on the new Leaf to reassert its electric-vehicle leadership, which has been much touted by Chairman Carlos Ghosn.

That title is being challenged, especially by **Tesla** Inc.'s sleek new Model 3. About half a million people have paid $1,000 to reserve a Model 3, around twice the number of Leafs sold cumulatively since launching in 2010.

A Japanese-language Twitter user self-identified as Blue Miata posted two slightly blurry photos showing the front and the rear of the new Leaf model as it came off the assembly line.

"I work at a Nissan-related workplace. I discovered the new Leaf on the inspection line at the Oppama plant," the user wrote.

A person familiar with the matter confirmed that the images showed the new Leaf.

The car seen in the photo is reminiscent of the new Nissan Micra, a gasoline-powered model that went on sale in Europe earlier this year.

That could bode poorly for the new Leaf's prospects in markets such as the U.S., where demand for the similarly styled Chevrolet Bolt has been tepid. Nissan has been planning a splashy launch of the new Leaf next month, dribbling out information including a silhouette of the car.

Nissan has said that the vehicle will be equipped with the ProPilot autonomous-driving suite and have a range of roughly 200 miles to 300 miles on a single charge.

BUSINESS WATCH

NETAFIM

Mexichem to Buy Irrigation Firm

Mexican piping and chemicals company **Mexichem** SAB said Monday that it will acquire Israeli irrigation concern **Netafim** in a cash deal valuing the firm at $1.9 billion.

Mexichem will buy an 80% stake in the company from private-equity firm **Permira Holdings** Ltd. for $1.5 billion. Netafim founder Kibbutz Hatzrim will retain a 20% stake in the company.

Since Permira bought Netafim in 2011, the company has expanded into China, India and Africa. Netafim, which now has more than 4,300 employees and sales in over 110 countries world-wide, generated $855 million in revenue last year.

—Cara Lombardo and Anthony Harrup

AVAYA

Reorganization Plan Cuts $3 Billion in Debt

Bankrupt telecommunications firm **Avaya** Inc. has filed a revised reorganization plan that the company said will cut $3 billion in debt and sets a course to exit chapter 11 in the fall.

Avaya laid out its new plan to exit chapter 11 in papers filed Monday in the U.S. Bankruptcy Court in New York. The plan also includes a settlement that will allow Avaya to end a pension plan for salaried employees. The company said the new reorganization plan has support from creditors holding more than 50% of its senior debt.

Creditors' recoveries are based on a $5.72 billion enterprise valuation agreed upon following consultation with the U.S. government's private-company pension insurer, **Pension Benefit Guaranty** Corp., and a group of first-lien debtholders that includes **Apollo Management** LP, according to court documents.

—Jonathan Randles

DANIEL BECERRIL/REUTERS

Wal-Mart de Mexico was helped by higher customer spending per visit.

WAL-MART DE MEXICO

Store Openings Lend a Boost

Wal-Mart de Mexico SAB de CV July sales rose 6.9% from a year before to 46.2 billion pesos ($2.58 billion), supported by higher comparable-store sales and store openings.

Same-store sales in Mexico grew 6.9% as higher average spending per visit offset a 1% drop in customers, while in Central America same-store sales rose 5% from July 2016.

Same-store sales were up 6.4% and 6.8%, respectively, when adjusted for calendar effects.

—Anthony Harrup

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Monday, August 7, 2017

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
AlerianMLPETF	**AMLP**	11.78	**–0.34**	–6.5
CnsmrDiscSelSector	**XLY**	91.24	**0.23**	12.1
CnsStapleSelSector	**XLP**	55.43	**0.75**	7.2
DBGoldDoubleLgETN	**DGP**	23.50	**0.09**	16.8
DBGoldDoubleShrt	**DZZ**	5.77	**0.06**	–15.8
DeutscheXMSCIEAFE	**DBEF**	30.55	**0.07**	8.9
EnSelectSectorSPDR	**XLE**	65.14	**–0.76**	–13.5
FinSelSectorSPDR	**XLF**	25.35	**–0.16**	9.0
GuggS&P500EW	**RSP**	93.96	**0.11**	8.4
HealthCareSelSect	**XLV**	79.65	**0.21**	15.5
IndSelSectorSPDR	**XLI**	68.88	**...**	10.7
iShCoreHiDividend	**HDV**	84.73	**0.07**	3.0
iShCoreMSCIEAFEETF	**IEFA**	63.09	**0.02**	17.6
iShCoreMSCIEmgMk	**IEMG**	53.37	**0.70**	25.7
iShCoreMSCITotInt	**IXUS**	59.93	**0.20**	18.7
iShCoreS&P500ETF	**IVV**	249.52	**0.18**	10.9
iShCoreS&PMdCp	**IJH**	174.64	**–0.02**	5.6
iShCoreS&PSmCpETF	**IJR**	70.07	**–0.10**	1.9
iShS&PTotlUSStkMkt	**ITOT**	56.64	**0.19**	10.4
iShCoreUSAggBd	**AGG**	109.67	**–0.01**	1.5
iShEdgeMSCIMinEAFE	**EFAV**	71.03	**–0.04**	16.0
iShEdgeMSCIMinUSA	**USMV**	49.92	**0.08**	10.4
iShFloatingRateBd	**FLOT**	50.88	**0.02**	0.3
iShGoldTr	**IAU**	12.10	**–0.08**	9.2
iShiBoxx$InvGrCpBd	**LQD**	120.77	**0.02**	3.1
iShiBoxx$HYCpBd	**HYG**	88.46	**–0.05**	2.2
iShMSCIACWIETF	**ACWI**	67.59	**0.09**	14.2
iShMSCIBrazilCap	**EWZ**	38.81	**1.33**	16.4
iShMSCI EAFE	**EFA**	67.49	**0.04**	16.9
iShMSCIEAFESC	**SCZ**	60.19	**0.15**	20.8
iShMSCIEmgMarkets	**EEM**	44.25	**0.68**	26.4
iShMSCIEurozoneETF	**EZU**	42.26	**0.02**	22.1
iShMSCIJapanETF	**EWJ**	55.12	**–0.04**	12.8
iShNasdaqBiotech	**IBB**	317.27	**0.54**	19.6
iShNatlMuniBdETF	**MUB**	110.96	**0.07**	2.6
iShRussell1000Gwth	**IWF**	122.64	**0.35**	16.9
iShRussell1000ETF	**IWB**	137.81	**0.19**	10.7
iShRussell1000Val	**IWD**	117.22	**–0.08**	4.6
iShRussell2000Gwth	**IWO**	169.03	**0.56**	9.8
iShRussell2000ETF	**IWM**	140.44	**0.16**	4.1
iShRussell2000Val	**IWN**	118.06	**–0.17**	–0.7
iShRussell3000ETF	**IWV**	146.58	**0.20**	10.2
iShRussellMid-Cap	**IWR**	193.78	**0.18**	8.3
iShRussellMCValue	**IWS**	84.33	**–0.06**	4.8
iShS&PMC400Growth	**IJK**	197.45	**0.14**	8.4
iShS&P500Growth	**IVW**	141.29	**0.33**	16.0
iShS&P500ValueETF	**IVE**	106.65	**–0.01**	5.2
iShS&PMC400Value	**IJJ**	149.06	**–0.08**	2.7
iShSilver	**SLV**	15.33	**–0.33**	1.5
iShTIPSBondETF	**TIP**	113.76	**0.11**	0.5
iSh20+YTreasuryBd	**TLT**	125.07	**0.11**	5.0
iShRussellMCGrowth	**IWP**	109.59	**0.33**	12.5
PIMCOEnhShMaturity	**MINT**	101.70	**0.03**	0.4
PwrShQQQ1	**QQQ**	144.56	**0.63**	22.0
PwrShS&P500LoVol	**SPLV**	45.47	**–0.07**	9.4
PwrShSrLoanPtf	**BKLN**	23.22	**...**	–0.6
SPDRBloomBarcHYBd	**JNK**	37.21	**–0.03**	2.1
SPDR Gold	**GLD**	119.51	**–0.12**	9.0
SchwabIntEquity	**SCHF**	32.89	**0.09**	18.8
SchwabUS BrdMkt	**SCHB**	59.83	**0.17**	10.4
SchwabUS Div	**SCHD**	46.06	**0.17**	5.7
SchwabUS LC	**SCHX**	59.18	**0.15**	11.1
SchwabUS SC	**SCHA**	64.32	**0.16**	4.6
SPDR DJIA Tr	**DIA**	220.85	**0.13**	11.8
SPDR S&PMdCpTr	**MDY**	319.06	**0.03**	5.7
SPDR S&P 500	**SPY**	247.87	**0.19**	10.9
SPDR S&P Div	**SDY**	90.05	**0.04**	5.2
TechSelectSector	**XLK**	57.96	**0.61**	19.9
UtilitiesSelSector	**XLU**	53.95	**0.32**	11.1
VanEckGoldMiner	**GDX**	22.20	**–0.54**	6.1
VangdInfoTech	**VGT**	148.34	**0.61**	22.1
VangdSC Val	**VBR**	123.73	**...**	2.3
VangdSC Grwth	**VBK**	146.90	**0.34**	10.3
VangdDivApp	**VIG**	93.58	**0.12**	9.9
VangdFTSEDevMk	**VEA**	42.76	**0.07**	17.0
VangdFTSE EM	**VWO**	43.58	**0.79**	21.8
VangdFTSE Europe	**VGK**	57.29	**0.07**	19.5
VangdFinls	**VFH**	64.07	**–0.08**	8.0
VangdFTSEAWxUS	**VEU**	52.17	**0.19**	18.1
VangdGrowth	**VUG**	130.80	**0.38**	17.3
VangdHlthCr	**VHT**	147.76	**0.24**	16.6
VangdHiDiv	**VYM**	79.53	**0.04**	5.0
VangdIntermBd	**BIV**	84.86	**0.06**	2.2
VangdIntrCorpBd	**VCIT**	87.98	**0.08**	2.7
VangdLC	**VV**	113.79	**0.15**	11.2
VangdMC	**VO**	144.76	**0.15**	10.0
VangdMC Val	**VOE**	104.83	**0.23**	7.9
VangdREIT	**VNQ**	83.89	**–0.11**	1.6
VangdS&P500	**VOO**	227.63	**0.16**	10.9
VangdST Bond	**BSV**	79.92	**...**	0.6
VangdSTCpBd	**VCSH**	80.17	**0.01**	1.0
VangdSC	**VB**	136.40	**0.05**	5.8
VangdTotalBd	**BND**	82.00	**0.04**	1.5
VangdTotIntlBd	**BNDX**	54.60	**–0.05**	0.6
VangdTotIntlStk	**VXUS**	54.12	**0.11**	18.0
VangdTotalStk	**VTI**	127.16	**0.20**	10.3
VangdTotlWrld	**VT**	69.77	**0.24**	14.4
VangdValue	**VTV**	98.50	**0.02**	5.9
WisdTrEuropeHdg	**HEDJ**	62.94	**–0.11**	9.7
WisdTrJapanHdg	**DXJ**	52.86	**0.08**	6.7

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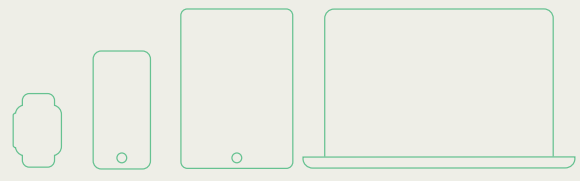

THE WALL STREET JOURNAL.
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MARKETS DIGEST

EQUITIES

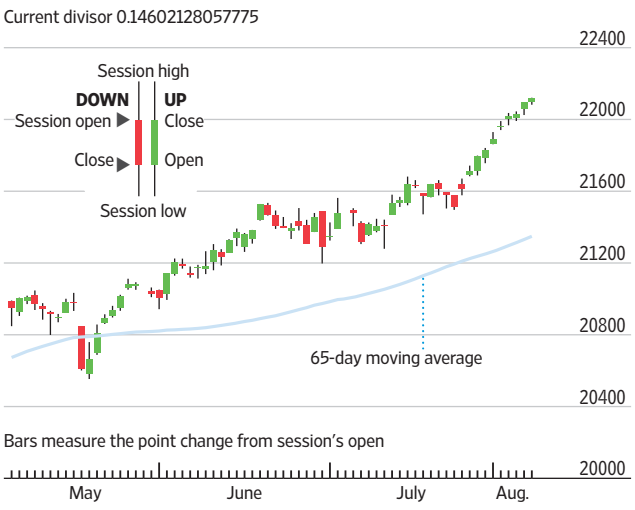
Dow Jones Industrial Average

22118.42 ▲25.61, or 0.12%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	20.04	20.14
P/E estimate *	18.61	17.95
Dividend yield	2.25	2.47
All-time high	22118.42, 08/07/17	

Current divisor 0.14602128057775



Bars measure the point change from session's open

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

S&P 500 Index

2480.91 ▲4.08, or 0.16%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	23.90	24.68
P/E estimate *	18.95	18.56
Dividend yield	1.97	2.10
All-time high:	2480.91, 08/07/17	

Nasdaq Composite Index

6383.77 ▲32.21, or 0.51%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	25.73	24.35
P/E estimate *	21.43	20.05
Dividend yield	1.10	1.22
All-time high:	6422.75, 07/26/17	

Major U.S. Stock-Market Indexes

	Latest High	Low	Close	Net chg	% chg	52-Week High	Low	% chg	% chg YTD	3-yr. ann.
Dow Jones										
Industrial Average	22121.15	22081.97	**22118.42**	25.61	**0.12**	22118.42	17888.28	**19.4**	11.9	**10.6**
Transportation Avg	9294.13	9260.13	**9284.66**	7.03	**0.08**	9742.76	7755.40	**18.0**	2.7	**5.1**
Utility Average	733.71	729.91	**733.59**	1.72	**0.24**	737.51	625.44	**6.3**	11.2	**11.4**
Total Stock Market	25649.41	25592.05	**25648.11**	38.21	**0.15**	25692.25	21514.15	**13.8**	10.2	**8.8**
Barron's 400	652.46	648.56	**651.46**	2.07	**0.32**	661.93	521.59	**18.5**	8.3	**8.1**
Nasdaq Stock Market										
Nasdaq Composite	6386.03	6356.23	**6383.77**	32.21	**0.51**	6422.75	5046.37	**22.5**	18.6	**13.8**
Nasdaq 100	5936.79	5903.75	**5934.73**	34.82	**0.59**	5950.73	4660.46	**24.0**	22.0	**15.4**
Standard & Poor's										
500 Index	2480.95	2475.88	**2480.91**	4.08	**0.16**	2480.91	2085.18	**13.8**	10.8	**9.1**
MidCap 400	1756.47	1747.53	**1752.90**	1.42	**0.08**	1791.93	1476.68	**12.2**	5.6	**8.7**
SmallCap 600	857.23	851.24	**854.75**	0.15	**0.02**	876.06	703.64	**14.6**	2.0	**9.8**
Other Indexes										
Russell 2000	1417.42	1408.62	**1414.17**	1.85	**0.13**	1450.39	1156.89	**14.9**	4.2	**8.1**
NYSE Composite	11987.79	11969.94	**11987.77**	2.89	**0.02**	12000.02	10289.35	**11.1**	8.4	**4.2**
Value Line	524.88	522.45	**523.93**	0.31	**0.06**	533.62	455.65	**8.4**	3.5	**2.9**
NYSE Arca Biotech	3979.89	3938.93	**3971.75**	23.51	**0.60**	4075.95	2834.14	**16.3**	29.2	**13.0**
NYSE Arca Pharma	525.90	522.84	**523.48**	-2.42	**-0.46**	549.20	463.78	**-2.6**	8.7	**1.8**
KBW Bank	97.32	96.82	**96.94**	-0.28	**-0.29**	99.33	69.05	**38.5**	5.6	**12.4**
PHLX§ Gold/Silver	82.89	81.86	**81.93**	-0.11	**-0.13**	112.73	73.03	**-25.8**	3.9	**-6.8**
PHLX§ Oil Service	132.66	130.04	**130.08**	-3.56	**-2.67**	192.66	126.75	**-21.8**	-29.2	**-23.0**
PHLX§ Semiconductor	1098.59	1082.57	**1098.25**	18.81	**1.74**	1138.25	768.37	**42.2**	21.2	**22.4**
CBOE Volatility	10.32	9.76	**9.93**	-0.10	**-1.00**	22.51	9.36	**-13.7**	-29.3	**-15.8**

§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
Petroleo Brasileiro ADR A	PBRA	11,449.7	8.64	...	unch.	8.64	8.64
AutoNation	AN	6,619.3	40.34	...	unch.	40.57	39.70
Ford Motor	F	6,122.2	10.92	...	unch.	10.95	10.91
VanEck Vectors Gold Miner	GDX	5,242.7	22.21	0.01	0.05	22.32	22.18
SPDR S&P 500	SPY	5,029.8	247.71	-0.16	-0.06	247.88	247.64
Finl Select Sector SPDR	XLF	3,893.7	25.36	0.01	0.04	25.37	25.33
Cnsmr Staples Sel Sector	XLP	3,543.9	55.43	...	unch.	55.50	55.03
FTI Consulting	FCN	3,218.3	32.62	...	unch.	32.62	32.46

Percentage gainers...

