THE WALL STREET JOURNAL.

DOW JONES | News Corp ****** WEDNESDAY, MAY 10, 2017 ~ VOL. CCLXIX NO. 108 WSJ.com ★★★★ $3.00

DJIA 20975.78 ▼ 36.50 0.2% NASDAQ 6120.59 ▲ 0.3% STOXX 600 395.81 ▲ 0.45% 10-YR. TREAS. ▼ 8/32, yield 2.405% OIL $45.88 ▼ $0.55 GOLD $1,214.30 ▼ $11.00 EURO $1.0875 YEN 113.98

What's News

Business & Finance

Ford's board is pressing CEO Fields to sharpen his strategy as the company races to catch up on electric cars and reverse its shrinking U.S. market share. **A1**

◆ **Investors are moving** money out of U.S. stocks and into Europe and developing economies, a bet on growth potential in those regions. **A1**

◆ **France's AXA plans** to take its U.S. life-insurance operations public, selling shares in a company that also will be home to AllianceBernstein. **B1**

◆ **Disney's ESPN**, faced with viewership losses, is planning digital subscription services focused on particular sports, teams and regions. **B1**

◆ **Apple shares** rose to a record $153.99, making it the first U.S. company with a market capitalization above $800 billion. **B20**

◆ **The Senate confirmed** Gottlieb, a physician and veteran health-care investor who favors quicker drug reviews, as FDA chief in a 57-42 vote. **B2**

◆ **An appeals court** vacated a lower court's ruling that the federal bailout of AIG in 2008 was unlawful. **B6**

◆ **U.S. authorities** have asked Wal-Mart to pay $300 million to settle an investigation into foreign bribery. **B3**

◆ **The S&P 500** snapped a three-day winning streak, pulled down by energy shares. The Dow fell 36.50 points to 20975.78. **B19**

◆ **Elliott asked** a Dutch court to force Akzo's shareholders to vote on ousting its chairman, as the activist investor pushes for talks with PPG. **B6**

World-Wide

◆ **Trump fired** FBI Director Comey, plunging the capital into confusion and intensifying calls for a special prosecutor to assume control of the probe into possible ties between the Trump campaign and Russia. **A1, A4, A6**

◆ **The president approved** plans to directly arm Kurds fighting Islamic State in Syria, paving the way for an offensive against Raqqa but angering Turkish allies. **A1**

◆ **The Pentagon is pushing** for over 3,000 additional U.S. troops in Afghanistan for the fight against the Taliban and other militants. **A8**

◆ **South Korean voters** chose an advocate for closer ties with North Korea as president, complicating a U.S. bid to isolate Pyongyang. **A10**

◆ **The White House said** Trump won't decide on whether to withdraw from the Paris climate pact until after a G-7 summit. **A11**

◆ **The number of people** apprehended on the southwest border trying to enter the U.S. fell in April to a nearly two-decade low. **A3**

◆ **Macron's proposals** for economic changes aimed at reconciling France with globalization are already provoking resistance. **A11**

◆ **The U.S. warned** France's security services of Russian hacking tied to its presidential election, the head of the NSA said. **A11**

◆ **Two German soldiers** and an accomplice plotted high-profile assassinations to be blamed on a migrant, prosecutors alleged. **A8**

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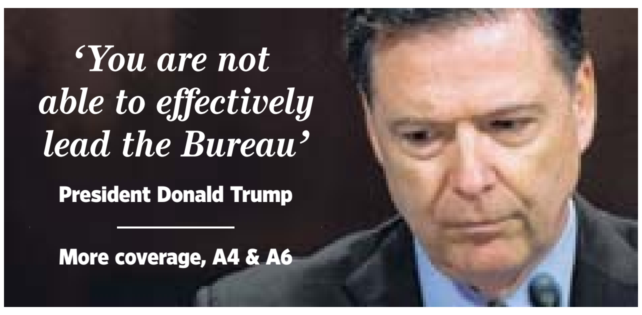
Trump Fires FBI Director Comey

By Del Quentin Wilber And Michael C. Bender



JIM WATSON/AFP/GETTY IMAGES

President Donald Trump on Tuesday unexpectedly fired FBI Director James Comey, plunging the capital into confusion and immediately intensifying calls for a special prosecutor to assume control of the highly sensitive investigation into possible ties between the Trump campaign and Russia.

The reason for the firing, according to White House and Justice Department officials, was Mr. Comey's much-criticized handling of an investigation into Hillary Clinton's use of a private email server while secretary of state. The White House said Mr. Trump relied on the recommendations of Attorney General Jeff Sessions and Deputy Attorney General Rod Rosenstein.

The Trump administration released a memo dated Tuesday from Mr. Rosenstein who offered a blistering assessment of Mr. Comey's conduct, calling his actions "troubling" and saying he had harmed the FBI's credibility and had refused to learn from his errors.

Mr. Comey's chief spokesman at the FBI, Michael Kortan, didn't return phone calls seeking comment. Sarah Isgur Flores, a Justice Department spokeswoman, referred calls to the White House, which issued a short statement from Mr. Trump that said "today will mark a new beginning for

Please see COMEY page A4

Before the Dismissal, A Growing Frustration

WASHINGTON—The more James Comey showed up on television discussing the FBI's investigation into possible ties between the Trump campaign and Russia, the more the White House bristled, according to aides to President Donald Trump.

By Rebecca Ballhaus, Michael C. Bender and Del Quentin Wilber

Frustration was growing among top associates of the president that Mr. Comey, in a series of appearances before a Senate panel, wouldn't publicly tamp down questions about possible collusion with Russian interference in the 2016 presidential race. A person with knowledge of recent conversations said they wanted Mr. Comey to "say those three little words: 'There's no ties.'"

In the months before his decision to dismiss Mr. Comey as head of the Federal Bureau of Investigation, Mr. Trump grew unhappy that the media spotlight kept shining on the director. He viewed Mr. Comey as eager to step in front of TV cameras and questioned whether his expanding media profile was warping his view of the Russia investigation, the officials said.

One White House aide, speaking after Mr. Comey's dismissal, described him as a show horse.

"Oh, and there's James—he's become more famous than me," Mr. Trump said as Mr. Comey crossed the room to greet him at a Jan. 22 reception for law enforcement.

In firing Mr. Comey, Mr. Trump said he relied on recommendations by his top Justice Department officials that the FBI needed new leadership. But he made a point of thanking the director for "informing me, on three separate occasions, that I am not under investigation."

That purported detail about the FBI's investigation into pos-

Please see FBI page A6

South Korea Chooses a New Leader Who Presents Challenge for U.S.

KIM HONG-JI/AGENCE FRANCE-PRESSE/GETTY IMAGES

WINNER: South Korea's new president, Moon Jae-in, waves to his supporters as he leaves the National Cemetery in Seoul on Wednesday. **A10**

Pressure Mounts on Ford's Chief

By Christina Rogers And Joann S. Lublin

Ford Motor Co.'s directors are pressing Chief Executive Mark Fields to sharpen his strategy as the company races to catch up on electric cars, reverse its shrinking market share in the U.S. and buoy its languishing stock price, according to people familiar with the situation.

Company directors, meeting this week in Dearborn, Mich., ahead of the annual shareholders meeting Thursday, scheduled an additional day of talks Tuesday to address growing uncertainty about the auto maker's course, these people said. Ford has been solidly profitable since Mr. Fields became CEO in July 2014, but its stock price has fallen by about a third in that period.

Mr. Fields is pushing to retool the company for an industry that is migrating to new technologies such as electric vehicles and self-driving cars. But amid uneven progress on that front, he has come under criticism from some managers for shifting too much focus away from conventional businesses that still account for the bulk of profits.

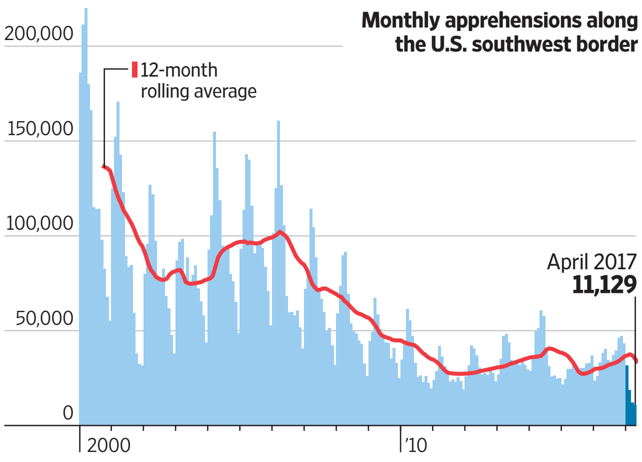
While Chairman Bill Ford and other directors support Mr. Fields, the people say, they are urging him to heighten his focus on growth opportunities.

"We do not share details or discussions from our board meetings for competitive reasons," a Ford spokesman said.

Please see FORD page A2

Mexican Border Arrests Slump

The number of people apprehended on the southwest border trying to enter the U.S. fell 71% in April from a year earlier, the lowest level in nearly two decades, the government said Tuesday. **A3**



Source: Department of Homeland Security

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U.S. Plans to Arm Kurds, Despite Turkish Opposition

President Donald Trump approved plans to directly arm Kurdish fighters battling Islamic State in Syria, U.S. officials said Tuesday, paving the way for an offensive against the extremist group's de facto capital but angering Turkish allies who view the Kurdish fighters as terrorists.

By Dion Nissenbaum, Gordon Lubold and Julian E. Barnes

The decision to arm the YPG, the Syrian Kurdish militia the U.S. considers its most reliable military ally in the country, comes after a long debate within the Trump administration.

Turkey, a North Atlantic Treaty Organization ally, considers the YPG to be a terrorist group that threatens its borders, and it has long opposed the U.S. plans.

The decision sets the stage for the YPG and its Arab allies to launch an offensive on Islamic State in Raqqa, one of the extremist group's last major strongholds in the region. But it also complicates Mr. Trump's efforts to repair U.S. relations with Turkey that reached a low at the end of the Obama administration.

It remains to be seen how Turkey, a pivotal member of the U.S.-led coalition battling Islamic State, will respond. President Recep Tayyip Erdogan is scheduled to fly to Washington next week for what could be a tense first White House meeting with Mr. Trump. Turkey's Incirlik Air Base serves as the main launching

Please see KURDS page A8

◆ Pentagon seeks to send more U.S. troops Afghanistan...... A8

Investors Shift Money Into European Stocks

By Ira Iosebashvili and Carolyn Cui

Investors are moving billions of dollars into Europe and developing economies, making a fresh wager that growth potential in those regions is starting to look more promising than in the long-favored U.S.

Data on global fund flows, including mutual and exchange-traded funds, show shifts out of U.S. equity funds over the past few weeks, and analysts say recent developments could further fuel these trends.

Europe has been reporting improving economic data for months. But centrist Emmanuel Macron's victory over far-right candidate Marine Le Pen in Sunday's French presidential election lifted an overhang on European markets. The development could clear the way for more capital and give European stocks another boost, investors say.

Net flows out of U.S. equity funds—money withdrawn minus money invested—amounted to about $22.2 billion during the seven weeks that ended May 3, the largest seven-week redemption in more than a year, according to EPFR Global. A survey from Bank of America Merrill Lynch also found that global money managers' allocations to U.S. stocks slumped to a nine-year low in April.

Meanwhile, net inflows into

Please see INVEST page A6

INSIDE

APPLE MARKET CAP TOPS $800 BILLION

MARKETS, B20

LORDE PLOTS WHAT COMES NEXT

LIFE & ARTS, A13

Stop Needling the Knitting Lady At Pittsburgh Penguins Games

* * *

To help ice her nerves, superfan Michelle Miller follows pucks while making socks

By Jason Gay

The defending Stanley Cup-champion Pittsburgh Penguins play an Eastern Conference second-round Game 7 Wednesday, hoping to oust the Washington Capitals.

It won't be easy, however. After taking a commanding 3-1 lead, the Penguins dropped their last two games and now have to win a series decider on the road.

One small advantage in their favor: They'll have the "Pens Knitting Lady" needling in their corner.

Michelle Miller

If you're a serious hockey fan, you've likely seen Michelle Miller, a 44-year-old Linux systems administrator from Crownsville, Md.

She has become hockey-famous for her appearances at Penguins games where, sitting with her husband, Michael—often in desirable seats close to the ice—she cheers for her beloved Pens while vigorously crafting a shawl. Or a pair of socks. Or maybe a baby blanket.

Please see KNIT page A12

U.S. NEWS

Zinke Visits Bears Ears Monument

By Jim Carlton

BLANDING, Utah—Interior Secretary Ryan Zinke toured a newly designated national monument by air, foot and on horseback as the Trump administration weighs downsizing or rescinding the preserve's status.

The visit to the 1.35-million acre Bears Ears National Monument on Monday and Tuesday was part of Mr. Zinke's four-day Utah tour, and his first to a monument under review by the Trump administration for reduction or elimination. The visit is being closely watched as a template for how Mr. Zinke may handle the review process.

Bears Ears was designated a national monument in the waning days of Barack Obama's presidency. On Wednesday, Mr. Zinke plans to visit Utah's Grand Staircase-Escalante, designated by President Bill Clinton in 1996, which is also under review.


FRANCISCO KJOLSETH/THE SALT LAKE TRIBUNE/ASSOCIATED PRESS

U.S. Interior Secretary Ryan Zinke greets Willy Grayeyes of Utah Dine Bikeyah environmental group.

Many critics of the monuments' designation have said they were set aside without adequate input from locals, who oppose such designations because they remove the ability to develop the land or mine it for resources. Mr. Zinke's options include moving to rescind the monument, altering its boundaries, or leaving it untouched as many tribal and environmental groups advocate.

After meetings with various groups this week, the interior secretary said Tuesday he hadn't yet determined what he would recommend to the president.

"I'm just listening on this tour," Mr. Zinke said Tuesday morning as he prepared to tour on horseback the Dugout Ranch, a spread surrounded by the Bears Ears monument that is owned by the Nature Conservancy, an environmental nonprofit. "But I think there is a solution out there."

Whatever happens here could serve as a template for the way future monuments are established, Mr. Zinke added.

On Sunday in Salt Lake City, Mr. Zinke met with members of the Bears Ears Inter-Tribal Coalition, who helped to lobby for the monument to better protect an area of Native artifacts they hold sacred.

Davis Filfred, a Navajo member of the coalition, which includes four other tribes, said the interior secretary didn't seem sympathetic to them during their hourlong meeting at a Bureau of Land Management office.

"We got the impression he had already made up his mind," said Mr. Filfred, whose meeting was held as hundreds of monument supporters waved placards and chanted on the street outside.

Mr. Zinke arrived at the small Blanding airport Monday morning with an entourage including Republican Gov. Gary Herbert and many of Utah's top lawmakers—all opponents of both the Bears Ears and Grand Staircase monuments. Many of them said they were confident Mr. Zinke would recommend against the monument.

"This is the biggest event in the history of San Juan County," County Commissioner Bruce Adams—wearing a cowboy hat with the logo "Make San Juan County Great Again"—said as he and other local dignitaries waited at the airport.

On a short hike to view 700-year-old cliff dwellings at Butler Wash, the interior secretary was again accompanied by state and local officials as about 60 monument supporters—holding signs such as "Utah Stands With Bears Ears"—were kept on a parking lot by law-enforcement officers.

"Our strategy is to let people know there are people here who support the monument," said Wayne Hoskisson, 70 years old, a Sierra Club activist who traveled to the protest from his home in nearby Moab, Utah.

U.S. WATCH

MASSACHUSETTS

Suicide Vacates Murder Conviction

A Massachusetts judge on Tuesday tossed out the murder conviction of Aaron Hernandez under a state legal principle triggered after the former New England Patriots player's suicide in prison last month.

In Massachusetts, a common-law doctrine known as abatement ab initio dictates that when a defendant dies before a conviction can be appealed, the conviction essentially gets wiped away. Prosecutors plan to appeal the judge's ruling.

—*Jennifer Levitz*

WASHINGTON STATE

Hanford Nuclear Site Declares Emergency

The roof over part of an underground tunnel containing radioactive materials collapsed at a former nuclear-weapons production site in a remote part of Washington state, prompting an emergency declaration and evacuation of some employees, officials said.

There was no indication of radioactive contamination in the area of the Hanford nuclear-weapons site, according to federal officials, but the incident is another setback to the troubled, yearslong cleanup of the decommissioned complex, which contains highly radioactive material from World War II and the Cold War.

—*Alejandro Lazo*

SEATTLE

Mayor Drops His Bid For Re-Election

Seattle Mayor Ed Murray said Tuesday he won't run for re-election amid mounting allegations that he sexually abused teenage boys decades ago.

Mr. Murray, a Democrat who had been expected to easily win a second term this fall, made the announcement in the Seattle neighborhood where he grew up, flanked by his husband and surrounded by supporters.

"The allegations against me are not true," Mr. Murray, 62 years old, said. "But the scandal surrounding them and me is hurting this city." He said he would continue as mayor until the end of his term on Dec. 31.

—*Zusha Elinson*

FORD

Continued from Page One

"We also are unable to comment on rumors or speculation."

Ford shares closed Tuesday at \$11.16. The stock slipped below \$11 earlier in May, its lowest point since August 2015.

Founded in 1903 by one of the industry's most iconic figures, Henry Ford, the auto maker was dealt a blow in early April when its market capitalization fell below electric-car startup Tesla Inc.

Tesla is valued at \$52.4 billion, or 18% higher than Ford, despite the Silicon Valley electric-car company's financial losses. Tesla sells a fraction of the cars delivered by Detroit's auto makers but is seen as having a lead on new technologies.

When asked about Tesla's surge during an earnings call last month, Mr. Fields said Ford needs to do a better job quantifying the revenue and profit-growth potential of its technology bets. "We've talked about the investments, and we'll do that going forward," he said.

Mr. Fields, a 28-year veteran of Ford, took the helm after his predecessor, Alan Mulally, restructured the company by selling off brands and simplifying operations.

Mr. Mulally, currently a member of Google parent Alphabet Inc.'s board, oversaw a succession race that included members of Mr. Fields's current management team. He also helped the No. 2 U.S. auto maker avoid bankruptcy, unlike its Detroit rivals.

Mr. Fields has focused on accelerating growth in Asia, jumpstarting the company's Lincoln brand and placing bets on future technologies.

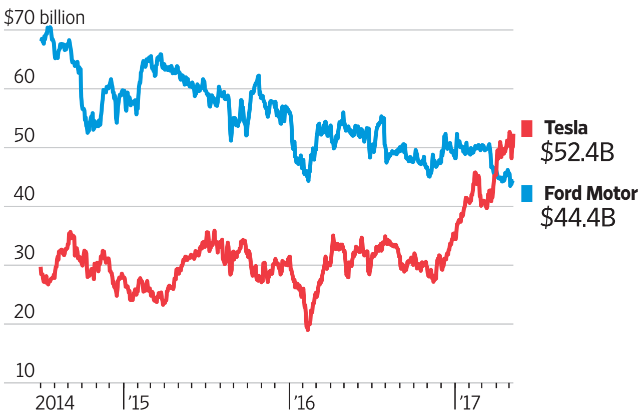
Ford is facing pressure as the U.S. auto market is leveling off after seven consecutive years of growth. The auto maker's profits have been dented by declining sales and vehicle recalls.

The company also is shouldering higher costs as Mr. Fields seeks to venture beyond its core business of building and selling cars. He is pushing into new areas such as ride-sharing and autonomous vehicles and investing in new initiatives aimed at reducing Ford's exposure to the auto industry's boom-bust cycles.

Downhill

Ford has lost more than one-third of its market value under CEO Mark Fields' tenure, while Tesla has gained.

Market capitalization since July 1, 2014



Source: FactSet

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However, some senior managers are concerned the company is spending too much time and energy on bets that will take years to pay off, say people familiar with the situation.

Ford's closest rival, General Motors Co., also is investing in technology and is far ahead on electric cars. Ford doesn't plan to launch a long-range battery-powered vehicle until 2020.

At the same time, Silicon Valley firms such as Alphabet, Apple Inc., Intel Corp. and a number of startups are acquiring auto suppliers and spending billions on vehicle testing in a bid to unseat Detroit.

Mr. Fields has been pushing new technologies such as self-driving cars.

In 2016, Mr. Fields was awarded a \$2.5 million stock incentive to continue broadening Ford's strategy beyond the profitable trucks and SUVs that deliver the bulk of profits.

Under a deal laid out in the company's proxy statement, management was to focus on making progress on autonomous vehicles, supercharging the Lincoln brand, increasing market share in China, "developing a lean mindset" and pursuing "moonshot" ideas such as ride-sharing ventures.

Under Mr. Fields, Lincoln has gone from a tarnished afterthought in the global luxury car market to one of the faster-growing brands in the U.S. It is also making inroads in China, a huge auto market where Ford is far behind.

But Ford's share of its core market, the U.S., is in decline. The company accounted 15.1% of U.S. car sales in the first four months of the year, down from 15.6% in the year-earlier period.

Mr. Fields predicts eventually earning 20% margins on services ventures—twice the margins it earns in the North American market—though he hasn't specified what exactly those ventures are or when they might be a meaningful part of the business.

Some efforts are in the early stages. Ford earlier this year announced a \$1 billion investment in Argo AI, a Pittsburgh-based artificial-intelligence company that is still considered a startup.

There have been stumbles.

Ford joined with Boston-based van-shuttle service Bridj for a pilot program in Kansas City. The startup's CEO, Matt George, announced last month that he was folding the company after it wasn't able to secure funding.

Ford, in a statement Tuesday, said it provided vehicles for the startup, but that the partnership didn't extend beyond that.

Some top managers worry Mr. Fields's operational structure has become more complicated as the company launches new divisions and creates new management roles, say people familiar with the matter.

Nafta Revamp Slowed By Senate Maneuvers

By Natalie Andrews And Jacob M. Schlesinger

WASHINGTON—The U.S. won't be able to start renegotiating the North American Free Trade Agreement until late summer at the earliest, as congressional delays bog down one of President Donald Trump's top-priority agenda items.

The latest snag emerged this week when Arizona Republican Sen. John McCain—a staunch free-trade backer who has raised doubts about Mr. Trump's "America First" trade policy—said he wanted to slow down the Senate's approval of Mr. Trump's trade representative, a step required before the talks can begin.

Two weeks after Mr. Trump tried to create a sense of urgency around rewriting the 23-year-old pact by threatening to pull out of it, the timetable for launching the renegotiations remains months away. The slowdown has irritated Mexican and Canadian leaders, who say the uncertainty over the region's trade rules has chilled investment. It also means the talks risk spilling into election years in both the U.S. and Mexico, complicating completion over the next year.

The main cause of the delay is that the Senate has yet to confirm Mr. Trump's nominee for U.S. trade representative, Robert Lighthizer. Trade law requires that a confirmed trade representative consult with top trade lawmakers before the White House can seek to negotiate a pact—and that the administration wait 90 days after that consultation before beginning the process with trading partners.

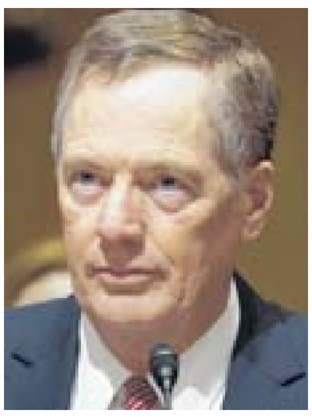
Senate leaders said last week that they would vote on Mr. Lighthizer this week. But Mr. McCain has moved to block quick action.

Mr. McCain told reporters on Tuesday that he has "some questions that I would like answered." Mr. McCain didn't elaborate.

A McCain spokeswoman later said the questions relate to work Mr. Lighthizer had done as a private lawyer on behalf of foreign governments, his advocacy of trade policies that Mr. McCain considers "protectionist" and whether he shares Mr. Trump's skepticism about adhering to multilateral free-trade agreements, such as Nafta.

That means that Congress can't hold its Nafta consultation until mid-May and that the mandated 90-day wait before negotiations start won't end until late August at the earliest.

Mr. Trump expressed his frustration with the congressional delays in an April interview with The Wall Street Journal, decrying "this ridiculous 90-day rule."


TASOS KATOPODIS/AGENCE FRANCE-PRESSE/GETTY IMAGES

The Senate hasn't yet confirmed Robert Lighthizer.

CORRECTIONS & AMPLIFICATIONS

Debra Fine is a hedge-fund manager. A Banking & Finance article on Tuesday about the Sohn Investment Conference in New York incorrectly identified Ms. Fine as a long-only value manager. Also, **DHX Media** Ltd.'s market capitalization was \$569.7 million as of Monday's close, according to FactSet. The article incorrectly said the company's market value was about \$100 million.

Emmanuel Macron is nearly 25 years younger than his wife, Brigitte Trogneux. A World News article on Monday about the French president-elect incorrectly said his wife is 20 years older.

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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Arrests at Southern Border Plummet

Decline comes amid threat of Trump's wall, Mexico's emergence as draw for migrants

The number of people apprehended on the southwest border trying to enter the U.S. fell to its lowest level in nearly two decades, a sign President Donald Trump's tough talk on immigration is discouraging Central Americans from trying to cross the border.

By Robbie Whelan in Saltillo, Mexico and Laura Meckler in Washington, D.C.

A U.S. Border Patrol agent looking into Mexico from the bank of the Rio Grande earlier this year. Agents arrested 11,129 migrants crossing from Mexico to the U.S. in April.

JOHN MOORE/GETTY IMAGES

Border Patrol agents arrested 11,129 migrants crossing from Mexico to the U.S. in April, the Department of Homeland Security said Tuesday, a decline of 71% from the same month last year.

The sharp decline began in February, Mr. Trump's first full month in office. The Trump administration says that increased deportations and promises of stricter border enforcement are prompting Central Americans to think twice before making the dangerous journey to the U.S.

The drop also comes amid deteriorating security conditions in Mexico, rising transit costs for border-crossing migrants and Mexico's increasing willingness to receive Central American refugees, migrants and experts say.

"People in Central America are waiting and watching to see what happens rather than making the decision to travel north," said David Lapan, a spokesman for the Department of Homeland Security. "The difference now is when you get here, it's likely you will be caught and returned to your country. We're getting people to understand it is not just 'get to the United States and you're good.'"

While the trend is politically helpful for the White House, it also raises questions about Mr. Trump's support for a border wall or hiring another 5,000 border agents.

The flow of Mexican nationals crossing to the U.S. has been declining steadily since the turn of the century, in part due to Mexico's aging population and rising wages.

Since then, most people seeking to cross in from Mexico to the U.S. have come from the violence-plagued region known as the Northern Triangle (including El Salvador, Guatemala and Honduras).

While the vast majority of Mexican migrants who crossed the border illegally in the past decades were people seeking economic opportunity, greater numbers of people fleeing the Northern Triangle countries could be considered refugees rather than economic migrants, say migration experts.

Another possible factor in the decline: More Central Americans are seeking asylum in Mexico, rather than trying their luck at the U.S. border.

"The reasons people have for leaving their home countries—violence and extortion, mainly—have not evolved in the last two years," said Mark Manly, the United Nations refugee agency's Mexico representative. "For most people, the objective is safety, and Mexico might well be their best option."

The U.N. predicts as many as 19,800 Central Americans will seek asylum protections in Mexico in 2017, more than twice as many as 2016, and up by more than 1,000% since 2011.

Plan Revived for Nuclear Waste Dump in Nevada

By Kris Maher

Nevada officials oppose the proposed Yucca Mountain nuclear waste repository, above, citing concerns about its environmental impact.

CRAIG F. WALKER/BOSTON GLOBE VIA GETTY IMAGES

Communities across the country are rallying behind the Trump administration's push for a nuclear repository in Nevada, hoping their decades-old wait to ship radioactive material could be coming to an end.

Yucca Mountain was designated 30 years ago as a final resting place for used fuel and other nuclear waste. Progress has stalled since then amid opposition by Nevada politicians who remain concerned about such a facility's environmental impact. But President Donald Trump's budget proposal allocates $120 million to restart the licensing process for Yucca Mountain.

The development is welcome news in communities from Southern California to Maine, where long-shuttered facilities have been housing used fuel rods that will be radioactive for thousands of years. Local officials say the lack of movement has cost them millions of dollars in lost tax revenue, kept them from redeveloping the sites and created security and safety risks for residents.

"Yucca Mountain would be great. Any place would be great to get it away from here," said David Knabel, director of finance for Zion, Ill., a city of 25,000 on Lake Michigan about 50 miles north of Chicago. The former Zion Nuclear Power Station closed in 1998, but it is still being dismantled and 1,000 tons of spent fuel is stored there.

About 200 acres of lakefront property in Zion can't be redeveloped until the nuclear material is removed. Meanwhile, the city lost about half of its property-tax revenue, or $18 million, when the plant shut. To compensate, the city raised property taxes to among the highest in the state, which led some businesses to move to neighboring Wisconsin, according to Mr. Knabel.

"We're a nuclear storage dump through no choice of our own," he said.

There are 121 locations in 39 states currently storing spent fuel from civilian reactors and nuclear waste from the military's nuclear-weapons stockpile, submarines and aircraft carriers. The total includes about 15 nuclear plants no longer in operation, but excludes pending closures.

Today, 99 nuclear-power plants provide nearly 20% of the nation's electricity, according to the Nuclear Energy Institute. More facilities are being mothballed as they become less competitive with plants burning cheap natural gas.

In recent weeks, residents in Southern California have protested a plan to bury about 1,600 tons of spent fuel at the San Onofre Nuclear Generating Station, midway between San Diego and Los Angeles. Opponents argue that the earthquake-prone region, with a population of eight million people within 50 miles, is too risky to store radioactive material.

In 1982, Congress passed the Nuclear Waste Policy Act, which gave the federal government responsibility for disposing of spent nuclear fuel at a safe, permanent repository. In 1987, lawmakers designated Yucca Mountain as the site to develop in what became known as the "Screw Nevada" amendments.

The federal government entered into contracts with utilities to begin collecting spent fuel from the oldest facilities in 1998. But the approval process for Yucca Mountain dragged on for years. It was halted in 2010 when President Barack Obama bowed to opposition from Nevada lawmakers, including former Sen. Harry Reid.

Nevada officials are still opposed. "Over the years, billions of dollars have been wasted on this boondoggle, and we are no closer to a solution," Rep. Dina Titus, a Democrat, testified at a House hearing last month. She argued that a nuclear-waste facility could endanger water systems that feed ranches and farms.

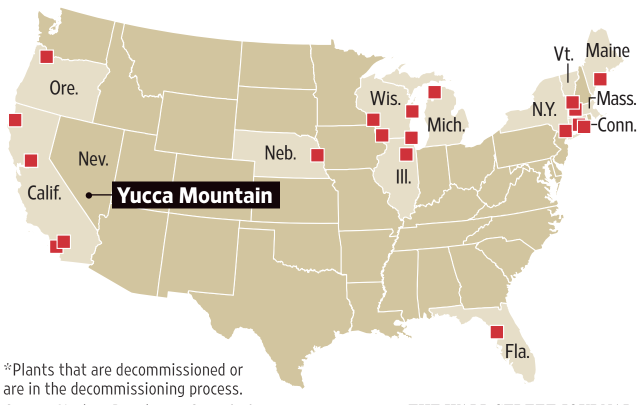
A draft bill in the House of Representatives would amend the 1982 Nuclear Waste Policy Act to resolve several issues, such as providing water and road access to the facility, among other things. The bill also would make it easier to develop interim storage sites, like ones proposed in Texas and New Mexico.

Energy Secretary Rick Perry, in an April 25 letter to the House Energy and Commerce Committee, said the importance of resuming the licensing process became clearer to him during a recent tour of the Yucca Mountain site. "We owe the American people a long-term solution to the ever growing inventory" of spent fuel and nuclear waste, Mr. Perry wrote.

Fuel Gauge

Twelve states are home to closed nuclear power plants that hold spent fuel.

Closed plant sites* with stored spent fuel



*Plants that are decommissioned or are in the decommissioning process.
Source: Nuclear Regulatory Commission

THE WALL STREET JOURNAL.

The Big Cost of Lingering Waste

Utilities have sued the federal government over the years for its failure to remove spent fuel, an obligation designated under the Nuclear Waste Policy Act.

The government has paid more than $6 billion to reimburse utilities for storage costs. Utilities, meanwhile, have contributed more than $30 billion into the Nuclear Waste Fund, which is intended to pay for the permanent repository at Yucca Mountain in Nevada.

Three companies in Maine, Massachusetts and Connecticut that operated nuclear plants under the "Yankee" name closed in the 1990s for economic reasons. Now every four years, each company sues the federal government to get reimbursed for the $10 million it costs to store spent fuel at each site in steel containers encased in concrete casks.

"Our goal as shutdown nuclear power facilities is for the federal government to remove this spent fuel so that we can go out of business," said Eric Howes, a spokesman for the three companies.

—Kris Maher

Insurer Steps In to Fill Tennessee Health-Exchange Void

By Anna Wilde Mathews and Louise Radnofsky

BlueCross BlueShield of Tennessee will offer Affordable Care Act marketplace plans in the Knoxville region next year, filling a potential gap left when Humana Inc. said it would pull out of all of the exchanges on which it does business.

The 16-county region had been at risk of having no insurer offering exchange plans in 2018, and the situation had gained attention as part of the political fight over the ACA's future.

President Donald Trump had highlighted the prospect of people in Tennessee having no coverage to buy as proof of the need to pass a Republican measure striking large parts of the health law and enacting new provisions in its place.

In a letter to the state's insurance regulator, BlueCross BlueShield of Tennessee said its 2017 financial performance in ACA plans has improved after years of losses, because of a "combination of better claims experience and a more sustainable rate structure." The letter said the insurer's move was "in no way a political decision."

However, the decision could be seized on by both Republicans and Democrats. The House recently passed the Republican health bill, and the Senate is working on its own version. Republicans have argued that strains in the ACA exchanges are signs of the law's flaws and already have begun using them to urge the Senate to act on the measure.

At the same time, Tennessee's two Republican senators have been wary of taking aggressive health-care action because of the vulnerability of their state's insurance market. Lamar Alexander, the chairman of an influential Senate committee, and Bob Corker, the state's junior senator, had pushed a measure that would have allowed people with no insurance option through the health law's exchanges to use ACA tax credits to buy coverage elsewhere. The move by BlueCross BlueShield on Tuesday alleviates some of those concerns.

Democrats have said issues with the exchanges are being exacerbated by uncertainty facing insurers under the Trump administration. The administration has sent mixed signals about the future of federal cost-sharing payments that help reduce expenses for low-income ACA enrollees. Insurers have said if those payments aren't locked in, the exchanges will see withdrawals and large rate increases.

Other areas of the country may be at risk of having no exchange plans. Last week, Medica, a nonprofit insurer, said it was considering withdrawing from Iowa's exchange next year, a move that would likely leave much of the state with no marketplace plans, after departures by other insurers.

In other states, some insurers have been seeking significant rate increases for 2018, citing the health costs of enrollees as well as, in some cases, regulatory uncertainty.

In its letter, BlueCross BlueShield of Tennessee said it would need to seek premium increases that reflect the lack of clarity around the federal cost-sharing payments and the future of the ACA mandate for most people to have insurance. The House Republican bill would end enforcement of the mandate.

FBI DIRECTOR FIRED

Shortened Tenures Are Norm at Agency

By Jacob Gershman
And Joe Palazzolo

The ouster of James Comey as director of the Federal Bureau of Investigation was swift and sudden, ending his term atop the nation's top law enforcement agency with more than six years remaining.

For the sprawling FBI, a tenure cut short has been more the rule in Washington than the exception since the end of J. Edgar Hoover's reign in the early 1970s.

FBI directors are ostensibly appointed by the president to a fixed 10-year term. But they can be removed by the president for any reason.

Since 1973, only one FBI director has stayed on for a full term, Robert Mueller, who was first hired by President George W. Bush and reappointed by President Barack Obama.

The frequent shake-ups in part reflect the complexity of the relationship between the position and the president. The director reports to the attorney general, a member of the president's cabinet. But the FBI also needs and often pushes for independence to pursue investigations that might be at odds with the administration.

Congress created the 10-year term limit for FBI directors in the mid-1970s, after the 48-year tenure of J. Edgar Hoover, the agency's legendary and infamous founder. Mr. Hoover clashed with several presidents over a variety of investigations. Several presidents threatened to fire him, but none did: His tenure ended with his death in 1972.

No director since has accumulated such concentrated and enduring investigative power.

That is by design. Sen. Robert Byrd, a West Virginia Democrat who proposed the term limit, said at the time that it would prevent "the formation of a fiefdom, lorded over by an autocratic director."

Lawmakers assumed that the fixed term would insulate FBI directors from politics and discourage presidents from arbitrarily firing them.

At the time, the FBI was also reeling from the Watergate scandal. L. Patrick Gray III, the acting director of the FBI who had replaced Mr. Hoover, had resigned in 1973 after he was discovered to have destroyed papers from the White House safe of E. Howard Hunt, the former spy who organized the Watergate break-in.

Sen. Byrd said the 10-year term limit would help restore the agency's reputation for independence. But the limit, instituted in 1976, has done little to diminish political tensions among presidents, FBI directors and attorneys general.

These tensions came to boil over the handling of the investigation into Hillary Clinton's use of a private email server. After publicly declaring an end to the probe into Mrs. Clinton without charges last July, Mr. Comey publicly reopened the investigation less than two weeks before Election Day, alerting Congress to new emails discovered on a computer in an unrelated case.

"It makes me mildly nauseous to think we might have had some impact on the election," Mr. Comey told the Senate Judiciary Committee last week. "But honestly, it wouldn't change the decision. Everybody who disagrees with me has to come back to October 28th with me and stare at this, and tell me—what you would do?"

Mr. Comey is the first FBI chief fired by a president since 1993, when Bill Clinton dismissed President Reagan-appointee William Sessions after a Justice Department report accused Mr. Sessions of ethical lapses, which the director denied. Mr. Sessions was never prosecuted.

Mr. Mueller's relatively long 12-year tenure followed that of Louis Freeh. The latter's time in office was marked by high-profile mishaps—including the Robert Hanssen spy case. An FBI inquiry into foreign influence in Democratic fundraising also contributed to a rocky relationship with Mr. Clinton. Mr. Freeh served a little under eight years before resigning.

In Service

FBI directors, by tenure length

William J. Flynn (1919-21)	2 years, 52 days
William J. Burns (1921-24)	2 years, 297 days
James B. Comey (2013-17)	**3 years, 248 days**
Stanley W. Finch (1908-12)	3 years, 279 days
Clarence M. Kelley (1973-78)	4 years, 222 days
William S. Sessions (1987-93)	5 years, 261 days
Alexander B. Bielaski (1912-19)	6 years, 287 days
Louis J. Freeh (1993-01)	7 years, 298 days
William H. Webster (1978-87)	9 years, 92 days
Robert S. Mueller III (2001-13)	12 years, 1 day
J. Edgar Hoover (1924-72)	47years, 358 days

Note: Excludes acting directors
Source: Federal Bureau of Investigation
THE WALL STREET JOURNAL.

Possible Picks for Next FBI Chief

By Aruna Viswanatha

The firing of Federal Bureau of Investigation Director James Comey raises a number of questions, including who might be the next FBI chief.

The White House is in a delicate position. It will need to pick someone with a reputation for integrity who is well-respected in Congress and by FBI agents.

One potential issue is that many respected national security officials were part of the "never Trump" group who opposed his nomination.

Presidents have often turned to former U.S. attorneys and judges to fill the job. Here are some options:

Former Bush administration officials in the Justice Department

◆ **Larry Thompson** served as deputy attorney general between 2001 and 2003. Mr. Thompson also was a U.S. attorney in Atlanta and a former general counsel at PepsiCo Inc. He is close to U.S. Attorney General Jeff Sessions and supported his nomination. Mr. Thompson's criticism of Mr. Comey's disclosures about the Hillary Clinton email investigation was mentioned in the memo that advocated for Mr. Comey's firing. If chosen, Mr. Thompson would be the first African-American director of the FBI.

◆ **Ken Wainstein** served at the Justice Department for 19 years, including as the first head of its national security division. He also worked as general counsel at the FBI and as chief of staff to then-FBI Director Robert Mueller. Mr. Wainstein endorsed a letter opposing Mr. Trump's candidacy, which could hurt his chances.

◆ **Mark Filip** served as deputy attorney general under the Bush administration and as a federal judge. He is now a defense lawyer at Kirkland & Ellis.

Former U.S. attorneys who also serve as judges

◆ **Robert Conrad**, a former U.S. attorney for the Western District of North Carolina, is now a judge in that district.

◆ **Stephen Murphy**, a former U.S. attorney in Detroit, is a federal judge in the Eastern District of Michigan.

Politicians

◆ **Trey Gowdy**, a former federal prosecutor who represents a South Carolina district in the House of Representatives as a Republican, is best known as leading the House investigation into the 2012 attack on the U.S. consulate in Benghazi. He was rumored to be a possible contender to be attorney general in the Trump administration.

Unconventional pick

◆ **Frances Townsend** is a former national security official in the Bush administration who is now a television personality. She also served in senior Justice Department roles in her career and is said to be liked by Mr. Trump. She would be the first woman to lead the FBI.

ANDREW HARRER/PRESS POOL/EUROPEAN PRESSPHOTO AGENCY

President Donald Trump with then-FBI Director James Comey during an inaugural event at the White House in January

COMEY

Continued from Page One

our crown jewel of law enforcement."

The startling action is likely to raise as many questions as it answers and result in long-term fallout, thrusting the Russia probe in particular into unknown territory. Mr. Trump will face enormous pressure to choose a figure who is beyond reproach to replace Mr. Comey. It will be up to Mr. Rosenstein whether to name a special prosecutor, and he, too, will face great pressure to do so.

The FBI is investigating whether members of Mr. Trump's campaign collaborated with the Russian government to influence the election. Mr. Trump and his staff have dismissed allegations of Russian collusion, and Russia has denied interfering in the election.

Democrats quickly stressed the questions raised by a president firing an individual who is in the middle of investigating his administration and campaign. Some Senate Republicans also expressed concerns about the timing.

The move also highlighted the fraught position of FBI directors, who are often caught between the need to pursue investigations in an impartial way and the political storms in which they operate.

The memo, and the White House efforts to paint the decision as tied to the unfair handling of the Clinton email probe, were attacked by Democrats. They pointed out that Mr. Trump had chastised Mr. Comey on the campaign trail for not seeking charges against Mrs. Clinton for sending and receiving classified information on a private email system.

Democrats also called the firing "Nixonian" and urged the Justice Department to appoint a special prosecutor to investigate potential collusion between Moscow and the Trump campaign, something that Mr. Rosenstein has resisted. They immediately compared Mr. Trump's move to the notorious Saturday Night Massacre of the Watergate era.

"The President's actions today make it clear to me that a Special Counsel also must be appointed," Sen. Mark Warner (D., Va.), the ranking member of the Senate Intelligence Committee, which is conducting a probe into the alleged Russian interference, said. "That's the only way the American people will be able to trust the results of any DOJ investigation."

Senate Minority Leader Chuck Schumer (D., N.Y.) said: "If Deputy Attorney General Rosenstein does not appoint an independent special prosecutor, every American will rightly suspect that the decision to fire Director Comey was part of a cover-up."

Richard Burr, the Republican chairman of the Intelligence Committee, said in a statement: "I am troubled by the timing and reasoning of Director Comey's termination."

Sen. John McCain (R., Ariz.) has been calling for a bipartisan congressional committee, to investigate Russian meddling in the election, but Republican leaders have so far rejected that request. He said "the president's decision to remove the FBI Director only confirms the need and the urgency of such a committee."

The firing of an FBI director is a rare occurrence in the nation's history. After the decades-long tenure of J. Edgar Hoover, who was widely seen to have abused his position, directors were given 10-year terms in an attempt to prevent them from amassing power.

Before Mr. Comey, only one previous FBI director had been fired—William Sessions, dismissed by President Bill Clinton in 1993 after a probe found various ethical lapses.

In a letter to Mr. Comey informing him of his dismissal, the president wrote, "While I greatly appreciate you informing me, on three separate occasions, that I am not under investigation, I nevertheless concur with the judgment of the Department of Justice that you are not able to effectively lead the Bureau."

The move also highlighted the fraught position of FBI directors.

The three discussions Mr. Trump cited weren't previously known. It would be unusual for the president and FBI to have such conversations, and it isn't clear why they would have any relevance to Mr. Comey's dismissal.

"It is essential that we find new leadership for the FBI that restores public trust and confidence in its vital law enforcement mission," Mr. Trump wrote in the letter.

In an email to FBI employees, Mr. Sessions said the president "has exercised his lawful authority" to remove the director from office. The job is now in the hands of Andrew McCabe, the deputy director, he said, thanking the employees for their "steadfast dedication and commitment during this time of transition."

Mr. Comey was in the FBI's Los Angeles headquarters when he learned of his firing, according to a law-enforcement official. Before he left, he addressed employees and offered them encouragement, the official said, adding the mood was "somber."

To buttress the case for Mr. Comey's termination, the White House released Mr. Rosenstein's three-page critique of his handling of the email probe. Relying in part on public statements by former Justice Department officials of both parties who were critical of Mr. Comey, Mr. Rosenstein said he couldn't defend the director's decision to hold a news conference on July 5 to announce he wouldn't charge Mrs. Clinton or release "derogatory" information about the subject of an investigation.

—Aruna Viswanatha and Rebecca Ballhaus contributed to this article.

A Look Back at Comey's Rocky Path

July 10, 2015: The FBI opens a criminal investigation into Hillary Clinton's handling of classified information after the referral from two inspectors general who determined that "hundreds of potentially classified emails" were found on her private server, according to a New York Times report.

July 23, 2015: Initially, the Justice Department confirms the investigation is criminal in nature. The next morning, the department reverses itself saying "it is not a criminal referral."

Jan. 14, 2016: The Intelligence Community IG reveals that Mrs. Clinton's email contains a type of highly classified intelligence information beyond "top secret," finding "several dozen" emails in Mrs. Clinton's archive containing information classified at various levels. Those emails eventually become central to the FBI investigation.

July 5, 2016: FBI Director James Comey says that Mrs. Clinton was "extremely careless" in handling classified information while secretary of state, but he said the FBI won't recommend criminal charges against her.

Sept. 27-28, 2016: Mr. Comey defends his actions in front of the House Judiciary Committee and Senate Homeland Security Committee.

Oct. 28, 2016: Mr. Comey informs congressional leaders that the FBI possesses new evidence in the Clinton email probe and that the investigation will be reopened.

Nov. 6, 2016: After a review of the new evidence, Mr. Comey tells Congress that the new information doesn't change their determination not to prosecute.

Jan. 12, 2017: The inspector general of the Justice Department said the office was opening a probe into the handling of the Clinton investigation, including Mr. Comey's conduct.

Jan. 24, 2017: According to reports, Mr. Trump asks Mr. Comey to stay on as FBI director.

May 3, 2017: Mr. Comey appears before the Senate Judiciary Committee, defending his handling of the Clinton email probe but saying that he feels 'mildly nauseous' over the possibility that his actions influenced the election.

May 9, 2017: Mr. Comey is fired by Mr. Trump.

New Fuel for Special-Counsel Fight

WASHINGTON—President Donald Trump's decision to fire the head of the Federal Bureau of Investigation in the midst of the bureau's probe into his campaign associates' possible links to Russia added impetus to calls for a special counsel to handle the case.

By Paul Sonne, Shane Harris and Carol E. Lee

James Comey, left, then FBI director, and Attorney General Jeff Sessions in Washington in February.

YURI GRIPAS/REUTERS

The sudden move by Mr. Trump on Tuesday galvanized Democrats, who said James Comey's dismissal would sap ongoing federal investigations of any credibility and underscored the need for an independent person to oversee the probe and any subsequent prosecution. Many compared the firing to Richard Nixon's Justice Department dismissals during the Watergate scandal.

"This is Nixonian," Sen. Bob Casey (D., Pa.) said in a statement, in which he called for an independent investigation into possible Trump-Russia ties.

Republicans acknowledged the timing and circumstances of Mr. Comey's firing looked bad, though many stopped short of calling for a special counsel.

Senate Intelligence Committee Chairman Richard Burr, the North Carolina Republican leading the Senate investigation, said the FBI director's dismissal "further confuses an already difficult investigation by the committee."

Without a special counsel, a new FBI director appointed by Mr. Trump would oversee the probe, and Deputy Attorney General Rod Rosenstein, appointed by Mr. Trump earlier this year, would decide whether to move forward with any charges or prosecution.

Attorney General Jeff Sessions recused himself from the case in March, after meetings he held with the Russian ambassador during the presidential campaign became public.

Both Mr. Sessions and Mr. Rosenstein were involved in making the recommendation to the White House that Mr. Comey be fired, according to statements and letters the White House released Tuesday.

The cloud over the Russia probe is likely to challenge Mr. Trump when he seeks Senate confirmation for his choice to replace Mr. Comey. Democrats are all but certain to oppose his nominee without the appointment of a special counsel.

With 52 seats in the Senate, Republicans can still confirm the nominee on their own along partisan lines. But Republicans who have expressed concerns about Russia's interference in the 2016 presidential campaign could choose to resist.

The FBI's investigation of Trump associates' potential ties to Russia has been continuing apace, and in recent weeks Mr. Comey had been receiving regular updates on its progress, according to people familiar with the matter.

