THE WALL STREET JOURNAL.

DOW JONES | News Corp ****** THURSDAY, JUNE 14, 2018 ~ VOL. CCLXXI NO. 138 WSJ.com ★★★★ $4.00

DJIA 25201.20 ▼ 119.53 0.5% NASDAQ 7695.70 ▼ 0.1% STOXX 600 388.25 ▲ 0.2% 10-YR. TREAS. ▼ 6/32, yield 2.979% OIL $66.64 ▲ $0.28 GOLD $1,296.90 ▲ $1.80 EURO $1.1791 YEN 110.34

What's News

Business & Finance

Comcast made an unsolicited offer to buy most of 21st Century Fox for roughly $65 billion, kicking off a bidding war with Disney. **A1**

◆ **AT&T will face** a major challenge in integrating with Time Warner, an entertainment giant filled with larger-than-life personalities. **A1, A9**

◆ **The Fed raised** rates by a quarter point and signaled it could pick up the pace of increases to keep the economy on an even keel. **A1, A6**

◆ **U.S. stocks fell** and bond yields climbed after the Fed's meeting. The Dow lost 119.53 points to 25201.20. **B11**

◆ **Apple is working** on a security feature that could make it harder for investigators to retrieve data from iPhones. **B1**

◆ **LBOs are on track** this year to have the highest dollar volume since 2007, amid a surge in M&A activity. **B1**

◆ **SoftBank is in talks** to boost its WeWork investment in a deal that would value the firm at up to $40 billion. **B1**

◆ **Stryker said** it isn't in discussions with Boston Scientific regarding a potential takeover. **B3**

◆ **German prosecutors** imposed a $1.17 billion fine on Volkswagen over its emissions-cheating scandal. **B4**

◆ **WPP is facing** shareholder unrest after the advertising firm's handling of Sorrell's resignation. **B3**

◆ **Zara parent Inditex** said sales growth slowed in its latest quarter. **B3**

◆ **Greystar is in talks** to buy student-housing owner EDR for about $3.1 billion. **B3**

World-Wide

◆ **The Trump administration** is preparing to levy tariffs on tens of billions of dollars of Chinese goods in the coming week, a move likely to spark retaliation from Beijing. **A1**

◆ **The White House** moved to protect its deal with Beijing to rescue ZTE, taking steps to head off a bipartisan bid in the Senate to kill it. **A4**

◆ **China is establishing** an electronic identification system to track cars nationwide. **B1**

◆ **Pompeo said** the U.S. is aiming for "major disarmament" of North Korea's nuclear arsenal during Trump's first term and would resume military exercises with South Korea if the talks stall. **A10**

◆ **U.N. officials sought** to broker a deal to curtail a Saudi-backed offensive on Yemen's main port and avert a humanitarian crisis. **A12**

◆ **House Republican leaders** indicated they had White House support for votes on two immigration bills. **A4**

◆ **An administration bid** to toss key ACA provisions could affect tens of millions of people who get health insurance through work. **A7**

◆ **A rebellion** on immigration in the German leader's conservative bloc is threatening the stability of her coalition. **A12**

◆ **Cohen's attorneys** plan to stop representing the Trump lawyer in probes of his business dealings. **A3**

◆ **A former Senate staffer** pleaded not guilty to charges of lying to the FBI. **A3**

◆ **The U.S., Mexico** and Canada will co-host soccer's World Cup in 2026. **A16**

CONTENTS

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The Bidders

Comcast

$65 billion bid (all-cash)

Disney

$52.4 billion bid (all-stock)

Cash on hand, billions

$3.4 | $4.0*

Annual revenue, billions

$84.5 | 54.9*

Market value, billions

$149 | 158

*Year ended September 2017
Sources: the companies; FactSet

The Prize

21st Century Fox

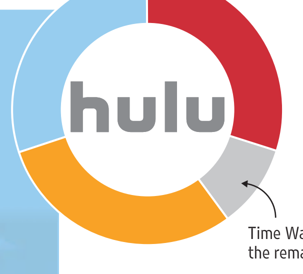
Television

Both bidders want Star India, which reaches 700 million customers a month in a key emerging market. They also would get some U.S. cable networks, including FX and regional sports networks.

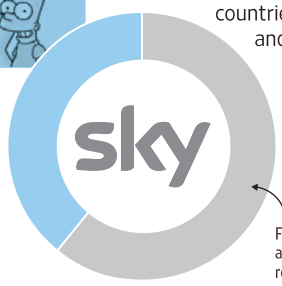
Film and TV production

Fox's Hollywood studio has rights to several successful franchises, such as 'The Simpsons' and 'X-Men.'

Fox's 30% stake in Hulu would give either buyer 60% of the streaming-video service.



Fox owns 39% of Sky, which operates in seven European countries, producing and distributing content.



Off the Table

Before a deal with either Comcast or Disney, Fox would separate the following businesses into a separate company:

◆ Fox broadcast network ◆ Fox Business Network
◆ Fox News Channel ◆ Fox Sports 1

Comcast Challenges Disney for Fox

By Shalini Ramachandran And Erich Schwartzel

Comcast Corp. made an unsolicited offer to buy most of 21st Century Fox Inc. for roughly $65 billion, kicking off a bidding war with Walt Disney Co. as the two media titans jockey for position in a business undergoing tumultuous change.

Comcast on Wednesday bid $35 a share in cash for the assets, which range from a storied Hollywood studio and international pay-TV distribution to cable networks and a stake in streaming service Hulu. That is a premium of nearly 20% to Disney's all-stock offer for the same set of assets.

Neither bid includes Fox News, Fox Sports 1 or the Fox broadcast network and its TV stations, which will be spun off into a new company.

Fox confirmed it received Comcast's offer and said it would "carefully review and consider" the proposal. Disney had no immediate comment on the offer.

Disney is lining up financing in the event it chooses to counter Comcast's offer with new terms that include cash, according to a person familiar with the matter.

The Comcast offer follows a federal court ruling Tuesday that approved AT&T Inc.'s acquisition of Time Warner Inc., a decision that appeared to allay antitrust concerns regarding a Comcast bid for Fox. Fox's board last year rejected an earlier Comcast bid in favor of a deal with Disney, fearing

Please turn to page A8

The Media Melee

◆ Christopher Mims: Cable bundles hold the line...... A9
◆ Bankers to share $220 million jackpot................ A9
◆ Heard on the Street: Bid holds hidden risks......... B12

Fed Lifts Rates as Economy Heats Up

Increase is second this year; most central bank officials expect at least four in 2018

By Nick Timiraos

WASHINGTON—Federal Reserve officials signaled Wednesday they could pick up the pace of interest-rate increases this year and next to keep a rapidly expanding economy on an even keel.

Central bank officials voted unanimously to raise their benchmark federal-funds rate by a quarter-percentage point to a range between 1.75% and 2%. It is their second rate rise this year, and they penciled in a total of four increases for 2018, up from a projection of three at their March meeting.

"The decision you see today is another sign that the U.S. economy is in great shape," said Fed Chairman Jerome Powell at a press conference following the Fed's two-day policy meeting. "Growth is strong. Labor markets are strong. Inflation is close to target."

Eight of 15 Fed officials now expect at least four rate increases will be needed this year, up from seven in March and four in December.

Stocks fell as investors calculated higher borrowing costs could weigh on earnings. Major stock indexes were little changed ahead of the decision but later wobbled and closed near session lows. The Dow Jones Industrial Average declined 119.53 points, or 0.5%, to 25201, and U.S. government bond yields climbed after the

Please turn to page A6

◆ Borrowing costs for consumers rise with rates... A6
◆ Fed officials watch economy for signs of overheating..... A6
◆ Heard on the Street: Message was short, not sweet......... B12

For AT&T, the Hard Part Is Yet to Come

Time Warner deal means integrating unruly, costly talent into a staid telecom giant

By Joe Flint, Drew FitzGerald and Alexandra Bruell

Last month, comedian Samantha Bee used a vulgarity to describe Ivanka Trump on her TBS show. It was bleeped on air, but ran online, and set off a scramble inside Time Warner Inc., the network's parent company.

Advertisers pulled out. Ms. Bee apologized. Time Warner Chief Executive Jeff Bewkes was furious. The comedian's defenders argued that stars on sister channel HBO get to cross lines all the time, people familiar with the matter said. In the end, Ms. Bee wasn't suspended.

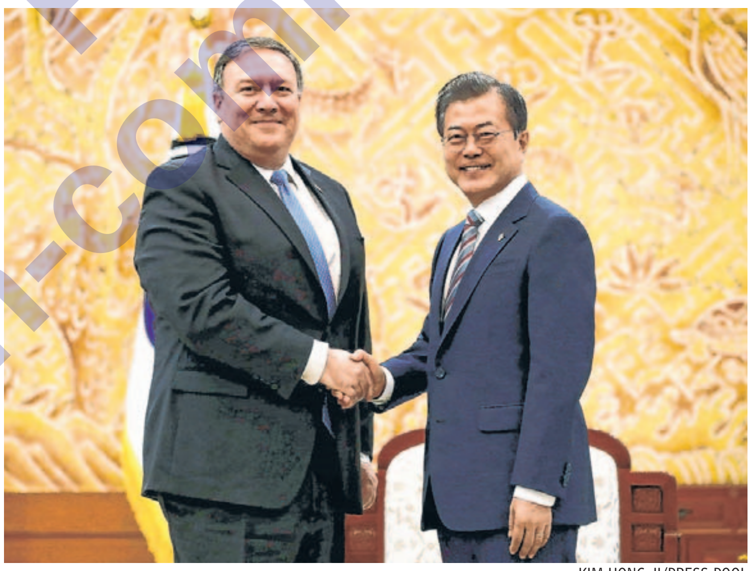
Congratulations, AT&T Inc., now all this is yours. The telecom giant this week defeated the government in a landmark antitrust case that all but secures its $80 billion takeover of Time Warner. That legal odyssey may soon seem like a breeze compared to what comes next—delivering on the promise of the deal.

A major challenge will be integrating a staid phone company with an entertainment behemoth filled with larger-than-life personalities. AT&T will have to reconcile its culture, where all but nine top executives usually fly coach, with Time Warner's Hollywood lifestyle, where most vice presidents and above fly business class and airport greeters are common, according to people familiar with the companies'

Please turn to page A8

Pompeo Sets a Nuclear Goal

NEXT STEPS: Secretary of State Mike Pompeo, who met with South Korea's President Moon Jae-in in Seoul on Thursday, said the U.S. wants North Korea's nuclear arsenal dismantled during President Donald Trump's first term. A10



KIM HONG-JI/PRESS POOL

U.S. to Move Ahead With China Tariffs

The Trump administration, deepening its global trade offensive, is preparing to levy tariffs on tens of billions of dollars of Chinese goods in the coming week, perhaps as early as Friday—a move that is likely to spark retaliation from Beijing.

By Bob Davis in Washington and Lingling Wei in Beijing

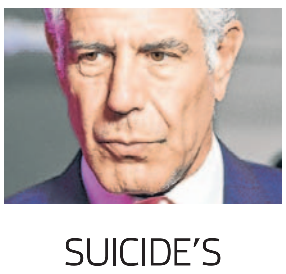
Senior trade officials in the White House, the Commerce and Treasury departments and the U.S. Trade Representative's office met on the issue before President Donald Trump went to a summit of the Group of Seven industrialized nations in Canada on Friday—and agreed that the U.S. should proceed, said U.S. officials and others briefed on the talks.

Mr. Trump hasn't given his final approval and could have second thoughts about applying heavy pressure on China, the officials said, particularly because the U.S. wants Beijing's cooperation in its efforts to get North

Please turn to page A4

◆ White House moves to protect ZTE rescue deal...... A4

INSIDE



SUICIDE'S MIDDLE-AGE MYSTERY

LIFE & ARTS, A13

JAAP ARRIENS/ZUMA PRESS

IPHONE CHANGE TO BLOCK POLICE

BUSINESS & FINANCE, B1

'Heck, Yeah, We Took It.' Fliers Are Swiping Airline Swag

* * *

Business-class passengers walk off with duvets, memory-foam pillows, silverware

By Alison Sider And Andrew Tangel

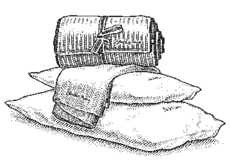
When Steve King jets across the Atlantic for work twice a month, he often comes back with souvenirs—from the plane.

At home, he sips brandy from his favorite British Airways glasses and his children curl up in premium Norwegian Air Shuttle blankets. Last year, British Airways began offering a soft, satin-edged blanket from the White Company, an upscale brand. Mr. King has three of them.

"I'm definitely picky these days," says Mr. King, who runs a data-science company. "The quality of the stuff now is beautiful. It really makes it worthwhile."

Fliers have for years walked off airplanes with items provided to premium customers. The fancier the amenities get in business and first class, the harder it is becoming for airlines to overlook all the filching.

The cost of replacing high-quality duvets, memory-foam pillows and plates, glasses and silverware can add up. Yet airlines hardly want to embarrass their most lucrative customers.



Go ahead, take it.

So some have started dropping gentle hints. United Airlines' inflight menus advise passengers which items are free to take and steer them to an online store where they can buy everything else.

Michele Kropf, a spokeswoman for British Airways,

Please turn to page A12

U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

A Plan to Mitigate Monopolies

Many of today's boldest thinkers across the ideological spectrum think the economy's most serious malady isn't inequality, populism or big government: It's monopoly.

Yet if that diagnosis is becoming the consensus, the prescription isn't. Liberals have loudly pushed for tougher antitrust enforcement, such as blocking mergers. A federal judge Tuesday allowed AT&T to proceed with its planned acquisition of Time Warner, rejecting arguments it would suppress competition in the pay-TV industry.

Now, from the libertarian end of the spectrum comes a more radical approach. Eric Posner, a University of Chicago law professor, and Glen Weyl, an economist at Microsoft Corp.'s in-house think tank, propose redesigning market mechanisms from the ground up to break monopolies' hold on our data, property, economy and even politics.

Mr. Weyl, 33, believes that the promises of economist Milton Friedman, British Prime Minister Margaret Thatcher and U.S. President Ronald Reagan have been betrayed.

The costs of monopoly—the excessive prices they charge—"have risen more than government taxes have fallen. So we have seen stagnation right along with inequality."

Mr. Weyl, who considers himself a "market radical" rather than a libertarian, and Mr. Posner have co-written academic articles and now, a book: "Radical Markets: Uprooting Capitalism and Democracy for a Just Society."

In it, they identify land as one of the most rudimentary sources of monopoly: The supply is fixed, which empowers holders to stifle far more productive uses, either private (like an apartment building) or public (such as public transit). The usual solution is expropriation by judicial fiat.

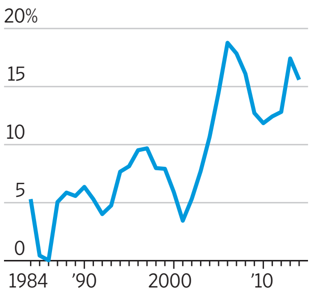
Messrs. Posner and Weyl propose a more elegant solution: require all property owners to name the price at which they would sell. Their taxes would then be based on that price. If you really value your property more than anyone else, you can keep it out of others' hands by raising your assessed price and paying more tax. In fact, they argue such a self-assessed tax on all forms of property could replace property and corporate taxes and generate more revenue and economic growth.

Messrs. Posner and Weyl believe tech companies have gotten too big, via their monopsony (a monopoly in inputs rather than outputs) over personal data. When you post on Facebook or search on Google, your data makes these platforms valuable to advertisers. Mr. Weyl, who minored in computer science, says that with machine learning, the number of tasks Google and Facebook can master grows with their data, solidifying their market dominance.

Above and Beyond

Excess profit, or the level above what competitive conditions would allow, has grown in the past decade.

Excess profits as a share of corporate output, excluding finance



Source: Simcha Barkai, London Business School

THE WALL STREET JOURNAL.

Messrs. Posner and Weyl argue these companies' advertising-based businesses elevate quantity over quality. Content on Netflix Inc., which is subscription-based, is a lot better than videos on YouTube, and as a result earns about 10 times as much per minute per viewer. If digital companies treated users as employees and paid them, it would improve the quality of online content while massively boosting labor income.

The authors believe monopoly is also stifling democracy, though here monopoly is wielded by the majority, not the minority. A town's voters may not care enough about pollution to raise taxes to clean it up, overruling a minority whose livelihoods are at stake. A demagogue may emerge victorious from a multicandidate election because the people who disliked him most split their votes. The problem in both cases is one person, one vote: It means "votes are too cheap for those who care a lot, but too expensive for those who care little."

Their solution is "weighted voting": Everyone gets a fixed allotment of voting credits, to allocate according to how strongly they feel across issues. A minority that is passionately opposed to (or in favor of) gun control could defeat a more ambivalent majority by casting extra voting credits. In multicandidate elections, voters could register votes against a candidate, not just votes for another.

The ideas are getting attention: For example, activists in the Netherlands have launched a "data union" to explore securing payments for Google and Facebook users.

Yet for the most part, the practical and political barriers are formidable (especially to weighted voting), and certainly harder to implement than conventional antitrust remedies such as halting mergers.

But Mr. Weyl believes economics needs more radical thinking. "The profession," he said, "has become conservative, technocratic, narrow and centrist, tweaking along the edges rather than providing bold, novel visions about how to redesign things."

U.S. WATCH

VIRGINIA

GOP Senate Group Shuns a Nominee

The Senate Republican campaign arm doesn't plan to get behind the party's newly nominated candidate in Virginia, the group's leader said, after a Tuesday primary that threatens to put the party on the defensive in several key races in the state.

"We have a big map and right now we're focused on Florida, North Dakota, Missouri, Indiana," Sen. Cory Gardner of Colorado, chairman of the National Republican Senatorial Committee, told CNN on Wednesday.

Corey Stewart (in photo at right), who won Tuesday's primary, has alienated GOP leaders over his embrace of Confederate monuments and endorsements of far-right politicians such as Paul Nehlen, a self-described "pro-white" Wisconsin congressional candidate.

Mr. Gardner's reluctance to back Mr. Stewart is at odds with the enthusiasm for him professed Wednesday by President Donald Trump. "Congratulations to Corey Stewart for his great victory for Senator from Virginia," Mr. Trump wrote on Twitter.

Mr. Stewart will face Democratic Sen. Tim Kaine in the general election.

—Reid J. Epstein

CALLA KESSLER/THE WASHINGTON POST /ASSOCIATED PRESS

Corey Stewart, GOP candidate for U.S. Senate, addressed supporters in Woodbridge, Va., Tuesday.

WHITE HOUSE

Kudlow Released From Hospital

Larry Kudlow, the top economic adviser to President Donald Trump, was discharged Wednesday from the hospital where he had been treated for a heart attack, the White House said.

Mr. Kudlow, the director of the National Economic Council, had been treated at Walter Reed National Military Medical Center for what the White House said Monday as a "very mild" heart attack.

—Louise Radnofsky

ECONOMY

Business Prices Point to Firming Inflation

A gauge of U.S. business prices rose in May, the latest sign that inflation pressures in the economy are firming as the U.S. faces increasing tariff threats and a tightening labor market.

The producer-price index, a measure of the prices businesses receive for their goods and services, rose a seasonally adjusted 0.5% in May from a month earlier, the Labor Department said Wednesday. Energy-price increases helped drive the overall increase in business prices. Still, prices rose for a broader range of goods and services.

—Sarah Chaney

PUERTO RICO

New Data Backs Higher Death Counts

Newly released data from Puerto Rico's government bolsters a conclusion reached by several studies that the death toll from last September's Hurricane Maria vastly exceeds the official figure of 64.

The number of deaths on the island from September to December 2017 surpassed the average for the same period over the previous four years by more than 1,400, according to mortality data released by the government Tuesday. The figures show the numbers of fatalities in September and October last year—2,928 and 3,040, respectively—are greater than the tally for any month going back to January 2013.

Information released on causes of death shows notable jumps after August 2017 of conditions such as heart disease, diabetes and septicemia, a blood infection caused by bacteria. The data doesn't address whether such conditions were connected to Hurricane Maria. After the storm, many people on the island had trouble getting medication or receiving medical attention.

Thousands of death certificates are slated for release in the coming days.

—Arian Campo-Flores

ANIMAL RESCUE

St. Paul Raccoon Is Set Free

A raccoon that became an internet sensation by scaling a 25-story office tower in downtown St. Paul was safely trapped Wednesday and released back into the wild.

The raccoon's adventures caused a stir on social media as it scaled the tower Tuesday, with many Twitter users voicing concern for its safety.

—Associated Press

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CORRECTIONS & AMPLIFICATIONS

Pebblebrook Hotel Trust on Monday sweetened its bid for **LaSalle Hotel Properties** for a fourth time since its first offer in March. A Property Report article Wednesday about real-estate investment trusts incorrectly said it was the third time.

Iceland's soccer team will have to travel about 2,580 miles during the group stage of this year's World Cup in Russia. A table accompanying a Sports article Wednesday about the distances each World Cup team will have to travel incorrectly included Ireland, which didn't make the tournament, and omitted Iceland.

The English flag has a red cross centered on a white background. The cross was incorrectly positioned to the left in an image with a World Cup preview article in Wednesday's Sports section.

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

Residents Cope as Fires Scorch the West

HELEN H. RICHARDSON/DENVER POST/GETTY IMAGES

COVERING UP: Sara Moles, a barista in Durango, Colo., wore a mask on Wednesday to protect herself from smoke caused by spreading wildfires. The blaze known as 416, burning 23 miles northwest of Durango, has burned nearly 26,000 acres.

Cohen Splits With Lawyers

Law firm to cease representing Trump's personal lawyer in criminal investigation

By Rebecca Ballhaus And Nicole Hong

The attorneys for Michael Cohen, President Donald Trump's longtime personal lawyer, are expected to stop representing him in the criminal investigation into his business dealings, according to a person familiar with the matter.

Mr. Cohen's attorneys are reviewing more than 3.7 million documents federal prosecutors seized in an April raid of Mr. Cohen's home, office and hotel room to designate which communications they see as protected by attorney-client privilege, ahead of a Friday deadline set by Judge Kimba Wood of the Southern District of New York.

Stephen Ryan, Todd Harrison and others at the firm McDermott, Will & Emery LLP, which has been representing Mr. Cohen since June 2017, will cease doing so after that review is complete, the person said.

Mr. Cohen doesn't yet have a replacement law firm but is searching for a federal criminal lawyer in New York, people familiar with the matter said. Mr. Cohen wants to hire a lawyer with close ties to the Manhattan U.S. attorney's office, the people said.

Mr. Cohen hasn't yet decided whether he will cooperate with prosecutors in the case, according to one of those people. He hasn't been charged with any crime.

Michael Cohen is seeking a federal criminal lawyer in New York, people familiar with the matter say.

Lawyers for Mr. Cohen didn't respond to requests for comment. Mr. Cohen also didn't respond to a request for comment.

Judge Wood has appointed a special master to oversee the document review and to decide whether communications designated as privileged by Mr. Cohen, Mr. Trump or the Trump Organization can be seen by government investigators.

The Manhattan U.S. attorney's office is investigating whether Mr. Cohen committed bank fraud, campaign-finance violations and other possible crimes. A spokeswoman for the office declined to comment. Mr. Cohen has denied any wrongdoing.

The law firm's expected withdrawal was first reported by ABC News.

Senate Aide Pleads Not Guilty to Lying

By Byron Tau

WASHINGTON—Former Senate staffer James A. Wolfe pleaded not guilty to charges of lying to the Federal Bureau of Investigation in a case that has drawn attention to a renewed government push in pursuit of media leaks.

In a brief appearance before a federal magistrate judge on Wednesday, Mr. Wolfe entered a plea and then was released with some restrictions on travel, firearm ownership and handling of classified information.

Mr. Wolfe was arrested last week and charged with lying to the FBI about his contacts with reporters while agents were conducting an investigation into leaks of classified information to journalists. He wasn't charged with leaking information, but the indictment lays out multiple contacts with at least four reporters who cover national-security matters.

Mr. Wolfe "was entrusted with the government's most important classified secrets while working as the director of security for the Senate Select Committee on Intelligence for almost 30 years. Mr. Wolfe never breached that trust," said Benjamin Klubes, an attorney for Mr. Wolfe.

His attorneys said Mr. Wolfe never leaked anything classified and said people in the government—including President Donald Trump—had made prejudicial statements about their client implying that he had done so.

They said they would seek a judicial order prohibiting government officials, including the president, from making "improper and prejudicial" statements about the case.

"It's very interesting that they caught a leaker," Mr. Trump told reporters at the White House last week. "It's a very important leaker."

The indictment doesn't identify the reporters, but The Wall Street Journal previously reported that one of the journalists referred to in the indictment was Ali Watkins, who works for the New York Times.

Mr. Wolfe was also romantically involved with Ms. Watkins for a number of years. She has denied that he gave her classified information.

Government investigators seized Ms. Watkins's records—an unusual step that raised concerns from press freedom advocates about the ability of reporters to protect sources.

A Family's Fraught Journey Plays Out Near the Mexican Border

JOHN MOORE/GETTY IMAGES

TOUGH SITUATION: A Honduran asylum seeker was searched next to her 2-year-old daughter in McAllen, Texas, this week after they entered the U.S. from Mexico by crossing the Rio Grande on a raft. They were detained by U.S. Border Patrol agents before being sent to a processing center, where the mother and her child could be separated.

House Will Vote on Immigration

By Natalie Andrews And Andrew Duehren

WASHINGTON—House Republican leaders indicated on Wednesday they had White House support on their plan to put two immigration bills forward, but it was unclear if that would be enough for a bill to pass in Congress.

In a deal struck with centrists and conservative members of the conference, House Speaker Paul Ryan said he would hold votes next week on legislation that would protect young immigrants brought to the U.S. as minors and living in the U.S. without authorization, as well as increase funding for border security.

The deal staved off an uprising from centrist Republicans who were aiming to force votes on a series of immigration measures. Party leaders had ratcheted up negotiations to avert a vote on bills supported mostly by Democrats, which they fear will infuriate their base of GOP voters.

"This represents a consensus between our members so that we can move forward on the immigration issue," Mr. Ryan said Wednesday. "Now what we have is an actual chance at making law and solving this problem."

Under the new agreement, Republican leaders would set up votes on both a conservative measure offered previously by Reps. Bob Goodlatte (R., Va.) and Michael McCaul (R., Texas), and a compromise bill that was the subject of weeks of negotiations. The options being considered as part of a compromise include the creation of a new merit-based green card program that would reward immigrants for meeting certain benchmarks to allow them to eventually become citizens.

Democrats indicated opposition to the Republican immigration moves on Wednesday. Although House Minority Leader Nancy Pelosi (D., Calif.) said she hadn't been briefed on the legislation, she said she would likely ask Democrats to vote against the Republican compromise bill based on "what we've heard of it."

President Donald Trump ended the Obama-era Deferred Action for Childhood Arrivals, or DACA, program and has called on Congress to replace it with legislation.

"It will be a merit-based system and we'll release what those merits are," said Rep. Jeff Denham (R., Calif.), who was part of the negotiations. "But certainly those that came out of the shadows and did what the government asked them to do, their time in the DACA program will count toward this as well."

Deal to hold votes on two bills staved off uprising by GOP centrists over DACA.

But even members who were part of the negotiations were reluctant to commit their support for the deal on Wednesday. Florida Rep. Carlos Curbelo, one of the centrist Republicans involved in negotiations, said he was waiting to see the legislative text to decide whether to support it.

North Carolina Rep. Mark Meadows, who leads the conservative House Freedom Caucus, said he was withholding support because the details in the bill could change.

"The concrete has been poured in the forms, it is yet to set," he said, using a construction analogy. "You can still make handprints in it, you can write your name in it, but it's far from set."

White House senior adviser Stephen Miller, speaking at a lunch meeting of House Republicans on Wednesday, indicated Mr. Trump would support the legislation but didn't get into details.

Should a bill pass the House, it could face difficulties in the Senate. A bill reflecting the president's priorities failed in the Senate in February in a 39-60 vote, with 14 Republicans opposed.

Senate Majority Leader Mitch McConnell (R., Ky.) has said he has no desire to spend time on bills that are bound to fail.

Mr. Trump has said legal protections for hundreds of thousands of so-called Dreamers, young people brought to the U.S. illegally by their parents, must be paired with tighter border security, including funding for a wall along the Mexican border. He also wants curbs to the family-based migration system and an end to the diversity visa lottery, which admits 50,000 people chosen at random from underrepresented countries.

The border-security provisions in the compromise bill are the same as those in the bill from Messrs. McCaul and Goodlatte, according to Mr. Curbelo. The compromise legislation eliminates the diversity visa lottery system and changes family-based immigration, though Mr. Denham said those specifics weren't ironed out.

Excluded from the bill are provisions overhauling the guest-worker program and a federal E-Verify program. Leadership said those would be addressed in July, according to lawmakers in the meeting.

President Intends To Protect ZTE Deal

By Michael C. Bender And Siobhan Hughes

WASHINGTON—The White House moved to protect its deal with Beijing to rescue **ZTE** Corp., taking steps to head off a bipartisan effort to use a must-pass defense bill to reinstate a ban on sales of U.S. components to the Chinese telecommunication company.

A senior White House official said Wednesday that the administration would try to remove Senate language that severed a lifeline President Donald Trump's administration had extended to the company. The Senate is expected to pass the bill as soon as this week, and the White House official said the administration would try to block the measure later in the legislative process.

"The administration must be getting some pushback now from China," Sen. Bob Corker (R., Tenn.) said. "I may have a misunderstanding—I don't think so—but there had been a wink and a nod saying look we did what we did with the leader of China but if Congress wants to counter that they're free to do so."

The spat between the White House and Congress has its roots in a move initiated by Mr. Trump, who tweeted May 13 that he and President Xi Jinping of China were "working together to give massive Chinese phone company, ZTE, a way to get back into business, fast."

The Republican president's message ran counter to the actions of the Commerce Department, which weeks earlier had banned U.S. companies from selling to ZTE as punishment for ZTE's failure to honor an earlier U.S. agreement to resolve the firm's sanctions violations.

Members of Congress, along with intelligence and military officials, swiftly denounced any prospect of a reprieve.

ZTE shares plunged Wednesday on their first day of trading since the stock was suspended nearly two months ago, reflecting investor unease about the future of the Chinese telecommunications giant.

Shares in Hong Kong tumbled 42% on Wednesday to close at 14.96 Hong Kong dollars, or about $1.91, while the company's Shenzhen-listed shares fell 10%, hitting their daily limit. In all, the declines wiped out $2.7 billion of market value, according to FactSet.

White House officials called GOP senators on Wednesday to complain that the defense bill unfairly penalized ZTE and to enlist the support of allies, congressional aides said.

U.S. Moves Ahead on Tariffs

Continued from Page One

Korea to give up its nuclear weapons. Mr. Trump returned to Washington on Wednesday morning after meeting with North Korean leader Kim Jong Un in Singapore.

An administration official said Mr. Trump and his circle of advisers are scheduled to finalize plans on Thursday on imposing the China tariffs. Since Mr. Trump's initial warnings of tariffs, China has done nothing to do address the president's concerns about its trading practices, the official said, bringing the White House to this point.

The administration in April initially planned tariffs on $50 billion in goods, but the total could change as the list is refined, with some products taken off and others added following a public comment period. The White House had set Friday as a deadline for a list of products that would be covered under a new tariff regime.

Mr. Trump has shied away from confronting China at various times in the hope that it would encourage Beijing to help out on North Korea—including by agreeing to a deal that would remove a ban on U.S. companies selling components to Chinese telecom giant ZTE Corp.

Lawmakers have added language to a bill being considered by the Senate to undo the deal. But a senior White House official on Wednesday said the administration would try to remove the language and seek to block any similar measure later in the legislative process.

AGENCE FRANCE-PRESSE/GETTY IMAGES

A worker at a factory in Hangzhou, China, earlier this month checked wheel hubs of baby carriages that will be exported.

After his summit with Mr. Kim on Tuesday, Mr. Trump signaled that he was continuing his hard line on China. "I have to do what I have to do," he said at a news conference. "We have a tremendous deficit in trade with China, and we have to do something about it."

In recent weeks, national-security officials have argued in White House meetings that trade enforcement and North Korea should be considered on separate tracks, according to officials briefed on the discussions. Beijing will help on North Korea if it sees that it is in its own interest, not because of U.S. trade actions, the officials have argued.

The agreement to support tariffs by the heads of the agencies represents an unusual moment of consensus on trade in an administration often at odds with itself over how to proceed. Trade hawks have sought to crack down hard on China, while globalists seek compromise.

The Trump administration considers tariffs as necessary to press China to halt violations of U.S. intellectual property rules, including Beijing's forcing U.S. companies operating in China to transfer technology to their Chinese partners.

Tariffs are unlikely to come as a surprise to Beijing. Expectations were high that the administration would release the tariff list as planned, according to Chinese officials.

Secretary of State Mike Pompeo, who urged U.S.-China trade calm ahead of the Trump-Kim summit, is scheduled to visit Beijing on Thursday to discuss the summit's outcome.

In early April, the administration released a preliminary list of about $50 billion in Chinese goods to be subject to tariffs. It has held public hearings on the list of 1,300 categories of products to see whether duties on any of the goods it selected would unduly harm U.S. consumers and businesses.

A number of companies also urged the administration to add new products. U.S. Steel Corp., for instance, sought tariffs on tin-mill products.

The office of U.S. Trade Representative Robert Lighthizer is due to release the final list on Friday. Tariffs on products that weren't eliminated are set to be imposed shortly, perhaps as early as Friday, said the officials familiar with the discussions.

High-tech goods such as semiconductors could be added to the list, as the administration looks to block China's acquisition and sales of advanced technology.

Industry would have a chance to comment on new products on the list before they are subject to tariffs, although the procedure to be followed is unclear at this point, the officials added.

One issue: Many high-tech components, such as computer chips imported into the U.S. from China, are produced by U.S. and other Western companies that do some processing or assembly work on them in China. That means tariffs could hit some U.S. companies as hard as Chinese ones, technology companies complain.

—Peter Nicholas contributed to this article.

The Remarkable Rise of Rosé

It has been called the rosé revolution.

In a few short years, the wine that's neither white nor red has rocketed from insider secret to summer essential in households across the U.S.

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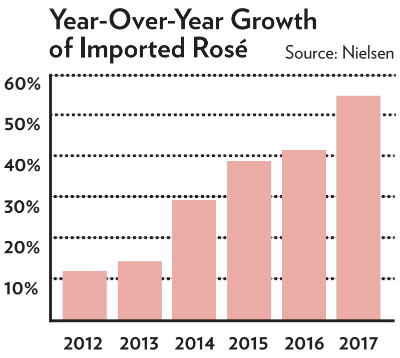

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"Rosé is wine's rock star … quality versions from Provence and elsewhere are raising the bar"

— WINE SPECTATOR, JUNE 30, 2018

The race to secure Provence's finest has taken on a new urgency this year — with the news that 2017 was "France's smallest harvest since 1945" *(The Drinks Business)* prompting fears of a global shortage.

One of four 2017 vintage Provence rosés in today's featured collection, Domaine de Valgencelle has everything fans of the style look for — shapely bottle included. At his Domaine du Mas Ensoleillé ('sunny farm') in Aix-en-Provence, local star Jean-Jacques Dosetto made a fabulous 2017 that won gold at France's most important wine show – *Le Concours Générale Agricole* in Paris.

France is responsible for 31% of global supply and — when the wines are this good — it's easy to see why French consumers now drink more pink than white.

But France isn't Europe's only pink powerhouse. Over in Spain, winemakers (and drinkers) have long been serious about *rosado*. In Rioja, the country's premier wine region, Ruth Chavarri harvests vineyards planted by her great-grandfather in 1882 and crafts a wonderfully pale pink Tempranillo that bursts with bright strawberry flavor and pairs perfectly with a plate of silky jamón.

At his estate high in the Argentine Andes, Bordeaux native Hervé Fabre makes a mountain-fresh Malbec rosé to rival his trophy-winning reds. And, from deep in the Australian outback, Sam Trimboli sends a deliciously fruit-packed Shiraz rosé that's made for chargrilled fare.

"Spain's well-made, affordable rosados are this summer's pink wines to watch."

— THE WALL STREET JOURNAL, JUNE 10, 2017

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Federal Reserve Lifts Rates

Continued from Page One

decision, with the 10-year Treasury rising to 2.979% from 2.959% on Tuesday. Yields rise as prices fall.

"One more person out of 15 now sees four hikes instead of three. For markets, that's a big deal. For economists, maybe not," said Mike Feroli, chief U.S. economist at JPMorgan Chase & Co.

Fed officials have upgraded considerably their economic outlook over the past year—first because of a synchronized upturn in global growth beginning last summer, and later after Congress approved stimulus in the form of tax cuts and increased federal spending.

Other changes in the Fed's outlook Wednesday were relatively minor and paint an optimistic picture for the U.S. economy despite some recent risks from abroad, including trade tariffs and volatility in emerging-market economies.

"It's a stay-the-course story," said Roberto Perli, an analyst at research firm Cornerstone Macro. Because it is too soon to judge how much any of the international risks pose to U.S. growth, "they are right to take a wait-and-see approach here," he said.

Most Fed officials expect the central bank will need to raise rates at least three more times next year and at least once more in 2020, leaving rates in a range between 3.25% and 3.5% by the end of 2020, the same end point officials projected in March.

"Officials seem more comfortable about both the consequences of past actions and their policy intentions," said Mohamed El-Erian, chief economic adviser at Allianz SE, the German insurance giant.

The new interest-rate guidance shows the U.S. central bank sticking to a plan to raise short-term rates above a so-called neutral level that would neither stimulate nor slow the economy. It also suggests officials expect to reach that neutral level slightly sooner than before, most likely in about a year.

In a further reflection of the Fed's changing policy footing, the postmeeting statement dropped language added four years ago that said officials expected to hold their benchmark rate "for some time" below neutral.

Officials modified their economic forecasts slightly, projecting modestly stronger growth and inflation this year and lower unemployment than they had in March. They didn't change their view about the rates of growth, unemployment or inflation they expect over the long run, a sign they see most of the recent fiscal stimulus fading eventually.

Mr. Powell also said he expected temporary factors, such as a recent rise in oil prices, to push inflation above the Fed's 2% target this summer, but he dismissed the development as a short-lived one.

Their estimate of the neutral fed-funds rate didn't change compared with projections released in March. Nine of 14 officials put it at either 2.75% or 3%.

Fed officials have upgraded their economic outlook over the past year.

The increase announced Wednesday will leave the fed-funds rate around 1 percentage point below that neutral level.

But because many officials expect they will need to raise rates above neutral to a level that would slow growth, they face difficult debates ahead over how much higher to lift rates, and at what pace.

The challenge for central bankers is to boost borrowing costs enough to prevent the economy from overheating, but not so much that it tips into recession.

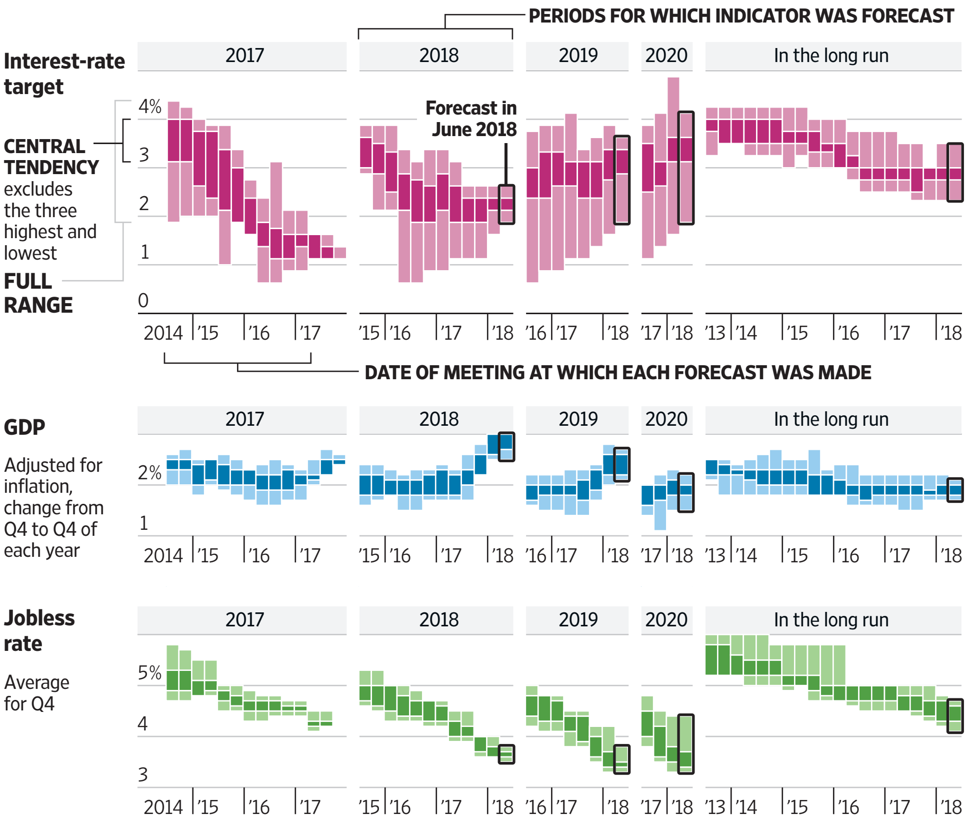
These are very different tensions than the one the Fed faced in recent years, when it repeatedly delayed raising rates from near zero amid a fitful U.S. recovery and financial turbulence abroad.

"I would say I like the results so far," said Mr. Powell. "We've been very, very careful not to tighten too quickly...We had a lot of encouragement to go much faster and I'm really glad we didn't."

Familiar Forecasts

Federal Reserve forecasts for interest rates in coming years held steady while unemployment rates are predicted to continue shrinking.

The Fed's evolving economic forecasts, by meeting



Notes: GDP and unemployment are seasonally adjusted; rate-target forecasts prior to June 2015 are interpolated from dot-plot figures.
Source: Federal Reserve via Federal Reserve Bank of St. Louis

THE WALL STREET JOURNAL.

Consumers Feel Pinch as Fed Tightens Policy

By Paul Kiernan

WASHINGTON—Borrowing costs for consumers have risen as the Federal Reserve has continued to tighten monetary policy, with interest rates on home, auto and credit-card loans reaching multiyear highs in recent months.

Rates on mortgages, which account for the biggest chunk of U.S. household borrowing, are at their highest levels since 2013. According to Freddie Mac, the average fixed rate on a 30-year mortgage was 4.54% last week, up from 3.95% in early January. Though rates are still moderate by historical standards, that increase is enough to add about $100 to the monthly mortgage on an average-price home in the U.S. with a 20% down payment.

So far, there is little sign that higher interest rates are damping consumer spending, which handily beat economists' expectations in April even after the Fed raised its benchmark federal-funds rate in March to a range between 1.50% and 1.75%.

The central bank announced another quarter-percentage-point increase Wednesday and penciled in at least two more moves this year.

For now, economists say rising wages, low unemployment and the recent tax cuts are likely to ease the impact of higher borrowing costs for many households.

But some individuals are already feeling the squeeze, particularly in markets where housing prices are also rising.

Scott Van Sande, 32 years old, a corporate-data privacy director in Phoenix, said his family's search for a new home has taken longer than expected, in part because he has watched mortgage rates rise steadily since he started looking last year. They are a full percentage point above the 3.5% he pays on his current mortgage, and not knowing how much further they will rise has been a source of anxiety.

"With prices and rates what they are, it's been difficult to find something that will work for us," said Mr. Van Sande, adding that he and his wife have had three children since buying their current home and could use another bedroom.

Other types of consumer loans also have grown more expensive as lenders anticipate further Fed rate increases in coming years to keep the economy from overheating.

Average five-year rates for a new-car loan rose last week to 4.71%, the highest level since early 2012, according to financial-data publisher Bankrate.com.

Average annual percentage rates on credit cards and average rates for home-equity lines of credit both have hit their highest levels since before the 2008-09 crisis, Bankrate says.

"On credit cards and variable rates such as [home-equity lines of credit], it's an almost instantaneous one-to-one correlation," said Robert Frick, a corporate economist at Navy Federal Credit Union. "You see those go up almost immediately tracking the federal-funds rate."

And while household debt has reached record levels in absolute terms, "a preponderance of fixed rate[s]...on household balance sheets will mitigate the effects of higher interest rates over coming quarters," said Richard F. Moody, chief economist at Regions Financial Corp., in a note to clients on May 23.

Fed Watches for Overheating As Economy Finds Higher Gear

By Greg Ip

ANALYSIS

The Federal Reserve's dilemma is intensifying: When has the economy had too much of a good thing?

In forecasts released at the end of their meeting Wednesday, Fed officials again raised their projections for economic growth, and lowered their projections for unemployment.

They now see the jobless rate dropping to a 50-year low of 3.5% by the end of next year, a full percentage point below their estimate of where unemployment should be in the long run (the so called natural rate, below which inflation accelerates).

By any estimate, that is a huge overshoot, and one that implies that by 2020 the economy will be well into overheating territory, the sort of situation that usually leads to dramatically higher interest rates and a recession.

Fed Chairman Jerome Powell, asked about this during his news conference Wednesday, cautioned against assuming that gap means joblessness must eventually go back up, noting estimates of the natural rate of unemployment have already dropped a lot, and could presumably drop further. "I would emphasize we are learning about the natural rate of unemployment as we go," he said, adding, "We can't be too attached to these unobservable variables." (He was referring to the fact the natural rate can't be measured, but rather only inferred from how the economy and inflation behave.)

That's not an entirely satisfying answer. Officials' estimates of the natural rate have dropped in the past two years, but their projection for unemployment by the end of 2019 has dropped even more, and even that may prove pessimistic if the

ANDREW HARRER/BLOOMBERG NEWS

Fed Chairman Jerome Powell suggested the central bank wouldn't overreact if inflation exceeded its 2% target.

usual relationship between unemployment and economic growth holds.

So while officials may be agnostic on the precise natural rate, all of them are building an overshoot into their projections.

This is also apparent from the fact their median forecast for inflation in 2018, 2019 and 2020 is 2.1%, marginally above the Fed's 2% target. Mr. Powell played down the significance of that overshoot, suggesting the Fed would not "overreact" to it.

But this answer is also unsatisfying. The Fed can't realistically move inflation much this year or next given the lags in monetary policy, but by 2020, it can. It could in theory raise interest rates by enough to slow the economy and cool the labor market so that inflation is 2% instead of 2.1% in 2020. That they are not planning to do this suggests they think it would be too disruptive. It also suggests the "Phillips curve," which predicts inflation rises as unemployment falls, still exists, even if it's flattened.

But that only postpones, it doesn't remove, the day of reckoning; so long as unemployment is below its natural rate, inflation will tend to go up, not down. For these projections to make sense, Fed officials must either raise their inflation target, assume some serendipitous boost to the economy's potential growth rate or decline in the natural unemployment rate, abandon their economic models, or run much tighter monetary policy, especially after 2020.

For now, this last option seems the likeliest. On Wednesday, officials took a small step in that direction by signaling two more rates increases this year after the one announced Wednesday, for a total of four. That's up from the total of three they penciled in at their March meeting. Similar upgrades may be in store.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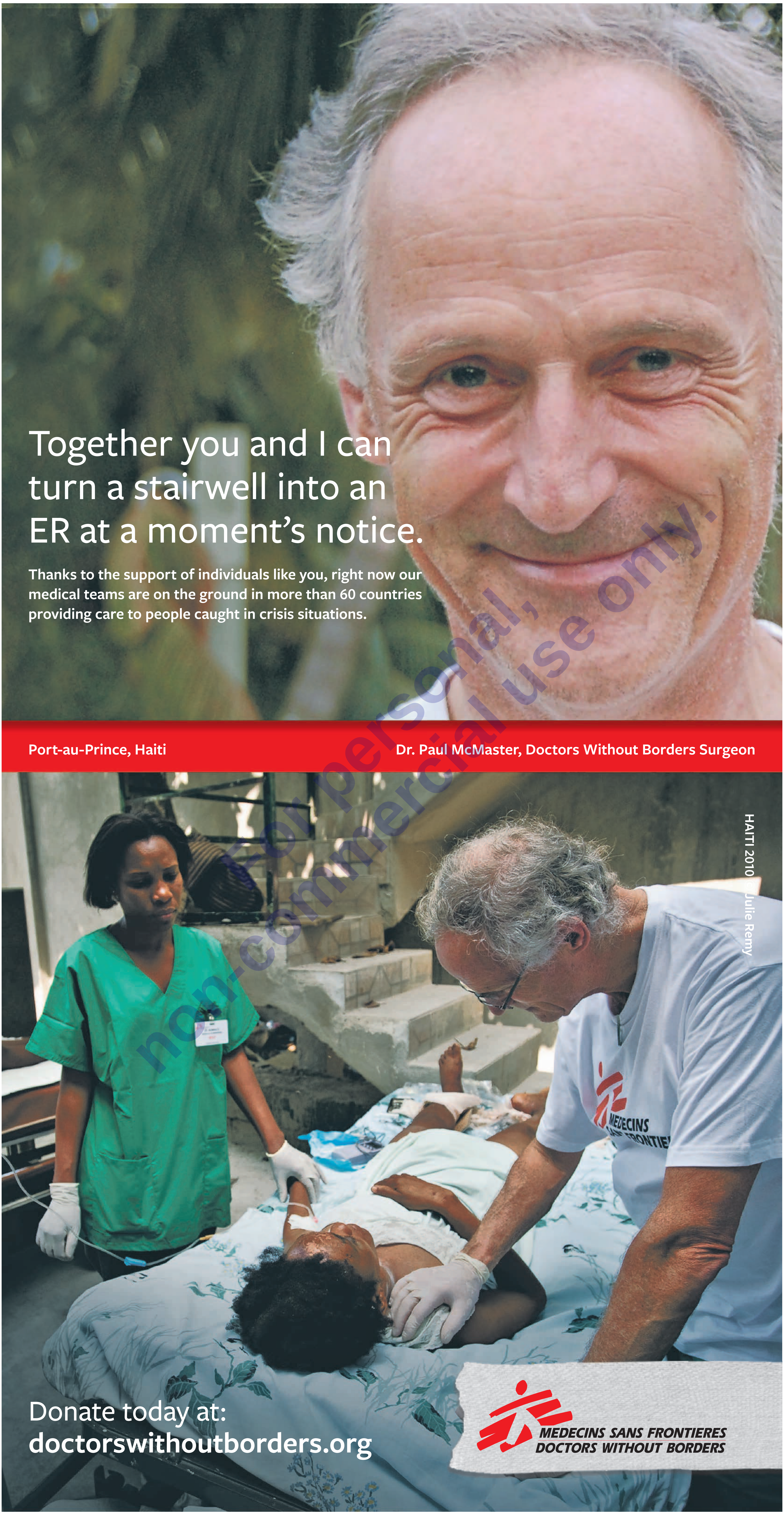
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Health-Law Suit Touches Wider Market

By Stephanie Armour

Tens of millions of people who get health insurance through their job could face waiting periods for coverage or find that specific medical conditions aren't immediately covered if the courts back a request by the Trump administration to toss key provisions of the Affordable Care Act.

Most of the attention surrounding a recent Justice Department request to strike down parts of the ACA has focused on the individual market, where people buy their own coverage. But the request would also rewind some protections for the vast majority of Americans—some 175 million people—who get health coverage via small and large employers, analysts said.

"Anyone who just thinks this is just impacting the 12 to 15 million individuals with individual coverage is wrong," said Timothy Jost, an emeritus law professor at Washington and Lee University.

The Justice Department last week filed a brief in a lawsuit brought by 20 Republican state attorneys general seeking to strike down the ACA. The department largely supports the suit, which argues that the health law is invalid since its penalty on people who don't get insurance was repealed late last year as part of the Republican tax plan.

The administration asked the court to halt the ACA's guarantee of coverage for people with pre-existing health conditions and to relax limits on how much insurers can charge older people and women.

The ACA established consumer protections in the individual insurance market, but it also enacted protections in employer-provided coverage, especially for smaller companies. If the courts toss some ACA provisions linked to the insurance-coverage mandate, elements of the requirements that also apply to employer plans would likely be halted or reversed as well, analysts said.

That means employers would again be able to impose lengthy waiting periods for health coverage on new hires. Currently they are unable to lock workers out of health insurance for longer than 90 days when they take a new job.

Employers could also opt not to cover a new hire's specific health problem, like cancer, for up to a year even if they provide them insurance. That limit would apply if a new hire hadn't previously had coverage or had let it lapse.

And when smaller companies shop for insurance, they could be charged more to cover their workers if they have a large number of older or sicker people. That can indirectly lead to higher costs for workers who pay a share of their premiums, health analysts said. Those with healthier and younger employees may be charged less.

The Supreme Court ruled in a landmark 2012 opinion that the health law, and specifically the requirement that Americans have health insurance, was constitutional because the penalty for not having coverage was handled by the Internal Revenue Service and fell within Congress's taxation powers.

New Jersey's Corporate Tax Breaks Threaten Budget

By Kate King

Corporate tax breaks designed to jolt New Jersey's economy out of a postrecession slump risk stripping $1 billion a year in revenue from the state budget by 2020, according to the state's economic-development agency.

This year, the state could lose out on $545 million from grants and tax-credit awards, according to an April memo reviewed by The Wall Street Journal from the New Jersey Economic Development Authority. Treasurer Elizabeth Muoio estimated that tax credits decreased the state's corporate business-tax revenue, the second-largest revenue source for the general fund, by 12% this fiscal year.

The liability will nearly double within two years, with the state on the hook for just more than $1 billion a year from 2020 through 2023—the maximum cost if all businesses meet the requirements of their subsidy agreements and cash in their full incentive amounts.

Democratic Gov. Phil Murphy, who took office in January, has criticized the state's practice of giving tax subsidies to large companies. He has ordered an audit of the $8 billion in tax credits and other incentives New Jersey awarded over the past eight years under former Republican Gov. Chris Christie.

Still, Mr. Murphy said he backs the state's biggest tax-break offer yet: a $5 billion package for Amazon.com Inc. if it picks Newark for its second headquarters and creates 50,000 jobs

During Mr. Christie's two terms, the state's economic-development agency approved about $8 billion of incentives for 355 projects, state records show. The total represented a more than 500% increase from the prior decade.

Those incentives are expected to create 35,116 new jobs and keep 42,457 other "at-risk" jobs in the state, says the economic development authority, which calculated that each new or retained job costs the state $77,000.

Since 2011, the authority has certified that 89 projects have created about 8,000 new jobs and retained more than 15,000. These projects have delivered a capital investment of about $4 billion, according to the authority.

Mr. Christie said in an interview the incentives were necessary to keep companies in the state and support their expansions. "Things would have been much worse if we didn't have them," he said.

States across the U.S. use such incentives to lure and keep companies, with supporters arguing the benefit of added jobs outweighs the cost in decreased revenue.

New Jersey passed legislation that ramped up its use of corporate subsidies five years ago, when other states were re-examining and, in some cases, pulling back from such programs, said Josh Goodman, senior officer with Pew Charitable Trusts. Lawmakers in states from Florida to Washington have voted to end or change their incentive programs in recent years.

"Oftentimes states make commitments with incentives that they struggle to afford later on, or the costs are sort of unpredictable year-to-year," Mr. Goodman said.

In New Jersey, critics say the tax breaks come at too high a price. New Jersey's economy is still sluggish and the state's coffers are starting to feel the pinch as companies, which can carry forward their credits for 20 years, begin to cash in.