FibroGen	FGEN	637.6	54.80	21.40	64.07	55.75	33.40
Cutera	CUTR	15.4	30.41	3.76	14.09	33.50	26.65
MDC Partners Cl A	MDCA	26.2	10.50	1.15	12.30	10.65	9.30
Eagle Bulk Shipping	EGLE	26.5	5.11	0.52	11.22	5.25	4.59
Twilio Cl A	TWLO	1,628.1	33.75	3.22	10.55	35.71	30.53

...And losers

Evolent Health Cl A	EVH	34.4	20.20	-3.75	-15.66	24.00	20.00
Tenet Healthcare	THC	187.8	14.75	-1.94	-11.62	16.69	14.56
DepoMed	DEPO	69.3	8.20	-1.03	-11.16	9.23	8.10
Plains GP Holdings	PAGP	11.1	23.30	-2.53	-9.79	25.86	23.20
Plains All Amer Pipeline	PAA	65.2	23.00	-2.20	-8.73	25.42	22.92

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	743,812,522	13,163,652
Adv. volume*	349,056,921	3,382,801
Decl. volume*	379,747,094	7,959,088
Issues traded	3,079	337
Advances	1,415	151
Declines	1,536	167
Unchanged	128	19
New highs	118	9
New lows	47	12
Closing tick	123	78
Closing Arms†	1.08	1.84
Block trades*	5,720	111
	Nasdaq	**NYSE Arca**
Total volume*	1,682,319,323	146,816,929
Adv. volume*	1,058,913,908	74,741,950
Decl. volume*	591,807,307	68,508,165
Issues traded	3,035	1,277
Advances	1,483	814
Declines	1,397	427
Unchanged	155	36
New highs	115	130
New lows	66	12
Closing tick	477	48
Closing Arms†	0.59	1.90
Block trades*	7,258	838

* 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	% chg	YTD % chg
World	**The Global Dow**	**2878.99**	8.94	**0.31**	13.7
	DJ Global Index	**371.21**	0.95	**0.26**	13.9
	DJ Global ex U.S.	**251.16**	0.91	**0.36**	17.4
Americas	**DJ Americas**	**596.73**	0.83	**0.14**	10.4
Brazil	**Sao Paulo Bovespa**	**67939.66**	1041.67	**1.56**	12.8
Canada	**S&P/TSX Comp**	**15257.97**	...	Closed	-0.2
Mexico	**S&P/BMV IPC**	**51389.27**	60.98	**0.12**	12.6
Chile	**Santiago IPSA**	**3905.76**	26.09	**0.67**	21.2
EMEA	**Stoxx Europe 600**	**382.01**	-0.52	**-0.14**	5.7
Eurozone	**Euro Stoxx**	**380.32**	0.04	**0.01**	8.6
Belgium	**Bel-20**	**3960.03**	-9.96	**-0.25**	9.8
France	**CAC 40**	**5207.89**	4.45	**0.09**	7.1
Germany	**DAX**	**12257.17**	-40.55	**-0.33**	6.8
Israel	**Tel Aviv**	**1398.27**	-1.15	**-0.08**	-4.9
Italy	**FTSE MIB**	**22031.17**	95.38	**0.43**	14.5
Netherlands	**AEX**	**531.41**	2.32	**0.44**	10.0
Russia	**RTS Index**	**1032.68**	5.95	**0.58**	-10.4
Spain	**IBEX 35**	**10676.50**	18.10	**0.17**	14.2
Sweden	**SX All Share**	**569.40**	1.05	**0.19**	6.5
Switzerland	**Swiss Market**	**9155.13**	-21.86	**-0.24**	11.4
U.K.	**FTSE 100**	**7531.94**	20.23	**0.27**	5.4
Asia-Pacific					
Australia	**S&P/ASX 200**	**5773.60**	53.00	**0.93**	1.9
China	**Shanghai Composite**	**3279.46**	17.38	**0.53**	5.7
Hong Kong	**Hang Seng**	**27690.36**	127.68	**0.46**	25.9
India	**S&P BSE Sensex**	**32273.67**	-51.74	**-0.16**	21.2
Japan	**Nikkei Stock Avg**	**20055.89**	103.56	**0.52**	4.9
Singapore	**Straits Times**	**3320.67**	-5.85	**-0.18**	15.3
South Korea	**Kospi**	**2398.75**	3.30	**0.14**	18.4
Taiwan	**Weighted**	**10579.38**	72.82	**0.69**	14.3

Sources: SIX Financial Information; WSJ Market Data Group

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
MyoKardia	MYOK	31.45	14.30	**83.38**	32.30	10.55	**66.2**
Acorn International ADR	ATV	12.44	2.95	**31.09**	14.60	5.57	**110.8**
NxStage Medical	NXTM	29.67	6.53	**28.22**	30.80	20.45	**23.4**
On Deck Capital	ONDK	5.00	0.78	**18.48**	6.46	3.29	**-3.1**
Sensus Healthcare	SRTS	5.50	0.85	**18.28**	6.69	3.38	**-14.1**
Technical Communications	TCCO	6.20	0.95	**18.10**	7.44	2.10	**74.6**
Jupai Holdings ADR	JP	9.30	1.42	**18.02**	9.70	7.36	**18.8**
Bitauto Holdings ADR	BITA	37.72	5.49	**17.03**	37.81	16.56	**39.8**
Eros International	EROS	9.35	1.15	**14.02**	19.87	8.05	**-51.4**
Marinus Pharmaceuticals	MRNS	2.39	0.27	**12.79**	2.73	0.82	**61.5**
Yirendai ADR	YRD	37.27	4.22	**12.77**	42.34	18.80	**58.7**
Appian Cl A	APPN	22.17	2.46	**12.48**	22.43	14.60	**...**
PHI Non-Voting	PHIIK	10.75	1.19	**12.45**	20.42	8.09	**-44.0**
Pacific Biosciences CA	PACB	4.47	0.46	**11.47**	9.50	3.08	**-48.3**
Revlon Cl A	REV	18.50	1.90	**11.45**	37.96	15.60	**-47.3**

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Zynerba Pharmaceuticals	ZYNE	6.67	-8.39	**-55.71**	25.95	5.93	**-33.0**
Gemphire Therapeutics	GEMP	9.93	-8.73	**-46.78**	21.59	7.25	**11.8**
Armstrong Flooring	AFI	14.25	-3.03	**-17.53**	22.96	13.91	**-24.3**
Intrepid Potash	IPI	3.22	-0.61	**-15.93**	3.93	0.93	**140.3**
KBS Fashion Group	KBSF	2.13	-0.38	**-15.14**	18.00	1.84	**-72.7**
Amyris	AMRS	3.06	-0.50	**-14.04**	18.15	2.63	**-48.6**
Fluidigm	FLDM	2.71	-0.44	**-13.97**	9.65	2.70	**-69.8**
Information Services	III	3.62	-0.58	**-13.81**	4.32	2.95	**-4.5**
BioCryst Pharm	BCRX	4.42	-0.68	**-13.33**	9.25	3.75	**5.5**
Foresight Autonomous ADR	FRSX	5.64	-0.86	**-13.23**	11.70	5.35	**...**
Orchids Paper Products	TIS	8.80	-1.33	**-13.13**	30.38	8.31	**-69.4**
TearLab	TEAR	2.21	-0.32	**-12.65**	8.30	1.55	**-73.0**
Biglari Holdings	BH	335.22	-41.81	**-11.09**	491.74	335.21	**-17.9**
Nano Dimension ADR	NNDM	4.67	-0.56	**-10.71**	8.95	4.64	**-33.0**
Basic Energy Services	BAS	18.47	-2.21	**-10.69**	44.81	18.10	**...**

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Teva Pharmaceutical ADR	TEVA	**83,189**	682.5	18.59	**-9.76**	55.39	18.50
Advanced Micro Devices	AMD	**57,159**	-31.1	13.43	**2.36**	15.65	5.66
Bank of America	BAC	**39,677**	-46.9	24.96	**-0.04**	25.80	14.70
Chesapeake Energy	CHK	**37,038**	0.3	4.35	**-3.97**	8.20	4.32
Finl Select Sector SPDR	XLF	**35,591**	-46.0	25.35	**-0.16**	25.49	18.94
Snap	SNAP	**33,851**	56.6	13.39	**-0.96**	29.44	11.91
Delcath Systems	DCTH	**30,205**	-68.1	0.10	**-2.00**	4.41	0.02
Whiting Petroleum	WLL	**29,916**	35.8	4.90	**-6.13**	13.39	4.81
Ford Motor	F	**28,890**	-23.0	10.92	**-0.27**	13.27	10.67
VanEck Vectors Gold Miner	GDX	**27,081**	-41.5	22.20	**-0.54**	31.79	18.58

* 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
Brighthouse Financial	BHF	10,274	**23663**	61.72	**-4.41**	75.00	60.58
MyoKardia	MYOK	8,626	**5189**	31.45	**83.38**	32.30	10.55
NxStage Medical	NXTM	25,182	**4272**	29.67	**28.22**	30.80	20.45
Gemphire Therapeutics	GEMP	1,642	**1919**	9.93	**-46.78**	21.59	7.25
GI X Scientific Beta US	SCIU	282	**1834**	29.22	**0.10**	29.31	24.92
Zynerba Pharmaceuticals	ZYNE	8,994	**1825**	6.67	**-55.71**	25.95	5.93
iShares NA Tech-Mult	IGN	240	**1753**	46.05	**0.24**	47.91	37.87
WisdomTree Glbl xMexico	XMX	600	**1683**	27.74	**0.40**	27.74	25.25
Turkish Investment Fund	TKF	255	**1572**	9.80	**-4.06**	10.23	6.13
FTI Consulting	FCN	4,587	**1359**	32.62	**0.49**	47.12	31.65

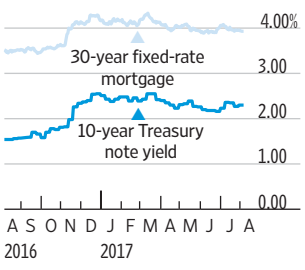
* Common stocks priced at $5 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

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

30-year mortgage, Rate

Bankrate.com avg†:	**3.93%**
Mortgage Capital Associates Inc	**3.63%**
Los Angeles, CA	800-942-4022
B2 Funding Corporation	**3.75%**
Houston, TX	877-781-9777
Great American Lending	**3.75%**
North Ogden, UT	800-706-6648
Pacific Finance Group, LLC	**3.75%**
Bothell, WA	425-354-5602
Your Equity Services	**3.75%**
Sammamish, WA	425-392-2295

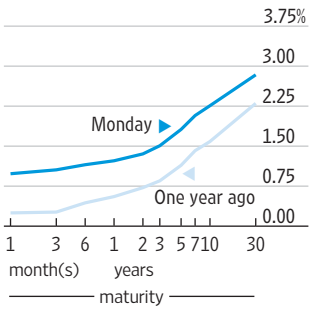
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	**1.00-1.25**	1.00-1.25	0.25	1.25	**1.00**
Prime rate*	**4.25**	4.25	3.50	4.25	**1.00**
Libor, 3-month	**1.31**	1.31	0.80	1.32	**1.08**
Money market, annual yield	**0.29**	0.29	0.24	0.36	**-0.11**
Five-year CD, annual yield	**1.45**	1.44	1.17	1.45	**0.06**
30-year mortgage, fixed†	**3.93**	3.95	3.44	4.33	**-0.31**
15-year mortgage, fixed†	**3.11**	3.14	2.70	3.50	**-0.26**
Jumbo mortgages, $424,100-plus†	**4.34**	4.33	4.02	4.88	**-0.23**
Five-year adj mortgage (ARM)†	**3.31**	3.33	3.07	4.03	**-0.31**
New-car loan, 48-month	**2.90**	2.99	2.87	3.36	**-0.25**
HELOC, $30,000	**5.14**	5.22	4.57	5.22	**0.62**

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

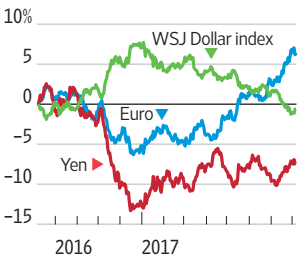
Treasury yield curve

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	1461.424	**1.975**	1.998	2.237	1.272	**-2.468**	2.495
10-yr Treasury, Ryan ALM	1739.511	**2.258**	2.292	2.609	1.509	**0.670**	2.504
DJ Corporate	377.376	**2.946**	2.948	3.390	2.488	**1.608**	3.977
Aggregate, Barclays Capital	1934.370	**2.500**	2.510	2.790	1.890	**0.219**	2.609
High Yield 100, Merrill Lynch	2840.726	**5.071**	5.010	6.448	4.948	**9.216**	3.953
Fixed-Rate MBS, Barclays	1979.810	**2.800**	2.820	3.120	1.990	**0.481**	2.425
Muni Master, Merrill	520.622	**1.826**	1.883	2.516	1.328	**0.720**	2.987
EMBI Global, J.P. Morgan	794.253	**5.481**	5.543	6.290	5.134	**4.376**	5.390