At the same time, congressional investigators from the House and Senate Intelligence Committees have been intensifying their own probes.

Russian Foreign Minister Sergei Lavrov, meanwhile, will meet Wednesday with Mr. Trump, the White House said. The Russian envoy was previously scheduled to visit Washington to see Secretary of State Rex Tillerson, according to the State Department. Mr. Lavrov will meet Mr. Tillerson, then visit the White House.

—Janet Hook and Byron Tau contributed to this article.

Senators React

"I am disappointed in the President's decision to remove James Comey from office. James Comey is a man of honor and integrity, and he has led the FBI well in extraordinary circumstances. I have long called for a special congressional committee to investigate Russia's interference in the 2016 election. The president's decision to remove the FBI Director only confirms the need and the urgency of such a committee."

— Sen. John McCain (R., Ariz.)

"This is part of a deeply troubling pattern from the Trump administration. They fired Sally Yates. They fired Preet Bharara. And now they fired Director Comey, the very man leading the investigation. This does not seem to be a coincidence."

— Sen. Chuck Schumer (D., N.Y.)

"Given the recent controversies surrounding the director, I believe a fresh start will serve the FBI and the nation well. I encourage the President to select the most qualified professional available who will serve our nation's interests."

— Sen. Lindsey Graham (R., S.C.)

"James Comey had an incredibly difficult job in his role as FBI Director and I am grateful for his service. ...It is unfortunate that over the past year the Director had lost the trust of so many people on both sides of the aisle. It is now important that the Senate confirm the next FBI Director with a thorough and fair process."

— Sen. James Lankford (R., Okla.)

"The President's actions today are shocking. It is deeply troubling that the President has fired the FBI director during an active counterintelligence investigation into improper contacts between the Trump campaign and Russia. ...Now more than ever, it is vital that our ongoing investigation is completed in a credible and bipartisan way.

— Sen. Mark Warner (D., Va.)

FBI

Continued from Page One

sible collusion between the Trump campaign and Russia hadn't previously been disclosed. The FBI declined to comment.

The culmination of those frustrations came with Mr. Comey's summary dismissal, by letter to FBI headquarters, when Mr. Comey was in Los Angeles to meet with FBI agents and attend a job fair. It marked the dramatic end of a rocky relationship between the two that saw Mr. Trump oscillate between effusive praise for and accusations of wrongdoing against Mr. Comey.

His focus on the FBI director began last July, when Mr. Comey, in an extraordinary press conference, said that while Democrat Hillary Clinton had been "extremely careless" in her handling of classified information while secretary of state, the FBI wouldn't recommend criminal charges against her. Mr. Trump, at a rally later that day, said the system was "rigged" in Mrs. Clinton's favor and suggested that she had tried to bribe the Justice Department.

When Mr. Comey in late October—weeks before the election—informed congressional leaders that the FBI had new evidence in the Clinton email probe, effectively reopening the investigation, Mr. Trump praised the move. "What he did, he brought his reputation—he brought it back," Mr. Trump said at a rally that month. "He's got to hang tough because a lot of people want him to do the wrong thing. He did the right thing."

Mr. Trump reversed course again when Mr. Comey, just two days before the election, told Congress that the new information in the Clinton probe didn't change the FBI's determination not to prosecute.

At a rally in Michigan that evening, Mr. Trump accused Mr. Comey again of rigging the system to protect Mrs. Clinton. "You can't review 650,000 new emails in eight days—you just can't do it, folks," he said. "Hillary Clinton is guilty."

Since his election victory, Mr. Trump appeared at times to warm to Mr. Comey, whom Mrs. Clinton has credited with Mr.

> *Trump's associates wanted Mr. Comey to tamp down questions about Russia ties.*

Trump's victory. The two hugged at an event shortly after his inauguration, and the president in April defended Mr. Comey's handling of the email investigation, telling Fox Business Network that the FBI director wanted to "give everybody a good, fair chance."

Critics of Mr. Trump have pointed to his previous statements about Mr. Comeyas proof that the president's decision to fire him wasn't motivated by the reason cited in his dismissal.

Instead, they suggest that Mr. Trump was seeking to short-circuit the FBI's investigation into his own associates, noting that as a candidate Mr. Trump criticized Mr. Comey only when he made decisions that adversely affected his campaign.

Senior White House adviser Kellyanne Conway, in a CNN interview late Tuesday, said Mr. Trump's praise for Mr. Comey's handling of the email probe during the campaign was irrelevant to his decision to dismiss the FBI director. "You're looking at the wrong set of facts. You're going back to the campaign," she said. "This man is the president of the United States."

Mr. Comey was in the FBI's Los Angeles headquarters when he learned of his firing, according to a law-enforcement official. Before he left the office, he addressed hundreds of employees and offered encouragement to them, this official said, adding that the mood was "somber." News channels later showed a white private jet, reportedly carrying Mr. Comey, taxiing at the airport en route back to Washington.

On Tuesday, an FBI official sent a letter to the chairman of the Senate Judiciary Committee acknowledging that Mr. Comey had overstated evidence stemming from the investigation into Mrs. Clinton's email use. People familiar with the matter said the mistake sealed Mr. Comey's fate. Keith Schiller, Mr. Trump's longtime bodyguard who is director of Oval Office Operations, delivered the letter to FBI headquarters. One person familiar with the matter said Mr. Comey was giving a presentation to field agents when one agent in the presentation got a news alert on his mobile and told the director the report said he was fired.

— Ian Lovett, Byron Tau and Carol E. Lee contributed to this article.

INVEST

Continued from Page One

European funds in the first four months of the year hit a two-year high, EPFR data showed.

Emerging markets are also benefiting. Strong manufacturing, industrial production and trade data in the developing world helped attract the strongest four-month stretch of net inflows to emerging-market funds since 2013, according to EPFR.

Many investors still consider the U.S. attractive. Stock markets have rallied this year and stand near all-time highs, while the CBOE Volatility Index, or VIX, an indicator of investor anxiety, is at its lowest level in nearly 24 years. Even investors turning skittish on U.S. stocks still have them as a core holding. Most are lightening up their positions, not exiting, the data show.

But a number of money managers appear to be rethinking where the biggest future stock market gains will be found. If this shift in sentiment on the U.S. continues, it would represent a significant change in course.

"The tables are beginning to turn," said Brian Singer, portfolio manager at William Blair & Co., who has added to equity positions in places like Spain, Italy, India and Russia. "The interest of investors, the conventional wisdom and now the capital flows are starting to shift."

During most of the post-financial-crisis period, money managers have tended to favor the U.S. as one of the few spots in the developed world offering economic growth.

That status has helped propel U.S. stock indexes to record highs, roundly beating most foreign markets in recent years. From the start of 2009, the S&P 500 index has returned 165% as the economy pulled out of the financial crisis. European stocks were up 100% over that period, while volatile emerging markets returned 75%, according to FactSet.

Now, some analysts say U.S. stocks look overvalued compared with the rest of the world. The cyclically adjusted price-to-earnings ratio, known as CAPE, is 22 times in the U.S., compared with 16.7 in Europe and 13.7 in emerging markets, according to Makena Capital Management.

Another reason for the shift: Investors are betting that economic growth may be finally returning to Europe after nearly a decade of fits and starts. The 19 countries in the European Monetary Union grew by 0.5% in the first quarter, which equated to an annualized growth rate of 1.8%. By comparison, U.S. output grew at an annual rate of 0.7% in the first quarter.

Over the past five years, the U.S. economy outgrew the euro area by 1.4 percentage points a year on average, according to the International Monetary Fund. The IMF expects that gap to narrow to 0.6 percentage point in the next three years.

The IMF has also been more upbeat about growth in emerging markets. Many of these economies benefit from higher commodity prices and a healthier global economy. Government stimulus programs have steadied growth in China, while the economies of Brazil and Russia are expanding after two years of contractions.

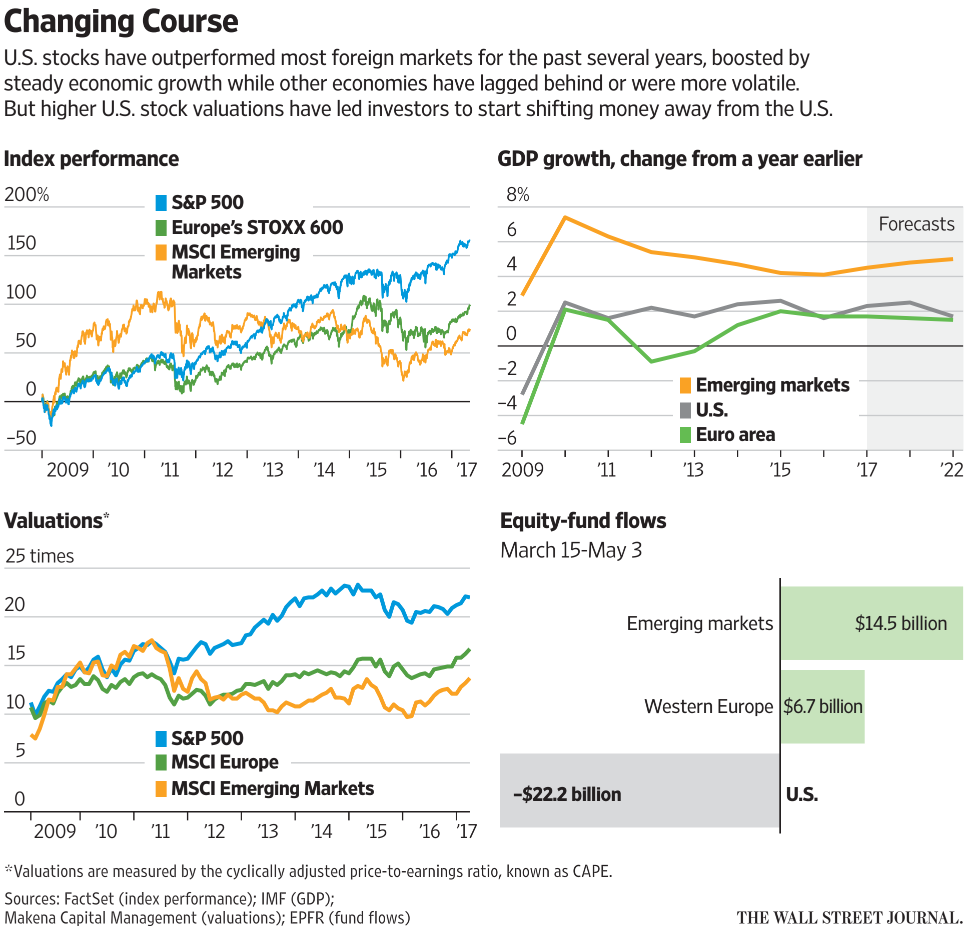
The U.S. economic picture has been mixed. Nonfarm payrolls rose by a seasonally adjusted 211,000 in April, and the unemployment rate fell. But closely watched indicators like auto sales and consumer spending have fallen short of market expectations. Many investors worry whether the U.S. economy is strong enough to justify lofty stock valuations.

"There are a lot of mixed signals" in the U.S., said Lance Humphrey, a global multiasset portfolio manager at USAA. He recently reduced positions in U.S. stocks and added to his holdings of Asian and Middle Eastern companies.

The political risk that has hounded European markets for years may also be subsiding. The Greek debt crisis, which started in late 2009, raised fears that the country could leave the European Monetary Union.

More recently, Britain voted to leave the EU, and investors had been worried about the rise of anti-euro candidate Ms. Le Pen, who was defeated by Emmanuel Macron on Sunday.

Yet even before the second round of the French elections, business and consumer sentiment in Europe had been rising. IHS Markit's purchasing managers index reached a six-year high in the first quarter, and the European Commission's consumer-sentiment survey is near its highest since 2007.



WORLD NEWS

U.S. Seeks Bigger Afghan Presence

Pentagon pushes for more troops, leeway in fight against Taliban and other militants

The Pentagon is pushing for more than 3,000 additional American troops and new authority to give commanders more control, in an attempt to accelerate the fight against the Taliban and other militant groups in Afghanistan, U.S. officials said.

By Gordon Lubold in Tel Aviv and Julian E. Barnes in Vilnius, Lithuania

WAKIL KOHSAR/AGENCE FRANCE-PRESSE/GETTY IMAGES

Marine Brig. Gen. Roger Turner, center and Afghan officials salute at a ceremony in Helmand last month.

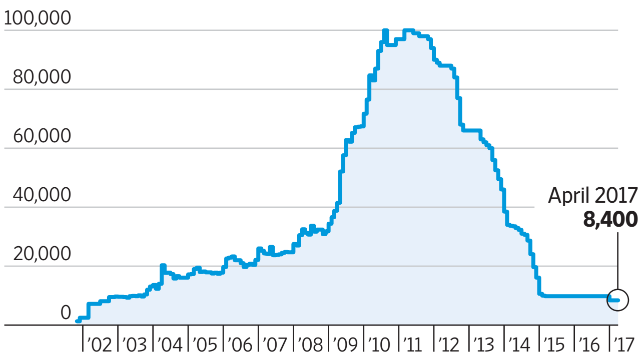
Pentagon officials, detailing proposals still under development, also may recommend placing American advisers in smaller Afghan military units, the officials said, a move that may expose them to increased risks but stands to improve the Afghan units.

The additional U.S. forces would join the more than 8,500 American service members still in Afghanistan, and would reverse the effort begun by former President Barack Obama to wind down the war, now in its 16th year.

Defense Secretary Jim Mattis and other top Pentagon officials plan to make formal recommendations to President Donald Trump as early as this week to increase the American commitment, while pressing allies to contribute more forces and capabilities as well, U.S. officials said.

Long War

Number of U.S. troops in Afghanistan at the end of each month



Source: U.S. Central Command

THE WALL STREET JOURNAL.

The plan has been described to Mr. Trump but not presented formally, a senior administration official said. A decision could come this week and is expected to encompass a broad strategy for the region.

One of the most consequential proposals would allow U.S. forces to directly target the Taliban on their own, U.S. defense officials said. Currently, under procedures approved during the Obama administration, the U.S. can strike the militant group only in a partnered raid with Afghan forces.

The U.S. has a dual role in Afghanistan. Some American forces take part in operations against the Taliban, al Qaeda, Islamic State and other groups, while others conduct so-called train-advise-assist missions with Afghan forces.

The additional troops could serve in either capacity, U.S. officials said.

Gen. Joe Dunford, the chairman of the Joint Chiefs of Staff, wouldn't comment during a trip to Israel on the Pentagon plan for Afghanistan and said no decisions have been made by the White House. But he said the U.S. should consider the importance of the Afghan mission.

"There's the need for us to have a counterterrorism mission as long as there is a threat, and I'm not going to put a timeline on that," he told reporters in Jerusalem on Tuesday. Gen. Dunford said the U.S. presence will change over time, but that the U.S. must remain committed to Afghanistan for years to come.

"Some people call this a generational war, well if that's the case, then we do need to be prepared as a nation to deal with it," he said.

The Pakistani government favors a political solution in Afghanistan. "We don't think there is a military solution out there," said Aizaz Ahmad Chaudhry, Pakistan's ambassador to the U.S., in an interview. He said it made sense for Afghanistan, Pakistan, the U.S. and China to work out a road map for Afghan stability.

Gen. Dunford said he would be in Brussels for a North Atlantic Treaty Organization meeting next week and hoped to have enough specifics about the American plan to persuade NATO allies to step up their own contributions. There are about 6,500 NATO troops in Afghanistan.

The U.S. has sent a request to NATO asking allies for more forces, alliance officials said on Tuesday. U.S. officials have asked individual allies to expand their existing contributions of trainers and advisers, U.S. and allied officials said.

—Carol E. Lee in Washington contributed to this article.

German Soldiers Allegedly Planned Killings

BY ANTON TROIANOVSKI

BERLIN—Germany's top prosecutor said two soldiers and an accomplice plotted high-profile assassinations that would be blamed on a migrant, escalating a controversy over right-wing extremism in the military that is weighing on the German government.

Police detained a 27-year-old soldier identified as Maximilian T. on suspicion of conspiring to kill high-ranking politicians and other prominent individuals whom he and his two alleged accomplices saw as proponents of a misguided refugee policy, the prosecutor said Tuesday.

The targets included former German President Joachim Gauck and Justice Minister Heiko Maas, who have both favored accepting refugees, according to the prosecutor.

Maximilian T.'s alleged co-conspirators, identified as Franco A., 28, and Mathias F., 24, were both taken into custody late last month. German authorities said they uncovered the plot after Austrian police this year caught Franco A., a first lieutenant in the German military, trying to retrieve a handgun he had hidden in a bathroom at the Vienna airport.

Investigators also found more than 1,000 rounds of ammunition in the home of Mathias F., a student.

The planned attacks, officials said, were meant to look like they were carried out by a refugee. Franco A., they said, had managed to apply for asylum as a fictitious Syrian migrant.

Plan involved falsely implicating a bogus migrant to exacerbate community tensions.

That involved submitting fingerprints that would have been found on the weapon used.

"The attack planned by the three accused was to be perceived by the general public as a radical Islamist terrorist act," the prosecutor-general said. "Given the continuing public discussion about immigration and refugee policy, a seeming terrorist act by a registered asylum seeker would have drawn particular attention and contributed to the general sense of a threat."

The allegations put new political pressure on Defense Minister Ursula von der Leyen, a prominent ally of Chancellor Angela Merkel who has been on the defensive since Franco A.'s detention last month. Thomas Oppermann, the leader of the center-left Social Democrats in Parliament, said the accusations against Maximilian T. suggested that "a terror cell built itself inside the German military."

German politicians have long voiced concern about right-wing extremism in the military. The return of the debate comes at a bad time for Ms. von der Leyen and Ms. Merkel, who are pushing to increase military spending and seeking to convince a long-pacifist public that their country needs to be more engaged in managing security crises.

KURDS

Continued from Page One

pad for U.S.-coalition airstrikes against Islamic State in neighboring Syria. While Turkey could kick the U.S. out, Turkish officials said that was unlikely.

Mr. Trump's decision comes amid a broader strategic review of the U.S. fight against global Islamist extremism. Mr. Trump is also considering a proposal to send more than 3,000 additional U.S. troops to Afghanistan to help fight resurgent Taliban fighters.

U.S. officials in the State Department and U.S. Central Command, which oversees the fight against Islamic State, pushed the administration to directly arm the YPG, despite Turkish concerns, according to officials involved in the discussions.

Mr. Trump faces a challenging task in persuading Mr. Erdogan to cooperate. One of the most pressing concerns is the risk to U.S. special operations forces who work side-by-side with YPG fighters in Syria.

Two weeks ago, over American objections, Turkish warplanes bombed YPG forces, killing at least 18 fighters. U.S. officials said Turkey gave them less than an hour's notice of the planned attack, which gave them little time to ensure that American forces were out of harm's way.

In a risky attempt to defuse tensions, U.S. military vehicles flying the American flag started patrolling in Syria near the Turkish border after the Turkish airstrikes.

Turkish officials have said they would continue to attack the YPG in Syria, despite U.S. objections, creating a risk for U.S. forces and complicating efforts to focus on seizing Raqqa from Islamic State.

U.S. officials hope to assuage Turkish concerns by assuring them that the YPG will receive limited amounts of arms and ammunition for the fight in Raqqa. The U.S. has no plans to provide the YPG with advanced weaponry that could be smuggled into Turkey.

YOUSSEF RABIE YOUSSEF/EUROPEAN PRESSPHOTO AGENCY

Soldiers of the YPG Kurdish militia stood guard next to a U.S. armored fighting vehicle at the Syrian-Turkish border in April.

The U.S. will provide small arms, ammunition and machine guns, and possibly some non-lethal assistance, such as light trucks, to the Kurdish forces, said a U.S. official.

Although Kurdish forces are highly regarded and trusted by U.S. special operations forces, the arms will still be parceled out. The shipments will be dropped, an operation will be performed, and the U.S. will assess the success of that mission before providing more arms, according to the U.S. official.

"We will be supplying them only with enough arms and ammo to accomplish each interim objective," the U.S. official said.

Turkey views the YPG as one and the same with the Kurdistan Workers' Party, or PKK, a separatist group in Turkey's mainly Kurdish regions that the Turks have been battling for years. Both the U.S. and Turkey have designated the PKK as a terrorist group.

The U.S. doesn't designate the YPG as a terrorist group, and it has helped the group rise to become a force of about 25,000 fighters that serves as the backbone of ground forces battling Islamic State in northern Syria. Turkish officials view the force as a direct threat and say they have no confidence that the YPG will limit its ambitions to Syria.

Gen. H.R. McMaster, Mr. Trump's national security adviser, delivered the news Monday evening to top Turkish officials in a tense White House meeting. The Turkish officials were not pleased, but "took it about as well as could be expected," said one person familiar with the meeting.

After delivering the news, Gen. McMaster brought the Turkish delegation, which included the country's top general, its intelligence chief and the president's spokesman, into the Oval Office to meet Mr. Trump for a brief chat, the person said.

White House press secretary Sean Spicer said he didn't know if Mr. Trump had discussed the issue with Mr. Erdogan but said the U.S. is committed to protecting Turkey from additional risks.

Turkey and its allies are concerned the YPG will use the new arms to retain control over Raqqa.

"The Kurds won't hand over any piece of land they have occupied except through force, or if the U.S. abandons them," said Col. Ahmed Othman, a leader of the Sultan Murad Brigade, a militant group fighting alongside the Turkish military in Syria.

—Carol E. Lee and Maria Abi-Habib contributed to this article.

Who Are the Kurds?

Syria: Together with Armenians and other minorities, they made up about 10% of Syria's prewar population of about 23 million people.

Turkey: They comprise some 20% of Turkey's 79 million people, mainly in the country's 13 southern and southeastern provinces.

Iraq: They are the second-largest ethnic group, after Arabs, comprising about 20% of the country's 37 million people and located mainly in Iraqi Kurdistan.

Iran: They make up roughly 7-10% of Iran's 82 million people and are concentrated in the northwest of the country near the Iraqi and Turkish borders.

Source: WSJ reporting

Australia Unveils Big Infrastructure Spending Plan

BRENDON THORNE/BLOOMBERG NEWS

The government plans to build a second airport for Sydney.

BY ROB TAYLOR AND JAMES GLYNN

CANBERRA—Australia is planning US$56 billion in infrastructure spending on projects, including a new airport for Sydney and a 1,000-mile high-speed rail corridor, as the government seeks to extend the world's longest continuous growth streak and return to a budget surplus.

The decade spending plan—unveiled in the annual budget on Tuesday—comes as concerns mount over the health of an economy that has navigated 25 years without a recession.

In recent years, resources investment has declined sharply, an uncertain job market has made consumers leery about spending and tougher lending rules have choked off a housing-construction boom.

Prime Minister Malcolm Turnbull is following the playbook of other large developed countries, hoping to avert an economic downturn and rekindle support for his unpopular conservative government.

The government forecast on Tuesday that the budget deficit would fall to 2.5 billion Australian dollars (US$1.85 billion) by 2020, swinging to a surplus of A$7.4 billion by mid-2021 as the global economy recovered.

The goal would be reached through spending cuts and tax increases, the government said, while stoking growth through infrastructure spending and a reduction in the corporate tax rate to 25% from about 30%.

"To support growth we choose to invest in building Australia, rail by rail, runway by runway, and road by road," Treasurer Scott Morrison said.

In pursuing a second airport for Sydney, Mr. Turnbull aims to deliver a controversial A$5 billion project that has eluded other governments. Sydney's population is rapidly expanding, topping five million residents in 2015-16, while the city is handling a sharp increase in tourists, particularly from Asia.

Also on Mr. Turnbull's priority list is an inland rail corridor stretching 1,000 miles. The government said it would inject A$8.4 billion into the project to get grains and other goods to port within 24 hours.

Advocate of Closer Korea Ties Elected

South Korean voters chose a forceful advocate for closer ties with North Korea and China to succeed their impeached president, complicating U.S. efforts to isolate Pyongyang and rein in its nuclear-weapons program.

By Jonathan Cheng in Seoul and Felicia Schwartz in Washington

The victory of Moon Jae-in poses an early challenge to the Trump administration's plan to enlist Asian allies to exert greater pressure on North Korea, and reinvigorates China's call for the U.S. to wind down military pressure and talk with Pyongyang without conditions.

After his swearing-in Wednesday at Seoul's National Assembly, Mr. Moon said he would be willing to go to Pyongyang if the conditions were right, repeating a campaign promise to seek more dialogue with North Korea.

"If necessary, I will fly to Washington right away. I will also go to Beijing and Tokyo. And when the conditions are right, I will also go to Pyongyang," Mr. Moon said. "I will do everything I can for the Korean Peninsula."

The ceremony came just hours after the country's election committee certified his sweeping electoral victory, kicking off Mr. Moon's single five-year term.

During his campaign, Mr. Moon challenged aspects of long-established security alliances with the U.S. and Japan and said South Korea needs to learn to say "no" to Washington. He criticized the U.S. military's deployment of a missile-defense system in South Korea that angered Beijing, and pushed back against a threat by President Donald Trump to force Seoul to pay for the system, known as Thaad.

Presidents Trump and Moon "could be a volatile mix, unless there's a lot of policy coordination between the two leaders at the outset," said John Park, director of the Korea Working Group at the Harvard Kennedy School.

The White House congratulated Mr. Moon on his victory and said it looked forward to working with him to strengthen the U.S. alliance with South Korea.

The election of Mr. Moon ends nine years of conservative rule and a five-month power vacuum that followed the impeachment of President

CHUNG SUNG-JUN/GETTY IMAGES

Moon Jae-in spoke during his presidential inauguration at the National Assembly in Seoul on Wednesday, a day after his election win.

Park Geun-hye, his longtime political adversary. She is now imprisoned while facing trial on corruption charges, and has denied wrongdoing.

Voter turnout surpassed 77%, a reflection of intense interest in the race after months of turmoil that brought hundreds of thousands of South Koreans into the streets to protest alleged high-level political corruption.

Mr. Moon will face pressing issues including stagnating economic growth and public concerns of corporate malfeasance. His election could usher in changes that would make life more difficult for the conglomerates that dominate South Korea's economy, and whose alleged misdeeds played a major role in last year's political crisis.

The new president above all faces uncertain relations with Beijing, Tokyo and Washington, and renewed signs of belligerence from Pyongyang.

The strategy set out by Mr. Trump and other administration officials includes ramping up financial, diplomatic and military pressure on North Korea while seeking talks, but only under the right conditions.

The administration has stressed the importance of economically squeezing North Korea by pressing allies to enforce sanctions and drawing up new measures if necessary. The U.S. has pressed China, as North Korea's biggest investor, aid donor and trade partner, to enforce sanctions and find news ways to rein in Pyongyang's nuclear ambitions.

Mr. Moon has supported the use of sanctions, but he also pledged to revive the "sunshine policy" that lavished humanitarian aid on impoverished North Korea, and said he would seek closer economic cooperation. He is expected to seek to reopen two inter-Korean projects from the early 2000s, both of which would send millions of dollars to North Korea.

—Min Sun Lee in Seoul and Jeremy Page in Beijing contributed to this article.

Beijing Tightens the Belt on Its Silk Road Trade Plan

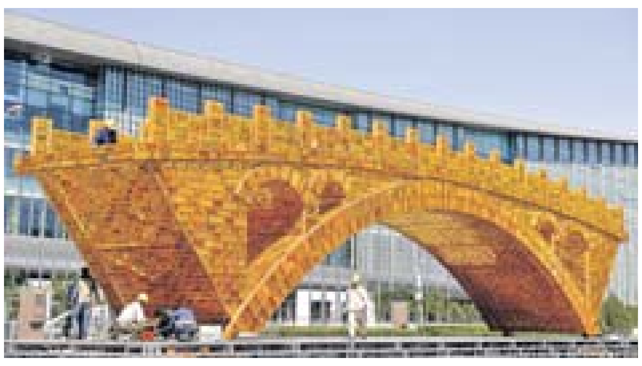
CHINA'S WORLD
By Andrew Browne

SHANGHAI—In a world starved of investment, a lot is riding on President Xi Jinping's signature foreign-policy initiative: to revive the ancient Silk Road trading routes from China to Europe.

By some optimistic reckoning, Chinese construction of rail links, energy pipelines, ports and other trading infrastructure could end up dwarfing the U.S. Marshall Plan that rebuilt Europe after World War II. Unofficial spending estimates run as high as $4 trillion.

Multinationals like **General Electric**, **Caterpillar** and **Siemens** are anticipating a bonanza. Economies from Central Asia to the Middle East and Africa are awaiting the chance to join global supply chains.

Yet, four years after Mr. Xi launched the One Belt, One Road megaproject, domestic economic realities—slowing growth, mounting debt and fleeing capital—are catching up with the plan.



ANDY WONG/ASSOCIATED PRESS

The 'Golden Bridge of Silk Road' sits on a platform at a convention center in Beijing that will hold this month's Belt and Road Forum.

Undeniably, real projects are forging ahead: Chinese bulldozers and cranes are at work on a high-speed rail line to Laos from China, port facilities in Sri Lanka, power stations in Vietnam and Pakistan and an international airport in Nepal.

Adding it all up, Louis Kuijs, head of Asia research at Oxford Economics, tallies annual Chinese lending to the several dozen belt-and-road countries at around $130 billion in recent years. However, the bulk of that is from commercial banks. The two development banks that finance infrastructure projects relevant to One Belt, One Road account for about $40 billion.

Expected beneficiaries are still waiting for the gusher of Chinese infrastructure funds to open up. Globally, investment and lending from China are impressive; the country is the world's second-largest net creditor after Japan.

But while One Belt, One Road grabs all the attention, "China's capital mostly seems to be going elsewhere," writes David Dollar, the former head of the World Bank in China who is now a senior fellow at the Brookings Institution in Washington.

Scrutinizing figures put out by the **China Development Bank** and the Export-Import Bank of China—the conduit for much of China's massive lending to Africa and Latin America in recent decades—Mr. Dollar is unable to find evidence that they are now prioritizing Mr. Xi's showcase endeavor.

Meanwhile, a database of outbound Chinese corporate deals compiled by the American Enterprise Institute and the Heritage Foundation shows that since 2014, Chinese private and state firms have invested more in the U.S. than in the 60-odd countries along the Silk Road networks combined. That group embraces 60% of the world's population and around one third of gross domestic product.

Why is China holding back?

After all, this will be Mr. Xi's geopolitical legacy. The Silk Road project is supposed to summon the glories of bygone eras when China supplied the West with rare luxuries, while paving the way for it to assume global leadership from a financially exhausted and inward-looking America and Europe. Several dozen leaders are expected in Beijing this weekend for a belt-and-road summit extravaganza.

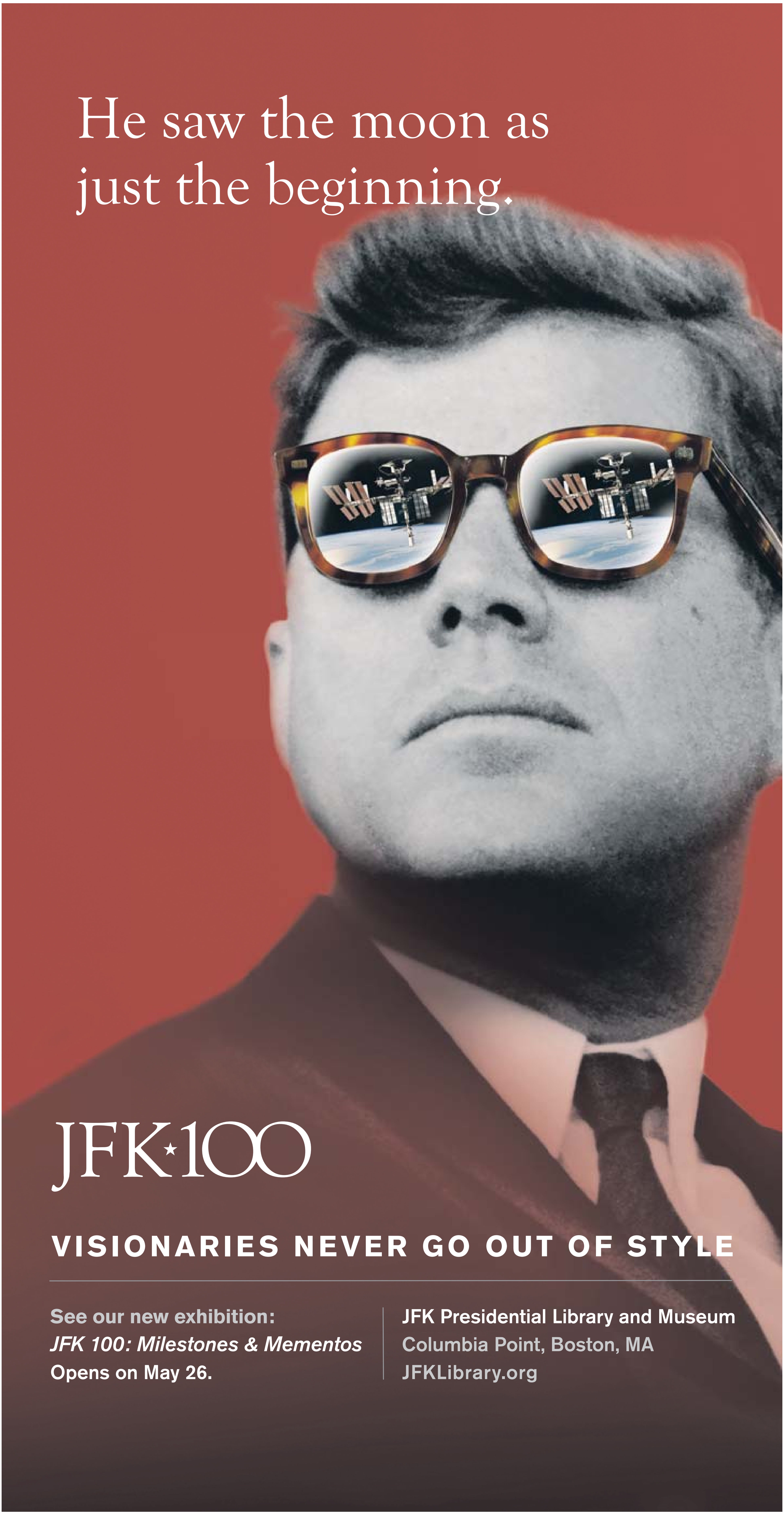
The awkward reality forming the backdrop to the festivities is that China is financially stretched.

One result of a slowing economy is that the country has less hard currency. Its foreign-exchange reserves peaked in 2014 at around $4 trillion and since then have plummeted by about $1 trillion as capital flees.

Mr. Xi's grand plans "have been demolished by the forex plunge," said Derek Scissors, a resident scholar at the American Enterprise Institute. On top of that, the economy is burdened by a mountain of debt.

Mr. Dollar is more sanguine: He believes China can afford to splash out on overseas infrastructure using its shrunken, but still substantial, current-account surpluses.

Of course, these are early days. Nonetheless, if current financing trends continue, Mr. Xi's Marshall Plan could be less transformative than advertised.


He saw the moon as just the beginning.
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Macron's Economic Plans Spur Pushback

Centrist's modest proposals to free up labor market spark protests from unions

BY NICK KOSTOV AND MARCUS WALKER

SEBASTIEN BOZON/AGENCE FRANCE-PRESSE/GETTY IMAGES

Mr. Macron, left, with then-Prime Minister Valls, right, and Labor Minister Myriam El Khomri, visited a Solvay factory in Chalampe last year.

PARIS—French President-elect Emmanuel Macron wants to reconcile his country with globalization. The modest economic changes he is proposing to do so are already provoking resistance.

The victor in Sunday's presidential election ran as a reformer who would make the economy more competitive, lightening tax and regulatory burdens on business, while preserving its cherished welfare state. His progress, particularly in bringing down stubbornly high unemployment, will make or break his presidency.

The 39-year-old centrist's proposals reflect an effort to apply to France the lessons of successful overhauls in Germany and Scandinavia, which have managed to blend business freedoms and social protections better than most other countries. Achieving change will require taking on the powerful labor unions.

On Monday, a day after Mr. Macron's win, unions held a march through Paris to protest his policies. "We need all the opposition in France to converge and get into battle formation," said Romain Altmann, who took part as a member of the CGT, one of France's biggest unions.

Those demonstrations were meant to forcefully display what Mr. Macron is up against. "He has a colossal job on his hands," said Maurice Lévy, chief executive of advertising giant **Publicis Groupe** SA. "Reforming the labor code is an indispensable reform and perhaps his most difficult challenge."

Mr. Macron is no free-marketeer radical. Some of his policies show a traditional French penchant for state intervention. In a stint as economy minister, he took steps to strengthen state influence at major French companies—including by increasing a government stake in **Renault** SA that effectively gave the state a veto power at the car maker.

His campaign promises to keep the minimum retirement age at 62, and to preserve the 35-hour workweek as a general guideline, disappointing some businesspeople who say his overhauls aren't ambitious enough.

Bolder free-market policies have limited voter support in France, and Mr. Macron's proposals may already test those limits. They include cutting tax on corporate profit and payroll taxes on lower-paid workers; limiting the cost of laying off workers; pressing unions to agree to flexible labor terms at the company level; curbing the unions' control of the country's generous welfare system; and slightly shrinking the size of government.

Mr. Macron says he wants to cut the share of public spending in France's gross domestic product to around 52%, from around 57% in 2015, in part by shrinking the civil service. He has also pledged to cut the budget deficit to well below 3% of GDP to comply with a European Union rule that France has frequently broken.

"The heart of his program is trying to solve some issues linked to the labor market," said Raphael Brun-Aguerre, an economist at J.P. Morgan in London. "In his mind the labor market is dysfunctional: Labor costs are too high, and you don't have enough flexibility. He links it also to education, where he argues many people are left aside because they don't have the right skills."

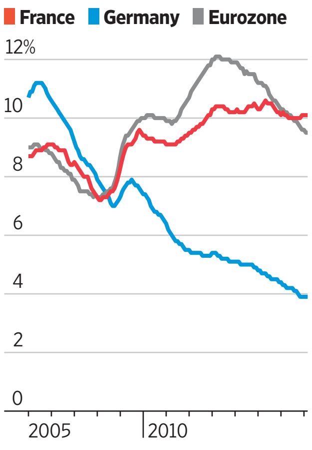
Mr. Macron's most ambitious changes, if implemented in full, would mimic some Scandinavian countries' mix of flexible labor markets, a universal social safety net, and government-sponsored training for people lacking marketable skills. Currently, France's unemployment-insurance and pension systems are expensive yet patchy, offering stronger protections to employees in unionized sectors than to the self-employed or small entrepreneurs.

The hope, say advocates of such a combination of measures, is that it could make French workers more accepting of the disappearance of old industries and the rise of new ones, a process accelerated by globalization.

Changing the welfare state, while decentralizing labor negotiations to give companies more flexibility on pay and working hours, challenges the powers of national union organizations, a formidable interest group that has repeatedly shown it can bring the country to a standstill.

Labor Pain

After labor reforms, German unemployment has fallen, while France's has remained higher.



Source: Eurostat
THE WALL STREET JOURNAL.

U.S. Told France of Russian Hacking

BY PAUL SONNE

WASHINGTON—The U.S. warned France's security services before Sunday's French presidential election that Russian cyber actors were carrying out operations that had penetrated some of the French campaign infrastructure, the director of the U.S. National Security Agency said on Tuesday.

NSA Director Adm. Mike Rogers, speaking during Senate committee testimony, said he issued the warning to his French counterpart after U.S. intelligence became aware of Russian activity tied to the French presidential campaign.

"We had become aware of Russian activity," Adm. Rogers said. "We had talked to our French counterparts…and gave them a heads-up."

The party of Emmanuel Macron, who won Sunday's election, announced two days before the vote that it had been the victim of a massive cyberattack, with thousands of emails and electronic documents stolen from the accounts of party officials and some placed online.

Mr. Macron, a centrist who has criticized Russia, defeated far-right rival Marine Le Pen, who visited the Kremlin during the campaign and received Russian bank loans for her party in the past.

The U.S. warning came before the Macron campaign's announcement, but Adm. Rogers didn't specify whether the Russian meddling detected by the U.S. was directed at Mr. Macron or other aspects of the French election. NSA officials didn't respond to a request for clarification.

Cybersecurity firms suspect Russian actors of being behind the hack, but the derivation of the attack remains unproven. The Kremlin has called the accusations slander.

Adm. Rogers told the Senate panel that the U.S. told the French: "Look we're watching the Russians. We're seeing them penetrate some of your infrastructure. Here's what we've seen. What can we do to try to assist?"

The NSA director declined to go into additional detail about what specifically the U.S. had seen, or what infrastructure he was referring to, citing the classified nature of the exchange.

Investors Take Heart as Polls Get It Right

BY JON SINDREU

CLAUDE PARIS/ASSOCIATED PRESS

Volunteers counted ballots in La Penne sur Huveaune on Sunday.

For investors, pollsters were big winners in the French election after correctly forecasting the outcome, perhaps redeeming a profession that appeared to get Donald Trump's victory and the Brexit result wrong.

That matters because renewed faith in pollsters may allow investors to relax and believe the surveys that suggest the antiestablishment threat to markets is fading.

French pollsters correctly predicted the voting shares of the main candidates in the first round of the presidential election, stating that centrist Emmanuel Macron would place above the anti-euro National Front candidate Marine Le Pen. Following that result, investors went on a buying spree, more confident that polls were no longer underestimating the antiestablishment vote. As the polls predicted, Mr. Macron won resoundingly in the second round, albeit with an even larger majority than the polls said.

The failure of polls to predict that Britain would vote to leave the European Union, and Mr. Trump's November victory in the U.S. presidential election, left investors doubting if surveys were accurately capturing the political mood over globalization.

That led some investors to ignore polls ahead of a recent run of votes in Italy, the Netherlands and then France, in which antiestablishment voices seemed prominent. This kept some investors out of Europe.

"With Brexit and Trump, the market lost faith in the polls," said Ugo Lancioni, portfolio manager at Neuberger Berman. "Another big miss would have been a disaster."

Being able to trust the numbers again may make all the difference for money managers seeking to invest in an increasingly economically vibrant Europe, but who are still weighing the risks posed by coming votes in the U.K., Germany and potentially Italy. For instance, polls suggest that the far-right Alternative for Germany's popularity is slipping.

The fading threat from anti-euro political candidates has already helped boost European markets. After years of trailing U.S. stocks, the Stoxx Europe 600 is up more than 9% since the start of the year, compared with a roughly 7% gain for the S&P 500.

"We are in kind of a sweet spot in Europe for the time being," said Monica Defend, head of asset-allocation research at Pioneer Investments, which manages more than $240 billion in assets and in March was positioned in anticipation of gains in European stocks.

Analysts warn that there are peculiarities to France that may explain the success of their pollsters and underscore how their success may be hard to replicate in other countries. French pollsters are experienced in how to assess the National Front's impact because it has been contesting elections since the 1970s. Widespread use of internet polls meant French pollsters were less likely to underestimate the antiestablishment vote.

Trump Delays Call on U.S. Future in Climate Deal

President Donald Trump won't make a decision on whether to withdraw from the Paris Agreement on climate change until after he meets with Group of Seven leaders this month, the White House's top spokesman said.

By Rebecca Ballhaus, Michael C. Bender and Emre Peker

Mr. Trump will wait to make his decision because he "wants to make sure that he continues to meet with his team to create the best strategy for this country going forward," press secretary Sean Spicer said on Tuesday.

White House officials had been expected to soon close an internal debate on whether the U.S. should withdraw or take more-measured steps, but a key meeting on the matter scheduled for Tuesday was postponed at the request of Secretary of State Rex Tillerson, who would have been unable to attend, an administration official said.

Mr. Trump's decision to wait until later this month to render an official verdict comes as a blow to advocates of withdrawing from the climate-change accord, since the G-7 summit in Italy will allow advocates of the agreement to press the president not to withdraw.

One G-7 leader, French President-elect Emmanuel Macron, urged Mr. Trump not to dismantle the accord in a phone call on Monday. European Union and other individual European governments, including the U.K., have sought to convince Mr. Trump that sticking with the Paris deal would better serve American interests, an EU official said.

During his campaign, Mr. Trump pledged to withdraw from the agreement completely. Two weeks after his election in November, he said he had an "open mind" about the pact among 190 countries.

Under the Paris Agreement, each participating country determines its own set of emissions targets and a plan to reach them. The U.S. had pledged to cut greenhouse-gas emissions by 26% to 28% from 2005 levels by 2025.

The European diplomatic push comes as thousands of government, environment and business representatives gathered this week in Germany for United Nations talks on guidelines to implement the landmark accord.

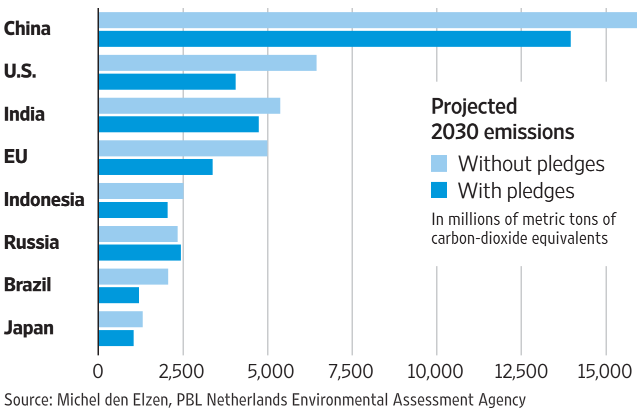
Europe's effort highlights a growing urgency to maintain participation by the U.S., the world's second-largest emitter of greenhouse gases behind China. To sway the U.S. president, the agreement's supporters have proposed that the U.S. could roll back emissions cuts without risking punishment under the accord, a senior European lawyer who helped draft the deal said.

"The Paris Agreement is sufficiently flexible to allow the U.S. to chart its own path," a senior EU negotiator said.

A spokeswoman at the U.S. mission to the EU didn't respond to a request for comment.

Air of Uncertainty

President Trump is considering whether to pull the U.S. out of the Paris climate accord. Projected impact of carbon-cutting pledges made at the conference:



Source: Michel den Elzen, PBL Netherlands Environmental Assessment Agency
THE WALL STREET JOURNAL.

WORLD WATCH

SUB-SAHARAN AFRICA

IMF Cites Risks From Slower Growth

Sub-Saharan Africa risks becoming poorer in per capita terms after years of fast-paced growth, the International Monetary Fund warned Tuesday, as the region's economic expansion slows while its population growth continues to accelerate.

Gross-domestic-product growth in sub-Saharan African countries—those that lie south of the Sahara—averaged a two-decade low of 1.4% in 2016 and will recover to a "modest" 2.6% in 2017, the IMF said in its twice-yearly outlook for the region.

Sub-Saharan population growth averaged 2.7%, according to the World Bank's latest estimate, from 2015.

"The underlying regional momentum remains weak and at this rate, sub-Saharan African growth will continue to fall well short of past trends and barely exceed population growth," the IMF warned.

Economic expansion has significantly slowed in two-thirds of sub-Saharan African nations, the report warned, with Nigerian GDP growth seen at 0.8% in 2017 and Angolan GDP growth seen at 1.3%.

However, countries like Kenya, Ethiopia and Tanzania continue to grow robustly, by 5% to 7% annually, the report said.

—Matina Stevis

GERMANY

Schäuble Cautions On Eurozone Budget

German Finance Minister Wolfgang Schäuble said Tuesday that the country would support French President-elect Emmanuel Macron's efforts to strengthen Europe, but that there was little chance the bloc would agree any time soon on Mr. Macron's proposal for a common eurozone budget and finance minister.

"A finance minister must of course not only carry a title but he must be able to make decision," Mr. Schäuble said at a Christian Democratic Union event.

To give a finance minister such powers, he said, would need changes to European treaties, which requires unanimous decision among all European Union members. "To believe right now that we would be able to achieve a change in the European treaties is quite unrealistic," he said.

—Andrea Thomas

IN DEPTH

Health-Care Debate Hinges on Medicaid

Benefits for newly insured, hospitals and communities are also state budget busters

BY MELANIE EVANS AND ANDREA FULLER

JOE KLINE FOR THE WALL STREET JOURNAL

Sky Lakes Medical Center added urgent-care rooms like this one to help handle new Medicaid enrollees.

KLAMATH FALLS, Ore.—The Republican Party's revamp of the U.S. health-care system is heading toward a showdown over Medicaid.

This region, a patch of red in a largely blue state, saw more changes than most from the 2010 Affordable Care Act's expansion of the health-insurance program for low-income people. Its uninsured rate fell sharply. Its sole hospital nearly tripled its Medicaid revenue, helping finance an expansion. The law's funds fueled health-care hiring and provided work for contractors.

At the same time, the cost to Oregon proved hard to handle. New Medicaid responsibilities that begin this year under the law, also known as Obamacare, will make up about 17% of Oregon's $1.6 billion shortfall in its coming biennial budget.

Last week, the House passed the American Health Care Act, which would roll back federal financing for expansion and introduce limits on federal Medicaid funding for states.

The health-care overhaul is now in the Senate, where the Medicaid provisions are already proving a potentially significant stumbling block. Just as in Klamath Falls, Democrats and some Republicans want to keep the expansion intact, citing the benefits.

