THE WALL STREET JOURNAL.

DOW JONES | News Corp ****** TUESDAY, MARCH 27, 2018 ~ VOL. CCLXXI NO. 71 WSJ.com ★★★★ $4.00

DJIA 24202.60 ▲ 669.40 2.8% NASDAQ 7220.54 ▲ 3.3% STOXX 600 363.18 ▼ 0.7% 10-YR. TREAS. ▼ 5/32, yield 2.843% OIL $65.55 ▼ $0.33 GOLD $1,354.40 ▲ $5.10 EURO $1.2446 YEN 105.40

What's News

Business & Finance

U.S. stocks surged as fears about trade tensions with China eased. The Dow industrials gained 669.40 points, or 2.8%, to 24202.60. **A1, B11**

◆ **Federal and state** officials ratcheted up pressure on social-media giant Facebook over the company's handling of user data. **A1**

◆ **Brookfield and GGP** have reached an agreement for Brookfield to buy the remaining shares of the mall owner it doesn't already own. **B1**

◆ **Refinancings make up** a smaller portion of the mortgage business than at any time in the past two decades, posing a challenge for lenders. **B1**

◆ **Arizona's governor** ordered Uber to suspend autonomous-vehicle testing on public roadways in the state. **B1**

◆ **SoftBank's board** has begun a probe into who was behind a shareholder campaign that sought the ouster of two of its executives. **B1**

◆ **Draghi is coming** under pressure from a growing faction of ECB officials to start raising interest rates in the middle of 2019. **A8**

◆ **The average banker** bonus in New York was $184,220 last year, the biggest annual haul for Wall Streeters since before the financial crisis. **B10**

◆ **Coutts banker** Harry Keogh, who faced allegations of treating female colleagues at the U.K. firm inappropriately, resigned. **B10**

◆ **Louis Vuitton named** American designer Virgil Abloh to be its creative director for menswear. **B5**

World-Wide

◆ **The U.S., Canada** and over a dozen European countries expelled scores of Russian diplomats and intelligence officers in response to the poisoning in the U.K. of a former Russian spy. **A1**

◆ **The U.S. granted** South Korea a permanent exemption to new steel tariffs in return for trade concessions, giving the Trump administration a limited victory. **A5**

◆ **Former adult-film star** Stephanie Clifford sued Trump's personal lawyer, Michael Cohen, for alleged defamation. **A3**

◆ **A fierce internal rivalry** is unfolding at the White House over the communications director job as a successor is sought for Hicks. **A3**

◆ **GOP fundraiser** Broidy sued Qatar, accusing it of trying to discredit him by leaking emails that detailed his contacts with the administration and the U.A.E. **A4**

◆ **White House attorneys** are examining whether two loans to Kushner's family business may have violated laws or ethics regulations. **A4**

◆ **EU and Turkish leaders** held a tense summit that highlighted the poor state of relations between Europe and Ankara. **A7**

◆ **The fatal police shooting** of an unarmed black man in Sacramento, Calif., a week ago is renewing scrutiny on police killings. **A3**

◆ **Governments of** several Egyptian provinces offered a range of incentives in a bid to boost turnout for the presidential election. **A7**

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CLOCKWISE FROM TOP LEFT: JACK TAYLOR/GETTY; CHIP SOMODEVILLA/GETTY; DANIEL LEAL-OLIVAS/AFP/GETTY; YURI KADOBNOV/PRESS POOL

Kicked Out

The U.S., U.K. and allies are expelling dozens of Russian diplomats and others in retaliation for the poisoning of a former Russian spy and his daughter.

*March 14 expulsions
Source: staff reports
THE WALL STREET JOURNAL.

TENSIONS: The U.K. blamed Russia after a former double agent was attacked with a nerve agent in Salisbury, England, top left, but Russian President Vladimir Putin called the claim 'nonsense.' Bottom left, departures from the Russian Embassy in London on March 20, and the Russian Embassy in Washington on Monday, right, when the U.S. and other countries joined the U.K. in expelling Russian officials.

U.S., Allies Expel Russian Envoys

Move is signal of Western unity after poisoning of former spy in the U.K.

By Felicia Schwartz in Washington, James Marson in Moscow and Laurence Norman in Brussels

The U.S., Canada and more than a dozen European countries expelled scores of Russian diplomats and intelligence officers on Monday, in a coordinated action that deepens the rift between Moscow and the West.

The ejections—the largest by the U.S. since the Cold War—came in response to the poisoning in the U.K. of a former Russian spy and his daughter, an act that Western countries say was likely carried out by Moscow. The moves could seriously hamper Russia's ability to gather intelligence on the U.S. and its allies. The Kremlin said it would retaliate.

Washington and its allies have imposed sanctions on Moscow in response to its military interventions in Ukraine and alleged meddling in the 2016 U.S. presidential election.

Russia's involvement in the war in Syria also has caused unease in the West. The Kremlin has presented the confrontation as a campaign against Russian efforts to regain what it sees as its rightful place on the world stage.

The U.S. ambassador to Moscow, Jon Huntsman, said Monday's measures were aimed at showing that "when it comes to our best friend and ally, the United Kingdom, we will stand with them and there will be a price to be paid for an event like the one we have just seen play out."

The scope of the expulsions also suggests that U.K. Prime Minister Theresa May's government has managed to convince Britain's allies that Russia was responsible for the use of a military-grade nerve agent in an attempt to murder Sergei Skripal, a former Russian double agent, and his daughter, in the English city of Salisbury. The two remain in critical condition. Moscow has denied involvement in the act.

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◆ Diplomatic expulsions have precedent........ A9

Stocks Rebound As Trade Fears Ebb

By Akane Otani And Ira Iosebashvili

Cooling trade tensions with China fueled a rush back into U.S. stocks Monday, vaulting the Dow industrials to their largest daily point gain since the financial crisis even as the threat of rising rates continued to vex investors.

The Dow surged 669.40 points to 24202.60, reversing more than half of the losses suffered in a two-day swoon last week over the dispute between the two largest global economies. Fears over trade friction eased after The Wall Street Journal reported late Sunday that China and the U.S. began negotiating over U.S. access to Chinese markets, with financial and technology shares spearheading the bounceback.

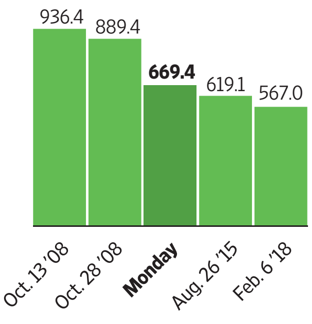
Yet Monday's moves did little to ease investors' concerns about rising borrowing costs. Financial conditions have tightened, bond yields and market interest rates such as Libor, and few investors expect imminent relief

Please see STOCKS page A2

◆ James Mackintosh: Perils of Trump trade-policy bets........ B1

Rarified Air

The Dow Jones Industrial Average's largest one-day point increases



Source: WSJ Market Data Group
THE WALL STREET JOURNAL.

Arizona Shuts Down Uber Testing

NATIONAL TRANSPORTATION SAFETY BOARD/REUTERS

REBUKE: Arizona's governor ordered Uber to suspend testing of self-driving cars on public roadways in the state, after one of the vehicles struck and killed a pedestrian in Tempe on March 18. **B1**

U.S., States Step Up Pressure on Facebook

By Georgia Wells And John D. McKinnon

Government officials ratcheted up pressure Monday on Facebook Inc. over its handling of user data, with federal regulators saying they are investigating the social-media giant's privacy practices and 37 state attorneys general demanding explanations for its practices.

The Federal Trade Commission, in a statement, said that its probe of Facebook is broad. Tom Pahl, a top FTC official, said the commission "takes very seriously" recent reports raising "substantial concerns about the privacy practices of Facebook."

A separate letter from a bipartisan group of state attorneys general, addressed to Chief Executive Mark Zuckerberg, demanded the company provide answers to a series of questions about its policies and practices for handling information about its users. The letter said the attorneys general are "profoundly concerned" over media reports that outsiders were able to obtain Facebook user information without the users' consent.

The federal and state moves—which came as a third congressional committee asked Mr. Zuckerberg to testify over the user-data issue—added momentum to a push for new regulation of Facebook and other internet giants after the company's disclosure that an outside firm improperly accessed and retained user information.

Facebook's shares edged up 0.4% on Monday amid a broader market rally, stabilizing after a rout of the com-

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◆ Android users find calls are logged........ A9

◆ Heard on the Street: Facebook won't be deleted easily........ B12

World's Dirty Money Found A Home at Tiny Latvian Bank

ABLV laundered cash from Russia, Ukraine and North Korea, U.S. says

RIGA, Latvia—A few years ago, U.S. Treasury officials noticed a troubling undertow in the world's financial currents. Shell companies were shifting billions of dollars through a little-known bank in Latvia, a former Soviet state of two million people.

By Drew Hinshaw, Patricia Kowsmann and Ian Talley

Treasury officials say they concluded the institution, ABLV Bank, was laundering money for corrupt clients in Russia, Azerbaijan and Ukraine.

Late last year, the officials say they found more: North Korea's nuclear missile program was using front companies to move money through the bank.

On Feb. 13, the U.S. Treasury declared ABLV an "institutionalized money laundering" operation—one of the largest in Europe's recent history—and announced plans to sanction it and cut its access to dollars. The U.S. didn't accuse ABLV of knowing the identities of the shell-company owners, but said the bank "proactively pushes money laundering and regulatory circumvention schemes" to its clients. The declaration sparked a €700 million ($865 million) run on the bank that forced it to close.

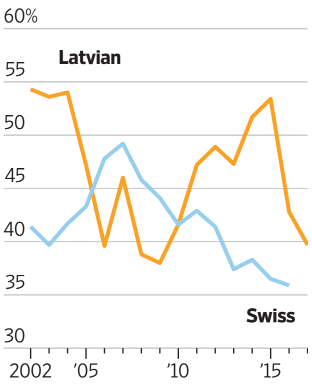
That the U.S. invoked a rare sanction in a fellow NATO member-country shows the scale of the threat it perceives from this small corner of the European Union. A parade of American diplomats have visited Latvia in recent years saying that lax regulation allowed criminal or sanctioned entities to sneak ill-gotten fortunes into Europe.

"It's a national security issue," U.S. Deputy Secretary of State John Sullivan told Latvian reporters in February, during a visit to Riga

Please see BANK page A10

Foreign Money

Nonresident deposits at Latvian banks soared as a percentage of total deposits, a phenomenon regulators see as a red flag.



Sources: Bank of Latvia; Swiss National Bank
THE WALL STREET JOURNAL.

Perfect Games Are OK—Baseball Wants Perfect Dirt

* * *

Teams subject infield clay to rigorous science, at $50,000 a field

By James R. Hagerty

When the Seattle Mariners play their home opening baseball game Thursday, some of the dirt on the infield will have come from 2,500 miles away, in western Pennsylvania.

Baseball teams used to get any old dirt for infields and pitchers mounds, scooping soil from a nearby hillside or riverbed. Now, egged on by specialist baseball-soil suppliers, they apply nearly as much science to the dirt as they do to the pitching rotation. They demand just the right mixture of sand, clay and silt to provide a smooth, predictable surface—even if that means dirt is no longer dirt cheap.

"The price isn't an object for me," said Larry DiVito, head groundskeeper of the Minnesota Twins, who also buys dirt shipped from Pennsylvania. "It's about consistency and knowing what you're getting."

Not just any old dirt

Major league-quality mixes can cost $80 to $100 a ton, before freight charges. That is around four times what Mr. DiVito figures he would pay for ordinary screened dirt that hasn't been formulated for baseball. Replacing just the nongrassy part of a major league infield can cost as much as

Please see DIRT page A10

Tax on Overseas Profits Hits Unintended Targets

By Richard Rubin

WASHINGTON—A new tax aimed at overseas income earned by U.S. technology and pharmaceutical firms is hitting unexpected places, including **Kansas City Southern**, a U.S. railroad company.

The new minimum tax on foreign earnings will cost Kansas City Southern $25 million a year, according to the company, which warns the measure also encourages it to borrow money outside the U.S.

Kansas City Southern's predicament is an example of the shifts in international taxation emanating from last year's rewrite of the U.S. tax code, and of the potential unintended consequences that companies are starting to see. Congress lowered the corporate tax rate to 21% from 35% and tried to change the way the U.S. taxes profits abroad, in an effort to boost domestic investment and help U.S. firms compete globally.

In the past, the U.S. taxed corporate profits earned overseas at the domestic rate of 35%. Companies could avoid that tax by booking their income overseas and keeping it there. The new system in theory aims to lighten the overseas tax burden and target it more carefully.

Congress set a minimum tax known as GILTI, for Global Intangible Low-Taxed Income, of roughly 10.5% on a portion of corporate income earned overseas. GILTI is directed at trademarks and patents of technology and pharmaceutical firms, which are easy to transfer to low-tax foreign countries. It was supposed to create a floor on taxing those highly mobile profits, an assurance that companies would pay something while stopping short of the full U.S. tax rate. Without it, lawmakers worried, U.S. companies could have an even larger incentive to move intangible assets and profits offshore.

A railroad says it will be hurt by a tax targeting tech and pharmaceutical firms.

LUKE SHARRETT/BLOOMBERG NEWS

Kansas City Southern says last year's tax overhaul will cost it $25 million a year.

Kansas City Southern doesn't seem to fit the profile of companies the tax was aimed at. Its assets are railcars, not patents, and its only substantial foreign operation is in Mexico, where it pays a relatively high 30% tax rate.

But it could get hit with the GILTI tax anyway.

"We should have been exempt from these provisions," Mike Upchurch, Kansas City Southern's chief financial officer, said. The company had projected that the new tax law would drop its 34% tax rate to 29% or 30%, but it has since revised that projection upward by 1 to 1.5 percentage points, Mr. Upchurch said.

GILTI is hitting Kansas City Southern and other companies such as **Euronet Worldwide** Inc., which runs automated teller machines, because of the way the new tax interacts with other provisions in the tax code, specifically the treatment of foreign tax credits that are supposed to prevent two countries from taxing the same income. When companies calculate the credits they receive for paying taxes overseas, the law typically requires them to assign some of their domestic expenses to foreign jurisdictions. The result for some companies is that, for U.S. tax purposes, their foreign income and foreign taxes look smaller than they actually are, shrinking their credits. That, in turn, could force them to pay the new minimum tax on top of their foreign tax bills.

The quirk affects companies with overseas operations and significant domestic expenses for interest, administrative costs and research. It hits companies with operations in high-tax countries such as Mexico, Germany and Japan.

"It's already hit a third of companies that we deal with, and the other two-thirds are going to have a harsh reality to face in the coming weeks," said Albert Liguori of tax advisory firm Alvarez & Marsal Taxand LLC.

Congressional aides are aware of the issue, which could be addressed in legislation or regulations later this year. Part of the challenge, however, is that loosening the rules for some companies could open tax-avoidance strategies for others.

The system creates odd incentives. Some companies will be better off moving domestic expenses such as interest costs to foreign countries, where they can get deductions against the higher rates and mitigate the GILTI impact.

Pair of Strong Swimmers Swing by California

JEFF GRITCHEN/THE ORANGE COUNTY REGISTER/ASSOCIATED PRESS

OFF COURSE: Two gray whales were spotted Monday at the mouth of the San Gabriel River between Long Beach and Seal Beach.

U.S. WATCH

KANSAS

Figure in Landmark Civil Rights Case Dies

Linda Brown, the Kansas girl at the center of the 1954 U.S. Supreme Court ruling that struck down racial segregation in schools, has died at age 76.

Topeka's former Sumner School was all-white when Ms. Brown's father, Oliver, tried to enroll the family. He became lead plaintiff in the 1954 Brown v. Board of Education case.

On May 17, 1954, the Supreme Court ruled unanimously that separating black and white children was unconstitutional because it denied black children the 14th Amendment's guarantee of equal protection under the law.

—Associated Press

CENSUS

Questionnaire to Ask About U.S. Citizenship

The Trump administration said Monday it will ask 2020 Census respondents if they are U.S. citizens, the first time in decades such a question will be asked on the decennial questionnaire.

The decision, announced in a letter by Commerce Secretary Wilbur Ross, immediately generated strong pushback from Democrats and immigrant groups, who say it will damp responses from Latinos who have migrated into the country.

The Commerce Department said the question would help enforce the Voting Rights Act by providing block-level citizenship voting-age population data.

—Paul Overberg and Janet Adamy

DISTRICT OF COLUMBIA

Suspicious Packages Prompt Investigation

A half-dozen defense and intelligence installations in the Washington area received packages Monday containing rudimentary devices that had what appeared to be components of an explosive, a law-enforcement official said.

Several of the packages contained rambling letters, the official said. No one was injured and investigators weren't sure whether the devices were capable of exploding, U.S. officials said.

A law-enforcement official said the U.S. military believed it had received previous letters from the person who mailed the packages.

—Del Quentin Wilber and Gordon Lubold

STOCKS

Continued from Page One

from those trends, which they view in part as a reflection of stronger economic growth.

Many analysts blamed this year's rise in bond yields for the February stock rout that had pulled major indexes into correction territory, and some investors now warn that bond yields can't keep rising—as typical in a healthy economic expansion—without forcing stock buyers to reassess the risks of historically high valuations.

While the yield on the benchmark 10-year U.S. Treasury note, used as a reference for everything from mortgage rates to car loans, has since retreated from its 2018 highs, growth is just one factor in its rise. Many investors expect yields to keep climbing, as the government issues its biggest wave of debt since the financial crisis to finance tax cuts and a sharp increase in spending.

In contrast with trade policy, which could take years to affect markets, the consequences of rising rates and tighter financial conditions are likely to assert themselves at any time, leaving investors wondering how much higher bond yields can go before their steady returns make holding stocks look less attractive. That could put fresh pressure on a nine-year bull market that investors worry is losing momentum. Yields rise as bond prices fall.

"There's a lot of confusion, and it stems from the shifting landscape that we've had," said Robert Tipp, chief investment strategist at PGIM Fixed Income. "Investors are stepping back and pricing in...what could happen to the bond market and stock market given all the negatives out there."

The S&P 500 added 70.29 points, or 2.7%, to 2658.55 Monday. The Nasdaq Composite advanced 227.88 points, or 3.3%, to 7220.54—marking the two index's biggest one-day percentage gains since August 2015.

Following Wall Street's bounce, Japan's Nikkei was up 1.7% at midday Tuesday, while other indexes in Asia rose at least 0.5% in early trading.

Government bond prices continued their slide for the year, with the yield on the 10-year note rising to 2.843% from 2.826% Friday and 2.409% at the end of last year.

Monday's rally came even as signs of nervousness persisted in the market, with popular destinations for risk-fleeing investors largely extending gains since the Federal Reserve raised interest rates in March and signaled it could accelerate its pace of interest-rate increases in the coming years. The Japanese yen is up 1.1% since Wednesday, and now stands as one of the year's best performing major currencies. The Swiss franc is up 3.1% for the year, while gold has gained 3.7%.

At the same time, the Cboe Volatility Index, or VIX, has gained around 16% since the Fed meeting, a sign that investors' anxiety remains high.

Meanwhile, investors have dumped shares of companies whose earnings suffer most as the cost of borrowing and labor picks up—another indication that investors are wary of the potential for a rising-rate environment to rattle the markets.

The SPDR S&P Homebuilders exchange-traded fund, which tracks shares of builders and firms that sell home furnishings, has fallen 9.8% this year, lagging behind the S&P 500's 0.6% decline and the Dow Jones Industrial Average's 2.1% loss. Rising rates make home loans more expensive—potentially chipping at demand for new houses.

That has challenged lenders, which are facing the smallest pool of homeowners eligible to refinance their loans since 2008, according to mortgage-data and technology firm Black Knight Inc. Banks are among the most sensitive industries in the market to interest-rate swings, since their businesses are tied to the economic cycle and dependent on high rates of borrowing.

Another sector that has suffered: utilities shares, which investors consider bond proxies because of their relatively hefty dividend payouts. The sector has fallen nearly 6% in the S&P 500 for the year, a reflection of the diminishing attractiveness of companies with slow earnings growth but relatively hefty dividend payments. Oil and gas firms, whose high debt loads make them vulnerable to rising borrowing costs, have fallen about the same amount.

Expectations of faster inflation, increased debt issuance and trade conflicts "are all bad for the way people are positioned, whether it's in their fixed income or equity portfolios," said Richard Bernstein, chief executive officer at Richard Bernstein Advisors LLC.

Not all economists believe massive issuance will upend the long stock rally. The U.S. tax-cuts package, as well as its government spending increases, should help spur further growth in the global economy, the Organization for Economic Cooperation and Development said in its latest quarterly forecast.

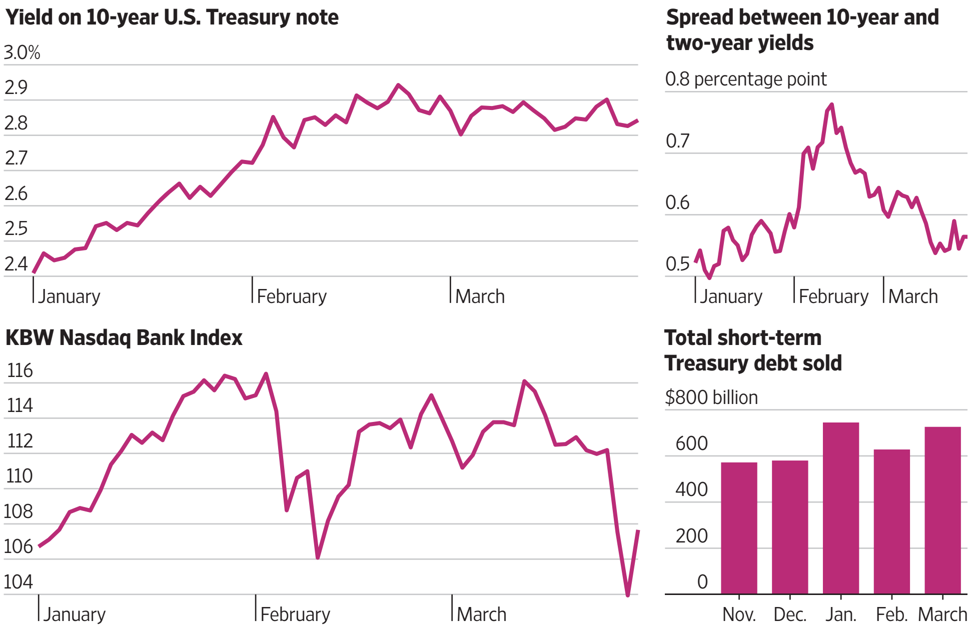
Corporate earnings also are expected to get a bump from the tax cuts.

But some warn that, even with the U.S. economy looking healthy, higher rates will pressure earnings in the future—making it more difficult for investors to notch returns.

—Daniel Kruger contributed to this article.

Reckoning Ahead?

Despite Monday's stock surge, concerns remain about the impact of rising bond yields and borrowing costs.



Sources: Ryan ALM (yield, spread); FactSet (KBW); Treasury Department (short-term debt)

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CORRECTIONS & AMPLIFICATIONS

The name of the National Automobile Dealers Association was incorrectly given as the National Automobile Dealers Council in a Business & Finance article on Monday about new-car prices.

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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Nassar's Ex-Boss Arrested And Jailed

By Melissa Korn And Rebecca Davis O'Brien

William Strampel, the longtime boss of the now-imprisoned former sports-medicine doctor Larry Nassar at Michigan State University, was arrested Monday afternoon, according to jail records and the university.

Dr. Strampel, 70 years old, was listed as an inmate at the Ingham County, Mich., jail on Monday night.

Lawyers for Dr. Strampel didn't immediately respond to a request for comment. Michigan State University confirmed that Dr. Strampel had been arrested Monday afternoon.

The Ingham County Sheriff's Office didn't immediately respond to requests for comment. A spokeswoman for Michigan State Police didn't immediately respond to requests for comment. A spokeswoman for the Michigan attorney general's office declined to comment.

The Wall Street Journal reported earlier this month that Dr. Strampel had told a group of students and administrators in October 2016—when he was the dean of Michigan State University's College of Osteopathic Medicine—that he didn't believe the women and girls who accused Dr. Nassar of sexual abuse, according to two people who said they were present at the meeting.

Dr. Nassar, who worked at Michigan State University for nearly two decades and served as a volunteer team doctor for the U.S. women's national gymnastics team, was arrested in November 2016 on state sexual-abuse charges and in December 2016 on federal child-pornography counts. He later pleaded guilty to the state and federal charges and is currently serving a 60-year sentence on the pornography counts.

BOB STRONG/REUTERS

The shooting death of Stephon Clark by Sacramento, Calif., police prompted demonstrations last week. Police said they thought Mr. Clark had a gun but found only a cellphone.

Shooting Puts Police Back in Focus

More protests planned in California after killing of unarmed black man by Sacramento officers

By Zusha Elinson

The fatal police shooting of an unarmed black man in Sacramento, Calif., a week ago is renewing scrutiny on police killings, an issue that had faded over the past year as gun violence and the #MeToo movement seized the spotlight.

Protesters have pledged to hold more demonstrations in the city, while civil-rights leaders joined the family on Monday in calling for charges against two officers.

Stephon Clark, 22, was killed on Sunday, March 18, when police said he approached officers with his hands extended and holding an object they believed to be a gun. But police said they found only a cellphone after they fired the fatal shots. Police had been called to the area that night because of reports of car break-ins, they said.

The person "who committed a mass shooting in Florida was not shot once, but a young black man holding a cellphone is shot 20 times," said Benjamin Crump, an attorney for Mr. Clark's family, referring to the school shooting at a Parkland, Fla., high school last month. Mr. Crump also represented the family of Michael Brown, an unarmed 18-year-old who was shot and killed in 2014 by a Ferguson, Mo., police officer.

Mr. Clark's grandmother Sequita Thompson recounted through tears how Sacramento police killed her grandson in her backyard. "They didn't have to kill him like that," said Ms. Thompson. "My great grandbabies don't have their daddy."

Mr. Clark was a father of two.

Protests over the case have put a national spotlight once again on police, which had in recent years faced demonstrations over shootings of unarmed black men. Demonstrators marched in Sacramento for several days last week and held a vigil, and organizers said they will take to the streets again this week.

On Sunday, players from the Sacramento Kings and Boston Celtics wore black shirts emblazoned with Mr. Clark's name before their game. NBA star DeMarcus Cousins offered to pay for Mr. Clark's funeral.

Sacramento police last week released body-camera footage of the brief encounter, which shows officers following the man through a yard and shouting for him to stop and show them his hands, before yelling "Gun, gun, gun!"

The union representing Sacramento police officers defended the two officers, whom police have yet to identify. "Even as tragic as this event is, we cannot ignore the fact that the shooting was legally justified under the law, within police policy, and in accordance with training," said Timothy Davis, president of the Sacramento Police Officers Association.


CBSNEWS/60 MINUTES/REUTERS

Stephanie Clifford, a former adult-film actress known professionally as Stormy Daniels, speaks with Anderson Cooper on '60 Minutes.'

Stormy Daniels Sues Trump Lawyer

By Michael Rothfeld And Rebecca Ballhaus

Former adult-film actress Stephanie Clifford on Monday sued President Donald Trump's personal lawyer for defamation, saying in a court filing that Michael Cohen publicly portrayed her as having lied about an alleged sexual encounter with Mr. Trump.

Ms. Clifford, known professionally as Stormy Daniels, added Mr. Cohen to her pending lawsuit against Mr. Trump in a filing in federal court in Los Angeles.

In the lawsuit, Ms. Clifford is seeking to extricate herself from an October 2016 nondisclosure agreement she had reached with Mr. Cohen. Mr. Cohen paid her $130,000 in exchange for keeping quiet about an alleged sexual encounter with Mr. Trump in 2006, The Wall Street Journal reported in January.

Both the White House and Mr. Cohen have denied any such encounter took place. Earlier Monday, the White House disputed claims made by Ms. Clifford in a CBS interview that aired Sunday that she had a sexual encounter with Mr. Trump.

"The president doesn't believe any of the claims [Stormy] Daniels made in the interview last night were accurate," White House spokesman Raj Shah said. "There's nothing to corroborate her claim."

Lawyers for Mr. Trump and a company Mr. Cohen used to pay Ms. Clifford have said in court filings that Ms. Clifford could be liable for more than $20 million in damages for breaching the nondisclosure agreement.

The defamation claim stems from a Feb. 13 statement Mr. Cohen gave to media outlets in which he acknowledged the existence of the agreement with Ms. Clifford, and said he had used his own funds. Mr. Cohen added, "Just because something isn't true doesn't mean that it can't cause you harm or damage. I will always protect Mr. Trump."

Ms. Clifford's suit said that in making that statement, "Mr. Cohen meant to convey that Ms. Clifford is a liar, someone who should not be trusted, and that her claim about her relationship with Mr. Trump is 'something [that] isn't true.'"

A lawyer for Mr. Cohen called the claim "frivolous and ridiculous."

"The only person that's been slandered or defamed is Michael Cohen," said David Schwartz, the lawyer.

In the interview on "60 Minutes," Ms. Clifford said she accepted $130,000 in 2016 to keep silent because she feared for her family's safety.

She said she was threatened by a man in 2011—as she went to a fitness class with her infant daughter—after a failed attempt to sell her story about Mr. Trump to a magazine. She said she signed her name to statements denying any sexual encounter with Mr. Trump and denying she was paid hush money because her then-representatives told her, "They can make your life hell in many different ways."

Ms. Clifford told "60 Minutes" she believed "they" referred to Mr. Cohen.

Mr. Schwartz, the lawyer for Mr. Cohen, also has disputed Ms. Clifford's claims in the interview.

The interview marked the first time Ms. Clifford, 39 years old, had spoken publicly about what she said was a sexual encounter with Mr. Trump since the Journal reported in January news of the nondisclosure agreement she reached with the president's personal lawyer.

'60 Minutes' Snags 21.3 Million Viewers

CBS's "60 Minutes" drew more than 21 million viewers Sunday night for an interview with former adult-film star Stephanie Clifford about her alleged sexual encounter with President Donald Trump, marking the news magazine's biggest audience in 10 years.

According to preliminary figures from ratings firm Nielsen, 21.3 million people watched Anderson Cooper's interview with Ms. Clifford, who goes by the professional name Stormy Daniels. The telecast benefited from a strong lead-in provided by an NCAA men's basketball game that went into overtime and drew 24.5 million viewers.

The interview marked the first time Ms. Clifford, 39 years old, has spoken publicly about the alleged encounter with Mr. Trump since The Wall Street Journal reported in January news of a nondisclosure agreement she reached with Michael Cohen, a personal lawyer of Mr. Trump's, before the 2016 presidential election.

In the CBS interview, Ms. Clifford said she had a consensual sexual relationship with Mr. Trump in 2006. She said she accepted a $130,000 payment from Mr. Trump's attorney to keep silent about the matter because she feared for her family's safety.

Mr. Cohen has denied any sexual encounter between Ms. Clifford and Mr. Trump. The attorney also has said he used his own funds to pay her.

—Joe Flint

Rivals Duel Over White House Job

By Peter Nicholas

WASHINGTON—A fierce internal rivalry is unfolding at the White House over the communications director job, with some aides warning they will quit depending on whom President Donald Trump chooses to fill the post.

No senior position in the White House has seen as much volatility as communications director. Four people have held the title since the inauguration, with a fresh vacancy opening up following Hope Hicks's announcement last month that she would be leaving the White House.

Uncertainty over that hire comes as Mr. Trump reshapes his senior staff, cabinet and his legal team handling the investigation of any ties between his 2016 campaign and Russia.

For weeks, Mr. Trump has been mulling whether to oust his Veterans Affairs secretary, David Shulkin, people close to the White House have said.

Dr. Shulkin has faced scrutiny following an inspector general report that he misspent taxpayer funds during a trip to Europe. The report found he improperly accepted free tickets to the Wimbledon tennis tournament and that taxpayers improperly paid part of his wife's expenses.

Dr. Shulkin has since repaid his wife's expenses and made a contribution to the U.S. Treasury equal to the value of the tennis tickets.

Asked about Dr. Shulkin's standing on Monday, White House spokesman Raj Shah said he hadn't received an update from Mr. Trump in the past several hours.

A spokesman for Dr. Shulkin said: "There are no personnel changes to announce" at the VA.

Such calibrated responses to personnel questions have become more common lately as the status of Trump subordinates changes from day to day and even hour to hour.

National security adviser H.R. McMaster was dismissed last week, only days after the president denied reports that the three-star Army general was on his way out.

After the announcement last week that Joseph DiGenova would be joining Mr. Trump's legal team in the Russia probe, a Trump attorney said Mr. DiGenova wouldn't be hired after all due to a conflict of interest.

Mr. Trump, a former reality TV star who keeps close watch on his press and communications shops, has been considering outside candidates for a new director, but has had trouble finding a suitable fit.

One person he has spoken to in recent weeks is Bill Shine, a former Fox News executive, but Mr. Shine wasn't interested in the job, people familiar with the matter said. Mr. Shine declined to comment.

Inside the West Wing, aides are uneasy about a competition playing out between two colleagues: Mercedes Schlapp, now a top White House communications adviser, and Tony Sayegh, who heads the public affairs department under Treasury Secretary Steven Mnuchin.

Some aides warn they will quit if Mercedes Schlapp doesn't get communications job.

Both are in the running to succeed Ms. Hicks, though Mr. Trump is also considering installing Kellyanne Conway, at least on an interim basis, people familiar with the matter said. Ms. Conway could be a consensus choice who helps Mr. Trump sidestep the fissures between the Schlapp and Sayegh factions.

It is unclear when Mr. Trump will pick his new communications director, who oversees about 30 people.

Those loyal to Ms. Schlapp said they predict a wave of departures if Mr. Trump bypasses her.

—Michael C. Bender contributed to this article.

Trump's Shake-Up Leaves Mattis in Key Role

CAPITAL JOURNAL

By Gerald F. Seib

President Donald Trump has, to great fanfare, remade his national-security team in recent days. But the most intriguing and consequential member of that team isn't one of the newcomers, but rather the one who has been there all along: Defense Secretary Jim Mattis.

Mr. Mattis is the most enigmatic member of the Trump team. He's the Iran hardliner who defends the nuclear deal with Iran. He's the warrior who argues for using diplomacy to address North Korea's nuclear threat. He's the military man who argues against allowing trade disputes to disrupt ties to key allies.

And he's the one senior official who has learned how to disagree with Mr. Trump privately without being publicly skewered by the president for doing so.

All those positions were easier for Mr. Mattis to sustain when he was joined at the hip with Secretary of State Rex Tillerson. But Mr. Tillerson is gone now, and the key question is whether Mr. Mattis can continue to do his thing when paired with new Secretary of State-to-be Mike Pompeo and national security adviser John Bolton, both of whom strike quite different tones on those key issues.

"I think he's more important than ever," says former Defense Secretary Chuck Hagel. The question, Mr. Hagel adds, is "how long Mattis can survive in that environment.... There's an intersection of conflict coming here, and it's been coming."

It's also possible, of course, that the new team may actually fit together fine, and that the differences among Messrs. Mattis, Pompeo and Bolton may prove to be more of posturing and style than of substance. Republican Sen. Marco Rubio of Florida, a member of the Senate Foreign Relations Committee, predicts that, because Messrs. Bolton and Pompeo are in tune with the president's thinking and impulses, the new alignment will work well, and Mr. Mattis will fit comfortably into it.

"The president has a right to succeed, and he can't succeed if he doesn't have a team around him that has his confidence," Mr. Rubio says.

Still, it's hard to be sure because of the appearance of disconnects between the president and his team on key issues. Consider: Mr. Trump has said the war in Iraq that began in 2003 was one of the biggest strategic blunders in American history. Mr. Bolton has been one of its most vocal champions. Mr. Trump has repeatedly questioned whether Russia interfered in the 2016 presidential campaign. Mr. Pompeo, the current director of the Central Intelligence Agency, has embraced the intelligence community's conclusion that Russia did so. Mr. Trump has scheduled a summit meeting with North Korean leader Kim Jong Un. Mr. Bolton, the former American ambassador to the United Nations, has made the case for launching a preemptive military strike against North Korea.

Mr. Trump likes to keep his enemies guessing, but those differences also will leave allies scratching their heads about the American bottom line.

Which makes Mr. Mattis all the more important as a stabilizing force. He has survived the crosscurrents of Trump administration intrigues through a combination of bureaucratic savvy and careful management of internal splits. Trump advisers say he has mastered the art of convincing the president he agrees with his goals while also sometimes differing with him on how to reach them. He has kept his public profile low enough that he isn't seen as a rival to the president for attention or glory, while quietly cultivating good relations with members of both parties in Congress.

The key early test for Mr. Mattis and his new colleagues on Team Trump figures to arise on the administration's approach to Iran. A day of reckoning arrives on May 12, when Mr. Trump has to decide whether to reimpose economic sanctions against Iran that have been waived under the nuclear deal struck under President Barack Obama's administration.

Mr. Mattis has argued that the deal is flawed but is keeping Iranian nuclear ambitions in check. Mr. Bolton has advocated tearing it up, and Mr. Pompeo was, while serving in the House, one of Congress's most outspoken critics of the deal. They both complain it does too little to contain Iran's missile programs or allow sufficiently robust inspections of suspect sites inside Iran, and they criticize the expiration of its provisions limiting nuclear activity.

Mr. Trump sounds as if he's champing at the bit to ditch the deal. Yet it's never clear with the president whether that's a firm position or a posture designed to extract new concessions. European officials eager to save the deal are trying to figure out how to strike some kind of side arrangement with Iran to deal with the missile and inspections issues, and one ally of Mr. Bolton's says he may embrace such a deal despite his hard-line rhetoric.

The wild cards on this issue are White House chief of staff John Kelly and presidential son-in-law and senior adviser Jared Kushner. But the key voice may belong to Mr. Mattis.

Differing Iran Views

Statements by incoming Secretary of State Mike Pompeo, new national security adviser John Bolton and Defense Secretary Jim Mattis on the Iran nuclear deal:

Mike Pompeo

'It was my view that the [Iran agreement] was a mistake for American national security. I believed that.'

—Jan. 12, 2017

John Bolton

'No fix will remedy the diplomatic Waterloo Mr. Obama negotiated.'

—Jan. 15, 2018

Jim Mattis

'If we can confirm that Iran is living by the agreement, if we can determine that this is in our best interest, then clearly we should stay with it.'

—Oct. 3, 2017

FROM LEFT: LEAH MILLIS/REUTERS; JOSHUA ROBERTS/REUTERS; RON SACHS/CNP/ZUMA PRESS

GOP Backer Sues Qatar Over Leaked Emails

By Aruna Viswanatha And Rebecca Ballhaus

Republican fundraiser Elliott Broidy sued Qatar on Monday, accusing the Middle East emirate of trying to discredit him by stealing and leaking emails that detailed his contacts with the Trump administration and a Persian Gulf rival, the United Arab Emirates.

The lawsuit, filed in federal court in Los Angeles, adds another layer of intrigue to a complicated narrative that has connected a Middle East dispute to Republican fundraisers, the Trump White House and special counsel Robert Mueller's examination of Russian meddling in the 2016 presidential election.

Last year, the U.A.E. joined with Saudi Arabia to accuse Qatar, the tiny Persian Gulf emirate, of financing extremists, and then cut ties with the country. President Donald Trump, who sided with Saudi Arabia and the U.A.E. against Qatar, claimed in June that Saudi Arabia and others' decision to cut ties was evidence of the success of his visit to the region in May, when the president encouraged regional powers to crack down on support for extremist groups.

DAVID KARP/ASSOCIATED PRESS

GOP fundraiser Elliott Broidy

According to Mr. Broidy's lawsuit, Qatar's representatives identified him as an impediment to their plan to improve the country's standing in Washington and developed an effort to discredit him. The lawsuit is filed against the state of Qatar and one of the country's Washington-based lobbyists, Nick Muzin, of Stonington Strategies.

"This is a case about a hostile intelligence operation undertaken by a foreign nation" against American citizens "who have spoken out against that country's support for terrorism and who have entered into significant business relationships relating to defense and counterterrorism with a rival nation," the lawsuit said.

A spokesman at Qatar's Embassy in Washington, Jassim Al-Thani, said: "Mr. Broidy's lawsuit is a transparent attempt to divert attention from U.S. media reports about his activities. His lawsuit is without merit or fact."

In a statement, Mr. Muzin called the lawsuit "an obvious attempt to draw attention away from [Mr. Broidy's] controversial work." Mr. Muzin added: "I am proud of the work my firm has conducted with Qatar and look forward to continuing to support peaceful dialogue and progress in the Middle East."

Emails and other documents hacked from Mr. Broidy and his wife, Robin Rosenzweig, and provided to news outlets in the past month showed that Mr. Broidy spoke to the White House and Mr. Trump about issues of interest to the U.A.E. and relayed information from those meetings to George Nader, an adviser to the U.A.E. and an associate of Mr. Broidy who, according to the emails, was also his conduit to the U.A.E.'s leadership.

Mr. Broidy owns a security company called Circinus, which has a contract with the U.A.E. worth more than $200 million to develop defense and counterterrorism capabilities, according to the lawsuit.

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

Mr. Nader has been questioned by Mr. Mueller's investigators about a meeting in the Seychelles weeks before Mr. Trump's inauguration between a Russian executive and another top Republican donor, Erik Prince, according to people familiar with the matter. A spokesman for Mr. Prince has declined to comment.

According to the lawsuit, the hack started with a fake email that appeared to be from Google security sent to Ms. Rosenzweig in December 2017. Through that so-called spear-phishing attempt, the hackers obtained her login credentials and then access to Mr. Broidy's email account and that of his company, Broidy Capital Management, the suit alleges.

The lawsuit said forensic evidence gathered by Mr. Broidy's "advanced cyber unit" showed that the hackers used proxy servers in the United Kingdom and the Netherlands but that the attack originated from Qatar. Some of the emails and documents that were provided to several news organizations were fake or included doctored information, the lawsuit said.

Senator Looks to Put Brakes On Fed Pick

By Nick Timiraos And Michael S. Derby

Sen. Elizabeth Warren (D., Mass.) said Monday that John Williams should testify before the Senate Banking Committee before being approved as the next president of the Federal Reserve Bank of New York.

The Wall Street Journal reported Saturday that Mr. Williams, who now serves as leader of the San Francisco Fed, was the front-runner to become the New York Fed chief, one of the top jobs in the central bank system.

The selection is subject to approval by the Washington-based Fed board of governors and doesn't require Senate confirmation. But Ms. Warren called on the Fed board to withhold its assent until Mr. Williams testifies before the banking committee, on which she sits.

She questioned Mr. Williams's fitness for the job at the New York Fed, which supervises some of the nation's biggest banks, given the recent sales practice scandals at **Wells Fargo** & Co., which is regulated by the San Francisco Fed, among other agencies.

The Fed in early February placed restrictions on Wells Fargo for failing to have proper risk controls in place that could detect such issues. In an unusual move, it barred the bank from growing past the $1.95 trillion in assets it had at the end of 2017. The Fed cited "widespread consumer abuses" in its rebuke.

Mr. Williams's "track record raises several questions, including about his fitness to supervise Wall Street banks given the San Francisco Fed's inadequate supervision of Wells Fargo during its many consumer scandals," Ms. Warren said in a statement.

"If Mr. Williams is selected, the Fed's Board of Governors should not approve his selection until Mr. Williams and the co-chairs of the New York Fed's search committee testify before the Senate Banking Committee about his qualifications and the process that led to his selection."

The Fed board as well as the New York and San Francisco Fed banks, declined to comment.

The New York Fed's board of directors has recommended Mr. Williams for the job, according to people familiar with the matter.

White House Probes Loans to Kushner Business

By Byron Tau And Erica Orden

WASHINGTON—White House attorneys are examining whether two loans totaling more than $500 million to Jared Kushner's family business may have violated any criminal laws or federal ethics regulations, according to a letter from a federal ethics agency made public Monday.

The Office of Government Ethics told a Democratic lawmaker in the letter that the White House is probing whether a $184 million loan from the real-estate arm of **Apollo Global Management** LLC and a $325 million loan from **Citigroup** Inc. may have run afoul of the rules and laws governing the conduct of federal employees.

Both loans went to the **Kushner** Cos., the private real-estate company founded by Mr. Kushner's father and run by members of his family. Mr. Kushner, who is President Donald Trump's son-in-law and serves in a senior position in the White House, met with top executives of both Citi and Apollo before each loan was disbursed, the New York Times reported last month.