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	Mon in US$	per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0565	17.6930	**11.5**
Brazil real	.3199	3.1262	**-4.0**
Canada dollar	.7886	1.2681	**-5.7**
Chile peso	.001534	651.70	**-2.7**
Colombia peso	.0003353	2982.62	**-0.6**
Ecuador US dollar	1	1	**unch**
Mexico peso	.0558	17.9280	**-13.5**
Peru new sol	.3085	3.241	**-3.3**
Uruguay peso	.03527	28.3500	**-3.4**
Venezuela b. fuerte	.098764	10.1252	**1.3**
Asia-Pacific			
Australian dollar	.7914	1.2636	**-9.0**
China yuan	.1488	6.7212	**-3.2**
Hong Kong dollar	.1279	7.8199	**0.8**
India rupee	.01566	63.847	**-6.1**
Indonesia rupiah	.0000751	13321	**-1.5**
Japan yen	.009030	110.75	**-5.3**
Kazakhstan tenge	.003010	332.19	**-0.4**
Macau pataca	.1233	8.1073	**2.4**
Malaysia ringgit	.2334	4.2850	**-4.5**
New Zealand dollar	.7362	1.3583	**-5.9**
Pakistan rupee	.00949	105.320	**0.9**
Philippines peso	.0198	50.449	**1.7**
Singapore dollar	.7338	1.3627	**-5.8**
South Korea won	.0008872	1127.15	**-6.7**
Sri Lanka rupee	.0065206	153.36	**3.3**
Taiwan dollar	.03308	30.229	**-6.9**
Thailand baht	.03005	33.280	**-7.1**
Vietnam dong	.00004400	22725	**-0.2**
Europe			
Czech Rep. koruna	.04513	22.159	**-13.7**
Denmark krone	.1586	6.3063	**-10.8**
Euro area euro	1.1797	.8477	**-10.8**
Hungary forint	.003878	257.86	**-12.4**
Iceland krona	.009527	104.97	**-7.1**
Norway krone	.1262	7.9232	**-8.3**
Poland zloty	.2774	3.6044	**-13.9**
Russia ruble	.01667	59.990	**-2.1**
Sweden krona	.1227	8.1505	**-10.5**
Switzerland franc	1.0279	.9729	**-4.5**
Turkey lira	.2834	3.5291	**0.2**
Ukraine hryvnia	.0388	25.7650	**-4.9**
UK pound	1.3036	.7671	**-5.3**
Middle East/Africa			
Bahrain dinar	2.6518	.3771	**-0.02**
Egypt pound	.0563	17.7705	**-2.0**
Israel shekel	.2767	3.6144	**-6.1**
Kuwait dinar	3.3127	.3019	**-1.2**
Oman sul rial	2.5913	.3859	**0.2**
Qatar rial	.2748	3.639	**-0.02**
Saudi Arabia riyal	.2666	3.7504	**-0.01**
South Africa rand	.0756	13.2284	**-3.4**

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	86.32	0.0030	0.003	**-7.12**

Sources: Tullett Prebon, WSJ Market Data Group

COMMODITIES

	Close	Monday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	**570.32**	3.03	**0.53**	589.81	508.27	**9.96**	0.54
TR/CC CRB Index	**180.97**	0.29	**0.16**	195.14	166.50	**-1.00**	-5.99
Crude oil, $ per barrel	**49.39**	-0.19	**-0.38**	54.45	41.71	**14.81**	-8.06
Natural gas, $/MMBtu	**2.801**	0.027	**0.97**	3.93	2.55	**1.93**	-24.79
Gold, $ per troy oz.	**1258.20**	-0.10	**-0.01**	1351.20	1127.80	**-5.64**	9.41

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COMMODITIES

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Futures Contracts

Metal & Petroleum Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
Aug	2.8885	2.9145	▲	2.8885	**2.9080**	0.0230	2,176
Sept	2.8945	2.9265	▲	2.8720	**2.9070**	0.0220	154,227
Gold (CMX)-100 troy oz.; $ per troy oz.							
Aug	1258.70	1259.10		1255.30	**1258.20**	–0.10	2,571
Oct	1261.40	1262.40		1258.10	**1261.40**	0.10	47,726
Dec	1264.30	1265.60		1261.30	**1264.70**	0.10	344,305
Feb'18	1266.40	1269.10		1265.00	**1268.20**	0.10	19,474
June	1274.40	1275.30		1272.30	**1275.20**	0.20	8,533
Dec	1283.90	1283.90		1283.90	**1285.80**	0.30	7,636
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
Aug	885.00	885.00		885.00	**890.20**	10.40	4
Sept	875.15	886.45		865.45	**885.20**	10.40	30,432
Dec	867.50	880.85		860.80	**879.90**	10.80	4,826
Platinum (NYM)-50 troy oz.; $ per troy oz.							
Aug	963.00	963.00		963.00	**968.60**	2.60	2
Oct	969.50	973.90		961.00	**971.60**	2.60	62,866
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
Aug	16.200	16.235		16.090	**16.221**	–0.001	78
Sept	16.270	16.280		16.095	**16.251**	–0.001	131,563
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
Sept	49.59	49.73		48.54	**49.39**	–0.19	538,718
Oct	49.72	49.87		48.70	**49.57**	–0.16	235,045
Nov	49.87	49.99		48.88	**49.75**	–0.13	132,985
Dec	50.02	50.12		49.05	**49.92**	–0.10	318,289
June'18	50.24	50.33		49.51	**50.30**	–0.01	158,442
Dec	50.28	50.32		49.59	**50.23**	–0.04	175,460
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
Sept	1.6439	1.6497		1.6154	**1.6398**	–.0088	127,658
Dec	1.6566	1.6581		1.6283	**1.6501**	–.0083	59,577
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
Sept	1.6525	1.6525		1.6042	**1.6299**	–.0164	131,736
Oct	1.5579	1.5579		1.5160	**1.5396**	–.0114	79,214
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
Sept	2.772	2.812		2.764	**2.801**	.027	340,069
Oct	2.805	2.849		2.805	**2.840**	.023	192,457
Nov	2.902	2.937		2.899	**2.926**	.020	93,625
Jan'18	3.159	3.192		3.152	**3.175**	.017	124,764
March	3.128	3.138		3.106	**3.125**	.016	81,724
April	2.831	2.844		2.823	**2.834**	.012	103,833

Agriculture Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
Sept	368.75	372.50		368.25	**372.25**	5.75	478,425
Dec	382.75	387.00		382.75	**386.75**	5.75	606,951
Oats (CBT)-5,000 bu.; cents per bu.							
Sept	283.75	284.50		274.25	**274.25**	–9.50	795
Dec	285.00	286.00		274.00	**276.50**	–7.75	5,690
Soybeans (CBT)-5,000 bu.; cents per bu.							
Aug	956.00	960.50		952.50	**959.75**	10.50	910
Nov	962.50	972.75		959.50	**969.75**	13.00	356,530
Soybean Meal (CBT)-100 tons; $ per ton.							
Aug	305.40	309.20		305.40	**308.00**	4.50	1,169
Dec	311.60	315.80		310.90	**314.20**	4.80	166,477
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
Aug	33.34	33.51		33.26	**33.51**	–.09	1,449
Dec	34.07	34.14		33.65	**33.93**	–.10	190,106
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
Sept	1231.50	1234.50		1197.50	**1204.50**	–28.50	7,457
Nov	1255.00	1259.50		1222.50	**1230.50**	–28.00	2,359
Wheat (CBT)-5,000 bu.; cents per bu.							
Sept	457.75	464.00		454.25	**463.50**	8.75	170,440
Dec	485.50	491.00		481.75	**490.75**	8.25	162,029
Wheat (KC)-5,000 bu.; cents per bu.							
Sept	460.00	467.25		459.00	**466.75**	7.25	90,521
Dec	488.25	495.00		486.50	**494.50**	7.25	90,072
Wheat (MPLS)-5,000 bu.; cents per bu.							
Sept	715.50	728.50		715.50	**726.50**	10.25	24,647
Dec	729.00	740.75		729.00	**739.00**	9.75	36,056
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
Aug	149.500	149.525		145.675	**146.250**	–3.700	14,848
Sept	150.550	150.550		146.500	**147.100**	–3.750	18,307
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
Aug	115.275	115.300		112.575	**112.750**	–2.700	21,812
Oct	113.825	113.925		111.100	**111.125**	–2.975	174,874
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
Aug	83.625	83.725		83.075	**83.400**	.175	18,137
Oct	66.950	68.525		66.625	**68.125**	1.350	115,188
Lumber (CME)-110,000 bd. ft., $ per 1,000 bd. ft.							
Sept	369.80	370.50		366.40	**367.60**	–6.20	3,566
Nov	354.50	355.70		352.70	**353.10**	–4.00	1,272
Milk (CME)-200,000 lbs., cents per lb.							
Aug	16.38	16.43		16.23	**16.25**	–.08	5,198
Sept	16.69	16.78		16.56	**16.63**	–.06	5,373
Cocoa (ICE-US)-10 metric tons; $ per ton.							
Sept	2,013	2,043		2,000	**2,029**	35	79,768
Dec	2,039	2,068		2,020	**2,042**	21	99,273
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
Sept	139.70	142.80		139.50	**142.05**	1.90	78,850
Dec	143.30	146.30		143.05	**145.55**	1.85	67,124
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
Oct	14.19	14.27		13.79	**13.87**	–.27	394,060
March'18	14.93	15.02		14.56	**14.66**	–.22	193,481
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
Sept	24.82	25.00		24.81	**24.85**	.10	1,393
Nov	24.95	25.02		24.95	**25.00**	.04	2,936
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
Oct	70.99	71.52		70.99	**71.22**	.23	200
Dec	70.67	70.94		70.43	**70.55**	–.07	153,549
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
Sept	135.20	135.70		132.50	**134.10**	–1.20	7,190
Nov	136.20	136.40		133.40	**134.55**	–1.65	3,606

Interest Rate Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
Sept	154-040	154-150		153-280	**154-100**	7.0	751,826
Dec	152-240	153-070		152-210	**153-030**	7.0	2,340
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Sept	126-030	126-070		125-300	**126-055**	3.0	3,257,037
Dec	125-240	125-280		125-200	**125-270**	3.0	43,104
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Sept	118-070	118-090		118-037	**118-085**	2.2	2,988,938
Dec	117-277	117-300		117-257	**117-300**	2.2	20,143
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
Sept	108-055	108-055		108-042	**108-055**	.5	1,399,682
Dec	108-007	108-015		108-007	**108-015**	.5	3,759
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
Aug	98.843	98.845		98.843	**98.840**	–.005	179,742
Oct	98.835	98.840		98.835	**98.835**	...	299,186
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
Sept	102.094	102.234		101.859	**102.219**	.156	30,900
1 Month Libor (CME)-$3,000,000; pts of 100%							
Aug	...	...		...	**98.7675**	–.0025	5,000
Eurodollar (CME)-$1,000,000; pts of 100%							
Aug	98.6850	98.6850		98.6850	**98.6850**	...	92,803
Sept	98.6700	98.6750		98.6700	**98.6750**	...	1,480,412
Dec	98.5450	98.5500		98.5350	**98.5400**	–.0050	1,963,733
Dec'18	98.2500	98.2600		98.2300	**98.2550**	.0050	1,441,700

Currency Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
Aug	.9031	.9040		.9019	**.9033**	–.0002	360
Sept	.9047	.9054		.9032	**.9047**	–.0003	231,936
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
Aug	.7908	.7928		.7867	**.7887**	–.0018	919
Sept	.7920	.7924		.7870	**.7892**	–.0018	188,409
British Pound (CME)-£62,500; $ per £							
Aug	1.3051	1.3060		1.3018	**1.3034**	–.0004	351
Sept	1.3061	1.3077		1.3032	**1.3049**	–.0004	205,066
Swiss Franc (CME)-CHF 125,000; $ per CHF							
Sept	1.0304	1.0323		1.0286	**1.0302**	–.0002	42,713
Dec	1.0380	1.0381		1.0347	**1.0363**	–.0002	370
Australian Dollar (CME)-AUD 100,000; $ per AUD							
Aug	.7961	.7961		.7899	**.7912**	–.0013	1,016
Sept	.7950	.7951		.7895	**.7909**	–.0012	138,375
Oct	.7927	.7940		.7893	**.7906**	–.0012	463
Dec	.7917	.7935		.7886	**.7899**	–.0013	2,231
March'18	.7901	.7925		.7901	**.7892**	–.0012	218
Mexican Peso (CME)-MXN 500,000; $ per MXN							
Dec	.05485	.05485		.05442	**.05459**	–.00014	126
Euro (CME)-€125,000; $ per €							
Aug	1.1788	1.1818		1.1782	**1.1799**	.0030	2,302
Sept	1.1796	1.1840		1.1795	**1.1820**	.0030	454,141

Index Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
Sept	22022	22081	▲	...	**22062**	45	140,690
Dec	21991	22027	▲	21982	**22022**	47	325
S&P 500 Index (CME)-$250 x index							
Sept	2476.10	2478.00	▲	2473.10	**2477.40**	5.30	55,459
June'18	2470.70	2473.60	▲	2469.20	**2473.00**	5.30	250
Mini S&P 500 (CME)-$50 x index							
Sept	2472.25	2478.25	▲	2472.00	**2477.50**	5.50	3,043,959
Dec	2470.00	2476.25	▲	2470.00	**2475.50**	5.50	42,524
Mini S&P Midcap 400 (CME)-$100 x index							
Sept	1751.50	1756.50		1746.00	**1751.40**	1.00	92,974
Mini Nasdaq 100 (CME)-$20 x index							
Sept	5900.0	5937.8	▲	5898.0	**5934.0**	36.0	297,144
Dec	5905.3	5944.0	▲	5904.8	**5940.8**	35.8	1,541
Mini Russell 2000 (ICE-US)-$100 x index							
Sept	1411.70	1417.60		1406.00	**1413.80**	2.60	579,255
Dec	1413.90	1413.90		1412.90	**1413.00**	2.60	375
Mini Russell 1000 (ICE-US)-$100 x index							
Sept	1370.60	1373.30		1369.90	**1373.30**	3.70	8,274
U.S. Dollar Index (ICE-US)-$1,000 x index							
Sept	93.38	93.42		93.18	**93.31**	–.11	49,582
Dec	93.15	93.23		93.01	**93.13**	–.10	2,937

Source: SIX Financial Information

Cash Prices | WSJ.com/commodities

Monday, August 07, 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.

	Monday
Energy	
Propane,tet,Mont Belvieu-g	0.7273
Butane,normal,Mont Belvieu-g	0.8665
NaturalGas,HenryHub-i	2.750
NaturalGas,TranscoZone3-i	2.740
NaturalGas,TranscoZone6NY-i	1.900
NaturalGas,PanhandleEast-i	2.430
NaturalGas,Opal-i	2.460
NaturalGas,MarcellusNE PA-i	1.670
NaturalGas,HaynesvilleN.LA-i	2.700
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	1259.79
Engelhard fabricated	1354.27
Handy & Harman base	1258.00
Handy & Harman fabricated	1396.38
LBMA Gold Price AM	*1269.30
LBMA Gold Price PM	*1257.70
Krugerrand,wholesale-e	1309.88
Maple Leaf-e	1322.48
American Eagle-e	1322.48
Mexican peso-e	1526.58
Austria crown-e	1237.56
Austria phil-e	1322.48
Silver, troy oz.	
Engelhard industrial	16.1800
Engelhard fabricated	19.4160
Handy & Harman base	16.2500
Handy & Harman fabricated	20.3130
LBMA spot price	£12.3545
(U.S.$ equivalent)	16.1300
Coins,wholesale $1,000 face-a	12244
Other metals	
LBMA Platinum Price PM	*966.0
Platinum,Engelhard industrial	969.0
Platinum,Engelhard fabricated	1069.0
Palladium,Engelhard industrial	876.0
Palladium,Engelhard fabricated	976.0
Aluminum, LME, $ per metric ton	*1890.0
Copper,Comex spot	2.9080
Iron Ore, 62% Fe CFR China-s	76.1
Shredded Scrap, US Midwest-s,w	296
Steel, HRC USA, FOB Midwest Mill-s	620
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.5925
Cotton,11/16 std lw-mdMphs-u	0.6972
Cotlook 'A' Index-t	*80.45
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	68
Corn,No. 2 yellow,Cent IL-bp,u	3.4350
Corn gluten feed,Midwest-u,w	76.5
Corn gluten meal,Midwest-u,w	479.3
Cottonseed meal-u,w	200
Hominy feed,Cent IL-u,w	88
Meat-bonemeal,50% pro Mnpls-u,w	325
Oats,No.2 milling,Mnpls-u	3.1425
Rice, 5% Broken White, Thailand-l,w	377.00
Rice, Long Grain Milled, No. 2 AR-u,w	n.a.
Sorghum,(Milo) No.2 Gulf-u	7.8438
SoybeanMeal,Cent IL,rail,ton48%-u	311.40
Soybeans,No.1 yllw IL-bp,u	9.3800
Wheat,Spring14%-pro Mnpls-u	8.0650
Wheat,No.2 soft red,St.Louis-bp,u	4.6450
Wheat - Hard - KC (USDA) $ per bu-u	4.1675
Wheat,No.1soft white,Portld,OR-u	5.1525
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	182.88
select 1-3,600-900 lbs.-u	175.07
Broilers,dressed 'A'-u	n.a.
Broilers, National comp wghtd-u,w	0.9524
Butter,AA Chicago	2.6975
Cheddar cheese,bbl,Chicago	153.00
Cheddar cheese,blk,Chicago	168.00
Milk,Nonfat dry,Chicago lb.	85.00
Cocoa,Ivory Coast-w	2299
Coffee,Brazilian,Comp	1.3897
Coffee,Colombian, NY	1.6181
Eggs,large white,Chicago-u	0.8550
Flour,hard winter KC	14.75
Hams,17-20 lbs,Mid-US fob-u	n.a.
Hogs,Iowa-So. Minnesota-u	82.94
Pork bellies,12-14 lb MidUS-u	n.a.
Pork loins,13-19 lb MidUS-u	1.0423
Steers,Tex.-Okla. Choice-u	117.50
Steers,feeder,Okla. City-u,w	164.25
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	0.3283
Tallow,bleach;Chicago-h	0.3550
Tallow,edible,Chicago-u	n.a.