New Jersey Chamber of Commerce President Tom Bracken said he would like the state to lower the size of its tax breaks and distribute them more broadly among smaller New Jersey companies.

The state's most expensive incentive program, which provides tax credits to companies that promise to keep or create new jobs in the state, has awarded $4.7 billion in subsidies to 253 applicants since 2013, 60% of which were already located in New Jersey.

Mr. Christie said most companies are eligible to apply for tax credits and said the number of jobs added during his administration was proof that the tax breaks have worked.

Two of the state's biggest tax-credit programs are up for renewal in 2019. So far, lawmakers haven't shown interest in reining them in. In January, the Democratic-controlled legislature passed a bill making it easier and more profitable for companies to sell their unused tax credits.

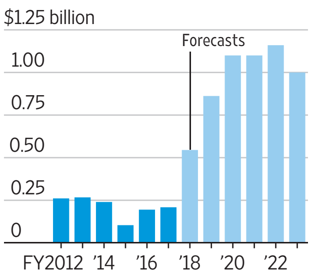
One early deal touted by Mr. Christie involved insurance giant Prudential Financial Inc., which is headquartered in Newark. With the lease expiring for one of its locations, Prudential decided to build a new building within Newark. The state awarded the project more than $200 million in tax credits over 10 years.

VICTOR J. BLUE/BLOOMBERG NEWS

With state tax breaks, Prudential built a new tower in Newark.

Sweeteners

New Jersey's cost for tax credits, grants and other economic-development incentives given to companies that promise to create jobs and make investments in the state



Note: FY2012-2017 numbers are authorized disbursements; actual amounts may vary due to credit transfers and carry-forwards. FY2018-2023 numbers show maximum liability; actual amounts may vary.
Source: New Jersey Economic Development Authority

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THE MEDIA MELEE

Comcast Bids for Fox Assets

Continued from Page One

regulators might block such a deal or require the sale of valuable assets.

The AT&T ruling emboldened Comcast to relaunch its bid for Fox with an offer that isn't much higher than what it had earlier proposed. Comcast had offered an all-stock deal valued at $34.41 a share as of November, according to a Fox regulatory filing in April and a person familiar with the matter at the time.

Disney's deal, reached in December, valued the Fox assets at $29.54 a share based on the last trading day before it was announced. The bid is now worth $29.18 as of Wednesday's close.

In a letter to 21st Century Fox Executive Chairman Rupert Murdoch and his sons disclosed with the new bid, Comcast Chief Executive Brian Roberts said a deal with Comcast "is as or more likely to receive regulatory approval than the Disney transaction." He added that an antitrust review of a Comcast acquisition shouldn't take much longer than the Disney review.

"We firmly believe that the truly great media companies of the next century will be integrated global entities," Mr. Roberts said on a call with investors Wednesday afternoon.

Whether Comcast succeeds in winning over Fox will turn largely on whether Fox officials agree with Mr. Roberts.

People close to Disney say Comcast may continue to have regulatory issues, given it is the largest high-speed broadband provider in the U.S. and could, as the owner of the Fox assets, have the incentive to make life difficult for rival content companies or streaming providers that depend on its pathway into customers' homes. Comcast's broadband concentration caused regulators to throw up roadblocks to its ill-fated attempt to buy Time Warner Cable in 2015.

It is now up to Fox to determine whether it wants to present the proposed Comcast deal to its shareholders. If it does, Disney has the right to counter with a new offer.

Fox has set a July 10 meeting for shareholders to vote on the sale to Disney, but that meeting could be postponed. Should there be a new round of bidding, the back-and-forth could stretch on for weeks, if not months, people close to the process say.

The fight for Fox is part of a scramble by media, telecom and cable companies to get bigger as the superpowers of the technology industry, from Netflix Inc. to Facebook Inc., have disrupted old ways of doing business.

Increasingly, the old guard is focused on merging content with distribution and technology, betting that such combinations could help them aggregate valuable consumer data to appeal to advertisers and create streaming options for viewers rejecting the cable bundle. The deal between AT&T, the largest U.S. pay-television company and the No. 2 wireless carrier, and Time Warner, owner of HBO, CNN and the Warner Bros. studio, is a clear example of that.

The battle for Fox includes some of media's biggest power brokers, pitting Mr. Roberts against Disney CEO Robert Iger for businesses long part of Mr. Murdoch's empire.

The Fox assets are seen as prized entertainment properties, and Mr. Murdoch's willingness to sell them came as a surprise to many in the media industry. (21st Century Fox and Wall Street Journal-parent News Corp share common ownership.)

The rare acquisition opportunity, combined with the need to significantly expand overseas and acquire new distribution and content, is adding a dimension of urgency for both Comcast and Disney.

Comcast is dealing with a declining pay-TV market at home. It could find new growth with Fox's international assets, including European and Indian streaming services.

For Disney, winning Fox would be a hedge against Silicon Valley companies like Netflix that have taken on Hollywood by marrying technology with piles of cash to spend on production. Immediately, it would give Disney majority ownership in Netflix competitor Hulu and access to a new, deep library of Fox's movies and shows, including franchises like "Avatar" and "The Simpsons," to make available on its planned streaming service.

Last week, Makan Delrahim, the Justice Department's antitrust chief, seemed to indicate that Disney's transaction didn't raise major concerns. "They had good advice and carved out surgically...a transaction that might be doable," he said on CNBC.

Both companies already have gamed out regulatory concessions they would be willing to make. Comcast and Disney are willing to divest Fox's array of regional sports networks in the U.S. if necessary. Comcast is willing to match any other assets Disney offers up as regulatory carrots and would be willing to divest Fox's Hulu stake if it became a flashpoint, people close to Comcast said.

MIKE BLAKE/REUTERS

Fox has set a July 10 meeting for shareholders to vote on the sale to Disney, but that meeting could be postponed.

FROM LEFT: CLAY ENOS/WARNER BROS.; KENA BETANCUR/AGENCE FRANCE-PRESSE/GETTY IMAGES

Is Wonder Woman headed toward a culture clash? Integrating staid AT&T with entertainment behemoth Time Warner could pose a major challenge to the Dallas-based telecom company.

AT&T Braces for Big Merger

Continued from Page One

travel policies.

What was once Ma Bell will have to stomach huge spending on content, knowing that flops are a fact of life in Hollywood. And, as in the case of Ms. Bee, it will have to decide where to draw the line.

"AT&T will need to demonstrate it can effectively manage a media business," said Mike White, the former chief executive of DirecTV, the satellite broadcaster that AT&T acquired in 2015. "That means, in particular, retaining key talent and encouraging a culture of innovation."

The companies said they look forward to closing the deal on or before their agreed-upon June 20 deadline. The government could try to throw a wrench in the process by appealing federal judge Richard Leon's decision in AT&T's favor, though he warned against that tactic in an unusually blunt opinion.

Targeted ads

AT&T has pledged to reinvent TV advertising and challenge Facebook Inc. and Google in winning marketing budgets. It has considered selling ad space on channels such as TNT and CNN in a new way, targeting different households with different ads, according to remarks by company executives at the trial.

Rather than running an ad for an arthritis drug for an entire audience, a young family might see a diaper ad, while a single man nearby might see videogame ads. AT&T would marshal the anonymized data it keeps on millions of wireless users—including their viewing habits and locations—to help target the ads and then see if people went somewhere or purchased something after seeing them.

There are major hurdles standing in the way of this strategy, including the possibility it could cannibalize national advertising revenue and require cooperation from rival pay-TV distributors that is unlikely to be forthcoming, people familiar with the plans say.

AT&T is also trying to gain ground in a marketplace battle to win over cord-cutters who are dropping cable and satellite services including its own DirecTV. It is planning to release a roughly $15-a-month bundle of channels, including Turner's CNN, TNT and TBS, that doesn't include sports networks. The service would come with an app preloaded on AT&T Wireless customers' smartphones. That is an aggressive price in an industry where roughly $40 is the norm for a "skinny" bundle.

The man who has been tapped to run Time Warner for AT&T is John Stankey, a 32-year company veteran. He climbed the ranks of the phone giant and ran its giant landline business before leading the company's acquisition of DirecTV in 2015.

A towering executive with a deep voice and an intimidating presence, Mr. Stankey isn't well-known in media circles. He will be dealing with high-profile and better-paid underlings at Time Warner. Mr. Stankey made $10 million in 2017, according to an AT&T securities filing, far below the compensation packages of the heads of Time Warner's HBO, Warner Bros. and Turner, according to people familiar with the matter.

Mr. Stankey, a daily presence during the antitrust trial, is expected to make the rounds in coming days with Time Warner's leadership. He is meeting with top Turner executives this week in New York, a person familiar with the situation said.

Last year at a gathering of media industry leaders hosted by the boutique investment bank Lion Tree, Mr. Stankey acknowledged "we've got one of the more complex management tasks of any organized entity sitting in front of us," according to a person in attendance.

Mr. Stankey said AT&T wouldn't be allergic to spending money on the right project. "We're not going to screw up a hundred-billion dollar transaction for want of a billion dollars of investment," he said.

Inside Time Warner, executives have expressed concern that a fast-paced creative culture could be stymied by a culture company unfamiliar with the idiosyncrasies of making and marketing movies and television.

"There was a sense of a much more intense bureaucracy" at AT&T, said one Time Warner executive who was involved in transition planning with AT&T. "Small decisions require multiple conversations."

AT&T has already signaled it may get involved in the creative process. Executives have proposed using specific data on what kinds of viewers are watching shows, and how much time they spend doing so, to help decide what programming is worth the investment.

'New tricks'

"Neither company today has the wherewithal to actually execute around using data analytics to help inform the creative process," Mr. Stankey testified during the trial, referring to AT&T and Time Warner. "There will be more information coming after the business is combined and the reality is that people are going to have to learn new tricks."

AT&T's takeover of DirecTV is the closest blueprint Time Warner has for what may lie ahead. After AT&T assumed control, it combed through the executive ranks and gave many people new, less-impressive titles and lower salaries.

"It's not a great morale booster or incentive," said one former DirecTV executive who took the pay and title cut. "They would tell you you're great, but they are very stingy."

The lavish perks that often go hand-in-hand with the entertainment industry—fancy offices, multiple assistants, travel benefits—are also expected to eventually go under the microscope.

"If you get to the airport early and get a Coke, that is on your dime," one person familiar with AT&T's travel policy said.

At Warner Bros., the expense policy is more generous and many executives get greeters when they arrive and depart from the airport to speed them through security, people who know its policies say.

The political leanings of the companies' staff also differ. AT&T employees and affiliates' political contributions totaled $11.7 million, about two-thirds of which went to GOP candidates, during the 2016 election cycle, according to OpenSecrets, part of a nonprofit research group. Time Warner's contributions reached $2.4 million, 87% of it to Democrats.

As AT&T will soon learn, running a media company comes with plenty of gut-check moments that have no rule book.

The incident involving Ms. Bee on her show, "Full Frontal," caught top Time Warner executives by surprise. Her statement describing Ms. Trump with a vulgar term for female anatomy came as part of a monologue criticizing her father, President Donald Trump, for a policy that separated migrant children from their parents at the border.

Lawyers at Turner, the unit that oversees cable channels including TBS, suggested not using the line, but a programming executive assigned to the show said censoring it with a "bleep" would be fine, according to an executive familiar with the matter.

No one took the discussion further up the food chain, the executive said.

In another high-profile decision, CNN fired comedian Kathy Griffin last year from its New Year's Eve program after she appeared in a photo holding a faux bloody severed head of President Trump.

Just before Ms. Bee's performance, AT&T's chief executive, Randall Stephenson, gave some indication of how he might respond to such incidents. He was asked at the Code Conference, a gathering of media and tech executives, about the decision of Walt Disney Co. to cancel ABCs "Roseanne" after its star made a racist tweet about a former aide to President Barack Obama. Mr. Stephenson replied, "that is a no-brainer, right?"

The CNN question

President Trump has consistently attacked Time Warner's CNN cable channel. During and after the 2016 presidential campaign, his aides complained privately to top Time Warner executives about negative coverage and the makeup of expert panels, The Wall Street Journal reported.

AT&T and Time Warner executives believed that one of the reasons for the government's suit to block the deal was President Trump's aversion to CNN, people close to the situation have said. Both the White House and the Department of Justice have denied any such motivation.

	Time Warner	AT&T
	New York-based Time Warner is the parent of movie and television producer Warner Bros. and owns cable channels HBO, TNT, TBS and CNN.	The Dallas-based provider of wireless, satellite-TV and other telecommunications services has operations throughout the U.S. and Latin America.
Political donations	$2.4M	$11.7M
Republicans	10%	65%
Democrats	87%	33%
Employees	26,000	252,000
Revenue	$31.27B	$160.55B

*for the 2016 election cycle

Sources: the companies; OpenSecrets (political spending)

When the Bills Come Due

AT&T already bills millions of Americans for landline, wireless and pay-TV service. The Time Warner acquisition would let AT&T keep a bigger chunk of what they pay for entertainment.

Potential AT&T customer ranges, annual fees

TW Time Warner offerings

THE BARGAIN HUNTER $1,380

PRODUCT	COST
Cricket Wireless 2GB Plan	$360
WatchTV*	$180
AT&T Internet 50 Mbps	$840

THE BUNDLER $2,952

PRODUCT	COST
AT&T Mobile Share Flex 5GB	$1,200
AT&T Internet DirecTV + Internet 100 Mbps + Home Phone	$1,536
TW + HBO	$216

TV and internet on one bill

THE DREAM CUSTOMER $6,260

PRODUCT	COST
AT&T Unlimited Plus Enhanced	$2,280
DirecTV Premier + HBO	$2,172
+ NFL Sunday Ticket	$396
TW + NBA League Pass	$200
TW + Filmstruck subscription	$132
AT&T Internet 1000 Mbps	$1,080

*Product not yet launched

Note: Prices exclude first-year promotions and vary by location.

Source: the companies

THE WALL STREET JOURNAL.

KEYWORDS | By Christopher Mims

Expect Bigger, Not Cheaper, Cable Bundles

In the future, you will pay lots of money for lots of entertainment options.

Sound like what you've already got—a bundle of cable channels, voice service and internet access? The merger of AT&T and Time Warner, approved Tuesday, is more proof this reality will endure.

We've been headed in this direction for years, as AT&T acquired DirecTV, and fellow telecoms Comcast and Verizon beefed up on content.

Tech companies, meanwhile, have done a fair job of destabilizing the existing players. Netflix, Amazon and Google's YouTube have redefined the TV show, while the smartphones and set-top boxes powered by Apple and its competitors have changed viewing habits. Everything is on demand, everywhere.

But the entertainment companies, which still control the most popular brands and content, saw what happened when Apple took over the music business. So they sought refuge with big media conglomerates. This battle with tech companies was Time Warner's primary argument in favor of its acquisition by AT&T. As a result, Steve Jobs's famous deathbed promise to reinvent broadcast TV hasn't happened. For now, at least, the internet will not be disrupting the bundle.

The Justice Department's chief antitrust lawyer argued that this merger would "greatly harm" consumers with "higher bills and fewer of the new, emerging innovative options." It's not clear that it will, as U.S. District Judge Richard Leon ruled. But the deal also will mean more of the same: bigger—not cheaper—packages of entertainment rather than the a la carte, pay-as-you-go custom content that many customers have long desired.

The classic triple play—call it the boomer bundle—included many TV channels, broadband internet and a landline. With the rise of streaming, bundles were thought to be on the way out, making way for extremely personalized offerings: You pick your internet provider, your phone carrier and the assorted video sources you like, be they channel apps like HBO Go, low-cost libraries of content like Hulu or Netflix, or full lineups from Comcast's Xfinity or AT&T's DirecTV.

Now the big bundle looks set for a comeback. Not only is AT&T about to get Time Warner, but Comcast, already owner of NBCUniversal, is likely to pursue 21st Century Fox, sucking up yet more content. (21st Century Fox and Wall Street Journal parent News Corp share common ownership.)

Internet service providers will have the opportunity to offer content produced by their entertainment divisions free to customers, or as part of competitive packages.

Consumers' dream of pay-as-you-go custom content remains a dream.

With the end of net neutrality—which would have kept the internet's gatekeepers from abusing their power to charge other companies for carrying their data—telecom giants are more likely to aggressively pair their offerings with free content. And as usual, they'll license content to one another.

The biggest difference between the aforementioned boomer bundle and this new millennial one is that you can access content through more devices, in more ways.

Wireless is already becoming a much bigger part of entertainment delivery, and wireless providers will include more content as part of their unlimited service plans. Meanwhile, as next-generation 5G networks become a thing, companies such as Comcast will offer wireless service.

Competition among wireless carriers—especially pressure from T-Mobile—has helped to drive down the cost of wireless plans. Content deals will probably mean internet service providers will encourage people to opt for the premium end of their menus. (Verizon may need a studio of its own; content from AOL and Yahoo can't compete with the output of HBO and Fox.)

Standing apart from these vertically integrated entertainment/internet megacorps, Netflix is, ironically, the new HBO: the one service everyone has to offer, or at least not throttle, even if they legally can.

Netflix's strength is its original programming, the same differentiator that's helped HBO weather the changing cable landscape. Sure enough, in April, Comcast announced it would start including Netflix in some cable bundles.

And if you thought a tech columnist was going to say that, eventually, a full range of name-brand choices—from sports to late night to sitcoms—will come from Apple, Google, Amazon and/or Facebook, you thought wrong. It's not going to happen.

Takeover To Produce Formidable Debt Load

By Matt Wirz

AT&T Inc.'s $85 billion purchase of **Time Warner** Inc. is on track to go down as one of the largest acquisitions in history, but the deal will be dwarfed by an even bigger figure: the combined company's approximately $181 billion in debt.

That would be about a 12% jump from AT&T's already hefty $163 billion of bonds and loans outstanding, according to data from research firm CreditSights.

The combined company will be one of the biggest corporate borrowers and will continue to rely on raising funds, according to Neil Mack, a telecommunications analyst at Moody's.

"It's going to be one of the most heavily indebted corporate issuers and that in and of itself makes the company highly dependent on continued access to the capital markets," said Mr. Mack. If lenders become less cooperative in the future, the company could encounter refinancing difficulties, according to Mr. Mack.

Credit-rating firms have taken notice of the risk presented by the Time Warner deal.

Increased revenue from Time Warner's media properties and postdeal cost cutting are expected to generate cash to pay down the additional debt over time. The company could repay as much as $10 billion a year over the next four years, according to a research report by Oppenheimer & Co.

An AT&T representative wasn't available to comment.

Nevertheless, the additional borrowing would elevate one measure of AT&T's leverage, according to research by Deutsche Bank AG. That would push AT&T's measure well above that of its largest competitor, Verizon Communications Inc., according to CreditSights.

Credit-rating firms have taken notice of the rising risk presented by the Time Warner takeover. Moody's Investors Service has placed its rating of AT&T on review for downgrade pending the deal's completion. A two-notch downgrade would put AT&T at the lowest investment-grade rating Moody's assigns, increasing the likelihood of AT&T falling into the junk-debt category.

AT&T's balance-sheet risk could be even greater than its debt indicates, according to a report by research firm MoffettNathanson. The firm's estimate of the company's leverage includes operating leases and employee postretirement obligations. That raises the combined company's liabilities to about $249 billion, according to the report.

Bankers to Share a $220 Million Jackpot

By Nathan Becker And Ana Rivas

Bankers advising AT&T Inc. and **Time Warner** Inc. breathed a sigh of relief after a judge blessed their union Tuesday. M&A advisers typically only get their fees if a deal closes.

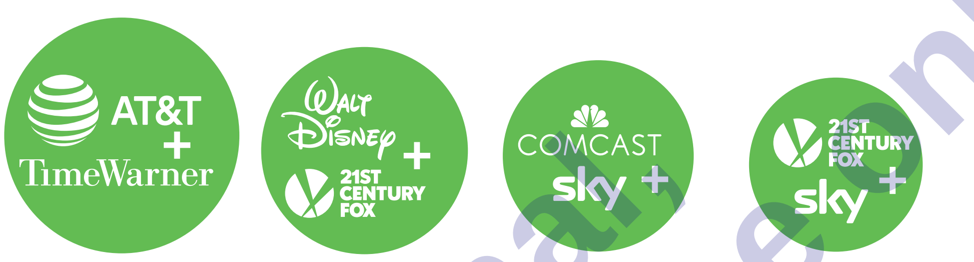
At stake is roughly $220 million for all the banks that landed roles on the proposed deal, according to Dealogic: **Perella Weinberg, Allen & Co.**, Citi, Morgan Stanley, JPMorgan and Bank of America. Bankers involved in a scrum of **21st Century Fox** Inc. are vying for hundreds of millions in additional payments.

And that could be just the beginning of a windfall for Wall Street if the AT&T-Time Warner ruling unleashes a flood of transactions in the second half, as many expect. With $2.1 trillion of deals announced so far, 2018 is already on pace to be the biggest year ever for mergers.

Across the board, top M&A advisers are already well ahead of where they were at this time last year when measured by the dollar amount of deals.

Let's Make a Deal

Hundreds of millions in estimated M&A advisory fees hang in the balance with several potential tie-ups in the media industry.



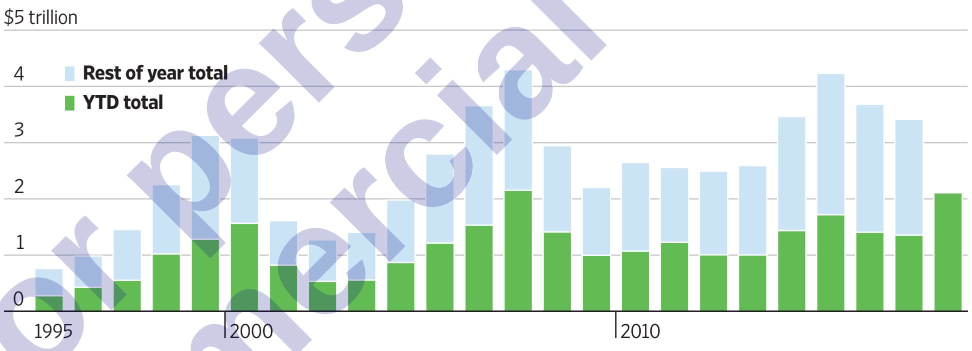
$220 million Deal struck in October 2016 for $85.4 billion

$170 million Deal struck in December 2017 for $52.4 billion

$145 million Offer made public in February for $31 billion

$120 million Offer made public in December 2016* for $14.6 billion

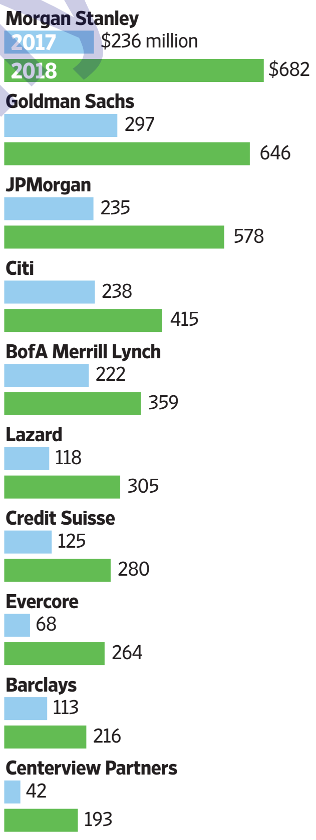
Value of announced M&A deals, annual vs. year-to-date



Notes: Deal and offer values are as of when they were announced. Dealogic hadn't yet estimated fees for Comcast's Wednesday afternoon offer to buy Fox assets for roughly $65 billion *Share of Sky that Fox didn't alrady own

Source: Dealogic

Global M&A advisers year to date, ranked by deal value



THE WALL STREET JOURNAL.

Hedge Funds Rack Up a Win on AT&T Deal

By Gunjan Banerji

AT&T Inc.'s victory in its legal battle to buy **Time Warner** Inc. handed a win to some of Wall Street's biggest hedge funds, which had bet the deal would go through.

The deal has attracted interest from big firms. Hedge funds such as **Highfields Capital**, Baupost Group, Sachem Head Capital Management, Paulson & Co., Fir Tree, Oz Management and Pentwater Capital Management all reported holding Time Warner shares in recent filings.

Shortly after 4 p.m. on Tuesday, U.S. District Judge Richard Leon approved the roughly $80 billion merger. The decision sent shares of Time Warner rallying, a boon for merger arbitragers, who buy shares of the takeover target on the bet they will rise to the agreed-upon deal price. The scale of the deal also meant it could have had ripples across the stock market, with a ruling against it potentially causing investors to sell stocks of other companies in pending tie-ups.

TCI Fund Management Ltd., the London hedge-fund firm run by Chris Hohn, held some 316,500 Time Warner shares at the end of 2017. By March 31, the firm's position had surged to nearly 7.5 million shares, according to data compiled by S&P Capital IQ. The holding placed the firm among the company's 20 biggest investors. TCI officials didn't immediately respond to requests for comment.

Mr. Hohn's firm also has recently accumulated a large stake in **21st Century Fox** Inc., another media company poised for a big deal.

The AT&T-Time Warner deal "is different in that it's going to affect a lot of other things," said James DiLeva, managing director of event-driven strategies at Wallach-Beth Capital.

The judge's decision came after the end of the normal trading day. Shares of Time Warner jumped after the market closed Tuesday and rose 1.8% on Wednesday. AT&T slipped 6.2%.

Also a winner: **Canyon Capital Advisors** LLC. The Los Angeles hedge-fund firm made about $27 million in paper profits on Wednesday and about $40 million in the past week, according to people close to the matter. Time Warner was Canyon's third-largest holding as of March 31 of this year, according to securities filings. So far this year, Canyon has made about $75 million from its Time Warner position, according to a person familiar with the matter.

This person said Canyon viewed the companies' position in the dispute to be stronger than that of the government. But if the government emerged victorious, Canyon was confident Time Warner's assets were valuable enough to make it an acquisition target by someone else, at an even higher price, in the near term, the person said.

The decision marks the conclusion of a 20-month saga that began when AT&T announced its decision in October 2016. The shares and options for both companies have ricocheted on the twists and turns of whether regulators would approve the deal.

Hedge funds hold 20% of Time Warner's shares, according to FactSet, and traders said the sector's exposure to the deal is far larger through the use of options and other derivatives.

Investors sent options trading into a frenzy this week before the decision, data from data provider Trade Alert show. Volumes for both Time Warner and AT&T have been more than double the daily average. The two stocks had some of the most options contracts outstanding among companies in the S&P 500.

—Liz Hoffman, Gregory Zuckerman and Justin Baer contributed to this article.

BRENDAN MCDERMID/REUTERS

Time Warner shares jumped on the floor of the New York Stock Exchange on Wednesday after a judge backed its deal with AT&T.

WORLD NEWS

U.S. Sets North Korea Nuclear Timeline

Washington aims for 'major disarmament' by Pyongyang during Trump's first term

Secretary of State Mike Pompeo said the U.S. hopes to achieve "major disarmament" of North Korea's nuclear arsenal during President Donald Trump's first term in office and would resume joint military exercises with South Korea if the talks stall.

By Michael R. Gordon in Seoul and Jessica Donati in Washington

"We're hopeful that we can achieve that in the 2½ years," he told reporters Wednesday.

Mr. Pompeo, who arrived in Seoul to confer with senior South Korean and Japanese officials, bristled at criticism that the summit declaration signed by Mr. Trump and North Korean leader Kim Jong Un was vague and had failed to secure an explicit commitment from Pyongyang to intrusive verification.

The promise by North Korea to work toward "complete denuclearization" of the Korean Peninsula, Mr. Pompeo said, was tantamount to a commitment by Pyongyang to accept that the elimination of its nuclear weapons and forces must be irreversible and verifiable, although those words aren't in the joint statement.

"Let me assure you that 'complete' encompasses verifiable in the minds of everyone concerned," he said. "One can't completely denuclearize without validating, authenticating—you pick the word."

EVAN VUCCI/ASSOCIATED PRESS

President Donald Trump arrives at Andrews Air Force Base after his Singapore summit with North Korean leader Kim Jong Un.

Mr. Pompeo met Thursday morning with South Korean President Moon Jae-in, who congratulated him on holding what he described as a historic summit and adopting "a very meaningful joint statement."

Mr. Moon acknowledged there were different views on the outcome, but emphasized that he was interested in discussing how the two sides could "fully and expeditiously implement this great agreement."

Mr. Trump had said his summit in Singapore with North Korea's leader brought an end to that nation's nuclear threat, even as there was no firm agreement on a complete and verifiable denuclearization.

"Everybody can now feel much safer than the day I took office," Mr. Trump wrote Wednesday on Twitter, shortly after stepping off Air Force One from his flight from Singapore. "There is no longer a Nuclear Threat from North Korea."

The tweet led critics to compare Mr. Trump's claims to the "Mission Accomplished" banner once raised during the Iraq war under the George W. Bush administration, a claim that proved premature.

"North Korea still has all its nuclear missiles, and we only got a vague promise of future denuclearization from a regime that can't be trusted," said Rep. Adam Schiff (D., Calif.) on Twitter. "North Korea is a real and present threat."

The regime has enough fissile material to make between 16 and 60 nuclear weapons and has likely built 10 to 20, U.S. experts said. Its army might have 70 missiles, the Congressional Research Service estimates. Much about the arsenal is uncertain; and even less is known about the North's chemical and biological weapons.

At the summit in Singapore, Mr. Trump said the U.S. would halt large-scale joint military exercises with South Korea, long an irritant to Pyongyang, while the two leaders signed the communiqué pledging to work toward denuclearization of the Korean Peninsula.

South Korea and Japan were caught by surprise by that decision; the Pentagon has asserted for years that the exercises are needed to maintain the readiness of U.S. and South Korean forces to defend against a potential North Korean attack.

Following his meeting Thursday with his South Korean and Japanese counterparts, Mr. Pompeo joined his fellow foreign ministers in a news conference that was intended to present a tableau of unity.

Mr. Pompeo sought to defend Mr. Trump's tweet that there is no longer a threat from North Korea, saying the president was referring to the opportunity the Singapore summit presented.

Mr. Pompeo acknowledged that it was possible that future talks on denuclearization with North Korea might not succeed and reaffirmed the U.S. wouldn't grant sanctions relief until there was complete denuclearization in North Korea.

"We believe that Chairman Kim understands the urgency of the timing," he added.

On Wednesday, Mr. Pompeo emphasized that Mr. Trump had told Mr. Kim that the exercises would be resumed if North Korea didn't engage seriously in the nuclear talks.

North Korea, for its part, said Mr. Trump had told Mr. Kim he intended to lift the sanctions, suggesting through its state media that Mr. Trump had explicitly acceded to two longstanding North Korean demands during bilateral talks at their summit meeting.

Mr. Pompeo said the two sides hadn't yet decided when talks with North Korea would continue or what form they would take, but he suggested it would happen soon.

He planned to travel to Beijing later Thursday.

South Korea Boosts Its Arsenal Along Path to Peace

South Korea is quietly upgrading its military hardware, acquiring new fighters and missiles, and weighing purchases of nuclear submarines, even as Seoul pursues a peace track with North Korea that has brought Pyongyang to direct talks with the U.S.

By Andrew Jeong in Singapore and Chieko Tsuneoka in Tokyo

The moves reflect the country's ambition to create a force able to fight with minimal outside help, and concerns that its U.S. ally may not be in South Korea forever—a point highlighted by President Donald Trump's abrupt cancellation of future joint exercises and talk of repatriating troops.

The military upgrades are focused on the air force and navy, traditionally seen as serving a less critical purpose than the army, which would play the primary role in countering any North Korean land invasion.

The North's ground forces number more than a million men, with 7.62 million in reserves, according to Seoul's Defense Ministry.

SOUTH KOREA DEFENSE MINISTRY/ASSOCIATED PRESS

U.S. and South Korean warplanes conducted joint drills over the Korean Peninsula in September.

To extend its air superiority, South Korea is replacing its aging fleet of F-4 and F-5 fighters with Lockheed Martin F-35As—stealth aircraft capable of hitting strategic underground targets. Many of the F-4 and F-5s will remain in service, as Seoul must contend with a North Korean military whose 810 combat aircraft outnumber the South's two-to-one.

The first of the 40 F-35As purchased in 2014 are due to arrive in March, a Defense Ministry spokeswoman said.

The aircraft's stealth and ground-attack capabilities make it ideal for pre-emptive strikes against North Korean leadership targets and ballistic missiles in the first hours of a conflict, said Eric Gomez, a defense analyst at the Washington-based Cato Institute.

While the jets were ordered under the government of his conservative predecessor, President Moon Jae-in has pushed ahead with the purchases as the North's nuclear threat has grown. Mr. Moon has pledged to implement a missile-defense system incorporating F-35As to hit North Korean missile-launch sites.

To complement the new fighters, Seoul officials have said they are looking to buy more German-made Taurus air-to-surface missiles that can hit North Korean targets from beyond the range of most of Pyongyang's conventional antiaircraft defenses.

The military-hardware purchases are a delicate issue for the government. In driving a detente on the peninsula, Mr. Moon has sought to avoid provoking Pyongyang while pursuing talks aimed at increasing economic engagement.

Mr. Moon has another balancing act. In the U.S., Mr. Trump has railed against the costs of overseas military alliances; this week in Singapore, he complained that Seoul doesn't contribute "100 percent" to the defense of the Korean Peninsula.

South Korean officials on Wednesday remained puzzled by Mr. Trump's sudden cancellation of joint military exercises after his summit with North Korean leader Kim Jong Un.

A spokesman for Mr. Moon repeated that South Korea "feels the need to better understand the exact meaning of President Trump's remarks." Secretary of State Mike Pompeo arrived in South Korea on Wednesday for talks with the foreign ministers of Seoul and Tokyo.

Mr. Trump tweeted Wednesday that the U.S. could save "a fortune" by ceasing the exercises, as long as the U.S. and North Korea were "negotiating in good faith."

Japanese Defense Minister Itsunori Onodera called for the U.S. to maintain its military presence in South Korea. "U.S.-South Korea exercises and the U.S. military presence in South Korea have an important role in the peace and security of East Asia," said Mr. Onodera.

A foreign ministry spokeswoman said Japan expected a "detailed briefing from the U.S. side" on what Mr. Trump meant.

China Is an Unexpected Winner of the Kim-Trump Summit

By Jeremy Page

BEIJING—China is setting its sights on a key role in North Korea's future, seeking to be part of any peace treaty, weapons inspections and economic assistance, after emerging as a surprise beneficiary of the summit between the U.S. and North Korean leaders.

Chinese officials are expected to stake out their positions for a postsummit North Korea when U.S. Secretary of State Mike Pompeo visits Beijing on Thursday to discuss the outcome of the talks between President Donald Trump and North Korean leader Kim Jong Un.

At the top of China's agenda are an easing of the economic sanctions that pressured North Korea into negotiations and security guarantees to give Pyongyang the confidence to dismantle its nuclear program.

While China worried that its interests might get short shrift in the Trump-Kim summit, the meeting unexpectedly proved favorable to Beijing. The summit's vaguely worded agreement to pursue denuclearization without providing details on how or when to achieve that goal gives Beijing time to lobby Washington, Seoul and Pyongyang for a direct role in negotiations, Chinese experts said.

On the Table

China, which cut back on imports from North Korea last year, will likely push for loosening sanctions against the country in upcoming talks.

Sources: CEIC Data

THE WALL STREET JOURNAL

JEON HEON-KYUN/PRESS POOL

Secretary of State Mike Pompeo, center, will visit China Thursday.

"This will allow China to breathe easy and not worry about being sidelined," said Zhu Feng, an international security expert at China's Nanjing University. He expects Beijing to push for talks on a peace agreement to formally end the 1950-53 Korean War.

China sees North Korea as an important strategic buffer, having fought alongside the North Korean military in the war to beat back the U.S.-led forces and, in recent years, propping up the government as the country's biggest trade partner, aid donor and foreign investor.

In the postsummit maneuverings, Beijing wants to prevent the emergence of a unified, democratic and U.S.-allied Korea and would like to see a reduced American military presence in the South.

Mr. Trump's unexpected statement at a press conference after the summit that the U.S. would stop its regular "war games" with South Korea likely emboldened Chinese leaders, said Mr. Zhu and other Chinese experts.

Over the past year as it tried to ease tensions on its doorstep, China repeatedly urged the U.S. to suspend the exercises in exchange for Pyongyang freezing its nuclear weapons and missile tests, only to be rebuffed by U.S. and South Korean officials.

Geng Shuang, a Chinese foreign ministry spokesman, said at a regular news briefing on Wednesday that Mr. Trump's statement showed that China's proposal was reasonable, and that "its position on the peninsula issue is tenable." He said Mr. Pompeo would brief Chinese officials on the summit and the two sides would try to narrow differences.

Another summit windfall for Beijing came when Mr. Trump told reporters he would support China participating in negotiations with the U.S. and North and South Korea on a peace treaty.

U.S. government officials and experts debated in recent weeks whether China needed to be included, given that the Chinese People's Volunteer Army, which fought in the war, no longer exists and was represented at the 1953 cease-fire by a North Korean general.

Further doubts about a Chinese role were raised when Mr. Kim and South Korean President Moon Jae-in met in April. They agreed to pursue trilateral talks with the U.S.—or quadrilateral talks also involving China—on establishing a permanent peace regime.

China is now expected to push hard for a formal role in those peace negotiations, Chinese experts said.

"Politically, diplomatically and even from a legal perspective, China is fully qualified to be one of the participants," said Cheng Xiaohe, associate professor at Renmin University in Beijing. To be excluded, he said, would be "an embarrassment."

Pyongyang Press Puts a Gloss on Summit Meeting

BY JONATHAN CHENG

SINGAPORE—This week, North Koreans were introduced to a man named Donald J. Trump, who flew to this city-state to meet with their Supreme Leader, Kim Jong Un.

Before this, they had known the U.S. president simply as "Trump," who was described in the North Korean press last year as "senile," "a living corpse" and, in one infamous turn of phrase, a "dotard." As recently as March 6 this year, he was referred to in the country's largest newspaper simply as "Trump, the nuclear warmonger."

But on Monday, North Korea's main party newspaper began referring to him as "Donald J. Trump, president of the United States of America."

"It's quite a sudden change," said Peter Ward, a North Korea researcher at Seoul National University who closely studies the paper and other North Korean media outlets.

As rapprochement between the U.S. and North Korea gains momentum, North Korea has seized the public-relations moment, depicting the summit between Messrs. Trump and Kim as a historic meeting of equals in which Mr. Kim more than held his own and suggesting that the North Korean leader may be savvier about spin than his familial predecessors.

Messrs. Trump and Kim, who had exchanged insults and threats throughout most of 2017, have hitched their fortunes together. Mr. Trump has begun referring to a man he once derided as "Little Rocket Man" by his more formal title, "Chairman Kim Jong Un."

But the more-dramatic transformation may be within North Korea, which exercises a great deal of control over the message that its citizens receive—and has been unrelenting in its skewering of U.S. leaders for decades.

"The tone is unlike anything that they have used to refer to any sitting U.S. president since the Korean War—I cannot think of one exception," Mr. Ward said.

North Korea has a number of newspapers, many of them tied to the country's state and party institutions, but for the most part, they share a familiar message. First among equals, however, is the Rodong Sinmun, the organ of the ruling Workers' Party of Korea.

On Wednesday, the paper splashed pictures of Messrs. Trump and Kim across its front page, offering what Sokeel Park, director of research and strategy at Liberty in North Korea, a U.S.-based human-rights nonprofit, said was likely the first glimpse that any North Korean has yet had of Mr. Trump—at least in state-sanctioned media. Many of them, Mr. Park said, wouldn't even have known Mr. Trump's first name until Wednesday.

The photos were striking for another reason, he said: They portrayed Mr. Kim as on a par with, or in some cases the superior of, Mr. Trump.

In most of the photos published in the party newspaper, Mr. Trump is pictured reaching across and leaning toward Mr. Kim in a position that suggests obeisance, Mr. Ward said.

"My interpretation of the images is that they make Trump look slightly deferential to Kim Jong Un," he said. "They are portraying Kim as the person in charge here."

The language was no less striking, going beyond what Mr. Trump himself had said during a news briefing on Tuesday after their summit.

At least according to the North Korean account, Mr. Trump acceded to Mr. Kim's call for the U.S. to pare back military exercises, and also expressed his intention to lift sanctions targeting Pyongyang, during their four-hour summit at the Capella Singapore hotel. Mr. Trump told reporters during his news briefing that he was planning to hold the line on sanctions against North Korea, saying the U.S. still had "tremendous pressure" to keep economic penalties in place.

"This is effectively a press release from Kim Jong Un's office, and it portrays him as having the leading role and Donald Trump making concessions to him," Mr. Park said. "Everything is coming from a position of strength and reasonableness."

The North Korean report quoted Mr. Trump as crediting Mr. Kim's "proactive peace-loving measures" for having created the atmosphere of peace this year—not the president's "maximum pressure" campaign against Pyongyang—and said the two leaders accepted each other's invitations to visit their respective countries.

The report also suggested that Mr. Trump had adopted the North's preferred phased approach toward any denuclearization process, saying the two men had agreed to the "principle of step-by-step and simultaneous action." There was no such language in the agreement, and Mr. Trump made no such mention in his news conference afterward.

The North Korean report emphasized the equal standing of the two countries, describing the positioning of the two countries' flags. It also said the men were able to enjoy "deepening friendly feelings" during a short stroll together.

ED JONES/AGENCE FRANCE-PRESSE/GETTY IMAGES

Commuters read about North Korean leader Kim Jong Un's meeting with President Donald Trump in a ruling-party newspaper.

An Unscripted Kim Walked About—and Into the Limelight

Kim Jong Un's impromptu Monday night tour of Singapore got lavish coverage in the North Korean press, with photos of Mr. Kim visiting some of the city's best-known sights.

The message to the North Korean public, said Hoo Chiew Ping, a senior lecturer and North Korea expert at the National University of Malaysia, was: "Kim Jong Un was very much welcome in Singapore—he's like a celebrity."

Relatively unscripted moments like that underscored Mr. Kim's openness and willingness to take risks with his image, said John Delury, a professor at Yonsei University in Seoul. "This is not in the playbook," Mr. Delury said.

Putin's World Cup Goal: Making a Pitch for Russia

BY ANATOLY KURMANAEV

MOSCOW—Few in Russia have high hopes for their national team in the soccer World Cup, which kicks off here on Thursday. For President Vladimir Putin, the opportunities to score points will come off the field.

The world's most-watched sports event is a chance for Mr. Putin to showcase Russia's economic progress and recovered international confidence during his 19-year-rule, despite growing isolation from the West.

For Mr. Putin, it is also an opportunity to present an image of the country as a rising geopolitical power broker amid a haphazard U.S. foreign policy under President Donald Trump.

"The game will be beautiful, but also useful, because there are many [high-level] colleagues from many countries who have arrived and there's an opportunity to talk, meet," Mr. Putin said after meeting his Azerbaijan counterpart on Wednesday.

As the West has sought to isolate Russia over its military interventions in Ukraine and alleged interference in other countries' elections, the Kremlin has sought to build new relationships in Asia and the Middle East. On Thursday, Mr. Putin will meet Saudi Crown Prince Mohammed bin Salman before Russia's game against Saudi Arabia to discuss loosening joint oil-production cuts, which have helped shore up the prices in the past year.

The meeting promises to be more momentous than the game itself. Russia is the lowest-ranked side in the tournament, according to FIFA, the international soccer association.

Still, Mr. Putin is facing an uphill battle to turn Moscow into a geopolitical forum during the championship. Only about a dozen heads of state have confirmed their attendance. Only one of them, Panama, has actually qualified for the event. Some of the countries, such as Rwanda and Tajikistan, have never participated in the tournament, while two—South Ossetia and Abkhazia—are breakaway statelets recognized by few beyond Moscow.

Russia's latest major sporting event, the Winter Olympics in Sochi in 2014, was tarnished by an alleged state-sponsored doping program that led to the Russian team being suspended from the following Winter Games.

Most global leaders are staying away amid unease over Russia's invasion of Ukraine, the annexation of Crimea, allegations of interfering in the U.S. elections and doping scandals that have dogged Russian sport for years. The U.K has said no senior officials will travel to Russia for the Cup in protest over Moscow's alleged poisoning of a former spy with a nerve agent in England this year.

U.K. Foreign Minister Boris Johnson compared Mr. Putin's hosting of the World Cup to the 1936 Olympics in Berlin.

"It is an emetic prospect of Putin glorying in this sporting event," Mr. Johnson told a parliamentary committee in March.

Ukraine, where Russia has been fighting a covert war since 2014, has particularly bitterly denounced Russia's hosting of the Cup. Ukrainian filmmaker Oleg Sentsov, jailed in Russia on what he and Western capitals call politically motivated terrorism charges, is on a hunger strike demanding the release of dozens of political prisoners.

On Wednesday, Mr. Putin sought to play down tensions by thanking FIFA officials for keeping "sport outside of politics."

For Mr. Putin, the World Cup also is a chance to showcase the economic progress and stability he brought to Russia after the chaotic 1990s. To his critics, that order was bought at the price of political freedom and international isolation.

Russia has spent $12 billion preparing for the event, despite falling real wages and a stagnant economy. Some projects have brought infrastructure improvements to far-flung provincial host cities, including new airports and other transport links.

The projects have also lined pockets of well-connected billionaires, some of whom are on Western sanctions lists, and whose companies were tapped for billions of rubles in infrastructure projects.

RUSSIAN LOOK/ZUMA PRESS

President Vladimir Putin and Bolivian President Evo Morales, third left, met in Moscow Wednesday.

◆ North America to host 2026 World Cup A16

WORLD WATCH

EUROZONE

Industrial Production Slumped in April

Industrial production in the eurozone fell more sharply than expected in April, resuming its 2018 decline after a March bounce and underlining doubts about the strength of the economy as the European Central Bank faces a big call on the future of one of its key stimulus programs.

The European Union's statistics agency said the output of factories, mines and utilities across the 19 countries that use the euro was 0.9% lower in April than in March, although 1.7% higher than a year earlier. That marked the fourth month in five in which industrial production has fallen. It was a sharper decline than had been anticipated, since economists surveyed by The Wall Street Journal last week estimated that output fell by 0.7%.

Each of the eurozone's five largest members saw a drop in output, with the Netherlands experiencing the sharpest decline at 4.4%. While a slump in energy generation was largely responsible for the overall contraction, most manufacturing also retreated, the exception being the production of tools and equipment.

While the eurozone economy grew at an annualized rate of 2.8% in the final three months of last year, it managed an expansion of just 1.5% in the first three months of 2018. A drop in industrial output—which accounts for a quarter of the eurozone economy—was one of the factors behind that slowdown.

Rapidly rising factory output was one of the main drivers of the eurozone economy's surprisingly strong performance in 2017, when it recorded its fastest growth in a decade. If sustained, weakening output would make it difficult for the economy to expand at a similar rate this year.

—Paul Hannon

STEPHANE DE SAKUTIN/AGENCE FRANCE-PRESSE/GETTY IMAGES

A SIDE OF LAMB: A herd of sheep passed a billboard with an advertisement for fast-food giant McDonald's in Aubervilliers, north of Paris, on Wednesday.

FRANCE

Government Unveils Pro-Business Moves

The government announced plans to privatize state assets and pour funds into risky technology investments, a break with tradition in a country where the state has wielded power in the boardrooms of large companies.

The French government said it would change laws that prevent the state selling shares in the airport operator **Aéroports de Paris** SA, national lottery operator La Française des Jeux and energy company Engie SA. Officials said the legal changes will pave the way for France to start selling stakes next year to pay down national debt and bolster a state-controlled innovation fund.

The privatizations are President Emmanuel Macron's latest move to shake up the economy after rewiring labor laws, slashing corporate and wealth taxes, and overhauling the state's railway operator. He is betting his overhauls will spur risk-taking, growth and job creation. But his attempts to upend France's economic policies are meeting with growing opposition.

—William Horobin

ITALY

Minister Challenges France on Migrants

Italy challenged France to take in more asylum seekers and demanded an apology after French President Emmanuel Macron accused the new Italian government of irresponsible behavior for refusing entry to a rescue ship with hundreds of migrants aboard.

Interior Minister Matteo Salvini, the leader of the anti-migrant League party, chided Mr. Macron by name during a speech before Parliament's upper chamber, while Italian news reports said a meeting between Mr. Macron and Italian Premier Giuseppe Conte planned for Friday now was in doubt.

Italy summoned the French ambassador for consultations, canceled a planned meeting between finance ministers and warned that diplomatic relations between the two European Union members had been compromised.

Italy has received criticism and praise for turning away the Aquarius rescue ship over the weekend as it made its way across the Mediterranean Sea carrying 629 migrants.

—Associated Press

Gulf Force Leads Attack in Yemen

United Nations officials worked feverishly to avert a humanitarian crisis in Yemen by trying to broker an emergency deal to curtail a Saudi-backed military offensive targeting the country's most important port, people familiar with the efforts said.

By Dion Nissenbaum in Washington and Margherita Stancati in Beirut

As airstrikes by the Saudi-led coalition rattled the Red Sea port and Iran-backed Houthi fighters tried to retain their hold on the city, U.N. officials sought to persuade both sides to accept a deal to prevent a full-scale assault that could cripple Hodeidah port, which serves as the gateway for three-quarters of the humanitarian aid and commercial goods flowing into Yemen.

"We continue to use every opportunity to avoid military confrontation in Hodeidah," said Martin Griffiths, the U.N. special envoy for Yemen. "I also call on the parties to exercise restraint and to give peace a chance."

U.N. talks faltered early Wednesday when Houthi fighters refused to accept a deal that would have required them to cede control of the city to a third party, people familiar with the talks said.

Soon after, residents reported hearing dozens of airstrikes in and around the port, marking the launch of a military campaign.

"All political efforts have been exhausted by the special envoy and the international community to deliver Hodeidah and its port," Col. Turki al-Maliki, spokesman for the Saudi-led coalition, said on Wednesday.

The battle could mark a turning point in the three-year-old conflict, which pits the Houthi rebels against a U.S.-backed and Saudi-led military coalition fighting in support of the internationally recognized government of Yemen.

The war has generated new attention in Washington, where the Trump administration sees an opportunity to blunt Iran's influence across the Middle East by delivering a blow to Tehran's Houthi allies.

The U.S. and U.N. have accused Iran of supplying ballistic missiles to the Houthis, who have fired scores of them into neighboring Saudi Arabia. Iran supports the Houthi cause, but has denied supplying weapons.

Saudi Arabia and the United Arab Emirates, which is spearheading the offensive, calculate that taking away an important economic lifeline will weaken the Houthis' hand in U.N.-brokered talks aimed at ending the conflict, people familiar with the discussions said.

The battle for Hodeidah could mark a turning point in the three-year-old war.

"The effort to liberate Hodeidah from the Houthi militia is the beginning of a complete victory," the Yemeni government said on Wednesday.

But the U.N. and aid groups warned that a prolonged fight could cripple Yemen's biggest gateway for humanitarian aid and derail what some see as the most promising international effort to broker a peace deal.

Even a short disruption in the flow of goods through the port could push millions of people into famine. One U.N. official warned that a protracted battle could claim as many as 250,000 lives.

Nearly 80% of the country's 28 million people rely on humanitarian aid, and more than eight million are on the brink of famine, aid groups said.

Even as the military operation kicked off, the port remained open. Five vessels arrived over the past two days, four carrying food and one fuel, the Norwegian Refugee Council said.

"If this continues, I can't see how the port will remain operational," said Suze van Meegan, who is based in Yemen with the council.

The U.N. secured permission on Wednesday to off-load two ships packed with wheat as the U.S. and U.N. both emphasized their views that the port had to remain open.

"Hodeidah is the lifeline for northern Yemen," Lise Grande, the U.N.'s top humanitarian coordinator for Yemen, told The Wall Street Journal. "Any closure will almost certainly have an immediate and negative impact on the population. This is why we are saying that it has to remain open."

Four Emirati soldiers were killed in the first hours of the campaign, the country's state-controlled news agency reported.

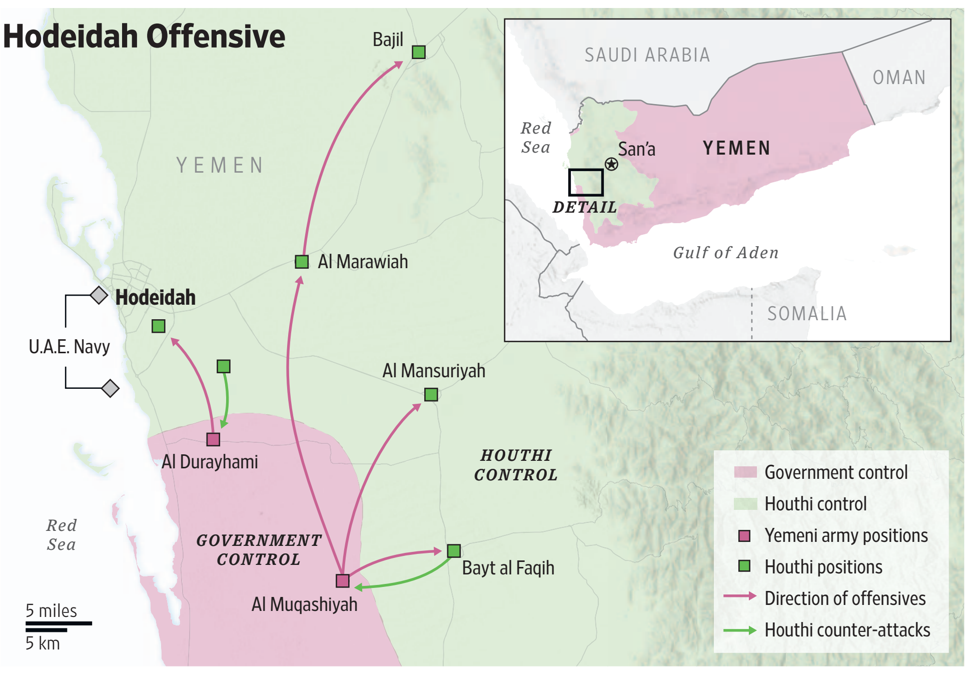
Troops loyal to the Yemeni government fought the rebels outside of the Red Sea port after approaching it from the south, residents, humanitarian groups and Houthis said. The ground attack on Hodeidah and its surrounding areas was being supported by airstrikes and coalition ships offshore, they said.

But the Houthis pushed back. Loai al-Shami, a Houthi spokesman, said the rebels fired missiles against two coalition ships to stop them from landing on Hodeidah's shores.

The Trump administration gave the U.A.E. qualified support for the assault. But the U.S. has restricted its support because of concerns about the high number of civilian casualties and the lack of a political deal to end the fighting.

On Wednesday, lawmakers from both parties called on the Trump administration to explain the U.S. role in supporting the operation and take steps to prevent a humanitarian disaster.

Hodeidah Offensive



Source: IHS Markit

THE WALL STREET JOURNAL.

Merkel's Coalition Frays Over Migration

By Bojan Pancevski

BERLIN—A rebellion over immigration in German Chancellor Angela Merkel's conservative bloc is threatening the stability of her fragile coalition.

Ms. Merkel's weekend decision to veto a plan by her interior minister aimed at controlling and reducing illegal migration—and the minister's refusal to back down—has shattered an uneasy truce between conservative backers and opponents of her asylum policy.

At issue is one measure in a 63-point action plan by Interior Minister Horst Seehofer—one that would instruct border police to turn back migrants found to have applied for asylum in other countries of the European Union's border-free area.