"I have discussed this matter with the White House Counsel's Office in order to ensure that they have begun the process of ascertaining the facts necessary to determine whether any law or regulation has been violated," wrote David Apol, the acting director of the Office of Government Ethics. "During that discussion, the White House informed me that they had already begun this process."

The White House didn't immediately respond to a request for comment. A spokeswoman for the Kushner Cos. said the company hasn't received an inquiry from the White House Counsel's Office.

An attorney for Mr. Kushner, Abbe Lowell, said that after the initial reporting on the loans, "the White House counsel concluded there was were no issues involving Jared."

Mr. Lowell added that Mr. Kushner "was not involved with his former company after he entered government service; the transactions in question came after that; he had nothing to do with those transactions; the transactions had nothing to do with any of his meetings in the White House, and the people from the companies involved have confirmed that as well."

The letter, dated March 22 and released Monday, was addressed to Rep. Raja Krishnamoorthi, an Illinois Democrat who sits on the House Oversight Committee.

KEVIN DIETSCH/BLOOMBERG NEWS

Trump son-in-law Jared Kushner met with top executives of two firms before they disbursed loans.

Mr. Krishnamoorthi earlier this month asked the Office of Government Ethics for an advisory opinion about ethical questions he said were raised by Mr. Kushner meeting with executives while their institutions provided financial backing to his family company.

The transactions "raise serious ethical questions that need to be investigated," Mr. Krishnamoorthi said in his letter to OGE, asking: "Do the above actions by Mr. Kushner constitute a breach of his ethical obligations to the American people?"

Citigroup said last week in a letter to lawmakers that the loan was "completely appropriate," adding that Citi began exploring the loan in late 2016, before CEO Michael Corbat and Mr. Kushner met at the White House on March 3, 2017. On March 31, Kushner Cos. and two partner firms closed on a $325 million mortgage for a Brooklyn property with Citigroup, the bank said. "Nothing related to the [Brooklyn] loan or any other personal business with Mr. Kushner or the Kushner Cos. was discussed at that meeting," Citigroup said.

Citigroup's letter, which came in response to a request for information from Sen. Elizabeth Warren (D., Mass.) and other lawmakers, said that "the Kushner family has been a client of Citi for decades."

Also last week, Kushner Cos. disclosed that it had recently received another loan from Citigroup, this one for $200 million for a Jersey City, N.J., property known as Trump Bay Street.

In a letter to members of Congress this month reviewed by The Wall Street Journal, an attorney for Apollo denied that meetings between its executive Josh Harris and Mr. Kushner were related to any loans.

—Rebecca Ballhaus contributed to this article.

Trade Deal Eases U.S. Path on Pyongyang

Washington and Seoul sparred over trade as they sought summits with North Korea

The U.S. granted South Korea a permanent exemption to new steel tariffs in return for trade concessions, giving the Trump administration a limited victory and putting the spotlight on what the U.S. got in the bargain.

*By **Josh Zumbrun** and **Bob Davis** in Washington and **Kwanwoo Jun** in Seoul*

FROM TOP: SEONGJOON CHO/BLOOMBERG NEWS; YONHAP NEWS/NEWSCOM/ZUMA PRESS

Imports of South Korean autos into the U.S. have been a significant factor in the U.S. trade deficit.

The U.S. and South Korea agreed to amend a trade pact, which took effect in 2012, in response to U.S. concerns about its $18 billion merchandise trade deficit with Seoul. The U.S. threatened to slap tariffs of 25% on all steel imports, which would hit South Korea as the third-largest foreign supplier of steel to the U.S.

The agreement removed a point of contention between Washington and Seoul that had come at an awkward time, as the two countries were working toward summits between South Korean President Moon Jae-in and North Korean leader Kim Jong Un, followed by a meeting between Mr. Kim and President Donald Trump.

Among the biggest winners of the renegotiated deal will be U.S. auto makers, who have long complained that the original Korea-U.S. Free Trade Agreement, known as Korus, was too lax. Mr. Trump had called it a "horrible deal" and blamed it for expanding the U.S. trade deficit.

Under the concessions negotiated with Seoul, the U.S. will be allowed to retain a 25% tariff on pickup trucks for an additional 20 years. The truck tariffs had been set to expire in 2021, so the deal significantly expands the protection applied to U.S. trucks. And South Korea would double the import quota for American-made cars meeting U.S. safety rules—but not Korean ones—to an annual 50,000 units per car maker, up from 25,000 units currently.

But U.S. car makers don't export enough to hit the quota of 25,000 that exist now, and the move to maintain truck tariffs could also have limited impact. Kia and Hyundai both have developed pickup trucks—the Mohave and the Santa Cruz—but neither has entered the U.S. market. The Korean car makers are mostly focused on producing sedans for North America.

South Korean President Moon Jae-in is working to set up a meeting with North Korea's leader.

"I don't think the Korus deal is particularly significant economically," said Tami Overby, a Washington-based advocate for U.S. businesses with interests in South Korea.

The deal also stayed clear of reopening some challenging issues between Seoul and Washington, such as South Korea's agricultural tariffs, especially on rice and certain fish. Reducing those tariffs had been an early goal of U.S. negotiators.

The deal has many in South Korea breathing a sigh of relief. The concessions made by Seoul were "modest," said Ahn Dukgeun, a Seoul National University professor of international studies and an international trade expert. "It's almost too good to be true."

South Korea also agreed to a limit on the amount of steel it can export each year to the U.S.—2.68 million tons, or 70% of its average for the past three years.

U.S. Treasury Secretary Steven Mnuchin pointed to the steel-export quota as a U.S. victory. "I think this is an absolute win-win," he told Fox News.

The U.S. has given temporary exemptions to Canada, Mexico and the European Union, pending broader trade talks, while Japan got hit with the tariffs despite being an ally.

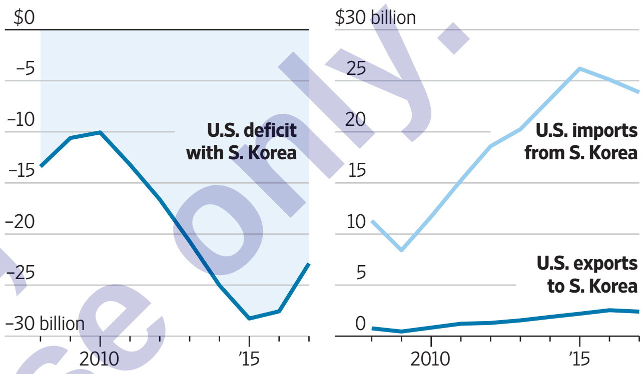
The Korea Iron & Steel Association said the permanent exemption showed that the U.S. was treating South Korea as a major ally. It expressed hope that the quota for steel exports to the U.S. could be raised later.

Canada and Mexico are in a similar situation to South Korea, having a free-trade deal with the U.S.—the North American Free Trade Agreement—that is being renegotiated alongside the steel issue.

"In the short term there may be some success" in renegotiating trade deals by linking them to the steel and aluminum tariffs, said Barbara Weisel, a former U.S. trade negotiator for Asia who worked for Mr. Trump until this summer.

Where the Difference Lies

The U.S. deal seeks to reduce the trade deficit with South Korea, a large portion of which comes from an imbalance in trade in automobiles and parts.



Source: U.S. Census Bureau

THE WALL STREET JOURNAL.

Ms. Weisel said the approach was risky because the Trump administration imposed the tariffs on national security grounds, but then used them to win trade concessions.

"There could be longer-term damage to the global trading system by invoking national security merely to create negotiating leverage," said Ms. Weisel, now a managing director at Rock Creek Global Advisors, a lobbying and consulting firm.

Malaysia Aims at 'Fake News'

Critics say proposed law seeks to curb dissent before national elections

By Yantoultra Ngui

KUALA LUMPUR, Malaysia—Malaysia's government proposed a new law that would make spreading 'fake news' a crime punishable by up to 10 years in prison, a move that critics say is aimed at silencing dissent ahead of national elections.

Prime Minister Najib Razak has been embroiled in scandals surrounding a state investment fund, **1Malaysia Development** Bhd., and his opponents argue that the proposed law against fake news could limit media reporting on the investigation.

The proposed law defines fake news as "any news, information, data and reports which are wholly or partly false, whether in the form of features, visuals or audio recordings or in any other form capable of suggesting words or ideas."

The bill also covers media organizations based overseas, as long as Malaysia or Malaysian citizens are affected by the news reports.

Jailani Johari, the deputy minister for communications and multimedia, has previously accused international news organizations of publishing fake news about 1MDB. Mr. Jailani later said any news related to the state fund that hasn't been verified by Malaysian authorities will be considered false information.

Fahmi Fadzil, communication director of the opposition People's Justice Party, described the bill as draconian and urged Communications Minister Salleh Said Keruak to promise he "will not instill fear amongst media practitioners especially the foreign press with regards to the 1MDB scandal."

Mr. Salleh said that the government wouldn't suppress opposing views. "We are aware of the need for the media to do their jobs," he said. "What we hope is that we are given a fair opportunity to highlight our views to ensure a balanced and fair reporting of issues."

The draft of the proposed law allows a prison term of up to 10 years or a fine of up to 500,000 ringgit ($127,715), or both. Anyone failing to obey a court order to remove allegedly false material faces a further fine of up to 100,000 ringgit, and up to 3,000 ringgit for each day the material remains available.

The bill must be approved by both houses of parliament and is expected to become law before Malaysia's next national elections, which must be held by August and are expected to be announced in the next few weeks.

Mr. Najib established 1MDB in 2009 to spur Malaysia's economy, but it is now being investigated by authorities in several countries, including the U.S., on allegations ranging from money laundering to misappropriation of funds involving billions of dollars. Both 1MDB and Mr. Najib have denied wrongdoing and said they would cooperate with any lawful international investigation.

The government sought the views of the Asia Internet Coalition when drafting the legislation. The industry group, which comprises companies such as Facebook Inc. and Alphabet Inc.'s Google, said it shared the government's desire to improve the quality of information available on the internet, but that prescriptive legislation to control the exchange of information wouldn't be an effective way to address the spread of false news.

"False information is a highly complex issue, and is best addressed through solutions developed collaboratively with the news industry and government," it said.

MOHD RASFAN/AGENCE FRANCE-PRESSE/GETTY IMAGES

The draft law allows prison terms of up to 10 years. Above, an ad at a Kuala Lumpur train station.

Police Arrest Seven Terror Suspects

Malaysian police announced the arrest of a suspected bomb maker they said had ties to the Philippine militant group Abu Sayyaf and the separate arrests of six Malaysians involved in alleged terror plots.

The arrests add to hundreds carried out by Malaysia in recent years to disrupt Islamic militancy. Authorities fear Islamic State fighters returning home from defeat in the Middle East will take part in like-minded groups in Southeast Asia or inspire people to carry out attacks.

Police said they recently arrested a Filipino bomb maker they said was close to Furuji Indama, a leader of Abu Sayyaf in the Philippines. The man had been planning to attack targets in the Malaysian part of Borneo island, police said.

Police said they had also arrested six Malaysians with affiliations with Islamic State who were plotting to target police and bomb non-Muslim places of worship.

The seven suspects weren't available to comment. They were arrested for offenses related to terrorism under security laws that allow for indefinite detention without trial.

—Ben Otto

Jakarta Faces Clash Over Vice

By Anita Rachman

JAKARTA, Indonesia—Businesses are criticizing plans by Jakarta's governor to close hotels and entertainment venues without warning as part of a vice crackdown, setting off a fight between a powerful business lobby and a fast-rising politician backed by Islamic conservatives.

The crackdown makes good on a campaign pledge by the governor, Anies Baswedan, who benefited from hard-line Muslim support in an election last year that removed a minority Christian from office.

National lawmakers are concurrently negotiating a revised criminal code. Under proposals by Islamic political parties, sex outside marriage, gay sex and cohabitation of unmarried couples would become illegal.

Mr. Baswedan has promised to clean up drugs and prostitution in this capital city of more than 10 million people. Earlier this month, he introduced rules allowing him to shut down without warning any business reported to be dealing in gambling, drugs, prostitution and human trafficking.

Previously, three warnings were required and the establishments had a chance to correct alleged wrongdoings.

On Monday, Erick Halauwet, chairman of the Jakarta Entertainment Entrepreneurs Association that oversees about 60 of the city's larger night clubs, spas and karaoke venues, called the rules "arrogant" and "undemocratic." Some businesses had relocated to the largely Hindu island of Bali, Indonesia's top destination for foreign tourists, he said. Rules there are more relaxed.

"Authorities cannot close down our businesses without warning and thorough investigation," he said. "It will hurt business."

Mr. Halauwet said drug dealing and prostitution can take place without management's knowledge, making swift shutdowns too harsh a penalty.

In 2016, 2.5 million foreign tourists visited Jakarta, the wealth and nerve center of the world's fourth most-populous nation. The sprawling city has hundreds of hotels, many with bars and some with in-house night clubs.

Mr. Baswedan's new regulation will allow city authorities to shut down an entire hotel complex if vice activities are found in any part of it. It also says inspectors will make visits during Muslim holidays such as Ramadan celebrations.

DITA ALANGKARA/ASSOCIATED PRESS

Jakarta Gov. Anies Baswedan's move to shut down drugs and prostitution has triggered a clash with the entertainment lobby.

EU Ties With Turkey Deteriorate

By Emre Peker
And David Gauthier-Villars

BRUSSELS—European Union and Turkish leaders held a tense summit Monday, as friction over the Turkish president's human-rights record eroded remaining hopes of the country's accession to the EU and Western powers express concern over new military intervention by Ankara in the Syrian conflict.

During the half-day summit in the Black Sea resort of Varna, Bulgaria, EU and Turkish officials traded rebukes, highlighting the poor state of relations between Europe and a country that remains a key geopolitical partner for the bloc in migration, terrorism and the Middle East.

EU leaders have weighed in against President Recep Tayyip Erdogan's extended crackdown on civil society at home and increasingly assertive policies abroad. Mr. Erdogan, in turn, has expressed exasperation over EU criticism of Turkey's military intervention in Syria and frequent broadsides against Ankara's human-rights record.

"We didn't reach any kind of concrete compromise today," European Council President Donald Tusk said in a joint press conference.

Mr. Erdogan said at the press conference that "it would be a grave mistake on the part of the EU, which strives to be a global power, to push Turkey out of its enlargement policy."

EU-Turkey ties have grown more tense at a time when U.S.-Turkey relations are also at their lowest point in years, underscoring Ankara's increasing isolation from the West.

Washington is considering sanctions against Ankara for the monthslong detention of a U.S. pastor and planned acquisition of a Russian missile-defense system. Turkey is upset by military support the U.S. is giving to a Kurdish military group it regards as a terrorist organization.

The EU and the U.S. retain important common interests with Turkey, especially on migration and counterterrorism. The EU can ill afford to lose Turkey's assistance in controlling the return of European terrorist fighters who joined Islamic State in Syria and Iraq.

European officials, however, say their patience with Mr. Erdogan's Turkey is wearing thin. Talks on Turkey's accession to the EU, they say, have effectively been frozen. Especially tense relations with key member states such as Germany and the Netherlands further complicate any efforts to bolster relations with the bloc. Greece and Cyprus have repeatedly decried Turkish military maneuvers in the Aegean and eastern Mediterranean seas.

"The big debate in Europe right now is 'shall we cut these ties,' not 'shall we go forward,' " an EU official said before the summit. To see any reversal, Mr. Erdogan "would really have to change."

The rift marks a dramatic deterioration in bilateral relations. In 2005, Brussels and Ankara began formal talks on Turkey's full EU membership. And in March 2016, when the EU and Turkey signed a pact to stem the influx of mostly Syrian refugees to Europe, the 28-member bloc promised not only billions of euros in financial support, but also accelerated accession talks and visa liberalization. None of those initiatives have materialized, except aid for refugees.

With Monday's meeting, the EU is practically isolating Turkey from other countries aspiring to join the bloc. Brussels is doubling down on expanding the EU with new members from Balkan countries by as soon as 2025. It will hold a summit with leaders of six of these countries in May.

"The EU invented this terminology—Western Balkans—to separate Turkey," Ankara's envoy to the bloc, Faruk Kaymakci, said last month. "Turkey is still firmly committed to the accession process."

Turkey's military incursion into parts of Syria—which Ankara says was necessary to protect its security—has drawn sharp European criticism amid humanitarian concerns.

But EU members are most worried about Mr. Erdogan's increasingly authoritarian grip on Turkey under state-of-emergency powers enacted following the 2016 coup attempt against his government. The president has purged the military, judiciary and other parts of the bureaucracy, while eroding basic freedoms and concentrating power.

"We are deeply shocked by the collapse of the independence of Turkey's judiciary," 75 members of the European Parliament wrote in a letter to Mr. Tusk ahead of the Turkey summit. "President Erdogan should stop hiding behind the state of emergency to justify the unjustifiable."

Turkish officials say the arrests and trials were a necessary response after Mr. Erdogan, an elected president, was nearly toppled in 2016.

DIMITAR DILKOFF/AGENCE FRANCE-PRESSE/GETTY IMAGES

Turkish President Recep Tayyip Erdogan, center, at Monday's summit with EU leaders Donald Tusk, left, and Jean-Claude Junker.

◆ Heard: Emerging-markets risk arises in Turkey B12

WORLD WATCH

JAPAN

Official's Testimony In Scandal Backs Abe

Prime Minister Shinzo Abe didn't order officials to alter documents in a disputed sale of government land, a former Ministry of Finance official testified in Parliament on Tuesday, backing Mr. Abe's statements about a scandal that has hurt his cabinet's poll ratings.

"There was no instruction from the prime minister's office," said the former official, Nobuhisa Sagawa. He said the Finance Ministry's Financial Bureau worked on the issue internally.

Mr. Sagawa headed the bureau, which manages government property, when a heavily discounted land sale to private school operator Moritomo Gakuen came into the spotlight last year. Mr. Abe's critics have alleged that his government gave special treatment to the school because Mr. Abe's wife was friendly with the school head and served as its honorary principal. Mr. Abe has repeatedly denied that he or his wife had any involvement in the land deal.

—Megumi Fujikawa

RUSSIA

Death Toll Climbs In Siberian Mall Fire

A fire that started at a shopping mall packed with children and their parents has killed 64 people in Russia's Siberia.

The fire at the Winter Cherry mall in Kemerovo was extinguished Monday morning after beginning Sunday afternoon and burning through the night. Some of the dead were found inside a movie theater, which one witness said had been locked shut.

Investigators said emergency exits were blocked and a security guard turned off the public announcement system after he received a call about the blaze. Russia's top investigative body said it was searching for the guard.

Four people have been detained in connection with the fire, including one of the mall's tenants.

—Associated Press

OLIVER WEIKEN/DPA/ZUMA PRESS

A soldier guards a polling station in Cairo on the first day of Egypt's three-day presidential election.

Services for Votes: Egypt Seeks to Boost Turnout

By Jared Malsin
And Amira El Fekki

CAIRO—Governments of several Egyptian provinces offered incentives ranging from new playgrounds to improved sanitation systems for people to come out to vote in the presidential election, intensifying efforts to bolster Abdel Fattah Al Sisi's claim of popular support.

Mr. Sisi's victory in the three days of balloting that began Monday is ensured since every major opposition candidate was jailed or removed from competition in the months before the election. Now, the government's priority is a high turnout to show a broad mandate for his regime.

Low voter participation would weaken Mr. Sisi's ability to manage domestic discontent over the economy and security, while making him vulnerable to growing international criticism of his human-rights record.

By Monday evening, turnout at several polling stations in Cairo appeared to be thin. There were no official statements on turnout figures in the election, though some state-backed media reported it was high.

Many officials across the country, meanwhile, offered material encouragement to nudge Egyptians to vote.

In the southwestern New Valley province, the governor announced a contest in which public services valued at more than $113,000 would be provided to three districts with the highest voter turnout, as long as more than three-quarters of the voters cast ballots in those areas. The regional government plans to build a new playground, nursery, or event hall in the top three districts, the state news agency said.

The services-for-votes offer was replicated in several areas. In the Nile Delta's Menofia region, the government has promised projects worth $28,000 to areas with high turnout, a top official there said.

"It's important to have at least 50% turnout per city or village because we don't want only 10% voting," said Ayman Mokhtar, the secretary-general of the Menofia Governorate.

In the Nile Delta province of Beheira, the governor offered during a television interview to repair water and sanitation systems in districts where the most voters participated.

It was unclear whether the governors' statements were part of a coordinated effort or simply the words of zealous officials acting independently. Spokesmen for the Egyptian president's office and the National Election Authority couldn't be reached to comment.

Observers said the electioneering was reminiscent of the tactics of former President Hosni Mubarak, whose three decades of rule ended in a popular uprising in 2011.

"Sisi and his team aren't counting on the power of his charisma to mobilize turnout," said Timothy Kaldas, a Cairo-based analyst with the Tahrir Institute for Middle East Policy. They have turned "to the Mubarak era infrastructure to get people to the polls."

A former general, Mr. Sisi came to power following a military coup in 2013. In 2014, Mr. Sisi won nearly 97% of the vote in an election after the government extended voting for an extra day over concerns of a low turnout. But only about 48% of those eligible voted in the end.

Italy's Berlusconi Faces Another Trial

By Eric Sylvers

MILAN—Former Italian Prime Minister Silvio Berlusconi has been ordered to stand trial on charges of bribing four women to lie in court about his relations with an underage prostitute.

The women, who are charged with perjury for lying in court to protect Mr. Berlusconi, were also ordered to stand trial.

The court date is set for May 9.

Mr. Berlusconi has been accused in a separate case of persuading two dozen other witnesses to lie on his behalf. The court date for that trial is May 7.

The court could decide to combine the two trials into one.

Mr. Berlusconi is the main figure in the Forza Italia political party he created two decades ago, and he played a key role in the recent election campaign. His party's relatively poor showing in the vote sapped some of his power, but the 81-year-old remains a force, and over the weekend a member of his party was elected president of the Senate.

In 2013, a Milan court found Mr. Berlusconi guilty of paying a 17-year-old Moroccan prostitute for sex, and then abusing his power to cover it up. An appeals court overturned the conviction. In the two cases set to begin in May, prosecutors accuse Mr. Berlusconi of paying witnesses to lie on the stand about his relationship with the minor.

Mr. Berlusconi has denied all the charges. A lawyer representing him in the new cases didn't respond to a request to comment. A spokesman declined to comment.

Mr. Berlusconi has faced numerous trials—74 by his count—with only one conviction surviving Italy's lengthy appeals process. That was in 2014 for tax fraud and led to his expulsion from the Senate and a ban on holding elected office that expires in 2019.

ANGELO CARCONI/REX/SHUTTERSTOCK/EUROPEAN PRESSPHOTO AGENCY

Silvio Berlusconi faces charges of paying witnesses to lie about his relationship with a minor.

Pressure Rises at European Bank For Higher Rates

By Tom Fairless

European Central Bank President Mario Draghi is coming under pressure from a growing faction of ECB officials to start raising interest rates in the middle of 2019, opening the prospect of a tug of war within the world's No. 2 central bank ahead of Mr. Draghi's departure later next year.

The heads of the German and Estonian central banks, who both sit on the ECB's 25-member governing council, have indicated in recent days that the central bank might raise interest rates in mid-2019 for the first time since the financial crisis—despite an apparent slowdown in the region's economy and the threat of global trade wars.

The comments, which contrast with a more cautious tone of late from Mr. Draghi, represent the most detailed public discussion yet of the likely time frame for ECB rate increases. While the Federal Reserve has been gradually raising interest rates since December 2015, the ECB has been guarded about when it might follow suit.

Mr. Draghi has only said that the ECB won't raise rates until "well past" the end of its €2.5 trillion bond-buying program, known as quantitative easing or QE. He has never clarified how long that period might be. The bond purchases are currently due to run at €30 billion ($37 billion) a month through September, and most analysts expect the program to end this year.

Jens Weidmann, the president of Germany's central bank, said Monday in Vienna that market expectations of a first ECB rate increase around the middle of 2019 are "probably not entirely unrealistic."

Mr. Weidmann—who has called repeatedly for a swift end to the ECB's stimulus policies—argued that moving toward higher interest rates would give the central bank "more room to react to any future economic downturn." Central banks typically cut interest rates during a recession to support lending and economic growth, but that is harder to do if interest rates are already very low.

Mr. Weidmann isn't alone. Ardo Hansson, the governor of Estonia's central bank, said in an interview Thursday that the ECB risks falling "behind the curve" unless it gradually phases out its aggressive stimulus policies before inflation returns to its target.

Expectations that the ECB will start to raise its key interest rates around the second quarter of next year are "quite plausible if things evolve in a relatively benign direction," Mr. Hansson said. He stressed that the ECB doesn't commit itself in advance to any specific course of action.

The eurozone economy enjoyed its strongest year in a decade last year, growing around 2.5%, and economists expect it to sustain that pace in 2018. But Mr. Draghi and some other top ECB officials have recently struck a cautious note, pointing to new threats from a strengthening euro currency and possible trade wars initiated by the U.S. administration. They also worry that inflation, at 1.1% in February, is still far too weak.

"It is fair to say that we are still some way short of achieving full and durable convergence of medium-term inflation towards" the ECB's target of just below 2%, the bank's chief economist Peter Praet said this month.

In 2017, the eurozone economy enjoyed its strongest year in a decade.

Business surveys published last week showed that eurozone activity slowed for a second straight month in March.

Still, the ECB surprised analysts by taking a small step this month toward phasing out QE, dropping a pledge to accelerate the program if the economic outlook darkens. That suggests a large faction within the rate-setting committee that is eager to phase out the bank's stimulus as the economy improves.

While many investors expect the ECB to start raising interest rates around the second quarter of next year, some say Mr. Draghi might leave the central bank in November 2019 without ever having raised interest rates.

"We would be surprised to see a rate increase from the second half of 2019," Mike Bell, a strategist with JP Morgan in London, said this month. "We don't think they will be in any rush to raise interest rates."

HEINZ-PETER BADER/REUTERS

Bundesbank President Jens Weidmann spoke Monday in Vienna.

Diplomatic Expulsions Have Precedent

By Chris Gordon

The U.S. is expelling 60 Russians and closing a Russian consulate in response to the poisoning of a former Russian spy and his daughter in the U.K. this month, which Western countries say was likely ordered by Moscow. Russia has denied carrying out the attack.

The U.S. made the move Monday as part of a coordinated response with more than a dozen other countries.

The expulsion of diplomats is a common tactic when serious rows flare up between nations. Here is a bit about the process.

How does the U.S. government decide whom to expel?

The U.S. government can either select individuals it wants to throw out of the country or order the country to call home a certain number, leaving it to the country's discretion to decide whom to bring home.

In August, the Trump administration ordered Russia to reduce the size of its mission to the United States and to close its consulate in San Francisco as well as two other properties in a diplomatic tit-for-tat after U.S. intelligence agencies concluded Russia interfered in the 2016 U.S. elections.

Monday's action targets specific individuals whom the U.S. intelligence community has identified as intelligence officers: 48 from the embassy in Washington and 12 from Russia's permanent mission to the United Nations.

The Trump administration also is ordering the closure of Russia's consulate in Seattle located near a naval facility.

How does this hurt Russia?

In this particular case, the U.S. says it is expelling intelligence officers operating under diplomatic cover. Larry Pfeiffer, a former Central Intelligence Agency chief of staff, says the expulsions will be a significant blow to covert Russian intelligence-gathering.

"We're hitting them hard," he said. "It will have some impact on their ability for some period of time to conduct espionage in the United States."

How was Russia notified?

The Russian ambassador was summoned to the U.S. State Department on Monday morning, and the U.S. notified the Russian government "through the appropriate channels," a senior administration official said.

When do the Russians have to leave the U.S.?

The Russian government has been given seven days for the expelled personnel to leave the U.S. and is responsible for their travel out of the country, either via commercial flight or a government aircraft.

RUSSIA

Continued from Page One

The largest action came from Washington, which is ejecting 60 Russians the U.S. identified as intelligence officers—48 from the Russian embassy and 12 from the permanent mission to the United Nations. The Trump administration also ordered the closure of a Russian consulate in Seattle that is close to a U.S. naval facility, senior administration officials said.

Ukraine and more than half of the EU's member states joined the effort, and European Council President Donald Tusk warned that more expulsions could be on the way.

"The attack in Salisbury has shaken all of us in the European Union," German Foreign Minister Heiko Maas said. "We did not make the decision to expel Russian diplomats lightly. But the facts and the leads are pointing at Russia. The Russian government has so far not answered any of the open questions nor did it demonstrate any readiness to play a constructive role in investigating the attack."

Canada is expelling four Russian diplomatic staff it says are intelligence officials or security threats from the embassy in Ottawa and the Consulate General in Montreal.

Kremlin spokesman Dmitry Peskov said President Vladimir Putin would decide on Russia's response after the government had analyzed the situation, Russian news agencies reported. "Of course, as before, we shall follow the principle of reciprocity," Mr. Peskov said.

The U.S. and Russia have been expelling intelligence operatives in each other's countries since the Cold War days.

In March 2001, the Bush administration expelled 50 diplomats after the arrest of FBI agent Robert Hanssen, a counterintelligence expert who spied for Russia for more than 15 years. The Reagan administration ordered 80 Soviets to leave in 1986, to try to curb the then-Soviet Union's spying operation.

More recently, the Obama administration kicked out 35 Russian diplomats and blocked Moscow's access to two diplomatic compounds in response to Russia's interference in the 2016 elections. In August 2017, the Trump administration closed Russia's San Francisco consulate and two buildings in New York and Washington in response to Russia's move to reduce the size of the U.S. diplomatic presence in Russia.

Monday's coordinated action was aimed at sending a signal of Western unity in the face of Russia's assertive moves. Some former U.S. officials and analysts lauded the joint effort but said expelling diplomats lacked the sting of actions such as economic sanctions or targeting the finances of tycoons and officials close to Mr. Putin.

Richard N. Haass, president of the Council on Foreign Relations and a former senior U.S. diplomat, said in a tweet that targeted economic and travel sanctions would have been better "so that costs mostly fall on Russia," as expelling diplomats will lead to reciprocal ejections.

Michael Carpenter, a former senior Pentagon official who worked on Russia policy during the Obama administration, said, "In response to something that is egregious, you have to take impactful actions that are going to have costs for Russia." He said measures akin to sanctions levied on Iran and North Korea that directly affect Russian financial institutions could get Moscow to change its ways.

In the wake of the Skripal attack, the U.K. expelled 23 Russian diplomats. But observers had questioned the extent to which Britain would succeed in enlisting broader support from the rest of the EU with Brexit approaching, and from President Donald Trump, who has been criticized for being too reticent to denounce Russia.

Beyond the tangible effects on Russia's spying operations, Monday's development appears to put on hold Moscow's hopes for better ties with the West under the Trump administration.

Mr. Trump has said he wants to improve relations with Russia, but has been stumped by the Kremlin's military engagements in Ukraine and Syria, as well as accusations that Russia is undertaking operations aimed at destabilizing the West, such as cyberattacks.

The Kremlin has depicted those actions that it admits to, such as taking Crimea and sending its military in support of Syrian President Bashar al-Assad, as a response to years of Western meddling in Russia's neighbors and allies.

Mr. Huntsman said that the Trump administration was "holding out hope" for better relations and that a somewhat softer tone from Mr. Putin since elections, such as noting that he wants to avoid an arms race, suggests he is "trying to find areas of collaboration."

But Mr. Huntsman said that Russia would have to change its course for any significant improvement in the relationship. "Gone are the days of a reset or a redo, which we've seen under Republicans and Democrats alike, where all hopes and expectations are dashed, because those hopes cannot be met," he said.

A formal meeting between the two presidents "would have to be an event that was earned," he said.

Over dinner last week at a summit in Brussels, Mrs. May told other EU leaders that the poisoning marked a dangerous phase in Russian aggression toward Europe and argued that the bloc needed to rethink how it collectively responded to challenges from Moscow.

British officials gave their European counterparts a wide berth on how to respond rather than calling publicly for specific action. Among the European countries that decided to kick out Russian diplomats were some that have consistently called for easing the bloc's strained ties with Russia, including Italy and even Hungary, whose leader, Viktor Orban, has cultivated particularly warm ties with Mr. Putin.

Diplomats said the overall number of EU countries acting might have been bigger but that several small countries, like Malta and Luxembourg, which have small embassies in Moscow, were wary of tit-for-tat expulsions that could have cut direct bilateral ties completely.

—Louise Radnofsky in Washington, Stephen Fidler and Jenny Gross in London and Nektaria Stamouli in Athens contributed to this article.

KACPER PEMPEL/REUTERS

The Russian Embassy in Poland, one of more than a dozen countries that expelled Russian diplomats and intelligence officers Monday.

Prior Actions Against Russian Officials in the U.S.

1986: The Reagan administration expels 80 diplomats at the Soviet Embassy in Washington and Soviet mission to the United Nations over several months, in an effort to curtail Moscow's intelligence operations in the U.S. The U.S. also dismisses 260 Russian employees at the U.S. Embassy in Moscow. The moves are part of a series of expulsions after U.S. authorities arrested a Soviet employee of the U.N. for espionage. The Soviets responded by detaining an American journalist, later released.

1994: In response to the discovery of an American CIA officer who spied for Russia, President Bill Clinton expels an intelligence officer working under diplomatic cover at the Russian Embassy in Washington.

2001: Following the arrest of another American, FBI counterintelligence agent Robert Hanssen, the U.S. expels 50 Russian diplomats.

2010: A network of 12 Russian agents operating in the U.S. under nonofficial cover and leading seemingly normal lives is discovered by the FBI. Ten are exchanged for Russian prisoners, including Sergei Skripal, whose poisoning led to Monday's expulsions.

2016: Obama administration expels 35 Russian diplomats soon after the 2016 election, after American intelligence agencies conclude Moscow interfered in the U.S. presidential election.

—Chris Gordon

STATES

Continued from Page One

pany's stock that began a week earlier and had knocked nearly $75 billion off its market value through Friday.

Analysts said the recent controversy could hurt the company's business by reducing the amount of time users spend on the platform or leading to curbs on how its deploys user data that could impede its advertising-targeting tools.

Facebook has struggled to calm a firestorm of criticism from users, advertisers, politicians and officials in the U.S. and Europe after it said on March 16 that it is investigating reports that Cambridge Analytica, a data-analytics firm that worked with President Donald Trump's campaign in 2016, improperly accessed and retained Facebook user data. Cambridge Analytica has said it followed Facebook's policies.

Mr. Zuckerberg apologized last week for what he called a "major breach of trust." He said Facebook has already curbed access to user information and is investigating how app creators handled data provided to them by Facebook. In an interview with The Wall Street Journal, Mr. Zuckerberg also said the company wouldn't be able to fully map out how all that user information was deployed.

Rob Sherman, Facebook's deputy chief privacy officer, said Monday the company remains "strongly committed to protecting people's information. We appreciate the opportunity to answer questions the FTC may have."

Will Castleberry, Facebook's vice president for state and local public policy, said the company plans to respond to the state officials' letter. "Attorneys general across the country have raised important questions and we appreciate their interest," he said.

Meanwhile, the Senate Judiciary Committee, headed by Sen. Chuck Grassley (R., Iowa), asked Mr. Zuckerberg on Monday to appear at an April 10 hearing on data privacy. Mr. Grassley also invited Sundar Pichai, CEO of Alphabet Inc.'s Google, and Twitter Inc. CEO Jack Dorsey.

"We have received and are reviewing the invite," a Facebook spokesman said. Twitter declined to comment on whether Mr. Dorsey would appear. Google declined to comment.

Last week, the bipartisan leaders of the House Energy and Commerce Committee and Senate Committee on Commerce, Science and Transportation separately called on Mr. Zuckerberg to testify about Facebook's privacy and data-use standards.

"Facebook now faces a pivotal moment in its corporate governance and history," said Andrea Matwyshyn, professor of law at Northeastern University who studies technology policy.

Ms. Matwyshyn and other experts said the various governmental actions show Facebook will need to adjust its user-data policies further or face the prospect of potentially costly legal and regulatory fights.

The FTC's statement was unusual in that the agency doesn't usually comment on nonpublic investigations. The commission said it is examining issues including whether Facebook has lived up to the terms of a trans-Atlantic agreement known as Privacy Shield that is aimed at protecting European consumers' online data when it is transferred to the U.S.

The FTC is the chief federal privacy enforcer, though its powers are somewhat circumscribed. It can go after companies that engage in deceptive or unfair trade practices, including failing to live up to specific online privacy promises to consumers. It also can seek penalties from companies that violate prior FTC consent decrees, as activists said Facebook did with an agreement it made in 2011; Facebook rejects any suggestion that it violated the consent decree.

Under that decree, approved in 2012, Facebook agreed to obtain user consent for collecting personal data and sharing it with others. The FTC is probing whether Facebook violated the terms of an earlier consent decree with the agency when data of up to 50 million of its users were transferred to Cambridge Analytica.

If the FTC finds that Facebook violated its consent decree or other privacy standards, it could face millions of dollars in fines.

The letter from the attorneys general, meanwhile, "sends a strong signal that Facebook is likely to face investigations and possible legal sanction on the state level," Ms. Matwyshyn said.

The letter said the attorneys general want to better understand Facebook's policies and procedures and asked how it will allow users to more easily control the privacy of their accounts. The officials asked what safeguards Facebook had in place to ensure that outside developers handled user data correctly. They also asked whether Facebook's terms of service are "clear and understandable, or buried in boilerplate where few users would even read them?"

"Facebook has made promises about users' privacy in the past, and we need to know that users can trust Facebook," the letter says. "With the information we have now, our trust has been broken."

—Deepa Seetharaman contributed to this article.

JEFF ROBERSON/ASSOCIATED PRESS

CEO Mark Zuckerberg has apologized for a 'major breach of trust.'

Facebook Logs Data On Some Calls, Texts

Facebook Inc. said it logs the phone call and messaging histories of some Android smartphone users who installed its messaging app or a lighter version of its main Facebook app.

The call and text logging happen when people using smartphones running the Android operating system sync their phone contacts with Messenger or Facebook Lite, the company said Sunday in a note posted online.

The statement followed users' reports on Twitter in the past week that they had examined their Facebook data and saw the company logging the information.

While Facebook said there was nothing improper in its call logging, it is the latest example of users realizing they are sharing vast quantities of data with the company—wittingly or not—each time they agree to one of its privacy settings or feature requests.

Dylan McKay, a software developer based in New Zealand, said the collection of phone call and messaging information on his phone lasted for more than a year. "I experimented with the 'text anyone in your phone' feature for a short amount of time—weeks," he said.

—Robert McMillan

BANK

Continued from Page One

days after the U.S. sanctioned ABLV. "Security threats can take many forms, including corruption and efforts to undermine the integrity of the financial system," he said.

Just before it collapsed, ABLV called the Treasury's accusations "inaccurate in important respects" and pledged to work "quickly and cooperatively with U.S. regulators to resolve their concerns." ABLV executives said they did everything in their power to fight money laundering.

The ABLV debacle has exposed the shortcomings of European regulators, who believed for years Latvia's banks weren't doing enough to scrutinize their clients, but did little to stop it, U.S. officials say. Washington informed the European Central Bank about the imminent crackdown on ABLV just minutes before the Treasury issued its Feb. 13 statement.

Since the 2008 recession, ECB officials have been troubleshooting one financial crisis after another. In the wake of ABLV's collapse the ECB defended its supervision of banks and noted it doesn't have investigative powers to uncover money laundering, a task the bloc leaves to member governments. The European Commission—the EU's executive arm—said the bloc has strong anti-money-laundering legislation. "It's up to national authorities to enforce these rules," the commission said.

Latvian officials have acknowledged ABLV was handling criminal money, possibly unwittingly. Some officials said the country has tried its best to combat illicit finance but lacks the resources to check the hundreds of billions of dollars flowing in and out of the country yearly.

"The number of investigators is not enough," said Viesturs Burkans, head of the country's anti-money-laundering office. In a sign of the challenges facing Latvian regulators, the country's central bank governor, Ilmārs Rimšēvičs, was arrested in February on charges of soliciting a bribe from a different local bank, which he denies.

As a result, parts of Europe have become havens for illegal money, U.S. officials and some European lawmakers say. Dozens of EU countries don't report basic money laundering data, such as their volumes of suspicious transactions, to Europol, a support agency for the law-enforcement bodies of EU nations.

"It is embarrassing for Europe that we need America to clean up our financial sector," said Sven Giegold, a German member of the EU's Parliament who has called for the creation of a Europe-wide law enforcement body like the U.S. Federal Bureau of Investigation, which the continent lacks. "There is a lack of willingness to go after dirty money."

ABLV's demise marks the end of a business built by Oleg Fils and a colleague in the early 1990s.

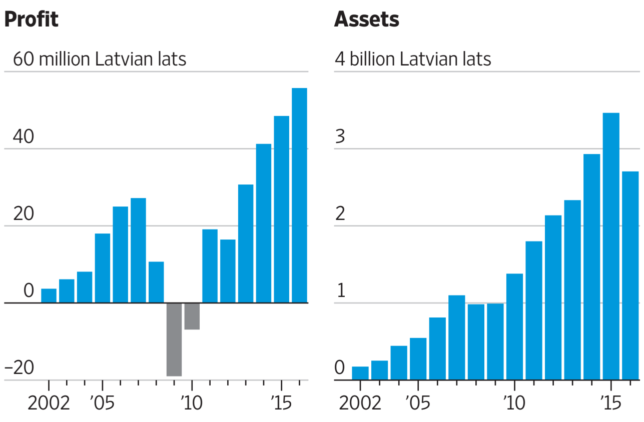
In 1995, Mr. Fils and his partner bought a controlling share of a small-town bank, Aizkraukles Banka, which had barely $1 million in deposits. They hired a 19-year-old to run their credit-card department and attracted clients by entering them into a raffle for modern art painted by local students. They trimmed the bank's tongue-twister name to the crisper ABLV.

TOP: GINTS IVUSKANS/ALAMY; VALDA KALNINA/EPA/SHUTTERSTOCK

Top, Oleg Fils, Ernests Bernis and Vadims Reinfelds of ABLV. Above, Ilmārs Rimšēvičs, Latvia's central bank governor.

Fast Money

ABLV profits soared in the years before the U.S. Treasury accused it of 'institutionalized money laundering.'



Note: 2012 onward reported in Euro, at a pegged exchange rate
Source: ABLV
THE WALL STREET JOURNAL.

Mr. Fils, who declined requests for an interview, saw that Latvia could be a bridge between Russia and the West.

Riga "has been a location where the trade routes from the East and West flow and cross since its foundation," Mr. Fils said in the bank's 2012 annual report.

'It is embarrassing for Europe that we need America to clean up our financial sector.'

In 1998, Latvia created a regulator to combat money laundering, a requirement to join the EU, which Latvia did in 2004. The regulator set modest fines for money laundering—a maximum of €142,000 for the bank, and €350 for the employee involved, according to the Organization for Economic Cooperation and Development.

No national law explicitly prohibited opening a bank account in a fake name. Foreigners who had never set foot in Latvia could open accounts without much scrutiny, provided they did so through a Latvian bank branch overseas, standards that fell short of those of other developed nations, the OECD said.

After a 2000 inspection lasting three days, an EU anti-money-laundering team vetting Latvia's application to join the bloc praised the country for "a very comprehensive structure for the protection of the financial system." By the time Latvia joined the EU four years later, the assets held by its banks were slightly larger than the country's entire economy.

Around that time, ABLV stepped up its efforts to win clients in former Soviet states.

Those customers generally sent money to Latvia via nations that allowed companies to disguise their true owners, U.S. and Latvian regulators say. In time, more than 80% of the bank's clients were based outside of Latvia, with nearly 90% using shell companies, according to the country's Financial Intelligence Unit.

A similar phenomenon was occurring throughout Latvia's banking sector, where deposits from people and companies outside Latvia soared in recent years, an increase regulators see as a red flag for possible money laundering.

In an interview in February, ABLV's Chief Executive Vadims Reinfelds said the bank believed it had the cultural know-how to separate criminal clients from the ones who wanted to legally get their money out of Russia. "We know when Russians are lying," he said in an interview.

The company said it tried its best to vet clients and often rejected those who proved suspect. "There is no recommendation that we have not implemented" to combat money laundering, Mr. Reinfelds said.

ABLV became a correspondent bank for 49 lenders, including Deutsche Bank AG and JPMorgan Chase & Co., allowing money to move more easily between the Latvian bank and the Western institutions. Mr. Fils eventually became one of Latvia's richest men, underwriting the country's modern art scene.

Meanwhile, red flags were piling up. In 2001, the bank helped a Colombian cocaine baron move $697,000, according to U.S. prosecutors charging the Colombian. The bank says it couldn't have known the transfer was connected to criminal activity.