Sen. Rob Portman (R., Ohio), whom Senate leaders tapped to help draft the upper chamber's health-care plan, said he is concerned the House bill "does not do enough to protect Ohio's Medicaid expansion population."

Those pushing for repeal argue the ACA's expansion of Medicaid comes at an unsustainable cost, expanding the safety net well beyond the most vulnerable citizens and squeezing state and federal spending for other critical services. Rep. Greg Walden, a Republican representing Klamath Falls, led one of the committees handling the House proposal. Medicaid expansion to nondisabled adults, he said, is "not sustainable" for state or federal budgets.

The ACA flooded Medicaid-expansion states with more than $79 billion in federal funds through September 2015, the most recent federal data show. In a few short years, those funds created winners—patients, hospitals, job seekers—who have become vested in preserving the funding.

Under the law, the federal government covered the cost in the first years of expanding Medicaid in states that accepted the help. Starting in 2017, states must pay 5% of these extra Medicaid costs and 10% by 2020. In states that expanded Medicaid, the median growth in state Medicaid spending is expected to be 5.9% in fiscal year 2017, compared with 4% in nonexpansion states, because of the new costs, according to results of a 50-state survey of Medicaid directors by the Henry J. Kaiser Family Foundation, a nonprofit focused on health care.

Under the House GOP bill, states would have to fund up to 50% of the cost by 2020 to maintain their expanded Medicaid coverage, before other provisions that would further reduce federal Medicaid funding, according to the Congressional Budget Office. The CBO projected in March that some states would abandon the expansion, though it didn't say how many.

The ACA broadened Medicaid, which previously covered low-income children, very poor parents and the disabled, to include more low-income Americans, with 16.7 million newly enrolled in Medicaid and a related program through February, bringing the total to 74.5 million people.

Among the biggest beneficiaries, a Wall Street Journal analysis of federal data shows, were places such as McKinley County, N.M., a low-income area where Medicaid enrollment rose to more than half the population from about a third. In Imperial County, Calif., on the Mexico border, where roughly one in five workers is unemployed, the uninsured population fell to 10% from 20%.

Federal dollars paid for Oregon's Medicaid expansion. Now the state must help pay.

Few communities gained as much as Klamath County, Ore., whose dependence on timber and millwork delayed its recovery from the recession. More than two-thirds of Klamath County voters backed Donald Trump, a Republican, in the November election. Medicaid enrollment rose about 50% between 2013 and 2015, the Journal analysis shows. Medicaid insured about one in three county residents in 2015, up from one in five in 2013. The county's uninsured rate fell to 7% in 2015 from 17% before the law's provisions took effect.

At Klamath County's lone hospital, Sky Lakes Medical Center, Medicaid revenue rose to $49.5 million in 2015, up 193% from $16.9 million in 2013, among the sharpest increases at any U.S. hospital, the Journal analysis found.

Sky Lakes's write-offs for uninsured and low-income patients fell 58% to $1.9 million. Unpaid medical bills fell almost 10%. Those numbers rebounded somewhat in 2016, hospital officials said.

The hospital's new Medicaid revenue has helped boost local employment. With the surge in post-ACA Medicaid patients, the hospital opened two new primary-care clinics and an urgent-care center and expanded a department to manage outpatient care, bringing in local contractors for renovations.

Among the law's beneficiaries in Klamath Falls is Rick Johnston, 63 years old, a retired trucker who said he got a letter as expansion took effect urging him to sign up for Medicaid. He was uninsured and he enrolled in 2014. In one of his first appointments, he learned he had diabetes. "I knew I needed insurance," he said. "It means a lot to me."

He recently had an appointment with Edward Trobaugh, medical director at the nonprofit **Klamath Health Partnership**. After the ACA, Dr. Trobaugh said his job got easier—patients could afford tests and medications they previously couldn't. And he got a raise, making his salary more competitive with higher-paying hospital jobs. With medical-school loans of $90,000 remaining, he did consider seeking a job with better pay, and "it's kind of what kept me here."

The clinic finished renovations in recent weeks to meet growing demand from patients, financed in part with $1.1 million in new Medicaid revenue, adding six exam rooms, four dental chairs, a pharmacy and three counseling offices.

Whether this flood of cash can be maintained will be determined in part by whether Oregon maintains expansion and who the state decides will pay for it. "We only have so much money," said state Sen. Jeff Kruse, a Republican and vice chairman of the Senate's health-care committee. "Where do we draw the line?"

Each effort in state capitals to allocate money to keep the law's Medicaid funds raises objections from those who would lose. California Gov. Jerry Brown's budget proposal, announced in January, helped pay for Medicaid expansion and plug a $1.6 billion annual-budget gap with funds earmarked for affordable housing and with a freeze on some scholarships.

Objecting to the Democrat's proposal have been the **California State Student Association** and Housing California, an advocate for affordable housing. The governor is expected to release an updated budget proposal Thursday.

Ohio Gov. John Kasich, a Republican, has proposed new premiums for Medicaid enrollees and lower Medicaid-payment rates for hospitals. Opposing him are Ohio hospitals lobbying legislators to find money elsewhere.

Oregon must confront an immediate budget shortfall to continue Medicaid expansion in 2018. Oregon legislative leaders said without new revenue or cuts elsewhere in the state budget, they will have to drop 350,000 adults from Medicaid who gained access under the ACA in the coming two-year fiscal period. Oregon Gov. Kate Brown opposes Medicaid cuts to fix the state budget. "I am very clear that I am not interested in cutting benefits or cutting people," the Democrat said. She proposed taxing hospitals to help raise $379 million, arguing they enjoyed big ACA-revenue gains and "should have some skin in the game."

The Oregon Health Leadership Council, which includes the state's hospitals, health plans and medical groups, objects, calling instead for a lower hospital tax and $200 million from Oregon general funds, among other policy proposals.

Klamath County Commissioner Derrick DeGroot said Oregon's looming budget shortfall is evidence the state can't afford Medicaid expansion. The expansion "has been very beneficial to our county," the Republican said. "But if we can't afford it, we can't afford it."

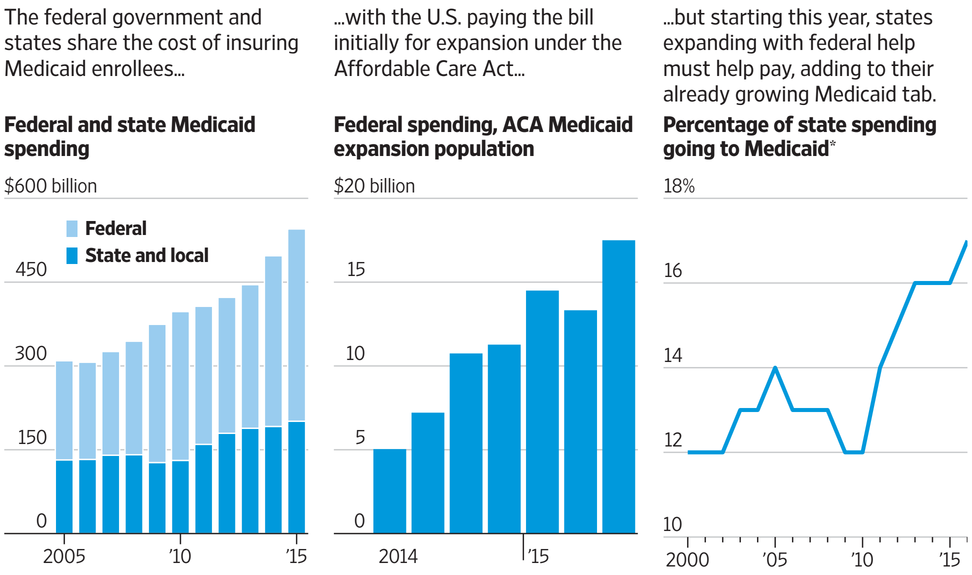
With Medicaid's fate uncertain in Congress and budget battles in Oregon's capitol, Klamath Health Partnership put plans on hold for a 6,000-square-foot expansion, said Signe Porter, the nonprofit's chief executive.

Sky Lakes hospital had planned to spend $25 million on a clinic and training center to begin construction in 2018, said Paul Stewart, the hospital's CEO. But that money may be needed to subsidize existing clinics if patients lose Medicaid coverage. And the tax that Oregon's governor proposed, he said, would force Sky Lakes to scale back its workforce and programs it expanded under the ACA.

Among those pushing to keep the expansion is Klamath County Community Corrections, which handles probation and parole. The prison system saved about $500,000 between 2014 and October 2016 because of federal ACA Medicaid funding, said Kiki Parker-Rose, director of Klamath County Community Corrections. The district attorney can recommend treatment instead of prison for some nonviolent criminals with addiction problems because Medicaid under the ACA will pay for it. Prisoners released early can also get treatment.

Oregon lawmakers have until midnight July 10 to agree on a budget. Lobbying will grow intense, with advocates competing over the same money, said Sen. Richard Devlin, a Democratic leader in the Legislature's Joint Ways and Means Committee. Lawmakers can't solve every budget problem and must balance trade-offs, he said. "You don't go in and try to fix one problem in a budget," he said, "and create three more."

Picking Up the Tab



*2016 is an estimate

Sources: Centers for Medicare & Medicaid Services (federal and state Medicaid spending, federal spending on expansion); National Association of State Budget Officers/Medicaid & CHIP Payment & Access Commission

THE WALL STREET JOURNAL.

KNIT

Continued from Page One

Ms. Miller knits all game long. During the action. During breaks. In close games and blowouts.

Wearing a Penguins jersey and a generally placid expression, she keeps her eyes glued to the game most of the time—holding her small needles chest-high as she works. That's how the "Knitting Lady" nickname was born and Ms. Miller became a beloved character in Pittsburgh hockey lore.

"She's always on the glass, knitting away" said Kenny Koberstein, who writes for the Penguins website Pensblog. "She's as hard-core a fan as they come."

Ms. Miller got into hockey about a decade and a half ago, not long after she began dating Mr. Miller, a Penguins obsessive who got addicted to the team while living in Virginia Beach, Va., delivering pizzas and listening to Pens announcer Mike Lange on the radio. Early in their courtship, Michael sent Michelle a VHS copy of "Against the Odds," the team's 1991-92 championship season highlights—and she fell in love with the sport.

"It's the excitement, the atmosphere," Ms. Miller said. "I don't really care for football, I'm sorry. And while I love baseball, it's somewhat boring if you're actually there."

When Michelle started going to NHL games, she admits she got a little agitated. Knitting helped calm her down, so she embraced it. In addition to cowls for both herself and Michael, she's currently at work on a shawl and a baby blanket for a niece who's expecting—among 20 other projects.

"When I knit, I focus on the play...without screaming at the players, or coaches, or refs," Ms. Miller said. "And it saved my husband's ears."

Pens Knitting Lady is well known to Penguins fans, but she got a new burst of attention during last Saturday's Game 5. NBC's camera captured her sitting behind the Penguins bench in a seat that cost her $600, wearing a Mario Lemieux sweater, needles out, working on a vortex shawl for herself.

The internet, as usual, was quick to judge. "C'mon can't be knitting at an @NHL #StanleyCupPlayoffs2017 game tho LOL," the former NHL goaltender-turned-analyst Kevin Weekes cracked on Twitter.

In-the-know hockey fans, however, rushed to defend Ms. Miller. The official Penguins team account responded: "We support you, @PensKnittngLady." (Ms. Miller's Twitter handle is the slightly abbreviated @PensKnittngLady, owing to Twitter's 15-character limit.)

As the internet comments poured in, Ms. Miller was mildly exasperated by the skeptics who questioned her hockey-fan credentials. She said she has regularly driven 500 miles to see Penguins games in Pittsburgh, knitted at the team's 2009 Stanley Cup Game 7 victory in Detroit and road-tripped to numerous other NHL arenas. She can quickly tick off the names of Pens players deep into the roster. When she's not watching her team live, she catches them on TV with the volume turned down so she can listen to Mr. Lange do the radio play-by-play.

The NBC hockey analyst Pierre McGuire—who stood in front of Ms. Miller Saturday during one of her knitting TV cameos—said he's chatted with her for years and testifies to her knowledge of the sport. "She's a very passionate hockey fan, both she and her husband," Mr. McGuire said. "I've talked to them on numerous occasions—very nice people."

Ms. Miller pointed out that given her decades of practice, she's fully capable of concentrating on something else and almost never looks at her knitting during the action. She will knit in the movies, on airplanes, waiting in line for a restaurant—pretty much anywhere, she said. And it isn't a signal of boredom.

"It enables me to focus so much more when my hands are doing something," she said.

This kind of multitasking is easy for experienced knitters, said Stephanie Pearl-McPhee, the knitting writer and teacher who goes by the nickname Yarn Harlot. "You're not knitting because you're patient—you're patient because you're knitting," she said. "A lot of us are high-strung people who will add knitting to an activity where [we] have to sit still, to help us concentrate."

"We pull a loop through a loop using a stick," she continued. "That's our whole jam, man."

Ms. Pearl-McPhee has worked with Ms. Miller on her knitting in the past and admires her talent. "She's very good," she said of Ms. Miller's lever technique. "Very skilled."

This year's playoffs represent a comeback for the Pens Knitting Lady. The Penguins enjoyed another good regular season, winning 50 games and finishing second to the Capitals in the NHL's Metropolitan Division, despite significant injuries to their roster. Ms. Miller also spent much of the year out of commission, with a torn tendon in the pinkie of her right hand.

How'd she get hurt?

"Oh, it's stupid," she said. "Cat and medicine..."

Say no more. The Pens Knitting Lady plans to suit up for Game 7.

"I'm happy to be off the injured list," she said. "Just in time."

MIKE MILLER, MILLER FAMILY (PHOTOS)

Michelle Miller, a fan of the Pittsburgh Penguins, knits during hockey games. She and her husband, Michael, visited the Stanley Cup in 2010 after the Penguins won it in 2009.

GREATER NEW YORK

After 15 Years, Grammys Are Back

By Mara Gay

The Grammy Awards will be held in New York City next year for the first time in more than a decade, organizers and city officials said Tuesday.

The 60th annual Grammy Awards will take place at Madison Square Garden in January—a move that marks the end of the show's 15-year run in Los Angeles.

"While we're best known for Music's Biggest Night, we serve the music community year-round, and a large part of that community is alive and thriving in New York City and on the East Coast," Neil Portnow, president and CEO of the Recording Academy, the group that runs the Grammy Awards, said in a statement. He said he "couldn't be more excited" to bring the show back to New York.

The return of the music awards is a win for Mayor Bill de Blasio, whose administration worked for months to lure the event back to New York.

"It is incredibly exciting that 'Music's Biggest Night' will return to the world's greatest city," Mr. de Blasio said in a statement on Tuesday. "We welcome the Grammy Awards back to New York City with open arms and we look forward to continuing to partner with the music industry that supports access and empowerment in the arts."

The effort to woo the Grammys back to New York was led by a host committee of music and real-estate executives cochaired by NYC Media and Entertainment Commissioner Julie Menin.

The show is boon for the city, injecting about $200 million into the local economy, city officials said.

A study released by Ms. Menin's office earlier this year found that music is a $21 billion-a-year industry in New York City and supports 60,000 jobs.

Councilman Dan Garodnick, a Manhattan Democrat who heads the committee on economic development, said he was thrilled. "This is a big deal for New York and it deserves to be here for this year and forevermore," he said.


MARK LENNIHAN/ASSOCIATED PRESS

NSync performed at the Grammy Awards in New York City in 2003. For the past 15 years the show has been held in Los Angeles.


KEVIN HAGEN FOR THE WALL STREET JOURNAL (2)

Mario and Dawn Piccolo after visiting a mobile-health clinic on Staten Island. Mr. Piccolo said he overdosed eight years ago on fentanyl but was revived by his wife. Below, Ralph Esposito says his wife fatally overdosed on heroin laced with fentanyl last year.

Fentanyl Hits the City Hard

Overdoses are surging as the synthetic opioid is being added to heroin; 'They're killing people'

By Zolan Kanno-Youngs

John Harte has been shooting up heroin for more than four decades, but he cut back this year because he is afraid of fentanyl, an often deadly synthetic opioid being used to spike heroin.

"It's really, really dangerous," said the 67-year-old Staten Island resident. "It's like you're chasing a dream. And then when you wake up from the dream, your reality is a f—ing nightmare. Or you're dead."

Fentanyl, 50 times as potent as heroin, has driven record fatal drug overdoses in New York City. Officials estimate 1,300 New Yorkers died last year as a result of drug overdoses. In more than 900 of those cases, heroin or fentanyl was found, according to the city's Department of Health and Mental Hygiene.

Staten Island experienced the highest rate of fatal overdoses involving fentanyl and heroin among the five boroughs, with 22 residents per 100,000 dying last year. But all the boroughs have been hit hard: More than 200 Bronx residents fatally overdosed from heroin or fentanyl in 2016.

Dealers have laced heroin with narcotics for decades. But the use of the much more dangerous fentanyl has picked up in recent years, said Mario Piccolo, a 45-year-old former heroin dealer and user who has been on methadone for two years.

Police officials have said dealers mostly are getting fentanyl from abroad to lace with heroin because its potency often heightens consumers' desire to come back for more.

NYPD Detective Paul Molinaro, who recently cracked a fentanyl trafficking ring in Brooklyn, said a kilo of fentanyl can be a fifth of the price of a kilo of heroin. Heroin, he said, can be bought for about $50,000 a kilo, fentanyl for roughly $10,000.

In its prescription form, fentanyl typically is used to alleviate severe pain. Similar to morphine but up to 100 times as powerful, fentanyl or fentanyl-laced heroin are known on the street as Apache, Murder 8, TNT, or Tango and Cash, among other things.

Mr. Piccolo overdosed eight years ago on fentanyl but was revived by his wife with naloxone, a drug that reverses the effects of heroin and other narcotics. Dawn Piccolo, 46, said she initially thought her husband was just nodding off, but realized something was wrong when his lips turned blue.

"I was shaking him to wake up," Ms. Piccolo recalled. When she injected him with naloxone, he quickly regained consciousness. Some of Ms. Piccolo's friends haven't been so lucky—she recently lost three to fatal overdoses.

Not every user is letting a fear of fentanyl deter them from seeking the most dangerous heroin. A law-enforcement official said dealers have circulated videos of users overdosing because they know some addicts will be searching for the most potent drug.

Mr. Piccolo said if he had a box of fentanyl, he would have no trouble selling it. "It would be torn up like piranhas."

He said he quit heroin two years ago because of the possibility that it might be laced with fentanyl. "I don't want to go out in a bag," he said.

The death toll has prompted the city to launch a multimillion-dollar health initiative, which includes the distribution of 100,000 kits of naloxone across the city.

Christine Rojas, of the Community Health Action of Staten Island, said she has seen an uptick in clients seeking those kits.

Sitting outside a strip mall on Staten Island, Mr. Harte said he keeps two naloxone kits at home as a precaution.

Mr. Harte said he's noticed an increase in younger dealers on Staten Island, many of whom he suspects are cutting the drug with fentanyl to boost business. "They're killing people," he said.

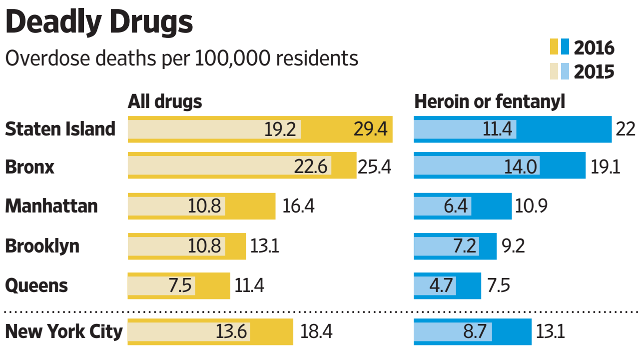
Just as fentanyl has spread among Staten Island drug users, so too, have stories of its consequences.

Ralph Esposito, 53, said he was released from prison in April 2016 after being arrested for possessing heroin. When he got home, he found that his wife, Elizabeth, had started using heroin while he was behind bars. Five days later she bought heroin and fatally overdosed. "They put fentanyl in it. The heroin in Staten Island isn't even heroin," he said. "Why would you do that?"

Leaning against a street sign blocks from a methadone clinic, Mr. Esposito said he believes neither his wife nor his friends endured painful deaths. "They just don't wake up," he said. "No suffering. They just go to sleep and then they die."

Deadly Drugs

Overdose deaths per 100,000 residents



Source: Bureau of Vital Statistics, New York City's medical examiner's office
THE WALL STREET JOURNAL.

Cuomo Presses LaGuardia Train

By Paul Berger

New York Gov. Andrew Cuomo is moving ahead with a bid to build a $1.5 billion AirTrain to LaGuardia Airport.

Mr. Cuomo announced the award of a $14.6 million contract on Monday to Parsons Brinkerhoff for preliminary engineering and design work on the proposed rail link to Willets Point in Queens.

LaGuardia, which is owned by the Port Authority of New York and New Jersey, is in the throes of a multibillion-dollar redevelopment of Terminal B.

The AirTrain would "serve as a key part of the modernization and transformation of LaGuardia into a world-class airport," Mr. Cuomo said in a statement.

But the project, which was among the most contentious proposals during recent heated negotiations about the Port Authority's $32 billion capital plan, still has many hurdles to overcome.

Kenneth Lipper, a Port Authority commissioner appointed by Mr. Cuomo, was one of the main opponents of the AirTrain, as well as of a proposal to extend the PATH rail system to Newark Liberty International Airport.

At several Port Authority board meetings, Mr. Lipper said that both projects were multibillion-dollar boondoggles that would attract too few riders leading to operating deficits of tens of millions of dollars.

Mr. Cuomo isn't expected to renew Mr. Lipper's term when it expires this summer.

The agency's chairman, John Degnan, an appointee of New Jersey Gov. Chris Christie, said Tuesday that although both projects were included in the capital plan, their progress would be subject to board approval.

Parsons Brinkerhoff has been tasked with conducting a ridership study in addition to planning work for the AirTrain.

LaGuardia, as Mr. Cuomo often emphasizes, is one of the few major airports in the country that lacks public-transit access to its nearby central business district.

Most passengers take a car, putting them at the mercy of traffic on the Grand Central Parkway and the Brooklyn-Queens Expressway.

The AirTrain would link up with the Long Island Rail Road and the No. 7 subway line, taking passengers to New York's Penn Station or to Grand Central Terminal, according to Mr. Cuomo's calculations, within 30 minutes.

Governor awarded a $14.6 million contract for an Air Train link to neighborhood.

The plan has met with skepticism from some transit advocates. But Tom Wright, president of the Regional Plan Association, an urban research and advocacy group, said he is broadly supportive of the proposal.

Mr. Wright wants to see more details though.

The transfer from AirTrain to public transit would have to be "seamless," he said, and the related subway and rail service must offer "great frequency to make it all work."

Brooklyn Man Accused of Home Deed Scheme

By Corinne Ramey

A Brooklyn man was indicted for allegedly stealing or attempting to steal six residential properties, including a 19th-century mansion in the borough's Fort Greene neighborhood, the Brooklyn district attorney's office said Tuesday.

The man, Aderibigbe Ogundiran, largely targeted homes where the owner had died, filing fake deeds or documents such as forged driver's licenses with the city to transfer properties to himself, prosecutors said.

"Escalating real-estate values in Brooklyn unfortunately make frauds like this inviting to thieves," acting Brooklyn District Attorney Eric Gonzalez said in a statement.

A lawyer representing Mr. Ogundiran declined to comment. Mr. Ogundiran pleaded not guilty in court Tuesday.

The Fort Greene property, at 176 Washington Park, is a landmark five-story, 10-bedroom mansion, prosecutors said. Mr. Ogundiran used a notary to file a deed transferring ownership from the deceased owner to a corporation that the defendant controlled, they said. The man's elderly sister lived in the house, prosecutors said.

Other properties targeted by Mr. Ogundiran are located in the Brooklyn neighborhoods of Bedford-Stuyvesant, Crown Heights and East New York.

In the 64-count indictment, Mr. Ogundiran is charged with grand larceny, scheme to defraud, falsifying business records and other crimes.

He faces up to 25 years in prison if he is convicted.

GREATER NEW YORK WATCH

HARLEM

Body Found in Bag, Suspect in Custody

A man suspected of setting fire to a garbage bag containing a woman's body and later attempting to kill himself was taken into custody Tuesday.

Police and firefighters encountered a smoldering body in a building on East 105th Street shortly after 6:30 a.m., according to the New York City Police Department. Following a trail of blood, they found the suspect across the street locked inside an apartment, Deputy Chief Christopher McCormack said.

Jacqueline Thomas, 41 years old, identified the man as her brother, Nelson Quinones. She said he had long been unfairly targeted by the police and was innocent.

Police said the man had attempted to kill himself and the NYPD's Emergency Services Unit transported him to a hospital with slash injuries to his wrists and neck. He is expected to survive.

—Zolan Kanno-Youngs and Thomas MacMillan

CONNECTICUT

Police: Burglar Caught At Home of 50 Cent

A suspected burglar was caught Tuesday at the mansion of rapper 50 Cent, authorities said.

50 Cent, whose real name is Curtis Jackson III, wasn't home at the time.

Farmington police said the suspect set off an entry alarm at the 50,000-square-foot home that alerted private security. Police responded and found the man on the 18-acre estate about 10 miles west of Hartford.

Elwin Joyce, 34 years old, of Windsor, Conn., was charged with burglary, trespassing and other crimes. It wasn't clear if he had a lawyer who could respond to the allegations.

—Associated Press

BYRON SMITH FOR THE WALL STREET JOURNAL

Shoppers browsed Artists & Fleas in Manhattan's Chelsea Market. One vendor says monthly sales range from $40,0000 to $100,000.

METRO MONEY | Anne Kadet

Markets Generate Big Bucks

When shoppers at the Artists & Fleas market in Manhattan's Chelsea neighborhood try to haggle over prices with bag designer Pamela Barsky, she offers the following proposition: Guess the rent on her 10-by-10-foot booth, and she'll grant a discount.

No one comes close to guessing the astonishing figure: $7,300 a month.

On a square-foot basis, that's more than the average rent for retail space in prime Manhattan shopping districts such as SoHo and Herald Square.

But it's worth it, says Ms. Barsky. Her monthly sales range from $40,0000 to $100,000, topping the revenue per square foot of many of the nation's top retail chains.

The tiny stand, in fact, generates enough revenue to pay 15 full-and part-time employees, including the crew printing and sewing her canvas bags at her Chinatown production shop.

"It's serious money," she says.

These are tough times for brick-and-mortar retail. Stores are closing locations at a record pace, while chains including the Limited and American Apparel are going belly-up.

New York City's flea markets, holiday markets, farmers markets, night bazaars and art fairs, however, continue to draw big crowds.

If it's sold from a stall or a folding table, it seems, shoppers can't get enough of it.

Eric Demby, co-founder of market empire Brooklyn Flea, says he's seeing higher demand for vendor slots, and attendance at food-market spinoff Smorgasburg in Prospect Park doubled from last year, to 15,000 each Sunday.

Jen Bailey, director of FAD Market, a weekend showcase for independent artists and designers that pops up in locations around Brooklyn—including the Brooklyn Historical Society this Saturday and Sunday—says that since launching a year ago, vendor numbers doubled and attendance tripled, to 2,000 visitors a day.

The market's appeal is so strong, she says groupies volunteer to set up tables, hand out fliers and greet shoppers.

"People want to be a part of it," Ms. Bailey says.

Artists & Fleas, meanwhile, is opening a new, 5,000 square-foot market on Friday at the prime retail intersection of Prince Street and Broadway in SoHo, the former home of an Armani Exchange.

Co-founders Ronen Glimer and Amy Abrams say artisan markets are thriving because shoppers are hungry for unique goods, not to mention connection.

They choose their merchants based not just on their wares, but personality. A key question: "Is this a fun person?"

On peak days, their Chelsea location attracts up to 10,000 shoppers. That in turn draws merchants willing to pay $65,000 a year for a 50-square-foot booth.

"We might as well be baleen whales scooping up krill," says jewelry maker Cynthia Rybakoff, who sells her sleek designs at the market. "We don't have to work that hard to bring people in."

On a good day, she says she sells up to 100 pieces, typically priced between $35 and $70.

"There is no advantage to having a storefront other than vanity," Ms. Rybakoff says.

Artists & Fleas merchant Andrew Cheung, who says he averages $50,000 in sales a month on his line of whimsical men's accessories including T-Rex socks and boxers shorts, adds that if an item isn't selling well, it's not for lack of traffic.

"It's instant judgment day," he says. "You get a lot of feedback just by the sheer number of people walking by."

Of course, the market isn't a good fit for everyone. Mr. Cheung says that while he has zero interest in opening a storefront, it would allow more freedom.

At Artists & Fleas, management reviews and vets every vendor's merchandise mix and marketing efforts. There's a one-time $500 "marketing and merchandising fee," and a $25 fine if you don't staff your booth during market hours.

Moreover, everyone has to live with the occasionally quirky choices of the in-house DJ.

"Like experimental German jazz," Ms. Barsky says.

But she's content to remain a humble market merchant.

"Everyone assumes we're not a real business, which is kind of a lovely way to be," Ms. Barsky says. "You don't feel like the man. But you're making money like the man."

Cuomo To Reshape Port Board With Picks

By Paul Berger

Gov. Andrew Cuomo is set to tap Secretary of State Rossana Rosado and three others to join the Port Authority of New York and New Jersey, according to two people familiar with the matter, as he looks to reshape the top of the agency amid the departures of several of his appointees.

Ms. Rosado's nomination must be confirmed by the state Senate. Spokespeople for Mr. Cuomo and for Ms. Rosado didn't respond to requests for comment Tuesday. The names of the other three pending nominees weren't known.

Mr. Cuomo, a Democrat, appoints six of the 12 commissioners at the multibillion-dollar agency that controls most of the region's major bridges, tunnels and airports, as well as the 16-acre World Trade Center site. New Jersey Gov. Chris Christie, a Republican, appoints the board's other six commissioners.

There has been an exodus of New York commissioners. In November, Steven M. Cohen, general counsel at Ronald Perelman's holding company, MacAndrews & Forbes, resigned.

Last month, Hamilton "Tony" James and Michael Fascitelli privately announced their intention to step down in the coming months, according to a report in Politico.

Mr. James is the president and chief operating officer of private-equity firm Blackstone Group LP and Mr. Fascitelli is a former president and chief executive of Vornado Realty Trust. Both men didn't respond to a request for comment submitted via the Port Authority.

Secretary of State Rosado is one of Cuomo's four picks for the Port Authority.

Their resignations came around the same time that Mr. Cuomo pushed through legislation in New York establishing a watchdog with prosecutorial power over New York appointees to the bistate agency.

The Port Authority already has its own watchdog inspector general with a staff of 156. Kenneth Lipper, an appointee of Mr. Cuomo, warned in a public letter at the time that Mr. Cuomo's watchdog could wield the threat of investigation or prosecution to cow commissioners into rubber-stamping board resolutions. Mr. Cuomo said the watchdog is necessary to reform an agency that has been buffeted by scandals.

Mr. Lipper's term expires this summer. Mr. Cuomo isn't expected to keep him on at the agency.

Due to two pre-existing vacancies on the New York side of the board, Mr. Cuomo has the ability to fill five seats in total.

CORRECTIONS & AMPLIFICATIONS

The Broadway musical "Amélie" is set to close May 21. In some editions Tuesday, an article about an increase in ticket sales for several shows that received Tony Award nominations incorrectly said "Amélie" closed this past Sunday.

The last name of Nancy Chinchar, who organized a self-defense workshop at P.S. 11 in Manhattan, was misspelled as Chinhar in an article Monday about more people signing up for such classes.

A photo with an article Tuesday about repairs at New York Penn Station showed NJ Transit, Amtrak and Long Island Rail Road trains. The caption describing the photo only mentioned NJ Transit trains.

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

LIFE & ARTS

KEVIN WINTER/GETTY IMAGES

The singer in concert recently. The 'Melodrama' album cover, right.

MUSIC

Lorde Plots What Comes Next

With her second album 'Melodrama' out soon, the pop star discusses the choice she faces of going big and mainstream or trying to keep her edge

BY NEIL SHAH

WHEN SHE RELEASES her second album "Melodrama" next month, New Zealand pop star Lorde faces a perennial problem in the music business: How to broaden her appeal to the mainstream while retaining the original fan base that made her a star.

Lorde, whose real name is Ella Yelich-O'Connor, topped the charts in 2013 with the watershed single "Royals," a critique of pop's celebration of affluence. Her new 40-minute follow-up album contains 11 songs about being "a newborn adult," the pop singer says. It chronicles one night at a house party.

The sophomore album presents 20-year-old Lorde with two possible directions: If she abandons her alternative roots and veers more toward pop—a path taken by her friend Taylor Swift—she risks alienating fans. Yet staying the same, or becoming less commercial—a strategy pursued by Pearl Jam in the 1990s and, more recently, rapper Kendrick Lamar—could mean stagnation in today's streaming-dominated pop game.

Helping Lorde navigate is Jonathan Daniel, a seasoned, unflashy manager who met Lorde at last year's Coachella music festival. "In business, the hardest year is the first. In music, the hardest record is the second," says Mr. Daniel, who also manages Australian singer-songwriter Sia. "My job is to anticipate, to set up a strategy, so Ella can be protected but heard in a loud way."

Ron Perry, president of Lorde's publisher SONGS Music Publishing, says it's unfair to artists to compare follow-up albums to commercial smashes with a big cultural impact like Lorde's debut "Pure Heroine," which sold nearly 4 million copies.

"When Nirvana put out 'In Utero,' it wasn't going to do what 'Nevermind' did," Mr. Perry says. "It's easy for me to say that, as her friend. But it's hard to be her—and live that."

The youngest solo artist to top the Billboard Hot 100 singles chart since Tiffany in 1988, Lorde is a foil to sunnier pop icons such as Katy Perry. In lyrics to the song "Still Sane," she embraces her ordinariness: "Still like hotels and my new-found fame / Hey, promise I can stay good." And she criticizes groupthink: "I'm kind of over getting told to throw my hands up in the air," she sings on the single "Team."

In an interview, Lorde discussed wanting to make a bigger-sounding pop record—like the ones she grew up on—yet needing to maintain her integrity.

It started when she parted ways with manager Scott Maclachlan and Joel Little, who co-wrote and produced "Pure Heroine." Mr. Perry of SONGS, which signed a publishing deal in 2013 with Lorde, began playing a bigger role, helping her interview potential musician partners.

She eventually chose Jack Antonoff, a friend through Taylor Swift who co-wrote and co-produced two songs for Ms. Swift's "1989," the 2014 album where she decisively left country for pop. Working with Mr. Antonoff, a member of the band fun., and someone she knew, "made it easier to open up," says Mr. Perry.

In late 2015, Ms. Yelich-O'Connor's breakup with boyfriend James Lowe sparked a creative outpouring. "I was newly single, living alone. I felt so new in so many ways," she says. "All of a sudden you're just spewing out a record." A year of early work on "Melodrama"—material that sounded too much like "Pure Heroine"—was shelved.

Unlike "Pure Heroine," which has a unified sound—minimalist pop melodies and hip-hop and dance beats—"Melodrama," due June 16, is musically varied, according to Mr. Daniel. He compares the album's diversity to Prince's 1987 album "Sign 'O' the Times." "The record is about how there's so much within people, within situations—situations like a party, or a breakup," Ms. Yelich-O'Connor says. The highs and lows of a party are a motif, Ms. Yelich-O'Connor says, for the pains of becoming an adult. "Like a toddler, you have to teethe all over again."

"Green Light," the first single, edges towards mainstream pop, but contains an abrupt musical shift—a key change—rare for Top 40 radio. The song, released March 2, reached No. 19 on the Billboard chart on March 25.

By contrast, "Liability," another song on the album that was released March 9, is a very different, somber, unadorned piano ballad. She performed both in March on Saturday Night Live, one of TV's most powerful promotional vehicles. "The hope is people will hear both songs, be drawn in, and not know what's next," Mr. Daniel says.

Unlike her friend Taylor Swift, Lorde gives the impression that she doesn't plan to conquer the English-speaking world. Instead, she's hinted that she's aiming for a medium-size level of fame that gives her artistic freedom and resembles her heroes—Kate Bush, Robyn, Florence + the Machine.

At this year's Coachella, Lorde blared Kate Bush's highest-charting hit "Running Up That Hill," before unveiling a more ambitious stage production than the bare-bones, gothic atmospherics of her "Pure Heroine" tour. The new set featured a translucent box where dancers acted out a party scene. Lorde will mix bigger stages with smaller ones on her next headlining tour, Mr. Daniel says.

Beyond a 2013 Samsung ad that featured "Royals," Lorde has rejected most offers to license her music for commercials or appear at corporate events, marketing experts say. "I can't remember the number of times I've asked them...and they haven't wanted to do it," says Ryan Schinman, co-founder of Mayflower Entertainment, an entertainment-marketing consulting agency.

"Sometimes at the end of the day, people can be bought—I'm not sure she can," says Danielle Korn, executive vice president at advertising agency McCann Erickson.

'You have to hold on to as much of yourself throughout as possible,' says the singer.

Lorde doesn't work with an army of writers and producers, nor pack her music with guest stars, a trend for many in pop music today. There are no feature appearances on "Melodrama."

"Everybody definitely wants you to get in the room with, like, these 20 people, at the start, when you're making a record. It's very funny. It's like, 'Okay, take what you did and now—don't do it,'" Ms. Yelich-O'Connor says. "It was so important to me to be able to recognize myself in the work."

Discussing marketing guidelines with Mr. Daniel, Ms. Yelich-O'Connor jokingly asked him: "What would Kanye do?" Mr. West has a reputation for making a big splash commercially yet maintaining an anti-commercial stance.

Ms. Yelich-O'Connor says it's important to stay grounded and the main way she does so is by living in New Zealand—near her mother, father, three siblings and close friends. Her mother Sonja, a poet and confidante, accompanies her on travels. "It keeps the writing coming from a very normal place, I hope," she says.

"You have to hold on to as much of yourself throughout as possible," Ms. Yelich-O'Connor says. "If you go through that tunnel and you don't hate yourself at the end, and you don't hate everyone around you, and they don't hate you, you've probably done okay."

Experts Weigh In

◆ Branding pros discuss how they would advise Lorde A15

LAUREN VENELL/SEGMENT

Large plants and private workspaces shield employees from passersby at Segment, a San Francisco software company.

WORK & FAMILY | By Sue Shellenbarger

IS YOUR OFFICE VISUALLY NOISY?

AFTER TAKING DOWN walls to create open offices and foster lots of interaction and collaboration, some companies are finding they've done the job too well. All of this social engineering has created endless distractions that draw employees' eyes away from their own screens.

Visual noise, the activity or movement around the edges of an employee's field of vision, can erode concentration and disrupt analytical thinking or creativity, research shows. While employers have long tried to quiet disruptive sounds in open workspaces, some are now combating visual noise too. The answer could be as low-tech as strategically placed plants or more drab wall colors.

"I wish there were such a thing as human blinders," Maya Spivak wrote when the software company she works for asked her in a survey last year how she felt about her workspace. She was only half-joking. Her desk was near several colleagues' desks. Blocking out their movement was a constant struggle. "I could barely ever focus," says Ms. Spivak, marketing and communications director for San Francisco-based Segment.

Her company overhauled its layout when it moved to new offices in April. Its former space was like a warehouse, creating "these long lines of sight across the workspace, where you have people you know and recognize moving by and talking to each other. It was incredibly distracting," CEO Peter Reinhardt says.

Segment's new offices still have open workspaces, but the setup is more like a labyrinth, with walls, corners and large potted and hanging plants separating employees' desks from passersby, "almost like a jungle," Mr. Reinhardt says. (The plants help keep the noise

Please see OFFICE page A15

MY RIDE | By A.J. Baime

Betting the Bank on a 1969 Ferrari

Robert Crotty, 47, vice president of business development for a software company from Hermosa Beach, Calif., on his 1969 Ferrari 365 GT 2+2, as told to A.J. Baime.

I cannot begin to describe the nail-biting experience of buying the car you see pictured here. It was expensive, to say the least, and it took me years to find. I was raised in a conservative, financially responsible family, so the idea of tying up my family's financial well-being in a car was, let's say, surprising to some people. When I bought the car in 2013, my wife said to me, "Whatever you think is right. I trust you." That only made me more nervous, but thus far, it has been a dream ride.

The market for vintage Ferraris functions exactly as the art market does. The cars are like rolling Italian sculptures, and their values fluctuate according to the ebb and flow of desire for specific models, the rarity and provenance, etc. Buyers and collectors usually have one of two motives: They buy a car because they know it has monetary value and is likely to appreciate, or they have the money and they just want to enjoy it.

I fall in the middle. Driving this car is a surreal experience—the beauty, the sound, the power. But I also need the car to maintain its value, and ideally to appreciate. (Thus far, I believe it has.) I chose this specific model because it was affordable (for my budget), I could fit my family in it, and because it was one of the last V-12 cars—Ferraris are famous for the V-12 engine—during the so-called Enzo era. That's when founder Enzo Ferrari owned the company entirely, before it was partly sold to Fiat in 1969. About 800 of these cars were built.

The company was really an extension of Enzo Ferrari's passion. He was incredibly successful in racing, and there's an aura about his road cars because of the beauty and engineering brilliance he instilled in them.

I look for any excuse I can to put my family in the car and go. I take my kids for night drives. Sometimes before they go to bed, we jump in the Ferrari and blast through the neighborhood. Taking them for ice cream has never been so much fun.

The kids point out how loud the car is, and how the air conditioning doesn't work that well. I tell them, "Well kids, welcome to 1960s motoring."

Contact A.J. Baime at Facebook.com/ajbaime.

Robert Crotty, below right, from Hermosa Beach, Calif., with his 1969 Ferrari 365 GT 2+2. Below left, a look at the car's redone interior.

FAZAL SHEIKH (2)

ART REVIEW

Global Humanity

Fazal Sheikh documents the world's trouble spots, making dignified portraits of the people who live in them

BY RICHARD B. WOODWARD

Houston

FOR MORE THAN 25 years, Fazal Sheikh has photographed people caught by accident of birth or geography in the steel jaws of modern history.

His first book, "A Sense of Common Ground" (1996), was a slender volume of portraits taken in refugee camps in Sudan, Ethiopia, Somalia, Mozambique and Rwanda. He has since expanded his work to other poor or embattled countries, in Southern Asia and the Middle East. He visits not to file news reports about the world's trouble spots, much less in hopes of preventing wars or revolutions, but simply to make dignified portraits of uprooted civilians fleeing violence or campaigning against injustice and hoping to thrive against terrible odds.

"Homelands and Histories: Photographs by Fazal Sheikh," at the Museum of Fine Arts, Houston, is a fine representation of his unadorned yet affecting approach. A sample from many of his 20 projects between the late 1980s and the early 2010s, the 75 prints are mostly black-and-white, with a smattering of color. Portraits predominate, although landscapes are interspersed throughout.

The solemnity of Mr. Sheikh's sitters—many looking directly into the camera, others down or away—reflects the time (hours, days, weeks) he has devoted to learning some part of their story. Whatever ugly or horrible scenes witnessed by these women, men and children, most of whom are named, are safely outside the frame when he clicks the shutter. The photographs exude an unnatural calm.

Not that we are allowed to forget what happened before Mr. Sheikh appeared. The caption for a 1997 photograph of Mohammed Daud's mangled left hand informs us he had picked up a butterfly mine in Afghanistan, thinking it was a toy. In another close-up of a hand, Abdul Aziz holds a tiny photograph of his missing brother, Mula Abdul Hakim, presumed dead years ago after his capture by the Soviets during their 1980s incursion into Afghanistan.

'Rohullah, Afghan Refugee Village, Badabare, North West Frontier Province, Pakistan' (1997), top, from 'The Victor Weeps' series; and 'Dawn along the Yamuna, Vrindavan, India' (2005), above, from the 'Moksha' series

Mr. Sheikh's photographs from India have a keener political edge and focus on injustice toward women. His 2003-05 series "Moksha" (a Hindu concept indicating an elevated stage on the path to reincarnation) portrays some of the hundreds of widows who survive on handouts or from begging in the holy city of Vrindavan.

Born in New York in 1965 to a Kenyan father and American mother, Mr. Sheikh graduated from Princeton University, where he studied with the photographer Emmet Gowin, and has earned MacArthur and Guggenheim fellowships. He lives in Zurich.

The later work in the show also displays his considerable skills and sympathies beyond the formal portrait. Most intriguing here are the seven color photographs from his lengthy series "Ether" (2008-12).

Made with a small camera on nighttime walks around the city of Benares (Varanasi), India, the sacred Hindu cremation site along the Ganges, they are random observations that veer between the macabre (a dead dog wrapped in ceremonial sheets) and the blissful (people peacefully asleep on the ground). The trance-like atmosphere in these pictures, of life slowed down and distilled into an attar of narcotic sensations, can be compared to "Forest of Bliss," Robert Gardner's mesmerizing 1986 documentary on this unique place.

Another outlier in Mr. Sheikh's oeuvre is "Desert Bloom" (2011). A series of sepia-toned aerial views of Israel's Negev Desert, each photograph marked by map coordinates, it's a project about history, growth, landscape and memory. What we see from on high are areas delicately carved out by mining or for the planting of forests; what's missing is any trace of the Bedouins, the Negev's long-time inhabitants, who have slowly been displaced, sometimes forcibly.

As the show is a sampler—it's a gift from a donor, Jane P. Watkins, who allowed the MFAH's curator of photographs, Malcolm Daniel, and Mr. Sheikh to select prints from many bodies of work—walking around the walls can seem like listening to the radio in scan mode.

This feeling is most acute with "Independence/Nakba," Mr. Sheikh's 2013 series of 65 diptychs, in which he paired photographs of one Israeli and one Palestinian born in each of the years since 1948. As his concerns are as much about community as physiognomy, it was fitting he used this anniversary date, marked by one group as a joyful beginning and by the other group as the beginning of a catastrophe, to generate parallel portraits. The single example here, simple and powerful, made me eager to see the other 64.

Not many exhibitions these days deserve to be bigger. This is a beautiful exception.

Homelands and Histories: Photographs by Fazal Sheikh
Museum of Fine Arts, Houston, through Oct. 1

Mr. Woodward is an arts critic in New York.

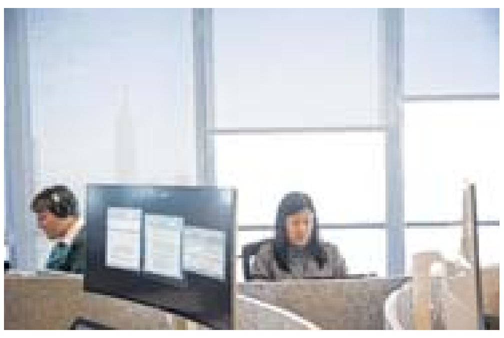
Visual distractions in an open office can disrupt employees' concentration. Boston Consulting Group installed oversize, curved computer monitors, below, at its New York City headquarters.

OFFICE

Continued from page A13

down, too.) Employees' workspaces are farther apart. Ms. Spivak sits in a corner between an empty workstation and an eighth-floor window with a skyline view, and she's much more productive, she says. Some of Segment's engineers work in separate team rooms.

Being surrounded by teammates with similar work patterns can be comforting to employees. Unpredictable movements around the edges of a person's field of vision compete for cognitive resources, however, says Sabine Kastner, a professor of neuroscience and psychology at **Princeton University** who has studied how the brain pays attention for 20 years. People differ in their ability to filter out visual stimuli. For some, a teeming or cluttered office can make it impossible to concentrate, she says.



"If we see a bunch of people gathering in our peripheral vision, we wonder, 'What are they talking about? Did somebody get laid off? Are they coming to lay me off?'" says Sally Augustin, an environmental psychologist and principal at Design With Science, a La Grange Park, Ill., consulting firm.

Being visible to bosses and colleagues can make workers in some jobs feel pressured to conform to others' expectations, says Leigh Stringer, a senior workplace expert at EYP Architecture and Engineering in Albany, N.Y. If employees default to keeping typing to look busy, rather than taking time to reflect or brainstorming with others, innovation or analytical work may suffer, she says.

In an experiment with Chinese factory workers published in 2012, Ethan Bernstein, an assistant professor of leadership and organizational behavior at **Harvard Business School**, found teams were 10% to 15% more productive when they worked behind a curtain that shielded them from supervisors' view. The employees felt freer to experiment with new ways to solve problems and improve efficiency when protected from their bosses' critical gaze, Dr. Bernstein says.

A loss of visual privacy is the No. 2 complaint from employees in offices with low or no partitions between desks, after noise, according to a 2013 study published in the Journal of Environmental Psychology of 42,764 workers in 303 U.S. office buildings.

Some employers are dealing with such distractions by giving employees a lot of choices, allowing them to leave their desks and relocate to other kinds of workspaces over the course of a day, says David Lehrer, director of communications for the **Center for the Built Environment** at the **University of California, Berkeley.**

AT&T has installed about 20 **Steelcase** Brody workstations at its San Ramon, Calif., offices. They have privacy screens on three sides to block distractions, says Colleen Randazzo, a tactical planner who worked with AT&T on converting part of its space from cubicles and private offices to open seating. The company also has 66 "focus rooms," small rooms with a single desk.