After Ms. Merkel opposed the measure, Mr. Seehofer, in a rare revolt by a minister against the head of the German government, on Tuesday canceled the planned presentation of his plan, declaring the measure integral to any attempt at bringing illegal immigration under control.

There appeared to be few avenues left on Wednesday for Mr. Seehofer other than to compromise or resign, which would leave the government without a parliamentary majority.

Ms. Merkel, heading a fractious alliance of center-right and center-left parties, has stuck to her pro-immigration discourse. Turning back migrants at the border, she said this week, would only add pressure to neighboring countries such as Italy and Greece.

South Africa's Difficult Question: Who Gets the Land?

By Gabriele Steinhauser

HILTON, South Africa—After the morning mist lifted from the rolling hills behind his bare-bones house, Bhekindlela Mwelase gazed out at the contested land he has lived and worked on his entire life.

The pastures that once fed his goats and cattle are part of the 4,000-acre estate of Hilton College, an exclusive boys' boarding school. But who the land belongs to—the college that bought it in 1860 or the 87-year-old Mr. Mwelase, whose family has lived on it for many generations longer—is at the center of an intensifying political debate roiling Africa's most-developed economy.

Twenty-four years after the end of white minority rule, South Africa's new leader is promising to tackle a problem that has confounded former colonies from Bolivia to Zimbabwe: how to redistribute land without hurting the economy.

President Cyril Ramaphosa and the ruling African National Congress have pledged to pass laws letting the government expropriate land without compensation.

He and other senior ANC officials have said that would be an appropriate way to handle the cases of so-called labor tenants—people who swapped work for the right to live and farm on white-owned land—as well as farm dwellers and people living in informal settlements around South African cities. That is raising the hopes of poor, black agricultural workers such as Mr. Mwelase.

"I was born here," Mr. Mwelase said as he sat in the backyard of the house he shares with more than a dozen family members. He argues that more than a century of free or barely paid labor provided by him, his parents and grandparents to Hilton College entitles him to a small slice of its vast grounds. "I worked there from the first day I remember to the day I retired."

Hilton College says Mr. Mwelase and other community members weren't labor tenants but modestly remunerated farmworkers.

Since 1996, when a new constitution promised equal access to land for all South Africans, government programs have moved 8% of agricultural property from white into black ownership, short of the 30% target the ANC had set for the first five years of democracy.

"If well handled, land reform will help bind the nation together and produce benefits for all," Mr. Ramaphosa said recently. "If badly managed, it will simply redistribute resentment, damage the economy and destroy social peace."

White Afrikaner interest groups have threatened to take legal action against the planned expropriations bill and warned that it could drive them out of the country. Others, including South Africa's Banking Association, caution that expropriating land without compensation could trigger further downgrades of the country's sovereign debt rating, erode property prices and stymie private-sector lending.

In that charged environment, cases like that of Mr. Mwelase could provide an opportunity for the government to show quick results without eroding food security and investor confidence, according to land experts and ANC officials.

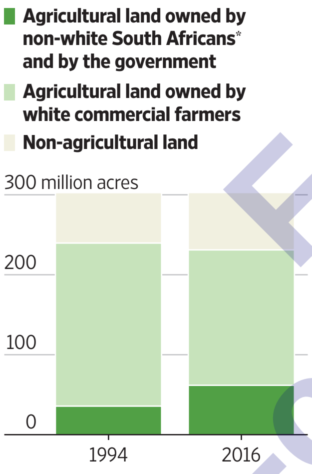
Mr. Mwelase says his family should benefit from a 1996 law that promised labor tenants government help to buy the plots they have been living on.

Mr. Mwelase is waiting for a ruling on his land claim, which was first entered in 2001 and is disputed by Hilton College.

Like members of the Hilton community, the college says it has been paralyzed by the state's failure to rule on the claim. It has helped pay for government homes for community members in a township about 12 miles from the college, where around 100 families have moved voluntarily. Staying on college property is "not a sustainable way of living going forward, especially for the young people," said George Harris, Hilton's headmaster.

Promised Land

Private purchases and government programs have failed to remake apartheid-era land ownership structures in South Africa.



Source: Agri SA

THE WALL STREET JOURNAL.

JAMES OATWAY FOR THE WALL STREET JOURNAL

A poor community is trying to secure the rights to land in Hilton, KwaZulu-Natal, South Africa.

Airline Swag Goes Missing

Continued from Page One

says: "We encourage [passengers] to try to grab 40 winks when they fly with us, rather than the bedding."

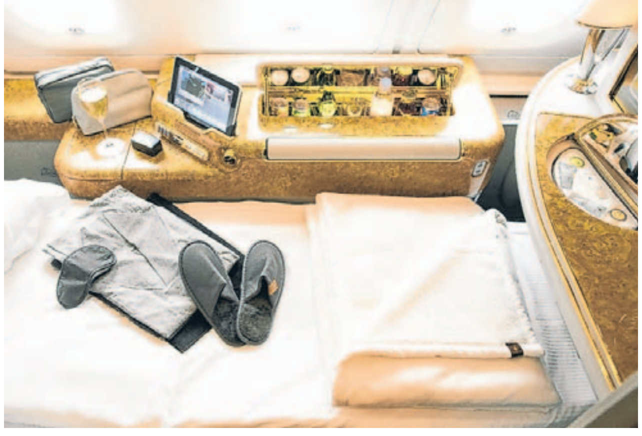
Planes aren't the coziest places to spend the night, so airlines are going to great lengths to pamper customers who shell out thousands of dollars more for first and business-class seats. The extras have gotten so nice that many premium-class fliers—and on occasion, the opportunistic coach customer—refuse to part with them.

"Almost anything that is not nailed down will at some point disappear," says Henry Harteveldt, a travel-industry analyst and former airline marketing manager who has himself lifted mementos from flights, including a tall glass from El Al on his first trip to Israel.

Some airlines accept that as a cost of doing business, sometimes with a wink. Years ago, **American Airlines** produced ashtrays whose backs read: "Formerly the property of American Airlines." The airplane-shaped salt and pepper shakers on **Virgin Atlantic** flights proved so irresistible that the airline went along with it, stamping them "pinched from Virgin Atlantic." Some 26,700 sets have gone missing over the last 12 months, the airline says.

Most of the 1,700 lightweight blankets that Virgin started offering this year in upper class on its A330-200 aircraft have gone missing.

"In the first weeks we thought, what happened to these day blankets? We were astounded," says Daniel Kerzner, Virgin Atlantic's vice president of customer experience. He says the airline sees the reaction as flattering and potentially even good for business, although it had to order more blankets.



JASPER JUINEN/BLOOMBERG NEWS

A selection of amenities in an Emirates Airline first-class cabin.

So far, airlines aren't taking a heavy-handed approach to pilfering, hoping to keep things friendly. Premium cabins—first and business class—account for 5.5% of international passenger traffic, but more than 30% of revenue, according to the International Air Transport Association.

"Our crews understand what's for taking and what's supposed to remain onboard and can kindly instruct customers accordingly," says a **Delta Air Lines** Inc. spokeswoman. Fine to take: Tumi-branded amenity kits. Best to leave behind: dishes and silverware designed by the Italian firm Alessi.

Some passengers say flight attendants have been happy to accommodate requests to take souvenirs. Liz Stephenson loved one of the blankets she used during her trip on **Etihad Airways**' "residence"—a three-room suite that includes a private bathroom with a shower, a living room and a double bed.

Ms. Stephenson says getting permission was key. "I would never have taken that blanket except the flight attendant said I could."

"It's gotten way worse as the products have gotten better," says SK Sharma, a 36-year-old frequent flier based in Del Mar, Calif.

After Delta rolled out Westin Hotels & Resorts-branded "Heavenly" bedding, Mr. Sharma watched a seatmate stuff two duvets into a bag he brought for that purpose. More recently, he saw a passenger sweep through business class on an Emirates Airline flight from Los Angeles to Dubai, where fares run as high as $15,000, scooping up amenity kits, pillows and other items from empty seats.

United Airlines wanted to upgrade the mattress pads, pillows and blankets on its new sleep-focused, long-haul international business class, Polaris. The carrier needs to be able to wash and reuse the items to make the economics work, says Tarek Abdel-Halim, managing director of onboard products. "We're not going to chase them down or stop them," he says of pilferers, "but the idea is to make it clear to the customer."

United's Saks Fifth Avenue-designed duvets and blankets turned out to be so popular that the airline started selling them. In-flight menus steer passengers to an online store where the Polaris duvet is priced at $59.99 and the cooling-gel memory-foam pillow goes for $27.99.

Unfortunately for the airline, that is no competition for a five-finger discount.

Danny Kashou, 53, a business owner in San Diego, was impressed by the soft fabrics and Saks monograms on the blankets on an international trip earlier this year. "Heck, yeah, we took it," Mr. Kashou says. "We didn't ask. We just stuck it in our carry-ons and walked off."

"I've been flying this airline long enough," he says. "I deserve it."

GREATER NEW YORK

New Jersey to Borrow More for New Bridge

Move comes after Trump administration said states must boost contribution to project

By Paul Berger

AGATON STROM FOR THE WALL STREET JOURNAL

When the current Portal Bridge fails to close, which has happened several times this year, it delays NJ Transit and Amtrak traveling on the Northeast Corridor rail line.

New Jersey will borrow $600 million, double the amount it initially intended, to jump-start the replacement of a century-old rail bridge that causes delays on the nation's busiest passenger rail line.

Earlier this year, Transportation Secretary Elaine Chao challenged New York and New Jersey to put more "skin in the game" to pay for the Gateway program, which includes the replacement of the Portal Bridge at Kearny, N.J.

A senior official in the administration of New Jersey Gov. Phil Murphy said Wednesday: "They asked us for skin in the game. We are showing them we've got skin in the game."

Until this week, New York and New Jersey had jointly committed more than $600 million toward the $1.7 billion bridge project. But federal transportation officials viewed the commitment with skepticism.

The Trump administration saw the plan for the Port Authority of New York and New Jersey to take out a federal loan of almost $300 million as not counting toward local funding for the project.

Although New Jersey had also committed to a bond issuance of more than $300 million for the bridge over the Hackensack River, no formal authorization for such an issuance had been given.

That changed this week when the New Jersey Economic Development Authority approved the sale of $600 million in bonds to pay for the bridge. NJ Transit will repay the money in the form of rental payments funded by New Jersey's Transportation Trust Fund.

The Port Authority is expected to shift its commitment to cover almost $300 million in federal loans to other projects that are part of Gateway, pending approval of the agency's board.

The new Portal Bridge project is fully designed and has all of the necessary regulatory approvals. But it is in limbo after the Trump administration held up federal funding while suggesting that New York and New Jersey should contribute more to the project.

On Wednesday, the board of NJ Transit approved a resolution committing the agency to repay the $600 million bond offering.

The project's leaders hope that New Jersey's commitment will persuade the federal government to chip in its expected share of about $750 million in a grant from the Federal Transit Administration. Further funding for the project is anticipated through other state and federal sources.

"The sooner we show them our commitment, hopefully the sooner we're in a position to receive federal funding," said Diane Gutierrez-Scaccetti, New Jersey's transportation commissioner and chairwoman of NJ Transit's board. A spokeswoman for the federal Transportation Department declined to comment.

Replacement of the two-track swing bridge is a key part of the first phase of Gateway, an approximately $30 billion program to modernize and double rail capacity between Newark and New York City. The program includes digging a new rail tunnel under the Hudson River and expanding New York Penn Station.

Gateway is overseen jointly by New Jersey, New York and Amtrak.

The Portal Bridge was recently estimated at just over $1.5 billion. A spokeswoman for NJ Transit said the cost estimate was increased to $1.7 billion following a review by the Federal Transit Administration.

Nixon Pushes $7.4 Billion School Plan

By Joseph De Avila And Leslie Brody

PETER FOLEY FOR THE WALL STREET JOURNAL

Gubernatorial hopeful Cynthia Nixon would raise taxes on the wealthy to help boost education spending.

Democratic gubernatorial candidate Cynthia Nixon said Wednesday it's time for wealthy New Yorkers to pay up.

Ms. Nixon said she would raise taxes on high-income earners and businesses to pay for her $7.4 billion education plan to expand access to college and boost K-12 spending.

"That sounds expensive," Ms. Nixon said. "You know what? It is, and it should be. We can do it by requiring that millionaires, and billionaires and corporations, who this economy has blessed, pay their fair share for all of our children."

If she were elected, Ms. Nixon's tax plan would likely face obstacles in Albany. The state Senate, now controlled by Republicans, has opposed raising taxes. And some Senate Democrats have cautioned against tax increases, should they win control in November.

A Siena College poll released Wednesday found Ms. Nixon trailing her primary opponent, incumbent Gov. Andrew Cuomo, 26% to 61%. That is down from 27% to 58% in April.

Ms. Nixon, a public-school advocate and actress, has been running a campaign to the left of Mr. Cuomo, challenging his record on issues like mass transit and criminal justice. She has painted Mr. Cuomo as an ally of big businesses and wealthy residents at the expense of students, particularly black and Latino children at underfunded schools.

"The fact is this state spends more money per pupil than any state in the United States of America," Mr. Cuomo said Wednesday. "And no state has done what we've done. Not in terms of funding, not in terms of free college, not in terms of security."

A spokeswoman for the governor said school spending has increased by 36% since 2012 and will hit a record $26.7 billion during the 2018-19 school year. New York spent $22,366 per pupil in 2016, nearly double the national figure, according to the U.S. Census Bureau.

Ms. Nixon's education plan calls for relaxing certain requirements to qualify for Excelsior Scholarships, a program championed by Mr. Cuomo that pays tuition for some students in the State University of New York and City University of New York systems. She also wants to provide prekindergarten for every low-income 4-year-old in the state and for all 4-year-olds in high-need districts.

Ms Nixon promised to boost a major source of K-12 funding called "Foundation Aid" by $4.2 billion, phased in over three years. The program is intended to send extra dollars to districts with high numbers of children who are poor, disabled and English-language learners. Many experts say the formula is flawed.

Rick Timbs, executive director of the Statewide School Finance Consortium, which seeks fair distribution of school aid, said there isn't a simple solution for Foundation Aid. "While the overarching goal she has may sound important and helpful, the key thing is the detail on how distribution would actually occur," he said.

To pay for her education plan, Ms. Nixon wants to raise state-tax revenues by $8.7 billion annually. She said some $5.5 billion would come from income-tax increases, and $3.2 billion from corporate-income tax increases and other changes to taxes on large businesses.

The income tax increases would begin at $300,000 for married couples filing jointly. Their rates would rise to 7.35% from 6.85%. The top tax rate would jump to 10.25% from 8.82% for couples making $10 million or more.

E.J. McMahon, adjunct fellow at the Manhattan Institute, a right-leaning group, challenged the idea that taxpayers and business would be willing to pay more. Ms Nixon's tax plan is "completely unrealistic and excessive," Mr. McMahon said.

Oil Companies Want City's Suit Dismissed

By Gerald Porter Jr.

Lawyers for five major oil companies asked a federal judge Wednesday to dismiss a lawsuit filed by New York City, arguing they shouldn't be held responsible for damages the city says are caused by climate change.

In January, the administration of Mayor Bill de Blasio, a Democrat, sued five companies—Chevron Corp., BP PLC, ConocoPhillips, Royal Dutch Shell PLC, and Exxon Mobil Corp.—arguing they knowingly produced fossil fuels that hurt the environment and misled the public about potential risks.

The city isn't asking the companies to change their behavior. Instead, it is seeking billions of dollars in damages it says it needs to protect New Yorkers from rising sea levels, erosion and other conditions it says are caused by climate change.

In Manhattan federal court on Wednesday, Chevron attorney Theodore Boutrous Jr. said the companies did nothing illegal. He said questions raised by the lawsuit are ones for Congress and regulators, not a judge in New York.

"These cases don't belong in court," Mr. Boutrous said.

ConocoPhillips lawyer John Savarese said it is impossible to prove oil companies are the only cause of climate change. While the companies produce fossil fuels, he said, they don't control how millions of people and businesses use their products.

Matthew Pawa, a lawyer for the city, said the lawsuit isn't about fossil-fuel emissions dating back to the dawn of the Industrial Era. Rather, he said, the companies produced and sold a product they knew would hurt the environment, including coastal cities like New York. "They knowingly caused harm," he added.

Judge John Keenan asked Mr. Pawa whether pinning responsibility for fossil fuels' negative environmental consequences would require "complex policy and foreign-policy judgments." Judge Keenan also asked if New York City uses fossil fuels. He then asked, "Doesn't the city invest in some of these companies?"

5

Major oil companies from which New York City is seeking damages

Mr. Pawa opted out of responding to the questions. In January, Mr. de Blasio and city Comptroller Scott Stringer said they would seek to divest city pension funds from fossil-fuel companies within five years. Judge Keenan didn't say when he would rule.

CORRECTIONS & AMPLIFICATIONS

In November 2013, Hillel 'Helly' Nahmad pleaded guilty to operating an illegal gambling business. A Greater New York Watch article on May 1, 2014, incorrectly said the business catered to super-rich Russians bettors.

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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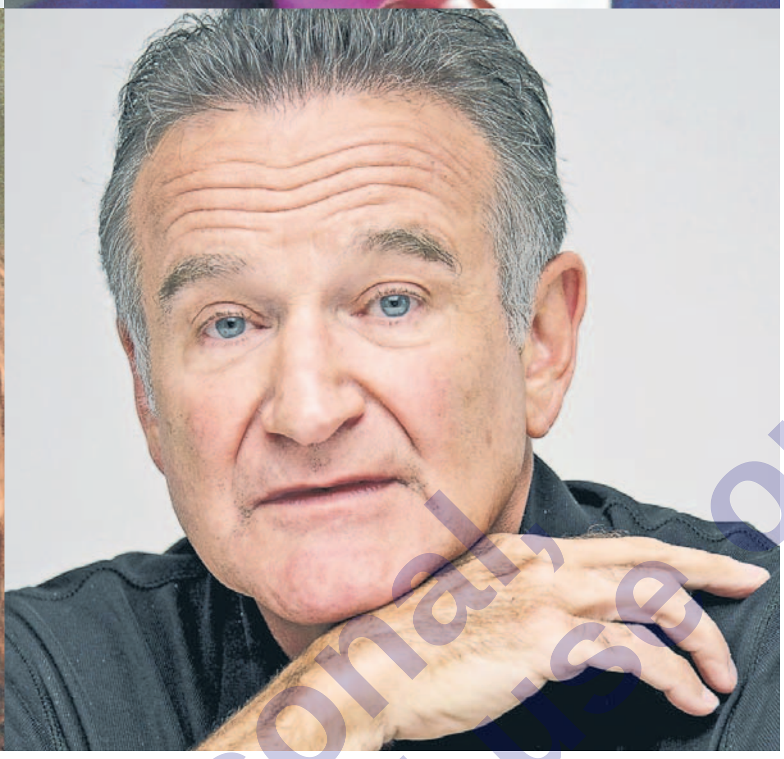


CLOCKWISE FROM TOP LEFT: GETTY IMAGES (3); ZUMA PRESS

Suicide rates are rising for middle-aged adults. Clockwise from top left: Kate Spade (55), Anthony Bourdain (61), Robin Williams (63) and David Foster Wallace (46) took their own lives.

YOUR HEALTH | By Sumathi Reddy

The Mystery Around Middle-Age Suicides

THE RECENT SUICIDES of two well-known figures—celebrity chef Anthony Bourdain and fashion designer Kate Spade—underscore a sobering reality: Suicide rates for people in middle age are higher than almost any other age group in the U.S. and rising quickly.

A report released today from the Centers for Disease Control and Prevention showed that suicide rates for women 45 to 64 increased nearly 60% between 2000 and 2016. For men of the same age the suicide rate increased almost 37% over that time.

No group of women saw a higher suicide rate. Among men, only those 75 and over had higher rates than the 45-to-64 group.

Mr. Bourdain was 61 at the time of his death. Ms. Spade was 55.

Overall, suicide rates in the U.S. increased 30% between 2000 and 2016. A separate CDC analysis released this month found that suicides have risen in almost every state.

Experts say mental illness, substance abuse, loneliness and financial and relationship problems all have contributed to suicide rates increasing. But it's unclear why suicide appears to peak in middle-aged people.

"Life satisfaction hits an all-time low in middle age. This dip in happiness is known as the U curve," says Samantha Boardman, a clinical instructor in medicine and psychiatry at Weill Cornell Medical College in New York City.

"Depression and stress are particularly high in this age group. Juggling responsibilities and managing multiple roles takes a toll and can lead to feeling overwhelmed, a loss of control and despair."

Factors such as a decline in physical health and chronic pain can also contribute to suicide, Dr. Boardman says. Those stresses can feel particularly difficult for long-time sufferers of depression.

The five most common stressors linked to suicide among middle-age adults were problems with intimate partners, job/finances, health, family and criminal/legal problems, according to a 2016 study in the American Journal of Preventive Medicine.

The CDC found the suicide rate for women 45 to 64 climbed to 9.9 deaths per 100,000 people in 2016, up from 6.2 in 2000. For men in that age group over that time, the suicide rate rose to 29.1 deaths per 100,000 in 2016, up from 21.3.

Catherine Burnette, an assistant professor at Tulane University School of Social Work in New Orleans, says if people have lived with untreated depression over time, it can implode in their 40s, 50s or 60s.

"If people have been drinking or using substances as a coping mechanism, the cost of that might peak at those ages, too," Dr. Burnette says.

For accomplished or well-known people, isolation can be a risk factor, she says. "Social connection is one of the biggest antidotes to suicide," she says. "I think it can be pretty isolating to be a celebrity, where outside people may seek social opportunities rather than social connection."

Anne Case, a professor of economics and public affairs at Princeton University, says the demographic group really driving middle-age suicide rates is white people without a four-year college education. African-Americans have lower suicide rates that haven't increased, she says.

"We think whites without a B.A. find that they don't have the same promising future that the generation before them had," Dr. Case says. "It's much harder to find a good job, a job with a ladder up."

Increasing reports of patients experiencing physical pain may also play a role, she says. "We know that pain is a trigger for suicide," she says.

Jeffrey Lieberman, chairman of psychiatry at Columbia University, says 90% of people who die by suicide have pre-existing mental disorders, whether they have been diagnosed and treated or not. The top four conditions associated with an increased risk for suicide are depression, bipolar disorder, schizophrenia and post-traumatic stress disorder.

Another major risk factor for suicide is substance abuse, he says. Heavy drug or alcohol abuse alters the connectivity of neural pathways involved in reward and the emotional and cognitive processing of normal experiences. "It produces chemical changes and ultimately structural changes in a way that becomes permanent," Dr. Lieberman says.

Mr. Bourdain had spoken openly about past problems with substance abuse.

For women, hormonal changes that come with menopause may play a role. Menopause results in a drop in estrogen, which can cause changes in brain function, which not everyone is able to adapt to, he says.

Inger Burnett-Zeigler, a clinical psychologist and assistant professor in the department of psychiatry and behavioral sciences at Northwestern Medicine, says job-related concerns can play a role for men in particular, who have higher rates of suicide overall.

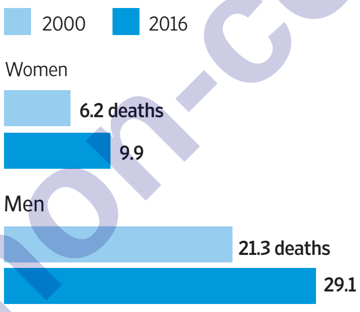
Men are also less likely to identify that they have a mental-health problem or may need treatment. "So there's less support connecting them to treatment," he says.

"People of all levels of success and those who have achieved great success are still at significant risk for having emotional and mental difficulties," Dr. Burnett-Zeigler says. "Sometimes people who are highly successful also have an increased level of anxiety around maintaining that level of success, or fear of loss of all that they've achieved. So I think we should be mindful that even those who to the outside world are quite successful can still have a lot of emotional difficulties that are not obvious to others."

Tragic Toll

Suicide rates have risen 60% for middle-aged women and 37% for middle-aged men over 16 years.

Suicides per 100,000 adults 45 to 64 years old



Source: Centers for Disease Control and Prevention

THE WALL STREET JOURNAL.

Where to Find Help

The CDC says warning signs for suicide include when people talk about feeling like a burden, feeling hopeless or wanting to die. An increase in anxiety, extreme mood swings and increased anger are also signs that someone may be at risk. Increased substance use, sleeping too much or too little and looking to obtain a firearm or poison are also warning signs.

The CDC recommends that those in need call the National Suicide Prevention Lifeline: 1-800-273-TALK (8255). Another option is to chat online with someone at www.suicidepreventionlifeline.org. Both are free and confidential and will connect people to a counselor in their area.

ANATOMY OF A SONG | By Marc Myers

'STEPPIN' OUT' IN A LOST ERA

WITH THE DECLINE of punk and disco in 1981, British and American new-wave artists filled the gap with songs driven by synthesizers and programmed dance beats.

"Steppin' Out" by British singer-songwriter Joe Jackson came early in the transition. Released in June 1982, the song reached No. 6 on the Billboard pop chart, while the album, "Night and Day," peaked at No. 4.

Recently, Mr. Jackson, who played all the instruments on "Steppin' Out," and David Kershenbaum, who coproduced, looked back at the song's evolution. Mr. Jackson's U.S. tour begins July 6. Edited from interviews.

Joe Jackson: December 1980 was a turning point for me. My band had just finished touring when my drummer, Dave Houghton, gave notice. I decided to take a break from pop to try something different.

I set to work arranging some of my favorite late-1940s jump blues and jazz songs. It was a bit of fun—a vacation from my own music. My album, "Jumpin' Jive," came out in June 1981, and I toured until September.

That fall, I left London to live in New York. A lot was going on there, musically. I took a sublet in the East Village and went out to jazz and Latin clubs. One of the first songs I wrote for my next album, "Night and Day," was "Steppin' Out." I was inspired by New York. I envisioned playing a diverse range of keyboards. I wanted them to conjure up the dazzle of neon lights and the feel of cabbing from club to club to take it all in. It would be a romantic ballad set to a disco beat.

As soon as I finished the music, I wrote the words. I thought of a couple who had just fought and were making up. They were telling each other, "Let's forget it and take advantage of the city. Let's just throw ourselves into the night."

For me, lyrics have always been the hardest part of writing a song. I sweat over words. I don't want them to sound dumb and clumsy

Please turn to page A14

MICHAEL PUTLAND/GETTY IMAGES

For Joe Jackson, at work in 1987, lyrics are the hardest part of writing songs.

CLOCKWISE FROM TOP: UNIVERSAL STUDIOS (2); ZUMA PRESS

FILM

Old-School Effects Make a Comeback

'Jurassic World: Fallen Kingdom' breaks with some of its CGI-heavy predecessors in its use of puppetry, animatronics and other 'practical effects'; 'the performance is better when you act before something real'

BY DARRYN KING

WHEN THE STOP-MOTION specialist Phil Tippett was working on 1993's "Jurassic Park," he saw a dinosaur created entirely through computer-generated imagery, technology that was in its infancy at the time.

Asked how he felt, he recalls saying: "I feel extinct." The quip was so memorable that a variation of it wound up in the movie.

Mr. Tippett wasn't the only special-effects pro with that assessment. When Neal Scanlan, who worked on the mechanical characters of "Little Shop of Horrors" and "Teenage Mutant Ninja Turtles," first saw "Jurassic Park," it was as if the all-too-real T. Rex was stomping over his livelihood.

"The moment I saw it, I felt it was the beginning of the end," Mr. Scanlan says. "I did literally re-evaluate my career at that point."

Some 25 CGI-glutted years later, physical special-effects techniques, also called practical effects, are making a comeback in, of all things, the latest "Jurassic Park" installment. "Jurassic World: Fallen Kingdom," whose budget Box Office Mojo estimates at $170 million, is scheduled to open in the U.S. on June 22.

After an extended career hiatus, Mr. Scanlan is also back, thanks to filmmakers with a rekindled interest in making creatures they can touch. In addition, practical effects have become more sophisticated since 1993, with advances in techniques such as rod-operated puppetry that allow for more fluid movement.

"Solo: A Star Wars Story" featured a monstrous, partly motor-controlled worm puppet, augmented with CGI. In September, Shane Black's reboot "The Predator" features work by creature-effects company Amalgamated Dynamics.

Chris Pratt encounters a T. Rex, top, in 'Jurassic World: Fallen Kingdom.' Above left, a T. Rex confrontation in 1993's 'Jurassic Park'; above right, creature supervisor Neal Scanlan with a dinosaur introduced in 'Fallen Kingdom.'

For "Fallen Kingdom," writer-producer Colin Trevorrow purposefully created more scenes that would lend themselves to practical techniques.

"Not for sentimental reasons," he says, "but because it looks better, it feels better, it connects the audience with the creatures in a way that CG doesn't in certain scenarios."

As the new movie's creature supervisor, Mr. Scanlan spent more than eight months on the production in England's Pinewood Studios. With a crew of about 35, he brought the creatures to life using animated mechanical creatures, or animatronics, as well as puppetry.

In key scenes, the velociraptor Blue is essentially an elaborate puppet. There are mechanics beneath the creature's foam-latex skin, controlling the eyes, eyelids, jaw and tongue, and air bladders to simulate vascular activity. Its bodily movements are made, in a kind of choreographed dance, by a dozen rod-wielding puppeteers.

According to director J.A. Bayona, allowing the actors to perform opposite tangible and reactive creatures was invaluable. "It was important to make sure that in those close-ups, where the actors touched the dinosaurs, that the interaction between them actually worked," he says. "The performance is better when you act before something real."

Mr. Scanlan described one scene in which actor Chris Pratt mingled with several puppeteer-wielded baby raptors, each about the size of a small dog.

"When Chris knelt down, one puppeteer brought this raptor up to him and started to nuzzle his hand," says Mr. Scanlan. "He immediately engaged with it like it was a real little dinosaur. They were able to play. And at one point, the puppeteer snapped at his finger, and Chris reacted to that in a completely real way."

He adds: "It becomes a very sort of organic process and a very real piece of theater."

Mr. Scanlan believes that moviegoers respond to such practical effects differently than they do computer-generated ones, even if they aren't aware which is which.

"Digital effects today are so incredible that they in some ways ask too much of you as an audience. They present to you things which you know are not real in a realistic way," he says. "With a practical effect, all your senses are telling you this is real."

Some scenes exceed the possibilities of even the most advanced practical effects, however, such as when a full-bodied dinosaur breaks into a run. In these moments, a creature introduced to the audience as a practical effect will transition to CGI.

In 1993, the use of CGI in "Jurassic Park" overshadowed some of the practical effects. The scene of the first T. Rex attack, for example, cuts between a CGI-rendered creature and one of two life-size, hydraulic-based robots, a triumph of engineering as well as molding and skin techniques.

"It was a 10,000-plus-pound creature that could stop on a dime," says John Rosengrant, who worked as a puppeteer and effects supervisor on the original trilogy as well as in the 2015 movie "Jurassic World." He estimates that, of the 17 minutes or so of creatures in the two-hour "Jurassic Park," about 10 minutes relied on practical effects.

That marriage of techniques was maintained over its sequels, "The Lost World" and "Jurassic Park III," which at times featured a single creature with a practical front half and a CGI back.

Mr. Trevorrow says that he didn't use as many animatronics as he would have liked in "Jurassic World," which he co-wrote and directed. "There were some nerves about going down into the jungle with a giant animatronic dinosaur."

That film featured a single animatronic of a dying Apatosaurus. Elsewhere, motion-capture technology was used, with the help of four men in gray skintight suits making dinosaur-like movements.

"Fallen Kingdom" is a darker movie, centering on animal trafficking and abuse. In Mr. Trevorrow's view, the tactile nature of the creatures themselves is the heart of the movie.

"Ultimately these movies are about our relationship to animals on the planet, and what our responsibilities are to them," he says. "Using these puppets, which feel completely real in the moment, became a vital component in what we're trying to do emotionally."

Anatomy of a Song

Continued from page A13

and meaningless. So I did a lot of editing.

The first verse set the scene: "Now / the mist across the window hides the lines / But nothing hides the color of the lights that shine / Electricity so fine / Look and dry your eyes."

The next verse urged the other person to forget the argument: "We / so tired of all the darkness in our lives / With no more angry words to say / can come alive / Get into a car and drive / to the other side."

The rest is about heading out and the anticipation of arriving at a club: "And in a yellow taxi you turn to me and smile / We'll be there in just a while / If you follow me."

Once I had written the music and words, I recorded a low-tech demo at a Long Island studio. For the basic rhythm track, I played a Yamaha CP-70 electric piano set to sound like an acoustic piano. It would sustain a warm, human feel after I layered on the synthesizers.

For the bass, I used a Prophet-5 synthesizer. I liked Kraftwerk's electronic dance beats and bass riffs on albums such as "Computer World." I set the synth bass so it had a completely precise and metronomic sound. I also used a Boss DR-55 drum machine. I just pressed the "club beat" button. Finally, I added a glockenspiel, which sounds like bells.

Then I asked A&M's David Kershenbaum if he'd come to the recording sessions for an extra set of ears. David had signed me to the label in London in 1979 and worked with me on two albums.

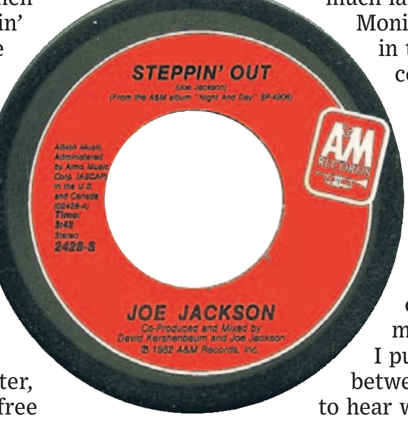
David Kershenbaum: When I first met Joe in the late '70s, his style, dress and music were very much in sync with the surfacing new-wave movement. As we worked on his first two albums, I quickly discovered he was a superb musician who could write top-notch songs. Even more interesting was how he absorbed influences and the way they turned up in his music.

BRIAN COOKE/REDFERNS/GETTY IMAGES

Joe Jackson, at England's Folkestone Harbour in 1982, says the New York that captivated him during the early 1980s has vanished. He now lives in Berlin.

Mr. Jackson: We recorded at Blue Rock Studio in New York's Soho neighborhood on Greene Street. Soho then was a gritty neighborhood of warehouses and loft rentals. At night, it was deserted.

Mr. Kershenbaum: When we recorded "Steppin' Out," Joe played the acoustic grand piano that was there. He also had a Prophet-5 synthesizer. We programmed his driving bass line on a Minimoog.



Mr. Jackson: Next I added a Yamaha CP-80 keyboard. Later, drummer Larry Tolfree overdubbed a real snare drum on top of the fake one to give it an authentic sound. On the Fender Rhodes, I played notes in my right hand to make the acoustic piano's notes sound shinier. The Hammond organ added texture and depth to the background. The glockenspiel came last. I recorded my vocal while listening to the instrumental track on headphones. Then I overdubbed my vocal two more times to give it dimension and for a choir effect.

Mr. Kershenbaum: Once we finished, I mixed the tracks. That took a day or two. Back then, I traveled with a pair of 6-inch tall German Visonik David DIN 45 500 monitor speakers. They were small—the size of paperback books. But they had the depth and dimension of much larger speakers. Monitor speakers in the studio could be deceptive, causing you to worry just about a song's components. I wanted all of it to stand out. As I mixed the tape, I put my head between the Davids to hear what the finer detail sounded like.

Mr. Jackson: Today, I often rework my original arrangement of "Steppin' Out" before we go on tour. I'm currently performing the slow version that works really well in concert. I may try a Latin version next.

I don't like New York much these days. It's as if the city and I had a hot love affair and now we're just friends, but we still have to see each other to remain friends. Today I live in Berlin. The New York I knew in late '81 and '82 is gone.

ART REVIEW

Tracing the Shadows of Past and Present

BY EDWARD ROTHSTEIN

'Chair' (2015), by Kumi Yamashita, above; ledger book of William Bache (c. 1803-12), left; 'John Quincy Adams' (1841), by Auguste Edouart, below; 'Auntie Walker's Wall Sampler for Civilians' (2013), by Kara Walker, below left

NATIONAL PORTRAIT GALLERY (BACHE & EDOUART); HIROSHI NOGUCHI (YAMASHITA); KARA WALKER/SIKKEMA JENKINS & CO., NEW YORK

Washington

SOMETIMES WE SEE something more clearly by seeing less of it, as extraneous detail is filtered away. Something like that can happen at "Black Out: Silhouettes Then and Now," a remarkable exhibition at the National Portrait Gallery. Portraits here have no fleshy presence or elaborate surroundings. Their effect is severe, almost abstract. It is line that we focus on, not space; profile, not face. Almost all of the 50 or so images here are made of cut black paper or a cut white foreground. These figures don't breathe with life—no human outline is so scissor-smooth—but they starkly insist on their own significance in an otherwise vague visual world.

The oldest of these silhouettes is from 1796, the newest from this year; the smallest is some 3 inches high, the largest almost 40 feet. The first portion of the exhibition, "Then," provides a potent survey of the genre's American past; the second, "Now," devotes a gallery to each of four contemporary female artists, their work echoing earlier themes.

Gathered with intelligence, insight—and some political pointedness—by Asma Naeem, the National Portrait Gallery's curator of prints, drawings and media arts, these silhouettes also take on a significance greater than their style might suggest. For while itinerant American painters once regularly traveled from town to town offering upper-middle-class patrons a simulacrum of upper-class portraiture, the silhouette offered that possibility to a mass public, requiring less subtlety, expense and time than any other form of portraiture.

William Bache, a profiler who traveled between Maine and Louisiana at the beginning of the 19th century, charged sitters 25 cents for four silhouettes. One ledger here contains 1,846 images of doctors, slaves, priests, soldiers, merchants, politicians and others, of seemingly all ethnic backgrounds. Auguste Edouart (1789-1861), a French-born silhouettist, made more than 3,800 during his decade-long American sojourn. We see his profile of John Quincy Adams, but he also created silhouettes of other presidents, Supreme Court justices, governors—and anybody else who interested him.

The form was so popular that in his pioneering Philadelphia Museum in 1802 Charles Willson Peale installed a "physiognotrace"—a machine that would mechanically trace a customer's profile on paper, ready for cutting: the world's first selfies, at a cost of pennies. A portable physiognotrace here was used by Raphaelle, one of Peale's sons, who cut so many thousands that he earned $1,250 in April 1804 alone.

It is clear from the offerings here too that some households had every member profiled, including slaves, which makes silhouettes one of the few sources for authentic portraits of the enslaved. One of Charles Wilson Peale's own slaves, Moses Williams—later manumitted—earned his living from running the museum's physiognotrace; he also became its subject—as we see—for Raphaelle.

The most powerful historical image we saw was found in Connecticut: a life-size 1796 silhouette of an enslaved African girl, Flora, with spiked hair. It was probably created by tracing her image cast by candlelight. It is powerful, partly for having preserved such a fleeting and forgotten shadow. It is also palpably human because of its size—more vital than most silhouettes, which miniaturize facial distinctions.

In the catalog Ms. Naeem gives this form's democratic range a place in the progressive pantheon; the political status of various figures even seems to have determined their presence here. Thus, aside from the enslaved, we have profiles of the disabled (including Oliver Caswell, who was blind and deaf and is shown, in Edouart's 1843 silhouette, sounding the tines on a fork) and a double silhouette that is "arguably the earliest known representation of an American same-sex couple," created c. 1805-15.

But while aspects of silhouette history can resonate with contemporary American progressive thought, too many scissor cuts are needed for a perfect fit. Silhouettes have a more diverse reach. Also, despite implications that the form has an intrinsic connection to American ideals, it was not mainly an American phenomenon: it began in Europe; the physiognotrace was invented in France.

The exhibition, though, is so fascinating that its political subtheme can recede a bit without impairing perspective. Even contemporary artists are best seen in their own lights. Kara Walker's 2013 "Auntie Walker's Wall Sampler for Civilians" uses mounted black paper cutouts along with the iconography of cartoon culture to create a surreal pastiche of racial violence. "Maibaum" (2009), a gallery-sized installation by Kristi Malakoff, is exhilarating with its life-size silhouette-images of Victorian children spinning ribbons around a maypole as black birds quiver, a bit ominously, above.

Another installation, by Camille Utterback, "Precarious" (2018) is a descendant of the physiognotrace, as sensors and software map the movements of visitors, creating shifting patterns on a screen. But the best sense of the magic that shadows and silhouettes once had comes from works by Kumi Yamashita; in "Chair" (2015) a shadow vividly shows us a seated woman. But the object that casts the shadow is unremarkable, a shape less real than the immaterial image.

No silhouettes can claim a similarly uncanny accomplishment; these shadows never eclipse the real. But this exhibition demonstrates that they should not be underestimated; they too cast shadows, and in this show we start to see their long political and aesthetic reach.

Black Out: Silhouettes Then and Now
National Portrait Gallery, through March 10, 2019

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

Weather

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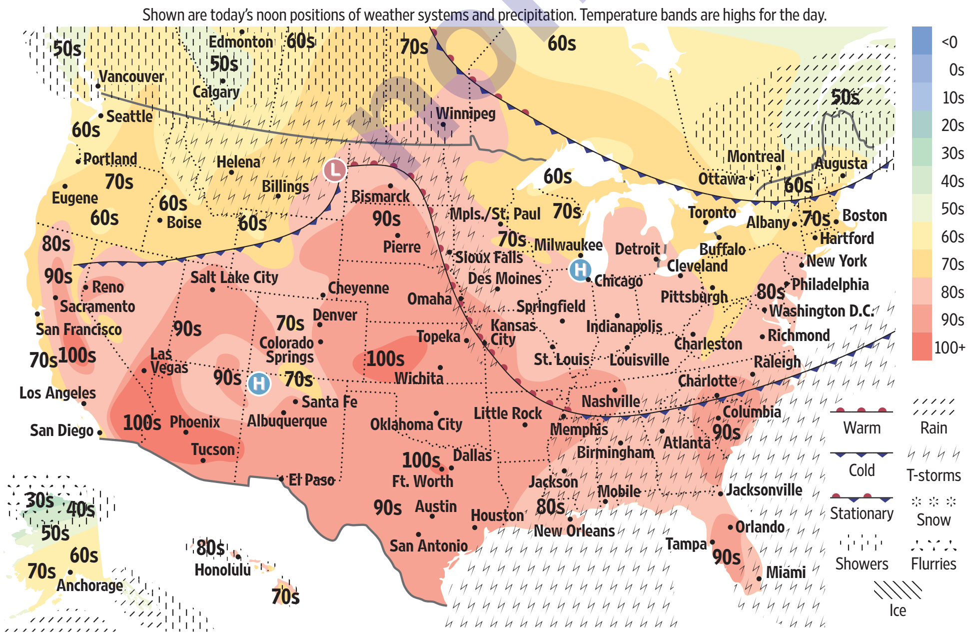
Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



U.S. Forecasts

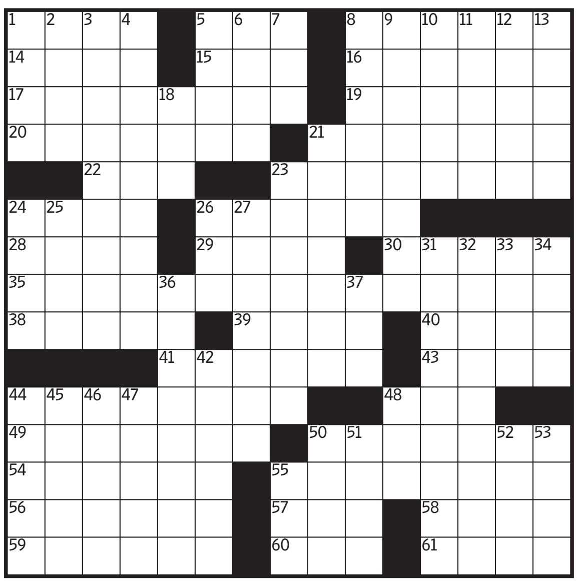
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Anchorage	67	52	s	58	49	r
Atlanta	88	71	pc	89	70	t
Austin	95	72	pc	95	75	pc
Baltimore	84	59	s	80	57	s
Boise	76	54	s	77	55	pc
Boston	78	57	s	72	60	pc
Burlington	66	50	sh	77	54	pc
Charlotte	91	69	pc	89	67	pc
Chicago	83	64	pc	88	72	pc
Cleveland	81	58	s	81	61	s
Dallas	97	77	pc	95	76	s
Denver	94	64	s	92	63	pc
Detroit	85	62	s	84	67	s
Honolulu	87	75	pc	89	75	pc
Houston	93	76	pc	92	77	pc
Indianapolis	83	64	pc	87	68	pc
Kansas City	91	74	s	95	76	s
Las Vegas	106	80	s	100	76	pc
Little Rock	93	72	pc	92	73	s
Los Angeles	83	63	pc	77	60	pc
Miami	87	75	pc	89	77	t
Milwaukee	78	61	pc	79	68	pc
Minneapolis	81	71	pc	88	76	pc
Nashville	91	68	c	93	70	pc
New Orleans	88	77	pc	89	77	t
New York City	84	61	s	78	62	s
Oklahoma City	92	70	s	91	69	s
Omaha	92	78	t	97	78	s
Orlando	92	72	t	91	73	t
Philadelphia	84	62	s	80	59	s
Phoenix	109	85	s	91	74	t
Pittsburgh	79	55	s	80	56	s
Portland, Maine	75	50	pc	75	54	pc
Portland, Ore.	69	52	pc	72	55	pc
Sacramento	90	56	s	84	52	pc
St. Louis	89	74	pc	93	78	pc
Salt Lake City	94	65	s	90	69	pc
San Francisco	70	56	pc	68	57	pc
Santa Fe	91	63	pc	87	61	sh
Seattle	68	52	pc	71	54	pc
Sioux Falls	89	73	pc	93	73	pc
Wash., D.C.	86	64	s	83	62	s

International

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Amsterdam	65	57	r	69	53	pc
Athens	91	70	s	87	67	s
Baghdad	110	82	s	106	81	s
Bangkok	93	81	t	91	79	t
Beijing	90	67	s	92	70	c
Berlin	72	57	pc	73	59	pc
Brussels	68	53	r	70	52	pc
Buenos Aires	51	36	pc	52	34	s
Dubai	104	86	s	105	89	s
Dublin	65	48	pc	61	48	pc
Edinburgh	61	48	pc	57	48	c
Frankfurt	74	58	pc	75	58	pc
Geneva	72	53	pc	73	55	pc
Havana	88	72	t	88	74	pc
Hong Kong	86	80	c	88	81	r
Istanbul	84	71	pc	86	72	c
Jakarta	91	76	t	92	76	t
Jerusalem	82	61	s	84	65	s
Johannesburg	61	41	s	69	40	s
London	70	53	sh	68	53	pc
Madrid	81	56	s	87	63	s
Manila	85	78	t	87	78	t
Melbourne	56	48	r	56	45	r
Mexico City	70	59	t	73	59	t
Milan	82	64	sh	83	65	pc
Moscow	63	43	c	68	47	s
Mumbai	91	82	t	90	81	sh
Paris	70	57	pc	72	53	pc
Rio de Janeiro	74	67	sh	72	69	sh
Riyadh	106	78	s	106	79	s
Rome	77	60	t	80	62	pc
San Juan	90	77	pc	89	76	pc
Seoul	84	64	c	84	61	pc
Shanghai	86	69	s	85	70	pc
Singapore	89	81	c	89	79	t
Sydney	67	53	s	67	51	s
Taipei City	87	77	r	85	77	r
Tokyo	71	67	r	70	61	r
Toronto	76	53	s	80	59	s
Vancouver	65	52	pc	67	54	pc
Warsaw	77	58	pc	80	60	pc
Zurich	72	51	pc	74	52	pc

The WSJ Daily Crossword | Edited by Mike Shenk



SINGLED OUT | By David Alfred Bywaters

Across

1 Deck disinfector
5 Balletic fulcrum
8 Tiger, e.g.
14 "State Fair" setting
15 Cow chow
16 Interweave
17 Really impressive little strummed instrument?
19 Page link
20 Bringers of news
21 Environmental club member
22 Ltr. container
23 Defective printer supplies?
24 Name that means "pleasure" in Hebrew
26 Less fresh
28 Booming
29 Cryptozoology subject
30 Onassis's capital
35 Part of a canoeist's itinerary?
38 Bewildered
39 Out of shape
40 Norton Sound port
41 Points of view
43 Rick's old flame
44 Uncomfortable hairpieces?
48 Dashing bird
49 Grant, Garfield, Hayes and Harding
50 Party animals
54 Chinese brew
55 What a new ice skater may unpleasantly encounter?
56 Sprinkle with sugar or flour
57 "Fire away"
58 Literature Nobelist Morrison
59 Give one's blessing
60 Craven behind the camera
61 Play starter

Down

1 Lugubrious sound
2 Proved durable
3 What the absent-minded lack
4 Potassium-rich dessert
5 Fall sound
6 Squirrels' hangouts
7 Check out
8 In addition to
9 One way to shrink back
10 Fierce look
11 "Meet John Doe" director
12 Happy as ___
13 Rebellious period, often
18 CXI + CXI + CXI + CXI + CXI
21 Conspicuous
23 Secures with strips
24 Icelandic epic
25 Repellent ingredient
26 Wd. in a thesaurus
27 They get into hot water
31 Filling station adjuncts
32 Change of life?
33 Their settings are settings
34 Realty ad datum
36 Where a pilot might get lit
37 Alcoholic's affliction
42 Fencing moves
44 Head protectors
45 Now, in Nogales
46 One whose life is proverbially carefree
47 Howdy's surname
48 Goal
50 False front
51 Sorts
52 Allison's "Mom" co-star
53 Play hooky
55 Corvine cry

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

Previous Puzzle's Solution

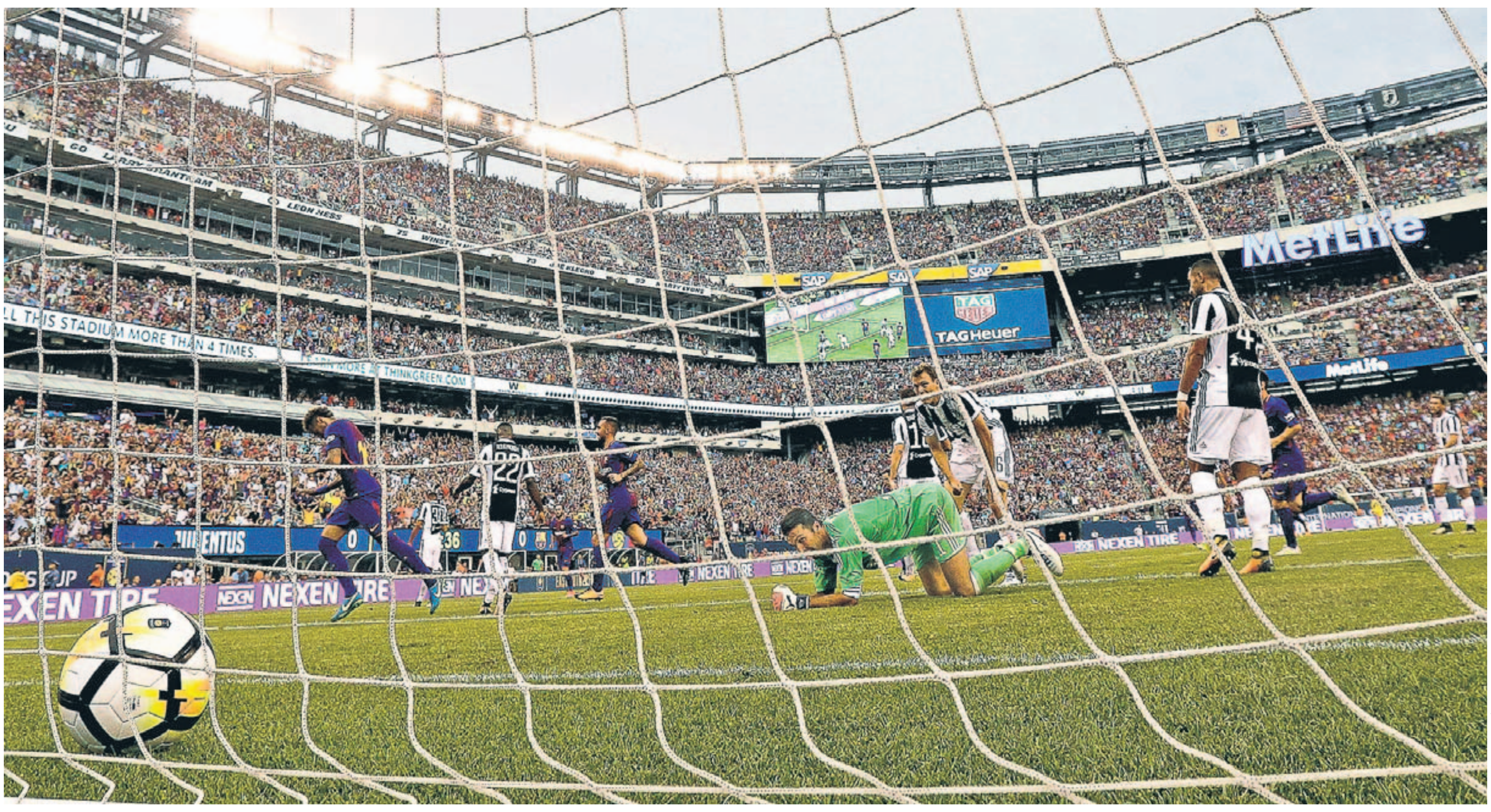
SPORTS

WORLD CUP

North America to Host 2026 World Cup

A joint bid by the U.S., Mexico and Canada beat out Morocco

BY JOSHUA ROBINSON



JULIO CORTEZ/ASSOCIATED PRESS

The World Cup tournament in 2026 will be the first to expand to 48 teams, as it extends to 16 stadiums across three countries, including MetLife Stadium.

MOSCOW—The last time World Cup matches were played in the U.S., back in 1994, the home team wore denim-pattern jerseys, Diego Maradona was kicked out for doping, and the trophy presentation came from U.S. Vice President Al Gore.

On Wednesday, the U.S. along with Mexico and Canada secured the right to co-host the 2026 World Cup by promising unprecedented scale for the most popular sporting event on the planet. That tournament will be the first in FIFA history to expand to 48 teams, as it extends to 16 stadiums across three countries, with a trio of simultaneous opening games and a likely final at MetLife Stadium, home to the NFL's New York Giants and Jets.

"We always had a path to victory," said U.S. Soccer president and former Goldman Sachs banker Carlos Cordeiro. He added that, on its own, the U.S. "could host the World Cup tomorrow. But we felt that coming together sent a message."

The United bid, as the team called itself, beat out Morocco, which has now bid unsuccessfully for five of the past seven World Cups awarded by FIFA. The decision, by a vote of 134 to 65, was made as delegates from around the world gathered in Moscow ahead of the 2018 World Cup kickoff on Thursday.

With more than three-quarters of FIFA's income stemming from the tournament, and more than a billion viewers every four years, selecting a host is one of the organization's most critical tasks. The North American bid now expect to shatter World Cup attendance records, and also forecast profits for FIFA to the tune of $11 billion. The average attendance at the 1994 World Cup was 68,991 per game but there will be 28 more matches in 2026.