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 8/4

Source: WSJ Market Data Group

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	Low	High
Broad Market Bloomberg Barclays					
1934.37	2.9	U.S. Aggregate	2.500	1.890	2.790
U.S. Corporate Indexes Bloomberg Barclays					
2756.00	4.7	U.S. Corporate	3.120	2.770	3.520
2610.60	3.5	Intermediate	2.620	2.200	3.010
3779.39	7.6	Long term	4.200	3.970	4.710
563.63	3.6	Double-A-rated	2.570	2.070	2.870
710.03	5.2	Triple-B-rated	3.420	3.180	3.870
High Yield Bonds Merrill Lynch					
412.55	6.2	High Yield Constrained	5.474	5.399	6.858
413.05	7.4	Triple-C-rated	10.181	9.584	15.015
2840.73	5.9	High Yield 100	5.071	4.948	6.448
373.86	6.2	Global High Yield Constrained	5.095	5.073	6.450
302.93	5.6	Europe High Yield Constrained	2.358	2.252	3.814
U.S Agency Bloomberg Barclays					
1638.29	2.0	U.S Agency	1.810	1.230	1.960
1466.70	1.4	10-20 years	1.620	1.060	1.750
3334.80	6.7	20-plus years	2.920	2.430	3.460
2442.89	4.2	Yankee	2.720	2.340	3.090

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High
Mortgage-Backed Bloomberg Barclays					
1979.81	2.0	Mortgage-Backed	2.800	1.990	3.120
1948.47	1.5	Ginnie Mae (GNMA)	2.770	1.870	3.090
1160.60	2.1	Fannie mae (FNMA)	2.810	2.020	3.120
1787.57	2.2	Freddie Mac (FHLMC)	2.820	2.030	3.130
520.62	4.4	Muni Master	1.826	1.328	2.516
364.62	5.0	7-12 year	1.848	1.374	2.618
405.62	5.1	12-22 year	2.362	1.688	3.047
390.58	5.2	22-plus year	2.904	2.139	3.622
Global Government J.P. Morgan†					
542.48	1.0	Global Government	1.390	0.830	1.560
753.04	-0.1	Canada	2.000	1.240	2.120
368.80	-0.05	EMU§	1.127	0.512	1.363
706.67	0.02	France	0.870	0.280	1.210
507.54	-1.4	Germany	0.480	-0.100	0.620
287.09	-0.4	Japan	0.420	0.100	0.460
559.73	-1.2	Netherlands	0.620	0.030	0.760
926.99	1.5	U.K.	1.490	0.960	1.790
794.25	7.5	Emerging Markets**	5.481	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	1.351 ▲	1.347	1.403	0.730			
2.375	10	2.258 ▼	2.266	2.384	1.590			
2.750	**Australia** 2	1.776 ▼	1.785	1.737	1.477	42.5	43.8	74.7
2.750	10	2.625 ▼	2.631	2.682	1.879	36.8	36.6	28.8
0.000	**France** 2	-0.485 ▼	-0.473	-0.368	-0.537	-183.6	-182.0	-126.7
1.000	10	0.739 ▼	0.758	0.943	0.157	-151.9	-150.7	-143.4
0.000	**Germany** 2	-0.678 ▲	-0.682	-0.601	-0.619	-202.9	-202.9	-134.9
0.500	10	0.460 ▼	0.471	0.575	-0.063	-179.7	-179.5	-165.3
0.050	**Italy** 2	-0.037 ▼	-0.015	0.104	-0.058	-138.8	-136.2	-78.8
2.200	10	1.985 ▼	2.021	2.328	1.138	-27.2	-24.5	-45.3
0.100	**Japan** 2	-0.107 ▲	-0.113	-0.104	-0.194	-145.8	-146.0	-92.4
0.100	10	0.071 ▲	0.064	0.088	-0.097	-218.7	-220.2	-168.7
2.750	**Spain** 2	-0.342 ▼	-0.326	-0.185	-0.158	-169.3	-167.3	-88.8
1.500	10	1.448 ▼	1.466	1.715	1.031	-81.0	-80.0	-56.0
1.750	**U.K.** 2	0.222 ▼	0.255	0.330	0.162	-112.9	-109.2	-56.9
4.250	10	1.141 ▼	1.177	1.309	0.671	-111.7	-108.9	-91.9

Source: Tullett Prebon

Corporate Debt

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
General Motors Financial	GM	3.950	April 13, '24	148	–14	152	...	...
Oracle	ORCL	2.250	Oct. 8, '19	16	–12	29	49.64	–0.64
E*Trade Financial	ETFC	5.875	Sept. 15, '49	208	–11	n.a.	41.11	–0.24
Svenska Handelsbanken AB*	SHBASS	5.125	March 30, '20	45	–8	49	...	...
Sysco	SYY	3.750	Oct. 1, '25	84	–6	n.a.	52.48	0.29
Ontario Teachers Cadillac Fairview Property Trust	CFPTCN	3.125	March 20, '22	81	–5	n.a.	...	...
Newell Brands	NWL	4.200	April 1, '26	99	–5	96	51.31	1.22
Shell International Finance BV*	RDSALN	1.375	Sept. 12, '19	23	–5	24	...	...

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Royal Bank of Scotland	RBS	7.640	Sept. 30, '49	4180	742	3007	6.89	0.58
Lloyds Banking	LLOYDS	7.500	June 27, '49	273	18	263	...	...
Teva Pharmaceutical Finance	TEVA	2.950	Dec. 18, '22	195	15	108	...	...
United Technologies	UTX	2.650	Nov. 1, '26	75	14	n.a.	118.52	–2.44
Viacom	VIA	3.450	Oct. 4, '26	173	11	158	37.35	1.22
BB&T	BBT	5.250	Nov. 1, '19	73	10	n.a.	48.16	–0.41
Pfizer	PFE	7.200	March 15, '39	90	10	n.a.	33.31	–0.98
Credit Agricole S.A.	ACAFP	7.875	Jan. 23, '49	255	9	n.a.	...	...

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
Cenveo	CVO	6.000	Aug. 1, '19	84.500	1.25	86.000	3.68	–4.66
Revlon Consumer Products	REV	6.250	Aug. 1, '24	77.750	1.25	76.000	...	...
Frontier Communications	FTR	7.625	April 15, '24	81.250	1.25	81.750	15.91	0.25
AMAG Pharmaceuticals	AMAG	7.875	Sept. 1, '23	99.500	0.75	n.a.	19.10	–4.98
NGL Energy Partners	NGL	6.125	March 1, '25	88.250	0.75	91.250	10.70	6.47
PetSmart	PETM	8.875	June 1, '25	91.813	0.69	94.500	...	...
Cliffs Natural Resources	CLF	5.750	March 1, '25	97.625	0.63	97.750	7.76	1.44
Dynegy	DYN	7.375	Nov. 1, '22	102.875	0.63	101.250	8.60	1.30

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Windstream Services	WIN	7.750	Oct. 15, '20	92.750	–2.75	96.500	2.12	–4.93
Sirius XM Radio	SIRI	5.000	Aug. 1, '27	101.500	–1.50	102.250	...	...
EP Energy	EPENEG	9.375	May 1, '20	84.000	–1.25	85.000	...	...
Real Alloy Holding	SGGH	10.000	Jan. 15, '19	96.875	–1.00	n.a.	...	...
California Resources	CRC	8.000	Dec. 15, '22	59.750	–0.88	64.000	7.31	3.69
Dynegy	DYN	7.625	Nov. 1, '24	100.375	–0.88	99.500	8.60	1.30
Frontier Communications	FTR	6.250	Sept. 15, '21	86.625	–0.81	88.218	15.91	0.25
Tenet Healthcare	THC	8.125	April 1, '22	105.688	–0.81	107.500	16.69	–0.48

*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

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

August 7, 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

	June index level	Chg From (%) May '17	June '16
U.S. consumer price index			
All items	244.955	0.09	1.6
Core	252.014	0.07	1.7

International rates

	Latest	Week ago	52-Week High	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.	1.06	1.20	1.38	0.15

U.S. government rates

	Latest	Week ago	52-Week High	Low
Discount				
	1.75	1.75	1.75	1.00
Federal funds				
Effective

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BIGGEST 1,000 STOCKS

WSJ.com/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.
t-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.