Around that time, a U.S. inquiry found that a child pornography website routed credit-card payments to ABLV. The bank said it cooperated with law enforcement on the matter.

Throughout this period the EU generally expressed satisfaction with Latvian banking standards. A 2004 report by the European Commission found Latvia's efforts to fight money laundering in line with EU requirements.

Yet intelligence reports from multiple U.S. agencies were characterizing Latvia as a nexus for organized crime and rogue states. Washington was worried about terrorist groups, too.

In 2004, shortly after Latvia joined NATO, the U.S. offered the country military aid, but insisted on a concession: Let U.S. officials audit the country's banks.

Daniel Glaser, then the U.S. Treasury's No. 2 terror-finance cop, flew to Riga to oversee the work. In 2005, he declared two Latvian banks money launderers, and restricted them from dealing with American banks.

Some Latvians and Europeans resented the Americans' intervention. "There were always lobbying groups saying, 'why should we be the policemen of Europe for the Americans?' " said Ainars Latkovskis, a member of Latvia's parliament. "Everybody is doing this."

Latvian regulators vowed to get tougher, but were backlogged. Banks were reporting tens of thousands of suspicious transactions a year to Mr. Burkans, the head of Latvia's anti-money-laundering office, he said. By the time his team of 30, armed with outdated software, could probe those funds, the accounts were often dormant and the money gone, he said.

Between 2010 and 2014, Latvian courts handed down eight guilty verdicts for money laundering. That number is "small, not enough," Mr. Burkans says.

In 2014, the same year Latvia adopted the euro as its currency, the European Central Bank took over supervision of the currency bloc's largest banks from local regulators. But the ECB had no authority to investigate money laundering, leaving that to local regulators.

The ECB did have the power to vet banks' board membership, yet when Latvian regulators publicly warned in 2016 that ABLV's chief compliance officer wasn't doing enough to fight money laundering, the ECB approved him for re-election to the ABLV board the following year, according to people familiar with the decision. ABLV said the officer "created one of the strongest compliance systems in the banking sector." The officer said his work complied with the law and "international best practices."

Last year, a Latvian journalist asked the chair of the ECB's Supervisory Board, Danièle Nouy, whether the ECB should be given powers to tackle money laundering. No, she said in a reply posted on the ECB website, "because we already have many tasks which require our full attention." Those included ensuring banks dealt with the souring loans weighing on their books.

A Ukrainian gas mogul named Serhiy Kurchenko shows how clients used ABLV to launder money, Treasury officials allege. As Ukraine's pro-Russian government was being overthrown in 2014, Mr. Kurchenko fled Ukraine and moved billions of dollars through nine shell companies, Treasury officials say. The bank handling those transactions was ABLV, the officials say.

Russia's invasion of Ukraine that year prompted the U.S. Treasury to probe and sanction businessmen it said were allied with Russian President Vladimir Putin, including Mr. Kurchenko, who they allege engaged in "the misappropriation of state assets of Ukraine or of an economically significant entity in Ukraine."

ABLV said it dropped the tycoon after the U.S. put him on the sanctions list. Mr. Kurchenko, who couldn't be reached to comment, has said in media interviews that his income was legitimate.

By then, Mr. Fils and ABLV were underwriting a modern-art museum, a concert hall, and a $1 billion plan to build a financial center in Riga. The bank sponsored a statue of a bronze bull in the capital, with the inscription "labor omnia vincit" or "work conquers all."

The bank said it had hired 109 anti-money-laundering specialists to sift through its client list by 2017, and trimmed a fifth of its customers by the end of that year.

It also hired a consultant to review its money laundering practices: Mr. Glaser, who left government service at the end of the Obama administration. Mr. Glaser's firm, the Financial Integrity Network, declined to comment.

ABLV also declared a "zero tolerance" policy against dealing with North Korea-linked customers.

The final straw came late last year, when Treasury investigators say they found that ABLV's clients included front companies for North Korean banks on the U.S. sanction list. The front companies included Chinese coal importers, according to a person familiar with the matter.

In February, the U.S. Treasury contacted the ECB: In a few minutes, the U.S. was going to accuse ABLV of money laundering, and shut down the bank's access to dollars.

Treasury detailed its accusations in a public notice, including allegations that ABLV staff forged documents to support "financial schemes," and bribed Latvian regulators to influence enforcement actions. The bank denied the accusations.

Latvia's regulators tried to keep the bank afloat, and spent days considering a $590 million loan. Soon the ECB announced that ABLV would be liquidated. Most depositors will receive no more than €100,000.

"Latvia wanted to be the financial center between East and West...to put itself on the map," Mr. Rimšēvičs, the central bank governor charged with bribery solicitation in February, said after being released on bail. "We probably were too naive," he said. "And the whole thing is in free fall now."

—Bradley Hope contributed to this article.

RONI REKOMAA/BLOOMBERG NEWS

Outside the headquarters of ABLV Bank in Riga, Latvia.

DIRT

Continued from Page One

$50,000.

Smooth, resilient infields reduce the risk of a bad hop that might knock out an infielder's teeth. They can make it less likely players will get their cleats stuck in the soil and twist an ankle when rounding a base or pivoting to make a throw.

Topped with "conditioners" made of various baked clays, a pro-style infield also can stand up to a midgame rain shower without turning to mush. For those who care about color, these conditioners can be dyed just about any hue. Red is popular in the South.

The man dishing much of this dirt is Grant McKnight, founder of DuraEdge Products, which touts its "engineered" baseball soil mixes. "Welcome to the dirt farm," he cheerily told a recent visitor to his soil-mixing plant in Slippery Rock, Pa., 50 miles north of Pittsburgh.

Mr. McKnight, who was a competitive swimmer at Bucknell University and didn't care much for baseball as a boy, over the past dozen years has been a leader in persuading groundskeepers to be pickier about dirt.

At the roadside mixing plant he designed through trial and error, Mr. McKnight uses a 40-year-old Caterpillar bulldozer and other equipment to crush clay into a fine dust. He mixes soil with twirling blades in a 60-year-old contraption, formerly used to make asphalt, that resembles a giant kitchen mixer.

DuraEdge says it supplies about two-thirds of the 30 major league teams. Fifteen teams confirmed they are customers; others declined to comment or didn't respond.

DuraEdge sells dirt to the nearby Pittsburgh Pirates and ships it as far as California and Florida. Mr. McKnight said his advantages include clay from western Pennsylvania that is "more consistent in the way it handles moisture" than clay found elsewhere.

Rivals scoff at Mr. McKnight's suggestion that his clay is akin to gold dust.

"Clay is clay," said Dave Dzwilewski, sales manager for Gail Materials of Corona, Calif., which supplies dirt to the Dodgers and other teams. "It's all about engineering the right mix of soil for the field, said Mr. Dzwilewski, who has a degree in soil science from the University of Massachusetts.

Jim Kelsey, owner of Partac Peat Corp. in Great Meadows, N.J., said his infield mix is superior because it has less silt. Some rivals' mixes need more maintenance, Mr. Kelsey said, and require "a big staff to babysit the clay." Bill Marbet, president of Southern Athletic Fields in Columbia, Tenn., said his reddish dirt can be formulated to work anywhere.

In the old days, when teams relied on local suppliers lacking baseball expertise, infield dirt would dry up and turn chunky. "You'd have potholes," said Luke Yoder, a former groundskeeper for the Pirates and San Diego Padres. That began to change as some teams applied soil science and others felt pressure to keep up. "If you hear your players coming back and saying [another team's soil] mix is awesome, you have to listen," Mr. Yoder said.

JUSTIN MERRIMAN FOR THE WALL STREET JOURNAL

Grant McKnight, founder of DuraEdge Products, calls his operation in Slippery Rock, Pa., a 'dirt farm.'

It's also a question of economics, said Mr. McKnight. If groundskeepers are worried about mud and cover the field with tarps during a midgame rain spell, some fans go home early. That hurts beer sales.

High-tech groundskeepers probe their infields with sensors to monitor moisture. Others gouge a key into the infield. If the key emerges clean, that means a player's cleats probably will too. If you walk across the dirt, your footmarks should barely leave a trace.

Mr. McKnight got into the game by accident. The family firm run by his father supplied sand and gravel for construction. About 20 years ago, Mr. McKnight wanted to offer a higher-value material. He first tried selling soil mixes to golf courses but found that market difficult. At a trade show, someone tipped him off to opportunities in baseball. His first customer was just down the road at Slippery Rock University, which needed new baseball fields. Mr. McKnight had no experience but guaranteed satisfaction. After experimenting with different ratios of clay, silt and sand, he found a mix that pleased the baseball manager. Word spread. His first major league customer was the Philadelphia Phillies, around 2005.

Major-league dirt contains more clay, a binder that helps with consistency and resilience; cheaper soil for little leagues is sandier and easier to maintain.

Along with infield dirt, Mr. McKnight supplies a gooier mix for pitching mounds, containing "black gumbo" clay that gives pitchers a firmer foothold. For the warning track, the nongrassy patch near the fence, teams often use crushed brick or lava rock, partly for its durability.

Clay crosses the country by truck, railcar or barge. Mr. McKnight typically obtains the sand closer to the customer to reduce shipping costs. He likens it to the Coca-Cola model, with clay as the magical syrup and sand as the water added locally.

What if his clay runs out? Mr. McKnight said he has enough to last 15 to 20 years. After that, he said, "we know where to look."

GREATER NEW YORK

Assembly Passes Gun Bills

Tougher measures in New Jersey would ban magazines that hold more than 10 rounds

By Joseph De Avila

The New Jersey state Assembly passed a package of gun-control measures Monday, including mandatory background checks for private firearm sales, as some states move to tighten restrictions following a national wave of activism.

The proposals also banned magazines that can hold more than 10 rounds and prohibits the possession of armor-piercing ammunition.

One bill would require law-enforcement officials to seize weapons from someone considered a threat by a mental-health professional and another piece of legislation would establish a so-called "red-flag law" that would allow family members or others to ask a court to temporarily bar people deemed a risk from possessing or purchasing guns.

"This isn't about punitive. This is about being protective," said New Jersey Assemblyman John McKeon, a Democrat, during the vote's proceedings.

Mr. McKeon said a red-flag law may have prevented February's deadly school shooting at Marjory Stoneman Douglas High School in Parkland, Fla., where a gunman killed 17 people.

New Jersey Assemblyman Harold Wirths, a Republican, said the red-flag proposal violated the due-process rights of gun owners. "This will probably not save any lives," he said.

Hundreds of thousands of people rallied around the U.S. on Saturday, demanding stronger gun laws after the Parkland shooting. Recent federal gun-control efforts have been unsuccessful, while some states have made changes, including Connecticut after the 2012 school shooting at Sandy Hook Elementary School that left 20 students and six adults dead.

Earlier this month, Republican Florida Gov. Rick Scott signed into law a measure that strengthened the state's gun laws for the first time in decades, including the passage of a red-flag law. It also increased the minimum age to buy a firearm to 21 from 18. The National Rifle Association filed a federal lawsuit seeking to block the Florida legislation.

In New Jersey, Scott Bach, executive director of the Association of New Jersey Rifle and Pistol Clubs, said the measures passed by the Assembly won't improve public safety and infringe on the rights of responsible firearms owners. "Overall we think these bills target the wrong people," he said. "They target law-abiding citizens who are not part of the problem."

Many of the Democratic-sponsored measures in New Jersey passed with bipartisan support. Some Republican critics such as Mr. Wirths, however, said much of the legislative proposals duplicate existing laws. Federal law already bans armor-piercing bullets. The state currently requires background checks to obtain a firearms-purchaser identification card or pistol permit, he noted.

MEL EVANS/ASSOCIATED PRESS

Opponents protested gun-control legislation on Monday in Trenton.

"These are redundant" and "feel-good bills," he added.

The bill on private gun sales would require an additional background check at the time of the purchase.

The package of bills moves to the state Senate. Democratic Senate President Stephen Sweeney "supports the legislation and will have the Senate act on the bills," his spokesman said on Monday.

Former Gov. Chris Christie, a Republican, vetoed many gun-control measures passed by the Democratic-controlled state Legislature during his tenure. Gov. Phil Murphy, a Democrat who took office in January, has been much more supportive of tightening gun laws. His office didn't immediately return a request for comment on Monday.

JetBlue Taps Firms for JFK Work

By Paul Berger

JetBlue Airways Corp. has selected **Vantage Airport Group** and **RXR Realty** LLC to lead its proposed multibillion-dollar terminal expansion at John F. Kennedy International Airport.

The project, estimated to cost between $2 billion and $3 billion, is intended to add gates that can accommodate more modern, wide-body planes. The airline currently operates out of JFK's Terminal 5, which has 29 narrow-body gates. The expansion could add 12 larger gates, according to Steve Priest, JetBlue's chief financial officer.

Mr. Priest said the airline received bids from 10 companies to partner on the development. JFK is among the busiest airports in the country and private companies saw "potentially great returns on a long-term lease in a high-demand environment," he said.

JetBlue is in talks with the Port Authority of New York and New Jersey, which operates JFK, about whether and when the development can proceed.

The proposed expansion comes as the Port Authority embarks on a $10 billion redevelopment of JFK, which has struggled to serve growing passenger demand with its cramped and sometimes-outdated terminals. The airport's troubles were highlighted in January, when a snowstorm resulted in days of confusion as thousands of passengers suffered excessive delays and many were separated from their luggage.

MARK KAUZLARICH FOR THE WALL STREET JOURNAL

JetBlue plans to spend between $2 million to $3 million on expanding its terminal at the airport.

JFK served almost 60 million passengers in 2017, up from 49 million in 2012, according to Port Authority figures. The bistate agency projects that it will need to serve 100 million passengers annually by 2050.

Unlike most airports nationwide, each of JFK's six terminals is operated by a different airline or private company. The Port Authority is weighing expansion and modernization proposals from each of its operators in a bid to join up a Balkanized terminal layout and to smooth operations. This summer, the agency expects to decide which projects can proceed and in what order.

The agency plans to invest $1 billion of its funds, mainly to improve roadways and other infrastructure. It expects the private sector to shoulder the remaining $9 billion.

The redevelopment is a priority for New York Gov. Andrew Cuomo, who pushed for an $8 billion overhaul of LaGuardia Airport currently under way.

Vantage is among the lead firms in the consortium developing LaGuardia's Terminal B, in a $4 billion public-private partnership with the Port Authority. The Canadian firm, which manages and develops terminals, has more than 20 years' experience working on airports.

The project would mark the first airport development for RXR, one of the tri-state area's largest real-estate developers.

JetBlue plans to expand across the site of its former home at Terminal 6, which was demolished in 2011. It also wants to expand into the footprint of Terminal 7, where British Airways operates. The British airline, part of International Consolidated Airlines Group SA, declined to comment.

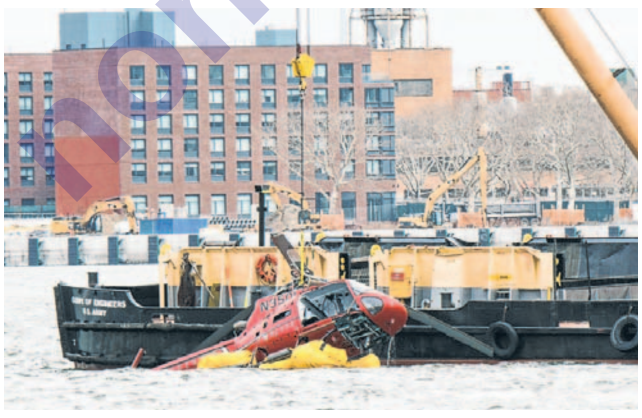
Harness May Have Cut Fuel, Causing Crash

By Paul Berger

The pilot of a helicopter that crashed in New York's East River earlier this month told investigators that he spotted part of a passenger's harness under a fuel-cutoff switch shortly before the accident that killed all five passengers.

Richard Vance, the pilot and lone survivor, told investigators with the National Transportation Safety Board that he was flying along the eastern side of Central Park on the evening of March 11 when the front passenger slid across a double bench seat to take a photograph of his feet dangling outside the helicopter.

Soon afterward, Mr. Vance noticed a drop in engine pressure consistent with engine failure, according to a preliminary report issued by the NTSB.



LLYANN PETRY FOR THE WALL STREET JOURNAL

The helicopter was pulled from the East River after the accident.

Mr. Vance considered landing in the park but decided there were too many people, the report said. After failing to restart the engine, he headed for the East River.

It was at this point that he reached down for the emergency fuel shut-off lever and noticed it in the off position with a section of a harness under it.

Mr. Vance inflated the helicopter's emergency floats before landing in the river. Investigators found that the floats on the left landing gear skid were more inflated than the floats on the right, the report said.

The five passengers were wearing special harnesses provided by FlyNYON, a firm that markets itself as an aerial-photography company specializing in doors-off flights where people can dangle their feet outside the aircraft. The passengers were tethered to points inside the helicopter cabin, according to the report.

Passengers were given a cutting tool to release themselves from the harness in an emergency, the report said. Only Mr. Vance, who wasn't wearing a harness, escaped the helicopter.

In the wake of the crash, the Federal Aviation Administration has ordered helicopter operators to suspend doors-off flights that require passengers to wear difficult-to-release harnesses.

The flight was operated by Liberty Helicopters of Kearny, N.J.

Liberal Advocates Squeeze Cuomo Amid Budget Talks

By Mike Vilensky

For years activist and businessman Gary Greenberg has been unsuccessfully lobbying Gov. Andrew Cuomo and state lawmakers to pass legislation that would extend the statute of limitations for child sex-abuse victims to sue their abusers.

Since last week, when actress Cynthia Nixon announced she would challenge Mr. Cuomo, who is running for a third term in the Democratic primary, Mr. Greenberg has new ammo: Pass the "Child Victims Act," or he's with her.

"If it doesn't happen this year, we'll support a candidate who will make the Child Victims Act law," said Mr. Greenberg, a Cuomo donor who also runs a political-action committee supporting the sex-abuse legislation. The measure would allow sexual-abuse victims to bring civil lawsuits until their 50th birthday and felony criminal cases until their 28th birthday. Currently, they only have until the age of 23 to pursue either type of case.

Mr. Cuomo and state lawmakers currently are negotiating the state's roughly $160 billion budget with an April 1 deadline. The annual omnibus package typically includes legislative priorities unrelated to state spending.

The Republican-led Senate, Democratic-led Assembly, and governor annually work toward a bipartisan compromise on the budget and the legislation they attach to it. This year, however, Mr. Cuomo is facing new pressure since Ms. Nixon, an activist, announced her candidacy.

Now, from sexual-harassment policy to education spending, liberal advocates say they have new leverage to push Mr. Cuomo to the left.

The budget isn't up to the governor alone, though he holds vast influence over it. He began hashing it out last week behind closed doors, largely at the governor's mansion in Albany, with Senate Majority Leader John Flanagan, a Long Island Republican; Senate Majority Co-Leader Jeffrey Klein, a Bronx Democrat; and Assembly Speaker Carl Heastie, another Bronx Democrat.

On the table this year are new revenue raisers for the Metropolitan Transportation Authority, more funding for the New York City Housing Authority, and new laws governing sexual harassment in state government.

"I don't see how he cannot feel the pressure," said Billy Easton, a Nixon ally whose public-school advocacy group is pushing for roughly double Mr. Cuomo's offer in education spending. He is asking for $1.5 billion more than the governor has offered.

For their part, Republicans said if Mr. Cuomo moves too far to the left, they could seize on that in the November general election.

"If you have a budget that's out of control, that's a real problem for him," said New York GOP chairman Ed Cox.

Cynthia Nixon's gubernatorial bid is putting pressure on Cuomo from the left.

Mr. Cuomo's spokeswoman said he supports the Child Victims Act, and pointed to comments the governor made Friday, saying New York already spends more per student than any state in the U.S. on public education.

"Every year the governor fights for a progressive budget for no other reason than it's the right thing to do. Session ends in June, and we are going to work until the last day to fight for all of our proposals," the spokeswoman said.

Nixon, a longtime political activist and star of HBO's "Sex & the City," has begun laying out her platform during the past week, accusing the governor of empowering Republicans in the Senate and condemning his centrist compromises.

Mr. Cuomo has said little about Ms. Nixon, but decried her campaign as "silly season."

The governor has focused his recent budget negotiations on an issue important to New York City liberals, offering an additional $200 million for the ailing New York City Housing

Please see PLAN page A10B

Why Starting a Food Truck In New York Is a Crazy Idea

A two-year food-vending permit costs up to $200 but is substantially higher on the black market.

BESS ADLER FOR THE WALL STREET JOURNAL

By Charles Passy

New Yorkers may relish the city's diverse street-food offerings, from schnitzel to souvlaki. But a newly released national study ranks the Big Apple a lowly ninth out of 20 surveyed cities in terms of issues related to establishing and operating a food-truck business.

The study, conducted by the U.S. Chamber of Commerce Foundation, focused on such factors as the ease of obtaining permits and licenses and the costs involved. The quality of the food offerings wasn't considered.

New York ranked below such cities as Portland, Ore., Denver, Orlando, Fla., Philadelphia and Indianapolis, which claimed the top five spots, respectively. But the Big Apple did beat out other metropolises, including Chicago, San Francisco and Boston.

The study cited various challenges New York food-truck operators face, from extensive licensing requirements to the lack of available spaces to park legally. But the real issue, the study noted, is getting a permit to do business in the first place.

The city caps the number of food-vending permits at 5,100. Given that demand for the two-year permits, which can run up to $200 apiece, is now far greater than the supply, a black market has emerged in which permit holders essentially sell away their right to do business.

The cost can be onerous for truck operators, said Sean Basinski, director of the Street Vendor Project, a program of the Urban Justice Center, a New York-based nonprofit. He said the "going rate" on the black market is now $25,000 for that two-year permit period.

Add all the challenges together, and the city doesn't exactly make it as a food-truck capital, said Lawrence Bowdish, director of research and food security for the U.S. Chamber of Commerce Foundation.

"The common refrain was, 'You're crazy to start a food truck here,'" he said.

The city has looked at easing the situation for truck operators, at least by increasing the number of permits. But a bill that was discussed last year and sponsored in part by former New York City Council Speaker Melissa Mark-Viverito didn't move forward.

A spokeswoman for Mayor Bill de Blasio said that the permit increase remains a possibility, however. And regardless of the city's ranking in the recent food-truck study, the spokeswoman said that "New York City has continued to offer some of the best food in the world, from food trucks, to pizzerias and fine-dining establishments."

GREATER NEW YORK WATCH

CRIME

Group's Leader Arrested in Mexico

The leader of a self-described self-help group in upstate New York turned female followers into "slaves" who were branded with his initials and coerced into having sex, authorities alleged on Monday in a criminal complaint charging him with sex-trafficking.

Keith Raniere, co-founder of the group called Nxivm, was arrested in Mexico and returned to Texas Monday, authorities said. He was to appear in court on Tuesday on the charges filed by federal prosecutors in Brooklyn.

According to the complaint, Mr. Raniere oversaw a barbaric system in which women were told the best way to advance was to become a "slave" overseen by "masters."

The name of Mr. Raniere's attorney wasn't immediately available. In a letter attributed to Mr. Raniere previously posted on a website related to Nxivm, he denied the practices were sanctioned by his group.

—Associated Press

DREW ANGERER/GETTY IMAGES

Former President Jimmy Carter, 93 years old, signed copies of his book 'Faith: A Journey For All' at a Manhattan bookstore Monday.

WILDLIFE

Residents Warned Of Hawk Attacks

Police in one Connecticut town are warning residents about aggressive hawks that have been attacking their human neighbors.

Fairfield police said on Facebook they have asked state and federal wildlife experts to come in and remove the hawk or hawks in question from one neighborhood following the most recent incident last week, when a woman was attacked in her yard. Meanwhile, animal control is stepping up patrols in the area.

Police say the attacks follow a pattern and involve "hawks flying in undetected from behind a single person walking" and targeting the head area.

—Associated Press

CONNECTICUT

Inmate's Death Is Under Investigation

Authorities are investigating the weekend death of an inmate at a Connecticut prison.

A spokeswoman for the state prisons system says Jallen Jones, an inmate at the Garner Correctional Institution in Newtown, was being transferred to the facility's mental health unit Sunday morning when he became "noncompliant and combative with staff" and then became nonresponsive.

Lifesaving measures were performed on scene before he was taken to an area hospital where he was pronounced dead.

Department of Correction Commissioner Scott Semple said there were "no immediate indications suggesting that excessive force was utilized."

The 31-year-old Mr. Jones and had been in prison since 2014 serving a 10-year sentence on an armed robbery conviction.

The chief state's attorney is investigating.

—Associated Press

PLAN

Continued from the prior page

Authority. But legislators and progressives are asking for more, starting with who gets to negotiate the budget at all.

Earlier this year, Mr. Cuomo said Democratic Minority Leader Andrea-Stewart Cousins would join him and the three other male lawmakers for the talks, but he has yet to include her.

"In an election year against a progressive female challenger—especially with sexual-harassment reform on the table—there's absolutely added pressure to have Stewart-Cousins in the room," said Monica Klein, a Democratic strategist and former City Hall aide.

At an appearance in Albany on Monday, Ms. Nixon criticized Mr. Cuomo's for his education-spending proposal and for not including Ms. Cousins in the negotiations. "He bullies other elected officials, he bullies anyone who criticizes him," Ms. Nixon said. "But worst of all his budgets bully our children and our families by shortchanging them, boxing them in by denying them the opportunities they are owed."

The budget has long forced the governor to negotiate with competing interest groups, but it has not fallen amid a primary election during Mr. Cuomo's two-term tenure.

In 2014, his primary challenger Zephyr Teachout didn't kick off her campaign until well after the budget was sewn up. Mr. Cuomo also is constrained monetarily by trying to reduce a $4 billion deficit, and by a self-imposed 2% spending cap.

Liberal groups getting involved in 2018 campaigns, such as Empire State Indivisible, are hoping to see priorities like new laws allowing early voting in the package this year, as they consider who to back.

"We hope that if a challenger makes the governor more sensitive, he'll be motivated to pass meaningful legislation in the budget—especially early voting," said Michael Vagnetti, an organizer for the Empire State Indivisible chapter. "That's an absolute must-have for the grassroots, and it has to happen before the end of the month."

MUSIC

Music's Stream Becomes a Flood

The industry's ever-increasing output of albums, singles and other releases has both artists and fans feeling overwhelmed

BY NEIL SHAH

King Gizzard & the Lizard Wizard, above, released five albums last year, while Future, below, released two No. 1 albums in consecutive weeks.

FROM TOP: FUTURE-IMAGE/ZUMA PRESS; FRANK HOENSCH/REDFERNS/GETTY IMAGES

IN THE AGE of music-streaming, some fans are drowning.

The music business is pumping out more singles, mixtapes, albums and videos than ever, industry experts say, the result of cheap digital-production tools, round-the-clock social-media marketing and the prodigious output of hip-hop stars.

It has never been easier to listen to vast quantities of music, discover new artists and create, distribute and promote your own tunes. But there's a downside: It is harder for artists to break through the cacophony of today's global pop-music machine. And some fans, already struggling to keep up with television, social media and other entertainment, are feeling overwhelmed.

"At a certain point, you want to blow it all off," says James Jackson Toth, a 39-year-old writer and musician who performs as Wooden Wand. "You're like, if I can't keep up, I'm not going to try."

Unlike CDs or downloads, which generate revenue once, streaming a song generates royalties every time it is played. That has major labels bidding on catalogs of music and reissuing old music as they battle for market share.

Last year, U.S. recorded-music revenue climbed 17% to $8.7 billion, according to the Recording Industry Association of America, thanks mostly to the growth in streaming revenue from Spotify and other services, though still far below the industry's 1999 peak.

"There's a lot of pressure to put things out," says Jack Antonoff, a musician and producer who has worked with Taylor Swift and Lorde.

The amount of music released globally in 2017 is roughly seven times the amount released in 1960, according to data from Discogs.com, a user-generated database of physical recordings.

Nearly 150,000 new albums saw at least one physical or digital sale in the U.S. last year, according to Nielsen. While older Nielsen figures aren't comparable due to data issues, they show the number of new albums rising from 36,000 in 2000 to about 77,000 in 2011.

Apple Music, the No. 2 music-streaming service by paying subscribers after Spotify, is barraged every week with thousands of new tracks per genre to process. On SoundCloud, the number of hip-hop tracks uploaded in January was 30% higher than a year ago.

File-sharing and song downloads rattled the music business in the early 2000s, particularly major record labels. But independent labels and D.I.Y. amateurs began releasing more music, including adventurous albums that the majors might have rejected, since U.S. and global distribution costs were falling and room on store shelves was becoming less important.

"Those two things have enabled the floodgates to be opened," says Simon Wheeler, director of digital at Beggars Group, which represents labels including Matador Records, XL Recordings and 4AD.

Independent labels accounted for 35% of the artists appearing on the Billboard 200 chart by 2010, up from 13% in 2001, according to Joel Waldfogel, an economist at the University of Minnesota.

That more music catering to niche tastes can be made is a positive for fans—assuming they can sift through the offerings, says Mr. Waldfogel. "Consumers are awash in good stuff," he says. "We are drowning in it."

Artists are increasingly releasing their work in a steady drip, instead of relying solely on full-length albums, in an effort to keep listeners coming back.

For years, hip-hop acts from Lil Wayne to Migos have churned out singles, guest appearances and mixtapes. The goal: To build a brand that can be monetized via streaming, concert tickets, merchandise and sponsorship deals. Pop artists and rock bands have since adopted these strategies, releasing music more frequently, often through distribution services such as Bandcamp or TuneCore.

Last year, the rapper Future released two No. 1 albums in consecutive weeks. Hip-hop group Brockhampton dropped three albums.

Australian rock band King Gizzard & the Lizard Wizard? Five. Next month, rap duo Rae Sremmurd plan to release a triple album.

Not long ago, record labels operated on a less-is-more strategy, seeking to avoid cannibalizing an artist's album sales by putting out yet another one too soon. In the CD era, the costs of producing and distributing each album made it important to make higher-grossing albums to ensure profits. With streaming, those costs aren't as high, and labels have a greater incentive to own, release and re-release more music.

Raquel Torres, an 18-year-old Oshawa, Ontario, student who likes hip-hop and alternative acts like Australian singer-songwriter Tash Sultana, says the amount of new music can get overwhelming.

She follows artists on Instagram but friends often find the new single or guest spot first. "Some of it is kind of so-so," she says.

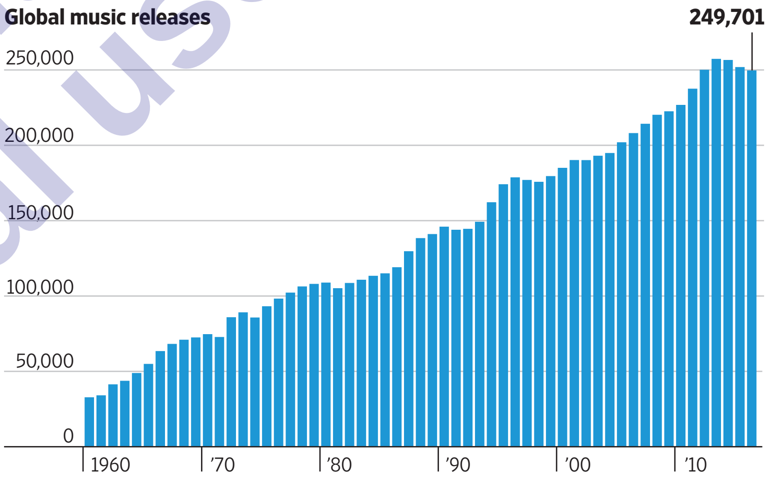
Even before the digital era, musicians struggled to make a name for themselves. But given today's nonstop marketing of megastars and the proliferation of reissued material, it is even more challenging for aspiring acts like Mr. Toth.

When the Beatles began, they weren't competing with Chuck Berry boxed sets. Or global streaming stars like Drake, whose single "God's Plan" has dominated the singles charts over the past few months.

"We're looking at a landscape in the future where the only ones who can make art are those that are too big to fail," Mr. Toth says.

A Growing Glut of Music

The number of physical albums, singles and other music released globally has surged since the 1960s.



Notes: Data includes user-contributed information on music released on physical formats but does not include digital-only releases; recent year totals will rise as users submit additional data

Source: Discogs

THE WALL STREET JOURNAL.

YOUR HEALTH | By Sumathi Reddy

A STUDY OF SUDDEN INFANT DEATHS DIVIDES DOCTORS

GETTY IMAGES/ISTOCKPHOTO

The practice of encouraging skin-to-skin care between newborns may inadvertently be contributing to the sudden and unexpected deaths of infants, the authors of a recent study say. Other medical experts disagree with this theory.

DOCTORS RESEARCHING unexpected infant deaths have discovered a baffling trend: The rate of those deaths among newborns has remained unchanged even as the numbers in older infants have dropped over 20 years.

The finding on sudden and unexpected infant deaths (SUID) is surprising, says Joel Bass, chair of the pediatrics department at Newton-Wellesley Hospital in Newton, Mass., and first author of the study.

"That's more than one newborn baby dying of SUID a day," says Dr. Bass, whose team's research appeared in the Journal of Pediatrics in February. "A normal newborn is not supposed to die."

Experts believe efforts like the "back-to-sleep" recommendations by the American Academy of Pediatrics in 1992 helped drive down the unexpected death rate of infants between one month and 1 year of age. But "the newborn got no benefit" from the campaigns to have infants sleep on their backs, Dr. Bass says.

Among the possible causes some researchers point to is the promotion of certain hospital practices to encourage breast-feeding. But some doctors vehemently disagree with that theory. This delicate topic is further complicated by the many benefits breast-feeding provides newborns, including its role in the prevention of infant deaths.

Researchers from Newton-Wellesley and Massachusetts General hospitals reviewed 20 years of national SUID data between 1995 and 2014. SUID is defined as any death whose cause isn't immediately apparent occurring in otherwise healthy infants under age 1.

They divided the deaths into two groups: those that took place in the first 28 days of life and those that took place between one and 12 months. The rate of these deaths in babies in the first group was 11 per 100,000 births in 1995. By 2014, the rate hadn't changed. In the older group, the rate declined by nearly 23%, from 101 deaths per 100,000 births in 1995 to 78 per 100,000 in 2002, with no further decline after that.

Please see HEALTH page A13

ART

At Burning Man, the Art Scene Is on Fire

BY BRENDA CRONIN

THE ROBOTS, monsters and other harum-scarum works of art at Burning Man aren't all destined for a pyre at the annual conclave in Nevada's Black Rock Desert. Some are heading to public parks, music festivals and museum exhibitions.

Over the next few weeks, Burning Man installations will go up in a San Francisco park and at the Renwick Gallery of the Smithsonian American Art Museum in Washington, D.C.

Burning Man has evolved from a bacchanal into a major art event, says Laura Kimpton, an artist who has participated in the Nevada gathering since 2003. "You don't see many naked people anymore," she says. "It's a five-mile-by-five-mile, no money, no schmoozing, crazy party. It just used to be 'Mad Max,' and now it's a rave."

Last year's event drew about 75,000 people—and 317 works of art—to the sere, chalky landscape. The Burning Man installations are social-media catnip, bringing artists renown beyond Black Rock City, the temporary metropolis assembled every year in an ancient lake bed in the desert. In keeping with the event's founding principles, including "decommodification," no art sales or deals are made at the gathering, which starts this year on Aug. 26 and runs for several days.

Most installations are assembled by teams of people. The works have to be sturdy enough to withstand arid, windy conditions—as well as participants who treat some pieces like jungle gyms. Some artwork features pyrotechnics, fire or LED lights. (Burning Man began in 1986, when two friends built and burned a wooden figure before a crowd gathered on San Francisco's Baker Beach.)

"No Spectators: The Art of Burning Man," which opens March 30 at the Renwick, highlights 20 installations—14 in the museum and six sprinkled throughout the surrounding neighborhood. The show features both past works and brand-new commissions, and includes artists such as Leo Villareal, who built a grid of strobe lights at the gathering in 1997 and now is working on a project in London to illuminate more than a dozen bridges across the Thames.

"There's a rich history and a rich tradition of artists...gravitating to extreme environments like the desert to really be able to create new art works," says Ann Wolfe, senior curator and deputy director of the Nevada Museum of Art.

The Renwick exhibition includes much of the Nevada Museum's "City of Dust: The Evolution of Burning Man," which closed in January.

Last year, another exhibition, "The Art of Burning Man," drew a record number of visitors—many in costume—to its opening at the Hermitage Museum and Gardens in Norfolk, Va., says Executive Director Jen Duncan. The Hermitage displayed a dozen Burning Man works in the museum and across its 12.5-acre site.

Ms. Duncan got the idea for the show in 2015, when her son said he wanted to go to Burning Man. Initially, she says, "I thought to myself: Burning Man? What the heck is that? A bunch of hippies in the desert." But as she and her colleagues assembled their exhibit, they realized: "we had barely touched the surface of an entirely new group of artists that we need to explore."

> Burning Man has evolved from a bacchanal into a major art event.

Some Burning Man artists are taking an unorthodox approach to their careers, Ms. Duncan says. Instead of "struggling to find a gallery to represent them, put their stuff up and...have small shows," she says, "they're just coming up with an idea, building it and putting it in front of" 75,000 people.

Works from two of these artists will share a two-year installation at a park in San Francisco's Hayes Valley neighborhood beginning in May. Under the auspices of the San Francisco Arts Commission, the park has hosted works by other Burning Man veterans such as David Best and the collective HYBYCOZO in recent years.

Next up is Charles Gadeken, who will install "Squared," a 50-foot, steel obelisk bedizened with 768 mesmerizing polyurethane cubes that change color, thanks to 15,000 individually adjustable LEDs. In 2019, "Squared" will be succeeded by Dana Albany's "Tara Mechani," a 15-foot, mixed-metal sculpture of a glowing woman with a lit chandelier inside her torso. The work, which was at Burning Man last year, will be in the park into 2020.

Ms. Albany didn't formally train as an artist. But after her first Burning Man in 1994, she decided to build a life-size camel from wood, chicken wire and papier-mâché. The camel took over most of the tiny apartment she was renting in an old San Francisco Victorian house, Ms. Albany recalls. Setting fire to the work at Burning Man "was actually kind of liberating and exciting," she says. "As an artist, you never feel done with your work. And so it was a wonderful release."

When Mr. Gadeken started going to Burning Man, about 25 years ago, he painted enormous pictures, which he would hang and set aflame. That led him to "fire art"—creating works such as a huge steel tree with balls of fire at the end of its branches—and ultimately to LEDs. Fire art is "beautiful and it's interesting, but it had very little future," he says. LEDs were safer, more affordable and enduring. In 2014, Mr. Gadeken installed "Squared" at Burning Man and built a version of the work for Coachella, the music festival in Indio, Calif.

Mr. Gadeken has exhibited in galleries but says he finds them constraining compared with Burning Man's unlimited possibilities. A gallery "needs you to generate an identity that they can continue to market," he says. "I just want to move on and do something else."

Ms. Kimpton, the artist, says she had been showing in galleries long before going to Burning Man, and continues to keep a hand in both worlds. Her most recent solo show was last year at HG Contemporary, in New York. As an artist at Burning Man, Ms. Kimpton says, "you're not thinking about whether it's going to be sold. When you're at gallery openings, all you are thinking about is if there's a red dot" on the work's label, signaling it has found a buyer.

Burning Man Arts, a program of the nonprofit Burning Man organization, recently announced grants for 76 projects this year, with an average amount of $20,000. Mr. Gadeken and Ms. Albany were among the recipients. So was Jessica Levine, a 24-year-old substitute teacher in South Lake Tahoe, Nev., who first went to Burning Man in 2013. She received a grant last year to build "Reaching Through," an 11-foot-tall steel sculpture. Ms. Levine says she will put this year's funding toward "FloBot," a "flowerlike steel sculpture" with an abstract blossom for a head, set atop a tangle of roots.

Burning Man officials say the growing fame of artists at the event doesn't contravene the community's principles. "We celebrate when that happens for them," says Katie Hazard, program manager of Burning Man Arts.

CLOCKWISE FROM LEFT: TREY RATCLIFF; © LEO VILLAREAL/CONNERSMITH/RENWICK GALLERY/RON BLUNT (PHOTO); JESSICA LEVINE

Dana Albany's 'Tara Mechani,' left, was at Burning Man last year and will be installed at a park in San Francisco in 2019; Leo Villareal's 'Volume (Renwick),' above; Jessica Levine's 'Reaching Through,' below.

FROM TOP: © KIKI SMITH/PACE GALLERY/DAVID C. WALKER (PHOTO); © MARC QUINN STUDIO

Kiki Smith's 'Untitled a.k.a. The Sitter' (1992), left, and Marc Quinn's 'Self,' (1991), below

ART REVIEW

Morbid, Engaging Body of Work

BY KAREN WILKIN

New York

THE IDEA THAT ART should replicate reality seems immutable. There are countless stories of images mistaken for actuality—of birds pecking at painted fruit or people shooing away painted flies. George Washington is said to have bowed to a painting of Charles Willson Peale's sons, shown climbing a fictional staircase, when he came to Peale's studio for a portrait session. There are recent reports of museum visitors addressing questions to a Duane Hanson sculpture of a guard. And there's the myth of Pygmalion and Galatea, in which a work of art actually comes to life.

The vast, morbidly fascinating, overwhelming exhibition "Like Life: Sculpture, Color, and the Body (1300-Now)," at the Met Breuer, probes just how closely figurative sculpture can approximate life. Organized by Luke Syson and Sheena Wagstaff, with Brinda Kumar, all of the Met, and Emerson Bowyer of the Art Institute of Chicago, "Like Life" is not for the squeamish. Anyone expecting two floors of uniformly compelling works of art will be disappointed. This ambitious overview of seven centuries of attempts to rival, reconstitute, and/or reinvent the human body includes everything from serious sculpture to over-blown kitsch, from tender portraits to creepy simulacra, some of it disturbing, even repulsive.

We are asked to consider the relative merits of carving, modeling, body casting, fidelity to appearances, distortion and mutilation. Our aesthetic judgment is constantly being tested. But many inclusions are simply imitation human beings or parts of them—anatomical models, automatons, mannequins and the like—objects not necessarily motivated by aesthetic or sculptural concerns. This can make pondering the nature of figurative sculpture seem irrelevant.

Initially a Hanson housepainter embodies the relationship between three-dimensional art and life, fact and fiction. Next come some of the idealized figures that set the standard for Western sculpture for centuries, starting with a white marble copy of a Hermes by Polykleitos, along with Renaissance and 19th-century works inspired by the classical tradition. (Their whiteness ignores the fact that antique sculpture was originally polychromed.) "Like Life" surveys challenges to this paradigm since the 14th century, beginning with such contemporary oppositions as Charles Ray's "Aluminum Girl" (2003), devoid of color, informed by antiquity but incorporating naturalistic details that derail Greco-Roman perfection with human specifics.

The show examines in detail how color and diverse materials can bring inert sculpture to life by contrasting the tinted wax of a late 19th-century portrait by Augustus Saint-Gaudens with the painted plaster of Rigoberto Torres's late 20th-century busts. We can judge the effect of dressing sculpture in real fabric through Edgar Degas's notorious "Little Fourteen-Year-Old Dancer" (c. 1880, cast 1922), described when first shown as "a monstrous doll," here in a tulle tutu of the proper fullness and length. We encounter reliquary heads designed to house sacred fragments, an uncanny Donatello portrait bust, a Venetian funerary effigy, and Marc Quinn's 1991 self-portrait head cast in his own frozen blood. There's the bizarre, fully clothed, seated figure modeled on the philosopher Jeremy Bentham's bones, as he himself had requested, in defiance of the idea of an afterlife. (See "not motivated by aesthetic or sculptural concerns.")

References to mortality and pain abound. The problematic role of lifelike sculpture in religion, with its risk of idolatry, is explored through 17th-century Spanish votive figures—rather restrained examples, given those with horn fingernails and eyelashes—and, among other evocations of martyrdom, a 17th-century German "Christ at the Column," covered with hideous wounds. In one gallery, aligned like funerary monuments, are such recumbent figures as Maurizio Cattelan's John F. Kennedy in an open coffin, an unappetizing Paul McCarthy self-portrait, and a modern reprisal of an 18th-century automaton; asleep on a divan, she breathes. A gesticulating modern automaton harangues us.

