THE WALL STREET JOURNAL.

DOW JONES | News Corp ****** TUESDAY, JANUARY 23, 2018 ~ VOL. CCLXXI NO. 18 WSJ.com ★★★★ $4.00

DJIA 26214.60 ▲ 142.88 0.5% NASDAQ 7408.03 ▲ 1.0% STOXX 600 402.11 ▲ 0.3% 10-YR. TREAS. ▼ 7/32, yield 2.663% OIL $63.49 ▲ $0.12 GOLD $1,330.90 ▼ $1.00 EURO $1.2262 YEN 110.92

Deal Ends Government Shutdown

Short-term funding bill fails to resolve immigration issue; Trump signs measure

By Kristina Peterson, Janet Hook and Natalie Andrews

WASHINGTON—Congress approved a measure Monday to fund the government for almost three weeks and halt a three-day shutdown, after Senate Democrats accepted GOP leaders' assurance that they would bring an immigration bill to the floor in the coming weeks.

The agreement will keep the federal government running through Feb. 8, but did little to resolve the underlying policy fights over immigration and government-spending levels, and doesn't preclude a similar shutdown next month.

The deal also opened a rift in the Democratic Party between a left flank that wanted to hold out now for an agreement on the young immigrants known as Dreamers and a more centrist group eager to reopen the government and work out a bipartisan compromise.

The Senate easily mustered the support needed to cross a 60-vote threshold on a parliamentary move to advance the legislation, and then later passed the funding bill itself. Both tallies were 81-18, with two Republicans joining 15 Democrats and one independent in opposing the measures.

The House, as expected, then followed suit and approved the bill, 266-150. President Donald Trump signed the measure Monday night, effectively ending the shutdown.

Senate Majority Leader Mitch McConnell (R., Ky.) said Monday that if a bill addressing the fate of the young immigrants and border security hasn't been passed by Feb. 8, he intended to bring an immigration bill to the floor then.

"This immigration debate will have a level playing field at the outset, and an amendment process that is fair to all sides," Mr. McConnell said.

In accepting these terms and agreeing to support the short-term spending bill, Sen. Chuck Schumer of New York, the Democratic leader, said his agreement with Mr. McConnell would provide "a real pathway to get a bill on the floor."

Still, Mr. Schumer said, the agreement wouldn't likely please those Democrats who had sought to secure legal protections for the Dreamers as part of any deal to reopen the government. "While this procedure will not satisfy everyone on both sides, it is a way forward," he said.

Mr. Trump kept a low profile as the shutdown fight intensified.

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◆ Gerald F. Seib: Immigration's impact on elderly care........ A4
◆ A short shutdown with few effects beyond lunch........... A4
◆ Stocks power to another record after deal.................. B11

What's News

Business & Finance

Trump's administration slapped steep tariffs on imports of solar panels and washing machines, in what officials called the first in a series of trade actions. **A1**

◆ **Ex-KPMG executives** were charged with conspiracy and fraud in connection with leaks of information from its audit regulator. **B1**

◆ **Bacardi is buying** the maker of Patrón tequila in a deal that values the liquor brand at $5.1 billion. **B1**

◆ **Bank of America** eliminated a free checking account popular with some low-income customers. **B1**

◆ **Murdoch called** on Facebook to pay publishers fees similar to those that cable firms pay TV channels. **B1**

◆ **U.S. stocks set records** on a deal to end the government shutdown. The Dow climbed 142.88 points to 26214.60. **B11**

◆ **The IMF forecast** strong growth in the global economy in 2018, due in part to the U.S. tax overhaul. **A2**

◆ **AIG is acquiring** Bermuda-based insurer and reinsurer Validus in a $5.56 billion all-cash deal. **B2**

◆ **Nestlé faced** more pressure from activist investor Loeb, who urged the firm to simplify its portfolio. **B2**

◆ **Xerox investors** Icahn and Deason urged the company to explore a sale. **B3**

◆ **Richemont will pay** up to $3.3 billion for shares of YNAP it doesn't already own. **B3**

◆ **UBS swung** to a loss due to the U.S. tax law and said it would buy back stock. **B10**

World-Wide

◆ **Congress approved** a measure to fund the government for about three weeks and halt a shutdown, after Senate Democrats accepted Republican assurances about an immigration bill. **A1**

◆ **Pence told** Israel's Knesset the U.S. will open its embassy in Jerusalem next year and signaled support for the resumption of peace talks. **A6**

◆ **Turkey's leader** brushed off a U.S. plea for restraint in Ankara's military offensive against Kurdish fighters in northwest Syria. **A6**

◆ **A U.S. general** visited Raqqa, the devastated Syrian city once claimed by Islamic State as its capital. **A6**

◆ **Pennsylvania's high court** struck down the congressional-district map, saying it violates the state constitution by favoring the GOP. **A2**

◆ **USA Gymnastics** said its chairman and three other board members quit, following public outcry over a sexual-abuse scandal. **A3**

◆ **Flu cases continue** to climb, with transmission the most intense since the 2009 pandemic, the CDC said. **A2**

◆ **U.S. officials said** talks set for Friday will test Russian seriousness about a peace deal for Ukraine. **A8**

◆ **A Brazilian court** rules Wednesday on whether to uphold ex-President da Silva's bribery conviction. **A8**

◆ **A Vietnamese court** sentenced an ex-executive at state-owned oil-and-gas firm PetroVietnam to life in prison for corruption. **A9**

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World Leaders Accumulate in Davos Amid Global Economic Boom

FABRICE COFFRINI/AGENCE FRANCE-PRESSE/GETTY IMAGES

WARMUP: An armed security guard stands on the rooftop of a hotel near the Congress Centre in Davos, Switzerland, as business and political leaders gathered for the opening of the World Economic Forum on Monday. **See Outlook 2018, a special report, on pages R1-16.**

Trump Imposes Tariffs on Washers, Solar Gear

By Jacob M. Schlesinger And Erin Ailworth

WASHINGTON—President Donald Trump slapped steep tariffs on imports of solar panels and washing machines, kicking off his second year in office by showing he is ready to start implementing his long-promised "America First" trade policy.

The moves were announced Monday in response to U.S. industry pleas for relief from a recent flood of cheap imports and are the first of what administration officials said would be a series of trade-enforcement actions in the coming months.

The tariffs are aimed mainly at Asian manufacturers—Chinese makers of solar panels and South Korean producers of washing machines. But the administration announced few exceptions for any countries, indicating a willingness to impose comprehensive new protective policies for U.S. companies against global competition. The new curbs also would affect trading partners from Mexico and Canada to Europe.

"The president's action makes clear again that the Trump administration will always defend American workers, farmers, ranchers, and businesses," U.S. Trade Representative Robert Lighthizer said in a statement.

The president plans to hold a signing ceremony of the measures in the Oval Office Tuesday, publicly touting his newly muscular trade-enforcement policy three days before he plans to explain that approach to a skeptical audience at the

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◆ Tax plan could aid world output.. A2

Poland Blots Out Walesa's Historic Role

The ruling party is remaking the democracy he helped build to serve its nationalist vision

By Drew Hinshaw and Marcus Walker

WARSAW—Before a packed session of Parliament last month, Poland's new prime minister reeled off the names of "ordinary extraordinary people" who had fought for Polish freedom, including some who had resisted the Nazis and others from the Solidarity movement that brought down Communism.

The prime minister, who put his own aunt on the list, made a telling omission. "And Walesa?" one lawmaker finally called out.

The most famous Polish dissident of the 20th century—Lech Walesa, the shipyard worker, Solidarity leader and Nobel Peace Prize winner—is being scrubbed from official memory by a popular political party that, like others in Europe, is refashioning the kind of democracy he helped build.

The revolution led by Mr. Walesa in 1989 opened the way to uniting most of Europe under liberal democracy, globalization and the expanding European Union. The victory seemed so emphatic that optimists spoke of the end of history.

In Poland today, the country's ruling Law and Justice party is contesting this inheritance along with three decades of secular Westernization, to build a new kind of democracy that serves a populist, nationalist vision.

Similar movements are rising in other ex-Communist countries, part of a deeper clash between liberals and populists echoing across the continent, as disenchanted voters reach for new ways of governance, as well as old notions of identity. In Europe, the broadly centrist political establishment is for the first time since the Cold War facing a chal-

Please see POLAND page A10

If the Internet Is Filling Up, It Must Be Daybreak in India

* * *

The country's online newcomers send millions of 'Good Morning' messages

By Newley Purnell

Google researchers in Silicon Valley were trying to figure out why so many smartphones were freezing up half a world away. One in three smartphone users in India run out of space on their phones daily.

The answer? Two words. "Good Morning!"

The glitch, Google discovered, was an overabundance of sun-dappled flowers, adorable toddlers, birds and sunsets sent along with a cheery message.

Millions of Indians are getting online for the first time—and they are filling up the internet. Many like nothing better than to begin the day by sending greetings from their phones. Starting before sunrise and reaching a crescendo before 8 a.m., internet newbies post millions of good-morning images to friends, family and strangers.

All that good cheer is driving a 10-fold increase in the number of Google searches for "Good Morning images" over the past five years. Pinterest, the San Francisco visual-search platform, added a new section to display images with quotes. It saw a ninefold increase over the past year in the number of people in India downloading such pictures.

A cheery greeting

Facebook Inc.'s WhatsApp messaging service—which has 200 million monthly active users in India, making the country its biggest market—added a status message last year so users could say good morning to all of their contacts at once.

Desh Raj Sharma, 71 years old, recently started using a smartphone. At around 6

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Microsoft's Long Climb to Stock Market Milestone

Microsoft became the third U.S. company ever to close with a market value above $700 billion, joining Apple and Google parent Alphabet, as investors have flocked to technology shares. **B11**

Sources: FactSet (market cap); WSJ Market Data Group (milestones)

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Drug Firms Bet Billions on Biotech

By Jonathan D. Rockoff

Big drugmakers, searching for new sources of revenue, are paying hefty premiums for biotechnology businesses, with two multibillion-dollar acquisitions announced Monday among the latest such deals.

Sanofi SA agreed to pay $11.6 billion in cash, a 63% premium, to buy hemophilia-drug company Bioverativ Inc., confirming a Wall Street Journal report Sunday.

And Celgene's cash deal to buy Juno Therapeutics Inc. values shares in the biotech company at $9 billion, 87% more than their worth before the Journal reported on the deal talks last week.

So far this year, the median premium paid in health-care deals worth more than $1 billion is 89%, almost double the median of 45% since 2010, according to Dealogic.

Both Sanofi and Celgene have been looking to add products to cope with lower-price competition looming for

Please see DEALS page A8

U.S. NEWS

Pennsylvania High Court Voids District Map

By Scott Calvert

Pennsylvania's high court struck down the state's 18 congressional districts, ruling the current map violates the state Constitution to give Republicans a political advantage.

Justices on Monday gave the GOP-controlled state Legislature less than three weeks to submit a new map.

In a two-page order, the court said the district map "clearly, plainly and palpably" violates Pennsylvania's Constitution "and, on that sole basis, we hereby strike it as unconstitutional." The League of Women Voters of Pennsylvania and other plaintiffs sued, claiming the districts were unconstitutionally gerrymandered in 2011 to help Republican candidates win office.

The Legislature has until Feb. 9 to submit a new map to Democratic Gov. Tom Wolf. If he accepts it, the new plan would have to reach the state Supreme Court by Feb. 15. If not, the seven-member court—with five Democrats in the majority—said it would move to adopt a districting plan based on testimony from lower-court proceedings. Two justices dissented from the ruling; a third concurred but said the ruling shouldn't apply until the 2020 election cycle.

"I strongly believe that gerrymandering is wrong and consistently have stated that the current maps are unfair to Pennsylvanians," Mr. Wolf said, adding that his administration is reviewing the order and is assessing next steps.

Two top state Senate Republicans, President Pro Tempore Joe Scarnati and Majority Leader Jake Corman, criticized the ruling as "a partisan action showing a distinct lack of respect for the Constitution and the legislative process," and said they would seek a stay from the U.S. Supreme Court.

The decision comes in an election year when all the congressional seats are up for reelection. Primary elections in Pennsylvania are scheduled for May 15 and the court said the new map must be ready by then. Republicans hold 13 of the state's 18 congressional seats. In 2016, Pennsylvania narrowly backed Republican nominee Donald Trump.

The order doesn't apply to the March 13 special election to fill the seat of Rep. Tim Murphy, a married, conservative Republican and abortion opponent who resigned in October after it was revealed that he had encouraged a woman with whom he had had an affair to have an abortion.

The court said the new districts must consist of "compact and contiguous territory," must each have as close to the same population "as practicable," and can't divide towns, cities or counties except where necessary to ensure population equality.

Monday's order is the latest court ruling on gerrymandering.

Last week, the U.S. Supreme Court postponed the effect of a lower-court ruling that found Republicans in North Carolina unlawfully gerrymandered the state's congressional districts to maximize their partisan advantage.

The justices granted an emergency request by North Carolina legislative leaders to stay the lower-court ruling for now.

The U.S. Supreme Court is considering two major redistricting cases, from Wisconsin and Maryland, that could set standards for how much partisanship is too much in redistricting. Rulings in those cases are expected by the end of June.

Girl Is Injured in Texas School Shooting

KDFW FOX4/ASSOCIATED PRESS

CALL OF DUTY: Police and medical personnel gathered at a high school in Italy, Texas, on Monday after a girl was injured in a shooting. A 16-year-old boy was arrested.

Tax Plan Could Aid Global Economy

By Josh Zumbrun

The global economy will gain momentum in 2018, driven in large part by recently approved U.S. tax-code changes, according to the latest forecasts of the International Monetary Fund.

World output, adjusted for inflation, will grow 3.9% a year in 2018 and 2019, the strongest since 2011, and an upward revision of 0.2 percentage point from the IMF's forecasts in October.

When the IMF last released its global economic forecasts, the details of the U.S. tax overhaul weren't finalized, nor was a bill guaranteed of passage.

The IMF is releasing its forecasts at an event in Davos, Switzerland, where business leaders and policy makers have gathered for the World Economic Forum.

The most consequential part of the U.S. tax-code change will be the lowering of corporate-income tax rates, which should lead to an acceleration of business investment, the IMF said. The forecast also projected that federal tax revenues will fall more than spending, increasing deficits and acting as a fiscal stimulus that will boost U.S. growth.

By 2020, the cumulative effects of the changes will make the U.S. economy about 1.2% larger than it would have been without tax reform.

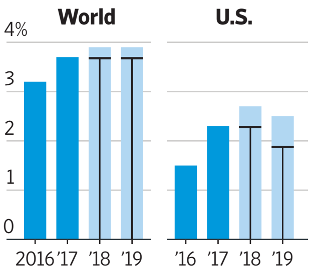
But after that, the bill's near-term focus could become a liability. Many of the bill's provisions are temporary, and their effect will fade. The IMF said economic growth from 2022 onward will likely be weaker than previously estimated for the U.S.

Growth Booster

Forecasts for real economic growth have risen as U.S. tax cuts are expected to stimulate the global economy.

GDP estimates and projections

Current estimates | Previous projections | Latest projections



Source: International Monetary Fund
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U.S. WATCH

PUBLIC HEALTH

Flu Transmission Most Intense in Years

The number of people sick with the flu is continuing to climb, and transmission is now the most intense it has been since the 2009 pandemic, Centers for Disease Control and Prevention officials said Monday.

The federal agency continued to track and respond to the epidemic despite the government shutdown. Its flu laboratories were working Monday, and "we are continuing to look at data we have received from states so that public-health officials can know about their community and influenza," CDC Director Brenda Fitzgerald said in an interview.

CDC officials said earlier this month that they had hoped flu cases were peaking. But the percentage of outpatient visits for flulike illnesses climbed in the week ended Jan. 13, according to the agency's weekly update, released Friday.

The level surpassed every season except 2009-2010, when a new strain of flu to which no one had immunity swept around the world.

—Betsy McKay

IMMIGRATION

Old Misdemeanors Lead to an Arrest

The family and employer of a Michigan doctor arrested by immigration agents said Monday they have no idea what brought him to the attention of federal officials 26 years after two misdemeanor convictions.

Lukasz Niec, 43, a native of Poland and green card holder, has lived legally in the U.S. for nearly 40 years. Immigration officials arrested him last week at his home in Kalamazoo, according to his sister, Iwona Niec Villaire.

An official with Immigration and Customs Enforcement in Michigan didn't respond to a request for comment. ICE officials cited a pair of misdemeanor convictions from 1992 in the notice to appear in immigration court when he was arrested, Ms. Villaire and his employer, **Bronson Healthcare**, said Monday.

"We believe that Dr. Niec's recent history as a contributing member of our community is far more indicative of the type of person he is than the incidents that occurred when he was a teenager" a statement from Bronson Healthcare said.

—Alicia A. Caldwell

TERRORISM

Ohio Man Sentenced To 22 Years in Prison

An Ohio man who admitted to receiving training in Syria to kill members of the U.S. military and then plotting to carry out an attack was sentenced to 22 years in prison.

Abdirahman Sheik Mohamud apologized to his family and to the U.S. in federal court in Columbus on Monday.

Mr. Mohamud said what he did was wrong and he fell into the trap of radicalization.

—Associated Press

TRADE

Continued from Page One

World Economic Forum in Davos, Switzerland.

Specifically, the administration said it would impose tariffs on washing machines at a rate of up to 50%, with the rates phasing out over the next few years. The tariffs would be combined with quotas. Tariffs on solar modules would be as high as 30%, and also would phase out over time.

The solar petition was filed by Suniva Inc. and SolarWorld Americas Inc., two embattled solar panel makers with operations in the U.S. that have filed for bankruptcy protection.

The washing machine petition was filed by Whirlpool Corp., which is locked in a tough competitive fight with Samsung Electronics Co. and LG Electronics Inc., both of South Korea. Whirlpool's stock rose 3% in after-hours trading in response to the move, which was announced after U.S. markets closed.

The actions drew criticism from free-market economists warning of new costs to consumers and the dangers of trade wars. But it drew praise from some Democrats normally critical of the president, showing the potential of the new Trump trade policy to scramble the political landscape this year.

"I applaud the administration for this strong relief," said Ohio Democratic Sen. Sherrod Brown, who faces a tough reelection fight in a hard-hit manufacturing state that Mr. Trump carried in the 2016 election.

Some of Mr. Trump's fellow Republicans weren't as sanguine. "Here's something Republicans used to understand: Tariffs are taxes on families," Nebraska GOP Sen. Ben Sasse said in a statement.

Trading partners were quick to complain. China's Commerce Ministry blasted the tariffs as an "abuse of trade remedy measures." The Mexican government said it will use "all legal resources at its disposal" in response.

> *Mr. Trump promised to pursue a harder trade line by dusting off little-used laws.*

Mr. Trump has long promised to pursue a harder trade line by dusting off little-used trade laws that had largely been avoided by his predecessors, especially since the 1995 creation of the World Trade Organization, whose goal has been to discourage such unilateral actions by nations.

The Trump administration is imposing the new barriers under a 1974 trade law that permits companies to seek relief if they can prove "serious injury" from a sudden surge in imports. That "safeguard" law was last invoked by the George W. Bush administration in 2002 to protect steelmakers, but it later removed the steel tariffs after the World Trade Organization deemed them improper.

No president has considered such protections since then. Now the Trump administration has taken up two "safeguard" cases, and with the president approving new tariffs in both cases, more industries are expect to follow in seeking similar relief.

In addition, the administration is weighing new protections for the steel and aluminum industries in the name of national security, invoking a law that hasn't been used since the 1980s. Decisions are expected by April.

Officials also are expected to announce soon recommendations for potential sanctions against China in retaliation for allegedly forcing U.S. companies to turn over valuable intellectual property.

Indeed, administration officials say that there will be a much greater focus this year on attacking Beijing's government-steered trade policy, and the $300-billion-plus annual U.S. trade deficit with China.

While Mr. Trump had been extremely critical of Chinese trade policy during the presidential campaign, he largely held back from taking action last year, in part because he was seeking cooperation in reining in North Korea's nuclear arms program.

Both the washing machine and solar actions are likely to face a challenge from trading partners before the WTO. Since the organization's creation, the U.S. has invoked the safeguard law six times. Each action has been taken to the trade courts in Geneva, which often have deemed them improper.

South Korean Trade Minister Kim Hyun-Chong said at a meeting with local business and industry leaders in Seoul Tuesday he would file a complaint against the latest "protectionist" and "unfair" U.S. safeguard measures to the WTO.

—Andrew Tangel contributed to this article.

CORRECTIONS & AMPLIFICATIONS

A Page One photo Monday with an article about the government shutdown showed, from left to right, Sens. Bob Corker, Mark Warner and Joe Manchin. In some editions Monday, a photo caption incorrectly said Sen. Corker was on the right and Sen. Manchin was on the left.

Murders in Mexico had fallen to a six-year low in 2014. In some editions Monday, a World News article about homicides linked to drug gangs in Mexico incorrectly said it was a five-year low.

Michael C. Bender and Kate Davidson contributed to a Page One article Monday about the Senate's efforts to end a government shutdown. Mr. Bender's name and Ms. Davidson's first name were omitted in the list of contributors in some editions.

The late Sen. John McClellan of Arkansas was a Democrat. A Review essay on Saturday about the history of chain migration incorrectly said he was a Republican.

Changes in U.S. tax law limit deductions for state and local taxes. The Tax Report column in Saturday's Business & Finance section incorrectly said the limits apply to deductions of federal and state taxes.

Volkswagen's 2019 U.S.-specific Jetta is built in Puebla, Mexico. The Rumble Seat column in Saturday's Off Duty section incorrectly said it is built in Tennessee.

U.S. officials are proceeding with plans to train Syrian forces to ensure that Islamic State fighters aren't able to sneak across the Syria-Iraq border. A World News article Friday about the U.S.'s strategy in Syria incorrectly said Syria-Iran border.

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

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Rural North Carolina Is One Tough Sell

As companies pit states against each other, cities thrive but countrysides lag

By Valerie Bauerlein

MADELINE MARSHALL/THE WALL STREET JOURNAL

Many parts of rural North Carolina, including Richmond County, above, are struggling, hurting their chances of luring new businesses.

RALEIGH, N.C.—In North Carolina, the economic challenges are geographic: The state can readily lure business to its fast-growing cities but struggles to sell its vast rural territory.

The issue was underscored this month when Raleigh made the shortlist of sites for Amazon.com Inc.'s second headquarters, but the state lost out to Alabama on a $1.6 billion automotive-assembly plant that officials had pushed for a struggling former textile town.

"We have some work to do," said Lew Ebert, chief executive of the North Carolina Chamber. "The growth is certainly uneven."

Lopsided economic growth is widening a long-term divide between cities like financial hub Charlotte and tech-center Raleigh and the state's countryside, which has withered with the collapse of the tobacco, textile and furniture industries.

Unemployment is higher in the rural areas, while education levels are lower. The state's 80 rural counties saw a 3% decline in taxable wages in the past decade, compared with 6% growth in the 14 suburban counties and 15% growth in the six urban counties, according to the Rural Center, a not-for-profit advocacy group.

North Carolina is the second-most-rural state in the U.S. after Texas, and 417 of the state's 553 municipalities lost population or grew more slowly than the state average since 2010, according to demographers with the University of North Carolina at Chapel Hill.

Overall, the state's economy is thriving: North Carolina had a gross domestic product growth of 1.9% in 2016, compared with 1.5% nationally, according to the U.S. Department of Commerce. But much of that growth is concentrated in a dozen urban areas.

After years of watching auto makers revive towns in neighboring states, North Carolina went all out to bring a joint Toyota Motor Corp. and Mazda Motor Corp. plant to Randolph County, 20 miles south of Greensboro.

Democratic Gov. Roy Cooper flew to Japan to meet executives. State officials helped refine the 1,800-acre site, which required grading land and annexing surrounding acreage. Republican lawmakers, who control the state's House of Representatives and Senate, put together a $1.5 billion package of tax and other incentives.

But it wasn't enough.

The state fell short on two other recent deals that could have revitalized rural areas. Last year, it tried to lure Taiwan-based electronics assembler Foxconn, but the Apple Inc. supplier ultimately chose Wisconsin, which offered a $3 billion deal. It also tried to win a new Samsung washing-machine plant, but Samsung chose South Carolina.

Mr. Ebert, of the North Carolina Chamber, said the state is realigning its workforce-training programs to the jobs the state wants to attract, and investing more in site preparation. "We've lost out on projects because we didn't have mega-sites that are ready to go," he said.

Other factors have come into play. Many rural counties in the eastern part of the state are 40 miles from a natural gas line, a sticking point for corporations. Highways are congested near the big cities, and efforts to expand passenger and cargo rail lines have stalled.

Toyota chose Alabama in large part because of its proximity to the company's existing supply chain, and to Mississippi, where Toyota has a vehicle-assembly plant, said Jim Lentz, Toyota's North America chief. Mr. Lentz said the search didn't exclude "sites where the supply base had to follow," but "it may have made it more difficult" for those states to edge out Alabama.

Officials point to progress in landing medium-size deals. Chinese manufacturer Triangle Tyre is building a $580 million plant in Edgecombe County in the state's northeastern corner, a place once reliant on tobacco. Austria-based Egger Wood Products is building a $700 million plant in Davidson County, a former furniture powerhouse.

—Adrienne Roberts contributed to this article.

Upping Its Game

North Carolina Commerce Secretary Tony Copeland said the state is building out infrastructure, such as roads, and is willing to work with corporations to meet their needs.

State legislators have lowered corporate tax rates and cut regulations, said Lew Ebert, chief executive of the North Carolina Chamber.

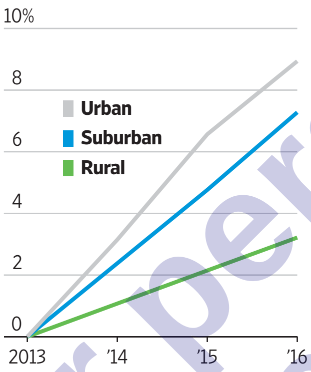
The state also wants to show that it has overcome political hurdles, including ambivalence about economic incentives and much-debated legislation that restricted the use of bathrooms in public buildings by transgender people. PayPal Holdings Inc. and Deutsche Bank canceled planned investments after the law passed in 2016, saying it was discriminatory. Last year the legislature rolled back the bill.

House Speaker Tim Moore said the state's robust (if unsuccessful) incentive package offered for a Toyota-Mazda auto-assembly plant for a former textile town showed North Carolina's commitment to bringing good jobs to all parts of the state.

"We sharpened our pencils, sat down and figured out what was one of the most robust or nonincentive packages in the nation," Mr. Moore said.

A State Divided

Change in employment in North Carolina, by county type



Source: Labor Department (employment); North Carolina Rural Center (categories)

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USA Gymnastics Leaders Resign Amid Sex Scandal

By Rebecca Davis O'Brien And Louise Radnofsky

LAURENCE GRIFFITHS/GETTY IMAGES

U.S. gymnasts Aly Raisman, left, Gabby Douglas and Simone Biles awaited final results at the 2016 Olympic Games in Rio de Janeiro. All three say they were abused by a team doctor.

The chairman of USA Gymnastics and two other board members resigned Monday, the organization said, following weeks of internal dissent and public outcry over the board's handling of a sexual-abuse scandal involving the former women's national team doctor.

The move also came amid mounting pressure from the U.S. Olympic Committee, a person familiar with the matter said. The gymnastics world has been roiled for the past 18 months by revelations that former longtime USA Gymnastics team physician Larry Nassar sexually abused athletes under the guise of medical treatment.

The USOC had pushed for changes for months, intensifying after The Wall Street Journal reported in December that USA Gymnastics reached a $1.25 million confidential settlement with Olympic gold-medalist McKayla Maroney, in connection with her abuse.

Chairman Paul Parilla, Vice Chairman Jay Binder and Treasurer Bitsy Kelley submitted resignations effective Sunday, USA Gymnastics said in a statement Monday. Mr. Parilla and Ms. Kelley couldn't immediately be reached on Monday. Dr. Binder declined to comment on his resignation but said, "There's nothing more important than the safeguarding of athletes and protecting them from predators like Dr. Nassar."

"USA Gymnastics thanks Paul Parilla, Jay Binder and Bitsy Kelley for their many years of service to this organization. We support their decisions to resign at this time. We believe this step will allow us to more effectively move forward in implementing change," said Chief Executive and President Kerry Perry.

"As the board identifies its next chair and fills the vacant board positions, we remain focused on working every day to ensure that our culture, policies and actions reflect our commitment to those we serve."

Word of Ms. Maroney's settlement agreement also angered some members of the USAG board, who felt they had been kept in the dark about the organization's dealings with the athletes, according to one person familiar with the board.

USA Gymnastics said last week that Ms. Maroney's settlement had been authorized by four people: Mr. Parilla; former president of USA Gymnastics Steve Penny; USA Gymnastics defense counsel Peggy Holm; and a representative of USA Gymnastics' insurance carrier, which paid the $1.25 million.

The changes come amid a wave of victim testimonies in a Michigan court over abuse at the hands of Dr. Nassar that have propelled the two-year-old scandal onto front pages.

Dr. Nassar has been sentenced to 60 years in prison on federal child-pornography charges, and is currently being sentenced on counts of sexual assault, to which he has also submitted a guilty plea.

The USOC issued a scathing statement in the name of Scott Blackmun, the USOC's head.

"Since October of last year, we have been engaged in discussions with leadership of USA Gymnastics about the primary recommendation of the Daniels Report—changing the culture of USA Gymnastics. Those discussions accelerated over the holidays and today you have seen three board resignations," Mr. Blackmun said. "New board leadership is necessary because the current leaders have been focused on establishing that they did nothing wrong. USA Gymnastics needs to focus on supporting the brave survivors."

FBI Faces U.S. Probe On Missing Messages

By Del Quentin Wilber

Attorney General Jeff Sessions pledged Monday evening to fully investigate how the FBI failed to preserve five months of text messages between two high-level officials involved in the investigations of Hillary Clinton and Donald Trump.

"We will leave no stone unturned to confirm with certainty why these text messages are not now available to be produced and will use every technology available to determine whether the missing messages are recoverable," Mr. Sessions said in a statement released by the Justice Department.

The statement came a few days after the Justice Department disclosed that the Federal Bureau of Investigation, due to technical problems, wasn't able to recover text messages from December 2016 through May 2017 between FBI Agent Peter Strzok and bureau lawyer Lisa Page.

Mr. Strzok and Ms. Page were engaged in a romantic relationship in 2015 and 2016 and exchanged thousands of texts over the course of nearly two years that were highly critical of various political figures, including Sen. Bernie Sanders (I., Vt.) and President Barack Obama's first attorney general, Eric Holder.

Their sharpest barbs, however, were directed at Mr. Trump, prompting Republicans and the president's allies to question whether the FBI had permitted bias to infect the Russia investigation or alter the trajectory of a probe into Mrs. Clinton.

How Immigration Could Affect Grandma's Care

CAPITAL JOURNAL

By Gerald F. Seib

The emotional struggle over immigration policies, which helped shut down the government over the weekend, represents not just a debate but a collision of social trends, American values and basic economic realities.

Consider its potential impact on a growing piece of American life, one woven through a growing number of families: the need for long-term care for the elderly.

We are a nation with an increasing population of elderly parents and grandparents needing care their families can't offer directly. Immigrants play a big and growing part of providing that care. The question quietly running beneath the surface is whether the changes now being debated in immigration laws and policies will upset all that.

First, some facts: America is getting older. Some 10,000 baby boomers reach the age of 65 each day. By 2050, a fifth of the U.S. population will be age 65 or older, the Congressional Budget Office projects, up from 12% in 2000 and 8% in 1950.

Moreover, this large contingent of Americans isn't simply retiring; it will live longer after retiring. The number of people aged 85 or older will make up 4% of the population by 2050, 10 times more than a century earlier. As Americans get older and live longer, they will require more long-term care: The Department of Health and Human Services has estimated that 52% of Americans turning 65 today will develop a disability requiring long-term care services.

So who provides, and who will provide, the help the elderly need getting in and out of bed, bathing, dressing, cooking, taking medication and simply coping? A growing number of immigrants provide that care.

A recent study by PHI, an organization that works with the long-term and home care industry, found that one in four "direct-care" workers is an immigrant. That universe includes home health aides, personal-care aides and nursing assistants.

That means some 860,000 immigrants fill these jobs in the industry. Add in workers who provide such services independently and the number rises to one million.

Moreover, the share of these workers who are immigrants has been rising, to 24% in 2015 from 20% in 2005. In some of the nation's biggest states—New York, California, New Jersey and Florida—40% or more of these workers are immigrants. Among these immigrant workers nationwide, the PHI study found, 56% are citizens by naturalization, and 44% aren't citizens.

There already is a shortage of such workers, and that problem may become more acute as demand grows. "The demand for direct-care workers is just going to explode in coming decades as more people turn 65," said Robert Espinoza, vice president of policy at PHI and author of the workforce study. "The rate of disability and chronic conditions is increasing....We will need more people to fill that workforce gap, and immigrants are part of that solution."

Perhaps not surprisingly, many of these care workers come from countries that are in the crosshairs of the immigration debate. The largest shares come from Mexico, the Philippines, Jamaica, Haiti and the Dominican Republic.

So how might the changes in immigration policies now being debated affect this workforce? The goal of many immigration reformers is to reduce legal immigration, not merely to cut off the flow of illegal immigrants. Ending a controversial visa lottery system would reduce the number of immigrants from some of the countries that currently provide workers, as would closing off "chain migration" in which family members of current immigrants are allowed in.

And failure to provide a path to legal status for "Dreamers"—immigrants who were brought here illegally as children but have since moved into schools and jobs—could compel some of them to depart from the country and the workforce.

A reduction in the immigrant workforce might drive up wages as providers scramble for help, perhaps drawing in native-born Americans who aren't currently attracted to relatively low-paying care jobs. That, in turn, would drive up the cost of care. Already, as The Wall Street Journal reported last week, insurance companies are declining to provide long-term care insurance as costs outstrip forecasts.

All that has experts worrying. "Immigrants make up a vital part of the nation's health-care workforce, holding hard-to-fill jobs such as nursing care for the frail, elderly and disabled," said Clifton J. Porter II, senior vice president of government relations for the American Health Care Association, an organization of long-term care providers. In a statement, he added: "Many have lived and worked in the United States for years and deserve a chance to continue their productive lives here for the good of the U.S. economy and our aging population....Forcing dedicated, qualified people from other countries to leave will be a blow to many, including those who rely on their care."

TIMOTHY A. CLARY/AGENCE FRANCE-PRESSE/GETTY IMAGES

MANDEL NGAN/AGENCE FRANCE-PRESSE/GETTY IMAGES

ANDREW HARRER/BLOOMBERG NEWS

Top, tourists rode a New York ferry as the Statue of Liberty reopened after an infusion of state funds. The National Archives in Washington, D.C., displayed a 'closed' sign, middle. Above, staffers lined up outside the Russell Senate Office building in the capital. The main outcome for many nonessential workers was an afternoon off.

A Short Shutdown With Few Effects Beyond Lunch

For those who expected chaos and inconvenience, the government shutdown was a letdown.

The Smithsonian museums had enough federal funds to stay open Monday. Veterans' hospitals, international borders and airports operated as normal. The Statue of Liberty again welcomed all comers after ceasing weekend operations and getting some state funds.

The shutdown, which began at 12:01 a.m. Saturday morning, had relatively little effect on Monday in the capital and beyond. It ended with the passage by Congress Monday evening of a short-term spending bill.

Many operations were affected, at least for the day. Staff at the Securities and Exchange Commission had to cancel a trip to a beachfront conference in San Diego. Some government websites flashed warnings that information wasn't up-to-date. A range of everyday government operations, from workplace safety inspections to Internal Revenue Service audits, didn't take place.

The main outcome for many nonessential federal workers, who reported Monday for a few hours of shutdown preparation, was an afternoon off. And Washington businesses stepped in with discounted yoga classes and drink specials.

Onyinyechi Anyanwu, a contractor for the Department of Homeland Security, said his superiors told him to report to work Monday to turn in phones and laptops and attend a going-away lunch. But the lunch never happened. As Congress closed in on a deal around midday, Mr. Anyanwu was told to stay on duty.

"They think we're going to be let go, then 12:15 p.m. came, 12:30 p.m. came, and I'm like...'Oh, I still have a job,' " Mr. Anyanwu said.

He worked the afternoon as normal, and plans to report to work Tuesday—though he still isn't sure if he'll be paid for the day's effort.

The threat of a government shutdown has become more common, as Congress frequently passes short-term budget patches rather than full-year appropriations. Federal employees are more apt to shrug them off.

"It's become pretty familiar," said Chris King, who was sent home from the Labor Department late Monday morning, just hours after arriving. With memories of the 2013 shutdown still fresh—when workers were paid for the time they missed—he said co-workers were frustrated, but not panicked.

Other symbols of shutdown hardships didn't emerge.

Barriers that blocked visitors from scaling Lincoln Memorial and other Washington's monuments in 2013 weren't erected this week. New York state struck a deal to reopen the Statue of Liberty and Ellis Island, agreeing to pay the federal government $65,000 a day.

The District of Columbia avoided the stench of the mid-1990s, when trash wasn't collected. Officials now act to preserve municipal services.

While the 2018 shutdown appears to be brief, there was at least one hiccup.

On Friday, Senate Parking Operations told commuters attendants would be furloughed, so employees working at the Capitol would need to "self-park." Before Senate leaders reached a deal Monday, however, the parking office made an about-face. The lots had descended into such disarray that all attendants were summoned back to work, starting Tuesday, a parking official said.

—Eric Morath

WASHINGTON WIRE

PRESIDENTIAL ELECTION

Payment From Trump Lawyer Questioned

A government-watchdog group filed complaints with the Federal Election Commission and the Justice Department asking the agencies to investigate a $130,000 payment arranged by President Donald Trump's lawyer to a former adult-film star before the 2016 presidential election.

Common Cause said the payment, revealed in The Wall Street Journal this month, violated reporting requirements and may have exceeded contribution limits. The group asked the Justice Department to investigate whether Mr. Trump violated criminal law by omitting the transactions from campaign filings.

The Journal said lawyer Michael Cohen arranged for the payment to Stephanie Clifford in return for her agreement not to publicly discuss an alleged sexual encounter with Mr. Trump.

"The Common Cause complaint is baseless along with the allegation that President Trump filed a false report" to the FEC, said Mr. Cohen. He and the White House have denied any encounter between Mr. Trump and Ms. Clifford.

—Michael Rothfeld

SUPREME COURT

Endangered-Species Case Joins Docket

The Supreme Court agreed to take up a case that tests the scope of habitat protections under the Endangered Species Act.

The case centers on the 2012 U.S. Fish and Wildlife Service designation of critical habitat for the dusky gopher frog. The frog has been listed as endangered since 2001, when the known adult population was about 100, all from one pond in Mississippi.

The service also chose to include in its designation private land in Louisiana that it said could serve as a breeding ground. **Weyerhaeuser** Co., which brought the case to the Supreme Court, owns part of the land and leases the rest to grow timber. Weyerhaeuser says the Endangered Species Act didn't authorize the designation of its land as critical habitat.

—Brent Kendall

VOTE

Continued from Page One

fied over the weekend and drew to an end Monday, after his efforts to reach a pact with Mr. Schumer on Friday collapsed. But the White House defended Mr. Trump against Mr. Schumer's assertions that dealing with Mr. Trump was like "negotiating with Jell-O" and that the "great deal-making president sat on the sidelines" for much of the discussions.

"What the president did clearly worked," White House press secretary Sarah Huckabee Sanders said.

In a written statement, Mr. Trump said his administration will work toward solving "very unfair illegal immigration" and promised a deal on immigration only if it is good for the country.

In a fundraising email sent under his name with the subject line "Democrats CAVED," the GOP president struck a more confrontational tone. The Democratic lawmakers the email blamed for the shutdown should be fired in the November elections, he wrote.

Lawmakers said Monday that bipartisan negotiations over immigration would soon resume. Several groups of legislators and White House officials have been meeting to reach a deal combining protections for the young immigrants with improved border security as well as new limits on family-based immigration and the so-called diversity visa lottery that admits immigrants from underrepresented countries.

Still, Democrats faced a swift backlash from their party's most liberal wing that asserted they had capitulated under pressure without extracting any significant policy concessions from the GOP. In the wake of Mr. Trump's 2016 upset win, activists have been pushing the Democratic Party to develop a clearer, more liberal message and to take an uncompromising approach to Mr. Trump and the Republicans.

Criticism was particularly harsh from progressive immigration advocates.

"Last week, I was moved to tears of joy when Democrats stood up and fought for progressive values and for Dreamers," said Frank Sharry, executive director of America's Voice, an immigrants-rights group. "Today, I am moved to tears of disappointment and anger that Democrats blinked."

In one measure of the pressure from the party's liberal base, many of the no votes Monday on advancing the Senate legislation to reopen the government came from Democrats thought to harbor 2020 presidential ambitions. They include Sens. Elizabeth Warren of Massachusetts, Kirsten Gillibrand of New York, Kamala Harris of California, Cory Booker of New Jersey and Jeff Merkley of Oregon.

Another no vote came from Sen. Bernie Sanders of Vermont, who ran a strong but unsuccessful bid for the 2016 Democratic presidential nomination.

Democrats had hoped to use

Lawmakers said negotiations over immigration would soon resume.

their leverage on spending bills, which need 60 votes to pass the Senate, to extract legal protections for immigrants. Republicans hold 51 seats in the Senate.

In September, Mr. Trump ended a program advanced by President Barack Obama that shielded the Dreamers from deportation, but Mr. Trump gave Congress until March 5 to approve a replacement.

After Mr. Trump rejected a bipartisan immigration proposal, Democrats dug in Friday to block a short-term spending bill until that and other issues were resolved. Congressional leaders are also working on a two-year budget agreement to boost both military and domestic spending. In addition, they hope to fund disaster aid and community-health programs.

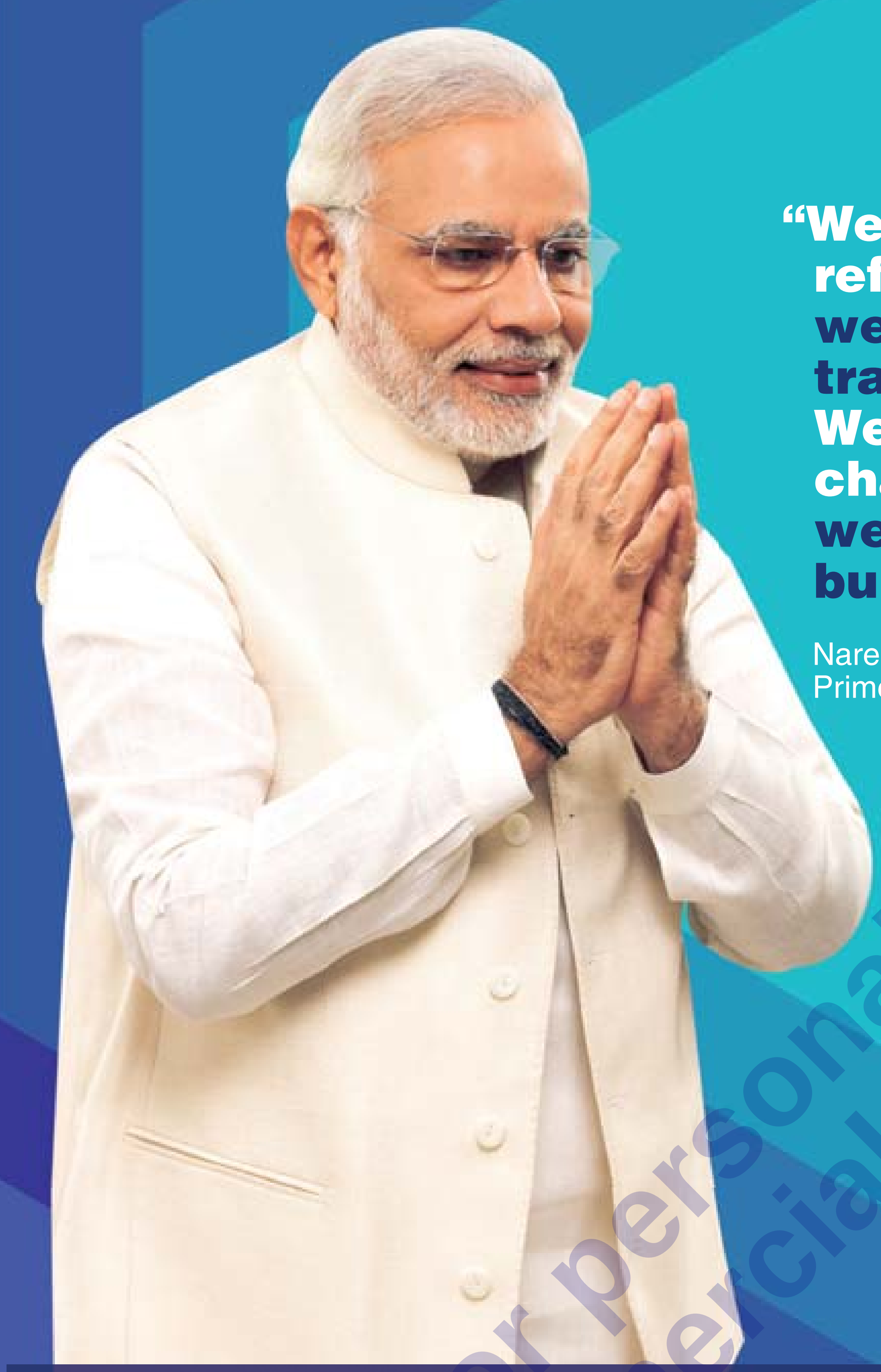
The spending bill would reauthorize the Children's Health Insurance Program for six years, a priority for both parties.

Republicans hammered Democrats for yoking the government funding to what they called "illegal immigration," ratcheting up pressure on Democrats to reconsider their position. Meanwhile, the bipartisan group of senators convened repeatedly over the last few days to try to chart a path out of the gridlock. The group leaned on Mr. McConnell to provide a firm commitment to bring up an immigration bill to the Senate floor, regardless of whether it had Mr. Trump's backing, by early February.

By Sunday night, Mr. McConnell outlined his intention to bring forward immigration legislation, though he stopped well short of any ironclad guarantee. After a private meeting Monday morning, Democrats decided they would accept his offer.

However, many Democrats remained wary of Mr. McConnell's comments, considering pledges he made last year about other legislation to GOP Sens. Susan Collins of Maine and Jeff Flake of Arizona that have yet to materialize.

—Siobhan Hughes, Byron Tau and Louise Radnofsky contributed to this article.



WORLD NEWS

U.S. Sets Next Year for Embassy Opening

In speech, Pence says 'Jerusalem is Israel's capital' but urges restart of peace talks

Vice President Mike Pence vowed that the U.S. will open its embassy in Jerusalem next year, but he signaled support for the resumption of talks toward an Israeli-Palestinian peace deal as the Palestinian leadership backed off a threat to abandon those negotiations.

By Peter Nicholas and Rory Jones in Jerusalem and Laurence Norman in Brussels

ARIEL SCHALIT/AGENCE FRANCE-PRESSE/GETTY IMAGES

Vice President Mike Pence with Israeli Prime Minister Benjamin Netanyahu on Monday. The U.S. has promised to propose a Middle East peace plan.

In a speech on Monday to Israel's Knesset, Mr. Pence sent dual messages. He cast the embassy move as an expression of the Trump administration's unwavering support for Israel, drawing cheers when he formally announced the quick timetable and declared: "Jerusalem is Israel's capital."

He also urged Palestinian leaders to return to talks, however, with assurances that the U.S. isn't taking a position on Jerusalem's final boundary lines. Palestinians want East Jerusalem as the capital of a future state.

Before arriving in Israel on Sunday, Mr. Pence conferred with leaders in Jordan and Egypt, and privately urged both countries to nudge the Palestinians to meet with him during his four-day trip.

Palestinian Authority President Mahmoud Abbas had said he wouldn't see Mr. Pence after President Donald Trump last month recognized Jerusalem as Israel's capital and pledged to relocate the U.S. embassy from Tel Aviv to the disputed city.

Mr. Trump's announcement prompted a warning from the Palestinian Authority that it would consider abandoning any effort to restart the peace negotiations.

As Mr. Pence addressed the Knesset on Monday, however, Mr. Abbas eased back on that threat. Ahead of meeting with European Union foreign ministers in Brussels, he also said the Palestinian Authority won't abandon the 1993 Oslo Accords, which seek a peace deal in which Palestinians have an independent state alongside Israel.

"We could hear, here and there, some say things that could give the impression that there are obstacles toward negotiations, but we are keen on continuing," Mr. Abbas said.

No formal, high-level Middle East peace talks have taken place since 2014. The Trump administration has promised to propose a solution, with the president's son-in-law, Jared Kushner, taking a lead role in the effort.

Obstacles are formidable.

Relations between the Palestinians and U.S. are at their lowest point in recent years. Mr. Abbas last week called Mr. Trump's initial peacemaking efforts a "slap in the face."

The Trump administration has worked for months on a plan framework, and European and Arab nations haven't challenged the longstanding notion of Washington as the main broker in peace talks.

European officials have said they await details of the White House plan. They have reiterated their support for a two-state solution based on Israel's borders before the 1967 war, with East Jerusalem as the capital of a future Palestinian nation. The Arab world also backs this notion of peace.

Israeli Prime Minister Benjamin Netanyahu, meantime, is wary of a process involving many mediators and wants Mr. Abbas to engage in bilateral talks. The Palestinians have said they fear that the White House's closeness to Mr. Netanyahu's government would weaken their hand in talks.

Mr. Pence in his visit to the region has seen first-hand how parts of the Arab world remain wary of any White House claim that it is a neutral broker.

At the start of his Knesset speech, Arab members of the body loudly protested and waved signs reading, "Jerusalem is the capital of Palestine." They were removed by security agents.

While there have been sharp disagreements between Europe and Washington on the peace process, EU officials had said before Monday's meeting they would push Mr. Abbas not to turn away from U.S.-led negotiations. Most European governments strongly opposed Mr. Trump's recognition of Jerusalem as the Israeli capital.

They have also insisted that Washington's peace proposals must be worked on with the EU and key Arab countries.

Turkey Defends Move Against Kurds in Syria

BY FELICIA SCHWARTZ

LONDON—Turkey's president brushed off a U.S. plea for restraint in the country's military offensive against Kurdish fighters in northwestern Syria, a sign of the heightened tension between the two treaty allies.

ASSOCIATED PRESS

Turkish army tanks entered Afrin, Syria, on Monday. The U.S. says it is concerned about fighting there.

Secretary of State Rex Tillerson and U.K. Foreign Secretary Boris Johnson, speaking in London on Monday, called on Turkish and Syrian-Kurdish forces in northwestern Syria to exercise restraint and to limit their operations after the start of the Turkish offensive over the weekend.

Turkish President Recep Tayyip Erdogan discounted the request later Monday. "When will your time in Afghanistan be over?" he said in a televised address to a business audience. "Is it over in Iraq; you are still there? You have also entered here [Syria] with the coalition forces."

He added that Turkey respects the territorial integrity of Syria and doesn't intend to stay there beyond the operation's objectives. "Whenever the business is done, we know when to pull back. We neither intend to stay there nor ask anyone for permission," Mr. Erdogan said.

Mr. Tillerson told reporters that the U.S. is concerned about the fighting in and around the town of Afrin, but he also recognizes Turkey's interests. "We are concerned about the Turkish incident in northern Syria....We recognize and fully appreciate Turkey's legitimate right to protect its own citizens from terrorist elements," he said.

Mr. Johnson, speaking alongside Mr. Tillerson after a meeting, echoed his assessment of Turkey's interests and called "for restraint on both sides and an absolute minimum of casualties."

Later, Mr. Tillerson tried to play down tensions between Ankara and Washington, two NATO allies. "We've asked them to just try to be precise, try to limit your operation, try to show some restraint," Mr. Tillerson said. "Let us see if we can work with you to create the kind of security zone you might need," he said.

Mr. Tillerson later traveled to Paris for meetings on Iran and Syria.

The Turkish ground offensive in and around the town of Afrin began Saturday, and since then the Turkish army and its allies in the Free Syrian Army have approached Afrin from Turkish territory to the north and west of the enclave.

They opened a new front line starting from the opposition-controlled town of Azaz, about 13 miles east of Afrin, according to the Turkish state-run Anadolu Agency.

U.S. officials, including Gen. Joseph Votel, the top U.S. military commander in the region, expressed concern over the weekend, saying the assault could detract from efforts against Islamic State extremists and could destabilize the area.

Mr. Tillerson said the U.S. is working with Turkey and coalition partners to "see what we can do to work together to address Turkey's legitimate security concerns."

—Erdem Aydin in Istanbul contributed to this article.

Europeans To Discuss Iran Deal With U.S.

BY FELICIA SCHWARTZ

PARIS—The U.S. and three European countries will begin formal talks as early as next week on what the Trump administration considers flaws in the 2015 Iran nuclear agreement, but Secretary of State Rex Tillerson said they might not meet a White House deadline for a fix.

President Donald Trump said earlier this month he wouldn't renew U.S. sanctions relief to Iran in May, as required under the nuclear accord, unless Europe goes along by then with a supplemental agreement to restrict Iranian missile testing and development, provide for expanded inspections and extend prohibitions on nuclear-weapons work.

"The U.S. is under a bit of a timetable to deliver on what the president is looking for. But we can't set timetables for others," Mr. Tillerson said Monday.

Mr. Tillerson didn't provide many details, but said diplomats from the State Department would travel to Europe as early as next week to discuss a side arrangement with officials from Germany, France and the U.K.

British Foreign Secretary Boris Johnson said Monday he and his French and German counterparts agreed with Mr. Tillerson in a previous meeting that Europe needs to "look at what Iran is doing on the ballistic-missile front and to work out what we can do collectively to constrain that activity and make a big difference there."

Mr. Johnson said the European bloc is on board as long as those efforts are "in parallel and don't vitiate the fundamentals of the Iran nuclear deal."

French Foreign Minister Jean-Yves Le Drian on Monday signaled his willingness to discuss an agreement on ballistic missiles and slammed Iran for violating U.N. Security Council resolutions barring ballistic-missile activities.

Mr. Le Drian said France is also concerned about what he called Iran's destabilization of the region, "whether in Yemen or in Lebanon or in Syria."

Iran, Russia and China have opposed changes to the nuclear agreement. U.S. officials say any new agreements on additional sanctions wouldn't require buy-in from other parties to the nuclear deal, because they are outside of the 2015 accord.

U.S. Seeks Stability in Raqqa

BY NANCY A. YOUSSEF

RAQQA, Syria—The U.S. military commander overseeing the war against Islamic State visited the city once claimed by the group as its capital, saying Monday a more difficult campaign now must begin to help local residents regain control and prevent a slide back into extremist hands.

NANCY A. YOUSSEF/THE WALL STREET JOURNAL

Gen. Joseph Votel, right, in Raqqa with USAID's Mark Green

Army Gen. Joseph Votel, head of the U.S. Central Command, spent more than an hour in his first visit to Raqqa, where intact buildings were a rare sight in block after block of rubble. Residents were at work rebuilding inner walls of buildings that have little in the way of outer structure, and several businesses have opened in various parts of the Syrian city.

Three months after Raqqa was reclaimed by U.S.-backed forces, remnants of Islamic State's presence remain widespread. They include berms built in the north to slow a feared U.S.-backed ground invasion.

The city's current state "just highlights the challenge of what has to be done next, the incredible work that has to be done just to get people back into their homes," Gen. Votel said to reporters traveling with him.

The destruction, much of it the result of coalition airstrikes, was on a scale he hadn't seen since the campaign last year in Iraq to rid western Mosul of Islamic State. "These are hard-core fighters. They have to be rooted out," he said. "This is ugly business but it's necessary business."

Joining Gen. Votel was Mark Green, administrator of the U.S. Agency for International Development.

Mr. Green and Gen. Votel visited a soccer stadium that had been transformed into an Islamic State execution site; the town square where extremists first announced control of Raqqa after seizing it in 2013 and more recently where U.S.-backed forces declared victory; and the only elementary school now open.

Throughout their tour, Gen. Votel, Mr. Green and U.S. special operations forces were greeted warmly by the few thousand citizens who have returned since local forces reclaimed the city in October.

U.S. troops sense that the gratitude is finite, and that the enthusiasm of locals carries an expectation that the city will be rebuilt, they said. But it could be months before there is running water, U.S. troops said. As for electricity: "We can't even think about that now," one special forces officer explained.

SPECIAL ADVERTISING FEATURE

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Brazil Closes Giant Trash Dump

Livelihoods of thousands of pickers are cut off as authorities move to modernize waste disposal

By Paulo Trevisani

FABIO ERDOS FOR THE WALL STREET JOURNAL (2)

A whole scavenger community has grown up beside the 500-acre Estrutural dump. Below, Sandra Montes made her living there.

CIDADE ESTRUTURAL, Brazil—Sandra Montes, 32 years old, once dreamed of being a famous singer, but her hopes were crushed by a recession that Brazil is still struggling to overcome. So she turned to rummaging through Latin America's largest dump looking for recyclables to sell, clothes to wear and toys to give her children.

Now she and her fellow gleaners at the Estrutural landfill will have to find work elsewhere. Nearly 60 years after Brazil carved a modernist capital out of its wind-swept central plateau and began discarding its solid waste there, the dump was closed on Saturday as part of a countrywide effort to modernize waste removal. With that, thousands of poor people lost their meager livelihoods sifting Brasilia's garbage in search of plastic bottles and other waste that can be sold for a profit.

The World Bank estimates that as many as 15 million people are employed in "informal recovery of materials from waste"—scavenging—in developing countries where garbage-disposal systems are rudimentary. It generates billions of dollars in income for those willing to perform the dirty work, and in Brazil contributes an estimated 90% of the materials used by the recycling industry.

Brazilian authorities say the closure was needed because of rising risks that Estrutural's 40 million tons of waste could contaminate nearby water supplies. But locals fear the shutdown will devastate a neighboring community of 35,000 residents, as the landfill brought in cash that people spent at local businesses.

Though Brazil began last year to recover from the deepest recession on record, unemployment remains at a steep 12%. A budget crunch has reduced taxpayer funds for social assistance, a weak economy has dimmed employment prospects and a massive corruption scandal has sapped trust in the country's leadership. That means scavengers like Ms. Montes have little chance of landing new jobs.

The city plans to employ trash pickers who will work in clean warehouses with proper equipment, but many Estrutural scavengers aren't affiliated with the associations hired to operate the facilities. Residents of Rio de Janeiro's Jardim Gramacho neighborhood long complained of unemployment after the city closed the nearby dump ahead of the 2016 Summer Olympics.

"I don't know what I will do," Ms. Montes said. She doesn't believe in promises of government help and isn't hopeful of landing a menial job elsewhere, let alone going back to singing.

"They offered us sewing training, but where will I find money to buy a sewing machine?" she added.

The 500-acre Estrutural dump, a patch of muddy terrain more than half the size of New York's Central Park, has turned into a toxic menace to the ecosystem of the neighboring National Park, a

sanctuary nearly as large as Colorado's Great Sand Dunes park. Massive leaching threatens key water reservoirs at the sanctuary, which also is facing rat and vulture infestation, experts said.

The closure comes as developing countries are moving toward cleaner landfills. Officials across the region want to increase collection of plastic, metal and other recyclables to reduce the amount of garbage tipped into open, informal landfills while requiring households to separate their trash.

"Mayors in Latin America want what the U.S. has," said Martin Medina, a waste-management consultant in Washington, referring to mandatory household garbage recycling.

Most of the 2,000 tons of trash dumped daily at Estrutural will go to a new landfill that will curb leaching. Waste will be covered with dirt to reduce the stench and methane gas from organic waste will be captured, authorities said.

The local government estimates there are 1,200 scavengers affiliated with trash-collecting associations. But there are thousands more, including trash pickers scavenging residential garbage across the country's capital before trucks collect it. Entire families rummage the Estrutural dump.

Wellington Rodrigues, 36, has been going there since childhood when his mother and grandmother scavenged at the site. He soon learned to make money out of it, and never left. "We get a taste for working, getting our own money," he said as he stood next to tall bags filled with plastic bottles.

The risk of unemployment looms over the 35,000 residents of the Cidade Estrutural shantytown, a sprawling maze of narrow, muddy streets that grew alongside the dump as scavengers occupied land around it. Most of its residents are low-skilled workers who never finished high school. Average income is below Brazil's minimum wage of $300 a month.

"It's going to be hell in Estrutural," said scavenger Daniela da Silva, 24. She has been working in the dump and living nearby since she ran away from her family 10 years ago.

City officials say the closing was overdue and assistance to scavengers is in the works. But options are limited for a local government that is struggling to pay salaries to public workers.

—Paul Kiernan contributed to this article.

Court to Rule on Ex-Leader Da Silva

By Samantha Pearson And Paulo Trevisani

SÃO PAULO—Brazil is on tenterhooks this week as it awaits an appeals court ruling that could land former President Luiz Inácio Lula da Silva, currently in pole position for this year's presidential election, in jail for corruption.

The court will rule Wednesday whether to uphold a previous conviction against Mr. da Silva for accepting a beachfront apartment as a bribe in the vast Car Wash corruption scandal that has ensnared dozens of major politicians.

The high-profile case has gripped Brazil, where the charismatic shoeshine-boy-turned-statesman is currently favored, despite last year's guilty verdict, to win October's presidential elections in what would be a dramatic turnaround for his disgraced Workers' Party.

But if the court upholds the conviction, Mr. da Silva stands to be banned from the vote under Brazil's watershed Clean Record law that blocks convicted criminals from running for office—a law Mr. da Silva himself passed when president in 2010. He may also be forced to start serving a decadelong prison sentence, a scenario supporters of the leftist icon, known worldwide as Lula, say they will fight to prevent.

"To lock up Lula, you will have to lock up a lot of people or, further still, you will have to kill people," said Gleisi Hoffmann, head of the Workers' Party, who pledged an uprising if the ruling goes against Mr. da Silva.

The former president's lawyers are expected to use procedural arguments to try to keep him out of prison and in the race, pushing the country's courts into uncharted territory.

The Supreme Court, which can overrule the appeals court, could be called on to decide Mr. da Silva's fate, a prospect that raises new political uncertainty in Brazil. The legal battle could extend beyond the election if he wins and is subsequently declared ineligible, said global advisory firm Teneo. It sees Mr. da Silva and his "zombie candidacy" as one of Brazil's biggest political risks in 2018.

Mr. da Silva's predecessor, Fernando Henrique Cardoso, called for respect for the rule of law in an interview with The Wall Street Journal. "If the verdict is upheld, the Clean Record law dictates that the person cannot be a candidate," the ex-president said.

Over the past four years, Brazil's biggest corruption investigation has revealed a sprawling bribery and kickback scheme involving scores of companies and political parties.

In July, Mr. da Silva was sentenced to 9½ years in prison for corruption and money laundering in the first of a series of Car Wash cases against him, the rest of which are still before the courts.

WORLD WATCH

UKRAINE

U.S.-Russia Talks to Test Moscow Stance

U.S. negotiators this week will explore Russian seriousness about a peace deal for Ukraine, where fighting between Kiev forces and Russia-backed separatists has been intensifying.

Talks set for Friday are the first since the U.S. said it would provide Kiev with defensive weapons. U.S. officials said Moscow's reaction to the weapons announcement has been muted. But the resumption of talks, the officials said, suggests the decision may have helped prod Moscow back to the negotiating table.

U.S. officials said their outreach is a test to see whether Moscow is willing to take concrete steps to warm ties with the West. The U.S. and top allies want to revive a peace plan hammered out in 2015.

—Julian E. Barnes

ISSOUF SANOGO/AGENCE FRANCE-PRESSE/GETTY IMAGES

GOAL ACHIEVED: Former soccer star George Weah, left, was sworn in Monday as Liberia's new president.

VATICAN CITY

Pope Backs Bishop, Regrets Phrasing

Pope Francis reaffirmed his support for a Chilean bishop accused of covering up clerical sex abuse and repeated his dismissal of the accusations as slander, while expressing regret for offending victims with his choice of words.

The pope made his remarks Sunday night to reporters accompanying him on a flight to Rome, following a weeklong visit to Chile and Peru, during which he faced criticism for his handling of clerical sex abuse. He spoke after his earlier statement drew fire from sex-abuse victims and an extraordinary rebuke from one of his top advisers, Boston's Cardinal Sean O'Malley.

Cardinal O'Malley, head of the pope's advisory panel on child protection, said the pope's words were a "source of great pain" to abuse victims by suggesting their claims wouldn't be believed without proof.

The cardinal said that such statements "abandon" victims and "relegate [them] to a discreditable exile."

On Sunday night, the pope thanked Cardinal O'Malley for what he called a "very fair" statement, and said his own words had been like a "slap" in the face of victims.

"I apologize to them for hurting them without realizing it," he said.

—Francis X. Rocca

FROM PAGE ONE

DEALS

Continued from Page One

their top-selling drugs.

As big drugmakers look to deal-making, rather than their own laboratories, to plug gaps in their product lineups, they are increasingly willing to pay up for the scarce roster of companies with promising products.

And analysts say premiums may only get bigger as other large drugmakers, aided by the new tax law in the U.S., consider acquisitions to bolster their lineups.

"Many of the largest, most cash-rich companies in the industry have not even begun to participate in M&A, and when they do, prices and deal volumes could step up significantly," Leerink Partners analyst Geoffrey Porges wrote Monday in a note to investors.

Paris-based Sanofi has already missed out on two high-valuation deals. It lost the bidding for Medivation to Pfizer Inc., which paid $14 billion for the cancer biotech company in 2016.

Then last year, Johnson & Johnson outbid Sanofi to buy rare-disease drugmaker Actelion for $30 billion.

Bioverativ, of Waltham, Mass., sells two top-selling treatments for the rare blood disorder hemophilia. The company was spun out of big biotech Biogen Inc. last year after Biogen couldn't find any companies willing to buy it for about $3 billion, according to a person familiar with the matter.

Sanofi turned to Bioverativ as low-price competition drew closer for the French company's top-selling product, Lantus insulin. Lantus revenue has been dropping but still accounted for 13% of Sanofi's sales during the first nine months of 2017.

Bioverativ's hemophilia drugs will fit in Sanofi's rare-disease business and complement the company's collaboration with biotech Alnylam Pharmaceuticals Inc. in developing a new kind of hemophilia therapy using an emerging technology called RNA interference.

"With Bioverativ, we welcome [a] leader in the growing hemophilia market and that will create a platform for expansion in other rare blood disorders," Sanofi CEO Olivier Brandicourt said in a conference call.

Sanofi said adding Bioverativ will be "immediately accretive" to its earnings in fiscal year 2018. Yet traditional hemophilia drugs from Bioverativ and other drug companies could see sales drop over the long term if gene therapies now in development work out and take over the market.

As for Celgene, the Summit, N.J., company is a major seller of blood-cancer drugs. But competitors have been challenging the patents protecting its top-selling product, multiple myeloma treatment Revlimid, in their efforts to sell generic versions.

In advance of Revlimid's patent expiration, Celgene has been entering partnerships with biotech companies working on promising new drugs for cancer and other diseases. While waiting on the collaborations to pan out, Celgene has added some products through acquisitions.

Just this month Celgene agreed to pay $1.1 billion upfront for Impact Biomedicines, a privately held cancer biotech company, and committed to spending billions more dollars if Impact's blood-disease drug is approved for sale and reaches other milestones.

By acquiring Juno, Celgene will gain access to a new kind of blood-cancer treatment, known as CAR-T, which modifies a patient's own immune cells to turn them into potent cancer-fighting agents.

The Juno deal "is an important step in executing our strategy to sustain industry-leading growth by focusing on disruptive, innovative medicines and immediately establishes Celgene as global leader in the rapidly emerging field of cellular immunotherapy," Celgene CEO Mark Alles said in a conference call with analysts and investors.

Celgene said the Juno acquisition won't become "incrementally additive to net product sales" until 2020. It also predicts that Juno's most-advanced drug, JCAR017, will peak at $3 billion in yearly world-wide sales.

But some industry officials and advisers question how lucrative the drugs will be unless they can be used beyond blood cancers and don't have to be tailored to each individual patient.

Celgene's valuation of Juno was influenced by Gilead Sciences Inc.'s $11 billion acquisition of Kite Pharma, which also has a CAR-T treatment. Gilead said it paid a 50% premium to the 30-day volume-weighted average of Kite's stock price.

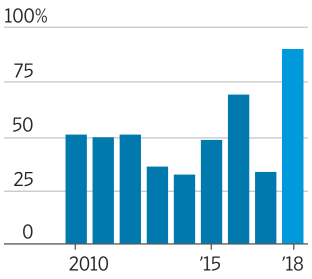
Celgene executives said on a conference call with investors that the company will continue looking for acquisitions.

—Cara Lombardo contributed to this article.

Price Bumps

M&A premiums in health care are off to a hot start in 2018.

Median premiums for global health-care deals



Notes: Premiums paid over the target stock's value a month before the deal announcement on deals over $1 billion and an acquired stake over 10%. 2018 is year-to-date.

Source: Dealogic

THE WALL STREET JOURNAL.

France Solicits Foreign Money

BY WILLIAM HOROBIN

VERSAILLES, France—French President Emmanuel Macron wined and dined Davos-bound business leaders at the Palace of Versailles on Monday in an effort to shake off the country's image as inimical to foreign investment.