The next job for the United bid is to whittle down its preliminary list of 23 candidate host venues to 16. The shortlist includes 18 cities in the U.S., from Boston to Los Angeles, plus three stadiums in Mexico and two in Canada. The United bid didn't give a time frame for its final selection.

The U.S. would remain the senior partner in the arrangement, hosting 60 of the 80 games. Canada and Mexico are each expected to take 10. But the dream from the bid team was for each nation to have its own opening game featuring its home national team.

FIFA has not yet decided whether members of three-country bids will earn automatic berths, since it has never had to deal with one before. So all three countries may yet have to qualify through the normal route, which can prove tricky. (Of the three, only Mexico is at the World Cup in Russia. The U.S. fell at the last hurdle in qualifying October and Canada hasn't been to a men's World Cup since 1986.)

It's highly probable, however, that the North & Central American and Caribbean soccer confederation will amend its rules to guarantee slots for all three hosts.

The 2026 bidding process had been under intense scrutiny, because it was the first to unfold since the most turbulent period in more than 100 years of FIFA history. The previous time the organization awarded World Cup hosting rights, in 2010, it chose Russia for the 2018 tournament and Qatar for 2022 in a contest so flawed that it became the focus of years of investigations.

This was also the first bidding process under FIFA president Gianni Infantino, who succeeded the disgraced Sepp Blatter and pledged to reform soccer's governing body. His biggest change was opening up the vote to the entire FIFA membership and making their choices public, as opposed to the old system of 22 Executive Committee members casting secret ballots.

The United bid leaders, America's Cordeiro, Mexico's Decio De Maria and Canada's Stephen Reed, spent the past four months traveling the world to court roughly 150 national federations, assuaging them on issues from tournament organization to President Donald Trump's anti-immigration rhetoric.

Though Trump would no longer be in office by the time the 2026 World Cup began, even if he won a second term, many countries had held their disagreements with him against the North American bid, particularly in Africa, Europe and the Middle East. The bid team leaned heavily on support from the White House, which committed in writing to grant visas to any country that qualified for the tournament.

That was one factor that kept the race close until the final hours before the vote. Late on Tuesday night, both bid teams patrolled the lobby bar of the Hotel Metropol to buttonhole delegates. The North American shoe leather appeared to pay off.

"I don't think we ever thought we would have such overwhelming support," Reed said.

President Trump issued his congratulations on Twitter. "The U.S., together with Mexico and Canada, just got the World Cup. Congratulations—a great deal of hard work!" he wrote between tweets about North Korea and OPEC.

Ultimately, two factors proved decisive in the United's big victory: North America's logistical ease and the profits the bid projected for FIFA.

Out of the 80 matches, Cordeiro expects that the top six—meaning the opening games in the U.S., Canada and Mexico, plus the two semifinals and the final—would be on par with the ticket sales and hospitality numbers for a Super Bowl.

Now, the North American troika has eight years to deliver on what stands to be the most ambitious World Cup in the tournament's 96-year history.

"Cynics will say we did it because we didn't think we could win," Cordeiro said before the vote. "But I really believe we are stronger united."

CURTIS COMPTON/TNS/ZUMA PRES

MLB

BASEBALL'S UNLUCKIEST PITCHER

BY JARED DIAMOND

There are lucky pitchers, there are unlucky pitchers, and then there's Jacob deGrom.

The New York Mets' ace has been nothing short of brilliant of late. Over his last 10 starts, deGrom has posted a microscopic 0.87 ERA, allowing six earned runs in 62 ⅓ innings. Yet somehow, in a display of offensive ineptitude that almost defies belief, the Mets have won just two of those games. That includes Wednesday afternoon's contest against the Atlanta Braves, when deGrom surrendered a run in seven innings, but the Mets lost, 2-0.

Since deGrom's streak started on April 21, the Mets rank last in the major leagues in runs per game (3.24), batting average (.221), on-base percentage (.290), slugging percentage (.356) and total bases (542). Not surprising, they have gone 14-31 total over that span, the worst record in the National League.

What the Mets have done with deGrom is unprecedented. In fact, no team since at least 1913 has won fewer than four games over a stretch when one of their pitchers went 10 straight starts with an ERA below 1.00. The most recent example of that came in 1918, with Stan Coveleski put up a 0.97 ERA over 10 starts, and the Cleveland Indians won just four of them.

With the Mets quickly fading from playoff contention, they could look to trade deGrom next month to build for the future. At this point, it would be an act of mercy.

U.S. OPEN

PUTTING IS A FICKLE SKILL

BY BRIAN COSTA

Southampton, N.Y.

ONE of the most shocking moments of the golf season so far came on an otherwise forgettable Friday in May. At a tournament on his home course in Dallas, Jordan Spieth lined up the kind of putt that most amateurs pick up as a gimme: 15 inches to the hole, an easy tap-in. The ball lipped out. The crowd gasped. "You've got to be joking," a broadcaster said.

Spieth, the 24-year-old three-time major champion, is historically one of the best putters in the world. He is also, statistically speaking, the 190th best putter on the PGA Tour this season, or the 16th worst. That says something about where Spieth's game has been ahead of this week's U.S. Open, where he will look to win for the first time since his stirring comeback to win last year's British Open. But it is also indicative of the nature of the part of golf that made him famous.

In a sport so erratic that its participants can become totally unhinged, no skill is more volatile than putting. To a degree that is unmatched in areas such as driving or iron play, a player can go from one of the best in the world to one of the worst and back again. It can happen from year to year, week to week and even round to round.

"There's so many variables," said Rory McIlroy, a notoriously streaky putter. "There's slopes, there's different green speeds, there's different grasses. I mean, you could get a robot on the green and they could hit the exact same putt at the exact same speed and one ball could go in and one ball won't."

In strokes gained putting, which quantifies the value of each putt by how many expected strokes a player gains or loses with it relative to the field, McIlroy has finished recent seasons ranked as high as 41st and as low as 140th.

The standard deviation on that statistic from round to round for all players in 2017 was 1.6 strokes, according to Mark Broadie, the Columbia University business professor who created the metric. That was more than the deviations for driving, approaches and short game.

Jordan Spieth has been among the worst putters on the PGA Tour this year.

WARREN LITTLE/GETTY IMAGES

When a skill proves to be that fickle, it leaves players to wonder when they're putting poorly and when they're simply not making putts. The two are not always the same.

"I don't feel like I've been putting bad," world No. 1 Dustin Johnson said last month. "I just haven't been making anything. And I'm not pulling or pushing them, I'm hitting good putts, they're just not going in the hole."

Spieth's rocky run on the greens has been especially jarring because of how prolific he has been. He was only 22 in 2015 when the English golfer Ian Poulter said he "may be the best putter ever." One of the signature moments of his British Open victory was a 50-yard eagle putt on the 15th green in the final round. Rather than remove the ball from the hole himself, he famously shouted at his caddie, Michael Greller, "Go get that!"

It was the sort of long, low-percentage putt that has made Spieth an outlier among his peers. In 2015 and 2016, he made a little over 12% of putts from 20 feet and longer, more than anyone else on the PGA Tour. On shorter putts, he was good but not exceptional.

This year, though, he has slipped most on the putts that appear to be the easiest to make. From inside 5 feet, Spieth ranks just 180th on Tour, missing nearly 5% of the time from that range.

"They look shorter on TV than they actually are," Spieth said. "There's actually a lot of luck involved, depending on when you're playing and if the wind is blowing. You can hit a just-outside-right-edge 5-footer and depending on if it's a cross wind, it can be a dead straight putt and miss left of the hole."

The maddening inconsistency of putting has in recent years spurred the growth of a relatively new kind of specialist role: putting coach. Some players now employ coaches who work with them solely on the greens, in addition to their regular swing coaches.

One of them is Phil Kenyon, who has worked with a few dozen pros. He said the component parts of putting—starting the ball on a straight line, speed control and reading the slope of the green—are easy enough to understand. But distilling which of the three is causing players to miss putts can be vexing.

"It can be difficult to see where it broke down and what they need to concentrate on," Kenyon said, "whereas if they're high and left on the first tee, they can easily get feedback from that and relate that back to aspects of their technique. It's hard to understand where you are at any point in time."

Spieth attributed his recent issues to what he does before he begins his stroke. After struggling with his alignment—getting his body and clubface in line with the intended line of his putts—he said he has felt more comfortable of late.

The upside of relying on a highly volatile skill is that it can come back to a dramatic extent with seemingly little notice.

"Jordan is a great putter who will have occasional moments of poor putting," Phil Mickelson said. "He's just one of those guys that it will click overnight. He's just too good of a putter not to get it back."


U.S. OPEN
SHINNECOCK HILLS
118TH
TODAY
9:30AM ET
FS1
4:30PM ET
FOX

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Taishin Holdings

Vinod Kumar
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Terrence Curtin
TE Connectivity

Lakshmanan Chidambaram
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Tegna

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OPINION

When Do We Start Winning?

WONDER LAND

By Daniel Henninger

In a press conference after his summit with Kim Jong Un, President Trump said: "Honestly, I think he's going to do these things. I may be wrong. I mean, I may stand before you in six months and say, 'Hey, I was wrong.' I don't know that I'll ever admit that, but I'll find some kind of an excuse."

Can Donald Trump break every rule in the book and still win? With the North Korean nuclear threat, we are about to find out.

Mr. Trump successfully broke the rules of presidential campaigning. His defeat of Hillary Clinton was "unthinkable." He has turned virtually the entire Washington press corps into a determined opposition and routinely calls on his own attorney general to resign.

No U.S. president has ever done these things. What has this approach produced?

Politically, it has provided his supporters the constant reassurance that he will fight for them in the most public way with anyone.

Mr. Trump's most substantive legislative achievement is the 2017 tax cut. If he announced his retirement next week, history would record that his presidency gave the nation one of the most beneficial economies on record. In the U.S. today, there is work for virtually everyone.

The tax cut, however, was negotiated with Mitch McConnell, Paul Ryan and Kevin Brady, who should not be mistaken for Xi Jinping, Vladimir Putin and Kim Jong Un.

This week in Singapore, President Trump greeted Mr. Kim in front of American and North Korean flags arrayed as equals, extended his hand in friendship four times before their private conversation, and when the summit was over said, "I do trust him."

There are at least three arguments for Mr. Trump's convivial approach to Kim Jong Un.

One is that his predecessors' old-school diplomatic strategies toward North Korea manifestly failed. A second is that unlike Ronald Reagan's nuclear negotiating partners in the Soviet Union, which was malign but rational, Kim Jong Un's rule is solitary and whimsically homicidal. In early 2017, Mr. Kim executed five senior North Korean officials with an antiaircraft gun. There is arguably no alternative to Mr. Trump's fake flattery of a nut case who possesses up to 60 nuclear bombs.

A last argument for Mr. Trump's break-all-the-rules approach is that the clock is ticking. Mike Pompeo said in early 2017, when he was CIA director, that Mr. Kim's scientists were probably within "a handful of months" of being able to produce a nuclear-armed ballistic missile that could survive re-entry into the Earth's atmosphere. The best guess previously was that North Korea was years from this capability.

There is indeed a case for disruption and breaking the rules of international engagement. But to put it bluntly: When do we start winning?

Motion isn't winning. It's just motion. Mr. Trump's unconstrained self-confidence is something to behold, such as his tweeting Wednesday, "There is no longer a Nuclear Threat from North Korea." But self-belief cannot make the decades-old complexities of a North Korea simply go away.

Trump is in nonstop motion on North Korea, Iran and trade. What comes next?

After the summit, Mr. Trump made a major announcement about pulling back the U.S. troop presence in South Korea. Was there *any* planning behind that surprise?

It would be nice to believe that Secretary of State Pompeo and national security adviser John Bolton have been working the back channels and that significant breakthroughs will emerge now. There is no evidence of that. Mr. Pompeo on Wednesday described a timeframe for disarmament of 2½ years. It sounds as if we are back in the familiar foothills of the North Korean nuclear mountain.

In 2017, after Mr. Kim exploded the largest of his nuclear bombs so far, the Trump administration obtained U.N. sanctions that were squeezing North Korea. I think one of the main reasons Mr. Kim agreed to the summit was to get relief from those sanctions. Within hours of the summit, a statement by China made it clear the sanctions regime is going to erode during negotiations. Restoring that leverage will be impossible. It is a big loss.

The Iran nuclear-deal withdrawal was a good step, but what has become of it? State Department officials are attempting to gain Europe's support for this decision at the same time that Mr. Trump is fighting the G-7 over trade.

Mr. Trump's public trade battle with Canadian Prime Minister Justin Trudeau and the Europeans is entertaining, and this week's news that the U.S. is about to impose tariffs of tens of billions of dollars on China is provocative. But when should we expect a recognizable economic benefit for the U.S. to appear?

In dealing with foreign powers—North Korea, Iran, China, Europe, Mexico, Canada, Russia—we have been watching the attention-getting half of Mr. Trump's improvisational negotiating model. Where's the rest of it? When do we get the payoff for all this activity?

It isn't just our show, either. America's traditional Asian allies in Japan, India, Taiwan and elsewhere are calculating, with every U.S. statement or presidential tweet, whether to lean toward the U.S., China or even Russia.

Feeling good again about America matters. But in an unsentimental world, that isn't the same as winning.

Write henninger@wsj.com.

My Mom's Suicide Was Preventable

By Karl Rove

I didn't know Kate Spade or Anthony Bourdain but saw familiar threads in their suicides, as my mother took her own life at age 51.

Spade had spoken to her father the night before and was looking forward to a trip to California. Bourdain was in one of his favorite countries, France, working on his television show. My mother, struggling through her third and failing marriage, had arrived at a plan to get back on her feet, supported by friends and family.

People were shocked when Spade and Bourdain hanged themselves, she in her New York apartment, he in a hotel room in Strasbourg. No one saw it coming when—a day after expressing optimism about her future—my mother drove into the desert, connected a hose to her pickup's exhaust pipe, strung it through the cab's back window and died of carbon-monoxide poisoning.

Spade left a note, reportedly telling her 13-year-old daughter it wasn't her fault. My mother wrote a letter, expressing pride in her five children, telling her grandchildren she loved them, and absolving her family for her decision.

These final messages won't assuage the irrepressible sense of guilt and shame that family and friends feel after a suicide: *I should have known. If only I had paid attention. I should have done something.*

Except you aren't responsible. Suicide is the most personal, solitary decision a human being can make. Whether the culmination of a long decline or a shock like a thunderbolt on a clear day, suicide is often driven by depression, anxiety, drug addiction or other mental disorders. Yet it is among the most preventable causes of death in the U.S. today.

The deaths of Kate Spade and Anthony Bourdain remind us that there is help.

Shortly after I wrote about my mother's death in a memoir, I received a gracious email from David Axelrod. We had never met, but it turned out we had more in common than working in the White House, he for Barack Obama and I for George W. Bush. David's father died by suicide when David was 19, and police came to his college dorm room to ask him to identify the body.

David later wrote a beautiful tribute to his father, offering the insight that his dad "was impacted by the sense, so prevalent in our society, that depression is somehow a character flaw rather than an illness." He believes that's what kept his father, a psychologist, from seeking help, along with many others.

Spade talked about a continuing sadness, family members said. My mother wrote in her suicide note that she was "very tired, deep inside tired." A study by the Centers for Disease Control and Prevention found that many people resorted to suicide after problems in a relationship, or amid stress over work, physical health or finances. Substance abuse is also a major trigger. Such challenges may bring on depression or make an underlying depression worse.

The stigma surrounding mental illness keeps many with depression from seeking treatment. Who would refuse treatment for any other life-threatening disease if a physician could say: "We've caught it in time, we can deal with it and you don't need to die from it"?

On the practical front, anyone who feels suicidal should ask for help before taking an action from which there is no return. The number for the National Suicide Prevention Lifeline is 1-800-273-TALK (8255). Veterans can then dial 1. People are available 24 hours a day. The website SpeakingOfSuicide.com offers important resources. If you or someone you know feels suicidal, talk to a doctor or mental-health professional. Call family, clergy or friends. Dial 911 if necessary.

The smart woman from Kansas City with a wonderful smile created joy for many with her stylish, sophisticated handbags. The tall cook with curly gray hair and a jutting jawline introduced millions to the world's food and drink. We know their stories, but must not forget that 863 other Americans—most of them less famous, but no less valuable as human beings—died by suicide last week too, according to the American Foundation for Suicide Prevention.

To those who contemplate suicide, realize the world won't be better for your absence. There will be a child, spouse or parent, a colleague or co-worker, neighbor or friend who will miss you more than you know. Despair can be overwhelming, but it is not permanent. We all need others to walk beside us in difficult moments. And remember, you are precious in the eyes of God and those who love you.

Mr. Rove helped organize the political-action committee American Crossroads and is the author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

War Brought Cricket to Afghanistan

By Tunku Varadarajan

Thirty-nine years after the Soviet Union barged into Afghanistan, there's now definitive proof that some good came out of the invasion. The Afghan cricket team plays top-ranked India on Thursday in its first-ever outing at the game's elite Test Match level. That Afghans play cricket at all—and play it with skill and panache—is due entirely to the war that Moscow thrust upon them.

Bear with me as I set out the story. It's Christmas Day 1979. The Soviets send troops and tanks into Afghanistan. A war ensues, seemingly without end or pity, in which religious fanatics, some armed by the U.S., fight godless communists.

Kabul is under siege. Over time, vast numbers of Afghans seek refuge across the border in Pakistan. They live there for years, unable to return to their flattened homes and mined fields. By 1988, there are 3.3 million Afghan refugees in Pakistan, in 340 camps. Pakistan does its best to house and feed them, and the United Nations chips in, but life for these refugees is pretty close to hell.

Trapped in Pakistan, young Afghan men and boys begin to acquire local ways. They learn some Urdu and adapt to spicier food. They watch Bollywood movies, since Pakistani films are execrable. They also learn to like and play cricket, Pakistan's national sport. With little else to offer in the refugee camps, the game catches on quickly. It helps that the best player on the Pakistan national team is a Pashtun like themselves, a dashing role model.

After the Soviet invasion, the sport caught on among refugees in Pakistan.

The Russians leave Afghanistan in 1989, and a civil war ensues, at the end of which the Taliban take power. Although their ways are harsh and intolerant, a semblance of order returns. Refugees begin to trickle back, bringing cricket with them. The Taliban aren't keen on sports—they ban kite-flying as immoral—but they tolerate cricket. It isn't a contact sport, so there's no scope for bodily titillation (as they see it), and the dress (long pants and long-sleeved shirts) is decorous. Still, the game must be played with great caution so as not to upset the authorities.

With the ousting of the Taliban after 9/11, global and secular culture returns. Cricket clubs sprout up everywhere, and the game starts to thrive. Cricket, many find, isn't merely manly exercise; it's an antidote to the madrassas, keeping young boys out of the mullahs' clutches. Afghans, a naturally athletic people, soon put together a decent national team, which competes successfully against other countries aspiring to the elite international level. They play Ireland, Zimbabwe, the Netherlands, Kenya and Bermuda, and they soon find their way to the World Cup in the shorter versions of the game.

Cricket has three types of matches of varying duration: short (lasting a day); shorter (lasting about three hours); and very long. The last of these is called a Test Match. Teams play each other for five days in white flannels. This is the game's pinnacle format, established in 1877 when England first played Australia. Earlier this year, Afghanistan was elevated to this premier level, comprising only 12 countries. India, which is now the Afghan team's most energetic backer, offered to play them in their first match.

So Thursday in Bangalore, fans will witness the climax of this story—a tale of sporting redemption that grew out of the hideousness of war.

Mr. Varadarajan is a fellow at Stanford University's Hoover Institution.

BOOKSHELF | By Roger Lowenstein

When Conquest Was Puritanical

God, War, and Providence

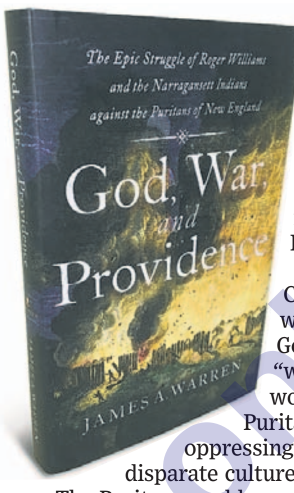
By James A. Warren

(Scribner, 287 pages, $30)

Here is a story of America's founding that has been almost lost in the onslaught of books about powdered wigs: how the Puritans first made common cause with New England's Indian tribes, then steadily encroached on their customs and autonomy, and, ultimately, crushed them in battle.

It happened a century before the Declaration of Independence, but James A. Warren's "God, War, and Providence" is suffused with themes from the American Revolution, in part because it also takes up the story of the breakaway colony led by Roger Williams. By including Williams, who not only defied the Puritans with his notion of separating church and state but also anticipated ideas such as the consent of the governed, Mr. Warren transforms what could have been merely a Pilgrim version of cowboys and Indians into a sharp study of cultural contrast.

When the Puritans arrived in North America in the 1620s and 1630s, the Narragansetts—really a confederation of tribes—were mostly peaceable, subsisting on fishing, trapping, farming and handicrafts. They were led by skillful sachem-chiefs who maintained harmonious social relations among their clans. As we know from the Thanksgiving fable, the Indians welcomed the Puritans and gave them corn.



The Puritans, refugees from Charles I's religious persecution, were ambitious but lived for their God. "Salvation," the author notes, "was probably the most important word in their vocabulary." The Puritans surely had no notion of oppressing the natives, but the collision of disparate cultures inevitably shook the status quo. The Puritans could scarcely help trying to convert the Indians—and, as the number of settlers increased, encroaching on their land.

Within a few years, the Puritans began to play one tribe off against another, and once-friendly relations became more fraught. The Indians coveted European tools and pots, and they perceived the logic of the musket. In jockeying to obtain a privileged trading position with the Puritans, they gradually ceded territory and control. They let the Puritans dictate trading patterns and were forced into colonial courts—where their testimony was rarely respected—to adjudicate disputes. This eroded the authority of sachems.

The Narragansetts' artful efforts to keep the Puritans at bay without resorting to war is one of Mr. Warren's two overlapping stories. The other begins in 1631, 11 years after the Mayflower, with the arrival of a pilgrim-teacher who possessed, as the Puritans saw it, the strangest notion of all: that civil authorities should stay out of religion. Anyone then in the Massachusetts Bay Colony who didn't belong to the church didn't vote. As Mr. Warren writes, the main purpose of the General Court, its leading civil authority, "was to ensure religious uniformity."

For 40 years the Puritans of New England sought to dominate both the Narragansetts and Roger Williams's band of religious heretics.

The colony's answer to Williams was to banish him. Mr. Warren's description of his departure brings to mind an American Exodus, Williams setting out into the "cold, windswept wilderness." Mercifully, the Indians deeded a tract of land to him and his band of like-minded followers. Williams dubbed it "Providence," today the capital of Rhode Island.

Thus the Puritans found themselves in parallel campaigns: a political struggle to dominate the heretics to the south and a decades-long war of cultural attrition against the Narragansetts. In the middle was Williams, the colonist who best understood the Narragansetts and, indeed, spoke their tongue and appreciated their culture.

Despite his banishment, the Puritans relied on Williams as a peacemaker, and the Narragansett sachems warily entered into treaties with the colonists. In particular, they agreed to refrain from assisting the Pequot Indians along the Connecticut River in their war against the Puritans. Given the strength of the Narragansetts, this was a considerable pledge, in return for which John Winthrop, the governor of Massachusetts, promised the Narragansetts hunting and fishing rights on conquered Pequot lands. Once the conquest was made, such promises were ignored. "Did ever friends deal so with friends?" cried the sachem Miantonomi.

Mr. Warren, a former visiting scholar at Brown University—near the site of Williams's earthen-floor cabin—brings the English into his story as well. Williams journeyed back to the mother country in the 1640s to obtain a royal charter and found England embroiled in a civil war, amid fierce debates on religion and legislative autonomy that were to parallel those in America. His ideas may have influenced John Locke, who in turn was to influence the generation of 1776.

In any event, the extent of Williams's heterodoxy cannot be overstated. If civil authority was not divine, Williams reckoned, sovereignty "lies in the people." His theology was equally modernist. Though devoutly Christian, he had a universalist sensibility. "The experience of our fathers' errors, our own mistakes and ignorance," he argued, should impart humility and "sheath up the sword of persecution." He held that Christianity would function best when other faiths were free to worship. This was hardly evident to the Puritans, who believed that tolerance would lead to depravity and sin. True liberty, according to Winthrop, meant "liberty to that only which is good."

One surprise in "God, War, and Providence" is that the crown, strife-torn though it was (Charles I lost his head), emerges as more benevolent than the Bay Colony. Williams returned from England with a royal seal granting Rhode Island "full power and authority." In that era, English protection spelled independence from Massachusetts. Some of the sachems similarly sought to escape the Puritan yoke by proclaiming themselves subjects of the king. Ultimately, though, the Narragansetts were drawn into the violent conflict they had sought to avoid. As Mr. Warren painfully recounts in this well-researched cameo of early America, the tribe's decisive loss in King Philip's War, in 1676, quashed its hope of autonomy forever.

Mr. Lowenstein's most recent book is "America's Bank: The Epic Struggle to Create the Federal Reserve."

REVIEW & OUTLOOK

Powell Doesn't Get High

Federal Reserve Chairman Jerome Powell may have uttered the most unlikely words in the history of central banking Wednesday when he responded to a question at a press conference by saying "our mandate has nothing to do with marijuana." We can think of times when the Federal Open Market Committee has behaved as if its members were smoking something, but we think it's safe to say that interest rates aren't high now.

The FOMC stayed on its very gradual pace of raising its target fed funds rate a quarter-point at a time—to a range of 1.75%-2%. That hardly seems hawkish given that the economy is growing at a 3% or so annual clip if not faster in the current quarter.

"The economy is so strong," Mr. Powell said at his press conference. "The U.S. economy is in great shape."

The committee's members raised their consensus estimate for economic growth this year to 2.8% from 2.7% in March and a mere 2% for this year in June 2016. That still could be too conservative, but it shows that even the Fed's heavily Keynesian economic models are getting more rationally exuberant, at least through this year. The FOMC members also now expect the U.S. unemployment rate to fall to 3.6% by the end of the year from 3.8% today.

The Fed stays gradual even as wholesale prices rise above its 2% target.

But that doesn't mean the Fed is veering from the monetary path that Mr. Powell inherited when he took the central bank's chair in February. The financial press made much Wednesday of the FOMC's removal of its forward guidance from previous statements that rates would remain "below levels that are expected to prevail in the longer run."

Investors briefly bid up the 10-year Treasury yield above 3% on the news before it fell back to 2.97%. But forward guidance has always seemed overrated as a policy tool, and with growth picking up it was becoming a threat to the Fed's credibility going forward.

All the more so with Wednesday's report that producer prices rose 0.5% in May, putting them up 3.1% for the last 12 months. The biggest lift was from oil prices, but the increase was 0.3% even without food and energy, or 2.4% in the last year. That's above the Fed's inflation target of 2%. Inflation is clearly on the rise, and the Fed has to be alert that it doesn't let expectations of price increases insinuate themselves into business decisions. Then the FOMC may want to start smoking something to forget the risks it might pose to what for now is an excellent economic outlook.

The FBI's Document Blackouts

Deputy Attorney General Rod Rosenstein and FBI Director Christopher Wray want Congress to trust them about the FBI's actions in 2016. That would be easier if not for daily proof that they continue to play games when redacting documents.

Senate oversight Chairman Ron Johnson exposed the latest unjustified blackouts in a June 8 letter to Mr. Wray. The Wisconsin Republican is one of several Chairmen objecting to the FBI's excessive redactions and its refusal to even supply the standard "log" with justifications for each redaction. Under pressure, Justice grudgingly invited Johnson staffers to review some documents in late May.

Those sessions revealed that the bureau is redacting in a way that stymies Congress's ability to run down leads in its oversight of the Hillary Clinton and Donald Trump investigations. Notably, Justice and the FBI have been redacting names or initials of employees involved in handling those cases. This frustrates Congress's ability to seek more information or interviews with those individuals.

One initial batch of documents contained an Oct. 11, 2016 text message from FBI official Peter Strzok to his FBI paramour Lisa Page. It read: "Currently fighting with"—while the rest was redacted. The unredacted version reads: "Currently fighting with Stu for this FISA," which may be a reference to the warrant the FBI obtained to surveil Trump campaign adviser Carter Page. Who is Stu and what was that fight? Congress has a right to know.

The initials "BO" are also redacted from several messages. An unredacted version shows a Strzok text on Oct. 7, 2016: "Jesus. More BO leaks in the NYT." Another from Oct. 25, 2016 reads: "Just cranky at them for bad choices about BO." Investigators aren't certain who BO is, but one possibility is Bruce Ohr, the DOJ employee who was demoted after it emerged that he'd held undisclosed meetings with anti-Trump dossier author Christopher Steele, and whose wife worked for Fusion GPS, the firm that hired Mr. Steele.

The bureau is redacting documents without credible justification.

Another less-redacted text shows someone blacked out a Strzok explanation for why the FBI didn't pursue some Clinton leads. "Clinton, Mills, and Abedin all said they felt the server was permitted and did not receive information that it was not. To the extent there was objection down the line in IRM, we did not pursue that as State OIG did, because it was not a key question behind our investigation."

Why not? An important issue regarding Mrs. Clinton's private email server was whether she and aides Cheryl Mills and Huma Abedin intentionally violated State Department rules in setting it up, and if this increased her mishandling of classified information.

Redactions are supposed to be limited to guarding national security, attorney-client privilege, individual privacy or criminal investigations. These blackouts appear motivated to withhold pertinent information from Congress or spare the FBI political embarrassment.

Meanwhile, the FBI is refusing to answer a May 11 letter from Sen. Johnson seeking the names of employees who are doing the redacting. Mr. Johnson is concerned that some of the employees involved in this investigation might also be overseeing the redacting.

As retired FBI special agent Thomas Baker wrote on these pages last month, the FBI has damaged its credibility by flouting subpoenas and slow-rolling or hiding information. This behavior is why Congress must continue to pry out the truth.

Brexit and Circuses

Commentators frequently call political fiascoes "circuses," but rarely does a political class oblige by providing three rings of entertainment at once. Such is the British government's attempt to leave the European Union.

In the first ring, Prime Minister Theresa May survived a challenge to her government on Tuesday, as the House of Commons batted down amendments to Brexit legislation proposed by Remainers in the House of Lords. But the votes were nail-biters in a way such legislation usually isn't.

This suggests the issues—parliamentary oversight of a final Brexit deal with Brussels, and what trade deal London should work toward—won't go away. Mrs. May's restive Tories were pacified with a promise they'll be able to vote on a final Brexit. They also were corralled with a reminder that a legislative defeat would topple her government, but one day they may view that as a promise instead of a threat and replace her.

Meanwhile in the second circus ring, negotiations with Brussels are going badly. Mrs. May is seeking a "backstop" deal to manage trade across Northern Ireland's border if the two sides can't agree on the future relationship between Britain and the EU as a whole. This matters because the Good Friday Accords of 1997 hinged on frictionless travel and trade between Ireland and Northern Ireland, and imposing a hard border for customs reasons might inflame sectarian passions. Brussels and Dublin want to insure this won't happen if they can't strike a final agreement with London in time.

The larger point is that two years after the referendum and with Brexit Day looming next March, Brexiters are struggling to devise legal and politically viable trading plans. That's exposing them to bruising criticism from Remainers and denting public confidence in Brexit. A plurality in one recent poll thought Brexit would be bad for the economy, and a plurality in another now oppose leaving the EU.

The May government survives, barely, but the EU breakup goes badly.

Which brings us to ring three: A trove of emails reported by the London Times over the weekend suggest the Kremlin supported a major funder of the Leave campaign. Businessman Arron Banks, a prominent euroskeptic and main backer of the Leave.EU campaign group, denied untoward cooperation with Russians in parliamentary testimony on Tuesday, and there's no evidence that Russian influence swayed the referendum. But reports that Mr. Banks wasn't forthcoming about his Russian contacts could further erode support for Brexit.

The central problem is that the politicians who campaigned most fiercely for Brexit aren't showing the policy and political chops to make it work. Politicians who purport to understand free trade and free markets—Boris Johnson, Michael Gove, or Tory backbencher Jacob Rees-Mogg—either have failed to persuade the public that a successful Brexit requires a radical liberalization of the British economy, or have given up trying.

Instead, the Tories have Mrs. May's squishy interventionism, which only looks good compared to the socialism of Jeremy Corbyn's Labour party, and isn't convincing as a justification for tearing up trading relations with the European Union. No wonder a consensus seems to be emerging among voters and many politicians that Britain should seek some form of customs union or other partnership with the EU after Brexit.

Such an outcome would maintain free trade with the EU at the expense of Britain's ability to negotiate its own trade deals with the wider world, or even to deregulate its economy in important areas. That would deny Britain the best opportunities Brexit promised but would avoid a bad breakup. Brexiters will squawk about a betrayal, but their political failure is not uniting to make the case for something better.

LETTERS TO THE EDITOR

Government Is Bad at Picking Energy Winners

Your editorial "Rick Perry's Obama Imitation" (June 6) is largely on point. However, it is important for the public to understand the ultimate consequence of policies like those proposed by Energy Secretary Rick Perry. Government intervention in the energy markets, as contemplated, will lead to an energy grid that is less reliable and resilient than the one we have today. Subsidizing only certain plants leads to a greater supply of power generation than would otherwise be available based on undistorted market prices. While the existence of the subsidies creates greater overall costs for consumers, this generation oversupply will result in lower revenues for the plants that don't enjoy a subsidy. Lower revenues mean less capital available for investment and maintenance. Investment in new plants and technology will be hampered and the existing stock of plants will become less reliable and suffer increased outage rates, ultimately leading to an outdated grid that is significantly less secure than it should be.

Even those plants that receive subsidies are unlikely to make material investment in support of reliability. The very mandate that keeps them operational is the result of administrative fiat. Those supports can be withdrawn just as easily as they were implemented. Many voices are coming out in opposition to Secretary Perry's initiative. However, this is simply the latest and broadest effort to use out-of-market subsidies to support a particular form of energy production. If they continue, these efforts—whether intended to favor renewables or bail out uneconomic coal and nuclear power plants—will ultimately lead to the demise of competitive markets. Politicians and regulators should be looking for market-based solutions.

Paul Segal
CEO, LS Power
New York

Natural-gas dependence on pipeline transportation adds a huge layer of vulnerability to both cyber and physical attack. This exposure is minimized where generation facilities are able to maintain fuel stockpiles onsite, as with coal and nuclear.

During the 2014 polar vortex, coal provided effectively 100% of the incremental response to the increased electric demand. Even after all of the coal unit retirements since 2014, coal was still able to provide 55% of the incremental generation in the bomb cyclone early this year.

You applaud FERC's investigation of compensation for "fast-start resources," but it's another attempt to accommodate the renewable-energy and natural-gas duopoly.

In fact, the overarching task of grid managers today is accommodating the distortions caused by the investment tax credit for solar and the production tax credit for wind renewable energy. Due to billions in taxpayer subsidies, these resources have driven wholesale market prices below the variable cost of coal and nuclear generation, but consumers don't see lower bills because they're paying for the cost of new transmission at an annual clip of $20 billion to move renewable energy to population centers.

Despite the phaseout in the 2015 omnibus bill, wind developers can still quality for 10 years of subsidies with startup by the end of 2023. Correcting these problems requires much more than chipping away at renewable subsidies.

Dennis Rackers
Fordland, Mo.

Here's the rub. A completely free market for electricity may drive down cost and price (good) but doesn't deliver a power mix and transmission grid that are robust and reliable for the long term (really bad).

Dueling subsidies aren't the answer, and neither are baseless commitments to future reliance on renewables. But at some level, government needs to formulate and then implement, via regulation and economic incentives, a coherent national energy strategy that will stand the test of time. Tricky business, but essential.

Jack DeVine
Spring Lake, N.J.

The EU Isn't Exactly a Champion of Free Trade

Regarding EU Trade Commissioner Cecilia Malmstrom's "Friends Don't Let Friends Impose Tariffs" (op-ed, June 8): We have a dessert company based in the U.S. and sell domestically and in 70 other countries. With the possible exception of China, the EU imposes the strictest and most draconian tariffs in the world. We pay 20% to 25% duties and tariffs to the EU, which of course protects EU-based companies from fair competition. We also purchase some desserts in the EU for sale in the U.S. but there are no U.S. tariffs on these products. While the quality of our products is far superior, it is very difficult to maintain a business in the EU with this kind of handicap. If the EU is so interested in free trade why doesn't it suggest duty-free status between the U.S. and the EU?

Douglas M. Messinger
Reading, Pa.

The coking-coal producers of central and southern Appalachia exported nearly 25 million metric tons of coking coal to steel producers in the EU, Canada and Mexico last year, and any damage to their customers' operations will immediately impact them. The Trump election campaign's commitment to revitalize the U.S.'s coalfields was doubtless sincerely meant. The coal producers and their workforce could be forgiven for expecting such a commitment to have lasted more than 17 months.

Gerard McCloskey
Durford Wood, Petersfield, U.K.

I ran the Fulbright program in the Reagan administration for five years. Countries abroad were required to pay parity with the U.S. on two-way academic exchanges, but none would, except Germany. The funding ratio was usually some 70 to 30, and even then some countries complained, arguing that the U.S. should pay even a greater percentage because we were rich. Does this tell us about current trade parity?

Ronald L. Trowbridge
Conroe, Texas

How about the nontariff, nonscience barriers to U.S. GMO crops?

John McNiff
North Palm Beach, Fla.

Trust Must Be Earned, Even by Governments

Peggy Noonan's musing on the lack of trust in government institutions ("We Must Improve Our Trust," Declarations, June 2) misses the point entirely. Real trust is always earned. Over the last 10 years we have seen systemic abuse of the purpose of departments and agencies of the federal government. Examples abound, from the IRS targeting groups based on political orientation to the unfolding scandal at the FBI and Justice Department in meddling in a presidential election. And not only are we witnessing a pattern of gross corruption in our government, but no one is held accountable. Ms. Noonan takes her obligatory swipe at President Trump, but that hardly helps address any of this. Holding government officials personally accountable for misdeeds would be a great first step in rebuilding "trust."

Jerry Vest
Pittsburgh

I believe President Trump has at least shown a regard for carrying out his promises, and I think based on his blunt campaign few Americans expected a warm and fuzzy Zen master to lead the country "back to greatness." Perhaps he was elected because the alternatives appeared less trustworthy.

W. Perry Dowst
Weare, N.H.

Peggy Noonan disparages the term "limited government" and suggests instead "realistic government" or "humble government." For the federal level, I suggest "constitutional government," with reference to Article I, Section 8 and the 10th Amendment.

Carson Taylor
Portland, Ore.

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

Pepper ... And Salt

THE WALL STREET JOURNAL

"It's not any of my business but will this be for just the two of you?"

Financial Games Colleges Play

By Kevin Carey

Every spring, colleges send two sets of letters to millions of prospective students. First the good news: an acceptance letter. Then, a few weeks later, a "financial-aid award letter," theoretically explaining how much college will cost.

Parents and students are supposed to use this second letter to make one of the biggest financial decisions of their lives. But the task is often nearly impossible, as shown by an analysis from my colleagues at the think tank New America, working with uAspire, a nonprofit that provides financial-aid counseling.

The study, published last week, examined 11,000 award letters sent in 2016 by more than 900 colleges. It found most of them use obscure terminology, omit vital information, or present financial calculations that appear deliberately deceptive. Many letters are confusing in their own unique ways, making it difficult for students to compare colleges.

Their aid-award letters often confuse students with jargon or deceptive claims of zero 'net cost.'

CHAD CROWE

For wealthy families, award letters are often simple: There's little or no financial aid. But for lower-income students, the letters describe a complex mix of federal grants, institutional scholarships, work-study opportunities, and different kinds of loans. This may be particularly confusing for first-generation college students, whose parents have no experience with these programs.

Each school can create its own format for award letters, since there is no mandatory standard. In 2012 the Education Department and the Consumer Financial Protection Bureau created a recommended version, but most colleges don't use it. Imagine trying to compare boxes of macaroni at the supermarket if more than half the manufacturers designed their own nutrition labels.

Take the letters in the study that included Pell grants. Of the 515 colleges that awarded them via nonstandard letters, more than a third provided no information about how much attending school would cost. The letters highlighted grants and scholarships as a way of convincing students to enroll, but without listing tuition or explaining how much money students would owe.

Temple University sent one low-income student a letter saying it was pleased to offer a combination of grants and loans totaling $25,909 for freshman year. The letter failed to mention that Temple costs $33,048 a year to attend, including tuition, room, board and living expenses. A student could easily enroll, show up in the fall, and only then figure out the $7,000 shortfall.

The letters that did disclose costs were inconsistent. Some listed only tuition. Others included room and board. Others added books and estimated living expenses. The recommended letter includes all of the above, providing a total "cost of attendance."

Seventy percent of colleges with nonstandard award letters created further confusion by lumping together grants and loans, as if both were freebies. Northern Arizona University sent one low-income student an award letter that said "Total Financial Aid Offer: $30,890." This amount was also the annual cost of attending, so the letter subtracted one from the other and concluded: "Total Unmet Need: $0."

That sounds a like a free ride, but $25,075 of the aid came from loans—mostly federal debt that the student's parents would have to take out, contingent on a credit check, at 6.31% interest plus an origination fee. The University of Arizona did something similar. It told a student the cost of attendance was $48,200 a year, then subtracted $5,815 in grants, $5,500 in work-study opportunities, and $36,885 in loans. "Net Costs After All Aid" were "$0.00."

Talk about deceptive. Say you buy a car with a $25,000 sticker price. The dealer gives you a $2,000 manufacturer's rebate and a loan for the rest. Was the "net cost" $0.00? The recommended award letter solves this problem. It subtracts any grants and scholarships from the cost of attendance to calculate the "net cost." Only then does it add in loans.

In theory, parents and students can perform these calculations manually to find the true bottom line. But many letters deliberately make that difficult. Of the 435 colleges that offered a "Federal Direct Unsubsidized Loan," only 18% described it that way. The others used 136 different terms, including "Direct Unsub," "Fed Direct Unsub L," and "Fed. Direct Unsubsidized Add." One merely wrote "Unsubsidized." These phrases are jargon. They don't even include the word "loan."

There's a solution: Require all colleges to use the recommended award letter. The Department of Veterans Affairs already mandates this for financial-aid letters going to students benefiting from the GI Bill. Congress should expand that protection to every college applicant. Providing consumers with consistent, transparent information is a goal embraced by Republicans and Democrats alike. Cars have window stickers that list fuel-economy ratings and the manufacturer's suggested retail price. Mortgages come with a standard form showing an itemized list of costs and fees.

So far the higher-education industry has resisted such regulation. The National Association of Student Financial Aid Administrators has a code of conduct requiring its members to disclose the cost of college attendance and to label loans accurately. The association does not, however, independently audit colleges for compliance. The group's president, Justin Draeger, tells me his organization would support new federal policies to require consistent labeling, as well as to prohibit colleges from lumping together grants and loans. But his association, perhaps reflecting the opinions of its members, officially opposes requiring all colleges to use the recommended award letter.

Selecting a college is one of the most complicated and important financial decisions many people ever make. Right now, students don't even have enough information to understand what they're choosing. That's a shame, and it goes a long way toward explaining why so many students leave college with debt they can't afford to repay.

Mr. Carey directs the education policy program at New America.

The Day the 'Trade Deficit' Almost Disappeared

By Gerard Gayou

President Trump's preoccupation with the trade deficit is maddening to professional economists, who understand, as he apparently doesn't, that it measures nothing useful. But there might not be a trade deficit today—that is, the government wouldn't be tracking it—had an earlier generation's economists had the courage of their convictions.

America faced a dollar-flow deficit in the early 1970s—more greenbacks were flowing out of the country along trade and investment channels than in. The causes were multiple, from a surge in European imports to the soaring price of Middle Eastern oil. The "deficit" sounded bad, but was it relevant to the health of the economy?

The U.S. government commissioned nine top economists in 1974 to find out. The committee's primary concern was preventing Americans from taking these balances out of context. "Concentration on one or even several overall balances," according to its 1976 report, would lead to distorted conclusions about the health of the economy.

If economists had courage in 1976, Trump might have been deprived of a trope.

Provocative language was of particular worry: "The words 'surplus' and 'deficit' should be avoided," the committee wrote. "These words are frequently taken to mean that the developments are 'good' or 'bad' respectively. Since that interpretation is often incorrect, the terms may be widely misunderstood and used in lieu of analysis."

The committee recommended the Commerce Department remove some confusing balances from monthly reports—but, fatefully, it also suggested keeping two subsidiary balances as memorandum items: a balance on goods and services and the current account balance, which measures net goods and services, cross-border investments, and transfer payments.

It was a compromise to address a central dilemma: Misinformation wasn't an acceptable option, but neither was publishing nothing. Considerable historical momentum propelled the current account forward, as it had long been a mainstay analytical and comparative tool of partner countries and the Organization for Economic Cooperation and Development.

The Office of Management and Budget then overruled the committee on its recommendation to strike entirely the merchandise trade balance, which excludes services. The committee had judged goods-services distinctions to be arbitrary in balance-of-payments analysis and that of the economy as a whole. But OMB was hopeful that the widely used balance was "not liable to be seriously misinterpreted by the public."

The 1976 committee didn't realize how prescient its reservations with balances were. As its members predicted, Mr. Trump paints the trade "deficit" as a symbol of the failure of U.S. trade policy, and he ignores priorities outside its range, such as China's theft of intellectual property. It's a shame that the committee didn't strike the current account when it had the chance. Mr. Trump's use of it as a scoreboard for the U.S. versus the rest of the world is as dangerous as any misuse the committee could have predicted.

Mr. Gayou is a Robert L. Bartley Fellow at the Journal.

Help Is on the Way for Middle Eastern Christians

By Mark Green

When Islamic State captured the Iraqi town of Telskuf four years ago this week, terrorists desecrated the local Chaldean Catholic church and beheaded congregants on the altar. The slaughter was only one episode from the genocide ISIS waged on Christians and other vulnerable religious groups across its so-called caliphate, nearly exterminating some of the region's most ancient faith communities.

The U.S. stands with the persecuted religious and ethnic communities of the Middle East. And the federal government won't rest until these oppressed people receive the help they need to thrive again. That's the message I will deliver personally to Christian and Yazidi leaders when I visit Iraq this month. On behalf of President Trump, I will assure them that American assistance will soon turn from an inconsistent trickle into a steady stream.

President Trump already has directed U.S. armed forces to finish the fight against the ISIS barbarians, and today the group no longer holds territory in Iraq. But as Vice President Pence said at this year's religious broadcasters convention, "Victory in combat is only half the battle." The president directed his administration last October to end its support for United Nations programs that fail to provide aid for every group in need. Now, the U.S. Agency for International Development, which I lead, is charged with providing more effective and direct support to persecuted religious and ethnic minorities.

Four days after Vice President Pence announced the shift, I directed USAID to develop aid projects that address the challenges facing Christians, Yazidis and other minority groups in the region. To this end, USAID has redirected more than $60 million in humanitarian and stabilization assistance to provide infrastructure support and lifesaving aid in Northern Iraq. The money has helped rebuild schools, hospitals, power stations and wells, and eased the transition of those returning home.

In too many cases, however, assistance has taken too long to arrive. We have yet to reach many of the communities with the greatest need. Decisions made by the previous administration, such as an overreliance on the U.N. and an inadequate appreciation for the work accomplished by faith-based organizations, have proved hard to overcome. And the often rigid processes of federal bureaucracy have slowed implementation further.

At the direction of the president and vice president, USAID is now redoubling its effort to swiftly deliver and distribute the aid that Iraq's persecuted religious communities desperately need. The delays must end, and they will.

Every day of delay brings persecuted communities that much closer to extinction. In Iraq alone, nearly 90% of Christians have fled in the past 15 years, emptying entire villages that had stood for more than a thousand years. The Yazidi population has been similarly decimated. Without immediate additional support, these groups may be forced to continue their unprecedented exodus, perhaps never to return to their ancient homes.

After my visit to Iraq, I will present President Trump with a comprehensive assessment of any roadblocks that prevented the speedy distribution of aid. I also will provide a detailed plan to expedite the delivery of crucial assistance to the most vulnerable communities.

Congress also has a crucial role to play. A more flexible budget and eased regulations would make USAID more effective in fulfilling its mission. And organizations across the federal government must continue working with Iraq to increase its order and stability, which are essential to the delivery of American aid.

The time to act is now. Christians, Yazidis and other persecuted religious communities in the Middle East have suffered unspeakable harm for too long. Their plight has touched the hearts of the American people and stirred this nation to step up with compassion and conviction. President Trump promised to provide them with the help they need to rebuild their communities and restore their hope, and we will work tirelessly to break down any barrier that stands in the way.

The ancient faith communities in Iraq and across the Middle East are counting on us. We will not let them down.

Mr. Green is USAID administrator.

Strike Down ObamaCare, Says Justice Department

By Sai Prakash And Neal Devins

Twenty states have filed a lawsuit against the federal government arguing that the Affordable Care Act is unconstitutional—and this time the federal government agrees. When the Justice Department filed a brief last week taking the states' side, critics furiously insisted that the failure to defend ObamaCare is a threat to the rule of law. Don't be moved by selective outrage. This refusal to defend is actually more restrained than President Obama's. And, as before, the courts will decide the ultimate questions.

Twenty states sue again, claiming the mandate is unconstitutional. Now the federal government agrees.

The new lawsuit, filed in February, arises from a change in the law. The 2017 Tax Cuts and Jobs Act repealed the penalty for failing to purchase health insurance, while leaving in place language to the effect that doing so is mandatory. In 2012 Chief Justice John Roberts held that the individual mandate could pass constitutional muster only by being construed as a tax. Now that the tax is gone, the plaintiff states argue, the mandate must be considered an attempt to regulate commerce. As such, it's unconstitutional under the views of a five-justice majority in the 2012 case.

The states further argue that other ACA provisions are inextricably linked with the mandate—a view with which four dissenters agreed in 2012 (and on which Chief Justice Roberts has not expressed an opinion).

The Justice Department's filing turns not on some independent executive judgment about the ACA but on a straightforward interpretation of the Supreme Court's 2012 precedent. When Attorney General Jeff Sessions informed Congress of the decision not to defend the ACA, he emphasized that the department's decision will not prevent the courts from ultimately having the last word on the constitutional question.

Contrast this with the Obama administration's 2011 refusal to defend the 1996 Defense of Marriage Act. With no Supreme Court precedent directly on point, the Obama administration independently concluded that DOMA was unconstitutional. That was a far more aggressive stance, but was, in our view, entirely proper: The executive branch has no obligation to defend statutes it believes are unconstitutional. The duty to defend is nowhere found in the Constitution, and the president's power to denounce and frustrate statutes he believes are unconstitutional has a long pedigree. Thomas Jefferson refused even to enforce the Sedition Act, much less defend it.

Judges, not the parties to a lawsuit, will decide for themselves whether the statute is constitutional. In reaching its own judgment, the court can draw from the arguments in filings from states that believe the individual mandate is constitutional. We think that if the court reaches the merits, it will find the mandate unconstitutional because it can no longer be considered a tax.

Whether other ACA requirements should be tied to the continued existence of the mandate is a statutory question. The states defending the ACA reject any linkage. They argue that Congress wanted to retain the other provisions of the ACA because it left them in place while repealing the tax penalty. The plaintiffs note the ACA continues to assert that the individual mandate is "essential" to the law's functioning. As Mr. Sessions noted in his letter to Congress, the Obama administration took that position during the 2012 ACA lawsuit. But it's a more tenuous argument in light of the new law.

It's true that the Trump administration is hostile to the ACA, and the Justice Department's filing can be considered a fallback strategy in the wake of Congress's failure to repeal ObamaCare root and branch. But the same could be said of the Obama administration and DOMA. Unable to persuade Congress to repeal that law, that administration turned to judicial filings and sided with DOMA's critics, ultimately finding success at the high court. Judicial filings have long been means both to advance a constitutional vision and to achieve political objectives.

Mr. Prakash is a law professor at the University of Virginia and a senior fellow at the Miller Center. Mr. Devins is a law professor at William & Mary.

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Deal Makers Ready $1 Trillion Trove

LBOs fuel M&A, but too much cash could be chasing too few profitable buyouts

By Miriam Gottfried

Animal spirits are returning to the leveraged-buyout business, and that is helping fuel a historic rise in merger activity.

At $156 billion, this year is on pace to have the highest dollar volume of LBOs since 2007 and is about 44% above last year's comparable level, according to Dealogic.

A recent series of double-digit-billion deals by **Blackstone Group** LP, **KKR** & Co., **Carlyle Group** LP and others recall buyouts struck on the eve of the financial crisis, at least in terms of size.

The firms are collectively sitting on more than $1 trillion of cash they must invest to collect lucrative fees from their investors. The pace of private-equity fundraising, including more than $500 billion raked in last year alone, has led to concern about their ability to spend all that cash profitably, especially with equity valuations running near all-time highs.

But the ramp-up in buyouts—including KKR's deal Monday for **Envision Healthcare** Corp., valued at almost $10 billion including debt, and its $8.3 billion purchase of **BMC Software** Inc., announced two weeks before—shows private-equity firms are barreling ahead in the face of that challenge.

The resurgence in buyouts is contributing to a major upswing in mergers-and-acquisition activity.

There has been $2.1 trillion of M&A deals announced so far this year, according to Dealogic, up 56% from the comparable period in 2017, as the economy strengthens and companies scramble for partnerships that will help secure their futures amid disruption by technology giants.

If the current pace continues, 2018 would break a record for global M&A activity, exceeding the prior high-water mark of $4.3 trillion in 2007.

A judge's ruling Tuesday that AT&T Inc. can proceed with its roughly $80 billion acquisition of Time Warner Inc. could embolden other companies in media, telecommunications and other industries to strike mergers without fear of interference from Washington—and increase the odds 2018 is a record year for deals.

Officials at the buyout firms point to an increase in corporate deal making and a greater push by activists to force

Please turn to page B11

iPhone Change To Block Police

By Robert McMillan

Apple said it is working on a new security feature in its iPhone software that could make it harder for investigators to retrieve data from the company's smartphones, the latest twist in its long-running standoff with law-enforcement agencies over user privacy.

The feature, called USB Restricted Mode, is currently being beta tested by Apple. It prevents other devices—personal computers, for example—from accessing data on the iPhone via its Lightning

The change could plug a loophole used by companies that make forensics tools.

port any time beyond one hour after the phone was last unlocked.

The change could plug a security loophole used by companies that make forensics tools, which have recently had more success in getting access to Apple's devices. One company, Atlanta's **GrayShift** LLC, sells a $15,000 USB-connected device that it claims can unlock the latest iPhones. Another company, **Cellebrite Mobile Synchronization** Ltd., advertises a similar service on its website. GrayShift and Cellebrite couldn't be reached for comment late Wednesday.

Apple, in its first public comment on the feature, said Wednesday that it is designed to improve the security of Apple's devices against all kinds of potential intruders. "We have the greatest respect for law enforcement, and we don't design our security improvements to frustrate their efforts to do their jobs," Apple said.

Apple declined to say whether the new feature will be included in the next major update to its iOS mobile operating-system software, due out this fall.

It is also unclear what ef-

Please turn to page B2

In Europe, Banks Talk Big but Stay Small

By Max Colchester And Patricia Kowsmann

European officials want big banks to merge to take on U.S. rivals, but a combination of domestic interests, Byzantine regulation and a failure to complete a "banking union" is thwarting those efforts.