Monday, August 7, 2017

NYSE

Stock	Sym	Close	Net Chg
ABB	ABB	23.36	-0.03
AES	AES	11.10	0.02
i Aflac	AFL	81.10	-0.06
AGCO	AGCO	71.31	-0.57
AT&T	T	38.52	0.09
AbbottLabs	ABT	49.30	0.04
AbbVie	ABBV	71.22	0.23
Accenture	ACN	129.68	-0.52
AcuityBrands	AYI	197.76	-2.11
Adient	ADNT	65.41	0.50
AdvanceAuto	AAP	109.49	-1.52
AdvSemiEngg	ASX	6.65	0.11
Aegon	AEG	5.67	0.03
AerCap	AER	50.24	0.11
Aetna	AET	156.99	0.20
AffiliatedMgrs	AMG	180.63	-0.01
AgilentTechs	A	60.87	0.74
AgnicoEagle	AEM	44.98	0.18
Agrium	AGU	98.84	-2.11
AirProducts	APD	147.30	0.08
AlaskaAir	ALK	86.00	0.13
i Albemarle	ALB	123.08	3.48
Alcoa	AA	37.99	0.57
AlexandriaRealEst	ARE	120.58	-0.03
Alibaba	BABA	158.84	5.51
Alleghany	Y	600.41	-6.74
Allegion	ALLE	81.99	0.67
Allergan	AGN	241.22	-1.43
AllianceData	ADS	238.97	-0.30
AllianceBernstein	AB	24.65	0.35
AlliantEnergy	LNT	41.28	0.19
AllisonTransm	ALSN	37.70	-0.34
i Allstate	ALL	94.24	0.02
AllyFinancial	ALLY	22.82	0.10
AlticeUSA	ATUS	31.08	-1.40
Altria	MO	65.99	0.47
i AlumofChina	ACH	17.16	0.91
Ambev	ABEV	6.15	0.03
i Ameren	AEE	57.94	0.44
AmericaMovil	AMX	17.86	0.02
AmericaMovil A	AMOV	17.75	0.12
AmCampus	ACC	47.16	0.09
AEP	AEP	71.39	0.51
AmericanExpress	AXP	85.85	-0.12
AmericanFin	AFG	104.87	0.22
AmerHomes4Rent	AMH	22.50	...
AIG	AIG	64.98	-0.10
AmerTowerREIT	AMT	138.07	0.50
AmerWaterWorks	AWK	81.39	0.72
Ameriprise	AMP	147.29	-0.55
AmerisourceBrgn	ABC	80.58	-0.25
Ametek	AME	64.19	-0.33
Amphenol	APH	77.98	0.32
AnadarkoPetrol	APC	44.37	-0.52
Andeavor	ANDV	97.17	-0.76
AB InBev	BUD	119.53	-0.50
AnnalyCap	NLY	12.10	0.09
AnteroMidstream	AM	33.82	-0.28
AnteroResources	AR	19.52	0.07
Anthem	ANTM	190.61	0.13
Aon	AON	138.77	-0.18
Apache	APA	44.39	-0.83
ApartmtInv	AIV	45.60	-0.03
i ApolloGlobalMgmt	APO	29.92	0.92
AquaAmerica	WTR	33.97	0.26
Aramark	ARMK	39.80	-0.11
ArcelorMittal	MT	27.36	1.31
ArcherDaniels	ADM	42.44	-0.15
Arconic	ARNC	25.34	0.21
i AristaNetworks	ANET	173.75	1.70
ArrowElec	ARW	78.87	-0.94
Assurant	AIZ	103.89	-1.05
AstraZeneca	AZN	30.06	-0.11
Athene	ATH	50.05	0.15
AtmosEnergy	ATO	86.88	-0.31
i Autohome	ATHM	49.50	1.68
Autoliv	ALV	108.86	-0.18
AutoZone	AZO	541.66	4.84
Avalonbay	AVB	188.44	0.57
i Avangrid	AGR	46.41	0.40
AveryDennison	AVY	93.54	0.49
AxaltaCoating	AXTA	28.08	-0.16
BB&T	BBT	48.16	-0.20
BCE	BCE	47.00	0.29
i BHPBilliton	BHP	41.99	0.78
BHPBilliton	BBL	36.59	0.72
BP	BP	36.75	0.42
BRF	BRFS	12.54	0.16
BT Group	BT	20.84	-0.07
BakerHughes	BHGE	34.56	-0.67
Ball	BLL	41.17	0.61
BancoBilbaoViz	BBVA	9.27	0.03
BancodeChile	BCH	85.86	-0.93
BancoMacro	BMA	87.51	-0.44
i BcoSantChile	BSAC	29.57	0.44
BancoSantander	SAN	6.89	0.03
BanColombia	CIB	43.70	-0.28
BankofAmerica	BAC	24.96	-0.01
BankofMontreal	BMO	74.67	-0.16
BankNY Mellon	BK	53.71	-0.31
BkNovaScotia	BNS	61.70	-0.17
Barclays	BCS	10.91	0.01
Bard CR	BCR	318.94	0.36
BarrickGold	ABX	16.57	-0.04
BaxterIntl	BAX	59.73	-0.15
BectonDickinson	BDX	197.84	0.79
Berkley	WRB	68.14	-0.49
BerkHathway A	BRK/A	266985-3015.00	
BerkHathway B	BRK/B	178.04	-1.88
BerryGlobal	BERY	57.57	0.15
BestBuy	BBY	61.76	1.48
Bio-RadLab A	BIO	223.80	-3.51
BlackKnightFin	BKFS	42.05	-0.20
BlackRock	BLK	427.87	1.36
BlackstoneGroup	BX	33.85	0.07
BlockHR	HRB	30.23	0.14
t BoardwalkPipe	BWP	15.95	-0.24
Boeing	BA	240.23	2.52
BorgWarner	BWA	46.50	-0.18
BostonProperties	BXP	122.75	-1.47
BostonScientific	BSX	26.76	-0.07
i Braskem	BAK	25.59	0.16
Bristol-Myers	BMY	56.30	0.35
BritishAmTob	BTI	65.39	-0.48
BrixmorProp	BRX	19.69	0.15
BroadridgeFinl	BR	75.60	-0.06
BrookfieldMgt	BAM	38.66	-0.02
i BrookfieldInfr	BIP	41.55	1.30
Brown&Brown	BRO	43.89	-0.03
Brown-Forman A	BF/A	51.45	0.62
Brown-Forman B	BF/B	49.02	0.50
BuckeyePtrs	BPL	61.16	-0.23
Bunge	BG	77.26	0.92
BurlingtonStores	BURL	87.00	1.49
CBD Pao	CBD	23.74	-0.02
CBRE Group	CBG	37.48	0.16
CBS A	CBS/A	64.80	1.12
CBS B	CBS	64.52	0.90
CF Industries	CF	31.93	-0.28
CGI Group	GIB	51.18	-0.27
CIT Group	CIT	47.51	0.03
CMS Energy	CMS	47.19	0.16
CNA Fin	CNA	53.17	0.10
CNOOC	CEO	111.32	-0.51
CPFLEnergia	CPL	17.18	0.02
CRH	CRH	35.10	-0.17
CVS Health	CVS	79.12	1.15
CabotOil	COG	24.37	-0.34
CAE	CAE	17.07	0.07
CamdenProperty	CPT	89.73	0.13
CampbellSoup	CPB	53.24	0.06
CIBC	CM	85.96	0.23
CanNtlRlwy	CNI	79.85	0.53
CanNaturalRes	CNQ	32.56	0.45
CanPacRlwy	CP	154.49	-1.00
Canon	CAJ	34.94	-0.15
CapitalOne	COF	85.15	0.74
CardinalHealth	CAH	69.24	0.10
Carlisle	CSL	98.58	0.21
CarMax	KMX	65.83	0.11
Carnival	CCL	68.00	0.19
Carnival	CUK	68.48	0.31
i Caterpillar	CAT	114.71	0.36
Celanese A	CE	98.78	1.14
Cemex	CX	9.71	-0.08
CenovusEnergy	CVE	8.24	-0.08
Centene	CNC	82.60	0.22
CenterPointEner	CNP	28.74	0.20
CentraisElBras	EBR	4.57	0.01
CenturyLink	CTL	22.34	-0.13
i Chemours	CC	49.77	0.46
Chevron	CVX	109.78	-0.33
ChinaEastrnAir	CEA	27.34	-0.17
ChinaLifeIns	LFC	16.08	0.04
ChinaMobile	CHL	53.55	0.29
ChinaPetrol	SNP	75.71	-0.19
ChinaSoAirlines	ZNH	38.04	-0.07
ChinaTelecom	CHA	47.81	0.13
ChinaUnicom	CHU	14.96	-0.10
Chipotle	CMG	339.45	-5.11
Chubb	CB	149.31	-0.49
ChunghwaTelecom	CHT	33.84	-0.08
Church&Dwight	CHD	50.29	-0.10
Cigna	CI	175.98	3.43
CimarexEnergy	XEC	92.48	-1.52
Citigroup	C	69.04	0.06
CitizensFin	CFG	35.35	-0.27
Clorox	CLX	135.50	1.01
Coach	COH	47.57	0.56
Coca-Cola	KO	45.64	0.14
i Coca-Cola Euro	CCE	43.55	-0.15
Coca-Cola Femsa	KOF	82.55	0.23
Colgate-Palmolive	CL	71.74	0.26
ColonyNorthStar	CLNS	14.48	-0.08
Comerica	CMA	73.43	-0.43
SABESP	SBS	10.85	0.02
ConagraBrands	CAG	34.17	0.19
ConchoRscs	CXO	116.16	-2.57
ConocoPhillips	COP	45.17	-0.39
ConEd	ED	83.50	0.70
ConstBrands A	STZ	194.97	1.67
ConstBrands B	STZ/B	195.00	1.90
ContinentalRscs	CLR	32.86	-0.79
Cooper	COO	244.63	0.91
Corning	GLW	29.24	-0.01
Coty	COTY	20.04	0.33
i Credicorp	BAP	187.97	-1.14
CreditSuisse	CS	15.64	0.03
CrestwoodEquity	CEQP	25.20	-0.25
CrownCastle	CCI	101.15	-0.87
CrownHoldings	CCK	59.50	0.37
Cullen/Frost	CFR	91.76	-0.49
Cummins	CMI	160.03	-0.13
DTE Energy	DTE	108.93	-0.01
DXC Tech	DXC	78.87	0.15
Danaher	DHR	81.43	0.42
Darden	DRI	83.77	0.62
DaVita	DVA	56.85	-0.85
i Deere	DE	129.96	0.21
DellTechnologies	DVMT	64.45	0.06
i DelphiAutomotive	DLPH	93.47	0.57
DeltaAir	DAL	50.75	0.14
DeutscheBank	DB	18.23	-0.10
DevonEnergy	DVN	32.40	-1.26
i Diageo	DEO	132.96	0.79
DigitalRealty	DLR	114.56	-0.64
DiscoverFinSvcs	DFS	61.39	0.35
Disney	DIS	106.35	-1.34
DollarGeneral	DG	76.41	1.55
DominionEner	D	77.92	-0.16
Domino's	DPZ	195.43	-1.36
Donaldson	DCI	47.60	0.10
DouglasEmmett	DEI	38.39	-0.18
i Dover	DOV	87.25	0.71
DowChemical	DOW	63.88	-0.23
DrPepperSnap	DPS	91.06	0.40
t DrReddy'sLab	RDY	34.23	-0.34
DuPont	DD	81.79	-0.22
DukeEnergy	DUK	86.26	-0.22
DukeRealty	DRE	28.42	-0.27
ENI	E	32.07	-0.08
EOG Rscs	EOG	89.67	-0.78
EQT	EQT	61.66	-0.80
EQT Midstream	EQM	75.25	-0.08
EastmanChem	EMN	84.45	0.38
Eaton	ETN	73.99	-0.54
EatonVance	EV	48.48	0.13
Ecolab	ECL	131.95	-0.95
Ecopetrol	EC	9.15	-0.12
EdisonInt	EIX	79.44	0.15
EdwardsLife	EW	116.48	0.29
EmersonElectric	EMR	60.91	-0.24
EnbridgeEnPtrs	EEP	15.05	-0.10
Enbridge	ENB	41.51	-0.02
Encana	ECA	9.73	...
EnelAmericas	ENIA	9.75	-0.05
EnelGenChile	EOCC	23.40	0.15
EnergyTrfrEquity	ETE	17.30	-0.03
EnergyTransfer	ETP	19.73	-0.44
EnLinkMidPtrs	ENLK	16.08	-0.21
Entergy	ETR	76.59	-0.29
EnterpriseProd	EPD	26.61	0.03
EnvisionHlthcr	EVHC	55.05	-0.74
Equifax	EFX	145.47	0.04
EquityLife	ELS	86.33	-0.14
EquityResdntl	EQR	67.24	-0.08
EssexProp	ESS	261.51	-0.49
i EsteeLauder	EL	100.53	1.95
EverestRe	RE	265.59	-0.08
EversourceEner	ES	62.05	0.47
Exelon	EXC	38.22	0.05
ExtraSpaceSt	EXR	77.87	0.12
ExxonMobil	XOM	80.16	-0.05
i FMC	FMC	84.60	0.25
FactSet	FDS	162.52	-1.27
FederalRealty	FRT	133.41	-0.23
FedEx	FDX	208.37	-0.95
Ferrari	RACE	110.56	1.41
FiatChrysler	FCAU	12.11	0.04
FibriaCelulose	FBR	11.23	0.23
i FidelityNatlFin	FNF	48.33	...
FNFV Group	FNFV	16.90	-0.30
FidelityNtlInfo	FIS	90.55	0.18
58.com	WUBA	50.96	0.31
FirstData	FDC	18.18	-0.40
FirstRepBank	FRC	101.70	0.13
FirstEnergy	FE	31.79	-0.28
FleetCorTech	FLT	142.46	-2.80
Fluor	FLR	39.18	-0.88
FomentoEconMex	FMX	99.71	0.72
FootLocker	FL	48.84	-0.16
FordMotor	F	10.92	-0.03
ForestCity A	FCE/A	24.28	0.11
Fortis	FTS	36.51	0.21
i Fortive	FTV	67.22	0.05
FortBrandsHome	FBHS	65.26	0.03
Franco-Nevada	FNV	72.55	-0.60
FranklinRscs	BEN	43.59	-0.21
Freeport-McMoRan	FCX	14.70	0.29
FreseniusMed	FMS	46.14	-0.31
GGP	GGP	22.78	0.59
Gallagher	AJG	58.91	-0.11
Gap	GPS	24.04	0.17
Gartner	IT	126.25	-0.69
Gazit-Globe	GZT	9.66	-0.07
GeneralDynamics	GD	201.14	1.07
GeneralElec	GE	25.63	-0.15
GeneralMills	GIS	56.38	0.21
GeneralMotors	GM	35.30	0.03
Genpact	G	29.47	0.11
GenuineParts	GPC	84.15	0.27
Gerdau	GGB	3.68	0.16
Gildan	GIL	30.27	0.28
GlaxoSmithKline	GSK	40.30	-0.23
GlobalPayments	GPN	96.76	-0.96
GoDaddy	GDDY	42.68	0.11
Goldcorp	GG	12.56	...
GoldmanSachs	GS	232.92	3.13
Graco	GGG	115.50	0.85
Grainger	GWW	167.39	-2.96
i GreatPlainsEner	GXP	31.38	0.16
GpoAeroportuar	PAC	114.69	-0.23
GpoAeroportSur	ASR	210.24	0.04
GpoAvalAcciones	AVAL	8.86	-0.04
GpFinSantandMex	BSMX	10.47	...
Grupotelevisa	TV	26.30	-0.16
HCA Healthcare	HCA	78.49	-0.38
HCP	HCP	29.56	-0.29
HDFC Bank	HDB	97.37	-0.04
HP	HPQ	19.32	-0.05
HSBC	HSBC	49.92	-0.14
Halliburton	HAL	41.45	-0.54
Hanesbrands	HBI	24.29	...
HarleyDavidson	HOG	48.06	-0.28
Harris	HRS	117.38	0.69
HartfordFinl	HIG	55.97	-0.32
HealthcareAmer	HTA	29.81	-0.24
i Heico	HEI	85.22	1.44
i Heico A	HEI/A	74.30	0.35
Herbalife	HLF	66.85	0.91
Hershey	HSY	105.65	0.79
Hess	HES	42.86	-1.49
HewlettPackard	HPE	17.63	0.12
Hilton	HLT	63.77	0.79
HomeDepot	HD	153.35	0.60
HondaMotor	HMC	28.18	-0.19
i Honeywell	HON	138.96	-1.08
HormelFoods	HRL	34.20	0.53
DR Horton	DHI	36.41	-0.08
HostHotels	HST	18.74	0.09
HuanengPower	HNP	26.18	-0.36
Hubbell	HUBB	119.03	-0.25
Humana	HUM	249.62	3.69
HuntingtonIngalls	HII	213.54	-0.41
Huntsman	HUN	26.11	0.34
HyattHotels	H	60.58	0.23
ICICI Bank	IBN	9.31	0.07
ING Groep	ING	18.86	0.04
Invesco	IVZ	34.76	0.19
IDEX	IEX	117.08	0.86
IllinoisToolWks	ITW	141.67	-1.21
Infosys	INFY	15.54	-0.13
Ingersoll-Rand	IR	88.10	-0.08
Ingredion	INGR	122.37	0.43
ICE	ICE	64.37	-0.45
InterContinentl	IHG	57.04	0.10
t IBM	IBM	143.47	-1.69
IntlFlavors	IFF	134.81	0.01
IntlPaper	IP	54.30	0.37
Interpublic	IPG	21.55	0.24
InvitationHomes	INVH	21.11	-0.05
IronMountain	IRM	37.12	0.12
IsraelChemicals	ICL	4.78	0.12
ItauUnibanco	ITUB	12.54	0.18
JPMorganChase	JPM	94.02	0.36
JacobsEngineering	JEC	52.31	-0.17
JamesHardie	JHX	15.09	0.05
JanusHenderson	JHG	34.08	-0.05
J&J	JNJ	132.86	-0.32
JohnsonControls	JCI	39.78	0.61
JonesLangLaSalle	JLL	124.96	-0.12
JuniperNetworks	JNPR	28.29	0.15
KAR Auction	KAR	41.45	-0.20
KB Fin	KB	52.37	0.63
KKR	KKR	19.50	-0.02
KT	KT	18.03	0.01
KSCitySouthern	KSU	103.16	0.73
Kellogg	K	70.11	0.49
KeyCorp	KEY	18.32	-0.08
KeysightTechs	KEYS	42.84	0.96
KilroyRealty	KRC	69.57	-0.93
KimberlyClark	KMB	121.42	0.10
KimcoRealty	KIM	20.46	0.14
KinderMorgan	KMI	20.15	-0.05
KinrossGold	KGC	4.13	-0.05
Kohl's	KSS	42.72	0.83
KoninklijkePhil	PHG	38.24	0.23
KoreaElcPwr	KEP	19.33	-0.33
Kroger	KR	24.37	0.24
Kyocera	KYO	60.54	0.08
LATAMAirlines	LTM	12.25	0.19
L Brands	LB	43.37	0.07
LG Display	LPL	13.68	-0.03
LINE	LN	36.45	-0.11
L3 Tech	LLL	176.58	0.58
LabCpAm	LH	158.21	-0.44
LambWeston	LW	43.86	0.24
LasVegasSands	LVS	61.07	0.10
Lazard	LAZ	45.75	0.27
Lear	LEA	147.51	1.52
Leggett&Platt	LEG	48.23	-0.11
Leidos	LDOS	56.35	0.16
Lennar A	LEN	54.29	0.04
Lennar B	LEN/B	46.45	-0.33
LennoxIntl	LII	173.37	1.09
LeucadiaNatl	LUK	26.13	-0.06
Level3Comm	LVLT	57.25	-0.13
LibertyProperty	LPT	41.62	-0.40
EliLilly	LLY	82.07	-0.24
LincolnNational	LNC	73.97	-0.28
LionsGate A	LGF/A	28.40	-0.39
LionsGate B	LGF/B	27.09	-0.13
i LiveNationEnt	LYV	37.89	0.53
LloydsBanking	LYG	3.52	-0.01
i LockheedMartin	LMT	297.15	0.15
Loews	L	49.02	-0.12
Lowe's	LOW	78.32	-0.05
LyondellBasell	LYB	89.12	0.34
M&T Bank	MTB	163.62	0.04
MGM Resorts	MGM	31.86	0.07
MPLX	MPLX	34.85	-0.32
MSCI	MSCI	111.20	0.03
Macerich	MAC	60.61	1.27
MacquarieInfr	MIC	76.16	0.02
Macy's	M	23.56	0.26
MagellanMid	MMP	69.21	0.07
MagnaIntl	MGA	48.00	0.32
Manpower	MAN	107.92	-0.36
ManulifeFin	MFC	20.48	0.01
MarathonOil	MRO	12.35	-0.55
MarathonPetrol	MPC	54.90	-0.89
Markel	MKL	1057.90	-0.32
Marsh&McLennan	MMC	78.00	-0.18
MartinMarietta	MLM	214.01	-0.41
Masco	MAS	38.21	-0.12
Mastercard	MA	130.38	0.56
McCormick	MKC	95.05	0.54
McCormickVtg	MKC/V	94.94	0.75
McDonalds	MCD	154.97	1.15
McKesson	MCK	155.68	0.99
Medtronic	MDT	84.37	0.69
Merck	MRK	62.84	-0.26
MetLife	MET	48.53	0.48
MettlerToledo	MTD	581.62	5.01
MichaelKors	KORS	37.23	0.43
MidAmApt	MAA	104.02	0.26
MitsubishiUFJ	MTU	6.44	-0.03
MizuhoFin	MFG	3.53	...
MobileTeleSys	MBT	8.70	...
Mobileye	MBLY	63.47	-0.02
MohawkIndustries	MHK	249.38	-1.50
MolsonCoors B	TAP	89.85	-0.66
Monsanto	MON	117.45	-0.39
Moody's	MCO	129.07	-0.22
MorganStanley	MS	48.31	0.23
Mosaic	MOS	21.97	-0.61
MotorolaSolutions	MSI	89.20	-1.17
NRG Energy	NRG	24.50	0.05
NTTDoCoMo	DCM	23.51	...
NVR	NVR	2695.57	20.05
NationalGrid	NGG	63.28	0.11
NatlOilwell	NOV	31.79	-1.39
NatlRetailProp	NNN	40.55	0.05
NewOrientalEduc	EDU	81.10	2.01
NY CmntyBcp	NYCB	12.65	-0.23
NewellBrands	NWL	51.31	0.62
NewfieldExpln	NFX	26.44	-1.39
NewmontMining	NEM	36.17	0.02
NextEraEnergy	NEE	147.09	0.34
NielsenHoldings	NLSN	43.08	0.71
Nike	NKE	59.79	0.03
NiSource	NI	26.36	-0.04
i NobleEnergy	NBL	25.54	-0.38
Nokia	NOK	6.50	-0.02
NomuraHoldings	NMR	5.92	0.02
Nordstrom	JWN	47.49	0.68
NorfolkSouthern	NSC	115.89	1.28
i NorthropGrumman	NOC	269.58	0.34
Novartis	NVS	84.44	-0.53
NovoNordisk	NVO	41.66	-0.40
Nucor	NUE	57.86	0.38
NuSTAREnergy	NS	41.89	0.10
OGE Energy	OGE	36.22	0.31
ONEOK	OKE	53.07	-0.46
OccidentalPetrol	OXY	61.83	-0.26
Och-Ziff	OZM	2.99	0.11
OmegaHealthcare	OHI	31.15	0.20
Omnicom	OMC	79.06	-0.14
Oracle	ORCL	49.64	-0.32
Orange	ORAN	17.13	0.02
OrbitalATK	OA	106.47	-0.09
Orix	IX	83.15	-0.32
Oshkosh	OSK	74.76	-0.23
OwensCorning	OC	68.05	-0.26
PG&E	PCG	68.94	0.39
PLDT	PHI	32.92	0.19
PNC Fin	PNC	131.11	-1.06
i POSCO	PKX	75.68	1.38
PPG Ind	PPG	105.14	0.13
PPL	PPL	38.83	0.04
i PVH	PVH	124.09	1.99
PackagingCpAm	PKG	109.42	0.34
PaloAltoNtwks	PANW	130.98	0.51
ParkHotels	PK	26.66	0.22
ParkerHannifin	PH	162.39	-1.83
ParsleyEnergy	PE	25.06	-1.06
Pearson	PSO	8.12	-0.33
PembinaPipeline	PBA	33.33	-0.27
Pentair	PNR	62.83	-0.33
PepsiCo	PEP	116.96	0.59
PerkinElmer	PKI	65.80	1.51
Perrigo	PRGO	67.51	0.08
PetroChina	PTR	64.32	-0.36
PetroleoBrasil	PBR	8.94	0.08
PetroleoBrasilA	PBR/A	8.64	0.11
Pfizer	PFE	33.31	-0.33
PhilipMorris	PM	115.86	1.10
Phillips66	PSX	85.07	-0.53
PinnacleFoods	PF	59.49	0.30
PinnacleWest	PNW	88.59	0.53
PioneerNatRscs	PXD	129.64	-5.70
PlainsAllAmPipe	PAA	25.20	-0.42
PlainsGP	PAGP	25.83	-0.44
PolarisIndustries	PII	89.40	...
PostHoldings	POST	86.37	0.24
Potash	POT	17.66	-0.39
Praxair	PX	130.22	0.07
PrincipalFin	PFG	66.51	-0.53
Procter&Gamble	PG	91.44	0.77
Progressive	PGR	47.67	-0.04
Prologis	PLD	60.65	-0.71
PrudentialFin	PRU	111.69	-0.80
Prudential	PUK	48.71	-0.07
PublicServiceEnt	PEG	45.69	-0.01
PublicStorage	PSA	201.08	-0.41
i PulteGroup	PHM	25.46	-0.14
QuestDiag	DGX	106.73	-0.24
QuintilesIMS	Q	91.19	0.77
RELX	RENX	21.02	-0.11
RELX	RELX	22.06	-0.04
RPM	RPM	51.01	-0.20
RalphLauren	RL	78.15	0.86
RaymondJames	RJF	82.88	-0.02
Raytheon	RTN	173.51	-0.36
RealtyIncome	O	57.45	...
RedHat	RHT	98.88	0.52
RegencyCtrs	REG	66.74	0.01
RegionsFin	RF	14.87	-0.07
ReinsuranceGrp	RGA	138.74	-1.17
RenaissanceRe	RNR	147.51	-0.36
RepublicServices	RSG	64.70	-0.03
ResMed	RMD	75.05	-0.04
RestaurantBrands	QSR	62.16	0.05
RiceEnergy	RICE	27.08	-0.40
i RioTinto	RIO	47.85	1.02
RobertHalf	RHI	43.87	-0.35
Rockwell	ROK	165.82	0.92
i RockwellCollins	COL	127.07	8.07
RogersComm B	RCI	51.50	0.24
i Rollins	ROL	44.14	0.24
RoperTech	ROP	236.46	-0.20
RoyalBkCanada	RY	74.51	-0.23
RoyalBkScotland	RBS	6.89	0.04
RoyalCaribbean	RCL	117.76	-1.93
RoyalDutchA	RDS/A	57.38	0.04
RoyalDutchB	RDS/B	58.99	0.03
SAP	SAP	106.60	-0.76
S&P Global	SPGI	150.95	-0.08
SINOPECShanghai	SHI	61.28	3.69
SK Telecom	SKM	27.68	0.43
SLGreenRealty	SLG	102.29	-0.30
Salesforce.com	CRM	90.50	0.05
Sanofi	SNY	47.97	-0.11
Sasol	SSL	30.55	0.13
Scana	SCG	63.28	-0.51
Schlumberger	SLB	66.55	-0.99
SchwabC	SCHW	42.88	-0.23
ScottsMiracleGro	SMG	97.27	0.33
SealedAir	SEE	43.86	0.37
SempraEnergy	SRE	117.12	-0.07
SensataTech	ST	45.06	0.04
ServiceCorp	SCI	35.07	0.26
i ServiceMaster	SERV	44.79	0.19
ServiceNow	NOW	108.76	-0.95
ShawComm B	SJR	21.84	0.05
SherwinWilliams	SHW	334.39	-0.68
i ShinhanFin	SHG	48.76	0.45
Shopify	SHOP	97.79	1.51
SimonProperty	SPG	166.37	1.84
SmithAO	AOS	54.55	-0.38
Smith&Nephew	SNN	35.34	0.22
Smucker	SJM	122.57	1.10
Snap	SNAP	13.39	-0.13
SnapOn	SNA	154.95	2.19
i SOQUIMICH	SQM	42.79	-0.10
Sony	SNE	39.99	-0.35
Southern	SO	49.00	0.21
SoCopper	SCCO	38.85	0.27
SouthwestAirlines	LUV	55.37	-1.21
SpectraEnerPtrs	SEP	45.70	-0.31
SpectrumB