Some 140 executives, including Facebook Chief Operating Officer Sheryl Sandberg and Google Chief Executive Sundar Pichai, met with Mr. Macron at the sprawling palace just outside Paris before traveling on to the World Economic Forum in Davos, Switzerland.

The event, dubbed "Choose France" by Mr. Macron, is an attempt to persuade business leaders that France has finally changed its ways. Long criticized as a land of excessive red tape and government meddling in the private sector, France is striking a different pose under Mr. Macron.

The investment banker-turned-president has adopted myriad pro-business measures during his first eight months in office, from looser labor laws to tax cuts. Now he is under pressure to show these changes can spur investment.

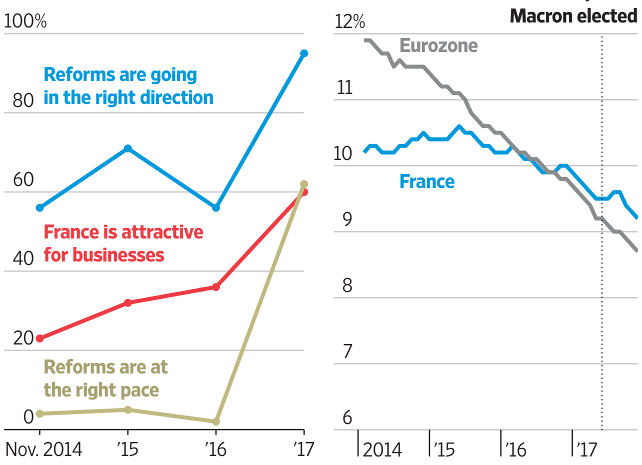
The results are mixed. While the French economy is growing again and economists expect unemployment to fall in the coming months, the latest figures showed the jobless rate rose to 9.7% at the end of the third quarter of 2017 from 9.5% in the second.

Mr. Macron used the Versailles meeting to announce investment projects officials said are "significant or emblematic" for France's future in areas from auto manufacturing to technology.

Facebook pledged Monday to double the size of its artificial-intelligence lab in France to 60 researchers. Toyota said it would invest €300 million ($367 million) at a site in the north of France, creating 700 permanent jobs.

Macron Makeover

France's image among foreign investors has improved sharply since Emmanuel Macron's election in May 2017, but unemployment remains stubbornly high.



Sources: Ipsos online and telephone polls, most recent of 200 executives of foreign companies in France conducted Oct. 17-Nov. 21, 2017; Eurostat (unemployment)

THE WALL STREET JOURNAL.

Vietnam Conducts a Purge

BY JAMES HOOKWAY

The disappearance of a former Vietnamese official in Berlin last summer gave the outside world an early glimpse into an anticorruption drive captivating communist-run Vietnam.

Germany said Vietnamese agents kidnapped Trinh Xuan Thanh, who had been seeking asylum there. But Vietnam said the former executive at state-owned oil-and-gas giant PetroVietnam returned home of his own accord to face corruption charges stemming from losses of $150 million.

On Monday, a Hanoi court sentenced him to life in prison. He was convicted alongside other defendants, including a former Politburo member who had once been groomed as a potential senior leader and who was himself ordered to serve 13 years. Other officials and executives were handed sentences ranging from a 13-month suspended sentence to 22 years in prison.

Former state oil executive Trinh Xuan Thanh, in white jacket, was given a life sentence on Monday.

In its ruling, the court said the severe sentences were "a necessary warning against the abuse of power."

The spectacle of Mr. Thanh being led into court over the past few weeks, disheveled and handcuffed along with the former Ho Chi Minh City party boss Dinh La Thang, caused a stir in Vietnam.

On one level it is Vietnam's largest anticorruption trial in years, and an indication of the Communist Party's efforts to rid itself of a problem that could undermine its authority in one of Asia's fastest-growing economies.

Besides Messrs. Thanh and Thang—the latter was a former chairman of PetroVietnam before becoming transport minister and then party chief in Vietnam's largest city—20 other defendants are on trial for alleged corruption offenses.

The investigations and trials appear set to widen. In a concurrent mass trial in Hanoi, an additional 46 defendants, mostly officials and bankers, are accused of defrauding a bank.

A separate September embezzlement case against 51 other officials and bankers resulted in one executive being sentenced to death for corruption, while several others were given long prison sentences.

Berlin-based Transparency International's annual corruption ranking places Vietnam at 113 out of 176 countries surveyed, behind neighbors that include Thailand and the Philippines.

Efforts at tackling corruption tend to find support among ordinary Vietnamese, who say they are tired of having to pay bribes to secure places in schools for their children. Traffic police regularly take motorcyclists aside in an attempt to extract payments.

On another level, the crackdown reflects an internal power struggle shaping the ruling Communist Party, much as Chinese President Xi Jinping's anticorruption purges in China marginalized some of his potential rivals. Some analysts said that as such, the purge may do little to address the broader corruption problem afflicting the country.

Vietnam's top leader, 73-year-old Communist Party General Secretary Nguyen Phu Trong launched the crackdown in early 2016 after outmaneuvering his chief rival, former Prime Minister Nguyen Tan Dung, for the senior post. An orthodox Marxist, Mr. Trong and his supporters took umbrage at some of the loose management and corruption that thrived under Mr. Dung's 10-year tenure as premier.

Graft, embezzlement and fraud cases have been brought against scores of defendants.

"Mr. Dung either tolerated or turned a blind eye to the network of corrupt officials that grew each year he was in power," said Carlyle Thayer, an expert on Vietnam and emeritus professor at the Australian Defence Force Academy in Canberra.

After Mr. Dung left the Politburo, with his term as prime minister over and no other post to fill, investigators began probing many of his closest business associates and political allies, including Mr. Thang, the former Ho Chi Minh City party chief.

Mr. Dung couldn't be reached to comment.

Mr. Thang last week denied the corruption allegation against him. He is accused of knowingly channeling state contracts to PetroVietnam's financially troubled construction unit, from which funds were later allegedly embezzled.

POLAND

Continued from Page One

lenge to its dominance.

The rebellions vary in form and intensity. They range from the left to the right, from independence-minded Catalonia to increasingly authoritarian Hungary. Reactions against Europe's open borders have contributed to the U.K.'s exit from the EU and rising anti-immigration parties in France and Germany.

From Dutch EU-skeptics to Italy's 5 Star Movement, the rebels say control of people's lives has been given to elites, technocrats and courts, leaving voters with limited choices. They promise to return power to ordinary people.

Similar frustrations have powered antiestablishment backlashes elsewhere in the world, including the populist wave that helped carry Donald Trump into the White House.

Populism has grown where living standards have fallen, such as in Greece and Italy, but also where they haven't. In Poland, which hasn't had a recession for a quarter-century, it is the successes of convergence with Europe that fed a potent nationalism.

Poland's turn is unnerving European elites more than Brexit, because few Poles want to leave the EU. Instead, Poland's populist rulers want to fight a culture war over the character of the EU and what it means to be European.

"The end of history was perceived as the age of imitation: Everybody tried to imitate the West's institutions and practices," said Ivan Krastev, a Bulgarian political scientist. "What people missed is that imitation produces resentment."

As resentment rises, he said, "what gets politicians elected is divergence: You show how different you are. It will be difficult for the EU to cope with this."

Poland's Law and Justice party accuses Mr. Walesa of putting the nation on the path to a technocratic republic they consider corrupt, elitist and insufficiently Polish. The recasting of Mr. Walesa from hero to traitor has accompanied attacks on independent institutions, from courts to the media. The European Union and the U.S. have rebuked Polish authorities for weakening democracy.

"We didn't make clear," Mr. Walesa, 74 years old, said in an interview. "If you win elections, what are you entitled to do? Can you change the whole system?"

PAWEL SUPERNAK/EPA/SHUTTERSTOCK

The leader of Poland's ruling Law and Justice party, Jaroslaw Kaczynski, center-front, during a joint session in December of the country's Parliament in Warsaw. He was once an ally of Lech Walesa.

Populist Parameters

Anti-establishment movements in Europe, on the right and left, share some common tenets.

■ Yes ■ No ■ Mixed

	Hostile to Muslim immigration	For a looser EU	For higher welfare spending	For weaker U.S. military presence in Europe
LEFT				
Syriza (Greece)	No	No	Yes	Yes
Podemos (Spain)	No	Mixed	Yes	Yes
RIGHT				
Freedom Party of Austria	Yes	Yes	No	Yes
National Front (France)	Yes	Yes	Yes	Yes
Alternative for Germany	Yes	Yes	Yes	No
Fidesz (Hungary)	Yes	Yes	No	No
Party for Freedom (Netherlands)	Yes	Yes	Mixed	No
Law and Justice (Poland)	Yes	Yes	Yes	No
NEITHER				
5 Star Movement (Italy)	No	Yes	Mixed	Yes

Source: party statements

In Solidarity

The mastermind of Poland's nationalist turn, Jaroslaw Kaczynski, 68, holds an ordinary seat in Parliament. The lifelong bachelor keeps a low profile, yet as head of the Law and Justice party, he is widely considered Poland's behind-the-scenes ruler.

Mr. Kaczynski, a former child actor, once starred in a Communist-era movie with his twin brother Lech Kaczynski. The twins became activists in the Solidarity labor union that confronted the regime, working alongside Mr. Walesa. Messrs. Kaczynski advised Mr. Walesa as he negotiated Poland's transition to democracy through Mr. Walesa's election as president in 1990.

Jaroslaw Kaczynski served as Mr. Walesa's chief of staff, but they split over how to deal with the past. Mr. Kaczynski wanted to remove public servants who had served in the Communist era. Mr. Walesa was focused on bringing free-market capitalism and Western democracy into a country where low wages and empty shelves had left citizens in misery.

The president soon fired Mr. Kaczynski, who began his opposition movement by helping organize a protest where thousands chanted, "We want a president, not an agent." They burned an effigy of Mr. Walesa.

In the years that followed, the Kaczynski twins said Mr. Walesa and his pro-European successors had betrayed the revolution. They alleged that an alliance of liberals and former Communists were attacking Polish traditions and ignoring past crimes while enriching themselves.

They founded Law and Justice in 2001 to set things right. They said Communists who had escaped judgment would be chased down and their newfound fortunes questioned. The new party called for an end to what it perceived as imposition of liberal European values. The Catholic Church would return to the center of Polish life.

"For years we were subject to a kind of indoctrination," said Witold Waszczykowski, a Law and Justice lawmaker and Poland's former foreign minister.

"Traditional, religious, patriotic family values were not progressive enough, not European, not developed," he said. "The only option was a liberal style of politics, an atomized, multicultural society."

The message appealed to socially conservative, Catholic Poles in small towns and villages. Many of them didn't identify with the new, cosmopolitan Warsaw of sushi bars and Gay Pride marches. In the still-poor countryside, many felt the new Europe was more interested in cheap Polish labor than in the traditions that carried them through war and tyranny.

By 2006, Lech Kaczynski was president, and Jaroslaw Kaczynski was prime minister. Their party's hold on power was brief. Courts blocked its purges of public servants as unconstitutional. Younger voters disliked the twins' spats with Germany, including their demand for a bigger voting share in the EU to make up for Poland's war dead.

In 2007, voters ousted the Kaczynski administration in favor of the more socially liberal, free-market party Civic Platform, with its youthful, foreign-educated leaders.

Lech Kaczynski and dozens of top Polish officials died in a 2010 plane crash near Smolensk, Russia, where they had planned to commemorate a 1940 Soviet massacre of Polish officers and intellectuals. An investigation concluded that undertrained pilots had hit trees while landing in dense fog.

Jaroslaw Kaczynski had his own theory: His brother had been assassinated, Russia was involved, and Poland's liberals were covering it up. He still believes it. "You murdered him!" he shouted recently at opposition lawmakers from the floor of Parliament. "You scumbags!"

The Law and Justice party drew on a broader sense of betrayal among Polish voters. Although the nation's economy grew during the global downturn, salaries remained low, jobs were insecure and health care and public services were patchy. A cultural divide deepened: half of Poland looked at Europe with hope, the other half with suspicion.

Mr. Kaczynski in a 2011 essay criticized a "phenomenon of the last 20 years: treating the Polish presence in NATO and the European Union as a sort of end-stage of Poland's history...No one can doubt today that the thesis of the 'end of history' is illusory."

"This mind-set even assumed a kind of 'dissolution' of the Polish state inside the European Union, a sort of self-annihilation," Mr. Kaczynski wrote, while Germany and other large EU countries put their national interests first.

By 2015, many Poles had begun to see the EU as he did, as economically vital, but culturally threatening. Many resented EU pressure to take in refugees from Syria.

The centrist Warsaw government failed to manage expectations, said Radoslaw Sikorski, a former foreign minister.

"The country is doing great, but people are not earning any more than they used to, and it annoys them," he said. "You're building motorways, high-speed trains, movie theaters, and they can't afford to use them."

Political rebound

Law and Justice swept the 2015 elections. Mr. Kaczynski, who has maintained a seat in Parliament, positioned two protégés as president and prime minister.

This time, the Law and Justice party wouldn't let the courts get in its way. It obstructed judicial rulings by refusing to publish them on the state presses. It rushed new judges onto the constitutional court, before the court could declare the appointments unconstitutional.

In December, Poland passed a law forcing retirement on nearly 40% of judges on its highest court for all nonconstitutional affairs, which Law and Justice saw as stacked by apologists of the Communist era.

Poland's ruling party is in a culture war over what it means to be European.

"In Poland, there are no longer any rules," said Andrzej Rzepliński, who was constitutional-court president until the Law and Justice party forced him out in 2016. "I don't know what could stop it. Maybe after a civil war."

The EU has begun considering whether to censure Poland for violating the rule of law, a move which would carry no legal or economic consequence.

Mr. Kaczynski's allies, including public TV, have called the EU response a coordinated attack on Poles, led by Germany and assisted by Polish liberals.

The U.S. State Department warned in December that Poland's democracy was at risk: "We're tremendously concerned about the direction that the country seems to be going in," spokeswoman Heather Nauert said.

Poland's ruling party is more popular than ever, scoring around 45% in recent opinion polls, 30 points ahead of the nearest political party. The government pays as much as $300 in monthly stipends to families with two or more children.

The remaking of the country by Law and Justice has included the restaffing of museums to make way for a new telling of Polish history. To legitimize party views, it seems bent on dismantling the reputation of Mr. Walesa and stripping his role as the country's father of democracy.

Party supporters allege Mr. Walesa was a lavishly paid agent of the Communist-era secret police. "We are sure he was a Communist conspirator," said Tomasz Sakiewicz, editor of magazine Gazeta Polska and a close ally of Mr. Kaczynski. "He was playing for the other side. Who is Lech Walesa really? I'm afraid he didn't know either."

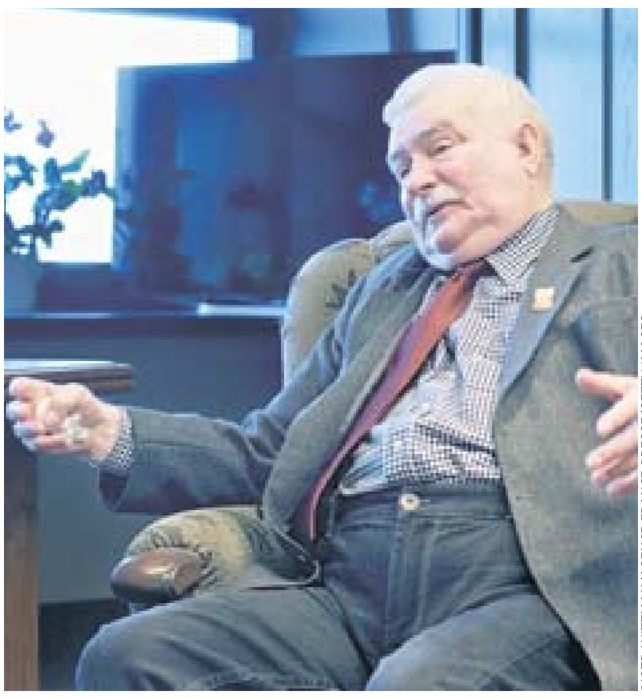
Poland's new prime minister, Mateusz Morawiecki, said in an interview shortly before he assumed the post that 1989 wasn't a revolution at all, that the same people in the judicial system, universities, civil service and media remained in power. "We'd like to bring some fresh air," he said.

During an interview at his modest office near the former Lenin shipyard in Gdansk, Mr. Walesa said the ruling party speaks for many Poles who feel left behind economically and culturally ignored: "They diagnose well, but they cure badly."

The ruling party is engaged in a "dishonest, dirty fight," said Mr. Walesa, who worries about the divisions stoked by party leaders. "We have to quit demagoguery. We're approaching the dangerous pre-stage of a civil war."

Looking back, the still-stocky former electrician, retired politician and Nobel Peace Prize winner said he was "happy that I led people to freedom," adding, however, that "in this time of freedom, we have committed errors."

—Natalia Ojewska contributed to this article.



PIOTR WITTMAN/AGENCE FRANCE-PRESSE/GETTY IMAGES

Lech Walesa, former president of Poland, at his Gdansk office.

TEXTS

Continued from Page One

a.m. every day he searches for and sends good-morning images to more than 50 friends and family using WhatsApp.

In one recent dispatch, a toddler sporting a fedora and holding his hand over his chest says, "Our heart is the only thing in the world that works without any rest. So keep it happy, whether it is yours or your dear one's. Good Morning."

In another, an image of Krishna, the Hindu god of love, is paired with the words "Good Morning. Silent prayers often reach God faster, because they are not bound by the weight of words."

"These WhatsApp messages are really my thoughts put into words," said Mr. Sharma.

Perhaps India's most famous morning-message enthusiast is Prime Minister Narendra Modi. He gets up at 5 a.m. to practice yoga and is known to fire off good-morning messages as the sun is rising. Last year, he admonished a group of lawmakers for not responding to his greetings.

KANWARJOT SINGH

Sending messages to start the day is a popular practice in India.

Bonding with large groups through work, school, family and friend circles is important for Indians. This is one reason wedding celebrations often involve hundreds if not thousands of guests. That tendency has been given new fuel in the form of affordable smartphones and wireless broadband.

Some complain all these greetings come too early, are too cheery and too likely to freeze their low-cost, low-memory phones. To deal with the annoying morning cheer, some leave message groups or refuse to download the images.

Mr. Sharma's niece, 24-year-old Prerna Sharma, says she respects her uncle and is glad he is excited about technology—but she has had enough from him and her other relatives who send morning messages every day.

"They'll call you and say, 'did you see that good morning?' " she said, and she doesn't know what to say because she rarely reads them. "Most of the time my notifications are on mute."

Popular Indian comedy group "All India Bakchod" addressed the issue in an October skit. A bedraggled man plays the role of WhatsApp, driven to exhaustion by a demanding mother who orders him to deliver morning messages to friends and family who ignore the messenger.

When Google researchers peeked into Indian consumers' phones, they found thousands of "good morning" images gumming up their storage. One in three smartphone users in India run out of space daily, according to a survey by data-storage firm Western Digital Corp., compared with one in 10 in the U.S.

Google's solution: a new app called Files Go that highlights files for possible deletion—with a special feature to search out and delete all good-morning messages at once.

The company used its giant image database and artificial-intelligence tools to train the app to weed out good-morning messages. The key to spotting them was looking for a certain size and type of image file, said Josh Woodward, the Google product manager in Mountain View, Calif., who led the effort.

"We were trying to deconstruct what is the DNA of a good morning message for months," he said. "It's been a lot of hard work to get it right." Early versions were picking out photos of children wearing T-shirts with words on them.

Google unveiled the app in December in New Delhi. The morning-message deleting function prompted the crowd of media and government officials to break out in applause.

The app has more than 10 million downloads so far, with more users in India than any other country. It has cleared up on average more than 1 gigabyte of data per user, Google said.

Kanwarjot Singh, 31, tapped into the good-morning craze with his website, WishGoodMorning.com, which he launched in 2015. Hundreds of thousands of people download his images. Categories include special messages for siblings, boyfriends and girlfriends and bosses.

One recent message shows a golden sunset and the phrase, "We permit limitations to limit us, instead of limiting our limitations." Another, showing a single red rose, says, "Good morning to my life's rose. Your fragrance makes all of life's thorns worth tolerating."

Mr. Singh is a morning-message maniac himself. Before getting out of bed, he spends as long as 45 minutes on his smartphone responding to the many messages he has already received. Then he dispatches his own cheery notes to friends and relatives. "I feel happy people are remembering me," he said.

On the first morning of the new year, he found the perfect image. It showed mountain peaks and a rising sun, signaling the dawn of 2018.

WhatsApp says more than 20 billion New Year's messages were sent in India, a record, and more than any other country.

—Vibhuti Agarwal and Rajesh Roy contributed to this article.

GREATER NEW YORK

MICHAEL NOBLE JR. FOR THE WALL STREET JOURNAL

Terrence Wilkerson's lawyers said a phone number they received from prosecutors 1½ years after his arrest was key to his acquittal.

Cuomo Moves to Ease Law

Making New York's discovery rules less restrictive stirs debate in the legal community

By Corinne Ramey

Five people robbed a man at gunpoint in the Bronx on May 13, 2015.

Prosecutors accused Terrence Wilkerson of being one of them. He was charged with first-degree robbery and other crimes. The 42-year-old Bronx resident rejected a plea deal from prosecutors, his lawyers said, maintaining his innocence.

During the two years Mr. Wilkerson fought the case, he lost construction and handyman jobs and was shunned by some family members. "Once someone pins something like that it's a label and it's hard to shake off," he said, of the criminal charges.

A jury found Mr. Wilkerson not guilty at trial. But his lawyers say his legal ordeal could have been avoided if the law had required prosecutors to more quickly turn over evidence that ultimately cleared Mr. Wilkerson—a process known as discovery.

Under current law, prosecutors don't have to give defense attorneys some evidence, such as witness statements, until a trial begins. New York and three other states—Louisiana, South Carolina and Wyoming—have the most restrictive discovery laws in the U.S., state officials note.

New York Gov. Andrew Cuomo has proposed making these laws less restrictive, including mandating that prosecutors share evidence such as witness statements and search warrants much earlier in the legal process.

These changes, which Mr. Cuomo, a Democrat, detailed in proposed legislation last week, require legislative approval. The New York State Bar Association and a state judicial task force also have recommended changes to the state's discovery laws.

Proponents of the current rules contend they are necessary to protect witnesses, who fear violence or harassment. Critics have nicknamed the rules "blindfold laws" because they say lawyers can't adequately prepare for trial and defendants must consider plea agreements without knowing the evidence against them.

"It's often either trial by ambush or plea without any knowledge," said Tina Luongo, an attorney in charge of the criminal practice at public-defender group the Legal Aid Society.

Ms. Luongo called New York's laws "terrible, antiquated, unfair and unjust."

Legal Aid attorneys said Mr. Cuomo's proposal, which includes disclosing witness statements but not their names and contact information, doesn't go far enough. The proposal also allows prosecutors to redact certain information, which they said puts too much decision-making ability in prosecutors' hands.

> *Prosecutors don't have to give defense attorneys some evidence until a trial begins.*

Some prosecutors say protecting witnesses is crucial because it helps solve crimes. If prosecutors disclosed witness information, these people would feel intimidated or threatened, they say. This would make people hesitant to cooperate with law enforcement.

"These are people we sit down with and look in the face and say, 'We will do everything we can to hide your identity,'" said Scott McNamara, president of the District Attorneys Association of the State of New York. Because the vast majority of criminal cases end in plea agreements and therefore don't go to trial, the names of most witnesses are never revealed.

Mr. McNamara, also district attorney of Oneida County, said witness intimidation is worse now than any time in his career. "All of the defendant's friends on **Facebook** threaten that person," he said.

Others say relaxing the state's discovery laws could benefit both prosecutors and defendants. If defendants see the evidence against them they may take a plea sooner, said Meg Reiss, executive director of John Jay College of Criminal Justice's Institute for Innovation in Prosecution.

As for Mr. Wilkerson, his lawyers said the evidence that was key to his acquittal was a phone number they received from prosecutors 1½ years after his arrest. The robbery victim said the thieves stole his phone and called an escort service during the incident.

Phone records, however, revealed the victim had called that number before and after the robbery. This showed that the victim wasn't telling the truth, Mr. Wilkerson's lawyers said. They said if they had the phone evidence sooner they would have asked for the case to be dismissed.

"It's a hard pill to swallow," Mr. Wilkerson said. "The whole thing is still bothering me as if it's yesterday."

New Transit Boss Vows to Upgrade Ailing System

By Paul Berger

New York City's new transit chief Andy Byford said he intends to lead a top-to-bottom modernization of the agency that oversees the city's subway, which has been plagued by repeated delays and disruptions.

He also said he wants to focus on the basics, which include providing safe, clean, reliable service. "We've got to get the basics right, day in, day out," he said.

In his fifth day on the job as president of New York City Transit, Mr. Byford pledged to shake up the agency's workforce, processes and infrastructure in a new plan that will be released in the coming months.

Mr. Byford leads a system that carries more than eight million people on an average weekday. He said he would focus not just on the subway but also on reversing bus ridership declines, improving transit accessibility and boosting the morale of his 50,000 workers.

"There's no question this will be the hardest challenge of my professional career," Mr. Byford told a committee meeting of the Metropolitan Transportation Authority on Monday.

Mr. Byford arrived in New York after running Toronto's transit system and following stints as a senior official for transit systems in Sydney and London.

Commuter anger about New York's subway has risen during the past year following a spate of major disruptions caused by an outdated and overburdened system that carries 5.7 million people each weekday.

Mr. Byford expressed confidence in a short-term plan launched last summer by MTA Chairman Joe Lhota to restore and modernize the subway.

He acknowledged that one of his first big tests will be a 15-month shutdown of a section of the L subway line, beginning in April 2019. The line must be closed so repairs can be carried out on a tunnel under the East River that was damaged during superstorm Sandy in 2012.

Mr. Byford must navigate the politics of an agency where representatives of the state and the city often clash. That was clear during the meeting Monday when Mr. Byford stepped in to calm board members representing the city. Some city representatives grilled agency officials about how certain subway stations were selected for renovation.

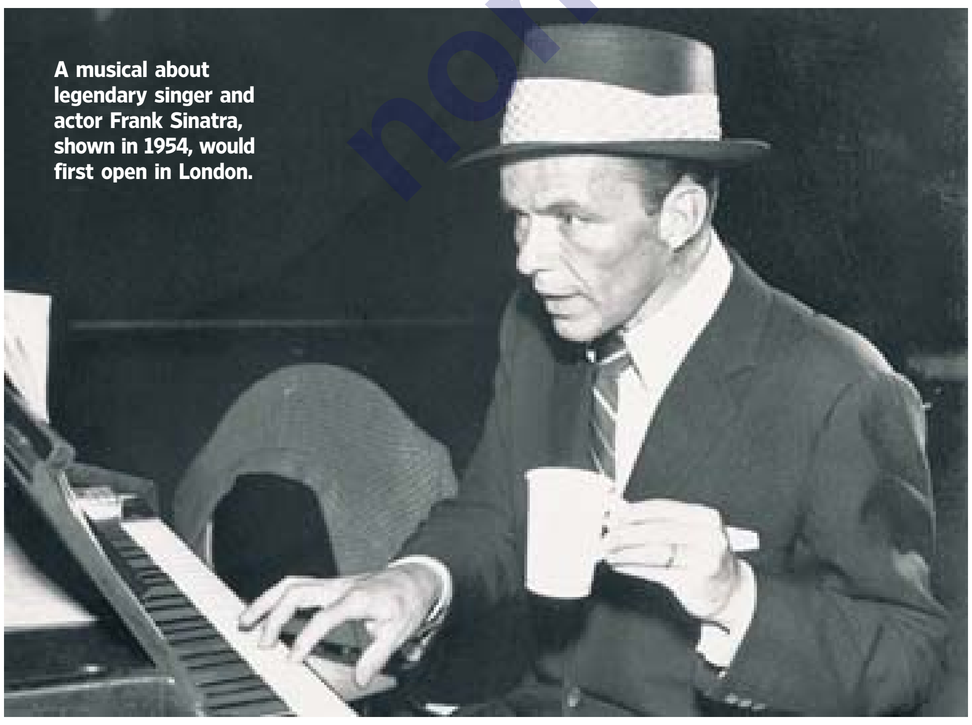
Andy Byford said he hopes to boost the morale of the transit agency's 50,000 workers.

Mr. Byford said he was surprised board members felt they weren't engaged in the process. He said he would ensure they were thoroughly briefed in the future, so even if they didn't agree with the agency's recommendation they wouldn't feel shut out of the process.

"I liked your comments, Mr. Byford," said Polly Trottenberg, the city's transportation commissioner.

BYRON SMITH FOR THE WALL STREET JOURNAL

The city's subway system carries 5.7 million people each weekday.



A musical about legendary singer and actor Frank Sinatra, shown in 1954, would first open in London.

ASSOCIATED PRESS

A Sinatra Musical Is Tuning Up For a Bow on Broadway in 2020

By Charles Passy

Ol' Blue Eyes is moving closer to a Broadway landing.

The team developing a Frank Sinatra bio-musical said it is gearing up for a Broadway opening in 2020. The group, which includes Ambassador Theatre Group, Frank Sinatra Enterprises and producer Stewart Till, has signed Emmy Award-winning writer Danny Strong to author the musical's book.

The Sinatra project is one of a number of bio-musicals being prepared for Broadway. Slated for later this year are "Summer: The Donna Summer Musical" and "The Cher Show" about pop star and actress Cher.

It is still too early to say what aspects of Sinatra's life and career the musical will focus on, said Mr. Till, a former film-industry executive. He noted that the show wouldn't necessarily be a complete chronological overview of the life of the Grammy and Oscar-winning singer and actor who died of a heart attack in 1998 at 82 in Los Angeles.

"We want to concentrate on the emotions of his life rather than the A-to-Z," he said.

The musical, which has been in development for more than two years, will open in London before bowing on Broadway, Mr. Till said. The production's budget and casting are yet to be determined, he added.

One of the biggest questions: Who will play Sinatra?

While Sinatra is one of the most famous names in music, that alone doesn't guarantee that a show about his life will be a success, say Broadway insiders and observers. They point to the fact that several shows about other musical greats—or incorporating their songs into productions—haven't automatically done well.

A case in point: "Lennon," a John Lennon-themed musical, played for only 49 performances in 2005. "I think what it honestly comes down to is how good the show is," said Chris McKittrick, an editor at Daily Actor, a website that covers theater.

GREATER NEW YORK

GREATER NEW YORK WATCH

MANHATTAN

Prosecutor Moves To Avoid Conflicts

Manhattan's district attorney said Monday he will no longer accept campaign contributions from lawyers with business before his office, including those representing people being investigated or prosecuted.

The announcement by Cyrus R. Vance Jr. came after he faced heavy criticism for taking money from attorneys who represented movie mogul Harvey Weinstein and a lawyer who represented the Trump Organization in a fraud investigation.

In response, Mr. Vance had asked the Center for the Advancement of Public Integrity at Columbia Law School to make recommendations for how to vet donors to eliminate potential bias.

A center report released Monday calls for sitting district attorneys across the state to voluntarily adopt a "strict cap" of $320 for donations from lawyers appearing before prosecutors' offices and $3,850 for their law partners for each election cycle.

It also recommends adopting "blind fundraising" that would keep the names of donors secret from candidates.

Mr. Vance said his campaign "will meet and exceed these recommendations" by barring any donations from lawyers with any type of business before his office.

He also said he would cap donations from their law partners and apply blind fundraising.

— Associated Press

YALE UNIVERSITY

Fraternities Face Push To Include Women

Several fraternity chapters at Yale University have postponed recruiting events amid a push by student activists to make the social organizations open to both men and women, an umbrella group said Monday.

The fraternities put off rush events scheduled for this past weekend when students ineligible for membership indicated they planned to attend, North-American Interfraternity Conference spokeswoman Heather Matthews Kirk said.

As fraternities expressed concern about how to handle such visits, Yale Senior Associate Dean Howard Burgwell had urged local chapter leaders in a letter Thursday to open recruiting events to all students, including women, while being clear about their organizations' membership criteria. He said Yale for now has no interest in dictating to student organizations who they select for membership.

Ms. Kirk said it would be disingenuous to allow people not eligible to join an organization to participate in recruiting events.

A Yale student group, Engender, has been working on the Ivy League campus to end what it describes as sex discrimination that limits access to social and economic opportunities provided by fraternities. It said local fraternities told Engender that their national chapters called for rush events to be canceled until they determined how to respond to Engender's campaign.

—Associated Press

New Citizens Celebrate in Newark

JOHN MOORE/GETTY IMAGES

STARS AND STRIPES: U.S. Citizenship and Immigration Services offices were open Monday, despite the government shutdown.

CORRECTIONS & AMPLIFICATIONS

City Bakery, a New York bakery in the Union Square area that is expanding to Detroit, once operated a location in California. An article on Friday incorrectly said it is the first time the bakery was expanding in the U.S.

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

MARK KAUZLARICH FOR THE WALL STREET JOURNAL

Joseph Percoco, right, a former aide to Gov. Andrew Cuomo, is accused of performing favors in exchange for payments and rewards.

Jury Is Chosen for Bribery Trial

BY MIKE VILENSKY AND ERICA ORDEN

A federal bribery trial involving a former senior aide to New York Gov. Andrew Cuomo sparked a partisan battle on Monday—even before opening statements began.

While prosecutors and defense lawyers selected a jury in the case against the governor's longtime confidant and aide Joseph Percoco, Republican Party leaders picketed outside the Manhattan courthouse, seeking to tie the governor to the allegations.

"We are here to indict Gov. Cuomo in the court of public opinion," said New York Republican Chairman Ed Cox.

In September 2016, federal prosecutors from the Manhattan U.S. attorney's office charged Mr. Percoco with bribery and extortion. He is accused of having performed favors in his government capacity, including steering lucrative contracts, to private companies in exchange for payments and other rewards.

Mr. Percoco's lawyer, Barry Bohrer, has said his client is a "dedicated and effective public servant."

Outside the courthouse on Monday, Manhattan Republican Party Chairwoman Andrea Catsimatidis held up a giant box of ziti, highlighting the criminal indictment's allegation that Mr. Percoco used references to the type of pasta as a code word for cash.

In response, New York Democratic Party spokesman Geoff Berman said Republicans were making "sad attempts to…distract from the state of their own flailing and chaotic party." Mr. Cuomo's office declined to comment further.

There was less drama inside the courtroom, where 12 jurors were selected, with few hiccups.

U.S. District Judge Valerie Caproni questioned prospective jurors about their perspectives on campaign contributions, which trials involving politicians they had followed closely and whether they harbored any biases concerning Mr. Cuomo or other elected officials.

Opening statements are expected to begin Tuesday morning.

For his part, Mr. Cuomo, who is seeking re-election this year, was far away from the courtroom. His public schedule put him in Utah, where he attended a Sundance Film Festival screening of his partner Sandra Lee's film about her fight against breast cancer.

Defendant Was Staunch Ally of the Governor

BY ERICA ORDEN AND MIKE VILENSKY

Over the years, Joseph Percoco has served not only as a loyal aide to Gov. Andrew Cuomo but also a fierce protector of his boss and faithful proponent of his agenda.

Now, as Mr. Percoco's bribery trial begins, the once-tight relationship between the governor and his aide will be on full display. For the first time in a federal case, the charges bring alleged corruption into Mr. Cuomo's executive chamber.

More than a mere employee, Mr. Percoco was a trusted executor of some of the governor's trickiest political tasks, as well as a family friend, fishing buddy and confidant who would furtively whisper in the governor's ear during public events and come to his aid when a problem arose.

Steven M. Cohen, a former top aide to Mr. Cuomo, described Mr. Percoco as "a staunch defender of the administration and its policies." But, he added: "I never knew Joe to act in a way that was out of line or inappropriate."

One of Mr. Percoco's most memorable moments working for Mr. Cuomo came in 2014, when the governor was running for re-election.

Preparing to march in New York City's Labor Day parade, Mr. Cuomo encountered Zephyr Teachout, who was challenging him for the Democratic nomination and was quickly and unexpectedly gaining traction in the race.

As Ms. Teachout approached the governor, Mr. Percoco, then Mr. Cuomo's campaign manager, physically inserted himself between her and Mr. Cuomo. Mr. Percoco then proceeded to mirror her movements as she maneuvered to greet the governor, all while avoiding eye contact with her.

The encounter, captured on video, quickly cemented Mr. Percoco's image as Mr. Cuomo's protector.

"What I remember is as I was walking over to say hello, Joe Percoco kind of jumped in front of me," Ms. Teachout recalled, describing the encounter as "just surreal."

> *Joseph Percoco was a top Cuomo aide, family friend, fishing buddy and confidant.*

Mr. Percoco's lawyer said: "There was no transgression."

Mr. Percoco proved so indispensable to Mr. Cuomo that the former aide continued to perform government duties for him even after Mr. Percoco left his state job to work as campaign manager in 2014, the indictment alleges.

The Wall Street Journal has reported that Mr. Percoco also continued to help Mr. Cuomo even after departing state service for the private sector in 2016.

In one example, Mr. Percoco, having begun a job as an executive at Madison Square Garden Co., appeared at Mr. Cuomo's side in the "spin room" at a Democratic presidential debate in Brooklyn in April 2016, where Mr. Percoco assisted the governor as he conducted media interviews.

When Mr. Percoco was asked by a Journal reporter at the time why he was continuing to help Mr. Cuomo even though he had left the administration, Mr. Percoco replied: "I can do whatever I want now."

Mr. Percoco's lawyer said his comment was made "as a private citizen, volunteering for a political nongovernmental event," adding, "he could conduct himself accordingly."

LIFE & ARTS

VERÓNICA GRECH

BONDS: ON RELATIONSHIPS | By Elizabeth Bernstein

Mental Health Takes a Village

Different people can help us manage different moods: Psychologists explain how to build a portfolio of supportive allies

DO YOU HAVE a best friend or partner—someone you can talk to about anything?

That might not be enough.

Research into "emotionships"—the relationships we have with others that help us manage our moods—shows that we function best mentally when we create a village, or portfolio, of supportive people who have varied emotional skills. One person can't help us with every mood, and not everyone is adept at handling every emotion.

Since birth, other people have helped us adjust our moods. Think of how a baby stops crying when picked up by a parent. As adults, we often seek out people who can help us in specific situations: comfort us when we're down, calm us when we're angry, motivate us when we need to compete, celebrate with us when we're happy. Researchers call this interpersonal emotional regulation.

People with different friends who help them moderate specific moods report better well-being and greater satisfaction in life, according to two studies by researchers at Northwestern University and the University of California, Santa Barbara, published together in December 2014 in the journal "Social Psychological and Personality Science." The researchers call these friends "emotional specialists."

Typically, the people we enlist to help us moderate our emotions are ones we believe care about us, says Margaret Clark, a professor of psychology at Yale University, who studies interpersonal emotional regulation. "Trust is important because it determines if we will seek or accept another person's emotion-regulation attempt," she adds.

But it's not enough just to be close to someone. Not everyone has the emotional skills to help us in every situation, Dr. Clark says. The friend who can fire you up before a competition might not be the best one to cry to when you're heartbroken.

Too often, people don't think about the strength of their social networks until an emotional event happens, says Elaine Cheung, a post-doctoral fellow in the medical social sciences department at Northwestern University's Feinberg School of Medicine, in Chicago, and lead researcher on the studies cited above. She advises taking stock of the emotional "specialties" of the people in your support network and filling any vacancies. You might need more people in your village or someone with particular skills.

> Ask yourself questions: Is there a specific topic I need support on, such as money or parenting?

How can you add to or maintain your village? Here is some advice from relationship experts.

Ask yourself some questions. Traci Ruble, a relationship and family therapist in San Francisco, suggests: What are my interests and what qualities am I looking for in friends? Do I want people who are physically available or do I care more about emotional depth? (Typically, people want a little of both, she says.) Is there a specific topic I need support on, such as money, parenting or empty nesting?

She recommends joining a club, signing up for a class or volunteering, because regular contact fosters intimacy—and knowing that you are going to see someone supportive can moderate your mood in advance. Also, don't forget that there often are people right in front of you who care and would like to be closer. "When was the last time you called your cousins?" Ms. Ruble asks.

Add some professionals to your network. A therapist is a good start, especially if you have specific issues to work on, but building a diversified portfolio of expert support is better. Consider adding a life coach, religious counselor, yoga teacher, nutritionist, personal trainer, meditation teacher, massage therapist, or work mentor to your network. "Get the person who will help you change your day-to-day life, not someone who will simply give you someone to talk to," says Amanda Crowell, a coach and consultant in Glen Ridge, N.J., who helps people and organizations manage change.

Pruning the ranks of your supporters is as vital as cultivating them, says Yale's Dr. Clark. If someone is selfish, negative or undermining, don't look to that person for support.

Sometimes complete strangers can help us moderate our moods, too. I was reminded of this recently after a flight was delayed several hours. Stuck at the terminal, I was sinking deeper into grumpiness when the woman sitting next to me offered me a homemade cookie and asked about the book I was reading. We chatted about our favorite authors, the delay and our fellow passengers, and I cheered right up.

For a moment, it was a beautiful emotionship.

Write to Elizabeth Bernstein at elizabeth.bernstein@wsj.com or follow her on Facebook, Twitter or Instagram at EBernsteinWSJ.

YOUR HEALTH | By Sumathi Reddy

HOW DOCTORS DEAL WITH RACIST PATIENTS

KELLY MARSHALL FOR THE WALL STREET JOURNAL

Dr. Ashira Blazer, a rheumatologist and instructor of medicine at NYU Langone, says a patient once asked her to prove her literacy. Hospitals are reshaping policies to protect employees' rights while giving patients the treatment they need.

DARIEN SUTTON-RAMSEY walked into a patient's room at Bellevue Hospital in Manhattan a few months ago. The mother of the patient demanded that a physician come in.

"Well, you've got it, I'm here," responded Dr. Sutton-Ramsey, a third-year resident in the emergency medicine department at NYU Langone Health.

The mother didn't believe that Dr. Sutton-Ramsey, who is African-American, was a doctor. She asked to talk to the physician-in-charge. His supervisor was also black. The patient ended up refusing medical care and left the emergency room.

"I've had patients request reassignments since I was an intern," Dr. Sutton-Ramsey says. He says he's been called the N-word way more at work than out in the world. Patients have handed him trays when he walks into the room, assuming he's there to clean it.

Patient discrimination against physicians and other health-care providers is an oft-ignored topic in a high-stress job where care always comes first. Experts say patients request another physician based on race, religion, gender, age and sexual orientation.

No government entity keeps track of such incidents. Neither do most hospitals. But more trainees and physicians are coming forward with stories and more hospitals and academic institutions are trying to address the issue with new guidelines and policies.

The examples span race and religion. A Korean-American doctor's tweet about white nationalists refusing treatment in the emergency room went viral in August.

A trauma surgeon at a hospital in Charlotte, N.C., published a piece on KevinMD, a website for physicians, last year detailing his own experiences with discrimination given his Middle Eastern heritage.

Penn State College of Medicine adopted language into its patient rights policy in May that says patient requests for providers based on gender, race, ethnicity or sexual orientation won't be honored. It adds that some requests based on gender will be evaluated on a case-by-case basis.

The college began to consider the change about a year ago when a patient's daughter requested that his Indian doctor be replaced by an American one, says Brian

Please see DOCTORS page A13

ART

Close-Up on an Artist's Larger-Than-Life Paintings

Tom Wesselmann is known for his nudes, but a new exhibit tests the market for his broader body of work

BY KELLY CROW

Gagosian Gallery in New York is showing nine large-scale works made between 1967 and 1981 by Tom Wesselmann, including the 1972 painting 'Still Life #59,' above, and 1973's 'Still Life #60,' below left. The artist, below right, died in 2004.

SUNGLASSES THE SIZE of an SUV. A lipstick tube as long as a park bench. A belt big enough to pass for a playground slide.

These are some of the gargantuan still lifes created by Tom Wesselmann, a pioneering Pop artist better known for painting female nudes, now on view at New York's Gagosian Gallery.

In one of the works, 1972's "Still Life #59," Wesselmann zooms in on a group of everyday items like a telephone, a bottle of red nail polish, a crumpled tissue and a vase of pink roses—a tabletop cluster that might be overlooked if tucked into a larger composition. Yet Wesselmann gives each of these elements its own oversize canvas so that the entire work is 16 feet wide and 9 feet tall. The effect is theatrical funhouse.

The show, "Tom Wesselmann: Standing Still Lifes," is also an attempt to supersize the artist's career. Wesselmann, a Cincinnati native who moved to New York in the 1950s, gained a spot in Pop-art history for his depictions of disrobed women with bikini tan lines, surrounded by stars and other patriotic motifs.

His paintings channeled the lush palettes of European painters like Henri Matisse, but Wesselmann's iconography felt distinctly American. The combination set him apart from the chaotic, abstract expressionists who came before him.

By the time he died in 2004, his works had been collected by at least 50 museums, including the Museum of Modern Art in New York. A few years later, Sotheby's sold one of his 1963 works, "Great American Nude No. 48," for $10.6 million.

Yet in the past decade, Wesselmann's market has struggled. None of his nudes have since sold at auction for anywhere near his high mark, even as prices surged for his peers like Robert Rauschenberg, whose works have sold for up to $18.6 million, and Andy Warhol, whose works have topped $100 million.

Less than two years ago, Wesselmann's estate signed up to work with Gagosian, a powerhouse gallery known for boosting prices for Pablo Picasso's late-era works, which had previously been considered mediocre. The same gallery also pushed hard to market Jean-Michel Basquiat's graffiti-style paintings to newly wealthy buyers in Asia and elsewhere, leading to soaring prices for the late artist.

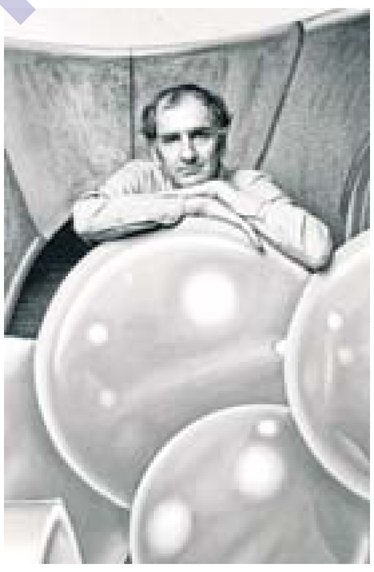
With this show, Gagosian is campaigning for Wesselmann's reassessment—by asking collectors to take a closer look at more than his nudes. The gallery has gathered nine still lifes that the artist created between 1967 and 1981 but never showed together. MoMA lent one of the pieces from 1969-70, "Still Life #57," but most of the others went unsold when they were initially shown and have remained in the artist's estate.

Jeffrey Sturges, the artist's longtime studio assistant who now directs exhibitions for the estate, said Wesselmann expanded his format because he wanted to re-create the rush he felt whenever he stood before bold abstract works like those of Mark Rothko. But as Wesselmann didn't want to resort to that style, he instead achieved it by painting everyday objects using bright colors on a wall-size scale.

"Scale is something you feel, and it changes as you move around it," Mr. Sturges said. "He wanted you to feel that punch without going abstract."

The problem was that dealers in the 1970s found these still-lifes "overwhelming and difficult to place," since fewer collectors at the time bought art to put into warehouses or display in cavernous, private museums. Now, immersive art is fashionable, making this show a potential comeback test for Wesselmann's broader oeuvre.

Gagosian declined to say what it plans to ask for the still lifes in its show, but a smaller, preparatory painting for one of the pieces on view, 1981's "Still Life with Belt and Sneaker," sold at Sotheby's in 2010 for $650,500.



THE ESTATE OF TOM WESSELMANN/VAGA, NY/GAGOSIAN (2); JACK MITCHELL

Weather

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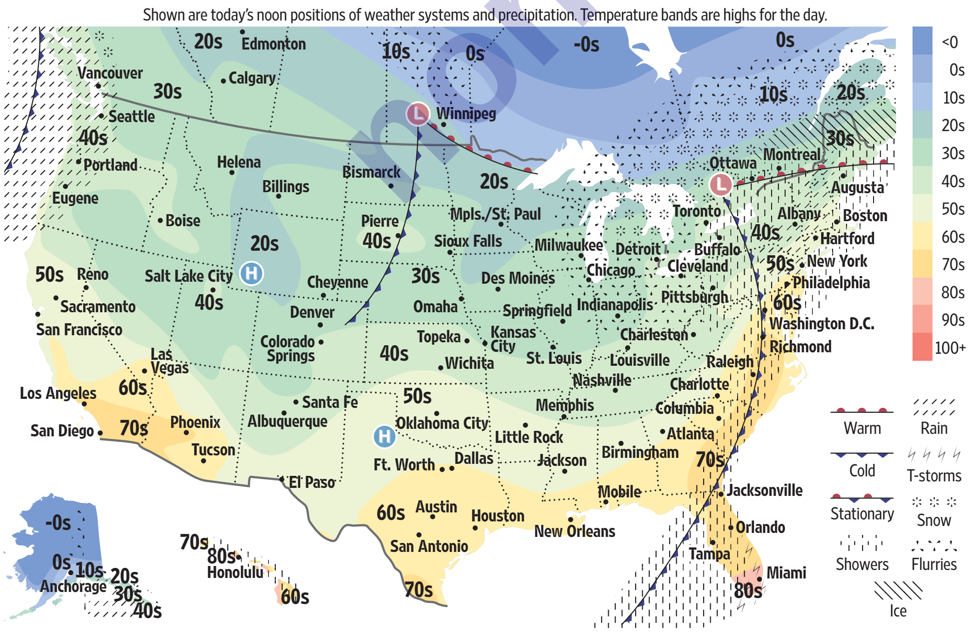
Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



U.S. Forecasts

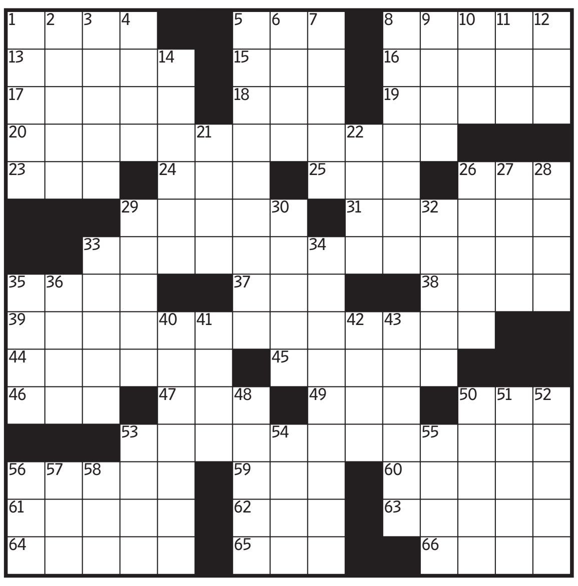
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Anchorage	13	-2	sn	3	-7	pc
Atlanta	55	34	s	51	31	s
Austin	65	32	s	64	33	pc
Baltimore	62	36	r	43	26	s
Boise	44	36	c	47	35	c
Boston	54	36	r	40	21	pc
Burlington	45	27	r	28	7	c
Charlotte	62	32	s	54	28	s
Chicago	35	22	sf	33	24	pc
Cleveland	45	27	sh	31	25	sf
Dallas	61	34	s	63	36	s
Denver	38	19	s	51	28	s
Detroit	40	23	sn	30	23	c
Honolulu	82	72	pc	83	72	pc
Houston	66	39	s	64	36	pc
Indianapolis	37	25	sf	33	24	pc
Kansas City	39	25	pc	45	33	s
Las Vegas	60	38	s	60	38	pc
Little Rock	52	30	s	55	30	s
Los Angeles	75	50	s	73	46	pc
Miami	82	67	t	78	62	sh
Milwaukee	34	18	sf	29	20	pc
Minneapolis	27	15	c	29	17	c
Nashville	44	28	c	46	27	s
New Orleans	62	42	pc	58	41	c
New York City	58	37	r	42	26	pc
Oklahoma City	54	27	s	57	36	s
Omaha	33	21	pc	39	26	s
Orlando	77	52	c	69	48	c
Philadelphia	62	36	r	42	27	pc
Phoenix	71	44	s	75	50	s
Pittsburgh	47	26	sn	29	24	sf
Portland, Maine	46	34	i	37	12	pc
Portland, Ore.	49	45	r	49	39	r
Sacramento	55	38	c	55	42	r
St. Louis	38	25	sf	42	28	s
Salt Lake City	41	23	pc	46	32	pc
San Francisco	55	44	c	55	46	r
Santa Fe	42	13	s	45	17	s
Seattle	47	44	r	50	41	r
Sioux Falls	30	17	pc	35	19	s
Wash., D.C.	66	38	r	47	31	s

International

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Amsterdam	51	49	sh	56	42	r
Athens	52	42	pc	48	39	pc
Baghdad	68	45	s	68	46	s
Bangkok	93	76	pc	92	78	c
Beijing	25	5	s	28	8	s
Berlin	39	38	c	51	44	pc
Brussels	50	49	r	55	45	c
Buenos Aires	90	62	pc	80	55	s
Dubai	75	58	s	74	60	s
Dublin	53	41	sh	48	37	sh
Edinburgh	51	40	sh	46	36	pc
Frankfurt	47	44	c	54	44	pc
Geneva	50	39	pc	53	39	pc
Havana	83	66	sh	81	66	pc
Hong Kong	72	62	s	70	62	pc
Istanbul	42	36	c	41	37	sn
Jakarta	88	74	t	88	75	sh
Jerusalem	52	46	sh	51	42	pc
Johannesburg	81	63	pc	84	60	pc
London	56	51	sh	55	41	r
Madrid	62	36	pc	59	37	pc
Manila	89	76	s	87	74	pc
Melbourne	76	56	s	80	60	s
Mexico City	71	46	pc	66	44	pc
Milan	51	35	s	51	37	s
Moscow	20	9	pc	21	8	pc
Mumbai	85	63	pc	87	64	pc
Paris	53	51	sh	55	48	c
Rio de Janeiro	95	78	pc	94	77	pc
Riyadh	80	50	s	80	52	pc
Rome	61	41	s	59	42	s
San Juan	84	74	sh	83	74	pc
Seoul	18	3	s	15	2	s
Shanghai	44	33	c	39	34	pc
Singapore	85	77	t	85	76	t
Sydney	87	74	c	83	74	c
Taipei	72	60	pc	66	61	r
Tokyo	45	31	s	41	28	pc
Toronto	44	19	sn	27	14	c
Vancouver	43	39	r	47	37	r
Warsaw	27	23	pc	39	35	sn
Zurich	46	35	pc	51	34	pc

The WSJ Daily Crossword | Edited by Mike Shenk



Q & A | By Queena Mewers & Alex Eaton-Salners

Across

1 Book jacket info: Abbr.
5 German automaker
8 Expecto Patronum, for one
13 Object from an earlier time
15 Commit perjury, say
16 Only woman to win two Nobel Prizes
17 Soccer site
18 Mitt Romney's wife
19 Wow
20 Anakin Skywalker's love
23 Little troublemaker
24 Signal on the set
25 Informal assent
26 H.S. proficiency test
29 Japanese comic books
31 "Workaholics" star Adam
33 Its planes feature a kangaroo on the tail
35 Reunion attendee
37 Dallas cager
38 ___ B'rith
39 Found fault with
44 Remove bandages from
45 Beside
46 It's just a number, they say
47 2018's Super Bowl
49 Member of an industrious colony
50 Surgery sites, for short
53 Utah's state tree
56 Blinds makeup
59 List-ending abbr.
60 Harvey on TV
61 Causing shivers, perhaps
62 German exclamation
63 Seoul site
64 Fainthearted fellows
65 Miss identification?
66 Word flashing at an intersection

Down

1 Mosul resident
2 It's in your blood
3 Deal with an expletive
4 Lowish square
5 Faultfinder's activity
6 Very small
7 Neverland visitor
8 Hustler outside a theater
9 Cat on a sportswear logo
10 Span of years
11 Tina's "30 Rock" role
12 Loser at Gettysburg
14 High-kicking dance
21 Reunion attendee
22 German automaker
26 Very big
27 "Orinoco Flow" singer
28 He loved Lucy
29 Venomous African snake
30 Carne ___ (Mexican dish)
32 Auto designed by Ferdinand Porsche
33 Considerably
34 Denver hockey team
35 Watery blue
36 Organ of inspiration?
40 Pretty good marks
41 Daughter of 20-Across
42 Big Ben sound
43 Not goofing off
48 Swedish furniture stores
50 Wagner specialty
51 Celebrate
52 Weaselly person
53 Popular swab
54 Longing
55 Put in the overhead bin
56 Do some tailoring
57 Luau souvenir
58 Pitcher's pride

