THE WALL STREET JOURNAL.

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Last week: DJIA 25803.19 ▲ 507.32 2.0% NASDAQ 7261.06 ▲ 1.7% STOXX 600 398.49 ▲ 0.3% 10-YR. TREASURY ▼ 21/32, yield 2.551% OIL $64.30 ▲ $2.86 EURO $1.2200 YEN 111.04

What's News

Business & Finance

Banks working on Spotify's unusual public share listing stand to collect a fraction of the fees underwriters typically charge in big IPOs. **A1**

◆ **The dollar hit its** lowest level in more than three years, as economic growth accelerates overseas. **B1**

◆ **Platinum producers** are investing millions in ads, hoping a new generation of jewelry buyers in Asia can save the industry. **A1**

◆ **As coal and nuclear** power plants around the U.S. close, the number of people employed in making electricity is shrinking. **B1**

◆ **Fiat Chrysler has** no plans to sell off its Jeep business or split up the company, Marchionne said. **B1**

◆ **Boeing and Airbus** built more jets last year than ever, but not enough to lessen their backlogs and ease supply-line strain. **B2**

◆ **Royal Dutch Shell is** giving up on its last oil fields in Iraq, leaving a dwindling Middle East footprint. **B3**

◆ **Oil prices have** surged more than 50% since the summer, as investors reassess the threat from U.S. shale producers. **B10**

◆ **SoftBank said it may** list shares of its Japanese cellphone operator, which could raise nearly $20 billion. **B3**

◆ **Lego Group** is teaming up with China's Tencent Holdings to develop online games for children. **B4**

◆ **Subaru is projecting** a bump in 2018 sales to American car buyer. **B6**

World-Wide

◆ **The Pentagon** is planning to develop two new sea-based nuclear weapons to respond to Russia and China's growing military capabilities. **A1**

◆ **U.S. officials** warned Kushner that Wendi Deng Murdoch could be using her close friendship to further the interests of the Chinese government. **A1**

◆ **A firestorm** ignited by Trump's remarks has imperiled lawmakers' ability to reach a deal on immigration and spending levels. **A4**

◆ **With midterm** elections looming, Republicans are preparing for another push on judges while they have the Senate majority. **A2**

◆ **Hawaii's missile alert** flub pierced the state's placid image, reminding citizens of a deeply unsettling threat. **A3**

◆ **Dozens of global** businesses remain in joint ventures with North Korea despite the deadline to sever ties this month. **A5**

◆ **Mississippi** is considering two state flags, one with the Confederate emblem and the other without. **A3**

◆ **The Philippine** securities regulator shut down a popular news website that has been critical of Duterte's government. **A5**

◆ **The sinking** of an Iranian tanker in the East China Sea left cleanup crews battling to contain an oil spill. **A6**

◆ **Two suicide** bombers blew themselves up in central Baghdad, killing at least 38 people. **A16**

CONTENTS

U.S. Plans New Nuclear Weapons

Pentagon weighs 'low yield' warhead and sea-launched cruise missile, igniting strategy debate

BY MICHAEL R. GORDON

WASHINGTON—The Pentagon is planning to develop two new sea-based nuclear weapons to respond to Russia and China's growing military capabilities, according to a sweeping Defense Department review of nuclear strategy.

The planned move has ignited a broad debate over future U.S. nuclear strategy at a time when the nation also faces the threat of proliferation, in particular from North Korea's efforts to expand its arsenal of nuclear weapons and develop long-range missiles capable of delivering them.

Supporters of the Pentagon's plan say it is time for the U.S. to update its nuclear forces to deal with changing threats some three decades after the end of the Cold War. Critics worry that the Pentagon's search for more flexible nuclear options could lower the threshold for their use.

One weapon, which experts say could be deployed in about two years, is a "low yield" warhead for the Trident missile, which currently is deployed with more powerful warheads on the Navy's submarines that carry ballistic missiles.

The U.S. also would pursue the development of a new nuclear-tipped sea-launched cruise missile, reintroducing a system that was retired from the American arsenal in 2010.

The development of the two weapons is among a broad range of recommendations in the Pentagon's Nuclear Posture Review, a major reassessment of the U.S. nuclear strategy and programs that was commissioned about a year ago by President Donald Trump.

That strategy, which is expected to be formally unveiled later this month, has yet to be approved by the president. The Pentagon has dismissed an unclassified draft of the strategy, which was published last week by HuffPost, as "pre-decisional," while more updated drafts are also circulating. But the plans to field the new nuclear systems have strong support in the Pentagon and are expected to go forward, according to people familiar with the review.

A major question at the heart of the Pentagon review is how to respond to military strategy and programs in Russia and China, which American officials say provide a more prominent role for nuclear weapons. In effect, the Pentagon argues that since adversaries have failed to follow the

Please see MISSILE page A4

◆ Alert flub pierces Hawaii's placid image A3

A Civil Rights Icon's Legacy Is Remembered

WIN MCNAMEE/GETTY IMAGES

WATCHFUL EYES: Martin Luther King III spoke in front of the Martin Luther King Jr. Memorial in Washington, D.C., as the nation honored his father, the civil rights leader. Dr. King, who was assassinated in 1968, would have been 89 years old on Monday.

Spotify Challenges Bankers On IPOs

BY MAUREEN FARRELL

Spotify AB upended the world of music with its popular streaming service. Now it is threatening to do the same to Wall Street.

Banks working on Spotify's unusual public share listing stand to collect a fraction of the fees underwriters typically charge in big initial public offerings, in a blow to the already beleaguered stock-selling business.

The banks won't perform traditional underwriting functions, such as setting a price for shares, linking buyers and sellers and agreeing to use cash to stabilize the stock at a certain level.

Spotify's three advisers—Goldman Sachs Group Inc., Morgan Stanley and Allen & Co.—are poised to share roughly $30 million in fees,

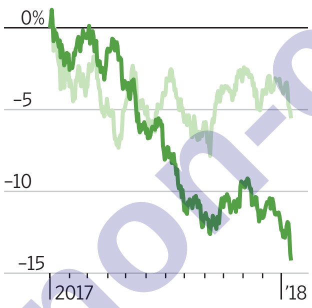
Please see IPO page A6

◆ SoftBank explores listing its telecom business B3

Boom Abroad Squeezes Dollar

The dollar hit its lowest level in three years Friday, as investors have turned to foreign funds. B1

Change in how many euros ■ and yen ■ one dollar buys



Source: Tullett Prebon

Kushner Was Told of Security Risk From Wendi Murdoch Friendship

BY KATE O'KEEFFE AND ARUNA VISWANATHA

WASHINGTON—U.S. counterintelligence officials in early 2017 warned Jared Kushner, President Donald Trump's son-in-law and senior adviser, that Wendi Deng Murdoch, a prominent Chinese-American businesswoman, could be using her close friendship with Mr. Kushner and his wife, Ivanka Trump, to further the interests of the Chinese government, according to people familiar with the matter.

U.S. officials have also had concerns about a counterintelligence assessment that Ms. Murdoch was lobbying for a high-profile construction project funded by the Chinese government in Washington, D.C., one of these people said.

The project, a planned $100 million Chinese garden at the National Arboretum, was deemed a national-security risk because it included a 70-foot-tall tower that could potentially be used for surveillance, according to people familiar with the intelligence community's deliberations over the garden. The garden was planned on one of the higher patches of land near downtown Washington, less than 5 miles from both the Capitol and the White House.

Ms. Murdoch in 1999 married Rupert Murdoch, the executive chairman of News Corp, publisher of The Wall Street Journal. Mr. Murdoch filed for divorce in 2013. Ms. Murdoch still uses her married name.

The counterintelligence officials didn't give Mr. Kushner details about their assessment of Ms. Murdoch, the people familiar with the interaction said. The warning was part of an effort by national-security officials to highlight to Mr. Kushner the need to be careful in his dealings with people whose interests may not align with those of the U.S., the people added. Ms. Trump, who in late March said she would take a formal White House role, wasn't present for the counterintelligence warning. Neither Ms. Murdoch, Mr. Kushner nor Ms. Trump has been accused of any wrongdoing.

It is common for counterin-

Please see RISK page A2

Dads Are Manning Up With Military-Style Baby Gear

* * *

Camo blankets and SWAT vest carriers avert 'diaper-bag emasculation'

BY CORINNE RAMEY

When Brandon Evans strolls around the streets of Charleston, S.C., he wears what looks like a coyote-brown armored vest. Slung over his shoulder is a bag to which he attached a patch with the word "happens" underneath a steaming pile of excrement.

The bag is for diapers. The vest is a baby carrier.

"She has hers and I have mine," said Mr. Evans, a kinesiology student, referring to his wife's diaper bag. "Hers looks like a Michael Kors purse." His has a changing pad with a target that says "drop zone."

For Mr. Evans, 25 years old, blowouts and spit-up are more common than enemy fire and urban ambushes. That puts him firmly among a cohort of modern dads who are looking to do their appropriate share of domestic duties while looking, well, more masculine. That includes baby carriers that look like SWAT vests, camouflage diaper bags and pacifiers attached to military-inspired carabiners.

Baby Carrier

"I'm not expecting someone to take any of the baby carriers into battle," said Scott Haslam, a former weapons technician in the British army who founded the baby-carrier company Babyjacs UK Ltd. in 2013. "But if they did, I'm sure it would stand up very well."

Baby products are a booming business, estimated this year to produce more than $11 billion in revenue world-wide. Products have historically been made to appeal to

Please see BABY page A8

INSIDE

WHAT IS THE PERFECT AGE?

LIFE & ARTS, A9

OK GOOGLE, YOU'VE BEEN SERVED

OPINION, A15

Platinum, Its Use In Industry Under Threat, Faces Crisis

Producers are spending millions to entice Asian jewelry buyers to switch from gold

BY ALEXANDRA WEXLER

MUMBAI—A TV commercial shows an Indian couple eyeing each other nervously, surrounded by the family members who arranged their marriage. During a tour of the wedding hall, the couple realizes they have fallen in love.

To celebrate, they exchange rings made not of traditional gold, but platinum.

Platinum producers are investing millions of dollars in such promotional ads, hoping a new generation of jewelry buyers across Asia can save the industry from crisis. In India, billboards for platinum fill boomtowns from Chennai to Hyderabad.

With benchmark prices down nearly 60% since 2008, the industry is facing a worst-case scenario: a dethroning from the pantheon of the world's top precious metals. The industry's biggest producers, all based in South Africa, have been cutting jobs, selling assets and raising capital to stay afloat.

Gold traded at $1,340.90 a troy ounce on the New York Mercantile Exchange's Comex division Monday, as of midday trading, while platinum was $1,001.90. In 2008, gold was trading under $1,000 an ounce, while platinum rose above $2,250.

To rebound, producers of the metal hope to replicate in India and elsewhere their successful creation of the platinum luxury market in the U.S. and Japan.

"We're like deer in the

Please see METAL page A8

U.S. NEWS

GOP's Clear Path on Judges Gets Cloudier

By Brent Kendall

WASHINGTON—Judicial confirmations can be high-drama affairs, but for President Donald Trump they were among the smoothest and most far-reaching accomplishments of his first year in office.

Now with midterm elections looming, Republicans are preparing for another big push on judges while they have the Senate majority. They will do it, however, with less margin for error.

Democrats believe they could be in a better position than in 2017 to push back on nominees they view as too ideological or unqualified, thanks to shifting political dynamics, including the arrival of new Democratic Sen. Doug Jones, whose special election win in Alabama narrowed the GOP's majority to 51-49. The end of 2017 also saw slight cracks in Republican unanimity, which contributed to the downfall of some nominees.

The arrival of two high-profile Democratic senators, Kamala Harris of California and Cory Booker of New Jersey, to the Senate Judiciary Committee also could make a difference.

"The closer we get to the election, if we have a nominee that's highly controversial, there will be a lot of pressure on Republicans up for reelection," said Sheldon Goldman, a political-science professor at the University of Massachusetts, Amherst, and an expert on judicial nominations.

So far, the president has had a highly successful run installing judges who are likely to approach the law from a conservative viewpoint.

Mr. Trump has repeatedly cited the elevation of Neil Gorsuch to the Supreme Court. Less noticed is the confirmation of 12 judges to the influential U.S. courts of appeals, whose rulings are the final word in the overwhelming majority of cases in the federal system.

That is a record for a first-year president. "It was an extraordinary year," said Leonard Leo, an informal adviser to Mr. Trump on judicial nominations and an executive vice president with the Federalist Society, a conservative legal organization.

By contrast, President Barack Obama won approval for three appeals court judges in his first year.

For 2018, "there's a real desire to get record-breaking numbers of nominees confirmed," said Mr. Leo.

The president in 2017 saw six judges confirmed to district courts.

Judicial appointments are an enduring issue for both parties. Federal judges enjoy life tenure, potentially shaping the law for 20 or 30 years. Over the past year alone judges have pared back or halted efforts by Mr. Trump and his administration on issues including immigration, abortion and transgender service in the military.

Some of those rulings highlight Mr. Obama's impact on the courts, several of which moved to the left during his eight-year tenure. That is true in places like the Fourth U.S. Circuit Court of Appeals in Richmond, Va., which has ruled broadly against Mr. Trump's efforts to ban travelers from certain Muslim-majority countries.

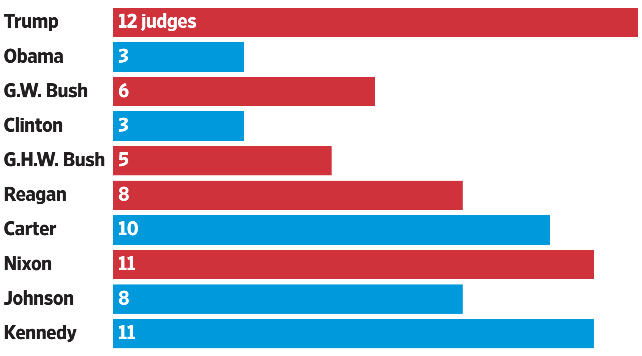
The Republican effort to repopulate the courts with conservatives has been made easier by the elimination of the filibuster, which once allowed the minority party to block nominees. When Senate Democrats were in power, they eliminated the filibuster for lower court nominees, while the GOP eliminated it for Supreme Court picks in 2017.

Nomination politics remain raw, with Democrats still angry over Republicans' refusal to consider Obama nominee Merrick Garland for the Supreme Court. Party-line votes have become the norm, with Democrats and liberal groups arguing that some Trump nominees lack the qualifications or temperament befitting the federal bench.

Judging Success

President Trump, with the help of a GOP Senate, put more appeals court judges on the bench than any other president in his first year. Democrats complain that many of the nominees were rushed through without proper scrutiny.

Appellate judges appointed by each president in his first year in office



Source: Federal Judicial Center THE WALL STREET JOURNAL.

Scalia Spoke Well Of Trump Campaign

WASHINGTON—Shortly before his death in February 2016, Supreme Court Justice Antonin Scalia spoke favorably of Donald Trump's presidential run.

"Justice Scalia thought it was most refreshing to have a candidate who was pretty much unfiltered and utterly frank," said the late jurist's literary collaborator, Bryan Garner, a legal dictionary editor who spent two weeks in 2016 traveling with Justice Scalia through several Asian countries.

The justice thought well of Scott Walker, the Wisconsin governor whose campaign for the Republican nomination stalled, said Mr. Garner, whose memoir of a decadelong friendship, "Nino and Me," comes out Tuesday.

"But he was fascinated by the fact that Trump was so outspoken in an unfiltered way, and therefore we were seeing something a little more genuine than a candidate whose every utterance is airbrushed," Mr. Garner said in an interview.

While Justice Scalia may have approved of many of Mr. Trump's conservative judicial nominations, Mr. Garner declined to speculate on how he might have viewed other aspects of his presidency. "These [were] early days in the campaign. It shouldn't be looked at through the lens of everything that's happened since," he said.

Justice Scalia's death, just a week after he and Mr. Garner returned from their Asia tour, played a role in the Trump campaign.

Mr. Trump has credited his victory in part to promising to nominate a successor "very much in the mold of Justice Scalia," a pledge that endeared him to a GOP base opposed to abortion rights and same-sex marriage.

"Nino and Me," referring to the nickname the justice's friends and colleagues used, focuses on two rather different men coming together through a love of language to write two books, "Making Your Case," and "Reading Law."

—Jess Bravin

FROM TOP: JEMAL COUNTESS/GETTY IMAGES; YIN BOGU/XINHUA/ZUMA PRESS

Above, from left, Ivanka Trump, Jared Kushner and Wendi Deng Murdoch in New York in 2010. U.S. officials deemed a Chinese garden, for which Ms. Murdoch lobbied, a national-security risk. Below, Zhang Jianlong, a Beijing official, at the project's 2016 groundbreaking.

RISK

Continued from Page One

telligence officials to warn senior members of a new administration about interactions with people with foreign connections, and such briefings sometimes refer to specific people, according to people familiar with the protocols.

A spokesman for Ms. Murdoch said she "has no knowledge of any FBI concerns or other intelligence agency concerns relating to her or her associations." He added that she "has absolutely no knowledge of any garden projects funded by the Chinese government."

A representative for Mr. Kushner and Ms. Trump described Mr. Kushner's interaction with officials warning him about Ms. Murdoch as a "routine senior staff security briefing." He added that Mr. Kushner "has complied with all ethics and disclosure recommendations and has played a helpful role in strengthening the U.S.-China relationship so as to help bring about a better resolution to the many issues the countries have."

In response to questions from the Journal about Ms. Murdoch and the garden, a representative from China's Embassy in Washington called the Journal's information "full of groundless speculations."

U.S. officials have been concerned about Chinese government efforts to use people with close ties to the administration and with interests or family in China to try to influence policy. For example, Las Vegas casino magnate and Republican National Committee finance chairman Steve Wynn, whose Macau casinos can't operate without a license from the Chinese territory, last year delivered a letter to Mr. Trump from the Chinese government about an alleged fugitive Beijing wants the U.S. to return, the Journal has reported, citing people familiar with the matter. A representative for Mr. Wynn has denied the episode.

Ms. Murdoch, who is a U.S. citizen, has been friends with Ms. Trump and Mr. Kushner for years.

Ms. Trump posted a photo on Instagram of her travels in Croatia with Ms. Murdoch in 2016. Ms. Murdoch posted a photo of Ms. Trump and Mr. Kushner at Mr. Kushner's birthday party in 2016, and one of her with Ms. Trump at an inauguration event last year with the caption "Congratulations @ivankatrump" followed by two hearts. Ms. Murdoch was photographed arriving at the couple's Washington home in February 2017.

Ms. Trump also previously served as a trustee for funds set aside for the children of Mr. Murdoch and Ms. Murdoch, according to people familiar with the matter.

The representative for Mr. Kushner and Ms. Trump said the two "have been friends with Rupert and Wendi Murdoch for a decade before coming to Washington and their relationship is neither political nor about China."

The Chinese garden project at the arboretum in Washington was to feature a lake and multiple gardens and structures. In 2003, a cousin of former Chinese President Jiang Zemin signed a letter of intent with a U.S. Agriculture Department official to build the garden. In 2011, then-President Hu Jintao traveled to the U.S. and was presented with a model of the project by Joe Biden and Hillary Clinton, then the vice president and secretary of state, respectively. In 2016, there was a groundbreaking.

The project has been shelved because of the counterintelligence concerns, according to people familiar with the national-security issues. Representatives for the USDA and the Chinese Embassy both said they continued to work on the project but declined to provide details of any developments. Journal reporters who recently visited the arboretum couldn't locate any evidence of construction.

Mr. Kushner and Ms. Trump emerged in early 2017 as important points of contact for Beijing. Ms. Trump attended a Lunar New Year party at Beijing's embassy in Washington last February and later posted a video of her daughter singing a New Year's song in Mandarin. Mr. Kushner was instrumental in setting up a meeting between Messrs. Trump and Xi at the president's Florida resort and accompanied the president to Beijing in the fall. During the trip, Ms. Murdoch socialized with Mr. Kushner and others in the presidential delegation at the St. Regis hotel in Beijing, according to a person familiar with the meeting.

The Kushner family real-estate company also has pursued business in China, holding advanced talks, since broken off, with Anbang Insurance Group Co. for an investment in a New York real-estate project. Mr. Kushner had earlier sold his stake in the project and other properties to family members.

Ms. Murdoch has previously surfaced on the radar of counterintelligence professionals, according to a person familiar with the issue. After reports that she was romantically involved with former British Prime Minister Tony Blair while still married to Mr. Murdoch, British security officials discussed with U.S. counterparts whether the alleged relationship could be cause for concern, this person said. At the time, the Federal Bureau of Investigation said there was reason to be watchful but they hadn't looked into her in detail, the person said.

Mr. Blair and Ms. Murdoch have denied any impropriety. Representatives for Mr. Murdoch, Mr. Blair, Ms. Murdoch, the FBI and the U.K. Embassy in Washington declined to comment on the matter.

U.S. WATCH

FLORIDA

Woman Dies After Fire on Casino Boat

A casino company said Monday it never had a problem with the shuttle boat that erupted in flames off Florida's Gulf Coast, leading to the death of a female passenger.

Tropical Breeze Casino spokeswoman Beth Fifer said the company doesn't know what caused Sunday's blaze, which gutted the shuttle boat and forced about 50 passengers into chilly waters off Port Richey.

"We are deeply saddened for the loss of our passenger, the 14 injured and anyone else who was affected by this tragedy," Ms. Fifer said.

Regional Medical Center Bayonet Point spokesman Kurt Conover said Monday that the passenger arrived at the hospital's emergency room at 10 p.m. Sunday and died shortly afterward.

Pasco County Sheriff's Office spokesman Kevin Doll said the victim was 42. Her name hasn't been released, and a cause of death hasn't been determined.

—Associated Press

CALIFORNIA

Teen Leads Deputies To Locked-In Siblings

Authorities said an emaciated teenager led deputies to a California home where her 12 brothers and sisters were locked up in filthy conditions, with some of them malnourished and chained to beds.

Riverside County deputies arrested the parents on Sunday at the home in Perris, east of Los Angeles.

Officials said the girl who managed to escape and call 911 was 17 years old but appeared to be about 10 because of her poor physical condition.

Deputies assumed the 12 others were all juveniles but seven were actually adults, ranging in age from 18 to 29.

A press release said 57-year-old David Allen Turpin and 49-year-old Louise Anna Turpin could face charges including torture and child endangerment. Bail was set at $9 million for each.

It wasn't immediately known if Mr. Turpin or Mrs. Turpin had attorneys.

—Associated Press

NASA

Candidate for Chief Again Faces Hurdles

The Senate Commerce Committee on Thursday is expected to narrowly approve Rep. James Bridenstine's nomination to head NASA, but the Oklahoma Republican's candidacy faces troubles.

With Republican Sens. Marco Rubio of Florida and John McCain of Arizona widely seen as firmly opposed for policy and personal reasons, Senate GOP leaders envision a difficult confirmation procedure, according to industry officials and others familiar with their thinking.

Mr. Bridenstine's name never came up for floor action in 2017 because not a single Senate Democrat signaled support and Republican leaders were worried about rounding up the necessary votes on their side of the aisle. Mr. Bridenstine, a former combat pilot, turned into a controversial choice due to what critics assailed as his extreme views on gay rights, climate change and other issues.

He couldn't be reached for comment.

—Andy Pasztor

CORRECTIONS & AMPLIFICATIONS

The book "Classical Principles for Modern Design" was written by Thomas Jayne and Ted Loos. An Off Duty article Saturday about Mr. Jayne and the influence of Edith Wharton's decorating dictates omitted Mr. Loos's name.

The historical default rate of municipal bonds has been only 0.03% for AA- and A-rated bonds from 1970 through 2009, according to a Moody's study; a Journal Report article on muni bonds on Jan. 8 incorrectly said 0.30%. Also, the article incorrectly referred to Jefferson County, Ala., which filed for bankruptcy in 2011, as Jefferson City.

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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Alert Flub Pierces Hawaii's Placid Image

Land of surf and palm operates under threat that has begun to feel more real to residents

By Ian Lovett
And Nathan Eagle

HONOLULU—On the first day of this year, an air-raid siren ripped through the warm island air here, a newly revived test of the missile-warning system, after tensions between the U.S. and North Korea escalated. State government began airing a TV ad warning residents to prepare and "get inside, stay inside" if an attack happens.

So when a state employee accidentally sent out an all-caps text message Saturday morning mistakenly warning residents and tourists of an incoming ballistic missile strike, it was the latest and most dramatic reminder of a deeply unsettling threat.

Federal and local officials are reviewing the U.S. wireless emergency alert system. A yearslong process transformed the system from one heavily reliant on television and radio broadcasts to the world of texts and cellphones. Because the system is decentralized, states and local jurisdictions set up their own rules for who can authorize and send out alerts.

Hawaii's process for sending out alerts has already been changed since the episode to require two people instead of one, state officials said.

Hawaii officials also have suspended drills until an analysis of the misfire can be completed, and they have established a "cancel" command that can be triggered within seconds of an error. During the Saturday event, officials took 38 minutes to issue an alert canceling the misfire.

Vern T. Miyagi, administrator of the Hawaii Emergency Management Agency, said the alert was mistakenly triggered when the wrong computer button was clicked during a morning shift change test of the emergency-alert system. That person has been reassigned, officials said.

Recent attacks in New York and natural disasters in Texas and California have also brought the system under scrutiny, as officials have been criticized for sending alerts too widely and for failing to send them widely enough.

At no point did the U.S. military or other federal entities think there had been an attack, an administration official said. The Pacific Command was quick to issue its own statement confirming it hadn't detected any ballistic missile threat to the state of Hawaii, the official said.

ANTHONY QUINTANO/CIVIL BEAT/ASSOCIATED PRESS

Drivers in Honolulu on Saturday got notice that a missile-warning threat sent out was a mistake.

Even so, geopolitics has, at least temporarily, punctured one of the most powerful myths that draws people to Hawaii: That the islands offer a carefree reprieve from the concerns of the mainland.

For Casey Alicino, who moved here from California in 2004, the escape was working until the false alarm. When they got the warning, he and his family decided to stay home to be together; they FaceTimed his mother in New York to say goodbye.

"That was one of the main reasons I moved here, to escape the BS of the mainland," said Mr. Alicino, 44 years old, who moved from California and works on production of the TV show "Hawaii 5-0."

Now, neighborhoods in Honolulu have started holding meetings on how to prepare for a bombing. In October, the University of Hawaii sent out an email titled, "In the event of a nuclear attack," with a link to the Hawaii Emergency Management Agency's website.

Almost as soon as the all-clear was issued Saturday, the tourism industry began working furiously to restore the lighthearted atmosphere. George Szigeti, president of the Hawaii Tourism Authority, said hotels were putting a message from the governor in rooms, apologizing for the mishap. Vacationers taking in the sun quickly filled Waikiki beach.

Peter Amend woke up to the mistaken ballistic missile message on Saturday, and he and his friends sat tensely at the house where they were staying. Once they heard there was no attack, they drove up to the north shore of Oahu and surfed at one of the world's most celebrated breaks. "It felt even better to be alive," Mr. Amend, 34, said. "It was a great day."

Many homes have single-wall construction with no basements. Residents know of few places they can shelter that will keep them safe in a bombing.

Matt Feeser, who grew up in Philadelphia and moved to Kauai in 2009, is now preparing for a possible attack. While many residents have stocked up on water and canned food, Mr. Feeser has a plan that includes jumping on a boat to "get the hell out of there."

"We've got a water-maker, fishing poles, the winds," he said. "The world can burn, and we'll be on the high seas."

—Louise Radnofsky contributed to his article.

MIKE ELIASON/SANTA BARBARA COUNTY FIRE DEPARTMENT/ASSOCIATED PRESS

Demolition workers on Sunday broke down boulders that were scattered throughout Montecito, Calif., by the deadly mudslides.

Recovery Workers Sift Through Mud

By Nour Malas

MONTECITO, Calif.—Beneath a patio overlooking the Pacific Ocean, on a typical afternoon residents sprawl out on sun loungers, a 50,000-pound hydraulic excavator heaved as it hauled away rocks, while firefighters worked shin-deep in mud.

With their hands and tools, they peeled away layers of earth, in each garage beneath every home at the Bonnymede condominium complex, looking for bodies. No one expected the debris to flow this far. The beachfront condos here weren't damaged. But the firefighters are worried bodies may have been carried downstream for miles and gotten buried inside the garages.

"We're very methodically going through them, one by one," said Aaron Miles, a firefighter who is part of a 14-person team that was pre-deployed to the Montecito foothills before Tuesday's storm.

Crews identified another body on Sunday, which they found a day earlier in a home off East Valley Road, one of the neighborhood's hardest-hit areas. With the number of dead now at 20, the mudslides are the deadliest flood-related disaster in decades in California. Four people are still missing in Montecito.

The vast search-and-rescue effort has taken on a new urgency six days after a rainstorm shattered life in Montecito. More rain is forecast for Thursday, and officials are balancing rescue efforts from one disaster with planning for the next one.

"This was just the first storm," said Larry Collins, a deputy fire chief in special operations at the California Governor's Office of Emergency Services.

"The next rainstorm, maybe some other neighborhood is going to get the brunt of it," he said, echoing warnings from county officials, scientists and weather forecasters.

Fire-scorched California faces a major challenge as the rainy season begins and continues into the spring. Vast lands in the north and south were seared by fires and may face floods and mudslides. That raises the possibility that hundreds of thousands of people could be displaced for months, officials said.

To residents and others who cherish the pristine peace of coastal California, Montecito is just a preview from one neighborhood in one county, Santa Barbara, of what could come elsewhere.

"We know about fires. We've seen bad fires, we've seen flooding. But we've never seen anything like this," said Dan Cabe, who has lived here most of his life and runs California Explorer, a tour agency.

Mr. Cabe, 50 years old, said his house, which is in an area that county law enforcement marked for mandatory evacuation, wasn't damaged. But he is frustrated that the danger to lower-lying areas—near creek beds that overflowed—wasn't made more clear.

"They obviously should've evacuated all of Montecito," he said.

In an interview, county Sheriff Bill Brown said he was devastated by the death toll and damage but he believes it could have been much worse—with hundreds of victims—had the county not prepared the way it did, by stationing firefighters in the foothills and having heavy military equipment ready.

The cleanup and rescue effort, less than a week in, has risen to $5 million, Mr. Brown said. Officials haven't called off search-and-rescue operations, though they said it isn't likely that there are survivors in the wreckage.

The mud has wrecked the public water system, and sanitation infrastructure is severely damaged. Coastal waters are contaminated with bacteria.

"It's going to be months before we regain any semblance of normalcy, and years before everything is fixed," Mr. Brown said.

What happened in Montecito was so rare and so intense that weather trackers are calling it a one-in-200-year event.

Two-Flag Idea Is Pitched for State

By Cameron McWhirter

Mississippi, the last U.S. state with the Confederate battle emblem on its flag, is considering a compromise: two state flags, one with the emblem and one without.

Greg Snowden, Republican house speaker pro tempore in the GOP-dominated legislature, put the proposal in House Bill 372, a measure with the sole purpose of settling the flag issue.

Business groups, black activists and others have pushed for years to have the Confederate battle emblem—white stars set on a blue X against a red background—removed from the state flag. Some see it as a symbol of slavery and segregation, while others argue it makes businesses reluctant to locate in the economically challenged state of about 2.9 million people.

Flag supporters say the banner, which has flown since 1894, is a tribute to ancestors who fought in the Civil War. They point to a state referendum in 2001 in which voters overwhelmingly chose to keep the current flag.

Republican Gov. Phil Bryant didn't respond to requests for comment. In the past, Mr. Bryant has said he would support another statewide referendum on the flag.

Mr. Snowden called his measure—which he has unsuccessfully proposed in bills before—a compromise and "a step toward at least some transition."

Yet the plan hasn't found support among activists on either side of the issue. The state NAACP is opposed, as is the Sons of Confederate Veterans, a heritage group.

The Confederate battle emblem was once ubiquitous across the South as a symbol of the region. But sensibilities have, in large part, changed in the region.

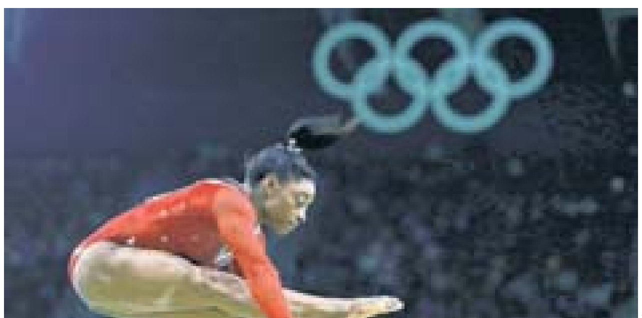
Mr. Snowden's plan would be for the current flag to remain but to add another state historic flag, bearing an image of a flowering magnolia tree, as an alternative. Both would be "of equal status and dignity in representing the State of Mississippi, and each design may be flown individually as the official flag or they may be flown together," according to his bill.

The representative from Meridian, Miss., who has ancestors who fought for the Confederacy, said he is open to changes to the bill, including substituting another alternative flag, since the magnolia flag was used by slavery-supporting secessionists.

ROGELIO V. SOLIS/ASSOCIATED PRESS

A GOP lawmaker's proposal would keep the Mississippi flag, with its Confederate battle emblem, but add another state flag.

U.S. Gymnastics Star Says She Too Was Assaulted by Doctor



REBECCA BLACKWELL/ASSOCIATED PRESS

Simone Biles won four gold medals and a bronze in the 2016 Games.

By Louise Radnofsky

Gymnast Simone Biles, the star of the 2016 Olympic Games and the face of her sport in the U.S., said Monday that she was among the elite gymnasts sexually abused by longtime U.S. team physician Larry Nassar.

Ms. Biles, 20 years old, said in a message posted on her Twitter account that she had been assaulted by Mr. Nassar under the guise of medical treatment while training as part of the U.S. national team.

"It is not normal to receive any type of treatment from a trusted team physician and refer to it horrifyingly as the 'special treatment.' This behavior is completely unacceptable, disgusting, and abusive, especially coming from someone whom I was TOLD to trust," she wrote. "I will not and should not carry the guilt that belongs to Larry Nassar, USAG, and others."

Mr. Nassar is due to be sentenced starting Tuesday on sexual-assault charges in Michigan, to which he has pleaded guilty and dropped a longstanding defense that invasive procedures he had carried out on female athletes were a legitimate medical technique. He has already been sentenced to 60 years in prison on federal child-pornography charges.

Ms. Biles, who brought home four gold medals and a bronze from Rio de Janeiro, is one of the first active gymnasts to criticize her governing body directly for continuing to host training camps at the Karolyi Ranch in Texas.

The ranch, in the middle of a forest with poor cellphone reception, was criticized by an independent investigator for USA Gymnastics in a June 2017 report for failing to provide adequate adult supervision for teenage athletes training there and, in particular, for allowing Mr. Nassar to treat them alone in an isolated cabin.

USA Gymnastics didn't immediately issue a statement in response to Ms. Biles. In the past, the organization has said it apologizes to athletes who have been harmed and is working under a new chief executive to make changes to better protect gymnasts.

Ms. Biles joins a roster of top U.S. gymnasts and household names who have said they were among the victims of Mr. Nassar.

Washington Returns to Core Trump Agenda

CAPITAL JOURNAL
By Gerald F. Seib

NICHOLAS KAMM/AGENCE FRANCE-PRESSE/GETTY IMAGES

President Trump's focus on immigration, trade and infrastructure is in line with his base.

If there were three signature Donald Trump issues during the 2016 presidential campaign—ones he stressed repeatedly at rallies and in debates—they were immigration, trade and infrastructure.

And so far the Trump emphasis this year is on...immigration, trade and infrastructure.

That represents a significant turn in the Washington agenda for 2018, one little-noticed amid the controversy over the alleged presidential remark disparaging immigration from "shithole" countries. After a year focused more on tax cuts, health care and deregulation—issues that tend to appeal more to traditional Republicans—the focus so far this year has moved decisively back to standard Trump issues.

That shift has the potential to help shore up and energize the Trump base in time for this year's crucial elections for control of Congress. It also presents an opportunity to look back at the condition of that Trump base after one year—as well as why people voted for Mr. Trump in the first place, a question that has become clouded by mythology.

First, a look at that Trump base. A dive into Wall Street Journal/NBC News polling suggests that, after Mr. Trump's tumultuous first year in office, the president's support among his staunchest proponents has eroded some, though still is pretty solid. Among whites without a college degree—a core Trump support group—approval of the job he is doing as president slipped to 55% in December from 59% in February. Disapproval has risen to 41% from 32%.

Similarly, the share of whites without a college degree who have a negative image of Mr. Trump personally has risen to 40% from 33%.

Those still are pretty solid numbers, and significantly better than those the president gets among other Americans. Among whites with a college education, for example, almost six in 10 disapprove of the job he is doing and hold a negative view of him personally.

In short, the base is still the base, though it has eroded around the edges.

So a return to the signature Trump issues would seem to be a way to end and perhaps reverse that erosion at the base. And it probably does. But here, there also are some surprises.

There is no doubt that immigration already has moved to the top of the Washington agenda in 2018. Mr. Trump is locked in either negotiations or a fight—and it's hard to know from day to day which it is—with Democrats over the fate of "Dreamer" immigrants who came here illegally as children, over paying for a wall along the Mexican border and over broader immigration reform.

Given how much Mr. Trump talked about immigration and a wall during the campaign, this turn isn't surprising. What is surprising is how low immigration and the wall ranked on the list of reasons his supporters actually voted for him.

When his voters were asked shortly after the election why they backed Mr. Trump, just 20% said taking a tough approach on immigration and the wall was the most important reason. More than twice as many said simply improving the economy overall was most important.

Similarly, in polling around the time Mr. Trump was inaugurated a year ago, just 31% of whites without a college degree—again, a strong Trump constituency—said building a wall was an absolute priority.

Trade and infrastructure improvements, by contrast, ranked far higher as a matter of concern. Among those same white noncollege Americans, 65% said imposing tariffs against countries that take advantage of trade agreements was a top priority, and the same share cited improving infrastructure.

So there is little doubt he's speaking to his people on trade, a subject about to start rising in visibility. The administration is approaching decisions on imposing tariffs on imported steel and aluminum, on steps to slow imports of solar panels and washing machines, and on penalties against China for seizing American intellectual property. And talks to renegotiate the North American Free Trade Agreement are reaching a critical juncture.

Similarly, the White House is promising action soon on infrastructure, an issue Mr. Trump has started bringing up with more regularity.

Of course, much of Mr. Trump's campaign appeal was based not on specific policy positions, but more on his pugilistic attitude—and the simple fact he wasn't Hillary Clinton, an object of hatred for many Trump voters. More than 4 in 10 Trump voters said making sure she didn't become president was the top reason they voted for him.

Still, the evidence suggests that Mr. Trump is speaking directly to his base with his 2018 emphasis on trade and infrastructure—but also expending a lot of capital and earning a lot of enmity at home and abroad on immigration and building a wall, subjects not as central for his supporters as commonly supposed.

Evangelical Groups Eye Immigrant Overhaul

By Ian Lovett

JACQUELYN MARTIN/ASSOCIATED PRESS

Juan Hernandez, left, and Sam Rodriguez, have been very active championing immigration issues over the years.

The last time a Republican president was pushing for an immigration overhaul, Sam Rodriguez, president of the National Hispanic Christian Leadership Conference, was summoned to the White House.

It was 2006, and officials in then-President George W. Bush's administration gave him an assignment: Persuade white evangelical Christians to support a deal for undocumented immigrants to stay in the country. At the time, a majority of them saw immigrants as a threat, according to polls.

Today, the situation could hardly be more different. Almost every evangelical leader supports a route to legalization for some immigrants, and many of them have joined Mr. Rodriguez in lobbying President Donald Trump on the issue.

Mr. Rodriguez's path—from trying to persuade his fellow evangelical pastors to support immigration to lobbying alongside them in Washington—demonstrates the dramatic swing evangelicals have made on the issue. It is a shift that is now playing a crucial role as the White House and Congress attempt to hammer out an immigration deal.

Evangelical groups that stayed silent in 2006, like the National Association of Evangelicals, are now furiously lobbying on Capitol Hill, trying to get an immigration bill across the finish line.

Forty-three percent of white evangelicals said in 2017 that immigrants "strengthen our country," up from 27% in 2011, according to the Pew Research Center. Six in 10 evangelicals support a path to citizenship for undocumented immigrants, according to a 2015 study by LifeWay Research, a ministry that tracks trends among evangelicals.

White, black and Hispanic members of Mr. Trump's evangelical advisory board have taken that message to the GOP president, telling him about undocumented immigrants in their own congregations and pushing Mr. Trump to support a deal that would let people brought to the U.S. illegally as children, known as Dreamers, stay in the country.

They believe their efforts are at least partly responsible for Mr. Trump's apparent willingness to support a deal that would allow these young immigrants to stay in exchange for the expansion of a border wall.

"We heard President Trump come out and say, 'I'm a dad and a grandfather and I want to help these children,'" said Tony Suarez, vice president of the National Hispanic Christian Leadership Conference. "I believe that was a direct result of evangelicals in the White House."

The White House didn't respond to requests for comment.

White evangelicals overwhelmingly voted for the president, but support for Mr. Trump among evangelicals has waned since he took office, according to a recent poll from Pew.

Amid Possible Shutdown, No Deal Appears in Sight

By Natalie Andrews and Louise Radnofsky

WASHINGTON—A firestorm ignited by President Donald Trump's remarks last week has diminished the prospects for a deal on immigration and spending levels ahead of a possible government shutdown at week's end, congressional aides said.

Congressional aides said they are expecting there to be discussion about a short-term deal funding the government for a few weeks, but caution that isn't guaranteed. Some said a deal has been imperiled following reports that Mr. Trump said he wanted to stop immigration from "shithole countries" during a meeting with lawmakers Thursday.

"Trump's latest self-created outrage du jour makes it harder for us to get Democrats on board for anything," said Doug Heye, a former top Republican congressional aide. "It's not issue specific, it's not just limited to immigration. That's the challenge when we have these outbursts."

Asked about his comments Sunday, Mr. Trump denied reports of his remarks, saying "they weren't made," and accused Democrats of backing away from a deal. Two Republican senators also called into question the accuracy of the quote attributed to Mr. Trump, though others in attendance have confirmed the quote.

Mr. Trump, a Republican, tweeted Monday that he blamed Sen. Dick Durbin (D., Ill.) for having "totally misrepresented what was said at the DACA meeting."

"Deals can't get made when there is no trust! Durbin blew DACA and is hurting our Military," wrote Mr. Trump, referring to the Deferred Action for Childhood Arrivals program that provides protections to young people who were brought to the U.S. as children.

GOP and Democratic leaders had engaged with the White House last week on a deal on federal spending that would bring Democratic support to prevent a government shutdown and include protections for the young immigrants, known as Dreamers. It also could include enhanced border security measures, a White House priority.

'I think chances of a shutdown on Friday at midnight are a bit above 50%.'

Absent a spending bill, the federal government would shut nonemergency functions starting Saturday at 12:01 a.m.

Democrats said that they will maintain pressure this week to withhold support for a funding deal that doesn't contain legislation protecting the young immigrants. Republican leaders said they want an immigration deal to be separate from a spending deal.

Meanwhile, Republicans are fighting for an increase in military spending, working on a two-year deal that would not only prevent the budget limits known as the sequester from kicking in, but potentially raise spending beyond that. Democrats, whose votes will be needed to pass spending bills in the Senate and possibly the House, have said that domestic-spending levels should be increased on parity with military spending.

House GOP leaders spent the weekend at a planning conference and plan to meet with lawmakers on Tuesday night to discuss the spending negotiations, a senior GOP aide said.

"The mood is so raw over immigration that this issue alone could prompt a shutdown, so I think chances of a shutdown on Friday at midnight are a bit above 50%," said Greg Valliere, the chief global strategist at Horizon Investments. "Trump's provocative tweets don't help; Democrats are itching for a fight with him."

MISSILE

Continued from Page One

U.S. in de-emphasizing the role of nuclear weapons, Washington needs a greater range of nuclear options to counter its potential foes, especially for carrying out limited strikes.

"While the United States has continued to reduce the number and salience of nuclear weapons, others, including Russia and China, have moved in the opposite direction," said a draft of the plan. "The United States must be capable of developing and deploying new capabilities, if necessary, to deter, assure, achieve U.S. objectives if deterrence fails, and hedge against uncertainty."