The questions provoked by "Like Life" are more interesting than the somewhat overstuffed show itself—about the role of scale and fragmentation in hyper-realistic sculpture, for example. Ron Mueck's smaller-than-life "Old Woman in Bed" (2000-02) becomes magically strange because the muffled figure is completely convincing and miniaturized, while Hanson's life-size fully clad figures remain literal and illustrational. A half-length George Segal portrait of Meyer Schapiro (1977) is recognizable and mysterious; an 18th-century Italian wax portrait head of a monk, in a glass case, reads as a sinister trophy.

If you bring children, avoid the nightmare-inducing life-size female anatomical figure and the slide show with mutilated World War I soldiers.

Like Life: Sculpture, Color, and the Body (1300-Now)
The Met Breuer, through July 22

Ms. Wilkin is an independent curator and critic.

HEALTH

Continued from page A11

The researchers also found that the rates of accidental suffocation went up in both groups at similar rates. The increase could be due to more reporting of such deaths, but also could stem from unsafe sleep practices, Dr. Bass says.

The Centers for Disease Control and Prevention reported 3,700 cases of SUID in 2015, the most recent year available.

One possible explanation: the promotion of "skin-to-skin care," when naked infants are placed on the mother's chest after birth. While beneficial in the first hour or two after birth when closely observed, skin-to-skin contact can turn dangerous later when not monitored or at home, the researchers say. If a parent falls asleep with a baby lying on their chest it could lead to respiratory death or suffocation.

Conflicting signals over pacifier use could also play a part, researchers say. Some hospitals now discourage pacifier use while first teaching babies to breast-feed with their mothers. Yet a study found that newborns exposed to pacifiers in the nursery are more likely to use them later—important because studies have found pacifiers reduce the risk of sudden infant death syndrome.

(SIDS deaths remain unexplained after an autopsy, unlike some other SUID deaths. SUID is a more recent term that also includes deaths by known causes like unsafe bedding that cause suffocation.)

About 500 U.S. hospitals designated as "baby-friendly" encourage skin-to-skin care and avoid pacifier use. A nonprofit called Baby-Friendly USA gives the designation to hospitals that encourage breast-feeding, which has also been shown to reduce the incidence of SIDS.

Breast-feeding experts say when newborns first learn breast-feeding, pacifiers and artificial nipples can confuse them and make them less apt to breast-feed. Studies have found skin-to-skin contact between a mother and child conveys important health benefits to newborns. Dr. Bass says the evidence is for the first hour or two of life only.

Others in the field have been quick to criticize the study. Among them is Lori Feldman-Winter, a pediatrics professor at Cooper Medical School of Rowan University in Camden, N.J., who has collaborated with Baby-Friendly USA.

"There are reports that have drawn attention to the fact that there are babies either dying or requiring resuscitation while in skin-to-skin care, and it doesn't mean the skin-to-skin care is causing it," says Dr. Feldman-Winter, who is a member of the American Academy of Pediatrics task force on SIDS and a lead author of the organization's 2016 safe-sleep report. Factors could include the high percentage of premature babies and continued unsafe sleeping environments or behaviors, she says.

The researchers speculate that many of the deaths that take place in the first week may be caused by sudden unexpected postnatal collapse. This occurs in full-term babies in the first week of life and often results in respiratory and cardiac arrest due to a breathing obstruction.

Experts debate the 'skin-on-skin' policies hospitals encourage for newborn babies.

Dr. Feldman-Winter notes that often infants said to have died from this condition will later be diagnosed with a problem in their brain or heart. However, Dr. Bass says such deaths are associated with skin-to-skin contact. Studies have found a link between increased rates of such deaths when skin-to-skin policies were instituted in hospitals in countries including Spain and Australia. Dr. Bass says the studies are strong enough to show causation.

Melissa Bartick is an assistant professor of medicine at Cambridge Health Alliance and Harvard Medical School who volunteers to help hospitals become designated as baby-friendly. She called it "ridiculous" to draw the conclusion that there's a link between newborn deaths and skin-to-skin care.

She noted that since 40% of the deaths in the first six days of life were in premature babies, there could have been other health complications. She also said there could have been other factors the study didn't examine, like smoking or drug use by the mothers.

GETTY IMAGES/ISTOCKPHOTO

Pacifiers reduce the risk of sudden infant death syndrome. A new study suggests that delaying the introduction of a pacifier in the hospital may make newborns less likely to use pacifiers later.

Weather

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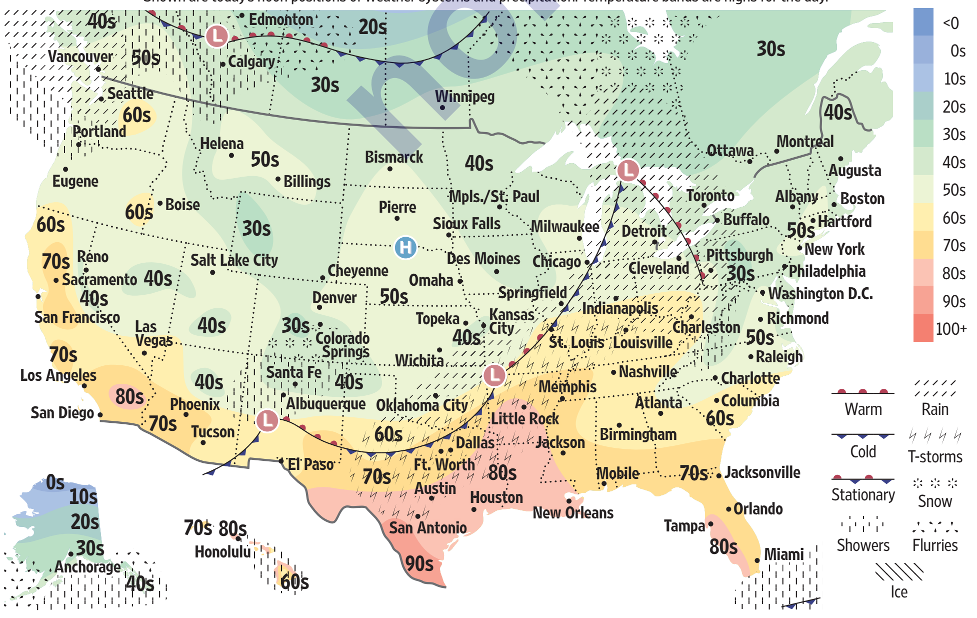


U.S. Forecasts

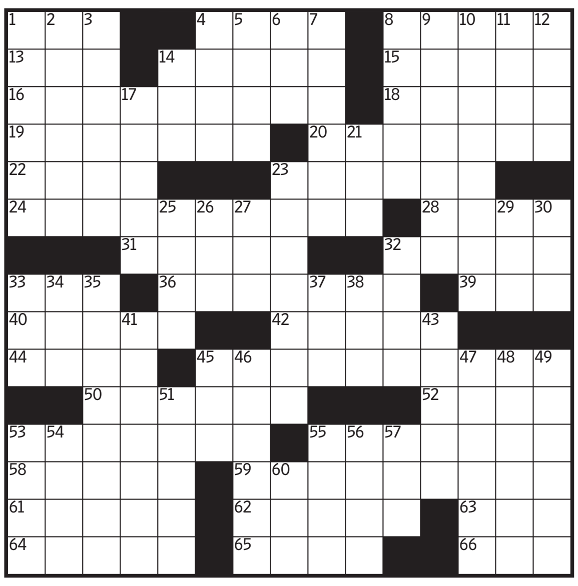
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Anchorage	37	31	c	39	26	c
Atlanta	60	52	c	75	58	c
Austin	84	65	t	72	58	t
Baltimore	48	38	s	58	48	c
Boise	58	41	pc	58	35	c
Boston	46	34	s	46	39	c
Burlington	49	36	s	46	38	r
Charlotte	55	47	pc	72	58	c
Chicago	57	38	r	57	39	pc
Cleveland	53	45	r	49	40	c
Dallas	73	54	t	66	54	t
Denver	50	31	c	54	28	c
Detroit	56	42	r	56	41	c
Honolulu	82	66	s	82	70	s
Houston	84	70	pc	80	62	t
Indianapolis	59	47	r	60	46	c
Kansas City	49	33	r	60	38	pc
Las Vegas	68	53	s	76	57	s
Little Rock	81	57	t	64	55	r
Los Angeles	76	55	s	78	55	s
Miami	77	66	pc	79	69	pc
Milwaukee	53	35	r	51	38	pc
Minneapolis	48	32	pc	52	28	pc
Nashville	69	61	c	72	58	r
New Orleans	81	70	pc	83	69	sh
New York City	50	39	s	50	44	c
Oklahoma City	55	41	r	60	42	c
Omaha	53	34	c	63	34	s
Orlando	78	56	pc	81	60	s
Philadelphia	49	39	s	53	47	c
Phoenix	74	53	s	80	58	s
Pittsburgh	50	47	r	59	47	r
Portland, Maine	45	31	s	43	34	c
Portland, Ore.	54	46	c	56	38	c
Sacramento	74	46	s	76	50	s
St. Louis	62	42	r	57	47	c
Salt Lake City	52	40	s	59	41	c
San Francisco	68	50	s	70	52	s
Santa Fe	48	26	sh	58	29	pc
Seattle	53	43	r	53	40	c
Sioux Falls	50	34	pc	51	27	c
Wash., D.C.	54	44	pc	67	56	c

International

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Amsterdam	45	40	r	45	37	r
Athens	67	54	pc	63	50	pc
Baghdad	90	67	pc	96	75	c
Bangkok	92	79	sh	91	79	t
Beijing	86	60	pc	80	52	s
Berlin	46	36	sh	42	35	r
Brussels	49	43	r	45	36	r
Buenos Aires	73	58	pc	77	60	pc
Dubai	89	71	s	89	72	s
Dublin	48	36	c	47	32	sh
Edinburgh	47	36	r	46	31	c
Frankfurt	48	42	r	50	35	r
Geneva	50	44	r	54	39	r
Havana	85	62	s	85	63	s
Hong Kong	79	69	pc	78	68	s
Istanbul	60	45	pc	52	45	c
Jakarta	85	75	t	87	75	t
Jerusalem	77	58	pc	80	57	c
Johannesburg	79	55	pc	83	56	s
London	56	40	r	47	36	r
Madrid	69	42	s	69	45	pc
Manila	91	74	pc	91	76	pc
Melbourne	71	62	c	84	58	s
Mexico City	82	54	pc	82	53	pc
Milan	62	41	pc	62	47	pc
Moscow	32	13	sn	30	14	s
Mumbai	97	73	pc	92	73	pc
Paris	56	48	r	53	36	r
Rio de Janeiro	87	76	pc	87	75	pc
Riyadh	94	65	s	97	69	s
Rome	59	46	pc	61	50	pc
San Juan	80	73	sh	82	73	pc
Seoul	63	48	pc	65	48	s
Shanghai	72	54	s	77	52	s
Singapore	87	78	t	88	79	t
Sydney	77	66	pc	81	69	s
Taipei City	80	66	s	80	66	s
Tokyo	68	54	pc	68	54	s
Toronto	43	36	r	50	35	c
Vancouver	53	39	sh	50	38	pc
Warsaw	42	31	sh	42	33	r
Zurich	50	42	r	53	34	r

The WSJ Daily Crossword | Edited by Mike Shenk



FULL HOUSE | By Michael Down

Across

1 Texans' org.
4 Walk through water
8 Ghana's capital
13 Craft brew
14 Not survivable
15 With zero chance, informally
16 *Family night option
18 Air freshener brand
19 Purchased from Amazon, say
20 Like many apses
22 Early software version
23 What you come to when you come to
24 *Window-shopping spot
28 Dish designer
31 Time out?
32 Encourage
33 Monopolize
36 *Deluxe armchair feature
39 Dark ___ (hackers' hangout)
40 Cutting comments
42 Happy ___ be
44 Stacked cookie
45 *Midday company
50 Sun Bowl setting
52 Dim memory
53 "Don't misunderstand..."
55 Clip art?
58 Fall bloomer
59 Some college buddies, or both halves of each starred answer
61 Witherspoon of "Big Little Lies"
62 Glass sheets
63 Inexact fig.
64 They're crowded in cabins
65 Tattoo setting
66 Kin of aves.

Down

1 Fat cats
2 Broccoli bit
3 Result in
4 Hourly rate
5 Slightly
6 Reservoir creator
7 Setting on Spinal Tap's amps
8 Beef variety
9 Verb on Monopoly's GO space
10 Brit's TV viewing
11 Joined the steeplechase
12 Greatly impressed
14 Pres. with three VPs
17 Raises
21 Epitome of industry
23 High singer
25 Angled annexes
26 Extra charge
27 Government rule, for short
29 Scratch (out)
30 Presidents Day mo.
32 Antlered animal
33 "Westworld" network
34 Dinghy mover
35 Sushi accompaniment
37 Key in the upper left
38 Academic inst.
41 Most intrepid
43 Ancient Nile region
45 Southeast Asian people
46 Takes illegally
47 Delights
48 Least diffident
49 Secret meetings
51 Heaps for burning
53 Earth neighbor
54 "Ah, got it"
55 Braxton of pop
56 Freaky sign
57 May and Trudeau, for two: Abbr.
60 Cabinet wood

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Previous Puzzle's Solution

SPORTS

MLB

The Mariners' Big Data Experiment

Dee Gordon has played exclusively in the infield, but Seattle believes in his ability to play center after studying the data

BY JARED DIAMOND

Peoria, Ariz.

THE SEATTLE MARINERS entered the offseason realizing they needed a center fielder. They just didn't know where to find one.

Trade discussions proved fruitless. The best free agents cost too much. So general manager Jerry Dipoto gathered his front office and issued a challenge: Come up with a creative solution.

That edict resulted in one of the most intriguing baseball moves of the winter, when the Mariners acquired Dee Gordon, a speedster with a Gold Glove on his résumé—at a different position. Gordon, who turns 30 next month, arrived in Seattle with 523 games' worth of experience at second base, 163 at shortstop and exactly zero in the outfield. He played in the middle infield exclusively in the minors as well.

Yet the Mariners believed so strongly in Gordon's ability to handle center that they sent three prospects to the Miami Marlins and committed to pay the guaranteed $38 million remaining on his contract, sight unseen. They insist they arrived at that conclusion not only with their eyes and instincts, but by using mountains of sophisticated data unavailable to them as recently as four years ago.

If the experiment succeeds, it will serve as a resounding testimonial for how information can spark innovation.

"It wasn't a pure guessing game," Dipoto said. "Now we have the technological and analytical tools to be able to verify our hunch. We're not winging it."

Not long ago, that wouldn't have been the case. The Mariners would've had to rely almost entirely on the opinions of traditional scouts to determine whether Gordon could play in the outfield. Given the amount of money involved, that approach would have exposed them to risk. With Robinson Cano entrenched at second base, they can't just move him back if the transition fails.

But the Mariners had a crucial asset at their disposal: Statcast, Major League Baseball's player-tracking technology that uses high-resolution cameras and radar equipment to record the location and movements of every player on the field. Publicly, Statcast exists as a tool for fans to dissect and analyze baseball in ways unimaginable before its creation in 2015. Privately, however, teams use the numbers Statcast provides to hone a decision-making process with increasingly high stakes.

Before trading for Gordon, the Mariners looked at Statcast to evaluate how he responds to pop-ups and how quickly he accelerates, to figure out what kind of jumps he might get in center. They measured Gordon's top running speed and compared it to premier outfielders to estimate how much ground he could cover in the gaps. (Gordon's average sprint speed on the bases ranked fourth in the majors last season at 29.7 feet per second, the best of any non-center fielder.)

"If you overlay Dee Gordon's tool set on what those guys are doing, it compares quite favorably," Dipoto said.

All of that played a role in the Mariners going ahead with the trade and asking Gordon to do something unprecedented: No player in history has played as many games exclusively in the infield as Gordon before going on to play at least 100 games in a season in center field.

Sonny Jackson came closest, playing 578 games in the infield before playing 145 games in center for the 1971 Atlanta Braves. Hall-of-Famers Robin Yount and Craig Biggio are often cited as the most successful examples of players to move from the middle infield to the outfield. Cincinnati's Billy Hamilton was a shortstop in the minors before shifting to the outfield, while Washington shortstop Trea Turner played 45 games in center as a rookie in 2016.

Asked about his experience, Turner said his biggest challenge was learning to read batters' swings to figure out which way to break, emphasizing that, "When you see a bad swing, it doesn't necessarily mean 'run in right away.'" He added that Gordon's raw speed will help expedite the learning curve and compensate for any early mistakes.

"If he gets a wrong break on a ball or takes a wrong step at first, he can recover," Turner said.

At first, Gordon didn't respond positively when presented with the idea. After winning a Gold Glove at second in 2015, he was a finalist again last season, and, he says, "I honestly felt like I should have won."

But the more Gordon thought about it, the more he viewed Seattle as a worthwhile opportunity. The Marlins were in the process of rebuilding from the ground up, a massive roster teardown that ultimately resulted in Giancarlo Stanton, Marcell Ozuna and Christian Yelich all being traded this winter. If he wanted to compete for a championship anytime soon, staying in Miami made no sense.

So Gordon spoke with David Phelps, his former teammate with the Marlins who went to the Mariners in a trade last July. He liked what he heard. Now, he says, he aspires to become the third player ever to win Gold Gloves at two different positions, joining Darin Erstad and Placido Polanco.

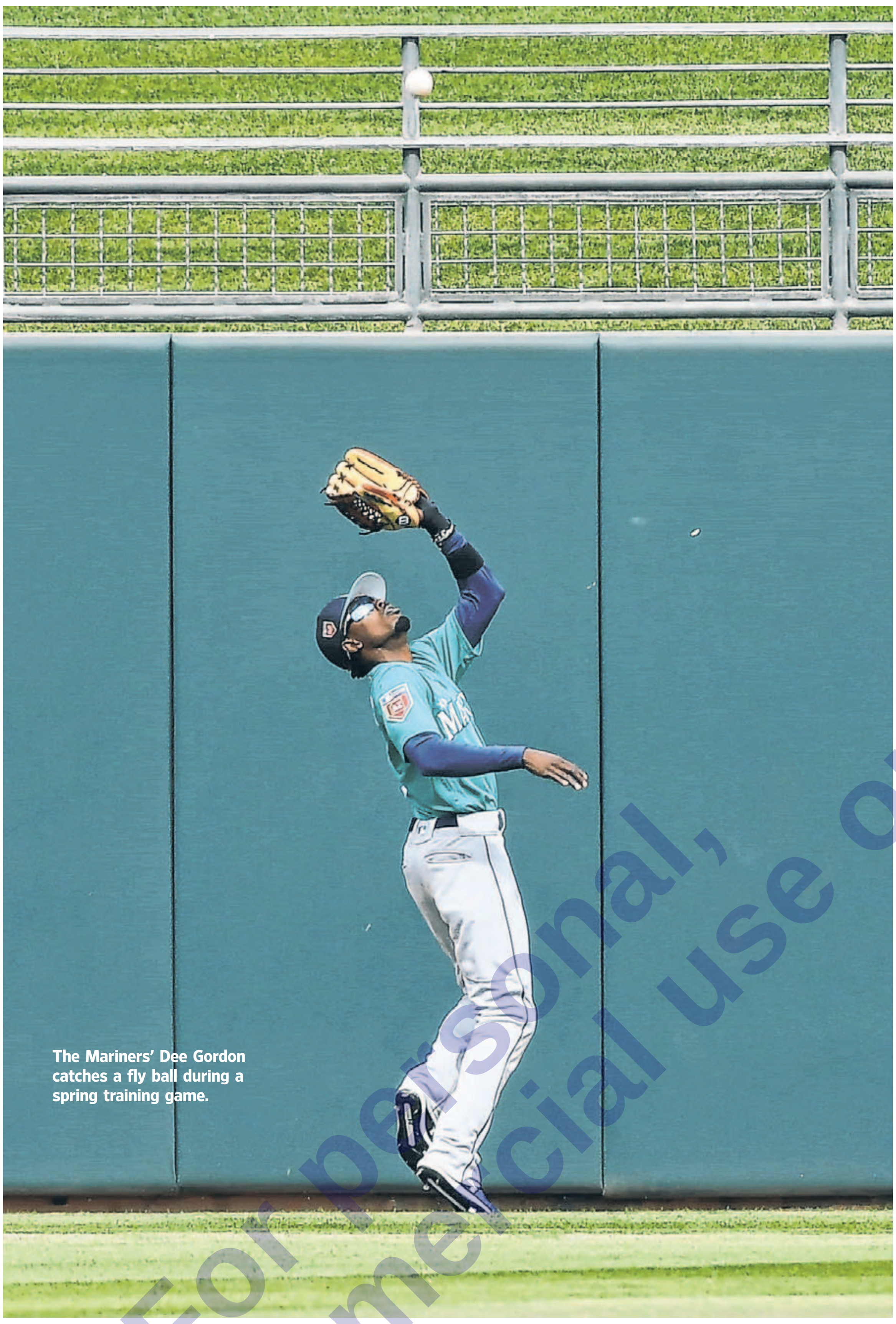
"It takes a special athlete," Mariners manager Scott Servais said. "Dee's at such an elite level with the running speed that it's a no-brainer if he was ever going to move to a position, it would be center field."

Once the trade was finalized in early December, Gordon went to work. He asked his agent to send him some outfield mitts, but discovered it would take longer than he preferred. So he went to the nearest Dick's Sporting Goods and bought whatever he could find on the shelves.

Servais suggested that the Mariners send outfield instructor Chris Prieto to Gordon's home at some point to begin the process, recommending he visit after New Year's. Gordon responded that he wanted to begin even sooner, as in the very next week. He also reached out for Mariners legend Ken Griffey Jr., one of the best defensive center fielders ever, for help.

Now, with opening day coming on Thursday, it's time for Gordon to prove that he's ready. So far, the switch has gone according to plan—just like the numbers said.

"Anytime you're learning something new, it's pretty hard," Gordon said. "I've still got a lot to learn."



The Mariners' Dee Gordon catches a fly ball during a spring training game.

NORM HALL/GETTY IMAGES

FINAL FOUR

LOYOLA EMBRACES MAGICAL RUN

BY ANDREW BEATON

Atlanta

Unless you're a Kansas, Michigan or Villanova die-hard, it's pretty obvious who you should root for in the Final Four. Loyola-Chicago is the No. 11 seed. It's the team with Sister Jean.

But there's another cache of fans rallying behind the Ramblers, for a reason that has nothing to do with their underdog status or a 98-year-old nun: Harry Potter nuts.

It has to do with the scarves you've seen pretty much every Loyola-Chicago fan wearing. Scarves aren't exactly American sports-fan chic. Fans here do all sorts of crazy things like paint themselves or wear cheese on their heads. They don't often wear scarves. European soccer fans do. And so do fans of Quidditch, the fictional broom-flying sport from Harry Potter.

The one way to recognize Loyola-Chicago fans is through their maroon and gold scarves. It's the must-have item for any die-hard or bandwagon hopper. They're impossible to miss. They're not exactly fashionable. They're definitely distinctive.

And those scarves just happen to resemble the ones worn by members of Gryffindor, Harry Potter's house in the blockbuster book-turned-movie franchise. And once Loyola-Chicago began its run to this year's Final Four, fans of the series started to take notice.

"If people are going to say we're from Gryffindor," says Loyola alum Steven Metzmaker, "embrace it."

What exactly does it mean to

> The scarves resemble the ones worn by Gryffindor members, in the Harry Potter series.

embrace it? During their first tournament game, when people started making the Gryffindor-Loyola-Chicago connection, they started tweeting "three points for Gryffindor!" after the Ramblers hit a 3-pointer. (If you're familiar with the franchise and Hermione Granger, you get the joke.)

After the first game, Metzmaker went all in. Once the Ramblers beat No. 6 seed Miami in Dallas, he rented a black robe, the choice attire of wizards everywhere. The rented robe was due back last week. Instead, it went to Atlanta for the regional finals. And now it's heading for the Final Four in San Antonio. He doesn't care what the late fees are.

Since then, he has gotten fake glasses (to resemble Harry Potter) and drawn a lightning-shaped scar on his forehead (also to resemble Harry Potter). He also has a wand. But his wand doesn't have a phoenix feather in it, like Harry Potter's. His is just a stick he found on the ground.

Matt Kuntz had a similar idea. But he wasn't nearly as dedicated. He only spent all of Saturday wearing the scarf and glasses. "Just to play it up," he says.

Fans say it's also the perfect analogy for a team enjoying a run that can only be described as magical. Loyola-Chicago is only the fourth No. 11 seed ever to reach the Final Four. Harry Potter was The Chosen One. They hope Loyola-Chicago is The Chosen Team.

Kuntz's friend, Kevin Brejcha, was once recruited by the Quidditch club on campus. The rules for the sport are slightly different than the books given minor logistical challenges like the fact that brooms don't actually fly. But Brejcha was part of the running club on campus, and they needed someone fast to play the Snitch—the fast-flying sphere that has to be caught to end the game. Brejcha respectfully declined. "I was like, 'Listen, I love Harry Potter, but I'm not about to run around in a gold onesie around campus,'" he said.

Surely, there's a role for Sister Jean in all of this. How could there not be?

Metzmaker, the fan who attended NCAA tournament games with a twig he called a wand, sees Professor Minerva McGonagall, the wise head of Gryffindor, in the team's chaplain. "They both serve in a caring role," Metzmaker said.

Loyola-Chicago fan Matt Kuntz, center, wears a scarf and fake glasses (to resemble Harry Potter).

KEVIN T. BREJCHA

OPINION

John Bolton Is No Bugaboo

GLOBAL VIEW
By Walter Russell Mead

John Bolton's appointment as White House national security adviser has produced an avalanche of angry and fearful media coverage; not since Groucho Marx's heyday has an American mustache enjoyed this much attention.

The panicked response to Mr. Bolton's arrival reflects the inflammatory nature of today's most urgent foreign-policy problem: the spread of weapons of mass destruction. It was Saddam Hussein's alleged pursuit of WMDs that launched the Iraq war; the North Korea standoff involves Kim Jong Un's steadily advancing nuclear and ballistic-missile technology; and the Iran deal Mr. Bolton wants to kill was the Obama administration's response to that country's nuclear aspirations.

The basic problem is an old one. Since 1945, the world's leading statesmen have pondered how to stop potentially planet-killing superweapons from being used. During the Cold War, it was mostly about preventing an all-out nuclear exchange between the U.S. and the Soviet Union. After 1989 the focus shifted to the problem of "rogue states" like Iran and North Korea. Advancements in chemical and biological WMDs added another layer of complexity.

There are two schools of thought for how to deal with proliferation. Multilateralists believe that a global threat like WMDs can be addressed only through a cooperative effort. In this view, international accords—like the 1968 Nuclear Nonproliferation Treaty, which now includes most of the countries on Earth—can be enforced successfully by the United Nations Security Council.

He believes the U.S. must be prepared to act alone, but Trump will take convincing.

Unilateralists like Mr. Bolton disagree. They believe the treaties are too weak and the "international community" is too cynical and divided to summon the determination needed to confront bad actors who defy the treaty's limits. The U.S. must be prepared to act alone, they insist, even if that means war.

Unilateralists see multilateralism as a policy of graceful surrender. They note that despite decades of sanctions and talks, North Korea has become a nuclear power; similarly, the sunset clauses in the Obama administration's Iran deal will soon make its path to the bomb relatively easy.

Multilateralists retort that the only alternative is to embroil the U.S. in destructive wars that would diminish American power and undermine international stability. Mr. Bolton, they point out, was a strong supporter of the Iraq war. That unfortunate quagmire, they say, could have been avoided had the U.S. listened to the U.N. and abided by the multilateral regime.

Since 1945 both multilateralists and unilateralists have had a voice in shaping American nonproliferation policy, and today both sides are partly right. The trouble is that the clock is running out. North Korea and Iran represent tipping points in their regions. A failure to decommission Pyongyang's nuclear weapons and halt its missile development would likely prompt East Asian countries including Japan and South Korea to build their own bombs. Likewise, a nuclear Iran would almost certainly lead to a nuclear Saudi Arabia, a nuclear Turkey and perhaps a nuclear Egypt.

Americans instinctively look to technological progress to solve the most difficult human problems, but in this case it is working against us. During World War II, the world's greatest economic power created a consortium of brilliant scientists to build the first primitive nuclear bombs; today, third-rate countries and undistinguished engineers can do the same on relatively tight budgets.

At the same time, technological progress is opening the door to new superweapons that may be even harder to control. Policy makers now need to weigh the prospect of cyberattacks on everything from banks to the electric grid, as well as bio-weapons. Weapons programs of this kind are much harder to detect than those aimed at developing nuclear capabilities. The problem of proliferation seems destined to grow.

Messrs. Trump and Bolton may well get nonproliferation policy wrong, but they are right that the conventional methods are not working. Something in American policy needs to change.

Does Mr. Bolton's appointment mean the Trump administration is moving toward war with North Korea or Iran? Perhaps, but it won't be the mustachioed national security adviser who makes that call. On the evidence of his presidency so far, nobody tells The Donald what to do: not lawyers, not generals, not cabinet officers, not diplomats, not congressional leaders, not relatives, not even talking heads on cable TV.

Mr. Bolton didn't plunge American WMD policy into its current state of crisis and uncertainty, and he won't be the one who decides what to do about it. Meanwhile, Mr. Trump, whose ears are finely attuned to the sentiments of his base, knows that they like tough talk but hate long wars.

Lois Lerner's Last Laugh

MAIN STREET
By William McGurn

Just after Labor Day 2016, when the U.S. presidential race was entering full swing, columnist George F. Will urged Congress to undertake a seemingly futile gesture: He wanted the House to impeach John Koskinen, commissioner of the Internal Revenue Service.

Mr. Koskinen had taken over as head of the IRS after it had been exposed for singling out for mistreatment conservative groups applying for tax-exempt status. He lied to Congress when he said he had produced all of Lois Lerner's emails, allowed documents under subpoena to be destroyed, and generally behaved in a way that helped ensure there would be no hard consequences for the abuses. Though Mr. Koskinen had only a few months left on the job, Mr. Will argued that impeaching him might help Congress restore its much diminished standing as a coequal branch of government.

Not quite two years later, Congress continues to pay the price for letting Ms. Lerner and Mr. Koskinen ride freely into the sunset. Though the IRS and other federal agencies—including the State and Justice Departments, as well as the Federal Bureau of Investigation—are now headed by Trump rather than Obama appointees, they continue to spurn congressional oversight demands with near impunity.

Here's one example: When House Intelligence Committee Chairman Devin Nunes subpoenaed documents and testimony from the FBI and Justice Department, he was stonewalled for months. In a last-minute bid to circumvent the committee's demands, FBI Director Christopher Wray and Deputy Attorney General Rod Rosenstein met with Speaker Paul Ryan. The two men ended up agreeing to comply with the subpoenas—but only because Mr. Ryan informed them they would be found in contempt if they did not.

This kind of stonewalling has fed the agitation on Capitol Hill for a second special counsel, who would look into everything from the FBI's handling of the Clinton email investigation to the use of the Christopher Steele dossier to obtain warrants to listen in on members of the Trump campaign. The calls are mistaken. But the frustration is real, and the people demanding a new special counsel—from Chuck Grassley and Lindsey Graham in the Senate to Kevin McCarthy and Bob Goodlatte in the House—are no fringe players.

These calls proceed despite an imminent report from Michael Horowitz, the Justice Department's inspector general. The report promises to reveal telling details about what went on at Justice and the FBI, including why the FBI itself would come to recommend the firing of Deputy Director Andrew McCabe. But those pushing for a special counsel say an inspector general is not enough, because he has limited power to subpoena and no power to indict.

All this is true. But missing here is any discussion of the powers *Congress* itself has, including but not limited to the subpoena and contempt powers that ultimately forced Mr. Wray and Mr. Rosenstein into compliance.

If it only has the backbone, Congress can get what it wants out of the federal bureaucracy.

If Congress did its job, nobody would be talking about another special counsel.

Several executive-branch officials—including Justice's Bruce Ohr and FBI lovers Peter Strzok and Lisa Page—will soon testify before the House Intelligence Committee. Possibly some or all of them will invoke their Fifth Amendment right against self-incrimination.

If Congress insists on its prerogatives, however, that wouldn't be the end of the story. Witnesses who plead the Fifth can still be compelled to testify. The price is that the compelled testimony, and evidence derived from that testimony, couldn't be used against the witness in a prosecution.

A special counsel might not like this, given his emphasis on indictments and prosecutions. But Congress should, because its end goal is political accountability. Which would be up to the American people to impose after learning exactly what abuses have transpired.

Of course, Congress has its own ways of showing its displeasure, including cutting the budgets of recalcitrant agencies. Given budget rules, this would require the cooperation of some Democrats, who are unlikely to go along. Nevertheless, the power of the purse remains a tool Congress can use to make the executive branch pay a price for its actions.

Above all, there is impeachment. The constitutional power to remove officials from office for "treason, bribery or other high crimes and misdemeanors" is a writ far broader than anything a special counsel enjoys.

Then again, it's not easy to impeach a federal official, and it shouldn't be. As Mr. Will pointed out in his column calling for Mr. Koskinen's impeachment, "no appointed official of the executive branch has been impeached in 140 years." Mr. Koskinen was not impeached, and he and Ms. Lerner rode off into the sunset without having to answer for their actions and deceits.

Ask yourself this: Is it likely our federal agencies would be so haughty about Congress and its subpoenas if Mr. Koskinen *had* been impeached?

So instead of whingy calls for another special counsel, a Congress that behaved as a branch of government coequal to the presidency would use its own powers to force oversight on resisting federal officials. Even if this might ultimately include impeaching FBI Director Christopher Wray.

Write to mcgurn@wsj.com.

The EPA Cleans Up Its Science

By Steve Milloy

The Environmental Protection Agency will no longer rely on "secret" scientific data to justify regulations, Administrator Scott Pruitt announced last week. EPA regulators and agency-funded researchers have become accustomed to producing unaccountable, dodgy science to advance a political agenda.

The saga began in the early 1990s, when the EPA sought to regulate fine particulate matter known as PM2.5—dust and soot smaller than 2.5 microns in diameter. PM2.5 was not known to cause death, but by 1994 EPA-supported scientists had developed two lines of research purporting to show that it did. When the studies were run past the EPA's Clean Air Science Advisory Committee, it balked. It believed the studies relied on dubious statistical analysis and asked for the underlying data. The EPA ignored the request.

As the EPA prepared to issue its proposal for PM2.5 regulation in 1996, Congress stepped in. Rep. Thomas Bliley, chairman of the House Commerce Committee, sent a sharply written letter to Administrator Carol Browner asking for the data underlying studies. Ms. Browner delegated the response to a subordinate, who told Mr. Bliley the EPA saw "no useful purpose" in obtaining the data. Congress responded by inserting a provision in a 1998 bill requiring that data used to support federal regulation must be made available to the public via the Freedom of Information Act. But it was hastily written, and a federal appellate court held the law unenforceable in 2003.

The controversy went dormant until 2011, when a newly Republican Congress took exception to the Obama EPA's anticoal rules, which relied on the same PM2.5 studies. Again the EPA was defiant. Administrator Gina McCarthy refused requests for the data sets and defied a congressional subpoena.

Bills to resolve the problem died in the Senate. Democrats argued that requiring data for study replication is a threat to intellectual property and an invasion of medical privacy.

Now Congress should act to lock in place data transparency.

In fact, the legislation would protect property by requiring a confidentiality agreement, and no personal medical data or information would have been released.

This sort of data is already routinely made public for research use. In 2012 I was desperate for a way around the Obama EPA's secrecy on the PM2.5 issue, I found out in 2012 that I could get California death-certificate data in electronic form. The state's Health Department calls this sort of data "Death Public Use Files." They are scrubbed of all personal identifying and private medical information. Some of my colleagues used this data to prepare a 2017 study, which found PM2.5 was not associated with death.

The best part is that if you don't believe the result, you can get the same data for yourself from California and run your own analysis. Then we'll compare, contrast and debate. That's how science is supposed to work.

It would be better if Congress would pass a law requiring data transparency. A future administrator may backslide on the steps Mr. Pruitt is taking. In the meantime, we have science in the sunshine.

Mr. Milloy publishes JunkScience.com and is the author of "Scare Pollution: Why and How to Fix the EPA" (Bench Press 2016).

BOOKSHELF | By Leigh Montville

A Phenom's Rise and Fall

Tiger Woods

By Jeff Benedict and Armen Keteyian
(Simon & Schuster, 490 pages, $30)

The Nike television ad was a stylish part of the public-relations explosion when Eldrick "Tiger" Woods moved from Stanford University onto the professional golf stage in the late summer of 1996. A guy named Jim Riswold put it together, soft music in the background, a string of children saying the same phrase, "I'm Tiger Woods."

"I'm Tiger Woods," the African-American child said.

"I'm Tiger Woods," the Asian-American child said.

"I'm Tiger Woods," said the rest of the children, one after another, all filmed against varied backgrounds and in varied situations, leading to the finish, where the real Tiger Woods on a golf course blasted a slow-motion drive, long and straight and perfect into the morning mist.

The message was that the future was here. That creaky door in front of that creaky country-club sport of privilege had been pulled open, and this 20-year-old prodigy, this multiracial pied piper, had arrived to bring new people and new ideas to the first tee. Hallelujah. Who wouldn't want to be Tiger Woods? He was going to be the greatest player in the history of the game, a role model for everyone, a bright light, a shining star.

And he was.

And then he wasn't.

"Barefoot and groggy, the most powerful athlete on the planet hid behind a locked bathroom door," Jeff Benedict and Armen Keteyian write in the first paragraph of the first chapter of "Tiger Woods," their biography of the pre-eminent golfer of our time. "For years, like an escape artist, he had been able to cover the tracks of his secret life. Not this time. His wife was finally on to him. But there was so much more she didn't know—so much more that no one knew."

And away we go.

The tale of Mr. Woods's grand rise, grand fall and considerable indiscretions has been told in fits, starts, bits and substantial pieces in the 20-plus years since his PGA debut on Aug. 29, 1996, at Brown Deer Golf Course outside Milwaukee, but Messrs. Benedict and Keteyian have stuffed everything into an immensely readable 404 pages. Drawing on more than 20 previous books about Mr. Woods, over 250 new interviews and countless TV broadcasts, newspaper and magazine stories, and court records, the authors have laid out a saga that is part myth, part Shakespeare, part Jackie Collins, plus a touch of ESPN and a larger touch of the Lifetime channel.

Mr. Woods is ascendant for 14 years, the greatest golfer anyone has ever seen: 79 wins on the PGA tour, 14 wins in major championships (a sure thing to break Jack Nicklaus's record of 18). He is everything he is supposed to be. Mr. Woods then is in descent, lower than low after an argument with his wife and a car crash outside his home at 2 a.m. on Nov. 27, 2009. Infidelities are soon laid out and spelled out: He spends 21 straight days on the back page of the New York Post. He is a public embarrassment.

Tiger Woods's 'unapologetically self-centered attitude' has been critical to his success on the fairway—but most harmful in his personal life.

The story is irresistible. The good guy becomes not only the bad guy but turns out not to have been a very good guy all along.

"Tiger's inability to show gratitude, apologize, or express appreciation was rooted in his warped upbringing," Messrs. Benedict and Keteyian write, describing their sad leading man. "His mother pampered him like a prince, and his father rarely uttered the words *thank you* or *I'm sorry*. Tiger learned early and often that his needs were all that mattered. His unapologetically self-centered attitude was critical to his success in golf, but it had an utterly devastating impact on the way people perceived him. Sadly, Woods didn't seem to care about the latter part."

His day-to-day humanity seems to have been traded for wealth, success, power. He is rude, boorish, unable to sustain long relationships. The golf course is where he seems to know all the answers about clubs, distance, direction, sand, water and the roll of a white ball across a well-mowed green. Life is where he seems to know very few answers.

The authors admit that they were hindered by the fact that a number of his closest associates had signed confidentiality agreements—apparently a modern-day norm around the rich and powerful—so that many of the interviews they conducted were with people unbound by such agreements and ultimately disappointed by their relationships with Tiger. These people do control the book's narrative. "This is not going to end well," the reader realizes when a talkative girlfriend, business associate, caddy or neighbor is introduced.

Sure enough. The high school girlfriend is dismissed with a letter, impersonal and stiff. Never hears from Tiger again. The business associate, after years of work, receives the same treatment. The caddy. The swing coach. Another girlfriend. Waiters and waitresses are handed meager tips. People who do favors are forgotten, not even recognized. Writers who thought they were friendly if not friends become flat-out enemies. Disappointment is a constant in relationships.

"Sooner or later, you have to be a human being," fellow golfer Mark O'Meara, once a best friend of Mr. Woods, says about the disappearance of the friendship. "I don't know. It's not the same. I wish it was."

The timing of this book is remarkable. After many missed cuts, a humiliating DUI arrest, painful back problems and a series of surgeries, Mr. Woods has apparently returned to form. He finished second two weeks ago in the Valspar Championship at Innisbrook and fifth last week at the Arnold Palmer Invitational at Bay Hill. He approaches the upcoming Masters as one of the favorites. He has won that tournament four times.

Messrs. Benedict and Keteyian bring us along for the ride in a whirlwind of a biography that reads honest and true. The future is up to the subject of their prose.

"I'm Tiger Woods," the commercial said.

We don't know yet quite who that is. The final chapter is yet to be written.

Mr. Montville is the author, most recently, of "Sting Like a Bee: Muhammad Ali vs. the United States of America, 1966-1971."

REVIEW & OUTLOOK

The Tale of Stormy Donald

Every sentient voter in 2016 understood that Donald Trump had a bad history with women. He survived politically because his opponent had spent 20 years denying or apologizing for even worse behavior by her husband. But mistakes of character tend to catch up with everyone, and that's what is now happening with President Trump and his many women.

Stormy Daniels (real name: Stephanie Clifford) may be a porn star and admitted liar with a shark for a lawyer, but her tale on CBS's "60 Minutes" Sunday still has the potential to harm Mr. Trump. That's not because of the 2006 hookup or its mockable details. Mr. Trump denies that it happened, but then why did his lawyer Michael Cohen go to such lengths to keep it quiet before Election Day in 2016?

The problem as ever is the cover-up. The Journal broke the story earlier this year that Mr. Cohen paid Ms. Clifford $130,000 in late October of 2016 not to talk about the liaison with Mr. Trump. On Sunday Ms. Clifford agreed it was "hush money." The legal agreement has now broken down in mutual recriminations, and Mr. Cohen insists that he paid the $130,000 on his own without any discussion or repayment from Mr. Trump.

The legal issue is whether Mr. Cohen's payment violated campaign-finance laws by exceeding the $5,400 donation limit from any individual. John Edwards, the former Democratic vice presidential nominee, was indicted in 2011 for using illegal campaign donations to conceal news about his mistress from voters.

A jury acquitted Mr. Edwards in 2012, in part due to the complexity of campaign-finance law, but that may not matter to Robert Mueller. The special counsel is supposed to be investigating Russian interference in the 2016 election but has already gone far afield to indict Paul Manafort and Rick Gates on money-laundering charges. Don't be surprised if he also tries to squeeze Mr. Cohen to get to Mr. Trump.

His willful self-indulgence catches up to President Trump.

It's impossible to predict how all of this will play out politically. Many Trump partisans will refuse to believe it or claim it's irrelevant. But our guess is that at the margin this contributes to a growing public belief that Mr. Trump's personal flaws are undermining his chances for a successful Presidency.

Two months ago he had emerged from a tumultuous first year with the triumph of tax reform and rising poll numbers. The strong economy had Republicans closing the gap with Democrats on who should run Congress next year. But Mr. Trump can't resist promoting White House strife and making himself the center of political tumult.

His recent selections of John Bolton and Mike Pompeo for his security team are first rate. But Mr. Trump's reality-TV dismissal of their predecessors was nasty and chaotic. On Friday he threatened to veto a budget bill his own staff had been negotiating for weeks—further souring voters on the GOP Congress. Doesn't he realize that if Democrats win the House, they will vote to impeach him?

Mr. Trump can't retain the best legal counsel because no one wants a client who ignores all advice. He wants to answer questions from Mr. Mueller but probably won't prepare enough to avoid even accidental self-incrimination. The Stormy Daniels case is typical of Mr. Trump's pre-presidential behavior in thinking he can, with enough threats and dissembling, get away with anything. He's never understood that a President can't behave that way, and this may be the cause of his downfall.

The Spies Who Went Back to the Cold

Britain's NATO allies escalated their response to this month's nerve-gas attack in Salisbury by expelling a clutch of Russian diplomats (read: spies). This is a welcome display of alliance solidarity, but Vladimir Putin won't be impressed until the West goes after Russian money abroad.