Boston Consulting Group installed 500 oversize, curved computer monitors at employees' desks when it moved last November to new open-plan offices in New York City, says Ross Love, the firm's managing partner in New York. Employees asked for the 34-inch screens, partly to help avoid distractions.

Yieldmo, a New York marketing technology firm, installed 18-by-24-inch frosted-glass panels as a buffer between salespeople's work areas when it moved recently to new space, says architect Ajay Chopra, founder of Echo Design + Architecture, New York.

While many Yieldmo employees work at brightly lighted white tables amid white walls and carpeting, high-traffic corridors are more dimly lighted and painted in dark gray, with distressed-wood walls and dark concrete floors, says Rick Eaton, chief financial officer. The dark colors are less distracting to the eye, decreasing the temptation for employees to look up.

FROM TOP: ISTOCK; CAITLIN OCHS FOR THE WALL STREET JOURNAL

MUSIC

IF YOU WERE LORDE'S MANAGER, WHAT WOULD YOU DO?

Five marketing experts weigh in on how they would guide the pop star on her second album: Stick with her authentic, down-to-earth image? Or promote her into a big commercial megastar like her friend Taylor Swift? *—By Neil Shah*

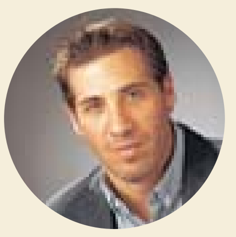
Kristin Lemkau
J.P. Morgan Chase
chief marketing officer

First, as a mother, what I like about Lorde—having a 10-year-old girl who's about to enter puberty—is that she seems to represent a new type of confidence. That song ["Team"] about not putting your hands in the air—it's all about being who you are and not trying to be part of the crowd. It's about female empowerment. Now, if she really changed her sound or got bigger like Taylor Swift, my daughter would be fine. Fans would be fine. Fans are going to be supportive of Lorde's superstardom as long as the music stays good. I'd say, go for the "moms bringing their daughters" demographic.

On endorsements and licensing deals, the question is, if she's known for her individualism, how do you do a "brand integration" that doesn't feel like Lorde's sold out? What will her fans reject? Beauty deals are probably tricky. But if there's a beauty brand that's about confidence, not covering up things, you could strike lightning.

David Lubars
BBDO Worldwide
chief creative officer

I don't necessarily want to compare Lorde to Bob Dylan, but let's think about Dylan: He just goes his own way, constantly surprising fans. The muse led him, as opposed to marketing. I think that's what Lorde is going to have to do—just follow her muse and not worry about it. She's going to have to come up with the goods, and that's challenging, but it's a more liberating way to be—to be evaluated on your talent and not your iconography. She should just experiment and try different things. Don't let the cement harden on you, where people get tired of your music. And I wouldn't do a lot of advertising. Just put it out and let people decide.

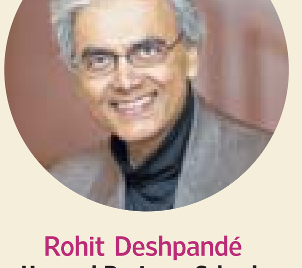


Ryan Schinman
Mayflower Entertainment
co-founder

What makes Lorde special is her connection with fans. There's an insatiable appetite among corporations to latch onto stars like Lorde because, if she buys something, her fans will do it. It's not just about how many fans—it's about how many fans are truly engaged with the artist. I don't believe that artists, by using songs in commercials, are selling out. It could expand her audience. But I don't see Lorde showing up in a TV spot any time soon. If you say yes to everything, and let people too deep behind the curtain, it sometimes doesn't work. You want fans wanting more. In terms of live shows—whether to play huge venues or not—I'd do a hybrid: I would still do smaller venues, but mix those in with bigger dates. Her audience craves intimacy.

Danielle Korn
McCann Erickson
executive vice-president

It depends on what she herself wants. It's a very personal decision. Lorde struck a chord. If you think of her versus Katy Perry, she's the antithesis: Katy is commercial, the music Katy puts out is not moody, it's upbeat, and she's done a number of commercial deals, and licensed her music. And I'm a huge fan of Katy Perry. But Lorde is different. She would have been almost a beatnik in the old days. And she's a songwriter, too. When I think about her persona, her team is going to be incredibly careful about corporate partners. If she did partner with the right brand, I don't think it would hurt her. I don't think Millennials think it's selling out, as long as it's for something that's cool. It just has to feel authentic.



Rohit Deshpandé
Harvard Business School
professor of marketing

Whether it's Uber or Airbnb or pop music, the best innovations often come from the margins, not the core. It's tough in the music business—at some point you want to go from niche to mainstream. But if you're writing from a place that's far away, what does fame and fortune do? It brings you into the limelight, to the U.S. and Western Europe—away from New Zealand. The temptation to wander into this wonderful, magical new space filled with beautiful people and lots of money, that's one of the reasons why artists lose it. I remember hearing Ravi Shankar say that, although he made more money touring in the U.S., he had to go back to India—otherwise he would lose his soul. If you're doing something alternative, how do you retain the spirit of the margins? By staying grounded. For Lorde, that's being in New Zealand.

FROM LEFT: JPMORGAN CHASE & CO.; BBDO; BRIAN MARCUS; JAKE CHESSUM; HARVARD BUSINESS SCHOOL

SPORTS

NBA

A Star's Unlikely Rise

Understanding Isaiah Thomas through the players drafted before him

BY BEN COHEN

ISAIAH THOMAS HAD the best game of his basketball career last week, and Chukwudiebere Maduabum heard about it from halfway across the world.

It was the next morning in Kagoshima, Japan. That's where Maduabum plays basketball now.

Their unusual connection goes back to the night of the 2011 draft. Thomas was the 60th pick. Maduabum was the 56th pick. Which is why some NBA fans still remember his name: He's one of the players who was picked before Thomas.

"He's 5-foot-9," Maduabum said of teams passing on Thomas. "What'd you guys think was going to happen?" Not what has actually happened: Thomas might be the most unexpected NBA star ever.

He was the very last pick of his draft. Then he was dumped by two NBA teams. Only then did Thomas, become the Boston Celtics' starting point guard, leading scorer and most compelling player.

His story has become even more resonant in these NBA playoffs as he's played while grieving the sudden death of his younger sister. In his last game in Boston—the Celtics return home on Wednesday for Game 5 in their tied playoff series against the Washington Wizards—he scored 53 points and rallied the Celtics to an overtime win.

It was his most unlikely performance yet, which is saying something, because Thomas being in any playoff game was already unlikely. The majority of NBA players who are picked as late as Thomas in the draft can't actually call themselves NBA players: They never play in the NBA.

Look no further at the four players picked immediately before Thomas in 2011 for proof.

Maduabum, a Nigerian-born forward who had been in the D-League when he was drafted, has since played in lots of places: Qatar; Estonia; Mongolia; the D-League again; Estonia again; Iceland; Finland; Mongolia again; and now Japan's second division.

He's been traded several times by NBA teams, but he still hasn't played in the NBA. Neither have the three international prospects who were picked after him.

As it turns out, though, the nomadic careers of these obscure players are the easiest way to understand the exceptional improbability of Isaiah Thomas.

There is a point in every NBA draft when most people stop paying attention. That's when Thomas was drafted. And that's when Fran Fraschilla shines. Fraschilla is ESPN's authority on international prospects.

"That's my territory," he said.

Isaiah Thomas has been embraced by the Boston fans as their underdog star.

The arena was almost empty by this time in 2011 when Adam Silver, who announced second-round picks as the NBA's deputy commissioner, walked to the podium and attempted to pronounce the name of Chukwudiebere Maduabum. "He probably thought he was being pranked," Maduabum said.

It's easy to analyze players like Thomas, who played college basketball at Washington. It's harder to explain the games of players like Maduabum. Fraschilla prepares all year for these picks, and he once knew enough about a Brazilian prospect that he could describe him as "two years away from being two years away." But even Fraschilla had nothing to say about Maduabum.

"The only guy in my time at ESPN who I had never heard of," he said.

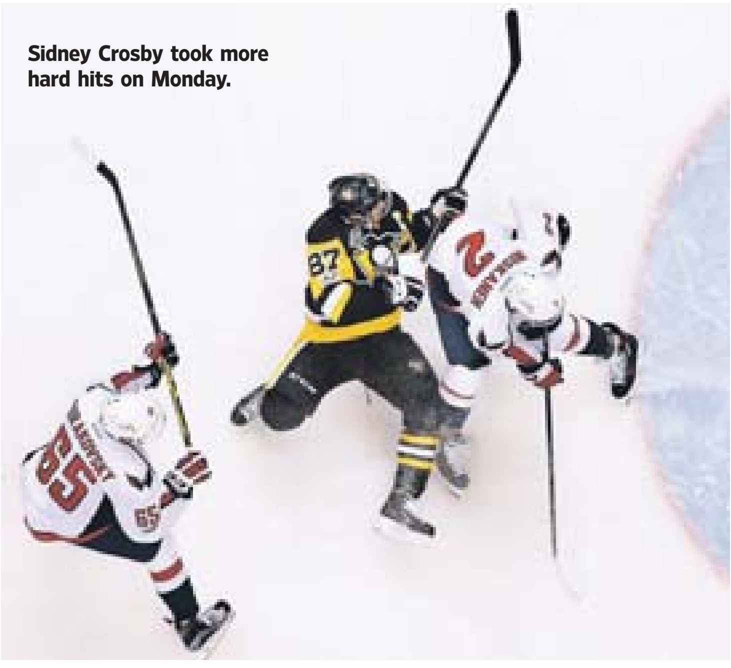
Fraschilla somehow knew more about the next selections. Tanguy Ngombo went 57th. His official name and age were later called into question. Ater Majok went 58th. He was quickly stashed with a Slovakian team. Adam Hanga went 59th to the San Antonio Spurs. "Good player from Hungary," Fraschilla says now. "He probably could come over to the NBA some day soon."

Thomas, meanwhile, still plays as if he can't believe anyone overlooked him. But even the teams that had Thomas didn't see anything special. They treated him like stinky cheese. Sacramento had a sniff and then traded him to Phoenix. The Suns took a waft and traded him to the Celtics.

There are still days when Maduabum has the strange experience of waking up to his name appearing on Twitter simply because of what Thomas has done. But he's used to it by now.

He's even friends with some of the people who share his claim to basketball fame as the players who were picked immediately before Thomas. He once lived with Majok, and he practiced with Ngombo. They didn't talk about Thomas then. "Isaiah wasn't as good yet," he said. They also wouldn't talk about him now.

"I doubt we'd be like: 'Yo, did you see this guy they drafted right after us?'" Maduabum said. "We're focused on making the best of our careers."



Sidney Crosby took more hard hits on Monday.

(L-R) GREG FIUME/GETTY IMAGES; GREGORY SHAMUS/GETTY IMAGES

NHL

WHY IS SIDNEY CROSBY PLAYING?

BY ALEX RASKIN

SIDNEY CROSBY, a six-time Pittsburgh Penguins all-star with a history of head injuries, took a novel approach after suffering yet another concussion early in a second-round playoff series—tangling with some of the National Hockey League's fiercest players and sliding headfirst into fiberglass walls.

And now, ahead of a star-laden Game 7 against the Washington Capitals that should have been an NHL showcase, the dominant topic instead is whether the league is doing enough to protect Crosby's fragile brain.

Like the NFL, the NHL has long battled the perception that it hasn't done enough to protect players from concussions.

> With no proof of a concussion, Crosby practiced with his teammates on Tuesday.

But the Crosby case puts a harsh spotlight on the league's new-and-improved concussion protocol, which includes spotters who monitor games from a "player safety room" in New York and in the arena where the game is taking place. Neither group of spotters—nor the Penguins' team doctors—saw any reason to remove Crosby after he struggled to stand following a collision Monday.

Crosby missed the better part of the 2011-12 and 2012-13 seasons due to concussions, and sat out a game last week because of his latest one.

A spotter in New York was in contact with the Penguins' medical staff, according to NHL deputy commissioner Bill Daly. The spotter determined that the "event did not meet the specific criteria necessary to require a removal from play for formal evaluation," Daly said.

According to the new protocol, the spotters are instructed to alert the teams if they see a player showing signs of being concussed. The teams then determine whether that player should be evaluated.

After the Penguins' 5-2 loss, Pittsburgh coach Mike Sullivan said Crosby wasn't checked for a concussion.

Crosby said after the game he didn't think an evaluation was needed. "When you go in like that, it just kind of knocked the wind out of me," Crosby said. "Kind of a fluky fall."

Crosby clarified Tuesday that he was checked by a team doctor after the collision but not formally put into the concussion protocol. To reinforce his confidence in his health, he also practiced Tuesday.

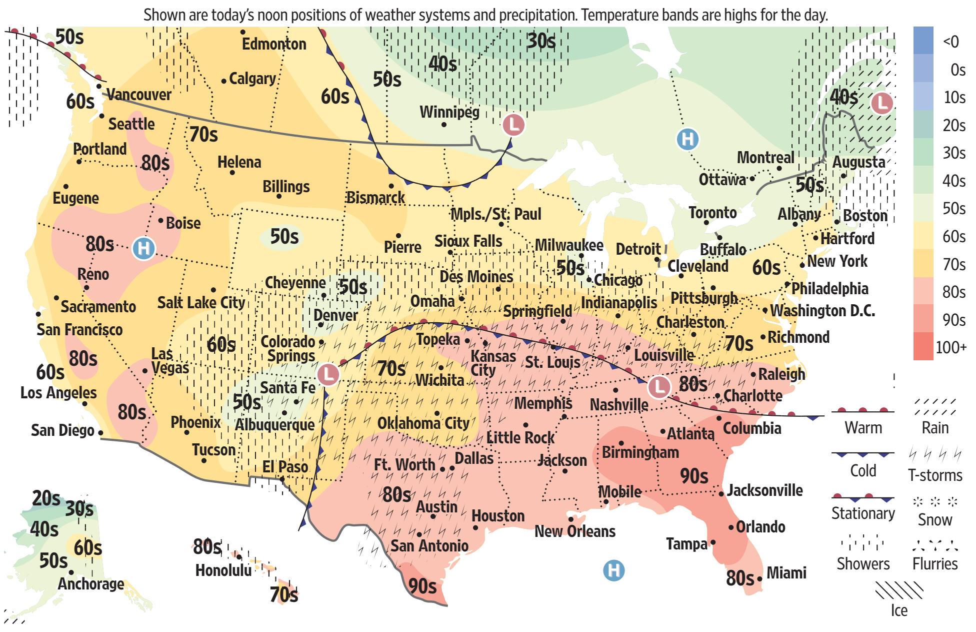
The language of the NHL's protocol gives teams a framework for deciding when evaluations are necessary. But there is mounting evidence that even rigorous subjective examinations of cognitive function might not be enough to determine when athletes are at risk of greater injuries. Barring a change, Crosby will be in uniform Wednesday as he and the defending-champion Penguins face elimination against the top-seeded Capitals.

—Vipal Monga and Matthew Futterman contributed to this article.

Weather

AccuWeather.com

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



U.S. Forecasts

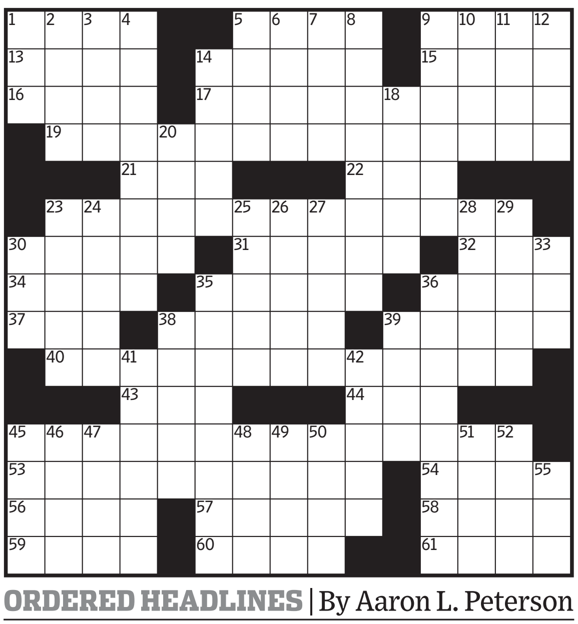
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

	Today			Tomorrow		
City	Hi	Lo	W	Hi	Lo	W
Anchorage	57	43	pc	61	42	s
Atlanta	87	65	s	89	65	s
Austin	86	70	c	87	65	c
Baltimore	70	48	pc	67	49	pc
Boise	81	56	s	86	53	pc
Boston	59	45	c	53	46	c
Burlington	55	43	c	60	41	c
Charlotte	88	63	pc	87	64	pc
Chicago	58	48	sh	58	44	r
Cleveland	64	49	pc	63	49	c
Dallas	81	68	c	88	63	t
Denver	56	43	r	61	40	c
Detroit	63	47	pc	57	45	r
Honolulu	84	72	pc	84	73	sh
Houston	85	72	pc	86	71	c
Indianapolis	76	61	t	71	49	r
Kansas City	81	61	t	66	51	r
Las Vegas	83	64	pc	90	69	s
Little Rock	85	65	pc	79	62	t
Los Angeles	68	56	pc	70	55	pc
Miami	89	71	s	91	73	s
Milwaukee	56	46	r	58	44	c
Minneapolis	69	49	r	68	48	pc
Nashville	87	65	pc	87	61	pc
New Orleans	82	65	pc	82	66	pc
New York City	64	49	pc	64	50	pc
Oklahoma City	74	61	t	80	56	pc
Omaha	70	53	r	73	46	c
Orlando	96	65	s	97	67	s
Philadelphia	69	49	s	69	51	pc
Phoenix	78	63	c	90	70	s
Pittsburgh	69	49	pc	64	52	c
Portland, Maine	56	42	c	55	44	c
Portland, Ore.	76	53	pc	59	46	r
Sacramento	75	52	s	74	49	pc
St. Louis	85	68	t	75	56	r
Salt Lake City	76	54	pc	81	60	s
San Francisco	65	53	pc	66	51	pc
Santa Fe	57	38	r	67	42	pc
Seattle	71	53	pc	58	46	r
Sioux Falls	61	43	r	71	45	s
Wash., D.C.	73	53	pc	65	52	c

International

	Today			Tomorrow		
City	Hi	Lo	W	Hi	Lo	W
Amsterdam	57	42	pc	68	54	pc
Athens	77	60	pc	78	60	s
Baghdad	104	74	s	107	74	s
Bangkok	92	77	t	91	78	t
Beijing	87	55	pc	87	50	s
Berlin	52	37	sh	62	48	pc
Brussels	62	46	pc	68	54	t
Buenos Aires	61	47	s	62	56	r
Dubai	100	83	s	100	84	s
Dublin	59	41	pc	58	47	pc
Edinburgh	60	40	pc	62	46	pc
Frankfurt	63	45	pc	67	55	t
Geneva	70	50	pc	65	50	t
Havana	88	65	s	89	69	s
Hong Kong	86	77	pc	86	78	c
Istanbul	65	53	pc	69	56	s
Jakarta	89	76	sh	89	75	c
Jerusalem	89	62	s	78	56	s
Johannesburg	71	46	pc	70	48	s
London	62	47	pc	67	53	t
Madrid	71	52	t	66	50	t
Manila	96	81	t	95	81	pc
Melbourne	63	47	pc	65	46	c
Mexico City	77	59	pc	81	56	pc
Milan	66	54	c	67	54	c
Moscow	43	30	c	47	34	r
Mumbai	93	79	pc	93	81	pc
Paris	68	54	pc	67	53	t
Rio de Janeiro	81	70	s	77	69	r
Riyadh	102	81	pc	98	75	pc
Rome	71	55	pc	78	58	pc
San Juan	85	74	sh	84	75	sh
Seoul	70	55	pc	75	59	pc
Shanghai	89	68	s	91	66	pc
Singapore	86	75	c	88	79	c
Sydney	70	55	s	71	58	pc
Taipei	89	75	pc	92	76	pc
Tokyo	68	63	r	76	64	pc
Toronto	55	38	pc	58	45	pc
Vancouver	63	50	c	58	45	r
Warsaw	50	40	r	55	41	pc
Zurich	67	47	pc	69	50	t

The WSJ Daily Crossword | Edited by Mike Shenk



ORDERED HEADLINES | By Aaron L. Peterson

Across

1 Way impressive
5 Openly confess
9 Conjugation target
13 It may have a privacy partition
14 "A Passage to India" heroine
15 Long-distance runner Zatopek
16 No longer fizzy
17 Adopted the locals' customs
19 "Building Addition Is Gutted for Renovation"
21 Tilde key's neighbor
22 Put away
23 "Panini Found to Be Completely Bland"
30 They're concerned with feet and meters
31 Rutger of "Blade Runner"
32 Online gamer's annoyance
34 Enchanted with
35 "Our Lady of the Flowers" author
36 Workers' place
37 Container for kippers
38 Primed
39 Grilling site
40 "Horse Soldiers Transported by Air Force"
43 Hoppy brew, initially
44 Travel mug part
45 "Surgeons and Nurses Clashed With Administrators"
53 Ford SUV
54 Shape of some faces
56 Bum
57 Defeated by a tiny margin
58 Use as a reference
59 Hill crawlers
60 Destinations for the stressed
61 His "Fire in the Evening" is in MoMA

Down

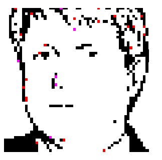
1 Pole toiler
2 Carpet feature
3 Big-screen brand
4 Like
5 Commotions
6 Start of a Caesar boast
7 Butter sub
8 "How sure are you about that?"
9 President, at times
10 Dubai dignitary
11 Split apart
12 Extorted money from
14 Humphrey's successor
18 Line man?
20 Cuts off
23 Chain offering Master Blasts and Coneys
24 Anthem competitor
25 Gossip's start
26 Some of it comes from Mars
27 Military choppers
28 Pick of the populace
29 Statue in Florence's Galleria dell'Accademia
30 Trading area
33 Start for magnetic or metric
35 Jiggly dishes
36 Kiss specialty
38 Express
39 Sock set
41 Treacherous sorts
42 Warner who played Charlie Chan
45 Mother of Hephaestus
46 Plow pullers
47 Minor row
48 Resting on
49 Milhouse's crush
50 Troubles
51 Good foe
52 Check line
55 Battle of Cold Harbor victor

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

Previous Puzzle's Solution

OPINION

France Is Ripe for Rebirth



BUSINESS WORLD
By Holman W. Jenkins, Jr.

Somebody better versed in French politics will have to say whether Emmanuel Macron, who won the French presidency in a landslide Sunday, has any chance to enact a program. He's young and fabulous, to be sure, but his political arm does not reach deep.

He leads a party that's all of one year old and has no seats in Parliament. That may change with next month's legislative elections, though the big winners could still be the status quo parties he ran against.

Then again, his strong showing in the four-person preliminary round prior to Sunday's run-off indicates that his platform of economic renewal does have an organic following in France. Especially so among younger folk whose next purchase might otherwise be a one-way plane ticket to London, New York or Silicon Valley.

France is not Greece. It remains as powerful in the European Union as Germany, because Germany can do nothing without French support. The euro is nothing like the growth prison for Paris that it has been for Athens, since France is not controlled by creditors who have deliberately chosen penury for the patient rather than recovery.

France may well be one of the countries that survived fiscally only because of the invisible bailout engineered by the European Central Bank. If so, that's sad. France has the power to restore its creditworthiness on its own. If you woke up a year from now and the French economy was growing 3% or 4%, you would have zero fear about its survival in the eurozone or the European Union or even the long-term payability of its debt.

Yes, collective-action paralysis is a problem of modern interest-group society—the inability to deal with glaring but solvable problems. Yes, politicians say they care about the national good, though usually define the term to mean their own re-election.

Yet there is perhaps no country better suited to lead the Western world right now out of its slow-growth, overregulated, welfarist malaise. France presents a problem of extraordinarily low-hanging fruit. Its labor law, which is astonishingly anti-employer, requires only a vote and stroke of a pen to revoke. Reducing the size of the state can start with easy fasting, since any government that consumes 57% of GDP clearly has a lot of fat.

Remember, facing the same generation-long problems of stagnation and unemployment, its current president, François Hollande, decided his calling card would be "I hate the rich" and a punitive tax on high incomes. Most of all, Mr. Macron can do a great deal just by not being that guy.

This lesson, if anything, has been under-learned in our rotely pessimistic era. Barack Obama, after his first year in office, became a president who would not stoop to do anything for growth. He signaled only hostility to business. He promoted only an agenda of increased taxes, regulation and redistribution. Donald Trump has rung up no major accomplishments and yet the return of optimism to investors, business and consumers is palpable.

The liberal nation-state is history's best model. Can Trump and Macron revive it?

Marine Le Pen's policies were objectionable and her party's history even more so. But it remains true, as many keep saying, that she flagged problems that France's leadership class had tried to ignore, concerning immigration, loss of sovereignty, the EU and the euro.

Yet, with the latter two, the EU and the euro, she always portrayed France as weak and oppressed by Germany. Her best line in the campaign was actually a head-scratcher. No matter how the race ended, she said, France would be governed by a woman, herself or Mrs. Merkel.

For somebody who ran as a French nationalist, this was strangely to underrate the importance and influence of France no matter who its leader is.

Fourteen years ago, Germany was the sick man of Europe. A Socialist premier, Gerhard Schröder, quoting Margaret Thatcher, rammed through a package of unemployment, pension, healthcare and tax changes, setting the stage for Germany's persistent strength while France and Italy have floundered. In a rare moment of perspicacity, this column even warned at the time of a future crisis for the euro if other EU members didn't grasp the reform nettle (they didn't).

The politician's job, in most times, is to attach himself to an innocuous slogan and steer a course that upsets as few special interests as possible. But it does not take a miracle to reawaken the animal spirits of a country as hugely blessed as France, with an educated and worldly population, rich culture, magnificent physical properties and powerful global appeal. Besides, the democratic, liberal nation-state as pioneered by Europe remains history's most successful political and business model. In a way just about opposite to how most pundits currently describe the world, maybe the Trump-Macron wave signals its return to health and dynamism.

An Econ Mystery: Why Did Wages Flatline?

POLITICS & IDEAS
By William A. Galston

On its face, the April jobs report, released Friday, was filled with good news. Employment increased by 211,000; the unemployment rate ticked down to 4.4%. Over the past year, the number of unemployed Americans shrank by 854,000; people unemployed for 27 weeks or more fell by 433,000; those working part-time who would prefer full-time employment dropped by 698,000.

The Trump administration celebrated the news. "This steady and sustained increase in job creation equals new paychecks for American workers and income for American families," Labor Secretary Alexander Acosta wrote. But the fine print of the jobs report tells a different story.

A statement from the acting commissioner of the Bureau of Labor Statistics, released in tandem with the monthly report, hinted at the worm in the apple. Over the past year average hourly earnings have risen by 2.5%. Unfortunately, the consumer-price index, a standard measure of inflation, rose by 2.4%, meaning the average worker's purchasing power hardly grew at all.

This is no aberration. Since 2010, hourly wages corrected for inflation have risen at barely 0.5% a year. The official statistics back up reports that Americans are working harder than ever just to stay even.

Since the depths of the Great Recession, household incomes have increased steadily—not because wages are rising, but because Americans are working more hours. A longer view reveals the limits of these gains. Nearly eight years after the official end of the recession, median household incomes aren't much higher than they were when the recession began, and they remain a bit lower than in January 2000. For families in the middle, it has been a lost two decades.

As labor markets heated up between 1995 and 2000, inflation-adjusted wages soared, as did household incomes. The mystery is why this trend has not been repeated during the current recovery.

By many standard measures, today's labor market is tight. The top-line unemployment rate is not only down to pre-recession levels but also meets the official definition of full employment. Broader measures show similar trends. The median duration of unemployment, which peaked at 25.2 weeks in June of 2010, has fallen to 10.2 weeks, only modestly above its level when the recession began. The broad measure known as U-6—which includes part-time workers who want full-time jobs, as well as people not counted as unemployed who remain marginally attached to the labor force—rose from 8.8% at the start of the recession to 17.1% at its peak but had fallen back to 8.6% as of April.

To be sure, the labor-force participation rate, which nudged above 67% in the late 1990s, stands at only 62.9% today. On its face, this suggests continuing slack in the employment market. But this number has barely budged since late 2013, despite the steady drop in the unemployment rate. About half the difference between now and the 1990s reflects the aging of the population. Many economists attribute another quarter to the effects of long-term unemployment on workers whose skills have rusted and motivation waned. If so, the remaining slack in the labor market represents about 1.6 million people—less than a year of employment growth at the current pace. If a tight labor market were enough to accelerate wage growth, there would be signs of it by now.

The latest jobs report shows full employment but it hasn't brought workers higher pay.

Declining unemployment triggered a sharp rise in wage growth as recently as the expansion of 2003-07—just as it had in 1982-89 and 1992-2000. What has changed? No one knows for sure.

Unions are historically weak, reducing workers' bargaining power. But it is hard to argue that they are significantly weaker now than they were a decade ago. One hypothesis, plausible but unproven, is that increased corporate consolidation has shifted power toward companies at the expense of workers.

Productivity gains have been meager since the end of the Great Recession. But as this newspaper reported last week, profits at S&P 500 companies in the first quarter of 2017 were up nearly 14% over the comparable period a year ago. Firms have gains they could share with their workers, but they have chosen not to do so. Even in occupations where companies complain of labor shortages, there is scant evidence that they are responding by raising compensation.

After a full generation with little progress, average families are expecting President Trump to make America great again by delivering a rising standard of living. This is the point of Mr. Trump's positions on trade, immigration and infrastructure, which helped put him into the Oval Office. And this is why he should pay attention not only to jobs, but also to wages.

The Minimum Wage Eats Restaurants

By Michael Saltsman

San Francisco's ever-rising minimum wage—set to hit $15 next year—has restaurant owners asking for the check. "At Least 60 Bay Area Restaurants Have Closed Since September," read a January headline at the website SFist, which partly blamed "the especially high cost of doing business in SF, with a mandated, rising minimum wage that does not exempt tipped employees." Another publication, Eater, described the rash of recent closures as a "death march."

Perhaps the highest-profile closure in San Francisco this year was AQ, which in 2012 was a James Beard Award finalist for the best new restaurant in America. Rising costs chipped away at the restaurant's profitability, according to a report by Thrillist, driving down the profit margin from 8.5% in 2012 to 1.5% by 2015.

When San Francisco added its own municipal minimum wage in 2004—one of the first in the country—the operating assumption was that tourists and techies would pay the higher prices necessary to offset the cost of the city's generosity. Last year the San Francisco Chronicle looked at 20 years' of menus from top restaurants and reported that prices had jumped 52% since 2005, twice the rate of inflation. But increasing prices isn't a panacea for restaurant owners. "There's only so much you can charge for tamales," the owner of a small eatery said in 2015 to explain one reason he was closing.

A San Francisco ex-owner says: 'There's only so much you can charge for tamales.'

For some empirical backup, consider an April study from Michael Luca at Harvard Business School and Dara Lee Luca at Mathematica Policy Research. They used Bay Area data from the review website Yelp to estimate that a $1 minimum-wage hike leads to a 14% increase in "the likelihood of exit for a 3.5-star restaurant."

Put differently, San Francisco's minimum wage experiment may be dangerous for your favorite white-tablecloth restaurant—the kind of place where the food is exquisite and can command a premium—but it's downright deadly for your local white-apron diner.

If there's a silver lining to San Francisco's culinary struggles, it's that other cities, even ones run by Democrats, are realizing the arguments for a $15 minimum wage don't match reality. In March, Baltimore's mayor, Catherine Pugh, vetoed a measure that would have raised the local mandate to $15 by 2022. "I want people to earn better wages," she told this newspaper. "But I also want my city to survive."

California lawmakers have been less thoughtful in their approach. Under legislation passed last year the state will raise its wage floor to $15 an hour as soon as 2022. That mandate applies not only to the prosperous coast but also to the impoverished inland. California is already a net exporter of working-class residents. From 2000-15, the state lost a net 800,000 people living close to the poverty line, according to a Sacramento Bee analysis of Census Bureau data.

These families understand something that the City Council in San Francisco and the Legislature in Sacramento do not: New wage mandates and government benefits don't mean much if you can't find a job.

Mr. Saltsman is managing director of the Employment Policies Institute.

BOOKSHELF | By Wenguang Huang

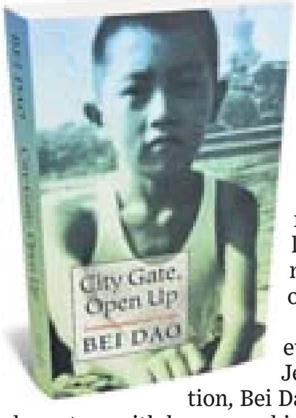
A Youth In Revolt

City Gate, Open Up

By Bei Dao
(New Directions, 302 pages, $18.95)

In the late 1970s, a young Chinese construction worker who often skipped work to write poetry and novels secretly collaborated with a friend on a literary magazine called Today. They wanted to provide a forum for young, self-educated writers breaking away from socialist literary traditions. Even though political censorship was receding after Mao Zedong's death in 1976, underground publishing was still risky. To avoid punishment, the young editor adopted a pen name reflecting his northern upbringing and solitary temperament: Bei Dao, or "Northern Island."

"We bound the issues at my place, piles and piles of mimeographed pages rising from the floor past the bed," Bei Dao writes in "City Gate, Open Up," his lyrical memoir of his youth in Beijing. "Our threshold turned busier than a marketplace. . . . While greeting guests, I imagined that the neighborhood committee and local police must be working overtime, too."



Perhaps out of political consideration or mere modesty, the memoir doesn't mention that the magazine would spawn a literary movement in China—the Menglong ("Misty Poetry"), named for its ambiguous, impressionistic imagery. For Chinese like me who attended college in the 1980s, the author's name instantly evokes freedom of literary self-expression.

In 18 essays, crafted with poetic precision and enriched by Jeffrey Yang's assiduous translation, Bei Dao depicts a cast of memorable characters with humor and insight: a tenacious family nanny always on the lookout for revolutionary opportunities; a talented schoolmate who sneaked across the border to Burma to join guerrilla forces; and the author's father, a former government propaganda official and a moody authoritarian at home. Bei Dao devotes a long chapter to the universal theme of a troubled father-son relationship.

Bei Dao was born in 1949. "As Chairman Mao declared the birth of the People's Republic of China from the rostrum in Tiananmen Square, I was lying in my cradle no more than a thousand yards away," he once said. "My fate seems to have been intertwined with that of China ever since."

When he was in elementary school, Mao launched the Great Leap Forward, a crude and irrational industrialization campaign that resulted in a three-year famine that killed some 30 million people. "Hunger gradually devoured our lives," he recalls. Schools reduced hours and urged students to "move less, recline more, go straight to sleep after dinner." His touching and harrowing account of raising a brood of rabbits, which his father then killed to feed his family, offers a child's view of the famine.

Sent to work on a building site during the Cultural Revolution, Bei Dao found his vocation as a poet through reading banned literature.

When Mao's Cultural Revolution began in the mid-1960s, Bei Dao was 17. Students at his school beat and paraded teachers, and one of the teachers killed herself by cutting her throat. Bei Dao recounts how he and his friends publicly humiliated a neighbor whom they suspected of being a spy by shaving off some of the old man's hair and imprisoning him in a basement.

In 1969, when he and his classmates were sent to the countryside, Bei Dao worked at a construction site. Losing faith in the Cultural Revolution, he and his friends turned to banned Western philosophy and literature. Once back in Beijing, they would sneak into closed libraries to steal books to read.

Weary of conformity, university students were searching for new ideas and forms of expression. Travelers to Beijing would smuggle out copies of Today to secretly duplicate and distribute. Within a short time, Today reached almost every province in China, garnering a cult following. The authorities shut down Today in 1980 after nine issues. The Chinese literary establishment accused its contributors of "succumbing to decadent Western ideas" and criticized their writings as obscure and nonsensical. Not surprisingly, the denigration fueled the magazine's popularity.

Having grown up reading adulatory lyrics about Mao and socialism, I found Bei Dao's poems, with their personal subject matter and imagery, refreshing. Bei Dao has always warned against interpreting his works politically, but the unmistakable messages of rebellion in his verses resonated with my college peers when we massed in Tiananmen Square in 1989. Some chanted lines from his famous "The Answer" to demonstrate their defiance: "Debasement is the password of the base / Nobility the epitaph of the noble. . . . Let me tell you, world, / I—do—not—believe! / If a thousand challengers lie beneath your feet / Count me as number one thousand and one." As expected, the Chinese government viewed Bei Dao's poems as subversive, forcing him into exile in the West after it brutally suppressed the student pro-democracy movement in June 1989.

Thirteen years later, when his father fell seriously ill, Bei Dao was allowed to visit Beijing. Upon arriving, he found that his city, in its frenzied rush to modernize, had changed beyond recognition. "I was a foreigner in my own hometown," he laments. The sentiment awakened his memories, compelling him to rebuild in writing the city he knew. While bemoaning the loss of his Beijing, Bei Dao by no means attempts to romanticize his past. In fact, he emphasizes that the city's destruction began long before.

If the imagery in Bei Dao's poems is misty, his essays are clear and intimate, like the black-and-white snapshots scattered through the text. While the descriptive opulence of his prose evokes Beijing's sights, sounds and smells, it can be overwhelming at times: In a chapter devoted to the city's light, he writes, "The lightbulbs were ordinarily bare, uncovered, a dim, yellow softness; a shade made a mysterious halo, projecting a single spotlight upward, and washed out the numerous subtleties of darkness."

"City Gate, Open Up" made me want to retrieve my old college journal filled with the poet's quotable stanzas. When I called my family back in China, however, I found out that it had been tossed out long ago. "There's no room for old stuff," a family member said indifferently. That now seems to be the national slogan. It only makes Bei Dao's book more poignant.

Mr. Huang, a translator and writer, is the author of "The Little Red Guard: A Family Memoir."

OPINION

REVIEW & OUTLOOK

Comey's Deserved Dismissal

The FBI chief forfeited his credibility with his 2016 interventions.

President Trump fired James Comey late Tuesday, and better now than never. These columns opposed Mr. Comey's nomination by Barack Obama, and the Federal Bureau of Investigation Director has committed more than enough mistakes in the last year to be dismissed for cause.

Mr. Trump sacked Mr. Comey on the advice of Deputy Attorney General Rod Rosenstein, a former U.S. Attorney with a straight-up-the-middle reputation who was only recently confirmed by the Senate. In a memo to Attorney General Jeff Sessions, Mr. Rosenstein cited Mr. Comey's multiple breaches of Justice Department protocol in his criminal investigation of Hillary Clinton's mishandling of classified material.

The FBI isn't supposed even to confirm or deny ongoing investigations, but in July 2016 Mr. Comey publicly exonerated Mrs. Clinton in the probe of her private email server on his own legal judgment and political afflatus. That should have been the AG's responsibility, and Loretta Lynch had never recused herself.

"It is not the function of the Director to make such an announcement," Mr. Rosenstein wrote. "The Director now defends his decision by asserting that he believed Attorney General Loretta Lynch had a conflict. But the FBI Director is never empowered to supplant federal prosecutors and assume command of the Justice Department."

Mr. Rosenstein added that at his July 5 press appearance Mr. Comey "laid out his version of the facts for the news media as if it were a closing argument, but without a trial. It is a textbook example of what federal prosecutors and agents are taught not to do."

Then, 11 days before the election, Mr. Comey told Congress he had reopened the inquiry. His public appearances since have become a self-exoneration tour to defend his job and political standing, not least to Democrats who blame a "Comey effect" for Mrs. Clinton's defeat. Last week Mr. Comey dropped more innuendo about the Trump campaign's alleged ties to Russia in testimony to Congress, while also exaggerating the new evidence that led his agents to reopen the Clinton file.

For all of these reasons and more, we advised Mr. Trump to sack Mr. Comey immediately upon taking office. The President will now pay a larger political price for waiting, as critics question the timing of his action amid the FBI's probe of his campaign's alleged Russia ties. Democrats are already portraying Mr. Comey as a liberal martyr, though last October they accused him of partisan betrayal.

The reality is that Mr. Comey has always been most concerned with the politics of his own reputation. He styles himself as the last honest man in Washington as he has dangled insinuations across his career about the George W. Bush White House and surveillance, then Mrs. Clinton and emails, and now Mr. Trump and Russia. He is political in precisely the way we don't want a leader of America's premier law-enforcement agency to behave.

As for the Russia probe, if Mr. Trump is trying to cover up anything, firing the FBI Director is a lousy way to do it. Such a public spectacle will make details more likely to leak if agents feel their evidence is being sat on. Mr. Comey's credibility was also tainted enough that whatever he announced at the end of the probe would have been doubted.

As Mr. Rosenstein put it in his memo, "I agree with the nearly unanimous opinions of former Department officials. The way the Director handled the conclusion of the email investigation was wrong. As a result, the FBI is unlikely to regain public and congressional trust until it has a Director who understands the gravity of the mistakes and pledges never to repeat them. Having refused to admit his errors, the Director cannot be expected to implement the necessary corrective actions."

A new FBI Director who looks at the Russia evidence with fresh eyes and without the political baggage of the last year will have a better chance of being credible to the American people. Mr. Trump should now devote himself to nominating someone of integrity who can meet that standard.

Allan Meltzer

An historian, and monetary conscience, of the Federal Reserve.

Allan H. Meltzer, the great economist of monetary affairs who died Tuesday at age 89, was the consummate insider who understood the value of staying outside the government. Other than a short stint in the late 1980s as a member of the President's Council of Economic Advisers, Meltzer made a distinguished career offering constructive criticism to the powers that be.

Most notably, he and his mentor, the economist Karl Brunner, created a remarkable entity known as the Shadow Open Market Committee in 1973. To this day, the committee offers a much-need alternative to the Federal Reserve's economic analysis.

Meltzer's not-unreasonable assumption was that the Fed's Open Market Committee needed watching, a shadow. What drove Professors Meltzer and Brunner to create an alternative voice was Richard Nixon's decision to impose wage and price controls to stem inflation. In 1998 Congress was looking for advice on how to reform an array of institutions, including the World Bank and the International Monetary Fund, for which the U.S. provided billions in funding. They turned to Meltzer to chair what came to be known, naturally, as the Meltzer Commission.

A frequent contributor to these pages, Meltzer was at the center of most of the great debates about the direction of U.S. economic policy, whether the appropriate level in the 1980s of the various Ms in the money supply or the government's bailouts of financial institutions in 2008. Along the way, Meltzer wrote a magisterial "History of the Federal Reserve."

Discerning readers may detect a theme running through Allan Meltzer's life. It is that his was a career born of deep and caring respect for the institutions of economic governance. Meltzer understood that economic decision-making is a powerful force in the life of nations, and he dedicated his life to ensuring that his profession performed that role with intellectual rigor and honesty for the public good.

It must have been satisfying work because, somehow, Allan Meltzer always had a smile on his face.

South Korea Moves Left

Will the new President return to a policy of appeasing North Korea?

South Korean voters turned out in record numbers Tuesday, and early returns showed leftist Moon Jae-in leading with a comfortable plurality to become the next President. The left turn is understandable after the impeachment of Park Geun-hye for corruption, but it will complicate U.S. efforts to eliminate North Korea's nuclear-missile threat.

Mr. Moon was leading as we went to press with about 40% of the popular vote, as he took advantage of a divided center-right majority. Ms. Park's downfall split the conservative Saenuri Party, and her former supporters were divided between two candidates who each received more than 20% support.

Ms. Park was wise regarding North Korea but her domestic failures opened the door to Mr. Moon, a human-rights lawyer. Prosecutors have indicted her on 18 counts of bribery and abuse of power, and the revelations have sparked a backlash against the country's largest companies, the *chaebol*. Mr. Moon has promised long-overdue reforms to create a level playing field for smaller companies.

But instead of cutting the government's role in the economy, the true source of corruption, Mr. Moon has pledged fresh intervention. He wants to raise taxes on the wealthy and large companies, increase the minimum wage, and force companies to give temporary workers permanent status and reduce working hours. The French Socialists would approve.

Mr. Moon's desire to appease North Korea marks a return to the Sunshine Policy that failed in the mid-2000s when he was an aide to center-left President Roh Moo-hyun. Mr. Moon wants to pursue reunification based on economic integration, offering a formal peace process if the North will give up its nuclear weapons. He also wants to reopen the Kaesong Industrial Zone, which provided the North with $100 million a year in hard currency until its closure in 2016.

This ignores Pyongyang's long record of broken promises and its clear intention to reunify the Korean Peninsula on its terms using nuclear weapons as leverage. In recent weeks the North has detained two more U.S. citizens, a reminder that the regime treats engagement as an opportunity to take hostages.

All of this will complicate the Trump Administration's attempt to increase pressure on Pyongyang as the North develops nuclear missiles capable of hitting Seattle. North Korea will try to drive a wedge between the U.S. and South Korea to re-establish its cash lifeline, and China may pressure Mr. Moon to reverse the South's recent deployment of the Thaad missile-defense system. But the only chance of ending the nuclear threat is a united front toward the North and its Beijing patrons.

President Trump inadvertently assisted Mr. Moon's election with his ill-timed demand that South Korea pay for Thaad, though his aides walked that back. Mr. Trump has to work with Mr. Moon but he'll have to be clear that the North now threatens the U.S. mainland as well as South Korea. Mr. Trump can send a signal of seriousness by applying U.S. sanctions more stringently on entities that do business with the North. That would put South Korean companies on notice that a return to Kaesong could bar them from U.S. business.

Mr. Moon says the U.S.-Korea alliance will remain the cornerstone of his country's security. That's good to hear, but Mr. Trump will have to be clear that a return to appeasement is unacceptable.

LETTERS TO THE EDITOR

Lower Moral Standards Have Societal Costs

Jason L. Riley's "Who Watches a Murder Streamed Live on Facebook?," (Upward Mobility, April 26) quotes a relative of the 15-year-old girl who was sexually assaulted by a group of teenage boys, as saying: "As a society we have to ask ourselves, how did it get to the point where young men feel like it's a badge of honor to sexually assault a girl . . . to not only do this to a girl, but broadcast it for the world?"

For decades, children living in impoverished, single-parent households and stuck in subpar government schools have been fed a steady diet of rap music and videos which glorify the sexual abuse and mistreatment of women. Not only are these purveyors of poison not condemned by community leaders and politicians for the filth they spread, they're considered celebrities and given awards. How did we get to this point?

PETER J. SCHMOLE
Los Angeles

The impulse that prompts rubberneckers to gawk at accident victims along the highway is magnified online by anonymity and can metastasize into a much darker fascination with another person's tragedy. As we untether our secular society from Judeo-Christian morality, new guideposts for distinguishing right from wrong are squishier and lack authority—unless codified in law. There was more than enough sick behavior in America before the secularization of recent decades, but most Americans accepted a Judeo-Christian moral code as God-given and absolute, and most knew when their behavior was abnormal or depraved. If there no longer are absolutes, however, why should others dictate my morality or judge my online viewing preferences? Watching a live stream of someone committing murder may be sick by someone else's arbitrary moral code, but who is to say his or her conception of right and wrong is superior? Until there are absolute moral guideposts to replace the Judeo-Christian values that most Americans accepted—if not lived by—individuals determine the line between sick and healthy behavior.

TIM WATSON
Jacksonville, Fla.

Republicans, Democrats Both Win on NIH Bill

In your editorial "Not Draining the Swamp" (May 3) you suggest that the $2 billion increase in funding for the National Institutes of Health (NIH) was a political victory for the Democrats. While I'm pleased that we had strong bipartisan support for our bill, to label it a Democratic victory is simply not accurate. Since Sen. Roy Blunt and I have assumed the chairmanship of the House and Senate committees that allocate funding to the NIH, we have consistently allocated more money to the NIH than either President Obama or President Trump have requested.

I appreciate the support of my colleagues on the other side of the aisle who also recognize the important work being done by the NIH. This is a nonpartisan issue. The funding we secured for the NIH was supported by every member of the subcommittee and was clearly not a partisan vote.

Supporting the pre-eminent institution researching the causes and cures of our country's most devastating diseases has long been a Republican priority. The devastating human consequences of diseases like Alzheimer's and cancer are evident to every compassionate person. However, many people fail to recognize the enormous costs these diseases impose on the federal government as well as individual families. Investing money to seek cures is the right thing to do. It is also the smart thing to do. I hope Congress will continue to prioritize the NIH in the coming 2018 fiscal year. Curing diseases can save and improve millions of lives while reducing federal expenditures in Medicaid and Medicare by billions of dollars.

In an era when Congress is divided and polarized, this is a cause in which Republicans and Democrats can work together for the good of the American people and to the benefit of the American taxpayer.

REP. TOM COLE (R., OKLA.)
Washington

The Cattle-Drive Airline Experience for Pols

Regarding "Lawmakers Put Heat on Airlines" (Business & Finance, May 3), I favor as little regulation as possible by the federal government, but the airline industry needs to be compelled to make improvements for the flying public. The House Transportation and Infrastructure Committee rightly took the industry to task, but the incident that prompted the hearing (the forced removal of a passenger from a United flight) was an outlier-type event. Collectively, the airlines have degraded the flying experience by forcing inadequate legroom and seating conditions on their customers. If the government is going to get involved at all, it should admonish the industry to increase efforts to minimize delays, police the misuse of overhead compartments, runaway additional fees and the overall cattle-drive experience that flying has become.