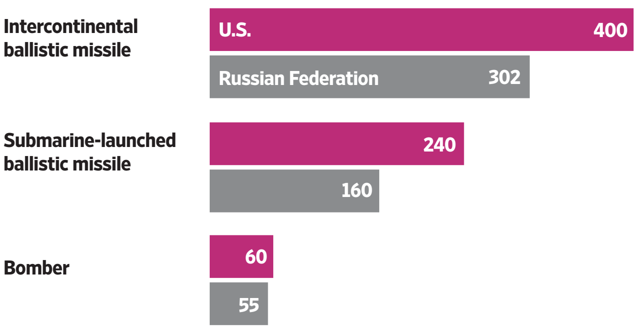
A major concern for the Pentagon is a new Russian ground-launched cruise missile that American officials say violates the treaty banning intermediate-range missiles based on land, which was signed in 1987 by President Ronald Reagan and Mikhail S. Gorbachev, leader of the then-Soviet Union. Russia's decision to develop and deploy that system is described by the review as part of a Russian doctrine that calls for threatening the limited use of nuclear weapons, or perhaps even carrying out a limited nuclear strike, to end a conventional war on terms favorable to the Kremlin.

By developing a new American "low yield" system, the Pentagon review argues the U.S. will have more credible options to respond to Russian threats without using more powerful strategic nuclear weapons, which the Kremlin may calculate Washington would be reluctant to use for fear of unleashing an all-out nuclear war. Because the new weapons it is proposing would be based at sea, the U.S. wouldn't need the permission of other nations to deploy them and their deployment wouldn't violate existing arms-control agreements.

The draft doesn't precisely define what "low yield" nuclear weapons might be, but the new Trident system might have a warhead of one or two kilotons, compared with the current system which has an explosive yield that ranges from 100 kilotons to 455 kilotons, depending on the warhead it carries. By comparison, the U.S. nuclear bomb dropped on Hiroshima, Japan, at the end of World War II was about 15 kilotons.

Weapon to Weapon

The U.S. and Russian long-range missile and bomber arsenal



Note: Counts weapons that are operational although number deployed at any given time might be lower
Source: Federation of American Scientists
THE WALL STREET JOURNAL.

Critics have assailed the Pentagon's review, arguing that it may bring about the very situation the Defense Department says it wants to avoid: a world in which the threshold for employing nuclear weapons is lowered.

"We should be doing everything to reduce the risk that nuclear weapons are going to be used, not expanding the ambiguity of when we might use nuclear weapons," said Jon Wolfsthal, who served as a senior official for arms control on President Barack Obama's National Security Council.

Bruce G. Blair, a scholar at Princeton University who has argued for the abolition of nuclear weapons, said the Pentagon should be looking for ways to strengthen its cyber and conventional military capabilities instead of searching for new nuclear options, especially since the Russian may opt to use its new ground-launched cruise missile with a nonnuclear warhead.

The review has also drawn support, particularly from conservative quarters. "This is not about making weapons more usable; this is about strengthening deterrence so that nuclear weapons are not used in the first place," said Robert Joseph, a senior national security official in the George W. Bush administration. "We have to think what would be credible in Russian eyes."

While the review calls for "pursuing" a new sea-launched cruise missile, it notes there are some circumstances in which the Trump administration might shelve the program: a decision by Russia to fix its alleged violation of the 1987 treaty banning U.S. and Russian land-based intermediate-range missiles and also reduce its formidable arsenal of tactical nuclear weapons.

Russia and China aren't the only threats cited in the nuclear review. It also asserts that upgrading the U.S. nuclear arsenal will add to the country's ability to deter North Korean aggression.

"North Korea relies on hardened and deeply buried facilities to secure the Kim regime and its key military and command and control capabilities," the review says. "Consequently, the United States will continue to field a range of conventional and nuclear capabilities able to hold such targets at risk."

Despite the debate over the proposed "low yield" Trident missile and sea-launched cruise missile, many of the other weapons recommended by the review also were advocated by the Obama administration, including the development of a new strategic bomber and an air-launched cruise missile.

Paying for all of the missile and bomber programs may be a challenge. The review says carrying out the nuclear modernization and operating the systems will require, at most, 6.4% of the Defense Department budget, up from 2% to 3%. If the Pentagon doesn't secure the increases it anticipates, this could heighten the competition between nuclear and nonnuclear programs for resources. The development of nuclear warheads is funded by the Energy Department.

—Chris Gordon contributed to this article.

Businesses Evade North Korea Ban

Dozens of global firms remain in joint ventures there, despite deadline to sever ties this month

By Ian Talley

FROM TOP: KCNA/REUTERS; JIWEI HAN/ZUMA PRESS

North Korean leader Kim Jong Un, above center, inspects a potato-flour factory. Below, North Korean cigarettes in Dandong, China

Global businesses faced a deadline this month to exit joint ventures operating in North Korea.

But dozens of them are still there, experts say, operating under opaque structures that help conceal their links to North Korea, providing the country with significant revenue and diluting the effects of financial sanctions against leader Kim Jong Un's regime.

"North Korea's economy continues to operate despite being increasingly isolated by the tightening international sanctions campaign," said Ben Davis, a former U.S. Treasury official who heads research at Kharon, a technology firm that identifies sanctions-related risks for companies.

In recent months, the United Nations Security Council and the U.S. have ramped up penalties against North Korea, including new bans on joint ventures to deter Mr. Kim's nuclear-weapons program. But the rules have proved to be porous.

U.N. and U.S. officials have yet to declare any company to be in violation of the joint-venture-ban. But officials are particularly alarmed over the links that exist between North Korea and companies from China, Malaysia, Singapore, Hong Kong and other countries that maintain commercial ties with the nation.

Some of the ventures appear to be enormously lucrative to North Korea. For example, U.S. government reports show North Korea commands a significant portion of an illicit international cigarette trade valued at billions of dollars per year.

U.S. officials and a high-level North Korean defector with direct knowledge of Mr. Kim's financing operations say most profits go directly into Pyongyang's coffers. That cash, these people say, is used to fund the military, the country's nuclear-weapons programs and the luxury goods provided to the political and military elite.

The U.S. Treasury says it doesn't comment on investigations, including to confirm whether one exists. But officials have said Treasury aggressively targets North Korea's efforts to evade sanctions.

The U.N. press office referred questions to the U.N. Security Council presidency, which referred queries to the U.N. sanctions committee for North Korea, which didn't respond to requests for comment.

One major company still involved in North Korean joint ventures is Egypt's **Orascom Telecom** Media and Technology.

In its financial statements for the six-month period ending in June, the company reported a 75% ownership stake in a mobile-phone joint venture with North Korea's Postal and Telecommunications Co. It also lists a stake in a North Korean lender called Orabank it had previously said it had liquidated. Orascom recorded net assets from the mobile-phone venture of $1.2 billion, and said it received dividends from it valued at $15 million in 2016 and around $39 million in the first two months of 2017.

It is unclear if Orascom is violating any sanctions regime. The U.N. ban allow companies to seek waivers from the international body and provides an exception for "non-commercial public utility infrastructure projects not generating profit."

Orascom Chairman Naguib Sawiris recently told The Wall Street Journal that the company is compliant with all U.N. resolutions and has no plans to leave North Korea.

An Orascom spokeswoman said the firm provides "an important service" to North Koreans. "We believe allowing [a] population to communicate is a good thing," Mr. Sawiris said.

Egypt's embassy in Washington declined to comment about Orascom.

North Korea's global links underscore the difficulty the U.N. faces as the organization tries to get member countries to enforce compliance with the sanctions. Scores of member countries haven't filed the required implementation reports.

Pyongyang's global corporate ties also represent a potential liability to financial institutions looking to avoid penalties for activities linked to the regime. Kharon warns that other North Korea joint ventures may be hard to spot, a risk for financial institutions and investors.

"Identifying undisclosed North Korea interests is a mounting challenge for commercial institutions," Mr. Davis said.

—Jake Maxwell Watts, Timothy Martin and Maew Wilawan contributed to this article.

Philippine Regulator Shutters News Site

By Jake Maxwell Watts

MANILA, Philippines—The country's securities regulator shut a popular news website that has been critical of the government of President Rodrigo Duterte, a move the company called harassment.

The Securities and Exchange Commission on Monday said it had found **Rappler** Inc. liable for violating constitutional requirements on foreign-ownership limits and revoked the company's certificate of incorporation.

The case against Rappler has been contentious in the Philippines, where Mr. Duterte and his supporters have bashed mainstream media companies he says have unfairly covered a bloody war on drugs that has killed thousands of people in the past year and a half.

Rappler said the SEC's actions were "pure and simple harassment, the seeming coup de grace to the relentless and malicious attacks against us since 2016." The company said it had been consistently transparent and complied with SEC regulations. Rappler said it would contest the SEC's ruling.

The government said it respected the SEC's decision and that Rappler was free to exhaust "all available legal remedies" in contesting the regulator's actions.

The six-year-old news company, founded by local media executive Maria Ressa and others, had achieved unusual success with its online news offerings in the Philippines and Indonesia, geared toward a young, social-media-savvy readership. Since Mr. Duterte was elected in 2016, the publication has come under attack by pro-government bloggers, on social media and by Mr. Duterte.

SOUTH KOREA UNIFICATION MINISTRY/ASSOCIATED PRESS

Hyon Song Wol, left, at Monday's talks, leads a Western-style group known for odes to the ruling family.

Pop Star Makes Odd Cameo—As a Delegate for Pyongyang

By Andrew Jeong And Jonathan Cheng

SEOUL—When North Korea's delegation filed into talks on Monday to discuss Pyongyang's participation in the Winter Olympics, one figure stood out: the reclusive state's best-known female pop star.

The singer, leader of a Western-style girl group known for its up-tempo odes to the ruling Kim family, joined four other dour-looking officials from the North as they negotiated with their South Korean counterparts over whether to allow a North Korean orchestra to perform in Seoul during the Winter Games.

Monday's meeting continued a rapprochement between the Koreas that began with a New Year's address by Kim Jong Un in which he said the North would be willing to send a delegation to the Olympics. The South quickly proposed talks, and the two sides held face-to-face discussions on the border last week for the first time in more than two years. Both sides are set to meet again Wednesday for further talks, Seoul officials said.

Even by the unpredictable standards of the inter-Korean relationship—which has featured oddities such as South Korea's blaring of pop music across the demilitarized zone, to take one example—Hyon Song Wol's appearance on Monday was one of the stranger twists. Her Moranbong Band performs pop songs, complete with scorching guitar solos and drum riffs, in matching short skirts to auditoriums packed with fans.

Moranbong Band performs for almost an exclusively domestic audience, touring the country in support of the latest economic directives from Pyongyang and celebrating missile launches before audiences of soldiers. Its performances have been standard fare on North Korean state television since Mr. Kim came to power in late 2011.

North Korea requested Hyon Song Wol's presence at the talks with Seoul.

Ms. Hyon's presence at the talks, seated immediately to the right of the leader of Pyongyang's five-member delegation, was the result of a specific request by North Korea, which informed South Korean officials on Sunday that it would send the pop star instead of another delegate.

The move came with another North Korean demand: that the two sides prioritize discussion of the North's plan to dispatch what it called an "art troupe" as part of its delegation to the Winter Olympics in the South Korean ski resort of Pyeongchang in February.

Late Monday, South Korea's Ministry of Unification said negotiators had agreed for North Korea to send a 140-member orchestra to the South for the Games, marking a propaganda victory for Pyongyang and easing the way for more cooperation.

The Samjiyon Orchestra, a woodwind and brass group that has been supplemented by electric guitars in past performances, will play in Seoul and in Gangneung, a city that will host ice events during the Winter Olympics, the ministry said.

Some North Korea watchers in Seoul cautioned against attaching too much meaning to her attendance at Monday's meeting.

But the prominence of North Korea's pop music in the inter-Korean discussion underscores the importance of propaganda in upholding the leadership of Mr. Kim, the third-generation ruler of North Korea, some analysts said.

WORLD NEWS

CHINA TRANSPORT MINISTRY/EPA/SHUTTERSTOCK

Leak Is Feared After Oil Tanker Sinks

BEIJING—The sinking of an Iranian tanker in the East China Sea left cleanup crews battling to contain environmental damage on two fronts—an oil slick on the surface and the light crude and engine oil carried toward the seafloor.

The 899-foot Sanchi, pictured at left on Saturday, exploded and sank on Sunday after burning for nine days following a collision with a cargo ship, according to Chinese and Iranian state media.

None of the 32 crew members aboard the Sanchi are believed to have survived.

By Monday morning, the thick plume of smoke that had marked the Sanchi's location 300 miles southeast of Shanghai had dissipated, but the ship left behind an oil slick roughly 10 miles long and up to four miles wide, Chinese state broadcaster China Central Television reported.

Less clear, according to the environmental group Greenpeace and other experts, was how much of the Sanchi's cargo of roughly one million barrels of ultralight crude had burned off and how much was leaking from the sinking vessel.

The ultralight crude, known as condensate, is highly flammable, mixes readily with water and is toxic to marine life. CCTV said the accident marked the first time such a large quantity of condensate had spilled and caught fire on the ocean's surface.

With the tanker now submerged, a concern is that it might continue to slowly leak fuel, "creating a longer-term damaging impact on the environment," said Wang Jing of the China Biodiversity Conservation and Green Development Foundation, a local green group.

The environmental cleanup effort was a priority for the Chinese government, foreign ministry spokesman Lu Kang told a daily news briefing Monday. "No one wants to see a large-scale secondary disaster," Mr. Lu said.

He said an investigation into the cause of the collision was under way.

—Josh Chin and Te-Ping Chen

FROM PAGE ONE

IPO

Continued from Page One

though that could change depending on the size of the company when it launches on the New York Stock Exchange and the success of the deal, according to people familiar with the matter.

That is a sharp drop from the fees generated by Snap Inc., the last big technology company to go public in the U.S. When the messaging provider went public last year, its valuation was about the same as Spotify's currently, but it paid banks a total of nearly $100 million. That was roughly 2.5% of what Snap raised, a fairly typical fee for a marquee IPO, which is smaller than the overall average of as much as 7%.

Spotify's bargain-basement listing comes at the worst possible time for an underwriting business that has been hit by a steep drop in IPO volume as more tech companies seek private financing instead. Last year and 2016 were two of the worst years on record for U.S. equity-capital-markets revenue when adjusted for inflation, according to Dealogic. In 2017, ECM, a broad measure that includes initial stock offerings and follow-on ones, generated just $7.3 billion in the U.S., roughly 43% of the inflation-adjusted high of 2000.

ECM fees from U.S. companies have traditionally accounted for about one-quarter of overall U.S. investment-banking revenue. In 2016 and 2017, they made up just 13% and 15%, respectively, Dealogic data show.

Spotify's debut is expected to be the largest for a tech company in 2018. But the way in which the Swedish company's owners have decided to move into the public domain is anything but typical. The cash-rich company won't be raising cash in the direct listing. Instead, it will simply float its shares at a price the market determines.

The listing is expected to take place in late March or early April, though the timing could change.

Bankers worry that if this method of going public proves viable, other highly valuable tech startups Wall Street has been salivating over—such as Airbnb Inc. and even Uber Technologies Inc.—could use it as a model.

"If a company can raise the majority of its growth equity capital privately and float their shares in a broker-free offering, it would be scary for the underwriting business," said Michael Sobel, co-founder of Scenic Advisement, an investment bank serving private tech companies. "The IPO is a cornerstone of the banking business."

While Spotify and its advisers are still determining how exactly the process will work, the banks are expected to have a role in helping guide the market to a price and connecting buyers and sellers initially, but not necessarily a central role, people familiar with the matter said.

A suggested price range is expected to be relayed to the market before trading starts. One data point will be secondary trading in Spotify shares, among the most active on private markets. They were recently trading at a price valuing the company at roughly $15 billion; it then struck a share swap with Chinese internet giant Tencent Holdings Ltd. that valued Spotify at nearly $20 billion.

Unlike a traditional IPO, in which companies typically don't give guidance and financial models directly to investors, Spotify plans to provide them both to help set the pricing. Bankers then will put together information indicating demand at various price points based on conversations with potential and existing investors.

But the banks won't be able to choose which buyers receive which portion of the company's shares—a key function in a typical listing. On the upside, the banks won't be forced to put their capital at risk as they do in a typical IPO.

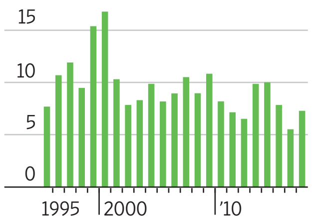
That will prove little solace to the legion of banks that will miss out on the Spotify listing altogether. Companies doing large IPOs typically employ more than just three underwriters as they seek additional help selling shares and the widest possible research coverage. Snap employed seven key bookrunners; Alibaba Group Holding Ltd. six; and Facebook Inc. nine, according to Dealogic. Those IPOs also employed more than a dozen additional banks as co-managers.

It is far from guaranteed other private companies will follow Spotify's lead, even if the listing goes well. Not every company can do without the cash or generate enough interest from analysts and investors on its own.

"Most houses have to be sold by real-estate agents and the same is true of stocks," said George Parker, professor of finance emeritus at Stanford University's Graduate School of Business. "Most companies are not as well known as Spotify and need their story to be told."

Fee Fall

Fees for equity-capital-markets activity have been falling. Spotify threatens to further hurt the historically lucrative IPO business.



*Adjusted for inflation
Source: Dealogic

Bankers' fees on the top U.S.-listed tech/internet IPOs, in millions

Date	Company name	
Sept. 18, 2014	Alibaba Group	$300
May 17, 2012	Facebook	176
March 27, 2001	Agere Systems	161
March 12, 2000	Infineon Technologies	152
July 26, 2000	Tycom	112
March 1, 2017	Snap	98
Oct. 14, 2015	First Data	92
Nov. 17, 1999	Agilent	92
Oct. 6, 2009	Verisk Analytics	86
Nov. 6, 2013	Twitter	68

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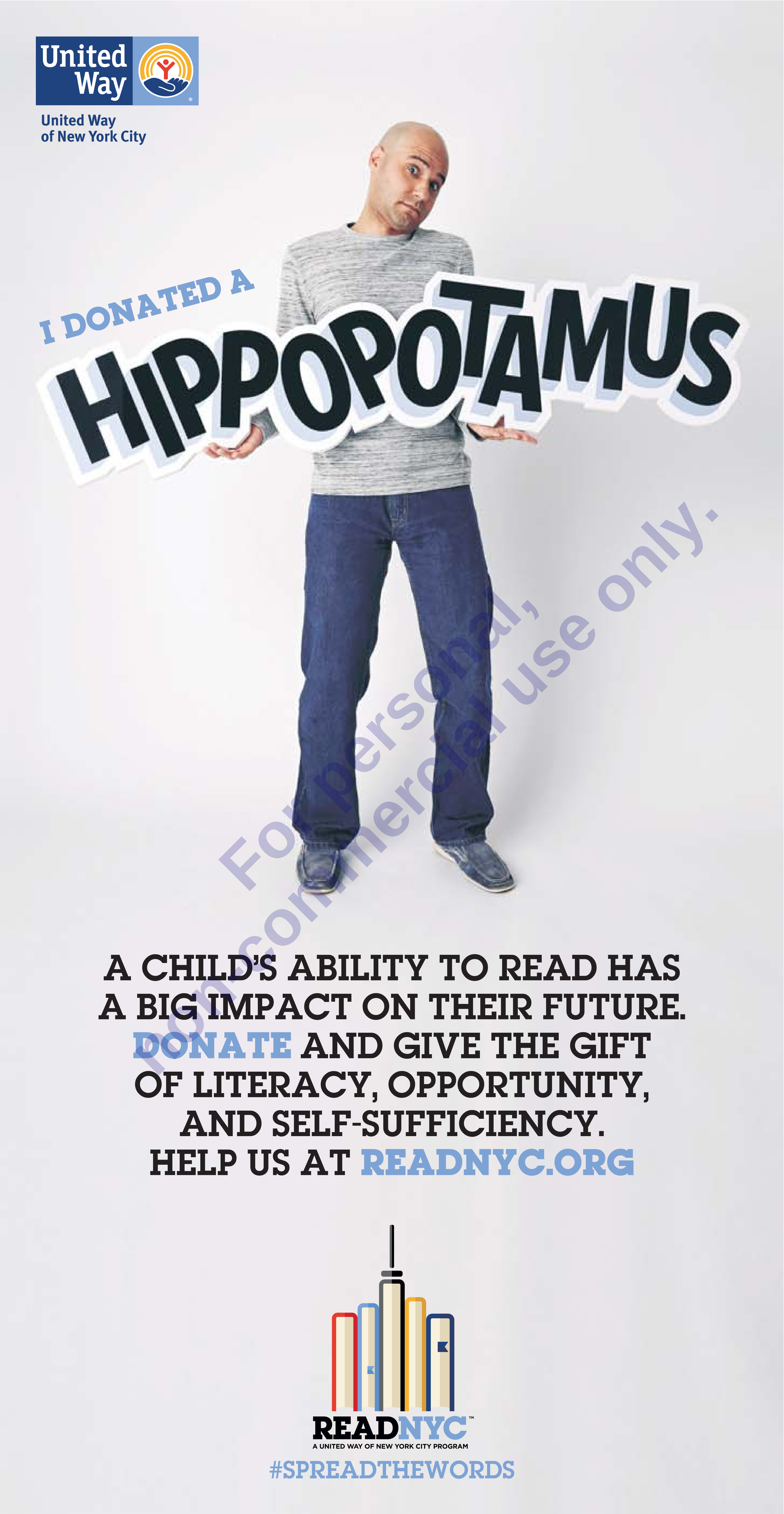
United Way
United Way of New York City
I DONATED A
HIPPOPOTAMUS
A CHILD'S ABILITY TO READ HAS A BIG IMPACT ON THEIR FUTURE. DONATE AND GIVE THE GIFT OF LITERACY, OPPORTUNITY, AND SELF-SUFFICIENCY. HELP US AT READNYC.ORG
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Afghan Official Tests Ghani's Rule

Atta's determination to stay in office could open battlefront in America's longest war

By Ehsanullah Amiri And Craig Nelson

MAZAR-E-SHARIF, Afghanistan—Atta Mohammad Noor, the ousted governor of Afghanistan's northern Balkh province, is daring President Ashraf Ghani to come after him.

Last month, Mr. Ghani shocked Mr. Atta—and the rest of Afghanistan—by accepting an undated resignation letter the governor had submitted 18 months earlier, at the start of negotiations over a new coalition government. But Mr. Atta, a former mujahedeen commander who fought against the Soviet army in the 1980s and the Taliban government a decade later, hasn't budged.

While his Ghani-appointed successor is working out of an office 260 miles down the road in the capital Kabul, Mr. Atta shuttles among the opulently appointed offices and palaces that make up the political and business mini-empire he has built in Balkh during his 13-year tenure as governor.

The Afghan president's standoff with the 54-year-old ethnic Tajik and a leader of the Jamiat-e-Islami party has become a test of his resolve to end the power of the country's warlords, regional chieftains and local potentates, and build a functioning Afghan state.

It also has raised the prospect of a new battlefront in America's longest war, one that could snarl the Trump administration's stepped-up involvement in the campaign against the Taliban and the local affiliate of Islamic State, as well as complicate its efforts to build an Afghan military that can stand on its own.

"It's no longer an issue between two people, or who is or isn't going to lose face if they back down. It's now an issue of political survival—for Jamiat, for Ghani's government, for Ghani himself," said Haroon Mir, a political analyst and cofounder of the Center for Research and Policy Studies in Kabul.

No one is certain how long the impasse will last, or how it will end. Among Mr. Atta's 11 demands are that Mr. Ghani restore him officially to the governor's seat and form a commission within a month to amend the constitution.

Representatives of the two men met over the weekend in Kabul for more talks to "solve the issue with patience," a senior government official said. An aide to Mr. Atta said the two sides "weren't even close" to an agreement.

In a sign of how high tensions are running, Mr. Ghani asked senior security officials at a separate meeting over the weekend for their support for a military operation to remove Mr. Atta from the governor's palace if negotiations failed. The army's chief of staff, a Tajik, walked out of the meeting in protest, an Afghan lawmaker familiar with the meeting said. A senior aide to Mr. Ghani denied the account.

Gen. John Nicholson, the commander of the American-led international military force in Afghanistan, said Monday the stakes in the standoff were high. "If this is sorted out, this is a big win because it shows that political differences can be resolved nonviolently," Gen. Nicholson said during a visit to a base in Helmand province.

The ousted governor's defiance challenges the president's resolve to consolidate power.

Racing through the provincial capital Mazar-e-Sharif last week, Mr. Atta's armored convoy passed billboards depicting variations on a theme—him. Atta, the military commander. Atta, the captain of industry. Atta, the coalition-builder.

Awaiting Mr. Atta at one of his mansions were hundreds of tribal elders, university students and other petitioners seeking his help for everything from a job promotion and money to repair a mosque to settling a land feud. "They love me," Mr. Atta proclaimed.

Mr. Ghani has the right as president to appoint and replace any of the country's 34 provincial governors. Still, Balkh is one of Afghanistan's most stable and prosperous provinces and Mazar-e-Sharif is its fourth-largest city.

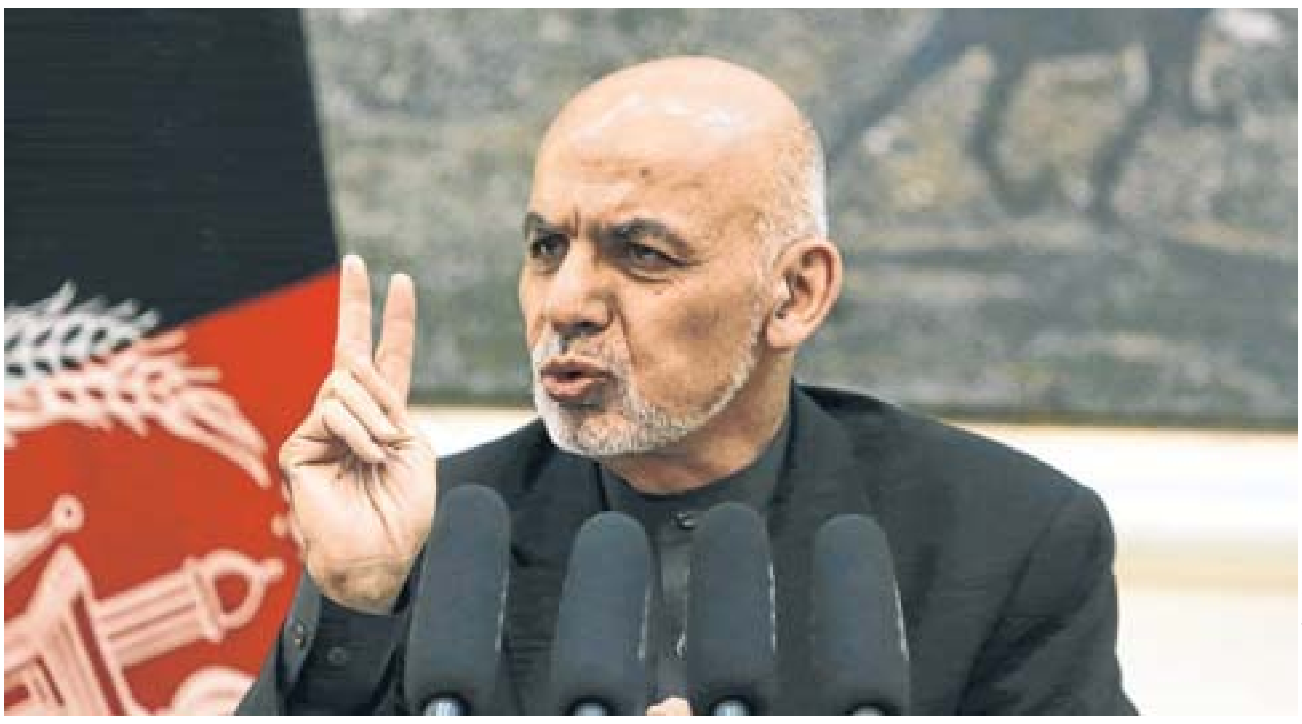
That means, said Ahmad Idrees Rahmani, a political analyst who has worked with both men, that the danger of miscalculation is high. "There's no one in the presidential palace or in Mazar who understands how much political muscle the other side has. Atta is surrounded by former mujahedeen and kids, Ghani by academics and former directors of NGOs," Mr. Rahmani said.

For Mr. Ghani, however, the impasse may be an irresistible opportunity to deal a blow to what he has denounced as Afghanistan's "islands of power"—the regional chieftains in many parts of the country, analysts and longtime political observers said.

Afghan officials and diplomats in frequent contact with Mr. Ghani describe him as a man with a messianic streak, yet one whose ambition is imperiled by an uphill struggle to win another five-year term in elections scheduled next year.

Emboldened by President Donald Trump's announcement in August that the U.S. would continue America's military, economic and political support to Afghanistan, Mr. Ghani views a military strike to dislodge Mr. Atta as a viable option, said Antonio Giustozzi, senior research associate at the Center for Research and Policy Analysis in Kabul.

A military move, however, carries grave risks for Washington and Mr. Ghani, who is a Pashtun, the country's largest ethnic group. Some 40% of the Afghan military is ethnic Tajik from northeastern Afghanistan. Mr. Giustozzi said they might to sit out the fight or even join it, which could lead to wider bloodshed.



RAHMAT GUL/ASSOCIATED PRESS

Afghan President Ashraf Ghani sees the standoff as a chance to deal a blow to the regional chieftains who hold sway across the country.

Sadat Kin Pulls Out Of Egypt's Election

By Jared Malsin

CAIRO—Former lawmaker Mohamed Anwar Sadat said he wouldn't run for president in March, drawing further scrutiny to an election many say is stacked in favor of the state-backed incumbent.

His exit from the race eliminates one of the last serious contenders in a presidential election in which other would-be challengers to President Abdel Fattah Al Sisi have been jailed and put on trial.

Mr. Sadat, whose uncle, former President Anwar Sadat, was assassinated in 1981, said the political climate today was "nonconducive of the possibility of honest competition.

"I preferred not to be a token candidate or part of a play unless there are clear grounds and guarantees for the integrity and impartiality of state institutions," Mr. Sadat said.

Had he run, Mr. Sadat would have had little chance of defeating Mr. Sisi, a strongman who enjoys the support of Egypt's vast security state. But as a former member of parliament and the heir to one of the country's most potent political families, Mr. Sadat's campaign could have posed uncomfortable questions about Mr. Sisi's rule.

On the night before his announcement, Mr. Sadat said he was conferring with his team to decide whether it was safe to proceed.

"It's not a matter of running if you don't feel safe and secure, not only for myself but for my campaign members and volunteers," he said by phone on Sunday evening.

The regime has shown little tolerance for political challenges. Mr. Sisi is the former commander of the armed forces who led the 2013 military coup that deposed Islamist President Mohammed Morsi.

Attacks on Russian Bases in Syria Expose Security Flaws

By Thomas Grove

MOSCOW—A wave of attacks on Russian bases in Syria, including the use of drones, has exposed fresh weaknesses in President Vladimir Putin's efforts to cement a permanent military presence for Moscow there, weeks after he declared victory.

Russian military experts said homemade drones were responsible for three attacks since New Year's Eve on the country's main military base and a naval station in Syria. The attacks reveal a new threat to Moscow's forces from insurgent rebel groups opposed to Syrian President Bashar al-Assad, even after their broad defeat by Russia and its allies on the battlefield.

"The Russian military's lack of preparedness here is an issue," said Ruslan Pukhov, director of the Moscow-based defense think tank CAST. "Russian weapons are tailored for large land wars, these drones can't be seen on radar and the infrared footprint is close to zero."

Russian officials have suggested the U.S. or its allies may have had a role in the drone attacks on the bases. Mr. Putin said drones captured in the course of the attacks revealed highly sophisticated technological elements that were acquired and passed to the rebels from abroad.

The Pentagon has said it played no role in the drone attacks.

A person close to Russia's Defense Ministry said the accusations have largely served to deflect attention away from Russia's own failure to protect its main Syrian base at Hmeimim.

The base was hit by a number of drones on New Year's Eve, killing two service people, injuring 10 and damaging at least six planes, the person said. The attack was allegedly the first to penetrate the base's formidable defenses, including Pantsir and S-400 surface-to-air missiles.

The Defense Ministry disputed the claim, saying there was no damage to aircraft and the New Year's Eve attack was caused by mortar shelling.

Drones again attacked the Hmeimim base, as well as a naval service base on the Mediterranean coast at Tartus, on the night of Jan. 5-6.

"Attacks like this will continue from the terrorists," said Denis Fedutinov, the editor of a prominent Russian drone-technology publication.

Russian authorities said this month's drone attacks were launched from Idlib, where Turkey is responsible for guaranteeing a de-escalation zone. Russian analyst Ivan Konovalov, who has links to the military, said Friday that Russian authorities believed Ahrar al-Sham, an Islamist rebel group, could be responsible for the attacks, though the group has denied it.

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KIRILL KUDRYAVTSEV/AGENCE FRANCE-PRESSE/GETTY IMAGES

In Moscow, an officer photographs drones allegedly used in attacks on Russian bases in Syria.

METAL

Continued from Page One

headlights. We all need to get off our asses and work together," said Mark Cutifani, chief executive of Anglo American PLC, majority-owner of Anglo American Platinum Ltd., the world's No. 1 producer. "What De Beers did for diamonds, we've got to do the same in platinum."

De Beers' "A Diamond Is Forever" ad campaign, which began soon after the return of U.S. troops from World War II, helped forge a long-running consumer market—based on the notions of love, romance and prestige—for diamond engagement rings and other jewelry. The diamond jewelry market is now valued at $80 billion a year world-wide.

Anglo American Platinum says it is investing $50 million to $70 million a year on market development, with the majority dedicated to developing the platinum jewelry market in Asia.

"The biggest potential is obviously China and then India, with the youth of the population and rapid urbanization," said Huw Daniel, chief executive of Platinum Guild International, the jewelry-marketing organization funded by South Africa's top platinum producers and refiners.

Past marketing campaigns in Japan and the U.S. cast platinum as more valuable than gold. The focus in Asia is reaching a wider, more youthful market for platinum, a metal with an appearance similar to silver or white gold but which never tarnishes or yellows.

In India, Platinum Guild International, or PGI, has trained thousands of salespeople to persuade consumers to switch from gold to platinum. Platinum rings, bracelets and earrings jostle for space in jewelry store windows in tony districts of Mumbai and New Delhi. Bollywood movie stars, famous cricketers and tennis players flaunt their platinum bands and necklaces.

"Gold seems to be outdated and old-fashioned, so we decided on going ahead with platinum rings," said Palaash Tiwari, of Mumbai, who married his wife last year. "People in India have a mind-set of wearing gold rings. Platinum looks different. It will always stand out."

Indian market

Demand in India has grown from essentially zero at the turn of the century to an estimated 190,000 ounces this year. India is now the world's fastest-growing market for platinum jewelry, behind only China, Japan and the U.S. in overall sales.

"They are manufacturing demand. It is something that you have to continue to nurture," said Ian Woodley, an analyst at Old Mutual Equities in Cape Town. Without marketing, he said, demand would likely wither and die.

The platinum industry fears losing business to the spread of electric cars. The metal's biggest use is in catalytic converters, which scrub diesel and gas emissions from internal-combustion engines. Electric cars don't need them.

Producers recognize that it will take a lot of jewelry sales to make up for the potential loss. Platinum used in catalytic converters accounts for 3.2 million ounces of the metal a year, more than 40% of global demand.

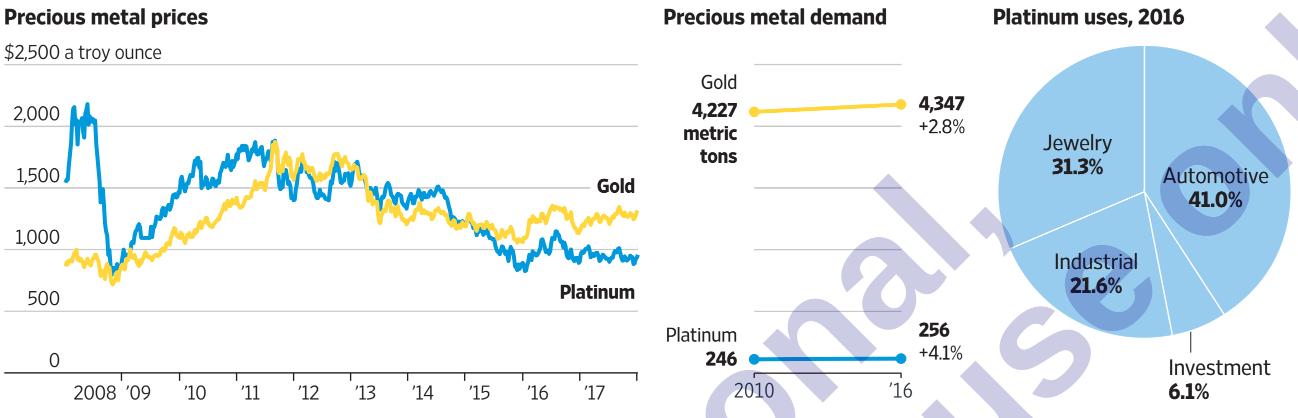
By comparison, about 2.3 million ounces of platinum a year are used in jewelry, according to Johnson Matthey PLC, a London-based metals trader and one of the world's largest makers of catalytic converters.

DHIRAJ SINGH/BLOOMBERG NEWS

Inside a store in Pune, India. An industry group trains salespeople in India to lure shoppers for gold jewelry to platinum instead.

All That Glitters

Miners of platinum, which is rarer and used to be more expensive than gold, hope to increase jewelry sales in Asia with aggressive advertising.



Sources: FactSet (prices); Johnson Matthey (platinum demand); World Gold Council; The World Platinum Investment Council (platinum uses)

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Auto makers world-wide are placing large bets on electric cars to meet environmental standards in the U.S., Europe and China. Volvo announced in July that all new models will have an electric or hybrid motor by 2019. Volkswagen AG, BMW AG and Daimler AG have made other similar commitments.

Platinum producers see themselves in a race against time, with profits and jobs at stake. More than 100,000 miners toil daily in shafts around the South African city of Rustenburg, known as the platinum capital of the world.

"They start to close shafts, then we all lose our jobs," said Salomao Mucuai, a miner who has worked three decades below ground.

Platinum is said to have been first used successfully in jewelry during the mid-to-late 1800s by Société Cartier, the French jeweler, to showcase diamonds. During World War II, the metal was made a strategic resource.

In 1975, the platinum marketing organization PGI launched ad campaigns in Japan. The country's economic doldrums at the start of the 1990s led PGI to shift focus to the U.S.—now the third-largest market—and China, the world's largest platinum jewelry market since 2000.

The campaign expanded to India, a nation of 1.3 billion people rich in market potential and challenges: Indians bought 153 times more gold than platinum in 2016, according to consulting firm Metals Focus Ltd. in London.

Gold, a cornerstone of India's culture, is used in religious ceremonies as well as for gifts and to store wealth. Traditionally, it is given to brides as a portable savings account. Many Indians don't have banks accounts and, given inflation, gold can be a better store of wealth than cash.

Gift occasions

Gold is so ingrained in India's society that PGI set out to invent gift-giving occasions associated with platinum.

The trade group began testing the market in 2001, persuading two of the largest De Beers-authorized purchasers of bulk diamonds to manufacture platinum pieces to use as diamond settings for the Indian market.

It wasn't easy trying to penetrate a consumer market with a precious metal that few buyers knew of and sold for about three times the price of similar-looking white gold.

Manufacturing platinum jewelry is more complex than gold because of platinum's hardness and high melting point. The margins, though, are higher, around 25% compared with about 6% for gold, according to PGI. Unlike platinum, gold in India is treated largely as a commodity, with consumers reluctant to pay much more by weight for finished jewelry.

At first, only a handful of jewelers were lured by the PGI's pitch—platinum's rarity and durability, plus its profitability.

"People thought we were idiots," said Vijay Jain, chief executive of Orra Jewellery, a high-end Indian retail chain for Antwerp, Belgium-based De Beers sightholder Rosy Blue NV. "But it's worked brilliantly for us."

In 2006, PGI and Orra rolled out platinum jewelry in the city of Chennai, on the Bay of Bengal. Platinum sales increased to 4% from 1% among PGI's target consumer group between 2006 and 2009, the group said.

PGI had its first national campaign success in 2009: the "Platinum Day of Love," which commemorates the day a couple falls in love with the exchange of platinum rings. The promotion targets young, well-to-do Indians, including those in arranged marriages, which account for about 90% of unions in India.

It was "literally a created occasion," said Vaishali Banerjee, PGI's India manager, standing in a jewelry emporium in Chennai beside sets of platinum rings and bridal jewelry. "It was all about finding love in an arranged marriage."

Platinum has also caught on as a status symbol. Pankaj Prasoon, a 55-year old Mumbai-based investment adviser, became a platinum buyer after purchasing rings for himself and his wife around 2010.

"I like platinum for its rarity," Mr. Prasoon said. "In India, normally people wear the gold jewelry. Platinum is very distinctive."

Upasana Mehta, a 36-year-old school administrator, said she bought platinum jewelry for two of her siblings when they got married.

"It was my sister who had told us that she wanted platinum rather than gold rings for her wedding," said Ms. Mehta, of New Delhi. "Obviously, we could not displease my other sister by buying something else for her wedding."

PGI launched another platinum gift-giving occasion in 2015: "Evara Platinum Blessings." It called for a bride's parents to give her a set of platinum jewelry and a matching chain for the groom. It was successful enough to boost the volume of platinum sold in India: The heavier Evara jewelry sets use more platinum than Day of Love rings.

In 2015, PGI, which employs 55 people world-wide, relocated its head office from London to Hong Kong, to be closer to Asian markets. The following year, platinum sales in India took a hit from floods, a jewelry manufacturer strike and India's scrapping of high-denomination currency.

Still, more platinum jewelry is displayed at stores in India now along with hybrid pieces, such as bracelets interwoven with rose gold and platinum. At Orra Jewellery in Mumbai's upscale Malabar Hill neighborhood, a quarter of floor space is devoted to platinum.

"For weddings, we try to push them toward platinum, or if it's an engagement," said Ashok Rajpal, the store's general retail manager.

More electric cars means less demand for platinum to make catalytic converters.

PGI looks next to target young urban males, a fast-growing market for chains and bracelets seen as symbols of success.

"I know that gold has a better resale market in India than platinum, but I feel it is only because the awareness about platinum is relatively low," said Puneet Pandey, 28 years old. "Traditionally in India, jewelry retailers tend to make heavy ornaments, but the youth are moving away from that."

Executives at South Africa's cash-strapped platinum producers say their fates are tied to the buying habits of Mr. Pandey and other consumers thousands of miles away.

"If we have an industry that shuts down, we'll have huge social issues," said Neal Froneman, chief executive of Johannesburg-based Sibanye Gold Ltd., the world's second-largest platinum producer.

—Biman Mukherji and Nthabiseng Gamede contributed to this article.

ALEXANDRA WEXLER/THE WALL STREET JOURNAL

Necklaces and other platinum jewelry items are prominently displayed in a shop in Chennai, India.

BABY

Continued from Page One

women, who drive purchasing decisions, said Anya Cohen, an analyst at market-research firm IBISWorld. "Think prams and floral-print diaper bags," she said.

A few years ago, mainstream companies saw an untapped market—men. New men. Modern men. Men who wipe babies' butts. Men who definitely don't want floral prints.

"Everything I saw was quite mumsy," said Mr. Haslam.

Diaper bags popped up in sleek designs and neutral colors. Strollers gained hydraulics. Baby monitors boasted motion sensors.

For some men, these were baby steps. So a handful of entrepreneurs went all out, taking a military turn.

Beav Brodie, founder of Tactical Baby Gear, says on his website that he wanted to serve "a market full of guys sick of diaper-bag emasculation."

"Ditch the girly diaper bag," reads the website of the South Carolina-based company, showing a scowling man running through a war zone with a stroller over his shoulder.

There are at least a half dozen companies specializing in military-style baby gear, many of which say their sales have doubled or tripled in the past year.