The political push comes as Europe's banking system remains deeply fragmented years after the 2010-2012 euro crisis exposed the fundamental weaknesses of the bloc's financial system. European bank valuations remain low and have fallen further amid political turmoil in Italy. Rules to measure the riskiness of banks have been finalized, but the sector's cleanup of bad loans has yet to be completed.

Any cross-border trophy deal remains a way off, some analysts say.

"I do not think that European cross-border mergers can happen in the current environment," said Frédéric Oudéa, chief executive of French bank **Société Générale** SA. "There are a series of barriers to be cleared before considering such deals."

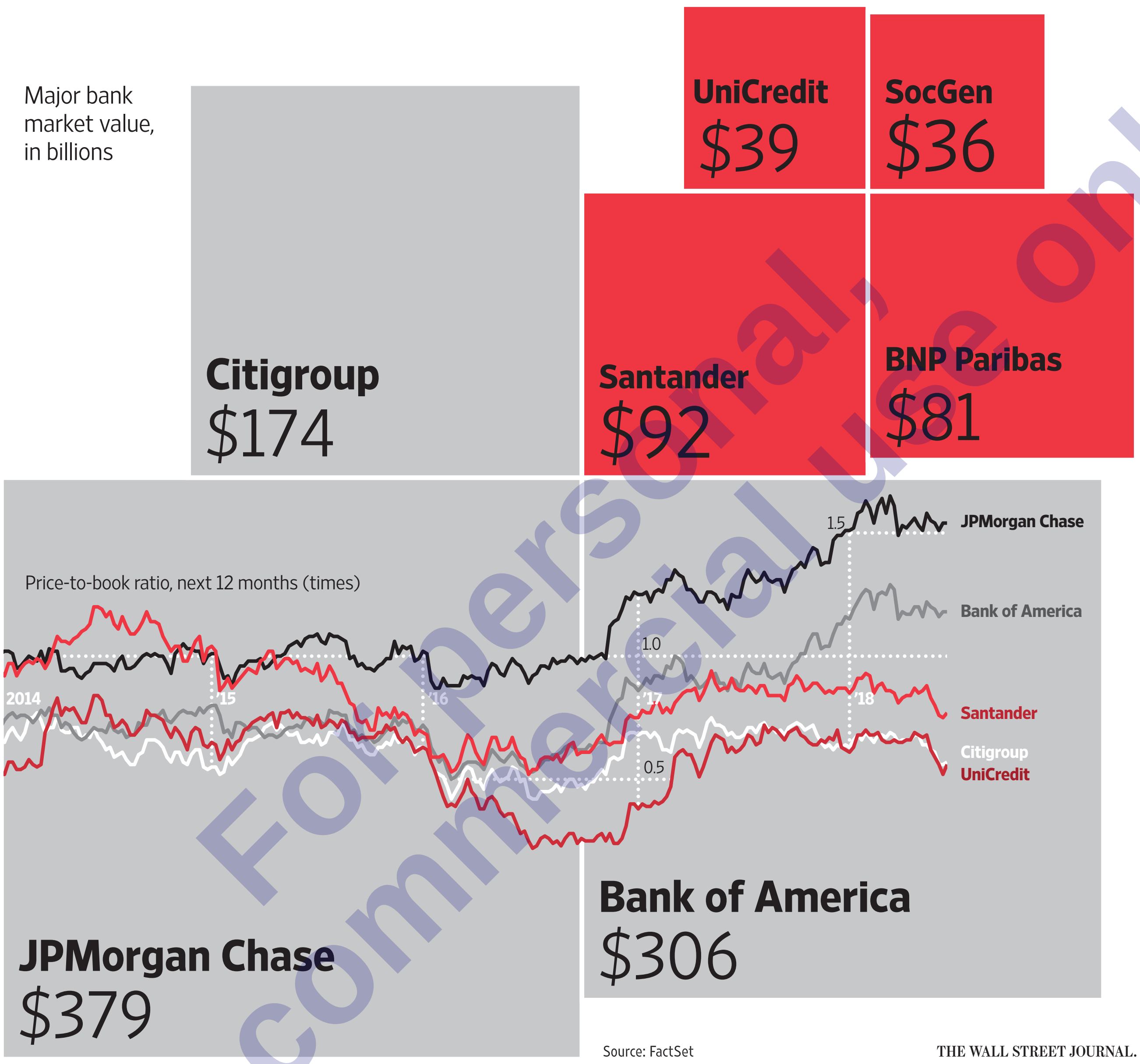
More than a decade ago, executives of Société Générale strategized over plans for a merger with Italy's **UniCredit** SpA, but the deal never came to fruition. Today, the two banks are still eyeing each other, but near-term prospects for a deal aren't promising.

That in a nutshell is the state of European big-bank consolidation. Lots of talk, but little action.

European officials want a

Please turn to page B10

Europe's fragmented banking industry means no single player is as large as U.S. peers.



Source: FactSet THE WALL STREET JOURNAL.

SoftBank Eyes Bigger Investment in WeWork

By Eliot Brown

SoftBank Group Corp. is in discussions to invest another giant slug of capital in **WeWork** Cos., with a deal that would value the shared-office company at $35 billion to $40 billion, according to people familiar with the matter.

That would roughly double WeWork's $20 billion valuation. It would make the New York firm the second-most-valuable privately held, venture-backed U.S. startup behind **Uber Technologies** Inc.

WeWork and SoftBank are talking about a multibillion-dollar investment, though the people caution the discussions are in flux. SoftBank's $92 billion tech-focused Vision Fund would lead this investment, these people said.

Rajeev Misra, who heads the Japanese conglomerate's Vision Fund, said at a tech conference in London that WeWork was looking to raise money at a $35 billion valuation, Business Insider reported Wednesday. "Maybe it's overvalued, but I believe they'll be a $100 billion company in the next few years," the publication reported him as saying.

A SoftBank spokesman confirmed Mr. Misra made those remarks, declining further comment. A WeWork spokesman declined to comment.

INSIDE

Car Tracking Hits the Road in China

By Yoko Kubota

BEIJING—China is establishing an electronic identification system to track cars nationwide, according to records and people briefed on the matter, adding to a growing array of surveillance tools the government uses to monitor its citizens.

Under the plan being rolled out July 1, a radio-frequency identification chip for vehicle tracking will be installed on cars when they are registered. Compliance will be voluntary this year but will be made mandatory for new vehicles at the start of 2019, the people said.

Authorities have described the plan as a means to improve public security and to help ease worsening traffic congestion, documents show, a major concern in many Chinese cities partly because clogged roads contribute to air pollution.

But such a system, implemented in the world's biggest automotive market, with sales of nearly 30 million vehicles a year, will also vastly expand China's surveillance network, experts say. That network already includes widespread use of security cameras, facial-recognition technology and internet monitoring.

REUTERS

The electronic identification system gives the government one more tool to monitor its citizens.

"It's all happening in the backdrop of this pretty authoritarian government," said Ben Green, a fellow at Harvard University's Berkman Klein Center for Internet and Society who is researching use of data and technology by city governments. "It's really hard to imagine that the primary use case is not law-enforcement surveillance and other forms of social control."

China's Ministry of Public Security, a police agency, will implement the plan, whose standards were drafted by the ministry's Traffic Management Research Institute.

Neither responded to requests for comment.

The system will register information such as the license-plate number and automobile color, said one of the people briefed on the plan.

To implement the network, radio-frequency identification, or RFID, chips will be affixed to car windshields. Reading devices installed along roads will identify cars as they pass and transfer the data to the Ministry of Public Security, said one of the people. Unlike GPS tracking systems, the system won't pinpoint a car's position

Please turn to page B2

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

INDEX TO PEOPLE

Elon Musk's Boring Co. Wins Chicago Contract

By Shayndi Raice

The Boring Company is on its way to Chicago.

Elon Musk's venture was picked to finance and build an express train from the downtown Loop neighborhood to Chicago's O'Hare International Airport, Mayor Rahm Emanuel announced. No taxpayer dollars will be funding the service, the mayor said.

Mr. Musk, chief executive officer of **Tesla** Inc., created **Boring** Co. in 2016 as a hobby to build tunnel networks beneath major cities with the goal of increasing speeds dramatically compared with traditional trains and reducing costs by a factor of 10.

Mr. Musk has yet to complete a project using the company's transportation technology, which is still under development.

Plans for the express train come as the city works on an $8.5 billion expansion of O'Hare, the country's third-busiest airport by passenger traffic. The modernization of O'Hare, which will include adding dozens of new gates, rebuilding the international terminal and renovating three other terminals, is expected to take eight years. It would be the largest renovation of O'Hare in its 73-year history.

About 20,000 passengers travel between O'Hare and downtown Chicago daily, and the number is forecast to reach at least 35,000 by 2045, according to the city.

Boring was one of two finalists, after the city issued a request for proposals in March. The decision will kick off formal negotiations with the transportation company and then a final agreement will be presented for a vote to Chicago's city council.

The city asked for proposals that would cut the current travel times to O'Hare by 50%, down to 20 minutes or less. With a projected travel time of 12 minutes using automated vehicles that would travel over 100 miles an hour, Mr. Musk's proposed solution would beat expectations. Trains will carry as many as 16 passengers and their luggage as often as every 30 seconds, according to the city. The cost to consumers will be less than cabs or ride-share services, the city said.

Mr. Emanuel said the project "will help Chicago write the next chapter in our legacy of innovation and invention."

Li Ka-shing Scion Is Set To Expand His Empire

By Robb M. Stewart

MELBOURNE, Australia—Victor Li, the new chairman of Hong Kong's **CK Infrastructure Holdings** Ltd., moved to expand the empire built by his billionaire father, Li Ka-shing, by offering more than $9 billion for Australian pipeline operator **APA Group**.

The elder Mr. Li was known to be a fan of buying assets that offered stable returns, and the APA bid shows the younger Mr. Li is continuing that strategy.

It also indicates that Victor Li is committed to building on holdings that include ports and property businesses in China, electric utilities in Australia and mobile phone networks in the U.K. Li Ka-shing retired last month.

But the APA bid could face opposition from Australian lawmakers and regulators. In 2016, the government, citing national security, blocked the purchase of a majority stake in electricity network Ausgrid by State Grid Corp. of China and CK Infrastructure, which was then called Cheung Kong Infrastructure.

APA, which operates more than 9,000 miles of pipelines, is a major transporter of natural gas in Australia. It also owns or has interests in gas-storage facilities, gas-fired power stations and wind farms. Its portfolio of assets is valued at more than $15 billion.

On Wednesday, APA said it will open its books to a CKI-led consortium after receiving a conditional cash offer of 11 Australian dollars (US$8.33) a share.

The offer, which represents a 33% premium to APA's closing price Tuesday, values the company at more than $9.3 billion.

A formal offer would need approval from Australia's antitrust regulator and the Foreign Investment Review Board.

APA also left the door open to other bidders.

BUSINESS & FINANCE

Apple Toughens Privacy for Apps

By Tripp Mickle

Apple Inc. is trying to enforce new privacy policies across its vast network of iPhone and iPad apps—and in the process is exposing long-standing gaps that left users' data vulnerable to abuse.

The company has issued new rules for app developers designed to limit future data collection and ad targeting. The rules thrust Apple into the role of regulator and enforcer in the wake of controversy over the misuse of personal data from **Facebook** Inc.—a scandal that has triggered calls for new federal regulations of digital information.

But Apple's new rules also raise concerns that the company's previous policies contained loopholes allowing apps to collect and resell users' information, including contact lists and photo locations, privacy advocates say.

Apple didn't respond to requests for comment.

Apple's new guidelines out last week state that apps receiving users' permission to access contact lists and photos can't build databases with that information or sell it to third parties. The company also added rules saying apps need consent when "recording, logging or making a record of a user's activity" and said advertisements inside apps must allow users to see all the information used to target them.

The rules are the most sweeping and restrictive Apple has ever imposed on developers. Previously, the company didn't have detailed rules limiting what developers could do with users' contacts lists. So apps in theory could have taken not only phone numbers and emails of friends and family but also those contacts' birthdays and profile information and build databases or sell it to third parties, said Raj Aggarwal, the co-founder of Localytics, a mobile-app analytics company that supports 37,000 apps across 2.7 billion devices.

"It's pretty bad what Apple was inherently allowing," Mr. Aggarwal said.

It isn't clear if any iPhone or iPad apps compromised users' personal data as a result of the loopholes, and there is no evidence of Apple currently pulling apps off the App Store for failure to comply with the new rules.

$29B

Sales in 2017 generated by the App store and other Apple services

In a new code of conduct section in the guidelines, Apple said: "Customer trust is the cornerstone of the App Store's success. Apps should never prey on users or attempt to rip-off customers, trick them into making unwanted purchases, force them to share unnecessary data...or engage in any other manipulative practices."

Apple's new guidelines were earlier reported by Bloomberg.

The effort to crack down on developers comes amid new European privacy rules and continued scrutiny of Facebook's data-collection practices. The social networking giant has come under fire for failing to fully protect user data and allowing personal information, including contacts, to be collected and relayed to third parties.

The more stringent guidelines could protect Apple and customers as they increasingly store more sensitive information on iPhones, such as medical records.

The App Store is the primary sales engine behind the company's growing services business, which generated more than $29 billion in sales last year and has a goal of hitting about $50 billion in sales by 2020.

iPhone Feature In Works

Continued from page B1

fect Apple's update will have on the forensics tools. GrayShift, for example, has said that its device leverages a series of flaws in the iPhone's iOS operating system to get data off of the device. The company, like its competitor Cellebrite, hasn't disclosed publicly what these bugs are.

Still, the software change risks angering law enforcement at a time the Justice Department is pressing anew for better access to encrypted technology.

The testing of the USB Restricted Mode feature comes two years after the department sought a court order to gain access to a phone belonging to one of the perpetrators of the 2015 terror attack in San Bernardino, Calif.

MICHAEL SHORT/BLOOMBERG NEWS

The iPhone maker says it doesn't design security improvements to frustrate law enforcement.

That case was eventually dropped, after the FBI paid more than $1 million to an unnamed security company to gain access to the iPhone.

An FBI spokeswoman declined to comment. A DOJ spokesman declined to comment.

Apple says that it has been increasing its outreach to law enforcement of late. The company processed more than 14,000 U.S. government requests for information relating to Apple devices last year, about 10% more than the number the year before, and has a team of analysts dedicated to working on national security requests.

System to Track Cars Hits China

Continued from page B1

at all times.

In the U.S. and elsewhere, RFID chips are widely used on cars for automated toll-road payments. They are also installed in commercial fleets, for example, trucks at ports to track their location and the goods they are carrying.

But the Chinese plan "would certainly be the largest system program managed by one government in the world," said Manuel Moreno, vice president at Neology Inc., a San Diego-based company and a provider of RFID technology systems for automobiles in the U.S. and Mexico.

Mexico, for example, has adopted plans for a national system but experts say the implementation has been scattered—and its annual new-car sales of about 1.5 million vehicles are dwarfed by China's total. Details on China's plan for installing RFID readers weren't immediately available.

At present, authorities in China and elsewhere more commonly track cars through video images of license plates. Surveillance cameras are generally cheaper than RFID readers. But RFID has advantages such as functioning in foggy weather and faster information processing, said Sanjay Sarma, a professor at Massachusetts Institute of Technology and an expert on RFID technology.

The RFID system could also obtain the vehicle's information even if fake license plates are used, experts said, a problem in some places in China that try to curb pollution by limiting vehicle entry into certain zones based on license-plate numbers.

Late last year, Beijing released some details of its car-tracking plan, which can be seen online through China's national standards disclosure system. It doesn't say why authorities are introducing this system. But older documents shed some light.

In late 2014, when the Traffic Management Research Institute unveiled the draft standards and sought public comments, it said the new system was needed to address growing problems such as traffic congestion and terrorist attacks with vehicles. It said these "have posed serious challenges and threats to social and economic lives, especially to public safety."

The program could promote the domestic development of an RFID chip industry.

The move also would promote the domestic development of an RFID chip industry, it said, signaling that only chips made by Chinese companies would be used under the program.

Pilot programs exist in some Chinese cities. The eastern city of Wuxi said it introduced an RFID system in 2016 for taxis, trucks and public vehicles.

The southeast city of Shenzhen said it introduced a similar system in 2016. Its government said the device would collect data related to vehicles such as the license-plate number and the car color, but not personal information.

"The security of citizens' privacy will be ensured," it said on its website.

But experts say such personally identifiable data isn't needed to run cities efficiently. For instance, congestion can be monitored by sensors that simply count the number of vehicles.

"It's kind of like another tool in the toolbox for mass-surveillance," said Maya Wang, China researcher at Human Rights Watch, who studies China's surveillance programs. "To be able to track vehicles would definitely add substantial location details to the chain of data points that they already have."

—Chunying Zhang in Shanghai and Xiao Xiao in Beijing contributed to this article.

For WPP, Turmoil Prompts Backlash

BY NICK KOSTOV

LONDON—**WPP** PLC is facing shareholder unrest after its handling of founder Martin Sorrell's resignation, in a sign of how the advertising giant is straining to turn the page on its former chief executive.

Shareholders in London attending their first annual meeting without Mr. Sorrell at the helm showed unusually narrow support for Chairman Roberto Quarta, who was re-elected with 85% of votes, compared with 98% last year.

Roughly 27% of shareholders voted against WPP's remuneration report, which includes the board's decision to retire Mr. Sorrell under "good leaver" status. That allows him to collect a long-term share award of as much as £20 million ($26.7 million) over the next five years.

The votes are an apparent measure of shareholders' frustration with how the company managed the sudden exit of the 73-year-old founder. "Given the lack of confirmed information about the reasons for the former CEO's departure, we do not believe we can assess whether his termination package is appropriate," said Pauline Lecoursonnois of Hermes Equity Ownership Services, which advises institutional shareholders. She suggested shareholders should vote for the re-election of the chairman, but against the compensation report.

Mr. Sorrell stepped down after The Wall Street Journal reported in April that WPP's board was looking into an allegation of improper personal behavior and whether its chief executive had misused company assets, and that the board had retained a law firm for a probe. Mr. Sorrell said at the time that he rejected the allegations "unreservedly."

WPP says the allegations didn't involve sums that were material to the company. On Saturday, The Wall Street Journal reported the board's investigation addressed whether Mr. Sorrell used company money for a prostitute.

Shareholder votes indicate frustration with how the ad firm managed CEO's exit.

A spokesman for Mr. Sorrell reiterated Wednesday that the former CEO "strenuously denied" the accusations and would be making no further comment at this time. He added that Mr. Sorrell had signed a nondisclosure agreement that precluded him from discussing the circumstances surrounding his departure.

It remains unclear what the board-instigated probe determined. Mr. Quarta told shareholders Wednesday that data-protection laws prohibited the company from disclosing details of the allegation of personal misconduct.

Mr. Quarta said WPP was required to grant Mr. Sorrell good-leaver status after the board received legal advice saying the former executive's behavior didn't meet his contract's definition of gross misconduct. "I appreciate that some will find this unsatisfactory," Mr. Quarta said. "Nonetheless, I believe that the board has acted appropriately through this process."

On Tuesday, co-Chief Operating Officer Mark Read sent an email to staff promising to review how the company implements its code of conduct.

Mr. Sorrell, who didn't have a noncompete clause in his contract, has founded a new ad firm. WPP shareholder Paul Walker told Mr. Quarta he hopes Mr. Sorrell "doesn't build his company into too great a peanut with which to fire at the rump of this WPP elephant."

On Wednesday, WPP said its revenue fell 3.4% to £4.82 billion for the year's first four months. Net sales rose marginally on a like-for-like basis.

—Suzanne Vranica in New York contributed to this article.

Stryker Says It Isn't in Deal Talks

Medical-device maker was reported to be discussing takeover with Boston Scientific

BY AISHA AL-MUSLIM

Medical-technology company **Stryker** Corp. said Wednesday it isn't in discussions with **Boston Scientific** Corp. regarding a potential takeover.

On Monday, The Wall Street Journal reported Stryker had made a takeover approach to Boston Scientific, a move that would create a medical-device giant and would be the latest effort to consolidate a corner of the health-care industry that has produced a raft of large deals lately.

Stryker said in a filing with the Securities and Exchange Commission on Wednesday it doesn't typically comment on these matters, but it chose to respond following market speculation about a possible deal for Boston Scientific.

Stryker's filing didn't dispute that it had made a takeover approach.

The Journal had reported it wasn't clear how receptive Boston Scientific was to a deal. Boston Scientific said in a statement after the Journal reported on the advance Monday that it was aware of the report but declined to comment.

Boston Scientific declined to comment Wednesday after Stryker's filing.

A surgeon tried out a Stryker device last year. The company is one of the largest makers of knee- and hip-replacement parts.

CHRISTY RADECIC/AP IMAGES FOR STRYKER ORTHOPAEDICS

Stryker, based in Kalamazoo, Mich., is one of the largest makers of knee- and hip-replacement parts, competing with companies including **Johnson & Johnson** and Zimmer Biomet Holdings Inc.

Boston Scientific, based in Marlborough, Mass., is one of the largest manufacturers of heart devices such as pacemakers and artery-opening stents. The company competes with Medtronic and Abbott Laboratories. It develops devices used in diagnosing and treating coronary artery disease, heart monitoring and a broad range of gastrointestinal and pulmonary conditions. The company also makes nonheart devices such as endoscopes, a type of surgical camera.

Stryker's shares rose 2.5% Wednesday. They had fallen sharply in the wake of the Journal report.

Boston Scientific's stock fell 6.2%.

Zara's Owner Battles Online Pressure

BY JEANNETTE NEUMANN

MADRID—Zara's parent company said sales growth slowed in its latest quarter, though profit margins improved, as the world's largest fashion retailer navigates an industrywide shakeout driven by online shopping.

Inditex SA said Wednesday that sales in stores open at least one year rose in all its markets in its fiscal first quarter, which ended April 30. Analysts estimated that same-store sales rose about 5% from the year-earlier period. That is a slight slowdown from the prior quarter's 6% rise and significantly lower than in recent years when Zara was notching growth as high as 10%.

Currency fluctuations have been hurting the company's sales growth. Analysts also cite heightened price competition from online retailers. Zara's has embraced online shopping, too, though that can chip away at profitability given the expense of shipping internet orders.

Inditex shares rose 3.5% on Wednesday but remain sharply lower over the past year as investors worry about traditional retailers' response to the e-commerce onslaught. Hardest hit have been chains with a large brick-and-mortar presence, like **Gap** Inc. and **Hennes Mauritz** AB. Inditex has been caught up in the storm despite managing to avoid sales declines.

Competitors have been unable to fully replicate Inditex's unique business model, which relies on sourcing its material close to its Spanish home. That allows it to move new outfits from design to rack around the world within weeks. But it has had to adjust, too. It has been shuttering smaller outlets and concentrating on its biggest, marquee stores in busy city centers. Inditex closed the quarter with 7,448 stores in 96 markets, a slight decline from the previous period.

Those closures appeared to play a role in the weaker-than-expected sales momentum at the beginning of Inditex's fiscal second quarter, said Macquarie Group analyst Andreas Inderst.

Sales growth in local currencies is 9% so far this quarter.

Inditex Chief Executive Pablo Isla stuck to his forecast that total floor space would increase by about 6% this year and then by 4% to 6% in the coming years. "For us, the relevant figure is space growth," Mr. Isla told analysts on Wednesday.

Inditex reported a gross profit margin in its fiscal first quarter of 58.9%, versus 58.2% a year earlier.

Inditex has been closing smaller outlets and concentrating on marquee stores in city centers.

BUDDHIKA WEERASINGHE/BLOOMBERG NEWS

Bottega's Creative Boss Steps Down

BY MATTHEW DALTON

PARIS—Designer Tomas Maier is stepping aside as the longtime creative director of Bottega Veneta, the Italian leather-goods house whose slumping sales have been a weak point for corporate parent **Kering** SA.

Mr. Maier's departure underscores Kering's dissatisfaction with Bottega's performance among younger luxury consumers, who have helped drive sales at other Kering brands such as Gucci. Bottega's revenue fell 9% over the past two years, to $1.4 billion in 2017.

Brands across the industry have searched for designers capable of mixing luxury fashion with streetwear flourishes.

Over 17 years at Bottega Veneta, Mr. Maier brought the brand back to its roots as a manufacturer of intricately woven leather bags. Bottega's weaving technique, known as intrecciato, has long been a logo-less signature of the brand.

"With his creative vision, he magnificently showcased the expertise of the House's artisans," Kering Chief Executive François-Henri Pinault said of Mr. Maier, who is 61 years old.

—Matthew Dalton

GM Names New Finance Chief

BY AISHA AL-MUSLIM

General Motors Co. finance chief Chuck Stevens is set to relinquish his post at the end of August ahead of his retirement next year after more than 40 years with the auto maker.

Dhivya Suryadevara, 39 years old, will take over as chief financial officer on Sept. 1, the company said Wednesday. She has been vice president of corporate finance for nearly a year.

Mr. Stevens, 58, became GM's finance chief January 2014, the same time that Chief Executive Mary Barra became the first woman to head a major auto company. Mr. Stevens is expected to serve as an adviser to the company until his retirement on March 1.

The appointment of Ms. Suryadevara spotlights the prominent role of women at GM, long the largest company in an industry historically dominated by men. Five of GM's 11 directors are women, and Ms. Barra has several female executives reporting directly to her. They include manufacturing chief Alicia Boler Davis and Kimberly Brycz, who was appointed head of human resources in March. Ms. Suryadevara will also report to Ms. Barra.

Dhivya Suryadevara joined General Motors in 2005.

JOHN F. MARTIN FOR GENERAL MOTORS

Under Ms. Barra, GM has strung together two consecutive years of record operating profit amid a focus on selling more high-margin pickup trucks and sport-utility vehicles in North America and the company's China business.

In her current role, Ms. Suryadevara is responsible for corporate financial planning, investor relations and special projects. From 2015 to 2017, she served as vice president of finance and treasurer and prior to that as CEO and chief investment officer for GM Asset Management from 2013.

Ms. Suryadevara, a native of India, moved to the U.S. to earn a Harvard M.B.A. She joined GM in 2005. The CFO-designate played a key role in the company's sale of its European business last year and SoftBank Group Corp.'s recent decision to back GM's driverless-car efforts.

For his part, Mr. Stevens has contributed to the restructuring of GM's operations in South America and Korea, and to turning the company's in-house lending arm into a profit center.

From 2010 to 2014, he was GM's finance chief for North America as well as serving several years as interim CFO for South America. He previously held leadership positions for GM in China, Singapore, Indonesia and Thailand. Mr. Stevens began his GM career at the Buick Motor Division in 1978.

—Mike Colias contributed to this article.

Student-Housing Owner Nears a Sale

BY DANA MATTIOLI AND ESTHER FUNG

Greystar Real Estate Partners LLC is in exclusive talks to buy student-housing owner **Education Realty Trust** Inc. for about $3.1 billion, according to people familiar with the matter.

Closely held Greystar offered $41.50 a share for Education Realty, although it is possible that price could change. An announcement is expected this week, but the timing of it could slip and it is still possible the companies won't strike a deal.

At least one other group is still seeking to seal a purchase of EDR, as Education Realty is also known. That group, led by closely held **Scion Group** LLC and **Harrison Street Real Estate Capital**, also submitted a bid and is still hoping to reach an agreement with Education Realty, though it has been frozen out as a result of the exclusivity arrangement, according to the people.

Education Realty, based in Memphis, Tenn., is a real-estate investment trust that owns and manages facilities with more than 42,300 beds serving 50 universities across 25 states.

EDR has on-campus and off-campus developments, including, for example, individual cottages next to the University of Mississippi, Oxford, campus and a 22-story apartment building at Johns Hopkins Medical Institute in Baltimore.

Shares of Education Realty had risen about 9% from the day before The Wall Street Journal first reported on June 1 that it was in talks with a number of private-equity firms for a potential sale. It had a market capitalization Wednesday afternoon of around $3 billion.

Greystar, a rental-housing company based in Charleston, S.C., manages more than 400,000 apartment units in the U.S. and abroad. The company purchased apartment REIT Monogram Residential Trust with partners last September.

Volkswagen Fined $1 Billion in Germany

Auto maker says it won't appeal penalty for oversight lapses in emissions scandal

By William Boston

BERLIN—German prosecutors Wednesday imposed a €1 billion ($1.17 billion) fine on **Volkswagen** AG in connection with its emissions-cheating scandal, describing the penalty as one of the highest ever levied on a German company.

Volkswagen said that it wouldn't appeal the fine, for dereliction of management oversight, which could pave the way for the resolution of remaining criminal investigations in Europe.

The fine, the first imposed against Volkswagen in Europe, comes nearly three years after the German auto maker admitted to rigging nearly 11 million diesel vehicles to cheat on emissions tests. Dieselgate, as the scandal has been called, has cost Volkswagen tens of billions of dollars.

It also embarrassed the German political establishment, which has long been intertwined with the country's most important industry. Politicians from German political parties have sat on the supervisory board of Volkswagen, which is partly state-owned. Former politicians move often from public office to jobs as auto-industry lobbyists.

The prosecutors' investigation concluded that a lack of management oversight in VW's engine-development department after 2007 shared responsibility for the manipulation of 10.7 million diesel vehicles that were rigged to fool regulators globally.

Disclosure of the decade-long cheat by U.S. environmental authorities in 2015 swept away Volkswagen's top managers and led to the company pleading guilty in 2016 to defrauding the U.S. government and consumers. VW paid more than $25 billion in penalties, fines and compensation for consumers.

It also spurred other criminal probes and civil complaints, many of which are still hanging over the company.

Volkswagen said the prosecutor's ruling would have "positive effects on additional investigations in Europe against Volkswagen and its subsidiaries" and called it a "further step" toward resolving the diesel scandal.

The fine imposed Wednesday isn't included in the €26 billion that Volkswagen has provided for on its balance sheets to cover the costs of the diesel scandal. Analysts said that means Volkswagen probably will take another charge against earnings, likely to be booked in the second quarter.

Arndt Ellinghorst, an auto analyst at Evercore ISI, a brokerage based in London, said the ruling could relieve some investor angst about unknown fines looming over Volkswagen in the future.

"Many investors were reluctant to invest in VW with potentially unquantifiable legal risk," he wrote in a note to investors. "That fact that the criminal risk is now being dealt with is good news."

Environmentalists, who have long campaigned against diesel, welcomed the news.

Dieselgate has involved most of the auto industry. Volkswagen has been hit hardest in part because of the sheer scale of the subterfuge, but also because VW officials engaged in a coverup that lasted nearly two years after the company fell under the suspicion of U.S. regulators.

Two former Volkswagen employees have pleaded guilty and are serving prison time in the U.S., while several more have been indicted in the U.S. and are under investigation in Germany. Those include former Chief Executive Martin Winterkorn, who was forced to resign in 2015.

Munich prosecutors said this week that they added Rupert Stadler, head of Volkswagen's luxury division Audi, one of Volkswagen's biggest profit centers, to the list of suspects in a diesel-related fraud investigation targeting at least 20 people. Mr. Stadler has declined to comment. Audi said Wednesday that the company was cooperating with the investigation.

GOH CHAI HIN/AGENCE FRANCE-PRESSE/GETTY IMAGES

The auto maker plans to invest $1 billion in Southeast Asia-based Grab. Motorcycle drivers for the startup in Jakarta, Indonesia.

Toyota Piles Into Ride-Hailing Service

By Sean McLain in Tokyo and Newley Purnell in New Delhi

Toyota Motor Corp. will invest $1 billion in Southeast Asian ride-hailing firm **Grab** Inc., reflecting Chief Executive Akio Toyoda's view that the company needs to expand beyond making cars to survive.

The investment, which values Grab at roughly $10 billion, is one of the largest by Toyota outside its own corporate group. Toyota said the Singapore-based startup has significant growth potential in a region that is home to about 600 million people. Grab has already forced **Uber Technologies** Inc. to retreat from Southeast Asia.

Toyota and Grab last year started a partnership in which they attached driving-data recorders to 100 Toyotas that are owned by the startup and rented out to potential Grab drivers. The data recorders allow Grab and Toyota to develop services for the drivers, such as insurance with costs based on how the renter uses the vehicle.

A spokesman for Toyota said the fleet could expand into the tens of thousands and could include cars from other makers. Grab has said it is aiming to build Southeast Asia's largest fleet of rental cars by the end of the year.

Mr. Toyoda, the Toyota CEO, has warned that the company needs to find new sources of income beyond building and selling vehicles, calling it a matter of "surviving or dying."

That belief is pushing a company known for its tight financial controls to spend big on yet-to-be-proven technologies and businesses such as self-driving and electric cars. Toyota has invested billions of dollars on self-driving research at its research centers across the world.

For Grab, the investment bolsters its position in its face-off with rival **Go-Jek**, which is gearing up to expand further into Southeast Asia. Grab's cash pile has been dwindling and the company wanted to raise money, said a person with knowledge of the company's finances. A Grab spokeswoman said the company has raised about $5 billion to date, is well capitalized and has "a strong bench of long-term strategic partners and investors."

Grab ousted Uber from the market in a March deal under which Uber sold its local operations to Grab in exchange for a minority stake in the homegrown champion.

Toyota's driving-data recorders provide information that can be used to lower rental and insurance costs for drivers, said the Grab spokeswoman. That could help lure drivers during a turf battle with Go-Jek.

An investment by Toyota allows Grab to maintain its independence, which has been a concern for the startup's founders.

A person familiar with Grab management's thinking said it has frowned on investment offers from large internet companies that might result in a loss of control.

Toyota will take a seat on Grab's board and send an executive to work there, the Toyota spokesman said.

—Mayumi Negishi contributed to this article.

Twitter Will Suggest News Events to Follow

By Georgia Wells

Twitter Inc. plans to more aggressively suggest real-time events such as natural disasters and sporting events for people to follow, its latest stab at helping users sort through the vast amounts of information on the social network.

The company is creating destinations for news events that will include curated tweets and videos. It will steer people to the pages based on what they tweet about and what people they follow, jostling for their attention by tapping them on the virtual shoulder to point out news.

News-event pages will appear as suggestions in modules at the top of the newsfeed, in search results and in push notifications. A combination of human editors and algorithms will curate the pages.

Most of the new features will be available in the coming months to people using Twitter on mobile devices in the U.S. The company announced the new initiatives Wednesday.

Twitter's tighter embrace of news comes as **Facebook** Inc. is softening its pursuit of becoming the town crier. It has been playing up a return to its role as a hub for families and friends following its data-sharing scandal involving Cambridge Analytica.

Twitter, on the other hand, has long been a place people go to when they want to talk about news. But the company has struggled to harness that chatter and create destinations for people searching for information.

Toshiba to Buy Back $6.3 Billion in Shares

By Kosaku Narioka

TOKYO—**Toshiba** Corp. said it planned to buy back shares worth about ¥700 billion ($6.3 billion), the largest buyback from the market on record in Japan, appealing to foreign shareholders who took a big stake last year.

Toshiba shares rose 6.6% Wednesday on the news. The company will use proceeds from an $18 billion deal to sell its flash-memory unit to a consortium led by Bain Capital, which closed June 1.

Foreign funds such as **Third Point** LLC and **Greenlight Capital** Inc. have taken a growing role at the Japanese conglomerate since it raised ¥600 billion last December to bolster its balance sheet. At the time, it wasn't clear whether it could complete the chip-unit sale, and the company needed to bolster its capital to avoid delisting at the Tokyo Stock Exchange.

Now Toshiba's finances are more stable, and with Wednesday's share-price rise, foreign investors who took part in the capital raising are sitting on a 28% gain. Foreign shareholders accounted for 72% of total shares at Toshiba as of March 31, according to the company.

Chief Executive Nobuaki Kurumatani, who took the job earlier this year, is facing his first annual meeting on June 27. He said that even after the buyback the company would have a healthy level of capital.

Carnival's CEO Steers Turnaround Effort

Cruise company chief explains how tech is enhancing service and what it takes to boost staff morale

By Vanessa Fuhrmans

A knack for blackjack turned Arnold Donald into a cruise-goer in his 20s. He had heard ship casinos didn't shuffle their decks all that much, making it possible to count cards. His winnings, he says, often paid for much of the vacation.

Taking the helm of **Carnival** Corp. in 2013 was more of a gamble. The year before, Carnival's Costa Concordia capsized off the Italian coast, killing 32 people. Then in early 2013, an engine-room fire aboard the Carnival Triumph sparked another crisis, leaving more than 3,000 passengers to contend with overflowing toilets and no air conditioning for days in the Gulf of Mexico.

BOSS TALK

Mr. Donald, a director on Carnival's board who had built much of his career at agrochemical giant Monsanto Co., was pulled in to right the corporate ship. He spent his first months as CEO sounding out employees.

"If you listen to your employees that do all the work, they'll tell you how to execute," he says.

Mr. Donald, 63 years old, has since steered a turnaround. Carnival's market value has nearly doubled to $45 billion and net profit has climbed to $2.6 billion in 2017 from $1.1 billion in 2013.

One of his biggest tasks today is convincing more consumers that cruises aren't just for the "newly wed and almost dead," he says.

Mr. Donald recently sat down with The Wall Street Journal. Here are edited excerpts from the interview:

The Wall Street Journal: You took over at a difficult time. How did you boost employee morale?

Mr. Donald: I pulled the top leadership together and said, "What does success look like for you and your family five years from now? What does success look like for you and your department? Now share that with each other." I wanted us to get listening established in the organization. I said, "Wait a minute. If I had told you guys this stuff, you wouldn't feel the same. That's how your people are, too. We have to pull together your direct reports around the world and have them do this, too."

WSJ: What's the coolest new cruising technology?

Mr. Donald: It's technology enabling our crew to deliver to guests highly personalized service. You carry a little disc and wear it on a bracelet, or in your pocket, and that disc is like a license plate. For example, you're at a bar—the bartender will know your name. They know what drink you'll have. Or you're in Alaska—there's a whale off the bow of the ship. You run out with everybody else to see the whale, and the drink will come to you.

WSJ: Last year's hurricane season was especially intense. How has that affected Carnival's business in the Caribbean?

Mr. Donald: The reality is five ports that are heavily frequented by cruise liners were directly impacted. There are 80 ports in the Caribbean. So even though there was a bad hurricane season, the Caribbean was open for business the whole time.

WSJ: Carnival was briefly the target of an anti-Trump boycott campaign last year because it helped sponsor "The New Celebrity Apprentice" and the president was an executive producer. How did you weigh the decision to no longer sponsor the show?

Mr. Donald: We didn't really stop the sponsorship. We were on two episodes, the show ended and that was it. We weren't making any kind of statement one way or the other. There are a lot of people who are Trump supporters and there are people who are not—all of them cruise with us.

WSJ: Are there political issues you would feel compelled, as a CEO, to take a public stand on?

Mr. Donald: We all have our own personal feelings, but I don't own this company—the shareholders do. I have a responsibility to my employees, to the shareholders, to the communities we touch and operate in. You have to look at each case that way.

An example is Bermuda [which banned same-sex marriage this year before its top court overturned that law last week]. We have ships that are flagged in Bermuda. We also have a lot of people who get married on our ships, and our company position is that we are supportive of same-sex marriage. We have to comply with the laws, but that doesn't keep us from saying to Bermuda, "You may want to think about this." I wrote a letter and asked it to reconsider. There are other issues where we wouldn't take a position, because it's not relevant to our business.

WSJ: You've been a vocal champion of greater diversity in corporate America. Why is it so tough for companies to move the needle on this?

Mr. Donald: Most places don't get there because people don't own diversity as a business imperative. It can't be just the right thing to say. If you have very different people who are aligned around a common objective, they will out-solution a homogeneous group almost every time—that's real. So if you own it, you make diversity an integral part of your whole thought process on how to create shareholder value.

WSJ: What advice do you privately give other business leaders on boosting diversity?

Mr. Donald: Start at the top. Everybody wants to start at the bottom or the middle. They say they can't start at the top because "the people don't know our culture," or "they don't have the experience." Well, yeah, start at the top and take a risk. And then don't quit on them immediately when they don't fit. What you have to do is say, "This person is different—that's why we brought him here. What are we going to do to accommodate that difference?"

DAVE COLE/THE WALL STREET JOURNAL

'If you listen to your employees that do all the work, they'll tell you how to execute.'

Arnold Donald, chief executive of Carnival

Teen Retailer Rue21 Taps New Chief

By Soma Biswas

R21 Holdings Inc. the operator of teen retail chain Rue21, has shuffled its management team, hiring a trio of top executives, including retailing veteran Laurie Van Brunt as its chief executive officer.

The hirings follow a monthslong search that began when Rue21 exited bankruptcy last fall.

Ms. Van Brunt comes to Rue21 from **Chico's FAS** Inc., where she was president of its Soma intimates division. In that role she increased sales at the division to $350 million in 2017 from $87 million in 2010 and led a shift in focus from brick-and-mortar to online sales. Before Chico's, Ms. Van Brunt worked at **J.C. Penney** Co., managing the department-store chain's store brands.

Rue21 also brought on Stephen Sommers as chief marketing officer and Michele Pascoe as chief financial officer. Mr. Sommers joins the company from specialty preppy retailer Vineyard Vines, while Ms. Pascoe previously worked at financial advisory firm **Alvarez & Marsal.**

Since Rue21 exited bankruptcy in October, Michael Appel, chairman of the board, has served as interim CEO. Mr. Appel will continue to serve as chairman.

The hires are the latest moves to revitalize the retailer since it left chapter 11 protection. Last month Rue21 lender Bank of America Merrill Lynch agreed to increase a credit line to the retailer by $20 million, to $145 million.

"With our increased financing in place, Laurie's leadership, our new senior team, and the utilization of innovative data analytics to drive our business, we are confident that Rue21 will be an even stronger brand that delivers outstanding growth and profit," Mr. Appel said.

The Warrendale, Pa.-based retailer has struggled to regain its footing, with same-store sales declining during the all-important fourth-quarter holiday season ended in January, according to people familiar with the matter.

Rue21 has also seen instability in its top ranks in recent years, with three different executives filling the role of interim CEO since October 2016.

Rue21 shed most of its $1 billion-plus debt load in bankruptcy and closed about 400 stores. Today it operates 752 stores.

Mutual Funds

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Ex-distribution. **f**-Previous day's quotation. **g**-Footnotes x and s apply. **j**-Footnotes e and s apply. **k**-Recalculated by Lipper, using updated data. **p**-Distribution costs apply, 12b-1. **r**-Redemption charge may apply. **s**-Stock split or dividend. **t**-Footnotes p and r apply. **v**-Footnotes x and e apply. **x**-Ex-dividend. **z**-Footnote x, e and s apply. **NA**-Not available due to incomplete price, performance or cost data. **NE**-Not released by Lipper; data under review. **NN**-Fund not tracked. **NS**-Fund didn't exist at start of period.

Wednesday, June 13, 2018

Fund	NAV	Net Chg	YTD %Ret
American Century Inv			
Ultra	49.18	-0.13	13.3
American Funds Cl A			
AmcpA p	34.66	...	10.1
AMutlA p	41.18	-0.22	1.4
BalA p	27.34	-0.20	1.6
BondA p	12.48	-0.02	-2.3
CapIBA p	60.48	-0.71	-2.1
CapWGrA	52.22	-0.44	3.2
EupacA p	55.65	-1.65	1.9
FdInvA p	64.46	-0.18	3.9
GwthA p	54.80	+0.03	10.6
HI TrA p	10.20	+0.01	1.0
ICAA p	41.50	-0.10	3.1
IncoA p	23.01	-0.25	-0.1
N PerA p	46.32	+0.01	7.3
NEcoA p	50.08	+0.04	12.2
NwWrldA	67.74	-0.22	1.2
SmCpA p	60.36	+0.03	8.2
TxExA p	12.79	-0.01	-0.7
WshA p	47.03	-0.20	3.5
Baird Funds			
AggBdInst	10.50	-0.01	-2.4
CorBdInst	10.84	-0.01	-2.2
BlackRock Funds A			
GlblAlloc p	19.73	...	0.2
BlackRock Funds Inst			
EqtyDivd	22.97	-0.02	1.3
GlblAlloc	19.86	...	0.3
StratIncOpptyIns	NA	...	NA
Bridge Builder Trust			
CoreBond	9.83	-0.01	-2.1
Del Invest Instl			
Value	22.27	-0.05	4.2
Dimensional Fds			
5GlbFxdInc	10.85	...	-0.2
EmgMktVa	30.96	-0.15	-0.8
EmMktCorEq	22.61	-0.12	-2.6
IntlCoreEq	14.65	...	0.8
IntlVal	20.33	-0.02	-0.6
IntSmCo	21.63	...	1.7
IntSmVa	22.62	-0.02	-1.5
US CoreEq1	23.97	-0.10	5.4
US CoreEq2	22.53	-0.10	4.7
US Small	38.54	-0.17	7.4
US SmCpVal	40.73	-0.22	7.4
US TgdVal	26.41	-0.15	6.3
USLgVa	39.38	-0.18	1.1
Dodge & Cox			
Balanced	106.50	+0.07	1.2
GblStock	13.70	...	-1.2
Income	13.42	...	-1.6
Intl Stk	44.31	-0.05	-4.3
Stock	206.68	+0.11	3.0
DoubleLine Funds			
CoreFxdIncmI	NA	...	NA
TotRetBdI	10.39	-0.01	-0.8
Edgewood Growth Instituti			
EdgewoodGrInst	34.11	-0.10	15.4
Fidelity			
500IdxInst	97.33	-0.39	4.7
500IdxInstPrem	97.33	-0.39	4.7
500IdxPrem	97.33	-0.39	4.7
ExtMktIdxPrem r	67.12	-0.29	8.3
IntlIdxPrem r	43.31	+0.05	0.4
SAIUSLgCpIndxFd	14.96	-0.06	4.8
TMktIdxF r	80.16	-0.33	5.3
TMktIdxPrem	80.16	-0.32	5.3
USBdIdxInstPrem	11.19	-0.01	-2.3
Fidelity Advisor I			
NwInsghtI	34.46	-0.03	9.9
Fidelity Freedom			
FF2020	16.42	-0.02	1.6
FF2025	14.33	-0.03	1.8
FF2030	18.01	-0.03	2.4
Freedom2020 K	16.40	-0.02	1.6
Freedom2025 K	14.31	-0.03	1.8
Freedom2030 K	17.99	-0.03	2.4
Freedom2035 K	15.27	-0.03	3.0
Freedom2040 K	10.73	-0.03	3.1
Fidelity Invest			
Balanc	24.68	-0.07	4.3
BluCh	100.92	-0.17	15.0
Contra	134.92	-0.08	11.9
ContraK	134.89	-0.08	11.9
CpInc r	10.17	...	2.0
DivIntl	40.28	+0.04	0.6
GroCo	206.46	-0.37	15.6
GrowCoK	206.50	-0.38	15.6
InvGB	7.66	-0.01	-2.3
InvGrBd	10.89	-0.01	-2.0
LowP r	56.32	-0.04	3.3
MagIn	107.91	-0.33	8.2
OTC	12.68	+0.01	15.4
Puritn	24.38	-0.06	4.5
SrsEmrgMkt	20.95	-0.11	-2.1
SrsGroCoRetail	19.30	-0.04	16.1
SrsIntlGrw	16.54	-0.02	2.4
SrsIntlVal	10.54	-0.01	-1.4
TotalBond	10.32	...	-1.9
First Eagle Funds			
GlbA	59.47	-0.13	0.7
FPA Funds			
FPACres	35.06	-0.06	1.1
FrankTemp/Frank Adv			
IncomeAdv	2.31	...	0.5
FrankTemp/Franklin A			
CA TF A p	7.28	-0.01	-1.1
IncomeA p	2.33	...	0.5
RisDv A p	62.39	-0.23	2.3
FrankTemp/Franklin C			
Income C t	2.36	...	0.2
FrankTemp/Temp A			
GlBond A p	11.61	-0.03	-0.9
Growth A p	27.36	-0.02	0.4
FrankTemp/Temp Adv			
GlBondAdv p	11.57	-0.03	-0.8
Harbor Funds			
CapApInst	NA	...	NA
IntlInst r	NA	...	NA
Harding Loevner			
IntlEq	NA	...	NA
Invesco Funds A			
EqIncA	11.00	-0.01	0.7
John Hancock Class 1			
LSGwth	16.52	-0.04	2.7
John Hancock Instl			
DispValMCI	23.66	-0.11	1.5
JPMorgan Funds			
MdCpVal L	40.72	-0.31	1.1
JPMorgan R Class			
CoreBond	11.24	...	-1.9
CorePlusBd	8.03	...	-1.8
Lazard Instl			
EmgMktEq	18.45	-0.05	-7.8
Lord Abbett A			
ShtDurIncmA p	4.18	...	...
Lord Abbett F			
ShtDurIncm	4.18	...	0.1
Metropolitan West			
TotRetBd	10.34	-0.01	-2.0
TotRetBdI	10.34	-0.01	-1.9
TRBdPlan	9.73	-0.01	-1.9
MFS Funds Class I			
ValueI	39.95	-0.15	-1.7
MFS Funds Instl			
IntlEq	25.83	+0.08	1.5
Oakmark Funds Invest			
EqtyInc r	32.55	-0.05	1.1
Oakmark	87.69	-0.21	4.0
OakmrkInt	27.84	+0.08	-2.6
Old Westbury Fds			
LrgCpStr	14.97	-0.04	3.5
Oppenheimer Y			
DevMktY	NA	...	NA
IntGrowY	44.76	+0.19	2.6
Parnassus Fds			
ParnEqFd	44.46	-0.08	4.6
PGIM Funds Cl Z			
TotalReturnBond	13.99	-0.02	-2.7
PIMCO Fds Instl			
AllAsset	NA	...	NA
ShortT	9.88	...	1.0
TotRt	9.93	-0.01	-2.2
PIMCO Funds A			
IncomeFd	11.95	-0.02	-1.5
PIMCO Funds I2			
Income	11.95	-0.02	-1.3
PIMCO Funds Instl			
IncomeFd	11.95	-0.02	-1.3
Price Funds			
BlChip	110.75	-0.18	15.0
EqInc	33.44	-0.09	0.7
EqIndex	74.74	-0.30	4.6
Growth	70.35	-0.12	12.3
HelSci	77.00	-0.08	9.5
InstlCapG	42.31	-0.10	14.6
IntlStk	18.81	-0.05	0.7
IntlValEq	14.79	-0.03	-2.2
MCapVal	31.65	-0.11	4.1
MidCap	94.11	-0.30	8.1
N Inc	9.16	...	-2.2
NHoriz	61.56	-0.20	17.1
OverS SF r	11.48	...	1.5
R2020	22.90	-0.04	1.6
R2025	17.96	-0.03	2.1
R2030	26.58	-0.06	2.5
R2035	19.53	-0.04	3.0
R2040	28.13	-0.07	3.3
Value	37.28	-0.14	-0.1
PRIMECAP Odyssey Fds			
AggGrowth r	51.13	-0.10	15.3
Growth r	42.22	-0.09	13.3
Stock r	33.20	-0.07	4.0
Principal Investors			
DivIntlInst	13.89	-0.02	-0.1
Schwab Funds			
S&P Sel	43.13	-0.17	4.7
TIAA/CREF Funds			
BdIdxInst	10.45	-0.01	-2.3
EqIdxInst	20.69	-0.09	5.3
IntlEqIdxInst	20.26	...	0.4
Tweedy Browne Fds			
GblValue	29.07	-0.04	2.0
VANGUARD ADMIRAL			
500Adml	257.26	-1.03	4.7
BalAdml	35.36	-0.09	2.4
CAITAdml	11.60	-0.01	-0.3
CapOpAdml r	167.21	-0.37	8.9
EMAdmr	37.35	-0.26	-2.0
EqIncAdml	77.72	-0.45	0.2
ExplrAdml	101.26	-0.42	14.5
ExtndAdml	91.51	-0.40	8.3
GNMAAdml	10.18	-0.01	-1.4
GrwthAdml	78.85	-0.27	9.3
HlthCareAdml r	86.70	-0.16	2.6
HYCorAdml r	5.75	+0.01	-0.5
InfProAd	25.24	-0.02	-1.1
IntlGrAdml	103.31	-0.23	8.1
ITBondAdml	10.89	-0.01	-2.9
ITIGradeAdml	9.36	-0.01	-2.6
LTGradeAdml	9.71	-0.01	-6.8
MidCpAdml	199.68	-0.89	4.6
MorgAdml	101.50	-0.18	11.9
MuHYAdml	11.21	-0.01	-0.3
MuIntAdml	13.87	-0.01	-0.6
MuLTAdml	11.38	-0.02	-0.9
MuLtdAdml	10.84	...	0.4
MuShtAdml	15.72	...	0.7
PrmcpAdml r	145.34	-0.35	8.8
RealEstatAdml	111.96	-2.18	-3.8
SmCapAdml	76.22	-0.42	8.0
STBondAdml	10.22	-0.01	-0.7
STIGradeAdml	10.44	-0.01	-0.6
TotBdAdml	10.38	-0.01	-2.2
TotIntBdIdxAdm	21.72	+0.02	0.5
TotIntlAdmIdx r	30.43	-0.03	...
TotStAdml	70.01	-0.28	5.4
TxMIn r	14.43	...	0.5
ValAdml	41.59	-0.18	1.0
WdsrllAdml	67.98	-0.19	1.3
WellsIAdml	63.51	-0.16	-2.1
WelltnAdml	72.26	-0.20	0.1
WndsrAdml	80.83	-0.36	2.3
VANGUARD FDS			
DivdGro	27.22	-0.10	3.7
INSTTRF2020	22.80	-0.04	1.2
INSTTRF2025	23.22	-0.04	1.6
INSTTRF2030	23.56	-0.05	1.9
INSTTRF2035	23.89	-0.06	2.2
INSTTRF2040	24.23	-0.06	2.6
INSTTRF2045	24.45	-0.07	2.7
INSTTRF2050	24.48	-0.06	2.8
IntlVal	39.50	-0.07	-1.0
LifeCon	19.99	-0.02	0.5
LifeGro	34.45	-0.08	2.3
LifeMod	27.52	-0.05	1.4
PrmcpCor	28.25	-0.06	5.0
SelValu r	30.44	-0.16	-2.7
STAR	27.47	-0.06	2.5
TgtRe2015	15.44	-0.02	0.7
TgtRe2020	31.76	-0.05	1.2
TgtRe2025	18.78	-0.03	1.5
TgtRe2030	34.26	-0.07	1.9
TgtRe2035	21.14	-0.05	2.2
TgtRe2040	36.68	-0.10	2.5
TgtRe2045	23.11	-0.06	2.7
TgtRe2050	37.19	-0.10	2.7
TgtRetInc	13.55	-0.01	0.3
TotIntBdIxInv	10.86	+0.01	0.5
WellsI	26.21	-0.07	-2.1
Welltn	41.83	-0.12	0.1
WndsrII	38.30	-0.11	1.2
VANGUARD INDEX FDS			
500	257.21	-1.03	4.7
ExtndIstPl	225.83	-0.98	8.3
SmValAdml	59.52	-0.41	4.8
TotBd2	10.35	-0.01	-2.3
TotIntl	18.19	-0.02	...
TotSt	69.97	-0.28	5.3
VANGUARD INSTL FDS			
BalInst	35.36	-0.10	2.4
DevMktsIndInst	14.45	...	0.5
DevMktsInxInst	22.59	+0.01	0.5
ExtndInst	91.51	-0.39	8.3
GrwthInst	78.86	-0.27	9.3
InPrSeIn	10.28	-0.01	-1.1
InstIdx	253.91	-1.02	4.7
InstPlus	253.94	-1.01	4.7
InstTStPlus	62.24	-0.25	5.4
MidCpInst	44.11	-0.20	4.6
MidCpIstPl	217.55	-0.97	4.6
SmCapInst	76.22	-0.42	8.0
SmCapIstPl	219.99	-1.22	8.0
STIGradeInst	10.44	-0.01	-0.6
TotBdInst	10.38	-0.01	-2.2
TotBdInst2	10.35	-0.01	-2.3
TotBdInstPl	10.38	-0.01	-2.2
TotIntBdIdxInst	32.60	+0.04	0.6
TotIntlInstIdx r	121.68	-0.14	...
TotItlInstPlId r	121.70	-0.15	...
TotStInst	70.02	-0.28	5.4
ValueInst	41.59	-0.18	1.0
Western Asset			
CorePlusBdI	NA	...	NA

Dividend Changes

No dividend announcements from June 13.