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

Previous Puzzle's Solution

```
ABBA#BASK#MASTS
WOOS#ISLE#ALOHA
EATHIGHONTHEHOG
#RHODA#WAWA#ORE
###ROMP#NORA###
APSE#OUT#SAMIAM
TOP#SUSHI#JELLO
BRITISHINVASION
ACRID#YESES#AUK
THEMES#FUR#ADDS
###ESPY#MYST###
SUP#WEEB#SLOPE#
CHEMICALFORMULA
AUDIT#TARO#ITAL
THIGH#SHIN#CALF
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From left: Mizrah (1877) by Israel Dov Rosenbaum; Kehinde Wiley's 'Alios Itzhak (The World Stage: Israel)' (2011); and Abraham Shulkin's 1899 Torah Ark

THE JEWISH MUSEUM (3)

EXHIBITION REVIEW

A People's History Exiled

BY EDWARD ROTHSTEIN

New York

IN THE MAIN gallery of the Jewish Museum's new exhibition "Scenes From the Collection" two figures have pride of place. One is a female mannequin clothed in a richly embroidered ceremonial dress of crimson silk velvet made for a Jewish bride in Marrakech in the late 19th century and known as "The Grand Costume." Its splendor "caught the eye of numerous foreign visitors to Morocco."

The other is a towering masculine form, more than 6½ feet tall, wearing an ankle-length coat—a figure constructed out of papier-mâché from Chinese and Japanese newspapers.

It is called "Golem," after the legendary Jewish animated being, and was created in 1987 by Moidele Bickel and the avant-garde director and playwright Robert Wilson to use in Mr. Wilson's spectacle "Death, Destruction, and Detroit II."

Why do these figures stand together, representing different genres, periods and purposes? We don't know. Little information is offered. All we have is this odd couple, and the museum's pride in making the match.

Similar effects recur elsewhere in a show that is now meant to be the museum's defining exhibition, bringing to light some 600 of the collection's 30,000 artifacts (with a planned rotation). Its predecessor was in place for 25 years and gave a multimillennial history of the Jewish people. This exhibition, in contrast, avoids what it calls a "master narrative." It accepts the "breakup of artistic canons." And though the Jewish Museum presents "art and Jewish culture together," the point, we are assured, is to affirm "universal values that are shared among people of all faiths and backgrounds."

Claudia Gould, the museum's director since 2012, has had a transformation like this in mind from the start. Her background is in contemporary art (she had been director of the Institute of Contemporary Art at the University of Pennsylvania) and she was open about how little Jewish knowledge she had. This apparently suited the museum, since art exhibitions have been an important part of its mission.

Without much attention to Judaic traditions then, emphasis is placed on the "ever-changing nature of identity." Seven theatrically conceived galleries are being called "Scenes." In the first, "Constellations," objects establish "multiple meanings and conversations."

But as with that odd couple, these cryptic conversations generally tend to diminish attention to Jewish history and ritual. A wooden Torah Ark made by Abraham Shulkin for his synagogue in 1899 in Sioux City, Iowa, for example, is placed near a 2011 Kehinde Wiley portrait of an Ethiopian-Israeli Jew who poses provocatively against a background that alludes to this Ark and another nearby work; it is part of a series in which Mr. Wiley remakes the "portrait tradition" and "claims a prominent space within it for people of color."

Dress of crimson silk velvet known as 'The Grand Costume' (late 19th century), left, and Robert Wilson and Moidele Bickel's papier-mâché 'Golem' (1987), right.

Some objects are powerful enough to be unaffected by any such conversation. One gallery ("Masterpieces and Curiosities"), for example, is devoted to a bracelet secretly made by Greta Perlman in Theresienstadt, the Nazi showcamp. It is hung with coded personal charms that are deeply affecting. A gallery of turn of the 20th century 3D stereographs of the Holy Land also fascinates.

More generally, though, miscellany mixes with universalist preoccupations. A gallery devoted to the Jewish star ("Signs and Symbols") could have been compelling if made coherent, yet it ensures we know that the star "remains a universal motif that appears in art worldwide." Universality here is a corrective to the particular, which may be the most innocent explanation for why the presence of an Israeli flag mounted on a lifeguard tower on a Tel Aviv beach in one photograph is absurdly associated with "subverting" the surrounding serenity.

What of the museum itself? The Jewish Museum began with ritual objects like Torah cases given to the Jewish Theological Seminary in 1904; the museum later assembled a great collection of such artifacts as menorahs and mezuzahs. But now these objects appear as if in exile. The smallest gallery ("Taxonomies") mounts hundreds, isolated from function and history and reorganized in arbitrary categories. One category seems to be "knives," which includes one knife used for kosher slaughter and another used for circumcision—practices, one hopes, about as closely related as a Moroccan bride and a papier-mâché Golem.

Such is the grand reconception of the most important Jewish museum in the U.S. At a moment when every ethnic group is establishing museums celebrating identity—often with questionable results—the Jewish Museum shreds it into an even more questionable mishmash. What a difference from the exhibition that was displaced! "Culture and Continuity: The Jewish Journey" was textbookish, but it was a remarkable history of Judaism that drew fully on the museum's collection. It showed how exilic Judaism developed, it surveyed the synagogue's evolution, explored Talmudic debate, explained Zionism's development.

Now there is no history, no ritual, no laws, no texts. Only one thing is affirmed: the mistaken belief that Judaism's essence is continuous self-redefinition.

Where else in the U.S. could one go to see a survey of Jewish history and belief? Perhaps, in part, the Skirball Cultural Center in Los Angeles. Is there anything comparable to learn from this exhibition? No. When I visited the extravagantly acclaimed Jewish museum in Berlin, I wrote that there may be worse Jewish museums, but it would be difficult to imagine one as uninspiring and banal, particularly given its pedigree, promise and potential importance. Now it has stiff competition.

Scenes From the Collection
The Jewish Museum

Mr. Rothstein is the Journal's Critic at Large.

DOCTORS

Continued from page A11

McGillen, director of hospital medicine at Penn State Health Milton S. Hershey Medical Center.

At the University of Chicago Medicine, Elizabeth Blair, a professor of surgery, is working on a simulation program that would help train medical professionals on how to respond to scenarios where patients discriminate.

And at Stanford, a pediatrician published a paper in 2016 in the journal Academic Medicine that outlined strategies to address patient and family discrimination toward trainees.

The four-step process includes assessing the illness of the patient, developing a rapport with the patient and family, depersonalizing the event and maintaining a safe learning environment.

Uché Blackstock, an assistant professor in the department of emergency medicine at NYU School of Medicine, says after doctors reported several incidents, she and others decided it was time for a conversation in her department.

"What is really important for us is to find a way to better support our trainees, our interns and residents, because they are the ones coming to us and talking about these experiences," Dr. Blackstock says.

Dr. Farzon A. Nahvi, a physician at NYU Langone, grew up in New York with his Iranian parents. He says one of his patients told him, 'You look like someone who's going to blow this place up. You're not a doctor.'

ANGELA OWENS/THE WALL STREET JOURNAL

Farzon A. Nahvi was among the physicians who raised the issue. The 32-year-old grew up in New York, but his parents are from Iran.

"I had a patient one time who immediately said, 'You look like someone who's going to blow this place up. You're not a doctor.'"

He recalled another instance from when he was a resident. His female supervisor had a patient who insisted that a man confirm her findings of a chest X-ray. He had to step in.

Dr. Nahvi is one of a number of medical professionals and administrators at NYU working on devising an institutional response to patient discrimination.

Dr. Blackstock, NYU Langone's director of recruitment, retention and inclusion in the office of diversity affairs, invited Kimani Paul-Emile to speak at the hospital earlier this month. Dr. Paul-Emile, an associate professor at Fordham University School of Law, published a piece in the New England Journal of Medicine in 2016 called "Dealing with Racist Patients."

Dr. Paul-Emile calls patient requests for a doctor of a different race or ethnicity "one of medicine's open secrets," but says hospitals are starting to pay more attention to the problem.

Patients have the legal right to informed consent, which includes the right to refuse medical treatment. That does not include the right to be treated by a particular physician.

Physicians face the moral and ethical obligation to treat all patients, but the 1964 Civil Rights Act also protects employees from experiencing overt discrimination. That physicians aren't being discriminated against by their institutions complicates matters. "So it manifests more as a hostile work environment claim if it were to be brought," Dr. Paul-Emile says.

She is working with a collaborator on creating model protocols and policies to help hospitals address instances of discrimination against health-care providers.

At the end of the NYU session, she asked attendees to come forward with their own stories.

Ashira Blazer, a rheumatologist and instructor of medicine at NYU Langone, recalled an incident from five years ago when she was a resident at another hospital. A patient in the emergency room who was very ill and having a heart attack questioned her literacy.

"He tried to make me read his chart in front of him in order to prove that I was literate, because he thought black people couldn't read," she said.

She used her dry sense of humor to make it clear that this was an emergency situation.

"Eventually, he got the point and that we needed to work together," Dr. Blazer said.

In the end, her patient thanked her for her treatment, she said. "So I guess some things are more important than prejudice at the end of the day," she said.

SPORTS

SUPER BOWL LII | By Jason Gay

Yay, the Eagles! Ugh, the Patriots?

For the first time since 2017, the New England Patriots are going back to the Super Bowl.

Are we really doing this again? I have a 3-year-old at home; the Patriots have now made it to three Super Bowls in her lifetime. She's already bored by red and blue confetti. She is *3*!

I assume this means the country will rally behind New England's opponent, the comparatively lovable—yes, I said "lovable"; I'll fight anyone who disagrees in the stadium parking lot—Philadelphia Eagles.

Unlike greedy, grabby New England, the Eagles have never won a Super Bowl. They went in the 1980 and 2004 seasons, and lost. Their fans wear generations of anguish like a wet winter coat.

But now they're back. The Eagles, 38-7 winners over the Vikings Sunday, will face the Patriots at Roger Goodell's Minneapolis Crappie Fry, aka Super Bowl LII, on Feb. 4.

America is looking to you, Philadelphia. You're the only thing standing in the way of another Lombardi trophy being hoisted over the cut-off sleeves of Grumpy Lobster Boat Captain Bill Belichick.

(Shudder.)

At the risk of offending my homeland, New England's dominance is getting absurd. This makes 10 Super Bowl appearances for the Patriots—eight of them since Belichick and Tom Brady took the reins, including three of the last four.

Twelve long months, the fans of this franchise have been forced to wait to return to this game!

I think I just saw a couple of Detroit Lions fans walk into traffic.

Do you realize that 95% of Bostonians are physically addicted to Duck Boat championship parades? It's a public-health crisis. Dunkin' Donuts now serves a flavor called Brimming Entitlement.

It really looked as if Jacksonville was going to wipe the smirk off New England's face Sunday. The Jaguars were dominating on both sides of the ball and carried a 10-point lead into the fourth quarter.

Patriots fan: *A 10-point lead! That's adorable. I've had hotel reservations in Minneapolis since 2014.*

It didn't work out. Jacksonville fans are simmering about the officiating, but we've seen this movie before.

Brady, New England's 79-year-old quarterback—playing with a genetically engineered replacement thumb made out of a pig's ear, Wellfleet oysters, and pulped copies of Seth Wickersham's ESPN story; you might want to check that out, but I am pretty sure that's what happened—executed yet another late, cruel comeback, winning 24-20 and leaving the Jags nursing their own sore paws.

Even crazier: Belichick smiled when the Pats sealed the win. Smiled! At first, I thought he had stepped on one of defensive coordinator Matt Patricia's sharpened pencils, and was gritting his teeth in pain, but I believe it was, indeed, a smile. Photo evidence is being submitted to the National Archives as we speak.

(You have to love the Grumpy Lobster Boat Captain. Did you see the cut-off sweatshirt-slash-undershirt Belichick wore to his post-game press conference? I'm not saying the media should be offended, but it was the kind of thing someone wears to clean squirrel nests out of the gutters.)

The Patriots may be resented and considered cheaty cheating cheater-faces by their haters, but they are so good at this. The world spent most of last week losing its mind about Brady's hand injury, which New England guarded like a state secret (actually, better than a state secret—I bet we find out: Connecticut is a Martian colony before we find out exactly what happened to Brady's thumb). It turned out to be a whole bunch of nothing—Brady wore a bandage, but was his usual, stellar self. The Patriots claim DO YOUR JOB as their franchise motto, but it's really NONE OF YOUR DAMN BUSINESS, MORONS.

Philadelphia, meanwhile, was forced to replace an entire quarterback—starter and MVP candidate Carson Wentz blew out his knee in early December—which was to supposed to kibosh its Super Bowl hopes.

Instead, the Eagles turned to a prodigal fair-haired backup, Nick Foles, who has lifted Philadelphia to back-to-back home upsets.

That's right: *home* upsets. The Eagles have been underdogs in both of their playoff games, despite playing in their own stadium. A lot of teams like to claim the nobody-believes-in-us disrespected underdog side—even the Patriots break it out on occasion, hilariously—but the Eagles truly earned the label. Now they're running around in latex "underdog" German Shepherd masks, like they're robbing banks in a '80s movie.

Foles was magnificent Sunday against the Vikings, reminiscent of the phenom who had a run of brilliance for the Eagles in 2013 before getting shipped off to the Rams. Even better was Philadelphia's defense, which really has been the story of their season, forcing turnovers and putting Minnesota quarterback Case Keenum on the back foot early.

You have to feel for Minnesota. They had that incredible comeback win last week, and they were one victory away from being the first team to ever play a Super Bowl on their home field. Now it's as if their high school nemesis just booked a two-week Airbnb in their house.

Yeah, the bathroom is down the hall. Breakfast is at 8. You have a TV in your room. You probably won't see much of us.

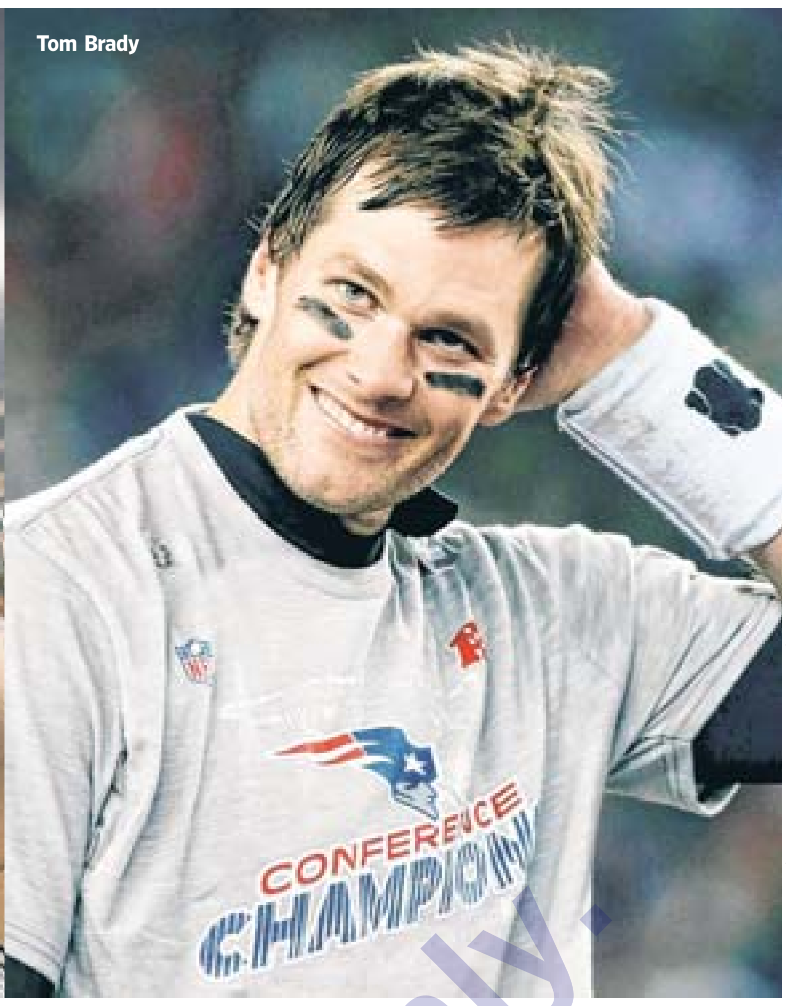
And yet it's hard to not feel happiness for the Eagles and their fans, who tend to get a bad rap. Their city was so worried that nutty Eagles fans would dangerously climb light poles after Sunday's game, they actually greased the poles before kickoff.

And Eagles fans climbed 'em anyway! It was impressive. You do not bet against Tom Brady in an AFC title game—and you do not bet against an Eagles fan climbing a pole in a victory celebration. Or ever.

Now it's on to Minneapolis, where they can grease the poles with locally made butter. There will be hype. There will be fireworks. Fugitive Mouseketeer Justin Timberlake will perform a complimentary halftime singalong.

And, as usual, there will be the New England Patriots. But now they're joined by the Philadelphia Eagles, who have flown through the NFL's kitchen window, and are devouring the dog's food. I know that sounds kind of gross, but you'd probably watch it.

Beau Allen



Tom Brady

L-R: PATRICK SMITH/GETTY IMAGES; CHARLES KRUPA/ASSOCIATED PRESS

SUPER BOWL LII

IT'S THE G.O.A.T. VS. THE UNDERDOGS

BY ANDREW BEATON AND JARED DIAMOND

EVERYONE KNOWS the New England Patriots are favorites and the Philadelphia Eagles are underdogs. New England is always the favorite. And Philadelphia players and fans have spent the past couple of weeks parading around in goofy dog masks to champion their canine cause célèbre.

This will be the story of Super Bowl LII, which will be staged at U.S. Bank Stadium in Minneapolis on Feb. 4. Early betting lines favor the Patriots by about six points. That's a bigger spread than the previous eight Super Bowls.

It doesn't matter that at 13-3, the Eagles and Patriots had the same regular-season records. Or that they were both the No. 1 seeds in their conference. Or that Philadelphia just surgically ransacked the Minnesota Vikings' NFL-best defense in a 38-7 win that was the biggest rout in the team's postseason history.

These disparate identities are inseparable from the franchises and their fan bases. It's how these teams forged opposite paths to the final game of this season. It's so ingrained that saying anything otherwise would be a personal affront to both New Englanders and Philadelphians—two packs who aren't exactly famous for their cheeriness when things don't go their way.

In Philadelphia, the city that has never won a Super Bowl, it always seems like a slow burn until the next catastrophe. New England is the place where everything works out so routinely that an entire generation has been born during the team's run of now eight Super Bowl appearances, dating back to 2001. "They expect to be there every year. They're built for that," said Chris Long, the veteran defensive end who signed with the Eagles in March after winning the Super Bowl with the Patriots last season. "This is an ascending team, an ascending franchise."

The Patriots have good reason to feel confident. They have Tom Brady, a five-time Super Bowl winner and arguably the best quarterback in football history.

> The Patriots have good reason to feel confident. They have Tom Brady. The Eagles...don't.

The Eagles...don't. They have Nick Foles, the oft-ridiculed backup thrust into the starting role after young star Carson Wentz went down with a knee injury in Week 14. On paper, Foles versus Brady is seen as a caterpillar trying to fight a rhinoceros.

It was the loss of Wentz, and the arrival of Foles last month, that sent familiar shockwaves of dismay hurtling down Broad Street, an annual tradition in which everything goes terribly wrong for the Eagles. It was for that reason that the Eagles were an underdog in both of its playoff games thus far, which became wins over the Vikings and Falcons.

That nobody outside of Philadelphia believes in the Eagles has emerged as a running joke in the locker room. When a reporter asked Eagles owner Jeffrey Lurie on Sunday night about his team's underdog status, Lurie didn't even wait for the end of the question before interjecting.

"Are we underdogs again? Great. Great. Great." Lurie said. "Somehow, I'm not surprised."

Sunday's AFC Championship was the ultimate primer on how, when things go wrong in New England, they rarely actually go wrong. The Patriots had to deal with the worry that Brady, who lacerated his hand during practice last week, wouldn't play.

Brady's hand, the only thing studied more by football fans and pundits since chemistry textbooks during the Deflategate scandal, was fine. (And even the Deflategate fiasco turned out to be a potential blessing in disguise: Brady was suspended for the first four games of last season, only to look like the freshest player on the field during their all-time Super Bowl comeback.)

Then on Sunday, the Patriots went through that tried and true dance again where, just for a moment, it seemed plausible—if not probable—that they would lose. They trailed by 10 to the Jacksonville Jaguars in the fourth quarter and had just fumbled the ball. Star tight end Rob Gronkowski was out for the game.

Then New England's defense clamped down, Brady threw two touchdown passes and sent the Patriots to yet another Super Bowl with a 24-20 win.

What drives every other football fan mad is how just how routine the extraordinary has become. The Patriots have come back from behind 10 points in the fourth quarter of a postseason game three times in seven chances over the past decade, according to Stats LLC. The rest of the NFL combined has accomplished that feat three times over that span as well—in 74 chances. It's so second nature that players after this last comeback conceded that it felt inevitable.

"We're a confident team," said wide receiver Phillip Dorsett.

Essentially, it's totally preposterous to ever call this team an underdog. Oddsmakers have made them underdogs 11 times over the last five seasons. They won seven of those games.

The ending isn't always so sunny during football season in Philadelphia. The Eagles have won the NFC East 10 times. They will soon play in their third Super Bowl. They have never won one. Only the Vikings have won more playoff games without winning it all in the Super Bowl era.

The last time the Eagles made it this far was in the 2004 season. That year, they went 13-3, breezed through two home playoff games and went into the Super Bowl as a touchdown underdog.

They lost by a field goal. To the Patriots.

WINSLOW TOWNSON/ASSOCIATED PRESS

The Philadelphia Eagles seek their first Super Bowl title, while the New England Patriots have five Lombardi trophies.

OPINION

The Curious Case of Adam Schiff

MAIN STREET
By William McGurn

Has there ever been a more incurious congressman than Adam Schiff? The California Democrat serves as ranking member of the House Permanent Select Committee on Intelligence, a powerful oversight panel. Recently this committee succeeded in wresting key documents from the Justice Department and FBI after months of being stonewalled, and Republican staffers have summarized the info in a classified four-page memo. Those who have read the memo say it includes evidence of abuses by Justice and FBI officials handling the investigation into Donald Trump's alleged ties with Russia, most salaciously summed up in the infamous Steele dossier named for the former British spy who compiled it.

But whether it's material submitted to the Foreign Intelligence Surveillance Court for a warrant on a Trump campaign official or conveniently missing texts between an FBI agent and his FBI mistress—who both hated Mr. Trump and would each serve on the special counsel's team—Mr. Schiff exhibits no interest. Saturday on CNN he implied that the only ones who *are* interested are Russian bots on Twitter.

When CNN's Ana Cabrera asked him why not let the American people see the info and decide for themselves, Mr. Schiff went full Jack Nicholson: "The American people, unfortunately, don't have the underlying materials and therefore they can't see how distorted and misleading this document is," he answered. Translation: The American people can't handle the truth.

> The one man in America uninterested in whether the Steele dossier is true or not.

It makes no sense. If the American people lack context, that's an argument for more disclosure, not less. But it fits a pattern. Mr. Schiff tells us there is "more than circumstantial evidence" of collusion between the Trump campaign and Moscow. But he never produces it.

To put it another way, Mr. Schiff appears to be the only man in America who doesn't seem to want to know whether the material in the Steele dossier is true or not. All along he has stood against getting relevant information—fighting subpoenas for Justice, fighting subpoenas for the FBI, and fighting the subpoena for the bank records of Fusion GPS (which ultimately prompted the admission that the Clinton campaign had helped fund the Steele dossier).

Last week offered a good example of the Schiff standard in operation. Democrats wanted the House testimony of Fusion co-founder Glenn Simpson made public, and Republicans on the Intel committee joined them to vote in favor of releasing it. But when it came to making the classified memo available to any congressman who wished to read it, Republicans alone stood for transparency. Every Democrat, led by Mr. Schiff, voted to keep the memo secret.

On the Saturday following this vote, the chairmen of three key House oversight committees—Devin Nunes (Intel), Bob Goodlatte (Judiciary) and Trey Gowdy (Oversight)—met to discuss the way forward. They released no statement. But as more of their members see the memo, the rumbling to make the information public will only grow.

Meanwhile, even Democrats not on the Intel Committee have been infected by the same lack of curiosity that afflicts Mr. Schiff. In the few days since the memo became available to every member of the House, roughly 190 Republicans have read it, compared with only a dozen Democrats.

Congress—especially the oversight committees—is supposed to act as the people's watchdog. Mr. Trump is routinely slammed for his indifference to reading, especially the endless memos and policy papers that find their way onto a president's desk. But what does it say when the ranking member of a vital oversight committee appears uninterested in what his committee has unearthed about a matter that speaks to the integrity of our highest institutions of law enforcement?

The Beltway standard for comparison for scandal today is Watergate. It's now been nearly five decades since men affiliated with Richard Nixon's Committee for the Re-Election of the President were nabbed while breaking into Democratic headquarters at the Watergate complex. The purpose of the break-in was to plant a bug and gain embarrassing intel on the Democratic Party and its presidential candidate, George McGovern.

If Mr. Trump and his team indeed worked with Vladimir Putin to steal the 2016 election from Hillary Clinton, it would indeed be as scandalous as Watergate. But it would be just as scandalous if a Democratic administration's Justice Department and FBI used unsubstantiated opposition research—parts of which were quite possibly drawn from Russian disinformation—to obtain warrants to spy on members of a Republican presidential campaign.

In 1972, Nixon press secretary Ron Ziegler dismissed the break-in as a "third-rate burglary." Today Mr. Schiff routinely dismisses the House Intel Committee findings about Justice and the FBI's handling of the Steele dossier as "a profound distraction"—while he too fights an investigation into a presidential election. Could that be why he's so opposed to letting the American people see what he's seen?

Write to mcgurn@wsj.com.

Immigration Is Still Radioactive

By Walter Russell Mead

The three-day shutdown in Washington shows the immigration issue remains potent. In 2016, it powered Donald Trump's triumph over the Republican and Democratic establishments while tipping the U.K. referendum toward Brexit. Anyone who hoped voters would get it out of their systems must be sorely disappointed.

This weekend Washington ground to a halt as an impasse over "Dreamers" left the government without funding. In Germany, Angela Merkel, once the unchallenged master of European politics, is still struggling to form a coalition four months after leading her party to its worst election result since the 1940s. German politics has been so scrambled by Mrs. Merkel's 2015 decision to admit one million Middle Eastern and Afghan refugees that the far-right Alternative for Germany is in the Bundestag for the first time.

What makes immigration radioactive? Partly it's that no other issue, not even economic inequality, drives such a deep wedge between elite and mass opinion. Elites almost always support immigration on both economic and moral grounds. But many voters worry their neighborhoods will be exposed to the social consequences of mass immigration, and that their wages will decline as immigrants compete for jobs. To them, the failure of establishment politicians to control immigration looks like either incompetence or treachery.

The issue isn't skilled migrants: Indian neurosurgeons and Chinese computer whizzes aren't (yet) objects of populist wrath. Instead the fight is over

> A debate between naive elitism and ugly nativism only impedes pragmatic reforms.

three sometimes overlapping classes: unskilled immigrants who compete at the low end of the labor market; immigrants who are Muslims or from Islamic backgrounds, from whose ranks, it is feared, a small but dangerous terrorist minority may emerge; and illegal immigrants.

The movement of such "controversial" immigrants is unlikely to diminish anytime soon. Hundreds of millions of people from poor or developing countries want to come to the rich world. A child born to poor parents in Germany or the U.S. may face educational and economic obstacles, but he will have incomparably better health care, schooling, physical security and opportunity than a poor child in Honduras or Syria. In today's networked age, people in undeveloped countries can see vividly how much better life can be in North America and the European Union.

In the Middle East in particular, the toxic cocktail of war, poverty, autocracy and radicalism exacerbates the push to emigrate. If anything, these problems are likely to worsen. High birthrates will create demographic pressure. Oil prices seem unlikely to recover to previous highs, despite the best attempts by the Organization of the Petroleum Exporting Countries. Stagnant oil revenue means fewer jobs and less social spending, which will amplify social pressures. Those in the West who hope to neutralize the immigration issue through aid and democratization efforts in the Middle East need to sober up: Those are generational projects that won't do much to help in the relevant time frame.

Migration gets easier as immigrants establish communities in a recipient country—Turks in Germany, Moroccans in the Netherlands, Central Americans in the U.S. Later immigrants can move into neighborhoods where people speak their language and where they can look for help navigating the transition.

But even as the pressure on people in poor countries to emigrate increases, the economic case for rich countries to open their doors to low-skilled workers is getting weaker, thanks to automation. It can't simultaneously be true that robots will take all the jobs and that the West needs millions of new immigrants to do the grunt work.

The politics of migration challenge both center-left and center-right parties. In the U.S., pro-Trump populist Republicans are estranged from the GOP establishment, while the Democratic establishment, militantly cosmopolitan and pro-migrant, hemorrhages support among blue-collar voters. European politicians are similarly flummoxed, as parties on the center left and center right both lose support to populists.

In the 19th century, migration into the U.S. and much of Europe was largely unregulated. As the flow of migrants increased, the doors slammed shut in one country after another. The United States imposed draconian restrictions in 1923, and not even the horrors of Hitler's Reich persuaded Americans to make room for desperate refugees.

To avoid repeating these tragic events, immigration and refugee policy must find a sustainable middle ground between naive and unrealistic cosmopolitanism on the one hand and ugly nativism on the other. In a world where more people than ever are on the move, the window to head off nativist sentiments with pragmatic reform may be narrower than we think.

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

How to Grieve in the Facebook Age

By Susan Shapiro

That Monday in December, I turned off my cellphone at 5 p.m. My brilliant, cantankerous, 85-year-old father (think: a Jewish version of TV's Dr. House) was in a Florida hospital, his heart failing. I was in New York with the fall term's last classes to teach, so I compartmentalized. I didn't learn he had died until I arrived home at 10:30.

Stunned, I checked to see whether my family had announced our loss. Hours earlier, an acquaintance had posted on my Facebook page: "Sorry about your dad." Others sent condolences privately, but still before I had heard the news. Turned out, everyone had read my 20-year-old nephew Sam's poignant tribute at 7 p.m.: "Thank you for all you have given, Grandpa."

The speedy digital death messages that night felt devastating. I appreciated everyone's desire to connect, but there are more-sensitive ways to sympathize online:

• *Slow down.* If you hear of a death secondhand, don't race to call, text or post. Check if an obituary has been published, if someone has personally shared the news, or if the funeral home has announced a service. Otherwise you could be the messenger. Paper cards may be more thoughtful anyway.

> Be thoughtful when your online friends have lost a loved one.

• *Don't waste money.* With broke friends, I've sent a check or donated directly to cover burial costs. That wasn't our case. Flowers and food baskets are generous, but my family preferred all donations to go to the needy. My parents grew up poor, dad a street kid on New York's Lower East Side. His pride was putting his four kids through college and arranging educational trusts for his grandkids. I finally posted a few of his charities on Facebook: the medical school where he taught and a Hasidic nonprofit that helps kids with special needs. Since my conservative father and I argued politics (he characterized my candidate, Hillary, and her husband as "Bonnie and Clyde," while I called his "Drumpf"), I added the Israel Defense Forces, our shared passion, as a concession. When notices of donations came in, I cherished them as if dad were still doing good in the world.

• *No advice.* After we chose Sunday for the funeral, I completed my classes and attended a long-scheduled academic panel. Dad, a fellow workaholic, loved my teaching ("finally a real job!"). Several people suggested I cancel, bury him sooner, or have a separate Manhattan shiva. Unless you're asked, hold your opinion.

• *Forget yourself and your loss.* Well-wishers updated me on their dads' ages and sicknesses, as if competing in the Grief Olympics. One said she couldn't attend the service because of her father's recovery. A co-worker compared it to losing her cat. Try "Sorry to hear" or "Sending love."

• *Respond to what's shared.* Cyberspace helped me mourn. The chapel taped and offered a link to dad's memorial, which I posted. I loved when out-of-towners commented on my eulogy, adding their own recollections. Our old neighbor, David, recalled Dad rushing over when he fell sick at 3 a.m. That made me feel closer to my father, Jack Shapiro, a Leo born under a lucky star. Tagging him reminded me that my staid 85-year-old dad was on Facebook, where he'll live forever, my political foe and eternal friend.

Ms. Shapiro, a New School professor, is a co-author of "The Bosnia List" (Penguin, 2014) and author of "Lighting Up" (Delacorte, 2004).

BOOKSHELF | By Marc Levinson

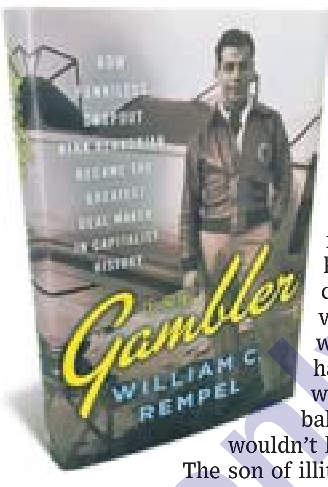
The Art Of the Deal

The Gambler

By William C. Rempel
(Dey St., 414 pages, $28.99)

The long subtitle of "The Gambler" includes the claim that Kirk Kerkorian was "The Greatest Deal Maker in Capitalist History." It is certainly true that the California billionaire, who died in 2015 at the age of 98, had a hand in a lot of major deals over his long and busy career, and William C. Rempel's breezy biography offers an entertaining look at Kerkorian's outsize life, but the question of his historical stature is still open to debate.

Mr. Rempel has come up with information that the secretive Kerkorian would no doubt have preferred to keep under wraps, and the investigative work couldn't have been easy. Kerkorian apparently left no public papers, and his main lawyer bluntly told the author, "No one is going to help you." Mr. Rempel's research yields a portrait of a guy who took big risks that made him very rich but who had an unhappy personal life, including an on-again, off-again relationship with a professional tennis player who contrived a plot to persuade him that, at age 81, he had fathered her child. In his prime, he was accused of consorting with the mobsters who financed casinos when banks would not; in his extended old age, he was desperate for companionship and vulnerable to people who wanted his money. You might have liked to have Kerkorian's wealth, but most reasonably balanced human beings wouldn't have liked to be him.



The son of illiterate Armenian immigrants whose business ventures ended badly, Kerkorian grew up in California and dropped out of school in eighth grade. After stints in the Civilian Conservation Corps, the used-car business and the boxing ring, in 1940 he talked his way into flight school at the Happy Bottom Ranch and Riding Club, an establishment in the Mojave Desert run by a colorful Hollywood stunt pilot named Florence Barnes, and paid his tuition by milking cows and slopping hogs. To improve his career prospects, he obtained a bogus official letter stating that he was the graduate of a Los Angeles high school. The letter was unneeded: Amid wartime pilot shortages, the military was desperate for instructors with cockpit experience, and he was soon training pilots for the Army Air Force. Ferrying planes across the North Atlantic seemed more challenging and paid better, so he spent the balance of the war flying Mosquito fighter-bombers from Canada to Scotland.

Unemployed at war's end, Kerkorian opened a flight school in a Los Angeles suburb, then bought a five-seat Cessna and launched a charter service. That business was soon dealt off to finance a batch of used airplanes, which in turn were sold to acquire a small charter airline. He turned his modest Los Angeles Air Service into the ambitiously named Trans International Airlines, sold it, repurchased it, sold it again. Deal making became a habit, or perhaps an addiction.

> Kirk Kerkorian bought and sold and bought again—airlines, casinos, movie studios—often restructuring his holdings to avoid default.

Much of Kerkorian's charter business had involved flying gamblers between Los Angeles and Las Vegas. Himself an avid gambler, he took aim at Sin City. His first small investment lost money. By 1968, he owned the Flamingo and Bonanza hotels, the land beneath Caesars Palace, and a second mortgage on the new Circus Circus. He began construction of the immense International Hotel and Casino without the cash to finish the job; that problem was solved by taking International Leisure Corp. public—and requiring investors to buy a $1,000 bond for every 20 shares of stock. At the same time, an unsolicited tender offer won him 28% of Western Airlines, the better to transport gamblers to the desert.

Anyone could see that Las Vegas was burgeoning, but Kerkorian was among the few who could grasp the possibilities beyond the casino floor. "I thought it was going to become an adult Disneyland," Mr. Rempel quotes him saying. When he paid Barbra Streisand more than $100,000 a week to open the International in 1969 and then signed Elvis Presley to a five-year contract, he transformed the town.

In 1969, with no advance notice, Kerkorian made a tender offer for MGM, the venerable movie studio. He had little interest in the risky and unpredictable business of making movies. "What Kirk saw in a tired old MGM with its run of box office losers was something beyond the view of most investors," Mr. Rempel writes. "He saw hidden value." Specifically, he saw gold in MGM's rights to a vast library of old films and to the esteemed corporate name. He redefined MGM as a leisure company and attached its name to the biggest hotel in Vegas, the MGM Grand, which would open in 1973.

This was only the beginning. Over the ensuing decades, Kerkorian sold International Leisure to Hilton, made a run at Columbia Pictures, bought United Artists, sold MGM's film library to Ted Turner, made passes at Chrysler (very profitably), Ford (at a loss), and General Motors, and acquired still more properties in Las Vegas. At one point, according to Mr. Rempel, he owned nearly half the hotel rooms and casino floor space on the Strip. He often skated close to the edge, urgently restructuring his holdings to avoid default on his enormous debts.

Mr. Rempel paints a picture of a man who lived to do deals. Many interesting characters, from Bugsy Siegel to Lee Iacocca, crossed his path, and his philanthropy, undertaken late in life and mostly in secret, was substantial, featuring donations to Armenian causes and to UCLA. It adds up to an interesting portrait of a billionaire so shy that he rarely spoke in public, so secretive that when he applied for a credit card in 1996, at age 79, he was rejected for lack of a personal credit history.

But that bold subtitle notwithstanding, Mr. Rempel doesn't have much to say about Kerkorian's legacy. His wheeling and dealing appears to have left few traces. Three years after his death, Kirk Kerkorian is all but forgotten. Perhaps the problem is that making deals isn't quite the same thing as making history.

Mr. Levinson's books include "The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger."

OPINION

REVIEW & OUTLOOK

Chuck Schumer, Shut Down

Over in the department of futile and stupid gestures, the Senate on Monday voted 81-18 to end the government shutdown that Democrats had insisted on late last week. The politics apparently didn't turn out to be the winner the Democrats anticipated, so they bailed out and called retreat a victory.

The Senate and House passed a resolution to fund the government through Feb. 8. Both parties will continue to negotiate a deal on the status of the Deferred Action for Childhood Arrivals, the law-abiding young adults who came to the U.S. as children. Majority Leader Mitch McConnell said he would bring some immigration measure to the floor, and Democrats are calling this a shutdown triumph. But the negotiations were already underway, and President Trump has said he wants a deal to legalize the Dreamers. The shutdown needlessly roiled immigration politics.

Some 15 Democrats plus Bernie Sanders (I., Vt.) voted to keep the shutdown going. They include several of the multitude of Democratic presidential aspirants in addition to Mr. Sanders: Kamala Harris of California, Cory Booker of New Jersey, Elizabeth Warren of Massachusetts. This crew wants to tout their credentials as fighters for the Dreamers, and they'd rather have a wedge issue than a solution.

Democrats running for President vote to keep the government closed.

Also voting against opening the government were Republicans Rand Paul of Kentucky and Mike Lee of Utah. This is a reminder that the 51-seat GOP majority is really a 49-seat minority given that those two might stage a protest vote at any moment for no useful purpose.

The pressure to open the government came from Democrats running for re-election in Trump states: Heidi Heitkamp of North Dakota, Joe Manchin of West Virginia, Joe Donnelly of Indiana and others. Minority Leader Chuck Schumer exposed these Senators to placate his progressive base, and then he caved on the shutdown and ended up with the approval of neither.

Mr. Trump also helped over the weekend by keeping his tweets on message with Republicans in Congress, and not lashing out. He and Congress can now resume negotiating a two-year budget deal, particularly increased spending on defense. Congress has also bought more time to work out an immigration deal that can pass both houses, and the natural trade is legal status for Dreamers in exchange for more border security and limits on adult family migration. But for now the great news is that readers can move on with their lives without more of this fake drama.

A Corporate Fighter Rewarded

One of the rarest birds in American public life is a CEO willing to challenge lawless government regulators; the political risks of resistance can outweigh the potential rewards. So we don't want to let the story of MetLife's victory over the Financial Stability Oversight Council (FSOC) pass without a salute—and a contrast with a competitor that played it safe.

MetLife fought and won. Prudential should help with the litigation costs.

MetLife was vindicated last week after FSOC dropped its appeal of federal judge Rosemary Collyer's order rescinding its "systemically important" (Sifi) designation. The decision by CEO Steven Kandarian to challenge the government in 2015 was especially risky since financial regulators enjoy broad discretion and enforcement powers under the Dodd-Frank Act.

The lawsuit exposed how the council flagrantly violated its own guidance and administrative law by neglecting to perform cost-benefit analysis. Judge Collyer's decision rebuking the government infuriated former Treasury Secretary Jack Lew, a vindictive sort, who immediately appealed to the D.C. Circuit Court of Appeals. The case landed before a liberal panel when Hillary Clinton was presumed to be the next President.

Other nonbanks that had been designated Sifis rolled over. GE Capital shed its too-big-to-fail label in June 2016 after selling off significant assets. AIG sought to do the same and FSOC freed it from Sifi bondage last September. Both companies received public help during the financial panic and deserved their original Sifi status.

The real contrast with MetLife's fortitude is Prudential, the giant insurer that received a Sifi label shortly before MetLife. Prudential hadn't needed a bailout in 2008 and also poses little risk to the banking system. Yet the executives and board at Prudential chose not to fight the feds.

That means Prudential remains in Sifi bondage even as MetLife is freed once the D.C. Circuit accepts the FSOC's motion to drop the case. Under a strict reading of Dodd-Frank, a designated firm is supposed to make substantial changes in structure or size to warrant removal—and then only with a two-thirds vote of the 10-person FSOC. The Trump Treasury has laid out an "off-ramp" for designated firms, and perhaps Prudential will pursue that.

But if it succeeds, Prudential will owe a debt to MetLife for daring to stand up to regulatory coercion. Mr. Kandarian deserves particular praise and would be an excellent candidate for Treasury secretary, and credit goes as well to the MetLife board of directors. As for Prudential CEO John Strangfeld, if his company is liberated, he should write a check to MetLife to defray some of its litigation costs. Or at least send a note thanking MetLife for fighting federal bullies.

James Comey's Ethics Class

The College of William & Mary in Virginia announced last week that James Comey will teach a course on "ethical leadership" starting this autumn. The former FBI director would not have been our first choice for such an assignment, but upon reflection maybe his experience as a federal prosecutor, deputy attorney general and FBI director is ideal for the task.

Mr. Comey said in a statement accompanying the news that "ethical leaders lead by seeing above the short term, above the urgent or the partisan, and with a higher loyalty to lasting values, most importantly the truth." In that spirit, here are some suggestions on how Mr. Comey can structure his course to help students confront these profound questions.

Week One case study: The FBI is investigating a presidential candidate for mishandling classified emails as Secretary of State. The director decides on his own to violate Justice Department rules and exonerate that candidate in a public statement to the media, letting an aide replace the legally potent phrase "grossly negligent" in a draft of his statement with "extremely careless" in the final version.

Students will examine when a public official can choose to ignore rules and standards of conduct for what he considers to be higher purposes. Required reading: Former Deputy Attorney General and federal Judge Laurence Silberman's February 2017 speech to the Columbia Law School chapter of the Federalist Society.

Breakout session topic: Having exonerated that candidate, the FBI director intervenes in the campaign again only days before Election Day, saying new evidence has required him to reopen the email case. Two days before the polls open he says that the new evidence turned out to be nothing of consequence. Was the FBI director protecting the rule of law, or his own reputation?

Ethical guides Huma Abedin and Anthony Weiner will visit each breakout session to steer the discussions. (Thanks to the federal prison system for letting Mr. Weiner appear by video from Federal Medical Center Devens.)

Week Two: Amid the post-Enron political frenzy, a prosecutor indicts an investment banker not on bank-related charges but on obstruction of justice based on a snippet of an ambiguous email. The first trial ends in a hung jury but the prosecutor wins on the second try only to be overturned by an appellate court.

Some advice on questions to discuss and speakers to invite.

Students will explore the ethical demands of prosecutorial discretion. Guest lecturer: Frank Quattrone.

Week Three: FBI director Robert Mueller and the U.S. Attorney for the Southern District of New York are convinced that the man behind the 2001 anthrax mail attacks is a government virologist. They spend years pursuing him and destroying his reputation through the media, only to concede years later that they had fingered the wrong man.

Students will examine the ethics of trial-by-media and the risks to the fair administration of justice from prosecutors who ignore contrary evidence. Visiting scholars: Nicholas Kristof and Steven Jay Hatfill.

Week Four: A deputy attorney general handpicks a personal friend and godfather to one of his children, Patrick Fitzgerald, as a special counsel to investigate who leaked the name of CIA official Valerie Plame. Within days Mr. Fitzgerald learns that the leaker was Deputy Secretary of State Richard Armitage, a fact he then keeps secret for years.

Instead of closing the case, the deputy AG expands Mr. Fitzgerald's mandate. After a three-year investigation that turns up nothing new, Mr. Fitzgerald indicts a White House aide for perjury to salvage something from the effort. Reporter Judith Miller, whom Mr. Fitzgerald sent to jail for 85 days to force her testimony that was crucial in convicting the White House official, later says she testified falsely after Mr. Fitzgerald withheld crucial information from her.

Students will consider the ethics of special counsels without effective supervision, and whether Mr. Fitzgerald showed loyalty to lasting values and the truth by keeping the name of the leaker secret from the public and President George W. Bush. Special guest (invited): Scooter Libby.

We can think of many other ripe areas for ethical exploration across Mr. Comey's long career, but this should get him off to a compelling start. If Mr. Comey decides to go in a different direction from our advice, perhaps an enterprising student can raise the issues here during discussion periods.

LETTERS TO THE EDITOR

Trump's Alleged Crude Remark and History

As loathsome as President Trump's reference to Haiti and Africa is, your editorial "A Washington Mudslide" (Jan. 12) misses the point. I am indeed disgusted by Mr. Trump's language (and yes, by the offensive moniker Rep. Nancy Pelosi used to refer to her congressional colleagues), but I am far more horrified by the depth of ignorance the vulgarity reflects regarding our immigration policies.

Why would we want to admit people into the U.S. from these countries? Because, Mr. Trump, those people are most in need of a better way of life—they, not citizens of relatively affluent and safe countries like Norway, are the "tired," the "poor," the "huddled masses" for whom our nation is a true beacon. Our immigration policies should serve those whose famine-stricken, war-torn and impoverished countries render them most desperate to immigrate. The fact that our president doesn't understand this strikes me as a far bigger problem for our country and the rest of the world than his disgraceful language.

CYNTHIA R. CROSS
McLean, Va.

As the Democrats stampede to the nearest microphone to denounce President Trump's ill-considered comment about some Third-World countries, they have conveniently forgotten actions by President Clinton.

During Bill Clinton's presidency there was an unending armada of Cubans fleeing that communist country to come to the U.S. When Haitians got into boats and tried to flee their country, President Clinton ordered the U.S. Coast Guard to send them back to Haiti.

Surely, if Mr. Trump's comment is racist, then Mr. Clinton's decision to return people of color to their home country was racist as well. Why aren't the same Democrats expressing contempt for Mr. Trump but not as loudly denouncing Mr. Clinton?

RAY KNOWLES
New York

President Trump made his comments in what he thought was a closed meeting and, although crude, they were about a policy question. Rep. Nancy Pelosi slighted the congressmen in front of the camera. It wasn't a question about policy crudely put, it was a remark meant to demean her white, male, Republican colleagues.

CATHRYNE TRACHOK
Napa, Calif.

Norway Is Not Anti-Israel or Anti-Semitic

There is no better ally and friend of the U.S., and a better example of a full-functioning democracy, than Norway. As two recent U.S. ambassadors to Oslo, we regret the sour tone and unearned slurs of Orde Kittrie ("What's the Matter With Norway?," Jan. 16). Norway is noteworthy in its support of world-wide human rights and humanitarian relief, peacemaking, peacekeeping and a free press.

The closeness of the working relationships between our two governments is exemplary, as we know from our observation of and participation in it. Norway has made enormous investments in NATO and is consistently, and pursuant to plan, increasing its support of defense to the 2% goal. The secretary-general of NATO is, of course, a former prime minister of Norway. Norway has been a strong advocate of peace in the Middle East and a two-state solution, and it has been a strong supporter of the U.S. leadership in bringing about a peaceful resolution. It was a supporter of the sanctions against Iran.

The implication of Mr. Kittrie's piece that Norway is anti-Semitic or doesn't support Israel is simply wrong. Both in policy and deed Norway supports Israel, welcomes Jews and doesn't discriminate against them. Four of the most recent ambassadors of the U.S. to Norway were Jewish. They were all warmly received and welcomed throughout Norway.

AMBASSADOR SAMUEL D. HEINS (RET.)
Wayzata, Minn.

AMBASSADOR BARRY B. WHITE (RET.)
Boston

Citizenship, Census and Congressional Seats

Regarding Edward Blum's "The Census Should Ask About Citizenship" (op-ed, Jan. 16): Most people seem unaware that a census counts warm bodies, regardless of citizenship status. This warm-body total is used to assign an apportioned number of representatives from each state to the federal House of Representatives. Knowing this, liberal open-border, sanctuary cities and states have literally recruited nonresident population groups, swelling their populations and artificially increasing their apportioned share of representatives. This lets them wield more power and influence for their left-wing causes.

Ultimately, this influence passes through to the Electoral College, giving these states more influence in selecting a president than they rightly deserve. This use of noncitizens to inflate a state's influence is deplorable.

Because the census counts resident citizens as well as nonvoting noncitizens, it illustrates noncitizens' undo influence in the political system at both the state and federal level. It is no wonder the Democratic Party is obsessed with supporting illegal immigration.

MARK DRUASH
Tallahassee, Fla.

Mr. Blum doesn't discuss verification of self-reported citizenship. In states that require citizenship as a qualification to vote, there should be rigorous verification, something that needs to be done only once.

Statewide verification of citizenship in constructing voter rolls would be a better source for statistical analysis by the Census Bureau.

ANTHONY ADOLPH
Austin, Texas

The Ugly Political Targeting Of Senate Intel Democrats

As Kimberley Strassel's reports in "The Democrats' 'Russian Descent'" (Potomac Watch, Jan. 5), senior counsel April Doss is seeking information on persons Charles C. Johnson, her intended target, "knows or has reason to believe are of Russian nationality or descent." Ms. Doss fails to clarify the standard for Russian descent. Should it be like the Nazi standard for Jews—one grandparent out of four, or should it be like the KKK and other racists' "one-drop rule," meaning a single drop of Russian blood determines descent. What does it take to get reported to the Democratic staff of the Senate Intelligence Committee?

LARRY STERN
Bethesda, Md.

Sen. Dianne Feinstein's leak of the testimony of Fusion GPS's Glenn Simpson, in defiance of established procedure, compromises the search for truth regarding the Trump dossier. Police interview suspects individually to determine inconsistencies in their stories. By releasing Mr. Simpson's testimony, Sen. Feinstein told future witnesses what to say so their stories would be consistent.

CORNELIA BOONE
Niceville, Fla.

Letters intended for publication should be addressed to: The Editor, 1211 Avenue of the Americas, New York, NY 10036, or emailed to wsj.ltrs@wsj.com. Please include your city and state. All letters are subject to editing, and unpublished letters can be neither acknowledged nor returned.

Sacramento's Progressives Show They Are for the Rich

Regarding your editorial "California's Political Charity" (Jan. 13): California State Senate President Kevin de Leon offers logical arguments to support using a "charitable gift" to the state instead of paying taxes. Such an arrangement would protect only the wealthiest California taxpayers from a tax increase. The same logic should apply to federal taxes paid, that they could be deductible "charitable gifts," and we should be able to deduct our federal tax payments on our federal income tax returns. Absurd!

The loud support for SB-227, and against the recent Federal Tax Reform Act, shows California Democrats are the party of the wealthy. Remember at the November polls that not one California Democrat voted for reducing federal taxes on the middle class, but they are looking out for rich Californians.

JOE DAUTREMONT
West Hills, Calif.

Pepper ... And Salt

THE WALL STREET JOURNAL

"For that campaign finance reform, we'll need to raise some big bucks."

How to Invest in an Overpriced World

By Burton G. Malkiel

What should an investor do when all asset classes appear overpriced? The 10-year U.S. Treasury bond currently yields about 2.6%, much lower than the 5% historical average and only slightly higher than the Federal Reserve's 2% inflation target. Yields of lower-quality bonds are unusually meager compared with those of traditionally safe Treasurys.

For equities, the cycle-adjusted price/earnings ratio, or CAPE—the valuation metric that does the best job in predicting future 10-year rates of return—is about 34. That's one of the highest valuations ever, exceeded only by the readings in 1929 and early 2000, prior to crashes. Today's CAPE suggests that the 10-year equity rate of return will be barely positive.

Two strategies that work: broad diversification and rebalancing. Also, try to minimize your costs.

ISTOCK/GETTY IMAGES

Investors have reason to worry, but they need to be aware of two basic facts. First, no valuation metric can dependably forecast the future. CAPEs were unusually high in the mid-1990s, and Alan Greenspan gave his famous "irrational exuberance" speech in late 1996. An investor who bought equities then and held on would have enjoyed a generous 8.5% annual return despite the punishing bear market of the early 2000s. CAPEs were close to 30 at the start of 2017, prompting many market gurus to say stocks were overvalued. The S&P 500 index returned 19% in 2017.

A corollary is that no one can consistently time the market. Proper market-timing involves making two decisions—when to get out and when to get back in. Timing both correctly is virtually impossible. As Jack Bogle, founder of the Vanguard Group, has written, "After nearly 50 years in this business, I do not know of anybody who has [timed the market] successfully and consistently. I don't even know of anybody who knows anybody who has done it successfully and consistently." Investors who try to outsmart the market more often get it wrong than right.

What, then, can an investor do to control risk? The two strategies that work are broad diversification and rebalancing.

Broad diversification is rightly known as "the only free lunch" offered by financial markets. By holding a wide variety of asset classes, investors have historically enjoyed smoother gains during bull markets and gentler losses during bear markets. In a diversified portfolio, declines in stocks are often partially offset by stability in fixed-income markets. Real estate equities, available through real estate investment trusts, or REITs, have also tended to stabilize portfolio returns.

Most investors fail to realize the benefits of broad international diversification. The world is currently enjoying a synchronized expansion, but economic conditions and stock performance are not perfectly correlated across nations. Internationally diversified portfolios tend to see less volatile returns over time and better risk-adjusted performance.

Most stock investors suffer from a "home country" bias. They concentrate their holdings in domestic equities. While U.S. companies do business all over the world, many leading companies are based abroad. The U.S. accounts for well under half of the world's economic activity. Much of the world—particularly emerging markets, with their younger populations—is growing faster than the American economy.

Another reason to consider greater international diversification is that foreign stocks are more attractively valued. The CAPE ratio for emerging-market stocks is less than half the equivalent valuation in the U.S. The emerging-market CAPE is still below its historical averages, despite 2017's superior market performance. All investors should hold at least 10% of their stocks in emerging-market equities, and allocations up to 25% would not be imprudent today.

A final technique to control risk is rebalancing. It's a good idea to examine your portfolio periodically to ensure your asset allocation has not strayed far from your desired levels. If the strong U.S. stock-market performance over the past year lifted the proportion of domestic stocks in your portfolio to levels that are riskier than desired, it would be appropriate to reduce your equity share. Often capital-gains taxes can be avoided by directing new cash investments (including dividends and interest payments) into asset classes whose portfolio shares have declined.