"It's like tactical gear we use, and that's why I love it," said Otto Niesluchowski, 29, an Army platoon sergeant stationed at Fort Hood in Texas.

"Baby carriers don't have to be just a mom thing," said Sgt. Niesluchowski, who holds his 18-month-old son in a Mission Critical-brand baby carrier in the color coyote. "Dads can do it too."

Many carriers have webbing called molle—an acronym for Modular Lightweight Load-carrying Equipment—used in military gear. Dads can attach different accessories, such as Tactical Baby Gear's "dump pouch." The gun-range version of the pouch is meant to hold used ammunition. The baby version holds a different sort of dump.

Craig Risoli, who founded the company HighSpeedDaddy in 2016, makes a camouflage baby blanket, called a woobie, modeled after an Army poncho liner. Of the military version: "It's 140 degrees in Iraq, we use it," said Mr. Risoli, 36, also a squad leader in the New Jersey National Guard. "It's five degrees below zero, we use it."

His children, ages 2 and 4, use his version of the woobie to build forts and snuggle on the couch while watching the cartoon "Peppa Pig."

One video about the Mission Critical carrier shows a moviestar-handsome dad walking through a playground with a baby in what looks like a tactical vest. In the video, which has been viewed more than 10 million times, women gape at the dad, who suavely flips a baby bottle into his military-style drink holder.

The video, posted by parenting website Fatherly, notes that with this carrier "you can look like a badass while strolling through Pottery Barn," and that "nothing says this dad can handle colic like an army-issued tactical kit."

The gear brings out what for some men is an unusual feeling. "I'd never looked at a baby carrier or stroller or car seat and thought, 'Oh, I want that,'" said Charlie Curtis, 31, who owns both a CrossFit gym and a baby carrier that "looks like a weight vest" in Los Angeles.

Lincoln Carson, 48, takes his daughter for walks around Los Angeles in a Mission Critical baby carrier. "There is a certain tongue-in-cheek to it," he said. "It's kind of funny because it's so masculine."

His four-month-old—"the final judge"—likes it better than other carriers, said Mr. Carson, a pastry chef. "She was really happy and burbling walking around this morning."

"I would like to think that the carrier transcends geopolitical debate," he added. "It's just a baby carrier."

BRANDON EVANS

Brandon Evans's baby carrier resembles an armored vest.

GREATER NEW YORK

Senator Urges Fixes at JFK

Schumer seeks federal probe into chaos at New York airport after blizzard this month

By Leslie Brody

U.S. Sen. Chuck Schumer of New York called Monday on the federal government to help prevent a repeat of the chaos at John F. Kennedy International Airport after a blizzard this month left many travelers stranded without their luggage.

In a letter to U.S. Secretary of Transportation Elaine Chao, Mr. Schumer asked the Transportation Department to use its leverage as a licensing agency for foreign carriers to prod them to develop more meaningful communication systems and contingency plans with companies that manage the airport's terminals and with the **Port Authority of New York & New Jersey**, which operates the airport.

"Passengers were left stranded, luggage was lost, and flights were diverted," Mr. Schumer, the Senate's Democratic leader, wrote. "It's my firm belief that part of the reason for that is that foreign airlines simply do not have the same level of cooperation, coordination, and communication with ground control operations."

A DOT spokesman said by email that the department hasn't received the senator's letter. "We look forward to receiving and reviewing the letter," he said.

The trouble started on Jan. 4, when the Port Authority suspended flights due to a blizzard. As delayed planes landed at JFK the following day, gates filled up, leaving none available to let passengers disembark. Some airlines sent aircraft back to their origins while most diverted to other airports. Some passengers spent hours on the aircraft after landing.

Confusion mounted as passengers lost their bags and many travelers were stranded. A water main break in Terminal 4 on Jan. 7 added to the problems. Thousands of bags were separated from their owners, but a Port Authority spokesman said that most were returned as of Friday.

Cheryl O'Brien, a 59-year-old traveler from Montebello, N.Y., who flew back that weekend from a Mexico beach vacation with her two grown children, said their three bags were missing for almost a week. Her pain medications were inside her luggage but she had saved some at home.

Ms. O'Brien said she called the airport and airline repeatedly to track down their bags, but employees kept saying the luggage was someone else's responsibility. "Everybody was shuffling it back and forth," she said. "It makes you feel like you are totally exposed and vulnerable when everything is at the mercy of strangers' whims."

'Passengers were left stranded, luggage was lost, and flights were diverted.'

She said they finally got the bags back Saturday night after an ordeal that lasted hours, driving back and forth to JFK in traffic. "It's so frustrating," she said.

The Port Authority retained former U.S. Secretary of Transportation Ray LaHood to lead an independent investigation into the problems at JFK that weekend, and recommend steps to prevent a recurrence.

"One of the specific issues we are asking him to look at is the needed improvement in the coordination between international airlines and the privately operated international terminals at JFK that is required to ensure the timely availability of gates to receive inbound international flights," Port Authority spokesman Steve Coleman said by email.

Mr. Schumer wrote in his letter to Ms. Chao that several factors led to the "chaos" including bad weather, operational mistakes and their cascading effects. His office declined to specify airlines at issue but said they used Terminal 1 and 4, which are used by many foreign carriers.

DOT issues certificates to those carriers operating in the U.S.

"It's my hope that you will utilize that leverage to ensure that foreign airlines work hand-in-glove with the Port Authority and terminal operators to develop a real and meaningful solution so that this situation never happens again," Mr. Schumer wrote.

Protesting Racism on MLK Day

AGENCE FRANCE-PRESSE/GETTY IMAGE

SPEAKING OUT: A woman shouts during a rally Monday in Times Square that was organized to denounce racism and vulgar remarks that President Donald Trump reportedly made about immigrants from Africa and Haiti. Mr. Trump has said the comments 'weren't made.'

JULIO CORTEZ/ASSOCIATED PRESS

Phil Murphy, who is slated to take the oath of office as governor of New Jersey Tuesday, leaves a prayer service in Newark Friday.

New Jersey's Next Governor Prepares To Take the Reins

By Kate King

New Jersey Democrats are gearing up to assume full control of the Statehouse but face a tight budget as they look to enact far-reaching policy changes.

On Tuesday, Phil Murphy is scheduled to take the oath of office to become governor, ending eight years of Republican control of the top office in the Garden State. Mr. Murphy, a former Goldman Sachs executive, hopes to implement his progressive agenda but must find a way to do that with limited financial resources.

Mr. Murphy, 60 years old, ran on a platform that included a promise for full funding of the state's public-pension system and public schools, as well as a plan to overhaul NJ Transit. He has said he would pay for these and other priorities by reinvigorating the state's languishing economy, passing a tax on New Jersey's millionaires and legalizing and taxing marijuana.

Ben Dworkin, director of the Rowan Institute for Public Policy and Citizenship at Rowan University in Glassboro, said it would be difficult for Mr. Murphy to implement his agenda given the state's budget constraints.

"A new administration wants to do something new, they need a new signature project to show how they're different," Mr. Dworkin said. "But even before they find the new money to do the new thing, they've got to fill the hole that's been left for them."

In December, Mr. Murphy sent a letter to departing Gov. Chris Christie expressing concern about "the potential for significant shortfalls" from several funding sources for the fiscal year that ends June 30, this fiscal year as well as the impact of the then-pending federal tax bill on New Jersey's budget. Mr. Christie disputed Mr. Murphy's numbers, saying the budget "continues to progress in good shape."

The new governor will also face an onslaught of requests from Democrats and others eager to advance priorities that were blocked or stalled by Mr. Christie. Mr. Murphy will have the advantage of working with a Democratic-controlled Legislature, but he hasn't previously held elected office and therefore hasn't experienced the push and pull that comes with policy-making.

Brigid Harrison, a professor of political science and law at Montclair State University in Montclair, said building relationships with legislative leaders, particularly Senate President Steve Sweeney, will be crucial.

Phil Murphy ran on a progressive platform that included a plan to fund pensions fully.

Mr. Sweeney "has the ability to make [Mr. Murphy's] time in office relatively easy or extremely difficult," Ms. Harrison said.

The Senate president said he expects the Legislature will work with Mr. Murphy to pass measures that have widespread support among Democrats, such as equal-pay legislation and paid family and sick-leave expansion. Lawmakers were unable to have these measures signed into law under Mr. Christie, who hasn't had any of his vetoes overridden by the Legislature during his two terms in office.

"There's a lot of low-hanging fruit for us," Mr. Sweeney said.

As Tax Changes Loom, Apartment Hunters Press Pause

By Josh Barbanel

Apartment shoppers in Manhattan are taking a pause after a federal tax overhaul removed some key incentives for homeownership, brokers say.

After four consecutive months of increases, the number of contracts signed in December declined both for new condo buildings and older co-ops and condos.

Overall the number of contracts signed in December, the month the tax overhaul was finalized, declined 12% from the same month in 2016, according to real-estate listing and data site **UrbanDigs.com**.

Brokers said it was too soon to tell whether the pullback is temporary or may be the beginning of a reassessment of the value of homeownership in light of higher after-tax ownership costs.

"I think it is all psychological," said Noah Rosenblatt, a broker and founder of Urban Digs. "Buyers are talking to their CPAs and figuring out their negotiating strategies. Everything has slowed down."

Mr. Rosenblatt said he wondered whether the sales slowdown might provide an opportunity for buyers to scoop up properties at low prices.

The tax overhaul, signed by President Donald Trump on Dec. 22, lowers tax rates, but limits the deduction for state and local taxes, including property taxes, to $10,000. It also caps deductions for interest to the first $750,000 of new mortgages.

The limitation on state and local tax deductions hits hardest in states like New York, New Jersey and Massachusetts, where state and local taxes—and the deductions for those taxes—are higher.

In Manhattan, the higher ownership costs might hit new condo developers, who could face more competition and buyers demanding price cuts .

In December, contracts signed on new-development units declined 11%, according to the UrbanDigs data.

Leonard Steinberg, president of real-estate brokerage Compass, said new condos typically have much higher taxes than older buildings in the same neighborhoods, under rules the city uses to value new construction.

"People will start to look a lot closer at the monthly costs of their tax bill," he said. "Recently, we have seen a really almost outrageously disproportionate tax burden placed upon new buildings."

The impact on buyers was underscored last week when the New York state attorney general ordered revisions to hundreds of condominium plans, to make sure they reflect changes in the federal tax code. All new plans and plans that are pending approval will need to be revised before they can move forward, under the guidance distributed to condominium lawyers on Thursday. Last year, more than 400 new plans were filed.

Older plans will have to include a disclaimer in future filings warning that the tax information disclosed in the plans may be inaccurate, the state said.

DREW ANGERER/GETTY IMAGES

Contracts on new-development units slipped in December.

ANRONG XU

At YO! Sushi, omakase (a Japanese term for a 'chef's choice' menu that emphasizes sushi) is served with the use of a conveyor belt.

Japanese Tasting Menus On a Roll

By Charles Passy

A Japanese restaurant in New York's Flatiron District is rolling out a new tasting menu, literally.

YO! Sushi, a dining spot where patrons are served via a conveyor belt, plans to offer the $35, eight-course affair once every quarter, starting on Valentine's Day. The idea is to tap into the current craze for omakase, a Japanese term for "chef's choice" that is used to denote multicourse menus that typically emphasize sushi.

But restaurants like YO! Sushi and several others in the city are trying to democratize omakase by offering it for a fraction of the traditional cost, which can top $200 a person.

And in YO! Sushi's case, the idea is also to wed two concepts into one. Conveyor-belt sushi restaurants, also known as kaiten-sushi restaurants, have been a fixture in Japan for more than a half-century.

YO! Sushi, which opened its Flatiron District location in March 2017, thus refers to its omakase as "kaiten-kase."

But conveyor-belt restaurants typically keep the offerings going nonstop, letting patrons pick what they want over the course of a meal—in short, the very opposite of the highly selective "chef's choice" omakase approach.

Scott Steenrod, managing director of YO! Sushi's U.S. operations, said YO! Sushi would change its serving methodology on omakase nights by running the conveyor belt until each guest received the course being offered, then stopping until the next course was ready to go.

Other restaurants are putting their own discount spin on omakase. Among them: Sushi on Jones, which charges $58 for its 12-course menu at its two locations, including one that opened about three months ago in Greenwich Village. Restaurants offering lower-cost tasting menus say they can do so without stinting on quality.

> 'Chef's choice' fare stresses sushi and is sometimes served via a conveyor belt.

While Sushi on Jones proprietor Derek Feldman said there may not be a significant profit on each meal, he makes up for it through volume. His omakase is served over 30 to 40 minutes—a far cry from the two-hours-or-longer tasting-menu norm.

Another approach is to offer an a la carte option in addition to a tasting menu. That is what O Ya, a Japanese-inspired restaurant in the Murray Hill neighborhood has started to do. While 60% of its customers still go the omakase route, Nancy Cushman, one of the owners, said the restaurant recognizes the need for giving customers some flexibility price-wise.

"We want to let people dine differently," said Ms. Cushman, who added that O Ya will also let diners customize an omakase meal for less than its standard $185 and $245 choices.

Still, a cheaper omakase may not sit well with all diners, said Stephen Zagor, a dean at the Institute of Culinary Education, which has a campus in New York. He said that omakase, by its very nature, implies something refined. "I'm looking for a true artistic expression of the chef," he said. Going the discount route, he added, is "like buying a Picasso for $49.99."

WATCH

NEW YORK

Councilman Explores Bid for Lt. Governor

New York City Councilman Jumaane Williams, a Brooklyn Democrat, wrote on Twitter Monday that he was forming a committee to explore the possibility of running for lieutenant governor of New York.

Mr. Williams, who served as deputy leader of the council during the 2014-2017 session, has advocated for affordable housing, antigun-violence measures, fair policing and other social-justice issues. He didn't respond to a request for comment Monday.

In New York, candidates run separately in the primary for the posts of governor and lieutenant governor; the winners run on the same ticket in the general election. New York state holds its gubernatorial election in November; the primary is in September.

Former U.S. Rep. Kathy Hochul, who is currently serving as the state's lieutenant governor, and Gov. Andrew Cuomo, both Democrats, are up for reelection this year. A spokeswoman for Mr. Cuomo didn't respond to a request for comment.

—*Leslie Brody*

NEW JERSEY

Man Charged in One Of Two Crashes

A man has been charged in one of two crashes over the weekend in which vehicles plunged into icy bodies of water, killing three people, the authorities said on Monday.

The Burlington County prosecutor's office said a car struck a parked vehicle in Burlington on Sunday and then went over the river wall into the Delaware River. The driver was able to escape, but the female passenger was killed.

Prosecutors said 24-year-old Jacob Garrett, of Burlington, has been charged with leaving the scene of a fatal accident, causing death while driving with a suspended license and endangering an injured victim.

It was unclear if he has an attorney.

On Saturday in Willingboro Township, a car went out of control and hit a minivan, which was propelled over a guardrail and down an embankment into a lake. Two people were killed.

No charged were immediately announced in that case.

—*Associated Press*

Fighting for a Loose Ball

SETH WENIG/ASSOCIATED PRESS

New York Knicks' Michael Beasley, left, and Brooklyn Nets' Rondae Hollis-Jefferson at Monday's game. Knicks won, 119-104.

TURNING POINTS | By Clare Ansberry

What Is the Perfect Age?

Researchers are studying when we feel our best and why—giving new relevance to the question of the ideal age

ARE YOUR BEST YEARS ahead of you or behind you?

The ideal age is a question that Jay Olshansky thinks about often. Dr. Olshansky, an epidemiologist, is researching ways to slow down the process of aging, by studying things like the genetics of long-lived individuals.

"If you had a pill that could stop biological aging in its tracks, when would you take it?" asks Dr. Olshansky, a professor at UIC School of Public Health in Chicago.

He asks his university students this question. Many think 30 is old, so they would take the pill in their 20s. He asked his father, then 95 years old. His father said 50 was the best year because the kids were grown and he was in good health. Dr. Olshanky, 63, says life is good now, but if he had to pick a perfect year, it would probably be 50, too, because that was before he started having little aches and pains.

Researchers like Dr. Olshansky are trying to understand the mysteries of longevity and at what ages we feel our best and why. They measure worry and stress levels at different times in our life and peak years for having fun, the hope being that if people reach satisfaction with life at a certain age, they might have advice for the rest of us. Such exploration in the world of science and health is putting a more concrete focus on the seemingly inscrutable question of the perfect age.

Some of their findings might surprise us. Many people in their 50s don't want to be 30. Seventy-year-olds are among the most satisfied, perhaps because they are also among the group seen as "time affluent." Less surprising is that no one, regardless of age, wants to look or feel old, which is why anti-aging creams that promise to remove wrinkles and eye bags sell so well.

But is there an age that is better than all the rest?

No, says Laura Carstensen, director of the Stanford Center on Longevity. "There are too many variables," she says. For some people, the perfect age is when opportunities are greatest, which would skew younger. For others, it's when life satisfaction is greatest, which skews older. Others say it's when they are at their physical peak or have the most friends—in their 20s or 30s.

It's easier, though also not without pitfalls, to determine the best age for specific things like getting married, for instance, because researchers can look at evidence such as divorce rates. One study says the best age to wed is between 28 and 32. If you want to have children, it's best to start before the age of 32, according to fertility data from the American College of Obstetricians and Gynecologists. Apparently, 36 is the age that women want to look, based on the photos they bring in, says New York City-based dermatologist Gervaise Gerstner. The optimum age for marathon performance is 27 for men and 29 for women, according to a study by Spanish researchers Plataforma SINC on ScienceDaily.com.

The perfect age at which to live is trickier. A 2013 survey by Allure magazine put it at 31, based on responses from 2,000 people, men and women ages 18 to 69, across the U.S. (More recently, Allure decided to stop using the term "anti-aging" in its coverage.) If people could live forever in good health at a particular age, it would be 50, according to a 2013 Harris Poll.

Gender and geography play a role: In the poll, men said the perfect age is 47, and women 53. In the Midwest, the perfect age is 50. In the East, it's 53 and the West it's 47.

Even the perfect age can age. Blair Welch, a 27-year-old certified public accountant in Washington, D.C., says each year gets better, in part because it's taking her further away from the unsettling early 20s. "I think your 20s are a very confusing and insecure time," she says.

Many people say it's not a number but a certain feeling or stage of life. When the children were little, say some. When the children were gone, say others.

Joe Cimperman, president of Global Cleveland, a non-profit economic development group, says the perfect age is the "exact time that you realize how absolutely short life is" and "how completely lucky you are." He realized that this year at the age of 47 after two dear friends died, one a father of seven who died in a car accident and the other, a mentor, who died from cancer.

Jennifer Barker of Pittsburgh, who has four children, turned 40 in September and thinks that is perfect. "You are old enough to realize what is important," she says, and young enough to look forward to future discoveries. At the same time, her 20-month-old is full of curiosity and joy and seems a perfect age, and her grandfather seemed the perfect age at 85 when he was in good health and told inspiring stories. "So the perfect age? I don't believe there is one," she says. "For me, my perfect age is my age now."

Seventy is good when it comes to psychological well-being and life satisfaction, according to Arthur Stone, a professor of psychology at the University of Southern California. In a 2015 study, Dr. Stone, along with researchers from Stony Brook University, Princeton University and University College London, found that worry follows us from ages 20 to 50. That is likely due to the expected anxieties during those years about money, job, and children.

Worries, along with stress, begin to diminish starting about age 50, and well-being climbs to about age 70, when people are less anxious but still healthy, he says. "People settle into who they are and accept and make the best of it," he says.

Dr. Stone says he often asks people in their late 50s and 60s if they would prefer to be in their 30s. Except for one person, a radio talk-show host, no one wanted to be younger again. "That was fascinating to me," he says. "People didn't want it. There was too much confusion and stuff going on."

Ken Dychtwald, founder and CEO of Age Wave, a California-based consulting firm specializing in aging-related issues, says he would love to have his body "in my 30s for 100 years but I don't want to be 30 again." At 30, he had not yet fallen in love, had his children, or established his career. Nor did he have as much self-knowledge, resilience or compassion. "I'm so much wiser at 60 than I was at 40," says the 63-year-old.

He's also enjoying himself. People 65 to 74, the so-called time affluent, reported having more fun than any other age group in a 2016 study of 3,712 adults 25 and older released by Age Wave and Merrill Lynch.

The ones having the least fun were those ages 35 to 54.

ILLUSTRATIONS BY JON KRAUSE

The Numbers Game

Looking for the best age to get married, have a child or make a big financial decision? So are a lot of researchers, and here's a sampling of findings.

Getting married: 28-32
Waiting to wed reduces the odds of divorce—by 11% a year—but waiting too long increases the odds by 5% annually, says Nicholas Wolfinger, a sociologist at the University of Utah, who looked at divorce rates in a 2015 study. Those who wait longer may be "congenitally cantankerous" people who put off marriage because they can't find anyone to marry them, he says.

Having children: before 32
That's the age when fertility starts to drop off, according to the American College of Obstetricians and Gynecologists. The decline becomes precipitous after 37.

Making financial decisions: peak around 50
To measure financial literacy, researchers at Texas Tech University in a study published in 2016 asked 16 questions about borrowing, investing and insurance. They found the average scores increased within each year up to roughly age 50. After 60, financial literacy begins to fall.

Getting a cell phone: 12
It's a hot topic that is getting increasing scrutiny. One 2016 survey by American Express found parents judged the average acceptable age for a cell phone was 12, consistent with findings the previous three years.

Mastering vocabulary: late 60s, early 70s
Neuroscientists at Massachusetts Institute of Technology and Massachusetts General Hospital gathered data from nearly 50,000 subjects and found that this age group is tops at mastering vocabulary—all those years of reading paying off.

Processing information: 18-19
The MIT/Massachusetts General Hospital study cited for mastering vocabulary also found younger people, while not the top wordsmiths, superior at raw speed in processing information.

Bodybuilding: 25
Physical strength peaks at around 25 years of age, about when muscle mass peaks, too, according to an article on the website sportsci.org. Strength plateaus from 35-40, then falls, with a 25% loss of peak force by the age of 65.

—Clare Ansberry

MOVIES

IN POP CULTURE, 'STAR TREK' LIVES LONG AND PROSPERS

FROM LEFT: CBS/PHOTOFEST; JONATHAN PRIME/NETFLIX

'Star Trek: Deep Space Nine,' which aired from 1993 to 1999, gets a second look in the documentary 'What We Left Behind.'

BY DON STEINBERG

"STAR TREK" and "Star Wars" fans have debated the merits of the rival space franchises for decades, but while "The Last Jedi" has taken a lightsaber to its box-office competitors this winter, there is also a surprising glut of "Star Trek" sightings in popular culture.

" 'Star Wars' is about legends. It's about epic storytelling, whereas 'Star Trek' feels like it's about us, our friendships," says Michael Golamco.

He wrote "Please Stand By," an independent film about a young autistic woman, played by Dakota Fanning, on a daring road trip to enter her script for a "Star Trek" episode in a contest. It opens on Jan. 26.

He isn't the only filmmaker influenced by the long-running franchise. Quentin Tarantino, director of "Kill Bill" and "Pulp Fiction," is a Trekkie who is, according to Deadline, working on a "Star Trek" project with J.J. Abrams, who produced the last three movies. Paramount Pictures, which owns the "Star Trek" film rights, said it had no information to share, while representatives for Messrs. Tarantino and Abrams didn't respond to requests for comment.

Part of the appeal may lie in the ongoing "Star Trek" television series, with its self-contained morality-play structure and multiracial, multinational and multispecies starship crews.

" 'Trek' has always put the highest premium on the idea that what we perceive as 'other' is really not so different from who we are," says Alex Kurtzman, a producer of the new "Star Trek: Discovery" and writer for two "Star Trek" films. "That's always relevant, but particularly right now with the country so divided."

"The secret of 'Star Trek'

Please see TREK page A11

The first episode of the new season of 'Black Mirror' riffs on the original 'Star Trek.'

CHRISTOPHER BAUCHAMP FOR THE WALL STREET JOURNAL

WHAT'S YOUR WORKOUT? | By Jen Murphy

A Survivor's Routine Sticks

She took up a fitness regimen inspired by drumming and found herself in the best shape of her life

WHEN AMY GUERRIN was battling breast cancer, she found the best way to release her emotions was to channel her inner Ringo Starr and play the air drums. Ms. Guerrin, 52, had discovered Pound, a workout created in 2011 by two recreational drummers and former college athletes that uses weighted drumsticks.

Before being diagnosed in August 2016, Ms. Guerrin says her workout involved running around taking care of others. She had raised four children, now out of the house, and she cares for two adults with disabilities who live with her and her husband in Plantsville, Conn. As a case manager for the Connecticut Department of Developmental Services, she cares for up to 50 people at any given time.

At the time of her diagnosis, she weighed 232 pounds, but says her height, 5 feet 10 inches, helped hide how heavy she had gotten. "Having been the caretaker of so many others, I was suddenly forced to take care of myself and juggle appointments, treatments and surgeries," she says. During cancer treatment, Ms. Guerrin lost 50 pounds.

Determined to keep her weight off and regain strength, she joined a local gym, but found it isolating. She tried walking, but longed for companionship. "My job has me very connected to people all the time, so when I had to take time off, I felt lonely," she says.

Above, Amy Guerrin works her core while air drumming during a Pound workout at Zing Fitness in Plantsville, Conn. Her tattoo, left, was inspired by her recovery.

Ms. Guerrin turned to social media as a way to share her cancer story and kept seeing posts from a local fitness studio touting classes for Zumba, Zumba Toning, and Pound, which she knew nothing about. "The people in the photos were always smiling," she recalls. "I don't consider myself a good dancer, and I was also bald and tired, but the posts kept capturing my interest."

In July, six weeks after her mastectomy, she noticed that the studio was moving to the plaza across from her house. "I no longer had an excuse," she says. She loved the sense of community in the classes and found Pound to be therapeutic. "I pounded out the fear, the anger and joy of victory," she says. "I have pounded my way back to strength in chest muscles that had been cut and pulled and stretched, and from a weak, battle-weary woman to a stronger, leaner me. I'm healthier now than I was pre-cancer."

The Workout

Ms. Guerrin attends up to four classes a week at her gym, Zing Fitness. Pound is her favorite, but she also attends Zumba, a dance-based class that combines interval training, resistance training and cardio, and Zumba Toning classes, which combine light weights and dance routines.

Her Pound classes last 45 minutes and use quarter-pound plastic Ripstix to simulate drumming during a workout that involves intense cardio, strength training and yoga- and Pilates-inspired moves. The first part of class is done standing and involves leg and arm work and rhythmic steps. "When you nail a routine, you feel like a rock star," she says.

The second part involves core work performed on the ground and coordinated to Ripstix pounding on the ground and together in the air. The classes are choreographed to two-to-four-minute songs, calibrated with interval peaks. "Your arms don't stop moving the entire time," Ms. Guerrin says. "Sometimes I'm so sweaty when I walk in the door from class that my husband thinks it's raining outside."

The Diet

Before she started working out, Ms. Guerrin would stop at McDonald's or Burger King for breakfast en route to work and have a bag of popcorn and Coke Zero in the break room for lunch. Now she starts the day with a banana and yogurt. "Occasionally I still get an Egg McMuffin, but I take half the bread off," she says. Dinner is a protein and vegetables. Double-caramel Magnum ice-cream bars are her splurge. She occasionally goes out with women from class for skinny margaritas.

The Gear & Cost

"We're a really colorful bunch. I think people try to outdo themselves with bright clothing," she jokes.

Ms. Guerrin prefers to wear racerback tank tops, which she says give her more freedom of movement in her shoulders and arms. She also bought cancer-related T-shirts. "They start a dialogue and let people know what my perspective is," she says. "On my last night of chemotherapy, I came running into class with a screaming neon-orange shirt that says 'Cancer touched my boob so I kicked its ass.'" A drop-in class at Zing Fitness costs $5.

Exercise to Battle Breast Cancer

Fatigue and depression are two of the most common symptoms women experience when going through treatment for breast cancer, says Kathryn Schmitz, associate director of population sciences at Penn State Cancer Institute in Hershey, Pa.

"When you're tired and someone tells you to go exercise, your first thought is, 'Are you nuts?'" she says. "But exercise does not have to be a 3-mile run."

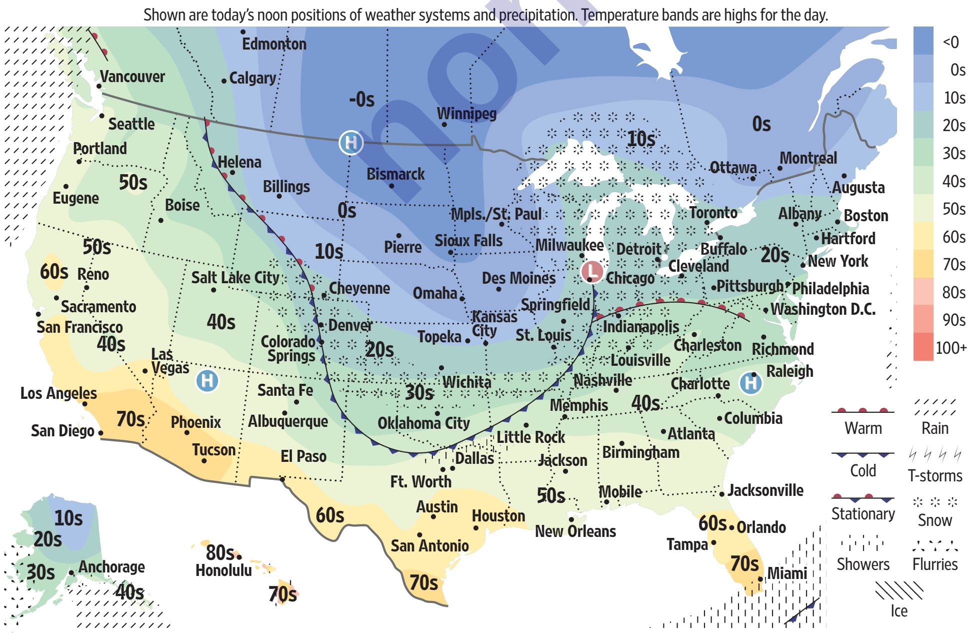
A roundtable convened by the American College of Sports Medicine in 2010 concluded that exercise is safe during and after all breast-cancer treatments, as long as you keep the intensity low, and that it eases cancer-related fatigue. A 2017 study by researchers from the Division of Medical Oncology and Hematology at Sunnybrook Health Sciences Centre in Toronto suggests that a half-hour walk a day can help women who have survived breast cancer prevent the disease from returning.

Dr. Schmitz says the best exercise is one that you stick with, whether that's kicking a soccer ball with your children or going for walks. "Group exercise can act like a support group for women who are feeling alone during treatment," she says. She cautions that it's not uncommon for people going through treatment to have boom or bust cycles of energy. "If you're feeling up for it, work out. If you feel worse after, back off."

Weather

AccuWeather DOWNLOAD OUR APP TODAY

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



U.S. Forecasts

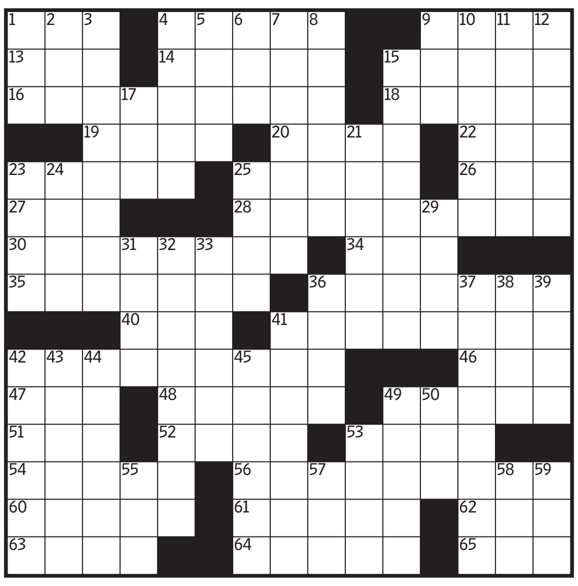
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Anchorage	35	26	sn	36	31	sn
Atlanta	47	30	s	49	19	c
Austin	65	29	s	32	19	sn
Baltimore	30	25	pc	37	23	sn
Boise	47	36	pc	44	31	r
Boston	22	19	sf	32	29	pc
Burlington	15	5	pc	27	11	c
Charlotte	42	24	s	52	31	pc
Chicago	25	9	sn	23	7	sn
Cleveland	28	15	sn	17	9	pc
Dallas	55	24	s	33	18	pc
Denver	26	6	sn	36	15	s
Detroit	24	16	sn	20	10	sf
Honolulu	82	70	s	82	71	pc
Houston	65	43	s	45	25	r
Indianapolis	28	1	sn	14	6	pc
Kansas City	15	-5	c	10	0	s
Las Vegas	66	47	pc	63	48	pc
Little Rock	47	19	pc	27	10	s
Los Angeles	74	54	pc	71	53	c
Miami	73	63	pc	76	65	pc
Milwaukee	26	15	sn	24	6	sn
Minneapolis	6	-5	pc	7	-4	s
Nashville	45	15	pc	21	9	sn
New Orleans	59	39	s	52	26	c
New York City	28	24	pc	37	28	sn
Oklahoma City	35	11	pc	24	8	s
Omaha	8	-6	pc	8	-2	s
Orlando	65	45	pc	68	48	s
Philadelphia	32	27	pc	39	27	sn
Phoenix	74	49	s	71	53	c
Pittsburgh	28	21	sn	22	1	sf
Portland, Maine	18	9	pc	26	20	pc
Portland, Ore.	54	43	r	52	41	r
Sacramento	57	50	c	63	44	r
St. Louis	28	3	sn	16	7	s
Salt Lake City	44	28	pc	44	29	c
San Francisco	59	53	c	59	47	r
Santa Fe	46	17	s	37	17	s
Seattle	56	44	c	53	41	r
Sioux Falls	-2	-11	s	6	-3	s
Wash., D.C.	31	26	pc	39	25	sn

International

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Amsterdam	46	39	r	43	36	sh
Athens	53	48	c	60	49	sh
Baghdad	67	43	s	67	43	s
Bangkok	85	71	pc	89	73	pc
Beijing	35	17	c	41	19	s
Berlin	36	34	pc	41	31	r
Brussels	46	39	r	45	35	sh
Buenos Aires	81	63	pc	84	69	pc
Dubai	74	63	s	76	63	s
Dublin	46	33	sh	40	33	sn
Edinburgh	45	32	c	39	32	sn
Frankfurt	44	40	r	46	36	r
Geneva	44	42	pc	48	39	r
Havana	72	61	pc	78	62	sh
Hong Kong	69	60	s	71	61	s
Istanbul	43	40	pc	50	48	sh
Jakarta	87	76	sh	87	76	sh
Jerusalem	53	45	pc	55	43	pc
Johannesburg	92	60	s	85	57	s
London	53	39	r	45	37	c
Madrid	48	30	pc	53	35	pc
Manila	88	75	c	87	76	c
Melbourne	68	53	c	79	51	s
Mexico City	69	40	s	68	37	pc
Milan	43	35	pc	44	33	c
Moscow	26	19	sf	22	12	pc
Mumbai	93	77	pc	93	75	pc
Paris	49	46	r	49	39	r
Rio de Janeiro	94	76	pc	93	78	s
Riyadh	77	46	s	70	41	s
Rome	55	46	pc	59	53	pc
San Juan	84	74	pc	83	74	sh
Seoul	44	26	pc	42	27	r
Shanghai	60	49	s	60	43	sh
Singapore	82	71	c	84	75	c
Sydney	76	66	s	73	64	pc
Taipei	76	61	s	77	62	s
Tokyo	55	41	s	55	45	s
Toronto	23	20	sn	26	14	c
Vancouver	48	42	c	47	39	r
Warsaw	26	18	s	33	29	sn
Zurich	42	38	pc	47	35	r

The WSJ Daily Crossword | Edited by Mike Shenk



UPTEMPO | By Mae Woodard

Across

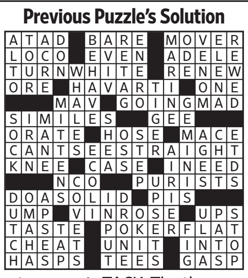
1 Spicy
4 "We are their voice" org.
9 Theatrical showboats
13 ___ Jima
14 Thread buy
15 Find a new tenant for
16 Softball variety
18 Brownish color
19 Acute, as eyesight
20 Top 40 songs
22 1950s White House nickname
23 Become narrower
25 White House press secretary Sanders
26 Org. with the arts.gov website
27 Eggs, in ancient Rome
28 Item seen in Grant Wood's "American Gothic"
30 Pay
34 Garden pool swimmers
35 Like baseball innings as opposed to football quarters
36 Was visibly embarrassed
40 Movie star Cage, familiarly
41 Company's operating costs
42 Yoga practitioner's shirshasana
46 Drunk ___ skunk
47 Antiquated
48 Boot bottoms
49 Address for a pirate
51 Young fellow
52 Some nest eggs
53 Switch off
54 The Trammps' music
56 Firmly maintain a position
60 Side in some negotiations
61 Asian peninsula
62 Baritones, typically
63 Southernmost Ivy
64 Cathedral areas
65 Bit of butter

Down

1 That fellow's
2 Nocturnal predator
3 Got involved
4 In accordance with
5 Whirl
6 Poker prize
7 Run jointly, as a committee
8 Jazz trumpeter nicknamed "Jumbo"
9 Sheet edge
10 White mouse, for example
11 Less assertive
12 Run out of clothing?
15 Ironically named period for commuters
17 Minuscule
21 Angling gear
23 Ingredient in many stir-fries
24 Cosmetics company that comes calling
25 Accelerated
29 Angling catch
31 Neighborly
32 What the blank in a fill-in-the-blank clue signifies
33 Aircraft's course
36 Some briefs
37 Aid for keeping cafeteria food warm
38 Freedom from worry
39 Historic Normandy event
41 Convenient, like convenience store shopping
42 Delay
43 Friend of Jerry and George
44 Contributes to the mix
45 State with the lowest population density
49 King with gilt feelings?
50 Sitcom alien
53 Dandling spot
55 Jailbird
57 Start of MGM's motto
58 Mermaid's home
59 Explosive stuff

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

Previous Puzzle's Solution



The contest answer is TACK. The theme answers end with words that start familiar similes (as suggested by 27-Across): WHITE as a sheet, MAD as a hatter, STRAIGHT as an arrow, SOLID as a rock, FLAT as a pancake. The first letters of the objects of the similes spell SHARP, suggesting the contest answer from the simile "SHARP as a tack."

ART REVIEW

Totemic Titan of Color

BY TOM L. FREUDENHEIM

Washington

IT'S WORTH FINDING your way to the intimate Tower 3 atop the East Wing of the National Gallery of Art for its luminous exhibition of nine sculptures, two paintings and 12 works on paper by Anne Truitt (1921-2004). Once there, see if you share her sensation in encountering an exhibition of her own work: The sculptures "stood in their own space, in their own time, and I was glad in their presence." While not even a mini-retrospective, this show confirms Truitt's important, if slightly eccentric, position in the history of American modernism.

Born in Baltimore, educated at Bryn Mawr, and having lived in Boston, Dallas and San Francisco, Truitt by 1960 had settled in Washington. As she relates so eloquently in a film (shown in the gallery), Truitt went though years of welding figurative works. But by the early 1960s she realized that she was no longer interested in narrative art, settling on her métier of exploring the "relationship between shape and color." The resulting three-dimensional, carefully finished wooden rectangular forms, most often columns of varying sizes, were painstakingly constructed, serving as the ground for layers of nuanced tones. As Truitt describes it, she worked with her "hand held lightly to spread thin paint in yet another transparent coat, feeling the color deepen under the brush."

Unlike many of her contemporaries, Truitt didn't practice her color explorations with paint on canvas, so her work is easy to mischaracterize. Her inclusion in the influential 1966 "Primary Structures" exhibition at New York's Jewish Museum suggested that she belonged within the canons of Minimalist art that emerged in reaction to free-wheeling painterly modes of Abstract Expressionism.

Similarly, Truitt's work feels peripheral to, yet also somehow a part of, the Washington Color School, whose most celebrated members were Kenneth Noland, with whom she exchanged creative ideas, and Morris Louis. Lastly there's also the temptation to view Truitt in terms of the deft and elegant color forms of Ellsworth Kelly or the "finish-fetish" free-standing painted slabs of John McCracken.

NATIONAL GALLERY OF ART, WASHINGTON

Anne Truitt 'Knight's Heritage' (1963) in the National Gallery of Art's exhibition

But all those connections miss her deeply held conviction in the inherent power of her own intensely nuanced feelings about color, and in the viewer's ability to sense that. Presumably constrained by space, the NGA's curator, James Meyer, has assembled a spare overview that nevertheless touches on most, if not all, of Truitt's disciplined mastery. The exhibition brochure includes excerpts from Meyer's extensive interviews with the artist that, along with the gallery film and Truitt's three published journals (cited in the wall texts), reveal a creative sensibility of uncommon personal insight and intellect.

There's little in this concise exhibition that helps us understand the artist working toward what eventually became her comfort zone. In a powerful black acrylic drawing, "26 December 1962, No. 5" (1962)—echoing Russian constructivists, and perhaps prefiguring Richard Serra's later paint stick drawings—we can sense a tension between the pictorial and simple abstract three-dimensional form.

Truitt's "Insurrection" of that same year reflects another of her early balancing acts in the tension between sculptural form and color. Here she struggles with the structural means to carry her color interests: the uneasy parity between a bright red and a brick red (there's risk in naming Truitt's colors!) in two slices, on their own awkward base, and the addition of wedge-shaped supporting struts on the back, suggesting that the work might fall forward.

The delicately beautiful "Parva XII" (1977)—which sits on a shelf—is the only horizontal object here, suggesting that Truitt was less comfortable with this orientation or needed to express color's assertiveness on a grander scale. "Summer Remembered" (1981), a subtly tapered, tall yellow column, has a fine, jagged Barnett Newman "zip" implying a platform. Here Truitt pays homage to an artist whose work had been a revelation to her: "My whole self lifted into it," she writes of seeing Newman's work at New York's Guggenheim Museum in 1961. That whimsical dark mauve scribble, almost at the bottom of the work, also suggests how Truitt kept experimenting with what would make her colors feel both comfortable and independent in the spaces they inhabit. Some of the works, such as the late "Twining Court" (2002), rise directly from the floor, while others are slightly raised by a barely visible recessed pedestal to suggest a kind of levitation—another attempt at liberating the color.

In the glow of these incandescent works, the viewer participates in Truitt's struggle to emancipate herself from an ironic inner conflict. On the one hand, she asserts in the gallery's film, "I'm not a sculptor, really…[I'm] trying to lift the color up and set it free…[and] trying to get color in three dimensions." Yet Truitt can't help but refer to her works as sculptures. In part this stems from the material she so painstakingly fabricated, forming the support for her variegated palette. "It is wood I love," she writes in her journals, explaining that it "will disintegrate in time at something comparable to the rate at which we human beings disintegrate." While successfully reviewing the variety of the artist's formal concerns, the exhibition leaves us wanting more of the challenging and subtle range of colors that Anne Truitt successfully labored to liberate.

In the Tower: Anne Truitt
National Gallery of Art, through April 1

Mr. Freudenheim served as the assistant secretary for museums at the Smithsonian.

TREK

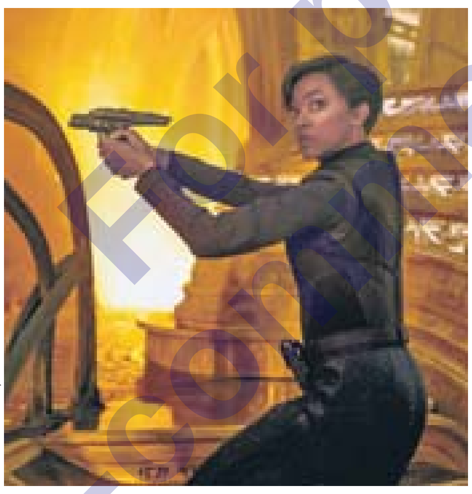
Continued from page A9

is that no matter what happens, good or bad, humanity will still be recognizable in the 24th century and beyond," says Ira Steven Behr, who is co-directing a documentary about "Star Trek: Deep Space Nine" due later this year. "The human spirit wants to believe in a better tomorrow."