New Highs and Lows | WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **% CHG**-Daily percentage change from the previous trading session.

Wednesday, June 13, 2018

Stock	Sym	52-Wk Hi/Lo	% Chg
Highs			
AAR	AIR	48.78	0.5
AGM	AGMH	16.25	21.1
Ansys	ANSS	178.06	-0.1
Abiomed	ABMD	438.24	0.5
AdobeSystems	ADBE	257.90	1.4
AdvMicroDevices	AMD	16.52	3.0
AegonCapSec AEH	AEH	26.39	-0.2
AegonCapSec AED	AED	26.63	...
Agilysys	AGYS	14.90	-0.2
AgreeRealty	ADC	54.16	-1.3
AkamaiTech	AKAM	81.38	0.5
AlignTech	ALGN	365.76	2.6
AllianceBernstein	AB	29.80	0.2
Amedisys	AMED	82.69	2.1
AngioDynamics	ANGO	21.70	-0.8
Apptio	APTI	35.60	0.3
ArborRealty	ABR	10.05	0.5
ArrowheadPharm	ARWR	11.84	2.7
AspenTech	AZPN	99.50	0.7
ADP	ADP	140.91	0.7
Bilibili	BILI	20.24	7.6
Bio-Techne	TECH	163.81	0.3
BioLifeSols	BLFS	11.49	2.9
BlackLine	BL	49.86	3.0
BostonBeer	SAM	283.15	2.1
BrinkerIntl	EAT	49.96	1.0
CA	CA	37.26	0.5
CAS MedSys	CASM	1.93	2.2
CBIZ	CBZ	22.00	1.1
CBRE Group	CBRE	48.95	-1.6
CAE	CAE	21.70	-0.4
Cal-MaineFoods	CALM	50.80	2.4
Calix	CALX	7.98	1.3
CanadaGoose	GOOS	45.80	0.9
CanPacRlwy	CP	195.56	...
CapitalSouthwest	CSWC	19.20	-0.6
CarbonBlack	CBLK	28.74	4.9
Carbonite	CARB	41.10	0.2
Centene	CNC	126.04	0.8
Ceragon	CRNT	4.15	-5.5
Cheesecake	CAKE	55.40	0.6
Cintas	CTAS	194.09	...
Cision	CISN	17.07	0.5
CoastwayBancorp	CWAY	27.90	-0.5
Cohbar	CWBR	10.79	-2.2
CommVaultSystems	CVLT	72.65	0.3
Conduent	CNDT	21.06	0.1
ConstellatnAlpha	CNAC	9.99	0.4
ConstructionPtrs	ROAD	13.84	7.6
Copart	CPRT	58.24	0.2
CoreLogic	CLGX	55.79	-1.3
Costamare	CMRE	7.93	3.7
Costco	COST	205.83	-0.4
CoupaSoftware	COUP	63.24	0.2
CovenantTranspt	CVTI	35.19	-1.4
Cree	CREE	50.68	0.5
CryoPortWt	CYRXW	10.94	4.4
CryoPort	CYRX	14.72	5.9
CyberArkSoftware	CYBR	66.47	0.2
DFB Hlthcr	DFBH	9.71	...
Dillard's	DDS	98.06	-5.1
DocuSign	DOCU	64.97	3.2
Domino's	DPZ	276.12	0.1
DriveShack	DS	7.15	3.5
Dunkin'	DNKN	68.49	...
EXACT Sci	EXAS	69.09	1.6
EducationRealty	EDR	43.30	1.6
EdwardsLife	EW	153.66	2.3
ElectronicArts	EA	144.92	2.5
EloxxPharm	ELOX	21.76	-1.4
EncompassHealth	EHC	67.21	0.1
EndeavourSilver	EXK	3.30	8.0
Endologix	ELGX	6.59	0.3
Entegris	ENTG	39.55	-0.4
EquityBcshs	EQBK	42.30	3.2
EsquireFinancial	ESQ	29.45	3.4
Everbridge	EVBG	52.35	2.8
EvercoreA	EVR	112.10	2.4
F5Networks	FFIV	180.92	1.2
FS Bancorp	FSBW	61.51	-0.3
Ferrari	RACE	145.07	2.4
FidNatlInfo	FIS	107.88	-0.1
FirstChoiceBncp	FCBP	30.75	4.4
FirstData	FDC	22.14	2.1
FirstUnited	FUNC	24.32	1.9
FirsthandTechVal	SVVC	14.67	1.6
Fiserv	FISV	76.76	...
FiveBelow	FIVE	103.99	-0.2
Fortinet	FTNT	65.17	0.9
Fossil	FOSL	29.66	-1.8
GDS Holdings	GDS	42.49	-1.7
GalectinTherap	GALT	8.00	23.5
GeneralFin	GFN	11.50	4.5
Gentex	GNTX	25.41	-0.3
GeoPark	GPRK	20.40	2.1
GladstoneInvt	GAIN	11.94	1.5
GlobalPayments	GPN	119.65	...
Globant	GLOB	56.00	-0.8
GluMobile	GLUU	6.21	4.9
GreenDot	GDOT	79.12	0.3
GriffinIndlRealty	GRIF	43.92	1.1
GrubHub	GRUB	116.90	2.8
HCA Healthcare	HCA	107.37	-0.6
HD Supply	HDS	44.25	-1.3
HMN Fin	HMNF	19.80	0.3
HUYA	HUYA	39.60	7.5
HalyardHealth	HYH	60.01	0.5
HealthEquity	HQY	81.40	-0.1
HopFedBancorp	HFBC	16.60	...
HubSpot	HUBS	135.25	1.1
Humana	HUM	309.19	0.2
JBHunt	JBHT	131.74	-1.1
ICU Medical	ICUI	307.30	-0.2
IdexxLab	IDXX	224.50	0.1
IF Bancorp	IROQ	22.81	1.4
Icon	ICLR	135.90	1.5
Illumina	ILMN	293.15	-1.7
Immersion	IMMR	17.70	2.2
Infosys	INFY	19.10	-0.9
Insperity	NSP	98.55	-0.3
Insulet	PODD	102.17	2.0
IntegraLifeSci	IART	66.65	0.4
InterDigital	IDCC	85.00	-0.2
Intricon	IIN	42.70	5.1
IntuitiveSurgical	ISRG	496.92	-0.9
Invacare	IVC	19.30	0.8
iRhythmTechs	IRTC	83.84	1.6
IsraelChemicals	ICL	4.98	2.7
Isramco	ISRL	135.05	3.0
JackHenry	JKHY	130.70	...
Joint	JYNT	8.02	1.5
KayneAnAcqnWt	KAACW	1.25	-4.2
Kforce	KFRC	35.55	1.9
KindredBiosci	KIN	11.15	2.4
KirklandLakeGold	KL	20.12	2.1
KornFerry	KFY	68.34	12.2
LHC Group	LHCG	82.55	2.4
LeoHldgsWt	LHC.WS	1.25	4.2
Littelfuse	LFUS	231.72	0.5
LivaNova	LIVN	104.54	0.6
LivePerson	LPSN	22.98	0.9
LogitechIntl	LOGI	45.48	0.1
LonestarRscs	LONE	8.41	2.2
lululemon	LULU	127.34	0.1
MI Acqns Wt	MACQW	1.70	13.9
MSCI	MSCI	173.67	1.4
MackinacFin	MFNC	17.10	7.1
MiratiTherap	MRTX	48.84	4.0
Moelis	MC	64.70	1.3
MolinaHealthcare	MOH	97.49	0.7
MongoDB	MDB	57.91	1.7
MonolithicPower	MPWR	141.57	-1.5
Morningstar	MORN	133.88	0.8
MorphoSys	MOR	29.00	1.8
Mosaic	MOS	29.90	0.7
MotorolaSol	MSI	114.46	0.3
NVE	NVEC	117.94	1.0
Nasdaq	NDAQ	96.19	...
NatlPrestoInds	NPK	134.10	3.1
NatlStorage	NSA	30.07	-1.2
Neogen	NEOG	79.87	0.1
Netflix	NFLX	384.25	4.4
NewMediaInvt	NEWM	18.24	0.9
Noodles	NDLS	10.00	-1.6
Novocure	NVCR	32.03	1.6
Nutanix	NTNX	64.35	4.7
Nuvectra	NVTR	22.00	0.7
ParkeBancorp	PKBK	23.00	2.0
Paylocity	PCTY	62.86	2.1
Perma-PipeIntl	PPIH	10.43	1.4
PivotalSoftware	PVTL	28.73	33.0
PlanetFitness	PLNT	44.25	1.4
PointsIntl	PCOM	15.08	-2.1
Progressive	PGR	64.77	1.0
ProtoLabs	PRLB	134.05	-0.1
PureStorage	PSTG	25.58	0.5
Qiagen	QGEN	37.61	0.7
QualitySystems	QSII	18.14	1.0
Qualys	QLYS	90.00	0.6
Quidel	QDEL	66.99	-0.9
RBB Bancorp	RBB	32.85	-0.6
REGENXBIO	RGNX	59.24	...
Radware	RDWR	24.66	1.2
RedHat	RHT	175.61	0.6
RedLionHotels	RLH	12.05	...
ReliantBancorp	RBNC	27.80	2.6
ResMed	RMD	107.67	-0.1
ResourcesConnect	RECN	17.95	2.6
RobertHalf	RHI	70.27	1.0
RockyBrands	RCKY	30.30	-2.9
SAP	SAP	121.38	0.3
SIGA Tech	SIGA	7.54	3.8
SPS Commerce	SPSC	78.57	-0.5
SPX	SPXC	37.94	-0.5
Sabre	SABR	26.61	0.9
SailPointTechs	SAIL	28.87	-1.2
SandRidgeMS	SDT	2.30	4.4
SandRidgeMS II	SDR	2.00	0.5
Sanfilippo	JBSS	71.43	-0.5
SareptaTherap	SRPT	102.73	-2.0
SeacoastBkgFL	SBCF	33.21	0.7
SeaspanPfdD	SSWpD	25.34	0.6
SeaSpine	SPNE	13.98	1.0
Senseonics	SENS	4.15	-1.3
Shopify	SHOP	171.13	-0.1
ShotSpotter	SSTI	38.50	6.4
SimulationsPlus	SLP	20.70	-0.7
SiriusXM	SIRI	7.37	0.6
SiteOneLandscape	SITE	90.28	-1.2
SixFlags	SIX	72.50	-0.7
SmartFinancial	SMBK	25.97	0.5
Sonic	SONC	33.74	3.1
SpiritMTAREIT	SMTA	10.60	2.9
SpiritRealtyCap	SRC	8.08	-0.9
Stamps.com	STMP	278.25	1.5
StarsGroup	TSG	38.50	-3.5
STMicroelec	STM	26.21	3.4
SunCokeEnergy	SXC	14.20	-0.6
SunRun	RUN	14.31	3.6
Syntel	SYNT	34.04	0.5
TPG RE Fin	TRTX	20.80	...
TTM Tech	TTMI	19.62	0.1
TableauSftwr	DATA	102.58	0.1
TabulaRasaHlth	TRHC	61.52	3.9
TactileSystems	TCMD	56.24	6.5
Talend	TLND	61.67	5.1
TandemDiabetes	TNDM	19.35	0.3
Teladoc	TDOC	59.75	4.1
TexasRoadhouse	TXRH	65.57	-0.4
Tiffany	TIF	137.97	...
TradeDesk	TTD	92.53	-0.8
TransUnion	TRU	73.13	-0.1
TravelportWorldwd	TVPT	19.01	1.4
Trupanion	TRUP	37.14	2.6
TurtleBeach	HEAR	23.20	13.0
21stCenturyFoxA	FOXA	43.93	7.7
21stCenturyFoxB	FOX	43.70	7.5
Twilio	TWLO	60.35	-0.7
Twitter	TWTR	44.55	1.3
USA Tech	USAT	14.68	1.4
UltSoftware	ULTI	274.64	0.6
UnitedMicro	UMC	3.14	5.5
UnitedHealth	UNH	256.73	-0.3
UnivLogistics	ULH	25.95	0.2
UrbanOutfitters	URBN	48.24	-2.1
ValeantPharm	VRX	27.79	1.0
VaronisSystems	VRNS	83.10	-1.1
VerintSystems	VRNT	45.80	0.9
VeriSign	VRSN	141.00	-0.4
VeriskAnalytics	VRSK	110.26	0.2
VikingTherap	VKTX	11.75	9.1
VikingTheraWt	VKTXW	10.10	10.5
VinceHolding	VNCE	13.74	10.3
Vonage	VG	12.23	0.3
WD-40	WDFC	148.95	0.5
WeightWatchers	WTW	94.40	2.6
WellCareHealth	WCG	243.71	0.2
Wiley B	JW.B	71.40	0.7
Wiley A	JW.A	71.75	-0.8
Wix.com	WIX	101.20	0.6
WolverineWwide	WWW	36.29	0.4
XPO Logistics	XPO	115.49	-0.8
XenonPharms	XENE	8.90	3.8
Yext	YEXT	19.15	0.3
Zendesk	ZEN	59.51	0.9
Zillow C	Z	65.48	-0.5
Zillow A	ZG	65.28	-0.5
Lows			
ALJ Regional	ALJJ	1.42	5.3
AchieveLifeSci	ACHV	6.77	-6.1
Agenus	AGEN	2.77	-0.7
AlioGold	ALO	1.43	-0.7
AmbowEduc	AMBO	3.97	-5.0
Ardagh	ARD	16.44	-2.4
Argan	AGX	35.50	-2.8
AtossaGenetics	ATOS	2.57	-1.1
AurynResources	AUG	1.06	-2.8
AvonProducts	AVP	1.48	-4.5
BRF	BRFS	5.25	-6.0
BerryGlobal	BERY	46.30	-3.0
BlockHR	HRB	23.33	-17.9
BlueCapReins	BCRH	9.50	4.6
BrighthouseFin	BHF	44.72	0.3
ChinaXDPlastics	CXDC	3.40	-6.6
Despegar.com	DESP	21.91	-2.0
DixieGroup	DXYN	2.25	-3.2
EnelGenChile	EOCC	20.98	0.5
EveloBiosci	EVLO	12.97	-6.8
EvolvingSystems	EVOL	3.15	3.1
Ferroglobe	GSM	9.59	-3.0
FivePoint	FPH	10.88	-3.3
FlexPharma	FLKS	1.04	-75.1
Globalstar	GSAT	0.43	2.2
GrupoSimec	SIM	8.81	-0.7
iBio	IBIO	1.17	-2.5
InterlinkElec	LINK	3.70	-9.8
LSB Inds	LXU	4.75	5.3
LeggMason	LM	35.36	-1.9
Limbach	LMB	10.83	-1.2
MagneGas	MNGA	0.40	-6.0
MedleyNts26	MDLX	23.61	-0.3
MiMedx	MDXG	5.47	-7.4
NCS Multistage	NCSM	12.93	-2.4
NanoViricides	NNVC	0.36	-3.6
NantKwest	NK	3.34	-3.7
NaturalGasSvcs	NGS	21.90	-2.2
NewGold	NGD	2.06	-1.4
NexaResources	NEXA	15.18	-2.1
Oi	OIBR.C	4.00	-4.7
PPDAI	PPDF	6.28	-0.8
scPharm	SCPH	5.61	-22.1
SpiritofTexas	STXB	20.41	-0.7
SuperCom	SPCB	1.66	...
SynovusFinlPfdC	SNVpC	25.28	-0.3
TESARO	TSRO	41.69	1.0
TVA Parrs	TVE	23.22	-1.1
TurkcellIletism	TKC	6.18	-3.6
Vedanta	VEDL	14.18	-1.9
Vical	VICL	1.02	-4.5
Vodafone	VOD	24.68	-2.3
WestpacBanking	WBK	20.66	-0.8
YPF	YPF	17.44	-1.2

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Special Advertising Feature

It's All About Convenience

WHEN TODAY'S CONSUMERS ARE HUNGRY THEY WANT FOOD FAST—BUT THEY ALSO DEMAND QUALITY AND CHOICE

By Tonie Auer

Convenience dominates consumer demands for restaurant operators today; savvy franchisees know that diners seek quick, easy options without sacrificing food quality. At the top of consumer desires: delivery, ease in online ordering, fresh food, and modern yet comfortable restaurants.

FIREHOUSE SUBS

GOLDEN CORRAL

GREAT HARVEST BREAD CO.

L to R: A Firehouse Subs franchise; Golden Corral's trademark buffet service; a typical Golden Harvest sandwich, made with bread baked fresh in-store.

CONSUMPTION SHIFT

"Clearly throughout the industry there has been a fairly distinct shift in consumers' off-premises restaurant consumption," says Don Fox, CEO of Firehouse of America, LLC, which is the franchising arm of Firehouse Subs, headquartered in Jacksonville, Fla. "There is a lot of discussion among industry peers about delivery services and even beyond that to, generally speaking, a larger percentage of food being consumed off-premises."

"People want natural and wholesome items where they can understand the ingredients."

Mr. Fox says delivery options vary from in-house to using a third-party company with the Firehouse Subs units using both, depending upon the operator. Only 37 of the 1,135 stores are company-owned.

"We encourage our franchisees to sign up with a delivery service," Mr. Fox says. "We have found that consumers are willing to pay delivery fees. The threshold is about $5 for the delivery fee, even for a modest order amount."

Convenience is also evident in the increase in online orders that restaurants are seeing today, he adds. "It is a more complicated world than it was five years ago. At the end of 2012, about 90% of Firehouse business was done through traditional channels of walking into the restaurant and placing an order at the cash register.

"Today, we are seeing 20% ordered through non-traditional channels; that is something all brands are seeing across the industry," Mr. Fox says.

MODERN ENVIRONMENT

Following the lines of convenience in a modern environment, Golden Corral—known for its buffets—listened to its customer base and consequently has created a new prototype restaurant, says Bob McDevitt, the company's senior vice president of franchise development.

The exterior design is sleeker with a more contemporary appearance featuring stacked stone towers, wood trellises, and LED lighting. On the inside, there is more room between tables and the buffets now have 360-degree access for the diners. All of the restaurants going forward will feature the new design.

Mr. McDevitt anticipates opening about 25 new locations in 2018. A trend he's seeing is franchisees looking to grow and have more than just one or two units. "The majority of our franchisees are single or two-store franchises, with just a handful owning more than 10. It is a growing trend industry-wide, as capital has been cheaper to get in the last five or six years and store owners are confident with their brands. The availability of restaurants to buy has gone up as a lot of franchises are selling company-owned restaurants. And, we are opening fewer company stores," Mr. McDevitt says.

FARM TO TABLE

When Dillon, Montana-based Great Harvest launched in 1976, it was started on the premise of baking bread from scratch, in the store, with wheat from local farms, says company president and principal Eric Keshin. Forty years later, that desire for farm-to-table freshness is a growing trend among choosy consumers looking for great taste without the preservatives.

"People want natural and wholesome items where they can understand the ingredients without having to get a dictionary," Mr. Keshin says. "Our bread is all made by hand across the counter from you. It's a growing trend in consumer eating habits; going directly to the source like the butcher shop for meats or milk delivery from the dairy."

Getting hyper-local is the next level of that movement, he says. Bread that is whole grain— wheat berry is shipped from Montana and is milled into flour daily at each of the 200 bakery-cafes—can be made without sacrificing taste. Digging another level down, people enjoy the "curating" experience with their healthy food, as well, Mr. Keshin adds.

"Think about how the way we drink coffee [has been revolutionized]," he says. "Pre-1980, we all drank instant coffee. [Now it's] a special experience. There are a multitude of places to get a sandwich, but we curate the outside of the sandwich by matching the breads to the filling; like cranberry-orange bread with our homemade chicken salad. The first thing our employees ask is if you would you like to sample a piece of bread. The curation trend extends to places where you can see your burrito built in front of you, while you make the decisions."

Tonie Auer is a freelance writer.

The Wall Street Journal news organization was not involved in the creation of this content

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
- ▲-New 52-week high.
- ▼-New 52-week low.
- dd-Indicates loss in the most recent four quarters.
- FD-First day of trading.
- h-Does not meet continued listing standards
- lf-Late filing
- q-Temporary exemption from Nasdaq requirements.
- t-NYSE bankruptcy
- v-Trading halted on primary market.
- vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Wednesday, June 13, 2018

Stock	Sym	Close	Net Chg
A B C			
ABB	ABB	23.24	-0.11
ADT	ADT	8.05	-0.24
AES	AES	13.13	0.09
Aflac	AFL	45.68	-0.06
AGNC Invt	AGNC	18.78	-0.13
ANGI Homesvcs	ANGI	15.78	-0.17
▲ Ansys	ANSS	175.79	-0.17
ASML	ASML	213.75	4.41
AT&T	**T**	**32.22**	**-2.13**
AbbottLabs	ABT	62.63	-0.29
AbbVie	ABBV	97.58	-1.33
▲ Abiomed	ABMD	433.07	2.22
Accenture	ACN	163.02	0.18
ActivisionBliz	ATVI	76.67	0.73
▲ AdobeSystems	ADBE	256.13	3.54
AdvanceAuto	AAP	132.68	-0.96
▲ AdvMicroDevices	AMD	16.32	0.47
Aegon	AEG	6.41	0.07
AerCap	AER	54.69	-0.36
Aetna	AET	187.42	6.74
AffiliatedMgrs	AMG	156.00	-6.18
AgilentTechs	A	66.26	-0.06
AgnicoEagle	AEM	45.73	0.16
AirProducts	APD	166.09	-1.91
▲ AkamaiTech	AKAM	80.95	0.38
AlaskaAir	ALK	61.64	-0.64
Albemarle	ALB	94.18	-1.56
Alcoa	AA	48.35	-0.94
AlexandriaRlEst	ARE	125.70	-1.12
AlexionPharm	ALXN	118.20	0.62
Alibaba	BABA	206.62	-2.46
▲ AlignTech	ALGN	363.49	9.24
Alkermes	ALKS	48.99	-0.79
Alleghany	Y	584.44	-2.51
Allegion	ALLE	80.90	-1.27
Allergan	AGN	170.23	-0.73
AllianceData	ADS	224.23	-0.30
AlliantEnergy	LNT	39.17	0.12
Allstate	ALL	93.27	-0.23
AllyFinancial	ALLY	26.38	-0.39
AlnylamPharm	ALNY	102.86	-3.05
Alphabet C	GOOG	1134.79	-4.53
Alphabet A	GOOGL	1144.23	-3.96
Altaba	AABA	80.83	-0.79
AlticeUSA	ATUS	17.66	-0.04
Altria	MO	57.43	-0.45
AlumofChina	ACH	12.78	-0.29
Amazon.com	AMZN	1704.86	6.11
Ambev	ABEV	5.00	-0.05
Amdocs	DOX	69.24	0.07
Amerco	UHAL	347.53	-5.49
Ameren	AEE	55.76	-0.30
AmericaMovil A	AMOV	15.63	0.26
AmericaMovil	AMX	15.54	0.15
AmerAirlines	AAL	42.92	-0.49
AEP	AEP	63.46	-0.11
AmerExpress	AXP	100.02	-0.71
AmericanFin	AFG	109.75	-0.05
AmHomes4Rent	AMH	20.96	-0.18
AIG	AIG	54.70	0.46
AmerTowerREIT	AMT	136.46	-4.68
AmerWaterWorks	AWK	78.93	-0.55
Ameriprise	AMP	146.16	-0.71
AmerisourceBrgn	ABC	90.66	2.62
Ametek	AME	75.33	-0.52
Amgen	AMGN	183.68	-1.39
Amphenol	APH	91.05	0.18
AnadarkoPetrol	APC	71.28	-0.07
AnalogDevices	ADI	101.05	-0.97
Andeavor	ANDV	138.57	-0.74
AndeavorLog	ANDX	43.96	-0.62
AB InBev	BUD	97.80	0.15
AnnalyCap	NLY	10.42	-0.10
AnteroResources	AR	20.16	0.17
Anthem	ANTM	236.30	4.62
Aon	AON	141.27	-0.60
Apache	APA	43.32	0.56
ApartmtInv	AIV	40.77	-0.86
ApolloGlbMgmt	APO	32.11	0.11
Apple	AAPL	190.70	-1.58
ApplMaterials	AMAT	50.98	0.12
Aptiv	APTV	101.62	-0.35
AquaAmerica	WTR	33.14	-0.41
Aramark	ARMK	39.72	0.37
ArcelorMittal	MT	33.94	0.72
ArchCapital	ACGL	82.55	-0.59
ArcherDaniels	ADM	45.28	0.18
Arconic	ARNC	17.97	-0.03
AristaNetworks	ANET	281.14	6.50
ArrowElec	ARW	78.28	-0.05
▲ AspenTech	AZPN	99.04	0.68
AstraZeneca	AZN	36.18	0.02
AthenaHealth	ATHN	156.97	-1.41
Athene	ATH	46.47	1.15
Atlassian	TEAM	66.14	-0.07
AtmosEnergy	ATO	84.58	-0.73
Autodesk	ADSK	137.16	-0.20
Autohome	ATHM	115.19	-0.57
Autoliv	ALV	158.03	-0.95
▲ ADP	ADP	140.34	1.04
AutoZone	AZO	682.83	-4.71
Avalonbay	AVB	166.56	-1.96
Avangrid	AGR	49.81	-0.33
AveryDennison	AVY	106.56	-0.85
AxaltaCoating	AXTA	31.17	-0.36
BB&T	BBT	53.79	-0.21
BCE	BCE	42.38	-0.15
BHPBilliton	BHP	50.69	-0.45
BHPBilliton	BBL	46.49	-0.08
BOK Fin	BOKF	102.30	-0.33
BP	BP	46.01	-0.11
BT Group	BT	13.90	-0.10
BWX Tech	BWXT	66.47	-0.32
Baidu	BIDU	270.00	2.58
BakerHughes	BHGE	34.06	-0.48
Ball	BLL	37.11	-0.71
BancoBilbaoViz	BBVA	7.17	-0.06
BancodeChile	BCH	95.21	0.29
BcoSantChile	BSAC	32.02	0.38
BcoSantMex	BSMX	7.06	0.12
BancoSantander	SAN	5.63	-0.01
BanColombia	CIB	47.60	0.51
BankofAmerica	BAC	29.84	-0.06
BankofMontreal	BMO	78.34	0.26
BankNY Mellon	BK	57.32	-0.35
BkNovaScotia	BNS	58.58	0.43
BankofOzarks	OZRK	49.03	0.09
Barclays	BCS	10.79	-0.01
BarrickGold	ABX	13.05	-0.11
BaxterIntl	BAX	74.58	-0.77
BectonDicknsn	BDX	232.26	-1.38
BeiGene	**BGNE**	**176.23**	**-22.42**
Berkley	WRB	76.55	-0.45
BerkHathwy B	BRK.B	194.55	-0.72
BerkHathwy A	BRK.A	292769	-236.00
▼ BerryGlobal	BERY	46.37	-1.42
BestBuy	BBY	73.26	-0.34
▲ Bio-Techne	TECH	162.60	0.41
Bio-RadLab A	BIO	301.06	0.27
Biogen	BIIB	306.91	0.72
BioMarinPharm	BMRN	88.97	-1.03
BlackKnight	BKI	52.20	-0.10
BlackBerry	BB	12.33	...
BlackRock	BLK	532.17	-14.94
Blackstone	BX	33.04	0.22
▼ **BlockHR**	**HRB**	**24.29**	**-5.31**
bluebirdbio	BLUE	188.10	3.35
Boeing	BA	363.85	-6.77
BookingHldgs	BKNG	2106.36	-25.64
BoozAllen	BAH	45.21	0.33
BorgWarner	BWA	48.39	-0.72
BostonProps	BXP	119.80	-2.27
BostonSci	**BSX**	**31.73**	**-2.11**
Braskem	BAK	22.48	-0.27
BrightHorizons	BFAM	106.17	-1.92
Bristol-Myers	BMY	53.46	0.33
BritishAmTob	BTI	49.50	0.20
Broadcom	AVGO	263.58	2.15
BroadridgeFinl	BR	115.74	-0.49
BrookfieldMgt	BAM	41.62	0.13
BrookfieldInfr	BIP	38.36	0.35
Brown&Brown	BRO	28.29	-0.15
Brown-Forman B	BF.B	52.21	-0.56
Brown-Forman A	BF.A	50.46	-1.69
Brunswick	BC	67.63	-0.81
BuckeyePtrs	BPL	36.82	-0.54
Bunge	BG	70.99	1.30
BurlingtonStrs	BURL	154.35	-2.08
▲ CA	CA	37.06	0.20
CBD Pao	CBD	20.49	-0.25
▲ CBRE Group	CBRE	47.94	-0.80
CBS A	CBS.A	54.85	2.17
CBS B	CBS	54.26	1.88
CDK Global	CDK	65.20	-0.15
CDW	CDW	83.78	-0.63
CF Industries	CF	44.31	0.76
CGI Group	GIB	62.04	-0.17
CH Robinson	CHRW	90.79	-0.04
CIT Group	CIT	51.59	-0.14
CME Group	CME	170.48	0.26
CMS Energy	CMS	43.09	-0.21
CNA Fin	CNA	47.94	-0.05
CNH Indl	CNHI	11.80	-0.08
CNOOC	CEO	169.95	-2.52
CPFLEnergia	CPL	11.77	-0.13
CRH	CRH	37.66	-0.45
CSX	CSX	66.13	-0.62
CVS Health	CVS	68.41	2.06
CabotOil	COG	23.85	0.26
CadenceDesign	CDNS	44.58	0.07
CaesarsEnt	CZR	11.60	-0.33
CamdenProperty	CPT	89.10	-1.87
CampbellSoup	CPB	35.50	0.37
CIBC	CM	89.13	0.60
CanNtlRlwy	CNI	83.33	0.13
CanNaturalRes	CNQ	33.00	-0.07
▲ CanPacRlwy	CP	193.99	-0.05
Canon	CAJ	33.92	-0.02
CanopyGrowth	CGC	30.74	1.14
CapitalOne	COF	96.01	-0.26
CardinalHealth	CAH	54.20	0.65
Carlisle	CSL	107.14	-3.37
Carlyle	CG	22.60	0.15
CarMax	KMX	73.09	-0.76
Carnival	CCL	63.83	1.66
Carnival	CUK	64.05	1.42
Caterpillar	CAT	154.71	-2.78
CboeGlobalMkts	CBOE	104.50	-1.10
Celanese A	CE	115.67	-0.36
Celgene	CELG	77.38	-0.09
Cemex	CX	6.11	-0.01
CenovusEnergy	CVE	9.78	-0.03
▲ Centene	CNC	124.67	0.96
CenterPointEner	CNP	25.64	-0.27
CenturyLink	CTL	17.54	-0.41
Cerner	CERN	60.26	-0.40
CharterComms	CHTR	285.02	-5.96
CheckPoint	CHKP	100.07	-0.81
Chemours	CC	49.78	-0.30
CheniereEnergy	LNG	64.08	-0.77
CheniereEnerPtrs	CQP	35.50	-0.37
CheniereEnHldgs	CQH	29.88	-0.10
Chevron	CVX	127.07	-0.01
ChinaEastrnAir	CEA	43.41	0.09
ChinaLifeIns	LFC	14.29	0.04
ChinaLodging	HTHT	47.95	-0.72
ChinaMobile	CHL	45.37	-0.47
ChinaPetrol	SNP	94.50	-0.86
ChinaSoAirlines	ZNH	56.85	0.56
ChinaTelecom	CHA	46.65	-0.27
ChinaUnicom	CHU	13.01	-0.16
Chipotle	CMG	457.30	-9.00
Chubb	CB	132.72	0.40
ChunghwaTel	CHT	36.52	-0.10
Church&Dwight	CHD	49.63	-0.06
Cigna	CI	176.18	-2.64
CimarexEnergy	XEC	88.70	-1.18
CincinnatiFin	CINF	69.67	-0.39
▲ Cintas	CTAS	192.30	...
CiscoSystems	CSCO	44.01	0.07
Citigroup	C	67.29	-0.32
CitizensFin	CFG	41.84	-0.37
CitrixSystems	CTXS	105.84	-0.77
Clorox	CLX	126.99	-0.62
Coca-Cola	KO	44.18	-0.23
Coca-Cola Euro	CCE	39.44	0.65
Coca-Cola Femsa	KOF	58.30	-0.31
Cognex	CGNX	46.29	-0.19
CognizantTech	CTSH	78.02	-0.23
ColgatePalm	CL	63.06	-0.67
ColumbiaSportswr	COLM	91.21	-1.41
Comcast A	CMCSA	32.32	-0.06
Comerica	CMA	95.88	0.11
CommerceBcshrs	CBSH	65.34	-0.05
ConagraBrands	CAG	37.95	0.25
ConchoRscs	CXO	131.60	-2.26
ConocoPhillips	COP	69.62	0.19
ConEd	ED	72.43	-0.05
ConstBrands A	STZ	229.23	-0.48
ContinentalRscs	CLR	65.03	-0.07
Cooper	COO	226.83	-1.17
▲ Copart	CPRT	57.70	0.09
Corning	GLW	28.60	...
CoStar	CSGP	406.35	-4.60
▲ Costco	COST	204.11	-0.77
Coty	COTY	14.00	-0.23
Credicorp	BAP	229.98	-1.24
CreditAcceptance	CACC	358.35	-6.80
CreditSuisse	CS	15.69	-0.09
CrownCastle	CCI	101.07	-3.61
CrownHoldings	CCK	44.59	-0.94
Ctrip.com	CTRP	50.28	-0.03
Cullen/Frost	CFR	114.10	-0.10
Cummins	CMI	141.56	-2.03
CypressSemi	CY	17.39	0.03
D E F			
DCT Industrial	DCT	65.39	-0.96
DISH Network	DISH	32.86	0.48
DTE Energy	DTE	96.08	-0.41
DXC Tech	DXC	84.48	-0.21
Danaher	DHR	102.62	-0.54
Darden	DRI	92.38	-0.45
DaVita	DVA	70.97	-0.79
Deere	DE	153.34	-4.25
DellTechs	DVMT	87.91	1.20
DeltaAir	DAL	54.65	0.10
DentsplySirona	XRAY	44.51	0.33
DeutscheBank	DB	11.37	-0.04
DevonEnergy	DVN	42.59	0.66
DexCom	DXCM	98.82	0.04
Diageo	DEO	148.19	1.09
DiamondbkEner	FANG	118.35	-0.53
DigitalRealty	DLR	105.81	-2.95
DiscoverFinSvcs	DFS	74.84	-0.47
DiscoveryA	DISCA	24.41	0.39
DiscoveryC	DISCK	23.14	0.32
Disney	DIS	106.31	1.98
▲ DocuSign	DOCU	63.77	1.95
DolbyLab	DLB	64.61	0.47
DollarGeneral	DG	96.73	0.05
DollarTree	DLTR	87.98	1.39
DominionEner	D	64.31	-0.58
▲ Domino's	DPZ	273.58	0.38
Donaldson	DCI	47.93	-0.72
DouglasEmmett	DEI	38.83	-0.18
Dover	DOV	77.79	-0.84
DowDuPont	DWDP	68.57	-1.21
DrPepperSnap	DPS	120.49	-0.30
Dropbox	DBX	31.67	0.84
DukeEnergy	DUK	72.25	-0.23
DukeRealty	DRE	28.15	-0.61
ENI	E	36.52	-0.11
EOG Rscs	EOG	118.25	-0.22
EPAM Systems	EPAM	125.73	-1.85
EQT	EQT	56.79	1.29
E*TRADE	ETFC	64.88	0.36
▲ EXACT Sci	EXAS	67.78	1.06
EastWestBncp	EWBC	70.28	-0.59
EastmanChem	EMN	108.46	-1.01
Eaton	ETN	80.05	-0.36
EatonVance	EV	54.95	-0.83
eBay	EBAY	39.33	-1.12
Ecolab	ECL	144.71	-0.34
Ecopetrol	EC	20.99	-0.06
EdisonInt	EIX	59.49	-0.04
▲ EdwardsLife	EW	151.98	3.46
▲ ElectronicArts	EA	143.28	3.50
EmersonElec	EMR	72.78	-0.43
Enbridge	ENB	32.41	-0.05
Encana	ECA	12.80	-0.11
▲ EncompassHealth	EHC	66.72	0.09
EnelAmericas	ENIA	9.42	0.02
EnelChile	ENIC	5.26	-0.04
Energen	EGN	64.75	0.54
EnergyTransferEq	ETE	17.45	-0.31
EnergyTransfer	ETP	19.19	-0.37
EnLinkMidPtrs	ENLK	16.67	-0.39
Entergy	ETR	76.31	-0.67
EnterpriseProd	EPD	28.87	-0.50
Equifax	EFX	125.08	0.43
Equinix	EQIX	392.69	-12.64
Equinor	EQNR	26.84	0.03
EquityLife	ELS	90.80	-1.40
EquityResdntl	EQR	63.20	-1.01
EssexProp	ESS	232.99	-5.64
EsteeLauder	EL	155.62	-1.47
EverestRe	RE	227.34	0.05
Evergy	EVRG	52.18	-0.07
EversourceEner	ES	53.43	-0.25
Exelon	EXC	40.52	0.03
Expedia	EXPE	122.34	-2.05
ExpeditorsIntl	EXPD	77.36	-0.67
ExpressScripts	ESRX	81.77	2.60
ExtraSpaceSt	EXR	96.96	-1.47
ExxonMobil	XOM	81.51	-0.91
▲ F5Networks	FFIV	179.77	2.20
FMC	FMC	89.92	0.05
Facebook	FB	192.41	0.01
FactSet	FDS	212.00	1.31
Fastenal	FAST	53.02	-0.46
FederalRealty	FRT	120.00	-2.30
FedEx	FDX	262.92	-2.61
▲ Ferrari	RACE	143.96	3.32
FiatChrysler	FCAU	20.98	-0.13
FibriaCelulose	FBR	19.30	-0.05
FidNatlFin	FNF	38.15	0.24
▲ FidNatlInfo	FIS	107.10	-0.07
FifthThirdBncp	FITB	31.15	-0.13
58.com	WUBA	79.84	-0.88
51job	JOBS	109.48	0.15
▲ FirstData	FDC	21.50	0.45
FirstHorizonNatl	FHN	19.08	-0.09
FirstRepBank	FRC	100.02	-1.31
FirstEnergy	FE	33.63	0.31
▲ Fiserv	FISV	75.85	...
FleetCorTech	FLT	207.66	2.68
Flex	FLEX	14.11	0.05
FlirSystems	FLIR	54.47	0.21
Fluor	FLR	49.44	-0.38
FomentoEconMex	FMX	84.34	0.41
FootLocker	FL	57.22	-0.72
FordMotor	F	12.02	-0.09
▲ Fortinet	FTNT	64.69	0.58
Fortis	FTS	31.32	0.09
Fortive	FTV	78.09	-0.20
FortBrandsHome	FBHS	56.24	-1.75
Franco-Nevada	FNV	70.10	-0.01
FranklinRscs	BEN	33.35	-0.71
FreeportMcM	FCX	17.81	-0.05
FreseniusMed	FMS	51.32	0.40
G H I			
GGP	GGP	20.74	-0.18
Gallagher	AJG	66.16	-0.21
Gaming&Leisure	GLPI	35.32	-0.26
Gap	GPS	32.23	-0.70
Garmin	GRMN	62.24	-0.13
Gartner	IT	137.50	-0.97
GeneralDynamics	GD	199.82	1.32
GeneralElec	GE	13.89	-0.09
GeneralMills	GIS	44.62	0.10
GeneralMotors	GM	44.45	0.27
▲ Gentex	GNTX	25.11	-0.07
GenuineParts	GPC	94.36	-0.71
Gerdau	GGB	3.89	...
Gildan	GIL	28.92	0.09
GileadSciences	GILD	71.29	-0.39
GSK	GSK	41.14	-0.06
▲ GlobalPayments	GPN	118.48	0.02
GoDaddy	GDDY	72.97	-0.16
Goldcorp	GG	14.19	-0.05
GoldmanSachs	GS	233.83	1.20
Goodyear	GT	25.06	-0.10
Graco	GGG	46.50	-0.46
GrafTechIntl	EAF	20.23	...
Grainger	GWW	315.70	-3.07
Grifols	GRFS	24.11	-0.57
▲ GrubHub	GRUB	115.98	3.16
GpoAvalAcc	AVAL	8.59	-0.01
GpoFinGalicia	GGAL	44.70	-2.30
GrupoTelevisa	TV	17.45	0.07
Guidewire	GWRE	92.23	0.11
▲ HCA Healthcare	HCA	105.68	-0.63
HCP	HCP	23.52	-0.75
HDFC Bank	HDB	102.30	-2.35
▲ HD Supply	HDS	42.65	-0.58
HP	HPQ	23.54	-0.08
HSBC	HSBC	49.30	0.04
▲ **HUYA**	**HUYA**	**38.94**	**2.72**
Halliburton	HAL	47.67	-0.19
Hanesbrands	HBI	21.07	0.15
HarleyDavidson	HOG	44.30	0.95
Harris	HRS	152.24	-0.12
HartfordFinl	HIG	53.10	0.10
Hasbro	HAS	90.75	-0.46
Heico	HEI	93.71	-1.02
Heico A	HEI.A	76.15	-1.10
Helm&Payne	HP	65.43	-0.18
HenrySchein	HSIC	72.33	-0.64
Hershey	HSY	91.22	-2.16
Hess	HES	60.49	0.02
HewlettPackard	HPE	15.79	...
Hexcel	HXL	70.08	0.10
Hill-Rom	HRC	92.00	-1.20
Hilton	HLT	82.73	-1.08
HollyFrontier	HFC	73.05	0.17
Hologic	HOLX	38.74	-0.04
HomeDepot	HD	200.31	-1.00
HondaMotor	HMC	32.40	0.24
Honeywell	HON	151.83	-0.43
HormelFoods	HRL	36.11	-0.25
DR Horton	DHI	43.04	-1.88
HostHotels	HST	21.08	-0.38
HowardHughes	HHC	135.18	-2.51
HuanengPower	HNP	29.06	-0.22
Hubbell	HUBB	111.98	-0.46
▲ Humana	HUM	306.41	0.50
▲ JBHunt	JBHT	129.39	-1.43
HuntingtonBcshs	HBAN	15.55	-0.04
HuntingIngalls	HII	220.66	-1.13
Huntsman	HUN	32.89	0.33
HyattHotels	H	82.87	-0.05
IAC/InterActive	IAC	159.95	-0.55
ICICI Bank	IBN	8.52	-0.04
▲ ICU Medical	ICUI	304.10	-0.55
▲ IdexxLab	IDXX	222.58	0.24
IHSMarkit	INFO	50.28	-0.32
ING Groep	ING	15.06	-0.06
Invesco	IVZ	27.26	-0.70
IPG Photonics	IPGP	241.34	-2.94
IQVIA	IQV	103.36	-1.59
IcahnEnterprises	IEP	71.79	-0.64
▲ Icon	ICLR	135.16	1.98
IDEX	IEX	142.18	-1.05
IllinoisToolWks	ITW	148.69	-1.25
▲ Illumina	ILMN	287.24	-4.83
ImperialOil	IMO	33.01	0.10
Incyte	INCY	70.54	-0.04
▲ Infosys	INFY	18.82	-0.18
Ingersoll-Rand	IR	91.15	-1.28
Ingredion	INGR	112.50	-0.56
Intel	INTC	55.03	0.21
InteractiveBrkrs	IBKR	71.09	-0.97
ICE	ICE	74.87	-0.33
InterContinentl	IHG	66.39	0.15
IBM	IBM	146.35	-0.52
IntlFlavors	IFF	123.53	-0.90
IntlPaper	IP	57.20	-1.46
Interpublic	IPG	23.31	-0.15
Intuit	INTU	207.79	0.30
▲ IntuitiveSurgical	ISRG	490.47	-4.45
InvitatHomes	INVH	22.15	...
iQIYI	IQ	34.75	0.23
IronMountain	IRM	34.64	-0.36
▲ IsraelChemicals	ICL	4.94	0.13
ItauUnibanco	ITUB	10.63	-0.16
J K L			
JD.com	JD	41.25	-0.22
JPMorganChase	JPM	109.97	-0.22
▲ JackHenry	JKHY	129.59	0.03
JacobsEngg	JEC	65.52	-0.66
JamesHardie	JHX	16.77	-0.28
JanusHenderson	JHG	31.77	-0.38
JazzPharma	JAZZ	175.81	0.45
JefferiesFin	JEF	22.56	-0.56
JetBlue	JBLU	18.99	0.05
J&J	JNJ	122.63	0.09
JohnsonControls	JCI	34.92	-0.27
JonesLang	JLL	169.89	-1.06
JuniperNetworks	JNPR	27.92	0.05
KAR Auction	KAR	54.75	-0.40
KB Fin	KB	51.57	-0.41
KKR	KKR	23.63	0.39
KLA Tencor	KLAC	112.96	-0.63
KT	KT	14.19	-0.06
KSCitySouthern	KSU	108.85	-1.52
Kellogg	K	65.77	0.06
KeyCorp	KEY	20.67	0.03
KeysightTechs	KEYS	61.40	-0.20
KilroyRealty	KRC	75.58	-1.18
KimberlyClark	KMB	102.89	-0.64
KimcoRealty	KIM	16.30	-0.43
KinderMorgan	KMI	16.74	-0.19
Knight-Swift	KNX	42.10	0.80
Kohl's	KSS	75.72	-2.60
KoninklijkePhil	PHG	42.83	...
KoreaElcPwr	KEP	16.02	-0.20
KraftHeinz	KHC	60.10	-0.02
Kroger	KR	26.01	0.32
Kyocera	KYO	58.73	-0.58
LATAMAirlines	LTM	12.07	0.22
L Brands	LB	36.51	-0.01
LG Display	LPL	10.34	-0.07
LINE	LN	38.88	-0.75
LKQ	LKQ	32.81	0.07
LPL Financial	LPLA	70.49	0.05
L3 Tech	LLL	200.41	-1.24
LabCpAm	LH	187.75	-1.23
LamResearch	LRCX	184.59	-2.34
LamarAdv	LAMR	71.76	-1.55
LambWeston	LW	65.34	-0.35
LasVegasSands	LVS	80.32	0.03
Lazard	LAZ	54.17	1.36
Lear	LEA	201.50	-0.40
Leidos	LDOS	61.76	-0.12
Lennar A	LEN	52.49	-2.19
Lennar B	LEN.B	42.29	-1.34
LennoxIntl	LII	208.55	-3.83
LibertyBroadbandC	LBRDK	74.33	-0.66
LibertyBroadbandA	LBRDA	74.00	-0.82
LibertyGlobal C	LBTYK	28.38	-0.69
LibertyGlobal A	LBTYA	29.18	-0.96
LibertyFormOne A	FWONA	31.06	-0.34
LibertyFormOne C	FWONK	32.49	-0.18
LibertyBraves A	BATRA	25.82	0.06
LibertyBraves C	BATRK	25.87	-0.01
LibertySirius C	LSXMK	46.20	0.04
LibertySirius A	LSXMA	46.02	0.12
LibertyProperty	LPT	44.15	-0.74
EliLilly	LLY	85.72	0.23
LincolnElectric	LECO	92.71	-0.86
LincolnNational	LNC	68.89	-0.21
LiveNationEnt	LYV	46.48	0.30
LloydsBanking	LYG	3.38	-0.02
LockheedMartin	LMT	314.35	-0.81
Loews	L	49.82	0.04
▲ LogitechIntl	LOGI	45.02	0.03
Lowe's	LOW	99.46	-1.04
▲ lululemon	LULU	125.13	0.17
LyondellBasell	LYB	115.53	-2.14
M N			
M&T Bank	MTB	174.40	-0.76
MGM Resorts	MGM	30.95	-0.69
MPLX	MPLX	35.45	-0.53
▲ MSCI	MSCI	172.20	2.46
Macerich	MAC	56.28	-1.55
Macy's	M	38.37	-1.60
MadisonSquGarden	MSG	273.70	-2.59
MagellanMid	MMP	70.03	-0.74
MagnaIntl	MGA	65.08	0.07
Manpower	MAN	92.76	0.22
ManulifeFin	MFC	19.19	0.12
MarathonOil	MRO	21.47	0.11
MarathonPetrol	MPC	74.88	-0.58
Markel	MKL	1099.75	-8.96
MarketAxess	MKTX	216.72	1.25
Marriott	MAR	138.35	-1.51
Marsh&McLen	MMC	82.18	0.48
MartinMarietta	MLM	229.96	-0.33
MarvellTech	MRVL	22.00	0.39
Masco	MAS	37.97	-0.90
Mastercard	MA	199.41	-0.72
MatchGroup	MTCH	43.18	-0.20
Mattel	MAT	17.63	0.02
MaximIntProducts	MXIM	60.55	-0.31
McCormickVtg	MKC.V	104.77	-0.23
McCormick	MKC	104.72	-0.46
McDonalds	MCD	166.58	-0.15
McKesson	MCK	149.52	3.98
Medtronic	MDT	85.84	-0.85
MelcoResorts	MLCO	29.91	-0.60
MercadoLibre	MELI	291.00	-10.14
Merck	MRK	62.59	0.15
Methanex	MEOH	69.55	-1.60
MetLife	MET	47.00	-0.49
MettlerToledo	MTD	593.00	-2.14
MichaelKors	KORS	66.82	-1.31
MicroFocus	MFGP	17.93	-0.18
MicrochipTech	MCHP	102.08	-0.61
MicronTech	MU	60.05	-0.50
Microsoft	MSFT	100.85	-0.46
MidAmApt	MAA	96.00	-1.09
Middleby	MIDD	104.50	-0.22
MitsubishiUFJ	MUFG	6.07	-0.02
MizuhoFin	MFG	3.53	-0.01
MobileTeleSys	MBT	9.43	-0.08
MohawkInds	MHK	209.61	-4.34
MolsonCoors B	TAP	66.10	0.01
Momo	MOMO	53.23	0.25
Mondelez	MDLZ	40.14	-0.29
MonsterBev	MNST	56.10	-0.08
Moody's	MCO	176.87	-1.18
MorganStanley	MS	51.60	0.28
▲ Mosaic	MOS	29.68	0.21
▲ MotorolaSol	MSI	113.63	0.35
Mylan	MYL	41.67	-0.19
NICE	NICE	108.26	0.56
NRG Energy	NRG	33.98	0.47
NVR	NVR	3104.38	-105.83
NXP Semi	NXPI	111.45	-3.80
▲ Nasdaq	NDAQ	95.31	-0.01
NationalGrid	NGG	55.46	-0.69
NatlOilwell	NOV	42.30	0.03
NatlRetailProp	NNN	41.57	-0.73
NektarTherap	NKTR	53.47	-0.09
NetApp	NTAP	76.11	-0.06
Netease	NTES	255.21	-2.23
▲ Netflix	NFLX	379.93	16.10
Neurocrine	NBIX	99.51	-1.56
NewOrientalEduc	EDU	102.82	-3.45
NewRelic	NEWR	108.27	0.86
NewResidInvt	NRZ	18.07	-0.09
NewellBrands	NWL	26.04	-0.28
NewfieldExpln	NFX	30.00	0.12
NewmontMin	NEM	38.70	-0.09
NewsCorp A	NWSA	15.85	-0.15
NewsCorp B	NWS	16.10	-0.30
NextEraEnergy	NEE	157.14	-0.27
NielsenHoldings	NLSN	31.53	0.07
Nike	NKE	74.11	-0.18
NiSource	NI	23.80	0.07
NobleEnergy	NBL	34.52	0.24
Nokia	NOK	6.08	0.15
NomuraHoldings	NMR	5.14	-0.02
Nordson	NDSN	129.07	-2.57
Nordstrom	JWN	51.49	-1.44
NorfolkSouthern	NSC	154.17	-2.11
NorthernTrust	NTRS	106.29	-0.44
NorthropGrum	NOC	327.82	-1.53
NorwegCruise	NCLH	53.44	0.71
Novartis	NVS	75.79	-0.05
NovoNordisk	NVO	44.50	0.21
Nucor	NUE	66.77	-0.30
▲ Nutanix	NTNX	63.50	2.85
Nutrien	NTR	53.55	0.86
NVIDIA	NVDA	262.40	-0.18
O P Q			
OGE Energy	OGE	34.00	0.20
ONEOK	OKE	68.87	-0.37
OReillyAuto	ORLY	281.65	-3.13
OccidentalPetrol	OXY	84.33	-0.60
OldDomFreight	ODFL	161.95	-1.26
OldRepublic	ORI	21.16	0.05
OmegaHealthcare	OHI	30.90	-0.31
Omnicom	OMC	74.41	-0.57
ON Semi	ON	25.30	0.19
OpenText	OTEX	36.32	0.19
Oracle	ORCL	48.27	-0.18
Orange	ORAN	17.07	-0.29
Orix	IX	85.18	0.38
OwensCorning	OC	64.91	-1.12
PG&E	PCG	39.38	0.09
PNC Fin	PNC	145.60	-1.59
POSCO	PKX	84.05	-0.32
PPG Ind	PPG	103.30	-0.23
PPL	PPL	26.12	-0.02
PTC	PTC	94.47	0.95
PVH	PVH	162.30	-3.91
Paccar	PCAR	64.01	-1.19
PackagingCpAm	PKG	120.74	-2.87
PacWestBancorp	PACW	54.60	-0.27
PagSeguroDig	PAGS	31.99	0.69
PaloAltoNtwks	PANW	213.05	5.63
ParkHotels	PK	30.15	-0.54
ParkerHannifin	PH	172.14	-2.03
ParsleyEnergy	PE	28.27	-0.36
Paychex	PAYX	69.50	0.05
PaycomSoftware	PAYC	111.72	1.27
PayPal	PYPL	85.27	0.25
Pearson	PSO	11.77	-0.16
PembinaPipeline	PBA	34.33	-0.07
Pentair	PNR	43.57	-0.59
People'sUtdFin	PBCT	18.94	-0.06
PepsiCo	PEP	105.27	0.79
PerkinElmer	PKI	79.02	-0.37
Perrigo	PRGO	74.31	0.27
PetroChina	PTR	79.13	-2.92
PetroleoBrasil	PBR	9.67	-0.11
PetroleoBrasilA	PBR.A	8.18	-0.12
Pfizer	PFE	36.22	-0.08
PhilipMorris	PM	80.10	-0.22
Phillips66	PSX	115.75	0.20
PinnacleFoods	PF	63.64	-0.46
PinnacleWest	PNW	74.35	-0.23
PioneerNatRscs	PXD	192.86	-0.09
PlainsAllAmPipe	PAA	25.15	-0.36
PlainsGP	PAGP	25.34	-0.19
PolarisIndustries	PII	126.34	-1.33
Pool	POOL	149.28	-1.01
Praxair	PX	160.47	-0.87
PrincipalFin	PFG	56.57	-0.19
Procter&Gamble	PG	76.47	-0.77
▲ Progressive	PGR	62.52	0.60
Prologis	PLD	64.23	-0.80
Proofpoint	PFPT	125.13	-0.50
PrudentialFin	PRU	99.30	-0.46
Prudential	PUK	49.90	0.13
PublicServiceEnt	PEG	51.78	-0.15
PublicStorage	PSA	212.32	-3.60
PulteGroup	**PHM**	**30.78**	**-2.20**
▲ PureStorage	PSTG	25.15	0.13
▲ Qiagen	QGEN	37.47	0.25
Qorvo	QRVO	80.40	-0.33
Qualcomm	QCOM	59.22	-0.57
QuestDiag	DGX	110.67	-0.34
QurateRetailB	**QRTEB**	**22.78**	**1.14**
QurateRetailA	QRTEA	21.34	-0.45
R S			
RELX	RENX	22.06	-0.18
RELX	RELX	22.58	-0.24
RPM	RPM	50.86	-0.25
RSP Permian	RSPP	41.82	-0.74
RalphLauren	RL	138.94	-3.96
RandgoldRscs	GOLD	78.60	-0.11
RaymondJames	RJF	99.01	-0.55
Raytheon	RTN	205.47	-1.14
RealtyIncome	O	52.40	-1.57
▲ RedHat	RHT	174.03	1.02
RegencyCtrs	REG	59.37	-1.05
RegenPharm	REGN	308.28	-1.25
RegionsFin	RF	18.89	-0.06
ReinsGrp	RGA	145.84	-2.19
RelianceSteel	RS	94.77	-0.28
RepublicSvcs	RSG	68.73	-0.68
▲ ResMed	RMD	106.80	-0.15
RestaurantBrands	QSR	60.18	-0.23
RingCentral	RNG	77.85	0.80
RioTinto	RIO	58.73	-0.04
▲ RobertHalf	RHI	70.07	0.67
Rockwell	ROK	178.83	-1.38
RockwellCollins	COL	137.64	-0.78
RogersComm B	RCI	47.43	0.01
Rollins	ROL	51.85	-0.94
RoperTech	ROP	285.50	-0.83
RossStores	ROST	84.69	-1.02
RoyalBkCanada	RY	76.93	0.05
RoyalBkScotland	RBS	7.13	-0.05
RoyalCaribbean	RCL	107.98	2.28
RoyalDutchA	RDS.A	68.52	-0.34
RoyalDutchB	RDS.B	72.23	-0.37
RoyalGold	RGLD	91.74	-0.61
Ryanair	RYAAY	118.40	-0.03
▲ SAP	SAP	120.50	0.31
S&P Global	SPGI	207.35	-0.14
SBA Comm	SBAC	156.37	-4.38
SEI Investments	SEIC	65.53	-0.65
Sina	SINA	94.64	0.49
SINOPEC	SHI	70.80	-0.48
SK Telecom	SKM	24.82	-0.36
SLGreenRealty	SLG	95.79	-1.66
SS&C Tech	SSNC	52.42	-0.20
SVB Fin	SIVB	320.33	0.19
▲ Sabre	SABR	26.46	0.24
SageTherap	SAGE	169.52	-6.24
Salesforce.com	CRM	136.50	0.24
Sanofi	SNY	38.60	0.01
SantanderCons	SC	18.69	-0.24
▲ SareptaTherap	SRPT	96.77	-1.99
Sasol	SSL	36.95	-0.09
Schlumberger	SLB	67.97	-0.63
SchwabC	SCHW	57.36	0.05
Seagate	STX	56.95	-0.15
SealedAir	SEE	43.69	-0.61
SeattleGenetics	SGEN	68.05	-1.16
SemicondctrMfg	SMI	7.20	0.30
SempraEnergy	SRE	114.01	-3.12
ServiceCorp	SCI	35.30	-1.20
ServiceMaster	SERV	58.59	-0.18
ServiceNow	NOW	181.23	-0.61
ShawComm B	SJR	21.23	0.07
SherwinWilliams	SHW	396.15	-6.29
ShinhanFin	SHG	43.23	-0.44
Shire	SHPG	161.31	0.81
▲ Shopify	SHOP	165.09	-0.15
SignatureBank	SBNY	126.27	0.50
SimonProperty	SPG	162.50	-3.65
▲ SiriusXM	SIRI	7.31	0.04
▲ SixFlags	SIX	71.49	-0.54
Skyworks	SWKS	100.44	-0.44
SmithAO	AOS	64.21	-1.03
Smith&Nephew	SNN	36.68	0.24
Smucker	SJM	103.83	-2.07
Snap	SNAP	13.62	0.20
SnapOn	SNA	158.49	-0.06
SOQUIMICH	SQM	50.28	-0.32
Sony	SNE	49.82	-0.03
Southern	SO	43.78	0.34
SoCopper	SCCO	50.51	-0.63
SouthwestAir	LUV	51.35	0.38
SpectraEnerPtrs	SEP	31.59	-0.33
SpiritAeroSys	SPR	89.18	-0.19
Splunk	SPLK	117.67	-0.73
Spotify	SPOT	170.82	0.59
Sprint	S	5.38	0.07
Square	SQ	62.50	-0.71
StanleyBlackDck	SWK	142.89	-1.60
Starbucks	SBUX	56.21	-0.27
StateStreet	STT	98.36	-1.06
SteelDynamics	STLD	49.18	-0.60
Steris	STE	105.37	-0.69
▲ STMicroelec	STM	25.91	0.86
Stryker	SYK	166.60	4.06
SumitomoMits	SMFG	8.25	-0.01
SunComms	SUI	95.39	-0.83
SunLifeFinancial	SLF	42.17	0.31
SuncorEnergy	SU	39.94	-0.23
SunTrustBanks	STI	69.88	-0.25
Symantec	SYMC	21.28	-0.15
SynchronyFin	SYF	34.94	-0.36
Synopsys	SNPS	90.47	-0.32
SynovusFin	SNV	56.03	-0.26
Sysco	SYY	65.89	-0.33
T U V			
TAL Education	**TAL**	**41.11**	**-4.54**
TD Ameritrade	AMTD	60.37	-0.15
TE Connectivity	TEL	97.14	-0.35
Telus	TU	35.34	0.05
Ternium	TX	36.75	-0.45
TIM Part	TSU	17.18	...
TJX	TJX	94.73	-0.69
T-MobileUS	TMUS	58.68	0.59
TRowePrice	TROW	125.32	-0.92
▲ TableauSftwr	DATA	101.30	0.13
TaiwanSemi	TSM	39.05	-0.15
TakeTwoSoftware	TTWO	118.46	3.76
Tapestry	TPR	45.47	-0.35
TargaResources	TRGP	47.93	-0.85
Target	TGT	78.02	-1.05
TataMotors	TTM	22.60	-0.19
TechnipFMC	FTI	32.15	-0.62
TeckRscsB	TECK	29.27	-0.04
TelecomArgentina	TEO	22.19	-0.61
TelecomItalia	TI	7.96	-0.18
TelecomItalia A	TI.A	7.05	-0.20
TeledyneTech	TDY	208.22	-0.68
Teleflex	TFX	284.44	-0.43
Ericsson	ERIC	7.69	0.25
TelefonicaBras	VIV	12.31	0.10
Telefonica	TEF	8.73	-0.07
TelekmIndonesia	TLK	26.68	-0.01
Tenaris	TS	36.40	-0.24
Teradyne	TER	38.93	-0.16
Tesla	TSLA	344.78	2.01
TevaPharm	TEVA	24.33	0.31
TexasInstruments	TXN	114.00	-1.41
Textron	TXT	67.81	-0.29
ThermoFisherSci	TMO	216.35	-1.60
ThomsonReuters	TRI	40.79	0.02
3M	MMM	204.89	-0.03
▲ Tiffany	TIF	136.02	0.05
TimeWarner	TWX	97.95	1.73
Toll Bros	TOL	38.96	-1.76
Torchmark	TMK	84.34	-0.28
Toro	TTC	62.45	-1.16
TorontoDomBk	TD	58.45	0.28
Total	TOT	61.38	0.49
TotalSystem	TSS	87.80	-0.64
ToyotaMotor	TM	135.41	0.86
TractorSupply	TSCO	75.22	-0.56
TransCanada	TRP	41.50	-0.38
TransDigm	TDG	340.29	-2.72
▲ TransUnion	TRU	71.64	-0.06
Travelers	TRV	129.72	0.14
Trimble	TRMB	34.69	0.11
TripAdvisor	TRIP	56.63	-1.66
▲ **21stCenturyFoxA**	**FOXA**	**43.66**	**3.12**
▲ **21stCenturyFoxB**	**FOX**	**43.41**	**3.02**
▲ Twitter	TWTR	44.07	0.58
TylerTech	TYL	235.74	-0.53
TysonFoods	TSN	70.44	-1.04
UBS Group	UBS	15.83	-0.05
UDR	UDR	36.68	-0.62
UGI	UGI	48.93	-0.35
US Foods	USFD	37.11	0.29
USG	USG	43.10	-0.13
UbiquitiNetworks	UBNT	87.06	0.78
UltaBeauty	ULTA	247.52	-0.77
▲ UltSoftware	ULTI	271.69	1.54
UltraparPart	UGP	13.18	-0.50
UnderArmour A	UAA	23.62	-0.38
UnderArmour C	UA	21.77	-0.36
Unilever	UN	55.62	-0.46
Unilever	UL	55.23	-0.54
UnionPacific	UNP	144.28	-1.82
UnitedContinental	UAL	72.50	0.11
▲ **UnitedMicro**	**UMC**	**3.06**	**0.16**
UPS B	UPS	117.33	-1.01
UnitedRentals	URI	166.64	-3.16
US Bancorp	USB	51.08	-0.15
US Steel	X	37.38	-0.20
UnitedTech	UTX	126.94	-0.91
▲ UnitedHealth	UNH	252.87	-0.71
UniversalHealthB	UHS	115.18	-0.83
UnumGroup	UNM	38.92	-0.21
VEREIT	VER	7.26	0.01
VF	VFC	83.66	-0.81
VICI Prop	VICI	20.60	...
Visa	V	134.40	-0.46
VailResorts	MTN	275.86	-3.64
Vale	VALE	13.91	-0.05
▲ ValeantPharm	VRX	26.86	0.26
ValeroEnergy	VLO	117.88	-0.14
VarianMed	VAR	122.95	0.61
▼ Vedanta	VEDL	14.27	-0.27
VeevaSystems	VEEV	81.67	0.65
Ventas	VTR	53.44	-1.74
▲ VeriSign	VRSN	139.34	-0.57
▲ VeriskAnalytics	VRSK	109.70	0.27
Verizon	VZ	47.40	-1.41
VertxPharm	VRTX	151.94	0.95
Viacom B	VIAB	28.15	-0.14
Viacom A	VIA	33.55	0.25
Vipshop	VIPS	11.25	-0.08
VistraEnergy	VST	24.39	0.19
VMware	VMW	150.79	2.52
▼ Vodafone	VOD	24.69	-0.57
VornadoRealty	VNO	71.39	-1.31
VoyaFinancial	VOYA	52.06	-1.00
VulcanMatls	VMC	131.21	0.24
W X Y Z			
WABCO	WBC	123.91	-1.47
WEC Energy	WEC	59.11	-0.22
WEX	WEX	190.04	0.62
W.P.Carey	WPC	65.88	-1.26
WPP	WPP	82.42	-1.06
WPX Energy	WPX	18.30	0.16
Wabtec	WAB	101.03	-1.94
WalgreensBoots	WBA	63.91	0.21
Walmart	WMT	84.09	-0.01
WasteConnections	WCN	76.17	-0.47
WasteMgt	WM	83.12	-0.78
Waters	WAT	209.75	0.80
Watsco	WSO	187.94	-3.41
Wayfair	W	107.43	-0.71
Weibo	WB	107.37	1.48
▲ WellCareHealth	WCG	239.97	0.57
WellsFargo	WFC	55.16	-0.22
Welltower	WELL	56.83	-1.48
WestPharmSvcs	WST	98.73	0.36
WestAllianceBcp	WAL	62.17	-0.54
WesternDigital	WDC	82.86	0.74
WesternGasEquity	WGP	36.60	-0.93
WesternGasPtrs	WES	51.22	-0.97
WesternUnion	WU	20.97	-0.13
WestlakeChem	WLK	112.43	-2.08
▼ WestpacBanking	WBK	20.74	-0.17
WestRock	WRK	60.50	-1.32
Weyerhaeuser	WY	37.19	-1.17
WheatonPrecMet	WPM	22.17	...
Whirlpool	WHR	151.06	-0.58
Williams	WMB	26.62	-0.11
WilliamsPartners	WPZ	40.10	-0.32
WillisTowers	WLTW	157.00	-0.27
Wipro	WIT	4.89	-0.03
WooriBank	WF	46.62	-0.95
Workday	WDAY	126.44	-0.15
Worldpay	WP	84.40	0.48
WyndhamDest	WYND	47.90	-0.29
WynnResorts	WYNN	176.42	-2.97
XL Group	XL	56.27	-0.04
▲ XPO Logistics	XPO	113.30	-0.88
XcelEnergy	XEL	42.50	-0.08
Xerox	XRX	27.58	-0.15
Xilinx	XLNX	69.78	-0.22
Xylem	XYL	71.66	0.27
▼ YPF	YPF	17.51	-0.21
YY	YY	113.85	-0.99
Yandex	YNDX	36.41	-0.06
YumBrands	YUM	82.59	-0.64
YumChina	YUMC	41.31	-0.73
ZTO Express	ZTO	21.49	...
ZayoGroup	ZAYO	36.01	-0.51
ZebraTech	ZBRA	158.02	-2.92
▲ Zendesk	ZEN	58.81	0.55
▲ Zillow C	Z	63.99	-0.35
▲ Zillow A	ZG	63.92	-0.29
ZimmerBiomet	ZBH	113.98	-0.17
ZionsBancorp	ZION	56.00	-0.35
Zoetis	ZTS	87.36	0.21