JOSEPH TRIPODI
Pound Ridge, N.Y.

If our politicians are just discovering that the airlines provide lousy service, we don't need new CEOs for the few remaining carriers. We need new politicians, and we need to make them fly coach.

ARTHUR O. ARMSTRONG
Manhattan Beach, Calif.

If You're on Medicaid, Then You Lose the Right to Choose

Regarding your editorial "The Soda Tax Class Revolt" (May 4): If local governments were truly serious about public health, they would attack the problem head on and tax people based on their body-mass index, blood sugar, blood pressure and bad cholesterol levels. In other words, being a health risk will be costly, since it imposes a cost on society. Good luck to the first politician who attempts such a direct approach to societal engineering, but at least it would be more honest than a feel-good tax on sugary drinks.

JOHN CARLSON
Boulder, Colo.

Here's an example of the common people realizing they would be paying for a proposed tax this time around. It's one thing to vote for a tax paid by someone else; it's clearly another when it hits close to home and comes out of one's own pocket. What's so outrageous is that people can continue to buy this junk with food stamps.

BOB RYSTAD
Sacramento, Calif.

To the "commoners" who would rather decide for themselves what is healthy to eat and drink: The moment that your choices become the government's and taxpayer's responsibility, through Medicaid payments for your uncontrolled diabetes, is the very moment you lose the right to choose.

STEPHANIE LAUBACHER
Highland Village, Texas

How About Complaining About a Real Oppressor?

Regarding your editorial "Venezuela's Missing Prisoner" (May 5): Given the disappearance of political prisoner Leopoldo Lopez in Venezuela, perhaps Sean Penn, Oliver Stone, Michael Moore, Harry Belafonte and their ilk could redirect their incessant criticism of President Trump to a real dictatorial regime that they have cozied up to in past years.

For all their jabbering about repression coming to America, their silence regarding the plight of the Venezuelan people is deafening.

ROBERT ZACK
Sarasota, Fla.

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Pepper ... And Salt

THE WALL STREET JOURNAL

"I must say, it took a large speaker's fee to get me to say your future is bright."

Prepare for a New Supercycle of Innovation

By John Michaelson

Adverse events usually flow from a world financial crisis: unemployment, political turmoil and geopolitical reordering. We've seen these since the crash of 2008.

But there are benefits as well. Crashes are usually followed by massive economic reorganization, spectacular outbursts of innovation, the creation of new industries, increased productivity, and decades of high growth. We have not seen these benefits since the crash of 2008. Thankfully, this is about to change.

A financial crisis opens the economy to new forms of growth—which are about to start pouring down.

The 1930s, remembered mostly for the Great Depression, were also a time of great technological progress—jet engines, television, synthetic materials, even early computers. Other periods of economic stress, such as the 1970s, led to a similar explosion in innovation.

A decade past the worst crisis in recent memory, we've seen few of these benefits. The good news is that we are about to. The American economy is poised to embark on an innovation boom of historic proportions that will undermine incumbent players, transform everyday life, and make some alert investors very rich.

Why now? Let's start with how crashes usually spur new technologies and processes. Crashes play an important role in the economy by clearing out weak companies and outdated ideas. Think of a forest fire. By forcing a reallocation of financial and human capital, crashes compel firms to innovate to survive and wipe out those that fail to adapt. That transforms the economic landscape by opening room for new innovative companies to grow. Accepted wisdom and practices are challenged. Once-unassailable companies are vulnerable. The winners going into a crash are rarely the winners a decade later.

We haven't seen much economic transformation since the Great Recession because unprecedented government interference, policy, support and subsidy froze the economy and preserved the status quo.

First, central bankers slashed interest rates almost to zero. This recapitalized the financial system and sent stocks soaring. But it also propped up teetering inefficient giants in business and banking, removed pressure on governments to reform, and stifled upstarts.

Second, governments issued a flurry of regulations, further bolstering legacy players and shielding them from competition. Upstarts lack the scale to bear this regulatory burden. Incumbents flourish.


ISTOCK

Along with lax antitrust enforcement, low rates made it attractive for large companies to buy competitors rather than invest productively, resulting in record levels of economic concentration and excess profits. In short, large enterprises and banks have felt no pain. As a result, they felt no pressure to change, and there was no room for innovative young companies to prosper.

Things are about to change. Consider information technology. Today's enterprise IT systems are built on platforms dating from the 1970s to the 1990s. These systems are now horrendously expensive to operate, prone to catastrophic crashes, and unable to ensure data security. The cloud only made this worse by increasing complexity.

Corporate CEOs complain that they are unable to get the data they need. These rickety systems cannot easily accommodate data mining and artificial intelligence. Evidence of their deficiencies is seen daily. The New York Stock Exchange stops trading for hours. Yahoo acknowledges the compromise of one billion user accounts. Airline reservation systems go down repeatedly. The pain level for users is becoming intolerable.

Each decade for the past 60 years, we have seen a thousand-fold increase in world-wide processing power, bandwidth and storage. At the same time, costs have fallen by a factor of 10,000. Advances in these platforms, in themselves, do not produce innovation. But they facilitate the development and deployment of entirely new applications that take advantage of these advances. Amazing new applications are almost never predictable. They come from human creativity. That is one reason they almost never come from incumbent companies. But once barriers to innovation are lowered, new applications follow.

The combination of advances in platforms and intolerable pain is about to result in an explosion in entirely new applications that are inexpensive to operate, are far less likely to fail, are far more secure, and easily accommodate unimagined advances in ease of use and effective output. This scenario will be seen in sector after sector.

While everyone is focused on Uber, Snapchat and consumer applications, a more colossal supercycle of innovation in enterprises is beginning to occur. Throughout the economy, companies desperately need to overhaul legacy systems and business models frozen in place for a decade. Incumbents, watch out. The coming innovation supercycle will upend the status quo whether you like it or not. Better late than never.

Mr. Michaelson is CEO of Michaelson Capital Partners.

The Democrats' Social Security Plan Means Much Higher Taxes

By Andrew G. Biggs

Social Security may be the "third rail" of U.S. politics, but congressional Democrats are suddenly eager to risk touching it. Over a remarkably short time they have embraced an ambitious but flawed policy of expanding the program's benefits via tax increases on all workers, including doubling payroll taxes on high earners.

Since its release on April 5, Rep. John Larson's Social Security 2100 Act has accrued 160 co-sponsors, more than any other reform proposal in recent history. With support from 80% of House Democrats, Mr. Larson's legislation can fairly be called the Democrats' Social Security plan.

Democrats have always been reluctant to cut Social Security benefits, favoring tax increases to fix the troubled program's long-term deficit of more than $10 trillion. But today's Democrats have gone further, embracing an expanded Social Security program to address what they claim is inadequate retirement saving outside the government-run system.

The Social Security 2100 plan would boost the initial benefits Americans receive upon retirement, and pay larger cost-of-living adjustments, or COLAs, in the years after. Over the plan's first 10 years, Social Security benefit payments would rise by almost $1.2 trillion, according to an analysis by Social Security's actuaries.

To fund those higher benefits, the plan would increase the Social Security payroll rate from the current 12.4% to 14.8% between 2019 and 2042. The plan also would phase out the ceiling on earnings subject to the tax, currently $127,000, so that by the mid-2030s all earnings would be taxed.

For low- and middle-income workers, lifetime payroll taxes would rise by nearly one-fifth from current levels. For a high earner with an average annual salary of $237,000, payroll taxes would more than double. Absent any other tax reform, the effective top federal marginal tax rate on earned income (inclusive of Medicare taxes and limitations on deductions) would rise from the current 44.6% to 59.4%. State income taxes could boost the total marginal rate as high as 72.7% for California residents. Under the Democrats' Social Security plan the U.S. would have, by far, the highest top marginal tax rate in the developed world.

Those extra benefits wouldn't go only to the poor. According to the Social Security Administration's actuaries, the poorest 4% of retirees—that is, low earners with relatively short careers—would receive an extra $361 a year in initial benefits. Individuals averaging $127,000 a year over their working careers, who make up the richest 6% of retirees, would receive an additional $511 annually.

Absent other reform it'd raise the total top marginal rate to 59.4%—the developed world's highest.

But the Democrats' higher COLA payments would exacerbate the imbalance because, increasingly, the rich live longer than the poor. A 2014 Congressional Budget Office study found that the highest-income Americans live 6.2 years longer past 65 than the poor. Incorporating these longevity differences, the Democrats' plan would boost lifetime benefits for a $127,000 annual earner by more than $20,000. The poorest retirees would only see a $7,300 rise in benefits. A better-targeted plan could couple more poverty reduction with lower taxes.

To its credit, the Democrats' plan would make a big dent in Social Security's long-term deficit, fixing all of it under the Social Security Administration's projections and most of it under CBO's more pessimistic forecast. But the tax increases included in the Social Security 2100 Act would also significantly reduce revenue in the rest of the federal budget.

Most economists believe—and the SSA and CBO scorekeepers accept—that employers who are required to pay higher Social Security taxes would reduce wages to help cover those costs. Those lost wages would no longer be subject to federal income taxes or Medicare taxes. According to a recent analysis by the Joint Committee on Taxation, lost income and Medicare taxes would offset between 12% and 21% of workers' Social Security payroll tax increases, depending on income level.

This projected loss of non-Social Security revenue does not account for any behavioral effects from dramatically increasing marginal tax rates. Left-leaning economists Emmanuel Saez and Jeffrey Liebman found in a 2006 study that even modest behavioral reactions could reduce the net revenue gains from a plan like Mr. Larson's by nearly half. Assume stronger behavioral effects (specifically, an elasticity of taxable income of 0.5), and losses to non-Social Security revenue would, in the authors' words, "swamp any benefits from the increase in payroll tax revenue." In other words, the Democrats' Social Security reform could increase government deficits and debt, permanently.

President Trump's pledge not to cut Social Security benefits leaves the Republicans' position on reform unclear. But the Democratic Party's stand on Social Security couldn't be clearer: higher taxes on all workers to fund higher benefits to all retirees, including the richest, and the highest marginal tax rates in the developed world, which would significantly cut income tax and Medicare tax revenue. Democrats may find that the third rail of American politics can still deliver a shock.

Mr. Biggs is a resident scholar at the American Enterprise Institute. From 2008-09 he was principal deputy commissioner of the Social Security Administration.

The World Didn't Agree to a Nuclear-Armed Iran, Even in 10 Years

By Max Singer

The U.S. and its allies can prevent Iran from getting nuclear weapons, but only if they are clear about what the controversial 2015 nuclear deal actually says. Critics of the agreement, officially called the Joint Comprehensive Plan of Action, often say the deal gives Iran permission to acquire nuclear weapons after 10 years. Yet the stated premise of the plan was that Iran would never build or acquire nuclear weapons—ever.

An item in the deal's general provisions states that the plan "will ensure the exclusively peaceful nature of Iran's nuclear programme." Another item reads: "Iran reaffirms that under no circumstances will Iran ever seek, develop, or acquire nuclear weapons."

The world powers that negotiated the deal agreed to lift the sanctions against Iran only on the stated assumption that Iran never had, and never would have, a nuclear-weapons program. Although it's unlikely any parties to the deal believed Iran's nuclear program was only for peaceful purposes, they all found it diplomatically convenient to assert that it was. This diplomatic prevarication means that any time evidence is found suggesting Iran is trying to produce or acquire nuclear weapons, the U.S. may feign shock at being deceived. And without violating what it agreed to in the nuclear deal, the U.S. can announce that it will do whatever is necessary to ensure that Iran will not succeed in acquiring nuclear weapons.

Nothing in the agreement precludes the countries that signed the deal from acting to prevent Iran from acquiring nuclear weapons. Since Tehran had insisted that it did not have a nuclear-weapons program, the regime cannot claim that its pursuit of nuclear weapons was authorized by the Joint Comprehensive Plan of Action.

The problem of stopping Iran is therefore not a legal one. The question is whether the U.S. and other powers have the tools to compel Iran to abort its nuclear-weapons program, and whether they have the will to use them. Are the great democracies determined enough to impose decisive economic sanctions or to encourage internal opposition to the Iranian revolutionary regime? What about military force?

The U.S., Germany, France and Britain no doubt have the power to end Iran's nuclear-weapons program. If they cut off all communication with the country—flights, telephone, internet, banking—along with the countries that would follow their leadership, Iran would be compelled to yield regardless of what China and Russia might do. And Beijing and Moscow would not be enthusiastic about standing against the West's actions to defend Iran.

The democracies don't need to commit to changing the Iranian regime, or to collaborate actively with Iranian dissidents. Even moderate political and social support by the U.S. and Europe for Iran's internal opposition could scare the regime into postponing its efforts to get nuclear weapons.

No military attack, even by the U.S., could reliably destroy all of the Iranian weapons-production facilities, but complete destruction is not necessary. Partial elimination might be enough to convince the regime that rebuilding would not be worthwhile because they could be attacked again. And a successful attack could also undermine the Iranian security services' control of the population.

Obama's deal only delayed a showdown. America and its allies should be using the time to prepare.

The decisive question is how strongly the U.S. and the other democracies are determined to prevent Iran from having nuclear weapons. If they have the will to do so, they have the necessary power, and the nuclear deal is not an impediment.

This is not a defense of the Iran deal, which simply postponed a showdown for a decade or so. This delay ended the momentum of the sanctions regime against Iran that had been gradually built over years. And it means that when a confrontation with Iran finally comes, the regime will be much closer to producing numerous nuclear weapons than when the deal was made. On the other hand, the delay also gives more time for the mullahs to fall before they can obtain nuclear weapons—and more time for the democracies to build up courage and determination to prevent the regional nuclear arms race that would follow Iran's acquisition of the bomb.

President Trump does not have to solve the Iranian nuclear-weapon threat during his first term. The deadline for building the coalition with the strength and determination to stop Iran will come after 2020. But he would be wise to use the term to develop the American and international understanding and policies that can create the will and power to stop Iran.

Mr. Singer, a founder and senior fellow of the Hudson Institute, is a senior fellow at the Begin-Sadat Center for Strategic Studies at Bar-Ilan University in Israel.

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Notable & Quotable: Meltzer on Venture Capital

From "Why Governments Make Bad Venture Capitalists" by Allan H. Meltzer in The Wall Street Journal, May 5, 1993. Meltzer died Tuesday at 89:

A successful venture-capital firm doesn't just pick winners and wait to harvest the returns. This is a recipe for failure. A venture capitalist manages a portfolio of companies. Critical for success are decisions about where to put money, which firms to close and which to foster.

Here governments are at a distinct disadvantage. Governments, especially ours, confuse job creation with wealth creation. It is hard for them to close down firms that are not doing well. Such money-losing tendencies are reinforced by congressional representatives, mayors and local constituencies that lobby to keep losers open, hoping for a better future. The thrift-industry debacle shows what can happen under such pressures. . . .

Why, in general, is government less efficient? One big reason is that products and companies do not leap from the drawing board with "winner" or "loser" stamped on their blueprints. Someone has to decide to make additional investments in companies that appear to have good prospects, thereby putting more money at risk, or to shut down companies that no longer appear promising. Government is more likely to delay closing the failures and more likely to pump in additional money to try to cover mistakes or misjudgments. This strategy will produce lower average, risk-adjusted returns and will produce some spectacular losses.

TECHNOLOGY: TOSHIBA'S PARTNERS PREPARE FOR BLEAK SCENARIO B4

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AXA Readies IPO of U.S. Life Unit

Asset manager AllianceBernstein would be part of offering under deal

By Leslie Scism And Sarah Krouse

French insurance company **AXA** SA plans to take its large U.S. life-insurance operations public, selling shares in a company that also will be home to the **AllianceBernstein Holding** LP asset-management business, according to people familiar with the matter.

Paris-based AXA aims to raise billions of dollars next year by selling a minority stake in the combined life-insurance and asset-management company, the people said. The plans are expected to be announced early Wednesday morning, the people said.

The offering caps a tumultuous two weeks for AXA and its U.S. asset-management business. On the last Friday of April, then-AllianceBernstein Chief Executive Peter Kraus was fired along with the majority of the money manager's board. AXA's decision to fire the board members marked a rare and abrupt overhaul.

AllianceBernstein, like many active stock- and bond-picking firms, has been hard hit in recent years by the growing popularity of low-cost index-tracking funds.

The combined U.S. life-insurance and asset-management businesses would have about $14 billion to $15 billion in book value, which is assets minus liabilities, the people said. Of that, most is attributable to the life-insurance operations. It is unclear what kind of market capitalization the publicly traded entity would have.

U.S. life insurers' market caps range from just below 60% of book value to 130% or more, while asset-management businesses often are valued at higher levels.

The deal will be complex because AllianceBernstein already has listed shares in the U.S.

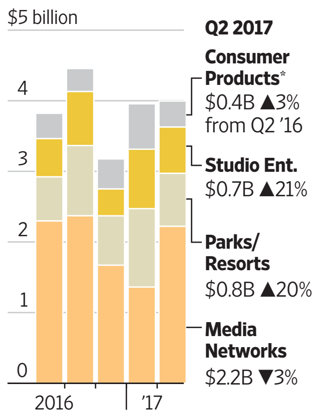
Currently, AXA owns 64% of AllianceBernstein. In the offering, AXA would include a portion of that stake in AllianceBernstein, the people said. The 36% of AllianceBernstein not owned by AXA would remain a separate publicly traded entity, the people said.

The offering also includes AXA Equitable, one of America's oldest insurers.

AXA Equitable sells products to the teachers' market through 403(b) tax-advantaged savings programs, tax-advantaged variable annuities to retirees and other conservative savers, and life insurance.

Core Focus

Walt Disney's operating income, by segment



*Includes interactive media
Source: the company
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Disney Moves To Bolster ESPN

By Ben Fritz

Faced with subscriber and viewership losses, **Walt Disney** Co.'s ESPN is planning to launch digital subscription services focused on particular sports, teams and regions.

Disney Chief Executive Robert Iger on Tuesday once again spent much of a conference call with Wall Street analysts following the release of financial results discussing the fate of ESPN. The sports channel accounts for the majority of profits in the company's cable business, which has lost momentum in the past few years while other divisions are booming.

Overall, Disney reported revenue growth of 3% for the three months ended April 1, to $13.34 billion, and an 11% increase in net income to $2.39 billion compared with the same period a year earlier.

Disney had announced plans to launch this year its first ESPN "over the top" service, similar to Netflix, that will include sports not on the linear network like baseball. Mr. Iger's comments on services tuned to the narrow interests of particular sports fans indicate many more are in development.

The CEO said there are no current plans to offer a replica of the ESPN cable channel online to those who don't subscribe to cable, akin to Time Warner Inc.'s HBO Now, but conceded "there is an inevitability to that."

ESPN recently laid off about 100 of its 8,000 employees, including some high-profile on-air talent, and is taking steps to shake up its programming as viewership for non-live sports, such as its signature SportsCenter pro-

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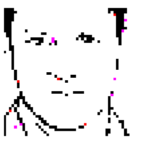
HEARD ON THE STREET

By Justin Lahart

Workers And Wood Squeeze Housing



Shares of home builders have had a nice run since the election, driven by healthy profits and rising confidence. That sweet spot is likely over, and the shift will put a damper on the overall housing market.

Home builders have benefited from stable costs and rising prices. Operating margins at 13 public builders tracked by research firm Zelman & Associates averaged 10% in the first quarter, well over the 8% median during the prior 25 years.

The sweet spot is under fire by rising costs, ironically emanating from Washington.

Lumber is the most visible driver of higher material costs. The Trump administration last month proposed a 20% tariff on Canadian lumber imports. The revival of the decades-old trade fight has pushed framing-lumber prices to their highest level in more than a decade.

That matters a lot to the bottom line: Analysts at Evercore ISI estimate that lumber accounts for 9% of builders' costs. And it isn't just lumber that is going up in price. Flooring manufacturer **Mohawk Industries**, for example, said in its first-quarter earnings call last month that it has been raising prices across a broad array of products to offset rising costs.

Labor costs, too, are on the rise. The construction industry unemployment rate, at 6.3% last month, has fallen back to its levels during the housing boom.

On Tuesday, the Labor Department reported that the quits rate—the share of people leaving construction jobs voluntarily, a sign that they think they can get new jobs easily—stood at 2.5% in March, the highest since early 2008.

If anything, the official figures may understate how tight the market has become for an industry that has traditionally relied heavily on illegal immigrants.

Pew Research estimates that Illegal immigrants account for about 13% of construction workers, and in some construction occupations, their share is significantly higher. A quarter of brick and other masonry workers are working in the U.S. illegally, for example, Pew says.

At minimum, higher costs will cut profit margins, which will likely hit home builders' shares. Higher mortgage rates may add to the pressure.

The more important issue is how this pressure affects the housing market, which was one of the few bright spots in the first quarter. And since housing helps drive spending on everything from cars to couches, the risk is the economy may end up on a shakier foundation.

MELISSA GOLDEN FOR THE WALL STREET JOURNAL

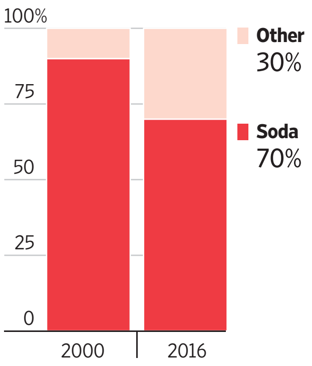
James Quincey wants more risk-taking with new drinks.

Shaking the 'New Coke Syndrome'

Coca-Cola's new CEO: fear of failure obstructs becoming 'total beverage company'

Losing Fizz

Coca-Cola's global beverage volume is still mostly soda.



Source: the company
THE WALL STREET JOURNAL.

By Jennifer Maloney

ATLANTA—**Coca-Cola** Co.'s new chief executive wants the company to shake off a culture of cautiousness that has dogged the soda giant for more than a century.

Nicknamed the "New Coke syndrome"—after the company's catastrophic 1985 decision to reformulate its namesake brand—that fear of failure is counterproductive at a time when Coca-Cola has to take more risks, James Quincey said in an interview this week at his office.

The 52-year-old Mr. Quincey, who succeeded Muhtar Kent as CEO on May 1, is taking the helm at an existential moment for the world's largest beverage company. Fewer people are drinking soda. Sugary drinks are being slapped with taxes in the U.S., U.K. and beyond, as governments look to raise revenue and curb consumption of added sugar, which has been linked to diabetes and obesity. And while Coca-Cola has diversified into dairy, tea, bottled water and other beverages, 70% of its global sales by volume is still soda.

Mr. Quincey's answer: Coke must become a "total beverage company." And to do that, it must not be afraid to make mistakes, he said.

"I'm not sure fear of failure is entirely wrong, except when it leads to inaction," Mr. Quincey said, sipping occasionally from a bottle of smartwater, a brand the company acquired as part of a 2007 deal. "If you're trying to do something different on Coke, failure is big and emblematic."

Mr. Quincey said that because the company for much of its 131-year history has been focused on "curating the world's most valuable brand, a lot of due attention and care was paid to any

Please see COKE page B2

Apps Help Young Chinese Buy Homes

By Dominique Fong

PROPERTY REPORT

BEIJING—Zheng Xiaohei, a marketer from Urumqi in western China, made his first overseas property investment without so much as a visit.

Mr. Zheng, 29 years old, in March purchased a studio apartment in Thailand for about 650,000 yuan ($94,000) using his smartphone and an app called Uoolu that connects users to overseas property listings.

"Investing in overseas real estate was mainly due to my good impression of Thailand," Mr. Zheng said.

Founded two years ago, Beijing-based **Uoolu** is focused on tapping a specific group of home buyers: Chinese millennials looking for foreign properties.

About 70% of Chinese millennials, those born between 1981 and 1998, own a home, the highest share of respondents from nine countries and regions who were surveyed in a recent HSBC study. Chinese parents often register home purchases under their child's name to prepare the child for marriage and raising a family, which likely boosts the percentage.

Still, a growing sliver of Chinese millennials are looking to buy property abroad. Kevin Lee, chief operating officer of Beijing-based consulting firm Youthology, put the percentage in the low single digits but said it would continue to increase.

The lure? A millennial's desire to hedge against yuan depreciation and find affordable homes in cities with cleaner air for their children to live in when they study abroad. In the past year, home prices have soared to more than 30 times household income in major Chinese cities.

Uoolu said about 80% of its monthly active users are between the ages of 20 and 39,

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IAN WALDIE/BLOOMBERG NEWS

Chinese millennials seek to hedge against the yuan rising by investing in property abroad.

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BUSINESS & FINANCE

Senate Clears FDA Chief

By Joseph Walker
And Thomas M. Burton

ZACH GIBSON/GETTY IMAGES

Scott Gottlieb was confirmed as FDA commissioner by the Senate on Tuesday in a 57-42 vote.

The U.S. Senate on Tuesday voted 57-42, mostly along party lines, to confirm Scott Gottlieb as the new commissioner of the Food and Drug Administration.

Dr. Gottlieb, a veteran health-care investor and physician, is well known to many drug-industry executives. He worked for years as a consultant to companies including GlaxoSmithKline PLC and Vertex Pharmaceuticals Inc., spoke frequently at health-care and investor conferences, and wrote hundreds of essays and op-eds, often advocating for the FDA to approve drugs more quickly and loosen regulations on off-label marketing.

He is also steeped in the details of regulatory approval of drugs and medical devices, having previously served as deputy FDA commissioner under the George W. Bush administration.

Dr. Gottlieb favors free-market strategies to bring down drug costs, including by increasing the rate of generic-drug approvals at the FDA. He has also questioned the wisdom of allowing U.S. consumers to import brand-name drugs from countries like Canada, where they cost less, in part because of safety concerns—a viewpoint shared by drugmakers.

"He agrees with the basic concept of the pharmaceutical industry: the need to have drugs come to market quickly, viewing the bureaucracy as necessary but [it] can get in the way of innovation," said Ronny Gal, a stock analyst at Sanford C. Bernstein & Co.

Company officials say they expect Dr. Gottlieb to push the FDA to accelerate its adoption of more flexible approaches to evaluating new drugs and clinical trials. And his experience at the agency should help him garner support from rank-and-file staff to implement his agenda, executives say.

Dr. Gottlieb didn't immediately respond to a request for comment.

He "sounds like a progressive person who wants to get things done," Eli Lilly & Co. Chief Executive David Ricks said in an interview. "He's got experience in the agency already. He's a doctor and a cancer survivor. Sounds to me like he has a balanced perspective." Dr. Gottlieb, 44 years old, had Hodgkin lymphoma and is cancer-free now.

His work in recent years as a venture capitalist and industry adviser, including consulting and speaking work that earned him hundreds of thousands of dollars from medical companies, had given pause to Democrats in the Senate. Sen. Patty Murray (D., Wash.), the ranking Democrat on the Senate health committee, said she opposed Dr. Gottlieb because of his "unprecedented industry ties" and what she regards as his "inability to withstand industry pressure."

Dr. Gottlieb has said he would recuse himself for one year from FDA decisions on more than 20 companies where he has potential conflicts of interest. "I understand how important impartiality of this agency is," Dr. Gottlieb said at his Senate confirmation hearing in April. "I don't want to do anything in my career that would reduce people's confidence in the agency's mission."

Dr. Gottlieb earned at least $645,000 from drug companies and trade groups from the start of 2016 through the first two months of 2017, according to his disclosure statements.

He served for seven years on a GlaxoSmithKline board that manages the company's research and development investments, providing "a valuable perspective on the U.S. health-care and payer environment," said a company spokeswoman.

Dr. Gottlieb has also been supportive of loosening FDA restrictions on off-label marketing, where companies advertise drug uses that haven't been cleared by the agency. He has advocated allowing companies to distribute such information to doctors as long as it is truthful and not misleading.

There are numerous alternatives to "FDA's current regime—which virtually bans off-label promotion—that would promote FDA's public health goals even better than the current regime does," Dr. Gottlieb wrote in expert testimony in 2015 on behalf of Amarin Corp., in a lawsuit the company filed against the FDA over its off-label marketing policies. Dr. Gottlieb was paid $600 per hour for his work on the case, he wrote in his testimony.

Like other of President Donald Trump's nominees, Dr. Gottlieb has been critical of the agency he will now lead. He wrote in a 2012 essay that the FDA has a "harmful culture" that mistrusts doctors to prescribe drugs appropriately, leading officials to have "an excessive desire for certainty" that new medicines are safe and effective before they are approved.

The FDA has several methods for accelerating approvals, such as granting conditional approval if studies show the drug is "reasonably likely" to help patients live longer or have other benefits.

Some FDA divisions have embraced the faster methods, but other divisions are still very "rigid," said Ron Cohen, chief executive of **Acorda Therapeutics** Inc.

Dr. Gottlieb said in April that he would create "consistency to how different parts of the FDA" use their powers.

Some researchers question how much further the FDA can go in speeding up drug approvals without lowering its standards.

"The FDA is already one of the fastest regulatory agencies in the world," says Aaron Kesselheim, an associate professor of medicine at Harvard Medical School. "Faster for faster's sake is not wise."

—Peter Loftus contributed to this article.

Safety Issues Arise On Many Drugs

Nearly one-third of all drugs approved for sale in the U.S. over a 10-year period were subject to post-approval "safety events" such as warnings in their labels and safety advisories to doctors and the public, Yale University researchers have found.

The rate of such new safety issues after approval by the Food and Drug Administration was about twice as high among drugs that won accelerated approvals, compared with medicines approved in standard ways.

The Yale scientists found that of 222 new therapeutics approved by the FDA from 2001 through 2010, 71 were the subject of later advisories. Three of the drugs were withdrawn from the market.

The FDA responded that it "does not comment on specific studies, but evaluates them as part of the body of evidence to further our understanding about a particular issue and assist in our mission to protect public health. The FDA is reviewing the findings of the paper."

—Thomas M. Burton

COKE

Continued from the prior page

changes that were made."

But on smaller, emerging brands, the company needs to be experimenting more, he said. "If we're not making mistakes, we're not trying hard enough."

Some company insiders and analysts say Coke should have moved sooner to address the sugar issue and adapt to shifting consumer tastes. At Mr. Quincey's urging, Coke in 2014 dropped its fight in the U.K. against voluntary health labels on its beverage packaging, which included a warning about high levels of sugar in its regular sodas. The company has begun promoting smaller package sizes and reformulating beverages to offer more low- and no-calorie options.

In the U.S., where consumers now drink more bottled water than soda, Coke is shifting from a volume-focused business to one in which it shares profit with its bottlers so it can sell smaller cans and bottles at higher prices.

It is also in the process of selling off most of its bottling operations to focus on its more profitable concentrate business, a process that by next year will leave it with fewer than 40,000 global employees, down from 150,900 in 2012.

Mr. Quincey is cutting another 1,200 jobs, representing 20% of the company's corporate staff. And he is officially giving employees permission to say that Coke isn't their favorite brand in the company's portfolio, an admission that would have been blasphemous a year ago.

"If we are to be a total beverage company, it has to be OK for consumers to say something else is their favorite brand. Therefore, it has to be OK for an employee to say something else is their favorite brand," he said.

In 10 or 15 years, he said, soda could represent less than half of the company's global sales by volume, a shift he hopes to accelerate by investing more in upstarts and acquiring new brands.

Mr. Quincey was born and raised in the U.K. and studied electrical engineering at the University of Liverpool, then decided he was better at business than designing semiconductors. He joined Coke in 1996 and led operations in Latin America and Europe before being tapped in 2015 as chief operating officer and heir apparent to Mr. Kent.

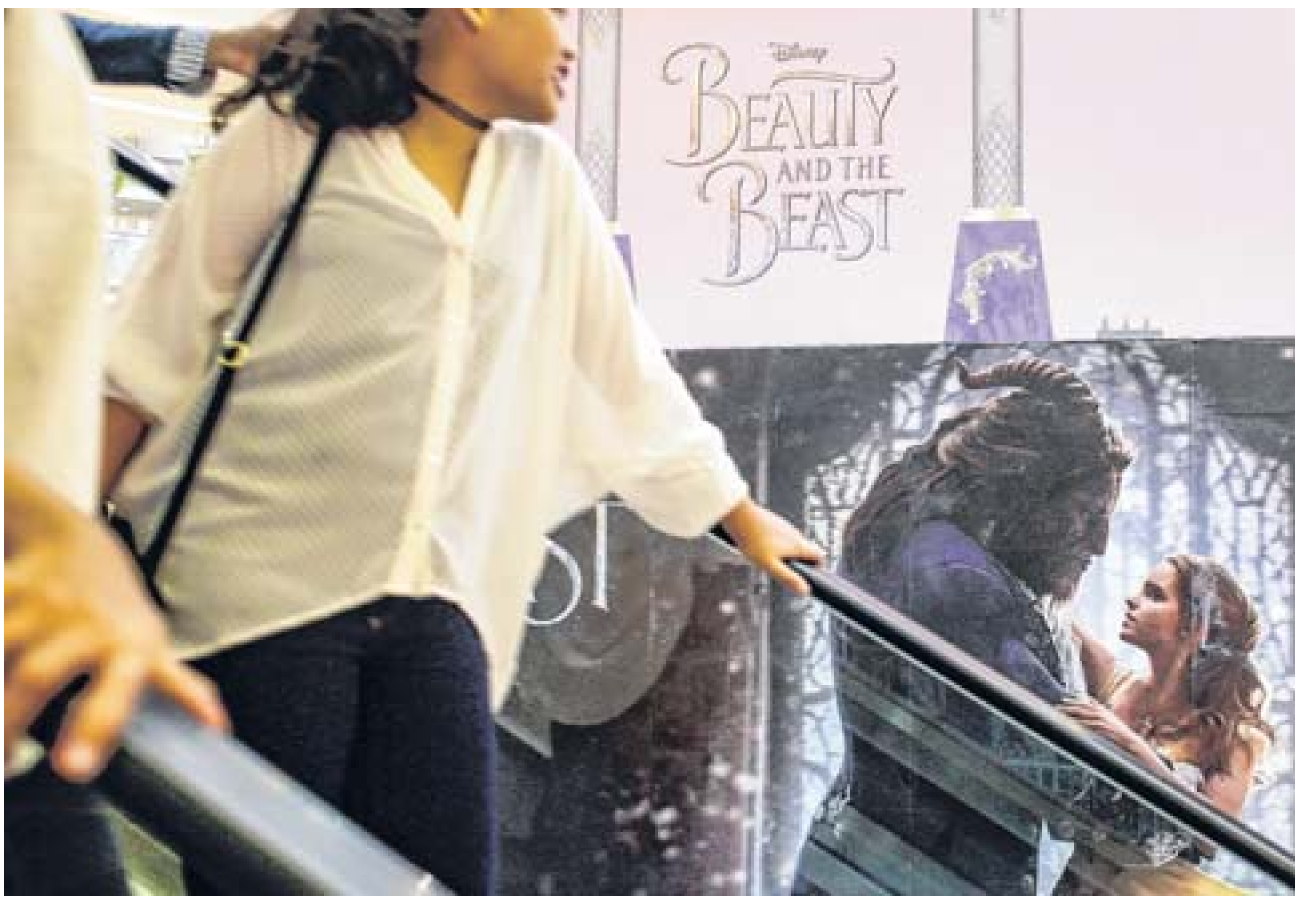
Coke is now under pressure to become more cost-efficient. Analysts have speculated that within a few years, it could be a takeover target of Brazilian investment firm **3G Capital Partners** LP, whose founders are controlling shareholders in brewer Anheuser-Busch InBev NV. A 3G spokesman didn't respond to a request for comment.

Improving efficiency will be "a critical success factor" for the soda giant, HSBC analyst Carlos Laboy said. "Bottlers say head count is a problem at Coke. Too many people are doing the same redundant things."

Of 3G, Mr. Quincey said: "They're very clearly saying: We're setting a new benchmark as to what running an operation efficiently looks like. I think every company, including us and our bottling partners, we need to look at those benchmarks." He added that Coke would aim to cut costs without sacrificing revenue growth.

TODD GIPSTEIN/GETTY IMAGES

Short-lived New Coke instilled caution in the corporate culture.



FAZRY ISMAIL/EUROPEAN PRESSPHOTO AGENCY

Impressive box-office results for 'Beauty and the Beast' helped buoy Disney's movie-studio results in the company's latest quarter.

DISNEY

Continued from the prior page

gram, are down.

Over the past five years, ESPN has gone from 99 million subscribers to 87.44 million, according to Nielsen. Disney Chief Financial Officer Christine McCarthy said the rate of cable-subscriber losses in the recent quarter increased by "less than half a point" from the prior quarter," though she didn't offer specifics. Subscriber losses generated a three-percentage-point decline in revenue from pay-TV subscriptions, she noted, offset by a seven-point increase from contractual rate increases.

Mr. Iger touted the presence of ESPN and other Disney networks on new less-expensive "skinny" TV packages from companies like Hulu and Alphabet Inc.'s YouTube that are aimed at young, price-sensitive consumers. But he conceded they aren't making up for losses from traditional cable and satellite packages.

Disney's cable revenue grew 3% to $4.06 billion in its fiscal second quarter, while operating income fell 3% from a year earlier to $1.79 billion. Decreases at ESPN, caused in part by higher costs for the NBA and college football playoffs, were offset by increases at the Disney Channels and Freeform.

The company's theme-parks unit saw the biggest revenue increase, up 9% to $4.3 billion, and a healthy 20% increase in operating income to $750 million. Attendance at domestic parks was up 4%, and Shanghai Disney Resort, which opened last June, was profitable for the first time last quarter and will break even in the fiscal year ending September, said Ms. McCarthy. The company's first theme park in mainland China will reach an internal goal of 10 million visitors in the next few days, Mr. Iger said.

Despite difficult comparisons to last year, when "Star Wars: The Force Awakens" was in theaters, revenue at Disney's movie studio was down only 1% to $2.03 billion and operating income surged 21% to $656 million. March's "Beauty and the Beast" was a blockbuster, grossing more than $1.1 billion, and the studio benefited from stronger titles on Blu-ray and video-on-demand, including "Moana" and "Dr. Strange." Last year it had only the Pixar Animation Studios flop "The Good Dinosaur."

After closing at $112.07, Disney shares were down more than 2% in after-hours trading.

News Corp Beats Revenue Estimates

By Lukas I. Alpert

News Corp narrowed its losses in the quarter ended in March, driven by digital subscriber growth at The Wall Street Journal, cost cuts and the strong performance of the in-store marketing and coupon business.

The company reported a loss of $5 million, or 1 cent a share, compared with a loss of $149 million, or 26 cents a share, in the same period a year ago. Excluding restructuring charges and other one-time items, adjusted earnings came in at 7 cents a share.

News Corp—which publishes the Journal, the New York Post and other newspapers in the U.K., Australia and the U.S.—reported a 5% gain in revenue to $1.98 billion.

Analysts polled by Thomson Reuters had forecast adjusted earnings of 5 cents per share on revenue of $1.89 billion.

News Corp's Class A shares rose 2.1% in after-hours trading.

The news and information-services business, which accounts for roughly two-thirds of the company's top line, reported a 3% gain in revenue to $1.26 billion, as ad revenue increased 4% due to higher in-store product revenues at News America Marketing.

While print advertising remains volatile, News Corp Chief Executive Robert Thomson said there was "some moderation" during the quarter.

At the Journal, digital subscriptions rose to 1.198 million at the end of March, up about 118,000 from 1.08 million subscribers at the end of December.

Many media companies, from newspapers to cable news outlets, have seen a boost in subscribers and viewers because of keen interest following the tumultuous 2016 presidential election and the start of President Donald Trump's administration.

Last week, the New York Times reported a gain of 348,000 new subscribers—including 40,000 crossword-only subscribers—in the latest quarter.

Across News Corp's titles, circulation revenue decreased 1%, largely due to foreign-currency fluctuations.

Revenue in News Corp's book-publishing segment totaled $374 million, 4% higher than the year-earlier period, driven by sales of titles such as Margot Lee Shetterly's "Hidden Figures" and J.D. Vance's "Hillbilly Elegy."

The digital real-estate business reported a 13% rise in revenue to $219 million.

J.P. Morgan Invests Big in Detroit

Bank plans to spend $50 million more to help revitalize city; downtown is focus

By Adrienne Roberts

PATRICK GORSKI/NURPHOTO/GETTY IMAGES

CEO James Dimon says J.P. Morgan will invest in small business and neighborhood development.

Encouraged by its return on a $100 million bet it made on the Motor City three years ago, **J.P. Morgan Chase** & Co. is planning to pour $50 million in additional investment into Detroit's revitalization efforts.

Chief Executive James Dimon, in an interview, said the largest U.S. bank will use the new funds to invest in small businesses and help fund training and neighborhood development. In 2014, J.P. Morgan allocated $100 million in loans and grants to help the city recover after years of economic decline and a municipal bankruptcy.

The investment represents a unique project for Mr. Dimon, who has said Detroit is attractive because of a "can do American attitude" and specific plans designed by the city's mayor, Mike Duggan. The bank is encouraged by how quickly loans are being paid back, and Detroit's ability to lessen its dependence on subsidies.

"When we heard the mayor talk, he spoke about jobs, police, sanitation—common sense stuff that we could get behind," Mr. Dimon said. "We made sure the forces were lined up. We wouldn't invest if they weren't."

When the investment was first announced in 2014, Dan Gilbert, founder and chairman of Quicken Loans, was one of the few private investors to invest a significant amount of money in Detroit.

Mr. Gilbert's investments are focused largely on downtown Detroit's business core, redeveloping vacant buildings into offices. Since then, many companies have moved their headquarters, or opened offices in downtown Detroit, and real-estate investors have poured millions into redeveloping historic buildings into apartments.

J.P. Morgan's investment is largely focused on strengthening the city's neighborhoods, which have seen little private investment compared with downtown Detroit. The 132 square miles of land surrounding Detroit's downtown core are seen as key to Detroit's recovery, but the neighborhoods have been gradually emptying out.

Mayor Duggan said J.P. Morgan officials took the time to understand the Detroit market.

"They've been integral in everything we're doing," he said. "J.P. Morgan has invested in housing projects in good areas that couldn't get financing and were active in writing the strategies for workforce development. They haven't just sent money from New York."

In many cases, conversations with the mayor about specific problems in the city led to investments. For example, Mayor Duggan told Mr. Dimon when he took office in 2014 that city officials didn't know where the abandoned homes were across the city's 139 square miles. That led J.P. Morgan to invest in Motor City Mapping, a project that created a database of Detroit properties with photos and information about each parcel of land.

Peter Scher, J.P. Morgan's head of corporate responsibility who put the Detroit investment together, said he has been encouraged by how quickly the loans have been repaid—$7 million of the $50 million in loans have been repaid—and that the market is becoming more sustainable.

"When we started three years ago, most of the projects we were investing in were subsidized capital," he said. "By late 2015, that changed to market capital."

J.P. Morgan is using the Detroit investment, the bank's most comprehensive investment in a city to date, as a model for how to invest in other cities and create inclusive growth.

UPS Drivers Work Out So They Can Hit the Ground Running

DON EMMERT/AGENCE FRANCE-PRESSE/GETTY IMAGES

DEEP BREATHS: UPS drivers doing stretching exercises on Tuesday at the company's Manhattan facility in New York City before departing to make deliveries.

U.S. Asks Wal-Mart to Pay Settlement of $300 Million

By Aruna Viswanatha and Sarah Nassauer

DANIEL BECERRIL/REUTERS

The payment would settle a five-year probe into foreign bribery.

U.S. authorities have asked **Wal-Mart Stores** Inc. to pay $300 million to settle a five-year investigation into foreign bribery, according to a person familiar with the talks, a penalty far less than what the Obama administration had sought.

The settlement offer comes after Wal-Mart spent nearly $840 million on its internal investigation of the bribery allegations and upgraded compliance operations, according to financial filings.

Wal-Mart hasn't yet agreed to the offer, this person said, but negotiations are in the final stages. Spokesmen for Wal-Mart and the Justice Department declined to comment. Bloomberg News earlier reported Wal-Mart was close to resolving the probe for $300 million.

As the Obama administration prepared to leave office late last year, the Justice Department and the **Securities and Exchange Commission** attempted to reach a settlement with the world's largest retailer of as much as $1 billion.

Those talks stalled over several issues beyond the amount Wal-Mart would pay, including the retailer's ability to accept food stamps in its 5,300 U.S. Wal-Mart and **Sam's Club** stores. A company can lose its right to government contracts after pleading guilty to a federal crime.

Wal-Mart is one of the country's largest recipients of food-stamp spending, taking in about 18% of the money disbursed through the Supplemental Nutrition Assistance Program. It is unclear how the government's current offer would resolve this issue.

The Justice Department launched its investigation as a series of New York Times articles described alleged bribes Wal-Mart paid in Mexico to obtain permits to build stores there, potential violations of the Foreign Corrupt Practices Act. That spurred a wide-reaching investigation of Wal-Mart employee behavior across the globe, including in Brazil, China and India.

Wal-Mart now employs about 2,300 workers in ethics and compliance operations, according to a company report.

Southwest Pushes System Upgrade

By Susan Carey

Southwest Airlines Co. on Tuesday moved from its 30-year-old reservations system to a new technology platform, providing capabilities its rivals have been using for years.

The shift by the top U.S. hauler of domestic passengers comes after a big technical outage last July that forced it to cancel 2,300 flights over four days, a problem caused by a single failed computer router.

But the upgrade, expected to be finished by the end of the year at a cost of $500 million, has been in the works since 2012, the company said. Southwest's antiquated system couldn't support its planned move to international routes in 2014, forcing the company to find a new system for those flights. Now it is adding its big domestic route network to that system.

"The change is not about reliability," Tom Nealon, Southwest's president, said in a recent interview. "It was for the new features."

The vast, aging information-technology infrastructure underpinning the operation of airlines is under more scrutiny, after glitches that grounded hundreds of flights across various carriers recently.

Highly profitable, Dallas-based Southwest bounced back from that setback, as did **Delta Air Lines** Inc., which scrubbed 2,100 flights over three days last August.

Shifting to a new reservations system—which provides many functions customers can see, such as selling seats, shopping on the airline's website, checking bags and boarding—is a delicate task that requires months of preparation, and has in the past caused some carriers teething problems that affected their fliers. Problems included crashing websites, long wait times for passengers trying to reach reservations agents and numerous glitches in customers' records.

United Continental Holdings Inc. suffered for months in 2012 after it shifted its United subsidiary's reservations IT, frequent-flier plan and website to the Continental platform on a single day. Even smaller carriers such as Canada's **WestJet Airlines** Ltd., in 2009, and **JetBlue Airways** Corp., in 2010, encountered rough going initially when they separately switched to a different IT partner for reservations.

Southwest, the leading U.S. discount carrier, said it has learned some lessons from its rivals. It is following the approach that **American Airlines Group** Inc. used two years ago when it moved its US Airways merger partner to the larger carrier's reservations system with no notable hitches. American used a phased approach, selling US Airways tickets on the new platform well before the cutover date to reduce the number of passenger records that had to be shifted on the critical day.

Southwest also is planning to avoid a large-scale data migration. All domestic tickets booked since last December for travel Tuesday and beyond already are sitting in the data center in Erding, Germany.

Partners Fret With Toshiba Near the Brink

TOKYO—**Toshiba** Corp.'s business partners are preparing for a scenario in which the company seeks to reorganize under Japanese bankruptcy laws, with consequences for the global nuclear-power and electronics industries.

By Takashi Mochizuki, Mayumi Negishi and Kosaku Narioka

Toshiba last month expressed "substantial doubt" about its "ability to continue as a going concern." The company said it expected to record a net loss of some ¥1 trillion ($8.83 billion) for the year ended in March 2017 after the chapter 11 bankruptcy filing by Toshiba's U.S. nuclear unit, Westinghouse Electric Co.

Atlanta-based utility **Southern** Co., which hired Westinghouse to build two nuclear reactors in Georgia, is concerned that Toshiba will apply for protection from creditors and relieve itself of the guarantees made on Westinghouse's behalf, said people familiar with Southern's thinking. Toshiba says it doesn't plan to.

Southern Chief Executive Thomas A. Fanning said in an interview earlier this month that the utility is owed $3.7 billion by Toshiba and wants to be paid whether or not the reactors are built.

A Toshiba spokeswoman declined to comment on Mr. Fanning's statements. The company has said that it guaranteed some $6 billion in obligations incurred by Westinghouse when it promised to complete the reactors.

Sumitomo Mitsui Trust Holdings Inc. said late last month that its core banking unit, a lender to Toshiba, was beefing up reserves by ¥15 billion ($132 million) to address the worsening credit of "certain borrowers"—one being Toshiba, Japanese media reported. A bank spokesman declined to comment.

The Westinghouse guarantees are among several costly promises Toshiba has made. It has agreed to pay for natural-gas liquefaction at a Texas plant for 20 years starting in September 2019. Toshiba has said the commitment could cost ¥1 trillion, although it is likely to recover some or all of the money by selling the liquefied gas.

Western Digital Corp., which jointly owns a flash-memory semiconductor plant in Japan with Toshiba, says the Japanese company promised not to sell its stake unless Western Digital approves. Toshiba denies this, and sent a letter to Western Digital threatening to sue unless Western Digital drops its assertion. Western Digital couldn't be reached immediately for comment.

The disagreement has made it harder for Toshiba to sell its flash-memory business, which is the core of its survival plan.