Here are a few more recent nods to "Trek":

'The Orville'

Seth MacFarlane's Fox series about a diverse spaceship crew, which returns for its second season this year though the exact date hasn't been announced, doesn't merely borrow starship and character designs from "Star Trek." It adopts the original TV show's hopeful view of the future and the format of having each episode dramatize a new alien encounter to deliver a lesson about humanity.



FROM TOP: CBS; EVERETT COLLECTION

Sonequa Martin-Green, above, in 'Star Trek: Discovery'; below, the 1999 cast of 'Galaxy Quest'

'Black Mirror'

"USS Callister," the first episode of this Netflix series' new season (available since late December), uses our familiarity with the original "Star Trek" as a point of departure for the usual "Black Mirror" voyage into discomfort.

Jesse Plemons ("Breaking Bad," "Friday Night Lights") plays a demanding "Space Fleet" captain, and Cristin Milioti ("How I Met Your Mother") is a resourceful new science officer. "Black Mirror" creator and writer Charlie Brooker says he grew up watching the original "Trek" and thought its vivid colors, utopian ideals and 1960s-era gender politics would contrast well with the real-life modern office workplace that his "Black Mirror" episode also depicts.

'Please Stand By'

Ms. Fanning, playing the creative, autistic Wendy, asserts her independence by leaving her group home to transport a "Star Trek" script she wrote to Paramount Studios in Los Angeles. Mr. Golamco, a lifelong "Star Trek" maniac, was inspired by a magazine article featuring a teenage girl who composed fan-fiction stories.

'Star Trek: Discovery'

The first new "Trek" series in more than a decade premiered last fall to attract subscribers to CBS's All Access streaming service. Its first season resumed this month with the new characters entering a "mirror universe" that transforms them into inverse versions of themselves.

Set on the USS Discovery, "Star Trek: Discovery" stars Sonequa Martin-Green ("The Walking Dead") as a rebellious officer. Doug Jones (the creature in "The Shape of Water") goes incognito once again as Saru, an alien science officer in the mold of Spock or Data.

'What We Left Behind: Looking Back at Star Trek: Deep Space Nine'

Mr. Behr and David Zappone raised $647,891 on Indiegogo, a record for a documentary on the crowdfunding site, for this look back at the 1990s "Star Trek" series. "DS9" is considered an outlier among "Star Trek" shows, as it focused on long-running story lines more than single-episode adventures and was set on a space station rather than a ship. "We boldly went nowhere," says Mr. Behr, a "DS9" producer before co-directing "What We Left Behind" with Mr. Zappone, who previously made the Spock-umentary "For the Love of Spock." "What We Left Behind" is slated for release later this year.

'Galaxy Quest'

In development for Amazon Studios is a TV version of "Galaxy Quest," the 1999 comedy starring Tim Allen, Sigourney Weaver and Alan Rickman as former stars of a "Trek"-like TV show who are recruited to help real space aliens. Rickman died in 2016, and it isn't clear whether the other stars will return. Amazon hasn't said much about its revival, but it is being made by the TV unit of Paramount, which owns "Galaxy Quest" as well as "Star Trek" film rights.

SPORTS

JAMIE SQUIRE/GETTY IMAGES

Vikings wide receiver Stefon Diggs scores a 61-yard touchdown as time expires against the New Orleans Saints in Sunday's NFL Divisional playoff game at U.S. Bank Stadium in Minnesota.

NFL | By Jason Gay

The Vikings Shock the World

Did you see it? Did you see the Minnesota Vikings win that playoff game on that zany last-second pass?

Did you scream?

I screamed. I screamed so loud, the neighbor's dog started barking. The neighbor's dog has been dead since 1988.

It was absurd, outrageous, beautiful — whatever you want to call it. Of course, if you're a Saints fan, I imagine you're still hiding underneath the couch. Let me know if you find my remote.

How do the Minnesota Vikings not feel like the NFL's team of destiny? They now have a chance to play a Super Bowl at home, in their fancy new ice fishing shed in Minneapolis. No team has ever gotten to do that. After Sunday's dramatic victory—and make no mistake, that heave from Case Keenum to Stefon Diggs is an all-time, top-of-your-lungs, call-the-police, run-down-the-street-in-your-undies sports shocker—the Vikings have to believe they can win a home Super Bowl. And the NBA championship. And the Masters. And a Nobel. And a Top Chef.

It's especially crazy because this is not what the Vikings do. What happened Sunday—that's what *other* teams are supposed to do *to the Vikings*. Minnesota is one of the most tormented franchises in sports. All sports. They've been to four Super Bowls, and never won one. They've lost so many inexplicable heartbreakers, you could easily do an Inexplicable Heartbreaker Top 10. The term 'Hail Mary' was coined after a play that beat the Vikings.

That's right: every time a football team gets its soul crushed on a last-second long pass, Minnesota gets a *royalty*.

Each Vikings generation has experienced some of this pain. That's why this win didn't feel like a mere win.

It felt like an exorcism.

I could not stop watching the sideline replay the Vikings posted of the touchdown—the pass, the catch, how-did-he-miss-it missed tackle, Diggs's helmet-toss celebration, the purple rapture. I watched it again and again, like a video of a bulldog riding a skateboard.

If you have friends and co-workers from Minnesota, don't expect much of them this week. They're happy, distracted and out of their minds.

We should probably mention that the Vikings play next weekend in the NFC Championship on the *road* against another very cool story: the Philadelphia Eagles. You remember the Eagles. They were everyone's pick to go to the Super Bowl...until early December, when they lost star quarterback Carson Wentz to a knee injury.

Losing Wentz really put the kibosh on America's Eagles enthusiasm. There was wide expectation from Football Smart People that the streaking Atlanta Falcons were going to swoop into Philly and easily handle the Eagles and their back-up quarterback, Nick Foles.

Didn't happen. This is why Football Smart People are often Football Moron People. Atlanta had its chances, but Philadelphia has one of football's best defenses. The Eagles won a 15-10 slog, and now get the Vikes.

As wacky as all of this is, we haven't even gotten to the wackiest part of these playoffs: The Jacksonville Jaguars are still in this bad boy. You know the Jaguars. The 1995 expansion franchise had a promising start, but have spent much of their recent history as a lazy NFL punch line.

Even when they're good—and Jacksonville was good, going 10-6 and finishing atop the AFC South—idiot hacks like me love to make fun of them. They're the Jags! They have weird uniforms and volunteered to play in London! They're quarterbacked by a guy named Blake Bortles! Blake Bortles! *Hahahaha!* It sounds like a made-up name from The Dictionary of Underachieving Quarterbacks!

Well, they're not laughing up in Pittsburgh, where the Jags racked up 45 points in one of the most improbable results in recent memory, beating the Steelers 45-42. The Jaguars themselves may not be surprised—they'd already handled Pittsburgh 30-9 in the regular season—but the rest of us had approached that game like: *Well, yeah, whatever, that was the regular season and besides...rimshot...BLAKE BORTLES!*

I would have bet one of my own children that the Jaguars would not have scored 45 points versus the Steelers in the Pittsburgh cold. (I did not bet one of my own children.)

This has been a rough season for the NFL—the game has been under siege; a lot of its problems self-inflicted. But Jacksonville, Minnesota and Philadelphia are undeniably fun stories. All three teams know agony, melancholy, and outright despair. None of them have ever won a Super Bowl. None of them even had a winning record *last season*. Late January is approaching, and the NFL should be thrilled. There are three excitable and deserving fan bases just two wins away from the ultimate prize.

The New England Patriots are also left in the playoffs.

NFL

BEFORE A FIRING AND A HIRING, A COACH'S WIKI GETS A SCRUB

BY ANDREW BEATON

Tom Cable's Wikipedia page outlines allegations that he punched an assistant coach when he was head coach of the Oakland Raiders in 2009 and physically abused several women.

Then, just before he was fired as a Seattle Seahawks assistant coach on Jan. 10, it all vanished.

Over the course of 15 edits in eight days, the section including the allegations was deleted by a single Wikipedia user. The user battled back-and-forth with other users and Wikipedia's anti-vandalism bot, which tried to undo the changes. But the allegations were gone when reports emerged on Jan. 13 that he will return to Oakland as the Raiders' offensive line coach.

The Wikipedia user who swooped in with the digital eraser goes by the name Ccable62. That would be Carol Cable, Tom Cable's wife, who was born in 1962.

"We weren't trying to hide anything," said Carol Cable when reached by phone about the changes. "We lived through these false allegations. There was no documentation to back it up. It was false."

Carol Cable said she made the changes herself and without her husband. She said there was nothing in particular that prompted her to scrub the page.

The allegations against Cable surfaced in August 2009 when then-Raiders assistant Randy Hanson alleged Cable punched him and fractured his jaw after a practice. Cable denied the accusation, and prosecutors did not bring charges against him, citing inconsistencies in accounts of the incident. The NFL also did not punish him. The matter was ultimately settled in arbitration.

Following that, in November 2009, ESPN aired allegations from two women, an ex-wife and ex-girlfriend, who accused Cable of domestic violence. During their relationships, Sandy Cable and Marie Lutz told ESPN that he at one time hit and physically abused them. In a statement released through his attorney at the time, Cable said he had only "touched a woman inappropriately" once when he "became very angry and slapped" Sandy Cable, his first wife. The NFL said at the time it wouldn't punish Cable because the conduct occurred when he was not employed by the league.

Sandy Cable and Lutz could not be reached for comment. Tom Cable's agent said the allegations were not true. "I stand by my client Tom Cable and his wife in regards to these unfounded allegations," said Doug Hendrickson. "He was never charged and therefore it doesn't seem to have merit to be on his Wikipedia page."

Cable was fired as the Raiders coach after the 2010 season, with late owner Al Davis referring to these allegations after making the decision. He was then hired by the Seahawks as an assistant coach.

STEPHEN BRASHEAR/GETTY IMAGES

Tom Cable was fired as a Seattle Seahawks assistant coach on Jan. 10 after the team failed to make the playoffs.

The allegations were included in his Wikipedia page until Dec. 29, when Carol Cable went to work, Wikipedia's edit history shows. The first edit added a line saying, "Cable was completely cleared and found not guilty of any of the alleged accusations from the police department, the District Attorney as well as the NFL." A series of further edits that day shortened the section.

Wikipedia, an online encyclopedia written and edited by volunteers, has certain standards for adding, editing or removing information such as objectivity and reliable sources to back up the info.

On Dec. 31, a different user "removed incorrect and unsourced statement claiming Cable had been 'completely cleared' in all domestic violence/assault cases." On Jan. 3, Carol Cable added a similar line back that the "accusations were found to be false on all counts."

That's when ClueBot NG, Wikipedia's anti-vandalism bot, stepped in. Because of "possible vandalism by Ccable62," the bot reverted the article to a previous version at 3:27 a.m. UTC on Jan. 3. Thirteen minutes after that, she deleted the "Allegations of violence" section completely. Eight minutes later, another user undid that for "unexplained content removal."

Later that day, Carol Cable deleted it again. An hour and four minutes later, another user put the section back in. Hours after that, she deleted it yet another time writing that "THEY SHOULD NOT LIST LIES AND [FALSE] ACCUSATIONS IN THIS WIKIPEDIA AS IT IS SLANDER."

Then came a rapid-fire back and forth of four edits in five minutes. A minute after Ccable62's deletion, a user under the handle Yexstrom2001 restored it. Another minute later, Ccable62 deleted again. Two minutes later, Yexstrom2001 put the information back again, noting: "Please discuss why you think this is 'slander' in the talk page. You also need to explain your username and if you have a conflict of interest."

After a 17-hour cease fire, the two parties went back and forth once more. Then Carol Cable made a series of edits, the last of which came on Jan. 5. It then remained off the page until Jan. 14.

That lasted until Sunday, when a user restored it all with the comment: "Cable's history of domestic violence is a matter of record and affected his professional career."

OPINION

Wanted: An Honest FBI

MAIN STREET
By William McGurn

"I do not recognize the agency I gave 28 years of my life to."

The speaker is James Kallstrom, the agency his beloved Federal Bureau of Investigation. Like current special counsel and former FBI Director Robert Mueller, Mr. Kallstrom served as a Marine officer in Vietnam. Unlike Mr. Mueller, Mr. Kallstrom came up through the FBI ranks, eventually becoming an assistant director and heading the bureau's largest field office in New York. Over his career Mr. Kallstrom is credited with revolutionizing the bureau's electronic surveillance, as well as leading big cases ranging from the probe into the 1996 crash of TWA Flight 800 to mob investigations such as the one that helped send the "Teflon Don"—Gambino crime boss John Gotti—to prison.

Today Mr. Kallstrom has emerged as a critic of the FBI investigations into Hillary Clinton and Donald Trump. Over coffee in Manhattan he tells me that "99% of FBI agents are dedicated professionals. But the leadership in Washington has harmed the bureau's reputation."

It isn't so much the conclusions he objects to—though he has his doubts—as the irregular way the investigations have been conducted. If the FBI finds itself discredited, he says, it's because of its own behavior and not any campaign against it.

Here are a few examples of what Mr. Kallstrom finds so alien:

• Director James Comey testifies to Congress in September 2016 that he hadn't decided to recommend against prosecuting Mrs. Clinton until after the FBI had interviewed her—but it later emerges he'd started drafting his statement clearing her weeks earlier.

• An FBI agent and FBI lawyer—Peter Strzok and Lisa Page—have an affair that opens them up to blackmail and poses a clear conflict of interest in working together. Even so, they fail to recuse themselves from the Mueller investigation.

• This same FBI duo exchange messages that later get Mr. Strzok dumped from Mr. Mueller's team, here talking about an FBI "insurance policy" against Mr. Trump's winning the election, there talking about how to keep hidden from colleagues what looks like a leak to the press.

• The FBI secures a FISA warrant to spy on a member of Mr. Trump's campaign, which some news reports say relied in part on a dossier that was financed as opposition research for the Clinton campaign and which Mr. Comey himself described as "salacious and unverified."

"I can't tell you how foreign all this is to my experience," Mr. Kallstrom says. "The FISA courts rely on the honesty and credibility of the investigators who sign those affidavits."

The problem started, he suggests, when Mr. Comey allowed then-Attorney General Loretta Lynch to ensure the FBI investigation into Mrs. Clinton's emails would go nowhere. He rattles off a list of irregularities disturbing to any investigator: the reluctance to go to a grand jury for subpoenas, the immunity deals granted Clinton associates, the farce of an FBI interview with Mrs. Clinton that had a dozen people in the room, including Cheryl Mills, who was permitted to attend as counsel when she was a potential co-conspirator, etc.

The bureau's handling of the Trump and Clinton probes dispirits a veteran.

While the Justice Department, not the FBI, makes these decisions, Mr. Kallstrom says Mr. Comey did have an option: "That was the moment he should have held a press conference, to announce his resignation—and then explain to the American people why he would not stay and preside over a sham investigation."

Mr. Kallstrom is not much more enthused about the new director, Christopher Wray. During his own recent testimony before Congress, Mr. Wray stonewalled—and suggested ridiculously that he couldn't let Congress see classified material. "They act," Mr. Kallstrom says, "like they work for someone from outer space rather than the president of the United States."

Later Mr. Wray attempted an end run around the subpoena from House Intelligence Committee Chairman Devin Nunes for key documents and committee access to FBI officials. Fortunately Speaker Paul Ryan backed Mr. Nunes (and the House's ability to exercise its oversight responsibilities), informing Mr. Wray that if he didn't produce the documents and witnesses, he faced a contempt vote.

Which leaves America still in the dark about the two fundamental questions regarding the dossier at the heart of the Trump-Russia investigation: What—if anything—did the FBI verify from the Steele dossier, and did the bureau use any unverified material to get a warrant to spy on members of Mr. Trump's campaign?

For those who grew up in proud FBI families, including this columnist, the disclosures about these investigations are dispiriting. As Mr. Kallstrom notes, it's bad enough for the American people if a politician is bending the law. It's far worse if the two top institutions responsible for upholding the law—the FBI and Justice Department—are found to have compromised themselves.

"The FBI gets its strength from the trust of the American people," Mr. Kallstrom says. "When you lose that . . ."

Write to mcgurn@wsj.com.

Beyond the Iran Nuclear Deal

By John Bolton

President Trump seemingly served notice Friday that the days are dwindling for Barack Obama's Iran agreement. Although deal proponents also gained time to pursue "fixes," this is a forlorn option. No fix will remedy the diplomatic Waterloo Mr. Obama negotiated. Democrats will reject anything that endangers his prized international contrivance, and the Europeans are more interested in trade with Tehran than a stronger agreement.

There is an even more fundamental obstacle: Iran. Negotiating with Congress and Europe will not modify the actual deal's terms, which Iran (buttressed by Russia and China) has no interest in changing. Increased inspections, for example, is a nonstarter for Tehran. Mr. Obama gave the ayatollahs what they wanted; they will not give it back.

Most important, there is no evidence Iran's intention to obtain deliverable nuclear weapons has wavered. None of the proposed "fixes" change this basic, unanswerable reality.

Spending the next 120 days negotiating with ourselves will leave the West mired in stasis. Mr. Trump correctly sees Mr. Obama's deal as a massive strategic blunder, but his advisers have inexplicably persuaded him not to withdraw. Last fall, deciding whether to reimpose sanctions and decertify the deal under the Corker-Cardin legislation, the administration also opted to keep the door open to "fixes"—a punt on third down. Let's hope Friday's decision is not another punt.

The Iran agreement rests on inadequate knowledge and fundamentally flawed premises. Mr. Obama threw away any prospect of learning basic facts about Iran's capabilities. Provisions for international inspection of suspected military-related nuclear facilities are

U.S. policy should be to end the Islamic Republic before its 40th anniversary.

utterly inadequate, and the U.S. is likely not even aware of all the locations. Little is known, at least publicly, about long-standing Iranian-North Korean cooperation on nuclear and ballistic-missile technology. It is foolish to play down Tehran's threat because of Pyongyang's provocations. They are two sides of the same coin.

Some proponents of "strengthening" the deal propose to eliminate its sunset provisions. That would achieve nothing. Tehran's nuclear menace, especially given the Pyongyang connection, is here now, not 10 years away. One bizarre idea is amending the Corker-Cardin law to avoid the certification headache every 90 days. Tehran would endorse this proposal, but it is like taking aspirin to relieve the pain of a sucking chest wound.

Putting lipstick on this deal will not fix it. Why would Democrats facilitate Mr. Trump's inclinations to withdraw from the deal entirely? If he's going to abrogate it, why be complicit by adding new conditions that Iran will fail to meet? Sen. Ben. Cardin has correctly observed the president already has all the authority he needs.

To avoid that danger, some senators have suggested restricting the president's ability to withdraw from the deal without congressional approval. This folly is so obviously unconstitutional it fully warrants a Trump veto.

Europeans are collectively following a Micawberesque approach of counting their revenues and hoping for the best. They rightly fear that if U.S. intellectual property again falls under sanctions, they will be barred from selling Tehran products containing that technology. U.S. withdrawal is therefore critical to breaking Europe's addiction to Iranian commercial prospects.

U.K. Foreign Secretary Boris Johnson has reasonably asked what the alternative policy would be. Iran's recent widespread demonstrations against the ayatollahs provide the answer. Tehran's rulers are far more unpopular than previously believed. Like many seemingly impregnable authoritarian regimes, the facade belies the reality. Iran's opposition needs external support, material as well as rhetorical, to continue its momentum. It would be tragic not to torque up the economic pressure by reactivating all sanctions now under waiver, and adding more.

America's declared policy should be ending Iran's 1979 Islamic Revolution before its 40th anniversary. Arab states would remain silent, but they would welcome this approach and might even help finance it. Israel can also remain silent but pressure Iran's forces, as well as its clients, in Lebanon and Syria, to maximize the stress on Iran's security assets.

Recognizing a new Iranian regime in 2019 would reverse the shame of once seeing our diplomats held hostage for 444 days. The former hostages can cut the ribbon to open the new U.S. Embassy in Tehran.

Mr. Bolton is a senior fellow at the American Enterprise Institute and the author of "Surrender Is Not an Option: Defending America at the United Nations and Abroad" (Simon & Schuster, 2007).

The Census Should Ask About Citizenship

By Edward Blum

The Justice Department has asked the Census Bureau to include a question about citizenship status in the 2020 decennial census—a question absent from the complete census since 1950. The request ignited a firestorm of protest from Democratic lawmakers, liberal activists and left-leaning journalists. The worry is a political one—that the question would deter illegal aliens from returning their census forms, leading to undercounts in states like California and New York, which have large numbers of illegal residents. That in turn could reduce those states' apportionment of House seats and electoral votes.

Another concern is that new citizenship data could affect state legislative redistricting. There is speculation that some red states will draw districts equalized on their citizen population, rather than their total population, disadvantaging Democrats. While the Constitution requires U.S. House districts to be drawn using total population, the legality of districting based on the count of citizens or eligible votes is unsettled after the Supreme Court declined to address it in *Evenwel v. Abbott* (2016).

The Justice Department's rationale, meanwhile, is that it needs more data to enforce the Voting Rights Act of 1965. The department asserts that under

Current data aren't enough to enforce the Voting Rights Act.

Section 2 of the act, adjudicating any legal challenge to a redistricting plan alleging dilution of a racial or ethnic group's votes requires detailed data about voting-age citizens as well as race and ethnicity. Today the only source for this kind of citizenship data is the Census Bureau's American Community Survey, which replaced the old "long form" sampling, abandoned after the 2000 census, and currently samples some 3.5 million households a year. The Justice Department thinks this is insufficiently precise.

Who's right? In the *Evenwel* case, the plaintiffs sought to compel Texas to draw its Senate districts based on citizen rather than total population. In a friend-of-the-court brief four former census directors, who served under administrations of both parties, sided with Texas on the grounds that "the geographic areas at which such estimates are available carry large error margins because of the small sample sizes," and therefore the ACS is "an inappropriate source of data to support a constitutional rule requiring states to create districts with equal numbers of voting age citizens."

The justices rejected such a rule, holding that states may draw districts based on total population and reserving the question of whether they *must* do so. But if the ACS is inadequate for the purpose of drawing districts, it's hard to see how it could be sufficient for evaluating them under the Voting Rights Act.

Apart from the political questions, is asking about citizenship a good idea? In a fact sheet about the ACS, the Census Bureau says it is: "We ask about place of birth, citizenship, and year of entry to provide statistics about citizens and the foreign-born population. These statistics are essential for agencies and policy makers setting and evaluating immigration policies and laws, understanding how different immigrant groups are assimilated, and monitoring against discrimination. These statistics are also used to tailor services to accommodate cultural differences."

This question must be resolved by April, two years before the census is conducted, and any census questions must have the approval of Congress. Commerce Secretary Wilbur Ross ought to say yes to the Justice Department and encourage lawmakers to do the same.

Mr. Blum, a visiting fellow at the American Enterprise Institute, is president of the Project on Fair Representation.

BOOKSHELF | By Naomi Schaefer Riley

Deciding Against The Paper Chase

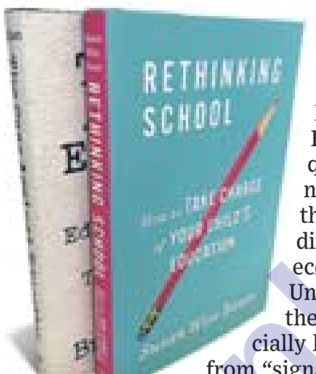
The Case Against Education

By Bryan Caplan
(Princeton, 395 pages, $29.95)

Rethinking School

By Susan Wise Bauer
(Norton, 264 pages, $25.95)

The cost of tuition keeps rising, the burden of student debt grows and grows, and the number of college degrees conferred each year reaches into the hundreds of thousands and beyond—part of a vast credentialing process whose real-life value seems ever more dubious. A skeptic might say that things can't go on this way—that we are in the midst of an education "bubble." The whole thing could collapse, like tulips or real estate, but it is more likely that it will simply deflate over time. Indeed, some small private colleges have closed in recent years; others have laid off faculty and administrators. Would-be students and their parents are rethinking the assumption that a good life is impossible without an expensive degree—not to mention the chase for college admission that begins at kindergarten if not before.



Two new books may help to let out a little more air. Bryan Caplan and Susan Wise Bauer both engage in a radical questioning of 21st-century notions about education, though they come at the subject from different angles. Mr. Caplan, an economist at George Mason University, argues that most of the value of education—especially higher education—comes from "signaling," not from the content of learning. As a result, Americans are "over-educated," and it's time to stop spending so much money (both private and public) on schools. By contrast, Ms. Bauer, an educator and former professor, offers a self-help manual for making school systems "flex" to a child's needs and even for finding a path—and rationale—for opting out entirely.

"Put yourself in the shoes of a Martian sociologist," Mr. Caplan writes in "The Case Against Education." "Your mission: given our curriculum, make an educated guess about what our economy looks like." You might well "leap from one erroneous inference to another." Given the amount of time teachers spend on novels and poetry, for instance, there must be a "thriving market in literary criticism," he writes, adding that most of the subjects that students try to master in school—from history and algebra to foreign languages—will be of little use in their salary-earning lives.

After surveying the research on the "transfer of learning," Mr. Caplan concludes: "Students learn only the material you specifically teach them . . . if you're lucky." Generally, they don't know how to transfer their reasoning from one topic to a related one. As to informal reasoning—the ability to come up with arguments for or against a particular proposition—education's effect, he says, has been "tiny." He similarly dispenses with the claim that schools teach common values or civic education. As college attendance has skyrocketed, he notes, voter turnout has declined.

High costs, indifferent teachers, hours devoted to subjects that have little to do with earning a living in the real world: Is it all worth it?

In light of all this, Mr. Caplan says that most of the people who attend college should not. It might well be better for them to go to vocational school, for instance, or take a learn-on-the-job approach. In any case, students need to ask whether the signaling aspects of education are worth it—whether a degree is worth the time and money it will take mainly to signal one's suitability for a certain professional or social class. Unless you are a strong student, he suggests, you shouldn't bother with college at all.

In "Rethinking School," Ms. Bauer argues that parents should start questioning the value of our educational system from the first day of kindergarten. Even the idea that children of the same age should be put in the same grade—a proposition introduced by Horace Mann in the 1840s after he visited some German schools—is an absurd conceit, in Ms. Bauer's view. Some children are more emotionally mature than others. If your child is struggling, you might want to "consider evaluation by a learning specialist. . . . But in many cases, a child who's struggling simply needs the earth to circle the sun one more time."

There are plenty of reasons, Ms. Bauer says, to be unhappy with what schools offer, from teachers who don't have the knowledge (or time) to help students of different abilities to administrators unable to curb bad behavior in the classroom. She says that teachers hate parents who demand special attention for their children and then offers ways to butter them up. (Do research before meeting with them, volunteer to help in the classroom.) But ultimately, she observes, one shouldn't assume that teachers will be on your side if your child is especially gifted or faces unusual difficulties.

So why bother? Now that every state permits home schooling, Ms. Bauer notes, there is no reason to put up with teachers or schools if they're not working for your child. She was home-schooled herself, she tells us, and has home-schooled her own children. She makes the effort sound no harder than helping children with their homework each night—and it allows you to decide what subjects you want your children to learn. These may include the technical skills that will make them better able to find a job.

As for the longer term, Ms. Bauer says: "I beg you, for your child's wellbeing, to let go of your elite college hopes." Not only are the chances of getting in slim, but, she argues, it's perfectly possible to get a good education at a "lousy" school. Or at no college at all. Ms. Bauer encouraged one of her sons to drop out of college when he didn't seem to be enjoying it. Mr. Caplan, for his part, has done some home-schooling too and says that, while his elder two children are good students, he doesn't know about the two younger ones. "If either turns out to be a C student, I will gently but emphatically advise them to find a full-time job right after high school." There is something to be said for critics of higher education who are willing to follow their own advice.

Ms. Riley is a visiting fellow at the American Enterprise Institute.

REVIEW & OUTLOOK

The Pentagon's Fading Readiness

For all the talk over a showdown with North Korea, few are asking: Do the less than 1% of Americans in the armed forces have the most lethal weapons and best training to defend the country? There is reason to wonder, and Congress has an opportunity to shore up the military as the world grows more dangerous.

The first priority in a budget deal should be more money for defense.

Congress is trying to reach a budget deal to extend government funding that expires this month. One issue are the caps on defense spending under the 2011 Budget Control Act, which tried to force Congress to do something about the deficit by threatening automatic cuts. This has imposed useful discipline on non-entitlement spending, but the military has been hit harder than domestic accounts.

* * *

The military is operating at a high tempo in multiple theaters, even as funding has dropped and become more erratic. The Congressional Research Service says the Defense Department has operated under continuing resolutions, which are stopgap measures that limit spending flexibility, for more than 36 months since 2010. Compare that with fewer than nine months in the preceding eight years.

This means fewer resources for equipment maintenance and soldier training. Some of this could have contributed to the Navy's collisions in the Pacific last year that killed 17 sailors. The Navy's investigation revealed that training practices failed—for instance, crew members "were not familiar with basic radar fundamentals." Ships are deployed at sea more often and for longer. A prescient 2015 Government Accountability Office report found that ships based in Japan had "no dedicated training periods" as a result of the deployment pace.

A mere five of 58 brigade combat teams in the Army are prepared to "fight tonight," according to the House Armed Services Committee. And—levity moment—by one account half of the Air Force's aircraft major weapons systems would be eligible for an antique license plate in Virginia. The Air Force is also short about 2,000 pilots, up from 1,500 roughly a year ago, and the deterioration of equipment can lead to an exodus of talent.

Of note is a precipitous increase in Class A flight mishaps, which inflict $2 million in damage to aircraft or loss of life. The Marine aviation Class A mishap rate has been rising above the historical norm. The Navy's rate is better but both suffered fatal accidents last year, including an October crash of a Navy trainer jet that killed both pilots.

The forces behind these tragedies vary but an ominous trend is reduced flying hours for pilots, which is in large part a function of funding. General Joseph Dunford explained to Congress why this metric is essential.

"On a day-to-day basis you may not be able to see the difference between" a pilot flying 30 hours a month and a pilot with 15. But in the event of an in-flight emergency, "the pilot that has 30 hours will immediately feel much more comfortable and confident in their ability to deal with an anomalous situation, be able to control their physiological response. And you and I may never find out about that incident. On the contrary if the pilot has 15 hours a month we may very well find out about it because it's a Class A mishap."

The political shame is that money to address these problems is being held hostage in a left-right crossfire. Democrats are trying to extract a dollar more in domestic spending for every new dollar deployed to the military. A faction on the right complains about runaway federal spending.

Both are taking the wrong hostage. Democrats may not appreciate the reminder but the U.S. still has to defend itself no matter the funding for food stamps. The GOP can rile up voters about federal debt, but the main fiscal problems are entitlements, which won't be touched in a budget deal.

It's true that defense would help its case by not wasting money through procurement fiascoes like the F-35 fighter. Yet continuing resolutions have made waste more pronounced by forcing the military to spend only on the most pressing problems and delay the rest. Navy Secretary Richard Spencer put it memorably when he said that thanks to inefficiencies since 2011 "we have put $4 billion in a trash can, poured lighter fluid on it, and burned it."

* * *

The 2011 budget deal served a purpose but by now it is eroding America's defenses. We'd prefer if Congress increased money for defense and reformed entitlements, but that isn't going to happen this year. The fallback should be a deal for two years of increased spending for budget clarity. Last year's defense authorization suggested a $700 billion top line: More than $46 billion for fixing up aircraft and $16 billion for mitigating "critical munitions shortages," among other priorities.

U.S. military dominance isn't inevitable, and there are ample signs it is eroding. A spending deal won't correct every Pentagon dysfunction, but the services need more political and financial support. The result without it will be more risk for the men and women of the military and less security for the other 99% of Americans.

Saber-Rattling in Syria

Sergei Lavrov misses John Kerry. The Russian foreign minister negotiated the Iran nuclear deal with the former U.S. Secretary of State, but on Monday Vladimir Putin's foreign-policy front man used his annual press conference to berate the U.S. and all but declare that America must leave that country to Russia and Iran.

The Russians and Turks threaten the U.S. to abandon Syria's Kurds.

Mr. Lavrov seemed especially upset that the U.S. wants to help the Syrian Kurds retain a zone in northeastern Syria that is safe from Syrian government attack. "The actions that we have been observing indicate that the U.S does not want to keep Syria as a state in its current borders," Mr. Lavrov said. "The U.S. wants to help the Syrian Democratic Forces to set up some border security zones."

The Trump Administration hasn't said what it wants in post-Islamic State Syria, but so much the better if it intends to help the Kurds. The Kurds were indispensable as ground forces in the fight against ISIS, and they deserve some support in return. Their presence in Syria is also a countervailing force to Iran's desire to dominate the region from Tehran through Iraq to the Mediterranean Sea. They also offer a moderate, pro-Western alternative to a Syria dominated by either the Bashar Assad-Iran-Russia axis or the jihadist Sunni Arab opposition that is growing in strength in southern Syria.

Mr. Lavrov's outburst is best understood as a threat to force the U.S. to abandon the Kurds. He spoke on the same day that Turkey's strongman Recep Tayyip Erdogan threatened to "strangle" the U.S.-backed Syrian democratic force "before it's even born." That too is bluster intended to get the U.S. to walk away from the Kurds.

But if the U.S. wants to have any influence over events in Syria, and even any influence over peace talks, it will hold firm in support of the Kurdish safe zone.

Organized Labor's Lawbreakers

Organized labor has a long history of corruption, but federal records show it's not improving. In the past two years a total of 143 labor leaders and staffers have pleaded guilty or been convicted of federal crimes, according to the Labor Department's recently updated disclosures on criminal enforcement actions.

At least 143 union leaders have admitted to crimes since 2016.

The federal government's felonious list includes the presidents of more than 30 union locals, as well as more than 60 officials who held a treasurer or secretary-treasurer post. The crimes overwhelmingly involve top brass stealing from the union, and the incidents range from pilfered thousands to multi-million-dollar embezzlements. Union members are the victims.

For instance, Tamika Bullock was a secretary-treasurer for the boilermakers union in Chesapeake, Virginia, who last November pleaded guilty to embezzlement. She had stolen more than $20,000 from an account that was supposed to aid workers coping with a serious illness or economic crisis. She used some of that money to go on a cruise.

Raymond Ventrone of the boilermakers Pittsburgh local embezzled at least $1.5 million from the union. Ventrone dropped $527,000 on Louis Vuitton purses and $38,000 on drums, and a U.S. Attorney recounted how the former business manager's house was "literally lined with Best Buy purchases."

David Fleury, president of a bricklayers local in Rockford, Illinois, stole more than $250,000 from the union, spending heavily on gambling and vacations. David Sager, president of the steelworkers union in Middleburg Heights, Ohio, embezzled hundreds of thousands, which he used in part for tickets to see Carrie Underwood, Disney on Ice and Sesame Street Live.

The list goes on, and the extent suggests problems that go beyond temptation and human nature. One issue is probably the lack of adequate financial controls, especially given how much money unions get in member dues. The cash is handled by union locals, which means many opportunities for corruption. National union outfits like the AFL-CIO should provide education and technology to help locals keep track of the money. Public companies face internal and external audits and scrutiny by multiple regulators. The Labor Department conducts organized-labor audits, and in 2016 nearly one in five led to a criminal case.

Corruption stories spread by word of mouth, and they may help explain the continuing decline in union membership when workers have a choice about joining. Why pay dues for minimal benefits if there's a good chance the money will be stolen? This crime spree is one more reason for more states to pass right-to-work laws that let workers decide if they want to pay those dues.

LETTERS TO THE EDITOR

Oprah in 2020? The Improbable Is Possible

Regarding your editorial "Could Oprah Out-Trump Donald?" (Jan. 9): On the same day that you observed that after the election of 2016, "only a fool would rule out Oprah's chances" as a presidential candidate, Matt Salisbury made the case that "GOP Tax Reformers Are Lousy Salesmen" (op-ed) who were clobbered on social media by Democrats pushing a hashtag called #GOPTaxScam.

It is hard to believe that 21st-century politics has degenerated into contests among celebrities, hashtags and put-downs, but that appears to be our fate. Attention spans in our social-media age can barely accommodate longer texts, much less a full explanation as to why reduced corporate tax rates are good for all Americans. Mr. Salisbury observed that Republicans lost the image battle as well by lining up an army of mostly older white guys in dark suits for a photo op after the tax bill was passed.

The identity politics that work in Ms. Winfrey's favor are fascinating. She would have near-unanimous support from single women, many of whom seem to want the financial security of marriage without the baggage of a husband and expect Washington to provide that support. She also would have overwhelming support from millennials, many of whom seem to want the financial security of childhood without the baggage of helicopter parents and expect Washington to fill the void. Donald Trump eked out a stunning upset against an extremely weak and unpopular Democratic candidate who had identity politics in her favor, but a strong headwind from eight years of poor economic results under President Obama. Given the speed of our descent into insubstantial political messaging, it may be that by 2020 any campaign message longer or more thought-provoking than "dilly dilly" will be a loser.

Gary Robertson
Tampa Bay, Fla.

I am a huge fan of Oprah and I don't personally know anyone who isn't. I think she would be a great improvement in leadership in the Oval Office. However, I don't believe she will seek the office because she is too smart to put herself through that process.

I believe that she, Jay-Z, George Clooney, Dwayne Johnson and other celebrities can use their wealth and reputations to affect the path of the 2020 presidential election. Combined, they can overwhelmingly out-Trump President Trump.

Bill Wright
Moorestown, N.J.

How depressing that Alexis de Tocqueville's worst fears came true so quickly. Competence, experience and gravitas no longer matter. Celebrity is all that matters to become the leader of the world's most important nation.

How about the Kardashians in 2024?

Peter Prasthofer
The Woodlands, Texas

We Need a More Subtle Approach to Opioids

Dennis Kneale's "The Opioid Crisis Has Plaintiff Lawyers Smelling Cash," (op-ed, Jan. 4) highlights the influx of plaintiffs' attorney lawsuits related to the opioid epidemic. These lawsuits that seek to place blame entirely on pharmaceutical distributors fail to recognize the complexity of the crisis and deliberately misrepresent the important role our industry plays in the supply chain.

Distributors safely and efficiently deliver a range of medications to pharmacies and providers each day and only deliver opioids to Drug Enforcement Administration-registered and state-licensed entities. Further, as logistics experts our members do not manufacture, promote, prescribe or dispense medicines, nor do we in any way have the ability to affect the demand for these medicines. It is important to note that the DEA sets the annual production quota for controlled substances based on prescribing data and patient need, and that each opioid ordered is reported to the agency. The DEA is the only entity that knows the total amount of opioids dispensed, pharmacy-by-pharmacy, across the country.

At a time when we need to work together to end the opioid epidemic, attempts to blame distributors by ignoring how the supply chain operates and is regulated bring us no closer to real solutions.

John M. Gray
President and CEO
Healthcare Distribution Alliance
Arlington, Va.

Legal opioids are used by law-abiding citizens to manage pain. They are needed, most obviously, to manage pain from illness, injury or postoperative recovery. For such individuals, these drugs make life bearable and in many cases are functionally life-saving.

In recent years, the great rise in legal opioid use is primarily due to our aging population. Otherwise healthy people find, as they enter their senior years, that pain is a frequent and unwelcome companion. Opiates, used as needed, become a pain management tool that adds hugely to the quality of life. Draconian restrictions on the availability of opioids, as recommended by Mr. Kneale, might save tens of thousands but would harm tens of millions.

Irwin Romaner
Suffern, N.Y.

You suggest that Big Pharma should declare a moratorium on its production. If you don't have a solution for current addicts, then cutting the supply of quality pills simply will result in an increase of the illicit production of poorly controlled, low-quality, sometimes poisonous substances. What you suggest may actually increase deaths. This isn't just about supply. It's about demand too.

We continue to ignore successes in other countries where decriminalizing and supplying properly manufactured known dosages of opioids has resulted in a decrease in the number of addicts and a decrease in deaths. Our poorly thought-out overreaction to this problem may make things worse. Nothing we do will stop the plaintiffs' lawyers from smelling cash. Judge Mills Lane said, "Every unfortunate event does not give rise to lawsuit," but the plaintiffs' lawyers don't believe it.

Michael P. Carter, M.D.
Savannah, Ga.

Trump Campaign Knew It Would Win the Presidency

In "The Non-Accidental Presidency" (Business World, Jan. 6) Holman Jenkins promotes the myth in Michael Wolff's book "Fire and Fury" that President Trump's staff didn't believe he would be or should be elected president, writing: "This was obvious at the time except to Never Trumpers." I was an unpaid campaign adviser in the Washington, D.C., office and much as I enjoy Mr. Jenkins's columns, this statement is completely untrue. Three weeks before the election I gave a talk to campaign staff about errors in the polling methodology and explained why Mr. Trump was doing better than the polls showed. I published a column on Economics21.org on Oct. 20, 2016, entitled "How National Pollsters Are Helping Hillary Clinton." At the staff meeting the week before the election, D.C. campaign executive director Rich Bagger told us that the numbers looked great and that our next weekly meeting would be in the larger transition headquarters in the General Services Administration facility on E St. As Mr. Bagger had forecast, we were soon in the transition building.

Diana Furchtgott-Roth
Chevy Chase, Md.

ANDREW HARRER/BLOOMBERG

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Pepper ... And Salt

THE WALL STREET JOURNAL

"I don't listen to you because you sound like my mother."

OK Google, You've Been Served

By Allysia Finley

Does Google discriminate against white, male and conservative employees? Two former Google workers allege as much in a class-action lawsuit they filed against the company last week. While they may have difficulty prevailing in court, they make a strong case that Google aggressively promotes a political agenda and is far from a neutral broker of information.

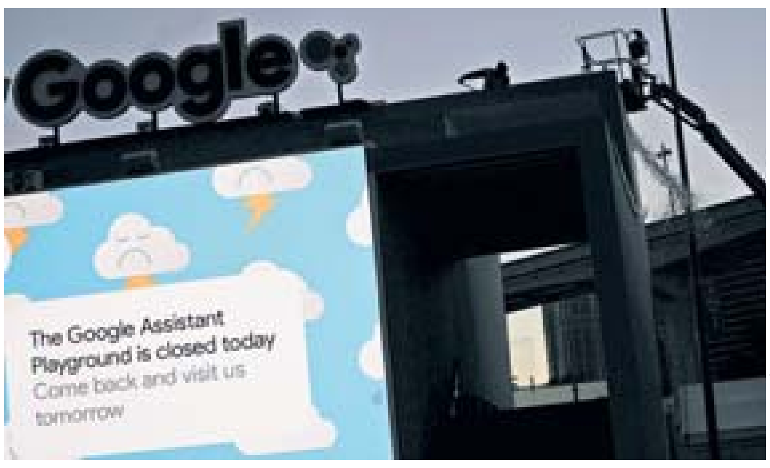
Former Google engineers James Damore and David Gudeman claim they were fired for failing to conform to the company's progressive culture. Last summer Mr. Damore published what was initially an internal cri de coeur against Google's "ideological echo chamber" that criticized its intolerance for alternative views and suggested biology may make men better suited, on average, for tech jobs.

The company may find its political monoculture hard to defend under California labor law.

Many Google employees demanded Mr. Damore's termination and a purge of those who shared his views. Senior managers allegedly told Mr. Damore that he was fired for "perpetuating gender stereotypes."

Mr. Gudeman was fired after he questioned a Muslim co-worker who claimed he was being targeted by the federal government because of his religion. According to the lawsuit, Google claimed Mr. Gudeman had accused the colleague of terrorism.

Messrs. Damore and Gudeman claim to be victims of sex, race and political discrimination. Discrimination in employment on the basis of race, sex, national origin and religion are prohibited by Title VII of the Civil Rights Act of 1964. But federal law doesn't forbid employers to discriminate based on their political or cultural views. So the plaintiffs are suing under California labor law, which prohibits employers from "forbidding or preventing employees from engaging or participating in politics." Employers also cannot discharge or threaten to terminate employees to coerce them into political action.



ALEX WONG/GETTY IMAGES

A Google exhibit at the Consumer Electronics Show in Las Vegas, Jan. 9.

To win certification as a class action, the plaintiffs must demonstrate that numerous Google employees suffered a common injury. To win their case, they'll have to show that Google itself adopted or enforced a policy that forbade employees from engaging in politics and led to systematic discrimination against white, conservative men—or alternatively that Google fired Messrs. Damore and Gudeman to force employees to adopt progressive views.