The U.S. is expelling 60 Russians, including 12 working at the United Nations in New York, the largest diplomatic expulsion of Russians on record. The Trump Administration also is forcing the Russians to close their consulate in Seattle, on grounds that its proximity to a naval base makes it a hothouse for espionage. This follows last year's forced closure of the San Francisco consulate and scaling back of Russian missions in New York and Washington.

In a coordinated move, Canada, Ukraine and at least 15 European Union nations or candidate-countries also expelled several dozen Russian spies, in addition to the 23 diplomats Britain already had sent packing.

All of this is in response to the March 4 Salisbury attack, in which Russian agents used a banned nerve gas to try to assassinate a Russian double agent living in Britain. The attack also poisoned the intended victim's daughter and a police officer.

The Kremlin and its apologists in the West, such as British Labour leader Jeremy Corbyn, are still trying to pretend there's some doubt about Moscow's culpability. In the real world, Washington, Paris and Berlin have endorsed London's view that there is no plausible alternative explanation. Yet not everyone is on board, or wholeheartedly so. Greece's government, which hasn't expelled anyone, was at the forefront of efforts last week in Brussels to downplay Russia's responsibility and stall an EU response.

Putin won't change until the West targets the cash of Kremlin cronies.

The danger is that Monday becomes the high-water mark for Europe's united front on Russia. Mr. Putin's real vulnerability is the cash and other assets held by his cronies around the world. Some NATO allies recognize the weakness and how to exploit it. The U.S. has imposed financial sanctions on Putin associates in recent years. Britain is set to pass a Magnitsky Act to sanction Russian human-rights abusers, a law already on the books in America, and Lithuania on Monday extended sanctions on some Russians under its version of the law.

Broader agreement may prove elusive. The EU has imposed sanctions on Russians since 2014 in response to the shooting down of Malaysia Airlines Flight 17 over Ukraine. Invariably there's pressure to ease them when they come up for renewal every six months. Some countries that expelled diplomats this week, such as Italy, are less likely to support expanding sanctions. Germany, which kicked out four Russian diplomats, is helping Mr. Putin build a gas pipeline through the Baltic Sea that will let him use energy to blackmail central Europe.

Prime Minister Theresa May deserves credit for laying out the evidence for Russia's responsibility and assembling a coalition of the appalled. But Mr. Putin will ignore this united front if it means he can merely send replacement spies. He won't change his behavior until he pays a serious price—and that means money.

The McCabe-Flynn Double Standard

Double standards are a way of life in Washington, but they can still manage to take you aback. Witness the different standards applied to the recent punishments of former FBI Deputy Director Andrew McCabe and former Trump National Security Adviser Michael Flynn.

Attorney General Jeff Sessions fired Mr. McCabe on March 16, acting on the recommendation of career employees in the FBI's Office of Professional Responsibility. That followed Justice Department Inspector General Michael Horowitz's finding that Mr. McCabe made an unauthorized disclosure to the media about the Hillary Clinton server investigation, but more importantly lacked candor under oath with internal investigators.

Democrats and various media voices described the McCabe firing as vindictive, because it disqualified the former agency No. 2 for early retirement benefits and came amid Donald Trump's crass attacks on Mr. McCabe.

On Friday Mr. McCabe defended his conduct in the Washington Post. "Amid the chaos that surrounded me," Mr. McCabe wrote, "I answered questions as completely and accurately as I could. And when I realized that some of my answers were not fully accurate or may have been misunderstood, I took the initiative to correct them." He says he "may well have been confused and distracted."

The country will have to wait for Inspector General Horowitz's report to judge this claim. What we do know is that federal law has a policy of zero tolerance toward anyone who makes false statements to the FBI—a felony charge with up to a five-year prison sentence. Presumably the critics would have preferred the Attorney General to hold Mr. McCabe to a lower standard than that for average citizens.

One is treated as an anti-Trump martyr, the other as a pariah.

Compare the conventional wisdom after the McCabe firing to its efficient disposal of Michael Flynn. In January 2017, Mr. Flynn denied to the FBI that he had discussed Obama-era sanctions with Russian Ambassador Sergei Kislyak prior to Mr. Trump's inauguration. As incoming National Security Adviser, Mr. Flynn would have known the government was monitoring Mr. Kislyak's phone, which makes it unlikely he'd intentionally lie.

He agreed to talk to the FBI's agents with no counsel present. And in March 2017 former FBI Director James Comey told the House Intelligence Committee that the two agents who interviewed Mr. Flynn concluded he hadn't lied but had forgotten exactly what he'd discussed.

Still, what he told the FBI was false, and in December Special Counsel Robert Mueller extracted a guilty plea from Mr. Flynn on the charge of lying to the FBI. There is reason to believe Mr. Flynn took the deal to end the threat of financial ruin, or the prosecution of his son, Michael, Jr. Be that as it may, it's hard not to notice that in what is considered polite Washington society today, Mr. McCabe has been elevated as a martyr to the anti-Trump cause, while Mr. Flynn's fall is necessary justice.

No one knows where the Mueller investigation is going to end up. But the country would be better able to absorb the result if it believed that Washington was playing it straight, and not playing favorites.

LETTERS TO THE EDITOR

Doctors Debate Electronic Health Records

Regarding Marion Mass and Kenneth A. Fisher's "Why Your Doctor's Computer Is So Clunky" (op-ed, March 21): It took only half a dozen years after the 2009 diktat (to computerize patient records) for the life expectancy in the U.S. to fall. Electronic health record (EHR) systems are a clear and present danger and have vastly increased, not decreased, medical errors.

In the past I could see 20 patients in a morning clinic. Now I see eight at most. However, because federal policies have forced me into employment by a hospital system and out of an independent private practice, I'm not the one losing money.

J. Joseph Perry, M.D.
Salt Lake City

Drs. Mass and Fisher are 100% correct in their analysis of EHRs. To understand why this happened, follow the money. EHRs were never developed by practicing physicians but were pushed on doctors, nurses and hospitals by central planners, Silicon Valley investors, software engineers and hardware manufacturers. Central planners and insurance companies wanted EHRs to manipulate physicians away from their patients' needs in an attempt to bend the cost curve. The profiteers creating EHRs just want to sell something, preferably with an annuity attached. The American Recovery and Reinvestment Act of 2009 and the Affordable Care Act's funding for EHRs was pushed by lobbyists selling a false dream. Although a continuous file of one's lab tests, radiological services, past surgeries and comprehensive hospital-discharge summaries is beneficial, the volumes of other data, redundancies and minutiae waste doctors' and nurses' time and cause more harm than good.

Howard C. Mandel M.D., FACOG
Los Angeles

I am an internist working for myself for the last 20-plus years, the last eight of them using EHRs. I manage a busy outpatient practice along with a hospital practice, and I find EHRs very useful. They've made me more productive and efficient and the patient experience less error prone.

The financial burden to a physician who uses EHRs on a daily basis is overstated. My cost (and the typical average cost) is only a few hundred dollars a month. Contrary to the authors' assertion, there is ample competition in the EHR industry, though these systems lack interoperability

Medical providers are slow and resistant to change. There is a great resistance to implement evidence-based medicine. I have many physician colleagues who cannot let go of beepers and analog fax machines. A seismic cultural shift is required on the part of medical providers to work with EHRs. If EHRs are an evil, they are a necessary one. We cannot go back to the Stone Age and use paper and pencil to manage 18% of GDP.

Ajay Parikh, M.D.
Longwood, Fla.

Competition is needed to promote the best EHR systems, but the culprit of low competition isn't government but the monopolistic tendencies of large medical-care institutions and the institutional-level EHR industry itself.

To promote competition we need smarter regulation. Doctors are being forced into large networks partially because they need the connectivity of EHRs to receive referrals from other connected doctors, and continuous information to facilitate patient care. They are then forced into EHR systems over which they have little influence. If the government were to mandate true interoperability, groups would be much more free to choose systems that met their needs and those of their patients, and better EHRs would quickly follow. Likewise, government should set rules of competition so that primary-care doctors can fulfill their medical fiduciary responsibility to find the best care for their patients, and not be tied into a network that mandates one solution for all.

Budd N. Shenkin, M.D., MAPA
Berkeley, Calif.

The doctors indicate that they spend hours of their workday as data-entry clerks. This only shows one side of the problem. The other is that so much data is generated, not even a speed reader could review the typical file. Too much information is as bad as no information.

Jay Tate
Hilton Head, S.C.

Private doctors are usually reimbursed by set insurance-fee schedules without the ability to pass along increasing overhead costs to patients. The high cost of EHRs is a major reason many doctors become hospital employees.

Gerald J. Broock, M.D.
Portland, Ore.

Is the Fed Confused About Inflation's Cause?

Larry Kudlow and Stephen Moore set out to debunk the pervasive half-truth that inflation always is a result of rapid growth and low unemployment. They emphasize often overlooked supply-side increases that constrain inflationary forces ("Who's Afraid of Higher Wages?," op-ed, March 13).

They steer clear of the Federal Reserve's central role in sowing confusion about the causes of inflation. The Fed's obsession with its arbitrary 2% inflation target compels them to argue that higher inflation is desirable because it is always linked to stronger economic growth. The governors simply ignore evidence to the contrary, such as in 2017 when, after the first quarter, growth accelerated and unemployment fell, yet inflation rates declined.

Em. Prof. Robert F. Stauffer
Roanoke College
Salem, Va.

Messrs. Kudlow and Moore's op-ed reminds me of a simple question that my father used to ask: Why would anyone ever think that the government giving me $1 back in taxes, and me spending that $1, is more inflationary than the government keeping my $1 and somehow spending $1.25?

Brian Jenkins
Crofton, Md.

Today's Immigrants Have Advantages the Irish Didn't

Regarding the letters of March 21 on Irish immigrants: The assimilation of the Irish in the 19th century was aided by their race and language but there were no laws against discrimination, no Equal Employment Opportunity Commission, no equal-opportunity employers and no safety nets for the unfortunate. Bigotry was socially and intellectually acceptable.

Today's immigrant enters a country where bigotry is condemned, one that nearly a decade ago elected a person of color as president. Today's immigrant faces different challenges than the Irish did a century and more ago, but they also have advantages the Irish didn't have.

Beril Grant
Seymour, Ind.

Other Species Can't Adapt Easily to Climate Change

Paul C. Quigg points out (Letters, March 21) that the small temperature fluctuations brought about by global climate change pose no direct problem to the human race as we easily adapt and live in a broad range of climatic conditions. He is correct.

What isn't emphasized is that we are already seeing higher rates of disruptions and die-offs in various species of plants and animals. These changes are already causing significant problems in many geographical areas and biological niches. I would hope that we all strive to keep aware of the larger picture and understand that the earth is a complex balance of ecological systems, and that we have grown large enough in both number and impact that we affect the planet's health in significant ways.

It is time we assume the role of intelligently managing our planet so that it remains healthy for our children and our children's children.

Stu Alderman
Reno, Nev.

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Pepper ... And Salt

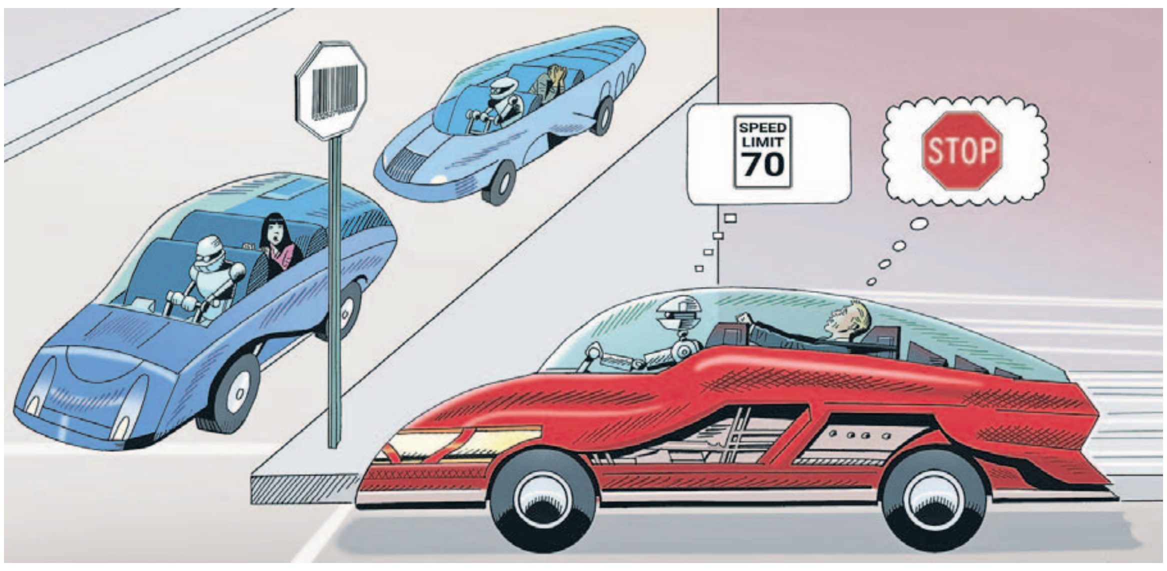
THE WALL STREET JOURNAL

"I've got only seven 'likes' in my cart."

OPINION

Our Future Is Safer, but Terrifying

By Abigail Shrier



MARTIN KOZLOWSKI

We knew it would happen eventually. In the wee hours last week Elaine Herzberg, 49, stepped off a median in Tempe, Ariz., pushing a bicycle well outside the crosswalk. She became the first pedestrian killed by a self-driving car. Uber's autonomous Volvo SUV, traveling at 38 mph, apparently didn't even brake.

Someday, if not already, autonomous vehicles will be safer than human drivers. There will still be tragic deaths, but comfort yourself with the likelihood that there will be far fewer. Nonetheless, there is something acutely distressing about the possibility of dying on the fender of a robot.

I've known only one driver involved in a fatal crash with another vehicle. The woman who died was a stranger to him. She was riding a motorcycle at night. The insurance company ruled the accident her fault. But it shook him hard. For months, he couldn't sleep. For even longer, it was all he could talk about.

Robot cars will eventually be less accident-prone, but they'll kill something of our humanity.

When an innocent dies, this is precisely the soul-quaking the rest of us are supposed to feel. Somehow the prospect of receiving a condolence letter from a Silicon Valley PR department doesn't cut it. Not everybody is kind, thoughtful or liable to care. But with human beings, there is always the chance that we'll come around. That we'll feel something. That, bound together in this project of civilization, we'll feel diminished by another's death, at least a little. And there is comfort in this.

Enough friends at dinner parties have solemnly instructed me that autonomous vehicles are "the future" that I know better than to object. I must accept a future filled with squadrons of humming robots—as I accepted, as a child, the blithe news from a well-meaning docent at the Maryland Science Center that one day the sun would burn out.

The streets of Arizona, Pittsburgh and Toronto are already crawling with progress. Fellow Californians, buckle up. Our state now has given 50 companies licenses to test truly self-driving cars, with no requirement that a human be in the driver's seat, so long as the vehicles can be operated remotely in an emergency. If the thought of an oily-faced 20-something gamer breaking from a "Grand Theft Auto" bender to take your minivan for a remote spin makes you nervous, the future is not for you. Auto makers are prepping for the day when cars will have no steering wheels or pedals at all.

Perhaps we shouldn't worry about hacking—the possibility that a malevolent programmer could send 100 cars vaulting over the rails of the Chesapeake Bay Bridge or colliding at high speeds on the Schuylkill Expressway. Or that stickers on stop signs can confuse robotic vehicles, which mistake them for speed-limit signs and race on. Or that routine car washes can ruin their cameras. Or that two armed robbers—or even troublemakers—might one day step in front of your driverless car, which will stop politely and effectively trap you on the road.

A Duke robotics professor, Mary Cummings, warned recently on CNBC that the perception systems of these vehicles are still "deeply flawed" and, in her estimation, "unquestionably not safe" for public roads. "You can go to every single company," she said, "and if they're honest with you, they're going to tell you that they have major gaps in computer vision, sensor fusion, building of world models that comes from all the data that they're gathering." Kinks, details, trifles.

Eventually, the technology geniuses will make these cars so safe, there will be no question whether the robots drive better than we do. The sensible among us will call to ban human drivers, who will seem like killers, if only in contrast. Then we'll be at the robots' mercy. Think self-checkout, or computerized call centers—the shiver of vulnerability as we cry out to nobody in particular, "Agent! Agent! Agent!" "Can somebody please help?"

As for the countless cabbies and Uber drivers, many of them immigrants, single parents and strivers, they'll be gone. Who needs the small talk? Who needs a first hello in a new city, a little insight into a part of America we might not otherwise see, while the drivers get a glimpse into ours?

When driverless cars rule the road, we likely will inhabit a profoundly different America. An edgier one. A less friendly one, because friendliness is an adaptive tool we've honed to get along in an interdependent world. The less we need one another, the less we interact, the less reason we will have to care or forgive or cut one another a break.

All of this, I can almost accept. But that isn't the worst of it. A society that would entrust the lives of its members to the correct functioning of its not-quite-ready robots, rather than human judgment and effort, is very different society indeed. As Ms. Cummings says, the auto makers have decided to "use the public as guinea pigs," with the cheering support of our elected representatives. Elaine Herzberg was never given the chance to opt out. And why should she have been? In this brave new world, our lives exist to improve technology. Our deaths are simply the price of progress.

Ms. Shrier is a Los Angeles writer.

Pols Use Economics the Way Drunks Use Lampposts

By Alan S. Blinder

The economy keeps chugging along. But beneath the surface economic policy makers are digging tunnels that could cave in.

By 2020, higher spending and tax cuts will push the federal budget deficit above 6% of gross domestic product—higher than it ever was in the Reagan years. Even deficit doves like me think that's far too high absent a recession. President Trump may be taking the U.S. into a multifront trade war, against the advice of almost all economists. And America's political leaders refuse to enact a carbon tax, the remedy for climate change that almost every economist favors.

Cases like these, in which the political system chooses virtually the opposite of what most economists recommend, are neither random nor rare. They exemplify what I call the Lamppost Theory of Economic Policy: Politicians use economics the way a drunk uses a lamppost—for support, not illumination. The Lamppost Theory is a source of unending frustration to economists, but its real harm comes when it leads the nation into terrible economy policies.

The roots of the Lamppost Theory run deep. Economists and politicians hold such divergent worldviews that they can be said to hail from two clashing civilizations. In fairness, this clash of civilizations didn't start with Donald Trump. But he's made it much worse.

While the Lamppost Theory won't be disproved, some palliatives could make a bad situation somewhat better.

Start with time horizons. Political time horizons are notoriously short, perhaps extending only to the next election—or the next tweet. In contrast, economists' time horizons can be agonizingly long—far too long for politics. Still, there are some cases in which politicians' short time horizons can be exploited to get the economics right.

Remember back to 1983, if you can. The Social Security trust fund was running out of money, and Congress needed to raise more revenue or reduce benefits. Both routes were seen as political suicide. Then along came the Greenspan Commission, led by Alan Greenspan. The panel recommended several unpopular policy fixes. But its suggestions came with an important twist: Most of the proposed tax hikes and benefit cuts would not kick in for years. Amazingly, the proposals sailed through Congress. The trick? The remedies came soon enough to solve the economic problem but were far enough in the future that politicians could ignore the pain.

There is an entire class of economic problems of this nature—wherein the necessary, if painful, remedies can be enacted now to take effect only in the future. The most obvious example is Social Security, whose finances need fixing again. But Medicare is in a similar state. Indeed, most of the federal budget deficit problem lies in the future.

A second strategy for beating the time-horizon problem is a bit trickier, since it requires re-educating political pros to do what's actually in their best interest. Ludicrously short time horizons often make politicians and their advisers act as if there's an election every Tuesday. But there isn't. The big elections occur only once every four years, making that a natural time horizon for politics.

But doesn't that four-year time horizon start to shrink as soon as the U.S. elects a new president? True, but the bizarre political calendar saves the day. Though the Constitution grants each newly elected president a four-year term, he actually has 12 to 18 months to get his major economic policies through Congress. After that, the silly season begins, with every politician focusing on the midterm elections. And once that's over, it's all presidential politics all the time. The effective window for major policy initiatives shuts with nearly three years remaining until the next presidential election. That's a long enough time horizon for most economic policies.

They seek support, not illumination. Here are a few suggestions on how to produce better policy.

My third palliative is earmarking particular sources of revenue to particular items of government spending. As pure economics, earmarking is foolish. For example, why should we think the gasoline tax will bring in exactly what's needed to repair highways and build new ones? But if citizens feel less burdened when their tax payments are attached directly to some benefit, earmarking may make excellent political sense. Franklin D. Roosevelt understood this in 1935, when he earmarked payroll tax receipts for Social Security benefits.

I have one final suggestion, though its scope is limited: Suppose we took some—certainly not most—economic decisions out of the hands of politicians, and put them in the hands of nonpolitical technocrats instead.

Impossible, you say? Well, no. Monetary policy is made that way. Congress sets the broad parameters for the Federal Reserve—such as its goals, powers and governance. Then Fed officials, operating under laws Congress wrote, make specific policy decisions with virtually no political interference. Monetary policy is certainly not flawless. But it's clearly been among the government's success stories over the decades. Just a coincidence? I doubt it.

Mr. Blinder is a professor of economics and public affairs at Princeton. This article is based on his book, "Advice and Dissent: Why America Suffers When Economics and Politics Collide," just out from Basic Books.

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Notable & Quotable: Friedman

Economist Milton Friedman in a 1978 lecture at Utah State University:

Let us suppose, for a moment, that the Japanese flood us with steel. That will reduce employment in the American steel industry, no doubt. However, it will increase employment elsewhere in America. We will pay for that steel with dollars. What will the Japanese do with the dollars they get for the steel? They aren't going to burn them. They aren't going to tear them up. If they would, that would be best of all, because there's nothing we can produce more cheaply than green pieces of paper. And if they were willing to send us steel, and just take back green pieces of paper, I can't imagine a better deal!

But they're not going to do that. They're not stupid; they're smart people. They're going to use those dollars to buy goods and services. They're going to spend them. In the process of spending them, they may spend them directly in the United States, and that directly provides employment in the United States. They may spend them in Brazil or in Germany or in China or anywhere else. But whoever gets them in turn is going to spend them. So the dollars that we spend for the steel will find their way back to the U.S. as demand for U.S. goods and services. You will have less employment in the steel industry; you will have more employment in the industries producing the goods we export. Overall, total employment will not be affected. But overall, the American consumer will be benefited, because he will get the steel more cheaply, and the goods made from the steel more cheaply, than he otherwise would. That's the benefit to the American consumer. . . .

You very often bring out the logic of an argument by carrying it to an extreme. You know, you could have a great employment in the city of Logan, Utah, of people growing bananas in hothouses. If we had a high enough tariff on the import of bananas, it could become profitable to build hothouses and grow bananas in those hothouses. That would give employment. Would that be a sensible thing to do? . . .

Now with respect to the charge that the Japanese government is subsidizing the export of steel. Number one, it's very dubious that it's true, but suppose it were true. Then that would be a foolish thing for the Japanese to do from their own point of view. But why should we object to their giving us foreign aid?

How to Dig Into the 'Deep State'

By J.T. Young

The Trump administration's conflicts with Washington's embedded bureaucracy aren't mere partisan skirmishes but fundamental clashes. At play is a powerful dynamic that has spawned an increasingly powerful and unaccountable bureaucracy. Whether we call it the "deep state" or something else, this administration has run particularly afoul of the bureaucracy it was elected to manage. The bureaucracy has subverted notable parts of the president's agenda, frequently by means of targeted leaks to the media.

This is not what the Founders intended. Constitutionally, the bureaucracy was supposed to support the executive branch; since the late 19th century, it was intended to be apolitical. President James Garfield's 1881 assassination by a disgruntled office seeker spurred the replacement of the "spoils system" with the civil service in 1883. Exam performance replaced party membership as the qualification for government jobs.

The bureaucracy's lack of accountability should concern all Americans, regardless of Trump.

But the seemingly nonpartisan system had unforeseen liabilities. Despite a disinterested facade, individuals and institutions are intensely interested in advancement, each reinforcing the other. The bureaucracy's expansion in size and scope is the individual bureaucrat's gain in responsibility, power and prestige.

Initially, government's small size obscured this dynamic. The 1890 census counted federal government employment, including the miliary, at only 78,000. USGovernmentSpending.com estimates federal spending at $384.3 million (just under $10 billion in 2017 dollars), a mere 2.5% of gross domestic product.

By 2017, the federal government employed 2.1 million civilians and spent $3.98 trillion—20.8% of GDP. A private-sector entity accounting for one-fifth of the economy would face relentless calls for regulation. But the illusion of disinterested behavior makes the reality of mutual aggrandizement by bureaucrats and the bureaucracy more difficult to control. Assuming bureaucracy to be impartial, we worry less about giving it power.

The government's three constitutional branches are all accountable to the people—the president and Congress via the ballot box, the judiciary through the appointment process. The bureaucracy is publicly unchecked. Conceived as nonpartisan innovation, it has instead become an independent institution. Performing like economic maximizers in the private sector, bureaucrats' desires for resources and responsibility are self-reinforcing and self-fulfilling. This should be a concern to everyone who cares about constitutional and limited government, whatever one thinks of President Trump.

Several steps could be taken to increase bureaucratic accountability. Internally, administrations must first ensure people they can trust are in place quickly—something this one failed to do. Externally, this may be a good subject for an independent bipartisan commission. Government bureaucracy is an area in which both parties should appreciate the need for reform.

A commission could consider increasing the number of political appointees, thereby tying the bureaucracy more tightly to the executive. Restrictions on "burrowing in," whereby political appointees convert into civil service, should also be considered. Other worthy measures would include reviewing grounds for removal of civil servants and expediting bureaucrats' removal for cause.

Term limits, particularly in sensitive positions, are also worth considering. Calls for term limits in government have usually been directed at officials already accountable at the ballot box; hardly anyone talks about them for bureaucrats. But if they apply at the executive's pinnacle—presidents and often governors—why not to the electorally immune who serve them? Bureaucrats were not intended to hold sinecures.

The first step of reform is recognition of the extraconstitutional role the entrenched bureaucracy has come to play. It is vastly larger and more powerful than anything the Founders could have imagined or accepted—or most Americans imagine now.

Mr. Young served under President George W. Bush in the Office of Management and Budget and Treasury Department. He was a congressional staffer from 1987-2000.


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Refinancings Wane as Rates Rise

Fewer homeowners can benefit from a reworked mortgage; 'no point in even calling'

By Christina Rexrode

Refinancings make up a smaller portion of the mortgage business than at any time in the past two decades, posing a challenge for lenders who already fear higher interest rates and climbing house prices could depress purchase activity.

Last year, 37% of mortgage-origination volume was because of refinancings, according to industry research group Inside Mortgage Finance. That is the smallest proportion since 1995, and the number of refinancings is widely expected to shrink again this year. In 2012, refinancings were 72% of originations.

While purchase activity has climbed steadily from a postfinancial-crisis nadir in 2011, growth in 2017 wasn't enough to offset a $366 billion decline in refinancing activity. The result: The overall mortgage market fell about 12%, to $1.8 trillion, according to Inside Mortgage Finance.

What's more, there are fewer homeowners eligible to refinance because of rising rates. The number of borrowers who could benefit from a refinancing is down about 37% from the end of last year, estimates **Black Knight** Inc., a mortgage-data and technology firm. At 2.67 million potential borrowers, this group is at its smallest since 2008.

"The market has just gotten so very competitive because every loan counts," said Ed Robinson, head of the mortgage business at **Fifth Third Bancorp**. He added that the bank is contacting homeowners who could be eligible for a refinancing in coming years to help maintain that business, and it is also instructing mortgage-loan officers to focus more on purchases.

Home-purchase activity has so far been holding up. Sales of previously owned homes in February rose 1.1% from a year earlier, countering worries that a downturn the previous month signaled a peak for the market.

Still, rising interest rates, a shortage of housing inventory and higher home prices are all long-term threats to purchase activity.

For refinancings, rising rates are a more immediate worry. **Freddie Mac** said last week that the average rate on a 30-year fixed-rate mortgage was 4.45%, up from 3.95% at the beginning of the year.

Increased mortgage rates can hamper refinancing activity because many homeowners have rates that are already lower than what lenders can now offer. In other cases, the higher rates cut into the savings a homeowner stands to reap by refinancing a mortgage.

A.J. Haverly was happy to refinance his Annapolis, Md., home in early 2016 to a lower rate. Recently, Mr. Haverly, 33 years old, looked into refinancing a rental home he owns, but rising rates dissuaded him.

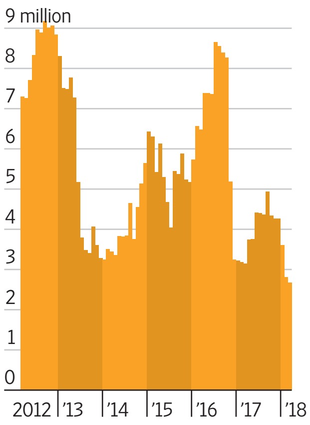
"I keep my ears to the track, but rates have just been going up so there's no point in even calling somebody," Mr. Haverly said.

The Mortgage Bankers As-

Please see REFI page B11

Shrinking Pool

Number of homeowners who could benefit from a refinancing



Note: Candidates are borrowers who have 30-year mortgages and meet certain credit score and leverage requirements, and who would receive a 0.75 point or greater savings on their current rate.

Source: Black Knight

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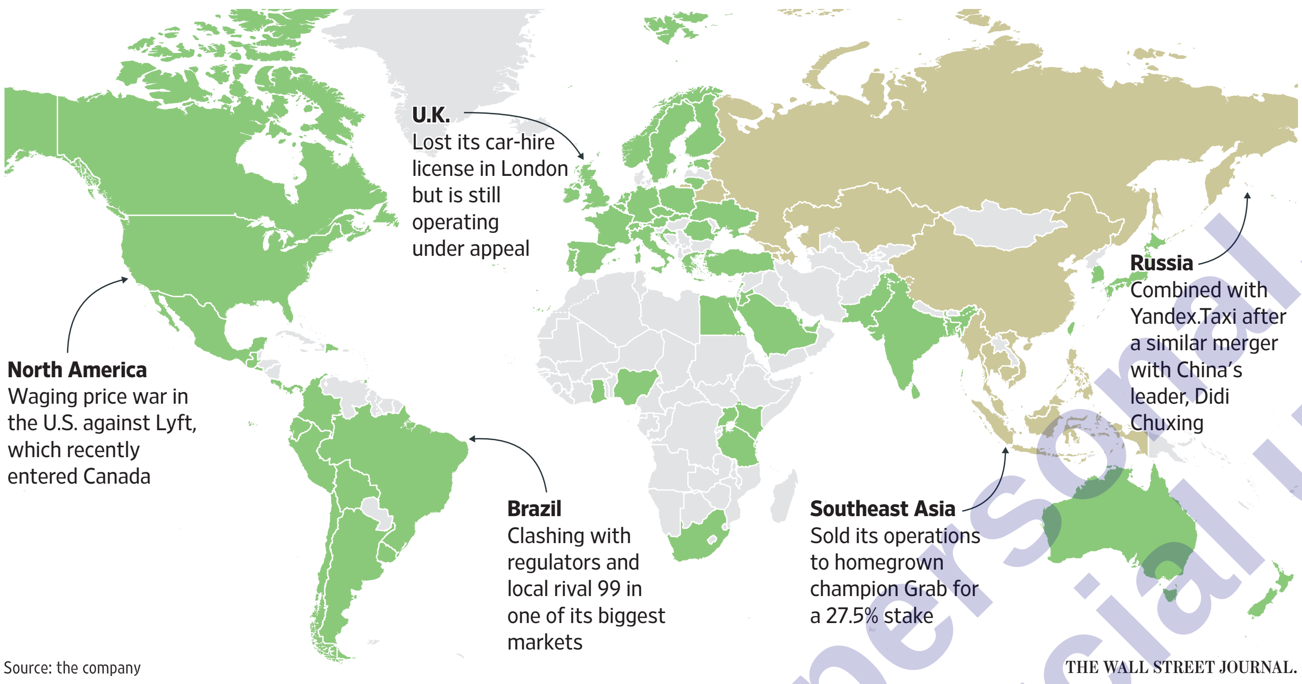
Ride-Hailing Company Digs In Its Heels in India, Brazil

Uber has retreated in China and several other significant markets while continuing to face threats in others.

Countries where Uber: Operates | No longer operates, but holds stakes



Source: the company

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OFF RAMP: Uber has pulled back from several emerging markets, but has promised it will hold on in two of the world's most populous: India and Brazil. Uber faces challenges in both countries, but the potential is enormous for any company that comes to dominate. B2

Mall Deal Creates Industry Behemoth

By Maria Armental
And Miriam Gottfried

Brookfield Property Partners LP and **GGP** Inc. have reached an agreement for Brookfield to buy the remaining shares of the mall owner it doesn't already own, a deal that would create one of the world's largest retail real-estate companies.

The deal is a sweetened version of the offer that Brookfield made for the roughly 66% stake in November.

Brookfield owns about 34% of the company, formerly known as General Growth Properties.

Under the agreement announced Monday, and unanimously endorsed by a special committee of GGP's board, GGP investors could choose either $23.50 a share in cash or stock in either Brookfield Property or a new real-estate investment trust being formed. The offer is subject to proration based on aggregate cash consideration of $9.25 billion.

Earlier, Brookfield had offered $23 a share in cash for an aggregate cash consideration of $7.4 billion.

The offer went from about 50% cash and 50% shares to about 61% cash and 39% shares. The previous offer valued one share of GGP with 0.9656 of Brookfield. The new offer values the two shares equally.

The deal values GGP at $15.3 billion based on the value of Brookfield Property when the company first announced its offer to buy the company in November. In an interview Monday evening, Brian Kingston, chief executive of Brookfield Property, predicted GGP would vote on the deal "some-

Please see MALLS page B2

Arizona Pulls Uber Tests Off Roads

By Alejandro Lazo
And Greg Bensinger

Arizona Gov. Doug Ducey on Monday ordered **Uber Technologies** Inc. to suspend testing autonomous vehicles on public roadways in the state, a rebuke by a former supporter that takes the company's decision on testing out of its hands.

The governor's decree follows the fatal crash of a self-driving Uber on a Tempe street two Sundays ago when it struck a pedestrian walking her bike across the street outside of a crosswalk.

Mr. Ducey, a Republican who welcomed Uber's self-driving technology with open arms to Arizona in 2016, said in a letter to Uber's chief executive that he had directed the state's department of transportation to suspend the company's ability to test the cars.

The governor's order leaves unclear when or if Uber can resume testing in Arizona.

"Improving public safety has always been the emphasis of Arizona's approach to autonomous vehicle testing, and my expectation is that public safety is also the top priority for all who operate this technology in the state of Arizona," Mr. Ducey said in his letter. "The incident that took place on March 18 is an unquestionable failure to comply with this expectation."

Uber last week said it temporarily pulled the vehicles from public roads in Tempe, San Francisco, Pittsburgh and Toronto. The governor's order leaves unclear when or if Uber can resume testing in Arizona even after it decides to do so.

"We will reassess as more facts are brought to light through the investigations," said Patrick Ptak, a spokesman for Mr. Ducey.

"We proactively suspended self-driving operations in all cities immediately following the tragic incident last week," an Uber spokesman said in a statement. "We continue to help investigators in any way we can, and we'll keep a dialogue open with the Governor's office to address any concerns they have."

The governor's letter Monday comes nearly a week after Tempe police released a video taken from the Uber vehicle appearing to show it failed to slow before striking the pedestrian and the human opera-

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INSIDE

VOICES RISE AGAINST NONDISCLOSURE

WORKPLACE, B3

LOUIS VUITTON SELECTS U.S. DESIGNER

FASHION, B5

STREETWISE | By James Mackintosh

Bets on Trump's Trade Policy Have Downsides

The perils of betting on stock-market themes were on show last week for anyone trading on a trade war. Two obvious bets went wrong, even as the entire market moved down on trade worries.

Monday brought a big rebound and is a reminder that President Donald Trump's trade policies may not end up so very different to those of previous U.S. presidents. But an unpredictable president may have prompted investors to start assuming the worst.

The first obvious trade is a bet that the winners of global trade will suffer from trade-war threats. The clearest winners from global trade have been Germany, Japan, South Korea and Singapore, yet when Mr. Trump announced $60 billion of hefty tariffs on China on Thursday, their stock markets beat the S&P 500, in dollar terms. Their stock markets are also all ahead of the S&P since Mr. Trump was elected in 2016, including dividends.

Trade, important as it is, isn't the only thing investors care about. The U.S. market was hit last week by the plunging price of **Facebook** Inc.'s shares, and the dollar weakened, too. Even if trade were the only thing that mattered, some big U.S. companies were hurt badly by trade fears on Thursday, notably **Boeing** Co.

The second simple bet against free trade was to buy U.S. steel companies, as they were expected to profit from Mr. Trump's steel tariffs. Yet **U.S. Steel** Corp. plummeted 11% on Thursday, leaving the stock price down for the year, because Mr. Trump chose to exempt European imports from the steel tariffs he had announced earlier. Close ally Japan wasn't exempted, and its steel stocks slightly un-

Please see STREET page B10

SoftBank Probes 'Sabotage' Campaign

By Bradley Hope, Alex Frangos and Jenny Strasburg

The board of Japanese tech giant **SoftBank Group** Corp. has begun an investigation into who was behind a shareholder campaign that sought the ouster of two of its executives—and whether that effort had any connections to current company insiders, people familiar with the matter said.

The campaign, which lasted from 2015 to 2017, targeted Nikesh Arora, a onetime heir apparent to SoftBank Chief Executive Masayoshi Son, and Alok Sama, now the company's chief strategy officer. It involved public shareholder letters calling for their removal, leaks to the media about personal finances and a complaint filed with the U.S. Securities and Exchange Commission.

At the time, SoftBank couldn't figure out who was behind the campaign, which the company said was based on false allegations of impropriety and which a board member later called "sabotage." Both men denied any wrongdoing and said they were victims.

TOMOHIRO OHSUMI/BLOOMBERG

One target was an heir apparent of SoftBank's Masayoshi Son.

People with knowledge of the matter said Alessandro Benedetti, an Italian private-equity investor, was a central figure in that campaign. They said he told associates he was working, in part, for the benefit of a SoftBank insider.

Last month, after The Wall Street Journal asked SoftBank questions about Mr. Benedetti and other matters related to the campaign, the board created a special committee and instructed a law firm, Shearman & Sterling LLP, to lead an investigation into the campaign, a spokesman said.

A lawyer for Mr. Benedetti said his client denied having "mandated or been party to any campaign" against SoftBank executives. Mr. Benedetti said in a separate email that the Journal's questions were trying to connect facts and events that have "nothing to do with SoftBank or the individuals mentioned in their capacity of executives of SoftBank."

Mr. Arora left SoftBank in June 2016 after Mr. Son announced he would stay as chief executive for another five or 10 years, rather than handing the reins to Mr. Arora. Mr. Sama was prevented from working on its $93 billion Vision Fund—the world's biggest tech fund—as a result of the campaign, people familiar with the matter said.

The chief executive of the fund, Rajeev Misra, became one of SoftBank's most powerful figures by gaining a seat on the company's board after Mr. Arora left.

Mr. Benedetti, 56, has helped structure several large deals in Europe, including the takeover of Italy's Wind Telecomunicazioni SpA in 2005. One online biography described him as a "major player in the global M&A arena especially Europe for over twenty years" who has relationships that "straddle the highest echelons of Government, Corporate and Banking/Finance sectors in various countries." He said he came to know Mr. Misra—at the time a senior banker at Deutsche Bank AG—more than a decade ago.

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BUSINESS & FINANCE

NASIR KACHROO/NURPHOTO/ZUMA PRESS

Battle lines are tangled in India, where Uber is taking on ANI Technologies' Ola, which operates in over 110 markets to Uber's 30.

Uber Clings to India, Brazil

By Newley Purnell

Uber Technologies Inc. has pulled back from several emerging markets but vows it will hold on in two of the world's most populous: India and Brazil.

In both, Uber has its hands full, and yet the potential is enormous for any company that comes to dominate.

Mirroring its retreat in China and Russia, Uber on Monday said it would relinquish its Southeast Asia business to **Grab** Inc. in exchange for a 27.5% stake in the Singapore-based company, so that it could turn its attention elsewhere.

In India, home to 1.3 billion people, the San Francisco startup is battling local champion **ANI Technologies** Inc.'s Ola. In Brazil, with more than 200 million people, it is squaring off against ride-hailing service 99.

The battle lines are tangled. In India, the two sides have a common backer in Japan's **SoftBank Group** Corp., which owns about 30% of Ola and has a board seat, and owns about 15% of Uber.

In Brazil, 99 is partly owned by Chinese ride-hailing leader Didi Chuxing Technology Co., in which Uber has had a 20% stake since giving up its own China effort in 2016. After investing an undisclosed amount in 99 last year, Didi said in January said it would buy the Brazilian company; a person familiar with the matter said it was paying about $600 million for a majority stake.

$4.46B

How much Uber lost last year on revenue of $7.36 billion.

Last year Uber relented in Russia, forming a joint venture with **Yandex**, parent company of its rival Yandex.Taxi, in exchange for a stake of nearly 37%.

After Monday's Grab announcement, Chief Executive Dara Khosrowshahi rejected speculation that it might seek a similar solution in India or Brazil.

"It is fair to ask whether consolidation is now the strategy of the day, given this is the third deal of its kind, from China to Russia and now Southeast Asia," he wrote in a blog post about the Grab deal Monday. "The answer is no."

"This is the final minority stake" Uber is going to do "anywhere in the world," said a person familiar with the company's thinking. "In Latin America and India we're not ceding."

Spokesmen for SoftBank and Ola declined to comment.

In India, Ola operates in more than 110 markets, compared with Uber's roughly 30. Uber has been investing heavily there in recent years, but Ola says as a local company it has a better feel for what consumers want. It is focusing on expanding options for its app users such as auto rickshaws. On its side, Uber this month named Indian cricket-team captain—and household name—Virat Kohli as its first spokesman in India.

Ola also recently began operating in Australia, opening a new front against Uber.

Uber dominates in Brazil, people familiar with the market say, though it has clashed with regulators who have explored increasing oversight on the industry.

The company has significant operations in cities such as São Paulo and Rio de Janeiro, which are among the top metropolitan areas globally in use of the ride-hailing app, according to a person familiar with the matter.

Uber's sale of its operations in Southeast Asia eliminates one challenge for Mr. Khosrowshahi as he considers taking the company public next year. The company will still have to shore up its balance sheet after losing $4.46 billion last year on revenue of $7.36 billion.

It also faces renewed competition at home from **Lyft** Inc., which recently raised $1.7 billion from investors, picked up market share in some key markets and expanded into its first Canadian city.

Mr. Khosrowshahi is also facing the first major crisis under his watch after an Uber self-driving vehicle struck and killed a woman in Arizona last week. Experts have questioned the safety of the autonomous cars, which Uber has spent billions developing.

—Greg Bensinger and Mayumi Negishi contributed to this article.

MALLS

Continued from the prior page

time in the third quarter."

The Brookfield deal marks the latest chapter in the saga of GGP, which went through a high-profile bankruptcy reorganization after the 2008 financial crash. It comes as the retail real-estate world is being rocked by investor unease caused by the growth of online shopping.

Matt Kopsky, an analyst at Edward Jones, said Brookfield's price reflects a weak appetite for portfolios of malls in the current environment. He called the price "a disappointment" given that GGP owns top-quality malls that have relatively high occupancy and rents compared with the rest of the sector.

"The market has sniffed this out given the weakness in mall REITs," Mr. Kopsky said in an email. "I think this deal is confirmation that a new reality/pricing has set in, even to high-quality centers."

Mr. Kopsky added: "I would expect some downward pressure on mall REITs" in the stock market on Tuesday "given the low price."

Mr. Kingston said that Brookfield has been in "pretty regular dialogue" with the GGP special committee since November. For the past four months, Brookfield "has been firming up our offer," he said.

GGP shareholders will have the option of either exchanging GGP shares for Brookfield shares or shares in the new REIT because a large number of the GGP shareholders are U.S. shareholders who don't want to own partnership units, Mr. Kingston said.

"It will be a different security, but it's not a different company," he added. "GGP shareholders "get an ability to participate in our global business."

—Esther Fung contributed to this article.

TESTS

Continued from the prior page

tor was not watching the road in the seconds leading up to the crash.

"I found the video to be disturbing and alarming, and it raises many questions about the ability of Uber to continue testing in Arizona," Mr. Ducey wrote in his letter.