In general, staying the course in a broadly diversified portfolio is the best strategy when all asset classes appear overpriced. If rebalancing is required to constrain portfolio risk, consider REITs and preferred stock. Good-quality preferred stocks yield about 5%, and many have yields that float with interest rates, so that they offer some protection if rates rise in the future. Mid-single-digit returns may seem unattractive relative to recent asset returns, but with valuations at current levels, low-single-digit returns could end up looking good.

Perhaps the best advice for investors is to examine your costs. If you are paying an investment adviser 1% and your mutual funds have a 1% annual expense ratio, then fees will eat up a large part of that low-single-digit return. The one thing I'm certain of is that minimizing costs is a winning strategy. The less I pay to the purveyor of an investment service, the more there will be for me. Thus I continue to recommend passive index funds and exchange-traded funds, now available at virtually zero expense ratios, as the best investment vehicles for all investors.

Mr. Malkiel is author of "A Random Walk Down Wall Street" and chief investment officer of Wealthfront.

Justice May Bust the College Trust

By Naomi Schaefer Riley

Are colleges colluding? The U.S. Justice Department wrote the National Association for College Admission Counseling Jan. 10 seeking information on its "ethics code." The department's aim is to determine whether colleges, through NACAC, may be violating antitrust law by seeking "to restrain trade among colleges and universities in the recruitment of students."

It's long been an open secret that American colleges engage in cartel-like behavior. Schools that are supposed to be wholly independent agree on when students can submit applications, when admissions officers must inform them of a decision (including a financial-aid offer), when students must accept or decline the offer, and when to let students off the waiting list. In response to an earlier Justice Department investigation, Ivy League schools in 1991 agreed to stop sharing information about offers of financial aid.

The federal government is looking into an 'ethics code' designed to shield schools from competition.

Colleges argue that this cooperation benefits applicants. Its purpose is "to provide access to college in a way that is transparent, is clear and easy to understand, in a way that parents and school counselors can understand how the process works," Todd Rinehart, a University of Denver administrator who led the committee that rewrote the code last year, told InsideHigherEd.

Perhaps, but the code also serves to ensure that colleges cannot get an "unfair" advantage over one another. What if one school decided to allow applications before the NACAC-decreed Oct. 15 start date? What if it was so impressed by an application it sent an admission offer the following day? The student would save months of work filling out applications and hundreds of dollars on application fees. But the other colleges would be out of luck.

What about the way colleges agree on what it means to apply "early decision"? Students promise they'll enroll in a school no matter what other offers come in and risk being blacklisted if they back out. Katharine Fretwell, dean of admission and financial aid at Amherst College, told U.S. News in 2016 her school and about 30 other colleges share lists of students admitted through early decision—and of those who subsequently decided not to attend.

Cracks are forming in this cozy alliance. The ethics code sets a May 1 deadline for applicants to accept admissions, but last year several colleges reportedly contacted applicants they hadn't heard from after that date with hints that if they reconsidered, the college would lower its price. NACAC determined this outreach was technically acceptable because no specific financial offers were made and the missives weren't directed toward students who had committed to another school. But it's easy to see why colleges would want to be able to cross those lines, too, if they had not agreed to an "ethics code."

It would benefit would-be students if colleges bucked some of NACAC's monopolistic strictures. High-school seniors would gain negotiating strength if colleges could make offers at any point in the year and follow-up with competitive offers until the last minute.

Despite the billions of dollars that pour into their coffers every year, colleges continue to pretend that they are not businesses. They claim to have the students' best interests—not their bottom lines—in mind when they make decisions. But with the depletion of applicants following the millennial bulge, the next few years could be a buyer's market for college applicants.

If you want to know what really motivates the "code of ethics," listen to Robert Massa, senior vice president for enrollment and institutional planning at Drew University. "The world of college admissions is very competitive," he told InsideHigherEd. "Colleges spend money on programs and facilities, not to mention marketing and scholarships, in order to influence student enrollment decisions. Without mutually agreed upon guidelines, one could imagine moving toward a free-for-all."

Isn't that an explicit acknowledgment that NACAC's setup is deliberately anticompetitive?

Ms. Riley is a senior fellow at the Independent Women's Forum and a visiting fellow at the American Enterprise Institute.

Hit Ayatollah Khamenei in His Pocketbook

By Mark Dubowitz
And Saeed Ghasseminejad

The Trump administration already has offered rhetorical support to Iran's antigovernment protesters. Now, nearly a month after the demonstrations began, how can the U.S. provide material help? Follow the money.

Supreme Leader Ayatollah Ali Khamenei's supporters brag about his modest lifestyle. They fail to mention that he runs a multibillion-dollar corporate conglomerate to fund his political patronage networks. His three most valuable possessions are the Execution of Imam Khomeini's Order, or EIKO; the Mostazafan Foundation; and the Astan Quds Razavi. These businesses have an interest in nearly every Iranian industry and are worth approximately $200 billion, according to our estimates.

The entities acquired a considerable share of their assets from the systematic confiscation of private property that followed the Islamic Revolution of 1979. They don't pay taxes, and only the supreme leader's office can audit them. They use their political connections to outmaneuver their rivals and to win lucrative government contracts. It is no wonder so many Iranians, deprived of basic necessities, resent their leaders.

A 2013 investigation by Reuters estimated that EIKO was worth around $95 billion, with more than half of its assets in real estate. Established in the late 1980s, its three main holdings are the Tadbir Group, Rey Group and Barkat Foundation. Dozens of subsidiaries and front companies make it hard to ascertain the full extent of the network.

Ayatollah Ruhollah Khomeini, Mr. Khamenei's predecessor, created the Mostazafan Foundation after the Islamic Revolution. Designed to seize and manage assets owned by the deposed royal family and its associates, the foundation now controls hundreds of companies. A few months ago it published annual financial statements that declared its assets to be around $16 billion—likely a deliberate understatement.

Supporters brag about his modest lifestyle, but Iran's ruler runs a billion-dollar corporate conglomerate.

The third entity is Astan Quds Razavi, whose business arm is the Razavi Economic Organization. Astan has tight control over the economy of three southern provinces of Iran, where it owns companies in the lucrative energy and agriculture industries. Its real-estate portfolio is valued at $20 billion, according to BBC Persian, and it owns nearly half of the land in Mashhad, where the recent protests began.

The U.S. Treasury in 2013 enacted sanctions against EIKO and 37 subsidiaries. A Treasury press release said the entity's goal is "to generate and control massive, off-the-books investments, shielded from the view of the Iranian people and international regulators." The Obama administration lifted the sanctions as part of the 2015 nuclear deal. Never mind that their original designation had nothing to do with Iran's nuclear program.

Companies owned or controlled by the state, including the Khamenei conglomerate and foundations, were the biggest beneficiaries of the nuclear accord. Since the deal was struck in July 2015, nearly 110 business and investment deals have been signed with Iranian companies. According to Reuters, 90 of those entities are owned or controlled by the state.

A January 2017 investigation by Reuters found that companies controlled by EIKO signed at least five contracts with foreign firms. Those include a $10 billion agreement to build oil refineries with South Korea's Daewoo Engineering and Construction Co. and Hyundai Engineering and Construction. The Spanish and Danish pharmaceutical companies Chemo Group and Novo Nordisk have also signed deals to work with EIKO.

The Mostazafan Foundation and Astan Quds Razavi have contracts with foreign companies too. Bon Rail, owned by the Mostazafan Foundation, signed a memorandum of understanding with the German firm Deutsche Bahn, to improve its railroad services. The foundation is also involved in a $1.5 billion deal with Daewoo.

While these entities are far from transparent, the U.S. knows enough to target them with sanctions. The Foundation for Defense of Democracies has identified 146 Khamenei-owned companies and 144 executives and board members associated with these companies. The Trump administration can use the Global Magnitsky Human Rights Accountability Act of 2016 to isolate the Khamenei business empire, freeze its assets, and penalize international companies that enrich the Iranian regime.

With President Trump and the Iranian protesters on the same side against the supreme leader and his criminal regime, now is the time to strike.

Mr. Dubowitz is chief executive of the Foundation for Defense of Democracies, where Mr. Ghasseminejad is a research fellow.

Give Your Workers a Tax-Cut Bonus

By Andy Puzder

It's not a Valentine's Day bonus. It's a lasting pay raise thanks to the Republican tax cut. That's the message employers should give their employees who—according to tax withholding guidelines the IRS released last week—will receive bigger paychecks by Feb. 15.

Paychecks for the average employee earning $50,000 a year will increase by $100 a month. Those with children will get even bigger increases. For many Americans, this increased take-home pay may cover gasoline or cellphones for a year. For others, it will help with utility bills in a cold winter. The cuts will bring real relief to the four-fifths of working Americans who live paycheck-to-paycheck.

More than 120 major employers have announced significant tax-cut-induced wage increases and employee bonuses. Small businesses rarely make such announcements, but rest assured many are following suit as they compete for employees.

If you're an employer who increased wages or bonuses due to the Republican tax cuts, it's time to tell your employees why. Also, let them know their take-home pay is even larger because the federal government is taking less of their earnings. These employees are benefiting from the business and individual tax cuts. Democrats—and the media—told them they would benefit from neither.

For employers who haven't granted wage increases or bonuses, you should seriously consider doing so. Otherwise, your employees will wonder where your increased profits are going. The left has put every ounce of its formidable media presence into convincing them that you are getting a windfall. The liberal media has so successfully mischaracterized these tax cuts that one recent poll found three-quarters of Americans thought their taxes would increase or stay the same. Some of them probably work for you. At the very least, let your employees know their paychecks—not just yours—are bigger because of the tax cuts.

Employers are well-positioned to discuss economic policy with employees, because you can use the business as a reference point. Employers have a special credibility and can often get through to younger generations, who distrust authority. Neither you nor your employees have an interest in letting that credibility go to waste.

Educating employees about the tax cuts isn't entirely altruistic. Not a single Democrat voted for these cuts. By explaining to employees who is wholly responsible for their pay increase and who opposed it, employers can help elect pro-business Republicans in November. There would be no further business-friendly legislation—none—with a Speaker Nancy Pelosi under the influence of the Sanders-Warren Democrats.

Employers must do their part. Otherwise employees may take their pay increase and bonus and not give Republicans the credit they deserve. In that case, tax cuts and economic growth could indeed be just short-term bonuses.

Mr. Puzder is a member of the Job Creators Network board and a former CEO of CKE Restaurants.

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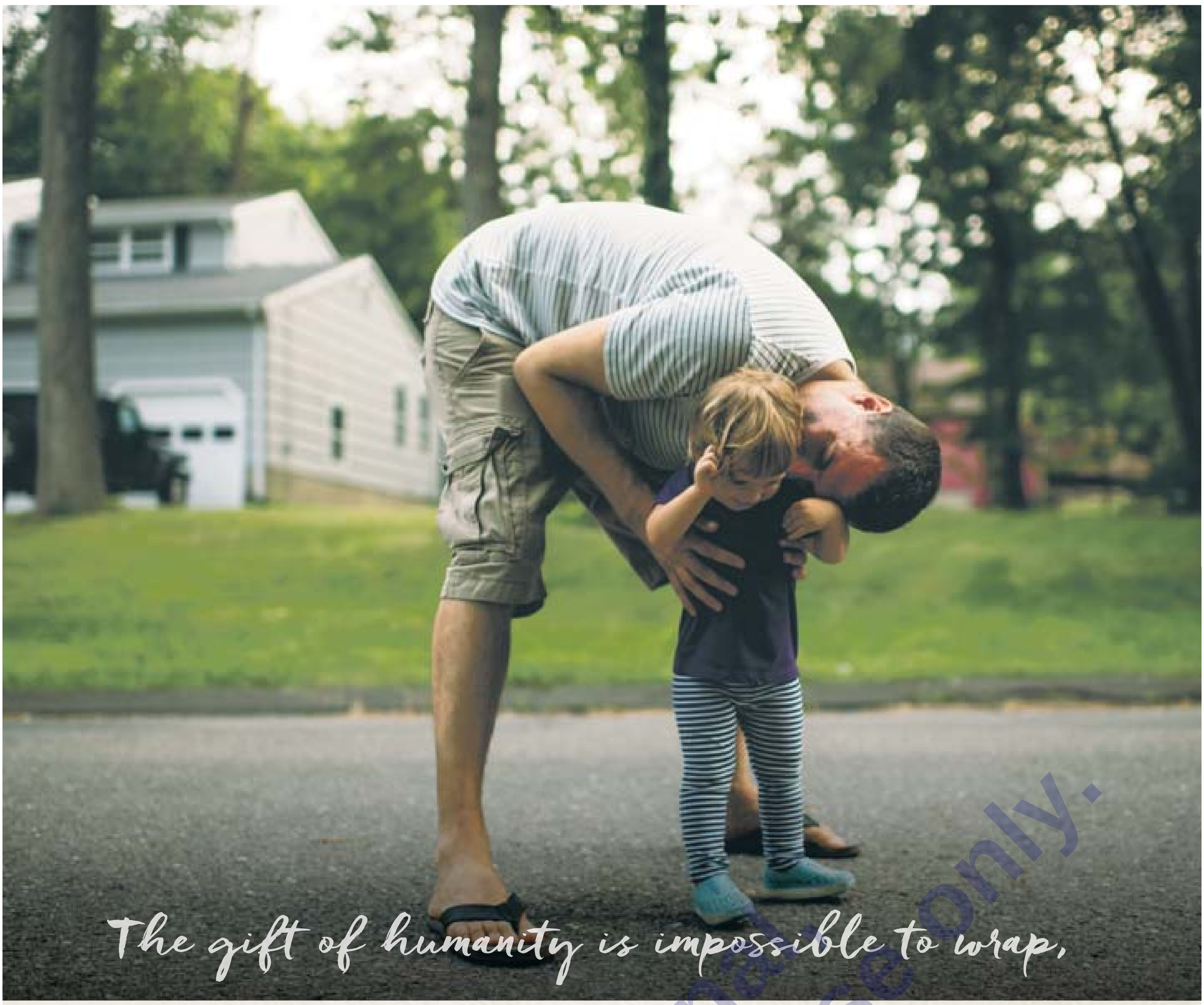

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but oh, what we hope to do with it.

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Former KPMG Executives Charged

Alleged leaks of information from regulator result in five indictments

By Rebecca Davis O'Brien, Dave Michaels and Michael Rapoport

At **KPMG** LLP, prosecutors say, the revolving door spun out of control.

Starting in 2015, the giant accounting firm wanted badly to improve its standing in the eyes of its government regulator. But when KPMG recruited employees from the regulator, a scandal emerged over leaks of confidential information that resulted Monday in the indictments of five people on fraud and conspiracy charges.

Authorities likened it to "stealing the exam": Employees of the Public Company Accounting Oversight Board, the government's audit-industry regulator, gave KPMG executives advance peeks at the secret lists of KPMG audits the PCAOB planned to review during annual inspections of the firm, prosecutors alleged in an indictment unsealed Monday.

That information would have enabled KPMG to better prepare for the inspections, an important report card of the firm's performance. As the scheme unraveled, accountants deleted messages, and considered hiding their communications using prepaid "burner" phones and codes over Instagram, prosecutors said.

David Middendorf, a former KPMG national managing partner, and Thomas Whittle and David Britt, both former audit partners at KPMG, were charged with conspiracy and wire fraud, according to Monday's indictment. So were Cynthia Holder, who inspected KPMG for the PCAOB before joining the firm in 2015, and Jeffrey Wada, a former PCAOB inspector.

A sixth person charged in the scheme, Brian Sweet—who also inspected KPMG for PCAOB before joining the firm—pleaded guilty earlier this month to conspiracy, according to a document unsealed Monday.

According to court filings, Mr. Sweet took confidential PCAOB documents with him when he went to work for KPMG in 2015, and continued to acquire—with the help of at least two other board employees—and share PCAOB information with KPMG executives through early 2017.

"In stepping up and cooperating with federal officials, Mr. Sweet has taken the first step toward redressing his mis-

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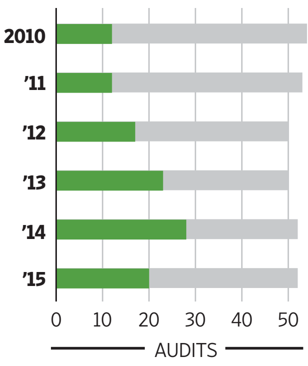
Faring Poorly

Deficient audits out of all KPMG audits and partial audits inspected by PCAOB

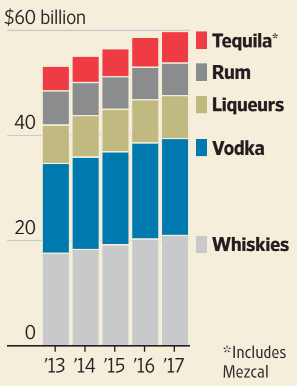


Source: PCAOB
THE WALL STREET JOURNAL.

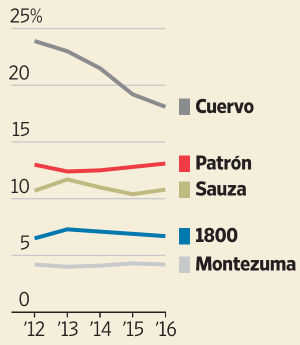
Top Shelf

Demand for tequila has been driven by premium brands.

U.S. top-selling spirits



Top brands' U.S. market share



Sources: Euromonitor (all spirits sales); IWSR (market share)
THE WALL STREET JOURNAL.

Patrón's plantation in Jalisco, Mexico.

HECTOR GUERRERO/BLOOMBERG NEWS

Bacardi Buys Tequila Maker for $5.1 Billion

By Cara Lombardo

Bacardi Ltd. is buying the maker of Patrón tequila in a deal that values the premium brand at $5.1 billion, one of the biggest liquor buys in years as rivals scramble to own more top-shelf spirits.

Bacardi, best known for its namesake rum, has held a 30% stake in **Patrón Spirits International** AG for nearly a decade, according to people familiar with the matter. Bacardi is now buying full control with plans to distribute the Mexican-made liquor more widely and cash in on demand for high-end tequila, the company said.

The two privately held companies on Monday announced the transaction, which was earlier reported by The Wall Street Journal.

Over the past decade, global liquor makers have tried to adjust their portfolios to keep up with changing consumer tastes, especially as overall volumes fall and drinkers shift away from beer, vodka and rum. As part of that effort, producers have tried to transform tequila from an inexpensive party drink to a more refined spirit comparable with a single-malt Scotch.

Patrón, which was an early entrant in the premium tequila market, is now the industry's leader, with U.S. sales of $1.6 billion in 2016, according to Euromonitor, a market research firm. However, it faces increasing competition from several brands, including ones backed by celebrities such as George Clooney and Justin Timberlake.

"Adult consumers are very interested in high-end super-premium tequilas for sipping as much as cocktails," said Frank Coleman, senior vice president at the industry group Distilled Spirits Council. At Patrón, "they're now starting to finish tequila in whiskey casks like the scotch guys."

U.S. volumes of superpremium tequila jumped more than 700% from 2002 to 2016, compared with a 121% rise in all tequila volumes over the period, according to the Distilled Spirits Council.

While Patrón has bottles that retail for as little as $45, others sell for hundreds of dollars and some limited-edition versions cost thousands of dollars. It was founded in 1989 by billionaire John Paul DeJoria, the same entrepreneur behind Paul Mitchell hair products, and Martin Crowley, an architect who has since died.

After the deal, Patrón's existing leadership is expected to continue to oversee the business, including CEO Edward Brown. Mr. DeJoria is expected to continue to be an ambassador for the brand as a chairman emeritus.

Bacardi's competitors recently bought their own premium tequila brands. In June, **Diageo** PLC acquired Casamigos tequila, which was co-founded by Mr. Clooney, for up to $1 billion. **Pernod Ricard USA** this month purchased the remaining 16% of Avión tequila that it didn't yet own for an undisclosed price. In 2015, Diageo swapped its Bushmills Irish whiskey brand for Don Julio, previously owned by José Cuervo.

Please see DEAL page B2

BofA Curbs Its Free Checking

By Rachel Louise Ensign

Bank of America Corp. has eliminated a free checking account popular with some lower-income customers, requiring them to keep more money at the bank to avoid a monthly fee.

This month, all remaining eBanking customers with the Charlotte, N.C., lender were switched into accounts that charge a $12 monthly fee unless the customer has a direct deposit of $250 or more or a minimum daily balance of $1,500. Other eBanking customers were switched over as early as 2015.

Banks have long grappled with how to charge customers for basic checking services. The accounts are costly for banks to maintain, though they do bring in revenue through overdraft and other fees.

Some customers are unhappy about Bank of America's latest move. A petition protesting the change has garnered more than 45,000 signatures on Change.org.

Kou Lo, a 28-year-old artist in the Atlanta area, closed her Bank of America checking account last week after she learned that she would be switched out of the eBanking account she had used for years. "I was just like, 'I'm done,'" she said.

Ms. Lo didn't expect to meet the new balance or direct-deposit minimums needed to avoid a fee because she is paid on commission through **PayPal Holdings** Inc., earning about $30,000 a year. She switched her checking account to one without a monthly fee; it is offered by Simple, a mo-

Please see BOFA page B2

Murdoch to Facebook: Pay for News Content

By Lukas I. Alpert

News Corp Executive Chairman Rupert Murdoch said if **Facebook** Inc. is serious about promoting "trusted content" and filtering fake news out of its news feed, it should pay publishers fees similar to those cable distributors pay to TV channels.

Mr. Murdoch's comments on Monday follow Facebook's announcement last week that it plans to rank news sources based on credibility as part of its efforts to rein in false information on its platform.

"Publishers are obviously enhancing the value and integrity of Facebook through their news and content but are not being adequately rewarded for those services," Mr. Murdoch said in a statement.

News Corp is the parent company of Dow Jones, which publishes The Wall Street Journal.

A spokesman for Facebook didn't immediately respond to a request for comment.

Mr. Murdoch and other publishing executives have spoken about Facebook's dominant position in publishing and advertising, and argued that the social-media company has a responsibility to support genuine news sources.

Mr. Murdoch is pushing Facebook to adopt the system of so-called carriage fees that cable- and satellite-television providers pay to carry cable-TV channels and offer them to customers. The distributors pay a specified amount per month for each subscriber. It is a crucial source of revenue and growth for TV-channel owners.

Mr. Murdoch's proposal indicates how the changes to Facebook's news feed are raising the stakes for media companies. Facebook's new policies, including the trustworthiness ranking and an earlier shift aimed at promoting content that triggers more user interactions, have created anxiety and uncertainty for publishers. Some are worried their content might wind up having less reach on Facebook.

Facebook said it would begin testing the credibility-

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INSIDE

AIRLINES RETURN TO MIDSIZE CITIES

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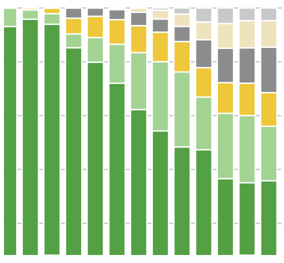

ETFS TURN 25 AND ARE STILL GROWING

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HEARD ON THE STREET | By Stephen Wilmot

Richemont Bets on Online Bling

Would you purchase a $100,000 watch online? Cartier's owner, Cie. **Financière Richemont**, wants to buy out its fellow shareholders in e-commerce specialist **Yoox-Net-a-Porter** SA because for more and more people, the answer is yes. (Please see related article on B3.)

Richemont, a Swiss holding company for luxury brands including Cartier and Jaeger-LeCoultre, owns roughly half of the shares in Yoox.

This is as a result of the listed Italian company's controversial 2015 merger with its competitor Net-a-Porter, which was owned by Richemont.

Now, Richemont wants to spend $3.3 billion on the other half.

The Swiss group had about $5.5 billion net of debt on its books at the end of September, so the deal should boost profits.

Upping exposure to online luxury fits with Richemont's recent strategic drift. Controlling shareholder and Chairman Johann Rupert appointed a number of tech executives to the board in 2017, and the company's first chief technology officer joined the management team this month.

However, there is a more subtle reason for the offer: Yoox has been a problematic investment since the merger. Even as luxury sales have boomed and online in particular, Yoox shares have seesawed.

There have been teething issues with a new software platform. Meanwhile, competition from new players and business models has mounted.

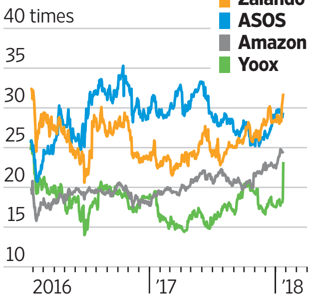
A capital-light rival called **Farfetch** in February 2017 hired the founder of Net-a-Porter, who parted ways with Richemont acrimoniously; then the company got a roughly $400 million cash injection from Chinese e-commerce player **JD.com** in July.

Another rival, **Matchesfashion.com**, was acquired by private-equity firm **Apax Partners** in September. One potential rival that hasn't taken share in luxury is online behemoth **Amazon**.

Yoox needs firepower to respond. Mr. Rupert and Yoox founder and Chief Executive Federico Marchetti, who has agreed to sell his 3.9% stake, seem to think this is best done without the lukewarm support of other shareholders.

Luxury Laggard

Enterprise-value-to-Ebitda* multiples for e-commerce companies



*Earnings before interest, taxes, depreciation and amortization

Source: FactSet

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These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

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AUDIT

Continued from the prior page

takes," said Richard Morvillo, a lawyer for Mr. Sweet.

An attorney for Mr. Middendorf said his client would defend himself against the charges. A lawyer for Mr. Britt said the former KPMG partner was innocent of any criminal charges.

Lawyers for the other defendants couldn't be reached for comment.

Ms. Holder and Messrs. Sweet, Middendorf, Whittle and Britt were all "separated from" KPMG around March or April of 2017, according to the indictment. In addition, Scott Marcello, who headed KPMG's audit practice and isn't among the defendants, was also fired, the Journal reported last year. Mr. Marcello didn't respond to requests for comment Monday.

A spokesman says the firm promptly notified authorities when it learned of the leaks.

Manuel Goncalves, a KPMG spokesman, said in a statement that the firm promptly notified the authorities when it learned of the leaking and has been fully cooperating with the investigation.

According to the indictment, Mr. Sweet arrived at KPMG in May 2015 armed with inside information from the PCAOB, and KPMG executives wasted no time asking him for it. At a welcome lunch in Mr. Sweet's first week, Mr. Middendorf asked Mr. Sweet about upcoming KPMG inspections.

Later that week, Mr. Middendorf told Mr. Sweet to remember where his paycheck came from, and urged him to be loyal to KPMG, according to the indictment. At around that time, Mr. Whittle allegedly asked Mr. Sweet for a copy of the PCAOB list of inspections.

KPMG executives urged Mr. Sweet to help recruit others from the PCAOB, including Ms. Holder, who according to the indictment lied to the board's ethics office about pursuing employment at the firm, allowing her to continue working on KPMG-related matters. At Mr. Sweet's request, Ms. Holder provided him with an internal PCAOB report, among other confidential materials, according to the indictment. She began working at KPMG in August 2015, according to SEC records.

Prosecutors say Ms. Holder soon drew Mr. Wada into the alleged scheme. In November 2015, Mr. Wada gave Ms. Holder the date of a PCAOB inspection of a KPMG matter in Japan, according to the indictment. He also alerted her to a fraud risk in another matter, which allowed KPMG to prepare an answer for why the firm hadn't seen it.

Mr. Wada, too, hoped to leave the PCAOB, prosecutors say. In January 2017, according to the indictment, he emailed Ms. Holder to lament that he hadn't gotten a promotion. "God this place sucks," Mr. Wada wrote. "Please let me know what else you need from me."

He attached a copy of his résumé.

William Duhnke, the PCAOB's chairman, said in a statement that the board will conduct an review of its information technology and security controls as well as its ethics protocols.

Messrs. Whittle and Britt appeared in magistrate court in Manhattan Monday and were released on bond. The others made initial appearances in other states, according to a spokesman for the Manhattan U.S. attorney's office.

The Securities and Exchange Commission also announced civil charges Monday against the defendants. Mr. Sweet has already agreed to settle the SEC's claims and was permanently barred from auditing the financial statements of public companies, according to an SEC order.

The SEC was so concerned with problems identified by the PCAOB within KPMG's audits that the securities regulator met with KPMG's chief executive officer, its vice chair of audit, and Mr. Middendorf in February 2016, according to the indictment. The SEC told the executives they should be "in more regular contact" with the SEC about the firm's audit issues, the court filings show.

BUSINESS & FINANCE

AIG Returns to Expansion Mode

By Leslie Scism

Eight months ago, new **American International Group** Inc. Chief Executive Brian Duperreault promised that the age of a shrinking AIG was over. The poster child for the excesses of the 2008 financial crisis would strive again to expand.

On Monday, he made his first big move to make that happen.

AIG said it is acquiring Bermuda-based insurer and reinsurer **Validus Holdings** Ltd. in an all-cash deal for $5.56 billion. At $68 a share, the deal represents a 46% premium to Validus's closing share price Friday and a 16% premium to its 52-week high.

On Monday, Validus's shares soared 44%, to close at $67.29, while AIG's stock fell 0.9% to $61.

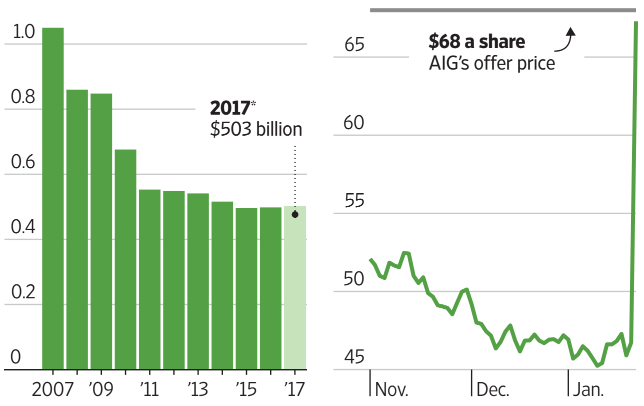
Before landing at the center of the global financial crisis of 2008, AIG was one of the world's biggest financial-services companies, with about $1 trillion in assets. It is about half that size now after divesting itself of many businesses and assets to repay a U.S. government bailout that reached nearly $185 billion.

Taxpayers got their money in full by the end of 2012, but AIG's retrenchment continued as management then sought to improve weak profit margins by shedding poorly performing parts.

State of Play

AIG assets over the past decade

Validus share price



*Data as of third quarter 2017 Sources: the company (assets); WSJ Market Data Group (stock)

THE WALL STREET JOURNAL.

Last September, U.S. officials rescinded AIG's status as a "systemically important financial institution," giving AIG flexibility to do large acquisitions.

Mr. Duperreault, who became the company's CEO last May, made clear from the start that he would look for deals to expand AIG, probably by sharply reducing a stock-buyback program that was helping to boost earnings per share. He turned to an island he knows well. He was born in Bermuda, and two of his previous CEO roles were there.

Mr. Duperreault said in an interview that he has known the management of Validus for years, both as a competitor and as a client of brokerage and consulting firm **Marsh & McLennan** Cos., where Mr. Duperreault was CEO from 2008-2012. He said a key question he asks of potential targets is whether its management is "going to make us better or not," while of Validus's business mix, he said, "I love the fit of this company" with AIG. "That's why I put the call in" to get deal talks rolling.

Bermuda is a well-established hub for property-catastrophe reinsurance. The deal Mr. Duperreault has struck is the latest example of consolidation in this corner of the industry. In recent years, many reinsurers have suffered erosion of profit margins, making mergers and acquisitions a preferred course of action.

Another factor in favor of deal making, said Cathy Seifert of CFRA Research, is a recent change to U.S. tax law that reduces tax advantages by Bermuda-based insurers.

Profit margins have eroded in large part because of an influx of capital from pension plans and other big investors into catastrophe bonds and other reinsurance vehicles that serve as alternatives to conventional reinsurance.

Reinsurance is an arrangement in which insurers take on the risk of policies that primary insurers sell to businesses and individuals. A big product line for Validus is property-catastrophe reinsurance for hurricanes and other disasters. The company also has other operations, including a Lloyd's syndicate, crop insurance and a unit that insures small U.S. companies. They overlap minimally with existing businesses at AIG.

Ed Noonan, Validus's chairman and chief executive officer, said the deal makes sense for Validus because "becoming part of a larger, more diversified organization immediately opens new opportunities for our people and our franchise."

Nestlé Fails to Satisfy Third Point

By David Benoit And Saabira Chaudhuri

Daniel Loeb's **Third Point** LLC ratcheted up the pressure on **Nestlé** SA, saying its business portfolio needs to be further simplified.

Nestlé has already taken a number of steps recommended by Mr. Loeb, an activist investor who built up a stake in the consumer-goods company last year. But Mr. Loeb, in a letter to Third Point investors on Monday, said Nestlé could make more changes, including selling its skin-health business. He also repeated a call for Nestlé to sell its large stake in cosmetics giant **L'Oréal** SA.

Mr. Loeb prodded new Chief Executive Mark Schneider to clarify Nestlé's focus, saying shareholders were confused by recent acquisitions.

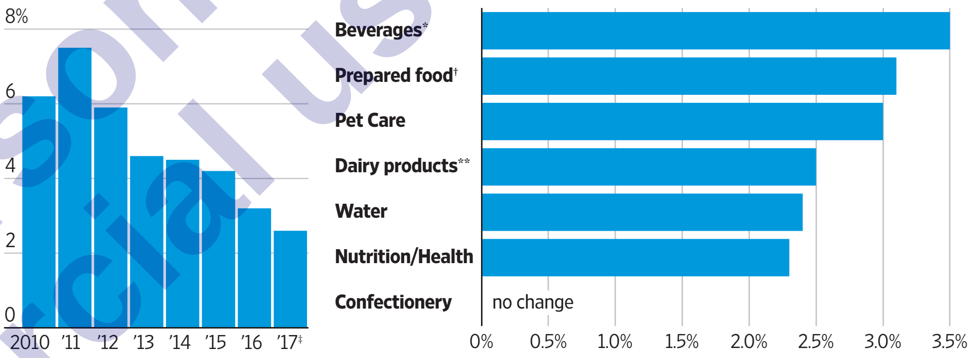
The letter follows several months during which the two sides appeared to agree on some of the big strategic shifts needed. Indeed, Mr. Loeb acknowledged Monday that Nestlé has taken some important steps recently, pointing to new board members the company announced last week and its plans to increase margins and stock buybacks. But the letter is a clear sign that Mr. Loeb isn't completely satisfied, raising the possibility of a more public confrontation.

From Ice Cream to Skin Cream

Nestlé offers a wide variety of products, and some investors have criticized it for being spread too thin.

Organic sales growth
Change from previous year

Organic growth by segment for Jan.-Sept. 2017
Change from previous year



Notes: Organic sales exclude currency changes, acquisitions and divestments
*Includes coffee †Includes cooking aids **Includes ice cream ‡Jan.-Sept. Source: the company

THE WALL STREET JOURNAL.

"These actions are important steps in the right direction that make it clear that Nestlé is responding to calls for action," Mr. Loeb wrote. "We hope now that Dr. Schneider has completed his first year and there is new blood on the Board, the company is able to move with greater alacrity."

Nestlé, whose diverse businesses include frozen pizza, ice cream, skin creams and bottled water, has attracted criticism from other investors for being spread too thin at a time of rapidly changing consumer tastes and heightened competition.

The company in recent years has tried to reformulate some of its most popular offerings to make them healthier. It has also looked for acquisitions more recently to help it shift focus to higher-growth food, drink and health-sciences offerings, such as coffee, meat-free frozen meals and vitamins.

"We keep an open dialogue with all of our shareholders and we remain committed to executing our accelerated value creation strategy," said a spokesman for the Swiss company. "Nestlé's board and management welcome the continued input of all shareholders."

Mr. Loeb wants Nestlé to increase capital return to investors by accelerating or increasing the share buybacks it has already announced, the letter said. Third Point owns about a 1.25% stake in Nestlé.

After Mr. Loeb's previous demands, Nestlé has set a formal profit-margin target, announced a $20.8 billion share-buyback program and said it would use acquisitions and divestitures to drive growth. Nestlé agreed earlier this month to sell its U.S. confectionery arm.

In September, the company said it was accelerating the buyback program it originally announced in June. Last week, the company said it would add to its board the chief executives of Zara owner Inditex SA and Adidas AG, as well as the former financial head of Baker Hughes, an oil-field services company acquired by General Electric Co.

Mr. Loeb on Monday criticized all those moves as not being far-reaching enough.

DEAL

Continued from the prior page

Patrón, which is based in Schaffhausen, Switzerland, produces more than three million cases, or 36 million bottles, each year, while Casamigos was expected to produce about 170,000 cases last year. In addition to its namesake tequila, Patrón owns Pyrat rum and distributes Ultimat vodka.

Bacardi is still controlled by its founding family, though it switched CEOs last year and appointed Mahesh Madhavan to run day-to-day operations.

ALEXANDER KOERNER/GETTY IMAGES

Patrón has bottles that retail for $45, but some limited-edition versions cost thousands of dollars.

BOFA

Continued from the prior page

bile-banking startup owned by **BBVA Compass**.

The eBanking accounts were introduced by Bank of America in 2010, when the bank was starting to encourage customers to do more business on their computers and phones. The accounts had no monthly fee as long as customers didn't use a bank teller for routine transactions and agreed to receive their statements online. At the time the product was introduced, customers were charged an $8.95 monthly fee if they used these services. Bank of America stopped offering the product to new customers in 2013. But those who already had the account were allowed to keep it.

The second-largest U.S. bank by assets, Bank of America under Chief Executive Brian Moynihan has transformed its consumer business, reducing the number of products available and encouraging customers to keep their main checking account with the bank. The lender also has cut its branch network, focusing on major urban areas instead of less-lucrative rural locations. The changes have made the bank's consumer business more efficient and profitable, helping push Bank of America's stock price higher.

"For anyone who chooses us as their primary bank relationship, with a direct deposit of just $250 [per] month or $3,000 [per] year, they'll get full access to all of our financial centers, ATMs, mobile and online banking," a Bank of America spokeswoman said. "That's a great value and our client satisfaction scores are at all-time highs."

The bank has a checking account geared toward lower-income customers, which has a monthly $4.95 fee and doesn't allow customers to write paper checks or overdraw their account. Overdrafts are often allowed on other accounts but come with a large fee.

James Prather, a 32-year-old freelance writer from Tampa, Fla., had an eBanking account until the bank switched him out of it on Friday. Mr. Prather earns less than $20,000 a year and doesn't get paid through direct deposit, so he expects to be charged the monthly fee. He wants to avoid that expense, so he said he is hoping to move his checking account.

Activists Launch Offensive At Xerox

By Cara Lombardo And David Benoit

Billionaires Carl Icahn and Darwin Deason urged **Xerox** Corp. to explore a sale and refresh its top ranks in a letter made public on Monday.

The Wall Street Journal reported late Sunday that Messrs. Icahn and Deason, Xerox's biggest and third-biggest investors, respectively, had formed an alliance and planned to encourage the printer-and-copier company to explore a potential sale and remove its chief executive, Jeff Jacobson.

The two investors, who together control more than 15% of Xerox's shares, already had been pressing the Norwalk, Conn., company separately on slightly different topics. Now they say they are "completely aligned" and will act in concert.

A spokesman for Xerox said in a statement that its board and management "are confident with the strategic direction in which the Company is heading, and we will continue to take action to achieve our common goal of creating value for all Xerox shareholders."

Messrs. Icahn and Deason want Xerox to explore strategic alternatives, which could include a sale or other transaction to break its joint venture with **Fujifilm Holdings** Corp. The Journal reported this month that Fujifilm and Xerox are discussing a range of potential deals that could include a change of control of Xerox, though not a full sale.

The two investors also said Mr. Jacobson and any other "old guard" directors unwilling to make tough decisions to save Xerox must be replaced.

Xerox shares rose 2.6% to $32.64 on Monday.

Luxury Giant Buys Online Seller

Richemont to pay up to $3.29 billion for full control of Yoox.com's operator

By Matthew Dalton

One of the luxury industry's biggest players, Cie. **Financière Richemont** SA, is taking control of **Yoox Net-a-Porter** SpA, one of the fashion world's most disruptive e-commerce companies.

Richemont said Monday it would spend up to €2.69 billion ($3.29 billion) to buy the shares in Yoox Net-a-Porter it doesn't already own. The deal isn't huge for the Swiss conglomerate, which owns Cartier and many other luxury brands, but it is a measure of how the shift from brick-and-mortar to online retailing is spreading to even the most expensive and exclusive consumer purchases.

Yoox Net-a-Porter, or YNAP, has become a major online marketplace for the luxury industry in recent years. While major fashion labels have been slow to establish their own internet retailing operations, YNAP has filled the vacuum.

The company, based in London and Milan, operates its own websites, such as Yoox.com and Mrporter.com, in addition to designing websites for luxury brands to sell their wares. It also runs an extensive logistics operation designed to deliver goods to the industry's well-heeled customers within days.

The challenge of reaching an affluent clientele in the internet age is particularly acute in the watch sector, one of Richemont's main businesses. The company, whose brands include Vacheron Constantin, Piaget and Baume & Mercier, has suffered as younger consumers increasingly shop online.

"With this step, we intend to strengthen Richemont's presence and focus on the digital channel, which is becoming critically important in meeting luxury consumers' needs," said Richemont Chairman Johann Rupert.

DENIS BALIBOUSE/REUTERS

The display for Richemont-owned brand A. Lange & Söhne at a watch fair in Geneva this month. Luxury retailing has been slow to go online.

Richemont's offer is worth €38 a share, a 26% premium to YNAP's closing price on Friday, and the stock rose 24% on Monday. Richemont already owns 24.97% of YNAP's ordinary shares. It also owns nonvoting shares that give Richemont nearly 50% of the e-commerce firm's overall equity.

Revenue at YNAP has surged since the company was created from the 2015 merger of Italian e-commerce operator Yoox and London-based Net-a-Porter, which was controlled by Richemont. Revenue in 2017 was €2.1 billion, up 15% compared with the previous year at constant exchange rates.

Federico Marchetti, YNAP's chief executive, voiced support for Richemont's offer.

As traditional retailers struggle, the luxury industry is intensifying its efforts to find new retail outlets. Brands are cutting deals with Chinese e-commerce giants **Alibaba Group Holding** Ltd. and **JD.com** Inc. to distribute their wares. Luxury conglomerate **LVMH Möet Hennessy Louis Vuitton** SE has started its own e-commerce site.

The challenge of reaching younger consumers is acute in the watch sector.

A few companies, such as **Swatch Group**, have held talks with internet behemoth **Amazon.com** Inc. But concerns about counterfeits and compromising brand exclusivity have stopped the luxury industry from cooperating extensively with Amazon, which made its mark with mass-market goods.

Richemont's move is likely to raise questions among other luxury brands that have come to rely on YNAP for their e-commerce operations. The company's customers include Armani, Valentino and most of the brands owned by luxury conglomerate **Kering** SA, including Saint Laurent, Bottega Veneta and Balenciaga.

Richemont said YNAP will continue to operate as a separate business to ensure fair treatment for brands not owned by the Swiss company.

"Given the lack of interesting acquisition targets up for sale in their core business of hard luxury, Richemont has decided to put at work its big cash pile investing into distribution channels," said Mario Ortelli, an analyst at Bernstein in London.

FORT WAYNE INTERNATIONAL AIRPORT

Fort Wayne International Airport, where American Airlines has resumed flights it dropped in August.

Airlines See Midsize Cities As Attractive Markets Again

By Doug Cameron

Airlines are returning to midsize U.S. cities.

American Airlines Group Inc. plans to launch 49 new nonstop domestic flights in 2018, the carrier said last week, mirroring moves over the past year by **United Continental Holdings** Inc., as carriers resume service to such places as Fort Wayne, Ind.

The shifts reflect changes in airline economics, including lower fuel prices, a desire by carriers to attract more passengers to their fortress hubs such as Chicago's O'Hare International Airport and Dallas/Fort Worth International Airport, and competition on major routes from low-cost carriers that have driven down fares and taken market share.

For example, American is flying again between its Philadelphia hub and Fort Wayne, a route it dropped in August. The twice-daily flight adds a spoke to Philadelphia, bringing traffic American can feed into its expanding international network. "There are markets that we're coming back to," said Vasu Raja, American's vice president for network and schedule planning.

Scott Hinderman, executive director of the Fort Wayne-Allen County Airport Authority, said the route to Philadelphia was still profitable when American discontinued it. The authority and the local business community spent the fall and winter lobbying American to come back to an airport where traffic increased for the eighth straight year in 2017.

Small and midsize cities bore the brunt of domestic route cuts when jet-fuel prices spiked above $140 a barrel in 2011. Now, with jet fuel hovering around $83 a barrel, airline executives and analysts say adding flights from significant but smaller destinations has become more attractive than expanding routes between major cities.

"Network carriers are focusing their growth on secondary cities because they are less likely to be attacked there by low-cost carriers," said Hunter Keay at Wolfe Research LLC.

Other factors can also come into play. Mr. Raja said American has been able to take another look at its network now that milestones from its creation from a merger in 2013 have been completed. American also has a more flexible pilot contract than rivals, helping it outsource a larger number of flights to commuter airlines operating 50-seat jets, Mr. Keay said.

United has already beefed up service from hubs, returning to midsize cities such as Akron, Ohio, and adding new destinations like Appleton, Wis., over the past year under its president, Scott Kirby, a former American executive.

Analysts said the move addresses a weakness in United's domestic network that the airline acknowledged. While it is the largest carrier by capacity at O'Hare, with American ranked second, United's lead there is smaller than some rivals enjoy at their main hubs. Adding more spokes helps the hub to attract and maintain more business fliers, the most profitable segment for airlines.

Even with recent expansion, some of the smallest cities are still struggling to regain air service withdrawn in recent years. The Regional Airline Association, a trade group representing commuter carriers that fly on behalf of big airlines, said 20 smaller airports have lost network-carrier service over the past four years.

"The little places. It's not happening," said Michael Boyd, president of Boyd Group International Inc., a consultant who advises airports seeking to lure in airlines. He cited efforts by Chico, Calif., to reclaim network carrier service.

Just 60 travelers a day flew from Chico's airport when United ceased flights in 2014, and its advisers said double that are needed to attract an airline, according to JetChico, a local nonprofit that is trying to restore network airline service to the college town.

"We have enough passengers now to fill two flights a day," said Sherry Miller, the airport manager.

Netflix Flexes Muscles in Streaming

Video-streaming giant had strong subscriber growth in past quarter amid stiff competition

By Austen Hufford

ERICA PARISE/NETFLIX/ASSOCIATED PRESS

Alison Brie in the series 'Glow.' Netflix is betting that the steady release of new original content will keep its subscribers hooked.

Netflix Inc. again posted strong subscriber growth even as it faces increased competition for viewers and programming.

The video-streaming giant ended its fourth quarter with 110.6 million paid streaming subscribers globally. It added 8.3 million streaming users in total, compared with the 6.3 million net additions it had projected.

Shares in Netflix rose 9% after hours Monday, after setting a record closing price during regular trading.

The company said during the quarter that it would raise prices for its U.S. streaming-video customers.

While price increases risk driving away customers, Netflix has wagered that its steady release of new original content will keep subscribers hooked. Plus, the company needs to pull in more revenue to help pay for its rising investments in TV and movie programming, particularly if it hopes to boost its slim profit margins.

The company added nearly 6.4 million foreign subscribers in the quarter, compared with its forecast of 5.1 million. It added just under 2 million U.S. subscribers, compared with its outlook for 1.3 million.

The Los Gatos, Calif., company has been spending heavily on original programs such as "Stranger Things" and "The Crown" to attract new subscribers to its platform.

Netflix has said it would spend $7.5 billion on content this year, far outstripping the investments last year from rivals including Hulu, **Amazon.com** Inc. and HBO.

And competition will increase. A massively beefed-up **Walt Disney** Co., which has its own streaming ambitions, could emerge to battle Netflix in years to come. In December, Disney agreed to buy most of 21st Century Fox Inc. for $52.4 billion, a deal that could give Disney a dominant position in movies and sports and bolster its television business. (Fox and The Wall Street Journal's parent company, **News Corp**, share common ownership.)

Netflix ended the period with 110.6 million paid streaming subscribers globally.

Disney plans to turn its biggest franchises into television shows that will be carried on its family-friendly entertainment streaming service set to launch in the second half of next year.

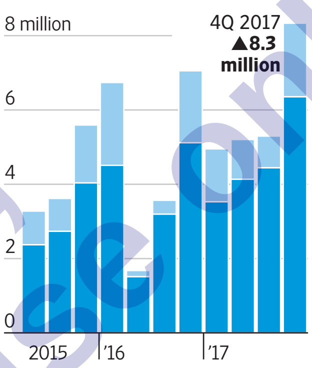
Netflix said Monday that revenue increased 33% to $3.29 billion in its fourth quarter, above analysts' estimates.

The company said it now has $17.7 billion in streaming-content obligations, a measure of current and future costs for content acquisition, licensing and production, an increase from $14.5 billion in the same quarter last year. The company said it took a $39 million noncash charge on content the company decided not to release.

In all for the fourth quarter, Netflix posted a profit of $185.5 million, or 41 cents a share, compared with a profit of $66.7 million, or 15 cents a share, in the year-earlier quarter. Analysts surveyed by Thomson Reuters had expected earnings of 41 cents a share on $3.28 billion in revenue.

Steady Streaming

Net additions to streaming subscribers at Netflix



Source: the company

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NEWS

Continued from page B1

ranking this week by prioritizing news reports that users have rated in Facebook surveys as trustworthy.

The most "broadly trusted" publications would get a boost in the feed, while those that users rate low on trust would be penalized.

"We will closely follow the latest shift in Facebook's strategy, and I have no doubt that [Facebook Chief Executive] Mark Zuckerberg is a sincere person, but there is still a serious lack of transparency that should concern publishers and those wary of political bias at these powerful platforms," Mr. Murdoch said. "Carriage payments would have a minor impact on Facebook's profits but a major impact on the prospects for publishers and journalists."

Mr. Murdoch also is the executive chairman of **21st Century Fox** Inc., which owns numerous television properties that earn substantial revenue from carriage fees.

Facebook has worked with publishers to create a structure allowing users to subscribe to publications through the social-media company's platforms, but Mr. Murdoch said the efforts so far haven't been enough.

"There has been much discussion about subscription models but I have yet to see a proposal that truly recognizes the investment in and the social value of professional journalism," he said.

Publishers have lobbied Facebook intensively to take a more active role in weeding out low-quality and false stories and to prioritize news coming from established and respected media outlets. News Corp has long been critical of the power over distribution held by big digital platforms such as Facebook and **Alphabet** Inc.'s Google.

Diet Coke Offers Four New Flavors in Bid to Counter Slump

By Cara Lombardo

Coca-Cola Co. hopes four new flavors of Diet Coke and skinnier, redesigned cans hitting U.S. shelves this week will lure back soda drinkers and young people who have moved on to LaCroix sparkling waters.

But initial consumer response has been mixed, with much of the enthusiasm coming from existing Diet Coke drinkers and some analysts saying the overhaul is a longshot attempt to boost Diet Coke's slumping sales.

"I am very much a Coke product purist, especially when it comes to Diet Coke," said Ayana Lage, a 24-year-old writer from Fort Lauderdale, Fla., who drinks one or two Diet Cokes a day. "The chances of me branching out are slim to none."

U.S. sales by volume of the calorie-free beverage sagged an estimated 4.3% in 2017, according to industry publication Beverage Digest. Demand has been sapped by consumer concerns about artificial sweeteners used in the drinks and a broad shift to bottled waters. Diet Coke's sales volume in the U.S. has declined every year since 2006, according to Beverage Digest.

Coca-Cola this month unveiled four new flavors of Diet Coke—Zesty Blood Orange, Twisted Mango, Ginger Lime and Feisty Cherry—and slender 12-ounce cans with bright vertical bands of color. Regular Diet Coke got a matching makeover, though the recipe remains the same and it will continue to be available in traditional cans.

The new lineup is entering a space occupied by sparkling water and other flavored no-calorie and low-calorie drinks, including stevia-sweetened Zevia, Virgil's Zero from **Reed's** Inc. and **Dr Pepper Snapple Group** Inc.'s Bai Bubbles.

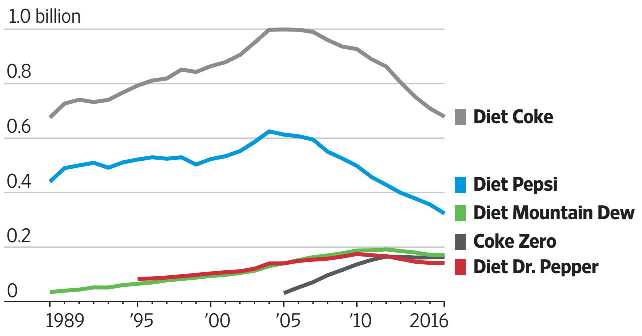
Coca-Cola has two sparkling water lines, Dasani and the pricier Topo Chico. The company sells a sparkling version of smartwater.

A Coca-Cola spokesman said the company's portfolio includes dozens of other drinks without artificial sweeteners. "The truth is Diet Coke is a great-tasting brand and what all people have told us in all of our research is 'Do not change the taste of Diet Coke,'" he said. The company, which in 1985 introduced a reformulated Coke with disastrous results, spoke to more than 10,000 people across the country and tested more than 30 flavor combinations.

Lost Pop

Sales for the biggest diet soda brands continue to drop and smaller players aren't faring much better.

Cases of soft drinks sold in the U.S.



Source: Beverage-Digest

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BUSINESS WATCH

FIRSTENERGY

Private Offering Raises $2.5 Billion

FirstEnergy Corp. raised $2.5 billion in a private stock offering from a group led by activist investor **Elliott Management** Corp. and private-equity firm **Bluescape**, the Ohio-based utility said Monday.

FirstEnergy's unregulated wholesale power subsidiary has struggled to compete amid low prices and has been widely expected to seek bankruptcy protection in coming months. The company had said it was shedding assets and planned to become a fully regulated utility.

That plan was dealt a setback this month when the federal government rejected a request to shift a large coal facility from its unregulated to its regulated business.

—*Bowdeya Tweh and Russell Gold*

ABERCROMBIE & FITCH

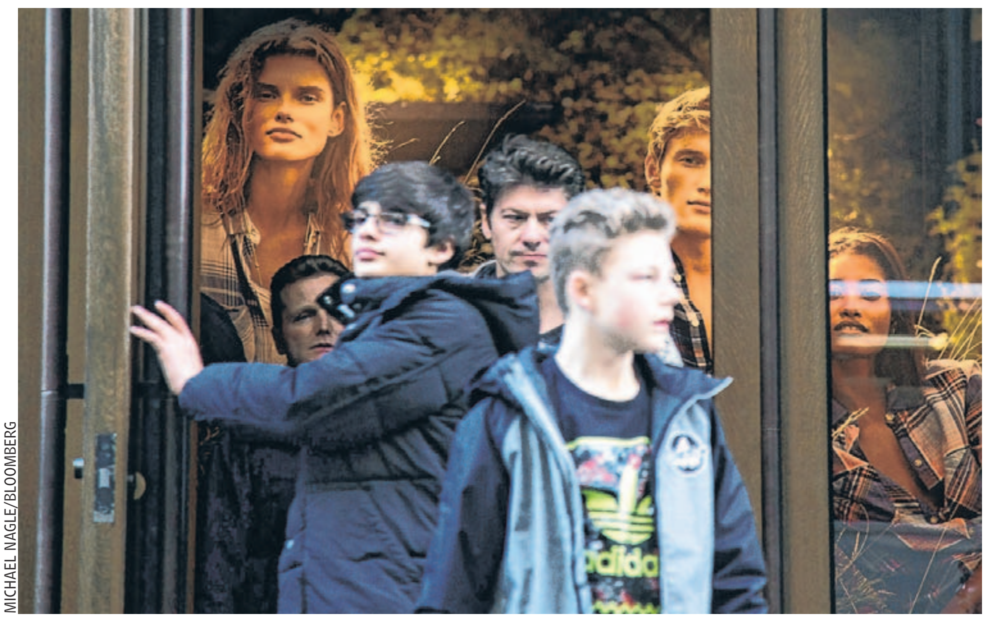
Executive Chairman To Retire at Retailer

Longtime retail executive Arthur Martinez is stepping down as executive chairman of **Abercrombie & Fitch** Co., the company said Monday.

Mr. Martinez will relinquish his post next month. The company said board member Terry Burman will become nonexecutive chairman.

Mr. Martinez, 78 years old, helped fill the void when Mike Jeffries, the modern-day founder of the brand, left the company in 2014 after leading it since 1992. Mr. Jeffries was forced out amid shrinking sales. In February 2017 the company promoted Fran Horowitz to the CEO post.

—*Austen Hufford*



MICHAEL NAGLE/BLOOMBERG

Abercrombie's Fifth Avenue store in New York. Arthur Martinez is stepping down at the retailer.

FIAT CHRYSLER AUTOMOBILES

Ex-Executive Guilty In Payments Case

A former **Fiat Chrysler Automobiles** NV executive pleaded guilty Monday to making illegal payments to United Auto Workers union leaders and to filing a false tax return that failed to include $840,000 in income illegally siphoned from the company.

Alphons Iacobelli, 58 years old, a former head of labor relations at Fiat Chrysler, agreed to plead guilty to violating the Labor Management Relations Act as part of a plea deal. According to the agreement, Mr. Iacobelli faces a maximum sentence of 96 months. At a federal court hearing in Detroit, Mr. Iacobelli said he "knowingly and voluntarily joined an ongoing conspiracy" to authorize more than $1.5 million in illegal payments to UAW leaders.

A spokesman for the UAW said it was "appalled" by the charges and working with Fiat Chrysler to increase transparency at its training center.

A spokesman for Fiat Chrysler had no comment Monday. The company said in July that the alleged actions "were neither known to nor sanctioned" by the company.

—*Chester Dawson*

PROCTER & GAMBLE

CEO Addresses Actions on Tide Pods

Procter & Gamble Co. Chief Executive David Taylor on Monday outlined steps the company is taking to keep teens from eating Tide laundry pods for sport, a behavior he called a "dangerous trend" fueled by social media.

In a blog published by the company, Mr. Taylor said the company has put out public-service announcements and is asking industry and advocacy groups to discourage the game while working with social media companies to stop the spread of videos of the Tide Pod challenge.

—*Sharon Terlep*

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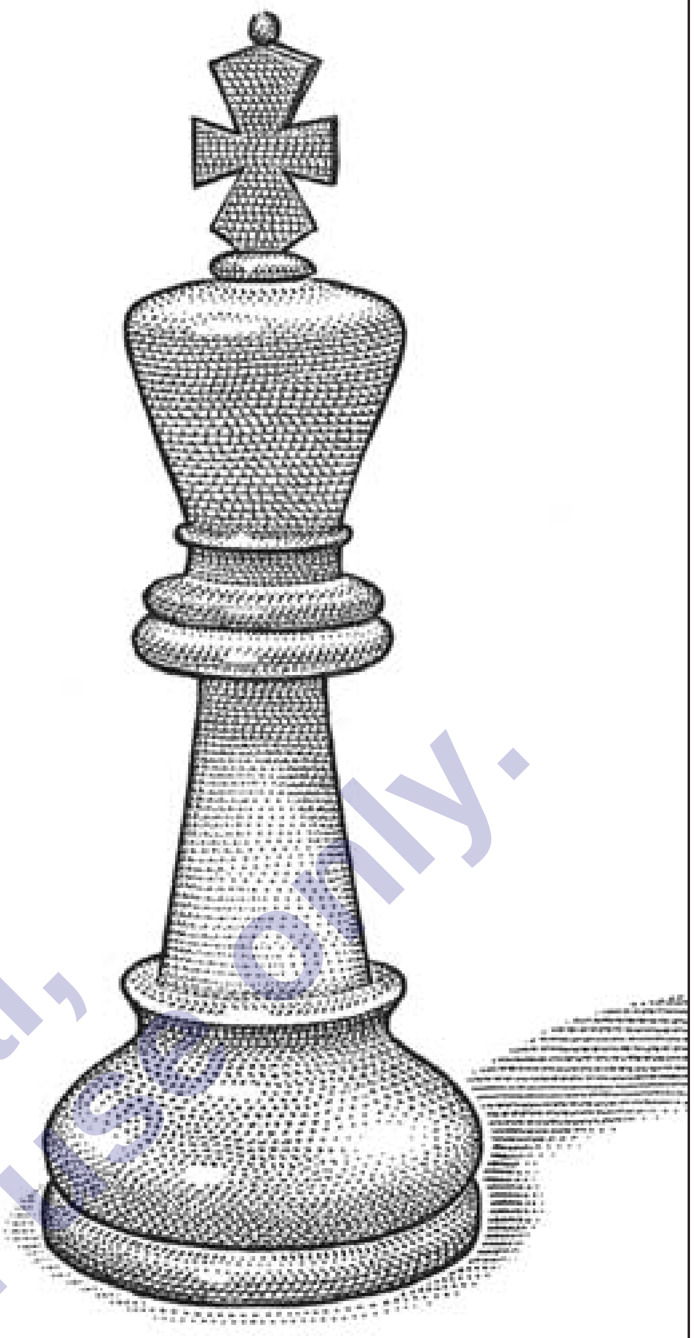

Upcoming Member Events

Annual Meetings

Europe Meeting
April 12, 2018 | London

Asia Meeting
May 15, 2018 | Tokyo

U.S. Meeting
December 3–4, 2018 | Washington, D.C.

WSJ editors, policy makers, business leaders and members gather to discuss the most pressing global business issues.

Editor's Dinner Series

March 6, 2018 | San Francisco, CA

March 21, 2018 | New York, NY

June 27, 2018 | New York, NY

Moderated by senior WSJ editors, these engagements bring together executives from around the world for dinner and discussion focused on issues facing global business.

D.LIVE

April 19–20, 2018 | Hong Kong and Shenzhen

November 12–14, 2018 | Laguna Beach, CA

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BUSINESS NEWS

Philadelphia Refinery Files for Chapter 11

Major East Coast supplier of gasoline blames federal rules on ethanol blending

BY PEG BRICKLEY AND CHRISTOPHER M. MATTHEWS


DAVID PARROTT/REUTERS

Refiners like Philadelphia Energy without retail networks are at a disadvantage under the program.

Philadelphia Energy Solutions LLC affiliates accounting for more than one-quarter of the fuel-refining capacity on the East Coast filed for bankruptcy protection, blaming the steep cost of complying with a federal environmental regulation.

The company, which operates two refineries just miles from center city Philadelphia, said in court papers on Monday that it intends to operate normally while awaiting judicial approval for its reorganization plan possibly by the end of February. Philadelphia Energy said it worked out the details with its top creditors ahead of its chapter 11 filing on Sunday.

The company cited the Clean Air Act's renewable-fuel-standard program as the primary reason for its financial distress, saying it is a victim of "regulatory compliance costs that specifically penalize independent merchant refiners." It also blamed adverse economics in the energy sector.

Independent refiners have long complained about the program, which was introduced during President George W. Bush's administration to boost the amount of ethanol in the country's gasoline supply. The Renewable Fuel Standard requires companies to either blend ethanol with the gasoline they produce or buy credits. Refiners that don't purchase the credits have to pay penalties to the government.

The credits are awarded where ethanol and gasoline are blended, which for the most part means facilities owned by integrated oil companies like **Chevron** Corp. and **Exxon Mobil** Corp. and by large retail gas-station chains. The system disadvantages smaller refiners like Philadelphia Energy with few blending facilities.

If it wants to avoid fines, Philadelphia Energy has to purchase blending credits, exposing the company to an "unpredictable, escalating, and unintended compliance burden" that has cost it $832 million since operations began in September 2012, the company said in court papers. Philadelphia Energy said it paid $13 million to comply in 2012, with the figure rising to $231 million by 2016.

For years, independent refiners have unsuccessfully lobbied the Environmental Protection Agency to move the point of obligation for adding ethanol from refiners to the retail level. Those efforts drew scrutiny when billionaire investor Carl Icahn, who holds a majority stake in independent refiner **CVR Energy** Inc. and was a special adviser to President Donald Trump, became involved.

The Trump administration backed away from changes to the Renewable Fuel Standard favored by independent refiners in October, after senators from corn-producing states—corn is the major source of ethanol in the U.S.—threatened to block its EPA nominees. CVR disclosed in November that federal prosecutors are looking into Mr. Icahn's role as adviser to Mr. Trump.

The problems for East Coast refiners run deeper than regulatory obligations. Those refiners were in economic peril at the start of the decade because of their dependence on expensive foreign crude imported from places like Nigeria and Russia, which forced several to close between 2010 and 2012. They saw a short-term reprieve as frackers pumped more oil. Between 2013 and 2015, East Coast refiners increased their profitability by using cheaper crude from the Bakken basin in the Northern U.S.

Philadelphia Energy Solutions, the parent company, didn't file for bankruptcy protection on Sunday. Private-equity firm **Carlyle Group** and Sunoco Inc., which is now a subsidiary of **Energy Transfer Partners** LP, formed Philadelphia Energy to buy the refining complex from Sunoco in 2012. Carlyle Group declined to comment Monday, but in a release Philadelphia Energy said Carlyle and Sunoco are putting new money into the reorganized company. Energy Transfer Partners referred questions to Philadelphia Energy.

Mutual Funds | WSJ.com/fundresearch

Explanatory Notes

Data provided by LIPPER