One Toshiba official said the best way to save the company could be a filing under Japan's corporate-reorganization law, which is similar to U.S. bankruptcy law's chapter 11 in that it seeks to allow a company to stay in business by relieving it of some obligations.

This official said a corporate-reorganization filing would free the company from its "fetters," including the Westinghouse obligations, and pave the way for the "new Toshiba" that Chief Executive Satoshi Tsunakawa has said he wants to build up the business after scandals that include years of overstating financial results.

"At this moment, we do not have any thought or intention of seeking protection under corporate-reorganization proceedings," a Toshiba spokesman said.

Toshiba has been consulting with **Industrial Growth Platform** Inc., a company that specializes in corporate reorganizations, on the best way forward, two people familiar with the matter said.

A spokesman for Industrial Growth Platform declined to comment.

Alipay and WeChat Pay Ride Wave of Chinese Tourists to U.S.

ELISE AMENDOLA/ASSOCIATED PRESS

Mobile-payment options are increasing for Chinese travelers visiting U.S. attractions like the New England Aquarium in Boston.

China's mobile-payment leaders are ramping up efforts in the land of Apple Pay.

Alipay and WeChat Pay, which allow Chinese consumers to pay for train tickets, groceries, movies and other items with their smartphones, are expanding into North America, seeing a big market in the waves of Chinese traveling abroad.

Ant Financial Services Group, which operates Alipay and is an affiliate of **Alibaba Group Holding** Ltd., announced this week a deal with U.S. payment-processing company **First Data** Corp.

The arrangement is aimed at the more than four million Chinese consumers who visit North America annually, allowing them to use their smartphones to pay at First Data's four million U.S. businesses.

The deal expands a pilot program between the two companies that started at certain retailers in California and New York last fall, and puts Alipay on a playing field similar to that of Apple Pay, which is accepted at 4.5 million locations in the U.S.

The move comes on the heels of **Tencent Holdings** Ltd.'s alliance with Citcon, a Silicon Valley-based mobile-payment platform that enabled the Chinese firm's WeChat Pay to enter the U.S. The partnership, announced in February, targets Chinese consumers traveling abroad. WeChat Pay has more than 600 million monthly active users, most of them in China.

—*Alyssa Abkowitz*

Ad-Backed Tubi TV Raises New Funds

By Anne Steele

Tubi TV has more than doubled its total funding with a fresh round of capital as investors bet more viewers will sit through commercials in exchange for access to a vast library of free, premium movies and TV shows.

The advertiser-supported streaming service, which launched in 2014, has raised $20 million in new funding from four venture-capital firms, led by Jump Capital. The round brings its total financing to date to $34 million.

Since its debut, the San Francisco-based company has amassed more than 50,000 television and movie titles, and users are now in the "many millions," Farhad Massoudi, Tubi TV's founder and chief executive, said during an interview. There is no fee, but the service requires registration and users are fed four to five minutes of commercials for every 30 minutes of content, including during movies.

Unlike many subscription-based streaming platforms that focus on a few shiny titles, Tubi TV has licensed an extensive amount of content available across all major devices from the Xbox to the iPhone, said Mr. Massoudi. Its broad collection ranges from Oscar-winning films like "Silence of the Lambs" and "Gladiator" to campy classics and anime. There is even a category of titles called "Not on Netflix."

The company counts Lions Gate, MGM, Paramount Pictures and Starz among its 200 content partners and says its library is second in size only to Netflix. In 2016, the company increased its monthly active user base to nine times what it was the year before, though it declined to disclose exact figures.

Tubi TV will funnel the new funds into marketing—which it has done almost none of so far—as well as its "secret sauce" in-house TV analytics platform, which Mr. Massoudi says "helps us dig into what people want, and when and where they want it."

Tubi TV is making a play for viewers and TV advertising dollars as cord-cutting accelerates. According to estimates from MoffettNathanson, about 762,000 subscribers abandoned their cable subscriptions in the first quarter, resulting in the worst-ever first-quarter decline in pay-TV subscribers.

Tubi TV is going after cord-cutters among an ever-expanding sea of online streaming services, from Netflix and Amazon Prime to CBS All Access, YouTube TV and Hulu. The company is trying to set itself apart by making its library free and exclusively advertising-supported, at a time when many other offerings are focusing on monthly subscription fees and original shows or live TV feeds.

BUSINESS WATCH

MATT SAYLES/ASSOCIATED PRESS

ABC Entertainment's president calls 'American Idol' a 'pop culture staple that left the air too soon.'

NVIDIA

Artificial Intelligence Is Promising Market

Nvidia Corp. has found a surprising—and growing—niche in artificial intelligence, where its graphics chips show exceptional efficiency in some tasks.

Data center sales ballooned 186% in the first quarter, driven by build-outs by major cloud players, which have made AI a priority.

Alphabet Inc.'s Google, **Baidu** Inc., **International Business Machines** Inc. and **Tencent Holdings** Ltd. recently added Nvidia's graphics processing units to their cloud offerings, joining **Amazon.com** Inc. and **Microsoft** Corp.

— *Ted Greenwald*

ABC

'American Idol' To Make Comeback

ABC says it will revive "American Idol" after the show has spent only one year off the air.

The **Walt Disney** Co. network said Tuesday that the music-competition show, which dominated television in the 2000s and minted stars such as Carrie Underwood, Jennifer Hudson and Kelly Clarkson, will begin sometime in the next TV season. That season starts in September.

The series originally aired on Fox and was canceled a year ago after years of fading ratings. But ABC Entertainment President Channing Dungey called it a "pop culture staple that left the air too soon."

ABC left plenty of questions unanswered, including who will host and who will serve as judges.

—*Associated Press*

SUNEDISON

Shareholders Seek More Transparency

A group of **SunEdison** Inc. shareholders say they deserve more information about how the solar power company lost billions of dollars of investor money, most likely leaving them with nothing.

In court papers filed Monday with the U.S. Bankruptcy Court in New York, shareholders said they are lacking "basic and essential information" about the company's assets and the direction it has taken since filing for bankruptcy more than a year ago.

Lawyers for the group have asked Judge Stuart Bernstein to reject a legally required disclosure statement that typically precedes final court approval of a chapter 11 case.

The shareholder group, composed of more than 1,000 individual investors, says SunEdison's current disclosures "serve only to darken the murky factual waters of these cases." A spokesman for SunEdison did not immediately respond to a request for comment Tuesday.

—*Tom Corrigan*

HERTZ GLOBAL HOLDINGS

Stock Falls Sharply On Financial Loss

Hertz Global Holdings Inc. shares fell 14% on Tuesday after the U.S. rental-car company reported a far larger financial loss than Wall Street analysts expected, raising further concerns about its turnaround efforts.

Hertz shares fell more than 20% in the morning before regaining some of that ground as investors digested the first-quarter results reported after the market closed Monday. Lower resale values and a fleet comprising too many passenger cars instead of the large sport-utility vehicles customers desire contributed to the loss.

The company on Monday reported an adjusted net loss of $134 million, or $1.61 a share, compared with a loss of $67 million, or 79 cents a share, in the year-earlier quarter. Analysts polled by FactSet expected Hertz to report a loss of 90 cents a share.

Hertz shares closed Tuesday at $12.80, down 14.2%.

—*Adrienne Roberts*

Greenberg Loses Key AIG Ruling

Appeals court voids judgment that U.S. erred in taking stake in return for bailout

By Leslie Scism

A federal appeals court on Tuesday vacated a lower court's ruling that the 2008 federal bailout of **American International Group** Inc. was unlawful, taking a moral victory away from former Chief Executive Maurice R. "Hank" Greenberg.

Mr. Greenberg, who had built AIG into a financial-services powerhouse, sued the government in 2011. He alleged that the Federal Reserve overstepped its legal authority when it demanded a 79.9% equity stake in AIG in exchange for an $85 billion emergency loan to avert bankruptcy.

In Tuesday's ruling, an appellate panel ruled in favor of the U.S. government.

At the heart of the case was a dispute about the breadth of the Fed's powers and the limits on the central bank's discretion during the financial crisis. The matter isn't over.

Mr. Greenberg's legal team said it would appeal to the Supreme Court.

Mr. Greenberg, now 92 years old, filed the litigation through **Starr International** Co., which was AIG's largest overall shareholder in 2008. Mr. Greenberg is building a new insurance and investments conglomerate, Starr Cos.

In 2015, following more than a month of trial, a U.S. Court of Federal Claims judge ruled that the government violated the law when it took the controlling stake in AIG. Judge Thomas C. Wheeler concluded that the stake was "an illegal exaction."

Still, Mr. Wheeler accepted the government's arguments that without the Fed's $85 billion loan to AIG, the company would have filed for bankruptcy and shareholders likely would have been left with nothing. So, he didn't award Mr. Greenberg and the many shareholders represented by Starr any of the $40 billion in damages they had sought.

In the latest ruling, the appellate panel concluded that Starr International and the other AIG shareholders lacked standing to pursue the claims. The court said "those claims belong exclusively to AIG," which had declined to participate in the lawsuit.

The appellate court vacated "the Claims Court's judgment that the Government committed an illegal exaction and remand with instructions to dismiss the equity-acquisition claims that seek direct relief."

In a statement Tuesday, Mr. Greenberg's lead lawyer, David Boies, said he planned to appeal to the Supreme Court. "The trial court found that the government had improperly and unconstitutionally confiscated 80% of the AIG shareholders' equity....The court of appeals, without disagreeing with that finding, holds that the shareholders have no remedy."

AIG, which potentially could have been on the hook to reimburse the government for damages, declined to comment.

Judge Wheeler's opinion had cast a shadow over the government's role in any future financial crisis, lawyers and other legal observers said at the time. That is because of its potential to make officials think twice in dire circumstances about taking bold action that isn't specifically detailed in their regulations.

The bench trial featured a parade of high-profile witnesses, including former Fed Chairman Ben Bernanke and former Federal Reserve Bank of New York President and Treasury Secretary Timothy Geithner.

Many legal observers had anticipated an easy win for the government. But in the trial, Mr. Boies used internal emails, memos and other documents to show uncertainty and debate among Fed officials over whether the government was on solid legal footing in acquiring the AIG stake.

AIG fully repaid the bailout, which had swelled to nearly $185 billion, by late 2012.

JOHN TAGGART/BLOOMBERG NEWS

Maurice R. "Hank" Greenberg, former CEO of AIG, plans to appeal loss to the U.S. Supreme Court.

Elliott Petitions Court on Akzo Nobel

By Ben Dummett

Elliott Management Corp. has asked a Dutch court to force **Akzo Nobel** NV to hold a special shareholder meeting seeking the removal of its chairman, in the U.S. activist investor's latest attempt to strong-arm the paint maker into takeover talks with rival **PPG Industries** Inc.

Elliott said Tuesday it filed a petition with the Dutch business court, known as the Enterprise Chamber. It wants shareholders to vote for the dismissal of Antony Burgmans, arguing Akzo's supervisory board chairman failed to "discharge his fiduciary and corporate governance duties" after the Amsterdam-based company Monday rejected PPG's sweetened takeover offer of €24.6 billion ($27.1 billion) without first negotiating with the Pittsburgh-based paint maker over a possible deal.

Declining the latest offer, Akzo argued its stand-alone strategy to boost dividend payouts, spin off its specialty chemicals business and return the bulk of the proceeds to shareholders would generate better returns. Akzo said that decision was based on "considerable in-depth analysis" and came after Akzo Chief Executive Ton Büchner and Mr. Burgmans met with PPG Chief Executive Michael McGarry in Rotterdam, the Netherlands, on Saturday.

But PPG said in a written statement that the meeting lasted less than 90 minutes and that Messrs. Büchner and Burgmans "stated up front that they did not have the intent nor the authority to negotiate."

Akzo defended itself, saying that it has acted "to the highest standards of Dutch corporate governance" in considering each of PPG's proposals. "We do not see how the dismissal of the Supervisory Board Chairman is beneficial to the company, its shareholders or stakeholders in anyway," the company said in a statement Tuesday.

Activist investor Elliott wants Akzo Chairman Antony Burgmans removed.

Elliott is part of a group of several of Akzo's biggest shareholders—together holding more than 10% of the shares—that believe Akzo can't favor its stand-alone strategy over a takeover without first negotiating with PPG to determine if it can get a better deal for shareholders and other stakeholders through a sale.

The lack of in-depth talks is an "arrogant dismissal of recognized principles of proper corporate governance," Elliott said in its statement Tuesday.

Elliott is appealing to the Dutch courts to require Akzo to hold the special shareholder meeting on the dismissal of Mr. Burgmans because Akzo, citing Dutch law, previously rejected the shareholder request for such a meeting.

Elliott wants the Enterprise Chamber to require Akzo to hold the special shareholder meeting on June 6, according to a person familiar with the matter.

Yale Lends Hand to Policy Makers in Crisis

By Gabriel T. Rubin

Yale University will launch an online platform to provide real-time support to policy makers dealing with financial crises, with the help of a $10 million gift from business leaders and philanthropists Bill Gates, Jeff Bezos, Bloomberg Philanthropies and the Peter G. Peterson Foundation.

The gift represents a major expansion of the Yale Program on Financial Stability, a degree-granting program in the university's school of management that aims to train early- and midcareer financial regulators from around the globe.

The new resources will support a small staff of researchers, led by Professor Andrew Metrick, as they build a database of "lessons from hundreds of interventions from past crises," the university said. The effort is the first of its kind, according to Yale, and reflects a need for more research on "wartime" situations, rather than the preventive sort of regulatory research done by central banks around the world. Central banks often avoid extensive crisis preparations out of reluctance to promote moral hazard, leaving policy makers to reinvent the wheel each time a new crisis arises.

"We're all focused on prevention and there has been a major focus on reforms in the wake of the crisis," said former Treasury Secretary Timothy Geithner in an interview. "But best preparations aside, sometimes prevention fails."

Mr. Geithner, who serves as the chairman of the Program on Financial Stability, said that he and other policy makers would have been able to act faster and with greater confidence during the financial crisis with access to the tools that Mr. Metrick's team will build.

"There were probably four or five periods when the crisis was escalating, the panic was spreading, sitting on the phone for 20 hours a day trying to figure out how to do things," Mr. Geithner recalled. "And we hadn't had to do some of those things since the Great Depression. That took us a lot of time, and that can be costly."

The open online platform will include descriptions of specific interventions—for example, the use of a "bad bank" to hold distressed assets—and will detail what did and didn't work well in each case.

The researchers building the platform will receive feedback from an advisory board made up of some of the highest-profile policy makers from the financial crisis. In addition to Mr. Geithner, the board includes former Federal Reserve Chairman Ben Bernanke and former Treasury Secretary Hank Paulson, among others. The board also includes top central bankers from around the globe in an effort to avoid falling back on solely U.S. perspectives on financial stability and crisis management, Mr. Geithner said.

The advisory board will assess the project's progress and answer questions that only a select pack of senior regulators can answer: Would the platform provide real-time advice amid a meltdown?

"We need to build a system that will be useful to Ben Bernanke and his senior staff in the middle of a crisis," Mr. Metrick said.

STEVE REMICH FOR THE WALL STREET JOURNAL

Yale researchers are developing an online platform that can help policy makers who are confronted with major crises.

Home Capital to Sell up to $1.1 Billion of Mortgages

By Jacquie McNish

Mortgage lender Home Capital Group Inc. has agreed to sell as much as 1.5 billion Canadian dollars ($1.1 billion) of mortgages to an unidentified buyer as it scrambles for new capital in the wake of a deposit flight.

The Toronto company said the agreement includes mortgages that are due for renewal and allows the unnamed buyer to purchase additional home loans in the future. Home Capital reported total mortgages of C$25.7 billion at the end of 2016.

Depositors began withdrawing high-interest savings deposits from the company last month after Canada's top securities regulator alleged the firm and three former and current executives misled investors about the extent of a mortgage-fraud problem the company had discovered. Home Capital denies the allegations.

The company said in a news release Tuesday its high-interest savings deposits have declined to C$146 million. They stood at C$2 billion at year-end. Home Capital called the move to sell mortgages part of its effort "to restore confidence in our operations." The lender said it is working to develop additional sources of funding.

It borrowed C$1.4 billion from an emergency C$2 billion line of credit struck with a Canadian pension plan last month. The facility has since been syndicated to include Credit Suisse, Goldman Sachs, Fortress Investment Group and an unnamed North American financial institution, the company said Tuesday.

Home Capital said it expects to sell additional mortgages and negotiate new financing. The moves are expected to reduce the company's profits, it said.

Two Sigma Unveils Deal

By Gunjan Banerji And Alexander Osipovich

Two Sigma Securities agreed to buy the U.S. options market-making business of Interactive Brokers Group Inc., called Timber Hill, the latest in a string of industry deals.

After adding Timber Hill's business, Two Sigma Securities will trade more than 300 million shares and 1 million options contracts each day, according to a statement from Two Sigma Securities Tuesday.

The tie-up will "form a full-service, large-scale market maker across equities and options on exchanges and for wholesale retail clients," Simon Yates, chief executive officer of Two Sigma Securities, said in the statement.

Two Sigma Securities, which historically has been focused on equities, has been expanding in options. The firm acquired KCG Holdings Inc.'s options platform in 2016, a spokesman for the firm told The Wall Street Journal in an email.

Two Sigma Securities is among the electronic-trading firms that pay brokers to execute orders submitted by retail investors. The practice of paying brokers for retail order flow has been attacked by critics who say it allows high-speed trading firms to take advantage of small investors. High-frequency traders and many brokers say such "wholesaling" of orders results in better prices for investors.

The acquisition is expected to close in September, pending regulatory approvals, according to Tuesday's statement.

Your Manager Wants to See You. Again.

Performance reviews at some companies now occur multiple times a year—even as often as every other week

By Rachel Feintzeig


Theresa Chiaramonte helps orient new customers at Revinate, which gives staffers dozens of assessments throughout the year.
LAURA MORTON FOR THE WALL STREET JOURNAL

Rani Croshal used to review her direct reports once a year. Now, the manager at software company **Revinate** Inc. gives dozens of smaller-scale assessments throughout the year. That includes quarterly discussions about goals, semiannual evaluations in which managers, peers and direct reports give feedback, and multiple check-ins to ensure her nine employees are hitting long-term goals. And then there is the annual compensation review process.

"We're always talking about how we can improve ourselves," Ms. Croshal said.

Welcome to the era of the never-ending performance review. As companies such as **Adobe Systems** Inc. and **General Electric** Co. revamp and rethink the detested annual review, they have put in place new evaluations designed to give employees more-frequent feedback.

Companies say they are staying current with young workers accustomed to instant gratification in the form of Facebook likes. Managers and employees say it is tough learning to give—and receive—constant critiques.

"You really have to put your ego aside," said Deloitte LLP consultant Cashel Discepola, who transitioned last year from twice-annual feedback to talking about performance with her manager every other week.

Companies now have an array of tools in their employee-assessment arsenals, including goal-setting programs and apps that allow managers to rate workers' progress in real time. A software tool used by ride-hailing service **Lyft** Inc. and others scans staff calendars and asks them to rate colleagues after meetings. At big banks such as **Goldman Sachs Group** Inc. and **J.P. Morgan Chase** & Co., new feedback programs allow workers to request minireviews from bosses and colleagues after projects or deals.

Ms. Croshal, Revinate's senior director of customer success, says she used to compile eight-page written annual reviews for her reports at the San Francisco-based maker of hospitality-industry software. "It was just too much information to digest," she said.

Her team now receives bite-size feedback, and lots of it. Ms. Croshal says a system that tracks goals—such as meeting client targets—keeps staff accountable.

At first, though, some workers found it hard to adjust to getting feedback that didn't culminate with a decision about compensation, Ms. Croshal said. "I think the employee felt like, 'Now what?' "

At Goldman too, feedback doesn't directly affect yearly bonus and raise decisions. It "forms part of the picture of how a manager sees an employee," said Elizabeth Reed, a Goldman vice president who participated in the pilot of the system.

Apps and other tools allow managers to rate workers' progress in real time.

Theresa Chiaramonte, who helps Revinate orient new customers, said she initially spent hours typing peer reviews for nine colleagues, unsure how much to share.

"You don't want to hurt anyone's feelings," she said, adding that receiving feedback sometimes "stings."

Andrea Schulz, a senior manager in Deloitte's tax business, meets with the 20 employees she oversees and coaches nearly every other week. Simply finding time for those check-ins was challenging at the outset, she said. So too was figuring out what to talk about.

"We would kind of start to sit down...and not really know what the check-ins were meant for," she said.

Ms. Schulz shortened meetings to as little as 15 minutes and covers the employee's projects, strengths and areas for improvement. Now that her team relies on check-ins, Ms. Schulz said she fields fewer questions during the workday.

Performance reviews at accounting firm **PricewaterhouseCoopers** LLP had been a lengthy process in which employees negotiated their assessments with bosses.

PwC revamped that process in favor of a tool called "snapshots"—short, frequent reviews that rate employees on five characteristics, such as leadership ability and business acumen. Employees can request a snapshot from bosses at any time. "They take like two minutes," said Julia Lamm, a director in the company's management-consulting group.

One consultant who worked in PwC's Chicago office until last year said the ratings weren't helpful. "It was sort of a check, check-plus, check-minus rating, not actually feedback," she said.

A PwC spokeswoman said most employees have been happy with the system.

Some engineers at Lyft have been slow to adopt the company's new feedback tool. "They're not as touchy-feely about things," said Ron Storn, a Lyft human-resources executive.

The software, made by Zugata, scans workers' calendars for meetings with other employees and asks them to review fellow attendees. Some employees found that unnerving, said Mr. Storn.

It took **Lumeris Healthcare Outcomes** LLC two tries to get workers on board with a companywide goal-tracking program by BetterWorks. Managers now use the tool to monitor employees' workloads and progress, though not without some grumbling, according to Laura Lewis, a manager at the health-care solutions firm based in Maryland Heights, Mo.

"People have to overcome that negative of, 'Why do I have to do this four times a year? Why isn't once a year enough?' " she said.

Many Ways To Give Feedback

Lyft Inc. uses a program to monitor workers' calendars for meetings with other employees. It sends workers a prompt roughly once a week asking for their feedback on a fellow meeting attendee.

Employees at **Lumeris Healthcare Outcomes** LLC set quarterly objectives with goal-tracking software from BetterWorks, and those goals are visible to their co-workers.

Goldman Sachs Group Inc. developed a system that enables employees to request feedback about their own work on a recent project via smartphone or computer. .

PricewaterhouseCoopers LLP, employees send managers requests to evaluate them via quick "snapshots."

—*Rachel Feintzeig*


Elliot Bendoly of Ohio State's Fisher College of Business is critical of academic rankings by media outlets.
ANDREW SPEAR FOR THE WALL STREET JOURNAL

B-School Deans Urge Peers To Boycott Media Rankings

By Kelsey Gee

Business-school deans and research faculty at more than 20 universities are taking a stand against the academic rankings published by media outlets such as Bloomberg Businessweek, Nikkei Inc.'s Financial Times and the Economist Group.

Rather than "acquiesce to methods of comparison we know to be fundamentally misleading," the administrators are urging their peers at other schools to stop participating in a process they say rates programs on an overly narrow set of criteria.

The plea, issued by deans and faculty from institutions including University of Southern California's Marshall School of Business, University of Iowa's Tippie College of Business and the University of North Carolina's Kenan-Flagler Business School, comes in the form of a research paper to be published in the May edition of the Decision Sciences Journal.

The researchers examine the approaches used by media outlets to aggregate different factors like admitted students' test scores and tenured faculty on a school's payroll into a single number, arguing that the process oversimplifies the array of reasons students pursue business degrees.

The debate over rankings is hardly new, but the recent rancor comes as schools battle declining enrollment in two-year M.B.A. programs, compounding pressure on the institutions to tout the benefits of one of America's priciest degrees.

With sticker prices as high as $200,000 in tuition, an M.B.A. is "likely among the most expensive purchases these students will make in their lives," says Francesca Levy, an editor at Bloomberg who oversees business-school coverage. "There's big value in holding schools to the same standard and measuring them against the same transparent criteria so students can make a better-informed decision."

Co-author of the research paper Elliot Bendoly, an associate dean at Ohio State University's Fisher College of Business, disagrees. "If the goal is to help inform [students] about how to make the best decision about business schools, let's give them the raw information, and not take numbers—which may or may not be relevant to the student—and bungle them together into a ranked list," Mr. Bendoly says.

Surveys that favor schools with the highest-earning alumni, for example, might ignore the program's tendency to place students in high cost-of-living locations such as New York City, or industries such as finance, which don't match all applicants' career goals, he said.

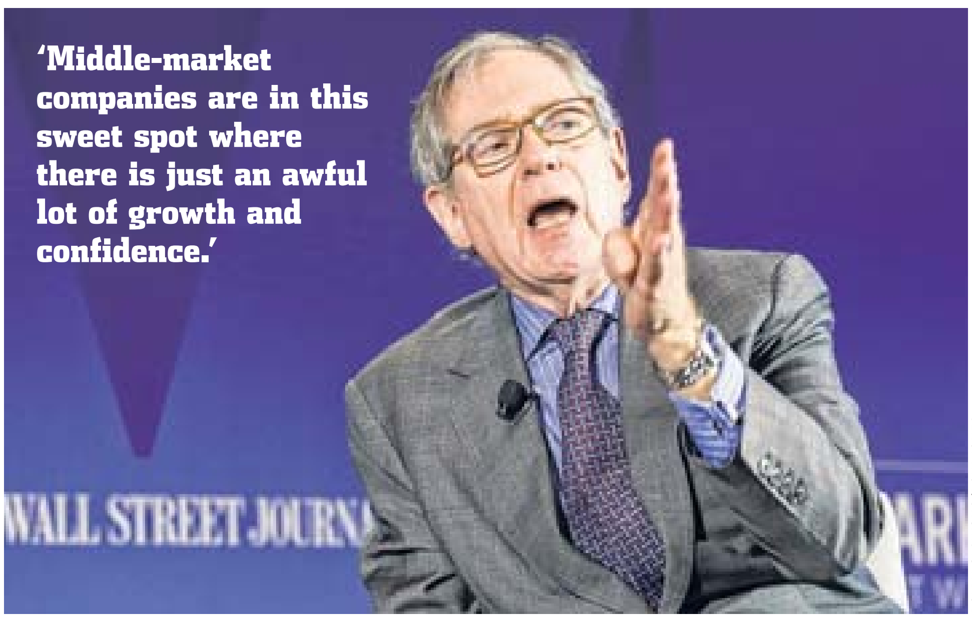
Mr. Bendoly says Fisher last year attempted to pull out of one organization's ranking process, but the media outlet was still able to obtain information such as the career outcomes of the school's graduates from other sources. He declined to name the organization.

Good News From the Middle

Midmarket companies had a terrific year, says Tom Stewart. As for what's on their wish list: Simpler taxes and more certainty.

Middle-market companies are getting healthier—but still face a lot of uncertainty.

That's the assessment from Tom Stewart, executive director of the National Center for the Middle Market. In a discussion with The Wall Street Journal's John Bussey, he talks about where the middle market stands today and its prospects for the future. Here are edited excerpts of their conversation.



RALPH ALSWANG/DOW JONES

Stronger numbers

MR. BUSSEY: *Your Center for the Middle Market spends a lot of time talking to many in the middle market throughout the United States, and surveying their sentiment at the moment. This is a pretty good time, if your data is correct.*

MR. STEWART: We survey 1,000 companies across the middle market, ask them how's business. In data collected at the end of March, we saw a year-on-year, top-line growth of 9.2% and employment growth of 7.5%, which sort of blew our minds.

Construction had a booming year. The other thing is that there was a big increase in merger-and-acquisition activity. The number of middle-market companies that said they made a deal in the last 12 months went up by a third, compared to the 12 months before.

The number of companies that said that their performance was flat or down, compared to the year before, dropped by 10 percentage points. The rising tide lifted all boats. It was a terrific year. Middle-market companies are in this sweet spot where there is just an awful lot of growth and confidence.

This is the first time we've seen confidence in the national economy higher than confidence in the local economy. Normally, middle-market companies are most confident in the local economy, then national, then global.

MR. BUSSEY: *The global-economy number strikes me. This is a time when global trade pacts are on their heels.*

MR. STEWART: We started seeing this global-economy confidence number bumping up last summer.

I thought, wait a minute. We've got Brexit. We've got other things.

But right now, for the first time in its history, every economy in the EU is growing. Now, it may be growing at a minuscule rate. But there's actually decent reason to be confident. It doesn't mean you're bullish. But they're feeling confident.

But there's a fly in this ointment. We asked, what do you buy or sell internationally? Did you do that five years ago? Do you expect to do more of it five years from now? There was a five-percentage-point jump between five years ago and today. If you ask them about the next five years, it's flat.

The job picture

MR. BUSSEY: *Can you deconstruct a bit the employment-growth number? There is an unemployment rate of about 4.6%. You would think this is going to drive up inflation, that people would be having a hard time finding people to do the jobs that they want to hire them for.*

MR. STEWART: Half of companies say that I could grow faster if I had the people. And that's at all levels. It's top of the house, it's management, it's technical workers, it's STEM workers. So talent is absolutely an issue across the middle market.

MR. BUSSEY: *Tell us what's on the minds of middle-market companies, from a policy-making standpoint, both national and state.*

MR. STEWART: I think the No. 1 thing that middle-market companies tell us is simplify, simplify, simplify. We have asked more than once, if you had a choice between lower taxes or simpler taxes, which would you prefer, and a plurality prefers simpler taxes over lower taxes.

You ask them which level of government you like working with the best, it's local, state, federal, in that order.

That's partly because there's stuff that you have to deliver at the local level that is very practical that business-people see and touch. Whereas other issues of policy and so on seem more remote and seem like they're less relevant to helping me run my business.

They say, let's get some certainty about some issues. Let's recognize that trade is good for us. Let's recognize that we need infrastructure. Let's recognize that we need talented people. And let's recognize, that having been said, in many cases, less is more when it comes to government.

THE MIDSIZE ENGINE

For all the uncertainty in the business world these days, here's a reality check: One of the key engines of the U.S. economy—middle-market companies—is humming.

That was clear at The Wall Street Journal's Middle Market Network gathering in Washington last week, where executives from companies with annual revenue between $25 million and $1 billion heard from a range of policy experts.

Yes, trade negotiations have taken on a protectionist vibe. Big corporate expenses like health-care insurance seem no closer to getting fixed. And potential windfalls such as tax reform are delayed by political bickering, more hearings on emails, and distracting tweets from the White House.

And yet business confidence was palpable in the room, and reflected too in data from groups like the National Center for the Middle Market, which surveys the sector. Employment is robust. Merger-and-acquisition activity is strong. Confidence in the economy is high. And executives are upbeat about revenue growth.

If middle-market companies are a bellwether, optimists have reason to cheer.

—John Bussey

INSIDE

Succession Planning in a Family Firm

J.W. Marriott Jr. and Andrew Keyt say the key is starting the conversation early on

Succession planning can be a painful process. Just ask 85-year-old J.W. "Bill" Marriott Jr., the executive chairman and chairman of the board at ***Marriott International****, who in 2012 stepped down as chief executive and handed the reins of the hotel giant to a nonfamily member for the first time in the company's history.*

Mr. Marriott, along with Andrew Keyt, a clinical professor at Loyola University Chicago's Quinlan School of Business and an expert on succession planning, sat down with The Wall Street Journal's Kate Linebaugh to discuss how to do succession planning right. Edited excerpts follow.


J.W. Marriott Jr.


Andrew Keyt

RALPH ALSWANG/DOW JONES (4)

Tough conversation

MS. LINEBAUGH: *Bill, a few years ago you made what I would consider an unusual decision for a 90-year-old company that had only had two CEOs—you and your father. You picked a successor from outside the family. Why?*

MR. MARRIOTT: Arne Sorenson, who's now our CEO, joined us in 1996. And we made him the CEO in 2012. So he had been around for 16 or 17 years.

He came on board as a lawyer, basically. He represented us in a big legal case back in 1993, and he tutored me on my deposition. And he did such a good job explaining arcane financial instruments that nobody had ever heard of that I figured this is one smart guy. So, three years later we hired him and put him in charge of mergers and acquisitions.

A couple of years later, our chief financial officer left and we decided to take a gamble and put Arne in as CFO. And then after a few more years we said this guy has to get some operating experience, so we made him president of European operations, too. He developed his people skills, which he didn't necessarily have as a trial lawyer. And he worked hard on that and did a great job. Around 2009 we made him chief operating officer, and then he became CEO. I was 80 and figured nobody over 80 should be running anything. So I got out of the way and he has been running the company ever since.

MS. LINEBAUGH: *You were quoted as saying that if you had followed your heart, you would have chosen your son. Why didn't you?*

MR. MARRIOTT: Well, it was a joint decision. My son had been with the company for 30 years. He started out in the kitchen. All of our children have worked in the kitchen, except my daughter who worked the front desk. So he really knew the business. He eventually became president of all North American lodging—that was his last job.

He found himself spending more time in meetings, more time at headquarters, and he's an entrepreneur. He figured that trying to run a big company like this would require a lot of outside speeches and a lot of meetings and a lot of things he didn't like to do. He wasn't happy. He wasn't joyous about coming to work, which I think is the most important thing about a job.

You have to love it or you can't do well in it. And he decided that it wasn't for him, and I agreed with him, and he left the company.

MS. LINEBAUGH: *Who initiated that conversation?*

MR. MARRIOTT: I said to him, "It looks like you're not having fun." And he said, "I'm really not."

MS. LINEBAUGH: *Was that a hard moment?*

MR. MARRIOTT: It wasn't easy, but at the same time it was the right thing to do. He wouldn't have done a good job because he just wasn't happy.

MS. LINEBAUGH: *Andrew, how can family businesses initiate these conversations, especially if somebody is a mismatch?*

MR. KEYT: Well, I think Bill really handled it beautifully.

I always tell families they have to start that conversation very early. You have to set expectations at a young age that this isn't a fait accompli that you're going to be the CEO. You need to prepare yourself and we need to pick the best leader for the overall organization. If we just do this as a birthright—that's where a lot of things go wrong. We always have to be asking what's in the best interest of the individual and what's in the best interest of the organization, and marry those two for success.

Start early

MS. LINEBAUGH: *What are some of the common pitfalls of succession planning?*

MR. KEYT: People always ask me, "When do you start succession planning?" If you want to be successful across generations, the answer is today. A lot of people treat succession planning as if it's an event. It isn't. It's a process, so you have to do it over time.

Many families fail at succession planning because the next generation isn't prepared. They aren't qualified because parents don't make space for them or give them feedback.

Families also often fail to develop a pool of talent. It isn't about having one possible successor; it's about having a pool of talent to draw on.

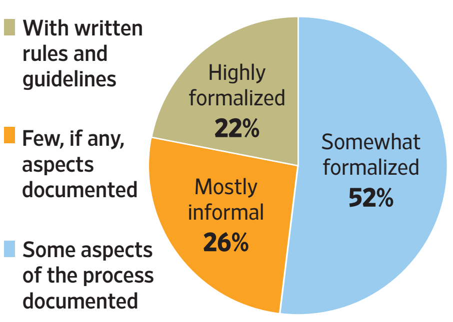
MS. LINEBAUGH: *So this is a continuous process?*

MR. KEYT: Most leaders are caught up in working *in* their business, rather than working *on* their business. Succession is really looking out into the future and planning for that.

Research shows that developing talent from within is much more successful than [hiring an outsider] and trying to create a cultural match at senior levels later in the succession game. [Developing people from within] allows companies to test out the cultural fit, the values fit. They get to know a lot more about people as potential leaders.

Finding the Right Players

Some of the ways midsize companies approach talent development



Percentage of companies that implement these talent planning activities

- **44%** Identifying critical positions that have to be filled by excellent players
- **34%** Lining up successors for critical players
- **39%** Processes to regularly assess employee performance and potential
- **34%** Identifying retention risks
- **29%** Aligning talent strategy and business strategy

Source: National Center for the Middle Market survey of 400 C-level executives actively engaged in attracting and retaining talent at their middle-market companies (revenue of $10 million to $1 billion), conducted in October 2016

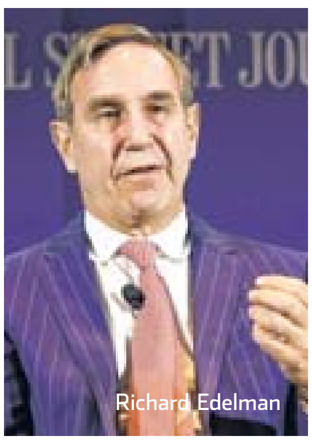
THE WALL STREET JOURNAL.

Reputations Won and Lost

Richard Edelman and Leslie Gaines-Ross on how midsize firms need to do social media better

A company's reputation can be its biggest asset. And in the era of social media, capital built up over decades can be lost in a matter of hours. Just look at United Airlines after its forcible removal of a paying passenger in Chicago.

To explore how companies can defend, repair and burnish their names, two giants in the field of corporate reputations, Richard Edelman, president and chief executive of Edelman, and Leslie Gaines-Ross, chief reputation strategist at ***Weber Shandwick*** *Inc., spoke with Nikki Waller, global management editor at The Wall Street Journal. Edited excerpts follow.*


Richard Edelman


Leslie Gaines-Ross

MS. WALLER: *The United Airlines incident is a lesson for business leaders: You can't afford to just be behind a desk. You have to be out there, be activist, be very human.*

MS. GAINES-ROSS: There's been a sea change in terms of what's expected of CEOs, also because of social media. And it's so much easier to get access to what CEOs are doing.

CEOs are meant to build cultures, work really closely with all the different people in their organization. And years ago, you would never have thought of CEOs as being a spokesperson for social justice or anything like that. That has changed. We see that with President Trump and the immigration ban; I think it was 84% of CEOs spoke up. I think there's a new role, certainly in the world of CEOs and how reputations are built.

MR. EDELMAN: One thing that was shocking, though. We do a trust barometer every year, and we've done it for 17 years. Trust in CEOs collapsed this last year. Collapsed. There was no specific event. I think Leslie's correct. It was disappointment in the CEOs not filling the void in a certain way left by government. They expect you to lead now.

MS. WALLER: *What is corporate reputation worth, and what does it mean for middle-market companies?*

MR. EDELMAN: Family business is twice as trusted as big public companies. There's an inverse correlation between size and trust, actually. So, in a certain way, you are the bulwarks of your local communities. You're very involved in charities and other things. And I think that's what the expectation is. You want to be able to lead and create public-policy frameworks or explain generally to customers how you're doing business.

MS. GAINES-ROSS: I would say for the middle market, it's all about talent. For the CEOs in middle-market companies, it's all about how do you build an organization that's going to attract people, that's going to build your name awareness, that's going to retain people.

Because you have all these big, big companies trying to attract your best talent. What do you offer that's different? What can you do in terms of making it just the most attractive place to work?

MS. WALLER: *How well do middle-market companies understand what's being said about them on social media? And how important is it?*

MR. EDELMAN: I would say most are still playing defense on reputation. I'm not talking about startups or tech companies. But in general, the classic, industrial, Midwestern family-oriented business, family businesses are defensive and shouldn't be.

MS. WALLER: *What kind of monitoring should people do?*

MS. GAINES-ROSS: Monitoring what's being said is critical. You can get news and information from Google, Yelp or Glassdoor. I always go to Glassdoor and take a look at what's being said about any company. There's Twitter. Who matters to your company? Who are the influencers—who may be on social media—who are saying positive things and negative things? What's their sentiment? And how is it changing? There are services that can tell you if a big critic with a lot of followers all of a sudden is changing their tune.

MR. EDELMAN: Talk to your employees first. Give them the information and let them speak. Do not speak from the mount. It doesn't work. It's not believable if it comes from the CEO's office. It's wildfire if it comes from the employees. Let them talk among themselves, and don't try to interrupt the discussions unless it's manifestly false, in which case you should act.

MS. GAINES-ROSS: Make sure your employees understand responsible use of social media. Make sure everyone understands how to be responsible when talking about the company; what you're allowed to talk about.

MS. WALLER: *How many middle-market companies have an advantage on the feel-good index because they're smaller?*

MS. GAINES-ROSS: Ties to community and ties to building a great culture and talent make people feel better. It's something you can hold on to in this very disconnected and disorienting world.

MR. EDELMAN: People are really getting scared about automation and the pace of job loss in retail and in manufacturing. The No. 1 thing in terms of gaining trust is job retraining. Retrain your employees so they get up-skilled and don't get outsourced or replaced by robots. They're really nervous right now.

Trade Under Trump

Michael Froman and Peter Morici say that so far in the new administration, not much has changed. The question is what happens when a trade professional enters the picture.


Michael Froman


Peter Morici

RALPH ALSWANG/DOW JONES (3)

The Trump administration wants to redefine American trade policy. What will change?

The Wall Street Journal's Jacob M. Schlesinger spoke with Michael Froman, the U.S. trade representative during the second term of the Obama administration, and Peter Morici from the University of Maryland, an economist who has questioned the free-trade consensus. Here are edited excerpts of the discussion.

What has changed?

MR. SCHLESINGER: *One hundred and three days in, what has changed significantly in trade policy?*

MR. FROMAN: The main thing that President Trump has done is that he has withdrawn the U.S. from the Trans-Pacific Partnership. It said the U.S. is going to step back from the leadership role that it played through the negotiation of TPP.

Much of the other things that he has done have been more in line with launching studies. And then with regard to the North American Free Trade Agreement, where there was a big debate whether he was going to pull out of Nafta or renegotiate it, we're now in renegotiation mode.

MR. MORICI: We've been on a continuum of a more muscular trade policy. Members of Congress have felt more discontent because the benefits of globalization have gone to one group of Americans and the adjustment costs have gone to another. In many communities, adjustment hasn't taken place in the way the textbooks say it should.

We're awfully far out in time in places like Reading, Pa., and so forth from when the factories closed. But not just the workers but their children seem unable to move into another world, into other opportunities.

If we go back and look at the Obama years, Mr. Obama was hardly wimpish on trade. He pursued trade cases with considerable vigor. Now we see Mr. Trump ratcheting that up. A lot of the campaign rhetoric seems to have fallen to the side.

It's no great accomplishment to nix TPP because Congress wasn't going to pass it. We are going to see this administration be a bit more aggressive.

I don't see a fundamental reordering of our relationship with our Nafta partners, nor with China, but rather an updating of Nafta to reflect the negotiating goals that were in the TPP.

The new order

MR. SCHLESINGER: *There's a line, I think coined by Elizabeth Warren, that personnel is policy. So what really matters in these kind of policies is the people you put in place.*

Peter Navarro recently became head of the Office of Trade and Manufacturing, Wilbur Ross the commerce secretary, and Robert Lighthizer, who will probably be confirmed soon as U.S. trade representative to succeed Ambassador Froman.

MR. MORICI: Of the three, so far Wilbur is designated to lead trade policy. He's a sort of a venture capitalist. A private-equity guy might be more accurate.

His most notable history relating to trade was turning around a couple of the large integrated mills when we had the steel tariff at the beginning of the Bush years, and then more recently running a large textile firm, which benefits greatly from something called rules of origin. How much fiber must you have in fabric and how much fabric must you have in apparel for it to qualify for free trade?

When you ask Wilbur, "What are we going to do about Nafta?" He says, "We're going to redo the rules of origin." Some of the most rigorous rules of origin on the planet are on apparel that moved between the United States and Mexico.

These personalities aren't deeply steeped in the intricacies of American trade policy and of the requirements and opportunities that the World Trade Organization offers us.

The notion that we're going to study the WTO as to whether it is worth our interests and we're going to have bilateral agreements instead of plural lateral agreements—think about it.

With the 12 partners in the TPP, we're now going to have 121 cross agreements? I find that ludicrous.

At the same time, I'm very anxious to see what spin Mr. Lighthizer puts on all this when he arrives, because he has a very solid knowledge of these things.

MR. SCHLESINGER: *So far, what the Trump administration has done is launch a lot of studies. What are the specific things that you are watching most closely?*

MR. FROMAN: I think this administration's made the renegotiation of Nafta their top trade priority. We viewed the Trans-Pacific Partnership as the renegotiation of Nafta because Mexico and Canada were part of it.

They agreed to give us access to their energy markets. They improved intellectual property. They improved investor protections.

And they did that not because we were giving them anything, because they already had full access to our market, but because they were getting access to Japan and other markets and TPP. Now the question will be if we make a bilateral or a trilateral agreement, will Mexico and Canada be able to give us the same or more?

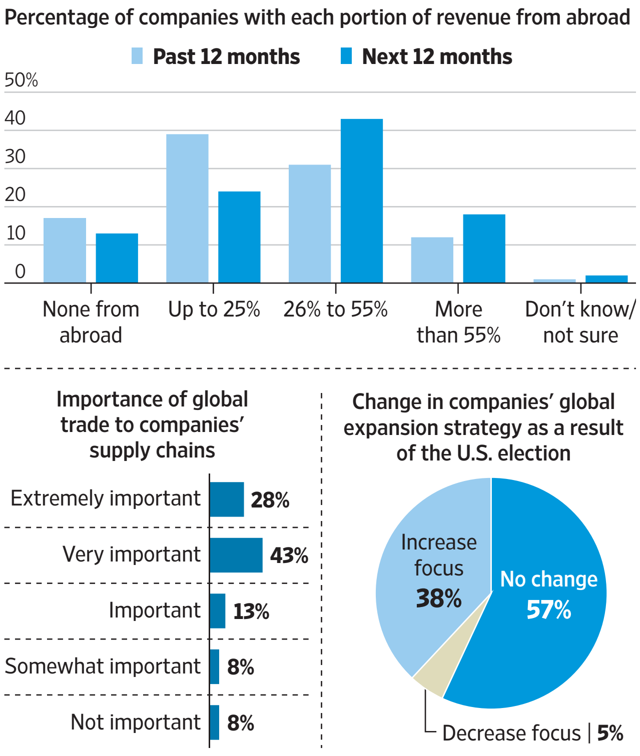
Mexico has an election coming up next year. They have candidates who are not particularly pro-American, and to the degree that we're seen as embarrassing the Mexican government or forcing them to agree to a one-sided deal, it'll be interesting to see how that plays into the politics there.

MR. MORICI: Embarrassing negotiating partners in international negotiations isn't a terribly effective strategy. You can, sort of, intimidate another businessman or woman across the table and that may or may not work. With a political leader, electorates don't like that sort of thing.

Donald Trump hasn't transitioned from being a candidate to being a president very effectively. That has to happen soon if he's going to get something done in these negotiations. Again, cooler heads will hopefully prevail and bringing in a real trade professional, I think, would be very useful, and we're about to get that.

Looking Abroad

Midsize American companies in the global market



Source: Deloitte survey of 525 executives at U.S. midsize companies (annual revenue between $50 million and $1 billion) conducted Nov. 28 to Dec. 7, 2016

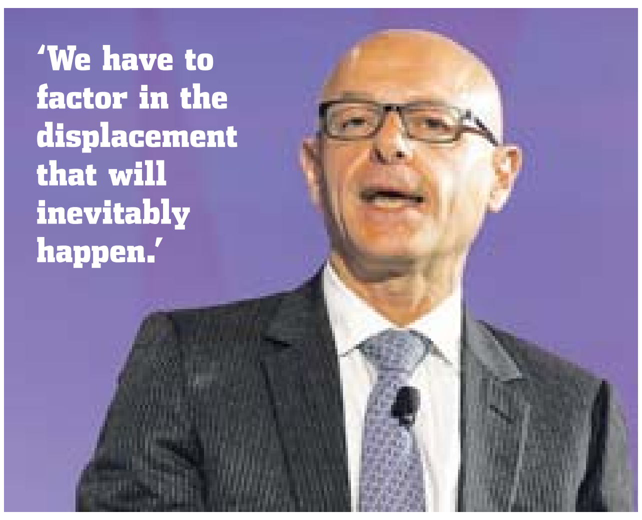
THE WALL STREET JOURNAL.

Man, Machines and Fear

GE's Marco Annunziata on managing the labor displacement from technological innovation

Technological innovation poses some tough questions for companies concerning their workers. Among them: How can executives and managers calm workers' fears of losing their jobs to automation? And how can companies find workers with the skills needed in a more technologically advanced workplace?

*Marco Annunziata, chief economist and executive director of global market insight at **General Electric** Co., discussed these issues with Jennifer Forsyth, deputy chief of investigations at The Wall Street Journal. Here are edited excerpts of their conversation.*



MS. FORSYTH: *How do managers negotiate the issues and the fear surrounding the idea among workers that machines are going to take all their jobs?*

MR. ANNUNZIATA: The best way of addressing it is starting to bring the new technology into the workplace and showing the workers how to interact with the technology and showing them how, in most cases, the winning strategy is really the combination of worker with the new technology.

Inevitably, there will be fear. But then, you give them the technology and you show them that, "Look, this is how you use it and your job becomes more efficient, faster and safer," and they get it. So they immediately respond much more positively.

The second part of it is it helps them realize that for most of the job descriptions we have in the manufacturing sector, there is always a human component, which is not substitutable by a machine. Every job has components that will be automated. But if there is a crucial component of your job that cannot be automated, your job doesn't go away. It gets better.

And by the way, when the maintenance has to be done, we need you. There is no robot that has the manual dexterity, the ability to perceive the environment and react to it, especially in noncontrolled environments, and do the maintenance that a human being has.