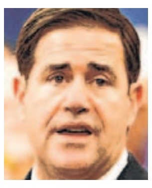
Police said the vehicle was traveling about 40 miles an hour when it struck Elaine Herzberg, who was crossing the street with a bicycle at night outside of a crosswalk. She died from her injuries.

As of last week, Arizona officials had said that no new policy changes were necessary in the wake of the accident, and that the state would allow local prosecutors and the police to determine if any crime was committed.

Uber has made few statements about the fatal accident beyond saying it is "heartbroken by what happened" and that it is cooperating with investigators, which include the National Highway Traffic Safety Administration and National Transportation Safety Board.

Gov. Ducey's letter represents a major turnabout in his declarations. He has embraced the driverless car industry and promoted the greater Phoenix area as a hub of experimentation for the technology. In 2015, he signed an order that first allowed driverless cars on the state's roads.

In late 2016, Uber clashed with regulators in California over its testing of driverless cars in San Francisco, and then with Mr. Ducey's blessing decided to move part of its program to Tempe rather than pay for a permit to do so in California. It later obtained the permit.



ASSOCIATED PRESS

Arizona Gov. Doug Ducey had welcomed the self-driving technology with open arms in 2016.

At the time of Uber's decision to move to Arizona, the governor issued a statement saying, "California may not want you, but we do." In a tweet at the time, he said: "This is what over-regulation looks like."

Gov. Ducey in an interview with The Wall Street Journal in December 2016 said Uber reached out to his staff about moving operations to his state, understanding it to be welcoming to technology companies because of more lax regulations. He spoke with then-CEO Travis Kalanick and agreed to allow the vehicles in Arizona, he said.

Other companies have followed suit. Waymo, the self-driving car division of Google parent **Alphabet** Inc., has been testing driverless vehicles in the Phoenix metro area without human safety operators behind the wheel and has announced plans to begin a commercial robot taxi service later this year.

PROBE

Continued from the prior page

"I certainly came across and knew Mr. Misra since he was at Deutsche Bank and cooperated in the financing aspects on certain transactions on which I have been working in 2004/2005," Mr. Benedetti said in an email.

Mr. Misra declined to comment.

Mr. Benedetti has a connection to Mr. Arora. In 2014, he was part of a group that sued several private-equity funds and Mr. Arora in federal bankruptcy court over soured investments in Greek telecom TIM Hellas. Court records show Mr. Arora settled the case and was removed as a defendant in March 2015. The settlement's terms weren't disclosed.

The campaign against Messrs. Arora and Sama began in early 2015 when Mr. Benedetti hired the London office of K2 Intelligence LLC to investigate Mr. Arora and disseminate its findings, according to people familiar with the matter. Mr. Benedetti also enlisted Nicolas Giannakopoulos, a Swiss private investigator who had previously been hired by Mr. Benedetti to investigate a former business partner, the people said.

"No such instruction[s] came from our client," Mr. Benedetti's lawyer wrote. A spokeswoman for K2 said the firm doesn't discuss "clients or client matters." Mr. Giannakopoulos declined to comment. He has previously said he was acting as an aggrieved shareholder in SoftBank.

In June 2015, Mr. Giannakopoulos began sending emails to journalists in London with screenshots of Mr. Arora's and Mr. Sama's emails, and copies of personal financial statements, emails reviewed by the Journal show. That September, K2 also circulated material to journalists.

In 2016, law firms Boies, Schiller & Flexner LLP and Mintz & Gold LLP each sent the board a series of letters on behalf of what the firms said was a group of shareholders in SoftBank and related companies. Mr. Giannakopoulos was the only individual to put his name in the letters. The firms had previously declined to identify the shareholders they represent or to comment beyond the letters.

The first letters focused on Mr. Arora, questioning his investments in Indian startups and asking for an investigation into alleged conflicts of interest. Mr. Arora's "past conduct also demonstrates his willingness to put his personal interests—and those of his partners—above those of the companies that have employed him as a senior executive," read a letter from Boies Schiller sent on Jan. 20, 2016, and reviewed by the Journal.

One letter went to the SEC, though no enforcement followed. An anonymous complaint raising many of the same issues was filed with India's Enforcement Directorate. It hasn't pursued any case.

SoftBank's board hired an outside law firm to investigate and found no evidence of wrongdoing. But Messrs. Arora and Son had begun to disagree on strategy, especially over whether SoftBank should pay more than $30 billion to acquire British chip maker ARM Holdings PLC, according to people familiar with the relationship.

The investigation cleared Mr. Arora. But in the process, board members grew to learn about what some called his occasionally abrasive management style, according to a person familiar with the board's deliberations. Some of them lobbied Mr. Son not to turn the company over to him, that person said. Mr. Son decided to stay, and Mr. Arora resigned.

Soon after, Mr. Sama was in ascent. He helped complete the ARM purchase, and got a promotion. Then the shareholder campaign turned to him.

In October 2016, Mr. Giannakopoulos—claiming to act on behalf of a group of shareholders—wrote a new letter to the board alleging improprieties by Mr. Sama, including what he called the "suspicious" use of offshore vehicles to receive consulting fees, according to a copy reviewed by the Journal. Mr. Giannakopoulos sent the material to a firm run by some of Mr. Misra's former Deutsche Bank colleagues, which was working with Saudi Arabia's Public Investment Fund and Abu Dhabi's Mubadala Investment Co. on their investment in the Vision Fund, according to people familiar with the matter.

The two funds raised questions about Mr. Sama with SoftBank in spring of 2017, people familiar with the communications said. He was later prevented from further work on the Vision Fund due to those concerns, the people said. "Alok has been the victim of a malicious reputational attack," a lawyer for Mr. Sama said. SoftBank has cleared Mr. Sama of wrongdoing.

Mr. Misra has told executives in recent weeks that Mr. Sama is trying to sabotage him by raising questions about Mr. Misra's relationship with Mr. Benedetti, people familiar with the matter said.

Intrigue at the Top of SoftBank

A two-year shareholder campaign sought the removal of two of the company's top executives, and SoftBank is now looking to find out who was behind it.

Alessandro Benedetti, an Italian-born investor who was a central figure in a campaign to undermine SoftBank executives, according to people familiar with the matter. Mr. Benedetti denies any role.

Nikesh Arora, who was Masayoshi Son's heir apparent until his June 2016 departure, was the target of a shareholder campaign seeking his ouster.

Masayoshi Son, founder and chairman of SoftBank

Alok Sama, SoftBank's chief strategy officer, was prevented from working on the company's Vision Fund as a result of a shareholder campaign against him, people familiar with the matter said.

Rajeev Misra, CEO of SoftBank Vision Fund

Photos: Alessandro Di Ciommo/ NurPhoto/ Getty Images (Son); David Paul Morris/ Bloomberg (Arora);Chris Ratcliffe/ Bloomberg (Sama); Phil McCarten/Reuters (Misra)

Backlash Won't Stop Nondisclosure Deals

Lawyers say use of the agreements will remain part of sexual-misconduct settlements

By Nicole Hong

Keeping corporate secrets is getting controversial.

Nondisclosure agreements have become ubiquitous in American corporations, used to bar employees from sharing trade secrets, disparaging their former employers and speaking publicly about confidential settlements.

In recent months, revelations that Hollywood producer Harvey Weinstein and other high-profile individuals reportedly used such agreements for years to silence their accusers have sparked debate about the merits of requiring secrecy as a condition to pay off sexual-misconduct claimants.

Critics say the agreements can end up protecting serial predators and putting psychological stress on victims to keep silent about their experiences.

This month, after filing for bankruptcy protection, Weinstein Co. said it would end any nondisclosure agreement that has "prevented individuals who suffered or witnessed any form of sexual misconduct by Harvey Weinstein from telling their stories."

Despite the backlash, many lawyers say the use of nondisclosure agreements to settle sexual-misconduct claims is likely to continue.

Without promises of confidentiality, they say, companies will be less willing to resolve disputes or pay large settlement amounts.

Part of the rationale put forward by companies: Keeping settlements secret is necessary to stop other disgruntled employees from seeking similar payouts.

"Without NDAs, there just won't be the same quantity of settlements, and that's a bad thing for both the alleged victims and the alleged perpetrators," said Peter Steinmeyer, an employment lawyer at Epstein Becker & Green PC in Chicago.

In some instances, victims desire confidentiality to avoid ostracization from future employers and to move on without unwanted attention. If a harassment case goes to court, companies could try to publicly smear the victim's reputation in a protracted legal fight.

Often, victims try to resume their careers and don't want the public to know they were victimized, said Chaim Book, an employment attorney at Moskowitz & Book LLP in New York.

Lawmakers in states such as California, New York and Pennsylvania have proposed legislation banning or limiting the use of secret settlements in certain sexual assault and harassment cases.

Even if the pending legislation passes, lawyers say some companies could try to sidestep the rules by recategorizing sexual-harassment settlements as claims that aren't subject to the new laws, such as sex or race discrimination.

Some of the pending bills also don't apply to cases that settle before a lawsuit is filed.

The use of nondisclosure agreements in sexual-harassment settlements took off in the 1990s, after federal civil-rights law was amended to allow for bigger monetary awards in employment-discrimination cases, attracting more plaintiffs' lawyers to the area.

As court dockets became overburdened, judges pushed for more cases to settle out of court, leading companies to insist on confidentiality in settlements.

Nondisclosure agreements vary widely. They often expire only when the employee dies or the company ceases to exist. Agreements typically allow the employee to discuss the settlement with only their financial adviser, lawyer, immediate family and federal agencies like the Equal Employment Opportunity Commission.

Some agreements don't even allow the employee to share the existence of a settlement.

RICH POLK/GETTY IMAGES FOR THE WEINSTEIN COMPANY

Harvey Weinstein reportedly used such agreements for years.

Courts Weigh Need For Confidentiality

With more women speaking publicly about sexual harassment, some lawyers say companies could include harsher financial penalties in settlements for breaching confidentiality. Whether those penalties can be enforced in court is a largely untested area.

Aliza Herzberg, an employment lawyer in New York, said the higher the settlement amount, the more likely a company will sue someone for breaking his or her confidentiality agreement. On the other hand, in a high-profile case where details are already public, institutions may be reluctant to sue because of concerns about the public-relations backlash.

When deciding whether to enforce a confidentiality agreement, a judge can consider whether the contract violates public policy and decide whether the company's interest in keeping the settlement private is outweighed by reasons the information should become public.

Jenny Yang, former EEOC chairwoman, hopes public scrutiny will prompt fewer companies to demand confidentiality in settlement agreements, which has hurt the ability of victims to warn other employees about problematic workplaces. "It can lead to complacency within an organization because they know complaints won't ever see the light of day," Ms. Yang said. Eliminating NDAs "could create more incentive for employers to stop it early."

SoftBank Looks to Put $1 Billion Into Chinese Truck-Hailing Firm

By Liza Lin in Shanghai and Julie Steinberg in Hong Kong

Japan's **SoftBank Group** Corp. is looking to invest $1 billion in a Chinese truck-hailing company backed by internet giant **Tencent Holdings** Ltd. and a private-equity firm co-founded by billionaire Jack Ma, according to people familiar with the matter.

The possible investment is part of a fundraising effort by **Manbang Group**, a tech "unicorn" that runs a mobile-app platform matching truck drivers with shippers who have cargo to move. Unicorns are private companies that have valuations greater than $1 billion.

Manbang is looking to raise between $500 million and $1 billion in fresh funds to help it expand in China, according to people familiar with the matter. Neither the fundraising amount nor the participating investors have been set, the people said.

The infusion of funds would value the company at about $5 billion if Manbang were to raise $500 million, they said.

Representatives from Manbang Group didn't immediately respond to requests for comment.

A SoftBank investment would come from its Vision Fund, a nearly $100 billion investment vehicle that has backed other ride-hailing companies such as Uber Technologies Inc. and Didi Chuxing Technology Co. in China. The company spent about $8 billion for a stake of about 15% in Uber last year. SoftBank declined to comment.

Manbang, also known as Full Truck Alliance, is seeking to capitalize on China's growing logistics sector, which is benefiting from greater e-commerce use and infrastructure upgrades. Total revenue for China's logistics industry will reach 9 trillion yuan ($1.4 trillion) this year, according to state-run media, citing a report released by China Academy of Sciences, a state-linked domestic think tank.

Manbang's current investors include Sequoia Capital China, Hong Kong-based investment firm All-Stars Investment Ltd. and Yunfeng Capital, the private-equity firm of Mr. Ma, the founder of e-commerce giant Alibaba Group Holding Ltd.

The company was formed through the merger of two truck-hailing startups in November: Nanjing-based Yunmanman and Truck Alliance Inc., which is based in the southwestern Chinese city of Guiyang. It also provides car loans, insurance and working capital to its users.

Manbang is run by Wang Gang, an early investor in Yunmanman who has investments in other sharing companies like Didi and bike-sharing provider Ofo. About four million truck owners and a million exporters use its app, according to Yunmanman's website.

—Xiao Xiao in Beijing contributed to this article.

It's the Wild West for Bike Sharing

Five startups duke it out in Dallas with 18,000 bicycles; some end up in trees, creeks

By Eliot Brown


PAN ZHIWANG/IMAGINECHINA/ZUMA PRESS

In Beijing, companies battle each other and clog streets. 'Dockless' bikes, such as those flooding into Dallas, can be left anywhere.

Dallas, the sprawling, highway-ringed city where summer temperatures routinely top 100 degrees, was never a biker's paradise.

Yet in recent months, Dallas has become ground zero for a nascent national bike-share war, as five startups armed with hundreds of millions of venture-capital dollars have blanketed the city with at least 18,000 bikes. That makes it the country's largest bike-share fleet, with 50% more than New York City's popular Citi Bike program. And unlike New York's program, where users must use racks to retrieve and return rented bikes, the bikes flooding Dallas are "dockless." In other words, these bikes—popular in many Chinese cities—can be left almost anywhere when the rider is finished.

The result has thrilled transit and bike advocates while upsetting some residents. The ubiquitous, brightly colored bikes have been credited with replacing car trips and improving commutes for many who use them to get to public transit. But they also are viewed as an aesthetic mess, being abandoned on sidewalks or yards. They are sometimes left hanging in trees or submerged in creeks and waterways. City officials are scrambling to write regulations. "You drive down a street, you see bikes everywhere, all scattered out," said Dallas City Council member Tennell Atkins. "We've got to think it through. It's a mess."

Other U.S. cities are having a similar experience, if on a smaller scale. The startups, which include China's two leading bike-share companies, are in the early stages of a plan to blanket U.S. cities with hundreds of thousands of dockless bikes in the coming year.

Typically acting with cooperation and encouragement from city governments, companies seed a city with bikes placed on sidewalks, by bus stops and throughout downtowns. Users pay $1 per half-hour or hour for a bike they locate and unlock with an app on their smartphones, eliminating the need for a bike rack.

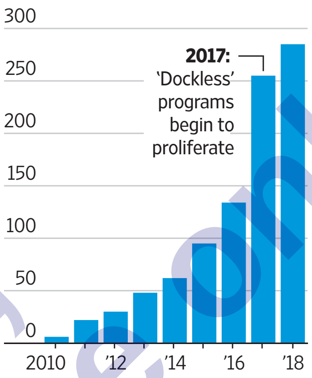
LimeBike, a Silicon Valley-based company backed by $132 million from venture capitalists like **Andreessen Horowitz** LP and **Fifth Wall Ventures**, plans to distribute at least 50,000 bikes by year-end, more than double what it has on streets today in 50 cities and college campuses like Bay Area suburbs and South Bend, Ind. **Ofo**, the Beijing-based giant backed by **Alibaba Group Holding** Ltd., hopes to have an additional 300,000 bikes on the ground in U.S. cities and towns by the end of the year, on top of the 30,000 it already has in places like San Diego and Seattle, said Chris Taylor, who runs the company's domestic operations. "We're excited about the U.S. as an opportunity," he said.

Others, including China-based operator **Mobike** and U.S.-based Spin, are also rapidly branching out, while docked bike-share companies like **Motivate** Co. are considering expansion into the sector. Ofo and the other companies said they work with cities to address complaints by moving bikes when asked.

For the startups, the desire to move fast comes from the experience in China, where the dockless business has exploded in popularity. Warring companies have collectively raised billions of dollars to battle one another, sometimes clogging China's streets with hundreds of thousands of bikes. Prices are often cheap and upkeep can fall behind. Supporters note that the bikes are widely used by millions a day, reducing car traffic.

Higher Gear

Number of bike-sharing programs in the U.S.



Note: Includes all types of bike-share programs open to the public
Source: bikesharingmap.com
THE WALL STREET JOURNAL.

Yeti Drops Plans for IPO Amid A Thaw

By Maureen Farrell

Yeti Holdings Inc., the maker of Rambler mugs and pricey coolers, has ended its plans to go public, citing market conditions.

Yeti, in a letter to the Securities and Exchange Commission dated Friday, said it is no longer pursuing an initial public offering. The letter didn't provide additional details about the market conditions it was referencing.

"The data was long out of date," David Schnadig, managing partner at **Cortec Group**, Yeti's private-equity backer, said in an interview. "It was simply a cleanup measure by Yeti." He declined to comment on the company's future plans.

Yeti filed to go public in July 2016. It was planning to seek a valuation of around $5 billion in its IPO, which was expected to happen as soon as September 2016, The Wall Street Journal had reported.

But within months, Yeti started weighing alternatives to a public offering, including raising private funding. Even in 2016, when growth had been skyrocketing, a $5 billion valuation was seen as aggressive by some investors.

Rivals have introduced coolers with features similar to Yeti's at lower prices.

Yeti didn't respond to requests to comment.

Yeti, which was founded by Texas brothers Roy and Ryan Seiders more than a decade ago, has grown quickly in recent years as its coolers and drinkware gained mass-market appeal. Cortec made its initial investment in Yeti in 2012, buying a roughly two-thirds stake for about $67 million.

Sales more than tripled in 2015 to $469 million, and it generated a profit of $74.2 million, more than five times the profit it turned in the previous year, according to a regulatory filing.

In the first quarter of 2016, however, Yeti reported a loss of $38.2 million as expenses, largely due to stock-based compensation, rose sharply even as sales climbed.

The company hasn't reported updated financials since it filed with the SEC in July 2016.

Meanwhile, **Igloo Products** Corp., Coleman Co. and others have introduced new coolers with features similar to Yeti's at lower prices.

—Allison Prang contributed to this article.

Spotify Makes Play for Growth, Not Profit

By Anne Steele

Spotify Technology SA is adding users rapidly and moving into new markets around the world, but it is unclear how soon its business will be in the black—something the music-streaming service says isn't a problem as it prioritizes growth over profit.

The Swedish company is set to make its debut next Tuesday on the New York Stock Exchange, in an unusual direct listing that Wall Street is closely watching.

Spotify has reported net losses every year since it started in 2008, but the company says its growth-oriented strategy will make the business more valuable in the long run.

On an operating basis, the company has been edging toward profitability since 2016, when its free cash flow—a measure of the cash a company generates that some investors view as a good proxy for company performance—turned positive, according to documents filed with the Securities and Exchange Commission. Last year, Spotify generated €109 million ($134.7 million) in free cash flow.

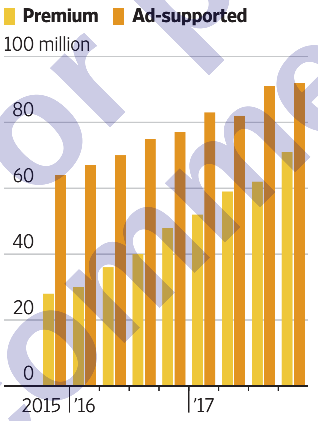
"Becoming the world's largest music-streaming subscription service has been expensive," said finance chief Barry McCarthy during the company's first investor presentation this month. "But the trend toward profitability is clearly apparent."

On Monday morning, Spotify gave its outlook for 2018, outlining expectations to increase revenue by as much as 30%, and to boost premium subscribers by as much as 36% year over year. Those forecasts represent sharp but still slowing growth.

Spotify remains the global leader in a market that is growing. U.S. consumer spending on music-streaming services is likely to jump 29% to $6.6 billion in 2018, said the Consumer Technology Association, an industry group.

Tuning In

Spotify's quarterly subscriber growth



Source: the company
THE WALL STREET JOURNAL.

The most closely watched metric from music-streaming services has been subscriptions, which generate more revenue through fewer users than ad-supported tiers of service.

Spotify says it has 157 million monthly active users in 61 countries, 71 million of those paid. But that 71 million includes an undisclosed number of people still in a free trial period.

Apple Music doesn't report trial users in its subscription number, so the gap between the No. 1 and No. 2 services is narrower than it appears. Apple's services chief, Eddy Cue, this month said that Apple Music has 38 million subscribers, plus an additional eight million users in free-trial mode.

Spotify also sees its premium subscriber growth slowing down slightly. The company said it expects to end 2018 with 92 million to 96 million premium subscribers, which would mark growth between 30% and 35%, below the 46% year-over-year growth it reported between 2016 and 2017.

Still, while getting bigger and gaining more leverage might seem better for Spotify, its costs do follow its growth closely; the service must pay record companies and music publishers every time a song is streamed. Those royalty payments make turning a profit a tough proposition.

Under its latest agreements with record companies, Spotify will see lower royalty rates as it attains a certain number of subscribers. Because neither the subscriber targets nor the royalty rates have been publicly disclosed, it is difficult to know exactly when the company may attain profitability.

—Maureen Farrell contributed to this article.

Sales Took Back Seat in Sharpie Spat

By Sharon Terlep

A fight broke out in the aisles of office-supply stores last year, costing the maker of Sharpie markers and Paper Mate pens millions of dollars in lost sales.

The battle began when **Newell Brands** Inc. sporadically stopped shipping the markers and other writing utensils to **Office Depot** Inc., because it believed the retailer wasn't spending what the two had agreed on for showcasing Sharpies and other Newell products, according to people familiar with the situation. Newell also sells Elmer's glue and Coleman tents.

The result was a hit to Newell's sales, leading to a 10% decline in fourth-quarter core sales at the "Learn" unit, which includes writing products, Newell said. The poor sales led to a string of director resignations and attracted two activist investors, one of which pushed to oust the chief executive and take control of the company.

A Newell spokesman said the two companies have settled the dispute and declined to provide details of the resolution. An Office Depot spokesman declined to comment.

Despite the fight's consequences, Newell CEO Michael Polk said he had to draw the line. "These things, you have to be prepared to see them all the way through," Mr. Polk said in an interview, explaining why he opted to sustain a major sales hit at a tumultuous time for the consumer-products conglomerate. Sales for the unit that includes writing products fell $50 million in the last quarter of 2017, compared with the same period a year earlier.

Retailers generally charge vendors for prominent placement in stores. The specific terms of Office Depot's deal with Newell couldn't be learned.

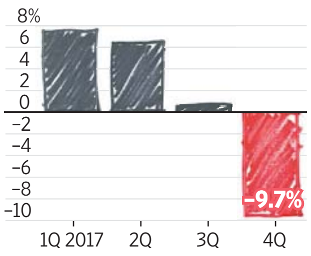
Mr. Polk said the retailer was spending too little to promote markers, pens and pencils through store displays and other vehicles. He said the retailer spent some of that money to bolster its own margins and earnings, as a way to offset declining sales.

Customers increasingly go online to buy office staples like printer ink and paper, resulting in fewer people in stores picking up pens, markers and other products, he said.

Sliding Sharpie Sales

Sales in Newell's learning unit, which mostly makes writing products

Change from previous year



Source: the company
THE WALL STREET JOURNAL.

"When those guys feel that foot-traffic pressure, they have to cover their margins and their earnings," Mr. Polk said. "How to they do that? They hold on to spending and don't pass it through to the consumer. If you don't contest that when it occurs, you find yourself funding their margin and you can't do that."

Newell last week struck a deal with the activist investor Carl Icahn that would preserve Mr. Polk's job while letting Mr. Icahn select five of 11 directors. Another activist investor, **Starboard Value** LP, said it might still seek board seats in the spring but will give Mr. Icahn a chance to fix the company.

Newell's share price is down more than 45% over the past year, after the company was forced to lower forecasts. Mr. Polk attributed the downturn to outside factors, from hurricanes in the fall to retailers' ailing store sales, and said business will improve this year. Starboard blames Mr. Polk and the Newell board for failing to navigate challenges.

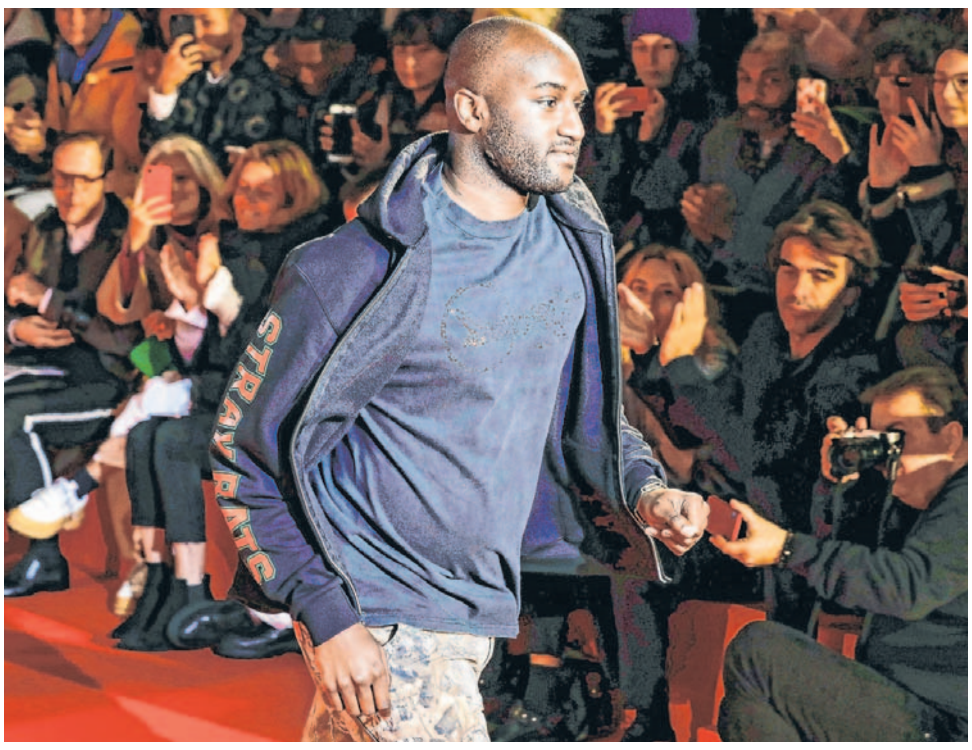
Analysts say the Sharpie spat is the type of conflict that is bound to happen more as big-box retailers lower prices to win back shoppers from online sellers. Historically, retailers and manufacturers have worked together to bolster sales.

But those relationships are becoming less amiable. **Walmart** Inc. for years has toughened terms for its suppliers. Smaller big-box chains are beginning to take the same stance, said Simeon Siegel, a retail analyst at Nomura Securities. "It's becoming more mainstream," he said.

Fashion House Taps U.S. Designer

Louis Vuitton selects streetwear proponent Virgil Abloh as it seeks to rejuvenate brand

By Matthew Dalton



FRANCOIS GUILLOT/AGENCE FRANCE PRESSE/GETTY IMAGES

Mr. Abloh, 37, is founder of the Off-White brand. High-fashion houses are pursuing a younger clientele.

PARIS—French fashion house Louis Vuitton named American designer Virgil Abloh as creative director for menswear, hiring a leading proponent of streetwear as brands across high fashion are embracing the segment to appeal to a younger clientele.

Mr. Abloh, 37 years old, founder of the Off-White brand, will take the helm immediately at the menswear department of Louis Vuitton, part of luxury conglomerate **LVMH Moët Hennessy Louis Vuitton**. He will present his first collection at Paris men's fashion week in June, LVMH said.

The appointment highlights how the luxury industry has moved to rejuvenate decades-old brands with streetwear inflections, such as sneakers, track pants, synthetic fabrics and T-shirts. Those designs have proved to be a hit for some of the top-selling brands in luxury fashion, including Gucci, Balenciaga and Louis Vuitton itself.

The storied French brand—known mainly for its signature handbags—collaborated last year on a collection with New York-based Supreme in one of the most high-profile marriages of luxury fashion with streetwear. The collection produced lines around the block at pop-up stores opened to sell the clothes.

High-fashion designers who can navigate the streetwear aesthetic have been in high-demand. Dior Homme recently snagged Louis Vuitton's previous menswear designer, Kim Jones, who led the brand's collaboration with Supreme.

Burberry PLC this month hired Riccardo Tisci, who excelled at blending streetwear with luxury fashion while at Givenchy, to help revive the British brand's fusty image.

Mr. Abloh has becomes one of the few black creative directors at a European luxury fashion house, joining Olivier Rousteing at French couture house Balmain.

Mr. Abloh has floated in between the worlds of fashion and art, presenting Off-White shows at Paris fashion week, designing collections with brands ranging from Jimmy Choo to Nike and working with Japan's Takashi Murakami on an exhibit for the Gagosian Gallery in London.

"I find the heritage and creative integrity of [Louis Vuitton] are key inspirations and will look to reference them both while drawing parallels to modern times," Mr. Abloh said.

IAC Puts Online Dictionary Up for Sale

By Lukas I. Alpert

Dictionary.com is for sale—you can look it up.

The online definition resource is being put on the block by Barry Diller's **IAC/InterActiveCorp**, the company said.

IAC said it hired investment bank Allen & Co. to explore a sale after two parties separately approached the company expressing interest in a possible acquisition of the property and its sister site, Thesaurus.com.

IAC declined to disclose the identity of the interested parties, but two people familiar with the matter described them as being "in the education space."

Founded in 1995, Dictionary.com was one of the web's first in-depth reference sites and has maintained a strong presence in search results.

In February, the site drew 15.5 million unique U.S. visitors, down from 20.4 million a year earlier, according to measurement firm comScore Inc. Thesaurus.com drew 13.7 million unique visitors in February, compared with 13.2 million in February 2017.

The two sites took in just over $20 million in revenue last year and contributed about $10 million in earnings before interest, taxes, depreciation and amortization to IAC, the people familiar with the matter said. The company is projecting approximately 15% revenue growth for the sites in 2018, the people said.

The two sites are a small piece of IAC, which generated overall revenue of $3.3 billion in 2017, driven primarily by its interests in online dating services such as Match and Tinder, and its home-improvement companies, HomeAdvisor and Angie's List Inc.

Meredith Turns Back Clock on Time Inc. Titles

By Jeffrey A. Trachtenberg

Meredith Corp. said it is reorganizing the ad sales operations of recently acquired publisher Time Inc. to emphasize its individual titles rather than selling based on industry-specific categories.

The shift will effectively undo a structure Time Inc. began to implement in 2016. It signals that Meredith, owner of titles such as Better Homes & Gardens and Shape, is moving quickly to fix what it perceives as errors by the previous management team since acquiring Time Inc. in January.

The new strategy includes reappointing individual publishers at Time Inc. titles, including those brands Meredith has put on the sales block: TIME, Fortune, Money and Sports Illustrated.

The realignment is intended to strengthen ties with ad agencies and marketers and give specific magazines greater visibility at a time when print ad revenue continues to be under pressure.

"It's important for the brands to have an evangelist in the marketplace and internally," said Jon Werther, president of Meredith's national media group, in an interview. "We're extending our existing sales structure to the Time Inc. brands because that approach has been successful in terms of driving revenue and share-of-market."

As part of the restructuring, the Foundry, a Brooklyn-based studio that creates content for advertisers, is being integrated into Meredith's digital business unit.

Foundry staffers will move to Meredith offices in Manhattan, where they will be more involved in the company's sales and marketing efforts across all digital advertising products.

In recent years Time Inc. struggled with declining revenue; in its last public quarterly filing, the publisher reported that print and other advertising revenue decreased 19% for the nine months ended Sept. 30.

At a recent conference, Steve Lacy, Meredith's executive chairman, attributed Time Inc.'s revenue declines to "some unfortunate changes they made in their sales structure."

Starting in early 2016, Time Inc. began to focus on "category selling" in which sales teams were devoted to large advertising categories such as pharmaceuticals, technology, telecom and automotive.

Time Inc. executives said at the time that they were responding to requests from marketers who wanted one point of contact and larger ideas. The approach was also intended to enable Time Inc. to better take advantage of its scale as it competed with Google and Facebook. The approach never sparked the returns that Time Inc. had envisioned.

Mr. Werther said Meredith's corporate sales team will continue to focus on the largest accounts in such areas as beauty, auto, food, consumer packaged goods and pharmaceuticals.

But under the Meredith approach, specific magazine brands will have a voice at the table, and will be able to pitch those bigger accounts.

Nickelodeon, Producer Split

By Joe Flint

Viacom Inc.'s children's network Nickelodeon is cutting ties with Dan Schneider, one of its most prolific producers.

The creator of several Nickelodeon hits including "iCarly," "Kenan & Kel" and the network's current top-rated show "Henry Danger," Mr. Schneider has been associated with the channel for three decades. Stars that got their start on Mr. Schneider's shows include Amanda Bynes, Ariana Grande and Jami Lynn Spears.

"Following many conversations together about next directions and future opportunities, Nickelodeon and our long-time creative partner Dan Schneider/Schneider's Bakery have agreed to not extend the current deal," the network and creator said in a joint statement.

While Mr. Schneider's contract to produce shows for Nickelodeon hadn't expired, a window had opened for the two sides to re-evaluate the relationship. Two of Mr. Schneider's new shows have been disappointments in the ratings.

The decision to end the longtime relationship between Nickelodeon and Mr. Schneider is the second major shift at Nickelodeon in recent weeks. Last month, Viacom restructured the leadership team at the network, with longtime Nickelodeon President Cyma Zarghami ceding some operating responsibilities at the channel to Sarah Levy, who has similar responsibilities at Viacom's other cable networks.

While Mr. Schneider is a well-regarded producer, he could be difficult to work with and was known for having a bad temper and being verbally abusive, people close to the network and his shows said.

A spokesman for Mr. Schneider didn't respond to a request for comment.

News of Mr. Schneider's split from Viacom was first reported by Deadline Hollywood.

Nickelodeon is an iconic brand for Viacom and generated $2.1 billion of revenue from advertising and distribution fees in 2017 and cash flow of more than $1 billion, according to industry consulting firm SNL Kagan.

However, like many cable channels, Nickelodeon has endured a decline in ratings as media consumption habits change and digital streaming services grow. Nickelodeon's ratings are down about 25% with children between the ages of 2 and 11 compared with the same period a year earlier, according to Nielsen.

Finish Line Attracts a U.K. Buyer

By Aisha Al-Muslim

RICHARD B. LEVINE/LEVINE ROBERTS/ZUMA PRESS

The retailer operates 556 stores in 44 U.S. states and Puerto Rico, as well as hundreds of shops within Macy's stores.

Athletic-apparel retailer **Finish Line** Inc. has reached a deal to be acquired for about $558 million by **JD Sports Fashion** PLC, as the U.K. sportswear retailer looks across the Atlantic to expand its global footprint.

JD agreed to pay $13.50 in cash for each Finish Line share, which is about a 28% premium above Friday's closing price of $10.55.

Finish Line operates 556 stores across 44 U.S. states and Puerto Rico, as well as hundreds of shops within Macy's department stores. The Indianapolis-based company has about 13,000 employees.

The retailer has been whittling down its store count in recent years to focus on the most profitable locations. The company invested in remodeling outlets, expanding shops within department stores and building up online sales.

Analysts had viewed Finish Line as a takeover target, in part because a different U.K. retailer, **Sports Direct International** PLC, had a large stake in the company. The rival of JD Sports in February reported having a nearly 32% economic interest in Finish Line, including derivatives.

Finish Line shares rose 31% to $13.83 on Monday. However, they are still down more than half from their peak reached in September 2014.

Separately, Finish Line on Monday said sales in its fiscal fourth quarter increased 0.7% from a year earlier to $561.3 million, though comparable sales dropped 7.9%. The company now expects to report adjusted earnings per share of 58 cents to 59 cents, compared with previous guidance of 50 cents to 58 cents. The company expects to report full results for the quarter, which ended March 3, on Thursday.

The JD deal is subject to approval by shareholders and regulators. It is expected to be completed no earlier than June, the companies said.

Finish Line executives are expected to continue their involvement with the business once the deal closes.

The acquisition of Finish Line allows JD to establish a presence in "the world's largest athleisure market," JD Executive Chairman Peter Cowgill said in prepared remarks.


PRIVATE
PRIVATE

MARKETS DIGEST

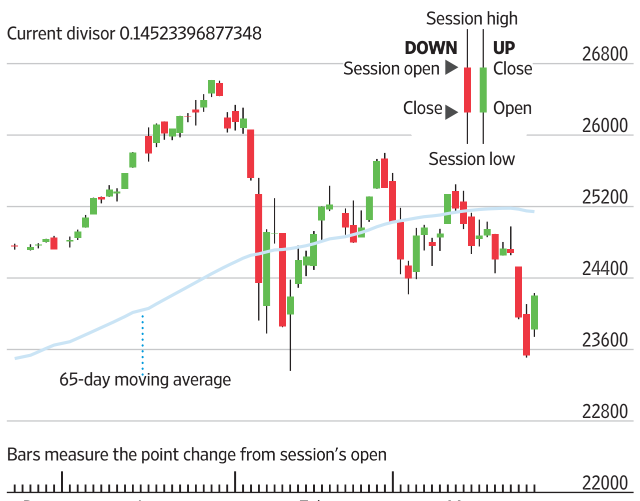
EQUITIES

Dow Jones Industrial Average

24202.60 ▲669.40, or 2.84%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	25.56	20.97
P/E estimate *	16.20	17.72
Dividend yield	2.21	2.37
All-time high	26616.71, 01/26/18	



Nasdaq Composite Index

7220.54 ▲227.88, or 3.26%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	25.75	25.97
P/E estimate *	20.02	20.34
Dividend yield	1.01	1.12
All-time high:	7588.32, 03/12/18	

S&P 500 Index

2658.55 ▲70.29, or 2.72%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	24.91	24.52
P/E estimate *	16.92	18.27
Dividend yield	1.93	1.97
All-time high	2872.87, 01/26/18	

*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	24232.30	23741.22	24202.60	669.40	2.84	26616.71	20404.49	17.8	-2.1	11.0
Transportation Avg	10387.14	10167.13	10373.21	209.89	2.07	11373.38	8783.74	16.1	-2.3	6.1
Utility Average	681.14	674.55	680.17	6.49	0.96	774.47	647.90	-3.2	-6.0	5.6
Total Stock Market	27602.05	27008.13	27577.16	703.79	2.62	29630.47	24125.20	13.7	-0.3	8.6
Barron's 400	715.88	702.54	715.52	15.98	2.28	757.37	610.89	15.8	0.6	8.4
Nasdaq Stock Market										
Nasdaq Composite	7225.83	7022.34	7220.54	227.88	3.26	7588.32	5805.15	23.6	4.6	14.1
Nasdaq 100	6760.65	6538.79	6753.83	245.74	3.78	7131.12	5353.59	25.7	5.6	16.1
S&P										
500 Index	2661.36	2601.81	2658.55	70.29	2.72	2872.87	2328.95	13.5	-0.6	8.9
MidCap 400	1880.37	1846.81	1879.46	39.99	2.17	1995.23	1681.04	11.1	-1.1	7.8
SmallCap 600	943.86	926.54	943.75	20.63	2.23	979.57	815.62	14.2	0.8	9.9
Other Indexes										
Russell 2000	1543.81	1513.54	1543.72	33.63	2.23	1610.71	1345.24	13.7	0.5	7.8
NYSE Composite	12444.40	12241.48	12433.15	255.45	2.10	13637.02	11324.53	8.9	-2.9	4.6
Value Line	548.80	537.92	548.67	10.75	2.00	589.69	503.24	7.2	-2.4	2.7
NYSE Arca Biotech	4628.52	4491.19	4627.04	131.29	2.92	4939.86	3449.61	30.5	9.6	5.6
NYSE Arca Pharma	524.02	514.02	523.35	7.03	1.36	593.12	498.46	1.9	-4.0	-2.8
KBW Bank	107.97	104.79	107.66	3.72	3.58	116.52	88.02	19.0	0.9	14.5
PHLX§ Gold/Silver	82.77	81.74	82.50	1.00	1.22	93.26	76.42	-3.3	-3.3	6.5
PHLX§ Oil Service	138.62	134.76	138.03	1.25	0.91	171.55	117.79	-14.9	-7.7	-10.2
PHLX§ Semiconductor	1380.14	1338.75	1380.10	56.18	4.24	1445.90	960.01	37.2	10.1	26.9
Cboe Volatility	24.54	20.71	21.03	-3.84	-15.44	37.32	9.14	68.2	90.5	10.0

§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	19,020.6	265.39	0.28	0.11	265.41	258.11
Newell Brands	NWL	5,681.1	26.06	...	unch.	26.06	25.77
VanEck Vectors Gold Miner	GDX	5,524.4	22.46	0.02	0.09	22.50	22.41
iShares MSCI Emg Markets	EEM	5,243.7	48.50	0.09	0.19	48.54	47.68
Automatic Data	ADP	5,222.7	114.06	...	unch.	114.07	114.00
Kindred Healthcare	KND	4,486.5	9.10	...	unch.	9.10	9.10
Ford Motor	F	3,913.9	10.83	...	unch.	10.87	10.81
PG&E	PCG	3,273.3	42.87	...	unch.	42.87	42.83

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
AnaptysBio	ANAB	239.5	126.56	12.73	11.18	132.50	111.59
GGP	GGP	247.4	22.98	1.77	8.35	23.00	21.21
Red Hat	RHT	385.2	160.45	7.36	4.81	163.31	151.92
Genworth Financial A	GNW	112.6	2.96	0.08	2.78	2.96	2.87
Geron	GERN	167.7	6.13	0.15	2.51	6.16	5.90

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Overstock.com	OSTK	242.3	40.30	-4.30	-9.64	44.61	39.60
Weatherford International	WFT	131.6	2.33	-0.08	-3.32	2.42	2.32
Novavax	NVAX	428.8	2.05	-0.06	-2.84	2.11	2.01
Ultra Clean Holdings	UCTT	106.0	20.05	-0.40	-1.96	20.45	19.88
iSh Core S&P Small-Cap	IJR	306.2	76.23	-1.27	-1.64	77.50	76.23

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	897,323,319	10,834,682
Adv. volume*	771,173,447	5,962,559
Decl. volume*	118,689,912	4,103,929
Issues traded	3,078	331
Advances	2,317	147
Declines	689	159
Unchanged	72	25
New highs	24	1
New lows	190	36
Closing tick	171	39
Closing Arms†	0.58	0.66
Block trades*	6,709	127

	Nasdaq	NYSE Arca
Total volume*	2,279,290,370	306,425,514
Adv. volume*	1,820,951,249	250,278,266
Decl. volume*	444,492,112	55,888,838
Issues traded	3,076	1,364
Advances	2,119	1,037
Declines	856	307
Unchanged	101	20
New highs	52	6
New lows	100	47
Closing tick	209	113
Closing Arms†	0.60	0.82
Block trades*	8,419	1,512

* 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	3026.23	37.60	1.26	-2.0
	DJ Global Index	392.64	5.57	1.44	-1.2
	DJ Global ex U.S.	261.73	0.66	0.25	-1.9
Americas	DJ Americas	637.74	15.36	2.47	-0.7
Brazil	Sao Paulo Bovespa	85087.86	710.67	0.84	11.4
Canada	S&P/TSX Comp	15298.56	74.82	0.49	-5.6
Mexico	S&P/BMV IPC	46858.46	342.53	0.74	-5.1
Chile	Santiago IPSA	4101.35	-32.86	-0.79	-2.6
EMEA	Stoxx Europe 600	363.18	-2.64	-0.72	-6.7
Eurozone	Euro Stoxx	366.11	-2.46	-0.67	-5.0
Belgium	Bel-20	3797.02	-19.94	-0.52	-4.5
Denmark	OMX Copenhagen	880.03	-4.56	-0.52	-5.1
France	CAC 40	5066.28	-28.94	-0.57	-4.6
Germany	DAX	11787.26	-99.05	-0.83	-8.8
Israel	Tel Aviv	1438.36	-32.08	-2.18	-4.7
Italy	FTSE MIB	22011.76	-277.34	-1.24	0.7
Netherlands	AEX	518.75	-2.70	-0.52	-4.7
Russia	RTS Index	1230.96	-30.48	-2.42	6.6
South Africa	FTSE/JSE All-Share	56176.43	-229.21	-0.41	-5.6
Spain	IBEX 35	9381.00	-12.10	-0.13	-6.6
Sweden	SX All Share	546.47	-5.35	-0.97	-3.9
Switzerland	Swiss Market	8509.29	-59.79	-0.70	-9.3
Turkey	BIST 100	116420.34	-182.48	-0.16	0.9
U.K.	FTSE 100	6888.69	-33.25	-0.48	-10.4
U.K.	FTSE 250	19187.09	-132.39	-0.69	-7.4
Asia-Pacific					
Australia	S&P/ASX 200	5790.50	-30.20	-0.52	-4.5
China	Shanghai Composite	3133.72	-19.04	-0.60	-5.2
Hong Kong	Hang Seng	30548.77	239.48	0.79	2.1
India	S&P BSE Sensex	33066.41	469.87	1.44	-2.9
Japan	Nikkei Stock Avg	20766.10	148.24	0.72	-8.8
Singapore	Straits Times	3412.46	-8.93	-0.26	0.3
South Korea	Kospi	2437.08	20.32	0.84	-1.2
Taiwan	Weighted	10840.05	16.72	0.15	1.9
Thailand	SET	1801.10	6.89	0.38	2.7