Top 250 mutual-funds listings based on total net assets for Nasdaq-published share classes. **NAV** is net asset value. Percentage performance figures are total returns, assuming reinvestment of all distributions and after subtracting annual expenses. Figures don't reflect sales charges ("loads") or redemption fees. **NET CHG** is change in NAV from previous trading day. **YTD%RET** is year-to-date return. **f**-Previous day's quotation. **p**-Distribution costs apply, 12b-1. **r**-Redemption charge may apply. **t**-Footnotes p and r apply. **NA**-Not available due to incomplete price, performance or cost data. **NE**-Not released by Lipper; data under review. **NN**-Fund not tracked. **NS**-Fund didn't exist at start of period.

Monday, January 22, 2018

Fund	NAV	Net Chg	YTD %Ret
American Century Inv			
Ultra	46.91	+0.37	8.0
American Funds Cl A			
AmcpA p	33.63	+0.27	6.8
AMutlA p	42.66	+0.31	4.6
BalA p	28.06	+0.14	3.4
BondA p	12.76	...	-0.9
CapIBA p	64.57	+0.43	2.8
CapWGrA	54.05	+0.49	5.8
EupacA p	59.74	+0.50	6.3
FdInvA p	66.17	+0.49	6.4
GwthA p	53.14	+0.48	7.3
HI TrA p	10.42	...	0.8
ICAA p	42.63	+0.35	5.5
IncoA p	24.13	+0.15	3.3
N PerA p	46.32	+0.47	7.3
NEcoA p	47.67	+0.47	6.8
NwWrldA	70.72	+0.62	5.7
SmCpA p	58.96	+0.63	5.7
TxExA p	12.96	-0.01	-0.5
WshA p	48.19	+0.36	5.6
Baird Funds			
AggBdInst	10.76	-0.01	-1.0
CorBdInst	11.13	...	-0.8
BlackRock Funds A			
GlblAlloc p	20.42	+0.08	3.7
BlackRock Funds Inst			
EqtyDivd	23.95	+0.17	5.2
GlblAlloc	20.54	+0.09	3.7
StratIncOpptyIns	10.05	...	1.1
Bridge Builder Trust			
CoreBond	NA	...	NA
Dimensional Fds			
5GlbFxdInc	10.82	...	-0.5
EmgMktVa	33.67	+0.20	7.8
EmMktCorEq	24.69	+0.18	6.3
IntlCoreEq	15.39	+0.08	5.8
IntlVal	22.00	+0.18	7.4
IntSmCo	22.37	+0.12	5.2
IntSmVa	24.09	+0.12	4.9
US CoreEq1	24.13	+0.16	5.9
US CoreEq2	22.81	+0.14	5.8
US Small	37.61	+0.08	4.6
US SmCpVal	39.75	+0.05	4.8
US TgdVal	26.20	+0.09	5.3
USLgVa	41.50	+0.37	6.1
Dodge & Cox			
Balanced	111.60	+0.69	4.3
Income	13.70	...	-0.4
Intl Stk	49.71	+0.43	7.3
Stock	217.96	+1.98	7.0
DoubleLine Funds			
TotRetBdI	NA	...	NA
Edgewood Growth Instituti			
EdgewoodGrInst	32.09	+0.29	8.6
Federated Instl			
StraValDivIS	6.20	+0.05	0.8
Fidelity			
500IdxInst	99.10	+0.80	6.0
500IdxInstPrem	99.10	+0.80	6.0
500IdxPrem	99.10	+0.80	6.0
ExtMktIdxPrem r	65.06	+0.44	4.9
IntlIdxPrem r	45.74	+0.28	5.9
SAIUSLgCpIndxFd	15.15	+0.12	6.1
TMktIdxF r	80.83	+0.63	5.8
TMktIdxPrem	80.82	+0.63	5.8
USBdIdxInstPrem	11.45	...	-1.1
Fidelity Advisor I			
NwInsghtI	34.40	+0.33	7.4
Fidelity Freedom			
FF2020	17.14	+0.09	3.4
FF2025	14.96	+0.09	3.9
FF2030	18.91	+0.13	4.7
Freedom2020 K	17.12	+0.09	3.4
Freedom2025 K	14.93	+0.09	3.8
Freedom2030 K	18.88	+0.13	4.7
Freedom2035 K	16.05	+0.12	5.5
Freedom2040 K	11.29	+0.09	5.6
Fidelity Invest			
Balanc	24.73	+0.14	4.2
BluCh	94.86	+0.92	8.1
Contra	132.47	+1.32	8.2
ContraK	132.40	+1.32	8.2
CpInc r	10.48	+0.02	2.0
DivIntl	42.40	+0.31	5.9
GroCo	194.11	+2.84	8.7
GrowCoK	194.08	+2.84	8.7
InvGB	7.84	...	-0.9
InvGrBd	11.13	...	-0.9
LowP r	57.67	+0.35	5.8
LowPriStkK r	57.62	+0.35	5.8
MagIn	112.42	+0.95	7.5
OTC	118.44	+1.22	7.8
Puritn	24.46	+0.15	4.4
SrsEmrgMkt	23.05	+0.24	7.7
SrsGroCoRetail	18.09	+0.26	8.8
SrsIntlGrw	17.11	+0.10	5.9
SrsIntlVal	11.42	+0.09	6.8
TotalBond	10.55	...	-0.7
First Eagle Funds			
GlbA	61.67	+0.35	4.4
FPA Funds			
FPACres	36.02	+0.06	3.8
FrankTemp/Frank Adv			
IncomeAdv	2.41	+0.01	2.6
FrankTemp/Franklin A			
CA TF A p	7.42	...	-0.6
IncomeA p	2.43	+0.01	2.5
RisDv A p	64.22	+0.36	5.0
FrankTemp/Franklin C			
Income C t	2.46	+0.01	2.5
FrankTemp/Temp A			
GlBond A p	12.09	-0.04	1.9
Growth A p	28.93	+0.20	6.1
FrankTemp/Temp Adv			
GlBondAdv p	12.05	-0.03	1.9
Harbor Funds			
CapApInst	75.34	+0.78	8.5
IntlInst r	72.49	+0.86	7.4
Harding Loevner			
IntlEq	NA	...	NA
Invesco Funds A			
EqIncA	11.42	+0.08	4.2
John Hancock Class 1			
LSBalncd	15.70	+0.06	3.4
LSGwth	16.83	+0.09	4.7
John Hancock Instl			
DispValMCI	24.45	+0.19	4.9
JPMorgan Funds			
MdCpVal L	41.78	+0.21	3.7
JPMorgan R Class			
CoreBond	11.48	-0.01	-0.9
Lazard Instl			
EmgMktEq	21.27	+0.18	6.2
Loomis Sayles Fds			
LSBondI	13.91	+0.02	1.1
Lord Abbett A			
ShtDurIncmA p	4.24	...	...
Lord Abbett F			
ShtDurIncm	4.23	...	-0.3
Metropolitan West			
TotRetBd	NA	...	NA
TotRetBdI	NA	...	NA
TRBdPlan	NA	...	NA
MFS Funds Class I			
ValueI	42.88	+0.27	5.1
MFS Funds Instl			
IntlEq	26.78	+0.20	5.2
Mutual Series			
GlbDiscA	33.35	+0.20	4.9
Oakmark Funds Invest			
EqtyInc r	33.48	+0.11	4.0
Oakmark	90.28	+0.70	7.1
OakmrkInt	30.69	+0.14	7.4
Old Westbury Fds			
LrgCpStr	15.28	+0.11	5.7
Oppenheimer Y			
DevMktY	46.14	+0.35	7.5
IntGrowY	46.04	+0.13	5.5
Parnassus Fds			
ParnEqFd	44.87	+0.18	5.2
PIMCO Fds Instl			
AllAsset	NA	...	NA
TotRt	10.17	...	-0.9
PIMCO Funds A			
IncomeFd	NA	...	NA
PIMCO Funds D			
IncomeFd	NA	...	NA
PIMCO Funds Instl			
IncomeFd	NA	...	NA
PIMCO Funds P			
IncomeP	NA	...	NA
Price Funds			
BlChip	104.87	+0.99	8.9
CapApp	29.19	+0.11	3.2
EqInc	35.13	+0.25	5.4
EqIndex	76.03	+0.60	6.0
Growth	67.55	+0.56	7.8
HelSci	76.52	+1.62	8.8
InstlCapG	40.15	+0.37	8.8
IntlStk	19.71	+0.13	5.6
IntlValEq	15.96	+0.09	5.6
MCapGro	92.50	+0.45	6.3
MCapVal	31.82	+0.28	4.7
N Horiz	55.87	+0.31	6.3
N Inc	9.40	...	-0.8
OverS SF r	12.00	+0.06	6.1
R2020	23.28	+0.09	3.3
R2025	18.26	+0.09	3.8
R2030	27.03	+0.13	4.3
R2035	19.86	+0.11	4.7
R2040	28.60	+0.16	5.0
Value	39.21	+0.23	5.1
PRIMECAP Odyssey Fds			
AggGrowth r	48.39	+0.65	9.2
Growth r	40.64	+0.49	9.1
Principal Investors			
DivIntlInst	NA	...	NA
Prudential Cl Z & I			
TRBdZ	NA	...	NA
Schwab Funds			
S&P Sel	43.68	+0.35	6.0
TIAA/CREF Funds			
EqIdxInst	20.80	+0.17	5.9
IntlEqIdxInst	21.40	+0.12	6.1
Tweedy Browne Fds			
GblValue	29.57	+0.06	3.8
VANGUARD ADMIRAL			
500Adml	261.73	+2.09	6.0
BalAdml	35.79	+0.16	3.1
CAITAdml	11.73	...	-0.3
CapOpAdml r	166.33	+1.63	8.3
EMAdmr	41.31	+0.43	8.2
EqIncAdml	81.53	+0.64	4.6
ExplrAdml	93.60	+0.60	5.9
ExtndAdml	88.88	+0.60	4.9
GNMAAdml	10.36	-0.01	-0.8
GrwthAdml	77.41	+0.63	7.0
HlthCareAdml r	92.00	+1.00	6.1
HYCorAdml r	5.93	...	0.4
InfProAd	25.38	-0.02	-0.9
IntlGrAdml	103.69	+0.70	8.5
ITBondAdml	11.19	-0.01	-1.3
ITIGradeAdml	9.63	-0.01	-1.1
LTGradeAdml	10.38	-0.02	-2.3
MidCpAdml	201.16	+1.24	5.0
MorgAdml	97.86	+0.81	7.9
MuHYAdml	11.36	-0.01	-0.5
MuIntAdml	14.06	...	-0.3
MuLTAdml	11.58	-0.01	-0.6
MuLtdAdml	10.89	...	0.1
MuShtAdml	15.72	...	0.1
PrmcpAdml r	144.12	+1.47	7.9
REITAdml r	112.65	+1.07	-4.2
SmCapAdml	73.98	+0.52	4.5
STBondAdml	10.33	...	-0.4
STIGradeAdml	10.58	...	-0.3
TotBdAdml	10.63	...	-1.0
TotIntBdIdxAdm	21.66	...	-0.2
TotIntlAdmIdx r	32.37	+0.19	6.1
TotStAdml	70.62	+0.56	5.8
TxMIn r	15.20	+0.07	5.5
ValAdml	43.58	+0.35	5.2
WdsrIIAdml	71.07	+0.51	5.9
WellsIAdml	65.92	+0.19	0.9
WelltnAdml	74.99	+0.38	3.3
WndsrAdml	83.65	+0.58	5.9
VANGUARD FDS			
DivdGro	27.95	+0.13	5.3
HlthCare r	218.14	+2.37	6.1
INSTTRF2020	23.17	+0.08	2.8
INSTTRF2025	23.65	+0.10	3.5
INSTTRF2030	24.03	+0.12	3.9
INSTTRF2035	24.41	+0.13	4.5
INSTTRF2040	24.80	+0.15	5.0
INSTTRF2045	25.05	+0.16	5.3
IntlVal	42.37	+0.28	6.2
LifeCon	20.34	+0.05	1.9
LifeGro	35.21	+0.19	4.6
LifeMod	28.02	+0.12	3.2
PrmcpCor	28.87	+0.23	7.3
SelValu r	32.81	+0.41	4.9
STAR	27.83	+0.13	3.8
STIGrade	10.58	...	-0.3
TgtRe2015	15.65	+0.04	2.1
TgtRe2020	32.28	+0.11	2.9
TgtRe2025	19.13	+0.08	3.4
TgtRe2030	34.96	+0.17	4.0
TgtRe2035	21.61	+0.12	4.4
TgtRe2040	37.55	+0.22	5.0
TgtRe2045	23.68	+0.15	5.2
TgtRe2050	38.10	+0.23	5.2
TgtRetInc	13.73	+0.02	1.3
TotIntBdIxInv	10.83	...	-0.2
WellsI	27.21	+0.08	1.0
Welltn	43.42	+0.22	3.3
WndsrII	40.05	+0.28	5.9
VANGUARD INDEX FDS			
500	261.72	+2.10	6.0
ExtndIstPl	219.33	+1.48	4.9
SmValAdml	59.29	+0.27	4.0
TotBd2	10.59	-0.01	-1.1
TotIntl	19.35	+0.11	6.1
TotSt	70.59	+0.55	5.8
VANGUARD INSTL FDS			
BalInst	35.80	+0.17	3.1
DevMktsIndInst	15.22	+0.07	5.5
DevMktsInxInst	23.80	+0.12	5.5
ExtndInst	88.87	+0.60	4.9
GrwthInst	77.41	+0.63	7.0
InPrSeIn	10.34	-0.01	-0.9
InstIdx	258.17	+2.07	6.0
InstPlus	258.19	+2.07	6.0
InstTStPlus	62.94	+0.49	5.8
MidCpInst	44.44	+0.28	5.0
MidCpIstPl	219.16	+1.35	5.0
SmCapInst	73.98	+0.52	4.5
STIGradeInst	10.58	...	-0.3
TotBdInst	10.63	...	-1.0
TotBdInst2	10.59	-0.01	-1.1
TotBdInstPl	10.63	...	-1.0
TotIntBdIdxInst	32.51	+0.01	-0.2
TotIntlInstIdx r	129.43	+0.76	6.1
TotItlInstPlId r	129.46	+0.77	6.1
TotStInst	70.63	+0.56	5.8
ValueInst	43.58	+0.35	5.2
Western Asset			
CorePlusBdI	11.72	-0.03	-0.8

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

26214.60 ▲142.88, or 0.55%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	26.57	20.59
P/E estimate *	19.87	17.97
Dividend yield	2.00	2.42
All-time high	26214.60, 01/22/18	

Current divisor 0.14523396877348

Bars measure the point change from session's open

S&P 500 Index

2832.97 ▲22.67, or 0.81%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	22.85	24.71
P/E estimate *	18.68	17.45
Dividend yield	1.82	2.15
All-time high:	2832.97, 01/22/18	

Nasdaq Composite Index

7408.03 ▲71.65, or 0.98%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	28.15	15.10
P/E estimate *	21.17	18.85
Dividend yield	0.99	1.17
All-time high:	7408.03, 01/22/18	

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

Major U.S. Stock-Market Indexes

	Latest High	Latest Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg	% chg YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	26215.23	25974.65	26214.60	142.88	0.55	26214.60	19799.85	32.4	6.0	14.4
Transportation Avg	11358.63	11236.98	11357.59	52.18	0.46	11373.38	8783.74	24.3	7.0	9.0
Utility Average	691.60	683.71	684.86	2.09	0.31	774.47	654.98	4.6	-5.3	2.2
Total Stock Market	29267.25	29023.66	29267.12	227.80	0.78	29267.12	23544.90	24.3	5.8	10.9
Barron's 400	754.90	749.98	754.88	3.20	0.43	754.88	600.83	25.6	6.2	11.9
Nasdaq Stock Market										
Nasdaq Composite	7408.03	7332.81	7408.03	71.65	0.98	7408.03	5552.94	33.4	7.3	16.0
Nasdaq 100	6906.28	6822.85	6906.28	71.95	1.05	6906.28	5065.70	36.3	8.0	17.4
S&P										
500 Index	2833.03	2808.12	2832.97	22.67	0.81	2832.97	2265.20	25.1	6.0	11.1
MidCap 400	1989.61	1974.49	1989.61	10.41	0.53	1989.61	1671.84	19.0	4.7	10.8
SmallCap 600	977.69	972.00	977.65	1.58	0.16	977.65	815.62	18.5	4.4	12.5
Other Indexes										
Russell 2000	1605.17	1595.55	1605.17	7.54	0.47	1605.17	1345.24	19.1	4.5	10.5
NYSE Composite	13470.40	13381.33	13470.37	85.91	0.64	13470.37	11170.62	20.6	5.2	7.4
Value Line	587.19	583.40	587.18	2.73	0.47	587.18	503.24	15.4	4.4	5.7
NYSE Arca Biotech	4785.80	4672.75	4784.88	271.51	6.02	4784.88	3134.03	52.6	13.3	9.2
NYSE Arca Pharma	574.48	568.23	574.47	3.02	0.53	574.47	469.13	21.2	5.4	1.4
KBW Bank	115.26	113.97	115.25	1.11	0.97	115.25	88.02	27.9	8.0	18.3
PHLX§ Gold/Silver	88.61	87.47	88.31	0.34	0.38	96.72	76.42	-3.2	3.6	2.9
PHLX§ Oil Service	165.84	161.33	165.78	5.38	3.35	191.34	117.79	-10.0	10.8	-5.4
PHLX§ Semiconductor	1382.41	1367.64	1382.41	10.38	0.76	1382.41	923.77	49.6	10.3	26.5
Cboe Volatility	11.62	10.84	11.03	-0.24	-2.13	16.04	9.14	-6.3	-0.1	-12.4

§Nasdaq PHLX

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)	After Hours Last	Net chg	% chg	High	Low
SPDR S&P 500	SPY	22,117.4	282.69	...	unch.	282.91	280.38
General Motors	GM	7,116.8	43.32	0.03	0.07	43.32	43.20
Health Care Sel Sector	XLV	5,751.8	89.02	...	unch.	89.10	88.69
Synchrony Financial	SYF	4,795.9	39.55	0.03	0.08	39.60	39.50
Netflix	NFLX	4,412.9	246.54	18.96	8.33	249.95	225.79
NVIDIA	NVDA	4,161.0	235.05	1.36	0.58	235.95	229.64
General Electric	GE	4,047.7	16.21	0.04	0.25	16.35	16.04
Worldpay	WP	3,897.4	84.10	4.36	5.47	84.10	79.74

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Vivint Solar	VSLR	16.7	3.95	0.40	11.27	3.95	3.55
ResMed	RMD	40.4	96.01	8.50	9.71	97.50	87.51
Netflix	NFLX	4,412.9	246.54	18.96	8.33	249.95	225.79
First Solar	FSLR	198.2	73.65	4.69	6.80	75.20	68.40
TESARO	TSRO	42.7	72.00	3.78	5.54	72.20	68.11

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Daqo New Energy ADR	DQ	9.6	59.00	-4.25	-6.72	63.25	59.00
Adamas Pharmaceuticals	ADMS	222.4	38.50	-2.29	-5.61	40.85	37.00
Ericsson ADR	ERIC	12.2	6.80	-0.38	-5.29	7.18	6.80
InfraREIT	HIFR	56.0	18.31	-0.66	-3.48	18.97	18.31
Sarepta Therapeutics	SRPT	44.2	64.00	-1.65	-2.51	65.68	63.75

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	853,925,189	11,763,334
Adv. volume*	592,518,866	7,188,662
Decl. volume*	248,001,328	3,961,551
Issues traded	3,079	337
Advances	1,866	172
Declines	1,075	141
Unchanged	138	24
New highs	282	4
New lows	56	2
Closing tick	214	22
Closing Arms†	0.73	0.55
Block trades*	6,569	120

	Nasdaq	NYSE Arca
Total volume*	2,068,705,809	223,460,573
Adv. volume*	1,502,229,208	180,425,886
Decl. volume*	543,695,494	38,951,475
Issues traded	3,090	1,371
Advances	1,714	1,076
Declines	1,244	281
Unchanged	132	14
New highs	374	583
New lows	29	60
Closing tick	373	197
Closing Arms†	0.50	0.96
Block trades*	8,205	1,271

* Primary market NYSE, NYSE American NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	Latest % chg	YTD % chg
World	The Global Dow	3277.30	21.74	0.67	6.2
	DJ Global Index	419.47	2.42	0.58	5.6
	DJ Global ex U.S.	281.05	1.01	0.36	5.4
Americas	DJ Americas	678.68	5.04	0.75	5.7
Brazil	Sao Paulo Bovespa	81675.42	455.92	0.56	6.9
Canada	S&P/TSX Comp	16347.98	–5.48	–0.03	0.9
Mexico	S&P/BMV IPC	49974.48	278.92	0.56	1.3
Chile	Santiago IPSA	4403.54	–25.69	–0.58	4.6
EMEA	Stoxx Europe 600	402.11	1.23	0.31	3.3
Eurozone	Euro Stoxx	404.31	1.33	0.33	4.9
Belgium	Bel-20	4176.88	17.79	0.43	5.0
France	CAC 40	5541.99	15.48	0.28	4.3
Germany	DAX	13463.69	29.24	0.22	4.2
Israel	Tel Aviv	1531.46	–2.12	–0.14	1.4
Italy	FTSE MIB	23890.18	140.96	0.59	9.3
Netherlands	AEX	570.82	1.52	0.27	4.8
Russia	RTS Index	1285.33	14.41	1.13	11.3
Spain	IBEX 35	10584.00	104.50	1.00	5.4
Sweden	SX All Share	592.26	1.64	0.28	4.1
Switzerland	Swiss Market	9529.13	19.36	0.20	1.6
U.K.	FTSE 100	7715.44	–15.35	–0.20	0.4
Asia-Pacific					
Australia	S&P/ASX 200	5991.90	–13.90	–0.23	–1.2
China	Shanghai Composite	3501.36	13.50	0.39	5.9
Hong Kong	Hang Seng	32393.41	138.52	0.43	8.3
India	S&P BSE Sensex	35798.01	286.43	0.81	5.1
Japan	Nikkei Stock Avg	23816.33	8.27	0.03	4.6
Singapore	Straits Times	3569.43	19.07	0.54	4.9
South Korea	Kospi	2502.11	–18.15	–0.72	1.4
Taiwan	Weighted	11231.46	80.61	0.72	5.5

Sources: SIX Financial Information; WSJ Market Data Group

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Bioverativ	BIVV	103.79	39.68	61.89	104.30	40.99	145.9
Validus Holdings	VR	67.29	20.57	44.03	67.60	41.15	18.4
Juno Therapeutics	JUNO	86.00	18.19	26.82	86.28	19.07	339.7
OpGen	OPGN	4.02	0.71	21.45	33.25	3.27	-86.4
Sorrento Therapeutics	SRNE	7.75	1.35	21.09	8.05	1.50	49.0
ZIOPHARM Oncology	ZIOP	5.14	0.86	20.09	7.88	3.77	-9.3
VolitionRX	VNRX	3.74	0.62	19.87	4.77	2.08	-10.7
Gemphire Therapeutics	GEMP	9.76	1.59	19.46	21.59	6.61	-7.1
Array BioPharma	ARRY	15.56	2.42	18.42	16.00	6.73	39.2
HTG Molecular Diagnostics	HTGM	3.84	0.55	16.72	13.25	1.20	93.0
Direxion S&P Biotech Bull	LABU	102.84	14.61	16.56	103.30	33.82	186.3
UroGen Pharma	URGN	50.02	7.02	16.33	51.38	13.01	...
Medicines Co	MDCO	28.81	3.98	16.03	55.95	24.45	-16.2
Eastman Kodak	KODK	11.55	1.55	15.50	15.30	2.95	-21.7
Barnwell Indus	BRN	2.67	0.34	14.80	2.95	1.58	57.1

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Sanmina	SANM	27.10	-8.35	-23.55	42.95	26.65	-22.0
Recon Technology	RCON	2.01	-0.60	-22.99	5.36	0.64	54.6
Direxion S&P Biotech Bear	LABD	3.28	-0.65	-16.54	16.48	3.28	-78.9
Forward Industries	FORD	2.49	-0.46	-15.59	4.45	1.02	109.2
Idera Pharmaceuticals	IDRA	2.17	-0.38	-14.90	2.87	1.30	53.9
Future FinTech Group	FTFT	3.30	-0.49	-12.93	8.00	1.30	-47.8
CarGurus Cl A	CARG	31.62	-4.40	-12.22	36.81	25.85	...
Xenetic Biosciences	XBIO	2.09	-0.29	-12.18	5.90	1.75	-56.0
MagneGas	MNGA	3.23	-0.36	-9.92	84.00	2.95	-95.9
Shineco	TYHT	2.15	-0.23	-9.66	5.29	1.72	-44.1
PetMed Express	PETS	48.11	-5.13	-9.64	57.80	19.21	120.6
UltraPro Shrt Biotech	ZBIO	8.87	-0.92	-9.40	23.01	8.86	-59.8
New York Co	NWY	3.19	-0.31	-8.86	3.56	1.28	51.9
II-VI	IIVI	48.40	-4.55	-8.59	53.08	27.25	54.1
Xunlei ADR	XNET	14.99	-1.40	-8.54	27.00	3.11	289.4

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
General Electric	GE	130,112	45.5	16.17	-0.55	30.59	15.80
SPDR S&P 500	SPY	69,095	-9.2	282.69	0.81	282.69	225.27
Lightbridge	LTBR	68,120	10825.1	2.32	57.82	3.33	0.86
Bank of America	BAC	52,328	-23.8	31.94	0.69	31.94	22.07
Ford Motor	F	49,738	37.6	12.02	0.17	13.48	10.47
iShares MSCI Emg Markets	EEM	46,630	-9.8	50.73	0.57	50.74	36.65
Finl Select Sector SPDR	XLF	46,090	-20.7	29.78	0.81	29.79	22.00
Juno Therapeutics	JUNO	35,937	1200.5	86.00	26.82	86.28	19.07
Micron Technology	MU	35,157	-9.8	42.88	0.30	49.89	21.74
Advanced Micro Devices	AMD	34,337	-36.5	12.65	0.48	15.65	9.68

* 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
Validus Holdings	VR	30,788	4033	67.29	44.03	67.60	41.15
Bioverativ	BIVV	31,303	2439	103.79	61.89	104.30	40.99
Mosaic Acquisition Cl A	MOSC	100	1247	9.70	-0.31	9.90	9.65
Juno Therapeutics	JUNO	35,937	1201	86.00	26.82	86.28	19.07
Silver Run Acqn II A	SRUN	9,184	1172	10.23	0.49	10.70	9.65
Straight Path Comms B	STRP	1,306	1171	185.84	1.08	235.88	26.89
Franklin FTSE China ETF	FLCH	261	1104	28.39	0.80	28.39	24.15
Guggenheim Cdn Engy Incm	ENY	186	1095	8.58	0.59	9.28	7.89
Consolidated-Tomoka	CTO	145	954	66.96	0.36	67.58	49.73
Cambria Core Equity ETF	CCOR	113	930	25.74	-0.02	26.18	24.70

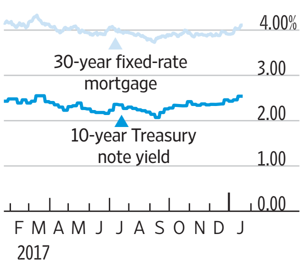
* Common stocks priced at $5 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

CREDIT MARKETS & CURRENCIES

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

30-year mortgage, Rate

Bankrate.com avg†:	4.11%
United Mutual Funding Corp	3.75%
Brandon, FL	800-752-5116
Frandsen Bank Trust	3.84%
Grand Forks, ND	701-780-7700
Best Rate USA	3.88%
Newtown Square, PA	888-998-2451
Garden State Home Loans	3.88%
Cherry Hill, NJ	609-216-7912
Glen Rock Savings Bank	3.88%
Glen Rock, NJ	201-652-8776

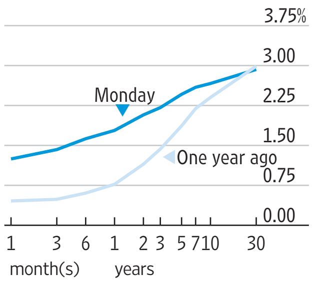
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	1.25-1.50	1.25-1.50	0.50	1.50	1.25
Prime rate*	4.50	4.50	3.75	4.50	1.25
Libor, 3-month	1.74	1.73	1.03	1.74	1.49
Money market, annual yield	0.35	0.30	0.25	0.36	-0.07
Five-year CD, annual yield	1.53	1.52	1.20	1.53	0.07
30-year mortgage, fixed†	4.11	4.03	3.73	4.33	0.40
15-year mortgage, fixed†	3.57	3.46	2.99	3.57	0.59
Jumbo mortgages, $424,100-plus†	4.46	4.47	4.21	4.87	0.18
Five-year adj mortgage (ARM)†	4.32	4.07	3.20	4.32	1.05
New-car loan, 48-month	3.25	3.22	2.85	3.36	0.35

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

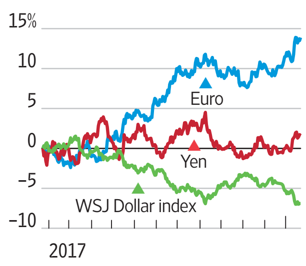
Treasury yield curve

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	1441.534	2.487	2.392	2.487	1.818	0.709	0.335
10-yr Treasury, Ryan ALM	1694.472	2.663	2.551	2.663	2.058	–0.065	–0.364
DJ Corporate	377.364	3.345	3.217	3.390	2.879	4.155	2.886
Aggregate, Barclays Capital	1925.120	2.910	2.820	2.910	2.380	2.441	1.492
High Yield 100, Merrill Lynch	2877.846	5.549	5.469	5.890	4.948	6.333	4.880
Fixed-Rate MBS, Barclays	1970.280	3.110	3.010	3.120	2.660	1.750	1.415
Muni Master, Merrill	520.648	2.231	2.232	2.281	1.736	3.847	1.994
EMBI Global, J.P. Morgan	806.018	5.620	5.560	5.951	5.279	7.579	6.933

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$	Mon per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0523	19.1375	2.9
Brazil real	.3123	3.2021	-3.3
Canada dollar	.8036	1.2444	-1.0
Chile peso	.001653	605.00	-1.7
Ecuador US dollar	1	1	unch
Mexico peso	.0535	18.6817	-5.0
Uruguay peso	.03498	28.5900	-0.7
Venezuela b. fuerte	.099513	10.0490	-2.8
Asia-Pacific			
Australian dollar	.8018	1.2472	-2.6
China yuan	.1561	6.4048	-1.5
Hong Kong dollar	.1279	7.8183	0.1
India rupee	.01565	63.888	0.03
Indonesia rupiah	.0000749	13347	-1.0
Japan yen	.009016	110.92	-1.6
Kazakhstan tenge	.003084	324.27	-2.5
Macau pataca	.1242	8.0521	0.1
Malaysia ringgit	.2541	3.9350	-3.1
New Zealand dollar	.7326	1.3650	-3.2
Pakistan rupee	.00903	110.752	0.1
Philippines peso	.0196	51.009	2.1
Singapore dollar	.7582	1.3189	-1.4
South Korea won	.0009351	1069.40	0.2
Sri Lanka rupee	.0064918	154.04	0.4
Taiwan dollar	.03424	29.205	-1.6
Thailand baht	.03141	31.840	-2.3
Vietnam dong	.00004403	22711	...
Europe			
Czech Rep. koruna	.04827	20.718	-2.6
Denmark krone	.1647	6.0707	-2.2
Euro area euro	1.2262	.8156	-2.1
Hungary forint	.003960	252.50	-2.5
Iceland krona	.009722	102.86	-0.7
Norway krone	.1273	7.8531	-4.3
Poland zloty	.2942	3.3989	-2.3
Russia ruble	.01770	56.484	-2.1
Sweden krona	.1247	8.0188	-2.0
Switzerland franc	1.0395	.9620	-1.3
Turkey lira	.2649	3.7750	-0.5
Ukraine hryvnia	.0346	28.9340	2.8
UK pound	1.3987	.7149	-3.4
Middle East/Africa			
Bahrain dinar	2.6526	.3770	-0.03
Egypt pound	.0565	17.7065	-0.4
Israel shekel	.2928	3.4152	-1.8
Kuwait dinar	3.3265	.3006	-0.3
Oman sul rial	2.5977	.3850	...
Qatar rial	.2747	3.640	-0.2
Saudi Arabia riyal	.2666	3.7505	...
South Africa rand	.0830	12.0523	-2.5

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	84.29	–0.22	–0.27	–1.97

Sources: Tullett Prebon, WSJ Market Data Group

COMMODITIES

	Close	Monday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	632.05	2.17	0.34	632.05	532.01	9.30	1.07
TR/CC CRB Index	196.22	0.71	0.37	196.40	166.50	0.91	1.21
Crude oil, $ per barrel	63.49	0.12	0.19	64.30	42.53	20.36	5.08
Natural gas, $/MMBtu	3.224	0.039	1.22	3.42	2.56	-0.59	9.18
Gold, $ per troy oz.	1330.90	-1.00	-0.08	1346.00	1188.10	9.54	1.88

COMMODITIES

WSJ.com/commodities

Futures Contracts

Metal & Petroleum Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
Jan	3.1885	3.1885		3.1750	**3.1775**	0.0105	304
March	3.1865	3.2185		3.1795	**3.1985**	0.0110	148,731
Gold (CMX)-100 troy oz.; $ per troy oz.							
Jan	1328.40	1328.40		1328.40	**1330.90**	−1.00	75
Feb	1334.00	1335.80		1328.00	**1331.90**	−1.20	290,547
April	1339.40	1340.30		1332.90	**1336.90**	−1.10	179,983
June	1345.80	1345.80		1338.50	**1342.10**	−1.10	54,826
Aug	1350.00	1350.40		1346.00	**1347.60**	−0.90	20,449
Dec	1360.80	1361.60		1355.00	**1358.90**	−0.70	28,230
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
Jan	...	...		1093.00	**1094.95**	−6.10	3
March	1102.60	1105.45		1078.30	**1092.30**	−6.10	35,497
June	1094.00	1094.25		1072.85	**1084.75**	−6.00	2,977
Sept	1086.65	1087.85	▲	1081.80	**1079.60**	−4.40	307
Platinum (NYM)-50 troy oz.; $ per troy oz.							
Jan	997.00	998.60		994.00	**994.30**	−21.90	14
April	1018.60	1023.90	▲	994.80	**996.80**	−23.30	83,317
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
Jan	16.985	16.985		16.985	**16.931**	−0.044	33
March	17.045	17.105		16.945	**16.989**	−0.047	138,255
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
Feb	63.61	64.14		63.17	**63.49**	0.12	33,579
March	63.50	64.13		63.05	**63.57**	0.26	623,326
April	63.36	63.96		62.92	**63.43**	0.27	207,884
May	63.11	63.73		62.74	**63.23**	0.27	164,679
June	62.87	63.43		62.48	**62.96**	0.28	303,265
Dec	60.54	61.02		60.22	**60.67**	0.26	245,362
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
Feb	2.0625	2.0716		2.0405	**2.0569**	−.0015	72,575
March	2.0596	2.0686		2.0392	**2.0551**	.0010	147,422
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
Feb	1.8664	1.8880	▲	1.8600	**1.8801**	.0165	53,233
March	1.8704	1.8882		1.8611	**1.8801**	.0154	149,434
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
Feb	3.252	3.269		3.143	**3.224**	.039	117,193
March	2.980	2.990		2.907	**2.931**	−.010	363,040
April	2.810	2.814		2.761	**2.792**	.005	181,250
May	2.818	2.818	▲	2.757	**2.789**	.006	158,312
July	2.865	2.876		2.834	**2.866**	.008	82,725
Oct	2.862	2.865		2.820	**2.857**	.009	107,097

Agriculture Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
March	353.50	354.50		351.25	**352.00**	−.50	806,025
May	361.50	362.75	▲	359.75	**360.50**	−.25	270,958
Oats (CBT)-5,000 bu.; cents per bu.							
March	258.50	266.00	▲	258.50	**265.00**	7.00	3,807
May	259.00	263.00	▲	259.00	**261.75**	6.00	2,097
Soybeans (CBT)-5,000 bu.; cents per bu.							
March	980.50	987.25	▲	980.00	**984.25**	7.00	359,294
May	991.50	998.50	▲	991.25	**995.75**	7.25	185,274
Soybean Meal (CBT)-100 tons; $ per ton.							
March	333.30	338.90	▲	333.20	**338.60**	7.00	165,133
May	336.80	341.80	▲	336.80	**341.70**	6.60	95,397
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
March	32.30	32.46	▼	32.10	**32.16**	−.12	226,716
May	32.48	32.66	▼	32.30	**32.36**	−.12	106,883
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
March	1212.00	1223.00		1208.50	**1218.00**	−2.50	7,550
May	1245.00	1245.50		1234.00	**1244.00**	−1.00	1,066
Wheat (CBT)-5,000 bu.; cents per bu.							
March	424.50	427.50		423.25	**425.75**	3.00	295,377
May	436.75	439.75		435.50	**438.50**	3.00	104,863
Wheat (KC)-5,000 bu.; cents per bu.							
March	428.25	431.00		426.25	**428.50**	1.00	167,304
May	441.50	444.75		440.25	**442.50**	1.25	66,795
Wheat (MPLS)-5,000 bu.; cents per bu.							
March	609.50	611.25	▼	606.50	**607.00**	−1.50	33,654
May	618.00	620.00	▼	616.00	**616.50**	−1.00	13,890
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
Jan	148.200	148.275		147.500	**147.900**	−.050	3,118
March	146.450	146.625		145.475	**145.825**	.225	27,429
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
Feb	122.850	123.850	▲	122.800	**123.550**	1.650	53,481
April	123.350	124.100		123.325	**123.975**	1.250	144,583
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
Feb	72.275	72.275		71.650	**71.800**	−.275	30,908
April	75.525	75.675		75.100	**75.125**	−.375	105,669
Lumber (CME)-110,000 bd. ft., $ per 1,000 bd. ft.							
March	480.00	481.80		473.70	**474.80**	−5.20	5,815
May	470.00	471.50		466.90	**468.70**	−4.00	1,049
Milk (CME)-200,000 lbs., cents per lb.							
Jan	13.89	13.90		13.87	**13.89**	.01	3,352
March	13.60	13.63		13.49	**13.61**	.07	3,850
Cocoa (ICE-US)-10 metric tons; $ per ton.							
March	1,939	1,975		1,921	**1,938**	7	117,598
May	1,961	1,994		1,946	**1,961**	6	60,299
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
March	121.65	123.35		121.55	**122.55**	1.30	125,282
May	123.95	125.70		123.95	**125.00**	1.30	59,052
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
March	13.31	13.47		13.16	**13.17**	−.08	408,149
May	13.46	13.57		13.30	**13.31**	−.09	214,328
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
March	26.70	26.70		26.70	**26.70**	.04	3,538
May	27.00	27.10		27.00	**27.10**	.10	2,470
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
March	83.35	83.95		83.00	**83.41**	−.01	169,881
May	83.75	84.31		83.36	**83.78**	−.01	70,798
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
March	146.75	148.90	▲	146.50	**148.45**	1.95	8,097
May	146.90	148.60	▲	146.70	**148.40**	1.85	1,644

Interest Rate Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
March	148-290	149-090		148-120	**148-220**	−10.0	795,509
June	147-180	148-050		147-160	**147-210**	−10.0	804
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
March	122-090	122-115		122-015	**122-030**	−6.0	3,412,713
June	121-185	121-265		121-180	**121-190**	−7.0	26,407
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
March	115-037	115-055		115-000	**115-012**	−3.5	3,245,896
June	114-265	114-265		114-242	**114-245**	−3.7	10,536
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
March	106-235	106-237		106-225	**106-232**	−.5	1,915,082
June	106-157	106-165		106-157	**106-165**	−.7	5,264
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
Jan	98.585	98.588	▼	98.585	**98.588**	...	243,080
April	98.370	98.375	▼	98.365	**98.370**	...	221,542
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
March	95.594	95.844		95.453	**95.484**	−.281	27,794
1 Month Libor (CME)-$3,000,000; pts of 100%							
Feb	98.4450	98.4450		98.4450	**98.4425**	.0050	4,675
Eurodollar (CME)-$1,000,000; pts of 100%							
Feb	98.2125	98.2275		98.2125	**98.2250**	.0100	171,857
March	98.1450	98.1600		98.1400	**98.1500**	.0050	1,374,777
Dec	97.6750	97.6800	▼	97.6500	**97.6650**	−.0100	1,803,716
Dec'19	97.4100	97.4150	▼	97.3750	**97.3800**	−.0300	1,557,372

Currency Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
Feb	.9054	.9055		.9010	**.9023**	−.0033	421
March	.9066	.9072		.9017	**.9036**	−.0033	237,104
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
Feb	.8013	.8036		.8012	**.8033**	.0018	283
March	.8017	.8047		.8007	**.8035**	.0018	161,845
British Pound (CME)-£62,500; $ per £							
Feb	1.3903	1.4000	▲	1.3882	**1.3995**	.0107	1,158
March	1.3917	1.4017	▲	1.3883	**1.4007**	.0107	225,892
Swiss Franc (CME)-CHF 125,000; $ per CHF							
March	1.0440	1.0466		1.0415	**1.0433**	−.0005	70,333
June	1.0513	1.0541		1.0494	**1.0510**	−.0005	239
Australian Dollar (CME)-AUD 100,000; $ per AUD							
Feb	.7997	.8025		.7977	**.8011**	.0012	640
March	.7998	.8026		.7977	**.8010**	.0011	131,418
April	.8010	.8035	▲	.7998	**.8011**	.0011	232
June	.7990	.8023		.7979	**.8010**	.0011	824
Dec	.7989	.8000	▲	.7989	**.8015**	.0012	285
Mexican Peso (CME)-MXN 500,000; $ per MXN							
March	.05323	.05335		.05277	**.05299**	−.00024	171,723
June	.05221	.05249	▲	.05195	**.05216**	−.00023	1,241
Euro (CME)-€125,000; $ per €							
Feb	1.2270	1.2288		1.2238	**1.2279**	.0025	3,255
March	1.2298	1.2309		1.2255	**1.2300**	.0025	566,571

Index Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
March	25981	26225	▲	25944	**26195**	149	153,962
June	26050	26250	▲	25981	**26226**	153	404
S&P 500 Index (CME)-$250 x index							
March	2804.30	2838.10	▲	2804.30	**2835.20**	24.20	68,491
Mini S&P 500 (CME)-$50 x index							
March	2804.00	2836.50		2802.00	**2835.25**	24.25	3,303,322
June	2808.00	2841.00		2806.50	**2839.75**	24.75	60,874
Mini S&P Midcap 400 (CME)-$100 x index							
March	1975.40	1993.60	▲	1971.90	**1991.10**	9.50	90,893
Mini Nasdaq 100 (CME)-$20 x index							
March	6830.8	6933.3		6824.3	**6931.0**	85.3	267,166
June	6859.0	6957.0		6849.0	**6954.5**	85.8	1,423
Mini Russell 2000 (ICE-US)-$100 x index							
March	1593.50	1609.00	▲	1591.10	**1607.00**	8.10	23,112
Mini Russell 1000 (ICE-US)-$100 x index							
March	1556.40	1568.10	▲	1556.40	**1568.10**	11.30	183
U.S. Dollar Index (ICE-US)-$1,000 x index							
March	90.27	90.50		90.14	**90.19**	−.18	45,465
June	89.94	90.16		89.84	**89.86**	−.16	1,268

Source: SIX Financial Information

Cash Prices | WSJ.com/commodities

Monday, January 22, 2018

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	0.8788
Butane,normal,Mont Belvieu-g	1.0351
NaturalGas,HenryHub-i	3.130
NaturalGas,TranscoZone3-i	3.060
NaturalGas,TranscoZone6NY-i	3.130
NaturalGas,PanhandleEast-i	2.560
NaturalGas,Opal-i	2.780
NaturalGas,MarcellusNE PA-i	2.380
NaturalGas,HaynesvilleN.LA-i	2.980
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	58.500
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	12.250
Metals	
Gold, per troy oz	
Engelhard industrial	1335.92
Engelhard fabricated	1436.11
Handy & Harman base	1332.60
Handy & Harman fabricated	1479.18
LBMA Gold Price AM	*1335.80
LBMA Gold Price PM	*1334.95
Krugerrand,wholesale-e	1384.97
Maple Leaf-e	1398.29
American Eagle-e	1398.29
Mexican peso-e	1613.63
Austria crown-e	1308.33
Austria phil-e	1398.29
Silver, troy oz.	
Engelhard industrial	17.0700
Engelhard fabricated	20.4840
Handy & Harman base	16.9800
Handy & Harman fabricated	21.2250
LBMA spot price	£12.2500
(U.S.$ equivalent)	17.0350
Coins,wholesale $1,000 face-a	12652
Other metals	
LBMA Platinum Price PM	*1011.0
Platinum,Engelhard industrial	1020.0
Platinum,Engelhard fabricated	1120.0
Palladium,Engelhard industrial	1097.0
Palladium,Engelhard fabricated	1197.0
Aluminum, LME, $ per metric ton	*2256.0
Copper,Comex spot	3.1775
Iron Ore, 62% Fe CFR China-s	75.9
Shredded Scrap, US Midwest-s,m	339
Steel, HRC USA, FOB Midwest Mill-s	695
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.6400
Cotton,1 1/16 std lw-mdMphs-u	0.8241
Cotlook 'A' Index-t	*93.35
Hides,hvy native steers piece fob-u	65.750
Wool,64s,staple,Terr del-u,w	n.a.
Grains and Feeds	
Barley,top-quality Mnpls-u	4.85
Bran,wheat middlings, KC-u	130
Corn,No. 2 yellow,Cent IL-bp,u	3.3000
Corn gluten feed,Midwest-u,w	103.1
Corn gluten meal,Midwest-u,w	471.4
Cottonseed meal-u,w	250
Hominy feed,Cent IL-u,w	98
Meat-bonemeal,50% pro Mnpls-u,w	223
Oats,No.2 milling,Mnpls-u	3.0000
Rice, Long Grain Milled, No. 2 AR-u,w	25.00
Sorghum,(Milo) No.2 Gulf-u	8.0725
SoybeanMeal,Cent IL,rail,ton48%-u	332.10
Soybeans,No.1 yllw IL-bp,u	9.5100
Wheat,Spring14%-pro Mnpls-u	7.4450
Wheat,No.2 soft red,St.Louis-bp,u	4.3000
Wheat - Hard - KC (USDA) $ per bu-u	4.1850
Wheat,No.1soft white,Portld,OR-u	5.2688
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	188.13
select 1-3,600-900 lbs.-u	182.22
Broilers, National comp wghtd-u,w	0.9462
Butter,AA Chicago	2.1200
Cheddar cheese,bbl,Chicago	136.50
Cheddar cheese,blk,Chicago	157.00
Milk,Nonfat dry,Chicago lb.	70.75
Cocoa,Ivory Coast-w	n.a.
Coffee,Brazilian,Comp	1.2091
Coffee,Colombian, NY	1.4089
Eggs,large white,Chicago-u	1.1450
Flour,hard winter KC	15.40
Hams,17-20 lbs,Mid-US fob-u	n.a.
Hogs,Iowa-So. Minnesota-u	71.28
Pork bellies,12-14 lb MidUS-u	n.a.
Pork loins,13-19 lb MidUS-u	0.8357
Steers,Tex.-Okla. Choice-u	123.02
Steers,feeder,Okla. City-u,w	164.88
Fats and Oils	
Corn oil,crude wet/dry mill-u,w	30.2900
Grease,choice white,Chicago-h	0.2250
Lard,Chicago-u	0.3100
Soybean oil,crude;Centl IL-u	0.3076
Tallow,bleach;Chicago-h	0.2625
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; M=monthly; N=nominal; n.a.=not quoted or not available; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; W=weekly, Z=not quoted. *Data as of 1/19

Source: WSJ Market Data Group

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

January 22, 2018

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

	Dec. index level	Chg From (%) Nov. '17	Dec. '16
U.S. consumer price index			
All items	**246.524**	−0.06	2.1
Core	**253.558**	0.03	1.8

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	**4.50**	4.50	4.50	3.75
Canada	**3.20**	3.20	3.20	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	**0.50**	0.50	0.50	0.25
Australia	**1.50**	1.50	1.50	1.50
Overnight repurchase				
U.S.	**1.42**	1.52	1.62	0.48

U.S. government rates

	Latest	Week ago	52-Week High	52-Week Low
Discount				
	2.00	2.00	2.00	1.25
Federal funds				
Effective rate	**1.4200**	1.4300	1.4400	0.6000
High	**1.5625**	1.5625	1.6125	0.8125
Low	**1.3000**	1.4100	1.4100	0.4500
Bid	**1.4100**	1.4200	1.4200	0.5600
Offer	**1.4300**	1.4400	1.4400	0.5800
Treasury bill auction				
4 weeks	**1.295**	1.280	1.300	0.400
13 weeks	**1.430**	1.430	1.445	0.505
26 weeks	**1.615**	1.575	1.615	0.600

Secondary market

	Latest	Week ago	52-Week High	52-Week Low
Fannie Mae				
30-year mortgage yields				
30 days	**3.780**	3.632	3.865	3.253
60 days	**3.809**	3.661	3.899	3.281

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Call money				
	3.25	3.25	3.25	2.50
Commercial paper (AA financial)				
90 days	**1.68**	1.65	1.70	0.72
Libor				
One month	**1.56014**	1.55614	1.56900	0.77000
Three month	**1.74130**	1.73133	1.74470	1.03178
Six month	**1.92550**	1.89875	1.93175	1.33489
One year	**2.22781**	2.18869	2.22781	1.69400
Euro Libor				
One month	**-0.405**	-0.405	-0.383	-0.420
Three month	**-0.381**	-0.381	-0.341	-0.387
Six month	**-0.337**	-0.334	-0.240	-0.337
One year	**-0.260**	-0.252	-0.095	-0.262
Euro interbank offered rate (Euribor)				
One month	**-0.369**	-0.369	-0.366	-0.375
Three month	**-0.328**	-0.329	-0.325	-0.332
Six month	**-0.277**	-0.274	-0.237	-0.277
One year	**-0.191**	-0.187	-0.100	-0.194

	Latest	Value Traded	52-Week High	52-Week Low
DTCC GCF Repo Index				
Treasury	**1.379**	29.250	1.836	0.489
MBS	**1.393**	67.730	1.852	0.496

	Settle	Change	Open Interest	Implied Rate
DTCC GCF Repo Index Futures				
Treasury Jan	**98.545**	unch.	3502	1.455
Treasury Feb	**98.560**	unch.	2385	1.440
Treasury Mar	**98.435**	unch.	466	1.565

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective December 14, 2017. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective December 14, 2017. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET. **Futures on the DTCC GCF Repo Index** are traded on NYSE Liffe US.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; SIX Financial Information; Tullett Prebon Information, Ltd.

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

	Week Ended Jan 19	Jan 12	52-Week High	52-Week Low
Federal funds (effective)				
	1.42	1.42	1.42	0.65
Commercial paper				
Nonfinancial				
1-month	**1.50**	1.50	1.59	0.60
2-month	**1.54**	1.52	1.54	0.68
3-month	**1.58**	1.58	1.58	0.74
Financial				
1-month	**1.46**	1.45	1.50	0.67
2-month	**1.56**	1.56	1.56	0.76
3-month	**1.67**	1.65	1.67	0.84
Discount window primary credit				
	2.00	2.00	2.00	1.25
Conventional mortgages				
	n.a.	n.a.	n.a.	n.a.
Treasury yields at constant maturities				
1-month	**1.30**	1.30	1.30	0.44
3-month	**1.45**	1.43	1.45	0.51
6-month	**1.63**	1.59	1.63	0.61
1-year	**1.79**	1.78	1.82	0.80
2-year	**2.05**	1.98	2.05	1.17
3-year	**2.16**	2.09	2.16	1.39
5-year	**2.41**	2.32	2.41	1.65
7-year	**2.53**	2.46	2.53	1.90
10-year	**2.59**	2.54	2.59	2.07
20-year	**2.74**	2.71	2.91	2.43
Treasury yields (secondary market)				
1-month	**1.28**	1.27	1.28	0.43
3-month	**1.43**	1.41	1.43	0.50
6-month	**1.60**	1.56	1.60	0.60
TIPS				
5-year	**0.45**	0.40	0.46	-0.02
7-year	**0.51**	0.48	0.52	0.20
10-year	**0.55**	0.52	0.61	0.28
20-year	**0.70**	0.69	0.88	0.60
Long-term avg	**0.73**	0.72	0.90	0.65
Interest rate swaps				
1-year	**n.a.**	n.a.	n.a.	n.a.
2-year	**n.a.**	n.a.	n.a.	n.a.
3-year	**n.a.**	n.a.	n.a.	n.a.
4-year	**n.a.**	n.a.	n.a.	n.a.
5-year	**n.a.**	n.a.	n.a.	n.a.
7-year	**n.a.**	n.a.	n.a.	n.a.
10-year	**n.a.**	n.a.	n.a.	n.a.
30-year	**n.a.**	n.a.	n.a.	n.a.
Corporate bonds, Moody's seasoned				
Aaa	**n.a.**	n.a.	n.a.	n.a.
Baa	**n.a.**	n.a.	n.a.	n.a.
State and local bonds				
	n.a.	n.a.	n.a.	n.a.
Eurodollars				
1 month	**n.a.**	n.a.	n.a.	n.a.
3 month	**n.a.**	n.a.	n.a.	n.a.
6 month	**n.a.**	n.a.	n.a.	n.a.

Notes on data:

Federal-funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades; **Commercial paper rates** are discounted offer rates interpolated from sales by discounted averages of dealer bid rates on nationally traded certificates of deposit; **Discount window primary credit rate** is charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program; **rate** is average for seven days ended Wednesday; **Inflation-indexed long-term TIPS** average is indexed and is based on the unweighted average bid yields for all TIPS with remaining terms to maturity of 10 years or more; **Swap rates** are International Swaps and Derivatives Association (ISDA(R)) mid-market par rates for a fixed-rate payer, who in return receives three-month Libor, and are based on rates collected at 11:00 a.m. ET by Garban Intercapital PLC; Source is Reuters; **Moody's triple-AAA** rates are averages of industrial bonds only; **Muni rates** are Thursday quotes based on the Bond Buyer Index for general obligation, 20 years to maturity, mixed quality debt; **Mortgage rates** are contract rates on commitments for fixed-rate first mortgages

Sources: Federal Reserve; for additional information on these rate data and their derivation, please see, www.federalreserve.gov/releases/h15/data.htm

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					
1925.12	-1.0	U.S. Aggregate	2.910	2.380	2.910
U.S. Corporate Indexes Bloomberg Barclays					
2770.13	-1.1	U.S. Corporate	3.430	3.030	3.500
2601.87	-0.7	Intermediate	3.090	2.530	3.090
3867.40	-1.9	Long term	4.170	3.990	4.680
563.45	-1.0	Double-A-rated	2.920	2.470	2.920
716.91	-0.9	Triple-B-rated	3.700	3.340	3.830
High Yield Bonds Merrill Lynch					
420.49	0.7	High Yield Constrained	5.738	5.373	6.189
427.42	1.7	Triple-C-rated	10.128	9.584	11.091
2877.85	0.6	High Yield 100	5.549	4.948	5.890
381.44	0.7	Global High Yield Constrained	5.100	4.934	5.738
308.54	0.7	Europe High Yield Constrained	2.323	1.897	3.196
U.S Agency Bloomberg Barclays					
1627.65	-0.6	U.S Agency	2.380	1.690	2.380
1456.92	-0.4	10-20 years	2.260	1.490	2.260
3318.09	-2.1	20-plus years	3.140	2.730	3.410
2447.46	-0.7	Yankee	3.120	2.610	3.120
Mortgage-Backed Bloomberg Barclays					
1970.28	-0.9	Mortgage-Backed	3.110	2.660	3.120
1937.13	-0.9	Ginnie Mae (GNMA)	3.080	2.630	3.090
1155.29	-1.0	Fannie mae (FNMA)	3.120	2.670	3.120
1779.70	-1.0	Freddie Mac (FHLMC)	3.140	2.680	3.140
520.65	-0.3	Muni Master	2.231	1.736	2.281
363.45	-0.6	7-12 year	2.285	1.744	2.394
409.74	-0.6	12-22 year	2.585	2.213	2.872
397.53	-0.7	22-plus year	2.946	2.716	3.449
Global Government J.P. Morgan†					
540.75	-0.6	Global Government	1.540	1.300	1.560
748.90	-0.8	Canada	2.220	1.570	2.220
370.93	0.1	EMU§	1.145	0.956	1.363
708.24	-0.3	France	0.910	0.690	1.210
504.99	-0.5	Germany	0.580	0.210	0.620
288.08	-0.2	Japan	0.420	0.340	0.460
557.73	-0.5	Netherlands	0.690	0.390	0.760
919.30	-1.2	U.K.	1.630	1.340	1.790
806.02	-0.2	Emerging Markets **	5.620	5.279	5.951

*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
1.875	**U.S.** 2	**2.074** ▲	2.053	1.895	1.193			
2.250	10	**2.663** ▲	2.659	2.484	2.468			
4.500	**Australia** 2	**2.113** ▼	2.117	2.001	1.907	3.9	6.4	**71.4**
2.750	10	**2.842** ▼	2.847	2.720	2.793	17.9	18.8	**32.5**
1.000	**France** 2	**-0.449** ▲	-0.450	-0.505	-0.528	-252.3	-250.3	**-172.1**
0.750	10	**0.839** ▼	0.845	0.738	0.916	-182.4	-181.4	**-155.2**
0.000	**Germany** 2	**-0.602** ▼	-0.599	-0.640	-0.675	-267.6	-265.2	**-186.7**
0.500	10	**0.506** ▼	0.509	0.419	0.426	-215.6	-215.0	**-204.2**
0.050	**Italy** 2	**-0.210** ▼	-0.204	-0.209	-0.096	-228.4	-225.7	**-128.8**
2.050	10	**1.921** ▼	1.958	1.914	2.028	-74.2	-70.1	**-44.0**
0.100	**Japan** 2	**-0.134** ▲	-0.138	-0.146	-0.232	-220.8	-219.1	**-142.4**
0.100	10	**0.081** ▲	0.078	0.049	0.068	-258.2	-258.1	**-240.1**
2.750	**Spain** 2	**-0.393** ▲	-0.403	-0.351	-0.284	-246.6	-245.6	**-147.7**
1.450	10	**1.397** ▼	1.439	1.469	1.494	-126.	-122.0	**-97.4**
1.750	**U.K.** 2	**0.567** ▼	0.576	0.451	0.194	-150.7	-147.7	**-99.9**
4.250	10	**1.362** ▲	1.342	1.246	1.524	-130.	-131.7	**-94.5**

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
Costco Wholesale	COST	3.000	May 18, '27	30	–23	50	194.38	1.09
FirstEnergy	FE	3.900	July 15, '27	103	–13	113	32.45	10.37
Massmutual Global Funding I	MASSMU	2.500	April 13, '22	34	–9	n.a.	...	...
Enterprise Products Operating	EPD	5.200	Sept. 1, '20	52	–7	58	...	...
Lincoln National	LNC	7.000	June 15, '40	141	–7	147	83.35	0.22
Diageo Capital	DGELN	2.625	April 29, '23	36	–6	n.a.	...	...
Digital Realty Trust	DLR	3.700	Aug. 15, '27	111	–6	114	109.34	1.90
E On International Finance	EOANGR	6.650	April 30, '38	143	–6	143	...	...

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Maturity	Spread*, in basis points Current	One-day change	Last week	Stock Performance Close ($)	% chg
JPMorgan Chase	JPM	7.900	April 30, '49	–72	31	–70	114.33	1.17
General Electric	GE	6.750	March 15, '32	130	17	99	16.17	–0.55
Brookfield Finance	BAMACN	4.700	Sept. 20, '47	167	12	167	...	...
Bank of America	BAC	2.503	Oct. 21, '22	53	11	38	31.94	0.69
Bank of New York Mellon	BK	2.450	Nov. 27, '20	49	9	n.a.	57.72	1.96
Goldman Sachs	GS	5.300	July 27, '49	172	9	159	261.52	2.11
Kroger	KR	2.950	Nov. 1, '21	68	8	68	29.63	–0.30
Qualcomm	QCOM	2.100	May 20, '20	39	7	29	68.67	0.93

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
Frontier Communications	FTR	8.875	Sept. 15, '20	95.250	1.94	84.500	8.53	9.78
Transocean	RIG	7.500	April 15, '31	93.750	1.70	93.844	11.93	2.84
CF Industries	CF	5.375	March 15, '44	97.250	1.50	98.250	40.84	1.11
CHS/Community Health Systems	CYH	6.875	Feb. 1, '22	67.500	1.38	66.000	...	...
Athabasca Oil	ATHCN	9.875	Feb. 24, '22	101.000	1.25	99.250	...	...
J. C. Penney	JCP	5.650	June 1, '20	98.500	1.10	97.000	3.99	...
Genworth Holdings	GNW	4.800	Feb. 15, '24	85.250	1.00	n.a.	3.32	-0.60
Iqvia	RX	5.000	Oct. 15, '26	102.500	0.93	102.150	...	...

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week	Stock Performance Close ($)	% chg
Revlon Consumer Products	REV	5.750	Feb. 15, '21	72.500	-1.00	74.000	...	...
IHS Markit	INFO	5.000	Nov. 1, '22	107.000	-0.90	108.000	48.37	-1.02
Tempur Sealy International	TPX	5.625	Oct. 15, '23	103.625	-0.88	104.340	63.12	2.04
Albertsons	ALBLLC	5.750	March 15, '25	89.750	-0.80	90.875	...	...
AK Steel	AKS	7.000	March 15, '27	104.000	-0.75	104.750	6.22	-3.42
Ingles Markets	IMKTA	5.750	June 15, '23	102.000	-0.75	102.063	35.35	1.14
Intelsat Jackson Holdings	INTEL	7.500	April 1, '21	85.250	-0.75	89.500	...	...
Calpine	CPN	5.250	June 1, '26	98.125	-0.63	99.125	15.09	-0.20

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.

Note: Data are for the most active issue of bonds with maturities of two years or more

Sources: MarketAxess Corporate BondTicker; WSJ Market Data Group

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

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.
↓-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, January 22, 2018

Stock	Sym	Close	Net Chg
A B C			
ABB	ABB	28.04	0.03
AECOM	ACM	39.17	-0.04
AES	AES	11.38	-0.37
Aflac	AFL	87.69	0.87
AGNC Invt	AGNC	19.48	-0.01
ANGI Homesvcs	ANGI	13.31	0.06
Ansys	ANSS	163.13	1.59
ASML	ASML	205.54	0.02
AT&T	T	37.87	0.66
AbbottLabs	ABT	59.57	0.26
AbbVie	ABBV	106.49	1.85
Abiomed	ABMD	228.18	-0.11
Accenture	ACN	161.43	-0.32
ActivisionBlizz	ATVI	71.30	0.73
AcuityBrands	AYI	165.70	2.55
Adient	ADNT	72.74	0.80
AdobeSystems	ADBE	197.84	2.11
AdvanceAuto	AAP	118.03	1.01
AdvMicroDevices	AMD	12.65	0.06
AdvSemiEngg	ASX	7.32	0.10
Aegon	AEG	6.98	0.05
AerCap	AER	54.50	0.39
Aetna	AET	189.34	1.54
AffiliatedMgrs	AMG	213.97	1.97
AgilentTechs	A	73.48	0.41
AgnicoEagle	AEM	45.92	-0.34
AirProducts	APD	168.60	0.80
AkamaiTech	AKAM	65.65	0.02
AlaskaAir	ALK	68.55	-0.33
Albemarle	ALB	113.53	-2.48
Alcoa	AA	52.94	-0.16
AlexandriaRlEst	ARE	127.32	1.37
AlexionPharm	ALXN	123.67	2.62
Alibaba	BABA	184.02	-0.03
AlignTech	ALGN	267.10	-2.36
Alkermes	ALKS	57.62	0.59
Alleghany	Y	603.33	11.57
Allegion	ALLE	85.80	-0.43
Allergan	AGN	188.15	6.82
AllianceData	ADS	261.85	0.03
AlliantEnergy	LNT	39.55	0.14
AllisonTransm	ALSN	45.11	0.22
Allstate	ALL	104.43	0.73
AllyFinancial	ALLY	30.65	0.20
AlnylamPharm	ALNY	131.00	6.17
Alphabet C	GOOG	1155.81	18.30
Alphabet A	GOOGL	1164.16	20.66
Altaba	AABA	74.16	-0.20
AlticeUSA	ATUS	21.90	0.60
Altria	MO	71.28	0.16
AlumofChina	ACH	18.82	0.13
Amazon.com	AMZN	1327.31	32.73
Ambev	ABEV	6.80	-0.06
Amdocs	DOX	70.06	0.45
Ameren	AEE	55.30	0.14
AmericaMovil	AMX	18.42	0.24
AmericaMovil A	AMOV	18.26	0.08
AmerAirlines	AAL	58.10	0.04
AEP	AEP	68.13	0.37
AmerExpress	AXP	98.21	0.29
AmericanFin	AFG	111.61	1.31
AIG	AIG	61.00	-0.55
AmerTowerREIT	AMT	139.24	1.62
AmerWaterWorks	AWK	82.96	-0.05
Ameriprise	AMP	177.94	-0.87
AmerisourceBrgn	ABC	102.66	2.60
Ametek	AME	76.50	-0.48
Amgen	AMGN	192.33	3.05
Amphenol	APH	91.90	1.15
AnadarkoPetrol	APC	60.72	2.52
AnalogDevices	ADI	96.65	0.51
Andeavor	ANDV	119.25	0.90
AndeavorLog	ANDX	53.76	1.24
AB InBev	BUD	115.22	-0.01
AnnalyCap	NLY	11.17	-0.02
Anthem	ANTM	250.91	0.02
Aon	AON	135.98	0.60
Apache	APA	47.66	1.61
ApartmtInv	AIV	41.39	0.79
ApolloGlbMgmt	APO	34.66	-0.08
Apple	AAPL	177.00	-1.46
ApplMaterials	AMAT	57.46	0.06
Aptiv	APTV	93.55	0.03
AquaAmerica	WTR	35.69	-0.03
Aramark	ARMK	45.44	0.06
ArcelorMittal	MT	36.94	0.07
ArchCapital	ACGL	92.75	1.60
ArcherDaniels	ADM	42.75	1.79
Arconic	ARNC	30.43	0.21
AristaNetworks	ANET	275.68	4.84
ArrowElec	ARW	86.42	-0.52
AstraZeneca	AZN	35.94	0.50
Athene	ATH	52.10	0.51
Atlassian	TEAM	52.26	-0.11
AtmosEnergy	ATO	81.40	0.57
Autodesk	ADSK	117.43	2.14
Autohome	ATHM	82.57	...
Autoliv	ALV	137.15	0.71
ADP	ADP	122.77	1.33
AutoZone	AZO	788.70	-5.10
Avalonbay	AVB	170.10	1.40
Avangrid	AGR	47.66	0.01
AveryDennison	AVY	120.73	-0.61
AxaltaCoating	AXTA	31.01	-0.65
BB&T	BBT	54.88	0.08
BCE	BCE	46.64	0.19
BHPBilliton	BHP	49.44	-0.21
BHPBilliton	BBL	44.66	-0.02
BOK Fin	BOKF	96.70	...
BP	BP	43.39	0.09
BRF	BRFS	11.53	-0.26
BT Group	BT	18.73	0.37
BWX Tech	BWXT	64.59	0.65
Baidu	BIDU	254.34	-1.64
BakerHughes	BHGE	35.55	0.81
Ball	BLL	37.76	-0.96
BancoBilbaoViz	BBVA	9.26	0.16
BancoBradesco	BBDO	10.61	...
BancoBradesco	BBD	11.83	0.14
BancoMacro	BMA	113.47	-0.30
BcoSantChile	BSAC	34.60	0.46
BancoSantander	SAN	7.42	0.17
BanColombia	CIB	43.17	-0.22
BankofAmerica	BAC	31.40	0.22
BankofMontreal	BMO	84.00	0.49
BankNY Mellon	BK	57.72	1.11
BkNovaScotia	BNS	66.09	0.50
BankOzarks	OZRK	52.23	0.71
Barclays	BCS	11.74	0.60
BarrickGold	ABX	14.51	0.12
BaxterIntl	BAX	70.20	0.19
BectonDickinsn	BDX	236.71	2.01
Berkley	WRB	71.64	0.91
BerkHathwy B	BRK.B	215.97	2.72
BerkHathwy A	BRK.A	324064	3826.00
BerryGlobal	BERY	58.39	-1.21
BestBuy	BBY	78.06	1.20
Bio-RadLab A	BIO	254.65	0.11
Biogen	BIIB	347.64	5.23
BioMarinPharm	BMRN	91.71	2.59
Bioverativ	BIVV	103.79	39.68
BlackKnight	BKI	52.40	0.60
BlackBerry	BB	13.28	-0.03
BlackRock	BLK	593.26	3.00
Blackstone	BX	35.68	0.04
BlueBuffaloPet	BUFF	33.56	-0.12
bluebirdbio	BLUE	194.65	18.70
Boeing	BA	338.00	0.27
BorgWarner	BWA	56.48	-0.46
BostonProps	BXP	123.47	1.52
BostonSci	BSX	27.71	0.06
Braskem	BAK	27.42	0.41
BrightHorizons	BFAM	97.57	0.26
BristolMyers	BMY	63.28	1.00
BritishAmTob	BTI	70.51	0.23
Broadcom	AVGO	262.11	-4.28
BroadridgeFinl	BR	96.66	0.93
BrookfieldMgt	BAM	42.38	-0.37
BrookfieldInfr	BIP	42.67	-0.28
Brown&Brown	BRO	52.25	-0.29
Brown-Forman B	BF.B	67.64	0.14
Brown-Forman A	BF.A	65.91	-0.09
BuckeyePtrs	BPL	55.97	0.95
Bunge	BG	82.11	4.55
BurlingtonStrs	BURL	126.66	0.93
CA	CA	34.72	0.65
CBD Pao	CBD	23.45	-0.19
CBRE Group	CBG	45.73	-0.15
CBS B	CBS	58.25	0.50
CBS A	CBS.A	58.39	-0.11
CDK Global	CDK	74.33	0.95
CDW	CDW	75.01	-0.20
CF Industries	CF	40.84	0.45
CGI Group	GIB	54.07	0.01
CH Robinson	CHRW	95.43	0.27
CIT Group	CIT	52.29	0.19
CME Group	CME	155.45	1.17
CMS Energy	CMS	44.16	0.11
CNA Fin	CNA	54.40	0.44
CNOOC	CEO	158.93	2.57
CPFLEnergia	CPL	12.61	-0.14
CRH	CRH	38.22	0.89
CSX	CSX	57.73	0.24
CVS Health	CVS	80.95	1.09
CabotOil	COG	28.11	0.40
CadenceDesign	CDNS	45.69	0.09
CaesarsEnt	CZR	13.90	0.15
CalAtlantic	CAA	64.35	...
CamdenProperty	CPT	85.68	0.87
CampbellSoup	CPB	47.65	0.26
CIBC	CM	98.21	0.26
CanNtlRlwy	CNI	79.90	-0.39
CanNaturalRes	CNQ	36.07	-0.08
CanPacRlwy	CP	185.85	-0.86
Canon	CAJ	39.57	0.24
CapitalOne	COF	105.49	1.21
CardinalHealth	CAH	73.51	1.60
Carlisle	CSL	115.48	-2.32
Carlyle	CG	24.55	0.20
CarMax	KMX	71.49	0.91
Carnival	CCL	68.86	0.30
Carnival	CUK	69.27	0.24
Caterpillar	CAT	170.89	0.48
Cavium	CAVM	89.85	0.05
Celanese A	CE	111.12	1.84
Celgene	CELG	102.91	0.26
Cemex	CX	8.25	0.05
CenovusEnergy	CVE	10.39	0.15
Centene	CNC	111.59	0.92
CenterPointEner	CNP	27.79	-0.01
CentraisEltBras	EBR	5.76	0.24
CenturyLink	CTL	17.67	0.36
Cerner	CERN	69.13	0.22
CharterComms	CHTR	370.25	4.20
CheckPoint	CHKP	105.00	0.52
Chemours	CC	54.49	0.47
CheniereEnergy	LNG	55.39	0.97
CheniereEnerPtrs	CQP	30.89	0.41
CheniereEnHldgs	CQH	28.50	0.28
Chevron	CVX	132.56	1.26
ChinaEastrnAir	CEA	41.85	1.49
ChinaLifeIns	LFC	16.61	0.04
ChinaLodging	HTHT	165.81	8.30
ChinaMobile	CHL	51.97	0.45
ChinaPetrol	SNP	84.09	0.12
ChinaSoAirlines	ZNH	57.33	0.37
ChinaTelecom	CHA	49.03	0.22
ChinaUnicom	CHU	14.46	-0.18
Chipotle	CMG	330.00	-13.87
Chubb	CB	149.79	1.59
ChunghwaTel	CHT	37.00	0.09
Church&Dwight	CHD	50.11	0.20
Cigna	CI	220.75	0.60
CimarexEnergy	XEC	126.80	2.76
CincinnatiFin	CINF	75.93	0.77
Cintas	CTAS	165.14	1.08
CiscoSystems	CSCO	41.66	0.37
Citigroup	C	78.59	0.29
CitizensFin	CFG	46.92	0.07
CitrixSystems	CTXS	93.84	1.12
Clorox	CLX	144.48	0.62
Coca-Cola	KO	47.38	0.27
Coca-Cola Euro	CCE	39.75	0.11
Coca-Cola Femsa	KOF	75.99	1.00
Cognex	CGNX	60.00	-0.06
CognizantTech	CTSH	77.96	0.67
Coherent	COHR	290.83	-19.52
ColgatePalm	CL	77.38	0.28
Comcast A	CMCSA	42.89	0.39
Comerica	CMA	95.21	0.22
CommerceBcshrs	CBSH	59.17	0.54
ConagraBrands	CAG	37.77	...
ConchoRscs	CXO	160.41	4.22
ConocoPhillips	COP	60.67	0.92
ConEd	ED	78.53	0.26
ConstBrands A	STZ	219.32	1.58
ConstBrands B	STZ.B	218.85	0.50
ContinentalRscs	CLR	56.52	1.35
Cooper	COO	241.31	0.69
Copart	CPRT	45.42	-0.25
Corning	GLW	34.71	0.05
CoStar	CSGP	341.95	0.75
Costco	COST	194.38	2.09
Coty	COTY	20.89	0.36
Credicorp	BAP	230.34	0.35
CreditAcceptance	CACC	352.90	6.40
CreditSuisse	CS	19.34	0.28
CrownCastle	CCI	108.30	0.95
CrownHoldings	CCK	57.74	-0.15
Ctrip.com	CTRP	46.14	-0.71
CullenFrost	CFR	102.01	0.50
Cummins	CMI	189.58	0.50
D E F			
DISH Network	DISH	46.26	1.00
DTE Energy	DTE	103.36	0.21
DXC Tech	DXC	101.71	0.73
Danaher	DHR	99.97	-0.59
Darden	DRI	98.06	-0.98
DaVita	DVA	78.95	0.34
Deere	DE	170.38	0.06
DellTechs	DVMT	88.93	0.44
DeltaAir	DAL	60.13	0.12
DentsplySirona	XRAY	60.80	-1.15
DeutscheBank	DB	19.39	0.61
DevonEnergy	DVN	44.81	1.96
Diageo	DEO	145.31	0.07
DiamondbkEner	FANG	132.21	4.64
DigitalRealty	DLR	109.34	2.04
DiscoverFinSvcs	DFS	78.87	0.55
DiscoveryComm C	DISCK	25.09	0.66
DiscoveryComm B	DISCB	34.00	7.90
DiscoveryComm A	DISCA	26.33	0.62
Disney	DIS	111.10	0.51
DolbyLab	DLB	64.04	-0.01
DollarGeneral	DG	102.27	0.29
DollarTree	DLTR	115.02	0.29
DominionEner	D	74.89	-1.01
Domino's	DPZ	216.29	2.75
DonaldsonCo	DCI	51.29	-0.89
Dover	DOV	104.84	0.43
DowDuPont	DWDP	76.18	0.17
DrPepperSnap	DPS	96.76	0.41
DrReddy'sLab	RDY	39.14	0.47
DukeEnergy	DUK	76.95	0.13
DukeRealty	DRE	25.98	0.34
ENI	E	36.82	0.39
EOG Rscs	EOG	116.82	2.45
EQT	EQT	57.16	1.13
EQT Midstream	EQM	77.15	0.64
E*TRADE	ETFC	54.98	0.70
EastWestBncp	EWBC	68.17	0.19
EastmanChem	EMN	97.77	-0.36
Eaton	ETN	84.36	0.41
EatonVance	EV	60.52	-0.17
eBay	EBAY	39.52	0.45
Ecolab	ECL	140.34	0.59
Ecopetrol	EC	18.22	0.88
EdisonIntl	EIX	62.14	0.02
EdwardsLife	EW	124.51	0.60
ElectronicArts	EA	117.99	1.81
EmersonElec	EMR	73.26	0.12
EnbridgeEnPtrs	EEP	15.35	0.52
Enbridge	ENB	39.64	0.25
Encana	ECA	13.63	0.14
EnelAmericas	ENIA	11.63	0.05
EnelChile	ENIC	6.14	...
EnelGenChile	EOCC	28.02	0.09
EnergyTransferEq	ETE	18.54	0.63
EnergyTransfer	ETP	20.46	0.46
EnLinkMidPtrs	ENLK	18.08	0.63
Entergy	ETR	76.83	-0.16
EnterpriseProd	EPD	29.40	0.74
Equifax	EFX	125.00	0.47
Equinix	EQIX	436.05	-1.84
EquityLife	ELS	85.06	0.09
EquityResdntl	EQR	61.18	0.71
Ericsson	ERIC	7.18	-0.11
EssexProp	ESS	226.60	2.97
EsteeLauder	EL	134.87	0.42
EverestRe	RE	230.50	5.90
EversourceEner	ES	60.76	-0.03
Exelixis	EXEL	29.64	2.99
Exelon	EXC	38.05	0.08
Expedia	EXPE	128.19	1.92
ExpeditorsIntl	EXPD	66.44	0.94
ExpressScripts	ESRX	81.12	0.90
ExtraSpaceSt	EXR	85.15	1.51
ExxonMobil	XOM	88.25	1.10
F5Networks	FFIV	141.06	2.30
Facebook	FB	185.37	4.08
FactSet	FDS	199.50	-1.54
Fastenal	FAST	54.33	0.59
FederalRealty	FRT	124.37	1.76
FedEx	FDX	273.89	-0.43
FerrariNV	RACE	121.10	1.89
FiatChrysler	FCAU	24.19	0.26
FibriaCelulose	FBR	16.94	0.53
FidNatlFin	FNF	41.60	0.10
FidNatlInfo	FIS	99.19	0.72
FifthThirdBncp	FITB	32.77	0.27
58.com	WUBA	80.18	0.15
FirstAmerFinl	FAF	61.91	0.11
FirstData	FDC	18.22	0.22
FirstHorizonNatl	FHN	20.10	-0.06
FirstRepBank	FRC	89.88	-0.05
FirstSolar	FSLR	68.96	-1.07
FirstEnergy	FE	32.45	3.05
Fiserv	FISV	140.19	2.08
FleetCorTech	FLT	206.77	0.12
Flex	FLEX	19.44	-0.17
FlirSystems	FLIR	51.88	-0.52
Fluor	FLR	61.29	0.86
FomentoEconMex	FMX	96.04	-0.61
FootLocker	FL	50.37	0.16
FordMotor	F	12.02	0.02
ForestCity A	FCEA	23.90	0.19
Fortinet	FTNT	45.85	-0.16
Fortis	FTS	35.17	0.11
Fortive	FTV	74.20	-0.36
FortBrandsHome	FBHS	72.84	0.20
Franco-Nevada	FNV	75.92	-2.34
FranklinRscs	BEN	45.35	0.46
FreeportMcM	FCX	19.09	0.33
FreseniusMed	FMS	55.54	-0.21
G H I			
GGP	GGP	23.17	0.12
Gallagher	AJG	64.75	0.46
GamingLeisure	GLPI	36.40	-0.03
Gap	GPS	35.48	0.67
GardnerDenver	GDI	36.19	0.27
Garmin	GRMN	64.04	0.17
Gartner	IT	138.45	1.10
Gazit-Globe	GZT	10.30	-0.36
GeneralDynamics	GD	208.20	-0.90
GeneralElec	GE	16.17	-0.35
GeneralMills	GIS	59.77	0.66
GeneralMotors	GM	43.29	0.14
Genpact	G	34.49	0.09
Gentex	GNTX	22.78	-0.03
GenuineParts	GPC	104.13	-0.01
Gerdau	GGB	4.37	-0.05
Gildan	GIL	33.56	0.11
GileadSciences	GILD	81.41	0.63
GSK	GSK	38.56	0.36
GlobalPayments	GPN	109.10	1.09
GoDaddy	GDDY	52.32	0.65
Goldcorp	GG	14.45	0.13
GoldmanSachs	GS	261.52	5.40
Goodyear	GT	35.62	0.63
Graco	GGG	47.92	...
Grainger	GWW	229.86	-0.19
GreatPlainsEner	GXP	30.67	-0.28
Grifols	GRFS	24.90	0.82
GrubHub	GRUB	71.92	1.89
GpoAeroportuar	PAC	106.39	-2.01
GpoAvalAcc	AVAL	9.06	...
GpoFinGalicia	GGAL	69.79	-2.27
GpoFinSantMex	BSMX	7.70	-0.02
GrupoTelevisa	TV	20.47	0.34
HCA Healthcare	HCA	92.86	-0.15
HCP	HCP	23.65	0.23
HDFC Bank	HDB	106.04	-1.28
HP	HPQ	23.85	0.15
HSBC	HSBC	55.47	0.11
Halliburton	HAL	56.40	3.39
Hanesbrands	HBI	23.00	-0.20
HarleyDavidson	HOG	53.81	0.81
Harris	HRS	143.19	-2.70
HartfordFinl	HIG	56.05	0.09
Hasbro	HAS	90.86	-1.70
Heico	HEI	77.77	-0.94
Heico A	HEI.A	63.75	-0.75
Helm&Payne	HP	71.12	-0.01
HenrySchein	HSIC	76.41	0.45
Herbalife	HLF	75.00	2.03
Hershey	HSY	109.96	0.59
Hess	HES	53.47	0.86
HewlettPackard	HPE	16.05	-0.03
Hilton	HLT	85.77	0.28
HollyFrontier	HFC	51.74	0.80
Hologic	HOLX	42.24	-0.22
HomeDepot	HD	204.46	3.13
HondaMotor	HMC	36.18	-0.06
Honeywell	HON	158.54	-0.15
HormelFoods	HRL	34.88	0.12
DR Horton	DHI	52.37	0.89
HostHotels	HST	20.81	0.09
HuanengPower	HNP	25.51	-0.13
Hubbell	HUBB	138.56	0.25
Humana	HUM	281.87	2.57
JBHunt	JBHT	125.39	1.78
HuntingtonBcshs	HBAN	16.03	0.22
HuntingtonIngalls	HII	238.88	-3.24
Huntsman	HUN	34.74	-0.04
HyattHotels	H	79.85	0.14
IAC/InterActive	IAC	140.94	3.74
ICICI Bank	IBN	10.36	0.03
IdexxLab	IDXX	180.95	0.52
IHSMarkit	INFO	48.37	0.30
ING Groep	ING	20.57	0.16
Invesco	IVZ	37.87	-0.26
IPG Photonics	IPGP	260.75	-2.30
IQVIA	IQV	102.84	-0.16
IRSA Prop	IRCP	56.97	1.48
IcahnEnterprises	IEP	57.30	-0.74
Icon	ICLR	112.68	-1.29
IDEX	IEX	137.71	-0.64
IllinoisToolWks	ITW	173.39	0.97
Illumina	ILMN	245.19	1.64
ImperialOil	IMO	32.14	0.53
Incyte	INCY	94.08	0.92
Infosys	INFY	18.29	0.30
Ingersoll-Rand	IR	89.84	-1.09
Ingredion	INGR	140.86	3.73
Intel	INTC	45.79	0.93
InteractiveBrkrs	IBKR	63.67	1.19
ICE	ICE	75.83	0.23
InterContinentl	IHG	68.75	0.19
IBM	IBM	162.60	0.23
IntlFlavors	IFF	153.06	-2.13
IntlPaper	IP	63.46	-0.04
Interpublic	IPG	21.96	0.61
Intuit	INTU	168.67	0.93
IntuitiveSurgical	ISRG	433.94	0.71
InvitatHomes	INVH	22.43	0.25
IonisPharma	IONS	51.70	1.48
IronMountain	IRM	35.81	0.32
IsraelChemicals	ICL	4.37	...
ItauUnibanco	ITUB	15.12	0.34
J K L			
JD.com	JD	45.26	-0.76
JPMorganChase	JPM	114.33	1.32
JackHenry	JKHY	125.32	0.17
JacobsEngg	JEC	70.23	0.28
JamesHardie	JHX	17.19	-0.09
JanusHenderson	JHG	41.13	0.07
JazzPharma	JAZZ	152.42	3.72
JetBlue	JBLU	22.59	0.02
J&J	JNJ	148.14	0.78
JohnsonControls	JCI	39.20	0.30
JonesLang	JLL	155.85	0.68
JuniperNetworks	JNPR	28.36	0.51
JunoTherap	JUNO	86.00	18.19
KAR Auction	KAR	54.45	0.52
KB Fin	KB	61.79	-1.85
KKR	KKR	23.02	0.25
KLA Tencor	KLAC	114.59	-0.43
KT	KT	15.88	0.03
KSCitySouthern	KSU	110.96	0.96
Kellogg	K	67.17	0.55
KeyCorp	KEY	21.39	0.23
KeysightTechs	KEYS	46.48	0.15
KilroyRealty	KRC	71.39	0.52
KimberlyClark	KMB	116.91	1.42
KimcoRealty	KIM	16.58	0.17
KinderMorgan	KMI	19.63	0.62
Knight-Swift	KNX	47.50	0.52
Kohl's	KSS	68.17	0.63
KoninklijkePhil	PHG	40.81	-0.22
KoreaElcPwr	KEP	16.24	-0.29
KraftHeinz	KHC	80.17	0.51
Kroger	KR	29.63	-0.09
Kyocera	KYO	68.97	0.04
L3 Techs	LLL	201.93	0.41
L Brands	LB	52.04	1.35
LG Display	LPL	14.26	0.08
LINE	LN	45.50	0.52
LKQ	LKQ	42.85	-0.11
LPL Financial	LPLA	59.59	0.02
LabCpAm	LH	176.26	1.87
LamResearch	LRCX	209.19	1.66
LamarAdv	LAMR	72.75	-0.89
LambWeston	LW	60.30	0.26
LasVegasSands	LVS	77.10	2.59
Lazard	LAZ	58.93	0.96
Lear	LEA	190.25	-0.93
Leggett&Platt	LEG	48.09	-0.16
Leidos	LDOS	67.13	-0.01
Lennar A	LEN	60.71	0.35
Lennar B	LEN.B	58.05	0.19
LennoxIntl	LII	215.62	-0.86
LeucadiaNatl	LUK	27.91	-0.10
LibertyBroadband A	LBRDA	93.81	0.72
LibertyBroadband C	LBRDK	94.20	0.61
LibertyGlobal B	LBTYB	38.20	1.05
LibertyGlobal C	LBTYK	35.59	0.33
LibertyGlobal A	LBTYA	37.59	0.41
LibertyQVC B	QVCB	27.49	...
LibertyQVC A	QVCA	27.47	0.70
LibertyVentures A	LVNTA	59.20	-0.65
LibertyVentures B	LVNTB	59.24	-1.28
LibertyFormOne C	FWONK	35.45	0.72
LibertyFormOne A	FWONA	35.03	0.74
LibertyBraves C	BATRK	23.97	0.54
LibertyBraves A	BATRA	23.94	0.13
LibertySirius C	LSXMK	41.88	0.18
LibertySirius A	LSXMA	41.93	0.22
LibertyProperty	LPT	41.76	0.83
EliLilly	LLY	85.44	-0.05
LincolnElectric	LECO	100.13	0.12
LincolnNational	LNC	83.85	0.16
LionsGate A	LGF.A	35.24	-0.18
LionsGate B	LGF.B	33.41	0.01
LiveNationEnt	LYV	43.46	-0.24
LloydsBanking	LYG	4.00	0.07
LockheedMartin	LMT	329.00	-3.00
Loews	L	52.80	0.29
LogitechIntl	LOGI	37.58	0.25
LogMeIn	LOGM	119.60	0.05
Lowe's	LOW	107.11	2.16
lululemon	LULU	78.96	-0.38
LyondellBasell	LYB	118.94	-0.98
M N			
M&T Bank	MTB	188.76	-0.02
MGM Resorts	MGM	37.12	0.77
MPLX	MPLX	39.12	1.26
MSCI	MSCI	139.27	1.02
Macerich	MAC	66.00	2.25
Macy's	M	27.25	0.24
MagellanMid	MMP	74.41	0.66
MagnaIntl	MGA	57.97	-0.31
Manpower	MAN	134.19	1.15
ManulifeFin	MFC	21.93	-0.06
MarathonOil	MRO	19.28	0.70
MarathonPetrol	MPC	73.16	1.27
Markel	MKL	1121.51	-4.49
MarketAxess	MKTX	201.26	-7.13
Marriott	MAR	143.81	-0.26
Marsh&McLen	MMC	82.71	0.63
MartinMarietta	MLM	226.71	-0.27
MarvellTech	MRVL	23.62	-0.06
Masco	MAS	45.87	-0.03
Mastercard	MA	168.28	1.45
MatchGroup	MTCH	33.83	1.23
MaximIntProducts	MXIM	57.39	0.81
McCormick	MKC	99.13	-0.06
McCormickVtg	MKC.V	99.93	-2.90
McDonalds	MCD	176.21	0.09
McKesson	MCK	172.96	2.60
MelcoResorts	MLCO	29.54	0.37
MercadoLibre	MELI	352.27	6.96
Merck	MRK	61.25	-0.03
MetLife	MET	53.85	0.45
MettlerToledo	MTD	670.88	4.19
MichaelKors	KORS	65.70	-0.16
MicroFocus	MFGP	30.30	0.37
MicrochipTech	MCHP	98.69	1.24
MicronTech	MU	42.88	0.13
Microsemi	MSCC	58.97	0.79
Microsoft	MSFT	91.61	1.61
MidAmApt	MAA	93.25	0.73
Middleby	MIDD	138.75	1.00
MitsubishiUFJ	MTU	8.00	-0.01
MizuhoFin	MFG	3.93	0.02
MobileTeleSys	MBT	11.40	0.48
MohawkInds	MHK	279.56	0.42
MolsonCoors B	TAP	84.06	0.29
Mondelez	MDLZ	44.28	0.14
Monsanto	MON	120.99	0.33
MonsterBev	MNST	67.77	0.91
Moody's	MCO	160.47	1.29
MorganStanley	MS	57.36	-0.10
Mosaic	MOS	26.66	0.13
MotorolaSol	MSI	97.33	-0.47
Mylan	MYL	47.64	0.91
NRG Energy	NRG	26.92	0.02
NTTDoCoMo	DCM	24.62	-0.12
NVR	NVR	3655.00	-45.00
NXP Semi	NXPI	121.08	0.63
Nasdaq	NDAQ	80.63	0.56
NationalGrid	NGG	59.25	0.76
NatlInstruments	NATI	46.31	-0.26
NatlOilwell	NOV	38.74	0.76
NatlRetailProp	NNN	40.73	0.40
NektarTherap	NKTR	76.78	5.19
NetApp	NTAP	63.52	0.43
Netease	NTES	331.50	5.95
Netflix	NFLX	227.58	7.12
NewOrientalEduc	EDU	93.99	-2.75
NY CmntyBcp	NYCB	13.98	0.08
NewellBrands	NWL	31.54	0.32
NewfieldExpln	NFX	34.14	0.82
NewmontMin	NEM	39.66	0.19
NewsCorp B	NWS	17.55	...
NewsCorp A	NWSA	17.28	-0.04
NextEraEnergy	NEE	150.02	-0.14
Nike	NKE	66.39	-0.82
NiSource	NI	23.95	0.01
NobleEnergy	NBL	32.94	1.25
Nokia	NOK	4.90	0.06
NomuraHoldings	NMR	6.72	0.13
Nordson	NDSN	149.99	-1.15
Nordstrom	JWN	52.82	0.82
NorfolkSouthern	NSC	151.47	0.97
NorthernTrust	NTRS	107.43	0.94
NorthropGrum	NOC	315.14	-1.23
NorwegianCruise	NCLH	59.37	-0.06
Novartis	NVS	87.00	0.66
NovoNordisk	NVO	57.95	0.16
Nucor	NUE	68.99	0.27
NVIDIA	NVDA	233.69	3.58
O P Q			
OGE Energy	OGE	31.57	0.15
ONEOK	OKE	59.88	1.56
OReillyAuto	ORLY	272.30	-0.72
OccidentalPetrol	OXY	77.63	2.08
OldDomFreight	ODFL	149.10	1.13
Olin	OLN	36.94	0.06
Omnicom	OMC	76.36	1.40
ON Semi	ON	25.37	0.33
OpenText	OTEX	33.76	0.10
Oracle	ORCL	50.71	0.13
Orange	ORAN	18.17	0.52
OrbitalATK	OA	132.84	0.35
Orix	IX	98.62	2.37
Oshkosh	OSK	93.98	-0.87
OwensCorning	OC	96.36	0.33
PG&E	PCG	43.94	-0.45
PLDT	PHI	29.43	0.38
PNC Fin	PNC	155.72	0.47
POSCO	PKX	89.31	-1.28
PPG Ind	PPG	116.78	-1.66
PPL	PPL	31.49	-0.10
PTC	PTC	72.85	1.39
PVH	PVH	148.35	1.28
Paccar	PCAR	77.64	0.13
PackagingCpAm	PKG	127.25	-0.31
PacWestBancorp	PACW	53.75	-0.20
PaloAltoNtwks	PANW	153.87	-3.35
ParkerHannifin	PH	210.23	-0.71
ParsleyEnergy	PE	29.16	-0.06
Paychex	PAYX	69.70	0.21
PayPal	PYPL	83.98	0.14
Pearson	PSO	9.64	0.13
PembinaPipeline	PBA	35.09	0.07
Pentair	PNR	73.94	-0.04
People'sUtdFin	PBCT	20.02	-0.06
PepsiCo	PEP	121.51	1.34
PerkinElmer	PKI	81.20	0.34
Perrigo	PRGO	93.44	1.56
PetroChina	PTR	75.69	1.01
PetroleoBrasil	PBR	12.25	0.09
PetroleoBrasilA	PBR.A	11.60	0.10
Pfizer	PFE	36.93	-0.01
PhilipMorris	PM	108.81	-0.11
Phillips66	PSX	106.66	1.03
PilgrimPride	PPC	31.22	0.50
PinnacleFoods	PF	60.80	0.08
PinnacleWest	PNW	78.96	-0.12
PioneerNatRscs	PXD	186.30	3.13
PlainsAAPipe	PAA	23.05	0.56
PlainsGP	PAGP	23.16	0.38
PolarisIndustries	PII	133.84	-0.86
Praxair	PX	160.62	-1.26
Priceline	PCLN	1915.77	5.56
PrincipalFin	PFG	73.97	-0.08
Procter&Gamble	PG	91.89	0.82
Progressive	PGR	58.22	0.56
Prologis	PLD	63.11	1.33
PrudentialFin	PRU	124.33	0.20
Prudential	PUK	55.02	-0.03
PublicServiceEnt	PEG	50.04	0.24
PublicStorage	PSA	193.78	0.22
PulteGroup	PHM	35.91	0.55
Qiagen	QGEN	33.05	0.12
Qorvo	QRVO	66.34	-2.06
Qualcomm	QCOM	68.67	0.63
QuantaServices	PWR	39.09	0.10
QuestDiag	DGX	103.57	0.51
R S			
RELX	RENX	22.21	-0.23
RELX	RELX	22.88	-0.41
RPM	RPM	52.87	-0.12
RSP Permian	RSPP	42.75	1.43
RalphLauren	RL	114.89	2.11
RandgoldRscs	GOLD	98.90	0.25
RaymondJames	RJF	96.56	0.37
Raytheon	RTN	196.37	-0.31
RealtyIncome	O	52.86	0.76
RedHat	RHT	128.01	2.07
RegencyCtrs	REG	64.31	0.54
RegenPharm	REGN	375.86	4.33
RegionsFin	RF	19.16	0.49
ReinsGrp	RGA	163.32	0.87
RelianceSteel	RS	91.11	0.20
RepublicSvcs	RSG	68.28	0.08
ResMed	RMD	87.51	-1.17
RestaurantBrands	QSR	61.22	-0.36
RioTinto	RIO	56.45	0.40
RobertHalf	RHI	57.45	0.43
Rockwell	ROK	203.93	0.42
RockwellCollins	COL	137.35	0.32
RogersComm B	RCI	50.29	0.31
Rollins	ROL	47.88	...
RoperTech	ROP	276.07	0.38
RossStores	ROST	84.48	0.72
RoyalBkCanada	RY	86.75	0.62
RoyalCaribbean	RCL	128.70	-0.27
RoyalDutchA	RDS.A	71.04	1.21
RoyalDutchB	RDS.B	73.17	1.16