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WANG HE/GETTY IMAGES

The People's Bank of China aims to get a better view of payments at nonbank financial firms, including some affiliated with Alibaba.

Beijing Has Eye on Fintech

BEIJING—China's central bank is increasing its monitoring of the loosely regulated financial-technology sector—a major source of risk, given the enormous sums involved.

The People's Bank of China said in a report that it is considering expanding its risk-assessment system beyond banks to include major online financial businesses.

Last month, it reached agreement with 45 nonbank financial firms—including payment systems affiliated with internet giants **Alibaba Group Holding** Ltd. and **Tencent Holdings** Ltd.—on joining a new payment-clearing platform called Wanglian, according to listed-company documents.

This effectively gives the PBOC a clearer view of payments, enhancing regulation, said Tencent, which owns the TenPay payment system. It and Alibaba-linked Ant Financial Services Group said in separate statements that they are cooperating with the central bank.

Internet-based financial-services providers—from payment systems to all manner of investing outfits—have proliferated in recent years, commanding ever larger shares of the money flowing through China's financial system.

Yu'E Bao, run by another Alibaba affiliate, **Tianhong Asset Management** Co., has become one of the world's biggest money-market funds, with $165 billion under management.

Last year, financial companies that aren't banks handled online payments worth 99 trillion yuan ($14.7 trillion), according to a report by Payment and Clearing Association of China, an arm of the central bank.

Innovation has outpaced regulation, and some lending platforms have imploded, costing investors billions of dollars.

"Some internet financial products already have systemic and important impact," the central bank said in the Friday report, which gauges the health of the country's financial sector.

Among the conclusions: Insufficient risk control at some online financial-service providers, including peer-to-peer lending platforms, crowdfunding and private equity, could lead to widespread defaults, with effects rippling through the financial sector.

Bringing these businesses into its risk-assessment framework would help the central bank monitor fluctuations in new financial products, the report said.

The report didn't say when the move would happen. The central bank didn't respond to a request for comment on the timing.

For online payments, an internal PBOC memo said that all the companies should transfer operations to the new Wanglian clearing platform by the end of June 2018, according to a person familiar with the matter.

The central-bank report also said regulators will coordinate their efforts overseeing internet-based financial service providers and will draft rules governing the use and security of financial data.

—Yang Jie and Liyan Qi

China's Forex Reserves Climb For a 6th Month

BEIJING—China's foreign-exchange reserves increased in July for a sixth consecutive month, underscoring Beijing's success in keeping money from moving offshore with some help from a weaker U.S. dollar.

Reserves climbed $23.93 billion from the previous month to $3.081 trillion, the highest level in nine months, according to figures from the People's Bank of China that were released Monday. July's increase was bigger than economists' median forecast of a $15 billion gain.

Some economists said the string of increases is changing expectations in the market about where the PBOC is taking the yuan.

"Looks like now the reserves will stay steady and show modest gains for the rest of the year," said Liu Xuezhi, an economist at Bank of Communications.

The U.S. dollar index, which tracks the dollar against a basket of major currencies, declined 3% last month, while the dollar dropped 0.75% against the yuan on China's onshore market in July.

Foreign-exchange rate changes boosted China's reserves by some $24 billion to $30.6 billion in July, according to estimates by economists. Factoring in China's usual trade surplus, economists estimate that some $18 billion to $27 billion of money left the country last month.

Since persistent weakness in the yuan caused a gush of outflows and a plummet in reserves starting two years ago, the central bank has been battling to turn the tide.

It has tightened scrutiny of companies and individuals moving money out of the country and introduced a new "countercyclical" factor to confound market expectations in determining the yuan's exchange rate.

With the steady yuan exchange rate, purchases of foreign exchange by households and companies have become more rational, the State Administration of Foreign Exchange said in a statement Monday accompanying the reserves data.

July's increase of $23.93 billion topped the $15 billion gain economists expected.

China's Finance Ministry last week unveiled new measures to better scrutinize overseas investments made by state-owned companies.

In addition, starting this September, banks will be required to report all overseas cash withdrawals and card transactions exceeding 1,000 yuan ($149) to the foreign-exchange regulator on a daily basis.

—Liyan Qi

Pershing Nominates 3 to Board Of ADP

By David Benoit

Pershing Square Capital Management LP said it is nominating its founder, William Ackman, and two others to the board of **Automatic Data Processing** Inc., backing off previous discussions ADP said were for half of the board.

On Friday, ADP took an unusual step by disclosing demands the activist had made privately as the human-resources software company rejected a request from Mr. Ackman to delay the deadline needed to nominate directors.

ADP said Mr. Ackman had asked for five seats on the 10-person board and wanted to replace the company's chief executive, Carlos Rodriguez. The company labeled it an attempt to gain control and defended Mr. Rodriguez's record and its board.

On Monday, the fund said that along with Mr. Ackman, it was nominating Veronica M. Hagen, former chief executive of materials company Polymer Group Inc. and V. Paul Unruh, a former executive at Bechtel Group.

ADP said it would evaluate the nominees, but reiterated it believes it has a "strong and independent" board.

The stinging Friday release from ADP, sent on the first morning of a vacation ADP knew Mr. Ackman was taking, set the table for a fight over the board.

The vote is set to occur at ADP's annual meeting, likely in November.

Though Mr. Ackman is known for aggressive moves and long-winded attempts to convince doubters of his ideas, he has only occasionally run a full-on fight for board seats. In recent years, he has started proxy fights only three times, typically getting board seats through negotiations instead.

When he has had to fight, the campaigns have been publicly heated. He canceled a fight over the board at Allergan Inc. after it agreed to be bought by Actavis PLC in 2014, he won a campaign against Canadian Pacific Railway Ltd. in 2012, and he lost an attempt at Target Corp. in 2009.

Pershing Square said it would hold a presentation on Aug. 17 to detail its thesis.

SANJIT DAS/BLOOMBERG NEWS

Singapore residential property prices have fallen 12% since 2013 when the government moved to cool the market, but the declines have slowed over the past year.

Singapore's Market Is Hot Property in China

By Saurabh Chaturvedi

Over the span of a year, a team of senior executives at Chinese developer **Logan Property Holdings** Co. made frequent trips to Singapore as the company sought to make a big splash for its entrance into the city-state's market.

In May, their efforts paid off: A joint venture between Shenzhen-based Logan and Chinese conglomerate Nanshan Group won a government-run auction for a residential site, paying 1 billion Singapore dollars (US$735 million)—setting a local record for such a property deal.

Chinese developers looking to diversify beyond the heated real-estate markets of the mainland and Hong Kong have Singapore in their sights, as residential-property prices in the Southeast Asian country appear to be poised for a near-term rebound after years of declines, analysts said.

Since 2013, when Singapore's government took additional steps to cool the formerly highflying housing market, prices have fallen 12%.

However, the declines have slowed over the past year, with prices falling only 0.1% between the first and second quarters of 2017.

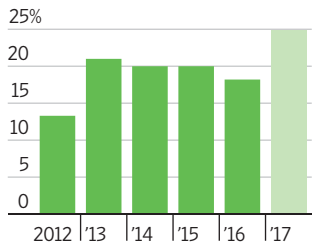
"This is a strong indication that the overall market is heading closer to the bottom," said Tay Huey Ying, head of research at the real-estate firm **Jones Lang LaSalle** Singapore.

In addition, compared with China, Singapore's simple and transparent tax and policy structures and operating environment are major draws, said Derek Lee, investor-relations head at Logan.

Also, diversification makes sense because it helps cover the developer's foreign-debt exposure, he said.

Buying Up

High-end residences in Singapore bought by Chinese nationals who aren't permanent residents, as a percentage of foreign purchases of such properties



Note: 2017 data through June 30
Sources: Urban Redevelopment Authority; Cushman & Wakefield
THE WALL STREET JOURNAL.

As much as 20% of Logan Property's total borrowings are made up of overseas debt, so expanding into markets such as Singapore helps hedge leverage-related risks while building the company's brand, Mr. Lee said.