Google's likely defense will be that it pledges to "create a respectful culture that is free of harassment, intimidation, or unlawful discrimination of any kind," and that the firing of Messrs. Damore and Gudeman was in furtherance of this policy. But the plaintiffs make a good case that Google has selectively and unfairly enforced its policy, and in doing so has promoted a hostile workplace.

Mr. Damore alleges that after he and some co-workers complained about Google's ideological conformity and diversity training—"bias busting" seminars on "white male privilege" and the like—they were shunned, denounced and punished. One manager sent out a mass email describing Mr. Damore's memo as "repulsive and intellectually dishonest" and allegedly "promoted posts that advocated for physical violence" against him. A co-worker emailed Mr. Damore: "You're a misogynist and a terrible person. I will keep hounding you until one of us is fired. [Expletive] you." Mr. Damore says he forwarded the email to the human-resources department and was told to work from home. He was fired soon after. Another manager allegedly threatened to ask Google's employee-relations department to sift through old posts on Google's "conservatives@" mailing list for code-of-conduct violations.

The plaintiffs also include nearly 100 pages of employee postings on Google's chat system that disparage conservatives as well as white men. Several employees circulated a meme asserting that " 'America First' is a slogan for American Nazis" and "you should absolutely punch Nazis."

Others posted: "If you want to increase diversity at Google, fire all the bigoted white men" and "by being a white male you are in a privileged class that is actively harmful to others." One described Mr. Damore and his supporters as "a cancer within our culture." Many demonstrated an animus toward Christianity—for instance: "People in Indiana are bigots, but they don't call it bigotry. What do they call it? Religious freedom."

Managers allegedly maintained "blacklists" of conservatives who were blocked from working on their teams, which thwarted their advancement. One manager who blacklisted an intern because he refused to alter his political views allegedly wrote to a fellow manager: "I don't think he was aware that there were real consequences for his actions. That might have given him the right motivation to change his beliefs or at least to keep his mouth shut."

According to the lawsuit, Google "relies on crowdsourced harassment and 'pecking' to enforce social norms (including politics) that it feels it cannot write directly into its policies." It's as if the company were using machine learning to program its employees' politics.

Even if Google prevails in the lawsuit, it may consider whether this is any way to run a business. Ideological uniformity can undermine the ability to connect with disparate consumers and generate innovative ideas. That's especially true for a company like Google, whose founding mission was to make information "universally accessibly and useful." People with divergent political views may have different ideas about what information is useful.

Silencing alternative views and sheltering employees from uncomfortable ideas, as many colleges do, will surely undermine Google's own ability to attract creative thinkers. Employee intolerance might have also contributed to its subsidiary YouTube's censorship in 2016 of conservative PragerU videos. And the Daily Caller reported last week that the search engine was providing selective and inaccurate "fact checks" for conservative, but not liberal, sites.

Google's Orwellian conceptions of inclusivity and diversity also ought to raise questions about its commitment to an "open internet." How exactly does it define open?

Ms. Finley is a member of the Journal's editorial board.

What's the Matter With Norway?

By Orde Kittrie

President Trump reportedly touted Norway last week, comparing it favorably with Haiti and other countries he described in scatological terms. Though there are surely wonderful Norwegians, the government in Oslo calls to mind the Barry Switzer line: "Some people are born on third base and go through life thinking they hit a triple."

Norway is fabulously wealthy, thanks to North Sea oil. Its economic output per capita is 20% higher than America's. Little Norway's government pension fund is the world's third largest, valued at around $1 trillion. Lucky geography has allowed the country to become a cradle-to-grave welfare state, with free university tuition and universal health care. Norwegians topped the global happiness rankings in 2017. Only 502 of them moved to the U.S. in 2016.

Last week Mr. Trump praised Norway as a "great ally." Despite vast wealth and generous social spending, however, the Norwegians skimp when it comes to the common defense of the U.S. and Europe. Norway is a member of the North Atlantic Treaty Organization, but it consistently fails to meet the NATO guideline of putting 2% of gross domestic product toward its military. Instead, Norway relies for protection on the U.S., which spent 3.3% of GDP on defense in 2016.

One might expect Norwegians to appreciate the imbalance in their favor. But at times Oslo acts toward the U.S. like some cartoon "limousine liberal" who sneers at the cops and the methods they use to protect his neighborhood. Norway's government pension fund has singled out for divestment several U.S. defense contractors—including Boeing, Honeywell, Lockheed Martin and Northrop Grumman—"because they are involved in production of nuclear weapons." But these companies help make such weapons only for the U.S. government, and NATO's most recent strategic review declares America's nuclear umbrella to be "the supreme guarantee" of the alliance's security.

President Trump says Oslo is a 'great ally.' So why is it boycotting Wal-Mart while investing in Iran?

Norway's pension fund divested from Wal-Mart for purported "serious violations of human rights." Despite Norway's reliance on oil, the fund has divested from some two dozen U.S. companies because they produce a different fossil fuel, coal.

In 2016 Norway's government authorized its pension fund, controlled by the country's finance ministry, to purchase Iranian government bonds. Thus, the fund boycotts U.S. defense companies, while allowing investments in the government of Iran, the leading state sponsor of terrorism and a patron of Bashar Assad's atrocities in Syria. Norway is also quickly building academic, banking, energy and other ties with Tehran.

That's a contrast with Oslo's cool stance toward Israel. In May, Norway's biggest trade union, which represents a quarter of the working-age population, voted for a complete boycott of Israel. Press reports in December suggested that Oslo would cut funding for nongovernmental groups that advocate boycotts of Israel. But on Jan. 2 the Norwegian mission in Palestine announced that no policy had changed and "as before, the Norwegian Government will not provide support to organizations that have stated boycott of Israel *as their primary goal*" (emphasis added). At the United Nations last month, Norway voted to criticize America's recognition of Jerusalem as Israel's capital. Haiti abstained.

Rather than praise Norway, Mr. Trump should be holding it accountable for how it chooses to spend—or not spend—the vast fortune it received from geography's lottery. As a NATO member whose defense is subsidized by the U.S., Norway should not be investing in enemy governments while undermining allies and American defense contractors. Worryingly, these actions are part of a growing pattern in Europe. Many governments are happy taking shelter under America's defense umbrella while boycotting the companies that make it possible.

There is currently no U.S. government office that tracks or counters such boycotts, but there ought to be. An obvious place to start is the Commerce Department, which does have a small office focused on Arab government boycotts of Israel. That mission should first be expanded to include anti-Israel boycotts fostered by the U.N. and other international organizations. Then the Commerce Department unfortunately needs to start protecting American companies and workers from a broader range of boycotts, including Norway's.

Mr. Kittrie is a law professor at Arizona State University, a senior fellow at the Foundation for Defense of Democracies, and the author of "Lawfare: Law as a Weapon of War" (Oxford, 2016).

How Millionaires Collect Food Stamps

By Kristina Rasmussen

The Trump administration announced last week that it will allow states to impose work requirements on able-bodied Medicaid beneficiaries. It's an overdue change. For too many years federal policies focused on enrolling as many people as possible, rather than serving the truly needy and encouraging those who can become independent to do so.

Consider the food stamp program's longstanding policy of "broad-based categorical eligibility." You probably assume that food stamps go to poor people only. But this policy, which the U.S. Department of Agriculture instituted during the Clinton administration, allows state food-stamp programs to grant benefits to anyone who has moderately low wage income, regardless of net worth. A family with a seven-figure bank account can be eligible for food stamps.

That's how lottery winners—including actual millionaires—wind up getting food stamps. In 2012 Amanda Clayton of Detroit was revealed to be receiving $200 in monthly food aid despite having won $1 million the year before. "I feel that it's OK because I have no income," she said, "and I have bills to pay. I have two houses."

In 2011 Leroy Fick of Bay County, Mich., was found to be receiving food assistance despite having taken home $850,000 in lottery winnings the previous year. To his credit, he had contacted the state food-stamp bureaucracy to ask if he needed to come off public assistance after getting his newfound wealth. He was told he could stay on it.

When these stories went public, the Michigan Legislature and Gov. Rick Snyder instituted a new qualification requirement. Anyone with $5,000 in assets, with some exceptions for cars, became ineligible for food stamps. But more than 30 states continue to have no asset limits. All you need to collect food aid is two things: an income below a multiple of the poverty line, ranging from 130% to 200%; and eligibility for some sort of benefit funded by Temporary Assistance for Needy Families (TANF), the main welfare program for single parents.

And there's the "one weird trick." The state spends TANF dollars to print a welfare *brochure*. The brochure itself is defined as a "benefit," which everybody is "eligible" to receive, thereby meeting the USDA requirement.

Of the 47 million Americans who received food stamps in 2014, some four million got them under "broad-based categorical eligibility"—most because their wealth would have made them ineligible otherwise. This is an abuse of a taxpayer-funded system that ought to help the truly needy, not lottery winners and others with real assets. Yet these policies persist because states are addicted to the federal funds they bring.

President Trump and the USDA can end this charade immediately and unilaterally, abolishing "broad-based categorical eligibility" without awaiting congressional action. This would set an example while sending a message: America's welfare system will serve only those who really need it.

Ms. Rasmussen is vice president for federal affairs for the Foundation for Government Accountability.

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GOP Maps A Road To Nowhere In November

By Mark Walker

Despite the constant media portrayal of disarray, 2017 was a productive year for the first unified Republican government in a decade. Not only did we pass a once-in-a-generation tax reform, we repealed ObamaCare's most onerous and unpopular provision, the individual mandate.

Democrats should be anxious about heading into midterm elections as Americans reap the benefits of tax reform and deregulation. If Republicans maintain our momentum, we can retain our majorities in the House and Senate. Yet I fear we may be giving Democrats a fighting chance by bringing back a practice that epitomizes swamp-style politics: earmarking.

Officially banned in 2011, earmarks give members of Congress the ability to direct federal spending toward specific projects, usually in their own districts. Conservatives traditionally oppose such giveaways, but Speaker Paul Ryan said last week that the House will look into reviving the practice. He shouldn't bow to the demands of members who claim earmarking is a legitimate part of Congress's power of the purse.

After a productive 2017, House leaders consider bringing back earmarks. Do they remember history?

This bad idea is gaining traction partly because most House Republicans took their seats after the 2011 ban. They have little memory of past abuses like Alaska's "Bridge to Nowhere." They never had to endure the meetings where lobbyists pressured them to grovel before the Appropriations Committee for pork. The moniker "cardinals" for subcommittee chairmen is an anachronism; they no longer have unilateral powers to redirect billions in spending on a whim.

When earmarks were allowed and encouraged, bills passed on shady favors and chumminess rather than on their merits. This practice helped produce what we now call the swamp. It wasn't so long ago that the GOP used a platform of banning earmarks and controlling spending to help ride a major political wave and take control of the House. This message was a precursor to President Trump's promise to "drain the swamp" and end a status quo that benefits Washington insiders over ordinary Americans.

An earmark revival—even as the U.S. courts trillion-dollar deficits—would risk handing Democrats a tool to transform their "resistance" into a political force capable of achieving tea-party-style electoral victories. If Republicans bring back earmarks, you can bet that Democrats plant the blame of every subsequent earmark on Republicans. It's only a matter of time before there is another politically catastrophic "Bridge to Nowhere."

Earmarks also lead to bad policy. I am willing to listen to reform proposals, but historically earmarks have opened the gates to out-of-control spending as members compete with one another to bring home the bacon. The price for every bill tends to rise as members hold their affirmative votes until money for their own pet projects are slipped into legislation. Earmarks for Medicare and Medicaid greased the legislative gears to pass ObamaCare, a bad policy that plagued American families with year after year of premium hikes.

President Trump recently said he supports bringing back earmarks, apparently hoping it will make legislation easier to pass. But if the political backlash helps Democrats take the House, the legislative agenda will consist simply of impeaching Mr. Trump for whatever the latest controversy is. Democrats likely will abuse the power of Congress to ramp up the Russia investigation and subpoena anyone who ever drank Russian vodka. (For the record, I'd be safe.)

Instead of looking to tried-and-failed methods of the past, Republicans should keep our focus on fulfilling the promises made by congressional Republicans and the Trump administration to the American people. Reviving earmarks would threaten to bring our party's momentum to a screeching halt.

Mr. Walker is chairman of the Republican Study Committee. He represents North Carolina's Sixth District

Clerical Sex-Abuse Scandal Follows Pope

Francis visits Chile, where critics say he hasn't done enough to redress past wrongs

Pope Francis's three-day visit to Chile will draw attention to what activists describe as one of the most conspicuous weaknesses of his nearly five-year-old pontificate: his failure to take enough action to protect children from clerical sex abuse and punish priests for perpetrating it.

By Ryan Dube in Osorno, Chile, and Francis X. Rocca in Vatican City

VINCENZO PINTO/AGENCE FRANCE-PRESSE/GETTY IMAGES

Pope Francis arrived in Santiago on Monday. One Chilean victim called the pontiff's record on addressing abuses 'a disaster.'

When the Argentine pope arrived in Santiago Monday to begin his sixth visit to Latin America, he set down in a traditionally Catholic country where revelations of clerical sex abuse have damaged the image of the church, and where the pope's handling of the problem has drawn particular criticism.

"His record is a disaster," said Juan Carlos Cruz, a Chilean sex-abuse victim and an organizer of protests planned for the pope's visit. "People are absolutely disgusted with the way he has handled abuse and how he's treated us."

In an apparently unrelated development, three Catholic churches in Santiago were firebombed on Friday, with a note left at one of them threatening the pope by saying "the next bombings will be in your soutane," referring to a priest's cassock. The Vatican Embassy, where the pope is staying, was also occupied by people protesting the cost to the Chilean state of the pope's trip. Authorities said they were investigating the bombings, which Police Chief Gonzalo Araya said may have been orchestrated by anarchist groups accused in the past of detonating small, homemade bombs at ATMs and subway stations and on streets in the capital.

The sex-abuse scandal as it unfolded in Latin America centers on the Rev. Fernando Karadima, an influential priest in Santiago who ministered to Chile's elite in the capital and was accused in 2010 of having molested minors, including Mr. Cruz, over the course of decades.

After a Vatican inquiry concluded in 2011 that Fr. Karadima was guilty of abusing minors, he was ordered to a life of prayer and penitence.

Accusations of abuse were also lodged that year with civil authorities. A Chilean court declined to prosecute the case, citing a statute of limitations that put allegations dating back to 1980 outside the law's reach.

Fr. Karadima is still living in the capital, according to a spokesman for the Archdiocese of Santiago. Attempts to reach him for comment were unsuccessful. In a 2015 court appearance in Santiago, he insisted on his innocence of all sex-abuse charges.

Pope Francis was drawn into the scandal in 2015, when he appointed Bishop Juan Barros to lead the diocese of Osorno, located in Chile's sparsely populated southern region of Patagonia. Bishop Barros had served as a parish priest under Fr. Karadima in Santiago. Former members of his congregation in the capital later accused him of witnessing and failing to report Fr. Karadima's abuses there.

Bishop Barros has denied knowledge of Fr. Karadima's actions. Neither he nor officials in the diocese of Osorno responded to emails and phone calls seeking comment.

Pope Francis dismissed the Osorno protesters that year as "foolish," saying their accusations were politically motivated and urging protesters not to "be led by the nose by the leftists."

The Rev. Hans Zollner, a member of the Vatican's commission on child protection, which the pope established in 2014, disputed accusations that the pope has been insensitive on the issue. Pope Francis "has spoken up so many times" about the problem, Fr. Zollner said.

Opinion research suggests that the church's image in Chile has suffered in the wake of the Karadima scandal. Since the case broke in 2010, confidence in the church among Chileans has dropped to 34% from 67%, according to the Latinobarometro polling service.

Re-Election Hopes Fade For Italy's Renzi

By Giovanni Legorano

ROME—In 2014, 39-year-old Matteo Renzi electrified Italy's voters, sweeping to power on promises to "demolish" the country's discredited political establishment and revive an economy still badly bruised from the sovereign-debt crisis.

Now, more than a year after he was forced to resign as prime minister, polls show Mr. Renzi's popularity plummeting, frustrating hopes of a comeback for a politician some saw as the reformer Italy needs.

His sinking fortunes and those of his center-left Democratic Party, Italy's largest mainstream and currently ruling party, increase the chances that March 4 parliamentary elections will produce a hung parliament, undermining the prospect of a strong, stable government capable of rebooting Italy's troubled economy.

When Mr. Renzi, a former mayor of Florence, burst onto the scene in 2012, he seized attention in Italy and abroad. His catchy stunts and slogans—he described himself as "The Demolition Man"—stole the thunder from ascendant populists for a time.

"The country can no longer bear a political class that not only hasn't fixed problems in the last 25 years, but has aggravated them," he said at a party gathering in 2012.

Waning Allure

Former Prime Minister Matteo Renzi's center-left Democratic Party has seen its appeal among Italian voters plummet.

Source: Istituto Ixè poll; most recent conducted Dec. 22 of 1,000 adults; margin of error: +/-3.1 percentage points

THE WALL STREET JOURNAL

ITALY PHOTO PRESS/ZUMA PRESS

Ex-Premier Matteo Renzi, campaigning Sunday for March elections.

His promises of pro-market policies appealed to parts of the electorate that don't traditionally support the Democratic Party and raised hopes across Europe for a revitalized Italy. A few months after he became Italy's youngest prime minister yet in February 2014, polls showed support for the party soaring to 43% of voting intentions.

But Mr. Renzi resigned in December 2016 after Italians rejected a referendum he backed on constitutional reforms. Mr. Renzi had sought to push the referendum through by tying it to his own fate, but by then his popularity was falling. Paolo Gentiloni, a member of his Democratic Party, succeeded him as prime minister.

Until last summer, supporters of Mr. Renzi, who remains the party's head, hoped to see him return to lead the government. But since then, his popularity has sunk further. Today, the Democratic Party draws only about 23% of voting intentions.

The path to that decline was marked by notable successes. His overhaul of labor laws, which loosened rules for hiring and firing employees, coupled with billions of euros in temporary tax incentives for hiring, helped add one million new jobs, according to Mr. Renzi. They also helped bring down unemployment from 13% in February 2014 to 11% today.

"Looking at the outcome, you have to accept that they have done something," said Marco Tronchetti Provera, chief executive of tire maker Pirelli.

But joblessness remains a scourge in Italy, where a third of young Italians are out of work. And the economy is still among Europe's worst performers, growing just 1.5% last year—half the pace of once-troubled countries like Spain. Mr. Renzi's critics cite that sluggishness as evidence of Mr. Renzi's failure to attack problems such as high tax rates and a complex bureaucracy.

Italy's banking problems also damaged Mr. Renzi's reputation. On his watch, the government spent billions to rescue or liquidate seven ailing lenders. Those interventions imposed large losses on hundreds of thousands of shareholders and bondholders.

At an event in September, one heckler accused Mr. Renzi's government of having "stolen" the savings of more than 100,000 small investors who lost billions in the bank rescues. Mr. Renzi's brusque response to the woman, who was escorted from the audience, made headlines.

In a bid to reconnect with voters, Mr. Renzi has been crisscrossing Italy to meet company owners and factory workers. His support has continued nonetheless to erode.

"I hope after the election the [Democratic Party] will have the numbers [to form a government], but it will be difficult," Mr. Renzi acknowledged in a prime-time television interview last week.

Venezuelan Forces Combat Rebel Pilot

By Kejal Vyas And Anatoly Kurmanaev

CARACAS, Venezuela—The saga of a police pilot and former actor who authorities said stole a helicopter in June and tossed grenades over official buildings took another violent turn as government forces said they had engaged in a bloody shootout with him and supporters at their rural hideout.

Venezuelans watched on Monday as Oscar Perez posted videos online of the fighting between special-forces soldiers and his group of civilians and former military personnel.

"Venezuela, they're killing us!" Mr. Perez said in a video amid gunfire as blood streamed down the side of his face.

His fate wasn't known Monday evening. He has been calling for rebellion against President Nicolás Maduro's autocratic rule.

A former actor in police propaganda shorts, Mr. Perez spawned a nationwide manhunt since the helicopter attack on the Interior Ministry and Supreme Court the government alleged he led with two other dissidents..

On Monday, two police officers and an unknown number of rebels were dead at Mr. Perez's rural hideout in El Junquito, southwest of Caracas, authorities said.

Venezuela's Justice Ministry hailed the defeat of the rebel group but didn't divulge details on Mr. Perez's condition. Five members of his group were detained, the ministry said.

Cellphone footage shot by police officers at the scene showed heavy gunfire being exchanged and grenades exploding outside the hideout. Residents could be heard repeatedly urging officers to stop shooting.

What has left many Venezuelans baffled was how over the past seven months Mr. Perez, a former action star in minor movies in Venezuela, became the central character in a standoff with Mr. Maduro's government.

Despite an economic collapse and increasing authoritarianism, the president maintains loyalty from the armed forces.

Since the June incident, Mr. Perez had posted frequent videos on Instagram and YouTube, calling on the military to save the country from dictatorial rule.

WORLD WATCH

GREECE

Legislature Passes Bailout Measures

Parliament passed dozens of fiscal, labor and energy measures as the government seeks to wrap up the current review of its bailout program, leaving just one inspection before the end of the country's bailout regime after eight years.

"Today's vote is pivotal for the country to successfully emerge from bailouts in seven months," Greek Prime Minister Alexis Tsipras told lawmakers in the 300-seat assembly ahead of the vote on Monday.

The legislation implements austerity measures and reforms tied to the completion of the third review of the country's bailout package of about €86 billion ($105.53 billion) and paves the way for the disbursement of the next tranche that could be around €6 billion to €7 billion. *—Nektaria Stamouli*

IRAQ

Attacks in Baghdad Kill at Least 38

Two suicide bombers blew themselves up in a square in central Baghdad on Monday, killing at least 38 people, an Interior Ministry official said, in the deadliest attack since Iraq claimed victory over Islamic State late last year.

The bombers targeted construction workers and sales people in Tayyaran Square, shattering months of relative calm in Baghdad, where Iraqis have been savoring a respite from the violence that has plagued their country since 2003. More than 100 people were injured in the bombing, police and hospital officials said.

No group claimed responsibility for the attacks, but Islamic State has carried out similar bombings in the past.

—Ghassan Adnan and Isabel Coles

ASSOCIATED PRESS

RUIN: Security personnel inspected what remained of a structure that collapsed inside the Jakarta Stock Exchange tower in the Indonesian capital on Monday, injuring several people.

UNITED ARAB EMIRATES

Qatar Accused of Intercepting Airliner

The U.A.E. accused Qatari fighter jets of intercepting an Emirati commercial airliner in international airspace, intensifying monthslong tensions between the Persian Gulf neighbors.

The U.A.E.'s civil-aviation oversight body on Monday called the alleged interception of a routine flight to Bahrain a "flagrant and serious threat to the safety of civil aviation," according to a statement carried by the state news agency. The aviation body said it would take legal measures to ensure the safety of domestic aviation, without saying what measures would be.

Qatar's head of government communications said the Emirati claims "were completely untrue."

Dubai-based Emirates airline couldn't immediately be reached for comment, while Abu Dhabi's Etihad said it couldn't immediately comment. The two carriers are the U.A.E.'s main airlines.

This month, Qatar filed complaints to the United Nations accusing the U.A.E. of violating its airspace on two recent occasions, allegations a top Emirati official denied. Qatar claimed two U.A.E. military aircraft flew briefly into Qatari airspace in December and January, actions it called violations of its sovereignty.

—Nicolas Parasie

TECHNOLOGY: LEGO SNAPS TOGETHER CHINA DEAL FOR ONLINE GAMES B4

BUSINESS & FINANCE

Last Week: **S&P** 2786.24 ▲1.57% **S&P FIN** ▲2.88% **S&P IT** ▲0.88% **DJ TRANS** ▲4.23% **WSJ $ IDX** ▼1.07% **LIBOR 3M** 1.722 **NIKKEI** 23653.82 ▼0.26% **See more at WSJMarkets.com**

Global Boom Leaves Dollar Behind

Sliding

The ICE Dollar Index is at a three-year low

Source: FactSet

THE WALL STREET JOURNAL.

By Ira Iosebashvili

The promise of accelerating economic growth overseas is propelling investor funds into the yen, euro and many emerging-market currencies, intensifying a yearlong siege on the U.S. dollar.

The ICE Dollar Index hit its lowest level in more than three years on Friday, extending a nearly 10% decline last year that marked the dollar's steepest annual fall since 2003. The index tracks the value of the currency vs. a basket of U.S. trading partners.

Investors point to the global economic upswing of recent months and the tentative, accompanying steps by central bankers in Europe and Japan to normalize monetary policy after years of expansive support. While the European Central Bank and the Bank of Japan continue to supply generous support to markets, expectations are building that the world's biggest economies will soon unwind nearly a decade of postcrisis stimulus measures and eventually join the Federal Reserve in raising interest rates.

That potentially makes the dollar less appealing to investors, who for years piled into U.S. assets anticipating steady growth and accepting low yet still above-market yields. While the Dow industrials have surged to records alongside many global stock markets, major U.S. indexes have lagged behind foreign counterparts in recent months, a sign that markets here have become something of an afterthought following large gains earlier in the decade.

"The dollar narrative is one of a global regime shift," said Mark McCormick, North American head of FX strategy at TD Securities. Economies like Europe and Japan "are actually starting to look like places where you would want to invest."

The dollar decline is the latest reversal for many investors who expected the currency to rise as the Fed continues on a yearslong path of gradual interest-rate increases. Recently, the dollar's decline has been slow and steady, but the currency's failure to tick up when news might seem to point toward a faster pace of Fed rate increases or an uptick in inflation has impressed itself upon some investors.

Two recent examples stand out. Robust U.S. consumer-price data on Friday didn't spur a dollar rally, and rising Treasury yields in recent weeks have had no appreciable effect on the currency, even as

Please see DOLLAR page B2

At Modern Utilities, Jobs Go Up In Smoke

By Russell Gold

As coal and nuclear power plants around the U.S. close due to competitive pressures, the number of people employed in making electricity is shrinking.

Older power plants are being retired at an unprecedented pace as power producers wage a fierce fight for market share. They are being supplanted by newer power plants fired by natural gas, as well as wind and solar farms, which often are simpler to operate and require fewer workers.

The Center for Energy Workforce Development, a group backed by six major utility industry groups, estimates that total direct utility employment has fallen to 505,000 from 550,000 since 2006. That is eroding a stable source of well-paying jobs, especially in rural areas, and generating local political pressure at a time when President Donald Trump has made blue-collar job retention a major issue.

Many industry leaders believe the shift is inevitable.

"The power sector is just not going to contribute to the economy in terms of jobs the way it once did," said Curt Morgan, president and chief executive of **Vistra Energy** Corp, the electricity producer which used to be part of the former Energy Future Holdings Corp., and is planning to merge with rival **Dynegy** Inc.

Last week, Vistra shut down a power plant in Texas, along with a mine that supplied it with coal via a 15-mile-long conveyor belt. Altogether, they employed 450 people.

Later this summer, Vistra expects to open up one of the largest solar farms in the country in the western part of the state. It will employ two people—and they might be part time, according to the company.

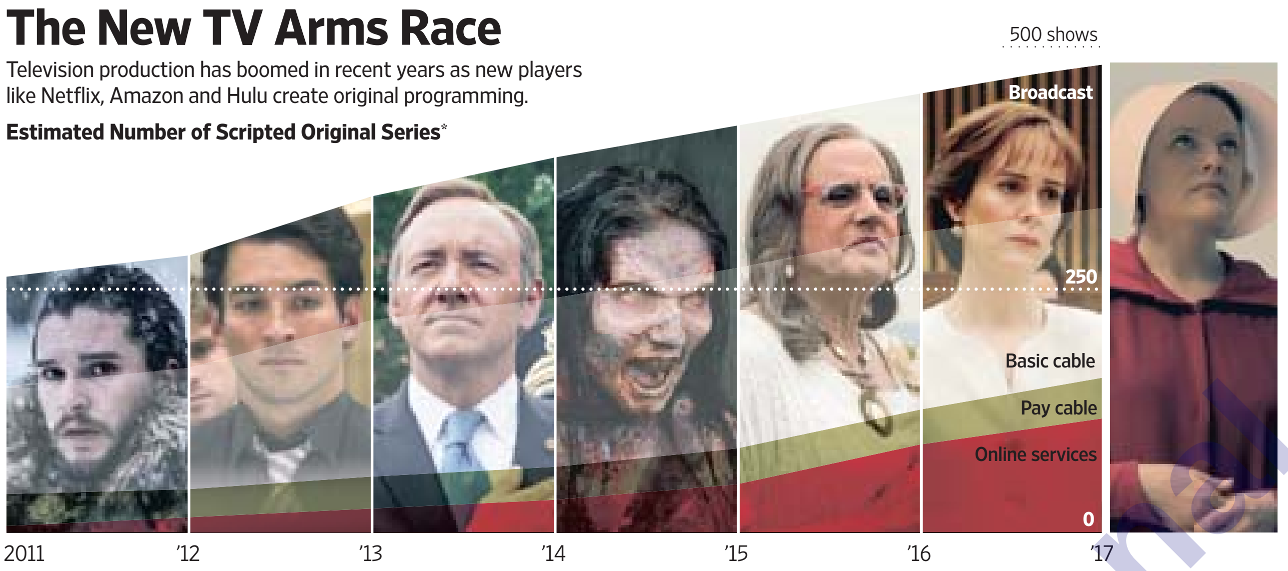
Forty-one percent of the

Please see JOBS page B2

The New TV Arms Race

Television production has boomed in recent years as new players like Netflix, Amazon and Hulu create original programming.

Estimated Number of Scripted Original Series*



'Game of Thrones' premieres on HBO and goes on to win the most Emmys for a scripted show.

Hulu airs its first original scripted show, **'Battleground'.**

Netflix's Season 1 of **'House of Cards'** becomes the most streamed content in the U.S. at the time.

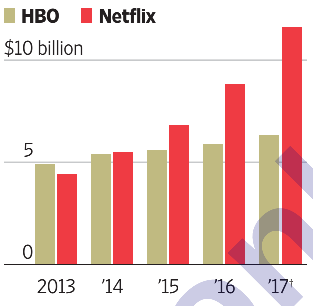
AMC's **'The Walking Dead'** draws the highest-ever ratings for a cable show.

Amazon's **'Transparent'** wins the Golden Globe for best series, the first for a streaming service.

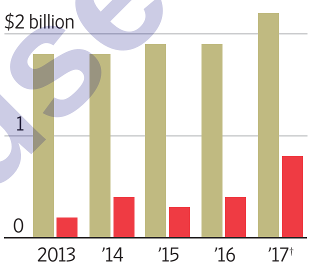
'The People v. O.J. Simpson: American Crime Story' cements FX in the upper echelon of programmers.

Hulu's **'The Handmaid's Tale'** wins Emmy for Outstanding Drama Series, the first for a streaming service.

Netflix has surpassed HBO in revenue...



...while HBO is far ahead in operating profit



*Does not include library, daytime dramas, one-episode specials, non-English language/English-dubbed, children's programs, and short-form content †Estimated

Sources: FX Networks Research (scripted series); MoffettNathanson (HBO); Photos (left to right): Helen Sloan/HBO; Hulu; Patrick Harbron/Netflix/Everett Collection; David Walter Banks; Amazon/Everett Collection; FX Networks/Everett Collection; George Kraychyk/Hulu/Everett Collection

THE WALL STREET JOURNAL.

HBO to Talent: We Love You More

Movie network tries to stand apart from Netflix with pickier programming and more care for its stars

By Joe Flint

When **Netflix** Inc. tried to woo comedian Jerrod Carmichael away from **HBO** to do stand-up specials, HBO executives swung into action.

They told Mr. Carmichael that Netflix, which is bingeing on TV production and has a massive stable of content, wouldn't be able to tend to Mr. Carmichael properly.

"If you have 50 kids, you're not going to every soccer game," HBO's president of programming Casey Bloys said in an interview. "We go to every soccer game, and we're the snack parents at every soccer game. That's how we treat our talent."

Mr. Carmichael stayed put.

HBO, long regarded as the entertainment industry's gold standard in quality content, is adapting to a new era,

JIM SPELLMAN/WIREIMAGE/GETTY IMAGES

Comedian Jerrod Carmichael likens HBO to a selective museum.

when rivals from the tech world are pouring huge sums into original programming and luring top talent away from traditional TV stalwarts.

As platforms stockpile content, HBO is resisting the impulse to bulk up, getting pickier about programming, trimming its development pipeline and embracing the idea that it won't outbid the field on every single hot prospect.

"We are not trying to do the most," said HBO Chief Executive Richard Plepler, adding, "More is not better. Only better is better."

There are risks to being choosy. HBO could miss out on hits that go to rivals. And if it places fewer bets than streaming giants, it can't afford a prolonged streak of flops.

Netflix, by far the biggest force, last year shelled out an estimated $6 billion to launch nearly 30 new original shows and is expected to spend about $8 billion this year. **Amazon.com** spent an estimated $4.5 billion on original and acquired programming in 2017 while **Hulu** spent $2.5 billion.

That compares with HBO's $2.7 billion spent on programming and five shows launched last year.

Mr. Carmichael, the comedian, likened HBO to a museum that is selective about what it shows. "Where do you want your art to live?" said Mr. Carmichael, who renewed his deal with HBO in the spring of 2016. "HBO is like The Broad," he added, referring to the Los Angeles contemporary art museum.

HBO has done well financially in the face of stepped-up competition. For 2017, HBO expects to add more subscribers than ever before, between its traditional TV channel and streaming service, HBO Now. HBO was a main attraction for **AT&T** Inc. in its proposed purchase of **Time Warner** Inc., which is being challenged in court

Please see HBO page B5

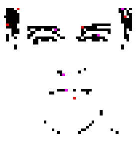
INSIDE

AIRBUS CALLS U.S. AND BOEING PROTECTIONIST

TRADE, B2

STREETWISE | By James Mackintosh

Momentum Returns to Stock Market



Forget fundamentals: Momentum is back in the stock market. For the first time since the 2008 financial crisis a simple strategy of buying the stocks that had already gone up the most delivered a remarkable outperformance last year. Is it a sign of excess or the start of a new bull run?

Momentum is a formal way to capture two old Wall Street dictums: The trend is your friend until the end, and let your winners run. It can be measured over any period from microseconds to years, but investment strategies typically look for three-, six- or 12-month trends.

MSCI's momentum index and the exchange-traded funds that follow it buy stocks that have risen the most over six and 12 months. In the U.S., the index delivered a thumping 44% gain since the start of last year, almost double the S&P 500.

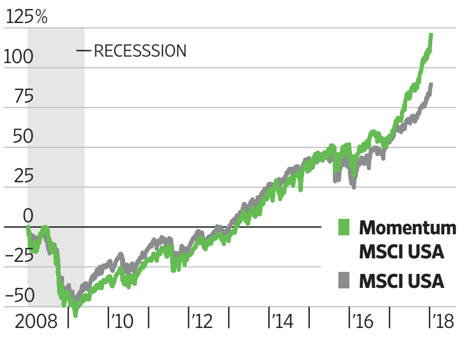
It is easy to make the case that the momentum is a sign of frothy markets. Momentum investors ignore profits, the economy and valuations, buying based purely on price. If they are doing better than investors who focus on fundamentals, the market may be losing touch with reality—and is bound to reconnect, painfully, at some point. The last time MSCI's momentum index for U.S. stocks beat the market by this much was the 12 months up to the summer of 2008, shortly before Lehman Brothers collapsed.

Short-term momentum is also looking excessive. The relative strength index—a popular way of smoothing 14-day momentum—is the

Please see STREET page B2

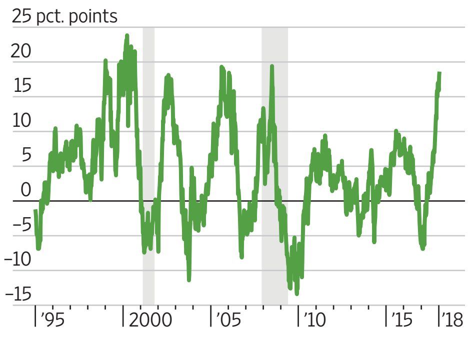
Gaining Momentum

Buying stock trends finally delivered in 2017, after merely matching the market for years.



Buying stock trends beat the wider market over the past year by the most since 2008.

MSCI USA Momentum minus MSCI USA



Source: Thomson Reuters Datastream

THE WALL STREET JOURNAL.

Fiat CEO Rules Out Sale or Company Split

By Chester Dawson

DETROIT—**Fiat Chrysler Automobiles** NV's chief executive said he has no plans to sell its Jeep business or split up the company, cooling speculation but leaving the company's long-term strategy unclear.

CEO Sergio Marchionne last year sparked talk that the auto maker might be willing to part with its Jeep utility vehicles and Ram truck brands, and he has courted rivals with talk of merger. But he backed away from both options as he prepares to step down next year.

"We have no intention of breaking it up" and selling parts of the business to Chinese or other buyers, Mr. Marchionne said at the Detroit auto show on Monday.

The outspoken CEO, who once touted the idea of joining forces with General Motors Co. to boost profitability and cut excess production, said that is no longer something he is interested in pursuing. "The merger [talk] is done. That's history, that's three years ago," he said.

The about-face leaves Fiat Chrysler's future unclear, though he promised Monday to unveil a new strategic plan on June 1 ahead of his departure early next year. While the company has staged an impressive recovery since its 2009 bankruptcy, it has invested less in next-generation technologies than competitors with more cash, and the company remains exposed to a downturn in the U.S. market.

Fiat Chrysler makes almost all of its profit from the Jeep and Ram brands, which have been on a roll as U.S. buyers shift to these kinds of light trucks and away from sedans, which is a segment the company has largely abandoned.

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

INDEX TO PEOPLE

BUSINESS & FINANCE

JASPER JUINEN/BLOOMBERG NEWS

Tom Enders says Boeing is 'ruthlessly surfing' on Donald Trump's 'America First' wave.

Airbus Chief Flies at U.S.

By Robert Wall

Airbus SE Chief Executive Tom Enders has flatly accused the Trump administration of protectionism, while criticizing rival **Boeing** Co. for exploiting such sentiments.

Foreign politicians and executives, in particular, have been wary of Washington's new "America First" trade stance, a policy stance that has been a stark departure from previous U.S. administrations' relative embrace of international trade.

Mr. Enders, speaking Monday night in London at an event sponsored by Britain's aerospace and defense industry trade body, said the U.S. "is no longer fighting for free trade." Instead, he said, the Trump administration was taking actions to close the U.S. market to foreign competitors.

The Office of the U.S. Trade Representative, in its national trade assessment last year, said the administration would "aggressively enforce U.S. trade laws and defend American workers from harmful trade barriers to promote free and fair trade that benefits all Americans."

Mr. Enders, who will leave his post next year, also criticized Boeing, the world's No. 1 plane maker by deliveries. He said Boeing was "ruthlessly surfing on this 'America First' wave." He said his Chicago-based rival has taken advantage of protectionist sentiment in steps that could have short-term benefits but pose a risk to trans-Atlantic industrial ties. He called Boeing's actions self-defeating.

Boeing said it "believes in strong competition, rules-based trade and a level playing field for all in the industry." Competitors have to play by trade rules, it said, adding that those that don't "are the ones that are 'taking advantage' and harming the wider industry."

The global commercial jet industry has become an international flashpoint for Mr. Trump's trade stance. Boeing has accused Canadian plane maker **Bombardier** Inc. of selling its new CSeries plane below cost last year to **Delta Air Lines** Inc. Bombardier said it had given discounts typical for the aircraft industry. Delta has backed Bombardier, arguing Boeing had no rival plane to offer. The U.S. Commerce Department has sided with Boeing, saying it plans to slap tariffs totaling 300% on the CSeries aircraft.

Amid that skirmish, Airbus last year agreed to take a controlling interest in the CSeries program, working with Bombardier. Airbus has said it would assemble such planes bought by U.S. airlines at its manufacturing facility in Mobile, Ala., to avoid the tariffs.

Jet Makers Fail to Ease Strain of Backlogs

By Robert Wall

Boeing Co. and **Airbus** SE both built more jets last year than ever, but not enough to lessen their backlogs and ease supply-line strain as orders boom.

Airbus said Monday it built 718 planes in 2017—a company record and a full 30 planes above the year before. Boeing said last week it produced 763 airliners, also a record.

The delivery frenzy has been a boon to both plane makers, lifting profit and share prices. But it also has strained manufacturing and supply lines around the world.

Investors have punished companies—both plane makers and their suppliers—amid any sign of operational hiccups. The tightness has spurred consolidation both in the U.S. and abroad.

Airbus and Boeing already have struggled at times to get planes out the door because of a lack of seats, toilet doors and even engines.

Airbus said it fell short of its target of building at least 200 A320neo planes last year because of lingering engine-supply issues. The A320neo is the latest version of Airbus's best-selling narrow-body, or single-aisle, jet. It and Boeing's latest 737s have become the workhorses of both legacy and budget carriers because of their size, fuel savings and versatility. Airbus had 30 planes waiting for engines at year-end, Fabrice Brégier, the company's chief operating officer, told reporters Monday.

The engine-supply issues are easing, but Mr. Brégier said Airbus won't commit to higher output of the plane. Boeing and Airbus ended the year with a combined backlog of 13,129 planes, or almost nine years of production at current output levels.

To cope, both plane makers have promised to build even more planes this year—further stretching factories around the world that are already running at full tilt. "The market is just strong everywhere," said Airbus sales chief John Leahy, who retires this month. Global economic growth is robust, total passenger numbers are rising and planes are packed, he said. Airbus plans to produce close to 800 airliners this year, said Mr. Brégier.

Airbus booked 1,109 net orders in 2017. A year ago, Airbus projected order intake would slump below the number of planes delivered, eating into its backlog for the first time since 2009. Instead, the boom period has continued and Airbus's backlog surged to 7,265 planes valued at $1.1 trillion before discounts.

There is one, big, exception to the sales boom: the world's biggest planes. Mr. Leahy, in his most explicit comments yet about the fate of Airbus's A380 super jumbo jet, said the company would have no choice but to shutter the program if it doesn't eventually win a fresh order from Emirates Airline, which is balking.

Boeing, meanwhile, has said it might stop making its iconic 747, its biggest plane, amid dwindling sales. The production boom comes as both Airbus and Boeing have pursued big, industry-changing tie-ups that have pointed them both in the direction of making and selling smaller planes.

JOBS

Continued from the prior page

electricity in the U.S. is being generated by natural gas, wind and solar. In 2016, the most recent year for which federal data are available, gas provided about 33.8% of U.S. power, wind was 5.6% and solar was 1.3%. Five years ago, those three sources combined generated 27.7% of the total. Meanwhile, coal and nukes have fallen to 50% from 62%.

A flood of inexpensive natural gas, created by the fracking boom, helped drive the change along with state mandates and federal tax credits for more renewable energy. But lower operating costs for the newer plants helped as well.

It generally takes five times as many coal mining and power plant workers to generate a megawatt hour of electricity as wind farm operators, according to BW Research Partnership, an economic and workforce consultancy. Coal takes 50% more workers than gas, and twice as many as solar, it estimates.

"Natural gas, solar and wind are all less job intensive for ongoing operations," says Philip Jordan, a vice president at the Carlsbad, Calif., based company, which has analyzed worker data for the U.S. Energy Department.

Coal plants require people and machines to unload the combustible rocks, sort them into piles and prepare them to be pulverized into a fine mist, which is then blown into boilers. Once the coal is burned, the resulting ash needs to be collected and disposed.

Natural gas is typically delivered straight to power plants by pipeline—no unloading required. It combusts completely, so it doesn't need people or machines to handle the residue.

Wind and solar farms don't require fuel to make power, so they don't need workers to procure, deliver or process it. Solar farms also have few moving parts requiring maintenance.

Nuclear power plants, the most complex power producers—and the ones with the highest safety and security risks—require the most workers, including about 9,000 armed guards at the country's 62 nuclear facilities.

Running **Exelon** Corp.'s 2,300-megawatt Limerick Generating Station in Pottstown, Pa., requires 800 workers. A two-hour drive north, **Invenergy** LLC is building the Lackawanna Energy Center, a 1,480-megawatt natural-gas fired plant. Once running, it will employ 30 people. Both will compete to provide electricity to the same regional power grid.