MS. FORSYTH: *But some jobs will disappear, right? Long-haul truck drivers really believe that those jobs will cease to exist in the reasonably near future, that we'll have self-driving cars, same for taxi drivers. Is there an answer to people like that?*

MR. ANNUNZIATA: We have to factor in the displacement that will inevitably happen. We have to try to understand where it is more likely to happen and then we have to put in place measures to smooth and attenuate its impact as much as possible. One issue is rethinking the way we do training, rethinking the way that we connect the education system with industry. But definitely, there will be some disruption. We have to take it seriously and we have to think through how do we make it as painless as possible.

MS. FORSYTH: *Retraining, everyone talks about it, it's been a mixed success at best. What's the answer there? How do we start to find the skilled workers that we need for this economy so that people can still put food on the table and businesses can find the skilled workers that they need?*

MR. ANNUNZIATA: One thing we are doing is investing more and more in training with the company, but also in initiatives to have closer cooperation with colleges and schools in the areas where we have manufacturing operations.

We talk to the professors in the college and we try to design curricula together, explaining what kinds of jobs are being transformed within the manufacturing plant. And then, having courses where as part of their education, students can come in for internships and understand what is being done. Now we're a big company, we can do it, but I think a lot of it can be done in cooperation, also, with smaller companies, middle-sized companies, because the fact is we are all part of a supply-chain ecosystem where we all have to thrive together.

The second part is more in-house training on the job skills that are needed. And then, for the retraining of existing workers in sectors which are shrinking, I think for that there needs to be probably more of a policy intervention to figure out how to have a more ambitious retraining program.

THE PROPERTY REPORT

GE Joins Boston Real-Estate Party

Firm breaks ground on headquarters as city sees a building boom; heading for a glut?

BY PETER GRANT

MICHAEL DWYER/ASSOCIATED PRESS

The site of General Electric's new Boston headquarters before Monday's groundbreaking ceremony.

General Electric Co. Chief Executive Jeffrey Immelt joined Boston Mayor Martin Walsh and other government leaders on Monday to celebrate the groundbreaking of the company's new headquarters, the most vivid sign so far of a historic real-estate boom gathering steam in New England's biggest city.

GE is moving its headquarters to Boston from Fairfield, Conn., at a time when roughly 14 million square feet of new space is being developed elsewhere in the city. That doesn't count the 40 million square feet of permitted projects that haven't broken ground yet. About 80% of the new development consists of rental apartments and condominiums. Most of the rest is office space.

"This is the biggest building boom in the history of the city," said Brian Golden, director of the Boston Planning & Development Agency.

Developers who caught the wave early—including major U.S. companies and foreign investors—have made handsome profits. For example, a partnership led by **Tishman Speyer** that had invested $535 million in an office project known as One Federal Street just refinanced it in a deal that valued it at $705 million.

A venture of **Related Cos.** of New York and Beal Cos. of Boston, meanwhile, converted a derelict candy warehouse into a new headquarters for Nike Inc.'s Converse unit, which relocated about two years ago from Andover, Mass. Last year, the venture sold the property to Union Investment, a German fund, for $150 million.

But there also are signs of growing pains and concerns of a glut of apartments and office space in Boston. Many of the residential units under construction are luxury high-rise rentals and condominiums, a relatively untested market in Boston, where most of the housing is low-rise.

The office-vacancy rate has mostly been falling from its postcrash high of 14.5%, according to real-estate firm JLL. But in the first quarter of 2017, it rose to 14% from 13.7% in the year-earlier period as new space was added and tenants moved into more efficient offices.

Most concerning to planners, Boston is facing a shortage of middle- and low-income housing as affluent workers and others bid up the price of market-rate apartments and houses. Mayor Walsh is ahead of schedule on his plan to add 53,000 units by 2030, but it hasn't been easy. The effort has triggered opposition in neighborhoods where residents are worried about being displaced by market-rate housing.

"It's a real struggle for us," said Mr. Golden, who pointed out that 17% of the 3,607 units completed in 2016 were considered affordable, or below-market rate.

Boston's boom is partly rooted in the growing popularity of city living, a national trend. In the past six years, Boston's population has added 50,000 people, or about 8%, more than all of the previous three decades. The region's 55 educational institutions make Boston an appealing location for a wide range of businesses.

When GE announced plans to move there last year, Mr. Immelt pointed to Massachusetts' high spending on research and development. "We want to be at the center of an ecosystem that shares our aspirations," he said.

Boston also gave GE tax incentives to move there.

In addition, planners credit a mammoth infrastructure project known as the "Big Dig" that rerouted a major highway artery underground. Completed in 2007 at a cost of nearly $15 billion, it was criticized at the time for delays and going way over budget. But today, the city is enjoying the benefits of new parks and more walkable links between downtown and the waterfront.

GE is moving its headquarters to two historic, redbrick buildings and a new 12-story building on 2.4 acres in the revived waterfront area that used to be cut off from the downtown by a highway.

So far, rental and condo markets are holding up despite the thousands of new units being added, brokers say.

Meanwhile, the office market is beginning to see a rise in speculative developments, according to a report by JLL. Only 37% of the space under construction is preleased, the report said.

Taubman Hits Back Against Activist Litt

BY ESTHER FUNG

Shopping-center owner **Taubman Centers** Inc. is fighting back after activist investor Jonathan Litt's hedge fund recently filed proxy materials to nominate himself and a corporate governance specialist to the board.

The real-estate investment trust said it reviewed **Land & Buildings Investment Management** LLC's nominees and concluded its own candidates are significantly more qualified.

"Land & Buildings has a fundamentally flawed view of what is needed to maximize Taubman's value on a sustainable basis—a belief supported by Mr. Litt's repeatedly flawed analysis and erroneous conclusions about Taubman while covering the company as a sell-side analyst," the company said in a filing.

Mall operators are facing headwinds from weaknesses across the retail industry, an oversupply of retail real estate and the rising popularity of online shopping. Their shares have taken a beating, and operators face pressure from shareholders to strengthen their portfolios, cut costs and sell assets.

Taubman operates 27 retail assets in the U.S. and Asia.

In the first quarter, Taubman reported 3.9% growth in net operating income and 1.2% growth in sales per square foot compared with the year-earlier period. Occupancy remained at 92.3% as of March 31, unchanged from a year ago.

Analysts have raised concerns about the strength of its occupancy after the firm raised its 2017 guidance for income from lease cancellation to a range of $10 million to $12 million from $5 million to $6 million. When a tenant breaks a lease, it usually has to pay the landlord a termination fee.

KEITH BEDFORD FOR THE WALL STREET JOURNAL

Jonathan Litt is pushing for a board seat on Taubman Centers.

Land & Buildings is looking to replace Taubman Chief Executive Robert Taubman and lead director Myron E. Ullman III during the company's annual meeting in June. Mr. Litt is founder and chief investment officer of Land & Buildings, which owns about 1.2% of the REIT.

The other nominee put forward by Land & Buildings is Charles Elson, who studies corporate governance at the University of Delaware.

Mr. Litt said in an email to The Wall Street Journal that Taubman has cherry-picked the time periods and peer groups most advantageous when assessing its own performance.

"The company failed to address in any constructive way its history of poor capital allocation, persistent poor operating margins, missed revenue opportunities, and the dual class structure that effectively limits the ability of shareholders to have their voices heard," Mr. Litt said.

Taubman on Monday said that during Mr. Litt's tenure as a sell-side analyst, his ratings on the REIT missed the mark. Mr. Litt had a sell or underperform rating on Taubman 28 times, and in the following 12 months of each report, Taubman saw an average stock return of 33.3% while Mr. Litt predicted a 13.7% decline, the firm said in the filing, citing calculations from Mr. Litt.

CHINA

Continued from page B1

and that 20,000 customers have bought or are in the process of purchasing overseas property. A similar real-estate platform, Juwai.com, estimates that roughly 30% to 40% of its buyers are millennials.

Cherubic Ventures, a venture-capital firm with offices in Beijing and San Francisco, invested an undisclosed sum in Uoolu. One selling point, said the firm's founder, Matt Cheng, was Uoolu's target of reaching young Chinese buyers who are tech savvy and interested in cross-border investments "but don't know where to begin."

Overseas investing isn't easy at a time when the Chinese government is clamping down on capital flight amid concerns about a weakening currency. Chinese citizens aren't allowed to transfer more than $50,000 a year out of the country or use those funds to buy overseas property.

However, this increased government scrutiny is "slowing but not cutting off" the surge of investment in U.S. property, said Arthur Margon, partner at Rosen Consulting Group.

Wang Hao, Uoolu's 33-year-old chief operating officer, said, "the more the government limits people, the more they want to invest overseas."

People often skirt the foreign-exchange rules by, for example, pooling money among family members and friends and separately sending it into overseas bank accounts. Also, Chinese citizens who have studied or worked abroad for a few years might already have bank accounts in other countries and those overseas funds are beyond the Chinese government's control.

IAN WALDIE/BLOOMBERG NEWS

A potential buyer inspects a house for sale in Australia. A growing section of Chinese millennials are looking to buy property abroad.

Alan Wang, a 19-year-old college student in Toronto who comes from Shenzhen, said he opened a bank account in Canada for education expenses. Now it is useful for buying property, too. He and his family are thinking about purchasing a home on a budget of about 1 million Canadian dollars (US$730,000) this summer. To do so, he will have relatives send money to his bank account, he said.

Uoolu helps buyers open bank accounts in other countries and apply for mortgages there. Users pay a deposit to reserve the right to purchase a home. The money is sent directly from a buyer's bank account to the overseas developer—Uoolu says it doesn't handle the cross-border transaction within the mobile app.

Chris Daish, a real-estate agent at Triplemint in New York, said one of his Chinese clients, an accountant in her mid-20s who works in New York, earlier this year pooled $110,000 from five family members to help buy her a condo in the city.

"It's a really arduous task even to get a couple hundred grand out," said Mr. Daish, who emphasized that he doesn't help clients with money transfers.

A 28-year-old who works in finance in Beijing in February bought two apartments in Bangkok for a total of 5 million yuan ($724,000), one for a vacation home and the other for rental income. She declined to disclose her name out of fear of government retaliation for violating capital controls.

As for some of her friends, she said, "They wish to buy but dare not."

Plots & Ploys

JLL

Investor Slams Pay Practices

One of **JLL**'s largest shareholders has attacked the commercial real-estate services giant for the $11 million compensation package it awarded outgoing Chief Executive Colin Dyer, citing JLL's weak returns for shareholders in recent years.

London-based **Generation Investment Management** LLP, which owns a 7.5% stake in JLL, made its concerns known in Securities and Exchange Commission filings and a letter to proxy-advisory firm Institutional Shareholder Services Inc. Generation said it plans to vote against the re-election of JLL Chairman Sheila Penrose and the firm's compensation plan at JLL's May 31 shareholder meeting. "We believe this is a clear example of pay for failure," said Alexander Marshall, a partner with the asset-management firm in the letter to ISS.

A spokeswoman for JLL and Mr. Dyer, who unexpectedly announced his resignation as chief executive last year, declined to comment.

Mr. Dyer's 2016 compensation package, which includes salary, pension and "incentive plan compensation," came to $11.3 million in 2016, according to JLL's recently filed proxy statement. He retired as chief executive at the end of September.

JLL's shares slid 23% from the beginning of 2016 to Tuesday's close on the New York Stock Exchange.

—Peter Grant

SABRA HEALTH CARE REIT

Merger Is Set With Care Capital

Health-care real estate landlords **Sabra Health Care REIT** Inc. and **Care Capital Properties** are merging to form a $7.4 billion company that would create a more diversified real-estate investment trust with better access to debt markets.

The Sabra management team will head the company, which will be based in Irvine, Calif. Sabra, whose portfolio includes skilled-nursing facilities and senior housing, said that no one tenant will represent more than 11% of annualized net operating income. The transaction will reduce Sabra's reliance on **Genesis HealthCare**, its largest tenant, from contributing about a third of net operating income to the low teens, said Fitch Ratings.

Shareholders of Care Capital, whose current portfolio is primarily skilled-nursing facilities, will receive 1.123 shares of Sabra for each Care Capital share, which would result in them owning about 59% of the combined firm and Sabra shareholders owning the rest. Annual cost savings are put at about $20 million.

—Esther Fung

COMMERCIAL LENDING

S&P Cautions On Real Estate

Bond-rater Standard & Poor's said risks are rising for bank lending to commercial real estate, and the lenders could face trouble.

Average commercial real-estate loans on banks' balance sheets reached $1.63 trillion at the end of 2016, surpassing the previous peak of $1.52 trillion in 2008, according to S&P in a note.

Low interest rates, an improving U.S. economy and rising popularity of urban lifestyles have spurred real-estate markets across the country since 2012, leading to fast-rising property prices and elevated valuations.

At the same time, financing from commercial mortgage-backed securities hasn't been a major competitor to banks, S&P said.

Amid rising interest rates, such high asset values add risk for banks, given their heavy exposure to the sector.

Banks with exposure to energy-dependent regions, overheated multifamily markets or retail real estate that is facing headwinds from e-commerce are more vulnerable, S&P said.

—Esther Fung


$9.2MM PURCHASE PRICE
3,852 ASSET PAGE VIEWS
291,137 SF
30 REGISTERED BUYERS
DOWNTOWN OFFICE
4 BIDDERS
STAND OUT TO THE
UNKNOWN BUYER.
× MAKE YOUR MARKET

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE MKT and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq OMX BXSM (formerly Boston), Chicago Stock Exchange, CBOE, National Stock Exchange, ISE and BATS.

The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
▲-New 52-week high.
▼-New 52-week low.
dd-Indicates loss in the most recent four quarters.
FD-First day of trading.
h-Does not meet continued listing standards
lf-Late filing
q-Temporary exemption from Nasdaq requirements.
t-NYSE bankruptcy
v-Trading halted on primary market.
vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Tuesday, May 9, 2017

NYSE

Stock	Sym	Close	Net Chg
ABB	ABB	24.56	-0.07
AES	AES	11.34	0.03
Aflac	AFL	73.86	-0.47
AT&T	T	38.22	-0.35
AXIS Capital	AXS	64.16	-0.75
AbbottLabs	ABT	44.67	-0.01
AbbVie	ABBV	66.17	-0.04
Accenture	ACN	121.07	-0.04
AcuityBrands	AYI	191.37	4.48
Adient	ADNT	71.44	0.58
AdvanceAuto	AAP	146.12	-0.85
AdvSemiEngg	ASX	6.14	0.03
Aegon	AEG	5.33	-0.02
AerCap	AER	46.02	0.93
▲ Aetna	AET	142.40	0.84
AffiliatedMgrs	AMG	154.00	0.16
AgilentTechs	A	56.87	0.55
AgnicoEagle	AEM	46.22	-0.40
Agrium	AGU	91.65	0.18
AirProducts	APD	145.30	-0.89
AlaskaAir	ALK	84.21	0.68
Albemarle	ALB	109.33	-0.23
Alcoa	AA	30.82	-0.20
AlexandriaRealEst	ARE	113.52	-1.20
▲ Alibaba	BABA	120.00	3.14
Alleghany	Y	578.21	-9.76
Allegion	ALLE	76.98	0.18
Allergan	AGN	238.51	-3.44
AllianceData	ADS	260.21	2.85
AllianceBernstein	AB	21.05	0.20
AlliantEnergy	LNT	39.57	-0.22
AllisonTransm	ALSN	38.48	-0.12
Allstate	ALL	84.17	-0.60
AllyFinancial	ALLY	19.75	-0.16
Altria	MO	70.29	-0.42
AlumofChina	ACH	11.55	0.28
Ambev	ABEV	5.94	0.06
Ameren	AEE	54.21	-0.42
AmericaMovil	AMX	15.46	0.20
AmericaMovil A	AMOV	15.31	0.07
AmCampus	ACC	45.42	-0.65
AEP	AEP	67.31	-0.42
AmericanExpress	AXP	78.44	0.28
AmericanFin	AFG	97.66	-0.89
AmerHomes4Rent	AMH	22.22	-0.10
AIG	AIG	61.82	-0.10
▲ AmerTowerREIT	AMT	128.09	-0.78
AmerWaterWorks	AWK	75.30	-1.27
Amerigas	APU	43.89	-0.52
Ameriprise	AMP	128.91	0.53
AmerisourceBrgn	ABC	87.54	0.95
Ametek	AME	60.30	0.37
Amphenol	APH	72.66	0.13
AnadarkoPetrol	APC	51.33	-0.98
AB InBev	BUD	119.11	...
AnnalyCap	NLY	11.24	-0.20
AnteroMidstream	AM	33.49	-0.07
AnteroResources	AR	20.95	-0.38
Anthem	ANTM	177.73	-2.10
▲ Aon	AON	124.30	1.49
Apache	APA	50.45	0.20
ApartmtInv	AIV	42.90	-0.19
ApolloGlobalMgmt	APO	27.17	0.53
AquaAmerica	WTR	31.30	-0.69
Aramark	ARMK	37.40	1.12
ArcelorMittal	MT	7.76	0.02
ArcherDaniels	ADM	42.36	-0.60
Arconic	ARNC	27.26	0.18
▲ AristaNetworks	ANET	144.93	2.18
▲ ArrowElec	ARW	76.50	-1.13
AshlandGlobal	ASH	123.16	0.12
Assurant	AIZ	104.43	-0.87
AstraZeneca	AZN	30.90	0.67
Athene	ATH	53.75	-0.34
AtmosEnergy	ATO	80.55	-1.36
Autoliv	ALV	103.78	1.08
AutoZone	AZO	707.05	-2.93
Avalonbay	AVB	192.13	0.27
Avangrid	AGR	43.75	-0.38
AveryDennison	AVY	83.01	-0.75
AxaltaCoating	AXTA	31.30	0.21
BB&T	BBT	43.47	-0.27
BCE	BCE	45.08	-0.41
BHPBilliton	BHP	34.40	0.37
BHPBilliton	BBL	29.88	0.43
BP	BP	35.35	-0.08
BRF	BRFS	13.60	0.32
BT Group	BT	20.09	-0.05
BakerHughes	BHI	58.60	-0.88
Ball	BLL	79.64	0.03
BancoBilbaoViz	BBVA	8.28	-0.19
BancodeChile	BCH	72.82	0.12
BcoSantChile	BSAC	23.63	-0.34
BancoSantander	SAN	6.69	-0.14
BanColombia	CIB	41.25	0.26
BankofAmerica	BAC	23.98	0.02
BankofMontreal	BMO	69.72	-0.75
BankNY Mellon	BK	47.12	-0.56
BkNovaScotia	BNS	55.29	-0.66
Barclays	BCS	10.65	0.05
Bard CR	BCR	305.97	0.05
BarrickGold	ABX	16.28	0.02
BaxterIntl	BAX	56.14	0.44
BectonDickinson	BDX	180.66	-1.96
Berkley	WRB	65.81	-1.00
BerkHathwy A	BRK/A	246000	-1160.00
BerkHathwy B	BRK/B	163.46	-1.56
BerryGlobal	BERY	56.10	0.59
BestBuy	BBY	51.82	0.06
Bio-RadLab A	BIO	223.12	5.27
Bio-RadLab B	BIO/B	221.00	1.00
BlackKnightFin	BKFS	38.75	-1.85
BlackRock	BLK	380.50	-1.88
BlackstoneGroup	BX	29.99	-0.13
BoardwalkPipe	BWP	17.92	...
▲ Boeing	BA	186.91	0.89
BoozAllen	BAH	35.58	-0.19
BorgWarner	BWA	41.90	0.29
BostonProperties	BXP	123.12	-0.43
▲ BostonScientific	BSX	26.38	-0.01
Braskem	BAK	21.87	0.61
Bristol-Myers	BMY	55.32	0.38
BrixmorProp	BRX	19.12	0.30
BroadridgeFinl	BR	68.36	-0.02
BrookfieldMgt	BAM	37.28	-0.42
BrookfieldInfr	BIP	39.68	-0.32
Brown&Brown	BRO	42.63	-0.42
Brown-Forman A	BF/A	50.00	0.10
Brown-Forman B	BF/B	49.41	0.02
BuckeyePtrs	BPL	66.79	-0.60
Bunge	BG	69.43	-0.58
▲ BurlingtonStores	BURL	101.21	0.59
CBD Pao	CBD	22.60	0.18
CBRE Group	CBG	36.26	-0.07
CBS A	CBS/A	64.35	0.12
CBS B	CBS	63.56	0.19
CF Industries	CF	27.42	-0.34
CGI Group	GIB	47.79	-0.41
CIT Group	CIT	46.70	-0.25
CMS Energy	CMS	44.90	-0.58
CNA Fin	CNA	44.93	-0.29
CNOOC	CEO	114.33	0.33
CPFLEnergia	CPL	16.27	0.08
CRH	CRH	37.20	0.09
CVS Health	CVS	81.10	0.05
CabotOil	COG	23.82	0.11
▲ CAE	CAE	15.93	0.08
CamdenProperty	CPT	81.54	0.09
Cameco	CCJ	9.96	0.03
CampbellSoup	CPB	57.17	-0.68
CIBC	CM	78.94	-0.59
CanNtlRlwy	CNI	74.21	-0.22
CanNaturalRes	CNQ	30.84	-0.55
CanPacRlwy	CP	155.41	-0.05
▲ Canon	CAJ	33.99	0.32
CapitalOne	COF	82.32	0.20
CardinalHealth	CAH	72.39	0.38
Carlisle	CSL	102.39	-1.26
CarMax	KMX	60.28	...
Carnival	CCL	63.22	0.49
Carnival	CUK	63.09	0.42
Caterpillar	CAT	99.29	-0.08
Celanese A	CE	86.65	0.47
Cemex	CX	8.75	0.07
Cencosud	CNCO	8.28	0.05
CenovusEnergy	CVE	9.50	-0.12
Centene	CNC	75.73	-0.06
CenterPointEner	CNP	27.45	-0.42
CentraisElBras	EBR	5.11	0.15
CenturyLink	CTL	25.03	0.23
Chemours	CC	40.72	0.46
Chevron	CVX	105.08	-1.60
ChinaEastrnAir	CEA	27.74	1.12
ChinaLifeIns	LFC	15.36	0.56
ChinaMobile	CHL	54.73	0.44
ChinaPetrol	SNP	80.25	1.66
ChinaSoAirlines	ZNH	35.09	1.52
ChinaTelecom	CHA	48.74	0.75
ChinaUnicom	CHU	12.99	0.10
Chipotle	CMG	479.13	7.98
Chubb	CB	136.32	-0.91
ChunghwaTelecom	CHT	34.55	0.18
Church&Dwight	CHD	50.29	-0.33
▲ Cigna	CI	162.65	0.90
CimarexEnergy	XEC	119.01	-2.90
Citigroup	C	60.23	-0.27
CitizensFin	CFG	37.18	-0.18
Clorox	CLX	132.43	0.52
▲ Coach	COH	45.20	0.49
Coca-Cola	KO	43.51	-0.38
Coca-Cola Euro	CCE	40.05	-0.04
Coca-Cola Femsa	KOF	73.20	0.72
Colgate-Palmolive	CL	71.50	-0.34
ColonyNorthStar	CLNS	13.14	0.07
Comerica	CMA	71.21	-0.70
SABESP	SBS	9.58	0.32
ConagraBrands	CAG	37.29	-0.36
ConchoRscs	CXO	129.60	-1.31
ConocoPhillips	COP	46.27	-0.86
ConEd	ED	78.81	-0.58
▲ ConstBrands A	STZ	177.77	-1.75
ContinentalRscs	CLR	41.54	-0.57
▲ Cooper	COO	207.65	1.25
▲ Corning	GLW	29.08	-0.04
Coty	COTY	17.83	-0.19
Credicorp	BAP	159.60	2.29
CreditSuisse	CS	14.80	-0.01
CrescentPoint	CPG	9.54	-0.20
CrestwoodEquity	CEQP	23.45	-0.70
CrownCastle	CCI	94.95	-0.41
CrownHoldings	CCK	56.55	-0.27
Cullen/Frost	CFR	91.35	-1.37
Cummins	CMI	157.75	1.46
DTE Energy	DTE	103.97	-0.52
▲ DXC Tech	DXC	79.00	0.59
Danaher	DHR	83.17	-0.22
Darden	DRI	87.27	0.19
DaVita	DVA	65.87	0.48
Deere	DE	113.58	0.94
▲ DellTechnologies	DVMT	67.24	-0.39
DelphiAutomotive	DLPH	88.27	0.86
DeltaAir	DAL	49.56	1.04
DeutscheBank	DB	18.85	-0.22
DevonEnergy	DVN	37.89	-0.27
▲ Diageo	DEO	119.71	-0.19
Dick's	DKS	51.68	0.99
DigitalRealty	DLR	114.00	0.46
DiscoverFinSvcs	DFS	60.70	0.57
Disney	DIS	112.07	0.65
DollarGeneral	DG	73.69	...
DominionRscs	D	77.48	-1.05
▲ Domino's	DPZ	195.36	3.07
Donaldson	DCI	46.83	-0.08
DouglasEmmett	DEI	38.30	-0.14
Dover	DOV	79.43	0.60
DowChemical	DOW	61.83	-0.54
DrPepperSnap	DPS	90.51	-0.57
DrReddy'sLab	RDY	40.16	-0.09
DuPont	DD	79.49	-0.77
DukeEnergy	DUK	82.11	-0.81
DukeRealty	DRE	27.88	-0.28
ENI	E	31.93	-0.14
EOG Rscs	EOG	91.64	-0.05
EQT	EQT	56.37	-0.76
EQT Midstream	EQM	74.05	-1.05
EastmanChem	EMN	78.39	-0.89
Eaton	ETN	76.76	-0.02
Ecolab	ECL	125.61	-0.34
Ecopetrol	EC	9.26	-0.06
EdisonIntl	EIX	79.53	-0.07
EdwardsLife	EW	109.99	0.01
EmersonElectric	EMR	58.85	0.23
EnbridgeEnPtrs	EEP	17.77	-0.30
Enbridge	ENB	41.24	-0.34
Encana	ECA	10.96	-0.18
EnelAmericas	ENIA	9.76	-0.08
EnelGenChile	EOCC	23.20	0.15
EnergyTrfrEquity	ETE	17.45	-0.22
EnergyTransfer	ETP	22.53	...
EnLinkMidPtrs	ENLK	17.02	-0.11
Entergy	ETR	75.23	-1.04
EnterpriseProd	EPD	26.78	-0.28
EnvisionHlthcr	EVHC	55.99	-0.23
Equifax	EFX	135.87	-1.36
EquityLife	ELS	81.52	-0.32
EquityResdntl	EQR	64.84	-0.18
EssexProp	ESS	250.43	0.57
EsteeLauder	EL	92.98	0.37
EverestRe	RE	243.06	-3.13
EversourceEner	ES	59.35	-0.41
Exelon	EXC	33.59	-0.67
ExtraSpaceSt	EXR	73.14	-0.07
ExxonMobil	XOM	82.31	-0.58
FMC	FMC	72.60	-0.25
FactSet	FDS	162.64	1.41
FederalRealty	FRT	130.55	0.11
FedEx	FDX	190.79	-0.32
FiatChrysler	FCAU	11.00	-0.20
FidelityNatlFin	FNF	40.36	-0.89
FNFV Group	FNFV	13.45	-0.05
FidelityNtlInfo	FIS	83.15	-0.19
58.com	WUBA	42.49	0.33
▲ FirstData	FDC	16.48	-0.13
FirstRepBank	FRC	92.84	-1.08
FirstEnergy	FE	28.76	-0.30
FleetCorTech	FLT	134.89	0.28
Flowserve	FLS	49.14	-0.48
Fluor	FLR	48.39	0.57
FomentoEconMex	FMX	90.13	1.09
FootLocker	FL	76.67	0.14
FordMotor	F	11.16	0.03
ForestCIty A	FCE/A	22.35	0.17
ForestCity B	FCE/B	28.67	0.34
Fortis	FTS	32.19	-0.37
Fortive	FTV	62.70	-0.19
FortBrandsHome	FBHS	63.50	0.07
Franco-Nevada	FNV	67.19	0.18
FranklinRscs	BEN	43.43	0.45
Freeport-McMoRan	FCX	11.63	-0.04
FreseniusMed	FMS	46.67	0.33
GGP	GGP	22.30	0.11
Gallagher	AJG	55.22	-0.26
Gap	GPS	26.41	0.09
Gartner	IT	113.69	0.37
Gazit-Globe	GZT	10.47	-0.03
▲ GeneralDynamics	GD	196.59	0.26
GeneralElec	GE	28.93	-0.14
GeneralMills	GIS	56.37	-1.03
GeneralMotors	GM	34.26	0.29
GenuineParts	GPC	92.83	0.29
Gildan	GIL	28.55	-0.03
GlaxoSmithKline	GSK	41.93	0.23
▲ GlobalPayments	GPN	87.27	0.73
GoDaddy	GDDY	39.18	-0.03
Goldcorp	GG	13.68	-0.03
GoldmanSachs	GS	223.76	-1.27
▲ Graco	GGG	109.88	0.24
Grainger	GWW	187.77	-1.21
GreatPlainsEner	GXP	28.05	-0.29
GpoAeroportuar	PAC	103.77	1.58
GpoAeroportSur	ASR	193.51	-0.71
GpoAvalAcciones	AVAL	7.99	-0.05
GpFinSantandMex	BSMX	9.11	0.05
GrupoTelevisa	TV	24.72	0.10
HCA Healthcare	HCA	84.13	0.27
HCP	HCP	29.89	-0.24
▲ HDFC Bank	HDB	83.02	0.50
▲ HP	HPQ	19.24	-0.07
HSBC	HSBC	42.91	0.22
Halliburton	HAL	45.03	-0.33
Hanesbrands	HBI	22.49	0.86
HarleyDavidson	HOG	56.22	0.68
Harris	HRS	108.50	0.50
HartfordFinl	HIG	49.26	-0.11
HealthcareAmer	HTA	29.76	-0.06
▲ Heico	HEI	73.46	-0.17
▲ Heico A	HEI/A	62.25	-0.15
Helmerich&Payne	HP	58.18	-1.59
▲ Herbalife	HLF	72.81	0.78
Hershey	HSY	106.41	-0.59
Hess	HES	47.83	-0.60
▲ HewlettPackard	HPE	18.78	-0.11
▲ Hilton	HLT	62.33	1.65
▲ HomeDepot	HD	157.68	0.79
HondaMotor	HMC	28.47	-0.53
Honeywell	HON	131.91	0.78
HormelFoods	HRL	34.58	0.10
DR Horton	DHI	33.21	0.55
HostHotels	HST	17.83	0.03
HuanengPower	**HNP**	**28.81**	**1.65**
Hubbell	HUBB	114.31	1.82
▲ Humana	HUM	230.59	1.34
HuntingtonIngalls	HII	195.99	0.68
Huntsman	HUN	25.12	0.42
▲ HyattHotels	H	57.99	0.69
ICICI Bank	IBN	9.33	-0.15
ING Groep	ING	16.49	-0.18
Invesco	IVZ	32.56	0.21
IDEX	IEX	104.21	-0.77
IllinoisToolWks	ITW	138.95	-0.59
Infosys	INFY	14.94	-0.16
Ingersoll-Rand	IR	89.36	-0.04
Ingredion	INGR	118.41	-1.40
ICE	ICE	58.91	-0.18
InterContinentl	IHG	54.84	0.77
IBM	IBM	152.11	-0.92
IntlFlavors	**IFF**	**128.98**	**-8.40**
IntlPaper	IP	52.54	-0.40
Interpublic	IPG	24.45	0.32
InvitationHomes	INVH	21.45	0.17
IronMountain	IRM	34.80	-0.10
IsraelChemicals	ICL	4.25	-0.02
ItauUnibanco	ITUB	12.13	0.04
JPMorganChase	JPM	86.75	-0.35
JabilCircuit	JBL	28.78	-0.31
JacobsEngineering	JEC	55.92	1.21
JamesHardie	JHX	16.24	-0.09
J&J	JNJ	123.21	-0.04
JohnsonControls	JCI	42.01	-0.01
JonesLangLaSalle	JLL	121.09	-0.90
JuniperNetworks	JNPR	30.68	0.19
KAR Auction	KAR	42.97	-0.09
▲ KB Fin	KB	47.17	0.18
KKR	KKR	18.97	0.23
KT	KT	16.05	0.08
KSCitySouthern	KSU	92.35	0.37
Kellogg	K	70.85	-1.85
KeyCorp	KEY	18.47	-0.20
KeysightTechs	KEYS	39.13	0.09
KilroyRealty	KRC	70.06	-0.79
KimberlyClark	KMB	128.21	-0.11
▼ KimcoRealty	KIM	19.52	0.09
KinderMorgan	KMI	19.90	-0.25
KinrossGold	KGC	3.75	-0.06
Kohl's	KSS	39.82	0.53
KoninklijkePhil	PHG	35.99	-0.11
KoreaElcPwr	KEP	19.81	-0.18
Kroger	KR	29.05	0.13
Kyocera	KYO	58.74	0.25
LATAMAirlines	LFL	12.26	-0.29
L Brands	LB	52.90	0.84
LG Display	LPL	13.45	0.07
LINE	LN	33.20	...
L3 Tech	LLL	167.77	1.77
LabCpAm	LH	142.03	-0.16
LambWeston	LW	41.75	0.17
LasVegasSands	LVS	58.04	0.84
Lazard	LAZ	43.70	0.58
Lear	LEA	144.21	1.24
Leggett&Platt	LEG	53.49	0.04
Leidos	LDOS	52.55	-0.76
Lennar A	LEN	50.66	0.81
Lennar B	LEN/B	42.42	0.28
LennoxIntl	LII	166.95	-0.06
LeucadiaNatl	LUK	25.30	-0.80
Level3Comm	LVLT	59.84	0.38
LibertyProperty	LPT	40.63	-0.33
EliLilly	LLY	80.79	0.12
LincolnNational	LNC	68.61	-0.01
LiveNationEnt	LYV	33.98	-0.02
LloydsBanking	LYG	3.66	-0.03
LockheedMartin	LMT	273.87	1.37
Loews	L	46.33	-0.43
▲ Lowe's	LOW	85.85	-0.15
Luxottica	LUX	59.38	0.49
LyondellBasell	LYB	81.91	1.13
M&T Bank	MTB	159.31	-0.59
MGM Resorts	MGM	30.96	0.54
MPLX	MPLX	34.79	0.04
MSCI	MSCI	97.65	-0.56
▼ Macerich	MAC	59.64	-0.46
MacquarieInfr	MIC	80.35	0.17
Macy's	M	29.30	0.63
MagellanMid	MMP	73.25	-1.05
MagnaIntl	MGA	42.91	0.47
Manpower	MAN	103.36	0.44
ManulifeFin	MFC	17.85	-0.15
MarathonOil	MRO	14.40	-0.19
MarathonPetrol	MPC	51.46	0.12
Markel	MKL	961.74	-1.74
Marsh&McLennan	MMC	73.65	-0.47
MartinMarietta	MLM	233.84	-0.45
Masco	MAS	36.95	0.02
Mastercard	MA	116.41	-0.20
McCormick	MKC	99.72	-0.70
McCormickVtg	MKC/V	100.55	-0.24
▲ McDonalds	MCD	144.36	0.12
McKesson	MCK	142.49	1.62
MeadJohnson	MJN	88.85	0.01
Medtronic	MDT	83.34	0.04
Merck	MRK	63.29	-0.72
MetLife	MET	52.31	-0.75
MettlerToledo	MTD	547.43	4.84
MichaelKors	KORS	38.65	0.41
MidAmApt	MAA	98.76	-0.65
MitsubishiUFJ	MTU	6.45	-0.06
MizuhoFin	MFG	3.73	-0.01
MobileTeleSys	MBT	9.44	-0.16
Mobileye	MBLY	61.70	-0.10
MohawkIndustries	MHK	234.39	0.30
MolsonCoors B	TAP	92.80	-1.13
Monsanto	MON	116.05	...
Moody's	MCO	116.71	0.03
MorganStanley	MS	42.83	-0.19
Mosaic	MOS	23.49	-0.05
MotorolaSolutions	MSI	84.77	1.18
NTTDoCoMo	DCM	23.99	-0.04
NVR	NVR	2175.59	13.28
NationalGrid	NGG	66.50	-0.10
NatlOilwell	NOV	33.76	-0.28
▼ NatlRetailProp	NNN	38.53	-0.88
NewOrientalEduc	EDU	66.97	-0.18
NY CmntyBcp	NYCB	13.08	-0.19
NewellBrands	NWL	52.88	0.95
NewfieldExpln	NFX	34.05	-0.84
NewMarket	NEU	463.39	0.81
NewmontMining	NEM	32.76	0.08
NextEraEnergy	NEE	133.77	-1.18
NielsenHoldings	NLSN	40.79	0.31
Nike	NKE	54.89	0.59
NiSource	NI	24.10	-0.28
NobleEnergy	NBL	31.09	-0.15
Nokia	NOK	6.18	0.05
NomuraHoldings	NMR	6.19	-0.07
Nordstrom	JWN	49.35	0.65
NorfolkSouthern	NSC	116.67	0.92
NorthropGrumman	NOC	249.49	0.35
Novartis	NVS	78.52	0.62
NovoNordisk	NVO	39.90	-0.68
Nucor	NUE	58.80	-1.07
NuSTAREnergy	NS	44.99	-0.69
OGE Energy	OGE	33.61	-0.44
ONEOK	OKE	50.48	-0.56
ONEOK Partners	OKS	49.32	-0.60
OccidentalPetrol	OXY	59.88	-0.72
Och-Ziff	OZM	2.47	0.01
OmegaHealthcare	OHI	32.04	-0.22
Omnicom	OMC	84.00	0.27
Oracle	ORCL	45.48	-0.08
Orange	ORAN	16.30	-0.06
OrbitalATK	OA	98.40	-0.13
Orix	IX	77.59	-0.11
OwensCorning	OC	62.36	0.71
PG&E	PCG	66.77	-0.20
PLDT	PHI	35.40	-0.20
PNC Fin	PNC	121.96	-1.72
POSCO	PKX	58.67	-0.33
PPG Ind	PPG	107.85	-0.58
PPL	PPL	38.37	-0.32
PVH	PVH	102.76	0.37
PackagingCpAm	PKG	100.60	-0.71
PaloAltoNtwks	PANW	118.30	1.47
▼ ParkHotels	PK	25.66	0.34
ParkerHannifin	PH	159.25	-0.04
ParsleyEnergy	PE	31.45	-0.58
Pearson	PSO	9.43	0.10
PembinaPipeline	PBA	31.86	-0.36
▲ Pentair	PNR	67.73	1.64
PepsiCo	PEP	112.72	-0.50
▲ PerkinElmer	PKI	62.56	0.67
Perrigo	PRGO	74.73	1.66
PetroChina	PTR	68.04	0.61
PetroleoBrasil	PBR	9.36	0.13
PetroleoBrasilA	PBR/A	8.85	0.10
Pfizer	PFE	33.38	-0.07
PhilipMorris	PM	111.93	-0.70
Phillips66	PSX	79.60	-0.04
PinnacleFoods	PF	57.57	-0.64
PinnacleWest	PNW	84.14	-0.77
PioneerNatRscs	PXD	169.48	-2.98
PlainsAllAmPipe	**PAA**	**26.95**	**-1.54**
PlainsGP	**PAGP**	**27.36**	**-2.14**
PolarisIndustries	**PII**	**91.20**	**4.84**
PostHoldings	**POST**	**78.12**	**-4.52**
Potash	POT	16.48	0.01
Praxair	PX	128.62	-0.47
PrincipalFin	PFG	63.46	-0.49
Procter&Gamble	PG	86.40	-0.15
Progressive	PGR	40.32	-0.26
Prologis	PLD	54.20	-0.60
PrudentialFin	PRU	107.88	-0.38
Prudential	PUK	45.23	0.07
PublicServiceEnt	PEG	42.95	-0.67
PublicStorage	PSA	208.07	-0.38
PulteGroup	PHM	22.71	0.46
QuestDiag	DGX	107.28	0.09
QuintilesIMS	Q	84.27	0.63
▲ RELX	RENX	19.85	0.18
▲ RELX	RELX	21.04	0.19
RPM	RPM	52.10	0.09
RSP Permian	RSPP	39.14	-1.00
RalphLauren	RL	84.05	1.95
RangeResources	RRC	25.13	-0.69
RaymondJames	RJF	75.52	-0.11
▲ Raytheon	RTN	160.06	0.44
RealtyIncome	O	54.96	-0.72
RedHat	RHT	88.58	0.38
▼ RegencyCtrs	REG	61.53	0.04
RegionsFin	RF	14.21	-0.14
ReinsuranceGrp	RGA	124.55	-2.48
RelianceSteel	RS	74.05	-1.33
RenaissanceRe	RNR	139.01	-0.69
RepublicServices	RSG	63.01	-0.16
ResMed	RMD	67.46	-0.76
▲ RestaurantBrands	QSR	59.19	0.67
▲ ReynoldsAmer	RAI	64.82	-0.08
RioTinto	RIO	38.48	0.01
RobertHalf	RHI	47.93	0.66
Rockwell	ROK	157.13	1.00
RockwellCollins	COL	105.07	1.03
RogersComm B	RCI	45.89	-0.05
Rollins	ROL	39.85	0.25
RoperTech	ROP	221.90	1.01
RoyalBkCanada	RY	67.72	-1.01
RoyalBkScotland	RBS	6.82	-0.10
RoyalCaribbean	RCL	108.82	0.85
RoyalDutchA	RDS/A	54.17	-0.31
RoyalDutchB	RDS/B	56.25	-0.15
▲ SAP	SAP	103.67	0.36
S&P Global	SPGI	137.31	0.45
SINOPECShanghai	SHI	56.13	-0.38
SK Telecom	SKM	23.55	0.08
SLGreenRealty	SLG	103.50	-1.24
▲ Salesforce.com	CRM	87.13	0.27
Sanofi	SNY	49.11	0.48
Sasol	SSL	30.16	0.45
Scana	SCG	65.51	-0.79
Schlumberger	SLB	72.28	0.06
SchwabC	SCHW	40.50	0.09
ScottsMiracleGro	SMG	89.12	-0.45
SealedAir	**SEE**	**42.30**	**-4.11**
SemicondctrMfg	SMI	6.08	-0.02
SempraEnergy	SRE	111.53	-0.41
SensataTech	ST	40.35	0.44
ServiceCorp	SCI	32.05	-0.29
▲ ServiceNow	NOW	97.33	-0.57
ShawComm B	SJR	21.22	-0.15
▲ SherwinWilliams	SHW	338.38	0.63
▲ ShinhanFin	SHG	44.51	0.50
▲ Shopify	SHOP	89.15	2.37
SilverWheaton	SLW	19.26	-0.30
▼ SimonProperty	SPG	162.46	-0.38
SixFlags	SIX	62.72	-0.06
SmithAO	AOS	54.84	...
Smith&Nephew	SNN	33.95	0.20
Smucker	SJM	125.49	-0.75
Snap	SNAP	23.32	0.86
SnapOn	SNA	170.69	0.19
SOQUIMICH	SQM	33.93	-0.01
▲ Sony	SNE	35.41	0.25
Southern	SO	49.98	-0.05
SoCopper	SCCO	33.83	0.12
SouthwestAirlines	LUV	58.28	0.80
SpectraEnerPtrs	SEP	44.18	-0.52
SpectrumBrands	SPB	126.62	-1.38
SpiritAeroSys	SPR	54.80	1.81
Sprint	S	7.90	0.14
Square	SQ	19.80	0.24
StanleyBlackDck	SWK	138.85	0.19
StarwoodProp	STWD	21.81	-0.26
StateStreet	STT	83.45	0.06
Statoil	STO	17.19	-0.12
▲ Steris	STE	75.92	0.62
STMicroelec	STM	16.58	0.17
Stryker	SYK	134.87	0.02
SumitomoMits	SMFG	7.46	-0.07
SunCommunities	SUI	83.84	0.59
SunLifeFinancial	SLF	35.59	-0.13
SuncorEnergy	SU	31.41	-0.15
SunTrustBanks	STI	57.62	-0.54
SynchronyFin	SYF	28.10	-0.28
▲ Syngenta	SYT	93.57	0.11
Sysco	SYY	54.91	0.01
▲ TAL Education	TAL	122.97	-0.17
TE Connectivity	TEL	75.81	-0.01
Tegna	**TGNA**	**24.05**	**-1.74**
Telus	TU	33.28	-0.09
TIM Part	TSU	16.02	0.24
TJX	TJX	78.98	0.79
▲ TaiwanSemi	TSM	35.41	0.43
TargaResources	TRGP	49.26	-1.11
Target	TGT	58.08	0.78
TataMotors	TTM	32.77	...
TechnipFMC	FTI	31.62	0.03
TeckRscsB	TECK	18.11	-0.16
TelecomItalia	TI	9.75	0.03
TelecomItalia A	TI/A	7.96	-0.02
Teleflex	TFX	194.40	-0.59
TelefonicaBras	VIV	14.75	0.08
Telefonica	TEF	11.38	-0.05
TelekmIndonesia	TLK	32.38	-0.02
Tenaris	TS	30.67	-0.24
Teradyne	TER	35.49	0.12
Tesoro	TSO	83.47	1.62
TesoroLogistics	TLLP	51.83	0.13
TevaPharm	TEVA	31.15	0.36
Textron	TXT	47.08	0.39
▲ ThermoFisherSci	TMO	172.12	1.73
ThomsonReuters	TRI	44.17	-0.43
3M	MMM	197.96	-0.69
Tiffany	TIF	92.46	1.06
TimeWarner	TWX	98.13	-0.26
▲ Toll Bros	TOL	37.36	0.72
Torchmark	TMK	76.04	-0.58
▲ Toro	TTC	66.57	0.03
TorontoDomBk	TD	46.34	-0.49
Total	TOT	51.83	-0.61
TotalSystem	TSS	57.93	-0.37
ToyotaMotor	TM	108.46	-1.73
TransCanada	TRP	46.48	-0.59
TransDigm	TDG	242.42	-12.61
▲ TransUnion	TRU	41.31	0.14
Travelers	TRV	119.95	-1.06
TurkcellIletism	TKC	8.13	-0.04
TurquoiseHill	TRQ	2.59	-0.04
Twitter	TWTR	18.37	0.06
TylerTech	TYL	165.68	...
TysonFoods	TSN	57.88	-1.60
UBS Group	UBS	16.79	-0.26
▲ UDR	UDR	37.55	-0.38
UGI	UGI	49.27	-0.41
▲ US Foods	USFD	28.80	0.11
UltraparPart	UGP	23.21	0.17
UnderArmour A	UAA	21.39	0.86
UnderArmour C	UA	19.81	0.69
▲ Unilever	UN	53.33	-0.14
▲ Unilever	UL	52.18	-0.07
UnionPacific	UNP	109.96	-0.06
▲ UnitedContinental	UAL	78.55	3.57
UPS B	UPS	106.51	-1.01
UnitedRentals	URI	111.70	0.02
US Bancorp	USB	51.58	-0.42
US Steel	X	20.79	-0.53
▲ UnitedTech	UTX	121.46	0.38
UnitedHealth	UNH	173.24	-1.20
UniversalHealthB	UHS	122.50	1.18
UnumGroup	UNM	46.39	-0.37
VEREIT	VER	7.68	0.05
VF	VFC	55.58	0.62
Visa	V	92.00	0.08
VailResorts	MTN	199.82	0.58
Vale	VALE	8.26	0.13
ValeroEnergy	VLO	66.63	0.52
Valspar	VAL	112.31	-0.04
Vantiv	VNTV	64.54	0.26
▲ VarianMed	VAR	96.01	0.46
Vedanta	VEDL	14.26	0.35
▲ VeevaSystems	VEEV	55.05	-0.19
Ventas	VTR	62.63	-0.90
Verizon	VZ	46.42	-0.21
VermilionEnergy	VET	35.16	-0.36
Vipshop	VIPS	14.23	0.57
▲ VMware	VMW	94.06	-0.53
VornadoRealty	VNO	94.37	-0.21
VoyaFinancial	VOYA	36.63	0.04
VulcanMaterials	VMC	126.11	-0.56
WABCO	WBC	119.06	-0.54
WEC Energy	WEC	60.94	-0.62
W.P.Carey	WPC	61.33	-0.78
Wabtec	WAB	81.30	-0.74
▲ Wal-Mart	WMT	76.72	0.60
WasteConnections	WCN	91.94	-0.62
WasteMgt	WM	72.76	-0.50
Waters	WAT	174.50	1.43
WellCareHealth	WCG	170.02	0.01
WellsFargo	WFC	54.68	-0.36
Welltower	HCN	69.03	-0.69
WestPharmSvcs	WST	95.54	-0.70
WestarEnergy	WR	52.33	-0.03
WesternGasEquity	WGP	43.51	-0.52
WesternGasPtrs	WES	55.14	-0.68
WesternUnion	WU	19.49	-0.07
WestlakeChem	WLK	60.35	0.26
WestpacBanking	WBK	23.93	-1.22
WestRock	WRK	53.41	-1.20
Weyerhaeuser	WY	33.21	-0.13
Whirlpool	WHR	184.50	0.82
Williams	WMB	30.06	-0.57
WilliamsPartners	WPZ	40.99	-0.25
Wipro	WIT	10.20	0.07
▲ WooriBank	WF	41.71	0.37
Workday	WDAY	89.78	-0.48
Wyndham	WYN	96.67	0.70
▲ XPO Logistics	XPO	55.30	1.25
XcelEnergy	XEL	44.77	-0.36
Xerox	XRX	7.04	-0.07
Xylem	XYL	51.85	-0.35
YPF	YPF	23.69	-0.44
YumBrands	YUM	68.76	-0.38
YumChina	YUMC	34.10	0.32
ZTO Express	ZTO	14.55	0.44
ZayoGroup	ZAYO	35.02	0.34
ZimmerBiomet	ZBH	118.66	1.75
▲ Zoetis	ZTS	59.43	0.62