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

25201.20 ▼119.53, or 0.47%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	24.78	20.80
P/E estimate *	16.57	18.02
Dividend yield	2.16	2.32
All-time high	26616.71, 01/26/18	

S&P 500 Index

2775.63 ▼11.22, or 0.40%

High, low, open and close for each trading day of the past three months.

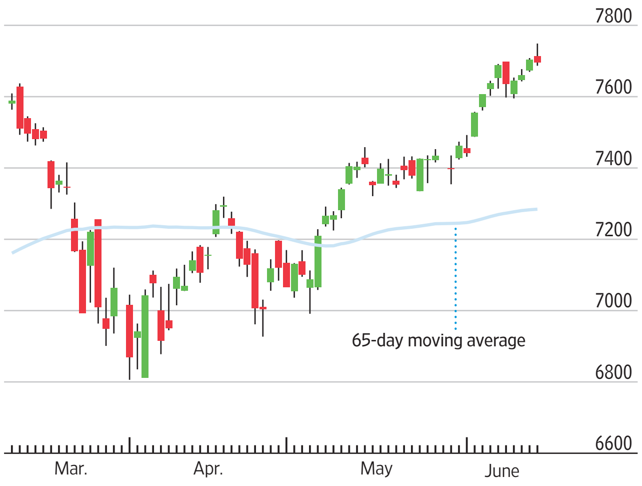
	Last	Year ago
Trailing P/E ratio *	24.59	24.15
P/E estimate *	17.29	18.97
Dividend yield	1.89	1.95
All-time high	2872.87, 01/26/18	

Nasdaq Composite Index

7695.70 ▼ 8.09, or 0.11%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	25.83	26.75
P/E estimate *	20.92	21.78
Dividend yield	0.95	1.08
All-time high:	7703.79, 06/12/18	



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

Major U.S. Stock-Market Indexes

	Latest High	Low	Close	Net chg	% chg	52-Week High	Low	% chg	% chg YTD	3-yr. ann.
Dow Jones										
Industrial Average	25362.07	25191.42	25201.20	-119.53	-0.47	26616.71	21287.03	17.9	1.9	12.1
Transportation Avg	11101.82	10978.09	11003.15	-85.78	-0.77	11373.38	9021.12	17.2	3.7	9.3
Utility Average	670.62	662.08	664.60	-1.05	-0.16	774.47	647.90	-8.9	-8.1	5.8
Total Stock Market	29076.07	28905.38	28912.26	-118.98	-0.41	29630.47	24958.26	14.5	4.5	9.6
Barron's 400	759.46	754.89	755.02	-3.10	-0.41	758.12	629.56	16.5	6.2	9.4
Nasdaq Stock Market										
Nasdaq Composite	7748.96	7686.65	7695.70	-8.09	-0.11	7703.79	6089.46	24.2	11.5	15.1
Nasdaq 100	7261.17	7193.02	7205.26	-3.93	-0.05	7210.08	5596.96	25.8	12.6	17.4
S&P										
500 Index	2791.47	2774.65	2775.63	-11.22	-0.40	2872.87	2409.75	13.9	3.8	9.8
MidCap 400	2006.84	1991.39	1991.40	-12.57	-0.63	2003.97	1691.67	13.0	4.8	9.2
SmallCap 600	1043.91	1035.14	1036.12	-5.83	-0.56	1041.95	817.25	20.3	10.7	12.6
Other Indexes										
Russell 2000	1684.84	1673.92	1676.54	-5.76	-0.34	1682.30	1356.90	18.3	9.2	9.8
NYSE Composite	12859.01	12784.31	12785.45	-59.26	-0.46	13637.02	11696.28	8.5	-0.2	5.1
Value Line	584.21	580.36	580.64	-2.89	-0.50	589.69	503.24	10.7	3.3	4.4
NYSE Arca Biotech	4930.76	4858.54	4874.38	-35.85	-0.73	4939.86	3687.03	31.0	15.4	6.1
NYSE Arca Pharma	536.93	533.15	533.24	-0.22	-0.04	593.12	514.66	0.7	-2.1	-2.9
KBW Bank	110.30	108.41	108.63	-0.47	-0.43	116.52	89.71	15.0	1.8	11.3
PHLX§ Gold/Silver	84.26	82.98	83.79	-0.03	-0.03	93.26	76.42	3.2	-1.7	8.0
PHLX§ Oil Service	155.22	153.16	154.31	-0.72	-0.47	170.18	117.79	13.4	3.2	-9.7
PHLX§ Semiconductor	1429.54	1413.33	1414.48	-1.89	-0.13	1445.90	1020.51	31.0	12.9	25.6
Cboe Volatility	12.95	11.98	12.94	0.60	4.86	37.32	9.14	21.6	17.2	-2.1

§Nasdaq PHLX

Sources: SIX Financial Information; WSJ Market Data Group

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6:30 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of $2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	After Hours Last	Net chg	% chg	High	Low
SPDR S&P 500	SPY	11,058.3	277.96	-0.07	-0.03	279.27	277.78
21st Century Fox Cl A	FOXA	4,355.6	43.50	-0.16	-0.37	44.43	42.11
VanEck Vectors Semiconduc	SMH	3,516.3	109.95	...	unch.	109.95	109.90
Comcast Cl A	CMCSA	2,950.9	32.36	0.04	0.12	32.64	31.60
Altice USA Cl A	ATUS	2,903.1	17.66	...	unch.	17.66	17.52
AT&T	T	2,715.1	32.31	0.09	0.28	32.67	32.20
iSh PHLX Semiconductor	SOXX	2,613.5	192.23	...	unch.	192.23	192.23
Microsoft	MSFT	2,214.2	101.00	0.15	0.15	101.32	100.77

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Teligent	TLGT	135.1	3.69	0.42	12.84	3.89	3.27
Discovery Series A	DISCA	462.8	25.23	0.82	3.36	25.23	24.41
Goldman Sachs JUST US LC	JUST	150.1	41.49	1.32	3.29	41.49	40.14
HUYA ADR	HUYA	81.1	39.89	0.95	2.44	39.89	38.66
Array BioPharma	ARRY	52.7	18.18	0.39	2.19	18.18	17.79

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Tailored Brands	TLRD	1,344.6	26.80	-6.65	-19.88	34.78	25.42
Mylan	MYL	276.7	39.66	-2.01	-4.82	42.46	39.66
HP	HPQ	458.0	23.00	-0.54	-2.29	23.67	23.00
Principal US Mega-Cap	USMC	300.0	25.98	-0.56	-2.09	25.98	25.98
Groupon	GRPN	216.8	4.45	-0.07	-1.55	4.52	4.45

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	955,799,041	11,302,609
Adv. volume*	273,253,738	5,545,876
Decl. volume*	661,007,641	5,336,675
Issues traded	3,075	321
Advances	999	120
Declines	1,963	171
Unchanged	113	30
New highs	104	2
New lows	33	12
Closing tick	32	26
Closing Arms†	1.12	0.66
Block trades*	6,870	122
	Nasdaq	**NYSE Arca**
Total volume*	2,141,084,531	245,295,021
Adv. volume*	1,023,442,682	68,291,402
Decl. volume*	1,075,259,932	173,322,474
Issues traded	3,109	1,335
Advances	1,296	422
Declines	1,646	870
Unchanged	167	43
New highs	210	81
New lows	31	19
Closing tick	223	85
Closing Arms†	0.83	1.20
Block trades*	8,206	1,460

* Primary market NYSE, NYSE American NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	% chg	YTD % chg
World	**The Global Dow**	3064.00	–7.46	–0.24	–0.7
	DJ Global Index	402.78	–1.08	–0.27	1.4
	DJ Global ex U.S.	263.21	–0.28	–0.11	–1.3
Americas	**DJ Americas**	663.58	–2.64	–0.40	3.3
Brazil	**Sao Paulo Bovespa**	72122.14	–631.99	–0.87	–5.6
Canada	**S&P/TSX Comp**	16265.82	–23.16	–0.14	0.3
Mexico	**S&P/BMV IPC**	46760.58	99.83	0.21	–5.3
Chile	**Santiago IPSA**	4097.13	–7.22	–0.18	–2.7
EMEA	**Stoxx Europe 600**	388.25	0.72	0.19	–0.2
Eurozone	**Euro Stoxx**	388.32	0.76	0.20	0.7
Belgium	**Bel-20**	3813.94	–2.85	–0.07	–4.1
Denmark	**OMX Copenhagen**	895.89	4.64	0.52	–3.4
France	**CAC 40**	5452.73	–0.64	–0.01	2.6
Germany	**DAX**	12890.58	48.28	0.38	–0.2
Israel	**Tel Aviv**	1540.30	1.69	0.11	2.0
Italy	**FTSE MIB**	22216.18	96.42	0.44	1.7
Netherlands	**AEX**	563.95	0.94	0.17	3.6
Russia	**RTS Index**	1147.57	5.55	0.49	–0.6
South Africa	**FTSE/JSE All-Share**	58437.23	229.41	0.39	–1.8
Spain	**IBEX 35**	9899.10	–15.30	–0.15	–1.4
Sweden	**OMX Stockholm**	580.05	–0.39	–0.07	2.0
Switzerland	**Swiss Market**	8634.61	–6.19	–0.07	–8.0
Turkey	**BIST 100**	93504.76	–1802.22	–1.89	–18.9
U.K.	**FTSE 100**	7703.71	–0.10	–0.001	0.2
U.K.	**FTSE 250**	21232.87	–8.77	–0.04	2.4
Asia-Pacific					
Australia	**S&P/ASX 200**	6023.50	–30.90	–0.51	–0.7
China	**Shanghai Composite**	3049.80	–30.01	–0.97	–7.8
Hong Kong	**Hang Seng**	30725.15	–377.91	–1.22	2.7
India	**S&P BSE Sensex**	35739.16	46.64	0.13	4.9
Japan	**Nikkei Stock Avg**	22966.38	88.03	0.38	0.9
Singapore	**Straits Times**	3392.51	–38.18	–1.11	–0.3
South Korea	**Kospi**	2468.83	...	Closed	0.1
Taiwan	**TAIEX**	11173.21	28.42	0.26	5.0
Thailand	**SET**	1718.34	–8.95	–0.52	–2.0

Sources: SIX Financial Information; WSJ Market Data Group

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Pivotal Software	PVTL	28.20	6.99	32.96	28.73	15.11	...
Enphase Energy	ENPH	5.98	1.48	32.89	6.37	0.76	650.9
Galectin Therapeutics	GALT	7.82	1.49	23.54	8.00	1.28	209.1
AGM Group Holdings	AGMH	16.22	2.83	21.14	16.25	5.01	...
Sharing Economy Intl	SEII	4.13	0.58	16.34	12.40	2.61	-5.7
Allied Healthcare Prods	AHPI	2.90	0.37	14.62	5.25	1.72	37.1
Cocrystal Pharma	COCP	2.90	0.34	13.28	6.58	0.17	...
Turtle Beach	HEAR	22.64	2.60	12.97	23.20	1.64	635.1
Kandi Technologies Group	KNDI	5.20	0.58	12.43	9.90	3.50	28.4
Korn/Ferry Intl	KFY	63.43	6.90	12.21	68.34	31.53	92.7
Correvio Pharma	CORV	3.90	0.41	11.75	4.84	1.29	-2.3
Carver Bancorp	CARV	5.70	0.60	11.69	11.94	2.01	67.5
Madrigal Pharmaceuticals	MDGL	313.24	30.53	10.80	325.98	13.09	1971.7
Volt Info Sci	VISI	3.60	0.35	10.77	4.90	2.16	-17.2
Roadrunner Trans Sys	RRTS	2.59	0.25	10.68	9.75	1.63	-63.1

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Flex Pharma	FLKS	1.04	-3.14	-75.12	8.98	1.04	-70.9
Moxian	MOXC	2.11	-0.62	-22.78	4.00	1.74	-34.1
scPharmaceuticals	SCPH	5.93	-1.68	-22.08	18.17	5.61	...
H&R Block	HRB	24.29	-5.31	-17.94	31.80	23.33	-16.6
Kona Grill	KONA	2.15	-0.40	-15.69	5.00	1.50	-40.3
500.com ADR	WBAI	14.89	-2.53	-14.52	23.22	9.05	54.9
China HGS Real Estate	HGSH	2.01	-0.27	-11.84	4.48	1.18	27.2
BeiGene ADR	BGNE	176.23	-22.42	-11.29	220.10	38.14	344.1
Greentree Hospitality ADR	GHG	21.60	-2.71	-11.15	25.10	10.75	...
Direxion Homebldr Bull 3X	NAIL	61.64	-7.40	-10.72	110.62	41.70	33.7
American Realty Investors	ARL	12.26	-1.36	-9.99	21.57	8.00	34.9
TAL Education Group ADR	TAL	41.11	-4.54	-9.95	47.63	19.17	106.8
Interlink Electronics	LINK	3.70	-0.40	-9.76	9.85	3.70	-56.6
USA Compression Partners	USAC	16.25	-1.73	-9.62	19.33	14.55	-2.5
Sea ADR	SE	14.94	-1.46	-8.90	17.19	10.06	...

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
AT&T	T	192,282	547.5	32.22	-6.20	39.80	31.17
iShares MSCI Emg Markets	EEM	93,725	43.8	45.90	-0.67	52.08	40.90
Advanced Micro Devices	AMD	85,747	47.0	16.32	2.97	16.52	9.04
SPDR S&P 500	SPY	67,973	-22.3	278.03	-0.32	286.63	239.96
Bank of America	BAC	67,346	0.7	29.84	-0.20	33.05	22.73
Time Warner	TWX	61,575	969.9	97.95	1.80	103.90	85.88
Finl Select Sector SPDR	XLF	59,753	7.3	27.85	-0.36	30.33	23.79
21st Century Fox Cl A	FOXA	44,676	364.6	43.66	7.70	43.93	24.81
TAL Education Group ADR	TAL	43,184	1047.9	41.11	-9.95	47.63	19.17
Comcast Cl A	CMCSA	42,871	60.5	32.32	-0.19	44.00	30.43

* Volumes of 100,000 shares or more are rounded to the nearest thousand

Volume Movers

Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Mackinac Financial	MFNC	473	5922	16.85	7.12	17.10	13.51
Circor International	CIR	2,536	2111	43.04	-3.97	67.73	39.84
WSI Industries	WSCI	148	1778	5.00	-5.66	6.55	2.85
First Choice Bancorp	FCBP	118	1635	30.53	4.38	30.75	24.00
USA Compression Partners	USAC	3,576	1605	16.25	-9.62	19.33	14.55
Galmed Pharmaceuticals	GLMD	4,269	1334	17.96	2.10	27.06	3.61
H&R Block	HRB	30,643	1081	24.29	-17.94	31.80	23.33
TAL Education Group ADR	TAL	43,184	1048	41.11	-9.95	47.63	19.17
SPDR S&P Internet ETF	XWEB	57	977	90.90	0.20	91.86	65.22
Time Warner	TWX	61,575	970	97.95	1.80	103.90	85.88

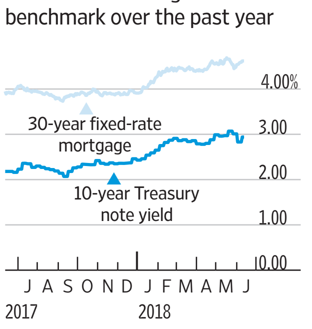
* Common stocks priced at $2 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

30-year mortgage, Rate

Bankrate.com avg†:	4.62%
Main Street Bank	4.25%
Marlborough, MA	508-481-8300
Liberty Bank	4.30%
Alton, IL	618-462-7000
El Dorado Savings Bank	4.38%
South Lake Tahoe, CA	800-874-9779
Florence Savings Bank	4.38%
Florence, MA	800-644-8261
Institution for Savings	4.38%
Newburyport, MA	978-462-2344

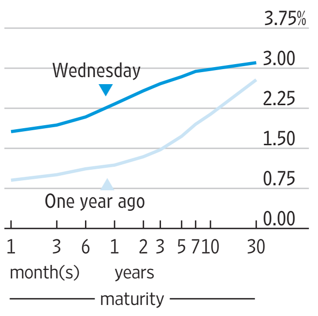
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	1.50-1.75	1.50-1.75	0.75	1.50	1.50
Prime rate*	4.75	4.75	4.00	4.75	1.50
Libor, 3-month	2.34	2.32	1.25	2.37	2.05
Money market, annual yield	0.52	0.47	0.25	0.52	0.16
Five-year CD, annual yield	1.73	1.71	1.38	1.73	0.26
30-year mortgage, fixed†	4.62	4.55	3.73	4.69	0.46
15-year mortgage, fixed†	4.10	4.02	2.99	4.14	0.76
Jumbo mortgages, $424,100-plus†	4.80	4.74	4.21	4.96	0.40
Five-year adj mortgage (ARM)†	4.51	4.41	3.22	4.78	0.82
New-car loan, 48-month	4.19	4.14	2.85	4.28	1.18

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: SIX Financial Information; WSJ Market Data Group; Bankrate.com

Treasury yield curve

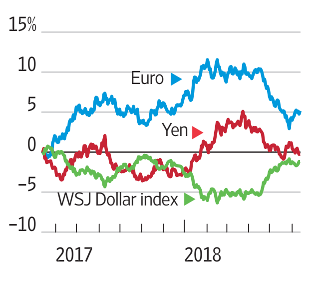
Yield to maturity of current bills, notes and bonds



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	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
Treasury, Ryan ALM	1428.341	2.858	2.836	2.945	1.818	–2.490	1.002
10-yr Treasury, Ryan ALM	1664.196	2.979	2.975	3.109	2.058	–5.027	0.233
DJ Corporate	n.a.	n.a.	3.922	n.a.	n.a.	n.a.	n.a.
Aggregate, Barclays Capital	1900.530	3.370	3.350	3.430	2.380	–1.131	1.579
High Yield 100, Merrill Lynch	2876.217	5.840	5.914	6.319	4.948	2.024	3.965
Fixed-Rate MBS, Barclays	1954.790	3.490	3.490	3.580	2.660	–0.897	1.290
Muni Master, Merrill	519.338	2.488	2.472	2.653	1.736	0.433	2.437
EMBI Global, J.P. Morgan	764.037	6.703	6.566	6.703	5.279	–3.530	4.320

Sources: J.P. Morgan; Ryan ALM; S&P Dow Jones Indices; Barclays Capital; Merrill Lynch

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Wed in US$	per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0382	26.2005	40.8
Brazil real	.2688	3.7209	12.3
Canada dollar	.7701	1.2986	3.3
Chile peso	.001574	635.30	3.2
Ecuador US dollar	1	1	unch
Mexico peso	.0484	20.6420	4.9
Uruguay peso	.03194	31.3100	8.7
Venezuela b. fuerte	.000013799	00.0001	772489.0
Asia-Pacific			
Australian dollar	.7577	1.3198	3.1
China yuan	.1563	6.3974	–1.6
Hong Kong dollar	.1274	7.8485	0.5
India rupee	.01478	67.645	5.9
Indonesia rupiah	.0000718	13930	3.3
Japan yen	.009063	110.34	–2.1
Kazakhstan tenge	.002974	336.20	1.1
Macau pataca	.1237	8.0849	0.5
Malaysia ringgit	.2509	3.9861	–1.9
New Zealand dollar	.7023	1.4239	1.0
Pakistan rupee	.00841	118.870	7.4
Philippines peso	.0188	53.221	6.5
Singapore dollar	.7488	1.3354	–0.1
South Korea won	.0009208	1086.05	1.8
Sri Lanka rupee	.0062613	159.71	4.1
Taiwan dollar	.03349	29.856	0.6
Thailand baht	.03113	32.120	–1.4
Vietnam dong	.00004384	22813	0.5
Europe			
Czech Rep. koruna	.04590	21.787	2.4
Denmark krone	.1583	6.3183	1.8
Euro area euro	1.1791	.8481	1.8
Hungary forint	.003678	271.90	5.0
Iceland krona	.009396	106.43	2.8
Norway krone	.1248	8.0107	–2.4
Poland zloty	.2757	3.6273	4.3
Russia ruble	.01599	62.523	8.4
Sweden krona	.1162	8.6072	5.1
Switzerland franc	1.0146	.9856	1.1
Turkey lira	.2146	4.6603	22.8
Ukraine hryvnia	.0383	26.1250	–7.2
UK pound	1.3377	.7476	1.0
Middle East/Africa			
Bahrain dinar	2.6470	.3778	0.2
Egypt pound	.0559	17.8790	0.6
Israel shekel	.2785	3.5903	3.2
Kuwait dinar	3.3110	.3020	0.2
Oman sul rial	2.5974	.3850	0.01
Qatar rial	.2747	3.641	–0.2
Saudi Arabia riyal	.2666	3.7503	...
South Africa rand	.0751	13.3105	7.7

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	87.14	–0.12	–0.14	1.36

Sources: Tullett Prebon, WSJ Market Data Group

Commodities

	Close	Wednesday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	656.10	0.71	0.11	667.35	532.01	20.93	4.91
TR/CC CRB Index	200.09	-0.05	-0.03	206.38	166.50	15.64	3.21
Crude oil, $ per barrel	66.64	0.28	0.42	72.24	42.53	48.98	10.29
Natural gas, $/MMBtu	2.963	0.024	0.82	3.63	2.55	1.02	0.34
Gold, $ per troy oz.	1296.90	1.80	0.14	1362.40	1208.60	1.89	-0.72

COMMODITIES

WSJ.com/commodities

Futures Contracts

Metal & Petroleum Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
June	3.2510	3.2510		3.2455	**3.2480**	0.0055	1,122
July	3.2455	3.2715		3.2240	**3.2540**	0.0045	107,394
Gold (CMX)-100 troy oz.; $ per troy oz.							
June	1294.00	1299.40		1290.90	**1296.90**	1.80	684
Aug	1299.60	1305.20		1294.50	**1301.30**	1.90	320,557
Oct	1304.80	1310.30		1300.70	**1307.40**	1.90	12,020
Dec	1312.10	1317.20		1307.00	**1313.80**	1.90	85,240
Feb'19	1315.00	1321.00		1313.90	**1320.30**	1.90	14,099
June	1330.00	1335.10		1330.00	**1333.30**	1.90	3,862
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
June	...	...		...	**1019.50**	–8.10	67
Sept	1016.30	1016.60		990.80	**1007.20**	–8.10	23,663
Dec	1012.00	1012.00		995.60	**1002.80**	–8.20	653
Platinum (NYM)-50 troy oz.; $ per troy oz.							
July	900.50	905.50		893.30	**902.50**	1.00	64,040
Oct	905.20	910.00		898.20	**907.20**	1.00	21,344
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
June	...	...		...	**16.953**	0.104	3
July	16.875	17.145		16.825	**16.991**	0.100	129,139
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
July	66.05	66.89		65.52	**66.64**	0.28	246,100
Aug	65.96	66.78		65.44	**66.52**	0.24	358,320
Sept	65.65	66.46		65.14	**66.22**	0.24	234,334
Oct	65.29	66.05		64.80	**65.84**	0.26	185,973
Dec	64.91	65.70		64.36	**65.50**	0.34	291,016
Dec'19	61.24	62.58		61.14	**62.46**	0.70	188,037
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
July	2.1504	2.1887		2.1429	**2.1851**	.0233	88,204
Aug	2.1530	2.1913		2.1463	**2.1875**	.0231	84,775
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
July	2.0811	2.1303		2.0710	**2.1252**	.0353	106,782
Aug	2.0696	2.1157		2.0604	**2.1109**	.0320	97,618
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
July	2.935	2.979		2.916	**2.963**	.024	167,620
Aug	2.927	2.965		2.909	**2.948**	.019	158,996
Sept	2.905	2.941		2.887	**2.920**	.018	150,196
Oct	2.918	2.955		2.902	**2.936**	.019	162,528
March'19	3.019	3.060		3.019	**3.052**	.018	114,655
April	2.647	2.669		2.647	**2.663**	.008	108,230

Agriculture Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
July	377.50	379.75		373.25	**376.00**	–1.50	527,519
Dec	398.75	400.50		394.00	**397.00**	–1.25	600,335
Oats (CBT)-5,000 bu.; cents per bu.							
July	242.50	243.75		231.25	**233.00**	–9.25	2,429
Dec	249.50	249.75		242.00	**243.75**	–7.50	1,840
Soybeans (CBT)-5,000 bu.; cents per bu.							
July	954.00	958.50	▼	934.25	**936.00**	–18.00	295,391
Nov	975.00	979.25	▼	956.00	**958.75**	–15.75	329,093
Soybean Meal (CBT)-100 tons; $ per ton.							
July	353.40	354.40		346.50	**347.70**	–5.80	124,860
Dec	358.00	359.10		350.80	**352.10**	–5.70	143,026
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
July	30.09	30.23	▼	30.01	**30.08**	.03	149,810
Dec	30.88	31.01	▼	30.79	**30.87**	.02	171,258
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
July	1191.00	1214.00		1189.00	**1209.00**	16.50	5,888
Sept	1057.00	1067.00		1037.50	**1040.00**	–18.50	4,530
Wheat (CBT)-5,000 bu.; cents per bu.							
July	535.00	538.75		514.50	**516.50**	–18.00	143,009
Sept	550.00	553.00		531.00	**532.75**	–17.25	153,600
Wheat (KC)-5,000 bu.; cents per bu.							
July	552.75	558.00		536.50	**539.00**	–14.50	88,475
Sept	567.00	569.25		553.00	**555.00**	–13.00	95,736
Wheat (MPLS)-5,000 bu.; cents per bu.							
July	592.50	592.75		583.25	**584.50**	–8.00	18,894
Sept	604.50	604.75		596.00	**597.25**	–7.25	18,392
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
Aug	146.125	146.400		145.100	**145.650**	–.150	23,807
Oct	147.000	147.350		145.950	**146.450**	–.500	6,178
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
June	108.550	108.700		107.750	**107.925**	–.600	10,961
Aug	104.425	104.725		103.575	**103.900**	–.400	153,349
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
June	80.700	81.100		80.600	**81.000**	.475	10,222
Aug	77.625	79.750		77.600	**79.650**	2.125	67,049
Lumber (CME)-110,000 bd. ft., $ per 1,000 bd. ft.							
July	562.70	562.80		554.60	**554.60**	–15.00	4,244
Sept	544.40	545.70		537.50	**537.50**	–15.00	1,598
Milk (CME)-200,000 lbs., cents per lb.							
June	15.40	15.40		15.36	**15.37**	–.03	3,522
July	15.82	15.87		15.75	**15.75**	–.08	3,952
Cocoa (ICE-US)-10 metric tons; $ per ton.							
July	2,395	2,447		2,359	**2,380**	–33	15,030
Sept	2,425	2,475		2,380	**2,391**	–53	100,489
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
July	117.20	117.25		116.20	**116.35**	–1.00	56,666
Sept	119.35	119.35		118.45	**118.60**	–.90	122,593
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
July	12.35	12.54		12.24	**12.51**	.16	202,425
Oct	12.64	12.78		12.52	**12.76**	.09	408,974
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
Sept	25.52	25.52		25.52	**25.52**	–.18	2,918
Nov	26.00	26.00		26.00	**26.00**	.07	1,379
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
July	95.30	95.66		93.21	**93.81**	–1.40	56,241
Dec	92.90	93.69		91.92	**92.93**	.03	187,311
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
July	154.20	155.55		153.15	**153.25**	–1.05	8,374
Sept	156.05	157.75		155.50	**155.55**	–.70	6,140

Interest Rate Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
June	143-230	143-290		142-300	**143-140**	–10.0	9,182
Sept	142-270	143-040		142-020	**142-190**	–10.0	808,568
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
June	119-225	119-245		119-080	**119-165**	–7.0	29,468
Sept	119-120	119-150		118-295	**119-060**	–7.0	3,382,075
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
June	113-145	113-165		113-060	**113-110**	–5.0	47,207
Sept	113-065	113-080		112-290	**113-017**	–5.2	3,713,754
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
June	106-002	106-017		105-300	**105-305**	–2.7	13,101
Sept	105-270	105-275		105-235	**105-245**	–2.7	1,774,264
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
June	98.178	98.183		98.173	**98.180**	.003	152,019
July	98.085	98.090		98.075	**98.090**	.005	265,566
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
June	92.891	93.000		92.641	**92.797**	–.172	16,902
Sept	95.094	95.109	▼	94.531	**94.781**	–.172	26,858
1 Month Libor (CME)-$3,000,000; pts of 100%							
June	97.8800	97.9150		97.8800	**97.9125**	–.0075	7,393
July	97.8900	97.9000		97.8900	**97.9025**	...	4,147
Eurodollar (CME)-$1,000,000; pts of 100%							
June	97.6450	97.6475		97.6225	**97.6425**	–.0050	1,342,075
Dec	97.3350	97.3400	▼	97.2750	**97.3100**	–.0250	1,931,894
June'19	97.1000	97.1100	▼	97.0400	**97.0650**	–.0450	1,375,344
Dec	96.9800	96.9900		96.9100	**96.9350**	–.0500	1,844,477

Currency Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
June	.9063	.9072		.9024	**.9050**	–.0017	104,388
Sept	.9119	.9129		.9081	**.9107**	–.0018	61,158
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
June	.7685	.7720		.7663	**.7693**	.0011	92,368
Sept	.7697	.7733		.7676	**.7707**	.0010	59,613
British Pound (CME)-£62,500; $ per £							
June	1.3377	1.3392		1.3311	**1.3360**	–.0019	175,884
Sept	1.3435	1.3449		1.3368	**1.3416**	–.0020	89,883
Swiss Franc (CME)-CHF 125,000; $ per CHF							
June	1.0136	1.0166		1.0109	**1.0142**	–.0005	75,186
Sept	1.0214	1.0246		1.0188	**1.0221**	–.0006	25,982
Australian Dollar (CME)-AUD 100,000; $ per AUD							
June	.7575	.7609		.7530	**.7558**	–.0013	109,124
July	.7573	.7605		.7539	**.7559**	–.0013	485
Aug	.7578	.7602		.7537	**.7560**	–.0013	242
Sept	.7579	.7612		.7534	**.7562**	–.0013	27,412
Dec	.7580	.7610		.7546	**.7569**	–.0013	466
Mexican Peso (CME)-MXN 500,000; $ per MXN							
June	.04822	.04855	▼	.04796	**.04816**	–.00010	128,481
Sept	.04755	.04782	▼	.04724	**.04744**	–.00010	85,797
Euro (CME)-€125,000; $ per €							
June	1.1750	1.1806		1.1730	**1.1778**	.0023	370,228
Sept	1.1831	1.1887		1.1811	**1.1859**	.0023	217,274

Index Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
June	25326	25358		25181	**25184**	–112	45,098
Sept	25340	25380		25204	**25208**	–107	69,146
S&P 500 Index (CME)-$250 x index							
June	2787.50	2790.50		2773.50	**2774.30**	–9.60	93,072
Sept	2791.10	2795.50		2779.00	**2779.00**	–9.20	42,724
Mini S&P 500 (CME)-$50 x index							
June	2788.00	2791.75		2773.75	**2774.25**	–9.75	1,075,597
Sept	2792.00	2796.00		2778.50	**2779.00**	–9.25	2,283,691
Mini S&P Midcap 400 (CME)-$100 x index							
June	2005.80	2007.30		1990.90	**1991.60**	–12.70	16,512
Sept	2010.40	2012.90		1995.70	**1996.70**	–12.60	82,186
Mini Nasdaq 100 (CME)-$20 x index							
June	7213.8	7262.8	▲	7192.0	**7204.3**	4.8	109,027
Sept	7241.8	7290.0	▲	7219.3	**7231.0**	4.8	181,887
Mini Russell 2000 (ICE-US)-$100 x index							
June	1684.10	1685.60		1673.80	**1675.60**	–5.80	8,480
Mini Russell 1000 (ICE-US)-$100 x index							
June	1547.60	1548.00		1542.70	**1541.40**	–5.80	88
U.S. Dollar Index (ICE-US)-$1,000 x index							
June	93.82	94.04		93.52	**93.70**	–.10	34,313
Sept	93.44	93.69		93.17	**93.36**	–.05	14,369

Source: SIX Financial Information

Cash Prices

Wednesday, June 13, 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.

	Wednesday
Energy	
Propane,tet,Mont Belvieu-g	0.8823
Butane,normal,Mont Belvieu-g	1.0465
NaturalGas,HenryHub-i	2.940
NaturalGas,TranscoZone3-i	2.880
NaturalGas,TranscoZone6NY-i	2.790
NaturalGas,PanhandleEast-i	2.420
NaturalGas,Opal-i	2.400
NaturalGas,MarcellusNE PA-i	2.040
NaturalGas,HaynesvilleN.LA-i	2.740
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	64.150
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	12.400
Metals	
Gold, per troy oz	
Engelhard industrial	1300.86
Engelhard fabricated	1398.42
Handy & Harman base	1296.15
Handy & Harman fabricated	1438.72
LBMA Gold Price AM	*1298.30
LBMA Gold Price PM	*1298.65
Krugerrand,wholesale-e	1349.82
Maple Leaf-e	1362.80
American Eagle-e	1362.80
Mexican peso-e	1572.88
Austria crown-e	1275.20
Austria phil-e	1362.80
Silver, troy oz.	
Engelhard industrial	17.0000
Engelhard fabricated	20.4000
Handy & Harman base	16.9800
Handy & Harman fabricated	21.2250
LBMA spot price	*£12.5800
(U.S.$ equivalent)	*16.8550
Coins,wholesale $1,000 face-a	12457
Other metals	
LBMA Platinum Price PM	*907.0
Platinum,Engelhard industrial	903.0
Platinum,Engelhard fabricated	1003.0
Palladium,Engelhard industrial	1018.0
Palladium,Engelhard fabricated	1118.0
Aluminum, LME, $ per metric ton	*2309.0
Copper,Comex spot	3.2480
Iron Ore, 62% Fe CFR China-s	n.a.
Shredded Scrap, US Midwest-s,m	n.a.
Steel, HRC USA, FOB Midwest Mill-s	n.a.
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.5675
Cotton,1 1/16 std lw-mdMphs-u	0.9281
Cotlook 'A' Index-t	*100.65
Hides,hvy native steers piece fob-u	n.a.
Wool,64s,staple,Terr del-u,w	n.a.
Grains and Feeds	
Barley,top-quality Mnpls-u	n.a.
Bran,wheat middlings, KC-u,w	77
Corn,No. 2 yellow,Cent IL-bp,u	3.4500
Corn gluten feed,Midwest-u,w	124.2
Corn gluten meal,Midwest-u,w	463.5
Cottonseed meal-u,w	260
Hominy feed,Cent IL-u,w	102
Meat-bonemeal,50% pro Mnpls-u,w	293
Oats,No.2 milling,Mnpls-u	2.8050
Rice, Long Grain Milled, No. 2 AR-u,w	25.75
Sorghum,(Milo) No.2 Gulf-u	7.7588
SoybeanMeal,Cent IL,rail,ton48%-u	357.20
Soybeans,No.1 yllw IL-bp,u	9.0100
Wheat,Spring14%-pro Mnpls-u	7.3200
Wheat,No.2 soft red,St.Louis-bp,u	5.2850
Wheat - Hard - KC (USDA) $ per bu-u	5.5900
Wheat,No.1soft white,Portld,OR-u	6.0400
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	194.24
select 1-3,600-900 lbs.-u	171.96
Broilers, National comp wghtd-u,w	1.2100
Butter,AA Chicago	2.3575
Cheddar cheese,bbl,Chicago	154.00
Cheddar cheese,blk,Chicago	164.00
Milk,Nonfat dry,Chicago lb.	78.00
Cocoa,Ivory Coast-w	n.a.
Coffee,Brazilian,Comp	1.1516
Coffee,Colombian, NY	1.3848
Eggs,large white,Chicago-u	0.7850
Flour,hard winter KC	16.90
Hams,17-20 lbs,Mid-US fob-u	n.a.
Hogs,Iowa-So. Minnesota-u	76.82
Pork bellies,12-14 lb MidUS-u	n.a.
Pork loins,13-19 lb MidUS-u	1.0452
Steers,Tex.-Okla. Choice-u	n.a.
Steers,feeder,Okla. City-u,w	165.75
Fats and Oils	
Corn oil,crude wet/dry mill-u,w	30.1000
Grease,choice white,Chicago-h	0.2600
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u	0.2843
Tallow,bleach;Chicago-h	0.2675
Tallow,edible,Chicago-u	n.a.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra,Tordella & Brooks; G=ICE; H=Hurley Brokerage; I=Natural Gas Intelligence; M=monthly; N=nominal; n.a.=not quoted or not available; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; W=weekly, Z=not quoted. *Data as of 6/12

Source: WSJ Market Data Group

Bonds | WSJ.com/bonds

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High
Broad Market Bloomberg Barclays					
1900.53	-2.2	U.S. Aggregate	3.370	2.380	3.430
U.S. Corporate Indexes Bloomberg Barclays					
2699.91	-3.5	U.S. Corporate	4.040	3.030	4.070
2569.26	-1.9	Intermediate	3.740	2.530	3.760
3666.35	-6.8	Long term	4.680	3.990	4.750
553.58	-2.5	Double-A-rated	3.470	2.470	3.500
695.77	-3.5	Triple-B-rated	4.340	3.340	4.370
High Yield Bonds Merrill Lynch					
419.88	0.5	High Yield Constrained	6.220	5.373	6.417
435.41	3.6	Triple-C-rated	9.698	9.607	11.091
2876.22	0.5	High Yield 100	5.840	4.948	6.319
377.19	-0.5	Global High Yield Constrained	5.925	4.934	6.001
303.81	-0.8	Europe High Yield Constrained	3.291	1.897	3.387
U.S Agency Bloomberg Barclays					
1621.79	-1.0	U.S Agency	2.840	1.690	2.870
1454.95	-0.5	10-20 years	2.740	1.510	2.760
3265.51	-3.6	20-plus years	3.410	2.730	3.550
2395.82	-2.7	Yankee	3.760	2.610	3.760
Mortgage-Backed Bloomberg Barclays					
1954.79	-1.7	Mortgage-Backed	3.490	2.660	3.580
1923.35	-1.5	Ginnie Mae (GNMA)	3.450	2.630	3.540
1145.85	-1.7	Fannie mae (FNMA)	3.500	2.670	3.590
1764.30	-1.8	Freddie Mac (FHLMC)	3.520	2.680	3.610
519.34	-0.6	Muni Master	2.488	1.736	2.653
361.23	-1.2	7-12 year	2.575	1.744	2.702
407.97	-1.0	12-22 year	2.885	2.213	3.004
395.65	-1.2	22-plus year	3.271	2.716	3.411
Global Government J.P. Morgan†					
539.32	-0.9	Global Government	1.650	1.300	1.680
753.25	-0.2	Canada	2.270	1.610	2.450
368.48	-0.5	EMU§	1.302	0.956	1.362
712.37	0.3	France	0.900	0.690	1.040
509.08	0.3	Germany	0.520	0.330	0.740
290.16	0.5	Japan	0.380	0.350	0.460
562.28	0.3	Netherlands	0.630	0.460	0.830
927.28	-0.4	U.K.	1.610	1.340	1.830
764.04	-5.4	Emerging Markets**	6.703	5.279	6.703

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds. † In local currency § Euro-zone bonds

** EMBI Global Index

Sources: Merrill Lynch; Bloomberg Barclays; J.P.Morgan

Corporate Debt

Price moves by a company's debt in the credit markets sometimes mirror and sometimes anticipate, moves in that same company's share price.

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Maturity	Spread*, in basis points Current	One-day change	Last week	Stock Performance Close ($)	% chg
General Electric	GE	5.000	Jan. 21, '49	199	–35	232	13.89	–0.64
Viacom	VIA	5.875	Feb. 28, '57	383	–20	341	33.55	0.75
RBS Capital Trust II	RBS	6.425	Jan. 3, '34	156	–15	n.a.	...	...
JPMorgan Chase	JPM	6.125	April 30, '49	229	–14	n.a.	109.97	–0.20
Intesa Sanpaolo Spa	ISPIM	3.875	July 14, '27	272	–12	278	...	...
Boeing	BA	8.750	Aug. 15, '21	40	–11	n.a.	363.85	–1.83

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Anthem	ANTM	4.101	March 1, '28	140	25	141	236.30	1.99
Newell Brands	NWL	4.000	June 15, '22	125	19	110	26.04	–1.06
Banco Santander S.A.	SANTAN	3.848	April 12, '23	155	10	148	...	...
Citizens Financial	CFG	4.300	Dec. 3, '25	152	8	144	41.84	–0.88
Societe Generale	SOCGEN	6.000	Jan. 27, '49	315	8	327	...	...
Walt Disney	DIS	2.450	March 4, '22	40	7	31	106.31	1.90

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week	Stock Performance Close ($)	% chg
PetSmart	PETM	8.875	June 1, '25	62.000	3.44	58.000	...	...
Adient Global Holdings	ADNT	4.875	Aug. 15, '26	91.750	1.50	92.750	...	...
Calpine	CPN	5.750	Jan. 15, '25	90.750	1.50	89.750	...	...
Frontier Communications	FTR	8.750	April 15, '22	87.000	1.50	85.031	7.64	–1.67
Guitar Center Escrow Issuer	GTRC	9.500	Oct. 15, '21	98.500	1.50	96.000	...	...
Mallinckrodt International Finance S.A.	MNK	5.750	Aug. 1, '22	89.750	1.50	87.750	...	...