Short of a government intervention tipping the scale back in favor of coal and nuclear power, it seems unlikely that this trend toward using more gas and renewables will reverse. The Trump administration recently proposed such a market intervention, but an independent federal commission voted against it.

As older coal and nuclear plants close, the loss of well-paying jobs has become a sensitive political issue. Representatives of the wind and gas industries point out that they are creating good jobs.

Hannah Hunt, a senior analyst for the American Wind Energy Association, said jobs created by the wind industry are "well-paying jobs and they allow people to have a stable employment for a number of years."

A spokesman for Invenergy, which is building the Lackawanna natural gas plant, noted that the 30 jobs being created were for skilled technicians and plant operators and would pay, on average, about $125,000 a year.

That doesn't do much for Dave Barkemeyer, the elected judge in Milam County, Texas, where the coal mine and plant Vistra Energy is closing are located. He estimated that the closure would erode about 15% of the county's tax base.

Some solar developers have expressed interest in building farms in Milam County, but that wouldn't replace the jobs and revenue lost, Mr. Barkemeyer said.

"A solar farm would have some value but we're losing very good jobs, high paying jobs. Union jobs," he said.

DOLLAR

Continued from the prior page

they have reignited a long-standing market debate about whether interest rates will eventually return to precrisis levels.

"You are seeing all these positives that should be causing the dollar to strengthen having virtually no effect," said Said Haidar, head of Haidar Capital Management, which oversees $388 million.

Mr. Haidar is betting that the dollar will decline against the currencies of commodity-producing emerging markets such as Malaysia, Chile and Colombia.

Many analysts believe the dollar's decline in 2018 is likely to be accelerated by the passage of the U.S. tax bill, which is widely expected to expand the U.S. fiscal deficit. The dollar tends to fall when the deficit expands, reflecting in part the rising need for the nation to sell bonds to close its funding gap.

Goldman Sachs and J.P. Morgan expect U.S. fiscal deficits to widen to $1 trillion, or 5% of gross domestic product, in 2019 from $664 billion in the 2017 fiscal year ended September, or around 3.4% of GDP.

In part, the recent dollar weakness merely reflects the normal wax and wane of market forces. The dollar has rallied nearly 25% against its peers from its lows of 2011, a gain that in the eyes of many analysts has made the U.S. currency more expensive than its underlying fundamentals would dictate.

A modest further decline in the dollar would be welcomed by many large U.S. companies that report substantial earnings overseas. A falling dollar tends to boost exports by making U.S. goods more competitive abroad, a key policy objective of President Donald Trump, and a weaker currency potentially also gives the Federal Reserve more room to raise interest rates.

But some investors worry that an extended drop in the dollar could shake faith in the U.S. economy, elevating concerns about the lofty stock-market valuations and complicating the Fed's efforts to raise rates. A rapid drop could also spur fears that inflation will rise beyond the moderate pace hoped for by policy makers and investors.

Net bets against the dollar in futures markets shrank to their lowest level in more than a month in December, due in part to expectations that companies will take advantage of a one-time cut for repatriation of earnings and cash held overseas, which was written into the GOP tax overhaul. However, bearish bets on the dollar grew again in recent weeks, as wagers on the euro shot higher.

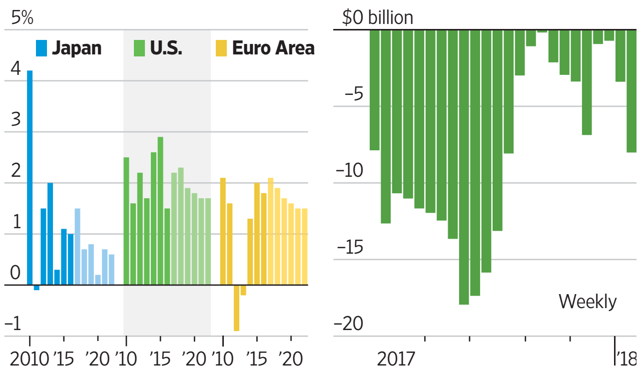
For investors seeking yield, "there is the most upside in countries like Europe and Japan, where monetary policy is the furthest away from normal," said Kit Juckes, a strategist at Société Générale. "You don't want to buy into stories that have largely played themselves out."

Catching Up

Europe and Japan are on track for stronger growth, joining the U.S. in a robust postcrisis recovery, while expectations of tightening monetary policy abroad have dented the dollar in 2017.

Real annual GDP growth
2017 to 2022 are projections

Net bets against the dollar in futures markets



Sources: International Monetary Fund (growth); CFTC (bets)

THE WALL STREET JOURNAL.

STREET

Continued from the prior page

highest since 1996 for the S&P 500, signaling to those who use it that the market is heavily overbought and vulnerable to a reverse.

Bets on momentum also seem to be spreading beyond stocks. Commodities, bonds and currencies haven't shown a lot of momentum over the past year, but speculators in futures are buying into positions that already look crowded compared with the past, suggesting they expect momentum to build. Alain Bokobza, head of global asset allocation at Société Générale, said hedge funds' bets on a rising euro and on a flattening U.S. yield curve—the gap between short-term and long-term Treasury note yields—are about the most stretched ever.

"No one wants to be against the wind," he said.

An alternative explanation is that a new bull run is just beginning. The U.S. might be nine years into its bull market, but it is only now that optimism is really returning to the economy. It has taken time for cautious investors to price in the effects of tax cuts and to accept that the global economy is doing well, but now they are piling cash into the market.

According to Bank of America Merrill Lynch analysts, last week was the sixth-biggest for equity fund sales on record, with $21.7 billion going into ETFs tracking stock indexes and $2.7 billion to equity mutual funds.

There are two prevalent explanations for momentum, and today the choice will make you more or less worried about the power of the trend.

The bearish explanation is that investors put far too much weight on the past, and buy what has gone up without properly assessing whether that is likely to continue. Momentum is created by this blind buying, and pulls prices further and further away from where they should be, until they snap back and crush those chasing gains.

The bullish explanation is that it takes time for investors to price in a new environment.

On this view prices rose as investors slowly woke up to the unexpected global economic strength and slowly came to believe in higher profits. Perhaps company analysts still haven't included U.S. corporate tax cuts in their profit forecasts due to their complexity, which could mean still more good news to come as the earnings season brings tax guidance from CFOs.

Goldman Sachs's chief U.S. equity strategist, David Kostin, said profit forecasts for the entire S&P 500 produced by strategists such as himself are, unusually, higher than the sum of individual company forecasts partly because analysts haven't yet included the tax cuts.

Both these explanations are plausible, although I find it hard to justify today's valuations even on the bull case. But it is worth noting that the current momentum portfolio perfectly captures today's consensus: heavily overweight banks (for interest-rate rises and deregulation) and technology companies (for low-inflationary growth); heavily underweight real estate (hurt by higher rates) and consumer staples (who needs downside protection?).

Inflation is the biggest risk to this consensus, and bondholders are rightly concerned about the recent pickup. But momentum investors also need a steady supply of new buyers wanting to jump on some quite old trends. The dot-com bubble is a reminder that trends can always go on longer than you expect, and timing a bust is hard. Still, it doesn't require a marketwide problem to hurt momentum. All it takes is an inflation-driven rotation out of tech and into cyclicals, which are already picking up, if you'll forgive me, momentum.

44%

Gain in MSCI's momentum index since the start of last year

Shell Takes a Last Exit From Mideast Oil

Energy company leaves last Iraqi site but keeps a presence in natural-gas industry

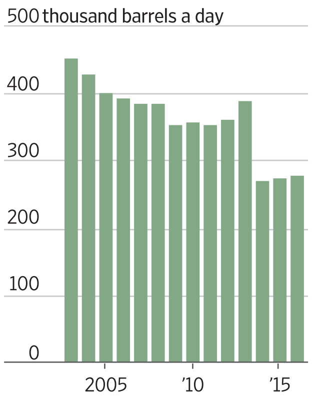
By Sarah Kent And Benoit Faucon

NABIL AL-JOURANI/ASSOCIATED PRESS

An aerial view of West Qurna oil field in Iraq. Shell is selling a stake in the site to Itochu.

Reverse Flow

Shell's daily oil production in the Middle East



Source: the company

THE WALL STREET JOURNAL.

LONDON—Royal Dutch **Shell** PLC is giving up on its last oil fields in Iraq, leaving the world's second-biggest oil company with a dwindling footprint in the Middle East—a region it helped build into a petroleum powerhouse.

Shell said Monday it is selling for an undisclosed amount a stake in the West Qurna 1 oil field in Iraq to Japan's **Itochu** Corp., the latest step in a gradual retreat from the region. The company is also expected to give up its holding in Iraq's Majnoon oil field later this year, though it will retain its natural-gas interests in the country.

Shell's departure from Iraqi oil assets marks one of the final chapters in a slow pullback from the Middle East's vast fields of petroleum. Shell pumped as much as 450,000 barrels of oil in 2003 in the Middle East, and over the past 15 years had operations that produced thousands of barrels of oil daily across six countries in the region. Once it officially leaves Iraq later this year, Shell will have oil assets in Oman that produce about 220,000 barrels a day.

Shell is keeping its considerable natural-gas interests in Middle Eastern countries, including Qatar, Oman, Egypt and Iraq, a strategy it has followed after its $50 billion deal to buy gas giant BG Group PLC in 2016. The deal also brought Shell big business in Brazil's offshore oil fields, where it has centered its oil-production strategy. "We have definitely not turned our back on the region, far from it," said Shell Chief Executive Ben van Beurden in November, referring to the Middle East. But he added that projects such as Majnoon "are increasingly less strategic in our portfolio."

The move reflects the waning attraction of the Middle East's once-prized oil reserves, as companies find that the free flow of crude in the region often comes at a political or financial cost. U.S. oil giants **Exxon Mobil** Corp. and **Chevron** Corp. have ratcheted up their focus on shale interests on their home turf in recent years, though both retain interests in Iraq.

In addition to the escalating security risks following the Arab Spring, oil contracts offered by Middle Eastern governments often don't have profitable terms, analysts say.

Iraq has some of the toughest terms in the business. Foreign companies are paid fixed fees per barrel of oil pumped, terms that many in the industry say is low.

"The terms are too tight for Shell," said Robin Mills, a former Shell executive involved in the Middle East who is now chief executive of Dubai-based Qamar Energy. For the British-Dutch oil giant, "it isn't worth the trouble." Shell declined to comment further. The company said it is still working to gain necessary approvals for the sale from the Iraqi government. Iraqi oil officials didn't respond to requests for comment. In the past year, Shell has had to contend with delays in Iraq including tardy government payments for pipelines and water-treatment facilities, according to Iraqi officials and contractors.

Much of the Middle East's oil business is off limits to foreign companies, but a handful of countries including Iraq still offer the promise of barrels at relatively low prices. But the crash in oil prices over the last three years has helped lower the costs of production elsewhere in the world, including the U.S., where Shell has earmarked its shale interests as a catalyst for growth.

Shell has shown interest in returning to Iran. The sanctions risk remains high, and Shell has struggled to find mainstream banks to enable its Iranian investments, people familiar with the matter say.

Japan's SoftBank Explores Listing Its Telecom Business

By Mayumi Negishi And Kosaku Narioka

TOKYO—**SoftBank Group** Corp. said Monday it may list shares of its profitable Japanese cellphone operator, a move that could raise nearly $20 billion and help the company make big bets on technology companies.

Among the ideas under consideration is listing roughly 30% of the cellphone unit on the Tokyo Stock Exchange, as well as a separate listing overseas, possibly in London, a person familiar with the discussions said.

"We are always studying various capital strategy options," SoftBank Group said in a statement. It said the listing was "one such option, but no decision has been made."

SoftBank Group includes well-established cellphone businesses in Japan and the U.S.—where it controls **Sprint** Corp.—and separate operations that make big and risky bets in mostly unproven internet businesses. It manages the world's largest tech investment pool, the $93 billion **Vision Fund**, which is backed by the sovereign-wealth funds of Saudi Arabia and Abu Dhabi.

SoftBank Group's shares closed 3.2% higher in Tokyo trading Monday as some investors welcomed the prospect of raising cash without issuing more debt. The group's total interest-bearing debt has grown fourfold in five years to ¥14.65 trillion ($132 billion), prompting Moody's Investors Service to give SoftBank bonds a speculative rating.

Markets have been concerned about SoftBank's large debt when U.S. interest rates are on the rise, said Matsui Securities analyst Tomoichiro Kubota. He said the "key point is how they'd spend" any money raised. Preferably, SoftBank would pay down debt, he said.

SoftBank's recent investment spree includes spending $7.7 billion to take 15% of ride-hailing firm **Uber Technologies** Inc. It also has bought stakes in the top ride-hailing apps in China and Southeast Asia.

Analysts value SoftBank's Japan telecom business at around ¥6 trillion to ¥6.6 trillion. Listing 30% of the shares would raise roughly ¥2 trillion, making it one of Japan's biggest recent public offerings.

The business is a cash cow, making up nearly half of SoftBank Group's earnings. Three companies—NTT DoCoMo Inc., KDDI Corp. and SoftBank Corp.—control almost all of the market.

Still, SoftBank's subscriber growth has slowed since NTT DoCoMo, the market leader, began offering Apple Inc.'s iPhone in 2013. On Monday, as SoftBank responded to the first report of the potential listing in Japan's Nikkei newspaper, it was also holding a press event promoting a line of phones for children and teenagers in a bid to win subscribers back from its two rivals.

SoftBank Group's founder and chairman, Masayoshi Son, has spent less time in recent years on the Japanese cellphone business, SoftBank officials say, because he is busy trying to turn around Sprint in the U.S. and looking for investments for his Vision Fund.

SMBC Nikko Securities analyst Satoru Kikuchi said a separate listing for the telecom unit could give it more autonomy and allow it to make investments on its own terms rather than compete with Mr. Son's other priorities.

Although Mr. Son has borrowed heavily in Japan, where the central bank has kept interest rates exceptionally low, he has felt he is nearing the limits of what he could procure through issuing debt, people familiar with the matter said.

◆ Heard on the Street: Watch where IPO cash goes.......... B11

KEYWORDS | By Christopher Mims

Obstacles Still Cloud Solar Power's Future

As a fraction of our energy mix, renewables in general and solar power in particular are growing faster than ever. What seemed like an impossibility just a decade ago—the displacement of fossil fuels from the U.S. power system, if not the world's—is increasingly a reality. Here are three possible visions of our renewable-energy-powered future:

1. There's mass defection from power grids, as citizens and corporations alike end a dependence on regulated monopolies that date all the way back to the days of Thomas Edison.

2. The same utility companies that now handle energy continue to oversee and balance a grid increasingly powered by renewable sources and we hardly know the difference.

3. The landscape gets politically messy and technologically diverse, varying by locale, as utilities, customers and politicians battle over new ways to produce and harvest energy.

Whichever scenario we end up with, solar power is an odds-on favorite source, because of its abundance. Every hour, our sun bombards the Earth with enough light to satisfy humanity's energy needs for an entire year. But at least three barriers stand between us and that sunny future.

For solar power to meet 30% of the world's electricity needs, it will need to fall from its current cost of a dollar per watt of electricity to 25 cents per watt, says Varun Sivaram, a science and technology expert at the Council on Foreign Relations, a nonprofit think tank.

MIKE BLAKE/REUTERS

Installers placed solar panels on the roof of a San Diego home in 2016. California gets about 10% of its electricity from solar power.

The only way to get there, Dr. Sivaram argues in his forthcoming book, is by bringing to market solar-cell technologies that are still far from mass production, such as perovskite-based solar cells.

Perovskite cells can be made from materials that could be radically cheaper than conventional silicon. But they face significant barriers to commercialization: They tend to degrade when wet, and scientists can't create large cells with the same efficiency as the small ones they can make in a lab.

While perovskite is promising, there's no guarantee we'll get it or any other better, cheaper technologies when we need them, because the energy industry isn't investing enough in research and development to bring them to market, says Dr. Sivaram. Energy companies tend to spend 1% to 2% of their revenue on R&D, he says, whereas semiconductor companies can easily spend 10 times as much. The federal budget for energy research, $5 billion a year, is likely to be eclipsed by China's budget for such research by 2020, he adds.

One reason we're going to need cheaper solar cells is that the more solar there is on the grid, the less valuable it is to add more. This happens because sunlight is intermittent. It isn't hard to get to the point where solar is producing too much power at some times of day, and none when it's needed most. The first solar panel added to the grid helps offset midday consumption, but the last one to be added might be unnecessary because the grid might already be saturated when it's capable of producing the most power.

California, which gets about 10% of its electricity from solar power, already has this problem. On some sunny days, it has to pay other states to take electricity off its hands.

One solution is utility-scale power storage. But putting enough batteries on the grid to make a meaningful dent is a gargantuan feat, and batteries are still far too costly to address it at scale. Batteries currently handle only 1.7% of energy storage on the grid, according to the U.S. Department of Energy; the rest is almost entirely pumped hydro storage.

A more immediate solution to this problem could be a bigger and more spread-out electrical grid, says Ramez Naam, a lecturer on energy and the environment at Singularity University.

Currently in the U.S., there are essentially three power grids: eastern, western and Texas, and much of this infrastructure is over 25 years old. Optimally, these grids would be connected, with new high-voltage power lines. This could be politically messy, says Mr. Naam.

Some studies suggest that with bigger power grids and a drop in the price of existing solar technology, it is possible to get 30% of global electricity from current solar technology. That's assuming panels become cheaper as manufacturers scale up.

Some are skeptical that technology is the real roadblock to the spread of solar. It could be the high so-called soft costs related to building utility-scale solar power plants, including project design, permitting, siting and interconnection to the grid.

"People in the tech community either conveniently ignore or truly don't understand that they could honestly just give away solar panels for free now and soft costs would remain the bigger problem," says Rob Day, a general partner at Spring Lane Capital, which invests in clean-water, energy, food and waste projects.

The Energy Department estimates that soft costs contribute as much as 64% of the cost of a solar installation. The rest of the cost is split between mounting hardware for solar panels and the cells themselves.

One possibility is that through a combination of rooftop solar panels and home batteries, individuals could just start harvesting their own electricity. The technology is too expensive now, however, and even when it becomes affordable, we'll probably still want that grid as a backup.

Lego Links With Tencent to Develop Online Games

By Saabira Chaudhuri

Lego Group is teaming up with one of China's biggest tech firms to develop online games for children, as the rest of the toy industry try to navigate technology shifts that are changing how children play.

Lego said it would jointly develop Lego-branded games with **Tencent Holdings** Ltd., the Chinese tech giant that runs one of the country's most popular social networks. The tie-up is geared at making games for Chinese children, Lego said Monday.

Tencent is the country's biggest purveyor of video-games, as well as the owner of WeChat—at its core a messaging app, though it is also used by about a billion people to pay bills, book movie tickets, play games and more. Tencent also has online-gaming tentacles that extend far beyond the country's borders. It has big strategic investments in global gaming firms like Finland's **Supercell**, the maker of mobile hit "Clash of Clans," and smaller U.S. online gaming pioneer **Epic Games**.

Lego has hit sales headwinds for its plastic brick sets in its more established markets and is pushing aggressively into Asia to help make up for some of that sluggishness. In September, the company reported its first global sales drop in 13 years and said it would lay off about 8% of its staff. In August, the privately held Danish company named a new chief executive to help turn things around.

Amid an industrywide slowdown, Lego and competitors like **Mattel** Inc. and **Hasbro** Inc. have acknowledged rising competition from growing digital options for children—including mobile games, online video and children-targeted social media.

Lego has long experimented with digital options on its own. In its latest solo effort, rolled out in December, Lego released an augmented-reality app that allows children to play with virtual Lego sets on smartphones and other devices. But its digital efforts have so far yielded mixed results. Euromonitor analyst Matthew Hudak, in a recent research note, wrote Lego's mobile-gaming business has yet to translate into a major hit for the brand.

Lego said the collaboration with Tencent will include new Lego-branded and licensed games, as well as videos for children that will be distributed on Tencent platforms. The two also plan to roll out Lego Boost, an online platform that allows children to combine computer coding with physical brick construction. Lego said the two would also explore developing a social network for children in China.

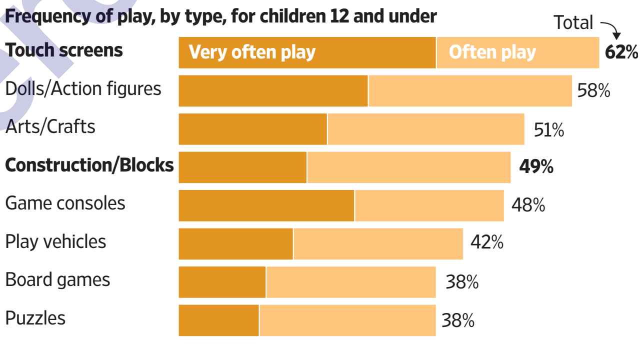
Lego views China as a promising new market for its real bricks, too. In the U.S., even as Legos remain popular, the company has struggled to spur enough repeat purchases to maintain its supercharged growth rate there. On the other hand, its market share in China is still tiny, providing more opportunity for growth.

Lego sales in China so far have been mainly restricted to major cities, but the company is increasingly focused on rolling out further afield to smaller cities. Lego has long cultivated an image of combining learning with play. That could also resonate with Chinese parents, who place a strong emphasis on education.

While privately held Lego doesn't break out sales for individual countries, the company has recorded double-digit sales growth in China for a number of years, according to a spokesman. He said Lego grew between 30% and 35% in China in 2016, the latest full-year results available.

Digital Child's Play

Children prefer to spend more time playing with touch-screen devices over construction and block-based toys.



Note: 2014 national survey of 300 parents of children ages 3-12

Source: Michael Cohen Group

THE WALL STREET JOURNAL.

Chinese Tech Firm, Apple in Gifts Deal

By Yoko Kubota And Alyssa Abkowitz

BEIJING—**Apple** Inc. and Chinese technology giant **Tencent Holdings** Ltd. have settled their tiff over tips, allowing users of Tencent's popular WeChat messaging app to resume giving monetary gifts to their favorite video-streaming stars and content creators.

The tipping function was suspended last year after a dispute between Apple and Tencent on the terms.

Apple contended the tips amounted to in-app purchases, entitling it to a 30% cut of the amount transferred. Tencent balked, saying it didn't get any revenue itself and provided the service at no cost as a means to build engagement.

At a developers' conference in Guangzhou on Monday, WeChat creator Allen Zhang said the two companies had reached an accord that will allow tips to resume.

He said WeChat will tweak the platform so the tip will be paid to individual content creators but didn't provide other details. "In the past, companies like Apple might have had a difficult time understanding China-specific features," Mr. Zhang said, according to a transcript of his remarks provided by Tencent. "We now all share a mutual understanding and we'll soon bring back the "tip" function."

Apple representatives had no immediate comment.

Apple changed its App Store rules in September to allow users to send money gifts to other users without Apple taking any cuts. But gifts must be just that; any content or services contingent on users giving a "gift" will be considered a purchase and Apple will take a cut. Tencent didn't respond to requests for details of the new arrangement, and it wasn't clear if Apple will get any money from the transfers.

Apple has taken several steps recently to protect its market and standing in China, such as introducing a built-in ability on its operating system to scan QR codes that are ubiquitous in China.

'Jumanji' Remains King Of Weekend Box Office

Sony Pictures release holds back 'The Post,' which opens solidly on nationwide basis

Associated Press

Meryl Streep, Liam Neeson, Taraji P. Henson and Paddington Bear all rushed into movie theaters over Martin Luther King Jr. weekend, but "Jumanji: Welcome to the Jungle" still roared the loudest with an estimated $27 million in ticket sales, Friday to Sunday.

"Jumanji" easily remained the No. 1 film in North America despite an onslaught of new challengers, according to studio estimates Sunday. The **Sony Pictures** release is now approaching $300 million domestically and, after grossing $40 million in China this weekend, a world-wide total of $667 million.

Placing second was Steven Spielberg's Pentagon Papers drama, "The Post," starring Ms. Streep as Washington Post publisher Katharine Graham and Tom Hanks as editor Ben Bradlee. Twentieth Century Fox was forecasting $18.6 million for the weekend and $22.2 million for the four-day holiday.

It was a solid result for "The Post" in its nationwide expansion after several weeks of limited release. Made for about $50 million and fast-tracked after the election of President Donald Trump, "The Post" is considered by many a timely commentary on the power of the press.

"It resonates with an older audience because they were around and remember this particular moment in time," said Fox distribution chief Chris Aronson. Wall Street Journal parent **News Corp** and Twentieth Century Fox parent **21st Century Fox** share common ownership.

Mr. Neeson's thriller, "The Commuter," landed in third place. The **Lionsgate** release, in partnership with Studiocanal, posted a modest opening of $13.5 million.

The children's book adaptation sequel "Paddington 2" opened with $10.6 million. The film, originally to be distributed in North America over the Christmas holiday by the Weinstein Co., was sold to **Warner Bros.** after any association with the disgraced Weinstein Co. co-chairman Harvey Weinstein was deemed toxic for the film.

"Proud Mary," starring Ms. Henson as an assassin, opened with $10 million. The movie drew criticism from musician John Fogerty, who accused the film of exploiting the title to his classic Creedence Clearwater Revival song.

The plethora of releases, along with a host of awards contenders in limited release (led by "Darkest Hour," with $4.5 million after Gary Oldman's Golden Globe win for best actor), pushed the weekend box office to about $190 million for the four-day holiday frame, according to Paul Dergarabedian, senior media analyst for comScore. Albeit shy of the 2015 record Martin Luther King Jr. holiday weekend, it is a strong start for Hollywood's 2018 after an up-and-down 2017.

"Jumanji," a reboot starring Dwayne Johnson, Kevin Hart and Jack Black, has now been the No. 1 film two weeks running, after spending its initial two weeks of release trailing "Star Wars: The Last Jedi."


NIKO TAVERNISE/20TH CENTURY FOX/ASSOCIATED PRESS

'The Post,' featuring Tom Hanks and Meryl Streep, expanded to nationwide distribution.

Estimated Box-Office Figures, Through Monday

		SALES, IN MILLIONS		
FILM	DISTRIBUTOR	WEEKEND*	CUMULATIVE	% CHANGE
1. Jumanji: Welcome to the Jungle	Sony	$35.4	$291.6	-5
2. The Post	Twentieth Century Fox	$23.4	$27.9	1,278
3. The Commuter	Lionsgate	$16.4	$16.4	—
4. The Greatest Showman	Twentieth Century Fox	$15.6	$98.4	13
5. Star Wars: The Last Jedi	Disney	$15.3	$595.5	-36

*Friday through Monday Source: comScore

HBO

Continued from page B1

by the government.

Driving HBO's gains are new deals with major cable providers. Instead of raising the retail price of HBO, the pacts rely on financial incentives for distributors that encourage them to put more marketing behind the channel. HBO's subscription revenue was up 12% in the third quarter, its biggest quarterly increase in 13 years. Total revenue in 2017 grew about 7% to $6.32 billion, according to MoffettNathanson, while operating income rose 12%.

Netflix's top line, however, has surpassed HBO's and is rising at a faster clip with global expansion. Revenue in 2017 was up an estimated 31% to $11.6 billion. But as it focuses on growth, operating profit is expected to be $840 million, well short of HBO's estimated $2.15 billion.

A Netflix spokeswoman said the company's volume of production makes sense for its business approach, global reach and need to appeal to a variety of audiences. Netflix isn't limited by the constraints of what can be scheduled on a TV channel, she said. And its marketing of shows is different from traditional TV: Ad campaigns and on-service recommendations are based on what people watch.

In terms of original shows, HBO has 21 scripted series compared with 88 for Netflix and 28 for Amazon. Hulu, which took home the Emmy and Golden Globe for best drama for "The Handmaid's Tale," is creeping up, with 17.

HBO used to bid aggressively on every hot prospect. There was a fear of an empty cupboard, as was the case after "The Sopranos" and "Sex and the City" ended.


FRED NORRIS/HBO

Kimberly Hebert Gregory, front, in HBO's 'Vice Principals'

Many of the projects sat on a shelf or died in production. Some costly productions fizzled out.

Now HBO takes fewer swings. But that doesn't mean every show has to be a "Game of Thrones"-size hit. Two of HBO's most-watched shows are lighthearted, sophomoric comedies: "Ballers," about fast-living athletes, and "Vice Principals," about rival educators in Florida.

An HBO veteran, Mr. Bloys became programming chief in 2016 after Mike Lombardo stepped down from the role. Many of HBO's biggest shows—"Game of Thrones," "True Blood," "Boardwalk Empire"—were shepherded by Mr. Lombardo.

New projects Mr. Bloys is championing include "Succession," about a dysfunctional family that controls a media empire, and "Lovecraft Country," from "Underground" producer Misha Green with "Get Out" director Jordan Peele producing based on the Matt Ruff novel about America in the Jim Crow era.

"HBO's still the place to be" and an "iconic brand," said Rick Rosen, partner and television head at the powerful talent agency WME. Still, the network's high bar and limited space can be a challenge. "If I'm selling a high-end drama or comedy, am I going to be able to get on the schedule?" he said. "That's not a factor at Netflix."

Since HBO doesn't release all the episodes in a series at once, as Netflix does, it has more marketing flexibility. In the case of "Big Little Lies," HBO used half of its marketing efforts in the latter stage of the show's run, helping boost ratings heading into the finale.

"Their marketing is so strong," said Nicole Kidman, co-star and a producer of HBO's "Big Little Lies," which won her an Emmy and a Golden Globe. "They were completely engaged."

HBO gets credit from talent for having a light touch. "They know how to get out of the way," said Issa Rae, co-creator and star of the comedy "Insecure," about a black woman trying to navigate work and romance in Los Angeles, a world that probably doesn't resonate with most HBO executives. Ms. Rae added, "They've never claimed to understand all the jokes on the show."

Mitsubishi Speeds Along in Budget Lane

Despite 2016 crisis, Japanese company is the fastest-growing nonluxury auto brand

By Adrienne Roberts

In an era when U.S. buyers are spending record amounts for cars and trucks, **Mitsubishi Motors** Corp.'s low-cost showroom is a haven for new-vehicle buyers hunting for an efficient and less-expensive way to get from Point A to Point B. Although it gets little attention, Mitsubishi is the fastest-growing nonluxury brand in the industry.

The trend delivers a badly needed success story for Japan's first mass-production auto maker. Mitsubishi hit a crisis in 2016 when it admitted employees had inflated mileage results for hundreds of thousands of vehicles, opening the door for **Nissan Motor** Co. to take a controlling stake in the company later that year.

Mitsubishi is now charged with helping Carlos Ghosn, chairman of the **Nissan-Renault** SA alliance, meet volume goals that are among the most aggressive in the industry. Executives say they will stick with a low-cost approach that has provided an identity at the same time many of the industry's higher-price brands are blending together.

"Mitsubishi customers are looking for reliability, good-looking vehicles at a price point they believe won't break the bank," said Don Swearingen, chief operating officer of Mitsubishi's North America unit.

The brand's transaction prices are about one-third lower than the industry's $35,000 average, according to Edmunds.com, and $2,500 leaner than **Hyundai Motor** Co., its closest rival.

Price cuts are among the subjects circulating at the Detroit auto show this week. **Volkswagen** AG said it would trim pricing on a redesigned version of the Jetta sedan by $100, after the model's sales fell 4% last year.

A price of $18,545 for the latest Jetta "is pretty stunning," said Hinrich Woebcken, the German auto maker's North America chief, at an event unveiling the car in Detroit Sunday, noting the vehicle's added features and six-year/72,000-mile warranty. Efficient fixed costs and manufacturing scale helped Volkswagen cut the price, he said.

Hyundai, and its South Korean affiliate **Kia Motors** Corp., were once considered budget entries in the U.S. automobile market, offering industry-leading warranties and low prices to build a customer base. In recent years, transaction prices have crept up with the introduction of bulked-up sport-utility vehicles and cars with luxury features.

Other brands that once might have competed with Mitsubishi—such as **Suzuki Motor** Corp., Daewoo or **Toyota Motor** Corp.'s Daihatsu—either dissolved or abandoned the U.S. market. Stringent regulations and picky buyers in the U.S. can make it difficult for low-cost competitors from emerging markets to compete.

Mitsubishi executive Don Swearingen says the Mirage's $13,000 price sways buyers.

Mr. Swearingen said the Mirage is often seen as a welcome alternative to a pre-owned set of wheels, citing a $13,000 sticker price, 43-miles-per-gallon fuel economy and a 10-year warranty. "It gets people to move from used to new," he said.

Mitsubishi's deliveries in the U.S. increased 7.7% last year from 2016, lifting sales above 100,000 vehicles while the broader market fell. It was the fifth-straight annual increase for Mitsubishi.

About 40% of those buyers were financed at annual percentage rates above 10%, according to Edmunds.com, indicating the brand appeals to buyers who otherwise might struggle to get financed for a new car.

Industrywide, only 10% of customers have loans with an APR above 10% on a new car; Dodge, the closest behind Mitsubishi, counts 26% of buyers in that category, according to Edmunds.com.

Jessica Caldwell, an Edmunds.com analyst, said Mitsubishi hasn't always trawled for budget-minded buyers. Once seen as an "aspirational" destination for buyers of sporty cars or off-roaders, the company lost its way when the market heated up early this decade, she said.

Banking on a small car, such as the Mirage, isn't a sustainable strategy for auto makers at the same time relatively low gasoline prices are sparking a surge in demand for SUVs, Ms. Caldwell said.

To keep up, Mitsubishi also sells the Outlander SUV. In March, Mitsubishi will see if it can inch upmarket when it launches the Eclipse Cross, an SUV that is priced slightly higher than the other products it offers but still lower than most of the competition.

—John Stoll and Mike Spector contributed to this article.

Chevrolet Aims to Make Trucks Handsomer

By Mike Colias

For decades, **Toyota**'s Camry sedan has been a best seller even though critics and even company executives described its exterior as conservative, bland or boring.

Designers at Chevrolet were sick of hearing those same things said about their Silverado pickup truck.

General Motors Co.'s main brand this weekend revealed the first new Silverado—its top-selling U.S. vehicle and among the highest-margin products in the auto industry—in more than five years. Tyler Moffett, the 32-year-old designer who hand-sketched the design, already has heard comments that the truck has a "squinty" face, even a steely, Clint Eastwood look.

"I love that," said Mr. Moffett, who grew up around Chevy trucks owned by his dad's forestry business in Virginia. "It looks serious, almost sinister, but still looks like a face of experience. Like the most experienced farmer in the world, or something."

Even as electric cars and autonomous vehicles gain increasing attention, auto makers were set to show off new pickup trucks at the Detroit auto show, which kicked off this past weekend with media preview events. GM rivals **Ford Motor** Co. and **Fiat-Chrysler Automobiles** NV showed off new engines and body styles to keep an edge in a U.S. pickup market that represents 17% of overall sales and substantial portion of Detroit auto makers' profits.

Pickups routinely sell for more than $50,000, with interior features and technology rivaling the highest-end products from luxury makers. The average price of Ford's aluminum F-150, for instance, is a segment-leading $45,000 even with incentives factored in.

Car designers are known for using colorful analogies to describe the lines and forms that go into a vehicle's look. The appearance of the new Silverado has gotten outsize attention inside GM. When executives last took the stage to unveil a new Silverado, in late 2012, the design was widely panned as staid.

Early in the planning for the new truck, GM's head of product development, Mark Reuss, would often pop into the design studio in suburban Detroit and announce, "Guys, you can't go far enough," Mr. Reuss said, according to lead exterior designer Rich Scheer.

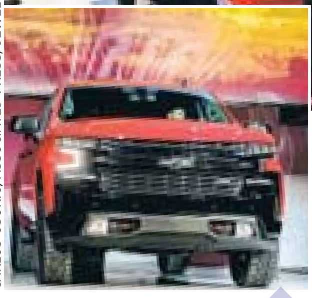
In an interview, Mr. Scheer said he wanted "a departure" from the boxy, geometric lines that characterize the current Silverado. The new truck was designed to look "lean, muscular, sculpted." He pointed out one crease in the sheet metal that plunges downward from the front fender into the driver's side door. "It almost looks like a muscle being pulled through," he said.

Subtleties like that might seem trivial. But pickup-truck owners are known as among the most loyal and passionate of buyers. Car-research site Edmunds.com says 72% of pickup truck buyers stick with a truck—by far the highest loyalty rate in the car business—and most are fiercely loyal to brands. Many families identify as Chevy or Ford or Dodge families going back generations.

That means GM's designers had to balance their desire for a more striking design against the risk of alienating longtime customers.

"God forbid if it looks anything like a Ford," Mr. Scheer said.

The stakes are high. Silverado generates billions of dollars in profit annually. Additional profit from other products that will use the truck's same basic frame and underlying components—including the GMC brand's version and SUVs like the Chevrolet Suburban—combine to contribute the majority of GM's global annual profit, analysts estimate.



CARLOS OSORIO/ASSOCIATED PRESS; JEWEL SAMAD/AFP/GETTY IMAGES (INSET)

Chevrolet designed its Silverado as an answer to critics who have described past models as bland.

Subaru Predicts Uptick in U.S. Sales

Subaru Corp. is striking a rare note of optimism about American car buyers by projecting a bump in 2018 sales even as overall volume declines, as it brings a behemoth SUV with 19 cupholders to U.S. showrooms.

By Sean McLain in Detroit And Chieko Tsuneoka in Tokyo

The projection, released Monday, comes as the broader U.S. market is expected to decline for a second consecutive year after years of record sales.

Analysts predict sales for the overall market will slip to about 16.7 million from 17.2 million in 2017.

Subaru has consistently outpaced its peers in the U.S. market, using a stable of roomy wagons to reap the benefits of the shift in consumer tastes toward sport-utility vehicles. It has seen its sales more than triple in the past decade as it became a major player. More than 60% of its sales are made in the U.S.

The company expects U.S. sales to increase 5% this year to 680,000, compared with the 648,000 delivered in 2017.

The company is enjoying strong demand for its Forester and Crosstrek crossovers, and is anticipating a bump from its new, seven-seater Ascent, a behemoth with all those cupholders.

Competitors **Toyota Motor** Corp. and **Nissan Motor** Co. say they are aiming to keep sales roughly flat in a shrinking market. **Fiat Chrysler Automobiles** NV Chief Executive Sergio Marchionne said Monday at the Detroit auto show that he expects his company has a "better than 50% chance" that the company will post an increase due to the launch of a redesigned Ram pickup and two redesigned Jeep SUVs.

It also has another problem not facing most other auto makers in the U.S.: The Japanese auto maker said it doesn't have enough supply of its most popular models.

"In the U.S., we have real inventory shortage for Crosstrek—just two weeks now," said Subaru Chief Executive Yasuyuki Yoshinaga.

The company has little choice but to double down on the U.S. despite the shrinking market for new cars. "We can't change it even though we want to," said Mr. Yoshinaga.

Subaru had planned to boost growth in China and Russia, but neither effort is going well. It sold 6,000 vehicles in Russia last year, down from a peak of 22,000, despite a recovery in the economy there.

"In China, we are really struggling," Mr. Yoshinaga said. It doesn't have any local production in China and has been unable to expand sales amid a price war among auto makers.

ED ALDRIDGE/ZUMA PRESS

An electric Ford Focus on display at the 2016 New York auto show.

Ford Motor Doubles Down On Electric-Vehicle Push

By Mike Colias

A top **Ford Motor Co.** executive said the company will now spend $11 billion on electrified vehicles through 2022, increasing its previous estimates as it races to catch up on battery-powered cars.

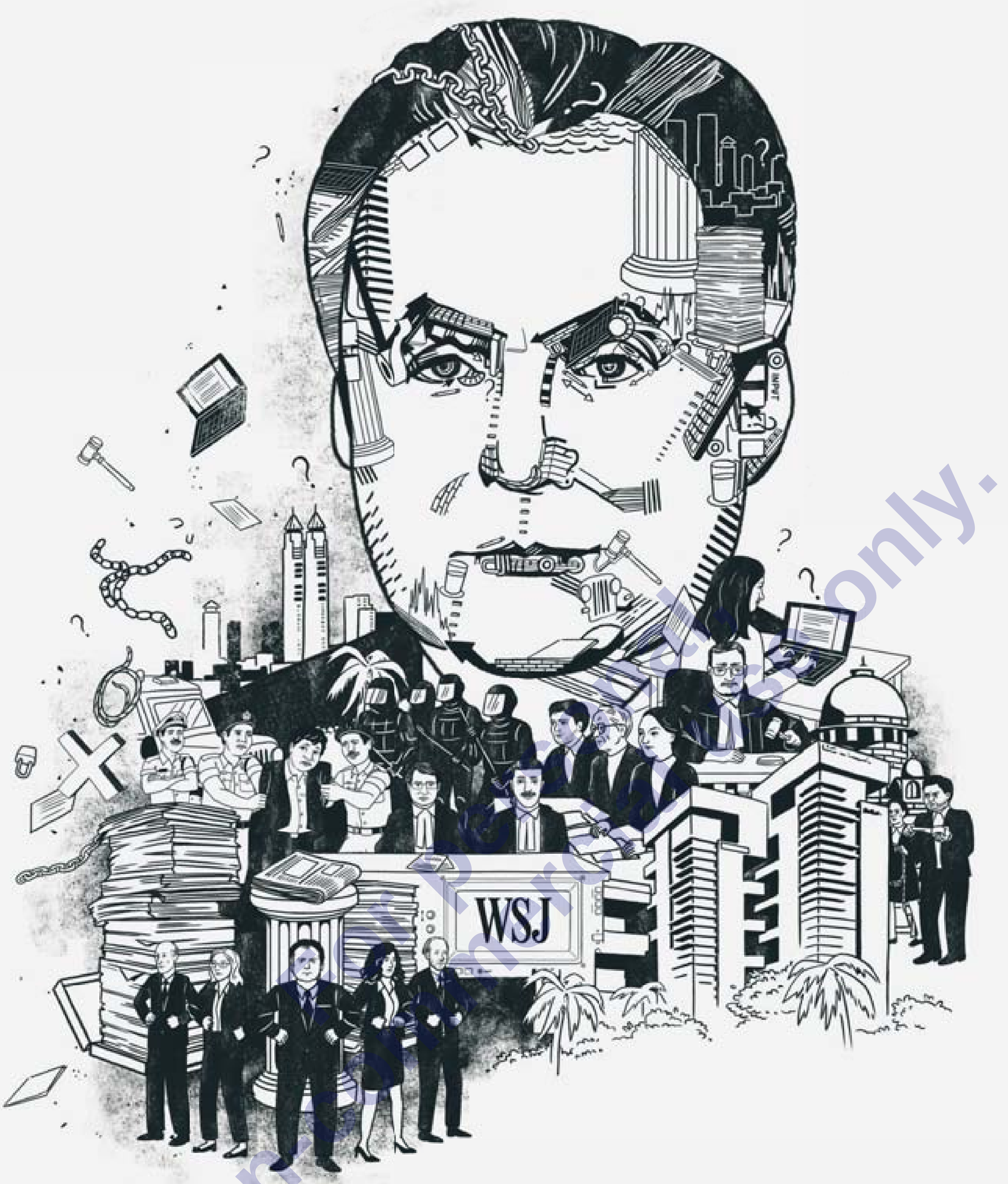
The Dearborn, Mich., auto maker previously committed $4.5 billion in spending on electrified products by 2020 and said in October it would divert an additional $500 million from conventional products—including gasoline-powered products—over a five-year period. The $11 billion commitment comes at a time when gasoline or diesel engines powered nearly all of the 90 million vehicles sold globally in 2017.

Ford's estimate was delivered during a news conference at the Detroit auto show, which opens this week. Jim Farley, Ford's head of global markets, said the company aims to make its electric vehicles more attractive to everyday buyers than it had in the past.

Few other auto makers are breaking out specific investment numbers related to electric vehicles. **Volkswagen** AG, looking to recover following a diesel-emissions scandal in the U.S., has committed to spend $40 billion on electrified vehicles over the next five years.

Ford today sells only one fully electric vehicle in the U.S., the Focus compact car. Its Mustang sports car.

Mr. Farley said Ford would offer a "very wide range" of electric vehicles in Europe and the U.S., including an electric sports car scheduled to arrive in 2020. "We want to make this a statement about the company, that we're electrifying our iconic vehicles."