Cross-border residential-land investment has more than doubled in the Asia-Pacific region over the past decade, said the real-estate advisory firm Knight Frank.

In 2016, investment topped US$42 billion, 80% of which came from developers based in mainland China and Hong Kong.

In Singapore, one-quarter of luxury-residence purchases by foreigners in the core central region in the first half of this year were by Chinese individuals who weren't permanent residents of the city-state, said the real-estate services firm Cushman & Wakefield, citing data from the Urban Redevelopment Authority.

Against this backdrop, Ravi Menon, the head of Singapore's central bank, said in a recent speech that it wasn't the right time to ease market-cooling measures, in part because of firm underlying demand as global real-estate investors continue to seek yield and safety.

Singapore's steps to cool its housing market, whose prices rose 60% from 2009 to 2013, are a rare example of successful government action to tame prices, standing in contrast to those in mainland China and Hong Kong.

The city-state imposed restrictions on borrowing by home buyers and levied an added tax on any purchases by foreigners to weed out speculators, who tend to be highly leveraged and look for high capital appreciation over the short term.

According to a report by **Julius Baer**, a 4,000-square-foot residential property in a prime location in Singapore costs on average US$8.9 million, compared with US$41.2 million in Hong Kong and US$16.6 million in Shanghai.

Financial Stocks Sway to the Bond Market's Tune

By Chris Dieterich

Financial stocks this year are more closely tethered to government-bond yields than ever.

The tight relationship is an indication that traders are playing big-picture macroeconomic trends over stock-specific fundamentals. That focus could provide an opportunity for investors willing to look past the expected trajectory of interest rates as banks increase the capital they return to shareholders.

Higher rates tend to boost lenders' profitability, so financial stocks often beat the S&P 500 when government-bond yields rise and lag behind when they fall. This year, the degree to which that is happening is unprecedented. This is evident in the six-month correlation between the performance of financial stocks versus the S&P 500 and the yield on benchmark 10-year Treasury notes, according to David Kostin, chief U.S. equity strategist at Goldman Sachs Group.

This gauge of correlation reached 0.69 in May, the highest ever, and was recently 0.62. Correlation is measured on a scale of minus-1 to 1. A reading of 1 means the two assets move in perfect unison, while minus-1 means perfect opposition; a reading of zero means no relationship.

To Mr. Kostin, the high correlation between financial stocks and bond yields signals that investors are too focused on the prevailing rates environment, seemingly at the expense of the sector's other virtues.

Goldman estimates that the largest banks will boost dividends at an annualized rate of 17% during the next two years. Share repurchases by these firms are expected to increase 45% this year from 2016.

"Increased capital return should boost banks stocks beyond levels implied by interest rates," Mr. Kostin wrote.

Investors had bid up financials in anticipation of corporate tax cuts, relaxed regulations and firmer economic growth. A stronger economy strengthens the case for the Federal Reserve to raise interest rates.

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SIMON DAWSON/BLOOMBERG NEWS

New York Fed's William Dudley

Treasury Prices Move a Bit Higher

By Sam Goldfarb

CREDIT MARKETS

U.S. government-bond prices edged higher Monday as the market remained stuck in a tight range despite last week's solid jobs report.

The yield on the 10-year Treasury note settled at 2.258%, compared with 2.269% Friday.

Yields, which rise when bond prices fall, climbed modestly Friday after the Labor Department reported that the economy added 209,000 jobs in July, while average hourly earnings increased 2.5% from the previous year.

Those numbers were better than many analysts expected but not enough to break the market out of a roughly three-week holding pattern.

After nearly reaching 2.4% in early July, the 10-year yield quickly declined to around 2.23% and has since been hovering between 2.23% and 2.33%.

Conflicting forces are keeping yields fairly steady, investors and analysts say.

Following a run of soft inflation data, investors don't expect the Federal Reserve to raise interest rates again until December at the earliest. That has given them reason to buy bonds, driving yields lower, because rising inflation and higher interest rates are the main threats to government debt.

At the same time, the global economy looks to be on firm footing, and major central banks appear ready to tighten monetary policy simultaneously if inflation does pick up—a prospect that has kept yields well above the historically low levels they reached last year.

2.258%

Monday's yield on the 10-year Treasury note

This week, bond prices could be weighed down by new debt issuance. A $24 billion auction of three-year Treasury notes is scheduled for Tuesday, followed by $23 billion of 10-year notes Wednesday and $15 billion of 30-year bonds Thursday.

Analysts also expect a big week for corporate bond sales as businesses try to catch investors before they leave for summer vacation.

Other major events this week include a speech by Federal Reserve Bank of New York President William Dudley on Thursday and consumer-price index data scheduled to release on Friday.

Mr. Dudley's speech will be closely watched because it comes shortly before the Fed's Jackson Hole, Wyo., conference at the end of the month and could "set the tone" for that event, said Russ Certo, managing director of rates at Brean Capital LLC.

AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

13-WEEK AND 26-WEEK BILLS

	13-Week	26-Week
Applications	$141,227,601,800	$100,775,377,200
Accepted bids	$39,001,463,300	$33,000,179,700
" noncomp	$543,101,800	$504,145,800
" foreign noncomp	$900,000,000	$537,000,000
Auction price (rate)	99.737111 (1.040%)	99.423667 (1.140%)
Coupon equivalent	1.057%	1.163%
Bids at clearing yield accepted	65.96%	44.57%
Cusip number	912796KX6	912796NR6

Both issues are dated Aug. 10, 2017. The 13-week bills mature on Nov. 9, 2017; the 26-week bills mature on Feb. 8, 2018.

Stock Indexes Add to Their Gains

Health-care companies push Nasdaq up 0.5%, as Dow and S&P 500 inch higher to records

By Riva Gold
And Gunjan Banerji

EQUITIES

U.S. stocks rose, with corporate earnings and acquisitions driving some of the biggest moves in individual shares.

The Dow Jones Industrial Average and S&P 500 edged higher to fresh records, while gains in health-care companies helped the Nasdaq Composite outperform its peers.

The Nasdaq Composite rose 32.21 points, 0.5%, to 6383.77. The Dow industrials rose 25.61 points, or 0.1%, to 22118.42, building on last week's gains following upbeat earnings and Friday's solid jobs report. The S&P 500 added 4.08 points, or 0.2%, to 2480.91, led by advances in consumer-staples companies.

Shares of **Tyson Foods** added $3.60, or 5.7%, to $66.90 after the company reported better-than-expected profit and revenue for the latest quarter. **Hormel Foods** rose 53 cents, or 1.6%, to 34.20. **Kroger** added 24 cents, or about 1%, to 24.37.

U.S. shares got a bump in recent weeks as second-quarter reports have largely beaten expectations so far.

"Earnings are where the rubber meets the road. We're looking at some pretty good numbers year over year," said David Schiegoleit, a managing director at U.S. Bank Private Wealth Management. "Employment numbers on Friday gave a solid tone to the equity markets this week," he added.

Blue Apron Holdings and Snapchat-parent **Snap**—companies that were widely watched during their initial public offerings earlier this year—are scheduled to report earnings on Thursday. Major retailers, including **Macy's**, **Nordstrom**, **Kohl's** and **J.C. Penney**, are also due to release their quarterly reports later this week.

Shares of **NxStage Medical** jumped 6.53, or 28% to 29.67—one of the biggest gains in the Nasdaq Composite—after **Fresenius**'s minority-owned kidney-dialysis business said it would acquire NxStage. Fresenius fell 1.9% in Europe.

Netflix rose 1.06, or 0.6%, to 181.33 after the company said it was buying comic-book producer Millarworld in its first acquisition.

The Dow's biggest decliner was **United Technologies**, which slipped as The Wall Street Journal reported it made an approach to acquire aerospace supplier Rockwell Collins, according to people familiar with the matter. United Technologies fell 2.97, or 2.4%, to 118.52.

European markets were subdued, with the Stoxx Europe 600 index slipping 0.1%, led lower by German shares. Data on Monday showed a surprising decline in German factory output in June, although the eurozone's largest economy remained on a path of solid growth.

Fresh dollar selling began just as the bulk of Asian stocks markets opened Tuesday. Japan's Nikkei Stock Average slid—as it often does when the yen strengthens—and was down 0.32% at midday, dropping below 20000.

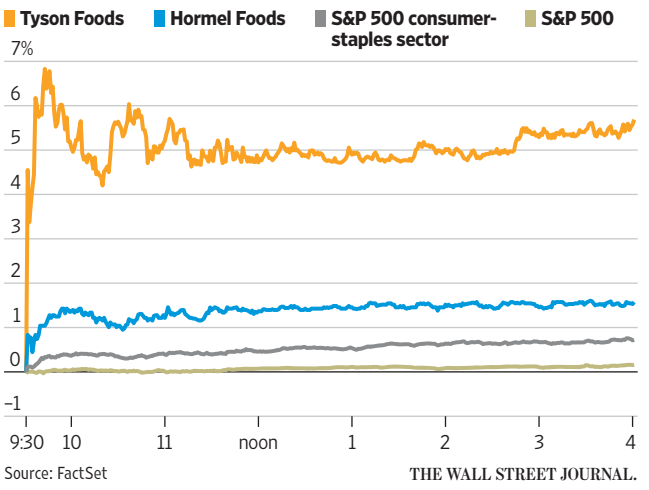
RICHARD B. LEVINE/ZUMA PRESS

Blue Apron Holdings is set to report its results later in the week. Samples of its meals were given out in June as its IPO launched.

Beefing Up

Tyson Foods led a rally in shares of consumer-staples companies after its upbeat quarterly report Monday.

Intraday performance



Source: FactSet THE WALL STREET JOURNAL.

Brighthouse Slips After Spinoff

By Geoffrey Rogow
And Leslie Scism

EQUITIES

Shares of **Brighthouse Financial** Inc. fell more than 5% at one point on Monday on the insurance company's first day of trading after splitting off from **MetLife** Inc.

The stand-alone Brighthouse was created out of three parts of MetLife. The first two were MetLife's historic core selling life insurance to U.S. households, as well as one of the nation's biggest sellers of retirement-income annuities. Brighthouse also has a large segment of "runoff" business of contracts MetLife sold and for which Brighthouse is responsible, but which aren't currently being marketed.

More than a half dozen brokerages started coverage of Brighthouse on Monday. The analysts gave price targets for the insurance company's stock ranging from around $65 to $78. Shares of Brighthouse closed down 4.4% at $61.72.

A large part of Brighthouse's business has been pinched in recent years by nearly a decade of ultralow interest rates that were ushered in by the global financial crisis of 2008. These rates have hurt the profitability of many types of life insurance as low interest rates depress the income insurers earn by investing customers' premiums until claims are paid. They also drive up the cost of hedging annuities' lifetime-income guarantees.

For MetLife, the strategy behind the spinoff is hope for a higher share valuation once the company is freed of slower-growing operations and faces less pressure from low interest rates. After the spinoff, roughly 40% of MetLife's business will be international life insurance. MetLife also will continue selling insurance and pension products to employers, and it is keeping an asset-management unit and some other operations.

With the spinoff, Prudential Financial Inc. becomes the top insurance company in America by assets.

Even so, the biggest source of Prudential's profits isn't insurance: Its crown jewels include a $1 trillion global investment-management unit, known as PGIM, that ranks among the world's largest and counts a couple dozen major corporate pension plans as clients. Among others are a large pension-risk-transfer operation and a Japan insurance business.

Analysts at Wells Fargo Securities said a stand-alone Brighthouse could perform well if markets and interest rates move up in tandem. But an opposite move could be difficult for the firm.

"If interest rates fall from here or equity markets retrace, we would expect [Brighthouse] to be a heavily shorted name," said the analysts. Wells Fargo has a price target of $71.

In the short term, volatile trading is expected for Brighthouse as many MetLife shareholders sell their new shares because they won't be paying dividends.

The conversion took place late Friday, when MetLife common shareholders received one share of Brighthouse common stock for 11 MetLife shares. MetLife will initially hold on to about 20% of Brighthouse.

Bearish Bets Take Bite From Odey Fund

By Laurence Fletcher

HEDGE FUNDS

Crispin Odey, one of Europe's best-known hedge-fund managers, ran up a nearly 10% loss in one of his hedge funds last month, in what is fast turning into a bad year for some big-name managers.

The European fund run by Mr. Odey, founding partner of London-based **Odey Asset Management** LLP which manages $5.9 billion in assets, had a 9.8% fall in its net asset value during July, according to an investor document seen by The Wall Street Journal. The fund is down 12% in the year through July.

Mr. Odey's European fund was once one of the biggest in the sector, worth billions of dollars in its own right, though some investors withdrew their cash after poor returns in the past two years. According to an April letter to investors, the fund held just under $900 million in assets at the end of March.

A spokesman for Odey declined to comment.

Mr. Odey, who made millions betting on a recovery in Barclays Bank immediately after the financial crisis, has fared less well in recent years as his bearish views failed to pay off in rising markets.

The latest poor performance stems in part from bets on falling stock prices, particularly in the U.S., where the Dow Jones Industrial Average rose above 22000 for the first time last Wednesday. Mr. Odey's fund has also bet against stocks such as Tullow Oil, which rose 13% during July, and specialty insurer Lancashire Holdings, which gained 6%, according to the investor document. The fund was positioned against the British pound, which rose against the dollar, and against U.K. government bonds, which also rose.

Mr. Odey isn't the only big-name hedge-fund manager struggling this year. Oil trader Andrew Hall said last week he is shutting the main fund at Connecticut-based **Astenbeck Capital**, the firm he founded. Mr. Hall posted losses when he misjudged the impact of a boom in U.S. production on oil prices.

Retail Bloodbath Finds Buyers as Shares Bounce

MARK KAUZLARICH/BLOOMBERG NEWS

There is still life left in retail stocks.

Shares of retailers have climbed in recent weeks ahead of quarterly results. The stocks have gotten a lift from bargain-minded investors digging in and betting that old-line companies will survive the era of e-commerce—at least for now.

That continued into Monday as **Kohl's** Corp. climbed 2%, **Nordstrom** Inc. rose 1.5%, and **Macy's** Inc. was up 1.1%, while the S&P 500 crept 0.2% higher. The SPDR S&P Retail exchange-traded fund was up 0.5% Monday and 6.7% since July 10, when it hit its lowest in the past 12 months.

For the year, retail is among the most battered groups of stocks. **Target** Corp. is still down 20% in 2017. Macy's is down 34% and Kohl's is down 13%.

Amazon.com Inc. has loomed over the group, with sharp declines across the sector often taking place after news about the e-commerce giant. The moves reflect a hardening narrative that Amazon, which sells almost everything with a couple of clicks, is rapidly overtaking the rest of the retailers. There is even an exchange-traded fund available to bet on the decline in brick-and-mortar stores. But some say the selling has gone too far.

"Oversold might be an understatement," said Tony Scherrer, director of research and co-portfolio manager in Seattle at **Smead Capital Management**, a value-oriented money manager. "The consensus has been so dour on these names for so long."

In the second quarter, Smead bought shares of Target, which turned up last month after predicting higher sales for the April-to-June period. The stock is up almost 11% since the end of June.

Goldman Sachs analysts say the U.S. is still a long ways from the kind of futuristic shopping that many envision. "We may be starting to order like the Jetsons," they said last week. "But most Americans still shop like the Flintstones."

—*Ben Eisen*

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MARKETS

Investors Ponder Oil Rally's Staying Power

Despite uncertainty over OPEC's efforts to curb output, U.S. crude inventories are falling

By Stephanie Yang And Alison Sider

Oil prices edged lower as investors debated whether positive signs for supply and demand will be enough to keep a monthlong rally going.