Sources: SIX Financial Information; WSJ Market Data Group

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Finish Line Cl A	FINL	13.83	3.28	31.09	16.38	6.90	3.9
Verona Pharma ADR	VRNA	20.97	4.97	31.06	24.43	10.44	...
USG	USG	40.03	6.52	19.46	41.18	25.60	19.8
ArQule	ARQL	3.17	0.49	18.28	3.20	0.92	188.2
Travelport Worldwide	TVPT	16.80	2.45	17.07	16.89	11.38	44.3
MongoDB	MDB	44.80	6.08	15.70	45.09	24.62	...
Bellerophon Therapeutics	BLPH	2.32	0.30	14.85	2.74	1.00	62.2
Siebert Financial	SIEB	9.23	1.12	13.81	21.61	3.00	169.9
OncoMed Pharmaceuticals	OMED	3.32	0.40	13.70	9.54	1.74	-65.0
AcelRx Pharmaceuticals	ACRX	2.35	0.28	13.25	5.75	1.55	-23.0
Direxion Dly SCOND 3 BL	SOXL	172.49	19.27	12.58	209.00	66.72	123.9
Energous Corp.	WATT	17.09	1.84	12.07	33.50	6.91	11.8
eGain Corp.	EGAN	8.25	0.85	11.49	8.30	1.30	432.2
Direxion Tech Bull 3x	TECL	122.28	12.54	11.43	149.65	63.23	87.3
ProShares UltraPro QQQ	TQQQ	156.22	15.80	11.25	190.52	82.43	83.3

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Protagonist Therapeutics	PTGX	8.75	-11.68	-57.17	23.97	7.85	-36.2
China Auto Logistics	CALI	3.61	-1.59	-30.58	8.77	1.30	145.6
Bonso Electronics Intl	BNSO	2.73	-1.17	-30.00	4.10	1.96	8.8
PLx Pharma	PLXP	3.83	-1.33	-25.73	9.95	1.23	183.3
Astrotech	ASTC	2.02	-0.47	-18.88	7.15	2.01	-69.2
Tintri	TNTR	2.27	-0.48	-17.45	7.75	2.22	...
Daxor Corp	DXR	8.90	-1.85	-17.21	21.66	3.40	25.9
Cesca Therapeutics	KOOL	2.23	-0.45	-16.79	6.44	2.16	-29.2
LongFin Cl A	LFIN	59.28	-11.82	-16.62	142.82	4.69	...
CIM Commerical Trust	CMCT	12.15	-2.35	-16.21	20.45	12.10	-24.3
Mastech Digital	MHH	12.19	-2.07	-14.52	15.93	6.13	79.5
VS 2x VIX Short Term	TVIX	9.09	-1.48	-14.00	47.19	4.66	-76.0
Arcadia Biosciences	RKDA	26.23	-4.24	-13.92	66.56	3.60	92.6
Kala Pharmaceuticals	KALA	14.74	-2.36	-13.78	26.75	11.81	...
Boston Omaha	BOMN	22.43	-3.57	-13.73	35.49	12.15	16.5

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Facebook Cl A	FB	124,351	356.3	160.06	0.42	195.32	138.77
SPDR S&P 500	SPY	122,307	9.5	265.11	2.74	286.63	231.61
General Electric	GE	99,909	11.0	12.89	-1.38	30.54	12.73
Finl Select Sector SPDR	XLF	83,026	35.7	27.69	3.24	30.33	22.89
Bank of America	BAC	81,475	12.1	30.44	4.35	33.05	22.07
Advanced Micro Devices	AMD	75,142	25.2	10.44	-1.79	15.65	9.70
Micron Technology	MU	69,153	36.0	55.56	2.49	63.42	26.36
iShares MSCI Emg Markets	EEM	68,076	-4.8	48.41	3.24	52.08	38.71
PwrShrs QQQ Tr Series 1	QQQ	57,258	29.0	164.40	3.72	175.21	129.40
Microsoft	MSFT	54,238	78.7	93.78	7.57	97.24	64.35

* Volumes of 100,000 shares or more are rounded to the nearest thousand

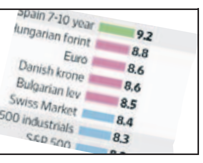
Volume Movers

Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Protagonist Therapeutics	PTGX	4,727	3836	8.75	-57.17	23.97	7.85
Pwrsh FTSE Dev Mkt xUS	PDN	829	3030	33.71	0.63	36.59	28.73
Verona Pharma ADR	VRNA	185	3004	20.97	31.06	24.43	10.44
Biohaven Pharm	BHVN	12,352	2387	22.96	-7.27	39.51	16.50
WisdomTree Glbl xMexico	XMX	1,125	2258	29.15	-0.31	31.68	25.58
iKang Healthcare ADR	KANG	3,813	1287	19.95	7.72	20.04	11.70
Finish Line Cl A	FINL	16,952	1016	13.83	31.09	16.38	6.90
Direxion S&P 500 Bear 1X	SPDN	378	974	30.52	-2.83	35.68	28.53
Cambria Core Equity ETF	CCOR	266	906	25.04	0.20	26.18	24.47
USG	USG	13,521	895	40.03	19.46	41.18	25.60

* 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

Track the Markets
Compare the performance of selected global stock indexes, bond ETFs, currencies and commodities at **WSJ.com/TrackTheMarkets**

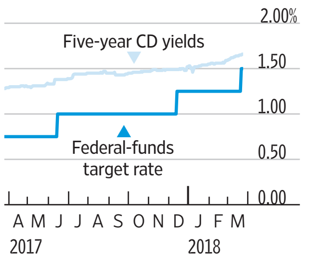


CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

5-year CDs

Bankrate.com avg†:	1.66%
Colorado Federal Savings Bank	2.71%
Greenwood Village, CO	877-484-2372
Popular Direct	2.75%
New York, NY	800-274-5696
Third Federal Savings and Loan	2.75%
Cleveland, OH	888-274-7952
First Internet Bank of Indiana	2.78%
Indianapolis, IN	888-873-3424
M.Y. Safra Bank, FSB	2.80%
New York, NY	212-652-7200

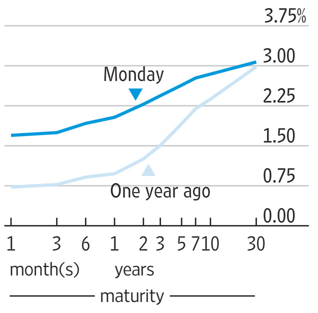
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	1.50-1.75	1.25-1.50	0.75	1.50	1.50
Prime rate*	4.75	4.50	4.00	4.75	1.50
Libor, 3-month	2.29	2.22	1.15	2.29	2.02
Money market, annual yield	0.35	0.34	0.25	0.36	-0.07
Five-year CD, annual yield	1.66	1.64	1.28	1.66	0.17
30-year mortgage, fixed†	4.45	4.43	3.73	4.49	0.63
15-year mortgage, fixed†	3.92	3.89	2.99	3.95	0.81
Jumbo mortgages, $424,100-plus†	4.73	4.72	4.21	4.96	0.43
Five-year adj mortgage (ARM)†	4.20	4.19	3.20	4.50	0.77
New-car loan, 48-month	3.64	3.59	2.85	3.64	0.67

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: SIX Financial Information; WSJ Market Data Group; Bankrate.com

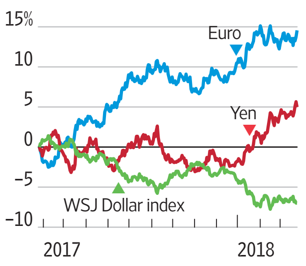
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Ryan ALM; Tullett Prebon; WSJ Market Data Group

Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
Treasury, Ryan ALM	1430.967	2.678	2.682	2.736	1.818	-0.402	0.228
10-yr Treasury, Ryan ALM	1674.263	2.843	2.844	2.943	2.058	-1.884	-0.552
DJ Corporate	369.578	3.799	3.749	3.814	2.879	1.323	2.087
Aggregate, Barclays Capital	1905.300	3.180	3.180	3.230	2.380	0.709	1.158
High Yield 100, Merrill Lynch	2822.531	6.287	6.167	6.319	4.948	3.637	3.493
Fixed-Rate MBS, Barclays	1956.280	3.360	3.360	3.410	2.660	0.493	1.089
Muni Master, Merrill	515.568	2.502	2.483	2.520	1.736	1.935	1.770
EMBI Global, J.P. Morgan	787.465	6.094	6.041	6.104	5.279	2.326	5.278

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	Mon in US$	per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0496	20.1647	8.4
Brazil real	.3018	3.3139	0.05
Canada dollar	.7785	1.2845	2.2
Chile peso	.001654	604.70	-1.8
Ecuador US dollar	1	1	unch
Mexico peso	.0545	18.3373	-6.8
Uruguay peso	.03517	28.4300	-1.3
Venezuela b. fuerte	.0000204	9550.0001	479021.2
Asia-Pacific			
Australian dollar	.7749	1.2905	0.8
China yuan	.1594	6.2734	-3.5
Hong Kong dollar	.1275	7.8461	0.4
India rupee	.01545	64.709	1.3
Indonesia rupiah	.0000728	13736	1.9
Japan yen	.009487	105.40	-6.5
Kazakhstan tenge	.003133	319.14	-4.1
Macau pataca	.1238	8.0751	0.4
Malaysia ringgit	.2567	3.8955	-4.1
New Zealand dollar	.7299	1.3701	-2.8
Pakistan rupee	.00866	115.533	4.4
Philippines peso	.0191	52.256	4.6
Singapore dollar	.7640	1.3089	-2.1
South Korea won	.0009296	1075.69	0.8
Sri Lanka rupee	.0064074	156.07	1.7
Taiwan dollar	.03437	29.091	-1.9
Thailand baht	.03212	31.130	-4.5
Vietnam dong	.00004384	22810	0.4
Europe			
Czech Rep. koruna	.04889	20.456	-3.9
Denmark krone	.1671	5.9844	-3.6
Euro area euro	1.2446	.8035	-3.6
Hungary forint	.003975	251.55	-2.9
Iceland krona	.010208	97.96	-5.4
Norway krone	.1302	7.6829	-6.4
Poland zloty	.2947	3.3930	-2.5
Russia ruble	.01748	57.195	-0.8
Sweden krona	.1221	8.1930	0.1
Switzerland franc	1.0575	.9456	-3.0
Turkey lira	.2522	3.9657	4.5
Ukraine hryvnia	.0381	26.2685	-6.7
UK pound	1.4230	.7027	-5.0
Middle East/Africa			
Bahrain dinar	2.6524	.3770	-0.02
Egypt pound	.0566	17.6650	-0.6
Israel shekel	.2861	3.4958	0.5
Kuwait dinar	3.3402	.2994	-0.7
Oman sul rial	2.5972	.3850	0.02
Qatar rial	.2747	3.641	-0.2
Saudi Arabia riyal	.2667	3.7501	-0.01
South Africa rand	.0860	11.6335	-5.9

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	83.11	-0.28	-0.34	-3.33

Sources: Tullett Prebon, WSJ Market Data Group

Commodities

	Close	Monday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	629.15	-1.37	-0.22	645.87	532.01	12.83	0.60
TR/CC CRB Index	195.77	-0.49	-0.25	200.52	166.50	6.92	0.98
Crude oil, $ per barrel	65.55	-0.33	-0.50	66.14	42.53	37.34	8.49
Natural gas, $/MMBtu	2.618	0.027	1.04	3.63	2.55	-14.22	-11.34
Gold, $ per troy oz.	1354.40	5.10	0.38	1362.40	1208.60	7.89	3.68

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COMMODITIES

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Futures Contracts

Metal & Petroleum Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
March	2.9500	2.9805	▼	2.9460	**2.9605**	−0.0240	507
May	2.9795	3.0020	▼	2.9375	**2.9700**	−0.0230	149,200
Gold (CMX)-100 troy oz.; $ per troy oz.							
March	1348.50	1352.20		1345.10	**1354.40**	5.10	477
April	1347.00	1356.00		1343.40	**1355.00**	5.10	159,753
June	1350.60	1361.80		1349.20	**1360.90**	5.20	293,630
Aug	1359.20	1367.60		1355.60	**1367.10**	5.30	46,167
Oct	1367.00	1373.70		1363.60	**1373.10**	5.30	6,753
Dec	1372.00	1380.20		1368.00	**1379.70**	5.50	44,583
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
March	...	...		...	**970.35**	−4.70	1
June	971.20	980.50		965.50	**966.85**	−4.70	23,055
Sept	969.95	973.00		965.90	**961.70**	−5.30	1,184
Platinum (NYM)-50 troy oz.; $ per troy oz.							
April	949.90	958.00		947.50	**950.40**	2.00	20,965
July	955.50	963.80		953.30	**956.40**	2.30	54,776
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
March	16.700	16.725		16.615	**16.632**	0.102	80
May	16.560	16.795		16.525	**16.684**	0.102	151,257
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
May	65.88	66.55	▲	65.08	**65.55**	−0.33	517,104
June	65.72	66.37	▲	64.94	**65.41**	−0.30	350,711
July	65.33	65.96	▲	64.57	**65.03**	−0.26	153,013
Sept	64.31	64.80	▲	63.47	**63.92**	−0.24	168,210
Dec	62.66	63.09	▲	61.90	**62.28**	−0.23	250,492
Dec'19	57.80	58.10	▲	57.32	**57.52**	−0.17	132,171
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
April	2.0209	2.0319		2.0026	**2.0150**	−.0034	35,212
May	2.0234	2.0366		2.0055	**2.0180**	−.0030	122,289
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
April	2.0338	2.0463		2.0020	**2.0104**	−.0232	39,641
May	2.0418	2.0545		2.0132	**2.0203**	−.0212	159,731
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
April	2.575	2.642	▼	2.565	**2.618**	.027	20,290
May	2.622	2.680		2.610	**2.657**	.024	382,742
June	2.679	2.737		2.676	**2.716**	.024	93,394
July	2.742	2.797		2.735	**2.777**	.024	150,121
Sept	2.749	2.800		2.748	**2.784**	.024	95,869
Oct	2.762	2.812		2.758	**2.796**	.023	129,805

Agriculture Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
May	378.50	380.75		373.50	**374.00**	−3.25	654,103
July	386.50	388.75		382.00	**382.50**	−3.25	469,835
Oats (CBT)-5,000 bu.; cents per bu.							
May	227.50	232.25		226.50	**226.50**	.25	4,459
July	238.00	240.00		235.50	**235.25**	...	1,108
Soybeans (CBT)-5,000 bu.; cents per bu.							
May	1026.25	1040.25		1025.00	**1025.50**	−2.75	354,557
July	1037.25	1051.00		1036.00	**1036.50**	−2.75	242,678
Soybean Meal (CBT)-100 tons; $ per ton.							
May	377.90	385.80		374.20	**375.00**	−2.90	191,205
July	380.00	387.60		376.80	**377.80**	−2.20	122,940
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
May	31.50	31.73		31.39	**31.46**	.04	235,928
July	31.73	31.98		31.65	**31.72**	.05	118,494
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
May	1237.00	1247.00		1234.00	**1246.00**	10.00	5,859
July	1251.50	1260.00		1251.50	**1261.00**	9.50	1,323
Wheat (CBT)-5,000 bu.; cents per bu.							
May	462.50	463.75		451.25	**454.25**	−6.00	219,665
July	478.25	479.50		467.75	**471.50**	−5.00	123,972
Wheat (KC)-5,000 bu.; cents per bu.							
May	483.00	485.50		467.25	**468.25**	−11.00	106,566
July	501.50	504.00		486.75	**487.75**	−10.50	77,941
Wheat (MPLS)-5,000 bu.; cents per bu.							
May	603.25	605.00		594.00	**597.25**	−5.50	32,675
July	609.25	613.00		602.75	**605.00**	−4.25	12,580
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
March	135.500	136.500	▼	134.775	**134.925**	−.775	3,401
May	137.000	138.300	▼	135.400	**135.550**	−1.750	18,860
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
April	116.225	117.200	▼	114.800	**115.175**	−.875	46,635
June	106.200	107.300	▼	104.700	**105.300**	−.900	160,659
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
April	58.825	59.100	▼	57.950	**58.025**	−.400	27,527
June	74.350	75.725		74.025	**74.100**	−.050	96,801
Lumber (CME)-110,000 bd. ft., $ per 1,000 bd. ft.							
May	488.20	497.60		488.20	**497.10**	9.50	5,409
July	479.20	486.00		479.20	**484.90**	8.00	745
Milk (CME)-200,000 lbs., cents per lb.							
March	14.21	14.22		14.21	**14.22**	.01	4,233
May	14.29	14.40		14.23	**14.34**	.15	3,384
Cocoa (ICE-US)-10 metric tons; $ per ton.							
May	2,612	2,643	▲	2,597	**2,629**	14	110,795
July	2,641	2,669	▲	2,623	**2,656**	14	76,617
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
May	117.20	118.80		116.65	**118.15**	.95	141,905
July	119.40	120.95		118.85	**120.20**	.80	56,147
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
May	12.56	12.77		12.41	**12.42**	−.15	421,503
July	12.75	12.91		12.61	**12.61**	−.15	234,853
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
May	24.50	24.53	▼	24.50	**24.48**	−.05	3,218
July	25.06	25.15	▼	25.05	**25.15**	−.03	2,674
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
May	82.08	82.57		81.50	**81.78**	−.05	115,824
Dec	77.51	77.92		77.32	**77.70**	.04	72,263
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
May	135.50	138.90		135.25	**137.90**	2.65	9,622
July	136.30	139.40		136.25	**138.40**	2.30	1,937

Interest Rate Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
June	144-280	145-040		144-070	**144-230**	...	788,425
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
June	120-205	120-235		120-110	**120-150**	−4.5	3,498,508
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
March	114-157	114-157		114-157	**114-122**	−3.7	2,945
June	114-070	114-085		114-012	**114-030**	−3.7	3,368,063
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
March	106-177	106-177		106-170	**106-167**	−1.0	11,811
June	106-090	106-097		106-070	**106-080**	−1.2	1,881,015
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
March	98.498	98.500		98.498	**98.498**	...	122,781
April	98.320	98.325		98.320	**98.325**	...	371,380
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
June	93.984	94.234		93.891	**94.063**	−.031	26,977
1 Month Libor (CME)-$3,000,000; pts of 100%							
April	...	...		...	**98.1100**	.0025	4,096
Eurodollar (CME)-$1,000,000; pts of 100%							
April	97.7200	97.7300		97.7175	**97.7200**	.0075	309,643
June	97.6950	97.7000		97.6700	**97.6800**	−.0100	1,755,402
Dec	97.5050	97.5100		97.4600	**97.4800**	−.0100	2,030,814
Dec'19	97.1700	97.1850		97.1250	**97.1400**	.0050	2,166,794

Currency Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
April	.9558	.9572	▲	.9500	**.9519**	−.0038	841
June	.9610	.9615	▲	.9534	**.9558**	−.0038	170,560
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
April	.7778	.7784		.7750	**.7775**	.0030	249
June	.7767	.7801		.7751	**.7784**	.0030	121,974
British Pound (CME)-£62,500; $ per £							
April	1.4181	1.4255		1.4181	**1.4241**	.0115	1,166
June	1.4202	1.4294		1.4196	**1.4276**	.0115	176,738
Swiss Franc (CME)-CHF 125,000; $ per CHF							
June	1.0648	1.0676		1.0614	**1.0660**	.0064	45,344
Australian Dollar (CME)-AUD 100,000; $ per AUD							
April	.7730	.7750		.7705	**.7735**	.0020	1,106
May	.7727	.7749		.7714	**.7735**	.0019	494
June	.7706	.7753		.7704	**.7737**	.0020	96,408
Sept	.7732	.7753		.7726	**.7743**	.0020	639
Dec	.7759	.7759		.7745	**.7750**	.0021	342
Mexican Peso (CME)-MXN 500,000; $ per MXN							
June	.05332	.05404	▲	.05325	**.05397**	.00070	187,654
Euro (CME)-€125,000; $ per €							
April	1.2381	1.2479		1.2379	**1.2477**	.0147	1,608
June	1.2437	1.2540		1.2431	**1.2534**	.0088	489,516

Index Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
June	23646	24223	▲	...	**24191**	579	106,316
Sept	23682	24258	▲	...	**24227**	577	509
S&P 500 Index (CME)-$250 x index							
June	2599.30	2662.50		2591.60	**2659.50**	61.70	45,449
Mini S&P 500 (CME)-$50 x index							
June	2595.00	2662.75		2591.00	**2659.50**	61.75	2,849,518
Sept	2600.75	2667.50		2596.50	**2664.50**	62.00	49,769
Mini S&P Midcap 400 (CME)-$100 x index							
June	1843.30	1881.60		1843.30	**1880.60**	39.70	81,134
Mini Nasdaq 100 (CME)-$20 x index							
June	6549.8	6779.0		6525.0	**6773.5**	219.3	229,742
Sept	6564.0	6807.5		6554.5	**6805.8**	219.0	4,282
Mini Russell 2000 (ICE-US)-$100 x index							
June	1518.00	1547.10		1516.60	**1545.10**	26.30	8,690
Mini Russell 1000 (ICE-US)-$100 x index							
June	1463.50	1475.80		1460.10	**1475.40**	37.90	45
U.S. Dollar Index (ICE-US)-$1,000 x index							
June	89.04	89.11		88.56	**88.60**	−.43	30,886
Sept	88.63	88.65		88.21	**88.20**	−.43	900

Source: SIX Financial Information

Cash Prices | WSJ.com/commodities

Monday, March 26, 2018

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Monday
Energy	
Propane,tet,Mont Belvieu-g	0.8291
Butane,normal,Mont Belvieu-g	0.9381
NaturalGas,HenryHub-i	2.580
NaturalGas,TranscoZone3-i	2.550
NaturalGas,TranscoZone6NY-i	2.670
NaturalGas,PanhandleEast-i	1.920
NaturalGas,Opal-i	1.930
NaturalGas,MarcellusNE PA-i	2.270
NaturalGas,HaynesvilleN.LA-i	2.450
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	63.000
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	12.400
Metals	
Gold, per troy oz	
Engelhard industrial	1351.94
Engelhard fabricated	1453.34
Handy & Harman base	1352.40
Handy & Harman fabricated	1501.16
LBMA Gold Price AM	*1342.35
LBMA Gold Price PM	*1346.60
Krugerrand,wholesale-e	1409.41
Maple Leaf-e	1422.96
American Eagle-e	1422.96
Mexican peso-e	1641.96
Austria crown-e	1331.37
Austria phil-e	1422.96
Silver, troy oz.	
Engelhard industrial	16.6500
Engelhard fabricated	19.9800
Handy & Harman base	16.7520
Handy & Harman fabricated	20.9400
LBMA spot price	£11.6700
(U.S.$ equivalent)	16.6100
Coins,wholesale $1,000 face-a	12335
Other metals	
LBMA Platinum Price PM	*954.0
Platinum,Engelhard industrial	953.0
Platinum,Engelhard fabricated	1053.0
Palladium,Engelhard industrial	981.0
Palladium,Engelhard fabricated	1081.0
Aluminum, LME, $ per metric ton	*2049.0
Copper,Comex spot	2.9605
Iron Ore, 62% Fe CFR China-s	63.1
Shredded Scrap, US Midwest-s,m	366
Steel, HRC USA, FOB Midwest Mill-s	866
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.6150
Cotton,1 1/16 std lw-mdMphs-u	0.8078
Cotlook 'A' Index-t	*91.55
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	100
Corn,No. 2 yellow,Cent IL-bp,u	n.a.
Corn gluten feed,Midwest-u,w	107.8
Corn gluten meal,Midwest-u,w	529.6
Cottonseed meal-u,w	325
Hominy feed,Cent IL-u,w	98
Meat-bonemeal,50% pro Mnpls-u,w	293
Oats,No.2 milling,Mnpls-u	2.5900
Rice, Long Grain Milled, No. 2 AR-u,w	25.50
Sorghum,(Milo) No.2 Gulf-u	8.0625
SoybeanMeal,Cent IL,rail,ton48%-u	379.50
Soybeans,No.1 yllw IL-bp,u	n.a.
Wheat,Spring14%-pro Mnpls-u	7.3725
Wheat,No.2 soft red,St.Louis-bp,u	4.5500
Wheat - Hard - KC (USDA) $ per bu-u	4.5825
Wheat,No.1soft white,Portld,OR-u	5.5213
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	200.10
select 1-3,600-900 lbs.-u	192.02
Broilers, National comp wghtd-u,w	1.0613
Butter,AA Chicago	2.1800
Cheddar cheese,bbl,Chicago	150.00
Cheddar cheese,blk,Chicago	154.50
Milk,Nonfat dry,Chicago lb.	69.25
Cocoa,Ivory Coast-w	n.a.
Coffee,Brazilian,Comp	1.1788
Coffee,Colombian, NY	1.3716
Eggs,large white,Chicago-u	2.6550
Flour,hard winter KC	15.00
Hams,17-20 lbs,Mid-US fob-u	n.a.
Hogs,Iowa-So. Minnesota-u	62.12
Pork bellies,12-14 lb MidUS-u	n.a.
Pork loins,13-19 lb MidUS-u	0.8936
Steers,Tex.-Okla. Choice-u	n.a.
Steers,feeder,Okla. City-u,w	162.00
Fats and Oils	
Corn oil,crude wet/dry mill-u,w	31.9000
Grease,choice white,Chicago-h	0.2200
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u	0.2981
Tallow,bleach;Chicago-h	0.2475
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 3/23

Source: WSJ Market Data Group

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

March 26, 2018

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Feb. index level	Chg From (%) Jan. '18	Feb. '17
U.S. consumer price index			
All items	248.991	0.45	2.2
Core	255.783	0.45	1.8

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	4.75	4.50	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.	1.83	1.59	1.83	0.76
U.S. government rates				
Discount	2.25	2.00	2.25	1.50
Federal funds				
Effective rate	1.7000	1.4800	1.7000	0.8400
High	1.8125	1.5625	1.8125	1.0625
Low	1.6000	1.4000	1.6000	0.7000
Bid	1.6700	1.4100	1.6700	0.8100
Offer	1.7000	1.4500	1.7000	0.8200
Treasury bill auction				
4 weeks	1.720	1.650	1.720	0.695
13 weeks	1.760	1.780	1.780	0.780
26 weeks	1.895	1.950	1.950	0.905
Secondary market				
Fannie Mae				
30-year mortgage yields				
30 days	4.082	4.082	4.109	3.253
60 days	4.112	4.111	4.139	3.281
Other short-term rates				
Call money	3.50	3.25	3.50	2.75
Commercial paper (AA financial)				
90 days	2.15	2.10	2.25	0.95
Libor				
One month	1.87688	1.84067	1.87688	0.98222
Three month	2.29496	2.22249	2.29496	1.14678
Six month	2.45380	2.39050	2.45380	1.39072
One year	2.67200	2.63325	2.67700	1.69511
Euro Libor				
One month	-0.407	-0.411	-0.391	-0.420
Three month	-0.378	-0.389	-0.356	-0.389
Six month	-0.331	-0.331	-0.247	-0.339
One year	-0.251	-0.254	-0.116	-0.263
Euro interbank offered rate (Euribor)				
One month	-0.370	-0.370	-0.366	-0.375
Three month	-0.329	-0.329	-0.325	-0.332
Six month	-0.271	-0.272	-0.241	-0.279
One year	-0.191	-0.192	-0.109	-0.194

	Latest	Value Traded	52-Week High	52-Week Low
DTCC GCF Repo Index				
Treasury	1.816	32.550	1.836	0.791
MBS	1.824	113.140	1.852	0.794

	Settle	Change	Open Interest	Implied Rate
DTCC GCF Repo Index Futures				
Treasury Mar	98.335	-0.020	2101	1.665
Treasury Apr	98.220	-0.015	1571	1.780
Treasury May	98.220	-0.005	825	1.780

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

	Week Ended Mar 23	Mar 16	52-Week High	52-Week Low
Federal funds (effective)	1.43	1.42	1.43	0.87
Commercial paper				
Nonfinancial				
1-month	1.83	1.79	1.83	0.82
2-month	1.87	1.84	1.87	0.85
3-month	1.92	1.90	1.92	0.91
Financial				
1-month	1.81	1.67	1.81	0.88
2-month	1.97	1.88	1.97	0.94
3-month	2.18	2.04	2.18	1.00
Discount window primary credit	2.25	2.00	2.25	1.50
Conventional mortgages	n.a.	n.a.	n.a.	n.a.
Treasury yields at constant maturities				
1-month	1.71	1.67	1.71	0.71
3-month	1.76	1.75	1.76	0.77
6-month	1.96	1.93	1.96	0.90
1-year	2.06	2.06	2.06	1.00
2-year	2.31	2.28	2.31	1.20
3-year	2.45	2.42	2.45	1.39
5-year	2.65	2.63	2.66	1.65
7-year	2.78	2.77	2.83	1.90
10-year	2.86	2.84	2.91	2.07
20-year	2.97	2.96	3.07	2.43
Treasury yields (secondary market)				
1-month	1.68	1.64	1.68	0.69
3-month	1.73	1.72	1.73	0.76
6-month	1.91	1.88	1.91	0.88
TIPS				
5-year	0.64	0.58	0.68	0.01
7-year	0.74	0.70	0.78	0.20
10-year	0.78	0.75	0.79	0.28
20-year	0.91	0.90	0.94	0.60
Long-term avg	0.93	0.91	0.96	0.65
Interest rate swaps				
1-year	n.a.	n.a.	n.a.	n.a.
2-year	n.a.	n.a.	n.a.	n.a.
3-year	n.a.	n.a.	n.a.	n.a.
4-year	n.a.	n.a.	n.a.	n.a.
5-year	n.a.	n.a.	n.a.	n.a.
7-year	n.a.	n.a.	n.a.	n.a.
10-year	n.a.	n.a.	n.a.	n.a.
30-year	n.a.	n.a.	n.a.	n.a.
Corporate bonds, Moody's seasoned				
Aaa	n.a.	n.a.	n.a.	n.a.
Baa	n.a.	n.a.	n.a.	n.a.
State and local bonds	n.a.	n.a.	n.a.	n.a.
Eurodollars				
1 month	n.a.	n.a.	n.a.	n.a.
3 month	n.a.	n.a.	n.a.	n.a.
6 month	n.a.	n.a.	n.a.	n.a.

Notes on data:
Federal-funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades; **Commercial paper rates** are discounted offer rates interpolated from sales by discounted averages of dealer bid rates on nationally traded certificates of deposit; **Discount window primary credit rate** is charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program; **rate** is average for seven days ended Wednesday; **Inflation-indexed long-term TIPS** average is indexed and is based on the unweighted average bid yields for all TIPS with remaining terms to maturity of 10 years or more; **Swap rates** are International Swaps and Derivatives Association (ISDA(R)) mid-market par rates for a fixed-rate payer, who in return receives three-month Libor, and are based on rates collected at 11:00 a.m. ET by Garban Intercapital PLC; Source is Reuters; **Moody's triple-AAA** rates are averages of industrial bonds only; **Muni rates** are Thursday quotes based on the Bond Buyer Index for general obligation, 20 years to maturity, mixed quality debt; **Mortgage rates** are contract rates on commitments for fixed-rate first mortgages

Sources: Federal Reserve; for additional information on these rate data and their derivation, please see, www.federalreserve.gov/releases/h15/data.htm

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.

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					
1905.30	-2.0	U.S. Aggregate	3.180	2.380	3.230
U.S. Corporate Indexes Bloomberg Barclays					
2712.65	-3.1	U.S. Corporate	3.850	3.030	3.860
2569.64	-1.9	Intermediate	3.540	2.530	3.550
3719.53	-5.5	Long term	4.500	3.990	4.530
554.07	-2.4	Double-A-rated	3.300	2.470	3.320
700.44	-2.9	Triple-B-rated	4.120	3.340	4.120
High Yield Bonds Merrill Lynch					
413.49	-1.0	High Yield Constrained	6.410	5.373	6.410
422.40	0.5	Triple-C-rated	10.772	9.640	11.091
2822.53	-1.4	High Yield 100	6.287	4.948	6.319
375.88	-0.8	Global High Yield Constrained	5.746	4.934	5.746
304.66	-0.5	Europe High Yield Constrained	2.865	1.897	3.145
U.S Agency Bloomberg Barclays					
1624.04	-0.8	U.S Agency	2.600	1.690	2.650
1454.82	-0.5	10-20 years	2.490	1.490	2.530
3296.12	-2.7	20-plus years	3.250	2.730	3.400
2413.06	-2.0	Yankee	3.490	2.610	3.500
Mortgage-Backed Bloomberg Barclays					
1956.28	-1.6	Mortgage-Backed	3.360	2.660	3.410
1920.36	-1.7	Ginnie Mae (GNMA)	3.350	2.630	3.410
1147.64	-1.6	Fannie mae (FNMA)	3.350	2.670	3.410
1767.94	-1.6	Freddie Mac (FHLMC)	3.370	2.680	3.420
515.57	-1.3	Muni Master	2.502	1.736	2.520
358.27	-2.0	7-12 year	2.605	1.744	2.635
404.76	-1.8	12-22 year	2.877	2.213	2.905
392.84	-1.9	22-plus year	3.264	2.716	3.296
Global Government J.P. Morgan†					
542.39	-0.3	Global Government	1.520	1.300	1.650
751.55	-0.4	Canada	2.230	1.570	2.340
374.29	1.0	EMU§	1.084	0.956	1.311
714.37	0.5	France	0.840	0.690	1.090
507.64	0.1	Germany	0.540	0.210	0.740
290.38	0.6	Japan	0.350	0.340	0.460
561.24	0.1	Netherlands	0.630	0.390	0.830
927.52	-0.4	U.K.	1.580	1.340	1.830
787.46	-2.5	Emerging Markets**	6.094	5.279	6.104

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds
† In local currency § Euro-zone bonds
** EMBI Global Index

Sources: Merrill Lynch; Bloomberg Barclays; J.P.Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

Coupon (%)	Country/ Maturity, in years	Yield (%) Latest	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points Latest	Prev	Year ago
2.250	**U.S.** 2	2.295 ▲	2.266	2.226	1.253			
2.750	10	2.841 ▲	2.817	2.864	2.413			
4.500	**Australia** 2	2.049 ▲	2.038	1.965	1.767	-24.6	-22.9	51.5
2.250	10	2.675 ▲	2.660	2.763	2.761	-16.6	-15.7	34.8
0.000	**France** 2	-0.479 ▲	-0.493	-0.441	-0.493	-277.5	-275.9	-174.6
0.750	10	0.759 ▼	0.764	0.935	0.996	-208.2	-205.2	-141.7
0.000	**Germany** 2	-0.600 ▲	-0.609	-0.596	-0.739	-289.5	-287.5	-199.2
0.500	10	0.524 ▼	0.529	0.655	0.406	-231.7	-228.8	-200.6
0.050	**Italy** 2	-0.284 ▲	-0.308	-0.162	-0.078	-258.0	-257.4	-133.1
2.000	10	1.916 ▲	1.880	2.019	2.228	-92.6	-93.7	-18.5
0.100	**Japan** 2	-0.154 ▲	-0.156	-0.150	-0.259	-244.9	-242.2	-151.2
0.100	10	0.027 ▲	0.021	0.050	0.065	-281.4	-279.6	-234.8
1.400	**Spain** 2	-0.322 ▲	-0.335	-0.349	-0.197	-261.7	-260.2	-145.0
1.400	10	1.258 ▼	1.267	1.481	1.696	-158.3	-154.9	-71.7
2.000	**U.K.** 2	0.895 ▲	0.893	0.696	0.153	-140.	-137.3	-110.0
4.250	10	1.441 ▼	1.447	1.514	1.198	-140.	-136.9	-121.5

Source: Tullett Prebon

Corporate Debt

in that same company's share price.

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Maturity	Spread*, in basis points Current	One-day change	Last week	Stock Performance Close ($)	% chg
Caterpillar	CAT	3.400	May 15, '24	77	–24	n.a.	149.19	3.40
Crown Castle Towers	CCI	3.222	May 15, '22	2	–19	4	111.33	1.52
JPMorgan Chase	JPM	7.900	April 30, '49	–87	–17	–196	110.31	3.08
Shell International Finance	RDSALN	2.125	May 11, '20	53	–15	57	...	...
HSBC Holdings	HSBC	6.250	March 23, '49	293	–13	292	48.24	1.99
Macy's Retail Holdings	M	3.625	June 1, '24	165	–10	n.a.	...	...
Rogers Communications	RCICN	3.000	March 15, '23	74	–10	68	...	...
Verizon Communications	VZ	4.500	Aug. 10, '33	162	–10	164	47.07	1.69

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Deutsche Bank AG	DB	7.500	April 30, '49	447	19	380	14.07	2.33
General Motors	GM	4.000	April 1, '25	155	19	145	35.99	2.33
UDR	UDR	3.700	Oct. 1, '20	80	16	n.a.	34.45	0.91
ING Bank NI*	INTNED	4.125	Nov. 21, '23	47	10	36	...	...
Tyson Foods	TSN	3.550	June 2, '27	128	10	117	73.94	3.35
Citibank NA	C	2.850	Feb. 12, '21	79	9	71	...	...
PNC Bank NA	PNC	3.250	June 1, '25	84	9	67	...	...
Enbridge	ENBCN	4.000	Oct. 1, '23	135	8	n.a.	...	...

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week	Stock Performance Close ($)	% chg
Frontier Communications	FTR	7.450	July 1, '35	51.500	2.48	n.a.	7.04	1.59
USG	USG	4.875	June 1, '27	100.500	1.50	98.750	40.03	19.46
United States Steel	X	6.250	March 15, '26	101.300	1.30	100.438	35.40	4.30
GCP Applied Technologies	GCPAPP	9.500	Feb. 1, '23	110.095	1.10	109.250	...	...
Gulfport Energy	GPOR	6.375	Jan. 15, '26	97.000	1.00	n.a.	9.63	1.16
Guitar Center Escrow Issuer	GTRC	9.500	Oct. 15, '21	96.250	1.00	96.875	...	...
Sprint	S	7.250	Sept. 15, '21	103.500	1.00	103.688	5.01	1.83
MEG Energy	MEGCN	6.375	Jan. 30, '23	84.563	0.94	n.a.	...	...

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Rackspace Hosting	RAX	8.625	Nov. 15, '24	98.250	–1.25	102.625	...	...
Ensco	ESV	7.750	Feb. 1, '26	90.970	–1.03	91.280	4.69	–0.85
CHS/Community Health Systems	CYH	6.875	Feb. 1, '22	57.250	–1.00	58.250	...	...
Weatherford International	WFT	7.750	June 15, '21	94.500	–1.00	97.530	2.41	0.84
Aramark Services	ARMK	4.750	June 1, '26	96.170	–0.97	98.041	...	...
CommScope Technologies	COMM	5.000	March 15, '27	94.970	–0.94	96.750	40.13	3.06
Advanced Micro Devices	AMD	7.500	Aug. 15, '22	108.220	–0.84	n.a.	10.44	–1.79
Quicken Loans	QUICKN	5.250	Jan. 15, '28	93.720	–0.78	94.751	...	...

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.
Note: Data are for the most active issue of bonds with maturities of two years or more

Sources: MarketAxess Corporate BondTicker; WSJ Market Data Group

BIGGEST 1,000 STOCKS

WSJ.com/stocks

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.
The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
i-New 52-week high.
l-New 52-week low.
dd-Indicates loss in the most recent four quarters.
FD-First day of trading.
h-Does not meet continued listing standards
lf-Late filing
q-Temporary exemption from Nasdaq requirements.
t-NYSE bankruptcy
v-Trading halted on primary market.
vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Monday, March 26, 2018

New Highs and Lows | WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Monday, March 26, 2018

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Monday, March 26, 2018

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
AlerianMLPETF	AMLP	9.34	**0.32**	-13.4
CnsmrDiscSelSector	XLY	103.14	**2.95**	4.5
CnsStapleSelSector	XLP	51.59	**1.44**	-9.3
EnSelectSectorSPDR	XLE	67.97	**1.80**	-5.9
FinSelSectorSPDR	XLF	27.69	**3.24**	-0.8
GuggS&P500EW	RSP	99.53	**2.30**	-1.5
HealthCareSelSect	XLV	81.32	**2.07**	-1.6
IndSelSectorSPDR	XLI	74.50	**2.42**	-1.5
iShIntermCredBd	CIU	106.74	**-0.03**	-2.3
iSh1-3YCreditBond	CSJ	103.74	**0.04**	-0.8
iSh3-7YTreasuryBd	IEI	120.18	**-0.16**	-1.6
iShCoreMSCIEAFE	IEFA	65.35	**1.82**	-1.1
iShCoreMSCIEmgMk	IEMG	58.47	**3.27**	2.8
iShCoreMSCITotInt	IXUS	62.81	**2.05**	-0.4
iShCoreS&P500	IVV	267.00	**2.76**	-0.7
iShCoreS&P MC	IJH	187.53	**2.22**	-1.2
iShCoreS&P SC	IJR	77.50	**2.26**	0.9
iShS&PTotlUSStkMkt	ITOT	60.85	**2.65**	-0.5
iShCoreUSAggBd	AGG	106.57	**-0.04**	-2.5
iShSelectDividend	DVY	94.23	**1.88**	-4.4
iShEdgeMSCIMinEAFE	EFAV	73.09	**1.26**	0.2
iShEdgeMSCIMinUSA	USMV	51.71	**1.99**	-2.0
iShEdgeMSCIUSAMom	MTUM	107.74	**3.40**	4.5
iShFloatingRateBd	FLOT	50.92	**-0.04**	0.2
iShGoldTr	IAU	12.99	**0.46**	3.8
iShiBoxx$InvGrCpBd	LQD	116.13	**0.35**	-4.5
iShiBoxx$HYCpBd	HYG	85.47	**0.65**	-2.1
iShJPMUSDEmgBd	EMB	111.76	**0.60**	-3.7
iShMBSETF	MBB	104.24	**-0.07**	-2.2
iShMSCI ACWI	ACWI	71.73	**2.34**	-0.5
iShMSCIBrazil	EWZ	44.53	**1.53**	10.1
iShMSCI EAFE	EFA	69.16	**1.80**	-1.6
iShMSCI EAFE SC	SCZ	64.91	**1.44**	0.6
iShMSCIEmgMarkets	EEM	48.41	**3.24**	2.7
iShMSCIEurozone	EZU	43.26	**2.03**	-0.3
iShMSCIJapan	EWJ	59.11	**1.42**	-1.4
iShNasdaqBiotech	IBB	108.11	**2.68**	1.3
iShNatlMuniBd	MUB	108.50	**-0.07**	-2.0
iShRussell1000Gwth	IWF	137.88	**2.95**	2.4
iShRussell1000	IWB	147.73	**2.66**	-0.6
iShRussell1000Val	IWD	119.80	**2.38**	-3.7
iShRussell2000Gwth	IWO	193.32	**2.32**	3.5
iShRussell2000	IWM	153.33	**2.19**	0.6
iShRussell2000Val	IWN	122.34	**2.10**	-2.7
iShRussell3000	IWV	157.32	**2.65**	-0.5
iShRussellMid-Cap	IWR	206.83	**2.29**	-0.6
iShRussellMCValue	IWS	86.09	**2.07**	-3.4
iShS&PMC400Growth	IJK	219.39	**2.37**	1.6
iShS&P500Growth	IVW	157.29	**3.14**	3.0
iShS&P500Value	IVE	109.05	**2.29**	-4.5
iShUSPfdStk	PFF	37.43	...	-1.7
iShShortTreaBd	SHV	110.30	**-0.01**	0.1
iShTIPSBondETF	TIP	112.38	**-0.18**	-1.5
iSh1-3YTreasuryBd	SHY	83.46	**-0.05**	-0.5
iSh7-10YTreasuryBd	IEF	102.42	**-0.27**	-3.0
iShRussellMCGrowth	IWP	124.12	**2.53**	2.9
PIMCOEnhShMaturity	MINT	101.54	**0.02**	-0.0
PwrShQQQ1	QQQ	164.40	**3.72**	5.5
PwrShSrLoanPtf	BKLN	23.09	**0.13**	0.2
SPDR BlmBarcHYBd	JNK	35.84	**0.62**	-2.4
SPDR Gold	GLD	128.28	**0.53**	3.7
SchwabIntEquity	SCHF	33.44	**1.86**	-1.8
SchwabUS BrdMkt	SCHB	64.24	**2.60**	-0.4
SchwabUS Div	SCHD	48.74	**2.44**	-4.7
SchwabUS LC	SCHX	63.49	**2.68**	-0.5
SPDR DJIA Tr	DIA	241.82	**2.85**	-2.2
SPDR S&PMdCpTr	MDY	341.50	**2.19**	-1.1
SPDR S&P 500	SPY	265.11	**2.74**	-0.7
SPDR S&P Div	SDY	90.34	**1.92**	-4.4
TechSelectSector	XLK	66.72	**3.80**	4.3
VanEckGoldMiner	GDX	22.44	**1.45**	-3.4
VangdInfoTech	VGT	175.03	**3.80**	6.3
VangdSC Val	VBR	129.33	**2.05**	-2.6
VangdSC Grwth	VBK	165.67	**2.30**	3.0
VangdDivApp	VIG	101.12	**2.66**	-0.9
VangdFTSEDevMk	VEA	43.92	**1.79**	-2.1
VangdFTSE EM	VWO	47.16	**3.01**	2.7
VangdFTSE Europe	VGK	58.07	**2.02**	-1.8
VangdFinls	VFH	69.73	**3.14**	-0.4
VangdFTSEAWxUS	VEU	54.16	**2.07**	-1.0
VangdGrowth	VUG	143.82	**2.73**	2.3
VangdHlthCr	VHT	153.87	**2.07**	-0.2
VangdHiDiv	VYM	82.37	**2.54**	-3.8
VangdIntermBd	BIV	81.25	**-0.11**	-3.1
VangdIntrCorpBd	VCIT	84.16	**0.01**	-3.7
VangdLC	VV	122.01	**2.75**	-0.5
VangdMC	VO	154.91	**2.35**	0.1
VangdMC Val	VOE	109.25	**2.20**	-2.1
VangdRealEst	VNQ	73.43	**1.14**	-11.5
VangdS&P500	VOO	243.53	**2.76**	-0.7
VangdST Bond	BSV	78.30	**-0.06**	-1.0
VangdSTCpBd	VCSH	78.21	**-0.04**	-1.4
VangdSC	VB	147.56	**2.21**	-0.2
VangdTotalBd	BND	79.47	**-0.06**	-2.6
VangdTotIntlBd	BNDX	54.57	**0.02**	0.4
VangdTotIntlStk	VXUS	56.34	**2.05**	-0.8
VangdTotalStk	VTI	136.61	**2.64**	-0.5
VangdTotlWrld	VT	73.74	**2.36**	-0.7
VangdValue	VTV	103.24	**2.76**	-2.9
WisdTrJapanHdg	DXJ	54.07	**2.19**	-8.9

Dividend Changes

Dividend announcements from March 26.