NEAL LIPSCHUTZ EDITOR, ETHICS AND STANDARDS

The Face of Real News

Neal Lipschutz and the standards team hold the WSJ newsroom to the highest principles of journalism, even in the face of adversity. In 2015, he helped fight a court order barring the Journal from running a story about the controversial arrest of a stock analyst in India. Story updates meant giving the subject another chance to respond—and seek another injunction. But it was worth the risk to be accurate and fair.

Real journalists and real news from America's most trusted newspaper.

WATCH HIS STORY AT WSJ.COM/NEAL

#TheFaceOfRealNews

THE WALL STREET JOURNAL.
Read ambitiously

Source: Pew Research Center, Political Polarization & Media Habits, 2014

MARKETS DIGEST

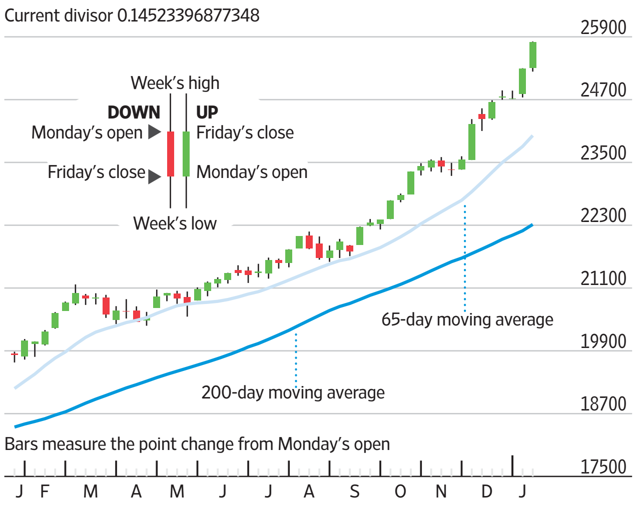
Dow Jones Industrial Average

25803.19 ▲507.32, or 2.01% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio	23.14	21.68
P/E estimate *	20.36	18.62
Dividend yield	2.03	2.41
All-time high 25803.19, 01/12/18		

Current divisor 0.14523396877348

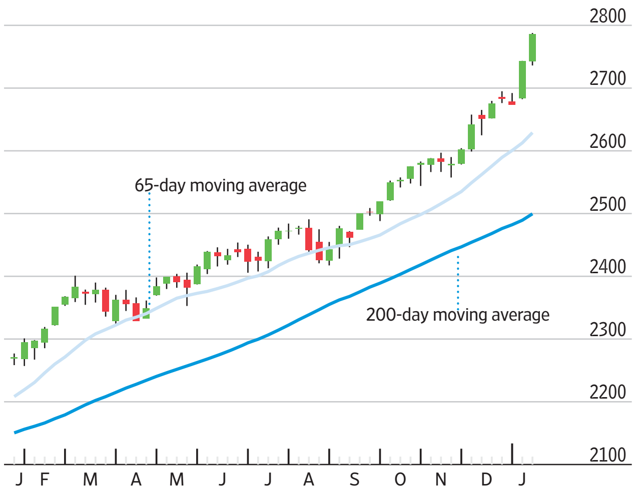


S&P 500 Index

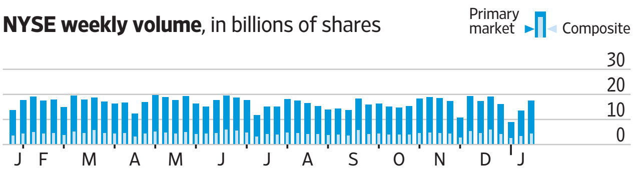
2786.24 ▲43.09, or 1.57% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio	22.37	24.97
P/E estimate *	18.82	17.55
Dividend yield	1.84	2.06
All-time high: 2786.24, 01/12/18		



NYSE weekly volume, in billions of shares



Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

Financial Flashback

The Wall Street Journal, January 16, 2015

A surge in the Swiss franc triggers hundreds of millions in losses for banks, brokers and investors. One foreign-exchange broker, FXCM, has to be rescued by Leucadia.

Major U.S. Stock-Market Indexes

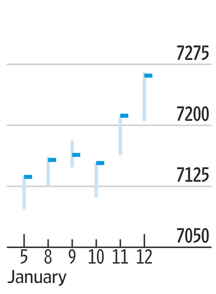
	Latest Week High	Low	Close	Net chg	% chg	52-Week Low	Close (●)	High	% chg	YTD % chg	3-yr. ann.
Dow Jones											
Industrial Average	25810.43	25235.41	25803.19	507.32	2.01	19732.40		25803.19	29.8	4.4	13.5
Transportation Avg	11380.32	10924.87	11373.38	461.64	4.23	8783.74		11373.38	23.6	7.2	8.9
Utility Average	708.09	682.98	683.91	-16.83	-2.40	654.98		774.47	4.1	-5.5	3.2
Total Stock Market	28820.45	28270.29	28806.69	457.38	1.61	23526.88		28806.69	21.7	4.1	10.9
Barron's 400	745.23	724.27	743.94	15.93	2.19	600.24		743.94	21.9	4.6	12.0
Nasdaq Stock Market											
Nasdaq Composite	7265.26	7111.52	7261.06	124.50	1.74	5538.73		7261.06	30.3	5.2	15.9
Nasdaq 100	6763.98	6619.35	6758.54	105.25	1.58	5044.65		6758.54	33.6	5.7	17.5
S&P											
500 Index	2787.85	2736.06	2786.24	43.09	1.57	2263.69		2786.24	22.5	4.2	11.2
MidCap 400	1967.46	1929.10	1965.97	29.70	1.53	1667.44		1965.97	16.5	3.4	11.1
SmallCap 600	973.85	942.11	969.17	19.99	2.11	815.62		969.17	15.4	3.5	12.7
Other Indexes											
Russell 2000	1598.18	1548.23	1591.97	31.96	2.05	1345.24		1591.97	16.0	3.7	10.5
NYSE Composite	13299.19	13065.24	13294.34	191.11	1.46	11148.85		13294.34	18.4	3.8	7.7
Value Line	583.27	570.03	582.89	9.73	1.70	503.24		582.89	13.4	3.7	5.9
NYSE Arca Biotech	4496.84	4247.54	4489.75	156.01	3.60	3134.03		4489.75	38.1	6.3	7.9
NYSE Arca Pharma	565.66	553.65	564.50	5.50	0.98	469.13		564.5	16.2	3.6	1.1
KBW Bank	113.10	108.35	113.05	4.15	3.81	88.02		113.05	21.4	5.9	17.6
PHLX§ Gold/Silver	89.11	84.57	89.11	1.71	1.96	76.42		96.72	2.4	4.5	4.1
PHLX§ Oil Service	164.66	155.84	164.17	7.06	4.49	117.79		191.34	-11.5	9.8	-4.7
PHLX§ Semiconductor	1339.37	1296.10	1322.10	-3.60	-0.27	909.48		1341.69	43.0	5.5	25.3
CBOE Volatility	10.85	9.32	10.16	0.94	10.20	9.14		16.04	-9.5	-8.0	-19.7

§Nasdaq PHLX

Sources: SIX Financial Information; WSJ Market Data Group

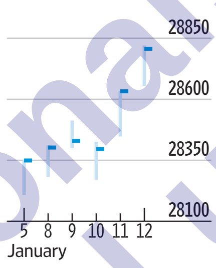
Nasdaq Composite

▲ 124.50, or 1.74% last week



DJ US TSM

▲ 457.38, or 1.61% last week



International Stock Indexes on Monday

Region/Country	Index	Monday Close	% chg	52-Week Range Low	Close	High	YTD % chg
World	**The Global Dow**	3238.23	0.43	2575.71		3238.23	4.9
	DJ Global Index	414.20	0.39	331.37		414.20	4.3
	DJ Global ex U.S.	278.53	0.78	218.47		278.53	4.4
Americas	**DJ Americas**	668.44	0.09	547.18		668.44	4.1
Brazil	**Sao Paulo Bovespa**	79752.37	0.51	60761.74		79752.37	4.4
Canada	**S&P/TSX Comp**	16371.81	0.39	14951.88		16412.94	1.0
Mexico	**S&P/BMV IPC**	49387.28	0.51	45740.38		51713.38	0.1
Chile	**Santiago IPSA**	4347.26	0.22	3250.28		4347.26	3.2
EMEA	**Stoxx Europe 600**	397.83	–0.17	360.12		400.11	2.2
	Stoxx Europe 50	3235.85	–0.22	2979.48		3276.11	1.8
Eurozone	**Euro Stoxx**	398.65	–0.05	346.53		400.44	3.4
	Euro Stoxx 50	3611.81	–0.02	3230.68		3697.40	3.1
Austria	**ATX**	3604.39	0.14	2655.60		3604.39	5.4
Belgium	**Bel-20**	4164.45	0.01	3542.27		4164.45	4.7
France	**CAC 40**	5509.69	–0.13	4748.90		5523.94	3.7
Germany	**DAX**	13200.51	–0.34	11509.84		13478.86	2.2
Greece	**Athex Composite**	847.73	–0.40	608.79		858.08	5.7
Israel	**Tel Aviv**	1541.20	–0.05	1363.50		1541.20	2.1
Italy	**FTSE MIB**	23543.55	0.49	18591		23544	7.7
Netherlands	**AEX**	561.06	–0.01	476.71		563.04	3.0
Portugal	**PSI 20**	5620.95	–0.04	4467.94		5657.95	4.3
Russia	**RTS Index**	1264.30	0.26	973.33		1264.30	9.5
South Africa	**FTSE/JSE All-Share**	60240.96	0.26	50831.89		61211.52	1.2
Spain	**IBEX 35**	10467.20	0.05	9304.8		11135.4	4.2
Sweden	**SX All Share**	589.29	–0.05	531.67		600.20	3.6
Switzerland	**Swiss Market**	9537.28	–0.10	8229.01		9611.61	1.7
U.K.	**FTSE 100**	7769.14	–0.12	7099.15		7778.64	1.1
Asia-Pacific							
Australia	**S&P/ASX 200**	6077.10	0.12	5611.0		6135.8	0.2
China	**Shanghai Composite**	3410.49	–0.54	3052.79		3447.84	3.1
Hong Kong	**Hang Seng**	31338.87	–0.23	22718.15		31412.54	4.7
India	**S&P BSE Sensex**	34843.51	0.73	27034.50		34843.51	2.3
Japan	**Nikkei Stock Avg**	23714.88	0.26	18335.63		23849.99	4.2
Malaysia	**FTSE Bursa Malaysia KLCI**	1825.91	0.18	1658.84		1832.15	1.6
Singapore	**Straits Times**	3536.41	0.45	3000.22		3536.41	3.9
South Korea	**Kospi**	2503.73	0.29	2064.17		2557.97	1.5
Taiwan	**Weighted**	10956.31	0.66	9292.33		10956.31	2.9

Source: SIX Financial Information; WSJ Market Data Group

Commodities and Currencies

	Monday Close	Net chg	% Chg	YTD % chg
WSJ Dollar Index	84.43	-0.34	-0.41	-1.80
Euro, per dollar	0.8154	-0.0043	-0.52	-2.13
Yen, per dollar	110.53	-0.50	-0.45	-1.93
U.K. pound, in dollars	1.38	0.007	0.49	2.08

	Last Week Close	Net chg	% Chg	YTD % chg
DJ Commodity	631.23	7.09	1.14	0.94
TR/CC CRB Index	196.06	2.61	1.35	1.13
Crude oil, $ per barrel	64.30	2.86	4.65	6.42
Natural gas, $/MMBtu	3.200	0.405	14.49	8.36
Gold, $ per troy oz.	1333.40	13.10	0.99	2.07
U.S. Dollar Index	90.90	-1.05	-1.14	-1.33
WSJ Dollar Index	84.77	-0.91	-1.07	-1.40
Euro, per dollar	0.8197	-0.0114	-1.38	-1.61
Yen, per dollar	111.04	-2.01	-1.78	-1.48
U.K. pound, in dollars	1.37	0.016	1.16	1.58

	52-Week Low	Close (●)	High	% Chg
DJ Commodity	532.01		631.23	9.13
TR/CC CRB Index	166.50		196.06	0.78
Crude oil, $ per barrel	42.53		64.30	22.78
Natural gas, $/MMBtu	2.56		3.42	-6.41
Gold, $ per troy oz.	1188.10		1346.00	11.55
U.S. Dollar Index	90.90		102.15	-10.17
WSJ Dollar Index	84.49		92.19	-7.72
Euro, per dollar	0.82		0.95	-12.75
Yen, per dollar	107.84		115.13	-3.02
U.K. pound, in dollars	1.20		1.37	12.67

New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol/ primary exchange	Shares (mil.)	Pricing Range($) Low/High	Bookrunner(s)
1/17	10/13 2017	One Madison Blank check company.	OMADU N	30.0	10.00/ 10.00	Credit Suisse, BofA ML
1/18	12/21 2017	ADT Provides total security solutions.	ADT N	111.1	17.00/ 19.00	MS, GS, Barclays, DB, RBC Cptl Mkts, Citi, BofA ML, Credit Suisse
1/18	11/14 2017	Americold Realty Trust Real Estate Investment Trust.	COLD N	24.0	14.00/ 16.00	BofA ML, JPM, RBC Cptl Mkts
1/18	5/2 2017	Nine Energy Service Provides oil & gas well completion and production services.	NINE N	7.0	20.00/ 23.00	JPM, GS, WFS, BofA ML, Credit Suisse

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date	Issuer	Symbol	Offer price($)	Offer amt ($ mil.)	Through Friday (%)	Lockup provision
Jan. 15	July 19, '17	Calyxt Inc	CLXT	8.00	64.4	192.4	180 days
	July 19, '17	Kala Pharmaceuticals	KALA	15.00	103.5	4.0	180 days
	July 19, '17	TPG RE Finance Trust	TRTX	20.00	233.0	–5.7	180 days
Jan. 16	July 20, '17	Osprey Energy Acquisition	OSPRU	10.00	275.0	0.3	180 days
	July 20, '17	PetIQ	PETQ	16.00	115.0	46.9	180 days
Jan. 21	July 25, '17	RBB Bancorp	RBB	23.00	86.3	16.9	180 days

Sources: Dealogic; WSJ Market Data Group

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL IPO date/Offer price	Friday's close ($)	% Chg From Offer price	1st-day close	Company SYMBOL IPO date/Offer price	Friday's close ($)	% Chg From Offer price	1st-day close
Industrial Logistics Properties Trust **ILPT** Jan. 12/$24.00	23.35	–2.7	...	iClick Interactive Asia Grp **ICLK** Dec. 22/$8.00	8.74	9.3	–2.9
Liberty Oilfield Svcs **LBRT** Jan. 12/$17.00	21.75	27.9	...	LexinFintech Hldgs **LX** Dec. 21/$9.00	13.89	54.3	29.8
Platinum Eagle Acquisition **EAGLU** Jan. 12/$10.00	10.01	0.1	...	Dogness **DOGZ** Dec. 20/$5.00	4.75	–5.0	–20.8
Nebula Acquisition **NEBUU** Jan. 10/$10.00	10.06	0.6	0.4	Casa Sys **CASA** Dec. 15/$13.00	20.51	57.8	42.4
Cue Biopharma **CUE** Jan. 2/$7.50	15.50	106.7	33.3	Newmark Grp **NMRK** Dec. 15/$14.00	15.87	13.4	13.8

Sources: WSJ Market Data Group; FactSet Research Systems

Other Stock Offerings

Secondaries and follow-ons expected this week in the U.S. market

None expected this week

Off the Shelf

None expected this week

Public and Private Borrowing

Treasurys

Tuesday, January 16

Auction of 4, 13, and 26 week bills; announced on January 11; settles on January 18

Thursday, January 18

Auction of 10 year TIPS; announced on January 11; settles on January 31

Public and Municipal Finance

Deals of $150 million or more expected this week

Sale	Final maturity	Issuer	Total ($mil.)	Rating Fitch	Moody's	S&P	Bookrunner/ Bond Counsel(s)
Jan. 15	prelim.	California	225.0	N.R.	N.R.	N.R.	M. Stanley/—
Jan. 15	Nov. 1, 2024	Dallas & Fort Worth Cities-Texas	302.4	N.R.	N.R.	N.R.	BoA Merrill/ Bracewell LLP
Jan. 15	prelim.	Maine State Housing Authority	350.0	N.R.	N.R.	N.R.	Citi/—
Jan. 15	prelim.	Maryland Stadium Authority	426.0	N.R.	N.R.	N.R.	BoA Merrill/—
Jan. 15	prelim.	Montana Board of Housing	180.0	N.R.	N.R.	N.R.	RBC Cptl Mkt/—
Jan. 15	prelim.	Nebraska Invest Fin Auth (NIFA)	578.1	N.R.	N.R.	N.R.	J P Morgan Securities LLC/ Kutak Rock
Jan. 15	prelim.	Virginia Housing Dev Auth (VHDA)	600.0	N.R.	N.R.	N.R.	BoA Merrill/—
Jan. 17	Oct. 1, 2047	University of Kentucky	210.6	N.R.	N.R.	N.R.	Preliminary/ Dinsmore & Shohl

Source: Thomson Reuters/Ipreo

Closed-End Funds | WSJ.com/funds

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies fund not in existence of entire period. 12 month yield is computed by dividing income dividends paid (during the previous twelve months for periods ending at month-end or during the previous fifty-two weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions.

Source: Lipper

Friday, January 12, 2018

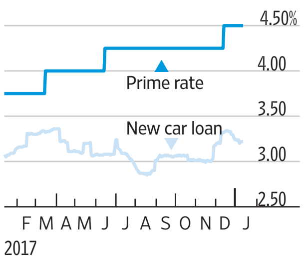
Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Adams Divers Equity Fd **ADX**	18.34	15.67	-14.6	32.1
Boulder Growth & Income **BIF**	13.53	11.53	-14.8	32.9
Central Securities **CET**	34.06	28.39	-16.6	32.9
CohSteer Opprtnty Fd **FOF**	14.34	13.48	-6.0	21.4
Cornerstone Strategic **CLM**	13.89	16.06	+15.6	29.7
Cornerstone TR Fd **CRF**	13.53	15.74	+16.3	27.5
EtnVnc TaxAdvDiv **EVT**	24.52	24.15	-1.5	22.4
Gabelli Dividend & Incm **GDV**	26.28	24.36	-7.3	26.4
Gabelli Equity Trust **GAB**	6.74	6.45	-4.3	26.9
Genl American Investors **GAM**	42.30	35.59	-15.9	21.6
Guggenheim Enh Fd **GPM**	9.31	9.41	+1.1	31.1
HnckJohn TxAdv **HTD**	24.64	23.42	-5.0	4.9
Liberty All-Star Equity **USA**	7.20	6.62	-8.1	36.4
Royce Micro-Cap **RMT**	10.87	9.78	-10.0	27.7
Royce Value Trust **RVT**	18.25	16.95	-7.1	34.6
Source Capital **SOR**	46.71	42.07	-9.9	18.6
Tri-Continental **TY**	30.80	27.60	-10.4	28.5
Specialized Equity Funds				
Adams Natural Rscs Fd **PEO**	24.74	21.22	-14.2	11.3
AllnzGI NFJ Div Interest **NFJ**	15.20	13.47	-11.4	13.1
AlpnGlblPrProp **AWP**	7.60	6.88	-9.5	44.5
BlkRk Enh Cap Inco **CII**	17.70	16.75	-5.4	29.9
BlkRk Engy Res Tr **BGR**	16.42	15.30	-6.8	12.8
BlackRock Enh Eq Div Tr **BDJ**	10.17	9.46	-7.0	23.0
BlackRock Enh Gl Div Tr **BOE**	13.40	12.96	-3.3	29.0
BlkRk Intl Grwth&Inco **BGY**	7.16	6.78	-5.3	29.7
BlkRk Health Sci **BME**	36.87	36.58	-0.8	16.4
BlackRck Rscs Comm Str Tr **BCX**	11.02	10.31	-6.4	28.2
BlackRock Science & Tech **BST**	29.16	28.70	-1.6	59.9
BlackRock Utilities Infr **BUI**	20.96	21.42	+2.2	22.2
CBREClarionGlblRlEstIncm **IGR**	8.89	7.81	-12.1	12.4
Central Fund of Canada **CEF**		13.68	NA	12.4
ClearBridge Amer Engy **CBA**		9.34	NA	8.3
ClearBridge Engy MLP Fd **CEM**		16.81	NA	14.1
Clearbridge Engy MLP Opp **EMO**		13.17	NA	9.7
Clearbridge Engy MLP TR **CTR**		12.93	NA	9.2
Cohen & Steers Infr Fd **UTF**	25.25	24.22	-4.1	30.7
C&S MLP Incm & Engy Opp **MIE**	11.89	11.12	-6.5	9.5
Cohen & Steers Qual Inc **RQI**	12.84	11.90	-7.3	0.5
CohnStrsPfdInco **RNP**	22.05	20.08	-8.9	10.6
Cohen & Steers TR **RFI**	12.85	12.59	-2.0	10.3
CLSeligmn Prem Tech Gr Fd **STK**	21.87	23.74	+8.6	39.6
Duff & Phelps **DNP**	9.38	10.68	+13.8	9.9
Duff&PhelpsGblUtilIncFd **DPG**	17.89	15.89	-11.2	8.3
Eaton Vance Eqty Inco Fd **EOI**	15.62	14.98	-4.1	28.8
Eaton Vance Eqty Inco II **EOS**	16.50	15.99	-3.1	29.9
EtnVncRskMngd **ETJ**	10.22	9.82	-3.9	17.9
Etn Vnc Tax Mgd Buy-Write **ETB**	16.53	17.13	+3.6	11.2
Eaton Vance BuyWrite Opp **ETV**	15.21	15.48	+1.8	12.2
Eaton Vance Tax-Mng Div **ETY**	12.67	12.42	-2.0	29.1
Eaton Vance Tax-Mngd Opp **ETW**	11.91	12.39	+4.0	31.7
EtnVncTxMngGlDvEqInc **EXG**	9.74	9.64	-1.0	30.7
Fiduciary/Clymr Opp Fd **FMO**	14.79	14.64	-1.0	7.0
FT Energy Inc & Growth Fd **FEN**	26.73	27.40	+2.5	9.3
FstTrEnhEqtIncFd **FFA**	16.94	16.21	-4.3	27.7
First Tr Engy Infr Fd **FIF**	18.84	18.50	-1.8	6.9
First Tr MLP & Engy Incm **FEI**	15.13	15.97	+5.6	6.2
Gabelli Hlthcr & Well **GRX**	12.11	10.66	-12.0	14.9
Gabelli Utility Tr **GUT**	5.18	7.15	+38.0	22.1
GAMCOGlblGoldNatRscs&Inc **GGN**	5.52	5.41	-2.0	16.1
Goldman Sachs MLP Inc Opp **GMZ**		10.14	NA	6.7
Goldman Sachs MLP Energy **GER**		7.10	NA	1.5
John Hancock Finl Opps Fd **BTO**	39.00	40.11	+2.8	17.6
Macquarie Glbl Infrstrctr **MGU**	27.95	25.40	-9.1	31.3
Neuberger Berman MLP Incm **NML**	10.52	9.95	-5.4	9.4
Neubrgr Brm Rl Est Sec Fd **NRO**	5.40	5.27	-2.4	8.9
Nuveen Dow 30 Dynamic **DIAX**	19.52	18.91	-3.1	32.0
Nuveen Core Eq Alpha **JCE**	15.30	15.14	-1.0	33.5
Nuveen Diversified Div **JDD**	12.75	12.17	-4.5	17.9
Nuveen Engy MLP Fd **JMF**	12.74	12.71	-0.2	4.6
Nuv NASDAQ 100 Dyn Over **QQQX**	23.55	25.02	+6.2	38.5
Nuveen Real Est Incm Fd **JRS**	10.79	10.70	-0.8	5.8
Nuveen Real Asset Income **JRI**	19.55	17.69	-9.5	16.1
Nuv S&P 500 Dyn Overwrite **SPXX**		17.39	NA	27.5
Nuveen S&P 500 Buy-Write **BXMX**	14.50	14.26	-1.7	17.6
Reaves Utility Fund **UTG**	33.06	30.48	-7.8	1.2
Tekla Hlthcr Investors **HQH**	25.38	23.81	-6.2	12.5
Tekla Healthcare Opps Fd **THQ**	20.13	18.17	-9.7	15.1
Tekla Life Sciences **HQL**	21.02	20.56	-2.2	22.9
Tekla World Hlthcr Fd **THW**	15.39	14.27	-7.3	10.9
Tortoise Energy **TYG**	31.13	31.57	+1.4	12.2
Tortoise MLP Fund **NTG**	19.92	19.61	-1.6	9.8
Voya Gl Equity Div **IGD**	8.47	8.00	-5.5	26.9
Income Preferred Stock Funds				
Calamos Strat Fd **CSQ**	13.58	12.61	-7.1	27.5
Cohen & Steers Dur Pfd **LDP**	27.33	26.49	-3.1	13.4
Cohen & Strs Sel Prf Inco **PSF**	27.89	28.81	+3.3	13.6
FT Interm Duration Pfd **FPF**	25.00	24.25	-3.0	12.6
Flaherty & Crumrine Dyn **DFP**	26.32	26.74	+1.6	19.1
Flaherty & Crumrine Pfd **FFC**	20.31	19.94	-1.8	8.7
John Hancock Pfd Income **HPI**	21.62	21.49	-0.6	10.8
John Hancock Pfd II **HPF**	21.36	21.28	-0.4	10.7
John Hancock Pfd Inc III **HPS**	19.03	18.56	-2.5	10.1
JHancock Pr Div **PDT**	15.09	16.32	+8.2	16.0
LMP Cap & Inco Fd **SCD**		14.31	NA	14.7
Nuveen Pfd & Incm Opps Fd **JPC**	10.73	10.14	-5.5	10.9
Nuveen Pfd & Incm Secs Fd **JPS**	10.34	10.04	-2.9	14.9
Nuveen Preferred & Incm **JPI**	25.93	24.68	-4.8	12.2
Nuv Tax-Adv Div Gr **JTD**	18.68	18.15	-2.8	37.9
TCW Strategic Income Fund **TSI**		5.63	NA	10.1
Virtus Global Dividend **ZTR**	12.66	13.33	+5.3	32.3
Convertible Sec's. Funds				
AdvntClymrFd **AVK**	18.01	16.28	-9.6	16.2
AllianzGI Conv & Incm **NCV**	6.71	7.10	+5.8	21.4
AllianzGI Conv & Incm II **NCZ**	6.03	6.25	+3.6	18.4

Continued on Page B8

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

New car loan

Bankrate.com avg†:	**3.22%**
Lake Elmo Bank	**1.99%**
Lake Elmo, MN	651-777-8365
TrustCo Bank	**2.37%**
Orlando, FL	407-422-7129
Broadway National Bank	**2.50%**
San Antonio, TX	210-283-6500
Cambridge Savings Bank	**2.59%**
Cambridge, MA	888-418-5626
STAR Financial Bank	**2.74%**
Fort Wayne, IN	765-622-4173

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	1.72	1.70	1.02	1.72	1.47
Money market, annual yield	0.30	0.30	0.25	0.36	-0.12
Five-year CD, annual yield	1.52	1.50	1.20	1.53	0.02
30-year mortgage, fixed†	4.03	3.92	3.73	4.33	0.21
15-year mortgage, fixed†	3.46	3.37	2.99	3.47	0.37
Jumbo mortgages, $424,100-plus†	4.47	4.32	4.21	4.87	0.07
Five-year adj mortgage (ARM)†	4.07	4.07	3.20	4.10	0.70
New-car loan, 48-month	3.22	3.23	2.85	3.36	0.33

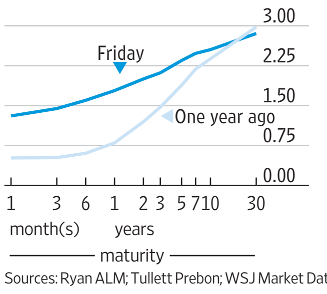
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks. † Excludes closing costs.

Sources: SIX Financial Information; WSJ Market Data Group; Bankrate.com

Benchmark Yields and Rates

Treasury yield curve

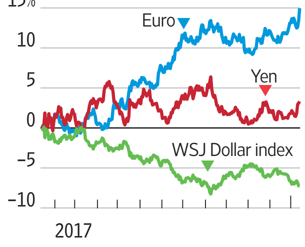
Yield to maturity of current bills, notes and bonds



Sources: Ryan ALM; Tullett Prebon; WSJ Market Data Group

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Corporate Borrowing Rates and Yields

Bond total return index	Yield (%) Last	Wk ago	Spread +/- Treasurys, in basis pts, 52-wk Range Last	Low	High	Total Return 52-wk	3-yr
10-yr Treasury, Ryan ALM	2.551	2.476				0.64	-0.01
DJ Corporate	3.217	3.194				5.00	3.11
Aggregate, Barclays Capital	2.820	2.780	35	35	45	2.53	1.69
High Yield 100, Merrill Lynch	5.469	5.422	314	307	394	6.338	4.856
Fixed-Rate MBS, Barclays	3.010	2.950	23	19	34	1.80	1.61
Muni Master, Merrill	2.232	2.179	16	5	18	3.269	2.092
EMBI Global, J.P. Morgan	5.560	5.507	300	298	355	7.840	7.177

Sources: J.P. Morgan; Ryan ALM; S&P Dow Jones Indices; Barclays Capital; Merrill Lynch

Seoul Riles Bitcoin Buyers

South Korea's effort to tighten controls prompts web petition of 200,000 signatures

By Eun-Young Jeong

SEOUL—Government attempts to tighten control over cryptocurrency trading are sparking a fierce public backlash in South Korea.

A petition on the official website of South Korea's presidential office reached over 200,000 signatures Tuesday morning, hitting a threshold that would compel a government response, which could be the opening of an investigation. The petition, which was launched on Dec. 28, had until Jan. 27 to reach the target signatories.

The grass-roots backlash comes after several weeks of concerted attempts by South Korean regulators to clamp down on bitcoin trading—floating ideas including taxation, increasing regulatory scrutiny and even an outright ban on cryptocurrency exchanges.

On Monday, South Korea's government delivered its strongest statement to date about the dangers of trading bitcoin, warning the public to exercise caution.

"Cryptocurrency is not a legally recognized currency," the statement said.

The remark came after South Korea's justice minister said last week that the government was preparing a bill to ban cryptocurrency trading on exchanges, sending prices of bitcoin, the world's most traded virtual currency, to fall more than 16% in two hours on South Korean exchanges.

Later the same day, a presidential office spokesman walked that back, saying that abolishing cryptocurrency exchanges was only "one possible measure" that didn't represent a "final" decision.

The petition, first uploaded last month by an anonymous person, calls on the Seoul government to stop trying to regulate bitcoin and to stamp out the "happy dreams" of Koreans.

The petition credited gains in cryptocurrency values with restoring hope to South Korean people who could now aspire to buy their own property and find relief from financial distress.

South Korea's slowing economic growth has led to job shortages, especially for young people, who are believed to make up a significant portion of cryptocurrency investors.

KIM HONG-JI/REUTERS

South Korea has a become a hotbed for global bitcoin trading.

Pension Sues Canadian Banks Over Key Rate

By Vipal Monga

TORONTO—A Colorado pension fund is suing Canada's top six banks and three other lenders for allegedly manipulating a key Canadian lending rate.

The Fire & Pension Association of Colorado filed the lawsuit in U.S. District Court in Manhattan Friday and alleged the banks engaged in an "unlawful conspiracy" to boost their derivatives trading businesses by manipulating the Canadian dealer offered rate between 2007 and 2014.

The lawsuit names Canada's largest banks, **Bank of Montreal**, **Bank of Nova Scotia**, **Canadian Imperial Bank of Commerce**, **National Bank of Canada**, **Royal Bank of Canada** and **Toronto-Dominion Bank**, along with Bank of America Merrill Lynch, **Deutsche Bank** AG and **HSBC Holdings** PLC.

Bank of America Corp., National Bank, RBC, CIBC, HSBC and Bank of Montreal declined to comment. The other banks didn't immediately respond to requests for comment on the lawsuit.

The CDOR is a benchmark rate that aims to reflect the cost of borrowing funds in Canada and is used to calculate interest on several financial instruments, including interest-rate swaps, forward contracts and other derivatives. It is calculated each business day by Thomson Reuters based on submissions from banks of rates at which they would be willing to lend.

The accusations in the lawsuit are similar to those associated with the London interbank offered rate, the scandal-plagued benchmark that is used to set the price of trillions of dollars of loans and derivatives across the world.

The integrity of Libor was called into question following a rate-rigging scandal where traders at numerous banks were able to nudge it up or down by submitting false data.

Closed-End Funds | WSJ.com/funds

Continued from Page B7

Fund (SYM)	NAV	Close	Prem/Disc	52 wk Ttl Ret
AllianzGI Equity & Conv **NIE**	24.22	22.27	-8.1	26.7
Calamos Conv Hi Inco Fd **CHY**	11.98	12.10	+1.0	22.1
Calamos **CHI**	11.35	11.25	-0.9	18.1
World Equity Funds				
Alpine Tot Dyn Div **AOD**	10.67	9.73	-8.8	32.3
Calamos Glbl Dyn Inc **CHW**	9.65	9.44	-2.2	43.9
Cdn Genl Inv **CGI**	34.20	24.19	-29.3	31.1
China Fund **CHN**	24.89	22.94	-7.8	51.5
Clough Global Opp Fd **GLO**		11.34	NA	36.7
EtnVncTxAdvGblDiv **ETG**	19.31	17.97	-6.9	31.5
EatonVance TxAdv Opport **ETO**	25.90	26.21	+1.2	32.5
First Trust Dynamic Eur **FDEU**	20.50	19.70	-3.9	33.6
Gabelli Glbl Multimedia **GGT**	9.76	9.42	-3.5	38.2
GDL Fund **GDL**	11.75	9.92	-15.6	5.7
India Fund **IFN**	29.95	27.20	-9.2	37.7
Japan Sml Cap **JOF**	13.76	12.59	-8.5	41.0
Korea Fund **KF**	48.24	43.40	-10.0	40.9
Mexico Fund **MXF**	18.61	16.26	-12.6	19.5
Morgan-Stanley Asia-Pac **APF**	21.77	19.25	-11.6	37.9
MS China a Shr Fd **CAF**	29.05	26.00	-10.5	57.7
MS Emerging Fund **MSF**	21.31	18.83	-11.6	36.8
MS India Invest **IIF**	37.97	34.41	-9.4	49.2
New Germany Fund **GF**	22.64	20.83	-8.0	60.6
Swiss Helvetia Fund **SWZ**	14.37	13.06	-9.1	24.9
Templeton Dragon **TDF**		22.76	NA	46.1
Templeton Emerging **EMF**	19.11	17.48	-8.5	46.9
Virtus Total Return Fund **ZF**	12.64	12.35	-2.3	20.2
Voya Infr Indls & Matls **IDE**	17.14	17.24	+0.6	38.9
Wells Fargo Gl Div Opp **EOD**		6.00	NA	17.8

Fund (SYM)	NAV	Close	Prem/Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
BlackRock Income Trust **BKT**	6.55	6.07	-7.3	5.1
Nuveen Mtg Opp Term Fd **JLS**	24.73	24.01	-2.9	7.4
Investment Grade Bond Funds				
Blackrock Core Bond Tr **BHK**	14.81	13.93	-5.9	5.5
BlkRk Credit Alloc Incm **BTZ**	14.76	13.21	-10.5	6.2
John Hancock Income Secs **JHS**	15.32	14.92	-2.6	5.4
MFS Inc Tr **MIN**	4.37	4.13	-5.5	9.3
WstAstClymr InfLnkd Fd **WIW**	NA	11.70	NA	3.7
WstAssetClymr InflLnk Sec **WIA**	NA	12.02	NA	3.4
Loan Participation Funds				
Apollo Sr Fltg Rate Fd **AFT**	17.96	16.36	-8.9	6.6
BlkRk Debt Strat Fd **DSU**	12.72	11.61	-8.7	6.9
BlackRock FR Incm Strat **FRA**	14.94	14.16	-5.2	5.3
Blkrk FltRt InTr **BGT**	14.42	13.95	-3.3	5.0
BlackstoneGSO Strat Cred **BGB**	NA	15.83	NA	8.0
Blackstone GSO Sr Float **BSL**	NA	17.57	NA	6.4
Eagle Point Credit **ECC**	NA	19.80	NA	5.3
Eaton Vance FR Incm Tr **EFT**	15.54	14.33	-7.8	5.7
EatonVnc SrFltRate **EFR**	15.20	14.28	-6.1	5.9
Eaton Vance Sr Incm Tr **EVF**	7.18	6.49	-9.6	5.5
First Trust Sr FR Fd II **FCT**	14.07	12.82	-8.9	6.1
FT Sr Floating Rate 2022 **FIV**	9.74	9.29	-4.6	5.0
Highland FR Opps Fd **HFRO**	15.27	NA	NA	NA
Invesco Credit Opps Fund **VTA**	13.21	11.84	-10.4	7.1
Invesco Senior Income Tr **VVR**	4.91	4.47	-9.0	5.9
Nuveen Credit Strt Inc Fd **JQC**	9.07	8.18	-9.8	7.4
NuvFloatRteInco Fd **JFR**	11.51	11.10	-3.6	7.2
Nuv Float Rte Opp Fd **JRO**	11.40	11.22	-1.6	7.4
Nuveen Senior Income Fund **NSL**	6.82	6.48	-5.0	7.2
Pioneer Floating Rate Tr **PHD**	12.39	11.55	-6.8	6.3
Voya Prime Rate Trust **PPR**	5.66	5.07	-10.4	5.8
High Yield Bond Funds				
AllianceBernstein Glbl **AWF**	14.01	12.66	-9.6	6.0
Barings Glbl Short Dur HY **BGH**	20.94	19.33	-7.7	9.5
BlackRock Corp Hi Yd Fd **HYT**	12.28	10.98	-10.6	7.6
BlackRockDurInco Tr **BLW**	17.05	16.04	-5.9	6.2
Brookfield Real Assets **RA**	25.40	23.93	-5.8	10.2
Credit Suisse High Yld **DHY**	2.80	2.84	+1.4	9.4
DoubleLine Incm Solutions **DSL**	NA	20.81	NA	8.9
Dreyfus Hi Yd Strat Fd **DHF**	3.55	3.34	-5.9	8.9
Fst Tr Hi Inc Lg/Shrt Fd **FSD**	18.03	16.65	-7.7	8.2
Guggenheim Strat Opps Fd **GOF**	19.60	21.73	+10.9	10.1
Ivy High Income Opps Fund **IVH**	16.22	14.72	-9.3	9.5
Neuberger Berman HYS **NHS**	13.26	11.60	-12.5	7.5
NexPoint Credit Strat Fd **NHF**	26.48	24.92	-5.9	9.4
Nuveen Credit Opps 2022 **JCO**	9.96	9.53	-4.3	NS
Nuveen Gl Hi Incm Fd **JGH**	18.68	17.06	-8.7	8.5
Nuveen High Incm Dec18 **JHA**	10.03	9.88	-1.5	4.9
Nuveen High Incm Dec19 **JHD**	10.17	9.97	-2.0	5.7
Nuveen Hi Incm Nov 2021 **JHB**	10.15	9.88	-2.7	6.0
Pioneer High Income Trust **PHT**	10.85	9.80	-9.7	8.7
Prud Gl Shrt Dur Hi Yd **GHY**	16.37	14.45	-11.7	7.7
Prudentl Sh Dur Hi Yd Fd **ISD**	16.54	14.89	-10.0	7.7
Wells Fargo Incm Opps Fd **EAD**	NA	8.51	NA	8.5
Wstrn Asset Glbl Hi Inco **EHI**	NA	10.25	NA	8.3
Wstrn Asset High Inco II **HIX**	NA	7.03	NA	8.7
Wstrn Asset Opp Fd **HIO**	NA	5.09	NA	7.0
West Asst HY Def Opp Fd **HYI**	NA	15.17	NA	7.8
Other Domestic Taxable Bond Funds				
Ares Dynamic Credit Alloc **ARDC**	NA	16.45	NA	6.9
Barings Corp Investors **MCI**	NA	15.48	NA	5.9
BlackRock Multi-Sector IT **BIT**	19.88	18.26	-8.1	8.4
BlackRock Taxable Mun Bd **BBN**	23.60	22.71	-3.8	6.8
Doubleline Oppor Credit **DBL**	NA	21.80	NA	9.0
Duff & Phelps Utl & Cp Bd **DUC**	9.59	8.77	-8.6	6.7
EtnVncLtdFd **EVV**	14.99	13.52	-9.8	7.2
Franklin Ltd Duration IT **FTF**	NA	11.81	NA	12.7
Guggenheim Taxable Muni **GBAB**	23.09	22.55	-2.3	6.6
Invesco High Incm 2023 **IHIT**	10.11	9.93	-1.8	6.1
KKR Income Opps Fund **KIO**	NA	15.98	NA	9.6
MFS Charter **MCR**	9.24	8.47	-8.3	8.8
MFS Multimkt **MMT**	6.61	6.06	-8.3	8.8
Nuveen Build Am Bd Fd **NBB**	22.22	21.41	-3.6	5.6
PIMCO Corporate & Incm **PTY**	NA	16.49	NA	9.4
PIMCO Corporate & Incm **PCN**	NA	17.06	NA	7.8
PIMCO HiInco **PHK**	NA	7.76	NA	13.2
PIMCO Inco Str Fd **PFL**	NA	11.61	NA	9.2
PIMCO Incm Strategy Fd II **PFN**	NA	10.30	NA	9.2
Putnam Mas Inco **PIM**	5.08	4.78	-5.9	6.5
Putnam Premier Income Tr **PPT**	5.65	5.26	-6.9	5.8
Wells Fargo Multi-Sector **ERC**	NA	13.19	NA	9.6
World Income Funds				
Abeerden Asia-Pacific **FAX**	5.52	4.99	-9.6	8.6
Brandywine Global Incm **BWG**	NA	13.40	NA	8.3
Etn Vnc Short Dur Fd **EVG**	NA	14.24	NA	6.6
MS EmMktDomDebt **EDD**	9.19	8.03	-12.6	8.1
PIMCO Dynamic Credit **PCI**	NA	22.27	NA	8.7
PIMCO Dynamic Income Fund **PDI**	NA	29.79	NA	8.8
PIMCO Income Opportunity **PKO**	NA	26.00	NA	8.8
PIMCO Strat Income Fund **RCS**	NA	9.15	NA	9.5
Templeton Emerging **TEI**	NA	11.56	NA	5.5
Templeton Global **GIM**	NA	6.45	NA	6.9
Wstrn Asset Emerg Mkts **EMD**	NA	15.98	NA	7.7
Wstrn Asset Gl Def Opp Fd **GDO**	NA	17.93	NA	7.5
National Muni Bond Funds				
AllianceBrnstn NtlMun **AFB**	14.79	13.30	-10.1	4.7
Blackrock Invest **BKN**	15.74	14.75	-6.3	5.0
BlackRock Mun 2030 Target **BTT**	24.13	22.08	-8.5	4.0
BlackRock Municipal Trust **BFK**	14.39	14.00	-2.7	5.6
BlackRockMuni **BLE**	14.96	14.24	-4.8	5.9
BlackRockMuni Tr **BYM**	15.16	13.95	-8.0	5.3
BlkRk MuniAssets Fd **MUA**	14.17	14.68	+3.6	4.6
BlkRk Munienhanced **MEN**	11.88	11.38	-4.2	5.7
BlkRk MuniHldgs Inv **MFL**	14.61	14.68	+0.5	5.8
BlkRk MuniHldgs Qlty II **MUE**	13.97	13.71	-1.9	5.5
BlkRk MuniVest **MVF**	9.60	9.65	+0.5	5.8
BlkRk MuniVest II **MVT**	15.15	15.44	+1.9	5.7
BlkRk MuniYield **MYD**	14.78	14.44	-2.3	5.8
BlkRk MuniYld Quality **MQY**	15.79	15.00	-5.0	5.6
BlkRk MuniYld Qlty II **MQT**	13.86	12.91	-6.9	5.5
BlRkMunyldQltyIII **MYI**	14.39	13.49	-6.3	5.8
Deutsche Mun Income Tr **KTF**	12.53	11.80	-5.8	6.3
Dreyfus Mun Bd Infr Fd **DMB**	14.23	12.90	-9.3	4.8
Dreyfus Strat Muni Bond **DSM**	8.27	8.48	+2.5	5.8
Dreyfus Strategic Munis **LEO**	8.49	8.74	+2.9	5.9
Eaton Vance Mun Bd Fd **EIM**	13.58	12.39	-8.8	5.0
Eaton Vance Mun Income **EVN**	13.28	12.24	-7.8	5.3
EV National Municipal Opp **EOT**	21.74	22.43	+3.2	4.5
Invesco Adv Mun Incm II **VKI**	12.08	11.27	-6.7	5.7
Invesco Mun Incm Opps Tr **OIA**	7.57	8.21	+8.5	5.1
Invesco Mun Opportunity **VMO**	13.46	12.34	-8.3	5.9
Invesco Municipal Trust **VKQ**	13.45	12.52	-6.9	5.7
Invesco Qlty Mun Inco **IQI**	13.56	12.35	-8.9	5.3
Invesco Inv Grade Muni **VGM**	13.94	13.10	-6.0	5.7
Invesco Value Mun Incm Tr **IIM**	16.20	14.73	-9.1	4.9
MainStay DefinedTerm **MMD**	20.06	19.81	-1.2	5.4
MFS Munl Inco **MFM**	7.34	6.85	-6.7	5.6
Nuveen AMT-Free Mun Value **NUW**	16.68	17.10	+2.5	4.1
Nuveen AMT-Free Quality **NEA**	15.02	13.56	-9.7	5.2
Nuveen AMT-Free Mun **NVG**	16.38	15.30	-6.6	5.6
Nuveen Mun Credit Incm Fd **NZF**	15.94	15.00	-5.9	5.8
Nuveen Enhncd Mun Val Fd **NEV**	14.87	14.15	-4.9	5.7
Nuveen Intermed Dur Mun **NID**	13.68	12.95	-5.3	4.9
NuveenMuniIncoOpp Fd **NMZ**	13.50	13.60	+0.7	5.8
Nuveen Muni Value Fund **NUV**	10.23	10.06	-1.7	3.8
Nuveen Qual Mun Incm Fd **NAD**	15.35	13.76	-10.4	5.3
Nuveen Sel TF **NXQ**	14.72	13.96	-5.2	3.6
PIMCO MuniFd **PMF**	NA	13.19	NA	5.6
Pimco Muni Inc II **PML**	NA	13.21	NA	5.9
PIMCO Muni Inc III **PMX**	NA	11.55	NA	5.8
Pioneer Mun Hi Inc Adv Tr **MAV**	11.84	11.35	-4.1	5.2
Pioneer Mun Hi Incm Tr **MHI**	12.81	11.84	-7.6	5.0
Putnam Tr **PMM**	7.95	7.35	-7.5	5.3
Putnam Muni Opportunities **PMO**	13.27	12.43	-6.3	5.2
Wstrn Asset Mngd Muni **MMU**	NA	14.08	NA	5.3
Western Asset Mun Tr Fund **MTT**	NA	21.01	NA	4.8
Single State Muni Bond				
BlackRock CA Municipal Tr **BFZ**	15.12	13.73	-9.2	5.2
BlkRk MuniHldgs CA Qlty **MUC**	15.41	14.10	-8.5	5.1
Blkrck MunHI NJ Qlty **MUJ**	15.59	14.08	-9.7	5.5
BlRk MuHldg NY Qlty **MHN**	14.75	13.35	-9.5	5.1
BlkRk MuniYld CA Fd **MYC**	15.41	14.79	-4.0	5.1
BlkRk MuniYld CA Quality **MCA**	15.63	14.56	-6.8	5.1
BlkRk MuniYld MI Qlty **MIY**	15.41	13.80	-10.4	5.4
BlRk Muyld NY Qlty **MYN**	14.15	12.76	-9.8	4.9
Eaton Vance CA Mun Bd **EVM**	12.24	11.50	-6.0	5.0
Invesco CA Value Mun Incm **VCV**	13.32	12.57	-5.6	5.1
Invesco PA Value Mun Incm **VPV**	13.97	12.09	-13.5	5.1
Invesco Inv Grade NY Muni **VTN**	14.48	13.70	-5.4	5.0
Nuveen CA AMT-Free Qual **NKX**	15.68	15.21	-3.0	5.0
Nuveen CA Muni Value **NCA**	10.37	10.23	-1.4	4.0
Nuveen CA Quality Muni **NAC**	15.50	14.19	-8.5	5.5
Nuveen MD Qual Muni **NMY**	14.46	12.47	-13.8	4.9
Nuveen MI Qual Muni **NUM**	15.28	13.19	-13.7	4.8
Nuveen NJ Qual Muni **NXJ**	15.73	13.54	-13.9	5.1
Nuveen NY AMT-Free **NRK**	14.30	12.80	-10.5	4.8
Nuveen NY Qual Muni **NAN**	14.93	13.63	-8.7	5.1
Nuveen OH Qual Muni **NUO**	16.49	14.63	-11.3	4.9
Nuveen PA Qual Muni **NQP**	15.11	13.09	-13.4	5.3
Nuveen VA Qual Muni **NPV**	14.35	12.77	-11.0	4.3
PIMCO California Muni **PCQ**	NA	17.26	NA	5.3
PIMCO California Mun II **PCK**	NA	9.23	NA	5.5