Ryanair	RYAAY	120.94	0.14
S&P Global	SPGI	182.15	1.01
SAP	SAP	117.52	-0.42
SBA Comm	SBAC	167.55	1.37
SEI Investments	SEIC	77.17	-0.06
Sina	SINA	119.10	-0.96
SINOPEC	SHI	62.40	-0.14
SK Telecom	SKM	28.41	-0.39
SS&C Tech	SSNC	49.97	-0.01
SVB Fin	SIVB	259.35	3.03
SageTherap	SAGE	168.67	-0.79
Salesforce.com	CRM	112.89	0.96
Sanofi	SNY	43.20	-1.40
SantanderCons	SC	18.42	0.01
Sasol	SSL	36.62	0.62
Scana	SCG	43.36	0.01
Schlumberger	SLB	79.79	3.37
SchwabC	SCHW	55.44	-0.04
ScottsMiracleGro	SMG	106.93	0.65
ScrippsNetworks	SNI	88.77	0.27
Seagate	STX	53.16	0.54
SealedAir	SEE	48.97	-0.13
SeattleGenetics	**SGEN**	**56.29**	**2.81**
SemiconductrMfg	SMI	7.52	0.11
SempraEnergy	SRE	105.05	-0.94
SensataTech	ST	55.43	0.55
ServiceCorp	SCI	39.42	0.36
ServiceMaster	SERV	53.03	-0.31
ServiceNow	NOW	143.90	1.63
ShawComm B	SJR	21.78	0.19
SherwinWilliams	SHW	427.18	-3.62
ShinhanFin	SHG	49.09	-1.26
Shire	SHPG	147.61	2.62
Shopify	SHOP	119.43	3.95
SignatureBank	SBNY	158.28	-1.55
SimonProperty	SPG	166.10	1.86
SiriusXM	SIRI	5.65	0.05
SkechersUSA	SKX	40.54	0.17
Skyworks	SWKS	98.72	-0.48
SmithAO	AOS	67.00	-0.04
Smith&Nephew	SNN	35.09	0.10
Smucker	SJM	127.38	-0.15
Snap	SNAP	14.17	0.13
SnapOn	SNA	169.40	0.49
SOQUIMICH	SQM	57.84	0.91
Sony	SNE	50.80	0.91
Southern	SO	44.04	-0.40
SoCopper	SCCO	50.09	-0.25
SouthwestAir	LUV	64.89	-0.16
SpectraEnerPtrs	SEP	43.40	0.81
SpectrumBrands	SPB	123.62	2.28
SpiritAeroSys	SPR	100.05	1.44
Splunk	SPLK	91.41	1.47
Sprint	S	5.32	-0.15
Square	SQ	45.29	2.73
StanleyBlackDck	SWK	175.23	-4.68
Starbucks	SBUX	61.41	0.15
StateStreet	STT	108.99	1.38
Statoil	STO	23.68	0.49
SteelDynamics	STLD	46.57	0.15
Stericycle	SRCL	70.99	-1.01
STMicroelec	STM	25.85	0.41
Stryker	SYK	162.52	1.24
SumitomoMits	SMFG	9.60	...
SunComms	SUI	89.17	1.34
SunLifeFinancial	SLF	44.15	0.09
SuncorEnergy	SU	37.27	0.29
SunTrustBanks	STI	69.88	1.30
Symantec	SYMC	26.54	-0.92
SynchronyFin	SYF	39.52	1.05
Synopsys	SNPS	92.96	0.35
SynovusFin	SNV	50.78	0.28
Sysco	SYY	63.59	0.38
T U V			
TAL Education	TAL	28.66	-0.33
TD Ameritrade	AMTD	55.88	0.33
TE Connectivity	TEL	101.26	0.53
Telus	TU	37.69	0.16
Ternium	TX	33.24	-0.36
TIM Part	TSU	19.97	0.12
TJX	TJX	79.46	0.57
T-MobileUS	TMUS	63.94	0.23
TRowePrice	TROW	117.40	0.05
TaiwanSemi	TSM	46.38	1.71
TakeTwoSoftware	TTWO	118.40	0.35
Tapestry	TPR	47.51	-0.25
TargaResources	TRGP	51.00	0.27
Target	TGT	78.58	0.48
TataMotors	TTM	32.88	-0.22
TechnipFMC	FTI	34.59	1.09
TeckResB	TECK	29.11	-0.32
TelecomArgentina	TEO	39.49	0.97
TelecomItalia	TI	9.14	0.22
TelecomItalia A	TI.A	7.74	0.17
TeledyneTech	TDY	191.04	0.89
Teleflex	TFX	274.75	-1.67
TelefonicaBras	VIV	15.72	0.26
Telefonica	TEF	10.28	0.22
TelekmIndonesia	TLK	31.25	-0.01
Tenaris	TS	35.79	0.70
Teradyne	TER	47.77	0.35
TevaPharm	TEVA	21.02	0.32
TexasInstruments	TXN	119.44	2.61
Textron	TXT	59.09	0.19
ThermoFisherSci	TMO	215.32	1.81
ThomsonReuters	TRI	43.50	-0.20
ThorIndustries	THO	156.85	1.41
3M	MMM	247.03	0.96
Tiffany	TIF	109.88	2.11
TimeWarner	TWX	94.00	0.64
TollBros	TOL	52.54	0.66
Torchmark	TMK	92.78	0.63
Toro	TTC	67.01	-0.32
TorontoDomBk	TD	59.72	0.47
Total	TOT	58.88	0.71
TotalSystem	TSS	83.75	0.50
ToyotaMotor	TM	139.40	-0.45
TractorSupply	TSCO	81.94	-0.45
TransCanada	TRP	48.04	0.18
TransDigm	TDG	296.85	-2.32
TransUnion	TRU	59.69	0.34
Travelers	TRV	139.35	1.50
Trimble	TRMB	44.49	-0.10
TurkcellIletism	**TKC**	**10.66**	**0.57**
TurquoiseHill	TRQ	3.37	...
21stCenturyFoxA	FOXA	37.31	0.66
21stCenturyFoxB	FOX	36.96	0.70
Twitter	TWTR	23.32	-0.34
TylerTech	TYL	197.68	3.58
TysonFoods	TSN	80.89	0.70
UBS Group	UBS	20.27	0.11
UDR	UDR	36.36	0.39
UGI	UGI	46.19	0.47
US Foods	USFD	33.50	0.35
UltaBeauty	ULTA	235.01	-0.12
UltimateSoftware	ULTI	227.20	-0.79
UltraparPart	UGP	24.78	0.08
Unilever	UN	57.67	-0.04
Unilever	UL	57.03	-0.05
UnionPacific	UNP	141.97	0.72
UnitedContinental	UAL	76.87	0.37
UPS B	UPS	132.86	-0.22
UnitedRentals	URI	187.12	3.45
US Bancorp	USB	57.26	0.80
US Steel	X	39.31	0.54
UnitedTech	UTX	135.21	-0.69
UnitedTherap	UTHR	143.46	3.95
UnitedHealth	UNH	243.65	0.76
UnitedMicro	UMC	2.41	-0.03
UnivDisplay	OLED	199.00	-4.65
UniversalHealthB	UHS	117.81	-0.28
UnumGroup	UNM	56.10	0.11
VEON	VEON	3.94	0.07
VEREIT	VER	7.45	0.07
VF	VFC	80.42	0.63
Visa	V	124.33	1.63
VailResorts	MTN	231.74	0.28
Vale	VALE	13.32	-0.04
ValeroEnergy	VLO	98.43	2.49
ValeantPharm	VRX	22.03	0.51
VarianMed	VAR	110.02	-0.30
VeevaSystems	VEEV	58.17	-0.36
Ventas	VTR	54.49	0.02
VeriSign	VRSN	114.46	-0.02
VeriskAnalytics	VRSK	99.52	0.62
Verizon	VZ	53.46	1.55
VertexPharm	VRTX	161.91	3.94
Viacom B	VIAB	33.94	0.58
Viacom A	VIA	36.93	0.50
Vipshop	VIPS	16.00	0.07
VistraEnergy	VST	19.24	-0.25
VMware	VMW	136.69	0.65
Vodafone	VOD	32.16	0.58
VornadoRealty	VNO	73.12	1.33
VoyaFinancial	VOYA	54.17	-0.26
VulcanMatls	VMC	133.00	-2.03
W X Y Z			
WABCO	WBC	158.00	-3.00
WEC Energy	WEC	63.01	-0.10
WEX	WEX	147.60	0.88
WPCarey	WPC	65.36	0.61
WPP	WPP	95.32	-0.21
Wabtec	WAB	82.50	-0.30
Wal-Mart	WMT	105.45	0.86
WalgreensBoots	WBA	77.40	0.93
WasteConnections	WCN	72.53	0.53
WasteMgt	WM	88.66	0.60
Waters	WAT	214.77	4.05
Wayfair	W	90.64	2.80
Weibo	WB	131.13	0.84
WellCareHealth	WCG	218.35	-0.44
WellsFargo	WFC	64.73	0.51
Welltower	WELL	59.33	0.04
WesternDigital	WDC	86.24	0.64
WesternGasEquity	WGP	41.91	1.49
WesternGasPtrs	WES	53.74	1.43
WestlakeChem	WLK	109.86	-0.27
WestpacBanking	WBK	24.73	-0.23
WestRock	WRK	68.78	-0.38
Weyerhaeuser	WY	35.98	0.18
WheatonPrecMet	WPM	21.70	-0.32
Whirlpool	WHR	166.65	-0.88
Williams	WMB	32.85	0.55
WilliamsPartners	WPZ	43.49	0.94
WillisTowers	WLTW	164.60	0.71
Wipro	WIT	5.46	-0.15
WooriBank	WF	47.25	-0.40
Workday	WDAY	115.30	1.19
Worldpay	WP	79.74	1.01
Wyndham	WYN	127.35	0.56
WynnResorts	**WYNN**	**195.23**	**15.59**
XPO Logistics	XPO	97.12	1.12
XcelEnergy	XEL	45.23	0.10
Xerox	XRX	32.64	0.84
Xilinx	XLNX	75.44	-0.27
Xylem	XYL	72.65	0.74
YPF	YPF	25.28	0.29
YY	YY	135.37	-2.83
Yandex	YNDX	37.97	0.77
YumBrands	YUM	84.91	1.10
YumChina	YUMC	47.58	1.61
ZTO Express	ZTO	16.21	-0.28
ZayoGroup	ZAYO	36.31	0.33
ZebraTech	ZBRA	124.29	0.54
Zillow A	ZG	43.02	0.40
Zillow C	Z	42.93	0.35
ZimmerBiomet	ZBH	126.20	2.72
ZionsBancorp	ZION	54.16	0.43
Zoetis	ZTS	77.48	0.86

New Highs and Lows | WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **% CHG**-Daily percentage change from the previous trading session.

Monday, January 22, 2018

Highs

Stock	Sym	52-Wk Hi/Lo	% Chg
Ansys	ANSS	163.18	1.0
AbbVie	ABBV	106.54	1.8
Abercrombie&Fitch	ANF	22.50	12.6
Abiomed	ABMD	229.43	...
AcornIntl	ATV	21.14	2.1
ActivisionBliz	ATVI	71.40	1.0
AdamasPharm	ADMS	41.38	6.8
AdvAcceltrApp	AAAP	82.74	0.3
AdverumBiotech	ADVM	5.30	5.1
Aegon	AEG	6.99	0.7
AffiliatedMgrs	AMG	214.00	0.9
AgilentTechs	A	73.55	0.6
AgiosPharm	AGIO	80.00	12.1
AlbireoPharma	ALBO	37.30	7.2
Alphabet C	GOOG	1159.88	1.6
Alphabet A	GOOGL	1166.88	1.8
AltraIndlMotion	AIMC	53.70	-0.1
Amdocs	DOX	70.37	0.6
AmEqtyLf	AEL	34.84	1.1
AmericanFin	AFG	111.98	1.2
AmerSoftware	AMSWA	13.41	0.4
AmerisBancorp	ABCB	53.95	-0.1
AmerisourceBrgn	ABC	102.73	2.6
Amgen	AMGN	192.57	1.6
AnaptysBio	ANAB	119.90	-0.1
Anthem	ANTM	250.91	0.2
AnthemUn	ANTX	60.84	0.1
Aptiv	APTV	94.38	...
AptoseBiosci	APTO	3.34	8.1
Aramark	ARMK	45.47	0.1
ArcBest	ARCB	39.70	2.9
AresManagement	ARES	24.70	4.3
AristaNetworks	ANET	275.85	1.8
ArrayBioPharma	ARRY	16.00	18.4
ArrowheadPharm	ARWR	6.75	1.6
ArtisanPtrsAsset	APAM	40.90	1.9
AscendisPharma	ASND	54.00	4.2
AspenTech	AZPN	77.29	0.5
AstraZeneca	AZN	35.95	1.4
AtHomeGroup	HOME	33.82	2.1
AtaraBiotherap	ATRA	34.75	13.1
AtlasFinancial	AFH	21.50	1.4
AutoNation	AN	60.12	1.9
BOK Fin	BOKF	97.61	...
BP Midstream	BPMP	23.00	0.6
BRT Apartments	BRT	13.63	1.0
BancodeChile	BCH	105.00	1.1
BancoSantander	SAN	7.42	2.3
BancorpSouth	BXS	35.15	0.3
BankofAmerica	BAC	31.94	0.7
BankofAmWtA	BAC.WS.A	19.95	0.9
BankofMontreal	BMO	84.71	0.6
Barnwell	BRN	2.95	14.8
BarrettBus	BBSI	71.95	-0.5
BaxterIntl	BAX	70.25	0.3
BectonDicknsn	BDX	236.74	0.9
BeiGene	BGNE	120.00	5.0
BerkHathwy B	BRK.B	216.08	1.3
BestBuy	BBY	78.11	1.6
BigLots	BIG	62.60	2.3
Bioverativ	BIVV	104.30	61.9
BisonCapAcqn	BCACU	10.45	1.0
BlackKnight	BKI	52.45	1.2
BlackRock	BLK	593.44	0.5
BluegreenVac	BXG	19.85	2.9
BlueLinx	BXC	13.34	-0.8
BoiseCascade	BCC	43.30	0.2
BoydGaming	BYD	38.22	-0.7
Briggs&Stratton	BGG	27.15	-0.8
BrightHorizons	BFAM	98.22	0.1
Brink's	BCO	88.10	2.3
BroadridgeFinl	BR	97.00	1.0
Buenaventura	BVN	15.31	1.3
CBRE Group	CBG	45.98	-0.3
CDW	CDW	75.37	-0.3
CH Robinson	CHRW	95.67	0.3
CME Group	CME	155.45	0.8
CRH	CRH	38.23	2.4
CRISPR Therap	CRSP	34.18	13.5
CSP	CSPI	18.89	2.2
CabotMicro	CCMP	103.99	-1.0
CadenceDesign	CDNS	45.86	0.2
CalAtlantic	CAA	64.60	...
CallidusSoftware	CALD	31.00	0.5
Canon	CAJ	39.57	0.6
Carters	CRI	120.94	-0.9
Catalent	CTLT	43.71	1.8
CatalystBiosci	CBIO	21.50	8.8
CboeGlobalMkts	CBOE	134.64	0.5
CenturyAluminum	CENX	23.07	4.1
ChinaCustRelat	CCRC	23.40	6.6
ChinaLodging	HTHT	166.19	5.3
ChinaYuchai	CYD	27.16	0.2
ChoiceHotels	CHH	82.25	-1.5
ChurchillDowns	CHDN	256.75	0.1
Cimpress	CMPR	137.07	3.2
Cintas	CTAS	165.20	0.7
CiscoSystems	CSCO	41.66	0.9
Citigroup	C	78.90	0.4
CitizensFin	CFG	47.87	2.1
CitrixSystems	CTXS	94.03	1.2
Coca-Cola	KO	47.50	0.5
CognizantTech	CTSH	78.34	0.9
CollegiumPharm	COLL	25.02	4.0
ColumbusMcKinn	CMCO	44.55	-0.4
Comcast A	CMCSA	42.92	0.9
ComericaWt	CMA.WS	65.76	0.4
CommVehicle	CVGI	13.90	4.2
ConchoRscs	CXO	160.52	2.7
ConocoPhillips	COP	60.68	1.5
CorceptTherap	CORT	25.12	3.0
CoriumIntl	CORI	13.93	1.2
Cosan	CZZ	10.72	-0.1
CoupaSoftware	COUP	38.33	1.5
Credicorp	BAP	230.34	0.2
CreditAcceptance	CACC	352.99	1.8
CreditSuisse	CS	19.34	1.5
CrestwoodEquity	CEQP	28.85	2.7
Cummins	CMI	189.60	0.3
CymaBayTherap	CBAY	10.60	2.5
CypressSemi	CY	17.70	1.8
CytomXTherap	CTMX	26.50	2.9
DarlingIngred	DAR	19.50	1.5
DecipheraPharm	DCPH	28.20	1.6
DeckersOutdoor	DECK	86.54	1.1
DellTechs	DVMT	89.44	0.5
DenaliTherap	DNLI	23.00	9.1
Denny's	DENN	15.56	0.2
DiamondbkEner	FANG	132.31	3.6
DiscovComm B	DISCB	34.00	30.3
DollarGeneral	DG	102.30	0.3
Dover	DOV	105.00	0.4
ENI	E	36.82	1.1
EOG Rscs	EOG	116.86	2.1
E*TRADE	ETFC	55.01	1.3
EastWestBncp	EWBC	68.23	0.3
EastmanChem	EMN	98.49	-0.4
EatonVance	EV	60.87	-0.3
Ecolab	ECL	140.43	0.4
Ecopetrol	EC	18.25	5.1
EducDev	EDUC	19.95	9.4
EdwardsLife	EW	124.57	0.5
8x8	EGHT	17.40	4.5
EmpresaDisCom	EDN	59.96	0.7
EnantaPharma	ENTA	71.11	5.0
EncompassHealth	EHC	53.14	1.0
EncoreWire	WIRE	52.65	0.7
Entegris	ENTG	34.80	0.1
EnterpriseFinSvcs	EFSC	48.00	-0.1
EssentGroup	ESNT	49.25	...
EsteeLauder	EL	135.69	0.3
EvoquaWater	AQUA	24.86	-0.2
ExxonMobil	XOM	88.29	1.3
FS Bancorp	FSBW	59.78	0.9
Fanhua	FANH	30.48	5.7
FateTherap	FATE	8.29	12.5
Ferrari	RACE	121.46	0.3
FiatChrysler	FCAU	24.26	1.1
FidNatlInfo	FIS	99.20	0.7
FifthThirdBncp	FITB	32.88	0.8
51job	JOBS	68.53	1.7
FirstFinBncpOH	FFBC	29.50	-0.3
FirstCash	FCFS	71.65	0.6
Fiserv	FISV	140.20	1.5
FleetCorTech	FLT	207.96	0.1
Floor&Decor	FND	51.48	-1.0
Fluor	FLR	61.57	1.4
FormulaSys	FORTY	45.65	2.2
ForwardAir	FWRD	64.80	-1.0
FreeportMcM	FCX	20.18	0.2
GATX	GATX	70.58	2.1
GCPAppliedTechs	GCP	34.79	-1.0
GDSHoldings	GDS	27.85	2.3
GOL Linhas	GOL	10.28	1.3
Galapagos	GLPG	116.32	3.0
Gap	GPS	35.50	1.9
GardnerDenver	GDI	36.24	0.8
Garmin	GRMN	64.05	0.3
Gartner	IT	138.50	0.8
Genpact	G	34.55	0.3
GlobalPayments	GPN	109.16	1.0
Globant	GLOB	48.57	-1.3
GoDaddy	GDDY	52.35	1.3
GoldmanSachs	GS	262.87	2.1
Graco	GGG	48.00	...
GrayTelevision	GTN	17.73	1.2
GrayTelevision A	GTN.A	14.85	6.1
GTx	GTXI	13.45	0.8
Guess	GES	18.90	3.4
H&E Equipment	HEES	41.50	2.2
HCA Healthcare	HCA	93.39	-0.2
HDFC Bank	HDB	108.41	-1.2
HFF	HF	51.00	-0.7
HP	HPQ	23.96	0.6
Haemonetic	HAE	65.89	2.2
HamiltonLane	HLNE	38.84	1.5
HancockHolding	HBHC	56.20	-0.4
HanoverIns	THG	114.07	1.6
Hardinge	HDNG	19.36	0.1
HercHoldings	HRI	66.16	1.0
HeronTherap	HRTX	23.90	1.1
HoeghLNG PfdA	HMLPpA	27.14	0.7
HomeDepot	HD	204.47	1.6
HubSpot	HUBS	101.55	1.9
Humana	HUM	282.16	0.9
JBHunt	JBHT	125.51	1.4
HuntingtonBcshs	HBAN	16.05	1.4
IAC/InterActive	IAC	141.23	2.7
ICU Medical	ICUI	238.33	-1.8
IdexxLab	IDXX	181.37	0.2
ING Groep	ING	20.58	1.5
ITT	ITT	56.68	0.2
IDEX	IEX	139.12	-0.5
IllinoisToolWks	ITW	173.39	0.6
IndustreaAcqnWt	INDUW	0.94	5.2
Infosys	INFY	18.31	1.7
Innoviva	INVA	15.56	2.8
IntegratedDevice	IDTI	34.13	0.9
ICE	ICE	75.87	0.3
InterContinentl	IHG	68.80	0.3
Intricon	IIN	24.00	0.4
Intuit	INTU	168.80	0.6
IovanceBiotherap	IOVA	12.25	10.7
ItauUnibanco	ITUB	15.12	2.3
JPMorganChase	JPM	114.39	1.2
JPMorganWt	JPM.WS	74.06	1.6
JacobsEngg	JEC	70.47	0.4
JonesLang	JLL	156.07	0.4
JPMUSMinimumVol	JMIN	26.50	0.7
JunoTherap	JUNO	86.28	26.8
KAR Auction	KAR	54.49	0.2
KBR	KBR	21.61	2.1
KLA Tencor	KLAC	115.88	-0.4
KLX	KLXI	71.52	0.4
Kadmon	KDMN	5.06	3.5
KaiserAlum	KALU	116.13	1.5
KeysightTechs	KEYS	46.49	0.3
Kirby	KEX	79.10	5.0
Knight-Swift	KNX	46.77	0.3
Kohl's	KSS	68.17	0.9
KuraOncology	KURA	18.30	-2.0
LabCpAm	LH	176.27	1.1
LambWeston	LW	60.85	0.4
LandstarSystem	LSTR	111.40	0.6
LasVegasSands	LVS	77.28	3.5
Lazard	LAZ	59.36	1.7
LeggMason	LM	44.96	0.5
LendingTree	TREE	387.65	1.0
Lennar A	LEN	72.17	-0.1
Lennar B	LEN.B	58.32	0.3
LibertyGlobal A	LBTYA	37.79	1.1
LibertyQVC B	QVCB	27.49	2.4
LibertyQVC A	QVCA	27.58	2.6
LigandPharm	LGND	161.51	2.4
Lightbridge	LTBR	3.33	57.8
Littelfuse	LFUS	220.49	0.1
LloydsBanking	LYG	4.11	0.7
Lowe's	LOW	107.38	2.1
LoxoOncology	LOXO	104.01	6.7
LutherBurbank	LBC	13.34	2.0
M&T Bank	MTB	188.98	...
MGM Resorts	MGM	37.32	2.1
MI Acqns Wt	MACQW	0.64	13.9
MSCI	MSCI	139.32	0.7
MadrigalPharm	MDGL	131.70	3.8
MagellanHealth	MGLN	102.10	1.2
MainSourceFncl	MSFG	40.73	-0.3
ManhattanAssoc	MANH	53.86	0.7
Manpower	MAN	134.29	0.9
MarathonOil	MRO	19.28	3.8
MarathonPetrol	MPC	73.20	1.8
Marriott	MAR	144.29	-0.2
MasTec	MTZ	54.25	1.0
Mastercard	MA	168.33	0.9
MatchGroup	MTCH	33.95	3.8
MaximIntProducts	MXIM	57.43	1.4
McDonalds	MCD	176.83	0.1
McKesson	MCK	173.88	1.5
MelcoResorts	MLCO	30.21	1.3
MercadoLibre	MELI	355.66	2.0
MerchantsBancorp	MBIN	22.00	0.1
MichaelKors	KORS	66.55	-0.2
Michaels	MIK	26.17	0.6
MicrochipTech	MCHP	98.71	1.3
Microsoft	MSFT	91.62	1.8
Moelis	MC	51.85	-0.1
Monro	MNRO	61.90	1.6
MonsterBev	MNST	67.80	1.4
Moody's	MCO	160.48	0.8
Moog B	MOG.B	90.39	1.4
MurphyUSA	MUSA	88.25	1.1
Mylan	MYL	47.69	1.9
MyriadGenetics	MYGN	40.36	3.3
NMI Holdings	NMIH	20.05	2.0
NXP Semi	NXPI	121.25	0.5
NektarTherap	NKTR	79.75	7.2
Netflix	NFLX	227.79	3.2
Neurocrine	NBIX	85.55	5.6
NewYork	NWY	3.56	-8.9
NY CmtyCap V	NYCBpU	56.99	-0.3
NYTimes A	NYT	22.08	0.5
NomadFoods	NOMD	17.32	-0.1
Novanta	NOVT	59.90	0.3
Novavax	NVAX	2.21	8.6
NovoNordisk	NVO	57.96	0.3
NuSkinEnts	NUS	71.00	1.2
NVIDIA	NVDA	233.76	1.6
OM AssetMgmt	OMAM	18.62	0.5
OccidentalPetrol	OXY	77.63	2.8
OldDomFreight	ODFL	149.10	0.8
Ollie'sBargain	OLLI	57.90	2.2
ON Semi	ON	25.41	1.3
Orange	ORAN	18.18	2.9
Orbotech	ORBK	57.09	-1.6
OrionEngCarbons	OEC	29.65	2.7
Orix	IX	98.62	2.5
Otelco	OTEL	15.38	3.9
PRA HealthSci	PRAH	94.82	0.9
PVH	PVH	148.67	0.9
Paccar	PCAR	77.74	0.2
PacificCoastOil	ROYT	2.61	5.7
PaycomSoftware	PAYC	92.81	1.2
PayPal	PYPL	84.21	0.2
PennNational	PENN	33.30	0.3
PensareAcqnRt	WRLSR	0.55	19.3
PepsiCo	PEP	121.85	1.1
PerformanceFood	PFGC	34.83	1.3
PerkinElmer	PKI	81.30	0.4
Perrigo	PRGO	93.47	1.7
PetMedExpress	PETS	57.80	-9.6
PetroleoBrasil	PBR	12.27	0.7
PetroleoBrasilA	PBR.A	11.61	1.1
PlumasBancorp	PLBC	24.35	-0.4
PolarisIndustries	PII	136.55	-0.6
PreferredBankLA	PFBC	67.65	-1.6
Progressive	PGR	58.25	1.0
ProPetro	PUMP	22.17	3.7
ProtoLabs	PRLB	113.05	0.6
PulteGroup	PHM	35.19	1.6
PzenaInvtMgmt	PZN	13.15	-1.4
Quidel	QDEL	49.47	2.4
RMR Group	RMR	65.59	-0.2
RalphLauren	RL	115.32	1.9
Rayonier	RYN	32.77	-0.1
RegionsFin	RF	19.17	2.6
ResoluteForest	RFP	12.15	0.4
RigelPharm	RIGL	4.61	7.3
RingCentral	RNG	55.20	-0.6
RossStores	ROST	84.56	0.9
RoyalBkCanada	RY	87.10	0.7
RoyalBkScotland	RBS	8.49	1.0
RoyalDutchA	RDS.A	71.06	1.7
RoyalDutchB	RDS.B	73.19	1.6
RymanHospitality	RHP	77.32	...
SPPlus	SP	41.70	0.4
SVB Fin	SIVB	259.46	1.2
Salesforce.com	CRM	112.96	0.9
SanJuanBasin	SJT	9.95	3.8
SangamoTherap	SGMO	19.80	9.3
SareptaTherap	SRPT	66.08	5.2
SchneiderNatl	SNDR	29.77	1.9
ScientificGames	SGMS	56.00	...
ScrippsNetworks	SNI	88.87	0.3
Seagate	STX	53.25	1.0
SelectEnergySvcs	WTTR	21.85	0.2
SentinelEnerUn	STNLU	10.25	-0.1
ServiceCorp	SCI	39.44	0.9
ServiceNow	NOW	144.08	1.1
SevernBancorp	SVBI	8.05	-0.6
Siliconware	SPIL	8.57	0.7
SinovacBiotech	SVA	8.60	4.6
SkechersUSA	SKX	40.71	0.4
SmithAO	AOS	67.07	-0.1
SodaStream	SODA	76.48	-0.6
SorrentoTherap	SRNE	8.05	21.1
SouthernFirstBcsh	SFST	43.85	1.0
SpiritAeroSys	SPR	100.08	1.5
SproutsFarmersMkt	SFM	27.20	1.5
StanleyBlackDck	SWK	176.62	-0.4
StarsGroup	TSG	26.15	3.0
StateStreet	STT	109.10	1.3
Statoil	STO	23.68	2.1
StoneEnergyWt	SGY.WS	8.00	11.0
SunLifeFinancial	SLF	44.29	0.2
SunCokeEnerPtrs	SXCP	21.45	7.1
SunTrustBanksWtA	STI.WS.A	35.95	4.9
SunTrustBanksWtB	STI.WS.B	25.81	5.9
SunTrustBanks	STI	69.88	1.9
support.com	SPRT	2.88	2.9
Sysco	SYY	63.65	0.6
TD Ameritrade	AMTD	56.04	1.3
TRowePrice	TROW	118.24	...
TailoredBrands	TLRD	24.81	5.4
TaiwanSemi	TSM	46.40	3.8
Target	TGT	78.64	0.6
Teradyne	TER	47.79	0.7
TexasPacLand	TPL	569.99	-0.2
Textainer	TGH	26.05	6.6
ThermoFisherSci	TMO	215.33	0.8
Timken	TKR	55.65	0.5
Toll Bros	TOL	52.54	1.3
TotalSystem	TSS	83.84	0.6
TractorSupply	TSCO	82.68	-0.5
TransUnion	TRU	59.69	0.6
Travelers	TRV	139.35	1.1
TriumphBancorp	TBK	37.20	2.8
tronc	TRNC	21.07	7.5
TurkcellIletism	TKC	10.68	5.6
21stCenturyFoxA	FOXA	37.48	1.8
21stCenturyFoxB	FOX	37.07	1.9
22ndCentury	XXII	4.18	7.8
2U	TWOU	74.38	2.2
TylerTech	TYL	198.14	1.8
UBS Group	UBS	20.29	0.5
US Foods	USFD	33.52	1.1
UnitedRentals	URI	187.17	1.9
USComdtyIndxFd	USCI	42.97	0.6
UroGenPharma	URGN	51.38	16.3
UsanaHealth	USNA	76.45	0.5
VF	VFC	80.71	0.8
Visa	V	124.33	1.3
VOC Energy	VOC	6.48	6.6
ValeroEnergy	VLO	99.10	1.7
Validus	VR	67.60	44.0
Vericel	VCEL	7.00	2.2
VeriskAnalytics	VRSK	99.55	0.6
ViaSat	VSAT	80.26	1.4
ViperEnergyPtrs	VNOM	26.16	3.9
VMware	VMW	137.40	0.5
WD-40	WDFC	128.00	0.7
WEX	WEX	147.99	0.6
WPX Energy	WPX	15.42	3.2
WVS Financial	WVFC	17.88	3.0
Wal-Mart	WMT	105.45	0.8
WashingtonFederal	WAFD	37.40	0.5
Waters	WAT	215.19	1.9
Wayfair	W	91.49	3.2
WeightWatchers	WTW	64.98	2.1
WellCareHealth	WCG	219.52	-0.2
WellsFargo	WFC	64.75	0.8
WellsFargo Wt	WFC.WS	31.20	1.7
WernerEnterprises	WERN	41.80	1.0
WeycoGroup	WEYS	33.55	2.3
Wingstop	WING	46.10	3.8
Winmark	WINA	144.10	2.9
WolverineWwide	WWW	33.47	0.6
WW Ent	WWE	34.05	-1.1
Worldpay	WP	79.79	1.3
WynnResorts	WYNN	195.84	8.7
XPO Logistics	XPO	97.14	1.2
YRC Worldwide	YRCW	17.56	2.6
Yandex	YNDX	38.00	2.1
YumBrands	YUM	84.92	1.3
ZionsBancorpWt	ZIONW	21.42	2.3
ZionsBancorp	ZION	54.22	0.8
ZionsBancorpWt	ZIONZ	18.00	3.2
Zoetis	ZTS	77.58	1.1

Lows

Stock	Sym	52-Wk Hi/Lo	% Chg
ACM Research	ACMR	4.74	-4.8
ADT	ADT	11.12	-7.6
Adtran	ADTN	16.05	2.4
Alexanders	ALX	375.71	0.1
AmHomes4RentPfdG	AMHpG	23.82	-1.5
AmiraNatureFoods	ANFI	3.90	...
AshfordHospPfdH	AHTpH	23.85	-2.4
AshfordHospPfdI	AHTpI	23.71	-1.6
BelFuse B	BELFB	21.60	-3.9
BluerockResPfdA	BRGpA	25.61	0.4
CYS Invts	CYS	7.44	-0.5
CarlylePfdA	TCGP	24.41	-0.2
CleanEnerFuels	CLNE	1.81	-7.6
ColonyNorthPfdJ	CLNSpJ	24.55	-0.6
ColonyNrthStPfI	CLNSpI	24.54	-1.1
EngGr-Cmg C	CIG.C	1.81	6.0
ConcordMed	CCM	3.00	-2.3
DDR PfdJ	DDRpJ	24.71	-0.3
DTE EnergyUn	DTV	48.68	-7.0
DigitalRealtyPfH	DLRpH	26.28	0.2
EdgewaterTech	EDGW	5.59	...
eMagin	EMAN	1.45	-1.6
Fabrinet	FN	25.92	-6.3
GeneralElec	GE	15.18	-0.6
GeorgiaPwrNt77	GPJA	24.65	-0.8
HebronTech	HEBT	1.96	-2.4
HugotonRoyalty	HGT	0.85	-37.3
Inphi	IPHI	31.25	-2.0
KimcoRealtyPfdL	KIMpL	23.81	-1.7
KimcoRealtyPfdM	KIMpM	23.60	-1.4
KoreaElcPwr	KEP	16.17	-1.8
MFA Financial	MFA	7.51	-0.8
MagneGas	MNGA	2.95	-9.9
MaidenHldgsPfdC	MHpC	21.01	2.5
ObalonTherap	OBLN	5.12	-1.0
OdonateTherap	ODT	21.76	-1.4
OneMadison	OMAD.U	9.98	0.1
OrexigenTherap	OREX	1.08	-2.6
PNCFinPfdP	PNCpP	27.17	...
PSBusParksPfdX	PSBpX	24.52	-1.4
PandoraMedia	P	4.09	-5.5
PA REIT PfdD	PEIpD	24.06	-0.2
PlatinumEagle	EAGLU	9.96	...
PortlandGenElec	POR	42.17	-0.2
PublicStoragePfdG	PSApG	24.34	-0.5
RibbonComms	RBBN	6.71	1.8
SCE IV Pfd	SCEpJ	24.90	1.2
SCE V Pfd	SCEpK	25.55	-0.2
Sanmina	SANM	26.65	-23.6
SempraEnerPfdA	SREpA	99.00	-0.6
SkylineMedical	SKLN	0.89	-2.1
SoJerseyInd	SJI	29.00	0.1
SouthernNts77	SOJC	24.12	-0.6
Southern	SO	43.97	-0.9
StifelFinNts47	SFB	24.00	0.2
Vical	VICL	1.32	-23.0
Videocon d2h	VDTH	6.40	-5.8
WebsterFinlPfdF	WBSpF	24.49	-1.1
WellsFargoPfdA	WFCpR	27.94	...
ZionsBancorpPfdG	ZBpG	26.58	-0.3

Dividend Changes

Dividend announcements from January 22.

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
AO Smith	AOS	1.1	.18 / .14	Q	Feb15 / Jan31
Citizens & Northern	CZNC	4.3	.27 / .26	Q	Feb09 / Jan29
Citizens Financial Group	CFG	1.8	.22 / .18	Q	Feb15 / Feb01
Citizens First	CZFC	1.0	.06 / .05	Q	Feb15 / Feb02
Cross Timbers Royalty Tr	CRT	8.4	.1071 / .07847	M	Feb14 / Jan31
Enduro Royalty Trust	NDRO	6.5	.0184 / .01636	M	Feb14 / Jan31
EnLink Midstream	ENLC	5.4	.259 / .255	Q	Feb14 / Jan31
EQT GP Holdings	EQGP	3.4	.244 / .228	Q	Feb23 / Feb02
EQT Midstream Partners	EQM	5.3	1.025 / .98	Q	Feb14 / Feb02
Green Plains Partners Un	GPP	10.2	.47 / .46	Q	Feb09 / Feb02
Hi-Crush Partners	HCLP	6.0	.20 / .15	Q	Feb13 / Feb01
Mesa Royalty Trust	MTR	9.5	.1479 / .12455	M	Apr30 / Jan31
MidWestOne Fincl Group	MOFG	2.3	.195 / .17	Q	Mar15 / Mar01
Permian Basin Royalty Tr	PBT	7.6	.0596 / .05088	M	Feb14 / Jan31
Rice Midstream Partners	RMP	5.2	.2917 / .2814	Q	Feb14 / Feb02
Sierra Bancorp	BSRR	2.3	.16 / .14	Q	Feb15 / Feb01
Simmons First Natl Cl A	SFNC	1.0	.15 / .125	Q	Apr05 / Mar15
VOC Energy Trust	VOC	6.9	.11 / .095	Q	Feb14 / Jan30
Reduced					
San Juan Basin Royalty Tr	SJT	8.2	.0668 / .07329	M	Feb14 / Jan31
Initial					
Actua	ACTA		14.89		Feb01 / Jan29
Melrose Bancorp	MELR		.34		Feb14 / Jan29
Stocks					
OpGen	OPGN		1:25		/ Jan19
OpGen Wt	OPGNW		1:25		/ Jan19
Simmons First Natl Cl A	SFNC		2:1		Feb08 / Feb09
Foreign					
Enerplus	ERF	0.9	.00804	M	Feb15 / Jan31
Hoegh LNG Partners	HMLP	8.8	.43	Q	Feb14 / Feb01
Wipro ADR	WIT		.01566		/ Feb01
Special					
Value Line	VALU	3.7	.20		Mar09 / Feb23

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Monday, January 22, 2018

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
AlerianMLPETF	AMLP	11.80	1.81	9.4
CnsmrDiscSelSector	XLY	106.77	1.11	8.2
CnsStapleSelSector	XLP	58.47	0.76	2.8
EnSelectSectorSPDR	XLE	78.03	2.16	8.0
FinSelSectorSPDR	XLF	29.78	0.81	6.7
GuggS&P500EW	RSP	106.19	0.71	5.1
HealthCareSelSect	XLV	89.02	0.66	7.7
IndSelSectorSPDR	XLI	79.69	...	5.3
iShIntermCredBd	CIU	108.40	-0.02	-0.7
iSh1-3YCreditBond	CSJ	104.33	0.01	-0.2
iShCoreMSCIEAFE	IEFA	70.08	0.59	6.0
iShCoreMSCIEmgMk	IEMG	61.14	0.58	7.5
iShCoreMSCITotInt	IXUS	66.97	0.57	6.2
iShCoreS&P500	IVV	284.73	0.79	5.9
iShCoreS&P MC	IJH	198.61	0.50	4.7
iShCoreS&P SC	IJR	80.26	0.25	4.5
iShS&PTotlUSStkMkt	ITOT	64.62	0.80	5.7
iShCoreUSAggBd	AGG	108.14	-0.04	-1.1
iShSelectDividend	DVY	101.02	0.47	2.5
iShEdgeMSCIMinEAFE	EFAV	75.29	0.41	3.2
iShEdgeMSCIMinUSA	USMV	54.46	0.63	3.2
iShGoldTr	IAU	12.81	0.23	2.4
iShiBoxx$InvGrCpBd	LQD	119.66	-0.09	-1.6
iShiBoxx$HYCpBd	HYG	87.62	0.09	0.4
iShJPMUSDEmgBd	EMB	115.59	0.02	-0.4
iShMBSETF	MBB	105.59	-0.01	-0.9
iShMSCI ACWI	ACWI	76.47	0.72	6.1
iShMSCIBrazil	EWZ	44.63	0.36	10.3
iShMSCI EAFE	EFA	74.51	0.51	6.0
iShMSCI EAFE SC	SCZ	68.16	0.56	5.7
iShMSCIEmgMarkets	EEM	50.73	0.57	7.7
iShMSCIEurozone	EZU	46.72	0.72	7.7
iShMSCIJapan	EWJ	64.10	0.42	7.0
iShNasdaqBiotech	IBB	115.52	3.14	8.2
iShNatlMuniBd	MUB	110.02	-0.02	-0.7
iShRussell1000Gwth	IWF	143.97	0.78	6.9
iShRussell1000	IWB	157.25	0.79	5.8
iShRussell1000Val	IWD	130.14	0.84	4.7
iShRussell2000Gwth	IWO	196.31	0.69	5.1
iShRussell2000	IWM	159.45	0.54	4.6
iShRussell2000Val	IWN	130.71	0.35	3.9
iShRussell3000	IWV	167.17	0.77	5.7
iShRussellMid-Cap	IWR	218.14	0.73	4.8
iShRussellMCValue	IWS	92.20	0.80	3.4
iShS&PMC400Growth	IJK	228.92	0.60	6.1
iShS&P500Growth	IVW	163.28	0.76	6.9
iShS&P500Value	IVE	119.84	0.85	4.9
iShUSPfdStk	PFF	37.94	-0.03	-0.3
iShShortTreaBd	SHV	110.30	0.01	0.1
iShTIPSBondETF	TIP	113.14	-0.05	-0.8
iSh1-3YTreasuryBd	SHY	83.67	-0.05	-0.2
iSh7-10YTreasuryBd	IEF	103.75	-0.04	-1.7
iSh20+YTreasuryBd	TLT	123.18	0.10	-2.9
iShRussellMCGrowth	IWP	128.42	0.60	6.4
PIMCOEnhShMaturity	MINT	101.65	0.03	0.1
PwrShQQQ1	QQQ	168.12	1.07	7.9
PwrShS&P500LoVol	SPLV	48.34	0.38	1.3
PwrShSrLoanPtf	BKLN	23.12	0.03	0.3
SPDR BlmBarcHYBd	JNK	36.85	0.08	0.4
SPDR Gold	GLD	126.65	0.18	2.4
SchwabIntEquity	SCHF	35.95	0.45	5.5
SchwabUS BrdMkt	SCHB	68.23	0.81	5.8
SchwabUS Div	SCHD	53.84	0.81	5.2
SchwabUS LC	SCHX	67.55	0.84	5.9
SPDR DJIA Tr	DIA	261.98	0.55	5.9
SPDR S&PMdCpTr	MDY	361.45	0.51	4.6
SPDR S&P 500	SPY	282.69	0.81	5.9
SPDR S&P Div	SDY	96.83	0.48	2.5
TechSelectSector	XLK	68.46	0.97	7.1
UtilitiesSelSector	XLU	50.06	0.14	-5.0
VanEckGoldMiner	GDX	23.71	0.25	2.0
VangdInfoTech	VGT	177.37	0.77	7.7
VangdSC Val	VBR	138.05	0.49	4.0
VangdDivApp	VIG	107.25	0.44	5.1
VangdFTSEDevMk	VEA	47.35	0.53	5.6
VangdFTSE EM	VWO	49.85	0.81	8.6
VangdFTSE Europe	VGK	62.84	0.64	6.2
VangdFinls	VFH	74.42	0.74	6.3
VangdFTSEAWxUS	VEU	58.08	0.57	6.1
VangdGrowth	VUG	150.41	0.84	6.9
VangdHlthCr	VHT	166.18	1.01	7.8
VangdHiDiv	VYM	89.63	0.84	4.7
VangdIntermBd	BIV	82.75	0.01	-1.3
VangdIntrCorpBd	VCIT	86.38	-0.01	-1.2
VangdLC	VV	129.93	0.82	6.0
VangdMC	VO	162.39	0.61	4.9
VangdMC Val	VOE	116.94	0.71	4.8
VangdREIT	VNQ	79.43	0.91	-4.3
VangdS&P500	VOO	259.75	0.80	5.9
VangdST Bond	BSV	78.79	-0.01	-0.4
VangdSTCpBd	VCSH	79.05	0.01	-0.3
VangdSC	VB	154.38	0.67	4.5
VangdTotalBd	BND	80.61	-0.07	-1.2
VangdTotIntlBd	BNDX	54.24	0.07	-0.2
VangdTotIntlStk	VXUS	60.29	0.55	6.1
VangdTotalStk	VTI	145.06	0.79	5.7
VangdTotlWrld	VT	78.69	0.73	6.0
VangdValue	VTV	111.71	0.79	5.1
WisdTrEuropeHdg	HEDJ	66.82	0.29	4.9
WisdTrJapanHdg	DXJ	62.45	0.55	5.3

German Bank Sector Goes Against Flow

Fragmented industry is seen as a 'pillar' of nation's economy as others consolidate

By Patricia Kowsmann

FRANKFURT—Ten years ago, David Zimmer quit his management job to build his own fiber-optic network company in Germany. With €4 million ($4.9 million) in hand, he knocked at the door of about 20 banks for a €4 million loan.

Big banks, including Deutsche Bank AG and Commerzbank AG, didn't even reply to requests for a meeting, Mr. Zimmer says. In the end, his company, Inexio, got funding from two small lenders, a state-owned savings bank and a cooperative bank.

"If it weren't for the savings and cooperative banks, we wouldn't be here," said Mr. Zimmer, whose company now employs 300 people and has €65 million in annual revenue. "And I suspect that is true for many [small and medium-size enterprises] in Germany."

Germany may be the worst place in Europe to be a bank. With more than 1,600 banks, more than in the U.K., France, Italy and Spain combined, the sector is crowded and margins are low. Yet to many Germans, the copious credit this galaxy of banks makes available to businesses is a factor of their economy's success.

That has put German banks at the center of a Continent-wide question: What should European lenders look like?

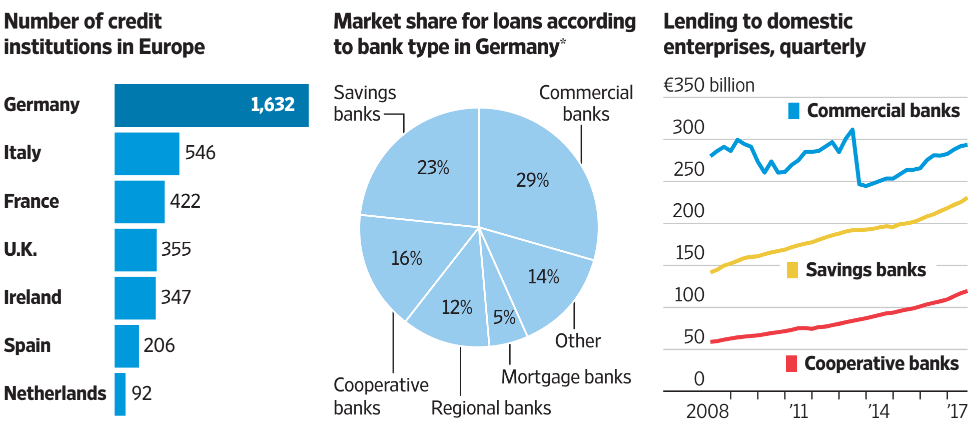
Since the financial crisis that revealed bad lending practices and profitability troubles at many European banks, regulators have promoted consolidation. In Portugal, the European Central Bank supported takeovers by Spanish banks. In Italy, a law was passed to ease takeovers of small cooperative banks. And the European Union has pressed Berlin to cut down the number of lenders.

But Germans argue that their fragmented system turned out to be a boon during the financial crisis. State savings banks and cooperatives, which didn't hold risky securities, kept lending while commercial banks seized up. The model has since caught the attention of Ireland, where lawmakers are mulling the creation of state-owned savings banks.

"There is no question the fragmented nature and diversity of the German banking system is part of the success of the country's economy," said Patrick Rioual, head of German financial institutions ratings at Fitch Ratings. "It fosters small companies' reliable and cheap access to credit, which supports their development."

Credit Galaxy

Germany's large banking system had provided a stable source of funding for companies during the crisis.



*Data does not add up to 100% due to rounding
Note: €1 billion=$1.22 billion
Sources: ECB, UBS (institutions); Citi Research (market share); German central bank (loans)
THE WALL STREET JOURNAL.

To be sure, Germany's banking model has had its share of trouble. The larger regional lenders made risky bets ahead of the 2007 crisis and some collapsed or had to be rescued as a result. The country's largest bank by assets, Deutsche Bank, overextended itself and was caught in scandals. And overcrowding means many lenders are struggling to survive in a low-interest-rate environment.

But in a country where 99.6% of all companies are small to medium size and businesses are scattered across the map, small lenders play an outsize role.

Germany's "three-pillar" banking system is split into about 200 commercial banks; 400 state-owned, local savings banks, including six larger regional lenders; and 970 cooperative banks owned by 18 million account holders, one in four Germans.

This is a highly fragmented, and moderately lucrative, market. Commercial banks hold just one-third of loans and deposits, according to Citigroup Inc., while the top five banks have a 30% market share, against a 60% average in Europe. Pretax profit margins at listed German banks were 16% of revenue in 2016, compared with 23% in France and 42% in the Netherlands.

"I learned in economics that a high level of competition is a good thing," said Sven Giegold, a German Green Party EU lawmaker based in Brussels, where Germans are lobbying to keep their system intact.

But competition in the German market doesn't extend everywhere. While the cooperative and savings banks compete with one another and with the commercial lenders, they enjoy exclusivity on their respective territorial patches.

And while they are run for profit, they stress their public-service role of serving the local economy.

"We still refuse to accept government aid, we don't chase after any stock-market trends, and always ask ourselves 'what do people need,'" says a character dressed in 19th-century garb in a promotional video produced by the cooperative banking association.

There's some truth to that claim. While commercial banks froze lending during the financial crises of the past decade, cooperative and savings banks increased their exposure to German companies, according to central bank figures.

In Baden-Baden, a spa town in Germany's wealthy southwest, the local savings bank has a 40% market share and half its outstanding loans are to businesses, from automotive suppliers to health providers to hotels.

"We are happy to take on customers who initially require relatively small loans," said Lothar Volle, the lender's chief executive.

DAVID RAMOS/BLOOMBERG NEWS

The Chinese firm owns stakes in hotel groups around the world, including the firm that operates the NH Constanza hotel in Barcelona.

HNA Sales Talk Hits Units' Stock

By Yifan Xie And Anjani Trivedi

It was like Black Monday for some units of **HNA Group** Co.

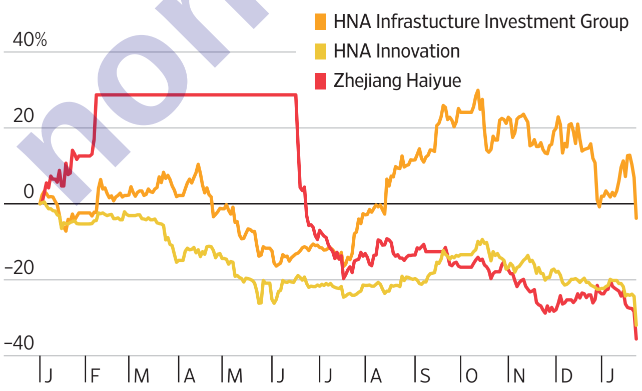
Shares of three companies linked to the Chinese conglomerate plunged by the maximum 10% permitted by stock exchanges in Shanghai and Shenzhen, triggering automatic trading halts after they touched multiyear lows.

The apparent reasons: news late last week that HNA Group hired banks to advise it on a stake sale in a Spanish hotel chain, and a Goldman Sachs Group Inc. research note that said HNA could announce major asset sales.

On Monday, shares of **Hainan HNA Infrastructure Investment Group**, an infrastructure and construction firm, **Zhejiang Haiyue**, a petrochemicals company, and **HNA Innovation**, a real-estate company, all hit "limit down" levels on the Shanghai exchange, meaning they lost a tenth of their value.

Heading South

Three stocks linked to China's HNA Group tumbled Monday.



Source: FactSet
THE WALL STREET JOURNAL.

The drops went against the broader Shanghai stock market, which rose 0.4% to its highest closing level in two years.

HNA Group itself is a privately held, sprawling conglomerate that has about a dozen listed units and scores of private subsidiaries in China and abroad.

Before Monday, shares of an additional five publicly listed companies linked to HNA had been halted from trading pending major announcements, with one firm saying that a "major asset restructuring" was being planned.

In a report dated Jan. 19, Goldman Sachs credit analysts noted that U.S. dollar bonds issued by various entities of HNA Group have underperformed in recent weeks and most were trading with yields of over 10%, a sign of investor skittishness. "It is difficult to obtain a clear financial picture" of HNA Group, the report noted, because of the company's complex structure and multiple layers of subsidiaries.

Goldman estimated HNA Group's total debt plus guarantees at $89.5 billion as of June 2017, of which $26 billion was short-term liabilities. It noted that while HNA has about $29 billion in cash on hand, Goldman couldn't tell where the debts and cash resided within the group "so there is the possibility of significant mismatches between debt and cashflows across the various subsidiaries."

UBS Takes Loss On U.S. Tax Hit; Buyback Planned

By Brian Blackstone And Pietro Lombardi

ZURICH—**UBS Group** AG swung to a fourth-quarter loss, becoming the latest big bank to take a hit from the tax overhaul in the U.S.

The Swiss bank, which nevertheless touted the plan's long-term benefits, also announced a series of changes on Monday, including its first share-repurchase program since the financial crisis, a higher dividend and changes to its wealth-management unit. It is combining the global and Americas wealth divisions that oversee a combined $2.3 trillion in client assets in a bid to cut costs and improve service.

UBS reported a net loss of 2.22 billion Swiss francs ($2.3 billion) for the quarter, compared with a profit of 636 million francs in the year-ago period. The loss was larger than a net loss of about 2.15 billion francs expected by analysts.

On Monday, UBS's shares rose 0.4%, to 19.40 francs, in Zurich.

The bank reported a roughly 2.9 billion franc write-down of deferred tax assets due to the tax overhaul. These are past credits and deductions that companies can use to offset future tax payments. The new U.S. corporate tax rate—lowered to 21% from 35%—makes these assets less valuable. UBS said that excluding these charges, net profit would have risen 26%.

Still, UBS Chief Executive

CEO Sergio Ermotti says the tax revamp will make the U.S. an attractive place.

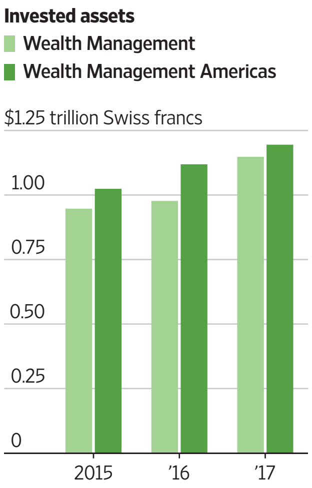
Sergio Ermotti said the legislation will have "profound long-term implications" by making the U.S. an "attractive place to run businesses and attract businesses." He acknowledged that the new corporate tax rate may be an advantage for some of his peers, noting that the new, lower U.S. tax rate isn't much different from the Swiss rate.

Last week, **Citigroup** Inc. said it took a $22 billion charge in the fourth quarter, mostly related to the effect of the tax changes on deferred tax assets.

UBS's Swiss rival, **Credit Suisse Group** AG, said in December that it would take a 2.3 billion franc charge related to the tax overhaul. It releases fourth-quarter earnings in February.

Money Tree

UBS said it will combine its global and Americas wealth-management units, which have seen steady gains in invested assets.



Note: 1 Swiss franc = $1.04
Source: the company
THE WALL STREET JOURNAL.

UBS also said that a separate component in the U.S. tax overhaul aimed at ensuring that banks pay a minimum level of taxes on transactions with affiliated foreign entities would add up to 60 million francs to its 2018 tax bill, though the bank is exploring ways to mitigate this hit.

For the full year, UBS reported net profit of 1.17 billion francs compared with 3.2 billion francs a year earlier.

UBS said it would launch a 2 billion franc share-buyback program over three years, beginning in March, with up to 550 million francs in buybacks this year. It said it would target annual growth in its dividend of mid-to-high single-digit percentages, while eliminating its previous guidance to return 50% of its net profit to shareholders.

UBS has in recent years shifted toward managing money for wealthy clients while streamlining its investment bank. In the past quarter, the bank's global wealth-management unit recorded an 18% increase in adjusted pretax profit to 1.03 billion francs, with 13.8 billion francs in net new money for the quarter.

The bank said its unified wealth-management businesses would be co-headed by Martin Blessing and Tom Naratil.

"It will mean improved efficiency, more sharing of best practices, greater returns on our investments and enhanced client service," Mr. Ermotti said.

Bitcoin Exchange Forms in Face of Pressures

By Steven Russolillo And Eun-Young Jeong

Cryptocurrency platform OKCoin plans to launch a bitcoin exchange in South Korea as soon as next month, a move that comes as the country's government is considering whether to shut down cryptocurrency exchanges altogether.

Beijing-based OKCoin, which previously ran one of the biggest bitcoin exchanges in China before the government there banned cryptocurrency exchanges on the mainland, now plans to branch out to South Korea, another Asian hot spot for cryptotrading. It has launched an OKCoin Korea website and has accepted preorder registrations for over 150,000 people since Friday.

The intended launch comes even as Seoul has stepped up its efforts to crack down on speculative trading in cryptocurrencies.

Many Koreans have embraced digital currencies, helping fuel their massive rise in value last year. At one point last month South Korea accounted for as much as a quarter of global bitcoin trading, according to data firm Coinhills.

Authorities are concerned the investor frenzy has gone too far and fueled criminal activity tied to digital currencies. A top South Korean official said this month that the government was preparing a bill to ban the trading of cryptocurrencies on exchanges. That came just days after the country's financial regulator started inspecting some of South Korea's largest financial institutions that help facilitate digital-currency trading.

South Korea's widening crackdown has played a role in the recent decline in the value of bitcoin, the most well-known and widely traded cryptocurrency. Bitcoin late Monday was trading at $10,612.21, according to research site CoinDesk. It started last year just under $1,000 and climbed to a peak of nearly $20,000 last month before the latest pullback.

Regulatory attempts to tighten control of cryptocurrency trading have prompted a fierce public backlash in South Korea. A petition on the website of South Korea's presidential office that calls on Seoul to stop trying to regulate bitcoin has already collected more than 220,000 signatures.

Treasurys Fall After Deal on Shutdown

BY DANIEL KRUGER

CREDIT MARKETS

U.S. government bonds weakened after the Senate reached an agreement to end the government shutdown.

The yield on the benchmark 10-year U.S. Treasury note rose for a fourth consecutive day to 2.663%, its highest close since April 2014 and up from 2.639% Friday. Yields rise as bond prices fall.

Yields rose after the Senate advanced a bill that would reopen the federal government after its brief shutdown and fund operations for three weeks. The bill was approved by Congress after bond trading ended.

Many investors had been skeptical that the shutdown would have a significant impact on financial markets. "They're just going to kick the can a little bit further down the road," said Luis Maizel, a bond manager at LM Capital Group. "Nobody expected this to last."

Government-bond yields have climbed this year, with investors betting on an acceleration in growth and inflation. Inflation threatens the value of a bond's fixed interest payments as it chips away at their future purchasing power.

The persistent pace of growth has helped the Federal Reserve move closer toward its goal of returning monetary policy to precrisis norms. Policy makers raised rates three times in 2017, and have signaled their intention to raise them three more times this year.

Investors are also watching whether the two parties will engage in similar brinkmanship with the issue of increasing the government's statutory borrowing limit, expected to come to a head in early March.

The government is set to auction $103 billion of notes this week, with offerings of two-, five- and seven-year notes, as well as floating-rate notes.

Stocks Power to Another Record

Nine of the 11 sectors in the S&P 500 gain; biotechnology shares boosted by deal reports

BY AKANE OTANI AND RIVA GOLD

MONDAY'S MARKETS

U.S. stocks jumped to fresh highs after Senate leaders said they reached a deal to end the federal government shutdown.

Investors had largely shrugged off the shutdown, which began after the Senate rejected a one-month spending bill late Friday night and was drawing to a close around the end of the U.S. trading day. A three-week spending bill to end the shutdown was passed by Congress after trading ended.

Economic growth around the world has been solid, helping stocks to keep powering higher, even after Congress came to a standstill over legislation in Washington.

Investors also have largely bet that the Federal Reserve will stick to a gradual course of interest-rate increases in 2018—something they say should help stocks trading near records continue their ascent.

"The market has blinders on," said Kristina Hooper, chief global market strategist at Invesco. "The focus is on sentiment, and with tax cuts and global growth, you've got plenty of things investors feel good about."

The Dow Jones Industrial Average added 142.88 points, or 0.5%, to 26214.60. The S&P 500 climbed 22.67 points, or 0.8%, to 2832.97, and the Nasdaq Composite rose 71.65 points, or 1%, to 7408.03, with all three indexes notching record closes.

Gains were broad, with nine of the S&P 500's 11 sectors advancing. Shares of energy companies in the S&P 500 rose 2.1%, following U.S. crude-oil prices higher.

Halliburton rose $3.39, or 6.4%, to $56.40 after the company reported better-than-expected earnings for the fourth quarter, while **Noble Energy** Inc. rose 1.25, or 4%, to 32.94.

U.S. crude for February delivery increased 0.2% to $63.49 a barrel.

Meanwhile, reports of corporate deals boosted biotechnology shares, helping lift the tech-heavy Nasdaq's percentage gain past those of the S&P 500 and Dow industrials.

Juno Therapeutics shares jumped 18.19, or 27%, to 86.00 after **Celgene** said it agreed to buy the firm for about $9 billion, while Celgene shares climbed 26 cents, or 0.3%, to 102.91.

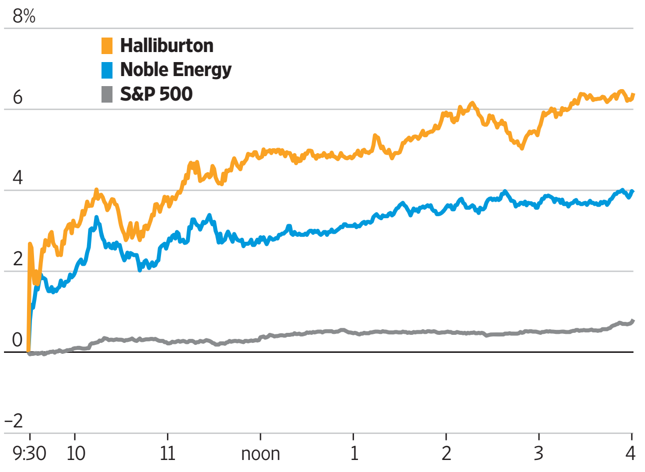
Elsewhere, the Stoxx Europe 600 edged up 0.3%, boosted by an increase in the shares of oil-and-gas companies and banks.

Japan's Nikkei Stock Average ended the day little changed, while Hong Kong's Hang Seng Index advanced 0.4% to another record close. At midday Tuesday, the Nikkei and the Hang Seng were up 0.9%. South Korea's Kospi fell 0.7% Monday amid a drop in the shares of index heavyweight **Samsung Electronics.** Early Tuesday, the Kospi was up 0.8%.

—Kenan Machado contributed to this article.

High Energy

Halliburton and Noble Energy rallied Monday, giving the S&P 500 a boost.



Source: FactSet

THE WALL STREET JOURNAL.

AARON M. SPRECHER/BLOOMBERG NEWS

Energy shares rise 2.1%. A Halliburton booth at a 2017 conference.

Tech Giants Continue to Reach Milestones

BY AMRITH RAMKUMAR

The tech titans keep getting more titanic.

Alphabet Inc., the parent company of search-engine giant Google, became the second publicly traded U.S. company ever to reach a market value of $800 billion Monday, joining iPhone maker **Apple** Inc.

Alphabet's Class A shares rose $20.66, or 1.8%, to $1,164.16.

Meantime, **Microsoft** Corp. became the third public U.S. company ever to close with a market value of $700 billion, joining Apple and Alphabet. Shares rose $1.61, or 1.8%, to $91.61. On Jan. 16, Microsoft briefly touched $700 billion before falling back below that level.

Alphabet has already added $76.5 billion in market capitalization this year, while Microsoft is up $46.8 billion, a combined total of $123.3 billion in added market value for the two tech giants since the start of 2018.

Apple crossed the $700 billion threshold in February 2015 and passed $800 billion and $900 billion last year. It hit that last milestone shortly after Alphabet hit $700 billion.

Monday's fresh highs are the latest major markers hit by U.S. internet giants in the past year. Investors have flocked to the largest technology firms for their ability to increase revenue despite mixed economic data. Some analysts have said recent gains and lofty valuations in the S&P 500 information-technology sector—which is up 42% in the past year—have left the grouping vulnerable to a pullback, but technology stocks have still been among the best performers at the start of 2018.

On Jan. 8, e-commerce firm Amazon.com crossed $600 billion for the first time.

Microsoft's recent rise has come as the software giant continues to prioritize cloud computing. Its next earnings report is expected at the end of the month.

Alphabet has surged over the past year as advertisers spend more money on its platforms. Google and **Facebook** Inc. controlled nearly two-thirds of total digital ad spending last year, according to eMarketer, and Alphabet has moved another leg higher in the first days of 2018 as Facebook shares have stumbled on speculation that the retooling of its platform will hurt advertising revenue.

Although some analysts have said they expect investors to begin to move money out of the tech sector, few think technology stocks are anywhere close to the froth from the dot-com bubble. Microsoft's recent climb to $600 billion, a mark it also hit in the late 1990s before falling, took much longer than its first ascent.

It is anyone's guess what the next technology market-cap milestone will be. Some had speculated that Apple could climb to $1 trillion, but the iPhone maker has fallen back to around $900 billion instead amid doubts about the success of its latest products.

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	$136,505,117,900	$126,137,957,500
Accepted bids	$48,000,375,400	$42,000,379,500
" noncomp	$647,924,900	$620,704,500
" foreign noncomp	$1,000,000,000	$1,000,000,000
Auction price (rate)	99.638528	99.183528
	(1.430%)	(1.615%)
Coupon equivalent	1.455%	1.651%
Bids at clearing yield accepted	41.71%	31.14%
Cusip number	912796LX5	912796PR4

Both issues are dated Jan. 25, 2018. The 13-week bills mature on April 26, 2018; the 26-week bills mature on July 26, 2018.

ALFREDO ESTRELLA/AFP/GETTY IMAGES

A wholesale market in Mexico City. The country's currency has surged more than 5% against the dollar in 2018, but worries around Nafta and elections could spark a reversal.

Oil Prices Finish Day Higher

BY ALISON SIDER AND CHRISTOPHER ALESSI

COMMODITIES

Oil prices ticked higher Monday, snapping a two-session losing streak as the dollar fell and the market weighed signals from Saudi Arabia that OPEC would be willing to extend production cuts beyond 2018.

U.S. crude futures rose 12 cents, or 0.19%, to $63.49 a barrel on the New York Mercantile Exchange. Brent, the global benchmark, rose 42 cents, or 0.61%, to $69.03 a barrel on ICE Futures Europe.

"We should not limit our efforts to 2018. We need to be talking about a longer framework for our cooperation," Saudi Arabian Energy Minister Khalid al-Falih said on the sidelines of an OPEC meeting on Sunday in Oman.

OPEC and 10 producers outside the cartel agreed late last year to extend an agreement to extend production cuts through the end of this year.

But others believe that OPEC's commitment could waver in the face of higher prices.

"At close to $70 Brent, there's a little bit of lingering concern about whether these producers will start to cheat," said Gene McGillian, research manager at Tradition Energy. "I think the market's vulnerable to a correction."

Mexican Peso's Surprise Rally Faces Dangers

BY IRA IOSEBASHVILI

CURRENCIES

The Mexican peso has been one of the market's best-performing currencies this year. Some investors believe that has made it an even riskier bet.

Mexico's currency has surged more than 5% against the dollar in 2018, making it the top performer of the 16 currencies tracked by the Wall Street Journal Dollar Index.

That rally has come as a surprise to many traders; fears that the U.S. will pull out of the North American Free Trade Agreement, a pillar of Mexico's economy, pummeled the peso in the closing weeks of 2017.

Analysts predicted more pain this year. In addition to Nafta negotiations—scheduled to conclude within weeks—Mexico also is dealing with the uncertainty of presidential elections this summer.

So far, though, the new year has been kind to the peso.

Some Nafta concerns eased earlier this month after President Donald Trump told The Wall Street Journal that negotiations with Mexico and Canada were moving along nicely, a more positive portrayal than has previously been offered by his chief trade negotiator.

In the same interview, Mr. Trump said he didn't have any timetable in the negotiations and was "a little flexible," taking into account Mexico's July 1 presidential and legislative elections. Negotiators have officially set a March deadline for rewriting the agreement.

The peso also has been helped by a generally weaker dollar, which has declined amid expectations that central banks abroad are getting ready to tighten monetary policy. Higher prices for oil also have buoyed the commodity-driven currency.

Yet many see storm clouds on the horizon and warn against jumping on the peso's unexpected rally. Trade negotiations can take many twists and turns in the weeks ahead. Indeed, Mr. Trump has repeated his longstanding threat to pull out of Nafta if he isn't happy with the results of the talks. That would be a disaster for Mexico, which sends 80% of its exports to the U.S.

Domestic political uncertainty isn't going anywhere, either. Markets are unlikely to respond well to a win by populist left-wing candidate Andres Manuel Lopez Obrador, who is currently leading in the polls, analysts said.

A win by Mr. Obrador, together with an exit from Nafta, would likely put the peso at 22 against the dollar, from 18.68 late Monday, estimates Juan Carlos Rodado, director of Latin American research at Natixis.

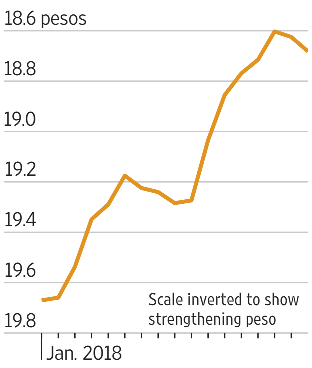
Historically, the peso has been vulnerable to election jitters. Since 1994, the currency has declined an average of nearly 6% against the dollar in the months leading up to a presidential election, the firm's research shows.

UBS Wealth Management forecasts the peso will finish the year around present levels, although they note the peso remains vulnerable to risks stemming from Mexican elections or a Nafta renegotiation.

"The currency is very undervalued, and it could get even more undervalued," said Jorge Mariscal, emerging markets chief investment officer at UBS Wealth Management.

On the Rise

The number of pesos one U.S. dollar buys has declined as the Mexican currency has strengthened this year.



Source: WSJ Market Data Group

THE WALL STREET JOURNAL.

MARKETS

At 25, the ETF Has Become a Behemoth

A democratizing force with growing pains, the product last year drew $466 billion in the U.S.

By Asjylyn Loder

The first exchange-traded fund was born 25 years ago this week, enabling investors for the first time to buy or sell the S&P 500 index in a single publicly traded share. Over the years since then, ETFs have come to dominate the financial landscape.

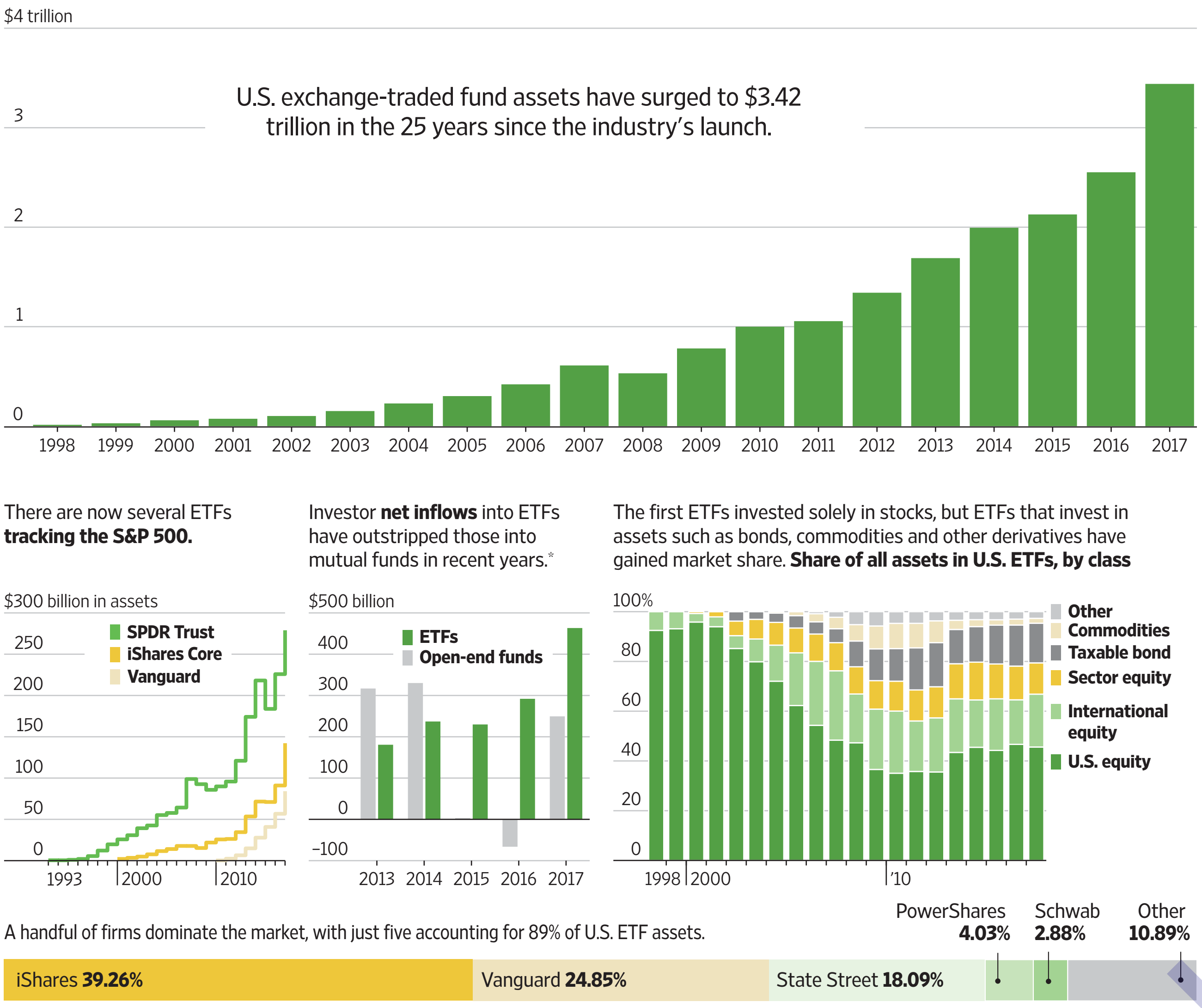
Today, there are almost 7,200 exchange-traded products world-wide with $4.8 trillion in assets, according to London-based research firm ETFGI.

Growth is accelerating as investors forsake active money managers in favor of passive, index-tracking funds. Last year, U.S. ETFs raked in a record net of $466 billion, a 61% increase over the 2016 inflow, according to Morningstar Inc.

Originally conceived as a trading tool for sophisticated institutional investors, ETFs have evolved into a democratizing force, lowering costs and giving retail investors access to trading strategies that once were available only to professionals.

The fast-growing market has also been blamed for inflating asset prices and exacerbating price swings in markets ranging from gold mining stocks to oil futures. ETFs notoriously contributed to haywire trading on Aug. 24, 2015, when mismatches between ETF prices and their underlying stocks snarled markets for hours.

"I tend to think the good has outweighed the bad, but there's no question that there have been growing pains in the ETF market," said Christian Magoon, an industry veteran and chief executive officer of Amplify ETFs.



Sources: Morningstar; FactSet (ETFs tracking the S&P 500)

*Doesn't include money-market funds or funds of funds

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The money invested in mutual funds still dwarfs ETFs. There was $14.7 trillion of assets in U.S. mutual funds at the end of 2017, excluding money-market funds and fund of funds, compared with $3.42 trillion in U.S. ETFs, according to Morningstar.

The first ETF, originally named the Standard & Poor's Depository Receipts Trust and nicknamed SPDR or "spider," gave investors easy access to the broad market by packaging all stocks in the S&P 500 into a single share.

While similar to index mutual funds, ETFs offer three important advantages: They can be traded all day long, buy-and-hold investors don't bear the cost of taxable gains generated when other investors sell, and ETFs don't have the kind of sales commissions that raised the cost of many mutual funds.

The SPDR S&P 500 ETF Trust, best known by its ticker SPY, is now a $283 billion behemoth, and broadly diversified stock-index funds still dominate the market.

As newcomers scramble to set themselves apart, the market has expanded into commodities futures, options strategies and financial derivatives such as the Cboe Volatility Index, a measure of the speed and severity of price moves in the S&P 500.

In addition, there are funds that use leverage to amplify gains and losses, and funds that seek to profit from price declines.

The results of all that innovation have been mixed for investors.

In 2012, regulators fined several brokerage firms for pitching leveraged ETFs to investors who didn't understand the risks.

Some of the most popular recent launches include an ETF that buys marijuana stocks and two funds that invest in companies involved with blockchain, the technology behind digital currencies such as bitcoin.

A Dinner Changed The Investing World

As the first U.S. exchange-traded fund was being launched, the fund's backers gathered for a casual dinner at the American Stock Exchange's headquarters. Ivers Riley, an exchange executive, made opening remarks to the small crowd.

Leadership from Amex and its partners at trading firm **Spear Leeds & Kellogg** LP and custodial bank **State Street** Corp. hoped that selling the SPDR S&P 500 ETF would help vault the Amex back into the center of rapidly changing global financial markets. But few viewed the fund, known as the Spider, as a sure thing, and fewer still forecast that such products would transform the investing world. "No one had the vision of this," said Jim Ross, chairman of State Street's global SPDR business.

The dinner was the culmination of years of creative ferment. Nathan Most and Steven Bloom, who worked on new-product development at the Amex, are typically credited with piecing together the idea for an ETF. Mr. Riley, who died in 2015, was also the driving force behind the product. They started thinking about the concept in the wake of the 1987 market crash and spent months tinkering with the product's structure and recruiting the service providers to support it. Mr. Most died in 2004. Mr. Bloom couldn't be reached for comment.

Joe Stefanelli, who was in charge of marketing and sales for derivatives products at the Amex and who retired from the Amex in 2002, says: "Not one of us expected [the Spider] to grow to the magnitude that it has."

—*Ben Eisen and Sarah Krouse*

HEARD ON THE STREET

Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY **WSJ.com/Heard**

Chinese Banks' Shift Carries Risk

The riskiest Chinese banks have found a new trick: lending more to big-spending Chinese consumers.

As Beijing ramps up scrutiny of the financial sector, midtier banks have turned away from activities like seemingly indiscriminate lending and shadow banking—now frowned upon—to retail lending, handing out piles of credit cards and nonmortgage loans.

Take Shenzhen-listed **Ping An Bank**, a subsidiary of **Ping An Insurance** Group, whose 3.2 trillion yuan ($400 billion) in assets represents around 2% of the country's banking system.

More than 4% of its loans are designated "special-mention"—those on the edge of going bad—one of the highest proportions among its Chinese peers. Both return on equity and regulatory capital have been declining, the latter to just over 8%, the lowest among China's top banks. Its cost of funding has risen sharply, and a measure of its liquidity is near the regulatory minimum. Its insurer parent has had to inject fresh capital three times in recent years, the latest a 26 billion yuan infusion last year.

In desperation, new management has embraced a new strategy, turning a long-touted consumer focus into reality. Retail loans, which accounted for only about 15% of Ping An Bank's assets at the end 2016, had surged by the end of September to around one-third of assets—and about 60% of profits before taxes. Of the more than 30 million credit cards the bank has issued, one-third were handed out in the first nine months of last year. Yields on its nonmortgage assets are lucrative, at around 9%.

Hyped Up

Ping An Bank's share price

Note: ¥5=$0.05

Source: FactSet

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But Ping An Bank's record should cause concern. It was once notorious for its wealth-management products—the often highly leveraged investment products that Beijing is now so worried about. Now, along with its credit-card splurge, the number of unsecured cash loans, typically to cash-strapped borrowers, has rocketed, rising by 50% in the first nine months of 2017.

So far, investors don't seem troubled. Ping An Bank trades at 1.4 times its book value, the highest among Chinese banks barring outlier **China Merchants Bank**. Investors should wonder whether it can make up for what is looming in its past quite so easily and safely.

—*Anjani Trivedi*

High Price Tags Won't Prevent Biotech Deals

The pharmaceuticals industry has entered another deal frenzy. Eye-popping price tags reflect financial pressure favoring consolidation rather than a bout of madness.

Celgene announced it plans to acquire cancer specialist **Juno Therapeutics** for $9 billion, at a roughly 90% premium to Juno's stock price before The Wall Street Journal reported a deal was close last week. Not to be outdone, **Sanofi** said Monday it would acquire hemophilia specialist **Bioverativ** for more than $11.5 billion, or $105 a share. Bioverativ, which spun off from **Biogen** in January 2017, traded at $47.50 a share after the spin and closed last week at $64.11.

Those big price tags were a reason Sanofi shares traded lower and Celgene barely budged on Monday. Sanofi is paying more than eight times this year's projected revenue for Bioverativ, according to FactSet. Celgene said the acquisition of Juno doesn't change the company's closely watched sales and profit guidance for 2020. Increasing competition in both cancer and hemophilia, coupled with those high prices, means there is a real risk that both acquisitions will fail to generate good returns.

But the nature of the drug business means these risks are necessary ones for buyers to take. It isn't uncommon for large biotech and pharma companies to derive the majority of their sales and profits from one drug. Industry realities, like expiring intellectual property and the fast pace of scientific innovation, mean that companies regularly have large revenue holes to fill. Meanwhile, very few experimental drugs under development have true commercial potential. The financial firepower is there as big pharma balance sheets are strong enough to support regular deals at high prices.

These dynamics create opportunities and risks for investors. Acquisitions of clinical-stage assets perceived to have scarcity value are bound to continue, which should support biotech valuations across the sector.

An index of small and midsize biotech stocks rocketed more than 5% Monday. It is still a seller's market.

—*Charley Grant*

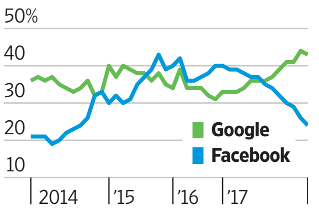
Publishers Shouldn't Rely on Facebook

Some 45% of Americans get their news from **Facebook**, according to Pew Research Center. For publishers, Facebook's plans to shake up its news feed may mean a dramatic change in traffic from the platform. The social-media company has said its new algorithm will prioritize what it calls "meaningful social interactions"—posts, photos and videos that users share and discuss. Content directly from publishers won't perform as well unless people engage with it.

"The potential impact on publishers will depend on the extent to which traffic from Facebook is a significant percentage of a publisher's traffic and, more significantly, its revenue," says Nicco Mele of the Shorenstein Center on Media, Politics and Public Policy at Harvard University.

Thumbs Down

Google and Facebook referral traffic to publishers



Source: Parse.ly

Yet Facebook also has said it will surface content from "reputable publishers," ranking news sources based on user evaluations of credibility. Experience has shown, though, that users are more likely to comment on and share sensational articles than dry, fact-based news.

That raises a risk that the changes would amplify fake news, which could draw renewed criticism for the company.

In the six countries where Facebook tested news feed changes last fall—Slovakia, Serbia, Sri Lanka, Cambodia, Bolivia and Guatemala—emphasizing posts from friends and family over news sites seemed to promote fake news. Meanwhile, professional news organizations reported a plunge in traffic from Facebook.

Publishers that invest in reducing their dependency on Facebook will be best positioned to weather social media's shifting tides. Many already have begun to do so, as traffic from Facebook has steadily declined over the past year.

In the long run, finding ways to engage with consumers directly, rather than through a third party, will be better for publishers. "Publishers have known that investing in Facebook gives the platform an awful lot of power—more data about consumers and more control of the relationship," says Brian Wieser, a media analyst at Pivotal Research. "They were responding to short-term benefits at the cost of their long-term interests."

Now they will have to figure it out on their own.

—*Elizabeth Winkler*

OVERHEARD

"It's like Uber, but for (fill in the blank)."

Airlines have used surge pricing for years, but the success of **Uber Technologies** has spread the idea to other industries.

Now, Bob Bob Ricard, one of London's swankiest restaurants, is having a go with "off-peak" pricing.

The restaurant will charge about 25% less at "off-peak" times and 15% less during "midpeak."

A diner would pay £36.50 ($50.57) for a serving of "steak tartare imperial" at dinner on Monday and £43.50 at dinner Wednesday through Saturday.

The restaurant may not attract a bargain-seeking demographic. It also isn't really doing anything all that unique, as anyone who has dined around 4:30 p.m. near a U.S. retirement community can attest.

"Early bird special" just wouldn't sound as snazzy.

 THE WALL STREET JOURNAL. Tuesday, January 23, 2018 | R1

A Fractured World

Nationalism Is Growing—and Changing

BY GREG IP

THE GLOBAL LIBERAL order is holding up better than many feared a year ago.