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Foreign					
Itau Unibanco Holding ADR	ITUB	0.4	.00452	M	May14 /Apr03
Tarena International ADR	TEDU		.12		/Apr05

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

Mutual Funds

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes with net assets of at least $500 million each.

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.

Monday, March 26, 2018

Banker Bonuses Climbed in 2017

Average Wall Street payout was $184,220 as deregulation, rising rates boosted sector

By Telis Demos

The average banker bonus in New York City was $184,220 last year, the biggest annual haul for Wall Street employees since before the financial crisis.

Those bonuses, which totaled $31.7 billion, up 17% from 2016, tracks with a broader rebound for bank stocks last year, boosted by the prospects of rising interest rates, faster growth and deregulation.

The jump, the largest in percentage terms since 2013, continues a long rebound for New York City securities-industry bonuses from their postcrisis nadir in 2008, when they averaged just over $100,000, according to the annual report by the Office of the New York State Comptroller. Last year's average payout was just shy of the high of $191,360 in 2006.

Federal efforts to rein in pay by the Securities and Exchange Commission and other agencies have been dialed back under President Donald Trump, whose appointees have sought to take a lighter touch on banking regulation.

Another factor driving bonuses may be Wall Street learning to squeeze more from a smaller number of workers through the use of technology. Employment in the securities industry in New York was 176,900 last year, down slightly from 2016.

Still, roughly one out of 10 jobs in New York City is directly or indirectly related to Wall Street, said Comptroller Thomas DiNapoli.

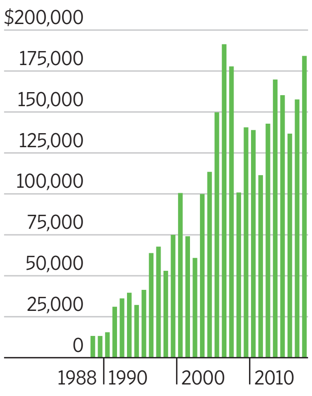
Overall, New York securities firms generated $153 billion in revenue in 2017, up 4.5% from 2016, according to the report. Even trading revenue jumped 10% over the course of the year. The KBW Nasdaq Bank Index rose 16% in 2017.

The bonus figures don't include any stock options or other forms of deferred pay, which often make up the bulk of Wall Street's bigger bonuses. Wall Street's CEOs also got large raises last year. Citigroup Inc. chief Michael Corbat's pay jumped 48%, to $23 million. James Dimon of **JPMorgan Chase** & Co. was paid $29.5 million in 2017, just a hair shy of his high of $30 million in 2007.

The $26,560 bump in bonus pay in 2017 for New York bankers and traders also towers over the tax-overhaul bonuses paid to some Main Street bank workers. Several retail-focused banks paid bonuses to their workforces after the Republican tax plan last year, such as Cincinnati's **Fifth Third Bancorp**, which paid one-time $1,000 bonuses.

Bump Up

Average annual bonus for New York City securities industry employees



Source: New York State Comptroller
THE WALL STREET JOURNAL.

Merrill Brokers To Start Own Shop

By Lisa Beilfuss

A team of brokers managing about $1 billion in client assets has left Merrill Lynch, the latest sign financial advisers and assets continue to move from Wall Street firms to the ranks of independent advisers.

Kelly Bouchillon, Melissa Bouchillon, Emerson Ham and Edward Ambrose have left Merrill Lynch, the brokerage arm of **Bank of America** Corp., to launch Sound View Wealth Advisors, an independent wealth-management firm based in Savannah, Ga., the group said Monday. The team said most of their clients are high-net-worth families who receive services such as estate planning in addition to investment management.

Merrill Lynch manages about $2.31 trillion in client money. A spokeswoman declined to comment.

The departures from Merrill are another sign the independent advisory industry is expanding at the expense of traditional brokerages. Research firm Cerulli Associates estimates that by 2020 independent advisers will control more assets than Merrill Lynch, **Morgan Stanley**, **UBS Group** AG and other major brokerages combined.

The departing Merrill brokers said their move was prompted by a desire to offer clients a broader array of financial-planning services and investment products without also needing to cross-sell products offered by the bank. Late last year, Merrill Lynch unveiled changes to its adviser compensation package that more closely tied pay to referrals of wealth-management clients to other parts of Bank of America.

Under the plan, advisers could earn up to an extra 2% in pay if they hit certain growth targets. But to access the new award program, advisers have to refer at least two customers to other parts of the bank.

DARREN STAPLES/REUTERS

A U.K branch of Coutts & Co.

Embattled RBS Unit Banker Keogh Departs

By Simon Clark

Coutts & Co. banker Harry Keogh, who faced allegations of treating female colleagues inappropriately, resigned.

A spokeswoman for the three-century-old private bank, where Queen Elizabeth II keeps money, said Mr. Keogh would leave the bank with immediate effect. The spokeswoman declined to comment further.

Harry Keogh and his team were the subject of an internal Coutts investigation.

Coutts is a unit of **Royal Bank of Scotland Group** PLC.

On March 15, The Wall Street Journal reported that Mr. Keogh and his team of dozens of bankers were the subject of an internal investigation in 2015 about allegations of inappropriate behavior including lewd comments, heavy drinking and unwanted physical contact with female colleagues.

Following the 2015 investigation, the bank disciplined Mr. Keogh, 57, by withholding a bonus, giving him a written warning, and assigning a coach, people familiar with the investigation told the Journal. Few people knew Mr. Keogh was disciplined in 2015 and some of the women who reported inappropriate behavior left the bank. Mr. Keogh denied allegations of inappropriate behavior, one of the people said. He accepted the disciplinary action without admitting to allegations, another of the people said.

Alison Rose, RBS's head of commercial and private banking, visited Coutts's headquarters in London last week to talk to staff and was questioned about Mr. Keogh and the outcome of the internal investigation in 2015, people familiar with the situation said. She encouraged employees to speak up about any concerns about workplace conduct, the people said.

Mr. Keogh worked at Coutts and other RBS units for more than 20 years. Clients he interacted with included royalty, sports stars, celebrities and wealthy landowners, according to people knowledgeable about the bank.

Abraaj Private-Equity Unit for Sale

By Nicolas Parasie, William Louch and Simon Clark

Abraaj Group executives are exploring a sale of the firm's private-equity business, people familiar with the matter said, as the Dubai-based company faces mounting pressure from some investors who are investigating whether their funds were misused.

Company representatives have approached Middle Eastern sovereign-wealth funds, including Abu Dhabi's **Mubadala** and **Abu Dhabi Financial Group**, about a possible sale, the people said.

Talks are at an early stage and are linked to an internal restructuring that Abraaj is carrying out and the results of an audit commissioned by disgruntled investors in the firm's $1 billion health-care fund, the people said.

"A strategic sale could help bring the company to safer shores," one of the people familiar with the situation said.

A spokeswoman for Abraaj declined to comment on whether discussions about a sale are taking place and didn't comment on whether a sale would take place.

Audit firm Deloitte is working with law firms Baker McKenzie LLP and Clifford Chance to review Abraaj's operations to pave the way for a separation of the fund management business, Abraaj Investment Management Ltd., from the holding company, Abraaj Holdings, the people familiar with the matter said.

That review could be concluded as soon as this week, the people said. Once the new organization is in place, Abraaj officials could start a more formal sale process, the people said, adding that Abraaj is considering a variety of options.

Another option is that founder Arif Naqvi would sell his share in the holding company, the people familiar with the matter said. Mr. Naqvi is the largest single shareholder in Abraaj Holdings.

But any potential sale process is largely dependent on the outcome of the audit by U.S. advisory firm Ankura Consulting of the health-care fund, the people said.

Investors in the health-care fund—including the Bill and Melinda Gates Foundation and the World Bank's International Finance Corp. unit—have seen the preliminary results of the audit, according to people familiar with the matter. The audit found that money was moved out of the health-care fund, three people familiar with the matter said.

"All funds drawn down from investors in the Abraaj Growth Markets Health Fund were either fully utilized or returned," the Abraaj spokeswoman said.

Two of the people familiar with the investigation said some investors in the fund consider the movement of money to constitute "misuse" and to be in breach of a legal contract signed by Abraaj and its backers. If the contract is breached, it gives investors the power to remove Abraaj as the manager of the fund, legal documents show.

At a meeting held in London earlier this month to discuss the audit findings, some investors in the fund discussed options including removing Abraaj as the manager of the health-care fund, the three people familiar with the investigation said. Another option being considered is shutting the fund, selling its assets and returning any unspent capital to investors, two of the people said.

Another option is separating the health-care fund from Abraaj to be managed by a handful of executives from the firm under a new name, the two people said. No formal decision has been made as to whether Abraaj will be removed as the manager and no timeline has been put in place as to when a decision will be made, the two people added.

RUBEN SPRICH/REUTERS

An option is for Arif Naqvi to sell his stake in the holding company.

MUYU XU/REUTERS

Pipes outside a Cangzhou steel mill. China and the U.S. have quietly started negotiating to improve U.S. access to Chinese markets.

USG Says Offer Isn't Enough

By Cara Lombardo

USG Corp. rejected a buyout offer from Germany's **Gebr. Knauf** KG, saying the proposal "substantially undervalues" the building-materials company.

But with USG's largest shareholder, **Berkshire Hathaway** Inc., potentially open to selling its stake, analysts say a deal could get done at a higher price. Knauf already owns a 10.5% stake in USG and Warren Buffett's Berkshire Hathaway owns 30.8% of the company.

Construction-materials maker USG is open and engaged in reviewing any proposal it gets, according to people familiar with the matter.

A hostile takeover bid is unlikely, Jefferies analyst Philip Ng said in a Monday research note.

Chicago-based USG said Monday its board unanimously rejected a March 15 offer from Knauf to buy the rest of the company for $42 a share. The offer topped a November offer of $40.10 a share and would have been a 25% premium over Friday's closing price of $33.51. USG shares closed Monday up 19.5% at $40.03.

Instinet analyst Michael Wood said in a Monday research note he expects Knauf to increase its offer to about $44 a share or more.

USG Chief Executive Jennifer Scanlon said in a letter to Knauf executives that the company's board and management believes its long-term plan will deliver more value to shareholders than Knauf's latest offer.

Berkshire Hathaway brought the discussions into public view Monday when it disclosed in a securities filing it proposed granting an option to Knauf to buy its stake in USG.

STREET

Continued from page B1

derperformed the wider market, but not by much.

Such erratic behavior might be part of Mr. Trump's deliberately unpredictable negotiating style, as with previous threats to pull out of the North American Free Trade Agreement or not to defend NATO allies. It creates a dilemma both for partners and investors: Should they take Mr. Trump at his word?

After Mr. Trump was elected, the stock market rose, fell, then rose again, along with the prospects for corporate-tax cuts. This was the sort of uncertainty investors like: Something good might happen. It wasn't clear whether Mr. Trump's policies would make it through Congress, but if they did it would surely help stocks.

The uncertainty today is whether something bad will happen. If Mr. Trump is serious about trashing the global trading system, there are few places for investors to hide. Stocks will suffer, the economy will slow and inflation will pick up.

There is a decent case to be made that things aren't really that terrible in international trade. The U.S., like just about every country, has always had a transactional approach to trade deals; Mr. Trump is just open about it.

Certainly the willingness to defy international rules isn't so wildly different to the past. Because Washington ignored several World Trade Organization decisions, six of the seven WTO-authorized retaliatory measures are against the U.S.—and three of the eight pending measures are, too.

True, Mr. Trump's announced China tariffs are far bigger than past threats, but China and the U.S. have quietly started negotiating to improve U.S. access to Chinese markets. A deal with South Korea was struck over the weekend avoiding steel tariffs in exchange for a limit on steel exports and some minor concessions on cars.

However, if it turns out that Mr. Trump is serious—and his opposition to free trade is one of the few areas where his views haven't changed in decades—there is only downside for investors. We have switched from an era of uncertainty about policy helping the markets to one of uncertainty about policy hurting.

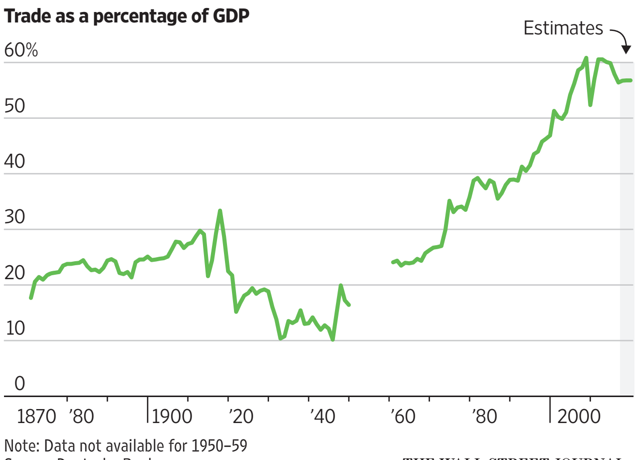
Investors already have waked up to this, and until Monday's rally had stopped buying the dips. Deutsche Bank strategist Jim Reid points out that the S&P 500 had closed below the middle of its daily range every day for the past two weeks, the longest such period for more than three decades.

Mr. Trump's trade policies so far would probably have only a minor damping effect on global and U.S. growth. The threat that he might mean what he says and start a proper trade war would be much more significant in the long run. Unfortunately, it is hard to profit from.

Trade Off

Global trade is far more important to the economy now than in previous decades.

Trade as a percentage of GDP



Note: Data not available for 1950–59
Source: Deutsche Bank
THE WALL STREET JOURNAL.

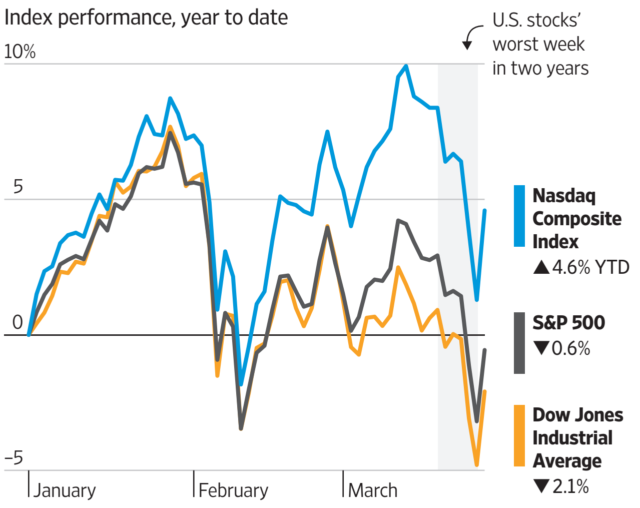
Dow Industrials Claw Back 669 Points

Stock indexes post their biggest jump in years with tech sector leading the way higher

By Gunjan Banerji And Georgi Kantchev

Bouncing

Index performance, year to date



Source: WSJ Market Data Group

THE WALL STREET JOURNAL.

U.S. stocks staged a powerful rebound after their worst week in more than two years.

Shares of financial and technology companies within the S&P 500 were some of the biggest winners Monday after investors dumped them in prior sessions, though all sectors got a lift.

The Dow Jones Industrial Average advanced 669.40 points, or 2.8%, to 24202.60, its largest one-day point gain since October 2008.

MONDAY'S MARKETS

The buying accelerated toward the end of the trading day, sending other major indexes to their biggest gains in years, too. The Nasdaq Composite added 227.88 points, or 3.3%, to 7220.54, and the S&P 500 rose 70.29 points, or 2.7%, to 2658.55.

Both these indexes and the Dow industrials recorded their biggest percentage jumps since August 2015.

U.S. plans to hit China with tariffs on as much as $60 billion in imports and other restrictions—and the immediate threat of Chinese retaliation—had rattled global markets last week.

Investor fears that escalating trade tensions could lead to a trade war eased after reports of renewed discussions between the U.S. and China. The Wall Street Journal reported Sunday that China and the U.S. have started negotiating to improve U.S. access to mainland Chinese markets.

U.S. Treasury Secretary Steven Mnuchin on Sunday said that the administration was "working on a pathway to see if we can reach an agreement as to what fair trade is for them."

Meanwhile, South Korea's trade ministry said Monday that the U.S. and Seoul agreed to amend their free-trade deal to address U.S. concerns about an expanding deficit and resolve friction over tariffs on South Korean steel. South Korea was granted a permanent exemption from 25% import tariffs on steel.

With trade concerns subsiding, many investors refocused on the factors that have helped boost stocks in recent months.

The U.S. economy remains strong, potentially providing fuel to the nine-year bull market, analysts said.

"The trade-tariffs talk appears to be more posturing, and so far there is no meaningful economic impact," said Eric Freedman, chief investment officer at U.S. Bank Wealth Management.

Still, others suggested the path forward for stocks would likely remain choppy.

"I still think that the fundamentals are solid and the most likely path is up. But the chance of a breakdown is getting more real by the day," said Brad McMillan, chief investment officer for Commonwealth Financial Network.

A measure of stock volatility sank on Monday, but some investors remained cautious, warning that market turbulence was unlikely to subside in the near term. Continued discussions on trade tariffs and other geopolitical news will likely drive stock swings; turnover in the White House remains a point of concern for some, analysts said.

Investors are also grappling with other potential threats, including rising interest rates and a possible tightening of regulations for big tech companies.

"I don't think it's clear sailing," said Eddie Perkin, chief equity investment officer at Eaton Vance. "There's a lot more nervousness in the market than there was six weeks ago."

Some investors said the technology sector in particular remained susceptible to a swoon, given how bullish investors had gotten toward the group.

Facebook rose 67 cents, or 0.4%, to $160.06, after the social media company's biggest weekly tumble since 2012, driven by concerns over its handling of user data. **Microsoft** was the biggest winner in the S&P 500, soaring 6.60, or 7.6%, to 93.78.

This week, traders will be keeping an eye out for inflation numbers in the eurozone and new estimates on economic growth in the U.S.

Elsewhere, the Stoxx Europe 600 fell 0.7%. In Tokyo at midday Tuesday, Japan's Nikkei Stock Average was up 1.7%. Hong Kong's Hang Seng Index rose 0.8% in early trading.

—Gregor Stuart Hunter contributed to this article.

DAVID PAUL MORRIS/BLOOMBERG

Microsoft was the day's biggest winner in the S&P 500 index, with shares soaring 7.6% to $93.78.

GETTY IMAGES

As refinancing activity slumps, lenders are emphasizing home-equity lines of credit and pushing adjustable-rate mortgages.

REFI

Continued from page B1

sociation expects mortgage-purchase volume to increase about 5% in 2018 but refinancing volume to drop 27%. Refinance applications fell 5% in the week ended March 16 from the prior one, according to the group.

To drum up business, lenders are emphasizing home-equity lines of credit, which let borrowers tap their homes for cash through a new loan that doesn't affect the rate on their current mortgage. They are also pushing adjustable-rate mortgages, in which initial rates are rising more slowly.

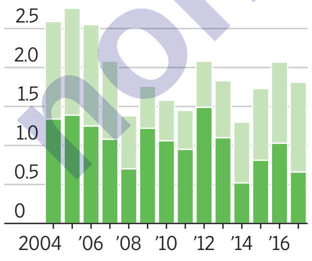
"I think we will see lenders focus on retaining their existing customers more fiercely," said Ben Graboske, an executive vice president at Black Knight.

Since around the beginning of 2017, **Valley National Bancorp**, based in Wayne, N.J., has transitioned its mortgage business to 40% refinancing from 90%, said Kevin Chittenden, who runs residential lending. The bank previously relied largely on attracting homeowners through its ads for low-cost refinancings, but has since engaged with outside sales reps who are focused on purchases.

"Refi goes with the rates," Mr. Chittenden said. "So you definitely don't want to be too leveraged on refinancings."

Boom to Bust

Purchases and refinancings in total mortgage originations



Source: Inside Mortgage Finance

THE WALL STREET JOURNAL.

For some lenders, though, that is easier said than done. Since the crisis, some lenders, particularly nonbanks, have gained prominence by using technology and aggressive marketing to offer refinancings.

Guy Cecala, chief executive of Inside Mortgage Finance, said he expects some smaller nonbank lenders to sell themselves by the end of the year because of the drop in the refinancing market and mortgage originations overall. Unlike banks, nonbank lenders typically don't rely on branches or ties to local agents, which are traditional tools for capturing mortgage purchases.

The waning of the refinancing boom also attracts a different type of homeowner than at the beginning. As mortgage rates go up, the average credit score of refinancings tends to go down, according to industry research.

That is partly because savvy borrowers are the ones who tend to take advantage of low interest rates first. Also, some borrowers who are refinancing now are doing so to get rid of their mortgage insurance. Home prices in many parts of the country are going up, meaning some homeowners are less leveraged even if they have paid down only a small portion of the mortgage.

Quicken Loans Inc. got about 70% of its mortgage-origination volume last year from refinancings, according to Inside Mortgage Finance, a higher proportion than any other large lender.

Quicken declined to comment on that estimate. Chief Executive Jay Farner said the company is still enjoying demand for both purchases and refinancings, including from homeowners whose decision to refinance is focused less on rates and more on consolidating debt or switching to a shorter-term loan.

But, he added, "You've got to be a little bit more strategic about how you market, versus what we saw lenders do in the last few years, which is, 'Hey, rates are low, you should do something now.' "

Treasurys Decline Amid Debt Sales

By Daniel Kruger

U.S. government-bond prices fell as investors were buffeted by three debt auctions representing the first part of nearly $300 billion of securities that the Treasury is selling this week.

The yield on the 10-year Treasury note rose Monday to 2.843%, from 2.826% Friday, its first increase in three trading sessions. Yields rise as bond prices fall.

CREDIT MARKETS

The rise in yields was led by shorter-term securities, where most of the debt will be sold. The two-year note yield climbed to 2.279% from 2.262%.

The Treasury on Monday sold $126 billion of securities, including a $30 billion auction of two-year notes and $96 billion of short-term bills. The notes attracted below-average demand, underscoring the difficulty of selling an increasing amount of bonds into a market in which yields are rising.

The government will sell an additional $79 billion of notes and about $90 billion of bills later in the week.

The amount of debt being sold by the Treasury is rising as the government raises more money to finance a sharp increase in spending. President Donald Trump signed a $1.3 trillion budget Friday that boosts spending by more than $140 billion above limits set in 2011, on top of a $1.5 trillion tax-cut package passed in late December.

The Treasury announced larger bond auction sizes in January, and analysts are expecting further increases to government debt offerings later in the year.

"The Treasury's financings are going to become a bigger issue for the market to absorb," said Kevin Giddis, head of fixed income at Raymond James. "The likelihood for keeping yields where they are is not good."

Short-term yields, which are more sensitive to expectations for Federal Reserve monetary policy, are also being pushed higher.

The move comes after some officials at last week's Fed meeting indicated they are in favor of ramping up the pace of interest-rate increases this year.

When the Fed met in December, four of 16 officials voting on policy indicated they expect the central bank to raise rates four times, with the median forecast being three increases.

Forecasts for four interest-rate increases rose to seven out of 15 officials at last week's meeting.

AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

13-WEEK AND 26-WEEK BILLS

	13-Week	26-Week
Applications	$151,937,116,100	$137,533,858,100
Accepted bids	$51,000,026,100	$45,000,033,100
" noncomp	$874,894,100	$757,776,100
" foreign noncomp	$1,000,000,000	$1,000,000,000
Auction price (rate)	99.555111	99.041972
	(1.760%)	(1.895%)
Coupon equivalent	1.792%	1.940%
Bids at clearing yield accepted	60.28%	90.74%
Cusip number	912796PM5	912796QA0

Both issues are dated March 29, 2018. The 13-week bills mature on June 28, 2018; the 26-week bills mature on Sept. 27, 2018.

TWO-YEAR NOTES

Applications	$92,446,201,700
Accepted bids	$35,284,834,700
" noncompetitively	$303,740,100
" foreign noncompetitively	$100,000,000
Auction price (rate)	99.883557
	(2.310%)
Interest rate	2.250%
Bids at clearing yield accepted	50.43%
Cusip number	9128284C1

The notes, dated April 2, 2018, mature on March 31, 2020.

Chinese Firm Aims to School Investors

By Ese Erheriene

Executives at **Sunlands Online Education Group** hope the company's U.S. listing will serve as a lesson for doubters of Chinese stocks.

Stocks of many Chinese companies that went public in the U.S. in 2017 had poor returns last year. The jury is still out this year: Of the two Chinese companies that went public in February, shares of agricultural products supplier **Farmmi** Inc. are 61% above their initial-public-offering price, while wearable-technology device maker **Huami** Corp.'s shares are slightly below their offering price.

Sunlands is the third Chinese firm to list in the U.S. in 2018. The company on Friday priced its offering of 13 million American depositary receipts at $11.50 apiece.

The shares made their debut on the New York Stock Exchange Friday and hit an intraday high of $14.08 before closing at $11.10. It was a rough day for the U.S. markets, with the broad S&P 500 falling 2.1% Friday. On Monday, when the Dow Jones Industrial Average surged 669 points, Sunlands dropped a dime to $11.

"We believe U.S. investors will see the actual value of us," Sunlands chairman and founder, Peng Ou, said in an interview. He said the company, which provides online tutoring and courses for adults, considers itself more of an internet-tech business than an education company.

Sunlands started in 2003 as a bricks-and-mortar tutoring business, before deciding to go online only in 2014. Revenue last year more than doubled to 970 million yuan ($153.6 million), but the company wasn't profitable, according to S&P Global Markets Intelligence.

The Chinese for-profit education sector has previously rewarded some investors. The U.S.-listed shares of **New Oriental Education & Technology Group** Inc., which calls itself China's largest provider of private education services, have gained more than 50% in the past 12 months. Shares of **TAL Education Group**, an after-school tutoring firm, have roughly doubled over that period.

MICHAEL NAGLE/BLOOMBERG

Sunlands Online's shares have fallen in their two trading days.

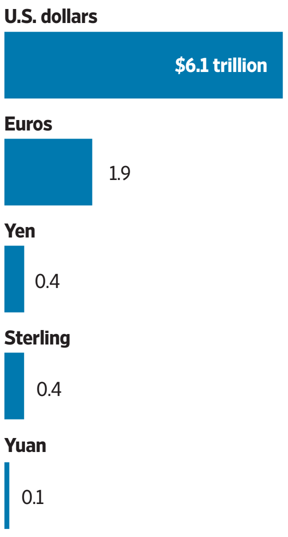
MARKETS

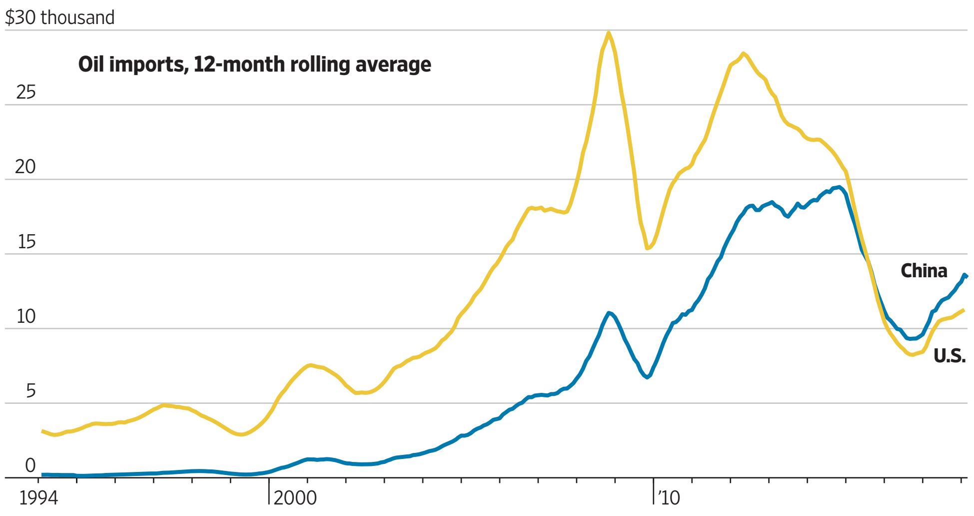
China Tries to Lift Yuan With Oil Futures

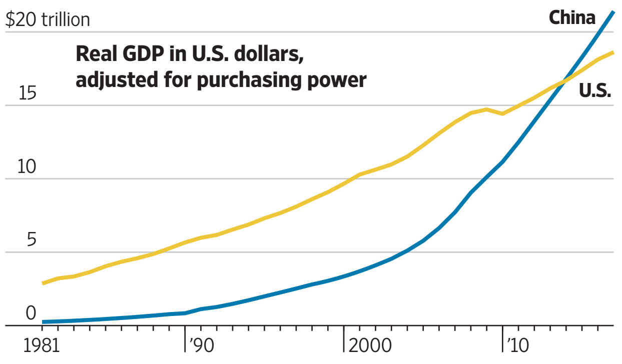
By Mike Bird

China aims to bolster the yuan's global standing by raising its profile in markets, such as the yuan-denominated oil-futures contract that began trading Monday.

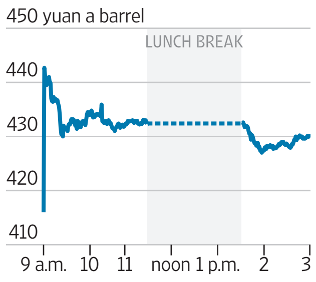
Currency breakdown of official foreign-exchange reserves







China's first crude-oil futures contract, Monday



Note: 400 yuan = $63.76
Sources: FactSet (oil imports); International Monetary Fund (reserves); World Bank (GDP); Wind Info (crude-oil futures)
THE WALL STREET JOURNAL.

The world's first yuan-denominated oil contracts launched Monday, as part of China's drive to turn its currency into a global force in markets.

The history of international currency markets suggests that may be a difficult task, though not impossible if Beijing eases the capital controls that make it hard for foreigners to buy domestic assets, economists say.

Those capital controls and investors' concerns over the opaqueness of Chinese government and central-bank policy mean that the yuan remains a minnow in international finance, despite China being the world's largest exporter.

The dollar and euro are global currencies because central banks hold them in their reserves and they are used to buy services and goods both in and outside their home markets.

In launching new yuan-denominated crude-oil futures, Beijing hopes to create an oil benchmark to rival those in New York and London and challenge the dollar's role as the dominant commodity-pricing currency by making it possible for crude exporters to sell oil in another currency.

Professor Barry Eichengreen of the University of California, Berkeley, who writes about the history of currencies in the international financial system, believes the dollar's grip on oil pricing isn't guaranteed.

"As financial markets continue to develop—as there are liquid markets in more currencies, and currency trading becomes cheaper—traditional arguments for why one currency should monopolize this function become even weaker than before," Mr. Eichengreen said.

Still, "I don't think the renminbi will displace the dollar from the global oil market anytime soon. Lack of liquidity and accessibility continue to limit its usage," he added.

The yuan is also known as the renminbi.

China's currency has some way to go. The yuan's share of global foreign-exchange reserves is just 1.1% of the global total, behind currencies such as the Australian and Canadian dollars. The U.S. dollar's share is 63.5%.

The yuan makes up only a 1.1% share of international payments, placing it behind seven others, according to payments firm SWIFT. That share has slipped in recent years, from as high as 2.8% in August 2015. Currently, almost all oil and most commodities are bought and sold in dollars.

However, even in modern history, it hasn't always been this way. Economists point to the demise of the British pound's dominance in world trade as showing that the tide can turn quickly against one currency in favor of another, especially during a crisis.

The London Metal Exchange's benchmark copper contract was denominated in sterling until 1993. Even today, cocoa trading is priced in sterling.

Though crude has a longer history of being denominated in dollars, due to the U.S.'s status as a major producer, as late as the 1970s oil-producing countries received around a fifth of their royalty payments in sterling, according to economic historian Prof. Catherine Schenk.

Before the outbreak of World War I, dollar-denominated international trade credit was almost nonexistent and British banks dominated the sector. By the mid-1920s, the dollar and sterling-denominated trade credit occupied similar market shares.

The economic impact of World War I and II left London's influence in international finance and trade drastically weakened, leaving the dollar firmly in the driving seat by the second half of the 20th century.

Sheer economic heft isn't enough to guarantee a currency international primacy. The U.S. economy supplanted the U.K.'s as the world's largest in the 1870s, around half a century before the dollar began to replace sterling as the world's dominant currency.

That is a lesson to China, as its economy catches up with the U.S. and by some measures has already taken over.

One factor currently limiting the adoption of the yuan as a global currency is Beijing's capital controls, which place limits on investment in China. Beijing keeps a tight grip of money coming in and out of the country to maintain control of the country's economy and prevent sudden outflows of capital.

Currently, selling a yuan-denominated futures contract means investors must either exchange the currency back into dollars—partly defeating the purpose of the contract—or find assets denominated in the Chinese currency to invest in.

There is no shortage of Chinese assets. The IHS Markit iBoxx Asia China index, a broad index of Chinese bonds, has more than doubled in size in the past 4½ years, to more than $11 trillion.

Some of the government controls have already been loosened. In 2017, China launched a "bond-connect program" to allow global investors with trading accounts in Hong Kong to access China's interbank bond market.

Just because more foreigners can now buy Chinese bonds, it doesn't mean they will. Some investors say Beijing will have to open up its economy more for that to happen.

"Firstly, China will have to remove, or substantially reduce, capital controls for [yuan] priced oil trading to take off," said Hayden Briscoe, head of fixed income Asia Pacific at UBS Asset Management.

Mr. Briscoe added that the inclusion of Chinese bonds in major indexes would boost outside investment in the country's debt, given investors and passive funds track such benchmarks.

"When that happens, we're expecting a major reallocation of capital into China's onshore bond markets," Mr. Briscoe said.

Bloomberg LP said Friday it would add Chinese bonds to its Bloomberg Barclays Global Aggregate Index in 2019.

However, the country's controls on capital flows aren't the only concerns. The Chinese government's propensity to intervene in domestic commodities markets and the lack of transparency about the country's monetary policy are also unlikely to find favor among investors.

HEARD ON THE STREET

Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY **WSJ.com/Heard**

Facebook Won't Be Deleted Very Easily

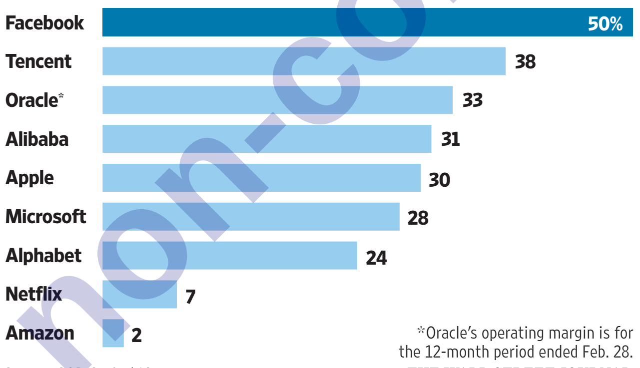
Lots of people are angry at **Facebook** these days. It will likely take many more to make a real difference.

The social network's latest crisis certainly has been a costly one. Regulators in the U.S. and U.K. are now looking into how data on its users eventually ended up in the hands of an analytics firm that did some allegedly shady work on political campaigns. In a round of media interviews late last week, CEO Mark Zuckerberg apologized for the fiasco and promised a deeper look into the problem.

But even that didn't arrest the stock's slide. Facebook's share price fell a total of 14% for the week, making for the stock's worst weekly performance since the choppy period following its initial public offering in 2012. It recovered slightly on Monday, trailing the market's big rebound.

Beyond the punishing decline in market cap, the loss of user trust makes the social-networking titan look vulnerable. Facebook's rapid growth over the past five years has been driven by its ability to keep growing its user base at a consistent—and impressive—pace. Average daily active users have grown an average of 43 million per quarter over the past three years. In that light, a campaign to #DeleteFacebook would appear to hit the social network right where it counts.

Big Money
Operating margin for the 12-month period ended December 2017



*Oracle's operating margin is for the 12-month period ended Feb. 28.
Source: S&P Capital IQ
THE WALL STREET JOURNAL.

But it is precisely that sort of scale that also makes it difficult to cause the company real pain. User defections would need to reach some awfully high numbers to make a difference. It is unclear if public outrage alone will do so. Last year's #DeleteUber campaign resulted in about 200,000 people cancelling their accounts with the ride-sharing service, according to the New York Times. Uber at the time also had amassed many public grievances. Yet the damage amounted to less than half of the number of daily active users Facebook accrues each day.

Another difference is that irate Uber riders had other options. Facebook has no competitors that approach its scale. Nor does the service seem that disposable for more devoted users. Active use of Facebook actually has grown rather than declined as the service has become more mainstream. About two-thirds of the company's monthly active users now are checking in at least once per day. That number was 54% in 2010, when Facebook's user base was about one-fifth its current size.

This is why Wall Street has remained sanguine about Facebook despite the stock's meltdown. About 90% of analysts rate the stock as a "buy," and that number hasn't changed over the past year as controversies have grown. Facebook isn't just one of the most profitable companies among large-cap techs—it is the most profitable, with operating margins of 50% for 2017.

Even if total costs were to jump 70% this year and revenues grew only 30%, Facebook still would have an operating margin of 35%—higher than any of its U.S.-based big-tech peers.

Facebook certainly isn't immune to pain. A tarnished image with a weakened stock price is still humbling for a company that once could do no wrong in Wall Street's eyes. But the masses have made Facebook what it is today, and it will take a critical mass of people to actually change it.

—Dan Gallagher

OVERHEARD

Monday was a banner day for stocks as trade worries eased, but not all of them. Ironically, the worst performer on the New York Stock Exchange was a shipping firm, **Navios Maritime Midstream Partners**, which dropped by over 40% at its low.

The company announced the purchase of a vessel from an affiliate and the sale of an older one, but this "fleet renewal" didn't go over well for one big reason: The company decided to slash its distribution to help pay for it.

Investors should have heard a distress signal from Navios long ago. The company was yielding an unsustainable 19.2% as of Friday's close, its leverage had been climbing, and it had signaled plans to start spending when it highlighted attractive buying opportunities in shipping in January. Analysts tracked by FactSet, meanwhile, only had "hold" or "sell" recommendations on it.

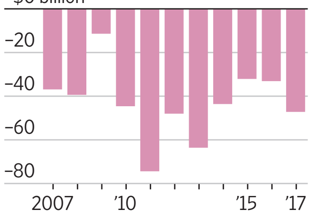
Emerging-Markets Risk Arises in Turkey

In a world where the dollar has been weakening, Turkey's lira, remarkably, is managing to be weaker still.

The lira in recent days has hit record lows against both the dollar and euro; it is down 4.8% against the greenback this year, adding to 2017's decline. By contrast, many other emerging-market currencies have risen, allowing central banks to diverge from U.S. rate rises and supporting appetite for bonds and stocks, improving growth prospects.

Turkey's problem is a risk of overheating. Growth was 7% last year, according to International Monetary Fund estimates, well above potential. Inflation was over 10% in February, far above the central bank's 5% target, and the current-account deficit is widening again. Moody's cut Turkey's credit rating this month to Ba2, warning of the increased risk of an external shock to the financing flows that keep the country afloat.

Wider Again
Turkey's current-account balance



Source: Central Bank of Turkey

This isn't an entirely new challenge for Turkey; it has faced a similar mix of concerns several times in recent years, exacerbated by 2016's failed coup attempt and subsequent political crackdown. Many international investors are already skeptical about the country. The central bank could yet stem the lira's decline by raising rates again. But in the past it has done only enough to provide temporary relief.

And the external environment is changing. The U.S. Federal Reserve is pushing ahead with rate increases, tensions over trade are running high and political spats have worsened relations between Turkey, the U.S. and Europe. If the dollar's broad decline reverses, Turkey could face a much stiffer test.

—Richard Barley

Something Has to Give in Fed Forecasts

A big slug of fiscal stimulus will hit the economy over the next two years, but the Federal Reserve doesn't seem all that impressed.

True, Fed policy makers have raised growth forecasts. The median forecast in the projections they released following last week's rate-setting meeting showed gross domestic product growing 2.7% this year. That compared with a 2018 GDP forecast of 2% in September. The 2019 GDP forecast went to 2.4% from 2%.

Two big things that happened between September and last week were the arrival of the massive tax cut that President Donald Trump signed into law in December, and last month Congress made a deal to increase federal spending by $300 billion over two years.

But it would make more sense if they raised their forecasts even more, says Robert Barbera, co-director for the Center for Financial Economics at Johns Hopkins University.

His calculation suggests the fiscal multiplier embedded in the Fed's economic projections for this year is 0.45—that is, every dollar of fiscal stimulus from tax cuts and increased government spending is buying 45 cents of extra economic growth.

Meanwhile, the Fed's implied multiplier on next year's fiscal stimulus is just 0.2.

The idea that this fiscal multiplier this year and next will be so low does make some sense. That is because with the unemployment rate so low, the stimulus raises the risk of overheating—something the Fed would be expected to react to by raising interest rates, slowing the economy even as the stimulus speeds it up.

But Fed policy makers have raised their interest-rate projections only slightly since September—they now forecast overnight rates will finish 2019 at 2.875% versus 2.625%.

They have made only modest changes to their inflation forecasts as well.

It seems likely the economy will run faster, or interest rates will go higher, than Fed officials think. Maybe both.

—Justin Lahart