U.S. oil futures have risen 16% since falling into bear market territory in June. Prices exceeded $50 a barrel for the first time in two months in July, but have been unable to hold above the closely watched level as supply concerns have seeped back into the market.

Light, sweet crude for September delivery settled down 19 cents, or 0.4%, at $49.39 a barrel Monday on the New York Mercantile Exchange. Brent, the global benchmark, fell 5 cents, or 0.1%, to $52.37.

Rising production from the Organization of the Petroleum Exporting Countries, despite efforts to reduce output, has raised worries that members will be unable to keep to levels agreed on last year in a deal to cap output. The cartel will discuss compliance levels at a two-day meeting in Abu Dhabi this week.

"It was supply data that had bulls running for the exits last week," said Tamas Varga, oil analyst at broker PVM, in a Monday note. "Hopefully, we will have some kind of clue as to how OPEC intends to manage these extra barrels by tomorrow."

Despite uncertainty over the OPEC deal's effectiveness, investors have been encouraged by falling crude inventories in the U.S. this summer.

In July, crude inventories fell by almost double the five-year average for that month, according to TD Securities. Stockpiles fell a total of 21 million barrels, and weekly data from the U.S. Energy Information Administration show inventory levels declined in seven of the past eight weeks through July 28.

The S&P GSCI Energy Total Return index rose 8.1% last month, the best July performance since 2004, according to S&P Dow Jones Indices. Speculators also have returned to the market, as net bullish bets on crude oil in the week ended Aug. 1 reached the highest level since April.

"The biggest question now is, was that July rally just a lot of short covering, or does it have staying power?" said Mark Anderle, director of supply and trading at TAC Energy. "The market's just content to go sideways and figure that out."

Prices have gained on signs of slowing U.S. production as well, as additions to the oil-rig count have slowed. However, some investors are reluctant to add to positions near or above $50 a barrel, since higher prices could prompt U.S. shale producers to bring more projects online. Analysts at Citigroup said in a research note that U.S. oil producers already have started to take advantage of long-term prices hovering at or slightly above $50 a barrel to lock in 2018 prices.

"I do think $50 is the line of demarcation," said Rob Thummel, managing director for Tortoise Capital Advisors. "With oil below $50, producers in general are indicating that if we stay here at this price, we're going to have to reassess capital and not spend as much, so production won't be as high."

Even as oil neared $50 a barrel, energy-stock performance has remained muted. The S&P 500 energy sector is the index's worst-performing group of stocks, down 13.6% year to date.

Some exploration-and-production companies last week said they would trim spending in response to lower oil prices, but few were rewarded for their discipline, said Shawn Reynolds, portfolio manager at VanEck Global Hard Assets Fund.

"It's a lose-lose. If you produce too much, oil prices will go down and that's bad. If you produce too little, you're not growing at the rate we thought and that's bad," he said. "This market is really, really down on the E&Ps."

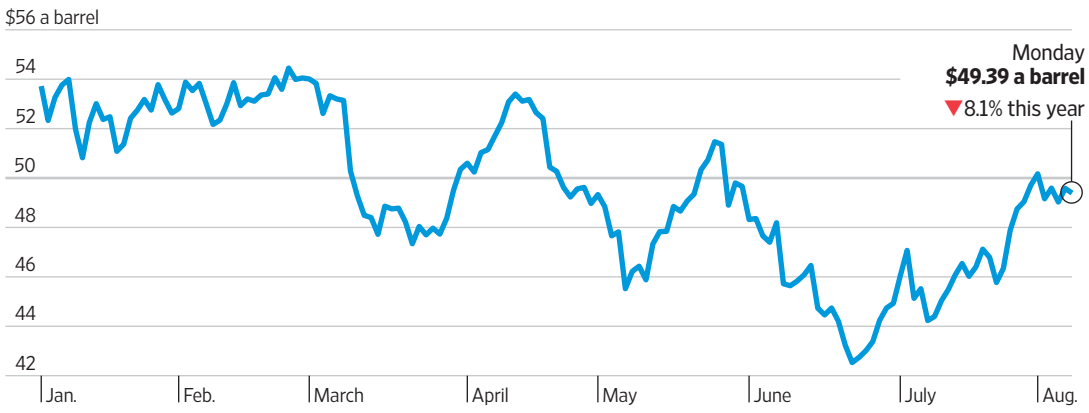
Until oil is able to cross that $50-a-barrel threshold, the bullish sentiment may have hit its peak, traders said.

"Short-term, we're stuck," said Michael Hiley, a trader at **LPS Futures** LLC. "It's not a bearish market, but it's a market that brings crude supply...as it rallies."

Losing Steam

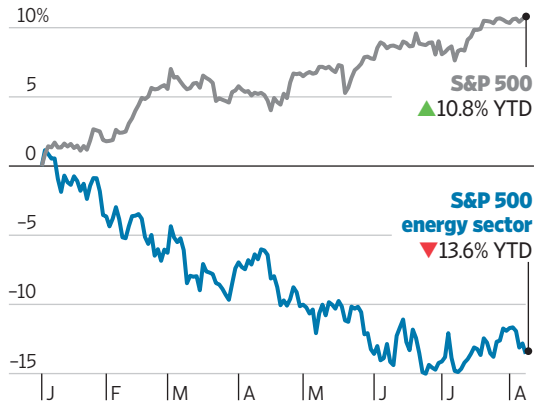
Oil has struggled to break above $50 a barrel...

Nymex crude-oil price



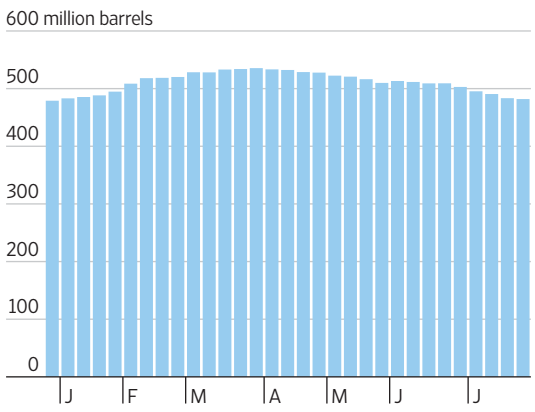
...and energy stocks have lagged behind all other sectors...

S&P 500 energy sector



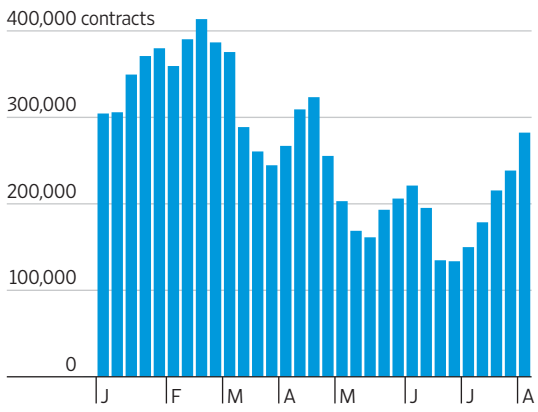
...even as crude stockpiles have declined...

U.S. oil inventories, weekly data*



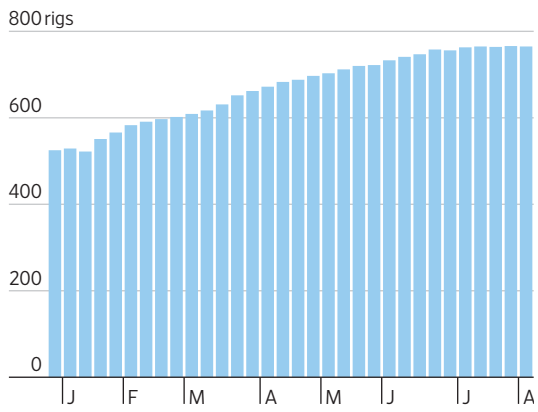
...speculators have become more bullish...

Net long positions by investors in U.S. oil futures



...and growth in the U.S. oil-rig count has stalled.

U.S. rig count



*Excluding Strategic Petroleum Reserve
Sources: WSJ Market Data Group (price, indexes); U.S. Energy Information Administration (stockpiles); Commodity Futures Trading Commission (positions); Baker Hughes (rigs)

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HEARD ON THE STREET

Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY WSJ.com/Heard

Rockwell Deal Too Pricey to Fly

United Technologies may aspire to be even bigger in aerospace than it already is. Its shareholders should be wary of that happening at the wrong price.

Shares in avionics and airplane-interiors maker **Rockwell Collins** surged Monday following reports that industrial conglomerate United Technologies approached the company about a takeover. Such a deal could be worth in excess of $20 billion.

With little product overlap, combining the two would seem doable from a regulatory perspective. United Technologies views aerospace as its fastest-growing area. It also would inherit that company's airplane-interiors unit, which Rockwell still is digesting following a $6.4 billion acquisition of B/E Aerospace.

Imagine then a plane made with United Technologies' Pratt & Whitney engines, United Technologies landing gear and brakes, Rockwell Collins flight controls, drink carts, seats and toilets. If you are Boeing or Airbus, or an airline purchasing the finished product, you might think that the balance of power in the aerospace supply chain is tilting against you.

And they would be right on a certain level. Boeing's recent initiative to branch into avionics is a way to exert pressure back on its suppliers. The response by suppliers can be to join together and hold more of the cards in their relationship with the oligopolistic aircraft makers.

But such a combination would have high execution risk. Adding products also would fan the flames of the undying debate over whether a company should exist that makes such varied products as elevators, air conditioners and jet engines. If a deal happens, United Technologies would derive 58% of its sales from aerospace in 2019, its highest in over a decade, according to J.P. Morgan analysts. Shareholder pressure to spin off some part of the company could increase.

Ultimately, the problem is price. United Technologies has space on its balance sheet with net debt of just 1.7 times its earnings before interest, taxes, depreciation and amortization, according to S&P Global Market Intelligence. That is all the more reason for shareholders to worry. Rockwell Collins shareholders would require a hefty takeover premium.

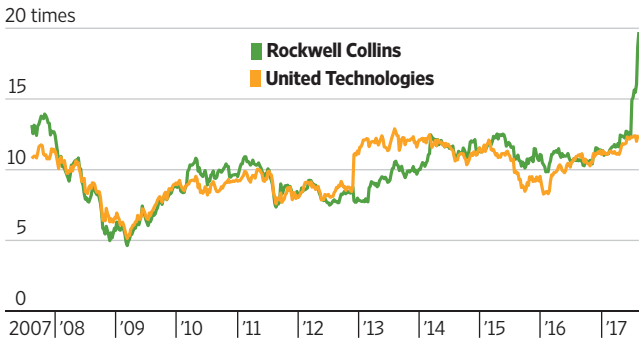
Without a firm deal in hand, Rockwell Collins already trades at a debt-adjusted market value of 20 times trailing Ebitda. The Wall Street Journal reported a possible deal price below $140 a share, which would bring the ratio to more than 22 times. Rockwell Collins itself paid 13 times for B/E Aerospace. Berkshire Hathaway paid around 12 times for Precision Castparts in 2015.

United Technologies shareholders should hope such pricey deal talk passes quietly into the night.

—Alex Frangos

Flight Patterns

Debt-adjusted market value to Ebitda*



*Earnings before interest, taxes, depreciation and amortization
Source: FactSet

THE WALL STREET JOURNAL.

OVERHEARD

When a flywheel is mentioned, mechanically minded types think of a heavy wheel that, through its inertia, helps smooth fluctuations in a piece of machinery. For corner-office types, it is so much more.

Just consider a few of last week's earnings calls. **Re/Max Holdings** co-Chief Executive **Adam Contos** told investors the real-estate company's aim working in new regions was "getting that flywheel moving and keeping it at a velocity at this point."

Dun & Bradstreet Chief Executive **Robert Carrigan** said that after years of cost-cutting and no growth, "it takes a while to sort of get that flywheel going again."

Shopify Chief Executive **Tobias Lutke**: "All of these things go on the flywheel that hopefully then spins faster and faster and faster."

The flywheel has become such a staple of corporate jargon that what has become rare are the instances when they talk about an actual flywheel.

A Missed Opportunity For Tesla

Tesla Inc. is gearing up for its most important product launch without putting its best asset to work.

Tesla announced Monday that it will issue $1.5 billion in debt securities due in 2025 to help bring the Model 3 sedan to customers.

Tesla certainly needs new capital to fund its sizable ambitions. CEO Elon Musk told investors that Tesla was considering debt, rather than equity, on last week's second-quarter earnings call. While the interest rate on the bonds has yet to be determined, debt typically is cheaper than equity.

Still, at this particular moment, Tesla is taking a risk. It burned through $1.1 billion in free cash in the second quarter, so the fresh capital accounts for only a few months of operations. The company had more than $7 billion in long-term debt outstanding as of June 30.

Granted, Tesla does have slightly more than $3 billion in cash on hand, but that number is something of an illusion. Accounts payable and accrued liabilities exceed $3.8 billion. And while Tesla told investors to expect positive operating cash flow in the second half of 2017, it expects to spend an extra $2 billion on capital needs before the year is out.

Tesla's high share price is arguably its greatest asset at the moment. At current prices, Tesla could raise $1.5 billion by increasing total shares outstanding by less than 3% and without further balance-sheet strain.

Investors haven't shown any sign of losing faith in Mr. Musk's vision. If Tesla slips on what is the start of a financial tightrope act, he may rue this as a wasted opportunity.

—Charley Grant

Online Lenders Clear Low Bar but Higher Ones Lie Ahead

The online-lending industry regained its footing in the second quarter, more than a year after it was knocked off balance by severe disruptions in the loan marketplace. But investors' sky-high hopes for the sector may have been lowered permanently.

On Deck Capital and **LendingClub** reported second-quarter earnings on Monday. Both benefited from a lowered bar as investors adjusted to past disappointments.

After a weak first quarter, On Deck said it would slow growth, tighten credit criteria and focus on becoming profitable. It delivered on those objectives in the three months to June. Total loan originations came to just $464 million, down around one-fifth both from the previous quarter and a year earlier. Loans on average went to borrowers with higher credit scores for shorter terms.

Investors were relieved that On Deck reiterated it would turn profitable later this year. Shares rose 18.5% Monday, but they fetch only about one-quarter of their December 2014 IPO price.

Crucially, On Deck has moved on from funding loans through an online marketplace. It now funds the majority through its own balance sheet, making On Deck more like an ordinary bank.

For its part, LendingClub returned to growth in the second quarter. Originations rose to $2.15 billion, having stagnated at below $2 billion for four straight quarters. Even so, it remains well below the $2.7 billion level of the first quarter of 2016 when the company was rocked by a management scandal.

The company also boasted that it securitized a package of loans for the first time. Previous securitizations were done by third parties that acquired its loans. This opened a new funding channel and brought 20 new investors to LendingClub loans, the company said.

But revenue generated from this transaction amounted to just 2.6% of the quarter's total revenue, making it something of a footnote. The company still expects to post a net loss for the year. The stock is 64% below its 2014 IPO price.

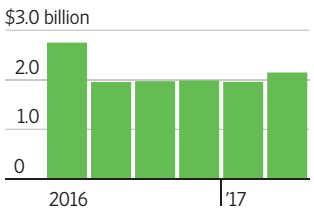
Both companies have to worry about rising competition. Innovative payment companies like Square and PayPal are extending more microloans to their merchant customers. Meanwhile, giants of finance like Goldman Sachs are extending more unsecured personal loans, which is LendingClub's sweet spot.

Reduced expectations were these lenders' best friend in the second quarter. The bar has been raised now—perhaps a bit too enthusiastically.

—Aaron Back

Back on the Wagon

LendingClub's quarterly loan originations



Source: the company