In Europe, right-wing populists lost elections to the establishment in the Netherlands, Austria and France. U.S. President Donald Trump has prioritized traditional conservative causes like tax cuts over protectionism.

But globalists should not breathe easy. The nationalist insurgency is both growing and metamorphosing. It is not just eating away at relations between countries on issues such as free trade; it is also eroding the institutions and norms that prevail within countries.

This is not a problem for the global economy yet, as a synchronized upswing drives growth and stock prices higher. But it's a shadow over the future. Populists sustained by legitimate grievances at the cultural and economic upheaval caused by globalization often govern by illiberal or divisive means, undermining the stable, rules-based environment that businesses crave.

Changes afoot

Two statistics illustrate the trend. The first is economic. Protectionism usually retreats as economies improve, but last year it rose despite a broad-based global expansion. Global Trade Alert, a Switzerland-based trade-monitoring group, counted 642 government actions that hurt other countries last year, from American tariffs on air mattresses to Chinese financial support for its cloud-computing industry. Though below the record set in 2015, that's still up 95% from 2010.

The second is political: Freedom retreated in 71 countries last year and advanced in only 35, according to Freedom House, a nonprofit group that rates countries across a range of political and civil liberties. Liberal democracy has been in retreat since 2006, the group has found, and in recent years the retreat has accelerated.

More troubling, the U.S., long the world's bedrock of economic and political liberalism, was a key contributor to both trends. It initiated 143 harmful trade actions last year, up 59% from 2016. And while it remains a free country, the level of freedom has been slipping for seven years and especially so last year because of evidence of foreign interference in its elections, reduced transparency and slipping ethical standards, according to Freedom House.

Opponents as enemies

Nationalism and populism are not intrinsically at odds with liberal democracy or free markets; they often nourish resistance to tyranny. At the same time, actual and aspiring authoritarians routinely turn to nationalism to gain and keep power. They portray opponents such as judges, journalists and opposition politicians as the tools of an outside enemy or use nationalism to rally supporters along ethnic and religious lines.

This trend is perhaps starkest in Eastern Europe. Nationalism helped free the Soviet Union's satellites from communism nearly three decades ago. But in recent years governments of both Hungary and Poland have invoked nationalism to justify an inexorable erosion of democratic institutions.

Both face the threat of European Union sanctions—Poland for curbing the independence of the judiciary, Hungary for threatening to close an independent university, and both for their treatment of refugees. Both have responded with defiance and appeals to religious and ethnic solidarity.

In Poland, the ruling Law and Justice party claims the EU's criticism is a pretext for forcing multiculturalism and more Muslim immigrants on it. Hungary's leader, Viktor Orban, has called Muslim refugees "poison" and a threat to Europe's Christian identity.

As fear of Islam rallies nationalists in some countries, fealty to the faith has done the same in Muslim countries. Pakistan and Indonesia are nominally democratic, but Muslim activists in both are undermining the rights of non-Muslims. In November, they forced the resignation of Pakistan's law min-

Please see WORLD page R2

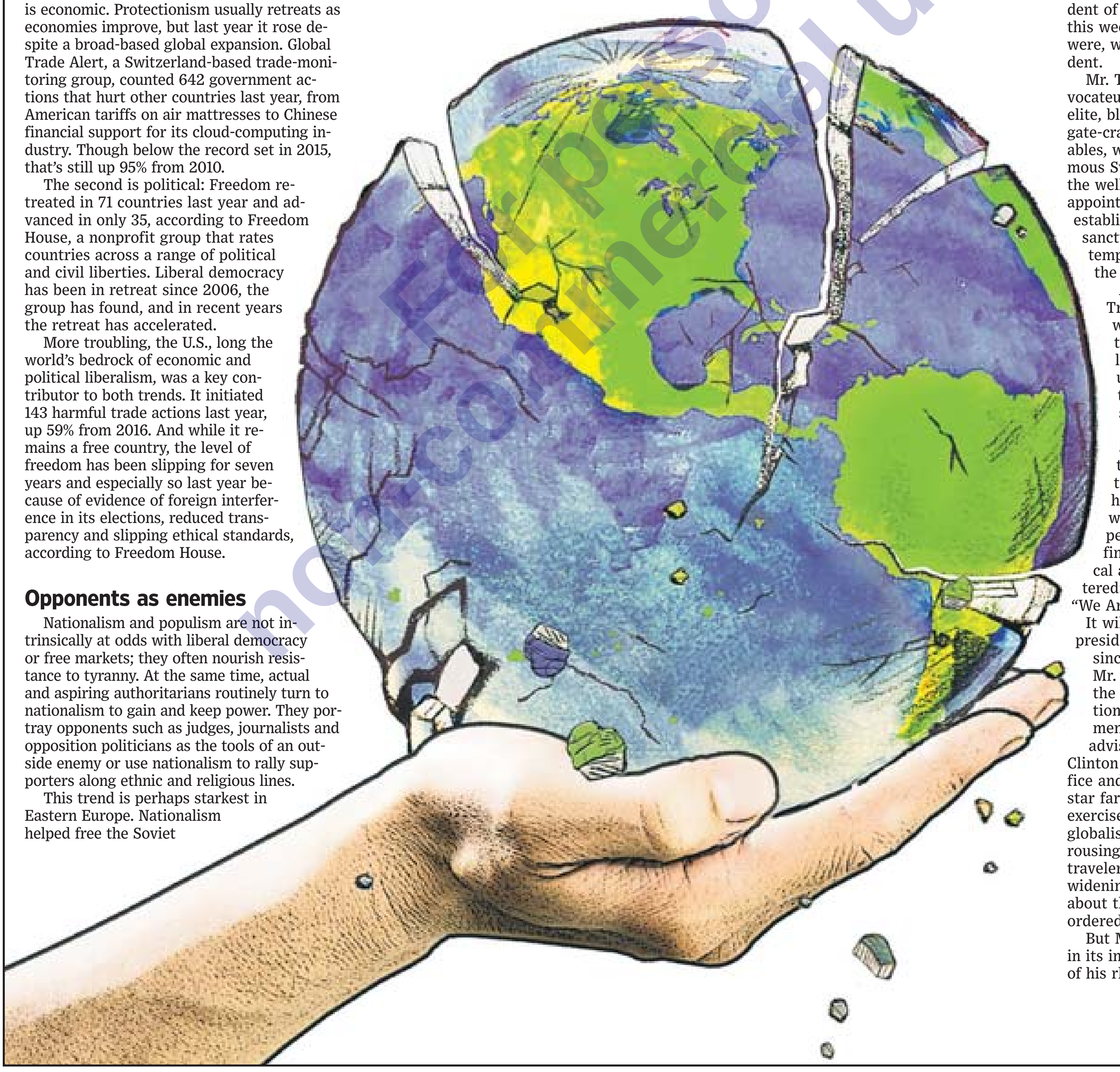


PHOTO ILLUSTRATION BY LINDSAY HOLMES FOR THE WALL STREET JOURNAL

As Donald Trump Heads To Davos, the Question Is, Which One?

BY GERARD BAKER

"If the mountain will not come to Muhammad, then Muhammad must go to the mountain."

It takes a mighty effort of the imagination to see Donald Trump in the role of the prophet from Francis Bacon's famous proverbial retelling of an ancient story. But as an exercise in the execution of something quite improbable, the trip of the president of the United States to Davos this week is right up there, as it were, with any historical precedent.

Mr. Trump, political agent-provocateur, scourge of the global elite, blunt-speaking polite-society gate-crasher, tribune of the deplorables, will indeed ascend the famous Swiss mountain and address the well-heeled, bien-pensant, self-appointed leaders of the globalist establishment—right in the inner sanctum of their most sacred temple: the annual meeting of the World Economic Forum.

As with most things Trump, no one quite knows what to expect, what he will tell the assembled political leaders, bankers, chief executives, NGO leaders and cultural celebrities when he speaks on Friday. Or, having delivered his speech, and perhaps more important, what tweeted invective will come forth from his fingers before and afterward. But as a spectacle and perhaps a symbol of the defining dialectic of our political age, it can hardly be bettered: "America First" meets "We Are the World."

It will be the first time a U.S. president has attended Davos since Bill Clinton in 2000, and Mr. Trump may have with him the highest-profile U.S. delegation perhaps ever: cabinet members and top White House advisers. Back then President Clinton was in his final year in office and there was a kind of rock-star farewell-tour quality to the exercise; the ultimate American globalist coming back for one last rousing encore with his fellow-travelers, safe in the embrace of a widening international consensus about the way things should be ordered.

But Mr. Trump's presidency is in its infancy, and the fire and fury of his rhetoric has already torched

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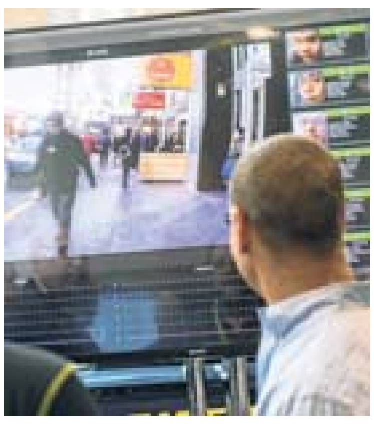
INSIDE



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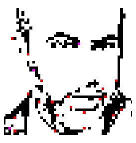
The Rhetoric vs. Reality of 'America First'

CAPITAL JOURNAL
By Gerald F. Seib



Within minutes of being sworn in as America's 45th president, Donald Trump delivered an inaugural address marked by a warning to foreign leaders that "from this day forward it's going to be only America first."

That nationalist declaration, including a blunt assertion that "every decision on trade, on taxes, on immigration, on foreign affairs will be made to benefit American workers," led to immediate fears among internationalists at home and abroad that the new president would begin to pull back from traditional American roles and commitments abroad.

One year later, the actual results are far murkier than those blunt words suggested.

In many ways, the fears of a broad American pullback have proved overblown, at least for now. Despite periodic complaints by Mr. Trump that the U.S. is doing too much global security work that should be left to others, Pentagon data show that the deployment of American troops overseas actually has gone up rather than down over the past year. Troop levels are up in Afghanistan, Iraq and Japan, among other places.

Naval display

In addition, the Trump administration was the first in years to deploy three carrier battle groups to the Pacific, as part of the effort to warn North Korean leader Kim Jong Un to pull back from his nuclear and missile programs. Mr. Trump also has, with some apparent reluctance, reiterated American support for Article 5 of the North Atlantic Treaty Organization charter committing the U.S. to defend its European allies if they are attacked.

Meanwhile, although Mr. Trump has refused to certify that Iran is abiding by an international agreement to curb its nuclear program, he has stopped short of actually abrogating the agreement. On economic matters, the Trump administration has ramped up American complaints about existing trade treaties, yet in most cases has stopped short of actually dismantling the system it inherited. Notably, it decided to renegotiate rather than withdraw from the North American Free Trade Agreement.

"I know the conventional wisdom is that America is receding and we're surrendering our traditional role in the world," says Republican Sen. Tom Cotton, a close ally of President Trump who confers with him frequently. "I just don't see the evidence for that."

Yet it is still early in the Trump term, and some who hope for a robust American role on the world stage worry that they see signs of an American retreat taking shape.

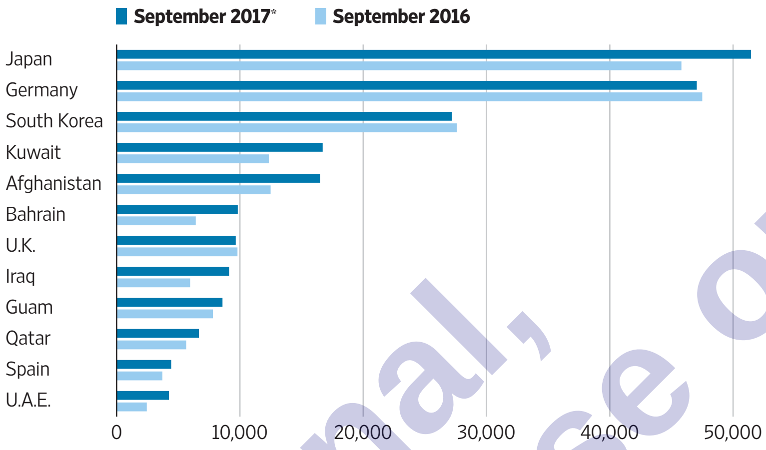
"In fact, a case can be made that Trump is actually overturning the bipartisan consensus among all our presidents since World War II about how the U.S. should lead in the world," says Nicholas Burns, a career foreign service officer who served as undersecretary of state under President George W. Bush.

JAAP ARRIENS/NURPHOTO/ZUMA PRESS

President Trump has left many diplomats still trying to size up how he sees the U.S. role in the world.

America's Footprint

The number of Defense Department active-duty, reserve and civilian personnel abroad has risen during the first year of the Trump administration, particularly in some key spots around the globe.



*Latest month for which figures are available
Note: In some cases, numbers may be affected by overlapping or delayed deployments.
Source: Defense Manpower Data Center, U.S. Department of Defense
THE WALL STREET JOURNAL.

He calls the Trump administration's decisions to pull out of the Paris accords on climate change and the Trans Pacific Partnership, a multilateral trade deal in Asia, and to steer away from a trade deal with the European Union "unwise." Mr. Burns says that President Trump's "constant criticism" of fellow NATO members, a trans-Atlantic rift over acceptance of refugees and the American decision to declare Jerusalem the capital of Israel have all hurt the U.S. in Europe and have opened a rift with its allies there. And, he says, European leaders worry President Trump won't stick with sanctions against Russia for its interference in Ukraine and interference in elections.

"I think a real crisis is brewing between Europe and the U.S. over climate, Russia, the Iran deal and refugees," Mr. Burns says. Meanwhile, a new Gallup survey finds the image of American leadership is weaker world-wide now than under Mr. Trump's two predecessors.

Certainly Mr. Trump continues to suggest international commitments will take a back seat to domestic ones in his term. After a mid-December Amtrak train derailment in Washington state, Mr. Trump tweeted: "Seven trillion dollars spent in the Middle East while our roads, bridges, tunnels, railways (and more) crumble! Not for long!" And some wonder whether personnel cutbacks at the State Department presage a pullback of American diplomacy.

'Jury is still out'

The bottom line is that diplomats hoping for an engaged America are still trying to size up exactly how the Trump administration sees America's world role. "From a European view, there's been good news and less-good news," says David O'Sullivan, the European Union's ambassador to Washington.

Mr. O'Sullivan points to the reassertion of America's commitment to the joint defense of NATO countries as well as alliance-tending missions by Secretary of State Rex Tillerson and Defense Secretary Jim Mattis as positive signs.

"On trade, from a European perspective, the jury is still out," he says. "We haven't had a confrontation with the administration on trade. We don't always like the tone."

He then adds: "What's gone less well, frankly, is Paris, the withdrawal from the Paris accords." That change, perhaps as much as any initiated by this president, has rattled Europeans worried about America breaking away from a leadership role.

Still, under terms of the accord, the withdrawal can't be made immediately. And in announcing the American intention to withdraw, the State Department also said that "the United States will continue to participate in international climate change negotiations and meetings." That has left French President Emmanuel Macron, for one, hoping he can still persuade Mr. Trump to reconsider before the break is complete.

WORLD

Continued from page R1

ister for supposedly watering down the oath parliamentarians take affirming that Muhammad was the final prophet. In Indonesia, they triggered a criminal investigation of Jakarta's Christian governor for allegedly insulting Islam, and then engineered his ouster in elections last April.

Thus far, no established Western democracy has seen any comparable erosion of institutions or minority rights, even those in the grips of nationalism. Britons' vote to leave the European Union was both nationalist and unquestionably democratic. In its wake British political parties, including the separatist Scottish National Party, continue to reject xenophobia, with the exception of the UK Independence Party, which has receded into irrelevance since the Brexit referendum.

Yet the pressure elsewhere is unmistakable. Marine Le Pen, who advocated leaving the euro and dramatically reducing immigration, lost to the globalist Emmanuel Macron in France's presidential election but still led the National Front to a record 34% share of the vote. In Austria, the far-right Freedom Party, which staunchly opposes immigration and warns of "Islamification," won enough votes to be invited into the governing coalition, and in Germany, the anti-Muslim, anti-immigration, anti-euro Alternative for Germany won enough of the vote to deny Chancellor Angela Merkel a conservative governing coalition. This has had an unmistakable effect on those countries' policies, especially on immigration.

Trump's approach

As for the U.S., Mr. Trump has governed much like a traditional Republican and earlier this month split with strategist Steve Bannon, a fiery proponent of economic nationalism who once disparaged the pro-globalization establishment as "the party of Davos." David French of the National Review welcomed the demise of "incoherent, destructive nationalist-populist ideology" and a chance for the Republican Party to "restore itself as a party of conservative ideas."

But this is premature. Mr. Bannon may be gone, but Mr. Trump's hostility to immigration and free trade persists. Mr. Trump's administration is gearing up for a more aggressive assault this year on what it considers unfair trade, especially China's.

Meanwhile, Mr. Trump has governed much as he campaigned: as the advocate for his political base, while attacking judges, journalists and politicians who oppose him as enemies of the country. He signaled solidarity with white and evangelical Christian voters by defending Confederate war monuments and endorsing the fundamentalist Christian Roy Moore in the Alabama Senate special election despite accusations of sexual misconduct.

Thus far, the checks and balances of American democracy have survived. Yet democracy itself is changing as partisan disagreements harden into tribal hatred. Republican Congressman Mark Sanford, who was first elected in 1994 and served eight years as governor of South Carolina, long saw religious and ethnic divides such as the Islamic world's Shiite-Sunni split as alien to the U.S. "Republicans, Democrats, Southerners, Northerners, blacks, whites, you're [part of] an American-based system of beliefs, founded on reason and ideas," he said in an interview. "What I see now is very troubling. It's my group against your group."

Some of his constituent meetings have become circuses of incivility. "If I say something considered even slightly anti-Trump by pro-Trumpers, you get acid poured on your head. If I say something viewed as pro-Trump by 'Indivisible' or the anti-Trumpers, you get acid poured on your head. There's just a no-man's-land in between."

Dollars and cents

Businesses' first reaction to such stresses is to try to ignore them. Economic research finds little correlation between democratic rule and economic growth, and the current global upswing, with exceptions such as Venezuela, seems to prove the point. Yet over time, political and economic freedom go hand in hand. As politics turns authoritarian or tribal, the laws and rules by which businesses operate become more capricious.

In Russia and China, corruption investigations have long been a pretext for punishing wayward business leaders. Still, even by their authoritarian standards, economic freedom has become more circumscribed. China's Communist Party has recently pressed to increase its representation within key companies while leading internet businesses partner with the government to spy on its people.

In democratic systems, tribal politics makes for tribal policy, which can then change when a different tribe takes over. Because Barack Obama's health-care measures passed with no Republican support, their survival has long been a question mark.

Now that Republicans are in control, they have doubled down by passing a tax overhaul and saddling much of the cost on Democratic-leaning states by limiting the deductibility of state and local taxes. New York's Democratic governor, Andrew Cuomo, called it an act of "economic civil war."

Mr. Trump crafts policy interventions to the needs of his political base. He lambastes companies that move jobs out of the industrial states that were crucial in his presidential victory, and intervened to encourage the Taiwanese contract manufacturer Foxconn Technology Group to put a new flat-panel factory in Wisconsin. Some observers think the Justice Department is trying to block AT&T Inc.'s merger with CNN parent Time Warner Inc. in part because Mr. Trump wants the channel punished for its coverage. (The department denies this.)

Economic tribalism is hardly confined to the right. Democrats' support for more border security has waned as the Hispanic vote has become more important to its fortunes.

These are, for now, minor irritants in the scheme of things. History shows that populism and prosperity can coexist for a long time. Yet to maintain the support of key groups, populists are constantly tempted to make extravagant promises the country cannot afford. Mr. Trump has delivered the tax cuts traditional Republicans wanted, while standing firm against cutting back the entitlements his older, working-class supporters cherish.

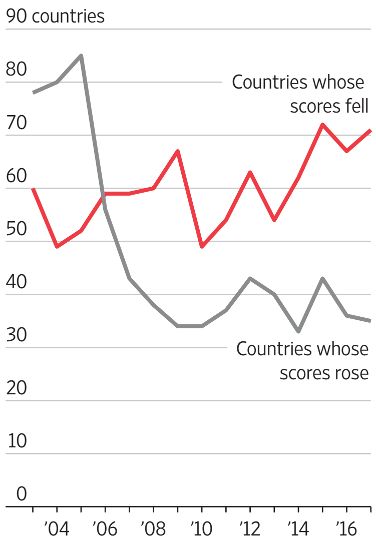
Populism, says Mr. Sanford, is bad for business "because it's unsustainable. The populism that says we're not going to touch your Social Security or Medicare is going to go looking for revenue to keep those promises."

LIGHTROCKET VIA GETTY IMAGES

Poland's independence day drew nationalist marchers in Warsaw last fall.

Freedom in Retreat

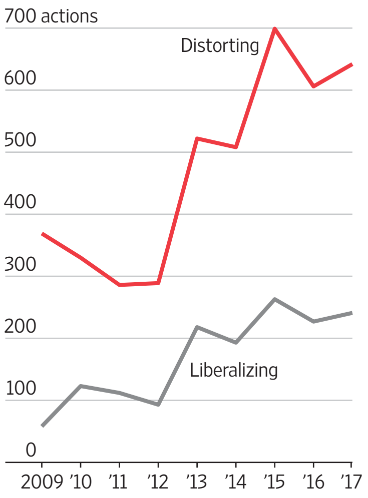
Countries with falling scores for political rights and civil liberties in Freedom House's annual evaluations have outnumbered those with rising scores in recent years.



Source: Freedom House
THE WALL STREET JOURNAL.

Balance of Trade

Trade-distorting vs. trade-liberalizing actions taken around the world by year. Trade-distorting actions are those designed to hurt competitors, usually by restricting imports or promoting exports.



Source: Global Trade Alert
THE WALL STREET JOURNAL.

Nations Are in Rare Economic Harmony

The world's biggest economies are all growing—setting the stage for more growth

By Josh Zumbrun

The International Monetary Fund estimates that the world's seven biggest economies—the U.S., China, Germany, Japan, France, the U.K. and India—each grew more than 1.5% in 2017. That kind of synchronicity is uncommon, and it might set the world economy up for more solid growth in 2018.

It might sound surprising because it has been nearly a decade since the world's economy began growing again following the global financial crisis. But rather than petering out—or succumbing to forces of protectionism and nationalism, as many had feared a year ago—economies around the world gained strength in 2017 and appear poised to strengthen a bit further.

Economic data for 2018 already shows some of that strength. The JPMorgan Chase and IHS Markit global purchasing managers index this month was the strongest it has been in nearly seven years. Official industrial production gauges are also near their strongest levels since early 2011, showing a global economy that's getting a second wind.

"Global manufacturing output is booming," says David Hensley, director of Global Economic Coordination at JPMorgan. "The acceleration in output has been very broad-based by region and sector, powered by impressive gains in global retail sales and capital expenditures."

The phenomenon of globally synchronized economic growth became apparent in 2017 when a number of large commodity-producing nations emerged from recessions caused largely by the collapse of oil prices. As commodity prices bottomed out, those nations found their footing.

Moreover, no major economies stumbled into recession in 2017, leading to the remarkable situation where all 45 major economies tracked by the Organization for Economic Cooperation and Development were growing at the same time, for the first time since the global financial crisis.

U.S. growth was stronger in 2017 than in 2016, and record levels reached by U.S. equity indexes suggest a bright future to investors. Forecasters in The Wall Street Journal's monthly survey of economists place just a 13% chance on a recession occurring in the next year, the lowest estimate since mid-2015 when U.S. consumers were benefiting from lower oil prices.

Global equity indexes have roared upward in the past year. The Global Dow Index, which tracks 150 of the world's leading companies, was up 26% over a one-year period through Jan. 19, while the Dow Jones Industrial Average of 30 U.S. blue chips was up 31%.

But despite U.S. market strength, the biggest surprise in recent months for growth has been the eurozone, which appears to have surpassed the growth rate of the U.S. last year, although final numbers have not yet been released. The OECD estimates that the eurozone grew 2.4% in 2017, compared with 2.2% growth for the U.S. in the same period.

While the numbers are not huge in historical terms, their stability is mutually reinforcing.

"The U.S. expanding causes European exports to strengthen, causes their economy to strengthen, which feeds back and leads to higher demand for our exports," said Jay Bryson, global economist for Wells Fargo Securities. "For the U.S. that effect is relatively small, but for other countries, those feedbacks on a global basis can be very, very important."

Indeed, synchronized economic expansions, like the one we're in now, tend to be self-reinforcing. And they can carry on for extended periods.

According to the IMF's latest estimate, among 176 countries for which it gathers data, 150 managed to increase their exports last year. That means more than 85% of the world's nations increased their exporting last year, the highest share of nations on record.

The previous times all the world's economies got in sync tended to last for several years. From 2004 to 2007, all the world's major economies were growing; that was also the case for several years in the late 1980s. Of course those booms ended—and badly in the 2000s—but not before posting a series of strong years globally. The global economy grew at about 4% a year from 1984 to 1989 and again from 2004 to 2007.

"Assuming the geopolitics don't turn nasty, I would think the expansion probably continues" for at least a couple more years, Mr. Bryson says.

An extended period of synchronized growth helps, but it won't solve all the world's economic challenges. In addition to geopolitical risks, such as trade wars, actual wars and a turn toward more nationalist policies, many governments around the world are carrying unprecedented debt burdens. Aging populations and slowing productivity growth have raised questions about whether the world's nations have the potential to grow all that much faster.

From 2012 to 2016 the global economy grew only about 2.5% a year, according to World Bank data. That pace rose to 3% in 2017 and is expected to climb a bit further in 2018, reaching the highest level in seven years.

"When you have a global recession, you can't export your way out," says Ayhan Kose, director of the World Bank's division that produces economic forecasts. By contrast, a country that started to stumble now could turn to nearly any trading partner for a boost. "This creates its own momentum, feeding its own cycle."

EPA/SHUTTERSTOCK

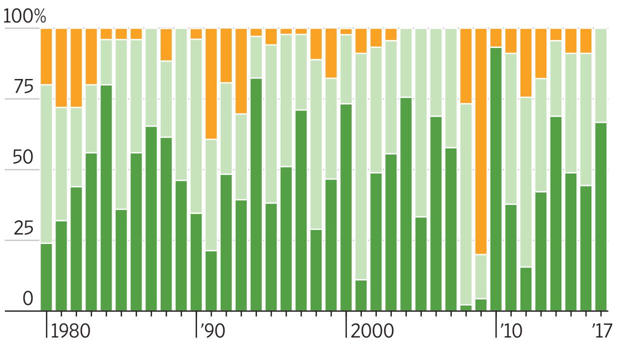
More than 85% of nations increased their exports last year, the highest share on record, according to the IMF.

All Together Now: The Global Expansion

It's a rare but powerful thing for economic growth to spread as widely around the world as it has now. Some measures of the expansion and the impact it's having:

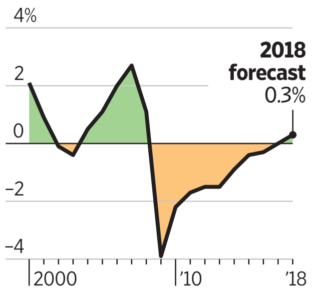
All major economies growing at once has only occurred a few times since 1980—in the late 1980s, the mid-2000s, and now*

Share of world's economies that are...



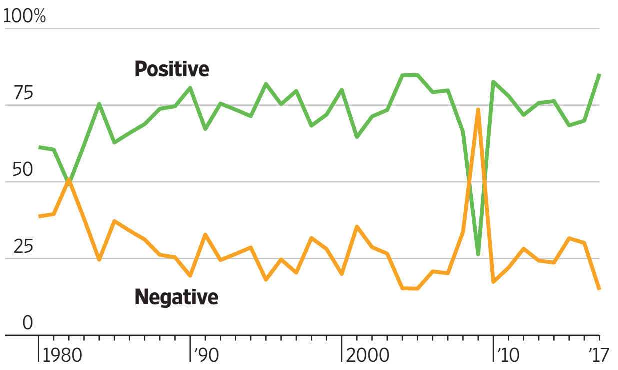
With the strengthening of growth, the global output gap is forecast to close in 2018 for the first time in a decade†

Global output gap as a percentage of GDP



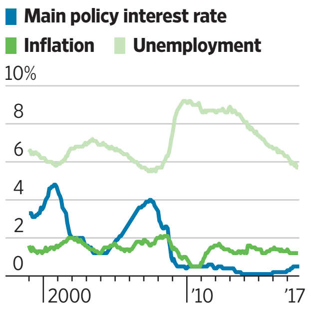
The percentage of countries that increased their exports hit a record level last year

Percentage of countries with export growth that is...



Advanced economies have returned unemployment to pre-crisis levels and begun to normalize monetary policy

Weighted average rates



*45 countries tracked by OECD. Data is not available for all countries in all years. †The global output gap is defined as the difference between actual and potential global output.

Sources: Organization for Economic Cooperation and Development (growing and contracting economies); World Bank (global output gap and interest, inflation and unemployment rates); International Monetary Fund (export growth);

THE WALL STREET JOURNAL.

For CEOs, Strong Growth—and Turmoil

By Sharon Terlep

After a decade of slow growth, corporate chieftains have good reason to feel buoyant.

In the U.S., the economy grew 3% in the third quarter and Federal Reserve officials in December increased their forecast for 2018 growth to 2.5%, up from 2.1% in September. Bulls on Wall Street boosted the market cap for S&P 500 companies last year by 18%, unemployment stood at a 17-year low, and a big tax cut and regulatory rollbacks portend more gains.

Europe, meanwhile, is also bouncing back after an all-but-lost decade. Asia's continued growth makes it a rare moment—after the extended hangover of the downturn—when the world's major economies are all pointing up.

Yet plenty of anxiety lingers—also with good reason. CEOs continue to grapple with the ever-accelerating pace of technology change. Meanwhile, they face growing pressure from investors and boards, and greater scrutiny from customers and even their own employees in the age of social media. Consumer habits and tastes continue to shift drastically. While a GOP-led Washington has been generally more favorable to business, political turmoil, and the risks it brings, has only increased, at times drawing executives into debates they'd just as soon avoid.

A GE wind-turbine plant in France. The company's possible breakup shows size no longer equals growth and profitability.

LOIC VENANCE/AGENCE FRANCE PRESSE/GETTY IMAGES

Change all around

"In my 37 years at General Motors, the amount of technology is changing more than ever," Chief Executive Mary Barra says, discussing GM's efforts to bring to market fully electric vehicles and cars that drive themselves. "We've made cultural changes, we've changed where we do business, we're developing transformative technologies," says Ms. Barra.

Whether it's GM trying to take the shape of a tech company, **General Electric** Co. considering a breakup, or PepsiCo Inc. struggling to sell soda, corporate mainstays are trying to right themselves after becoming vulnerable to market forces they once ably navigated. CEOs are overhauling business models, forging unexpected alliances and giving concessions to activist shareholders who criticize how their companies are being run.

CVS Health Corp., the largest U.S. drugstore chain, will spend much of this year trying to cement its acquisition of insurance giant **Aetna** Inc., a deal that creates an almost unprecedented health-care enterprise. **Procter & Gamble** Co., the maker of Tide and Pampers, has said it will admit activist investor Nelson Peltz to the board in March after spending at least $60 million trying to stop him and his strategy for overhauling the company. P&G agreed to add Mr. Peltz to the board after winning a shareholder vote by a historically narrow margin.

AT&T Inc. and **Time Warner** Inc. are prepared to fight at least until June a Justice Department lawsuit trying to stop a merger that would turn the phone company into a media giant. Big food companies, meanwhile, continue to grapple with dramatic shifts in what people eat and where they shop, as retailers scramble to reinvent a business model decimated by **Amazon.com** Inc.

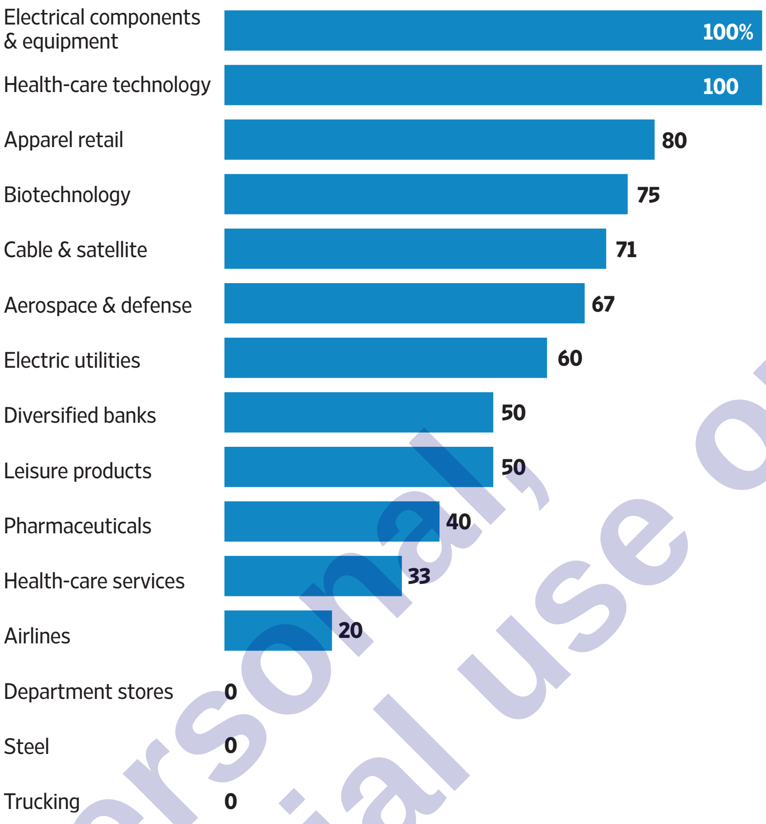
"Some say that it's more change in the last three years than in the last 10 or 20 years," Home Depot CEO Craig Menear says of the changing retail landscape and his company's plans to upend an online-sales strategy laid out just five years ago. "It's imperative that we address these evolving needs with increased speed," says Mr. Menear.

Kurt Simon, JPMorgan Chase & Co. global chairman of mergers and acquisitions, worked on deals last year including **Walt Disney** Co.'s agreement to acquire most of **21st Century Fox** Inc. for $52 billion. "How and who companies compete with are rapidly changing in a number of industries due to technology and the emergence of disruptive new entrants," Mr. Simon says. "For incumbents, you have the opportunity to either be disrupted or go on the offensive."

No longer is size synonymous with growth and profitability. Some of the world's biggest corporations are hemmed in by their own size, incapable of moving quickly enough to adapt to fast-changing markets and consumer

The Challenge of Change

Amid a variety of upheavals, many large companies are having trouble achieving economies of scale that make them more efficiently profitable. The percentage of companies in selected industries whose cumulative annual growth rate in operating income has been greater than their CAGR in revenue:



Note: Based on a study of most S&P 500 companies for 2007-16.
Source: Andrei Perumal and Stephen A. Wilson, "Growth in the Age of Complexity"
THE WALL STREET JOURNAL.

tastes. GE, which last year saw its shares drop by one-third amid a reset of long-term financial projections, embodies the dilemma. The industrial giant is refocusing on three core business lines—the aviation, power and health-care divisions—while exiting most of its other business. CEO John Flannery, who took over last summer, this month said that GE is evaluating carving out its major divisions into separately traded units.

About 40% of companies in the S&P 500 are becoming less profitable as they grow, says Stephen Wilson, managing partner of advisory firm Wilson Perumal & Co., whose analysis measured revenue growth and operating income at the top companies. A company whose operating income grew more slowly than its revenue, according to the analysis, experienced so-called diseconomies of scale, as opposed to leveraging desirable economies of scale.

"In the industrial age, the biggest company was the most competitive," Mr. Wilson says. "Today, companies are trying to get bigger to get economies of scale, but to get bigger they are becoming more fractured, and that means less economies of scale. Companies are realizing that they can't just add new products and grow, that they can't just go into more countries and grow."

Crossing industry lines

Adding to all of this turbulence, companies are increasingly transparent, giving investors and consumers greater ability to look under the hood and compare operations, even as new technologies continue to transform such economic fundamentals as how people get around and shop.

This changing business landscape in turn is altering the nature of how companies produce goods and deliver services, and is affecting everything from human-resources departments to the supply chain.

A need for radical action will likely lead to more deals that cross industry lines, like the CVS-Aetna deal or Amazon's $13.7 billion deal in June to acquire **Whole Foods Market** Inc.

"Earlier rounds of M&A were simply competitors buying each other and getting the synergies out of a deal," says Frank Aquila, a partner at law firm Sullivan & Cromwell LLP. "While that's still an important part of M&A, we're going to see many more combinations going forward that may not be what people expect."

Despite a recognition that change—often radical change—is needed, perhaps the trickiest part will be where to be radical and where to be more cautious.

"The hardest thing for chief executives is to figure out where to make changes and how radical to be in different parts of the business," says Andy Eversbusch, a managing director at consulting firm AlixPartners LLP. Ideally, Mr. Eversbusch says, a company can pull off a "healthy turnaround" in which it overhauls itself before crisis strikes.

"The leaders that I see who are very good at this," he says, "are ones who routinely invest themselves in questioning every aspect of their business."

U.S. and Chinese Companies Race to Dominate AI

Last fall, a U.S. intelligence-community contest sought algorithms that could identify surveillance images of people out of a database of millions of photos. The dark-horse victor was Shanghai-based artificial-intelligence startup **Yitu Tech**.

By Sam Schechner, Douglas MacMillan and Liza Lin

The five-year-old company beat out 15 rivals for a $25,000 prize. But Yitu had an advantage: access to Chinese security databases comprising millions of people that it could use to train and refine its algorithms.

Competitors, who worked from smaller databases, had "one hand tied behind our back," says Paul Nicholas, chief executive of Cyber-Extruder.com Inc., a Newark, N.J., startup that entered the contest.

The contest represents a growing concern about the global race to develop and profit from artificial intelligence, which frequently uses large data sets to learn skills like facial recognition and cancer diagnosis. Big U.S. technology companies are leading the race. But their Chinese rivals are catching up quickly because of growing investments, as well as freer access to enormous amounts of data about people, often compiled with the help of government agencies.

In the West, access to such information is at times limited by growing concerns over privacy and the ethics of letting machines make important decisions—fears that are leading to new policies and stricter proposals around collecting personal data and deploying AI.

"Ultimately, AI advances are inextricably founded on the broad use of data to train machines as they go about learning," says Brad Smith, president and chief legal officer for Microsoft, which has invested heavily in AI and also is a vocal supporter of strong privacy protections. "The question is whether privacy laws will constrict AI development or use in some parts of the world."

At stake is whether U.S. giants—including **Apple** Inc., **Google** parent **Alphabet** Inc., **Amazon.com** Inc., **Facebook** Inc. and **Microsoft** Corp.—can retain their lead in the global tech race or whether they will be overtaken by Chinese behemoths **Tencent Holdings** Ltd. and **Alibaba Group Holding** Ltd. Also in the hunt is Chinese search engine Baidu, which is smaller but has invested heavily in AI.

When it comes to academic and corporate AI research, the U.S.—particularly in the San Francisco Bay Area—is a powerhouse. The U.S. dominates the number of international patents filed for AI topics like neural networks and unsupervised learning, according to filings from the World Intellectual Property Organization. The country also has more than 1,000 AI companies, almost double the number in China, according to a December report from Tencent's in-house research institute.

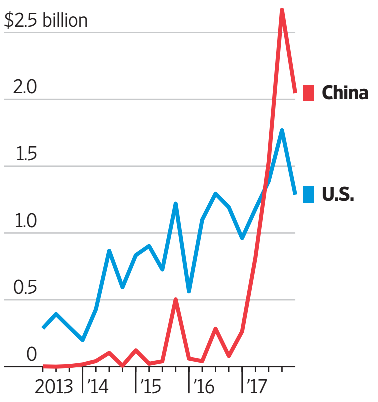
In addition, spending by U.S. companies dwarfs that of China's tech titans. Alphabet spent $13.9 billion on R&D in 2016, and Microsoft spent $13.0 billion for the year ended June 30. By contrast, Alibaba pledged in October to nearly triple its R&D spending—to about $5 billion annually over the next three years.

But China hopes to close the gap with the U.S. in funding and tech development, driven by a new government effort to lead the AI field by 2030. The strategy focuses on boosting areas including medicine and agriculture, as well as government and military applications.

The drive is showing up already in the funding for AI startups.

The AI Frontier

Value of artificial-intelligence financing deals by quarter. China passed the U.S. in funding last year.



Note: Data for 4th quarter 2017 is as of Dec. 20
Source: CB Insights THE WALL STREET JOURNAL.

Among these Chinese firms, disclosed funding rose 10-fold in 2017 over the prior year to $7.06 billion, surpassing comparable U.S. firms, where disclosed financing rose 24% to $5.62 billion, according to CB Insights.

PricewaterhouseCoopers predicts that the U.S. will profit most from AI initially, but that China will catch up, reaping about 46% of the $15.7 trillion it expects AI to contribute to global economic output by 2030, followed by North America with 24%.

"The Chinese government's thoughtful investment in AI is a huge accelerator," says Andrew Ng, a former executive at Google and Baidu, who recently founded AI startup Landing.ai.

Another issue that looms large in the rivalry between China and the U.S. is privacy. Chinese consumers have fewer concerns about data privacy compared with those in the West—and that gives Chinese companies greater leeway to mine their personal information and use it to develop smarter and more effective AI systems, for jobs such as medical care and surveillance.

For instance, Yitu, the AI contest winner, works on behalf of multiple security agencies in China and has access to a database of 1.8 billion photos of faces. Using that trove of information, it has learned to scan photos and find matches in seconds, to do jobs like authenticating the identity of ATM users.

Western policy makers are more reluctant to give companies wide latitude to use consumers' personal information, which some experts think could end up hampering the development of AI and let Chinese companies pull ahead in the tech-development race.

And privacy restrictions will get a lot tougher in May, as a new European Union law that covers tech titans like Google takes effect. The law limits the use of identifiable information about people, such as name, address and ethnicity, and allows individuals to demand explanations for automated decisions on important topics, such as why a computer denied someone's loan application—answers that are difficult for some types of artificial intelligence to provide.

More than 120 countries have so far adopted privacy laws, the large majority with European-style elements, according to Graham Greenleaf, a professor of law and information systems at Australia's University of New South Wales. Tech executives say Europe's size could force U.S. tech companies that wish to do business in Europe to follow its lead in other areas, as well.

Regulation could be "a big help or a big detriment" to U.S. AI efforts, depending on how it's implemented, says Mr. Ng. "Despite the U.S.'s current lead in basic AI research, it can be easily squandered in just a few years if the U.S. makes poor decisions."

View From the Top: John Noseworthy

'The Mayo brothers' greatest innovation was the group practice of medicine. Dr. Will and Dr. Charlie developed an entirely new approach to medical practice based upon a deeply held belief: The combined wisdom of peers is greater than that of any individual. They called it a "union of forces," and this modus operandi dictates that multiple medical experts work collaboratively to find solutions for patients with serious, complex illnesses. More than a century later, this philosophy—that teamwork creates the best solutions—remains true.'

John Noseworthy, CEO of Mayo Clinic

To see Dr. Noseworthy's complete essay—and the essays of other CEOs—go to wsj.com/CEOessays2018

As Easy Money Ends, Uncertainty Rises

Strong economic indicators allow officials to pull back from stimulus policies of recent years

By Tom Fairless

RON SACHS/CNP/ZUMA PRESS

The Fed's Janet Yellen has suggested weak inflation is likely to prove temporary.

The tide of easy money that lifted advanced economies out of recession will recede in earnest in 2018, opening a new phase in the global economic expansion.

From Frankfurt to Tokyo, central-bank officials are seizing on stronger economic indicators, including tentative signs of higher inflation, to signal an exit from stimulus policies that were rolled out after the financial crisis. Asset purchases by the four major central banks—the Federal Reserve, European Central Bank, Bank of Japan and Bank of England—will shrink by more than 70% by the end of 2018, to around $50 billion a month, after peaking at $182 billion in March 2017, according to Deutsche Bank. And some banks are planning or signaling possible interest-rate increases this year.

The coordinated retreat by some of the biggest buyers in global financial markets raises the prospect of increased volatility and a possible correction in asset prices. Adding to the uncertainty, the generation of central bankers who handled the crisis is stepping aside, and it's unclear if their successors will share their desire to continue with aggressive monetary stimulus to support global growth.

Some central-bank officials worry that investors are failing to price in the new policy course, and may get hit hard. Meanwhile, there may be tougher times ahead for business and consumers, who are currently benefiting from ultralow borrowing costs.

"It is indeed surprising that long-term interest rates are now lower than they were in the summer, although growth has surprised very positively and growth and inflation forecasts have been adjusted upwards," Yves Mersch, a member of the ECB's six-member executive board, told German reporters in an interview published on the ECB's website in late December. "It doesn't really follow."

Are times too good?

The reversal from major central banks comes as economic growth accelerates and inflation starts to approach targets after years of staying below projections.

Growth accelerated in about three-quarters of all countries last year, the highest share since 2010, the International Monetary Fund said in December. In the U.S., growth recently hit a three-year high of 3.3%, while the Fed's preferred inflation measure climbed 1.5% on the year in November, up from a 1.4% rate over the previous two months.

Higher U.S. inflation is a key risk for stock markets, because the Fed would likely raise rates more quickly than expected to cool the economy. Outgoing Fed Chairwoman Janet Yellen has suggested that the period of weak inflation is likely to prove temporary.

The Fed has projected another trio of quarter-point rate rises this year and two more in 2019, but some investors think it might act more aggressively given strong growth and the likely economic boost from recent tax cuts.

In the eurozone, the ECB signaled on Jan. 11 it might move sooner than expected to phase out its giant bond-buying program, surprising investors and sending the euro higher. The change of course comes amid a rebound in the eurozone economy, where business and consumer confidence are at their highest levels in more than 17 years. Average inflation, at 1.4% in December, remains too weak for the ECB to raise rates, but it is expected to edge up over the coming months and recently hit a five-year high in Germany.

German 10-year government-bond yields have started to edge up since mid-December, a possible harbinger of higher market interest rates.

In the U.K., the Bank of England raised rates in November for the first time in 10 years in response to higher inflation, and officials have signaled more rate increases could be coming.

In Japan, too, inflation is edging up. Core consumer prices, excluding volatile fresh-food prices, rose 0.9% in November from a year earlier, up from 0.8% in October. Bank of Japan Governor Haruhiko Kuroda has said he expects companies will soon start passing the higher labor costs that stem from worker shortages on to consumers.

While major central banks have done all they could to push up consumer-price growth, which has lingered below target in recent years, a sudden increase in inflation would force them to change course, which could prove destabilizing for financial markets and the world economy.

"What is unthinkable today is [higher] inflation [in the U.S. and Europe], that's what scares me the most," says one top ECB official. "Markets would react incredibly."

Easing up

Another concern is the debt market. In response to record-low bond yields, global debt issuance by companies and governments reached a high in 2017, with U.S. and European companies particularly active.

But on the demand side, purchases by the ECB under its giant bond-buying program fell by half this month, and that flow of money could dry up entirely by October. Meanwhile, the Fed is gradually reducing its $4.5 trillion balance sheet, and the Bank of Japan has slowed its asset purchases and is hinting at an exit from easy money.

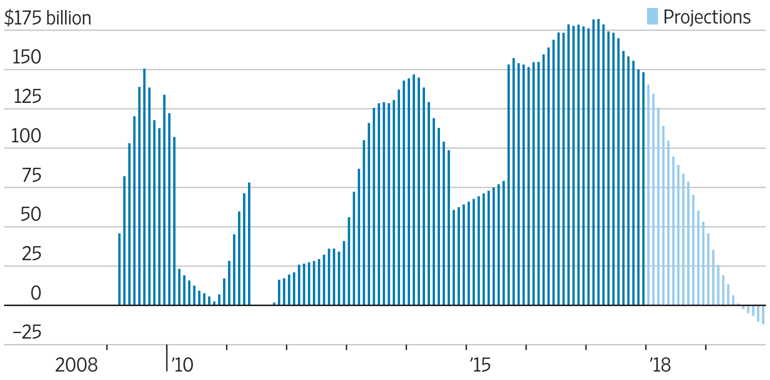
All of which raises the prospect of an "enormous mismatch between supply and demand" in global debt markets this year, according to Torsten Slok, an economist with Deutsche Bank in New York.

Central-bank officials hope their large stock of assets means market interest rates will rise only gradually. But some investors worry about a sharp correction given the mismatch between supply and demand of bonds, particularly as markets have so far been slow to adjust to the new direction of central-bank policies.

"There is a regime change in what central banks are trying to tell us," says Mr. Slok. "Investor sentiment could change suddenly."

End of an Era

Major central banks' net asset purchases to stimulate economic growth will fall rapidly this year and are expected to hit negative territory by summer 2019.
Total asset purchases, monthly



Note: Total purchases include the Bank of England, U.S. Federal Reserve, Bank of Japan and European Central Bank. January 2008-February 2009 and June-September 2011, amounts were between 0 and –$0.05 billion.
Source: Deutsche Bank
THE WALL STREET JOURNAL.

Investors Need to Think Beyond Central Banks

By Richard Barley

HEARD ON THE STREET


SPENCER PLATT/GETTY IMAGES

With economies world-wide expanding in sync, global markets have reacted calmly to central banks' withdrawal of easy-money policies.

Who's afraid of the central banks?

This year will bring a further withdrawal of the easy-money policies that have helped to shape markets and economies since the global financial crisis. The U.S. Federal Reserve, after raising rates three times in 2017, is signaling more increases and has started to reduce the size of its balance sheet gradually; the European Central Bank will pare back the pace of its bond purchases.

All of that might be a big cause for concern if it were happening in a vacuum. But for investors to focus on central banks alone might be a mistake.

After all, the monetary supertanker has been on the turn for a while. The Fed first raised rates in the current tightening cycle at the end of 2015; the ECB already made a modest reduction in its asset purchases at the start of 2017. Yet there has been nothing like the so-called taper tantrum of 2013, which sent global markets into turmoil. By contrast, markets have taken central-bank actions of late in their stride.

Economic strength

There are some good reasons for that. The first and most important is the cyclical, synchronized recovery in global growth that characterized 2017. The global manufacturing purchasing managers index was near a seven-year high in December, at 54.5; subindexes for output, new orders, new exports, employment, prices and future output all pointed to expansion, too. Indeed, 2017 was the first year since 2010 when advanced and emerging economies accelerated in tandem on the International Monetary Fund's numbers. And outside the U.S., the economic cycle is less advanced, meaning there is clearly still room for the cyclical recovery to continue.

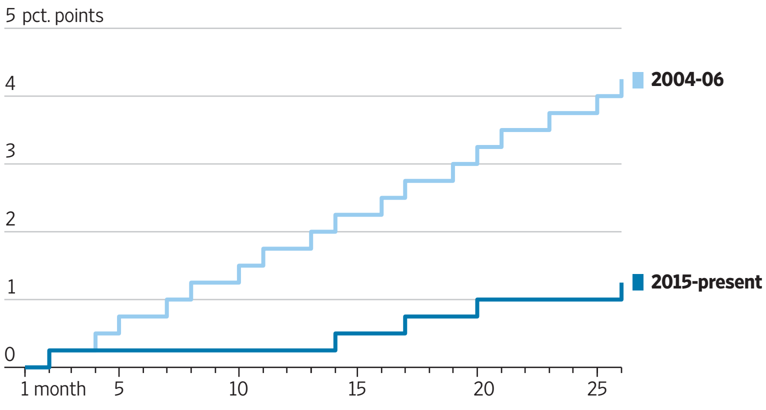
Another important factor in the prevailing calm in global markets is the extreme caution that central banks are employing both in communicating and taking actions. The Fed, for instance, is raising interest rates at a snail's pace. It has taken two years since December 2015 for the Fed to lift rates a total of 1.25 percentage points, or 0.05 point a month. That compares with an average 0.18 point a month in the previous tightening cycles since 1983, making this the slowest-moving shift in policy in four decades, JPMorgan Chase notes.

Real interest rates—adjusted for inflation—are extremely low. The rise in inflation from its nadir in 2015 and 2016 has eased a key source of pressure on central banks. The problem was that as inflation fell, real interest rates rose: A challenge that had previously only emerged in Japan thus became a global issue, most notably in the eurozone.

But 2017 saw inflation pick up, albeit to levels that still fall short of where central banks would feel comfortable. The upward pressure on real rates has thus receded. As a result, in the U.S., very short-term real rates are negative; in the eurozone, the ECB's negative-interest-rate policy, with banks charged 0.4% for keeping cash in the central bank's deposit facility, has become even more negative in real terms. And the ECB has started to emphasize that its bond purchases are just part of a package that is aimed at keeping monetary conditions loose. Negative interest rates may yet turn out to be more powerful than appreciated, due to their persistence.

Slow Hand

Change in Federal Reserve interest-rate target in the current and previous tightening cycles



Note: Month one is May 2004 and November 2015, immediately before first rate increase of each cycle.
Source: FactSet
THE WALL STREET JOURNAL.

The key swing factor is still inflation. In 2017, financial markets had the best of all worlds: Growth was decent, but inflation was well-behaved. The real vulnerability for markets now is a sudden, sharp rise in inflation that causes central banks to act with much more urgency not only to withdraw stimulus but to tighten policy actively. The U.S. economy and the Fed are clearly on the front line of that battle, as the recovery is well advanced. But elsewhere, central bankers are still likely to err on the side of caution.

In the absence of a clear pickup in inflation, bond yields may struggle to rise. It is not only central bank policy that has held yields low: Regulation that favors banks holding "safe" assets like government bonds and a continued search for income-generating assets have played their part, too. The modest rise in yields since 2016 has had few visible effects on the economy.

Indeed, low long-term yields actually became a source of concern in 2017. The narrowing gap between two- and 10-year U.S. Treasury yields has had some investors worried that it is signaling an economic slowdown ahead.

Back to the background

Ultimately, there is a subtle but important shift occurring in the role of monetary policy. For a while after the crisis, central banks were the single source of support for economies and markets. That led to their taking an unusual turn in the spotlight, when they more usually set the backdrop against which other economic actors—individuals, companies and governments—shape the path of the economy.

The language being used by some central bankers is shifting. ECB President Mario Draghi in December spoke of monetary policy now "accompanying the expansion." That implies providing continued support, but not taking center stage.

Investors have to pay attention to central banks, of course. But they are no longer the only game in town.

Jerome Powell's Challenge: Keep Economy Humming

By Nick Timiraos

Janet Yellen's progress in easing the Federal Reserve away from ultralow interest rates and paring its portfolio of bonds leaves a big challenge for her successor, Jerome Powell: how to keep the U.S. economy right where it is.

Mr. Powell begins his term with the unemployment rate at 4.1%, a 17-year low, and the economy expanding at a 3% annual rate. Asset values are rising to new records, and financial conditions loosened last year even though the Fed eased its foot off the gas pedal.

"The global economy is doing well. We're in a synchronized expansion. This is the first time in many years that we've seen this," Ms. Yellen said in her final news conference last month. "There's less to lose sleep about now than has been true for quite some time."

The rate question

The top item on Mr. Powell's to-do list concerns how far and fast the Fed should raise rates. Officials voted to raise rates in December to a range between 1.25% and 2.5% and penciled in three rate increases this year, the same number as officials delivered in 2017.

For most of last year, Fed officials plowed ahead with rate increases even after inflation stayed below the central bank's 2% target. The Fed maintained that labor markets were tight enough to eventually force employers to bid up wages, which would in turn put upward pressure on prices.

If inflation were to confound expectations by staying low, the Fed would be forced to more directly confront potential flaws in its understanding of how the economy works while considering whether to delay planned rate increases. On the other hand, any sign of stronger inflation could prompt Fed officials to push for faster rate increases.

The $1.5 trillion tax cut signed into law by President Donald Trump also looms large. In the short run, giving businesses and consumers more money could spur demand for equipment, homes and other goods. In the long run, by encouraging people to work more and businesses to invest more, it could raise the economy's productive capacity by increasing the number of workers and how many goods and services they produce.

If officials conclude the tax cut is boosting demand when the economy is at or near full employment—for example, because inflation begins rising faster—the Fed will look to raise rates faster than planned. If it looks like the tax cut is instead increasing the economy's supply side by generating more investment, the Fed can tolerate faster growth.

Economists at Goldman Sachs Group Inc. expect the tax cuts to boost U.S. growth over the coming two years so that the unemployment rate ends this year at 3.5% before falling to 3.3% next year, a level not seen since the early 1950s.

Inflation pressures would signal the Fed has entered one of the more delicate phases of the business cycle, when the economy has reached full strength. Officials have a poor historical record managing a "soft landing," where growth eases, the unemployment rate stabilizes after falling below its equilibrium level, and the economy avoids a recession.

Mr. Powell, a lawyer and banker before he joined the Fed's board in 2012, will have to manage all this while navigating an unprecedented personnel transition on the Fed's board. He will be the first Fed chair in four decades who isn't an economist.

Though Mr. Powell isn't expected to steer policy in a different direction from Ms. Yellen, the turnover will add to potential communications challenges that confront any new Fed leader getting acclimated to the top job.

Time of turnover

Once Mr. Powell is confirmed by the Senate and replaces Ms. Yellen as chair as soon as next month, only two officials who began 2017 on the seven-member board of governors will remain. President Trump filled his first vacant seat last year with private-equity executive Randal Quarles, the Fed's vice chair for bank supervision, and has nominated economist Marvin Goodfriend to fill a second vacancy. Once Ms. Yellen resigns her position as a governor, Mr. Trump can submit for Senate approval three more nominees this year, including the Fed's vice chair.

In addition, New York Fed President William Dudley, a permanent voter on the Fed's rate-setting committee, is also set to leave later this year. His replacement will be selected by the members of that bank's board, subject to approval by the Fed governors in Washington.

Any sign of stronger inflation could prompt Fed officials to push for faster rate rises.

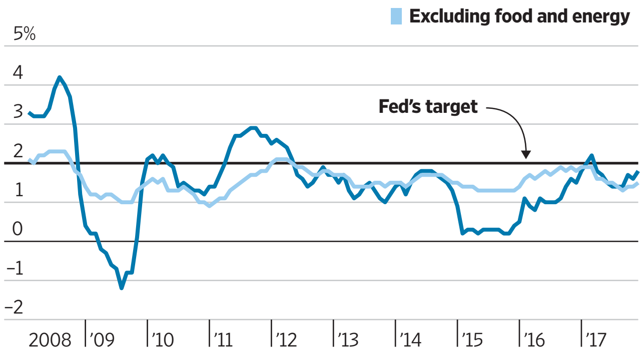
T.J. KIRKPATRICK/BLOOMBERG

As new Fed chairman, Jerome Powell will try to keep the expansion going while nudging rates up.

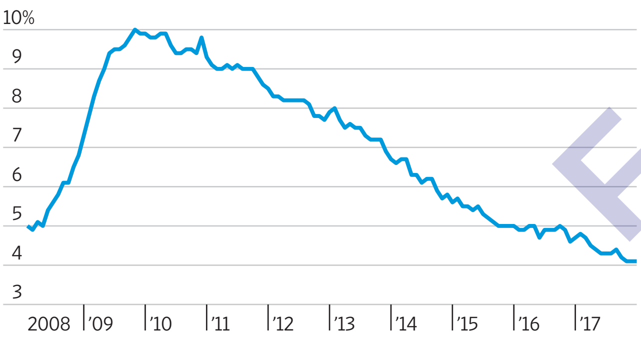
Watching the Signals

The top issue facing Jerome Powell as new Fed chairman will be the course of continued interest-rate increases. Inflation has remained below the central bank's 2% target even as unemployment has fallen to a 17-year low.

Consumer-price inflation*



Unemployment rate



*Personal-consumption expenditures price index, change from a year earlier

Sources: Commerce Department (inflation) and Labor Department (unemployment) via Federal Reserve Bank of St. Louis

THE WALL STREET JOURNAL.

View From the Top: Kasper Rorsted

'Global sporting events remind us that, although we might come from very different places, we are unified by a joint activity that we cherish. On the field, social, ethnic or religious differences lose their position at the forefront of people's minds. Instead, character is judged primarily on the basis of athletic ability, fair play and determination.

'This is truly a powerful thing. But what about those of us whose business is built around sport? Is there more we can be doing to leverage this unifying power of sport?'

Kasper Rorsted, CEO of Adidas AG

To see Mr. Rorsted's complete essay—and the essays of other CEOs—go to wsj.com/CEOessays2018.

STREETWISE | By James Mackintosh

After Years of Investing Magic, What's Next

The perfect investment is one that only goes up. Almost as good is an investment that does well when the rest of your portfolio hits a rough patch, but over time still makes money.

Such a perfect investment shouldn't exist. Yet, for the past two decades, government bonds have offered exactly this free insurance, moving in the opposite direction of shares in the short run but producing gains almost as good as equities in the long run.

The scale of the magic is stunning: From the start of 2000 to the end of last year, holding the latest 10-year Treasury and reinvesting coupons returned 155%, the S&P 500 with dividends 158%, while a 60-40 equity-bond portfolio beat both.

> The recent inverse link between stock and bond prices is a historical anomaly.

But the magic can't continue forever. If the link between equity and bond prices were to return to what once counted as normal, the magic disappears—and there are good reasons to fear that could happen soon.

The danger is that bond yields rise without any corresponding strength in the real economy to protect profits and stock prices. The two most obvious causes would be the return of inflation or a shift of stance by the Federal Reserve to stop protecting investors from losses.

Both of those possibilities are worth worrying about.

Unnatural order

Start with how shares and bonds behave. Prices of the two biggest asset classes have tended to move in opposite directions since the late 1990s, measured as a strong negative correlation.

This pattern is so well-established it seems like the natural order of things. But since the start of the 19th century, there has been only one other significant period where stocks and bonds behaved this way, according to Ian Harnett of Absolute Strategy Research. The late 1950s and early 1960s had a similar stock-bond relationship to the past few years, and were also the last time inflation was quiescent.

The stock-bond link is complex, but depends to a large extent on inflation, uncertainty about inflation and more recently the central bank.

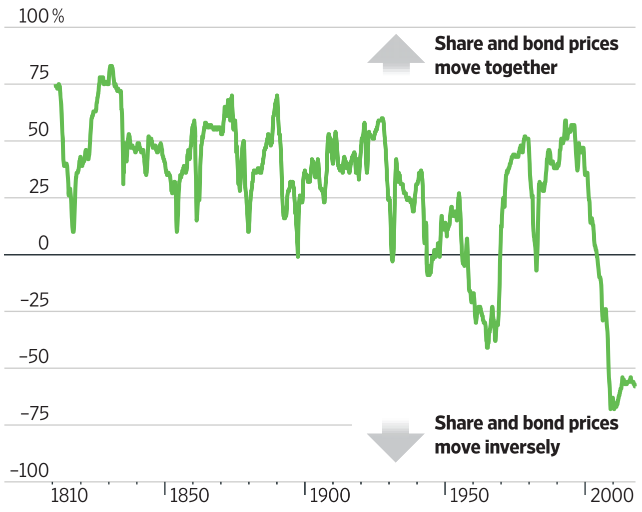
When investors are confident that inflation is under control, they focus instead on the real economy, and economic news pushes bonds and equities in different directions. A strong economy generally means bond yields rise (and so bond prices fall) in anticipation of higher inflation and higher interest rates, while share prices rise in anticipation of higher profits. When there are fears of slowing growth, investors dump stocks and buy bonds.

Fear of inflation alone usually has the same upward effect on bond yields (and so downward effect on bond prices) as economic growth. But inflation doesn't help corporate profits much, while higher yields mean a higher discount rate applied to future profits, which—in theory at least—should push down stock prices.

Correlation Breakdown

Since the late 1990s, U.S. bond prices and share prices have tended to move in opposite directions. For most of America's history, they moved the same way.

Correlation* of stock and bond prices



*Correlation of 12-month price moves over 10 years.
Source: Absolute Strategy Research
THE WALL STREET JOURNAL.

It's too soon to be sure that inflation is awake again after lying dormant for a decade, but there are signs that the tight U.S. jobs market is leading to higher wages. Technological advances such as online shopping still weigh on prices, but with little spare capacity, inflation should pick up. If investors switch focus from the economy to inflation, the nightmare would be higher bond yields and lower share prices.

Dangerous belief

Inflation itself isn't the only concern. Alongside low inflation has come a belief that inflation has been conquered. The extra yield on Treasurys that investors demand to compensate them for inflation uncertainty, known as the term premium, is extremely low.

Inflation options are pricing the lowest chance of inflation being badly behaved over the next five years—that is, inflation being above 3% or below 1%—since at least 2009, according to Minneapolis Fed calculations.

It's hard to see how investors could be much less concerned about inflation, so the risk is that anxiety returns, bringing with it higher bond yields and arriving with enough force to pummel share prices.

The final risk is the Fed. Almost everyone thinks that the Fed's multitrillion-dollar bond purchases succeeded in lowering yields and pushing up stock prices. Quantitative easing has only just been put into reverse, and the Fed's $4 trillion balance sheet ended last year only $3 billion smaller than it started.

As the balance sheet shrinks this year, the effects the Fed had on stocks and bonds should also go into reverse, creating upward pressure on bond yields and downward pressure on stock prices.

Worse would be if the Fed's new leadership decided that investors have had it too easy. The late-1990s switch in the stock-bond relationship came as investors realized the Fed would bail out the market with rate cuts in bad times, while letting the good times roll. This asymmetric "Greenspan put" has continued, and will probably become the "Powell put" when Jerome Powell takes over this year. However, if Mr. Powell wanted to take a hawkish tone, he could make clear that the Fed will no longer mollycoddle the markets.