Fund (SYM)	NAV	Close	Prem/Disc	52 wk Ttl Ret
General Equity Funds				
Specialized Equity Funds				
Griffin Inst Access RE:A	26.69	NA	NA	5.8
Griffin Inst Access RE:C	26.23	NA	NA	5.1
Griffin Inst Access RE:I	26.86	NA	NA	6.1
Griffin Inst Access RE:L	26.66	NA	NA	NS
Griffin Inst Access RE:M	26.54	NA	NA	5.3
NexPointRlEstStrat;A	20.49	NA	NA	5.6
NexPointRlEstStrat;C	20.55	NA	NA	5.3
NexPointRlEstStrat;Z	20.57	NA	NA	6.5
NorthStar RE Cap Inc:Adv	NA	NA	NA	NS
Resource RE Div Inc:A	10.04	NA	NA	4.5
Resource RE Div Inc:C	10.03	NA	NA	3.6

Fund (SYM)	NAV	Close	Prem/Disc	12 Mo Yld
Resource RE Div Inc:D	10.19	NA	NA	3.9
Resource RE Div Inc:I	10.46	NA	NA	4.3
Resource RE Div Inc:L	10.04	NA	NA	NS
Resource RE Div Inc:T	10.01	NA	NA	3.6
Resource RE Div Inc:U	10.04	NA	NA	4.4
Resource RE Div Inc:W	10.19	NA	NA	4.4
SharesPost 100;A	26.86	NA	NA	0.3
SharesPost 100:I	26.86	NA	NA	NS
Tot Inc+ RE:A	29.40	NA	NA	6.7
Tot Inc+ RE:C	28.59	NA	NA	5.9
Tot Inc+ RE:I	29.74	NA	NA	7.0
Tot Inc+ RE:L	29.34	NA	NA	NS
USQ Core Real Estate:I **USQIX**	25.09	NA	NA	NS
USQ Core Real Estate:IS **USQSX**	25.09	NA	NA	NS
Versus Cap MMgr RE Inc:F	27.70	NA	NA	5.3
Versus Cap MMgr RE Inc:I	27.78	NA	NA	5.6
Versus Capital Real Asst **VCRRX**	25.20	NA	NA	NS
Wildermuth Endwmnt Str	13.18	NA	NA	13.9
Wildermuth Endwmnt S:C	12.99	NA	NA	13.1
Wildermuth Endwmnt S:I	13.24	NA	NA	NS
Income Preferred Stock Funds				
MultiStrat Gro & Inc:A	15.09	NA	NA	2.1
MultiStrat Gro & Inc:C	14.74	NA	NA	1.3
MultiStrat Gro & Inc:I	15.28	NA	NA	2.3
MultiStrat Gro & Inc:L	14.86	NA	NA	1.6
The Relative Value:CIA **VFLEX**	25.85	NA	NA	NS
Convertible Sec's. Funds				
Calmos Dyn Conv and Inc **CCD**	21.17	20.39	-3.7	16.7
World Equity Funds				
BMO LGM Front ME	11.26	NA	NA	26.5
CalamosGlbTotRet **CGO**	14.22	15.70	+10.4	27.5

Fund (SYM)	NAV	Close	Prem/Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
Vertical Capital Income	12.35	NA	NA	3.2
Loan Participation Funds				
504 Fund	9.71	NA	NA	3.9
Angel Oak Strategic Crdt **ASCIX**	25.20	NA	NA	NS
FedProj&TrFinanceTender	10.02	NA	NA	NS
Invesco Sr Loan A	6.71	NA	NA	4.1
Invesco Sr Loan B	6.70	NA	NA	4.1
Invesco Sr Loan C	6.72	NA	NA	3.4
Invesco Sr Loan IB	6.71	NA	NA	4.4
Invesco Sr Loan IC	6.71	NA	NA	4.2
Invesco Sr Loan Y	6.71	NA	NA	4.4
RiverNorth MP Lending **RMPLX**	NA	NA	NA	9.2
Sierra Total Return:T **SRNTX**	24.95	NA	NA	NS
Voya Senior Income:A	12.55	NA	NA	5.2
Voya Senior Income:C	12.52	NA	NA	4.7
Voya Senior Income:I	12.51	NA	NA	5.5
Voya Senior Income:W	12.56	NA	NA	5.4
High Yield Bond Funds				
Griffin Inst Access Cd:A	NA	NA	NA	NS
Griffin Inst Access Cd:C	NA	NA	NA	NS
Griffin Inst Access Cd:F	NA	NA	NA	NS
Griffin Inst Access Cd:I	NA	NA	NA	NS
Griffin Inst Access Cd:L	NA	NA	NA	NS
PIMCO Flexible Cr I;Inst	NA	NA	NA	NS
PionrILSInterval	9.41	NA	NA	1.4
WA Middle Mkt Dbt	NA	NA	NA	10.9
WA Middle Mkt Inc **WMF**	NA	NA	NA	10.9
Other Domestic Taxable Bond Funds				
Capstone Church Capital	11.66	NA	NA	3.4
CION Ares Dvsfd Crdt;A	NA	NA	NA	NS
CION Ares Dvsfd Crdt;C	NA	NA	NA	NS
CION Ares Dvsfd Crdt;I	NA	NA	NA	NS
CION Ares Dvsfd Crdt;L	NA	NA	NA	NS
CNR Select Strategies	9.61	NA	NA	NS
GL Beyond Income	3.20	NA	NA	NE
Palmer Square Opp Income	19.52	NA	NA	4.8
Resource Credit Inc:A	11.12	NA	NA	6.5
Resource Credit Inc:C	11.24	NA	NA	5.7
Resource Credit Inc:I	11.14	NA	NA	6.7
Resource Credit Inc:L	11.11	NA	NA	NS
Resource Credit Inc:W	11.11	NA	NA	6.5

Cash Prices | WSJ.com/commodities

Monday, January 15, 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
Metals	
Gold, per troy oz	
LBMA Gold Price AM	*1332.90
LBMA Gold Price PM	*1326.80
Silver, troy oz.	
LBMA spot price	£12.5800
(U.S.$ equivalent)	17.3250
Other metals	
LBMA Platinum Price PM	*991.0
Aluminum, LME, $ per metric ton	*2215.0
Fibers and Textiles	
Cotlook 'A' Index-t	*93.35

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 1/12

Source: WSJ Market Data Group

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Thomson Financial on January 12, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range ($) in transaction	$ Value (000s)	Close ($)	Ytd (%)
Buyers									
Jan. 9-10	Community Health Systems	CYH	T. Chen	BI	996	3.97-3.98	3,952	5.15	20.9
Jan. 8			T. Chen	BI	479	3.98	1,906		
Jan. 5-9	Biglari Holdings	BH	S. Biglari	DOI	5	417.02-418.94	2,129	424.04	2.3
Jan. 3-5	Achaogen	AKAO	R. Duggan	B	65	10.89-11.51	739	11.94	11.2
Jan. 9	Salesforce.com	CRM	S. Wojcicki	D	6	109.14	655	110.24	7.8
Jan. 8	Everest Re Group	RE	J. Graf	D	2	219.07	501	224.20	1.3
Jan. 8	Dave & Buster's Entertainment	PLAY	K. Sheehan	D	10	44.81-46.33	456	47.92	-13.1
Jan. 9			M. Griffith	D	5	44.27	221		
Jan. 8-9	NexPoint Residential Trust	NXRT	J. Dondero	PI	14	27.68-27.69	389	26.86	-3.9
Jan. 8	Lamb Weston Holdings	LW	P. Bensen	DI	5	58.18	291	58.28	3.2
Jan. 4	Aegean Marine Petroleum Network	ANW	A. Roth	B	50	4.58	229	4.65	8.1
Jan. 3-4	Investors Real Estate Trust	IRET	M. Decker	CEO	30	5.56-5.58	167	5.61	-1.2
Dec. 29-Jan. 8	Mercer International	MERC	.	BI	10	14.25-14.31	143	14.75	3.1
Jan. 2-5	Century Bancorp	CNBKA	J. Filler	B	2	76.30-77.35	135	80.70	3.1
Jan. 3	Compass Diversified Holdings	CODI	C. Day	CB	6	17.24	97	17.50	3.2
Jan. 3			J. Bottiglieri	D	5	17.24	82		
Jan. 3			G. Burns	UT	5	17.24	82		
Jan. 3			H. Edwards	UT	5	17.24	82		
Sellers									
Jan. 8-9	Workday	WDAY	D. Duffield	DO	458	108.73-109.71	50,015	112.90	11.0
Jan. 3	MyoKardia	MYOK	K. Starr	DOI	816	42.00	34,286	52.90	25.7
Jan. 3-5	Allison Transmission Holdings	ALSN	J. Star	DI	641	43.96-44.74	28,445	44.39	3.1
Jan. 3	Valero Energy	VLO	M. Ciskowski	CFO	252	93.29	23,465	96.75	5.3
Jan. 9-10	ServiceNow	NOW	F. Luddy	DI	100	135.03-135.90	13,537	138.19	6.0
Dec. 6-8	BeiGene	BGNE	J. Oyler	CEO	144	91.48-96.67	13,529	103.28	5.7
Jan. 3-4	Automatic Data Processing	ADP	C. Rodriguez	CEO	96	116.51-118.29	11,308	118.47	1.1
Jan. 2-8	Zayo Group Holdings	ZAYO	D. Caruso	CEO	304*	36.05-36.39	10,975	36.46	-0.9
Jan. 8	Box Inc	BOX	R. O Driscoll	DI	500	21.55	10,775	22.25	5.4
Jan. 3-5	RealPage	RP	S. Winn	CEO	202*	45.16-45.66	9,194	48.45	9.4
Jan. 9-11	IDEXX Laboratories	IDXX	J. Ayers	CEO	54	164.13-168.03	8,963	173.11	10.7
Jan. 8	L3 Technologies	LLL	M. Strianese	CB	40	201.71-203.60	7,996	209.46	5.9
Jan. 8-10	Sears Holdings	SHLD	B. Berkowitz	BI	2,212	3.31-3.43	7,380	3.60	0.6
Jan. 9	Keysight Technologies	KEYS	R. Nersesian	CEO	162	45.04	7,312	44.82	7.7
Jan. 9	Facebook	FB	M. Schroepfer	CTI	38	187.81-188.26	7,141	179.37	1.6
Jan. 9	Medtronic	MDT	R. Kuntz	O	79	86.21	6,770	85.45	5.8
Jan. 8-9	Andeavor	ANDV	P. Foster	D	55*	116.19-116.78	6,357	119.13	4.2
Jan. 3	Palo Alto Networks	PANW	M. Mclaughlin	CEO	35*	149.50	5,233	153.52	5.9

* Half the transactions were indirect ** Two day transaction
p - Pink Sheets

Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	14,308	13,670,648	Finance	808,871	22,346,326
Business services	55,551	17,066,855	Health care	5,857,634	49,588,605
Capital goods	0	0	Industrial	117,114	25,296,894
Consumer durables	0	6,923,070	Media	0	235,422
Consumer nondurables	0	19,943,765	Technology	768,577	53,153,226
Consumer services	2,128,876	28,971,554	Transportation	0	986,905
Energy	229,194	35,867,334	Utilities	0	252,994

Sources: Thomson Financial; WSJ Market Data Group

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

January 15, 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.

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

Other short-term rates	Latest	Week ago	52-Week high	52-Week low
Libor				
One month	1.55614	1.55375	1.56900	0.76778
Three month	1.73133	1.70802	1.73133	1.02372
Six month	1.89875	1.86529	1.89875	1.33239
One year	2.18869	2.15075	2.18869	1.69400
Euro Libor				
One month	-0.405	-0.406	-0.382	-0.420
Three month	-0.381	-0.381	-0.341	-0.387
Six month	-0.334	-0.325	-0.239	-0.334
One year	-0.252	-0.250	-0.095	-0.261
Euro interbank offered rate (Euribor)				
One month	-0.369	-0.368	-0.366	-0.375
Three month	-0.329	-0.329	-0.325	-0.332
Six month	-0.274	-0.271	-0.237	-0.276
One year	-0.187	-0.187	-0.095	-0.194

January 12, 2018

Inflation	Dec. index level	Chg From (%) Nov. '17	Chg From (%) 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.	1.52	1.43	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	1.4300	1.4200	1.4400	0.6000
High	1.5625	1.5625	1.6125	0.8125
Low	1.4100	1.2100	1.4100	0.4500
Bid	1.4200	1.4100	1.4200	0.5600
Offer	1.4400	1.4200	1.4400	0.5800
Treasury bill auction				
4 weeks	1.280	1.270	1.300	0.400
13 weeks	1.430	1.435	1.445	0.505
26 weeks	1.575	1.575	1.575	0.590

Secondary market	Latest	Week ago	52-Week High	52-Week Low
Fannie Mae				
30-year mortgage yields				
30 days	3.604	3.506	3.865	3.253
60 days	3.634	3.542	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	1.66	1.68	0.72
Libor				
One month	1.55947	1.55250	1.56900	0.76778
Three month	1.72152	1.70393	1.72152	1.02317
Six month	1.88769	1.86507	1.88769	1.33156
One year	2.17313	2.14953	2.17313	1.69400
Euro Libor				
One month	-0.405	-0.408	-0.381	-0.420
Three month	-0.381	-0.381	-0.341	-0.387
Six month	-0.334	-0.324	-0.238	-0.334
One year	-0.251	-0.250	-0.095	-0.261
Euro interbank offered rate (Euribor)				
One month	-0.369	-0.369	-0.366	-0.375
Three month	-0.329	-0.329	-0.325	-0.332
Six month	-0.271	-0.271	-0.236	-0.276
One year	-0.186	-0.187	-0.094	-0.194

DTCC GCF Repo Index	Latest	Value Traded	52-Week High	52-Week Low
Treasury	1.483	48.700	1.836	0.489
MBS	1.522	91.470	1.852	0.496

DTCC GCF Repo Index Futures	Settle	Change	Open Interest	Implied Rate
Treasury Jan	98.550	-0.015	3188	1.450
Treasury Feb	98.560	0.005	1201	1.440
Treasury Mar	98.460	0.005	293	1.540

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.

3.2%

The gain last week for the S&P 500 industrials sector, their best week since the 2016 U.S. presidential election

Industrial Stocks Surge

Industrial stocks just finished out their best week since the week of President Donald Trump's election in November 2016.

The sector has gained 24% over the past year, bolstered by solid growth and hopes that policy changes from the Trump administration will add even more fuel to the U.S. economy.

MONEYBEAT

Last week's 3.2% gain for the S&P 500's industrials sector was driven by aerospace company **Boeing** Co., the sector's biggest company, which gained 8.9%. Boeing's shares have more than doubled over the past year as the company logs record deliveries of its jets, ramps up spending on buybacks and dividends and pursues a tie-up with Brazilian counterpart **Embraer** SA.

Caterpillar Inc. and **United Parcel Service** Inc. also helped boost the sector last week, each rising about 5%.

Industrial companies could see more gains, analysts say. The reduction in the corporate tax rate to 21% from 35% should help pad corporate profits. The Trump administration's plans for a $1 trillion infrastructure bill could also help companies such as Caterpillar.

Higher commodity prices and economic recoveries in places like Europe and Latin America also are helping to bolster many of these companies' sales and profit outlooks.

Industrials aren't the only S&P companies benefiting from a more sanguine global economic backdrop. The tech sector has soared 40% over the past year, while the financials and consumer discretionary sectors have both gained about 25%.

—Chelsey Dulaney

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European Stocks Fall As the Dollar Weakens

By Riva Gold And Kenan Machado

European stocks started the week with losses as the dollar continued its steep descent against a basket of global currencies.

MONDAY'S MARKETS

The ICE Dollar Index was down 0.6% at the close of European equity trading on Monday after hitting its lowest in more than three years on Friday. The Stoxx Europe 600—which generates 18% of its revenue from the U.S., according to FactSet—edged down 0.2%.

The pound is around its highest against the dollar since the Brexit referendum.

European companies that make a high proportion of sales in the U.S. tend to suffer when the euro and British pound strengthen against the dollar, since it means revenue is worth less when translated back.

The dollar has been hurt by signs of accelerating economic growth and waning central-bank support overseas, which has propelled investor funds into the yen, euro and many emerging-market currencies.

"I don't think that the dollar drop could've happened if it wasn't for the coincident surge in confidence surrounding the euro," said Jane Foley, currency strategist at Rabobank.

The euro was up 0.6% at $1.2273 late afternoon on Monday after reaching its highest settlement since 2014 on Friday, bolstered by progress on governing alliance in Germany and hints the European Central Bank may be moving closer than expected to phasing out its giant bond-buying program.

The British pound rose 0.6% to $1.3810, around its highest against the dollar since the Brexit referendum in June 2016. That helped halt a recent advance in the multinational-heavy FTSE 100 index, which fell 0.1% from a record closing high.

In the U.K., shares of **Carillion** PLC were suspended from trading after the construction giant said it would enter compulsory liquidation, potentially putting thousands of jobs at risk in a high-profile collapse.

At midday Tuesday, Japan's Nikkei 225 was down 0.55%. On Monday, Hong Kong's stock benchmark fell 0.2%, ending its 14-day winning streak with its first loss of the year. The index was up 0.9% early Tuesday. At that time, the Shanghai Composite was up 0.4%.

U.S. markets were closed for the Martin Luther King Jr. Day holiday.

—John Wu contributed to this article.

A drilling site in the Permian Basin oil field in Andrews, Texas. A roaring global economy is sparking demand for crude oil.

SPENCER PLATT/GETTY IMAGES

Oil Market Conquers Fears on Shale

By Alison Sider and Stephanie Yang

Oil prices have surged more than 50% since the summer—a sign investors are reassessing what was once the biggest risk in the market: U.S. shale.

For more than three years, the ability of shale producers to rapidly dial production up or down has haunted the oil market, cutting off nascent rallies and keeping prices trapped at around $50 a barrel or lower. Any move above that level stoked fears that producers would flood the market with oil again, causing dramatic reversals in prices.

COMMODITIES

Now, U.S. crude futures are approaching $65—up more than 6% this year for the strongest first two weeks of a year since 2005. Brent, the global benchmark, settled at $70.26 Monday, and some analysts say $80 crude isn't out of the question this year.

Expectations surrounding shale haven't changed dramatically. What has changed is a roaring global economy that has fueled demand for crude at a faster clip than many had anticipated. The world is no longer awash in oil following more than a year of production cuts from some of the world's largest exporters.

"The world needs more supply," said Gary Ross, global head of oil analytics and chief energy economist at S&P Global Platts, who predicted early last year that Brent prices would climb to $70 by the end of 2017. "At what price are we going to get it? That's what the market is testing."

The pace of U.S. output is forecast to reach a high this year. The U.S. Energy Information Administration expects that domestic producers will pump 10.3 million barrels a day in 2018, shattering the previous record of 9.6 million barrels a day hit in 1970. Last week, the number of rigs drilling oil wells in the U.S. rose by 10 to 752, a four-month high.

This time around, investors aren't panicked at the prospect of an additional million barrels a day hitting the market compared with last year. The global economy is firing on all cylinders, stoking demand for fuel in industrial machinery and transportation.

Shale isn't likely to surprise the market, as the high output expectations have already been priced in, said Jason Thomas, director of research at Carlyle Group, the private-equity giant. A Carlyle analysis concluded that in a world without shale, global demand is at levels that would imply oil prices of about $85, Mr. Thomas said.

"It's not that there's another shoe to drop. Shale is front and center and does seem to be weighing on prices currently," Mr. Thomas said.

After more than a year of cuts by the Organization of the Petroleum Exporting Countries and other major exporters, the amount of petroleum in storage in Organization for Economic Cooperation and Development countries has fallen to its lowest since July 2015, according to the International Energy Agency. That means the buffer of extra oil sloshing around, insulating the market from potential supply shocks, is smaller.

Unexpected supply disruptions, escalating geopolitical tensions in the Middle East and falling production in Venezuela already have lifted oil prices.

Not Everyone Is Bullish on Crude

Some analysts think that investors are getting too comfortable about the crude-oil market.

Hedge funds and other speculators have piled into a record number of bullish bets on oil prices. That kind of lopsided positioning has exacerbated selloffs in the past.

Ed Morse, global head of commodities research at Citigroup, said $65 a barrel is a "natural ceiling" for oil prices unless there is a significant supply disruption.

Many of the factors pushing prices higher are temporary, Mr. Morse said, and concerns about geopolitical risk in OPEC members could abate quickly.

"There's happiness in the market and people are now thinking about a very narrow trading range, which may make market participants a little bit more complacent," Mr. Morse said. "They're going to get bitten."

While the market appears at ease about shale now, attitudes could change when more oil starts to hit the market.

"In the short term, things are looking OK. It will get a little bit more complicated as we get into the second half of the year when production is going to be visible," said Nicholas Robin, who helps manage $1.3 billion in commodities at Columbia Threadneedle Investments.

Investors also are trying to rein shale producers in—pushing the companies to spend within their means and focus on generating free cash flow rather than increase production at any cost.

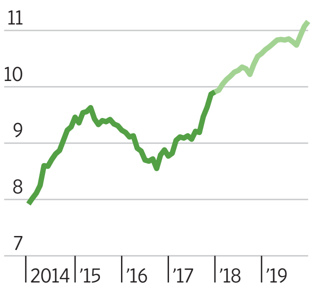
That pressure from investors, coupled with rising costs of equipment and manpower, could keep a lid on shale's growth, some analysts and investors said.

Rises Ahead

U.S. crude-oil production

Actual Projected

12 billion barrels a day



Source: U.S. Energy Information Administration

THE WALL STREET JOURNAL.

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0536	18.6605	0.3
Brazil real	.3120	3.2056	–3.2
Canada dollar	.8025	1.2462	–0.9
Chile peso	.001656	603.70	–1.9
Ecuador US dollar	1	1	unch
Mexico peso	.0525	19.0347	–3.2
Uruguay peso	.03489	28.6600	–0.5
Venezuela b. fuerte	.099109	10.0900	–2.4
Asia-Pacific			
Australian dollar	.7916	1.2633	–1.4
China yuan	.1550	6.4518	–0.8
Hong Kong dollar	.1278	7.8222	0.1
India rupee	.01574	63.544	–0.5
Indonesia rupiah	.0000752	13302	–1.3
Japan yen	.009006	111.04	–1.5
Kazakhstan tenge	.003036	329.36	–1.0
Macau pataca	.1241	8.0571	0.1
Malaysia ringgit	.2514	3.9775	–2.1
New Zealand dollar	.7248	1.3797	–2.1
Pakistan rupee	.00903	110.725	0.1
Philippines peso	.0198	50.429	0.9
Singapore dollar	.7560	1.3227	–1.1
South Korea won	.0009440	1059.30	–0.7
Sri Lanka rupee	.0064960	153.94	0.3
Taiwan dollar	.03378	29.603	–0.2
Thailand baht	.03130	31.950	–2.0
Vietnam dong	.00004403	22710	...
Europe			
Czech Rep. koruna	.04781	20.914	–1.7
Denmark krone	.1638	6.1054	–1.6
Euro area euro	1.2200	.8197	–1.6
Hungary forint	.003951	253.07	–2.3
Iceland krona	.009723	102.85	–0.7
Norway krone	.1262	7.9248	–3.4
Poland zloty	.2925	3.4191	–1.7
Russia ruble	.01766	56.622	–1.8
Sweden krona	.1242	8.0509	–1.6
Switzerland franc	1.0336	.9675	–0.7
Turkey lira	.2667	3.7490	–1.2
Ukraine hryvnia	.0351	28.4555	1.1
UK pound	1.3727	.7285	–1.6
Middle East/Africa			
Bahrain dinar	2.6519	.3771	...
Egypt pound	.0565	17.6845	–0.5
Israel shekel	.2946	3.3945	–2.4
Kuwait dinar	3.3178	.3014	–0.01
Oman sul rial	2.5977	.3850	unch
Qatar rial	.2746	3.641	–0.2
Saudi Arabia riyal	.2666	3.7504	unch
South Africa rand	.0809	12.3634	0.02

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	84.77	–0.66	–0.77	–1.40

Sources: Tullett Prebon, WSJ Market Data Group

A visitor to Schlumberger's booth at an energy conference last year. Schlumberger reports its quarterly results on Friday.

AARON M. SPRECHER/BLOOMBERG NEWS

THE TICKER | Market events coming this week

Tuesday

Empire Manufacturing

Dec., previous	18.0
Jan., expected	18.5

Earnings expected*

	Estimate/Year Ago($)
Citigroup	**1.19**/1.14
Comerica	**1.13**/0.92
CSX	**0.56**/0.49
First Republic Bank	**1.25**/1.03
IHS Markit	**0.51**/0.48
UnitedHealth	**2.51**/2.11

Wednesday

Mort. bankers indexes

Purch., previous	up 5%
Refinan., prev.	up 11%

EIA status report

Previous change in stocks in millions of barrels

Crude oil	down 4.9
Gasoline	up 4.1
Distillates	up 4.3

Capacity utilization

Nov., previous	77.1%
Dec., expected	77.3%

Industrial production

Nov., previous	up 0.2%
Dec., expected	up 0.5%

Earnings expected*

	Estimate/Year Ago($)
Alcoa	**1.25**/0.14
BofA	**0.45**/0.40
Charles Schwab	**0.41**/0.36
Fastenal	**0.45**/0.40
Goldman Sachs	**4.92**/5.08
U.S. Bancorp	**0.86**/0.82

Thursday

Initial jobless claims

Previous	261,000
Expected	250,000

EIA report: natural gas

Previous change in stocks in billions of cubic feet

down 359

Building permits

Nov., previous	1.30 mil.
Dec., expected	1.28 mil.

Housing starts

Nov., previous	1.30 mil.
Dec., expected	1.29 mil.

Philadelphia Fed survey

Dec., previous	26.2
Jan., expected	24.0

Earnings expected*

	Estimate/Year Ago($)
AmEx	**1.03**/0.88
Bank of New York Mellon	**0.91**/0.77
BB&T	**0.77**/0.72
IBM	**5.15**/5.01
Morgan Stanley	**0.64**/0.81
PPG Industries	**1.19**/1.19

Friday

U.Mich. consumer index

Dec., final	95.9
Jan., prelim.	96.9

Earnings expected*

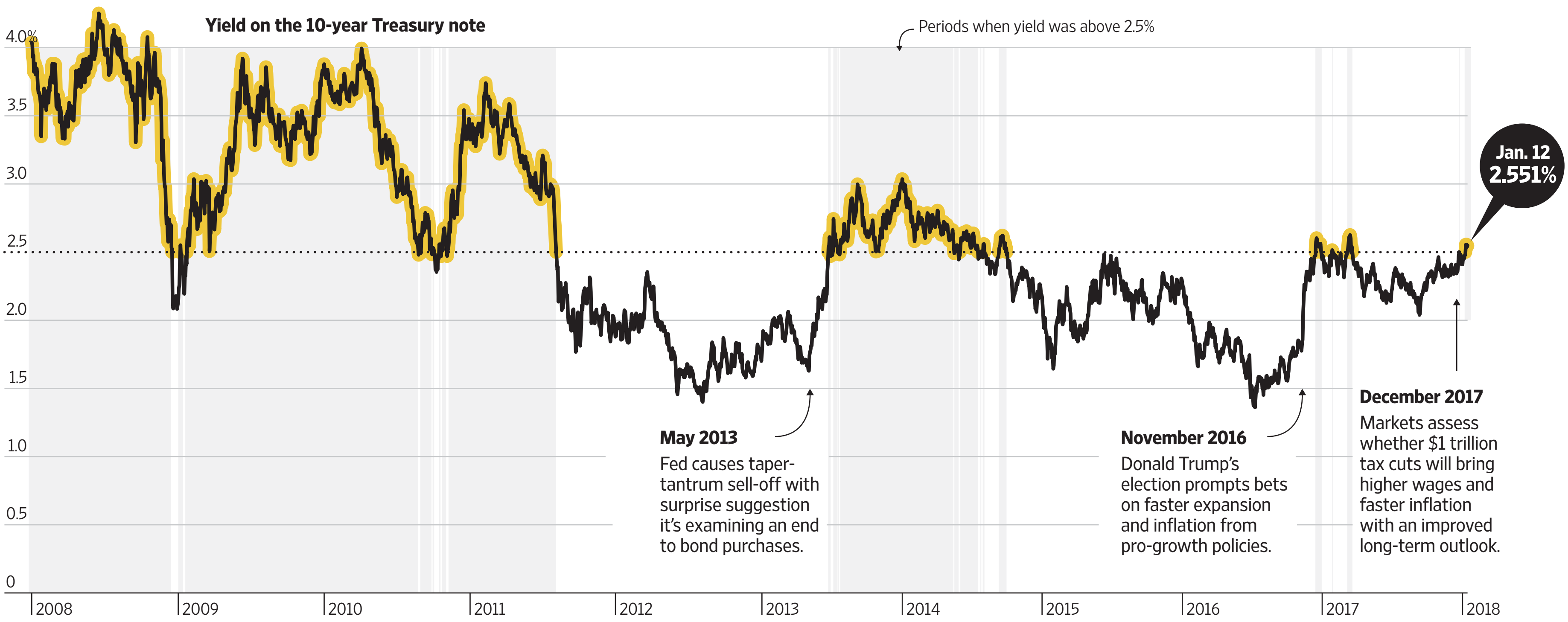
	Estimate/Year Ago($)
Citizens Financial	**0.80**/0.55
Kansas City Southern	**1.37**/1.12
Regions Financial	**0.26**/0.23
Schlumberger	**0.44**/0.27
SunTrust Banks	**1.09**/0.90
Synchrony	**0.64**/0.70

* FACTSET ESTIMATES EARNINGS-PER-SHARE ESTIMATES DON'T INCLUDE EXTRAORDINARY ITEMS (LOSSES IN PARENTHESES) ◆ ADJUSTED FOR STOCK SPLITNOTE: FORECASTS ARE FROM DOW JONES WEEKLY SURVEY OF ECONOMISTS

MARKETS

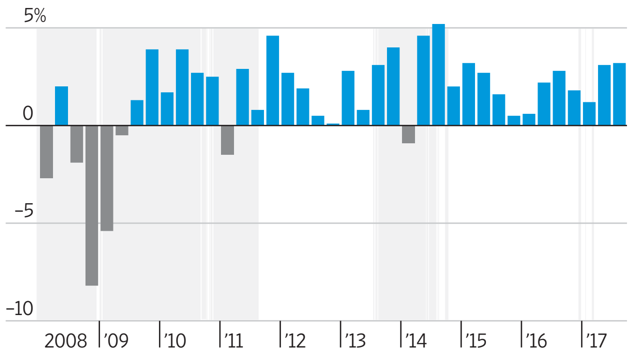
Treasury Yields are Rising, but How Far?

An uptick in the yield on the 10-year U.S. Treasury note has renewed the market debate over the future path of interest rates. Some investors are betting yields will rise beyond 3%, a level unseen in several years, as the global economy accelerates. But many others wager that U.S. rates will remain low, buffered by even lower rates overseas and demographic shifts that favor bond purchases. The answer could decide whether U.S. stocks continue their record-setting ways, for starters.



After two quarters of 3% growth, some analysts expect tax cuts to sustain the expansion near that level through 2018. A world-wide expansion helps, as global central bank support kicks in.

U.S. gross domestic product, change from previous quarter*

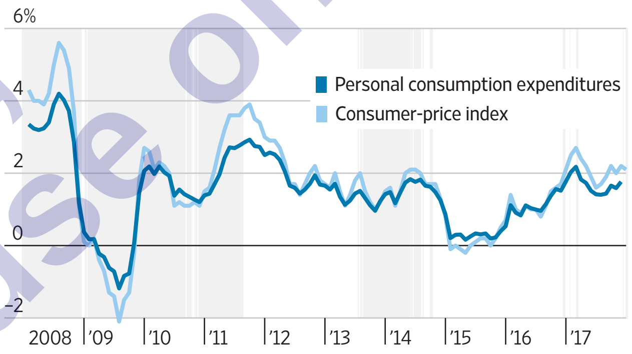


While the Fed raises rates, central banks in Europe and Japan are buying bonds, holding down yields even as conditions improve. Near-zero German and Japanese yields lead many investors to buy Treasurys.

Yields on 10-year government bonds, monthly

While growth quickens, the Fed's preferred measure of inflation hasn't held its 2% target. Still, consumer prices have risen at least 2% since August, signaling growing price pressure.

CPI and PCE, change from a year earlier



*Seasonally adjusted annual rate Note: In lower charts, placement of bands showing periods when the 10-year yield was over 2.5% is approximated for comparison of conditions.

Sources: Tullett Prebon (10-year yield, daily); U.S. Bureau of Economic Analysis (GDP, PCE); Ryan ALM (Treasury yield, monthly); FactSet (yields on foreign bonds); U.S. Bureau of Labor Statistics (CPI)

Reporting by Daniel Kruger, graphic by Peter Santilli/THE WALL STREET JOURNAL.

HEARD ON THE STREET

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SoftBank's Unit IPO Not Easy Money

SoftBank Group could be selling its cash cow. Investors excited about the news should pay close attention to where that cash ends up.

The Japanese tech conglomerate is considering selling 30% of its successful domestic telecom business in an initial public offering that could raise around $18 billion, analysts reckon. SoftBank is in need of cash, especially after its 83%-owned **Sprint** last year abandoned merger talks with its rival **T-Mobile**.

A separate listing of the business, which generated $5 billion in free cash flow last fiscal year, will likely be well received by yield-hungry investors. SoftBank's shares jumped 4% Monday. There is one caveat: SoftBank could just sink the cash raised into more bets on technology startups, instead of paying down its $110 billion of net debt, including that of Sprint.

Led by founder Masayoshi Son, SoftBank has been sweeping up "unicorns" around the world from **Uber** to **WeWork** ever since it launched its $93 billion Vision Fund. Mr. Son's early investment in winners like **Alibaba** have given him plenty of cachet.

But he was also behind SoftBank's failed investments in infamous flops like Webvan and Kozmo.com during the dot-com bubble. More recently, the Vision Fund has signed up for potential money drains like building the world's biggest solar power plant in a yet-to-exist city in Saudi Arabia.

Those who believe in Mr. Son's enthusiasm for technology should also remember his bets don't always work out.

—Jacky Wong

Don't Fear a Biotech Correction

Focusing on the long term is one of the first lessons that investors learn. It is an especially important thing to keep in mind in biotech.

The sector has long been a good place to put your money. The Nasdaq Biotechnology Index is up nearly fivefold over the past 10 years and has gained 4% so far in 2018. Despite that happy backdrop, there are real risks that investors likely will soon encounter.

Political fallout from drug-pricing scandals helped send the index plunging in 2015 and 2016. There is reason to fear a sequel: Midterm elections later this year could bring fresh saber rattling from politicians. Even anger over the opioid crisis, not a threat to biotech per se, may affect sentiment.

Other risks abound. Investors are expecting a big wave of deals. That means the potential for disappointment if they don't materialize. Indeed, the week passed at the industry's biggest investor conference without much action in that regard.

And even brilliant scientific innovations that take several years to convert to revenue are susceptible to commercial disappointment. Recent ones like cell therapy to treat cancer and the ability to edit genomes come to mind.

Last but not least, biotech stocks do well in strong markets for stocks generally and very poorly in weak ones.

These are short-term issues, however. The reasons to own the sector stand to persist for a long time.

The pace of scientific innovation is as rapid as ever. Recent advances such as cell therapy and the ability to edit genomes face uncertain commercial prospects today but have vast long-term potential. Drug development has a very long life cycle, so things that happen today in the lab may affect cash flow in future decades.

That research shows every sign of continuing to attract funding. Venture-capital money continues to flow into the sector.

Meanwhile, there is a continuing structural need for the biggest drug companies to supplement their pipelines.

That means there will be a continuing bid for the industry's best companies and intellectual property from deep-pocketed firms.

There is reason to fret about biotech stocks in 2018, but those jitters will spell opportunity for patient, long-term investors.

—Charley Grant

Extended Release

Nasdaq Biotechnology Index level

Source: FactSet

THE WALL STREET JOURNAL.

OVERHEARD

Chinese and Americans both like things big—big bridges, very long walls and SUVs being just a few obvious examples.

Unfortunately in China, this extends to economic statistics. Following the province of Inner Mongolia last week, northern megalopolis Tianjin has become the latest Chinese region to signal serious problems with growth data.

Tianjin's Binhai New Area was last year being hailed as China's first trillion-yuan ($154 billion) development district. But it may really only be about two-thirds that size due to double counting of companies registered but not actually located in the district.

State news agency Xinhua quoted a Binhai official in 2016 saying the area's "manufacturing and scientific research transformation" was responsible for its remarkable growth. Perhaps it should consider investing more in statistics.

In Treasury Market, There Are Reasons to Expect Trouble

The most important question in the financial markets is whether bond yields will keep rising and how high they will go. If you untangle the forces driving the market, it is reasonable to see 10-year Treasury yields at 3.5% at the end of the year.

That prediction won't be precisely correct, of course, but just trying to understand what could push up yields and how that would play out in other markets is a crucial exercise right now. The first two weeks of 2018 have brought rising yields to the front of investors' minds as the 10-year Treasury climbed to 2.56%. That puts it close to the 2017 high of 2.61% it reached last March.

Among the factors that have hit the Treasury market this year, two stand out. First, Treasury inflation-protected securities suggest that about half the move higher in yields is due to worries about rising inflation. Increasing oil prices and a wave of raises and bonuses paid by companies in celebration of the tax cut would push yields even higher.

Second is markets' skittish reaction to dubious reports that China would buy fewer Treasurys and the Bank of Japan would buy fewer long-term Japanese government bonds. Purchases by foreign central banks have helped keep yields low, so the worries make sense. When they do cut back, yields probably will rise. It doesn't help that the Federal Reserve will be rolling more Treasurys off its balance sheet.

There are other factors that should drive up yields that the market hasn't digested yet. The Treasury Department will soon start issuing more bonds to meet a growing government budget deficit, boosted in part by the tax bill.

The White House's aggressive stance on trade poses another danger. Trade restrictions could raise prices for imported U.S. consumer goods and damp global demand for U.S. assets. Both would be bad for the Treasury market.

Lastly, there is the "term premium," the extra yield that investors demand for the risk of lending for the long term. The premium is deeply negative, the Federal Reserve Bank of New York estimates, a sign that investors remain skeptical about how much the Fed will raise rates and that the distortionary effects of central-bank bond buying continue to weigh on yields.

Take the term premium to zero, which is the still-low level it was at last March, and the 10-year yield would be about a half-point higher. Throw in some signs that the tax cut is boosting the economy or that inflation is heating up, and 3.5% is within reach.

To get to that yield, the price of the 10-year Treasury would drop 8%, a big loss on a safe government bond. Nearly every other market—stocks, commodities, emerging markets and other bonds—are priced for low bond yields. The losses there could be bigger.

No matter where yields end up this year, understanding how they will get there is increasingly important.

—Justin Lahart

Premium Channel

Term premium on the 10-year Treasury, monthly intervals

Source: Federal Reserve Bank of New York