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Intelsat Luxembourg S.A.	INTEL	8.125	June 1, '23	78.000	–5.13	78.500	...	...
LSB Industries	LXU	9.625	May 1, '23	101.000	–1.88	102.250	5.12	5.35
Altice Finco S.A.	ALTICE	8.125	Jan. 15, '24	101.750	–1.00	102.750	...	...
Altice Luxembourg	ATCNA	7.750	May 15, '22	97.750	–1.00	96.500	...	...
Genworth Hldgs	GNW	4.800	Feb. 15, '24	88.750	–1.00	84.750	4.70	–0.84
Hughes Satellite Systems	SATS	5.250	Aug. 1, '26	95.000	–0.78	95.750	...	...

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.

Note: Data are for the most active issue of bonds with maturities of two years or more

Sources: MarketAxess Corporate BondTicker; WSJ Market Data Group

Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended June 8. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import Natural-gas import and demand data are available monthly only.

Inventories, 000s barrels / **Imports,** 000s barrels per day

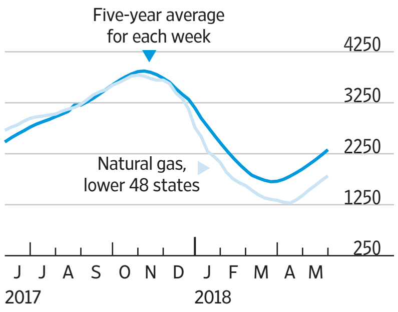
	Inventories Current	Expected change	Previous week	Year ago	4-week avg	5-year avg	Imports Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and petroleum prod	1,207,971	...	1,210	1,353	1,201	1,247	10,712	...	10,207	9,816	10,557	9,927
Crude oil excluding SPR	432,441	-1,600	437	512	435	457	8,099	...	8,346	8,025	8,059	7,744
Gasoline	236,763	...	239	242	236	228	824	...	777	574	906	825
Finished gasoline	23,700	700	24	23	23	30	14	...	8	15	13	67
Reformulated	43	...	0	0	0	0	0	...	0	0	0	0
Conventional	23,657	...	24	23	23	30	14	...	8	15	13	67
Blend. components	213,062	...	215	220	213	197	811	...	769	559	893	758
Natural gas (bcf)	1,817	...	2	3	2	3	...	...	...	...	...	...
Kerosene-type jet fuel	42,747	...	41	44	41	40	159	...	150	120	144	118
Distillates	114,693	400	117	151	115	137	104	...	146	61	128	107
Heating oil	8,359	...	8	10	9	13	11	...	5	21	7	9
Diesel	106,335	...	108	142	106	124	93	...	141	40	122	98
Residual fuel oil	30,803	...	32	41	32	40	254	...	192	129	305	177
Other oils	277,505	...	275	288	274	261	1,187	...	460	826	910	856
Net crude, petroleum products, incl. SPR	1,868,139	...	1,870	2,038	1,862	1,939	4,000	...	3,176	4,646	3,696	5,991

Weekly Demand, 000s barrels per day

	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Total petroleum product	21,801	...	18,456	19,514	20,449	19,907
Finished motor gasoline	9,879	...	8,976	9,269	9,558	9,399
Kerosene-type jet fuel	1,435	...	1,685	1,897	1,697	1,723
Distillates	4,404	...	3,502	4,045	3,966	3,842
Residual fuel oil	443	...	273	132	346	263
Propane/propylene	786	...	642	786	820	...
Other oils	4,854	...	3,378	3,385	4,064	...

Natural gas storage

Billions of cubic feet; weekly totals



Note: Expected changes are provided by Dow Jones Newswires' survey of analysts. Previous and average inventory data are in millions.

Sources: SIX Financial Information via WSJ Market Data Group; U.S. Energy Information Administration; Dow Jones Newswires

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Wednesday, June 13, 2018

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
AlerianMLPETF	AMLP	10.51	–1.41	–2.6
CnsmrDiscSelSector	XLY	111.06	0.15	12.5
CnsStapleSelSector	XLP	51.19	–0.31	–10.0
EnSelectSectorSPDR	XLE	76.42	–0.38	5.8
FinSelSectorSPDR	XLF	27.85	–0.36	–0.2
FT DJ Internet	FDN	140.74	0.34	28.1
HealthCareSelSect	XLV	85.17	0.02	3.0
IndSelSectorSPDR	XLI	75.90	–0.80	0.3
InvscQQQI	QQQ	175.82	–0.01	12.9
InvscS&P500EW	RSP	104.02	–0.50	3.0
InvscSrLoan	BKLN	23.06	–0.09	0.1
iSh1-3YCreditBond	CSJ	103.53	–0.06	–1.0
iSh3-7YTreasuryBd	IEI	119.28	–0.10	–2.4
iShCoreMSCIEAFE	IEFA	66.63	0.11	0.8
iShCoreMSCIEmgMk	IEMG	55.70	–0.71	–2.1
iShCoreMSCITotInt	IXUS	63.16	–0.09	0.1
iShCoreS&P500	IVV	279.92	–0.35	4.1
iShCoreS&P MC	IJH	199.43	–0.60	5.1
iShCoreS&P SC	IJR	85.23	–0.59	11.0
iShS&PTotlUSStkMkt	ITOT	64.03	–0.40	4.7
iShCoreUSAggBd	AGG	105.57	–0.09	–3.4
iShSelectDividend	DVY	98.25	–0.76	–0.3
iShEdgeMSCIMinEAFE	EFAV	73.98	0.04	1.4
iShEdgeMSCIMinUSA	USMV	53.49	–0.45	1.3
iShEdgeMSCIUSAMom	MTUM	113.87	–0.03	10.4
iShFloatingRateBd	FLOT	50.93	...	0.2
iShGoldTr	IAU	12.47	0.32	–0.3
iShiBoxx$InvGrCpBd	LQD	114.29	–0.10	–6.0
iShiBoxx$HYCpBd	HYG	85.92	0.03	–1.5
iShJPMUSDEmgBd	EMB	106.69	–0.32	–8.1
iShMBSETF	MBB	103.38	–0.11	–3.0
iShMSCI ACWI	ACWI	73.94	–0.20	2.6
iShMSCIBrazil	EWZ	33.80	–1.05	–16.4
iShMSCI EAFE	EFA	70.51	0.14	0.3
iShMSCI EAFE SC	SCZ	66.09	–0.11	2.5
iShMSCIEmgMarkets	EEM	45.90	–0.67	–2.6
iShMSCIEurozone	EZU	43.73	0.39	0.8
iShMSCIJapan	EWJ	60.70	0.08	1.3
iShNasdaqBiotech	IBB	110.49	–0.38	3.5
iShNatlMuniBd	MUB	108.66	–0.08	–1.9
iShRussell1000Gwth	IWF	147.11	–0.37	9.2
iShRussell1000	IWB	155.10	–0.39	4.4
iShRussell1000Val	IWD	123.52	–0.45	–0.7
iShRussell2000Gwth	IWO	210.08	–0.19	12.5
iShRussell2000	IWM	166.87	–0.39	9.5
iShRussell2000Val	IWN	133.42	–0.57	6.1
iShRussell3000	IWV	165.59	–0.39	4.7
iShRussellMid-Cap	IWR	216.36	–0.62	4.0
iShRussellMCValue	IWS	89.36	–0.72	0.2
iShS&PMC400Growth	IJK	231.06	–0.66	7.1
iShS&P500Growth	IVW	167.11	–0.30	9.4
iShS&P500Value	IVE	112.53	–0.48	–1.5
iShUSPfdStk	PFF	37.44	–0.13	–1.7
iShShortTreaBd	SHV	110.31	...	0.1
iShTIPSBondETF	TIP	111.75	–0.06	–2.0
iSh1-3YTreasuryBd	SHY	83.17	–0.05	–0.8
iSh7-10YTreasuryBd	IEF	101.43	–0.12	–3.9
iShRussellMCGrowth	IWP	131.08	–0.46	8.7
PIMCOEnhShMaturity	MINT	101.46	0.01	–0.1
SPDR BlmBarcHYBd	JNK	35.85	...	–2.4
SPDR Gold	GLD	123.19	0.30	–0.4
SchwabIntEquity	SCHF	34.14	0.09	0.2
SchwabUS BrdMkt	SCHB	67.63	–0.37	4.8
SchwabUS Div	SCHD	50.74	–0.53	–0.8
SchwabUS LC	SCHX	66.60	–0.39	4.4
SchwabUS SC	SCHA	75.34	–0.46	8.0
SPDR DJIA Tr	DIA	252.18	–0.44	1.9
SPDR S&PMdCpTr	MDY	362.89	–0.62	5.1
SPDR S&P 500	SPY	278.03	–0.32	4.2
SPDR S&P Div	SDY	93.59	–0.76	–0.9
TechSelectSector	XLK	71.74	–0.51	12.2
UtilitiesSelSector	XLU	49.02	–0.26	–6.9
VanEckGoldMiner	GDX	22.48	–0.04	–3.3
VangdInfoTech	VGT	188.75	–0.20	14.6
VangdSC Val	VBR	138.55	–0.69	4.3
VangdSC Grwth	VBK	179.92	–0.37	11.9
VangdDivApp	VIG	104.36	–0.33	2.3
VangdFTSEDevMk	VEA	44.88	0.04	0.0
VangdFTSE EM	VWO	44.68	–0.73	–2.7
VangdFTSE Europe	VGK	59.08	0.24	–0.1
VangdFinls	VFH	70.68	–0.27	0.9
VangdFTSEAWxUS	VEU	54.28	–0.17	–0.8
VangdGrowth	VUG	153.18	–0.35	8.9
VangdHiDiv	VYM	85.41	–0.63	–0.3
VangdIntermBd	BIV	80.43	–0.12	–4.1
VangdIntrCorpBd	VCIT	83.21	–0.04	–4.8
VangdLC	VV	127.91	–0.34	4.3
VangdMC	VO	161.23	–0.44	4.2
VangdMC Val	VOE	112.30	–0.56	0.7
VangdRealEst	VNQ	78.99	–1.95	–4.8
VangdS&P500	VOO	255.31	–0.40	4.1
VangdST Bond	BSV	77.98	–0.10	–1.4
VangdSTCpBd	VCSH	77.94	–0.04	–1.7
VangdSC	VB	159.09	–0.56	7.6
VangdTotalBd	BND	78.74	–0.06	–3.5
VangdTotIntlBd	BNDX	54.22	0.11	–0.3
VangdTotIntlStk	VXUS	56.66	–0.07	–0.3
VangdTotalStk	VTI	143.88	–0.37	4.8
VangdTotlWrld	VT	75.89	–0.30	2.2
VangdValue	VTV	106.62	–0.43	0.3

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

June 13, 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.

Notice to Readers

Effective Thursday, June 14, 2018, the WSJ U.S. Prime rate will be 5.00%, the Federal Funds Discount Rate will be 2.50% and the Federal Funds Target Rate will be 1.75-2.00%.

Inflation

	May index level	Chg From (%) April '18	May '17
U.S. consumer price index			
All items	251.588	0.42	2.8
Core	257.469	0.17	2.2

	Latest	Week ago	52-Week High	Low
International rates				
Prime rates				
U.S.	4.75	4.75	4.75	4.00
Canada	3.45	3.45	3.45	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.	1.78	1.78	2.18	1.01
U.S. government rates				
Discount				
	2.25	2.25	2.25	1.50
Federal funds				
Effective rate	1.7300	1.7300	1.7400	0.9400
High	1.9500	1.9500	1.9500	1.0625
Low	1.6900	1.6700	1.7100	0.9000
Bid	1.7100	1.7000	1.7200	0.9100
Offer	1.7200	1.7200	1.7400	0.9300
Treasury bill auction				
4 weeks	1.790	1.780	1.790	0.850
13 weeks	1.910	1.910	1.910	0.990
26 weeks	2.075	2.070	2.080	1.100
Secondary market				
Fannie Mae 30-year mortgage yields				
30 days	4.232	4.222	4.344	3.253
60 days	4.258	4.249	4.371	3.281
Other short-term rates				
Call money				
	3.50	3.50	3.50	2.75
Commercial paper (AA financial)				
90 days	2.20	2.17	2.31	1.10
Libor				
One month	2.07325	2.02961	2.07325	1.17167
Three month	2.34063	2.32088	2.36906	1.25033
Six month	2.50013	2.48375	2.52375	1.42600
One year	2.76688	2.74088	2.78031	1.69511
Euro Libor				
One month	-0.400	-0.407	-0.397	-0.420
Three month	-0.350	-0.350	-0.350	-0.389
Six month	-0.305	-0.306	-0.295	-0.339
One year	-0.229	-0.228	-0.180	-0.263
Euro interbank offered rate (Euribor)				
One month	-0.370	-0.371	-0.366	-0.374
Three month	-0.321	-0.321	-0.321	-0.332
Six month	-0.268	-0.269	-0.267	-0.279
One year	-0.181	-0.180	-0.151	-0.194

	Latest	Value Traded	52-Week High	Low
DTCC GCF Repo Index				
Treasury	1.743	24.300	2.068	1.013
MBS	1.789	95.520	1.971	1.030

	Settle	Change	Open Interest	Implied Rate
DTCC GCF Repo Index Futures				
Treasury Jun	98.060	0.002	873	1.940
Treasury Jly	97.960	unch.	639	2.040
Treasury Aug	97.960	unch.	1284	2.040

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 March 22, 2018. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective March 22, 2018. **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.

House Presses OCC Chief

Bank regulator Otting tells lawmakers he has 'never observed' lending discrimination

By Ryan Tracy

TOM WILLIAMS/CQ ROLL CALL/GETTY IMAGES

Joseph Otting oversees most large U.S. banks and helps watch over how they treat customers.

WASHINGTON—A top bank regulator gave an upbeat assessment of the industry's lending and sales practices in his inaugural congressional testimony Wednesday, but clashed with Democrats when he said he has "never observed" discrimination.

Joseph Otting, a career banker who leads the Office of the Comptroller of the Currency, appeared before the House Financial Services Committee for the first time since taking office about seven months ago. He oversees most large U.S. banks and is in part responsible for watching over how they treat customers.

Rep. Michael Capuano (D., Mass.) told Mr. Otting he wanted to find out what the regulator believed in and asked him a question about homeownership. The lawmaker then repeatedly asked Mr. Otting if he believed discrimination exists in America. Mr. Otting said: "I have personally never observed it. Many of my friends in the inner city across America would tell me that it exists."

Rep. Emanuel Cleaver (D., Mo.) called that response "stupefying" and pressed Mr. Otting on whether he had ever seen discrimination in banking.

"I have not personally observed that," Mr. Otting said. He added: "I'm a big believer in minority inclusion. ... There are many people who would say that Joseph Otting spent more time in the inner cities of America than most banking executives across the world."

Mr. Otting has supporters among community groups that worked with him while he was an executive at U.S. Bancorp and OneWest Bank, now part of CIT Group Inc.

John Hope Bryant, chief executive of Operation HOPE, which provides financial services to low-income people, got to know Mr. Otting when the banker served on the organization's board.

"I've never heard an idea out of his mouth that made me concerned," Mr. Bryant said in a recent interview before Mr. Otting's testimony. "Give him a shot."

Wednesday's hearing opened with questions for Mr. Otting about the agency's review of big-bank sales practices after the Wells Fargo & Co. phony-accounts scandal.

"We did not find pervasive or systemic issues," Mr. Otting said. The agency identified 252 "matters requiring attention" at about 40 large banks, and found only about 10,000 unauthorized accounts among the hundreds of millions it reviewed, he said. The OCC had previously discussed the findings but hadn't disclosed the number of questionable accounts.

Mr. Otting said the issues didn't warrant public enforcement actions. Rep. Carolyn Maloney (D., N.Y.) said it appeared the OCC had given banks "a warning," despite finding evidence of unauthorized accounts. "I have to say I find that deeply disturbing," she added.

The regulator also told the panel his agency doesn't plan to reissue a controversial guidance document spelling out standards for banks issuing leveraged loans. Instead, he said he has reminded examiners that guidance is voluntary for banks to follow. "Banks would have to have the appropriate level of capital. They would have to have the people that would analyze that risk," he told the panel when asked about leveraged lending.

Lehman Settles Credit Suisse Suit

By Patrick Fitzgerald

The remnant of **Lehman Brothers Holdings** Inc. has settled a $1.2 billion derivatives lawsuit with **Credit Suisse Group** AG, wrapping up one of the last remaining big legal battles involving the failed investment bank nearly a decade after its collapse.

Creditors will recover about $280 million on Credit Suisse's derivatives claims against Lehman, according to a Wall Street Journal analysis of bankruptcy-court filings. But most of that cash is earmarked for other investors, mainly hedge funds, because the Swiss bank doesn't own most of the claims.

Credit Suisse had claimed $1.2 billion in losses related to early termination of thousands of derivatives contracts when Lehman filed for bankruptcy in 2008. Under the terms of a settlement filed Tuesday night in U.S. Bankruptcy Court in New York, creditors' allowed claim was $385 million against some Lehman subsidiaries and another $363 million against Lehman's main holding company.

That is important because Lehman treats similarly situated creditors of its subsidiaries differently than those of the parent.

For example, general unsecured creditors of Lehman's special finance unit, the heart of the failed investment bank's derivatives business, have so far recovered more than 39 cents on the dollar, though they are limited to how much they can claim. Unsecured creditors of Lehman's commodities business have recovered more than 80 cents on the dollar, while unsecured creditors of the bank's Lehman Commercial Corp. subsidiary have been paid in full.

In comparison, unsecured creditors of the parent were initially slated to recover 21 cents on the dollar when Lehman's liquidation plan went into effect in 2012.

However, they have since recovered nearly twice that amount as Lehman's wind down of its business has brought in more cash than expected.

Credit Suisse said it expects a "non-material" loss of about $70 million to its strategic resolutions unit, a division the bank intends to close by the end of the year.

Credit Suisse and Lehman representatives declined to comment further on the settlement.

The team winding down Lehman sued Credit Suisse, one of the world's largest derivatives dealers, in 2013, claiming the bank artificially inflated its losses by more than $1 billion to profit from Lehman's bankruptcy at the expense of other creditors. A trial in the derivatives dispute had been slated for October.

Lehman's lawyers said in court papers that the settlement, which slashes $789 million off Credit Suisse's claims against Lehman's holding company, is a reasonable outcome given the uncertainty of litigation and the possibility of protracted appeals.

Pay-Tech Firm Adyen Surges 90% in Debut

By Adam Clark And Waverly Colville

VITTORIO ZUNINO CELOTTO/GETTY IMAGES FOR SEPHORA

Sephora can accept both online and offline payments in dozens of countries via a single platform using Adyen software.

Shares in Dutch payment-technology company **Adyen** NV surged in their first day of trading on the Amsterdam Euronext exchange.

Adyen's stock closed up 90% at €455 ($534.40) from its initial-public-offering price of €240, which was at the high end of its expected price range. The near doubling of the stock was the largest first-day increase since 2000 for a European-listed IPO that raised more than €500 million, according to Dealogic.

The closing price gave the payments company a valuation of €13.4 billion. Adyen is the largest technology IPO in Europe this year, and one of the largest tech companies to go public on the Amsterdam exchange, according to Dealogic.

Adyen's software allows tech giants such as Netflix Inc. and Spotify Technology SA and retailers such as Tory Burch and Sephora to accept payments both online and offline in dozens of countries and currencies through a single platform. Many investors see Adyen as a way to indirectly reach high-growth companies such as Uber Technologies Inc., Casper Inc. and Grab Inc.

The initial offering of 3.5 million shares, or a 12% stake, by existing shareholders raised roughly €849 million, excluding an allotment for underwriters.

In 2017, Adyen generated earnings before interest, taxes, depreciation and amortization of €99 million and net revenue of €218 million.

The surge in Adyen's share price in its first day reflects investors' interest in tech IPOs in recent months. Adyen is also primed to join several U.S. listed companies, including DocuSign Inc. and Dropbox Inc., that have seen strong gains in their trading debuts. This year, there have been at least 115 tech companies globally that went public, up 72% from this time last year, according to Dealogic.

Many private companies had been hesitant to go public after several unsuccessful IPOs from companies such as LendingClub Corp. and On Deck Capital Inc.

H&R Block To Close 400 U.S. Offices

By Aisha Al-Muslim

H&R Block Inc. plans to close about 400 U.S. offices as the new tax law reduces the complexity of filing annual returns for millions of Americans and customer behavior shifts toward digital tools.

The closures make up 4% of the tax preparer's nearly 10,000 company-owned and franchise locations in the U.S. The move isn't expected to result in job losses, and associates are expected to shift to other locations, a spokeswoman for the Kansas City, Mo., company said Wednesday.

The closures are part of a strategy to better position the company to retain customers and attract new ones. "We aren't as relevant as we need to be to today's consumer," H&R Block Chief Executive Jeff Jones said during a conference call with analysts on Tuesday.

H&R Block expects to succeed as a cross-channel player, where users can easily move between filing returns online or getting in-person assistance. For the fiscal year ended April 30, the U.S. assisted-returns business declined 0.6%. Online returns rose 10%, as consumers turn to do-it-yourself returns.

The company said it anticipates revenue for fiscal 2019 of $3.05 billion to $3.1 billion, or a drop of as much as 3.5% from the year ended April 30. Analysts polled by Thomson Reuters were expecting $3.14 billion.

Shares in H&R Block closed at $24.29 on Wednesday, off 18%, in one of the largest single-day percentage declines in the company's history.

The stock fell even as the company posted higher earnings and revenue. Fourth-quarter profit rose 46% to $1.14 billion amid the company's own lower corporate taxes as a result of the recently passed tax legislation. H&R Block reported a 6.3% effective tax rate. It expects a tax rate of 23% to 25% for fiscal 2019 and beyond.

Total revenue rose 2.8% to $2.39 billion. In fiscal 2018, H&R Block had revenue of $3.16 billion, a 4% increase, and more than 23.3 million tax returns prepared world-wide.

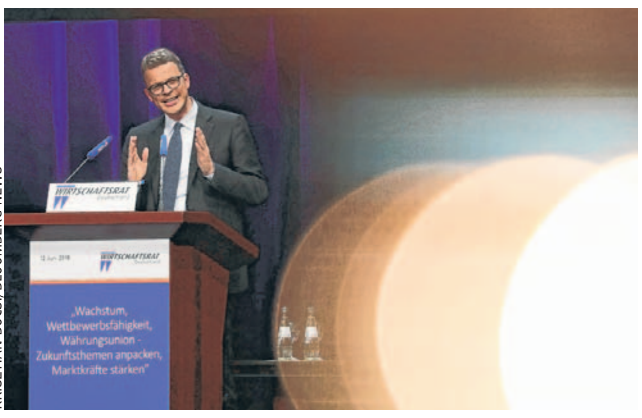
—Richard Rubin contributed to this article.

European Lenders Go It Alone

Continued from page B1

muscular pan-continental bank to take on the likes of **JPMorgan Chase** & Co. and **Citigroup** Inc. The relative size of banks on opposite sides of the Atlantic puts that challenge in relief: JPMorgan has a market value of $379 billion. The eurozone's biggest, Spain's **Banco Santander** SA, is valued at $92 billion.

The Société Générale deal with UniCredit might be another 18 months away, say some bankers. **Commerzbank** AG, a potential merger target since the early part of the last decade, could be melded with the underperforming **Deutsche Bank** AG, analysts say, though that would be unlikely until the German lenders finish respective restructuring efforts.



KRISZTIAN BOCSI/BLOOMBERG NEWS

Deutsche, under new CEO Christian Sewing, is a possible partner in a merger with German lender Commerzbank, analysts say.

"In times of ever-deepening geopolitical tensions, do we want to leave the important allocation function of the banking system largely to foreign institutions?" Deutsche Bank's new chief executive, Christian Sewing, said in a speech in Berlin on Tuesday.

A prerequisite for any big banking deal may be the completion of a European banking union. There is now a eurozone bank regulator in Frankfurt and a common system to wind down failing banks. But other key pieces are missing.

A single European deposit insurance system, under which the risk of bank failures would be shared among the 19 countries, is, at best, years away. Big mergers lack a clear rationale because current rules make it costly for banks to shift funding across Europe.

European Union leaders are set to discuss the banking union this month, but Germany and others have repeatedly said countries need to clean up bad loans first.

Madoff Trustee in Deal With a Feeder Fund

By Andrew Scurria

The liquidating trustee unwinding Bernard Madoff's fraud struck a deal with financier J. Ezra Merkin to return Ponzi scheme proceeds from one of Mr. Madoff's early backers to other victimized customers.

The agreement, filed Wednesday in the U.S. Bankruptcy Court in New York, includes a $280 million payment from Ascot Partners, a Ponzi scheme feeder fund run by Mr. Merkin, and his management company, Gabriel Capital Corp. Ascot was one of several offshore funds that parked their money with Mr. Madoff and were wiped out when the fraud collapsed in 2008.

Subject to court approval, the deal will avert what was a coming trial over Mr. Merkin's liability. Ascot Partners, a net loser in Mr. Madoff's fraud, would also receive a $237 million bankruptcy claim, allowing the feeder to collect its cut of the $13 billion recovered over the past decade by the liquidating trustee, Irving Picard.

The settlement allows Ascot customers who were indirect investors in the Ponzi scheme to share in Mr. Picard's recoveries for the first time.

Mr. Picard said in a statement the deal provides a "significant distribution" to the financial receivership for Ascot investors.

Ascot's receiver is prohibited under the deal from passing any money it gets from Mr. Picard on to Mr. Merkin or his family.

Andrew Levander, Mr. Merkin's attorney, said he "is pleased that the receiver has settled the trustee's lawsuit on terms that will result in a significant recovery for Ascot's investors."

Treasury Prices Fall Following Rate Rise

BY DANIEL KRUGER

U.S. government bond prices dropped after the Federal Reserve raised interest rates for the second time this year and penciled in two more increases for 2018.

CREDIT MARKETS

The yield on the 10-year Treasury note rose Wednesday for a fourth consecutive trading session to 2.979% from 2.959% Tuesday.

The two-year Treasury yield, which is more responsive to expectations for Fed interest-rate policy, rose to 2.578% from 2.539%. Yields rise as bond prices fall.

Yields rose after Fed officials raised their estimates for the pace of growth and inflation this year while also lowering their estimate for the unemployment rate.

Inflation is a threat to the purchasing power of bonds' fixed interest and principal payments, while faster growth and lower unemployment can prompt the Fed to raise interest rates.

The latest increase will bring the benchmark federal-funds rate to a range between 1.75% and 2%. Officials penciled in a total of four rate increases for this year, up from a projection of three increases at their March meeting.

The rise in yields may be capped by concerns that trade tensions between the U.S. and its major trading partners could restrain the ability of the economy to expand, some investors said.

"The economy doesn't need two more rate hikes, especially with geopolitical risks," such as tariffs, which could slow growth in the U.S. and around the world, said Gary Pollack, head of fixed-income trading at Deutsche Bank Private Wealth Management.

Global Growth Fuels Oil Demand

Report anticipates non-OPEC supply growth to slow slightly from this year

BY CHRISTOPHER ALESSI

GEORGE OSODI/BLOOMBERG NEWS

The International Energy Agency expects crude demand to increase by 1.4 million barrels a day in 2019, on par with this year.

LONDON—The world's appetite for oil should remain robust throughout next year even as U.S. production continues to dominate supply growth, the International Energy Agency said.

In its monthly oil-market report, the IEA on Wednesday laid out for the first time its oil demand forecast for next year, saying it expects demand to increase by 1.4 million barrels a day in 2019, on par with this year. A significant part of that growth will be driven by rising demand for petrochemicals, the agency said.

"Together with strong economic growth, the development of the petrochemical industry world-wide will underpin growth in oil demand," the report said. But the Paris-based organization, which advises governments and corporations on energy trends, cautioned that risks to its forecast are on the rise.

"These include the possibility of higher prices, a weakening of economic confidence, trade protectionism and a potential further strengthening of the U.S. dollar," the report said. A stronger dollar typically weakens crude prices by making the dollar-denominated commodity more expensive in other currencies.

Meanwhile, the IEA said it expects oil supply growth outside the Organization of the Petroleum Exporting Countries to slow slightly next year, to 1.7 million barrels a day, compared with a growth rate of 2 million barrels a day this year. The U.S. "shows by far the biggest gain," at about 75% of total non-OPEC growth throughout this year and next, the agency said.

But the report added that logistical and infrastructure bottlenecks in the U.S. should cap some of the country's production growth.

The report comes as Saudi Arabia's oil minister is flying to Russia this week to discuss ways to manage an output boost both producers say they want to propose at an OPEC summit next week, officials at the group said Wednesday.

OPEC and 10 producers outside the group, including Russia, have been cutting crude production by roughly 1.8 million barrels a day since the start of last year, as part of an agreement to rein in a global supply glut. The deal helped boost crude prices by more than 40%. But with Brent crude having temporarily breached $80 a barrel last month, the Saudis and Russians have indicated a willingness to exit from the accord, set to expire at the end of this year, sooner than planned.

Russia would like participants who are able to boost output to return to their October 2016 level, according to OPEC officials familiar with the proposal. With output in Venezuela, Iran and Angola constrained, that would put the size of such an increase well above 1 million barrels a day, they said.

By contrast, Saudi Arabia is considering several scenarios to raise production over coming months by at least 500,000 barrels a day, these officials said. Under one proposal, OPEC and its allies would boost output by 1 million barrels a day in two stages, first in June by half that amount, then in the fourth quarter, the people said.

—Summer Said and Benoit Faucon contributed to this article.

Crude Moves Up As Supplies Fall

Oil prices bounced to the highest close this month as strong U.S. demand ate into crude and fuel inventories.

Crude for July delivery rose 0.4%, to $66.64 a barrel, on the New York Mercantile Exchange on Wednesday, closing at the highest level since May 31. Brent for August delivery, the global benchmark, gained 1.1%, to $76.74, on ICE Futures Europe.

The Energy Information Administration said on Wednesday that crude-oil inventories fell by 4.1 million barrels, to 432.4 million barrels, a larger reduction than expected. Analysts and traders surveyed by The Wall Street Journal had forecast a drop of 1.6 million barrels. Gasoline and distillate stocks also fell. Traders had expected increases.

"Everywhere you look, demand is strong. Gasoline demand is strong, refinery demand is strong," said Phil Flynn, a senior analyst at the Price Futures Group. "That's supporting prices."

Oil traders largely appeared to shrug off a tweet from President Donald Trump saying that "Oil prices are too high, OPEC is at it again. Not good!" In April, a similar tweet from Mr. Trump sent the price of oil lower momentarily.

The market's main focus is on an OPEC meeting next week and the possibility that the group and its allies will ramp up production after more than a year of holding back output, said Ole Hansen, head of commodity strategy at Saxo Bank. The deal to reduce output is set to expire at the end of this year.

Among refined products, gasoline futures for July rose 1.7%, to $2.1252 a gallon.

—Christopher Alessi and Benjamin Parkin

Stocks Finish Lower After Central Bank Decision

BY JON SINDREU AND DANIELLE CHEMTOB

U.S. stocks slid after the Federal Reserve said it would raise interest rates and pencil in a fourth rate increase for this year.

Major indexes were little changed ahead of the decision but later wobbled and closed near their session lows.

WEDNESDAY'S MARKETS

The Fed raised interest rates by another quarter-percentage point, bringing the benchmark federal-funds rate to a range between 1.75% and 2%. Eight of 15 Fed officials now expect at least four rate increases will be needed this year, compared with seven officials at the March meeting.

"It's hard to interpret it as all that hawkish when you consider it was just one official changing their interest-rate forecast," said Mark Heppenstall, chief investment officer of Penn Mutual Asset Management.

The Dow Jones Industrial Average declined 119.53 points, or 0.5%, to 25201.20, while the S&P 500 fell 11.22 points, or 0.4%, to 2775.63. Both indexes posted their largest one-day point and percentage declines this month.

The Nasdaq Composite fell 8.09 points, or 0.1%, to 7695.70, its second-highest close in history.

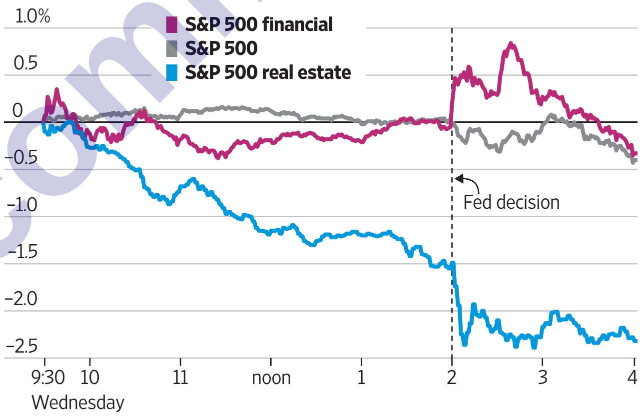
U.S. government-bond yields climbed after the decision, as the yield on the 10-year Treasury rose to 2.979% from 2.959% on Tuesday. Yields rise as prices fall.

Concerns about monetary stimulus ebbing have joined worries about politics and trade tensions this year, creating a more-volatile environment for markets. For many investors, the key to interpreting these moves is how much longer the economy can keep powering ahead before a new recession kicks in.

"The easy-money policies that really drove this bull market are effectively over," said Craig Birk, executive vice president of portfolio management at Personal Capital, "That doesn't mean the market can't continue to advance, but it just no longer has that tailwind."

Tracking the Fed

Financial stocks initially climbed but ended lower with the broader market and real-estate stocks tumbled after the Federal Reserve signaled a faster pace of interest-rate increases.



Source: FactSet

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The biggest risk, said Jeff Mills, co-chief investment strategist for PNC Financial Services Group, is inflation increasing at a faster rate than the market and the Fed are expecting.

The Labor Department on Wednesday said the producer-price index, a measure of prices from the perspective of businesses, rose a seasonally adjusted 0.5% in May from the previous month, above the expected 0.3%. Producer prices increased 3.1% from a year earlier, the largest annual increase since January 2012. Consumer-price index data, released Tuesday, showed a 0.2% increase in prices last month.

"The Fed might be accused of being slightly behind the curve, but with inflation at these levels I suspect they are going to run the economy a little bit hot," said Patrick Spencer, Baird's vice chairman of equities.

Shares of financial firms in the S&P 500 jumped after the Fed decision but later turned lower. Higher interest rates typically widen the spread between what banks charge on loans and what they pay on deposits.

Stocks that investors consider bondlike took a hit alongside Treasury prices. The S&P 500 real-estate sector, which includes real-estate investment trusts that often suffer when interest rates rise, fell 2.3%—extending declines. Shares of utilities fell 0.3%.

The European Central Bank is set to follow Thursday with its own policy meeting. Investors will try to gauge the exact time when eurozone officials will end their bond purchases—a move broadly anticipated for later this year—and whether Italy's political woes are likely to delay their plans.

So far, the ECB has signaled that it remains undeterred.

"It would be remiss of them to reverse any signal they've given," said Richard Hodges, a bond-fund manager at Nomura Asset Management. "They are running out of assets to buy, so if you gave a short-term fillip to Italy, this would raise longer-term concerns about financial stability."

The Bank of Japan will make its monthly policy decision on Friday.

Investors have also reacted positively to a federal judge's ruling that AT&T can proceed with its planned acquisition of Time Warner, seeing it as a sign that the field is clear for other corporate mergers to happen. Time Warner jumped $1.73, or 1.8%, to $97.95, while AT&T fell 2.13, or 6.2%, to 32.22, its largest percentage decline in nearly 10 years.

Overseas, the Stoxx Europe 600 rose 0.2%. Chinese bourses closed lower, with Hong Kong's Hang Seng losing 1.2% and the Shanghai Composite falling 1%. Both were pressured by shares of **ZTE**, which plunged about 40%—an $8 billion wipeout—on their first day of trading after nearly two months. Early Thursday, the Hang Seng was down a further 0.8%, while Shanghai was down 0.2%. Japan's Nikkei was down 0.4%.

LBOs Fuel A Burst In M&A

Continued from page B1

boards to divest their companies of assets as additional catalysts for the recent surge in LBOs. That has left more orphaned businesses for private-equity firms to carve out of larger companies.

Meanwhile, the continued availability of cheap debt and softened enforcement of guidelines meant to curb excessive leverage amid a deregulatory push in Washington are also fueling activity. The average leverage for 2018 buyouts is 6.36 times earnings before interest, taxes, depreciation and amortization, according to data from Thomson Reuters LPC. If that stands, it will be the highest since 2007 when the measure came in at 6.49 times.

In some ways, the surge in valuations is a boon for deal making too.

"As valuations go up, sellers are more apt to sell things," Joseph Baratta, global head of private equity at Blackstone, said in an interview.

Some private-equity deal makers caution that the boost in activity in the first half of the year might not extend into the second. Corporate sellers that had been waiting for the tax overhaul to unload businesses have largely completed that process, they argue, leaving fewer attractive assets for the auction block. Should signs of a sharp stock-market decline begin to emerge, private-equity firms may also hoard their cash waiting for prices to bottom.

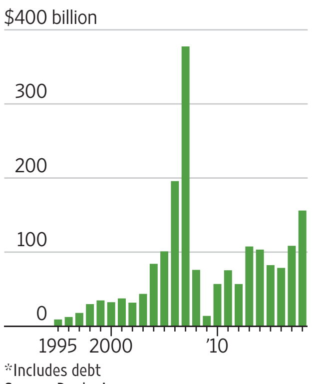
And 2018 deal volume remains a far cry from 2006 and 2007 levels, with record annual totals of $641 billion and $610 billion, respectively, according to Dealogic. At this point in 2007, buyout firms had agreed to $378 billion of takeovers, by far the most ever for a comparable period.

Private-equity firms are taking pains to avoid some of the mistakes of that era, in part by relying more on operational improvements of targets and less on pure financial engineering for gains. Today, firms are more likely to go it alone or partner with large investors in their funds.

Spending Spree

The volume of leveraged buyouts in 2018 is higher than it's been since the financial crisis.

Total value of buyout deals through June 11 of each year



*Includes debt

Source: Dealogic

Biggest deals so far this year*

Blackstone Group buying Thomson Reuters financial and risk business — $17.0 billion

Carlyle Group and GIC Pte buying Azko Nobel NV specialty chemicals business — 12.5

KKR buying Envision Healthcare Corp. — 9.9

KKR buying BMC Software — 8.3

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Dollar Turns Down After Powell Comments

BY IRA IOSEBASHVILI

The dollar fell Wednesday, as investors weighed a more hawkish Federal Reserve against uncertainties over global trade.

CURRENCIES

The WSJ Dollar Index, which measures the U.S. currency against a basket of 16 others, was down 0.1% to 87.14.

The Fed said it would raise interest rates by another quarter-percentage point and signaled it could lift them at a faster clip this year.

Expectations of higher rates tend to make the dollar more attractive to yield-seeking investors. Wednesday's increase, the second this year, will bring the benchmark federal-funds rate to a range between 1.75% and 2%.

The dollar shot higher after the Fed released its statement, but its gains melted away during the central bank's press conference, when Fed Chairman Jerome Powell appeared to play down the risks that a tightening labor market will send inflation higher.

"If we thought inflation was going to take off, then obviously we'd be showing higher rates," he said.

Pressed on the longer-run rate forecast, he said, "We can't be too attached to these unobserved variables."

Investors are "still trying to figure out how to read Powell's take on inflation," said Brad Bechtel, managing director at Jefferies.

The euro gained 0.4% to $1.1791.

MARKETS

Tariffs Pinch Consumer-Staples Stocks

Levies by EU, Canada and Mexico bruise U.S. firms that export food to those markets

By Michael Wursthorn And Danielle Chemtob

Escalating trade tensions have made times even harder for shares of companies that provide everyday goods.

Already struggling with pricing pressures and sluggish growth, the fortunes of consumer-staples companies in the S&P 500 were further shaken after Canada, Mexico and the European Union retaliated against the U.S.'s imposition of tariffs on steel and aluminum imports.

Canadian Prime Minister Justin Trudeau pledged to impose billions of dollars of tariffs on steel, aluminum and other U.S. goods, such as food and agricultural products. Mexico's Economy Ministry is targeting lamps, berries, grapes, apples, cold cuts, pork chops and cheese products, among other goods the U.S. produces and sends there. The EU will start imposing €2.8 billion ($3.3 billion) worth of tariffs in July, including 25% levies on peanut butter, orange juice and cranberries, among other goods.

"It's just sort of the piling-on effect, and that's why you've seen sentiment be so dire" among consumer-staples stocks, said Michael Scanlon, a managing director and portfolio manager at Manulife Asset Management who manages a fund of around $2 billion in assets.

The Consumer Staples Select SPDR Fund, one of the largest exchange-traded funds to track food-and-beverage stocks and other consumer companies, has fallen 10% so far this year, compared with a 3.8% increase for the S&P 500. Consumer-staples stocks in the broad stock-market index are on track for a second consecutive quarterly decline, a first since 2016.

Stock prices throughout the sector are already buckling under the weight of declining pricing power, rising commodity costs and greater demands from retailers that food-and-beverage producers reinvest more of their capital into overhauling operations, factors Credit Suisse said in a note will likely contribute to a decline in margins over the next two years.

"There isn't a lot of growth there, so when you're looking at relative opportunities [in the market], staples are at the bottom of the list," said Mark Stoeckle, chief executive and senior portfolio manager of Adams Funds.

Beverage makers like Molson Coors Brewing Co., whose shares are down 19% so far this year, and PepsiCo Inc., off 12%, told analysts that they are already seeing inflationary pressures, including rising aluminum costs and increases in freight and fueling expenses. Food makers like Tyson Foods Inc. and Hormel Foods Corp. that export items like pork to Mexico are bracing for a decline in sales.

Shares of Tyson, which sells a variety of deli meats in addition to its line of poultry products, lost nearly 4% last month and remains down roughly 13% so far this year.

"Trade flow is incredibly important to Tyson Foods, and we continue to urge our political leaders to support efforts to provide certainty to markets," Tyson Chief Executive Thomas Hayes told analysts last month.

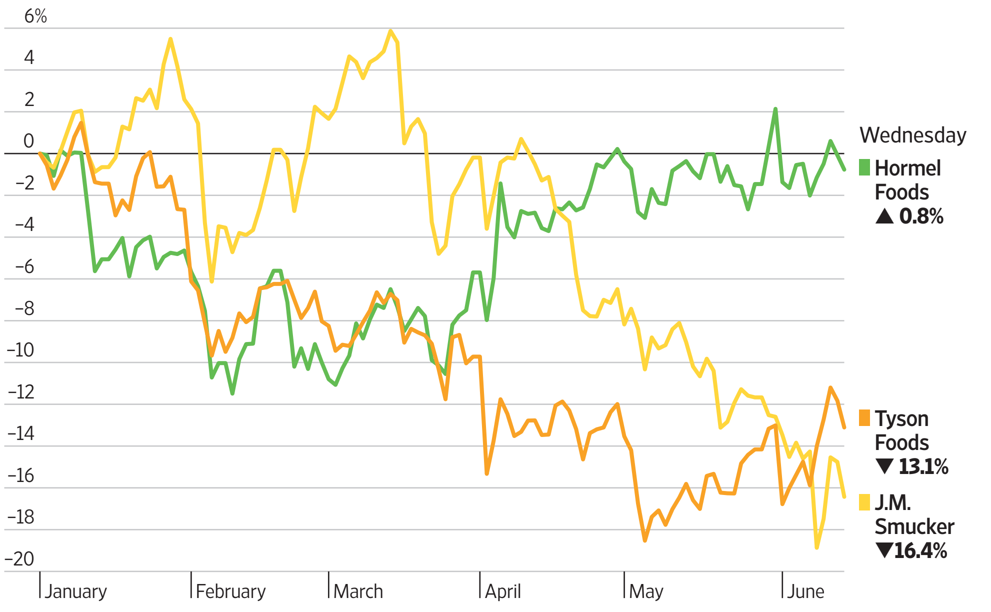
Hormel Foods, the maker of Spam canned pork, fell more than 3% on May 31—the day Mexico and other governments announced retaliatory measures—to drag the stock into the red for the year. And J.M. Smucker Co., known for its berry-based jellies and juices, has lost over 16% this year as trade tensions escalated.

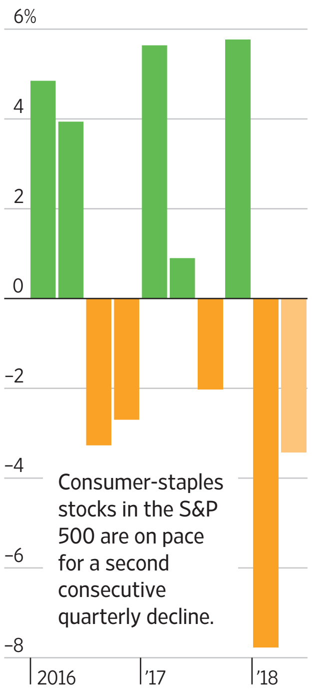
Consumer-staples valuations have come down since January, but some investors say the sector is still too rich to attract investor interest given the tepid pace of growth. Consumer-staples stocks are trading at 17 times earnings over the next 12 months, lower than the multiple of 21 times they traded at in late January, but about on par with the broader S&P 500, according to FactSet.

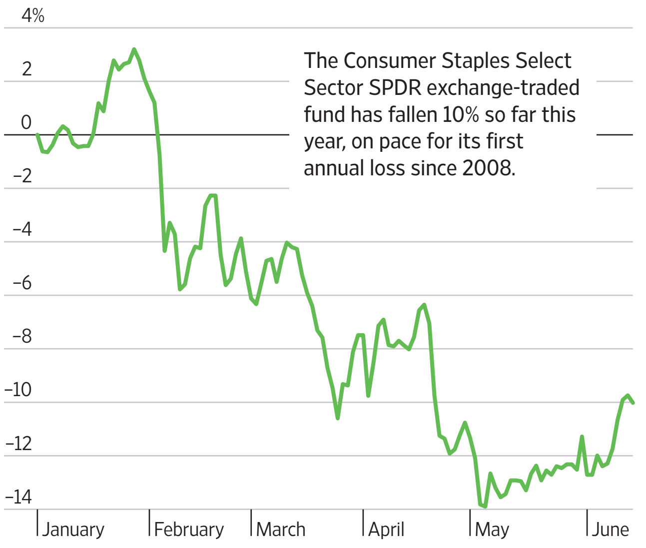
While the tariffs announced so far aren't onerous enough to have a detrimental impact on the economy, analysts worry that escalating tensions—such as those between the U.S. and Canada following the Group of 7 meeting in Ottawa this month—could spark a protracted trade war. The higher costs companies are forced to bear would likely filter down to consumers, who are already coping with higher gas prices and other signs of firming inflation.

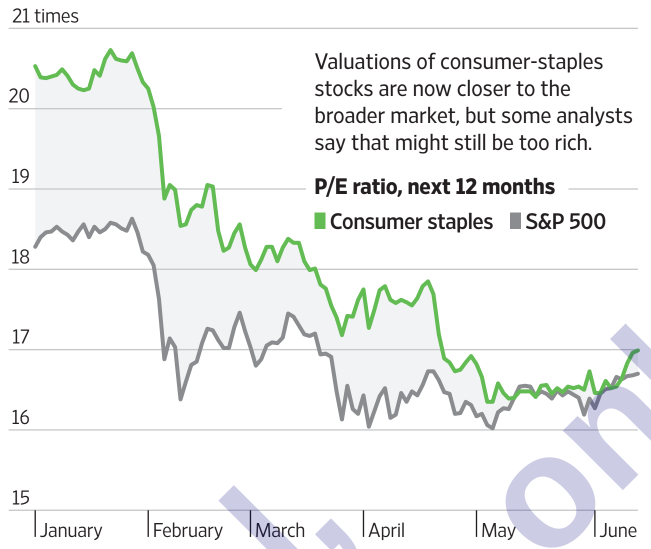
That could crimp the U.S. economic upswing, which got a boost late last year after Republicans passed a sweeping tax overhaul that some analysts say helped extend the bull market past its ninth year.

Shares of several consumer-staples companies took another leg lower after key U.S. trading partners pledged to impose their own tariffs.









Source: FactSet

Tristan Wyatt/THE WALL STREET JOURNAL.

HEARD ON THE STREET

Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY WSJ.com/Heard

Comcast Bid Holds Hidden Risks

Eager to ride the Justice Department's loss to its own merger victory, **Comcast** surprised no one with a fast, aggressive bid for the assets that **21st Century Fox** has agreed to sell to **Walt Disney**. At $65 billion, it is a doozy of a bid, aimed not only at swaying the Murdochs away from Disney but also at distracting from the regulatory risks that would come with a Comcast deal.

Fox's challenge is to not let that flashy number cloud its judgment. With the stock trading at records, that will take some real restraint.

If the Murdochs and other Fox shareholders need to sober up for a moment, they should read the decision of Judge Richard Leon. The judge emphasized that his ruling to approve the merger of **AT&T** and Time Warner was limited. "The temptation by some to view this decision as being something more than a resolution of this specific case should be resisted by one and all!" he wrote. Fox and News Corp, publisher of The Wall Street Journal, share common ownership.

There is another reason to think carefully about the regulatory risks of a Comcast deal for Fox's assets: The Justice Department has kept a close eye on Comcast since its merger with NBC, which went through in 2011 only after Comcast agreed to specific conditions. Those conditions are set to expire in September, giving Comcast new freedom to run its business or do deals, a situation that displeases regulators and makes them skeptical of any deal that allows Comcast to swell further. Though they failed to block AT&T's vertical merger with Time Warner, Comcast-Fox would be a different monster—both vertical and horizontal, raising problems that AT&T-Time Warner didn't.

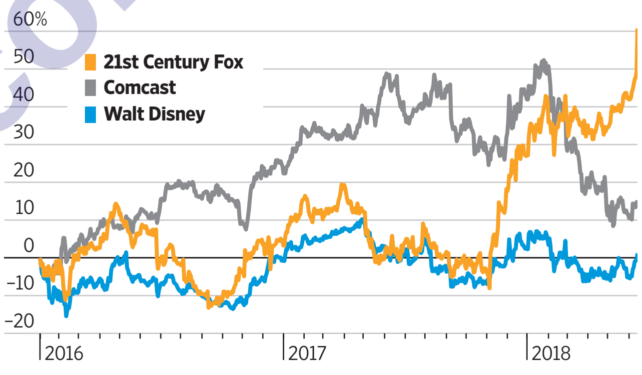
These risks play to Disney's favor. The company will need to lift its previous offer, a $52.5 billion all-stock bid, likely by sweetening it with cash. But since a Disney deal doesn't carry the same risks, it doesn't need to go as high as Comcast.

Still, Comcast won't go away quietly. Like a desperate suitor, it has offered to pay Fox's breakup fee with Disney. It may keep raising its bid to pressure Fox into a deal. That decision could land them both in court.

—Elizabeth Winkler

Fox Hunt

Share-price performance



Source: FactSet THE WALL STREET JOURNAL.

Fed's Statement Was Short but Not Sweet

Brevity might be the soul of wit, but investors might wish the Federal Reserve was a little more long-winded.

Fed policy makers on Wednesday raised their target range on the central bank's benchmark short-term interest rate by one-quarter of a percentage point while boosting their projections for how much they will raise rates this year and next. Given what has been happening with the economy, these moves shouldn't have counted as a big surprise. Fed policy makers now have a median projection that inflation will reach their 2% target by year-end. Their year-end forecast for the unemployment rate has shifted to 3.6% from 3.8%.

But what the Fed didn't say seemed to have the biggest impact, initially helping to send stocks lower and short-term yields higher. It lopped off 80 words of long-standing language from its postmeeting statement which discussed how rates were "likely to remain, for some time, below levels that are expected to prevail in the longer run." This amounted to policy makers saying they don't expect to keep leaning with the economy, and that maybe they will need to start leaning against it.

Indeed, the Fed took one additional step toward that possibility Wednesday. Fed Chairman Jerome Powell announced that starting next year, the central bank will hold a news conference following each of its policy meetings rather than after every other meeting as it now does. This will make it easier for the Fed to raise rates at any meeting, rather than just the four each year that are accompanied by news conferences.

What the Fed actually does will, of course, depend on the economy. What has changed, however, is that the Fed is no longer treating the economy as a fragile thing. If it thinks there is a risk of things running too hot, it isn't going to hesitate much on raising rates to cool them down.

—Justin Lahart

Amazon's Whole Foods Buy Pays Off

For a highly complex company, **Amazon.com** has a very simple view of the world: There is the money consumers spend on Amazon and the money they spend not on Amazon.

Food and beverages, which account for one-fifth of the money Americans spend on goods, may be the biggest category of spending that is largely not done on Amazon. The Whole Foods buy announced a year ago was meant to change that.

But to say Amazon was only interested in taking a chunk of the $1 trillion Americans spend on food and beverages every year is to underestimate the company. Since the deal, Amazon has made the obvious moves, such as cutting prices and using the Whole Foods network of stores to ramp up its online grocery business.

More importantly, Amazon is using Whole Foods to draw more customers more deeply into its ecosystem. This means giving people more reasons to pay for Prime and buy Amazon devices, which lead them to spend more on Amazon.

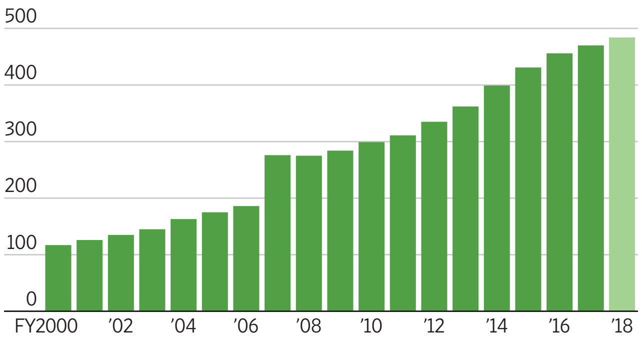
Amazon hasn't detailed its expansion plans for Whole Foods, but if the aim is to pull customers into the Prime ecosystem, it would make sense for it to add to Whole Foods' current 484 stores. There are 38 Whole Foods stores and smaller-format 365 stores under construction, according to location analytics company Beitz and Daigh Geographics. Based on his conversations with real-estate contacts, Wolfe Research analyst Scott Mushkin says Amazon could be aiming for as many as 1,500 locations in the U.S.

Will Amazon succeed? For its competitors in the grocery business, to some extent it doesn't matter. The online giant has dragged them into a costly competition for market share that, win or lose, could leave them damaged.

—Justin Lahart

Whole Lot of Growth

Number of Whole Foods stores



Note: Data through 2017 are for fiscal years ended September; 2018 figure is as of June 13

Sources: FactSet; the company THE WALL STREET JOURNAL.

OVERHEARD

The food-and-beverage business is under attack from all sides, but one category seemed safe—until now, that is.

Supermarkets getting squeezed by online retailers such as **Amazon.com** or no-frills discount retailers have put their own pinch on the people that sell them food and beverages by competing with them. That has worked pretty well for customers who don't mind cheaper but nearly identical store brands.

But what about a premium product with century-old brand names and legions of picky connoisseurs? German discounter **Aldi**, which has made big inroads in Europe and is now attacking the U.S. market, has breached one such category in a U.K. contest. Its Highland Black Scotch Whisky won the gold medal in the category of whisky blends aged up to 12 years, beating out the likes of Chivas Regal 12 Year Old, made by French luxury-goods company **Pernod Ricard**. The latter traces its roots to 1801 and a bottle costs twice as much.

That isn't only bad news for distillers. U.S. supermarkets facing the early stages of a discounter onslaught can be forgiven for needing a drink.