None of these dangers is sure to materialize in 2018. Inflation can stay low for longer. The economy can improve even further. The Fed can keep feeding its friends on Wall Street. Or correlations might be overwhelmed by a new market mania; after all, the S&P 500 managed a near-20% gain in 2017 even as bond yields ended the year where they began. But high on the list of things to worry about is that higher bond yields will finally arrive in 2018, and bring with them not even more new stock-market highs but a correlation crisis.

View From the Top: Ginni Rometty

'The next technology revolution promises to be every bit as consequential as previous shifts, from the steam engine to the internet. However, this will happen only if AI is ushered into the world responsibly and thoughtfully. At the top of that list is the issue of skills. I believe it will be the issue of our time, and education must be fundamentally revamped to address it. That's not just a job for schools. It requires all of us working together—business, academia, government and civil society—to ensure a future that belongs not just to the few, but to all of us.'

Ginni Rometty, CEO of International Business Machines Corp.
To see Ms. Rometty's complete essay—and the essays of other CEOs—go to wsj.com/CEOessays2018.

Approach to Global Financial Rules Stays, for Now

BY GABRIEL T. RUBIN

While President Donald Trump hasn't dropped his skepticism of global institutions, it seemed to be business as usual last year in terms of U.S. engagement with international financial regulators. But there are hints that this approach may change moving forward.

The Federal Reserve continued to work on international regulatory accords with bodies such as the Financial Stability Board and the Basel Committee on Banking Supervision during the first year of Mr. Trump's presidency, and there were no dramatic shifts as he began to reshape the board with his own nominees. The same was true at U.S. agencies such as the Commodity Futures Trading Commission, which under a Republican chairman continued to embrace multilateralism to promote U.S. interests and global financial stability.

In December, international regulators announced an agreement on standardized risk measurements for global banks, the latest stage of the Basel banking accords, a sweeping overhaul of bank-capital rules that followed the financial crisis.

RON SACHS/CNP/ZUMA PRESS

Randal Quarles, a Trump appointee at the Fed, supported completion of an accord on risk measurements for global banks.

Carrying on

The process was supported by the Treasury Department and the Trump-appointed vice chairman for banking supervision at the Fed, Randal Quarles.

"It was quite close before I stepped into the building," Mr. Quarles said of the agreement in his first public appearance as a Fed official in November. "There is merit in ensuring that there is at least...some minimum level of comparability between the approaches internationally."

To be sure, it initially appeared that some administration allies were looking to disrupt the negotiations, at least until President Trump's appointees were firmly in place.

Rep. Patrick McHenry (R., N.C.), the vice chairman of the House Financial Services Committee and a close ally of the president, sent a letter to Fed Chairwoman Janet Yellen shortly after the inauguration, asking the central bank to "cease all attempts to negotiate" in international financial-regulatory forums until the administration installed its own officials on the Fed board.

But Ms. Yellen, who plans to leave the Fed when her four-year term as chief expires in February, made clear in her reply that she had no intention of slowing down efforts to coordinate international financial regulation, saying the Fed has the authority and a responsibility to consult with foreign counterparts "to ensure a strong, stable U.S. economy and financial system."

After Mr. Trump took office, the Basel negotiations continued first under Daniel Tarullo and then under Jerome Powell, Mr. Trump's nominee for Fed chairman. Both Mr. Tarullo, who resigned as a Fed governor in April, and Mr. Powell, a Republican, initially were appointed to the Fed under President Barack Obama.

In an email, Mr. McHenry said that his letter to Ms. Yellen was intended to send a message that Obama appointees shouldn't be negotiating on behalf of the U.S.

"The goal of my letter was to stop Obama-era bureaucrats like Daniel Tarullo who seemed to view the election as a race against time, rather than what it actually was: the American people demanding a changing of the guard," he said.

"Now that President Trump has his appointees in place at the Fed—specifically Vice Chair Quarles—they should be free to engage with international regulators as they see fit," he added.

Ms. Yellen, who has vowed a smooth transition to Mr. Powell, declined to comment.

At the CFTC, meanwhile, regulators were more engaged than ever in global regulatory bodies under Trump-appointed Chairman J. Christopher Giancarlo.

The agency took a lead role in trying to harmonize global swaps-trading rules, given that the U.S. completed its own rules years before other jurisdictions. And the CFTC says it now has officials at the helm of seven international standard-setting committees, an increase of 40% since Mr. Giancarlo took over for his Democratic predecessor as acting chairman last January. (He was confirmed as permanent chairman in August.)

The CFTC has "increased its focus on international engagement in an effort to actively promote U.S. interests and objectives," a spokeswoman for the agency said.

Potential shift?

Still, despite the continuity shown so far, some top Trump administration officials continue to question global rule-making bodies and what they describe as "mission creep" and "sprawl" since the financial crisis.

"I'm encouraging a clear, narrower focus of activities" at the Financial Stability Board, said David Malpass, who was confirmed in August as Treasury undersecretary for international affairs, in an interview. "There was clearly a different view of multilateralism in the previous administration."

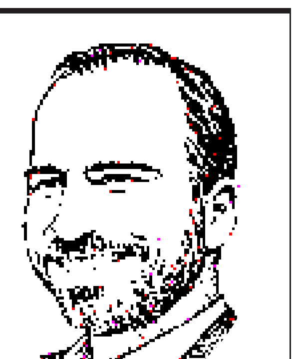
In a series of reports over the past year, the Treasury Department has begun laying out what the U.S.'s focus should be in international regulatory forums. Keeping its critiques fairly broad, it recommended "recalibrating" bank capital and liquidity standards set by the Financial Stability Board (a group of central bankers and regulators deputized by the Group of 20 nations in 2009 to monitor and make recommendations about the global financial system) and called on U.S. regulators to "provide clarity on how the U.S.-specific adoption of any new Basel standards will affect capital requirements and risk-weighted asset calculations for U.S. firms."

Treasury officials also have recommended that the U.S. take the lead on reorganizing the many committees that make up the standards bodies—including the FSB—"by streamlining their mandates and eliminating existing overlapping objectives."

Treasury officials haven't elaborated on these recommendations, and a spokesman for the FSB, noting that it is a consortium run by regulators from its member nations, declined to comment.

View From the Top: Dara Khosrowshahi

'Research has shown that self-driving technology could drastically improve the way we get around, while improving road safety. However, for their benefits to be widely distributed, we strongly believe that self-driving cars must be shared, rather than individually owned and operated. A system of individually owned, self-driving vehicles could replicate—and possibly even exacerbate—our existing transportation challenges.'



Dara Khosrowshahi, CEO of Uber Technologies Inc.
To see Mr. Khosrowshahi's complete essay—and the essays of other CEOs—go to wsj.com/CEOessays2018.

A Resilient EU Turns to Deeper Issues

By Marcus Walker

The European Union, faced with forces of disintegration, is mostly holding its ground. This year will test whether it can also advance.

The bloc and its political establishment have had to prove their resilience repeatedly over the past decade, in the face of challenges ranging from financial calamity to populism. Fixing underlying problems, however, is proving more difficult than merely surviving.

The good news for the EU: Its economic heartland, the euro currency zone, is finally enjoying a boom, albeit unevenly spread, after years of struggle to shake off the financial crisis.

Pro-EU politicians also have won a string of crucial elections that were seen as showdowns with populist insurgents. Antiestablishment parties, especially on the nationalist far right, won more votes than previously, but less than they hoped for in several countries.

And the 27 countries that want to stay in the EU have maintained an unexpected unity in the face of the U.K.'s decision to leave. Even many nationalist parties on the Continent have dropped talk of EU exit after it proved unpopular.

"None of the alternatives to the EU are particularly attractive to most Europeans," says Ivan Krastev, a Bulgarian political scientist. "That's why the first reaction to Brexit was more support for the EU."

ALESSANDRO BIANCHI/REUTERS

Luigi Di Maio of Italy's 5 Star Movement, which poses an outsider challenge to the EU establishment.

Challenges ahead

Yet the political consensus that underpins today's European order has been fraying over time. Voters are abandoning traditional center-left and center-right parties, often perceived as remote and technocratic. Swaths of European society are worried about losing economic security or cultural identity in the face of globalization, immigration and generally rapid change.

Surveys show the EU and the euro are often seen as a mixed blessing, even though public support for leaving them is generally low. And the eurozone's design flaws, which contributed to its long crisis, have only been partially fixed—including a weak safety net for banks and fiscal rules that can exaggerate booms and busts.

The biggest risk this year could be that the cyclical economic upturn reduces the pressure on EU leaders to shore up Europeans' trust in the economic and political order that the Continent has sought to build since the end of the Cold War. And if their trust isn't bolstered, the Continent could eventually see a resurgent populist challenge that tests the EU's survival more seriously.

Europe's populist movements are ideologically eclectic. But most are a backlash against one or more aspects of the "integration consensus," a drive for continual blending of Europe's states, economies and peoples, under EU rules that promote cross-border policy-making, business and migration, says Cas Mudde, a Dutch political scientist.

"Above all, the backlashes are directed against individual parties" that have overseen this long-term integration, Mr. Mudde says. "And although support has waned for centrist parties and the general status quo, most of these voters haven't attached themselves strongly to something else."

Two more elections this spring, in Italy and Hungary, will again gauge the strength of rebels proffering alternatives to the EU's political mainstream. In Italy, the 5 Star Movement, with its fierce critique of professional incumbents, is expected to become the biggest single party in Parliament, with roughly a quarter of all votes. But its rejection of coalitions with established politicians means Italy's government is likely to remain an unstable patchwork of old parties.

The anti-immigration Northern League is also expected to do well, and like the 5 Star Movement has sometimes called for a referendum on Italy's membership of the euro. The political and legal hurdles to such a referendum are high, however. Surveys suggest only a minority would vote to go back to the lira. But the popular majority in favor of the euro is weaker than in most other countries, thanks to Italy's economic travails.

Few observers believe the elections will lead to a strong government that can make deep changes to the country.

Hungarians are expected to re-elect the nationalist Fidesz party of Premier Viktor Orban, who has declared he wants to build an "illiberal state" that diverges from the Western model of liberal democracy based on checks and balances. Mr. Orban's government has vowed to veto EU actions against Poland, whose ruling nationalist party is asserting control over the judiciary, media and other institutions, leading the EU and the U.S. to voice concern about a weakening of Polish democracy.

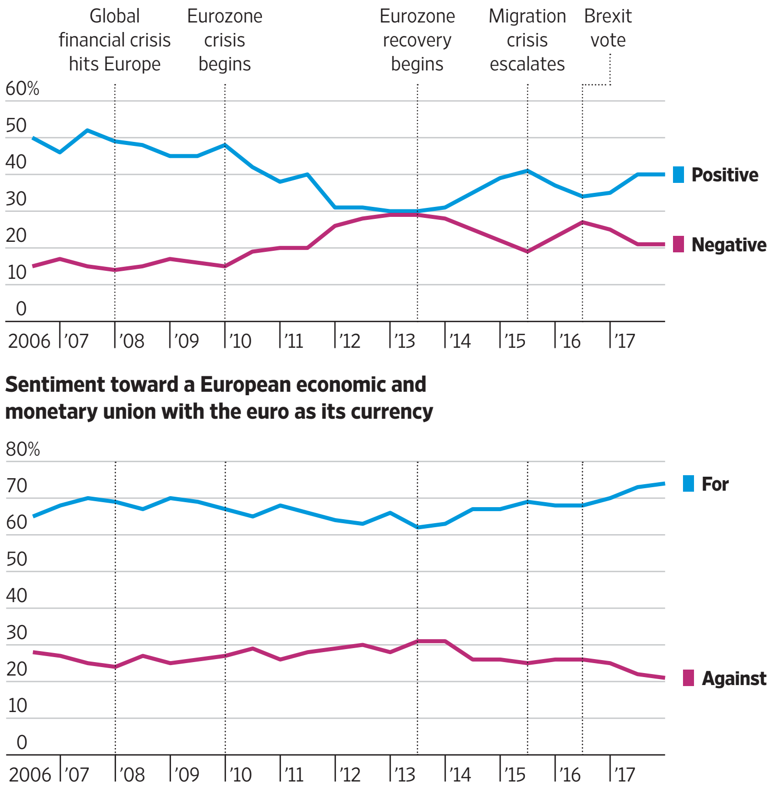
Hungary and Poland want to stay in the EU, which they believe serves their economic self-interest and national security. But both governments have discovered the value of attacking the EU for being overbearing. Their growing challenge to EU norms on how independent institutions in a democracy should be means their tensions with the bloc's establishment are likely to fester.

Sticking Together

Popular support for European integration has firmed.

Percentage of people surveyed in the spring and fall of each year who said they had a positive or negative image of the EU

Sentiment toward a European economic and monetary union with the euro as its currency



Note: Excludes 'neutral' and 'don't know' responses.
Source: Standard Eurobarometer 88 survey of 28,055 EU citizens, latest conducted Nov. 2017, margin of error +\- 0.8 percentage point

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Moving West

Such nationalist movements may have won elections only in the EU's eastern members so far, but they're a growing opposition force in Western Europe, too.

That helps explain why attempts to reform the EU itself by deepening integration are struggling to get off the ground. Among key EU national leaders, only French President Emmanuel Macron is displaying strong conviction that deeper EU integration is the answer to popular disillusion. Others including German Chancellor Angela Merkel are more cautious, especially about turning the eurozone into a fiscal union with its own budget, taxes and bonds, as Mr. Macron has suggested.

The fact that Germany starts 2018 with only a caretaker government makes it more cautious about further integration. Ms. Merkel has been unable to form a governing coalition since Germany's inconclusive elections in September. Her potential coalition partner Martin Schulz, head of the center-left Social Democrats, recently called for a "United States of Europe" by 2025. But the Social Democrats have proved reluctant in practice to fight against Ms. Merkel's policies in Europe, knowing that spending more German taxpayer money on other eurozone economies isn't popular.

Germany and France are aiming for some progress this year on bolstering eurozone institutions, as well as improving cooperation on security and migration. Most policy makers say changes will be incremental.

"The EU is not beating its enemies but exhausting them," says Mr. Krastev.

U.S. Continues to Play Less Of a Central Role in Mideast

By Yaroslav Trofimov

If you were getting whiplash from the Middle East last year, brace for more in 2018.

The region has always possessed a unique capacity to surprise, in part because so many of its decision makers are autocrats or absolute monarchs who can enact major policy changes without the long deliberations and consensus-seeking that tends to occur in democracies.

In the past, the U.S. role as underwriter of security in the Middle East and principal ally of most of the region's powers tempered some of the more reckless moves by local leaders. That began to change with President Barack Obama's disengagement from the region. Under President Donald Trump, with conflicting messages emanating on key issues from the White House, Pentagon and State Department, sheer confusion over who actually speaks for America has further undermined Washington's ability to serve as a factor of stability.

"In the era of Trump, a lot of the countries in the region feel they can do more and pay no cost," says Emile Hokayem, senior fellow for Middle East security at the International Institute for Strategic Studies in London. "The U.S. policy is no longer the framework, and leaders in the region no longer behave according to the expectations of what U.S. foreign policy is or is not."

> Regional leaders are more frequently acting out on their impulses.

The region itself has grown increasingly autocratic. Many governments—in a continuing reaction to the legacy of the Arab Spring—are tightening restrictions on expression and eliminating whatever checks and balances existed before.

FAYEZ NURELDINE/AGENCE FRANCE-PRESSE/GETTY IMAGES

Saudi Crown Prince Mohammed bin Salman has moved swiftly.

Regional leaders are more frequently acting out on their impulses, often with disastrous consequences—and sometimes under the mistaken assumption that Washington has their back.

Exhibit A is Saudi Arabia's de facto ruler, Crown Prince Mohammed bin Salman, who broke with the kingdom's tradition of cautious diplomacy and in recent months sacked or imprisoned much of its political and business elite.

Mohammed bin Salman, says Brian Katulis, a fellow at the Center for American Progress, a Washington think tank, "sees himself in a race against the clock at home and in a competition to turn around regional trends that haven't favored Saudi interests in years."

It is Prince Mohammed who organized in June a surprise embargo of Qatar—a crisis that has yet to be resolved—and, in November, tried to detain and force the resignation of Lebanon's Prime Minister Saad Hariri. It isn't clear what other major foreign-policy moves Prince Mohammed has in store for the coming months—a Saudi initiative on the Palestinian problem could be one of them—but few doubt that more such surprises are likely.

Turkey's president, Recep Tayyip Erdogan, his power only marginally less absolute than that of a Saudi monarch, is also likely to offer more unexpected twists and turns. Those may include imprisoning the leaders of Turkey's main opposition parties, calling snap elections, and manufacturing fresh crises with the European Union and the U.S., says Soner Cagaptay, Turkey expert at the Washington Institute for Near East Policy.

As the events of recent days show, however, it isn't only the region's autocrats that can throw surprises. Ordinary people, too, can burst onto the stage of history.

Few, if anyone, in the Middle East expected mass protests in Iran, some calling for the dismantling of the theocratic regime, just as that country was celebrating its foreign-policy triumphs in Syria and Iraq.

Those who shouldn't be overjoyed include the regional enemies of Tehran. After all, who can guarantee that streets will remain calm forever in Jeddah or Riyadh?

"We know from history that popular uprisings often happen when people's expectations have been raised and then dashed," says Karim Sadjadpour, a senior fellow at the Carnegie Endowment. "And, aside from Saudi Arabia, few populations in the Middle East today have lofty expectations for their future."

SONU MEHTA/HINDUSTAN TIMES/GETTY IMAGES

Indian Prime Minister Narendra Modi, waving, is struggling to make jobs programs work.

India Confronts Demographic Bulge

By Niharika Mandhana

NEW DELHI—India's biggest economic asset is fast turning into its most daunting challenge: hundreds of millions of young people.

Two-thirds of India's 1.2 billion people are below 35 years of age. That's more than two times the total U.S. population. Unlike Japan, China and Europe, whose working-age populations have peaked, India's is growing and is estimated to become the world's largest. But the world's second-most-populous country is struggling to tap this demographic dividend.

Some policy makers and analysts say India risks missing an opportunity to grow into an economic powerhouse like other Asian countries before it.

"There's a fog around how India will tackle the youth bulge," says Dharmakirti Joshi, chief economist at the India-based credit-rating firm Crisil. "The scale is unprecedented, and India's not moving fast enough."

Prime Minister Narendra Modi's most high-profile policies promise to rev up manufacturing and train vast numbers of citizens—most of whom have low-productivity farm jobs or no regular employment—to work in factories, offices, stores and restaurants. These steps, however, are facing major hurdles.

A $1.8 billion skills initiative, for instance, was designed to turn high-school dropouts into an army of 10 million electricians, welders, retail salespeople, electronics repairmen and others. But only a small proportion of candidates have obtained jobs. Mr. Modi fired the minister in charge of the program, and his government is creating a new regulatory body to oversee the quality of training. A senior official says the initiative has a new focus on training people based on the jobs available in their vicinity, in an effort to better match skills with employment opportunities.

The China model

At the heart of Mr. Modi's challenge lies a basic question: Can India succeed China as the world's next manufacturing hub? China catapulted into the economic big leagues by mobilizing its large labor force and inexpensively manufacturing everything from clothes to mobile phones for global markets. Now, some analysts see an opportunity in China's wake. A 2016 report by Deloitte argued that rising wages in China open up space for India to follow the Chinese model.

Mr. Modi sees this labor-intensive path as ideally suited to absorb India's massive low-skilled population. But his "Make in India" push hasn't taken off. Although his government has made some headway in simplifying tax codes and reducing red tape that made it cumbersome for businesses to obtain various approvals, industrialization continues to be hobbled by poor infrastructure and demanding labor laws. Manufacturing makes up just 17% of India's economic output, and much of that comes from small businesses, not sophisticated, export-oriented operations that could employ huge numbers of young people.

As a result, India is losing out to competitors. Global orders for low-cost clothes and shoes are moving from China to Bangladesh and Vietnam, the Indian government's economic survey warned in 2017, adding that "the window of opportunity is narrowing."

Each year, 12 million people enter India's job market. Agriculture still dominates.

To make matters worse, some economists say the path China took to economic growth may no longer be open to developing countries, as automation chips away at manpower needs. "The China playbook of export-led manufacturing is not going to work, so India will have to come up with a different way forward," says Shailesh Kumar, an India expert at the **Eurasia Group**, a New York-based consultancy. He says India may have to rely in part on a boom in housing and infrastructure building.

Stuck in place

Mr. Modi doesn't have a lot of time to work all of this out. Each year, 12 million people enter the job market. Agriculture still dominates employment. A majority of those leaving the farm end up as daily-wage construction laborers or work in the country's informal economy in jobs like security guard, streetside mechanic or grocery vendor—not as full-time workers in large factories or companies. A government policy-research institution noted that "those in the workforce are employed, but they are overwhelmingly stuck in low-productivity, low-wage jobs."

If the jobs are a problem, so is the workforce. Villages and towns are filled with young people who have no more than a middle-school or high-school education.

Shortly after taking office in 2014, Mr. Modi created a new skills ministry. Thousands of private-sector training centers sprung up offering courses in areas ranging from plumbing and forklift operating to customer care and beauty-salon treatments. The government picks up the tab for every citizen these centers teach.

At a New Delhi facility, 22-year-old Sunil Gautam, a former rickshaw driver, was recently learning about electrical circuits. He hoped the two-month course would land him a job at an auto-parts company. Others were being taught about wine glasses and champagne flutes for restaurant jobs.

"Until a few years ago, skills was on nobody's agenda," says R.C.M. Reddy, who leads the institute that offers these classes, **IL&FS Education**. "The ecosystem that has long existed in other countries is getting started."

The social network **LinkedIn** is targeting what it calls urban blue-collar workers as its next frontier for growth in India. The network is reaching out to candidates in training to bring them onto its platform.

But Mr. Modi's program is struggling. The courses are so short and basic that many candidates end up in low-paying jobs they don't want. Persuading them to migrate to urban or industrial areas—a pathway China used—is proving difficult. Officials and trainers say most young people prefer to stay in agriculture and pick up occasional work in construction while relying on social-welfare programs to help them get by.

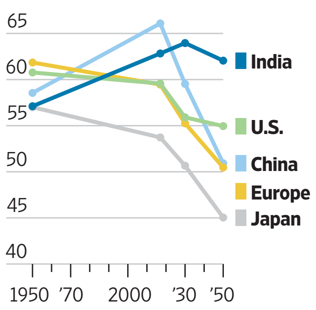
Mr. Modi's government is pivoting to a new approach: training candidates for jobs in their districts that don't require migration. In nonindustrial areas, that could mean positions in automobile showrooms, mobile-phone stores and fast-food restaurants. Trainees also are being encouraged to establish small businesses, like beauty salons. But it remains to be seen whether any of this will be enough to change India's employment picture.

Saurabh Kumar, 23, used to work on his family's wheat farm. After a short training course, he left his village for a $135-a-month job at a call center in a nearby city. He returned in two months because his mother fell ill, he says, and never went back. Mr. Kumar now works at a local mobile-phone store for $107 a month. He doesn't plan to stick with it.

"What's the point of this job that pays so little? What next?" says Mr. Kumar. "I guess I'll just return to farming."

Young at Heart

Working-age Indians are projected to account for a larger share of the population than in other economic powers.



Note: Working age = 15-59 years old; projections after 2017
Source: United Nations Population Division
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U.K. Has Two Choices on Brexit Path

BY STEPHEN FIDLER

OLIVIER MATTHYS/ASSOCIATED PRESS

Prime Minister Theresa May faces the likelihood of the U.K. distancing itself from its largest trading partner.

Brexit decision time is fast approaching, and much remains uncertain. The principles guiding the future trading relationship between the European Union's 450 million people and the U.K.'s 65 million should be negotiated by the end of this year, but the details won't be set.

Prime Minister Theresa May has promised that Brexit is an opportunity for the U.K. to remake itself as an outward-looking, free-trading nation. Her challenge is that under almost every likely post-Brexit scenario, the U.K. will be distancing itself from its largest trading partner—the 27 remaining EU nations, which accounted for 43% of British exports in 2016.

With 14 months to go before the U.K. leaves the bloc and trade talks starting only now, the EU has laid out a binary choice for the U.K.: Be like Norway or Canada.

Border-control issues

The Norway option would give Britain almost its present level of intimate involvement with the EU internal market. But that would come with conditions that Mrs. May has ruled out: accepting EU laws and rules with no say in how they are made, and allowing EU citizens to settle in the U.K. as now.

The Canada choice would leave tariffs on most goods at zero, but trade in services would be much more restricted. The U.K. would step out from under the umbrella of the EU's internal market and customs union, requiring the erection of border controls to check goods crossing in and out of the EU.

This option would leave the U.K. much freer to set its own rules for product and company regulation. But on Brexit Day—or after a likely transition period of perhaps two years during which the EU and U.K.'s commercial relationships will be essentially unchanged—the U.K.'s panoply of economic regulation will still exactly match the EU's.

That, some U.K. politicians argue, means that there is no reason to erect new trade barriers immediately after Brexit. Border controls on trade should only become necessary when the U.K. realizes its ambition of diverging from EU regulation. EU officials, however, believe such an approach would make it practically impossible to police imports from the U.K. into the EU market.

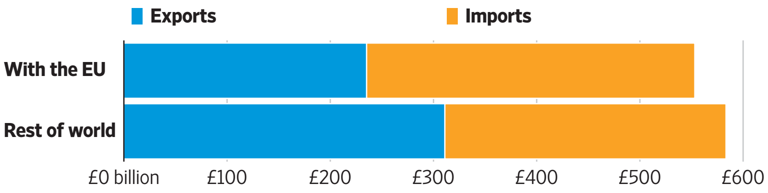
"The British seem to be thinking that they will get special treatment because they are a big trading partner," says Charles Grant, director of the pro-EU Centre for European Reform. "But a bespoke deal is for the birds."

In the end, the choice may not be as binary as the EU is currently depicting it. The EU may eventually concede some exceptions to the Canada or Norway choice.

Trading Partners

The U.K.'s trade with the European Union is almost equal to its trade with the rest of the world, though it exports more outside the EU.

Value of U.K. trade in goods and services, 2016



Note: £1 = $1.39

Source: U.K. Office for National Statistics

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Favored industries

In some sectors, such as aviation, automobiles and electricity, the EU's strong interest would be to keep trade as unencumbered as possible. Another factor is that neither side wants customs controls between EU member Ireland and Northern Ireland, which is part of the U.K.

The U.K. is also of widely varying political and economic importance to the 27 EU governments, and British negotiators will try to exploit these differences.

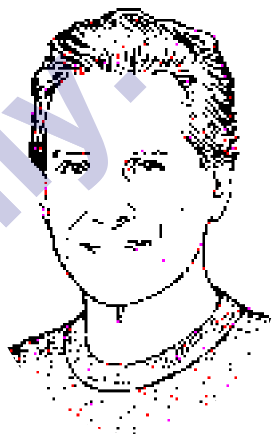
But at the same time those negotiators will have to cope with uncertainty magnified by the weakness of Mrs. May, whose authority was badly damaged after last June's election, in which she lost her majority in Parliament.

The government, Parliament and the country remain starkly divided over Brexit, and pressure has grown from public figures, led by former Prime Minister Tony Blair, to reverse it. That, however, is unlikely while the opposition Labour Party remains unwilling to embrace a reversal.

More likely than that is a breakdown of talks. If this looks probable, says Mr. Grant, the financial markets will react, sending strong signals warning against the resultant economic disruption and creating incentives to find a settlement.

View From the Top: Dan Schulman

'As we head into 2018, we have the opportunity—and the responsibility—to expand our focus from traditional notions of financial inclusion to the broader goal of universal financial health. This means instead of just measuring how many people have a payment account, we must consider all of the financial services that people need to take control over their financial lives—everything from financial-planning tools for managing budgets and expenses to access to affordable credit to start businesses and invest in college; insurance to help deal with unexpected expenses; retirement accounts for long-term savings; and more.'



Dan Schulman, CEO of PayPal Holdings Inc.
To see Mr. Schulman's complete essay—and the essays of other CEOs—go to wsj.com/CEOessays2018

China Sends Mixed Messages About Policies

By Lingling Wei

President Xi Jinping is coming into 2018 with Mao-like powers, a stronger-than-expected economy and an ambition to turn away from rigid growth targets that have tied the hands of government.

In other words, conditions appear perfect for Mr. Xi to embark on much-needed economic overhauls.

But will he?

"That of course is the million-dollar question," says Anne Stevenson-Yang, co-founder of J Capital Research in Beijing. "What happens with all this power?"

The market or the state?

All of Mr. Xi's official pronouncements indicate that he intends to stay the course of strong state control of the economy, with some nods toward giving market forces more room. Complicating his plans is the need for continued strong expansion in the near term to reach some Beijing-set milestones that could increase risks of a prolonged slowdown down the road.

An economic plan for 2018, released in December, officially made "Xi Thought" the guiding principle for the world's second-largest economy. First and foremost, "Xiconomics," as Mr. Xi's economic theory is known, means strengthening the Communist Party's clout.

Even though Mr. Xi and his economic deputies have talked up the idea of letting the market play a "decisive" role in the economy—a maxim Mr. Xi embraced early in his first term—recent history suggests the plans won't stick.

For instance, in 2015 China briefly moved to let the yuan trade more freely in a bid to get it into the International Monetary Fund's elite basket of reserve currencies. Those plans derailed in August of that year when the central bank devalued the yuan.

The surprise move sent a shock wave through global markets, and drove China away from its plans to liberalize the currency and cross-border capital flows. An unprecedented effort ensued to prop up the yuan, which involved heavy central-bank intervention in the currency market, new capital controls and higher interest rates to keep money at home.

Today, the yuan is officially in the IMF's reserve-currency club, but the Chinese government no longer lists freeing up cross-border capital flows as a policy objective.

So, talk of reform in China these days is more about fine-tuning a government-led economic model than the kind of drastic liberalization seen in the era of Deng Xiaoping. Going into his new term in office, Mr. Xi has talked about the need to focus less on the pace of growth and more on the quality of growth—such as moderating expansion to slow the growth of debt, and reducing the country's levels of pollution.

There are some encouraging signs. In late December, China published a new "green" index as a way to pressure local governments to reduce pollution and create more sustainable economic development.

And across the country, authorities are using tougher environmental standards to force producers to upgrade their facilities or risk getting shut down.

Some of China's large metal producers, including Jiangxi Copper Co. and Tongling Nonferrous Metals Group Co., have temporarily suspended production. "Pollution control is a main economic task for 2018," a Jiangxi government official says. "We're all very serious about it."

Figuring out the right path for economic growth will prove much more difficult, because the country can't afford to pull back too far. Beijing still needs a certain pace of growth to ensure employment and overall social stability. In fact, many government advisers and economists don't even expect the leadership to lower its growth target for 2018 from the 2017 goal of around 6.5%.

The fact that growth for last year came above that, at 6.9%, actually complicates matters for Beijing: The economic strength in 2017—powered by state investment and a still-booming property market but also by improving global appetite for Chinese exports—means a bit of a decline in growth in 2018 could look embarrassing for the party.

Credit expansion

Meanwhile, government officials themselves seem to be sending mixed messages about tempering growth. Advisers and economists point to the call for "reasonable" credit expansion in the plan for 2018 as an indication that Beijing, for all its talk about quality, still prioritizes a relatively high rate of growth.

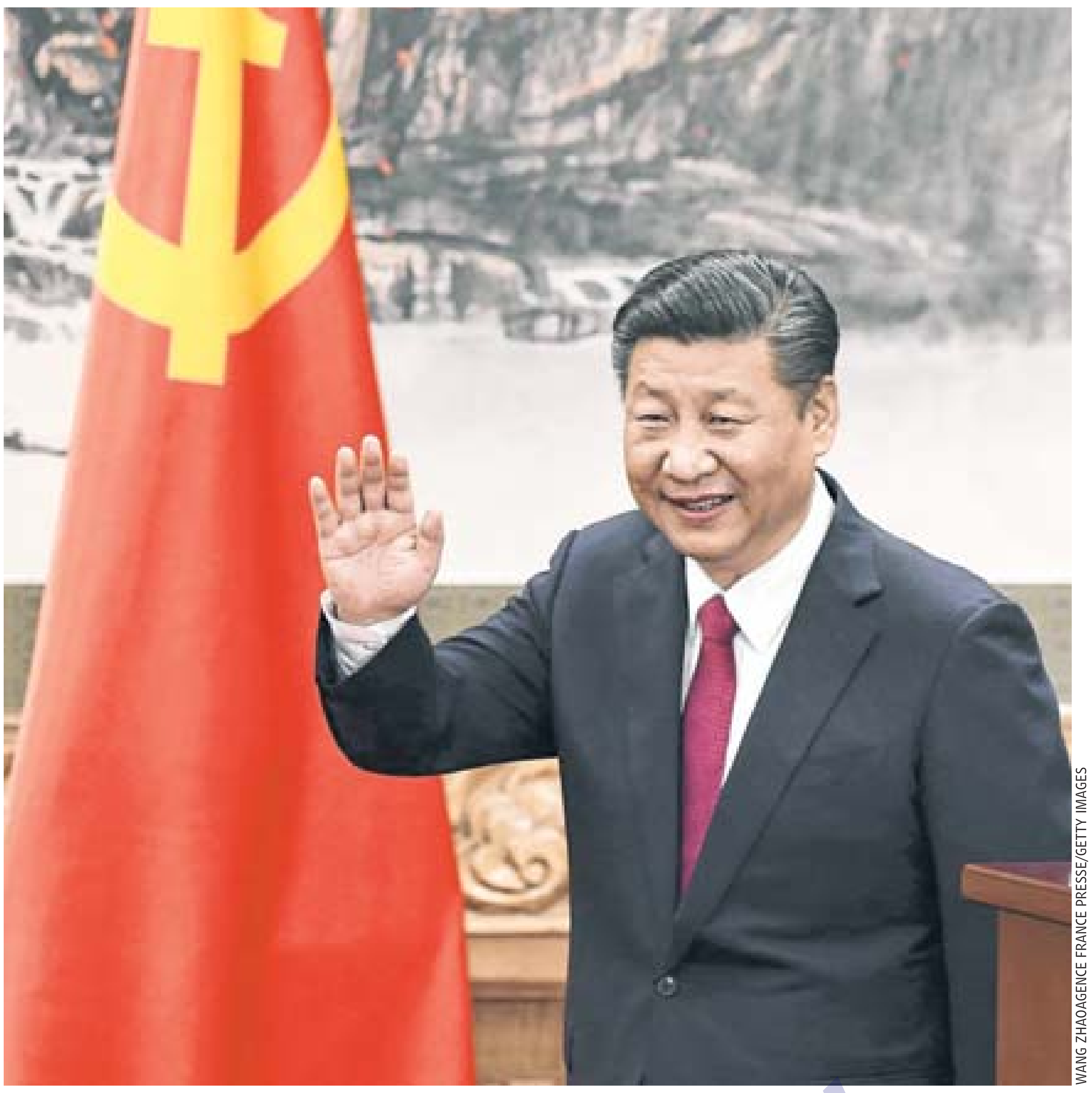
In addition, over the past two years, Mr. Xi has made reducing debt a centerpiece of his economic program. But not only has debt continued to rise, there is now a growing realization within the government that it is in fact impossible for China to cut debt levels without hurting growth. The goal to deleverage has been softened into a mission to control the growth of debt.

Also complicating Mr. Xi's effort to de-emphasize the rate of growth is his own pledge to reach a number of broad milestones in the next decades, goals outlined as he opened the October party congress that kicked off his second term. Among them: build a "moderately prosperous society" by 2020, and achieve "socialist modernization" to join the world's most innovative countries by 2035.

The objectives effectively mean China's growth needs to stick fairly close to the current pace for years to come.

"What's the best rate of growth?" asked Liu Shijin, vice chairman of the China Development Research Foundation, at a December forum in Beijing. He said that based on his analysis, China's economy needs to grow 6.3% a year to achieve the government's goal of doubling GDP in 2020 from a decade earlier.

"What's crucial is the speed of growth after 2020," he said.

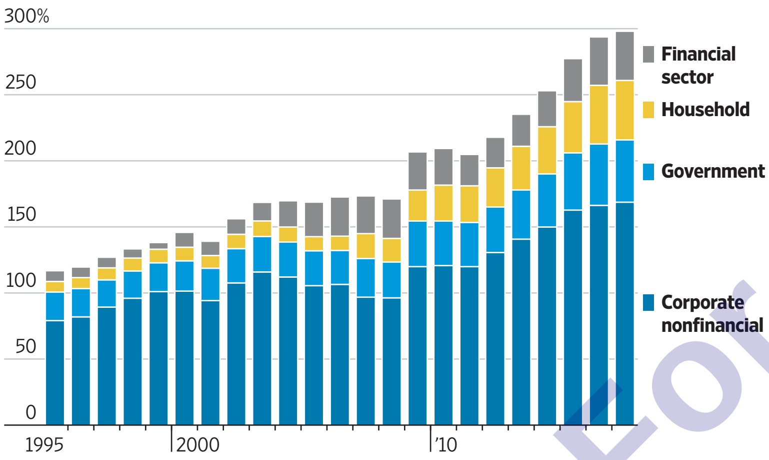


China's President Xi has talked of emphasizing the quality of growth, but may still need continued strong expansion.

Debt Dilemma

Beijing is trying to control the growth of debt without hurting China's economic expansion.

China's debt as a share of GDP



Sources: Bank for International Settlements; Macquarie Group THE WALL STREET JOURNAL.

Prospect of New Sanctions Unsettles Russia's Elite

By Nathan Hodge

A new round of U.S. sanctions is taking aim at Russia, and the country's business elite has reason to be nervous.

At issue is the Countering America's Adversaries Through Sanctions Act, or Caatsa, signed into law by President Donald Trump in August. The tough new legislation is meant to punish the Kremlin for its alleged interference in the 2016 U.S. presidential election.

Under the law, the U.S. Treasury Department is required to issue a detailed report listing "senior foreign political figures and oligarchs in the Russian Federation," including individuals close to Russian President Vladimir Putin, their estimated net worth and known sources of income.

Who's on the list?

Speculation in Moscow is intense about the new list, due in early February. Existing sanctions already target Mr. Putin's inner circle and key enterprises, but new sanctions threaten to further cut access to foreign credit, their ability to travel freely in the West or do business in the U.S.

For now, it's not clear who will appear on the list, nor what penalties they will face. In this uncertain climate, Mr. Putin has made moves to shore up support with the business elite, such as proposing nationalist economic measures. In Washington, meanwhile, the law has sparked a flurry of activity among Russian players trying to figure out the law's potential impact.

"We have seen more Russian lobbyists and lawyers the last couple of months than we have seen for a very long time," says Anders Åslund, a senior fellow at the Atlantic Council in Washington. "There is a mass of activity."

The new sanctions come as Russia is emerging from economic troubles brought on by the Ukraine crisis and a global drop in oil prices. The U.S. and the European Union hit Russia with economic sanctions in response to the annexation of the Black Sea peninsula of Crimea in 2014 and Moscow's backing of separatists in eastern Ukraine. The Ukraine crisis also triggered what the World Bank described as "massive capital outflows."

Shoring up support

The financial institution predicts GDP growth in 2017 of 1.3% after two years of recession. Despite Russia's slow economic recovery, Mr. Putin's ratings remain high. He routinely polls above 80%—including a patriotism-fueled surge following the annexation of Crimea—and is widely expected to win re-election in March.

Beyond popular support, the Kremlin must cater to another constituency: Russia's business elite. Mr. Putin has held two round-table discussions with Russia's top business leaders since the passage of Caatsa. The goal, says Mr. Åslund, was to shore up the support of Russia's business elite.

He has also taken official steps to reassure them. In a late-December meeting with lawmakers, the Kremlin leader said Russia needed a new "stimulus" to encourage the return of Russian capital from abroad.

"Foreign restrictions, instead of lessening, are worsening," Mr. Putin told lawmakers.

Mr. Putin has long talked about his interest in promoting "deoffshorization," repatriating the billions held abroad by Russian business owners. Dmitri Trenin, the director of the **Carnegie Moscow Center** think tank, said the sanctions could have an unexpected effect of accelerating this process.

"Outside pressure on Russia, understood as politically motivated and orchestrated from the U.S., leads to more national cohesion," he said in a recent comment on Twitter.

Some Russian oligarchs, Mr. Trenin added, "are already thinking of repatriating capital."

In a Dec. 21 meeting with oligarchs, Mr. Putin said business leaders had asked that new mechanisms be created for returning capital to Russia, suggesting external government bonds denominated in foreign currency as one possibility.

"The government and the Central Bank have thought out this matter," Mr. Putin said. "I instructed them to determine the necessary conditions and parameters for issuing these bonds to Russian investors and to get them into circulation already next year."

The follow-through

For now, however, much of the speculation centers on who will land on the list, and whether the Trump administration will follow through aggressively.

In a pair of statements released after the signing of Caatsa, Mr. Trump said the bill was "seriously flawed," as parts of the law limited his powers to lift sanctions.

The big question, then, is how the administration will comply with the law's requirement to compile the list. That has created new uncertainty in Moscow, where the U.S. government is seen as being in a decidedly anti-Russian mood.

"From the outside, Washington looks rather chaotic, and it's not clear how much real thought is going into policy decisions on Russia," says Tom Blackwell, the CEO of EM, a consultancy that advises a number of large Russian companies. "One particular concern is that this void of thinking has opened the way for individuals with an ax to grind to step up, seeing future sanctions as a chance to settle scores, or a chance to legitimize themselves in the West simply by adopting fervent anti-Kremlin positions."

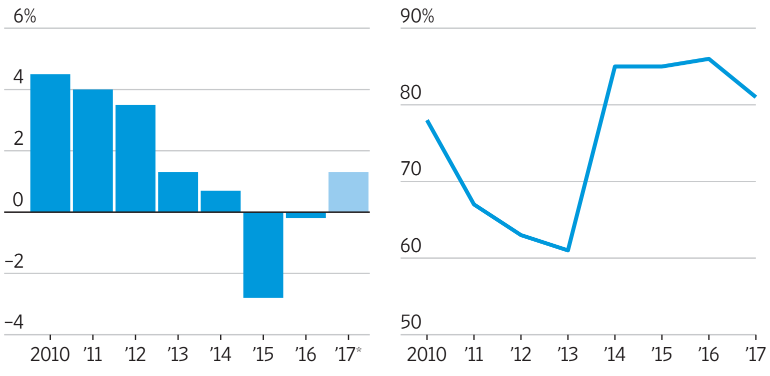
Added Mr. Blackwell: "All of this makes for a rather unpredictable and unsettling environment."

Mr. Hodge is a former Wall Street Journal reporter in Moscow.

Right Track?

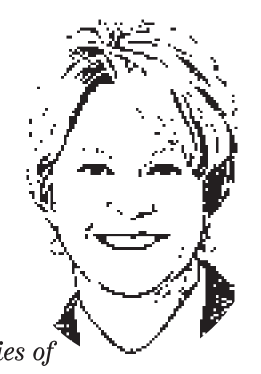
Russia's economic growth has been stunted...
Annual change in real GDP

...but Putin's popularity has remained high.
Approval rating as of November of each year



*2017 is a projection
Sources: World Bank (GDP); Levada-Center (approval) THE WALL STREET JOURNAL.

View From the Top: Vicki Hollub



'From the drilling crews who run the rigs to the engineers who design our industry's production, logistics and refining systems, all roles will require more advanced skills in data analytics, software applications and systems management. Wholesale changes aren't coming overnight—but people who can marry their experiences from the field with the evolving technologies of tomorrow will become our industry's next generation of true innovators and drivers of progress.'

Vicki Hollub, CEO of Occidental Petroleum Corp.

To see Ms. Hollub's complete essay—and the essays of other CEOs—go to wsj.com/CEOessays2018

For Women, More Visibility but Far to Go

By Carol Hymowitz

Count on women this year to be more visible and vocal.

For the first time in its 47-year history, the World Economic Forum's gathering of predominantly elite men will be chaired entirely by women, including IBM Chief Executive Officer Ginni Rometty and International Monetary Fund Managing Director Christine Lagarde, who will shape the program and lead discussions and panels.

Another sign: Women were picked to fill 36% of the 397 S&P 500 board seats that became open in the 2017 proxy season, a bigger share than prior years. That will edge up women's overall board representation at large U.S. public companies to 22%.

Much more rapid change is occurring in the workplace, where a flood of sexual-harassment allegations is prompting one of the most abrupt shifts in employee and employer behavior in decades. As growing numbers of women talk publicly about misconduct they say has injured them and held them back in a range of industries and on Capitol Hill, men they've accused have toppled from lofty positions and employers have promised safer work environments.

"Women's voices are being heard," says Kay Koplovitz, founder and former CEO of USA Networks, a director at Time Inc. and former director at CA Technologies, Oracle, Nabisco and General Re. "It's our moment, and now we need to move from accusations to actions, with men joining the effort, so women achieve parity."

A wide gap

These louder voices and greater presence in forums such as Davos and on the boards of major companies represent the first wave of changes taking place during the flood of sexual-harassment allegations. It's the next wave, though, that will be watched most closely. Specifically: Can real change come out of this moment? Because despite the increased attention, there is a long way to go.

Globally, the gap between the achievements and well-being of women and men widened last year, the first time that has happened since 2008, according to the World Economic Forum. Last year, the gap increased most in economic participation. Although more women are working in nearly all industries, they're not at parity with men in leadership roles. And they're far outnumbered by men in higher-paying industries, including technology and manufacturing.

So it isn't surprising that just 21% of the 3,000 delegates attending the World Economic Forum's annual event in Davos will be women, about the same as last year, even though there will be seven women co-chairs.

The U.S. fell to 49th among the 144 countries ranked in the World Economic Forum's report, down from 45th in 2016. Women were 47% of the U.S. labor force last year but only 26% of senior managers, 11% of top earners and 5.2% of chief executives at S&P 500 companies. They currently earn 82 cents for every dollar a white man earns, based on median weekly income for full-time workers; black women earn only 63 cents and Hispanic women 54 cents.

DENIS BALIBOUSE/REUTERS

This year's World Economic Forum meeting in Davos will be chaired entirely by women, including IMF Managing Director Christine Lagarde.

This isn't just a question of quotas. There's also a business rationale, with study after study finding that gender-diverse teams produce more innovation and better decisions and financial results. Companies whose top management is at least half female post returns on equity that are 19% higher on average, according to a 2016 Credit Suisse Research Institute report. Businesses with the most women board members outperform those with the least by almost every financial measure, according to a 2013 research report by Catalyst, a New York research and advocacy group for women.

> The gap between the achievements and well-being of women and men widened last year.

Such findings have led some top executives to take strong measures to shrink the gender divide.

Salesforce CEO and Chairman Marc Benioff had his human-resources department perform an equal-pay assessment after two female executives asked him to determine if women and men were equally compensated. A 2015 audit of more than 17,000 jobs resulted in the cloud-computing company writing checks totaling $3 million to address differences in pay for about 6% of women and men. A second audit in 2017 resulted in Salesforce spending an additional $3 million to equalize salaries and bonuses for an additional 11% of employees.

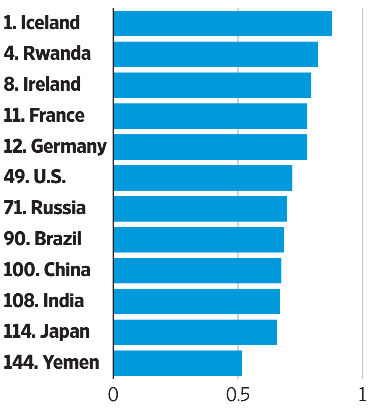
"Every CEO needs to look at whether they're paying men and women the same," Mr. Benioff said on a panel at Davos last year.

Other companies, including **Return Path** and **Dolby Laboratories**, are experimenting with "blind auditions" in an effort to overcome bias in hiring. Applicants take a test online that doesn't reveal their gender or race. This has helped more women and minorities land interviews and jobs than the more traditional résumé-screening process, says GapJumpers, a Silicon Valley startup that developed software for blind auditions.

The current intense focus on sexual harassment may complicate these efforts. Men, including some who have attended unconscious-bias training sessions and recruited and promoted women, are anxious and confused about what communications and relationships at work are appropriate, says Bill Proudman, co-founder and CEO of White Men as Full Diversity Partners, whose consultancy has worked with Rockwell Automation, **Lockheed Martin** and other large companies. That could provoke a backlash, with men avoiding interactions or excluding women from meetings that could help them advance.

Women in the World

Ranking* of select nations in the World Economic Forum's Global Gender Gap Index
(higher score = smaller gender gap)



*Out of 144 countries studied, based on economic participation and opportunity, educational attainment, health and survival, and political empowerment
Source: World Economic Forum
THE WALL STREET JOURNAL.

Not a monolith

Women, however, aren't likely to retreat or settle for limited changes. Not that they all face the same problems or agree on solutions. "Women have overlapping but very distinct experiences" depending on their background, race and status, and "it's never worked to treat them as monolithic," says Freada Kapor, a venture capitalist who pioneered surveys of harassment in the 1970s. Last month, she joined a newly formed commission aimed at ridding the entertainment and media industries of harassment and discrimination.

Among some practices likely to be considered: having companies appoint independent ombudsmen whom employees can contact by email or text, without fear they'll jeopardize their or anyone else's jobs.

The volume and variety of women speaking out may help sustain efforts to overcome all forms of gender discrimination. At various periods in the past 50 years—in the 1970s, when large numbers of women entered the workforce, and in the 1990s, when a wave of women were elected to Congress—attention to issues such as equal pay and representation swelled momentarily but then dissipated.

This time, women don't want to squander an opportunity for lasting changes. "We can't undo the past," says Ms. Koplovitz, "but we can create the future we want."

Ms. Hymowitz is a former senior editor at The Wall Street Journal and currently a fellow at Stanford Longevity Center.

Nationalism and Globalism: A Question of Balance

Klaus Schwab, executive chairman of the World Economic Forum, on how to deal with a fractured world

Around the world, between nations and peoples, fault lines are starting to grow. The U.S., under the leadership of Donald Trump, has seen a surge of nationalism. Some European nations are seeking more freedom from Brussels. And widespread dissatisfaction is growing about the effects of globalization.

To discuss these fissures—and how technology could add to the troubles—Wall Street Journal Editor in Chief Gerard Baker spoke with Klaus Schwab, founder and executive chairman of the World Economic Forum. Here are edited excerpts.

FABRICE COFFRINI/AGENCE FRANCE PRESSE/GETTY IMAGES

We must 'find the right balance between globalization and making sure we maintain the social contract,' says Prof. Schwab.

Behind the divide

MR. BAKER: What are the main causes of the fractures that we're seeing in the world right now?

PROF. SCHWAB: We went through a phase of hyperglobalization. The World Economic Forum always raised its voice against this neoliberal globalization. We always say globalization has to be combined with social caution. Now what we see is that the people who have been left out and who have suffered more from globalization and not profited from it start to have thoughts of rebellion.

We should not forget that globalization also bought many benefits. We have to find the right balance between globalization and making sure that we maintain the social contract.

MR. BAKER: How do you think these anti-globalization forces are going to play out over the next few years?

PROF. SCHWAB: I think it's wrong to just put it into a context of globalization or anti-globalization. What we have today is a new class, people who may still have a position but who are afraid that jobs may be eroded. It's not just globalization, it's a whole context—a division between fractions of a population who feel change is positive for the future, and those who want to maintain the past and who want to get control back over their lives.

MR. BAKER: Sticking with globalization, the response that Donald Trump has seems to be economic nationalism. Why is that wrong?

PROF. SCHWAB: I would say it's not completely wrong. I think we have to find a new balance. I would call it equitable globalization. But we shouldn't throw out the baby with the bath.

We should maintain the positive effects of globalization. But, certainly, put more emphasis on creating a national environment which takes care of those people who are left behind.

MR. BAKER: Immigration was a big factor in the election. What can be done to address the fears that some people have about it?

PROF. SCHWAB: This is a legitimate concern about how the social tissue of a country would be affected. We have to rethink not how we block those countries at the borders, but how we adapt to them. So educational measures, through, let's say, helping some to learn the language very fast, taking care of their families. The whole adaptation of those people is key.

Tech and Trump

MR. BAKER: Turning to the issue of technology and what you've called the Fourth Industrial Revolution: There are great concerns about jobs going away. Artificial intelligence is advancing very, very quickly. What can the world come together and, through an event like Davos, do to come up with solutions to the human consequences of this technological change?

PROF. SCHWAB: Davos can make a contribution in that we combine the fourth revolution with the educational system.

I personally feel that our present educational system should be much more flexible. We should have modules which allow people, lifelong, to continuously update themselves.

MR. BAKER: Some people worry that President Trump seems to represent a real break from American leadership. And some people worry that not only through his tweets and his speeches, but also through his actions, he represents something completely different from what the U.S. stands for. Not in line with the Western liberal ideals, but something much more authoritarian. Do you see signs of that?

PROF. SCHWAB: It worries me because we are moving from a unipolar world to a multipolar world. China is becoming stronger, India is becoming stronger, and nonstate actors are becoming stronger. And a multilateral, multipolar world, which is now evolving, also means a multiconceptual world. We see different values. And to see that the leader of this world, which stands for liberal values, is not exercising leadership which is expected—that's worrisome.

MR. BAKER: How do you see China's role now?

PROF. SCHWAB: China is not only becoming a major global economy, but it takes this newly developed economic strength to also develop political strength on a global scene and to exercise its influence on the global scene. What I also see is that China has recognized the significance of the force in this revolution of technology. There is an emphasis in China using new technologies to move fast forward.

MR. BAKER: Is the European Union and Europe as a whole more united now and more cohesive than it was, say, 10 or 20 years ago, or are the fissures getting deeper?

PROF. SCHWAB: When I grew up, we had first European identity and second a national identity. What has happened with new generations is that national identity for many people comes first and European identity comes second, which means it's much more difficult to find common solutions.

So that would be a more negative assessment. But if I look at the very young generations, we see much more pro-European.

I think people want to have control back. And they want not to be dictated to by Brussels in everything that they are doing.

Too-big business

MR. BAKER: There has been a tremendous growth in industrial concentration, big companies getting bigger. Small companies are essentially being squeezed out. There's a concern that it's not just bureaucracies and supernational institutions but companies themselves that are just too big and too remote. What can be done to address those concerns?

PROF. SCHWAB: We have to entrepreneurialize society. If we look where jobs will come from, they will come mainly from new enterprises, from medium-size enterprises. So companies and countries have to create an ecosystem which allows young people to create their own companies.

We have to create new Facebooks, new Googles, and so on. Then we have the necessary dynamic situation which maintains a certain degree of competition in the economy.

TRUMP

Continued from page R1

many of the institutions and nostrums that the Davos crowd hold dearest. The question this time is: Where do the twain meet? Will Davos get a little Trumpian? Or does the Trump administration take on a Davosian quality?

Mr. Trump was elected on a platform that might almost define opposition to the globalization that has driven the international system for the past 30 years. That system rested on several largely unchallenged principles: free trade and frictionless international capital markets; open borders; aggressive but collaborative measures to tackle climate change; a multilateral approach to the world's security challenges that emphasized cooperative diplomacy over martial rhetoric and threats.

SCALZO/EPA/SHUTTERSTOCK

Mr. Trump's campaign platform practically defined opposition to globalization.

Pivotal moment

But "Davos Man" has been under siege for the past few years—and not just in the hollowed-out communities of Pennsylvania, Wisconsin or Michigan. The populist-nationalist backlash that began with Brexit and continued with Donald Trump didn't sweep, as some thought it would, across Europe last year. The rising tide stopped some way short of the Élysée and the Bundeskanzleramt. But even in France and Germany, countries that have been in the vanguard of the globalists' march, with their steady push toward an ever-closer European Union, the rise of a nativist, anti-globalism current laps at the eroding political consensus.

Elsewhere in Europe, especially in the east—Poland, Hungary, Austria, the Czech Republic—the institutions of democratic government have already been breached by populists. And even world-wide, nationalist sentiment vies with a powerful anti-Trump backlash for political advantage.

It feels like a pivotal moment in history: Will the current turbulence really topple the system the world has embraced for the past few decades, or will the forces of global economic and political integration eventually prevail?

It's possible that the nationalist-globalist dialectic may resolve itself into a synthesis. This certainly seems to be the hope of the leaders of some of the international institutions that sit, somewhat uneasily, atop the snowy peaks of the global system.

Achieving some kind of new consensus certainly seems to be the motive behind the invitation to Mr. Trump to attend his first Davos. Klaus Schwab, founder and executive chairman of the World Economic Forum, has invested time in trying to broker a dialogue with some the leaders of populist-nationalist movements. In an interview with the Journal, excerpts from which we publish with this special report, Prof. Schwab expresses optimism that a new kind of "equitable globalization" may emerge from the current political stress.

How Mr. Trump chooses to respond to this olive branch isn't clear. Some will point out that his populist tweeted bark is often worse than his more conventional policy bite. And with the arch-nationalist Steve Bannon, who provided an intellectual framework for Mr. Trump's instincts, now officially out in the cold, some of the more confrontational rhetoric may be set aside.

But with big decisions looming on some of the more contentious trade issues—China, Japan, Nafta—and given his self-acclaimed negotiating skills, the president is unlikely to be in an overly generous mood.

Beyond the conference

Mr. Trump and his consequences may loom large over this year's gathering, but of course there will be much else for the thousands of delegates and others to ponder. The usual procession of political leaders will unfold—most prominently, Narendra Modi, the Indian prime minister; Emmanuel Macron, the French president; Theresa May, the British prime minister; and the chief executives of some of the biggest companies in the world. Much business-as-usual gets done away from the conference halls and set-piece events, and this year will be no different.

But it will surely be the big geopolitical picture that will figure largest in the deliberations in Davos and, more important, beyond in 2018.

The official theme of this year's meeting is "creating shared values in a fractured world." It's an ambitious idea in the current climate. The fissures that have appeared in the global system in the past few years seem to be deepening, and the very idea of a global community is under challenge.

These fissures have raised fundamental questions about global political leadership and America's role. Last year's gathering coincided with Mr. Trump's inauguration, and in the absence of a significant American presence, Xi Jinping, China's president, stepped into the literal and figurative void, claiming for his country the mantle of global leadership, sweet-talking the nervous delegates with soothing bromides about the importance of maintaining an open and integrated international system.

That speech, and the one Mr. Trump will deliver this week, offer vital clues to the resolution of the global tensions that have arisen in the past few years. We can expect the contest—of ideas, for leadership—to intensify.

View From the Top: Marc Benioff

'The tension between innovation and equality forces us to confront a fundamental question: What kind of world do we want? At this time of amazing advancements in the world brought on by the Fourth Industrial Revolution, we must live by and hold ourselves to fundamental values.

'That's because a challenge this big and complex cannot be left to politicians alone. Business leaders have a unique responsibility. Indeed, the business of business can't be just about making profits; we have to ensure that our products and wealth narrow inequalities instead of widening them.'

Marc Benioff, CEO of Salesforce.com

To see Mr. Benioff's complete essay—and the essays of other CEOs—go to wsj.com/CEOessays2018

Business OVER Bias

This week, thousands of leaders will come to the annual meeting of the World Economic Forum in Davos to focus on ways to create a shared future in a fractured world. For our part, we'll be there to spark a conversation around the biases we all have that impact the choices we make every day. Because at P&G, we aspire to build a better world for all of us – a world with an equal voice and equal representation for everyone. We invite you to join us and our partners as we endeavor to build our business over bias.

P&G

#WeSeeEqual

To learn about all of the work we are doing, visit us at www.pg.com/citizenship