NASDAQ

Stock	Sym	Close	Net Chg
AGNC Invt	AGNC	19.66	-0.39
▲ Ansys	ANSS	121.29	0.16
ARRIS Intl	ARRS	28.04	0.31
ASML	ASML	134.96	1.69
Abiomed	ABMD	130.88	0.10
▲ ActivisionBliz	ATVI	54.62	0.63
AdobeSystems	ADBE	135.60	0.48
AkamaiTech	AKAM	50.40	0.23
AlexionPharm	ALXN	124.70	0.22
AlignTech	ALGN	138.17	1.17
Alkermes	ALKS	57.34	0.14
▲ Alphabet A	GOOGL	956.71	-1.98
▲ Alphabet C	GOOG	932.17	-2.13
▲ Amazon.com	AMZN	952.82	3.78
Amdocs	DOX	61.82	-0.23
Amerco	UHAL	369.58	0.38
AmericanAirlines	AAL	47.08	2.14
Amgen	AMGN	163.22	0.19
AnalogDevices	ADI	78.50	2.12
▲ Apple	AAPL	153.99	0.98
▲ AppliedMaterials	AMAT	42.04	0.50
ArchCapital	ACGL	95.37	-0.89
▲ Atlassian	TEAM	36.84	0.02
▲ Autodesk	ADSK	94.74	1.35
ADP	ADP	97.08	0.38
▲ BOK Fin	BOKF	83.15	-0.76
Baidu	BIDU	182.98	5.51
BankofOzarks	OZRK	48.01	-0.58
BedBath	BBBY	37.54	0.33
Biogen	BIIB	261.28	0.86
BioMarinPharm	BMRN	91.15	0.43
Bioverativ	BIVV	55.95	0.41
▲ Broadcom	AVGO	228.46	3.38
CA	CA	32.05	-0.27
▲ CBOE Holdings	CBOE	84.99	2.73
CDK Global	CDK	62.11	0.32
CDW	CDW	59.48	0.45
CH Robinson	CHRW	70.86	-0.60
CME Group	CME	117.64	0.54
CSX	CSX	51.81	...
CadenceDesign	CDNS	33.00	0.17
Carlyle	CG	17.85	0.10
Celgene	CELG	120.10	1.74
Cerner	CERN	64.85	0.24
CharterComms	CHTR	325.52	1.71
CheckPointSftw	CHKP	106.04	-0.28
CincinnatiFin	CINF	68.99	-0.93
Cintas	CTAS	121.50	0.59
CiscoSystems	CSCO	33.90	-0.39
CitrixSystems	CTXS	86.82	-0.37
▲ Cognex	CGNX	89.36	0.25
▲ CognizantTech	CTSH	64.17	-0.11
Coherent	COHR	220.05	2.47
Comcast A	CMCSA	39.08	-0.12
CommerceBcshrs	CBSH	55.92	-0.43
CommScope	COMM	36.73	0.81
Copart	CPRT	30.41	-0.09
▲ CoStarGroup	CSGP	252.25	0.43
Costco	COST	172.68	0.04
▲ Ctrip.com	CTRP	55.33	2.36
DISH Network	DISH	61.24	-0.04
DentsplySirona	XRAY	63.25	-2.18
DexCom	DXCM	71.99	-1.41
DiamondbackEner	FANG	99.62	-1.00
DiscoveryComm A	DISCA	26.66	-0.59
DiscoveryComm C	DISCK	26.00	-0.51
DollarTree	DLTR	82.78	0.49
E*TRADE	ETFC	35.63	-0.06
EastWestBancorp	EWBC	55.51	-0.04
eBay	EBAY	33.72	0.48
EchoStar	SATS	58.61	-0.26
▲ ElectronicArts	EA	96.01	0.28
▲ Equinix	EQIX	425.91	-0.73
Ericsson	ERIC	6.61	0.03
ErieIndemnity A	ERIE	116.11	-0.90
Exelixis	EXEL	21.84	0.28
Expedia	EXPE	139.40	-0.17
ExpeditorsIntl	EXPD	53.37	-0.31
ExpressScripts	ESRX	62.08	0.48
F5Networks	FFIV	130.84	1.08
Facebook	FB	150.48	-0.58
Fastenal	FAST	45.50	-0.30
FifthThirdBncp	FITB	24.84	-0.10
Fiserv	FISV	119.73	-0.11
Flex	FLEX	15.34	0.05
▲ Fortinet	FTNT	39.06	-0.72
Gaming&Leisure	GLPI	35.35	0.07
Garmin	GRMN	52.01	0.05
Gentex	GNTX	20.21	0.21
GileadSciences	GILD	67.61	0.40
Goodyear	GT	35.51	0.26
Grifols	GRFS	21.41	0.06
HD Supply	HDS	40.29	-0.34
Hasbro	HAS	101.19	1.44
HenrySchein	HSIC	177.41	2.39
▲ Hologic	HOLX	45.57	0.26
JBHunt	JBHT	87.61	-0.27
HuntingtonBcshs	HBAN	12.93	-0.12
▲ IAC/InterActive	IAC	101.99	1.44
IdexxLab	IDXX	162.06	0.40
IHSMarkit	INFO	43.50	-0.49
IPG Photonics	IPGP	134.31	-0.10
IcahnEnterprises	IEP	50.82	-2.31
Illumina	ILMN	183.59	-1.06
Incyte	INCY	119.73	1.94
Intel	INTC	36.37	-0.17
InteractiveBrkrs	IBKR	35.80	-0.24
Intuit	INTU	126.73	0.56
IntuitiveSurgical	ISRG	843.17	2.38
IonisPharma	IONS	46.80	1.50
▲ JD.com	JD	38.53	-0.02
JackHenry	JKHY	97.30	0.17
JazzPharma	JAZZ	158.35	1.68
JetBlue	JBLU	21.84	0.43
KLA Tencor	KLAC	100.81	0.31
KraftHeinz	KHC	89.20	-0.28
LKQ	LKQ	31.41	-0.01
LamResearch	LRCX	150.54	1.42
LamarAdvertising	LAMR	69.73	-1.42
LibertyBroadbandA	LBRDA	84.85	0.26
LibertyBroadbandC	LBRDK	85.99	0.02
LibertyGlobal A	LBTYA	30.85	-0.76
LibertyGlobal B	**LBTYB**	**31.95**	**-5.35**
LibertyGlobal C	LBTYK	30.36	-0.71
LibertyLiLAC A	LILA	21.66	-0.41
LibertyLiLAC C	LILAK	21.52	-0.88
LibertyQVC B	**QVCB**	**23.24**	**2.39**
LibertyQVC A	**QVCA**	**23.70**	**2.43**
LibertyVenturesA	LVNTA	52.05	0.18
LibertyFormOne A	FWONA	33.25	-0.10
LibertyFormOne C	FWONK	34.21	-0.19
LibertyBraves A	BATRA	24.38	0.01
LibertyBraves C	BATRK	24.04	-0.02
LincolnElectric	LECO	89.85	-0.02
▲ LogitechIntl	LOGI	34.53	0.26
LogMeIn	LOGM	114.10	-0.95
lululemon	LULU	52.05	0.36
MarketAxess	MKTX	186.54	0.86
▲ **Marriott**	**MAR**	**102.50**	**6.13**
MarvellTech	MRVL	15.54	0.40
Mattel	MAT	22.43	0.21
MaximIntProducts	MXIM	45.90	0.21
MelcoResorts	MLCO	22.05	0.59
▲ MercadoLibre	MELI	281.77	6.81
MicrochipTech	MCHP	76.45	0.99
MicronTech	MU	28.81	0.75
Microsemi	MSCC	49.26	0.61
Microsoft	MSFT	69.04	0.10
Middleby	MIDD	137.45	-0.98
Momo	MOMO	38.58	...
Mondelez	MDLZ	44.30	-0.29
MonsterBeverage	MNST	47.99	-0.49
Mylan	MYL	38.01	0.63
NXP Semi	NXPI	106.77	-0.13
Nasdaq	NDAQ	66.75	-0.28
NetApp	NTAP	40.13	...
Netease	NTES	271.90	2.95
Netflix	NFLX	157.46	1.08
NewsCorp A	NWSA	13.11	0.32
NewsCorp B	NWS	13.40	0.30
Nordson	NDSN	128.08	0.09
NorthernTrust	NTRS	90.79	-0.14
NorwegianCruise	NCLH	55.78	0.68
NVIDIA	NVDA	102.94	0.17
OReillyAuto	ORLY	255.75	1.93
OldDomFreight	ODFL	85.15	-0.25
ON Semi	ON	15.01	0.58
OpenText	**OTEX**	**32.86**	**-1.97**
PTC	PTC	53.82	0.49
Paccar	PCAR	66.29	-0.03
PacWestBancorp	PACW	50.42	-0.44
PaneraBread	PNRA	313.05	0.21
Paychex	PAYX	58.02	-0.04
PayPal	PYPL	49.22	0.05
People'sUtdFin	PBCT	17.34	-0.15
PilgrimPride	PPC	24.71	-0.04
Priceline	PCLN	1911.13	7.22
Qiagen	QGEN	31.68	0.11
Qorvo	QRVO	66.16	0.51
Qualcomm	QCOM	55.15	0.53
RandgoldRscs	GOLD	88.83	-0.16
RegenPharm	REGN	427.18	3.80
RossStores	ROST	65.22	0.59
Ryanair	RYAAY	97.96	0.01
▲ SBA Comm	SBAC	129.75	-1.67
SEI Investments	SEIC	51.04	-0.31
▲ Sina	SINA	81.08	1.21
SS&C Tech	SSNC	37.51	0.07
SVB Fin	SIVB	185.97	2.03
Sabre	SABR	24.70	0.10
ScrippsNetworks	SNI	69.79	-1.22
Seagate	STX	42.83	-0.04
SeattleGenetics	SGEN	61.74	1.42
Shire	SHPG	181.47	4.51
SignatureBank	SBNY	136.40	-0.85
SiriusXM	SIRI	4.87	-0.03
Skyworks	SWKS	101.93	0.91
Splunk	SPLK	66.77	0.42
Staples	SPLS	9.62	-0.03
Starbucks	SBUX	60.98	0.29
SteelDynamics	STLD	35.03	-0.65
Stericycle	SRCL	86.27	0.52
Symantec	SYMC	32.37	-0.08
▲ Synopsys	SNPS	74.12	0.32
TD Ameritrade	AMTD	39.07	0.09
TESARO	TSRO	137.89	1.02
T-MobileUS	TMUS	65.50	-0.65
TRowePrice	TROW	71.52	0.47
▲ TakeTwoSoftware	TTWO	65.11	0.05
Tesla	TSLA	321.26	14.07
TexasInstruments	TXN	79.45	-0.01
TractorSupply	TSCO	61.84	0.18
Trimble	TRMB	35.67	-0.24
TripAdvisor	TRIP	46.92	-0.11
21stCenturyFoxA	FOXA	28.23	-0.17
21stCenturyFoxB	FOX	27.96	-0.07
▲ UltaBeauty	ULTA	299.57	2.03
UltimateSoftware	ULTI	211.48	0.03
UnitedTherap	UTHR	124.79	2.56
▲ UniversalDisplay	OLED	113.80	0.95
VCA	WOOF	91.93	0.07
VEON	VEON	4.17	0.08
VeriSign	VRSN	89.00	-0.22
VeriskAnalytics	VRSK	79.26	-0.04
VertxPharm	VRTX	116.63	1.57
Viacom A	VIA	38.40	-0.05
Viacom B	VIAB	36.23	-0.18
Vodafone	VOD	26.95	-0.01
WPP	WPPGY	110.18	1.27
WalgreensBoots	WBA	85.98	0.14
▲ Weibo	WB	61.03	1.70
WesternDigital	WDC	88.88	-1.02
WholeFoods	WFM	36.57	-0.14
▲ WillisTwrsWatson	WLTW	142.11	-2.18
WynnResorts	WYNN	123.46	3.76
▲ Xilinx	XLNX	64.69	0.12
▲ Yahoo	YHOO	49.49	0.64
▲ Yandex	YNDX	27.38	-0.28
Zillow A	ZG	42.69	-0.93
Zillow C	Z	42.64	-0.92
ZionsBancorp	ZION	40.93	-0.27

NYSE MKT

Stock	Sym	Close	Net Chg
▲ BritishAmTob	BTI	68.79	-0.11
CheniereEnergy	LNG	45.96	-0.96
ChenierEnerPtrs	CQP	30.65	-0.77
ChenierEnHldgs	CQH	25.18	0.19
ImperialOil	IMO	28.74	-0.11

BANKRATE.COM® MMA, Savings and CDs

Average Yields of Major Banks

Tuesday, May 09, 2017

Type	MMA	1-MO	2-MO	3-MO	6-MO	1-YR	2-YR	2.5YR	5YR
National average									
Savings	0.10	0.07	0.07	0.12	0.17	0.29	0.44	0.45	0.84
Jumbos	0.19	0.07	0.07	0.13	0.19	0.32	0.50	0.47	0.88
Weekly change									
Savings	0.00	0.00	0.00	0.01	0.00	0.01	0.00	0.01	0.00
Jumbos	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.00	0.00

Consumer Savings Rates

Explanation of ratings: Safe Sound SM, (855) 733-0700, evaluates the financial condition of federally insured institutions and assigns a rank of **1,2,3,4 or 5** based on data from the fourth quarter of 2015 from federal regulators. **5:** most desirable performance; **NR:** institution is too new to rate, not an indication of financial strength or weakness. Information is believed to be reliable, but not guaranteed.

High yield savings

Bank/rank Phone number	Minimum	Yield (%)
Money market and savings account		
BankPurely /4 (844) 878-7359	$1	1.30
CIT Bank /4 (855) 462-2652	$100	1.15
SmartyPig /5 (877) 751-6884	$50,000	1.12
One-month CD		
M.Y. Safra Bank, FSB /4 (212) 652-7200	$5,000	0.30
VirtualBank /4 (877) 998-2265	$10,000	0.15
AloStar Bank of Commerce /4 (877) 738-6391	$1,000	0.10
Two-month CD		
VirtualBank /4 (877) 998-2265	$10,000	0.15
Applied Bank /5 (800) 616-4605	$1,000	0.05
Three-month CD		
TAB Bank /4 (800) 837-4136	$1,000	0.85
First Internet Bank of Indiana /4 (888) 873-3424	$1,000	0.85
VirtualBank /4 (877) 998-2265	$10,000	0.82
Six-month CD		
VirtualBank /4 (877) 998-2265	$10,000	1.11
First Internet Bank of Indiana /4 (888) 873-3424	$1,000	1.06
My e-BAnC by BAC Florida Bank /4 (855) 512-0989	$1,500	1.00
One-year CD		
VirtualBank /4 (877) 998-2265	$10,000	1.46
CD Bank /4 (888) 201-8185	$10,000	1.45
EverBank /3 (855) 228-6755	$5,000	1.45
Two-year CD		
M.Y. Safra Bank, FSB /4 (212) 652-7200	$5,000	1.66
Northern Bank Direct /5 (844) 348-8996	$500	1.65
Synchrony Bank /5 (800) 903-8154	$2,000	1.65
Five-year CD		
Synchrony Bank /5 (800) 903-8154	$25,000	2.35
TAB Bank /4 (800) 837-4136	$1,000	2.28
Ally Bank /4 (877) 247-2559	$0	2.25

High yield jumbos - Minimum is $100,000

Bank/rank Phone number	Yield (%)
Money market and savings account	
ableBanking, a division of Northeast Bank /4 (877) 505-1933	1.00
BBVA Compass /3 (800) COMPASS	1.00
Discover Bank /5 (877) 505-4051	0.90
One-month CD	
M.Y. Safra Bank, FSB /4 (212) 652-7200	0.30
USAA /5 (800) 583-8295	0.22
VirtualBank /4 (877) 998-2265	0.15
Two-month CD	
VirtualBank /4 (877) 998-2265	0.15
Applied Bank /5 (800) 616-4605	0.05
Citizens Trust Bank /4 (404) 659-5959	0.01
Three-month CD	
First Internet Bank of Indiana /4 (888) 873-3424	0.85
VirtualBank /4 (877) 998-2265	0.82
EH National Bank /2 (888) 392-5265	0.82
Six-month CD	
VirtualBank /4 (877) 998-2265	1.11
First Internet Bank of Indiana /4 (888) 873-3424	1.06
My e-BAnC by BAC Florida Bank /4 (855) 512-0989	1.00
One-year CD	
VirtualBank /4 (877) 998-2265	1.46
My e-BAnC by BAC Florida Bank /4 (855) 512-0989	1.45
EverBank /3 (855) 228-6755	1.45
Two-year CD	
M.Y. Safra Bank, FSB /4 (212) 652-7200	1.66
Synchrony Bank /5 (800) 903-8154	1.65
EverBank /3 (855) 228-6755	1.65
Five-year CD	
Synchrony Bank /5 (800) 903-8154	2.35
EverBank /3 (855) 228-6755	2.25
First Internet Bank of Indiana /4 (888) 873-3424	2.22

Notes: Accounts are federally insured up to $250,000 per person effective Oct. 3, 2008. Yields are based on method of compounding and rate stated for the lowest required opening deposit to earn interest. CD figures are for fixed rates only. MMA: Allows six (6) third-party transfers per month, three (3) of which may be checks. Rates are subject to change.

Source: Bankrate.com, a publication of Bankrate, Inc., North Palm Beach, FL 33408
Internet: www.bankrate.com

NEW HIGHS AND LOWS

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE MKT 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.

Tuesday, May 9, 2017

NYSE highs - 154

Stock	Sym	52-Wk Hi/Lo	% Chg
AberdeenGrChinaFd	GCH	10.92	1.0
AdamsDivEquityFd	ADX	14.21	-0.1
AdvntClEnhGrth	LCM	8.87	1.0
Aetna	AET	142.53	0.6
Alibaba	BABA	120.00	2.7
Ameresco	AMRC	7.05	1.4
Aon	AON	125.37	1.2
ApolloGlMgmtPfdA	APOpA	25.78	0.2
Aptargroup	ATR	82.94	...
ArmourResPfdB	ARRpB	24.77	0.5
AtHomeGroup	HOME	19.35	3.4
Autohome	ATHM	37.50	2.1
BlkRkGlOpEqTr	BOE	13.15	0.2
BlkRkIntlGrInco	BGY	6.18	0.2
BlkRkSci&Tech	BST	22.35	0.6
BlckstnGSOStratCrd	BGB	16.34	0.1
BlockHR	HRB	26.02	2.4
Boeing	BA	187.21	0.5
BostonScientific	BSX	26.69	...
BoydGaming	BYD	24.79	0.6
Brink's	BCO	62.85	0.4
CAE	CAE	16.00	0.5
Canon	CAJ	34.00	1.0
CapitalOnePfdH	COFpH	25.96	0.1
CharlesRiverLabs	CRL	92.61	0.2
ChinaYuchai	CYD	20.44	-3.5
Cigna	CI	163.48	0.6
Cohen&SteersLitDur	LDP	26.24	0.2
ChnStrsGlbInc	INB	9.49	-0.1
Cooper	COO	208.14	0.6
Copa	CPA	124.61	1.2
Corning	GLW	29.29	-0.1
DXC Tech	DXC	80.03	0.8
Dana	DAN	21.49	0.7
DellTechnologies	DVMT	68.25	-0.6
DeutscheMultiMkt	KMM	8.87	0.6
DeutscheStratIncm	KST	12.42	1.6
DeVry	DV	40.40	0.5
Domino's	DPZ	196.03	1.6
EPAM Systems	EPAM	81.64	-0.3
EtnVncEqtyInco II	EOS	14.39	0.1
EtnVncFRIncmPlus	EFF	17.39	-0.1
EtnVncByWrFd	ETV	15.65	0.5
EtnVncTxMngOpp	ETW	11.38	0.3
EllingtonResiMtg	EARN	15.69	-1.9
EmeraldExpo	EEX	20.84	1.4
EnerSys	ENS	84.74	-1.0
EnzoBiochem	ENZ	9.39	4.2
FederalSignal	FSS	17.18	5.1
Ferrari	RACE	85.51	2.1
FortressTransport	FTAI	16.09	-0.3
FranklinFin	FSB	44.30	-1.0
GOLLinhas	GOL	17.78	1.1
GabelliDividend	GDV	21.68	0.2
GeneralDynamics	GD	197.00	0.1
GlobalPayments	GPN	87.55	0.8
GoldmanSachsPfB	GSpB	27.27	...
Graco	GGG	110.95	0.2
GraniteREIT	GRP/U	38.31	2.2
GuggCreditAlloc	GGM	24.03	0.6
GuggStratOpps	GOF	21.24	0.1
HDFC Bank	HDB	83.06	0.6
HSBC Pfd2	HSEB	27.18	...
Haemonetic	HAE	43.62	-1.3
HancockInvestors	JHI	17.87	0.2
HavertyFurn	HVT	26.30	1.6
HavertyFurn A	HVT/A	26.00	2.0
Herbalife	HLF	73.19	1.1
HewlettPackard	HPE	18.97	-0.6
Hilton	HLT	63.41	2.7
HomeDepot	HD	157.74	0.5
HowardHughes	HHC	129.45	1.0
Humana	HUM	232.39	0.6
HyattHotels	H	59.30	1.2
HysterYaleMatls	HY	75.90	5.1
IndiaFund	IFN	26.94	1.5
InterXion	INXN	44.67	1.0
IvyHiIncomeOppsFd	IVH	16.07	-0.3
JPMChinaRegion	JFC	19.49	1.7
KB Fin	KB	47.44	0.4
Kemet	KEM	13.49	-1.6
KeyCorpPfdE	KEYpI	28.85	-0.4
KoreaEquityFund	KEF	9.49	0.7
KoreaFund	KF	40.76	1.5
KornFerry	KFY	33.20	2.3
KronosWorldwide	KRO	18.50	9.5
LazardGlblFd	LGI	15.89	0.5
Lowe's	LOW	86.25	-0.2
MDC Holdings	MDC	34.10	11.0
MI Homes	MHO	28.60	1.4
MauiLand	MLP	15.15	5.6
MaxLinear	MXL	30.30	5.6
McDonalds	MCD	144.98	0.1
MedEquitiesRlty	MRT	12.16	0.8
MS EmMktFd	MSF	15.93	2.0
MS Asia	APF	16.15	1.3
MyersIndustries	MYE	17.10	1.2
NYComBncpPfdA	NYCBpA	27.97	1.4
NYTimes A	NYT	17.15	0.3
NuvGlblHiIncmFd	JGH	16.95	0.1
NuvPfdSecsIncmFd	JPS	9.97	0.2
NuvTaxAdvTR	JTA	12.69	0.1
NuvTaxAdDivGr	JTD	15.79	0.4
OneBeaconIns	OB	18.48	1.2
PaycomSoftware	PAYC	65.39	-1.0
Pentair	PNR	69.03	2.5
PerkinElmer	PKI	62.68	1.1
Quantum	QTM	9.20	0.1
RELX	RENX	19.90	0.9
RELX	RELX	21.05	0.9
RH	RH	59.93	0.7
Raytheon	RTN	160.54	0.3
RestaurantBrands	QSR	59.36	1.1
ReynoldsAmer	RAI	65.18	-0.1
RosettaStone	RST	12.39	4.3
SAP	SAP	104.05	0.3
SPX FLOW	FLOW	38.74	0.3
Salesforce.com	CRM	87.62	0.3
SequansComms	SQNS	4.23	8.0
SherwinWilliams	SHW	339.62	0.2
ShinhanFin	SHG	44.69	1.1
Shopify	SHOP	91.13	2.7
Sony	SNE	35.52	0.7
Steris	STE	77.50	0.8
Strats Allst GJT	GJT	19.35	1.6
Strats GSG GJS	GJS	20.11	7.8
Syngenta	SYT	93.60	0.1
TAL Education	TAL	126.63	-0.1
TPG PaceEnergy	TPGE/U	10.18	0.1
TaiwanFund	TWN	19.28	0.4
TaiwanSemi	TSM	35.46	1.2
Teladoc	TDOC	29.13	25.2
TemplMktFd	EMF	14.69	1.1
ThermoFisherSci	TMO	173.21	1.0
3D Systems	DDD	19.21	0.3
Toll Bros	TOL	37.49	2.0
TopBuild	BLD	54.43	5.0
Toro	TTC	67.03	...
TsakosEnergyPfdD	TNPpD	25.14	0.2
UMH Prop	UMH	16.38	0.7
US Foods	USFD	29.26	0.4
Unilever	UN	53.76	-0.3
Unilever	UL	52.61	-0.1
UnitedContinental	UAL	79.15	4.8
UnitedTech	UTX	121.95	0.3
VeevaSystems	VEEV	55.53	-0.3
VMware	VMW	95.17	-0.6
VoyaEM HiIncm	IHD	8.84	2.3
WNS	WNS	33.15	1.6
Wal-Mart	WMT	77.05	0.8
Wayfair	W	64.48	20.7
WilliamLyonHomes	WLH	24.51	6.5
WooriBank	WF	41.80	0.9
XPO Logistics	XPO	55.31	2.3

NYSE lows - 30

Stock	Sym	52-Wk Hi/Lo	% Chg
AcadiaRealty	AKR	27.99	0.9
AshlandGlobalWi	ASHw	59.19	-1.6
CBL Assoc	CBL	8.04	-2.3
ChicagoB&I	CBI	25.03	-7.4
CincinnatiBell	CBB	16.05	-5.2
Citizens	CIA	5.86	-4.8
ClearwaterPaper	CLW	44.65	-1.5
ClipperRealty	CLPR	10.39	-1.8
CypressEnergy	CELP	7.29	-4.9
Entercom	ETM	10.10	-2.8
Frontline	FRO	6.25	-0.2
HertzGlobal	HTZ	11.78	-14.2
HornbeckOffshore	HOS	2.70	-5.4
KimcoRealty	KIM	19.18	0.5
KiteRealty	KRG	19.12	0.3
Luby's	LUB	2.79	...
Macerich	MAC	59.31	-0.8
Mednax	MD	53.80	0.9
NatlRetailProp	NNN	38.43	-2.2
PandoraMedia	P	9.41	-4.4
RAIT Fin PfdA	RASpA	18.81	-1.6
RegencyCtrs	REG	60.85	0.1
StoreCapital	STOR	20.32	-3.5
Tanger	SKT	27.01	-0.3
TaubmanCtrs	TCO	59.22	-0.9
Tidewater	TDW	0.71	2.2
UrstadtProp A	UBA	19.10	0.5
WarriorMetCoal	HCC	16.67	-3.1
WescoAircraft	WAIR	9.05	0.5
WestmorelandRes	WMLP	3.35	-7.8

NYSE Arca highs - 157

Stock	Sym	52-Wk Hi/Lo	% Chg
ARKIndlInnovation	ARKQ	27.32	1.4
ARKInnovationETF	ARKK	26.27	2.3
ARKWebx.0ETF	ARKW	31.73	2.1
AdvShMorganCreek	GTAA	24.41	0.5
BarclaysETNShiller	CAPE	106.54	0.3
ColumbiaEMCoreXCh	XCEM	26.30	2.1
ColumbiaEMQualDiv	HILO	14.26	1.3
ColumbiaEMConsumer	ECON	26.08	1.4
ColumbiaIndiaInfr	INXX	13.84	0.7
ColumbiaSustIntl	ESGN	28.92	1.0
CnsmrDiscSelSector	XLY	90.93	0.6
CS FI LC Grwth	FLGE	173.85	0.3
DeutscheXACPAxJ	DBAP	25.83	0.9
DeutscheXMSCIAWxUS	DBAW	26.50	0.3
DeutscheXMSCIEAFE	DBEF	30.85	0.3
DeutscheXMSCIEMHdg	DBEM	21.52	1.3
DeutscheXMSCIJapan	DBJP	39.34	0.3
DeutscheXMSCSKorea	DBKO	28.61	1.3
DiamondHillVal	DHVW	28.12	...
DirexEM Bull3	EDC	81.45	3.8
DirexIndlsBl3	DUSL	25.41	...
DirexS&P500Bl3	SPXL	33.25	-0.2
DirexS&P500Bull2X	SPUU	42.80	0.1
DirexS&P500Bl1.25	LLSP	31.45	0.3
DirexKRBull3	KORU	43.85	3.1
DirexTechBull3	TECL	74.80	0.3
DirexTransportBl3	TPOR	24.95	0.3
Direx iBillionaire	IBLN	28.17	0.1
DirexNasd100EW	QQQE	39.46	0.7
EmgMktInternetEcom	EMQQ	31.41	2.1
FidelityMSCIIT	FTEC	43.10	0.2
FT S&P500VixTail	VIXH	25.64	...
FT DJ Internet	FDN	94.43	0.1
FT Chindia	FNI	33.88	1.2
FT TechAlphaDEX	FXL	43.53	0.4
FranklinIntlOpps	FLIO	26.98	0.4
FranklinLibEM	FLQE	30.03	0.1
GlbX ChinaConsumer	CHIQ	13.83	1.5
GlbXMSCIPakistan	PAK	18.64	1.6
GlbXSciBetaJapan	SCIJ	28.54	0.1
GSActiveBetaEM	GEM	31.07	1.0
GSActiveBetaUSLC	GSLC	47.77	...
GSHedgeIndVIP	GVIP	47.17	0.3
GuggChinaTech	CQQQ	44.97	1.7
GuggS&P500EWTech	RYT	123.85	0.3
GuggLC OptDiv	OPD	26.83	1.5
GuggMSCIEMEq	EWEM	31.56	1.4
GuggS&P500Top50	XLG	170.95	-0.1
GuggS&PHiIncmInfr	GHII	28.14	0.4
HrznsS&P500CovCall	HSPX	48.11	-0.2
IQLeadersGTAATrkr	QGTA	22.97	0.3
iShCoreMSCIEmgMk	IEMG	49.50	1.0
iShCoreS&PUSGrowth	IUSG	47.80	0.1
iShCurrHdgIntlHY	HHYX	26.84	0.1
iShCurrHdgMSCIACWI	HACW	26.95	0.4
iShCurrHdgMSCIEAFE	HEFA	28.68	0.2
iShCurrHdgMSCIEAFE	HSCZ	28.70	0.4
iShCurrHdgMSCIEM	HEEM	23.71	1.4
iShCurrHdMSCIJapan	HEWJ	29.43	0.3
iShCurrHdgMSCISK	HEWY	28.47	1.1
iShCurrHdgMSCISwitz	HEWL	27.11	0.6
iShUSConsumerSvcs	IYC	166.88	0.5
iShUSHealthcarePrv	IHF	141.25	0.3
iShU.S.Technology	IYW	141.91	0.1
iShEdgeMSCIMinVlEM	EEMV	54.95	0.6
iShEdgeMSCIMultif	ACWF	26.57	0.1
iShEdgeMSCIMIntSC	ISCF	28.09	0.1
iShEdgeMSCIUSAMom	MTUM	85.57	...
iShGlobal100	IOO	84.59	-0.2
iShMSCIEmgMarkets	EEM	40.81	1.3
iShMSCIHongKong	EWH	23.23	1.3
iShMSCIIsraelCap	EIS	52.91	-0.1
iShMSCISouthKorea	EWY	66.02	0.9
iShMSCIUSAESGSelct	KLD	100.53	...
iShMSCIUK	EWU	33.76	0.5
iShMorningstarLC	JKD	144.71	...
iShMornLCGrowth	JKE	137.67	0.1
iShRussell1000Gwth	IWF	117.70	0.2
iShRussellTop200Gr	IWY	63.83	0.1
iShRussellTop200	IWL	55.00	-0.1
iShS&P500Growth	IVW	135.71	0.1
iShGlobalTechETF	IXN	131.14	0.5
iShGlobalConsDiscr	RXI	100.27	0.2
iShGlblConStaples	KXI	102.30	-0.1
iShNorthAmerTech	IGM	145.00	0.1
JanusVelVolLC	SPXH	33.39	-0.2
HancockLC	JHML	31.38	...
HancockTech	JHMT	35.80	0.2
JPMDivRetEurCur	JPEH	27.76	2.6
JPM DivRetIntlEq	JPIN	55.06	-0.1
MadronaDomestic	FWDD	48.06	0.3
MadronaIntl	FWDI	26.94	2.3
OShFTSEAsiaPacQlty	OAPH	28.63	2.2
PwrShCEF Incm	PCEF	23.64	...
PwrShDynNetwork	PXQ	44.50	0.6
PwrShDynSoftware	PSJ	54.14	0.3
PwrShFTSERAFIDevMk	PDN	30.58	...
PwrShGlbClEngy	PBD	11.60	0.5
PwrShRussMCGrw	PXMG	35.29	0.5
PwrShRussTop200	EQWL	47.02	0.1
PwrShRuss2000Grw	PXSG	28.84	0.2
PwrShS&P500BW	PBP	22.31	...
PwrShS&P500Mom	SPMO	28.91	0.2
ProShHdgReplic	HDG	44.13	0.2
ProShShtVIXST	SVXY	156.60	0.2
ProShrUlCnsmr	UCC	70.36	0.3
ProShUltMSCIEM	EET	69.59	2.2
ProShrUltraJapan	EZJ	100.55	0.2
ProShrUltraQQQ	QLD	117.30	0.7
ProShrUltraS&P	SSO	87.83	-0.2
ProShrUlTech	ROM	135.35	...
ProShUltS&P500	UPRO	101.12	-0.3
PureFundsDroneEcon	IFLY	30.00	0.2
PureFundsISECyber	HACK	30.00	...
PureFISEMobilePymt	IPAY	28.86	...
PureFundsVideoGame	GAMR	37.42	0.3
SPDRFactSetInnTech	XITK	69.04	0.5
SPDRACWILowCarbon	LOWC	82.36	-0.1
SPDRMSCIEMStrat	QEMM	58.00	0.7
SPDRMSCIUKStrat	QGBR	51.91	0.3
SPDRMSTech	MTK	72.32	0.5
SPDRMomentumTilt	MMTM	100.84	0.2
SPDRS&P500Growth	SPYG	117.31	...
SPDRS&P500Fossil	SPYX	58.63	...
SPDRS&PSft&Svs	XSW	61.15	0.3
SPDRSSgAGlbAll	GAL	35.32	-0.1
SchwabUS LC Grw	SCHG	62.60	0.2
SerenityShImpact	ICAN	25.57	0.2
SPDR S&P ConStpl	IPS	45.18	-0.2
SPDR S&P IntTech	IPK	41.69	0.2
SPDR SP China	GXC	84.57	1.9
SPDR SP EmAsPac	GMF	88.57	1.1
SPDR IntlSC	GWX	32.61	0.2
SummitWaterETF	WTRX	30.38	0.2
TechSelectSector	XLK	55.43	0.1
UBS FIEnhLCGrw	FBGX	172.89	0.3
U.S.GlobalJetsETF	JETS	30.13	1.8
VanEckBrazilSC	BRF	20.88	1.7
VanEckEnvironSvcs	EVX	79.09	-0.2
VanEckGlbAltEn	GEX	58.41	0.7
VanEckIndiaSC	SCIF	58.39	0.7
VanEckIsrael	ISRA	30.29	0.3
VanEckMornWideMoat	MOAT	38.51	0.3
VanEckOilRefin	CRAK	23.19	0.6
VanEckRetail	RTH	82.93	0.5
VanEckSemiconduc	SMH	81.57	1.0
VangdInfoTech	VGT	142.06	0.2
VangdCnsmrDiscr	VCR	143.07	0.7
VangdGrowth	VUG	125.98	0.1
VangdMegaCap	MGC	82.23	-0.1
VangdMegaGrwth	MGK	99.27	0.2
VangdS&P500 Grw	VOOG	121.79	0.1
WisdTrEMxSOE	XSOE	25.94	0.9
WisdTrIntlHdgQual	IHDG	30.19	0.4
WisdTrJpnHdgQuDiv	JHDG	26.01	0.5
WisdTrJapanHdg	DXJ	52.92	-0.2
WorkplaceEquality	EQLT	33.09	0.4

NYSE Arca lows - 17

Stock	Sym	52-Wk Hi/Lo	% Chg
iPathS&P500VIXST	VXX	13.86	-0.3
DirexAuspiceBroad	COM	24.10	...
DirexEM Bear3	EDZ	15.45	-4.1
DirexS&P500Br3	SPXS	42.80	0.3
DirexS&P500Br1	SPDN	34.40	...
DirexTechBear3	TECS	11.43	-0.3
iPathBloomSoftsTR	JJS	34.40	-0.2
ProShShtMSCI EM	EUM	21.29	-1.3
ProShShortQQQ	PSQ	40.32	-0.4
ProShShrtS&P500	SH	33.87	0.1
ProShUltVIXST	UVXY	12.05	-0.5
ProShUltProShS&P	SPXU	16.22	0.2
ProShrUS MSCI EM	EEV	11.88	-2.5
ProShUltShtQQQ	QID	17.37	-0.6
ProShUltShtS&P500	SDS	12.97	0.2
ProShrUSTech	REW	22.88	-0.6
ProShsVIXSTFut	VIXY	11.55	-0.3

NYSE MKT highs - 8

Stock	Sym	52-Wk Hi/Lo	% Chg
BritishAmTob	BTI	69.44	-0.2
Chase	CCF	106.02	-0.5
CoreMoldingTech	CMT	20.83	1.2
inTEST	INTT	8.00	-0.6
IssuerDirect	ISDR	12.25	0.4
PioneerDiversHiIT	HNW	16.87	-0.1
StraightPath	STRP	235.88	7.4
TransAtlPetrol	TAT	1.68	-4.4

NYSE MKT lows - 6

Stock	Sym	52-Wk Hi/Lo	% Chg
Banro	BAA	0.11	-4.1
Daxor	DXR	6.57	-5.8
ImmunoCellular	IMUC	1.40	-2.5
OrchidsPaper	TIS	16.40	-6.4
PolymetMining	PLM	0.67	-3.1
SachemCapital	SACH	4.70	1.2

Nasdaq highs - 176

Stock	Sym	52-Wk Hi/Lo	% Chg
ActivisionBliz	ATVI	54.79	1.2
AddusHomeCare	ADUS	40.50	9.1
AdvEnergyInds	AEIS	76.56	1.3
AirTransportSvcs	ATSG	23.85	1.2
AlliedMotionTech	AMOT	25.80	2.0
Alphabet C	GOOG	937.50	-0.2
Alphabet A	GOOGL	962.20	-0.2
Amazon.com	AMZN	957.89	0.4
AmplifyOnlineRet	IBUY	33.37	2.9
AmtechSystems	ASYS	8.75	2.9
Angie'sList	ANGI	11.14	2.5
AppFolio	APPF	28.58	4.3
Apple	AAPL	154.88	0.6
AppliedMaterials	AMAT	42.25	1.2
AppliedOptoelec	AAOI	62.64	8.2
Atlassian	TEAM	37.06	0.1
AuburnNatlBncp	AUBN	36.50	7.5
Autodesk	ADSK	95.30	1.4
AviatNetworks	AVNW	23.90	6.6
BldrsAsia50ADS	ADRA	30.18	1.2
BOK Fin	BOKF	88.78	-0.9
Baozun	BZUN	19.88	9.4
BldrsEmg50	ADRE	37.97	1.3
Blucora	BCOR	21.25	-1.0
BluStrTABIGlIsrael	ITEQ	29.68	0.6
BoingoWireless	WIFI	16.58	1.5
Broadcom	AVGO	229.40	1.5
BrocadeComm	BRCD	12.65	0.4
CBOE Holdings	CBOE	85.35	3.3
CEVA	CEVA	43.88	6.6
Camtek	CAMT	4.85	8.2
ChinaLodging	HTHT	75.70	0.8
ChipMOSTechs	IMOS	18.13	1.2
CitizensFirst	CZFC	21.83	0.6
Cognex	CGNX	90.62	0.3
CombiMatrixWt	CBMXW	1.84	0.6
CombiMatrix	CBMX	6.63	-8.6
CommVehicle	CVGI	9.62	9.0
CommVaultSystems	CVLT	58.40	-0.5
CoStarGroup	CSGP	254.54	0.2
Ctrip.com	CTRP	55.48	4.5
Dave&Buster's	PLAY	66.89	1.2
DavisWorldwide	DWLD	22.20	0.6
ENDRALifeSciUn	NDRAU	5.50	4.0
Eastern	EML	28.15	0.9
EldoradoResorts	ERI	20.63	2.8
ElectroScientific	ESIO	7.45	4.2
Emcore	EMKR	10.65	3.9
ePlus	PLUS	73.60	0.5
Equinix	EQIX	427.82	-0.2
Everbridge	EVBG	25.59	7.8
ExtremeNetworks	EXTR	9.49	0.8
FidelityNasdComp	ONEQ	241.66	0.4
51job	JOBS	44.04	1.3
FT APxJapan	FPA	31.54	0.3
FT CapStrength	FTCS	45.29	0.1
FT DevMkts	FDT	54.51	-0.1
FT DorseyDyn5	FVC	23.05	0.1
FT DorseyFoc5	FV	24.64	-0.1
FT DorseyIntl5	IFV	19.82	1.0
FT NasdCleanEdge	QCLN	17.35	1.2
FT Nasd100Tech	QTEC	62.43	0.5
FT NasdSmartphone	FONE	48.10	0.5
FT Nasd100 EW	QQEW	52.96	0.6
FT RisingDivAch	RDVY	27.15	0.1
FT RiverFrDynEM	RFEM	61.69	1.0
FlexSTOXXGlbESGImp	ESGG	85.50	0.2
Fortinet	FTNT	40.71	-1.8
ForumMergerRt	FMCIR	0.60	29.8
ForumMergerUn	FMCIU	10.35	1.2
FreightCarAmer	RAIL	17.57	3.2
Freshpet	FRPT	14.20	0.7
GenMarkDiagn	GNMK	13.67	-0.2
GlbXMillThematic	MILN	17.61	0.5
GuarantyBcshrs	GNTY	30.67	11.5
Hologic	HOLX	45.72	0.6
HookerFurniture	HOFT	46.60	0.8
HorizNasd100	QYLD	23.69	-0.1
IAC/InterActive	IAC	102.21	1.4
InnerWorkings	INWK	11.86	8.8
InterParfums	IPAR	41.70	0.8
Intersections	INTX	5.75	2.9
Investar	ISTR	22.85	0.2
InvestorsTitle	ITIC	195.50	8.3
iShAsia50ETF	AIA	55.53	0.9
iShMSCIACxJpn	AAXJ	65.48	1.2
iShMSCIChinaETF	MCHI	51.77	1.8
iShMSCIEMESGOpt	ESGE	63.36	0.8
iShMSCIEmMkAsia	EEMA	62.77	0.5
IturanLocation	ITRN	32.95	2.8
JanusSMidGwthAlpha	JSMD	33.87	-0.5
JohnsonOutdoors	JOUT	46.17	10.6
KraneCSIChInt	KWEB	46.94	2.3
LMI Aerospace	LMIA	14.00	0.1
LandcadiaWt	LCAHW	0.88	25.0
LibertyExpediaA	LEXEA	50.85	0.3
LiveOakBcshs	LOB	25.65	-1.8
LogitechIntl	LOGI	34.69	0.8

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Dividend Changes

Dividend announcements from May 9.

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
Alon USA Partners	ALDW	14.5	.38 / .11	Q	May30 / May22
BGC Partners Cl A	BGCP	6.3	.18 / .16	Q	Jun05 / May19
Funds and investment companies					
Clough Glbl Eqty Fd	GLQ	9.3	.0989	M	May31 / May19
Clough Glbl Eqty Fd	GLQ	9.3	.0989	M	Jun30 / Jun19
Clough Glbl Eqty Fd	GLQ	9.3	.0989	M	Jul31 / Jul17
Clough Global Dividend	GLV	9.1	.1032	M	May31 / May19
Clough Global Dividend	GLV	9.1	.1032	M	Jun30 / Jun19
Clough Global Dividend	GLV	9.1	.1032	M	Jul31 / Jul17
Clough Global Opp Fd	GLO	9.7	.086	M	May31 / May19
Clough Global Opp Fd	GLO	9.7	.086	M	Jun30 / Jun19
Clough Global Opp Fd	GLO	9.7	.086	M	Jul31 / Jul17
Foreign					
Brookfield Bus Partners	BBU	0.9	.0625	Q	Jun30 / May31
Brookfield Infrastructure	BIP	4.4	.435	Q	Jun30 / May31
OM Asset Management	OMAM	2.3	.09	Q	Jun30 / Jun16

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

MARKETS DIGEST

EQUITIES

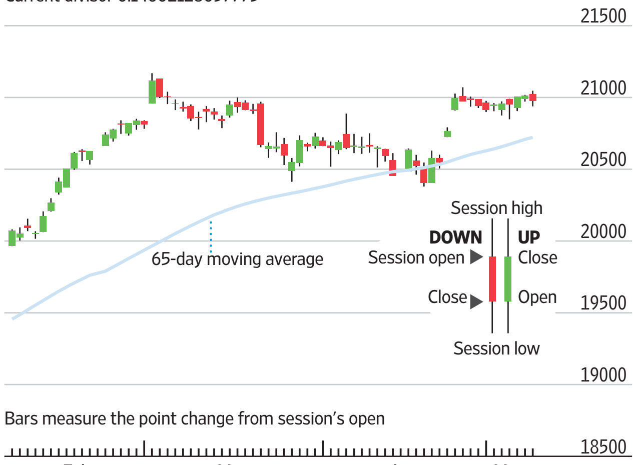
Dow Jones Industrial Average

20975.78 ▼36.50, or 0.17%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	20.48	19.22
P/E estimate *	17.78	16.91
Dividend yield	2.31	2.48
All-time high 21115.55, 03/01/17		

Current divisor 0.14602128057775



Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

S&P 500 Index

2396.92 ▼2.46, or 0.10%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	23.76	23.66
P/E estimate *	18.44	17.59
Dividend yield	1.97	2.20
All-time high: 2399.38, 05/08/17		

Nasdaq Composite Index

6120.59 ▲17.93, or 0.29%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	26.09	21.75
P/E estimate *	20.97	18.01
Dividend yield	1.08	1.30
All-time high: 6120.59, 05/09/17		

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg	YTD % chg	3-yr. ann.
Dow Jones										
Industrial Average	21046.85	20938.04	20975.78	-36.50	-0.17	21115.55	17140.24	17.0	6.1	8.1
Transportation Avg	9154.95	9095.25	9130.28	37.47	0.41	9593.95	7093.40	16.6	1.0	5.8
Utility Average	701.54	695.11	695.93	-6.29	-0.90	720.45	625.44	5.0	5.5	8.9
Total Stock Market	24889.08	24772.73	24822.95	-21.91	-0.09	24868.78	20583.16	15.7	6.6	8.2
Barron's 400	642.62	639.17	641.06	1.39	0.22	643.82	491.89	23.4	6.6	8.2
Nasdaq Stock Market										
Nasdaq Composite	6133.00	6107.59	6120.59	17.93	0.29	6120.59	4594.44	27.3	13.7	14.6
Nasdaq 100	5691.21	5664.00	5678.31	19.24	0.34	5678.31	4201.05	29.0	16.8	16.9
Standard & Poor's										
500 Index	2403.87	2392.44	2396.92	-2.46	-0.10	2399.38	2000.54	15.0	7.1	8.5
MidCap 400	1734.52	1723.47	1727.83	-4.17	-0.24	1758.27	1416.66	17.6	4.0	8.5
SmallCap 600	849.32	843.99	847.23	1.09	0.13	863.08	670.90	22.2	1.1	9.6
Other Indexes										
Russell 2000	1395.48	1386.73	1391.86	0.22	0.02	1419.43	1089.65	23.3	2.6	7.9
NYSE Composite	11604.72	11547.08	11567.52	-27.74	-0.24	11661.22	9973.54	11.0	4.6	2.9
Value Line	523.60	521.49	522.63	unch.	unch.	529.13	435.06	14.3	3.3	2.9
NYSE Arca Biotech	3603.83	3553.39	3601.11	47.72	1.34	3675.62	2818.70	18.9	17.1	12.9
NYSE Arca Pharma	516.99	514.76	515.98	1.22	0.24	554.66	463.78	1.0	7.2	0.7
KBW Bank	93.60	92.10	92.42	-0.52	-0.55	99.33	60.27	36.3	0.7	10.8
PHLX§ Gold/Silver	80.24	79.36	80.20	-0.37	-0.45	112.86	73.03	-6.3	1.7	-3.5
PHLX§ Oil Service	151.08	147.94	149.31	-1.51	-1.00	192.66	146.14	-9.0	-18.8	-19.9
PHLX§ Semiconductor	1019.86	1009.58	1017.50	10.34	1.03	1023.29	630.77	57.9	12.2	20.9
CBOE Volatility	10.14	9.56	9.96	0.19	1.94	25.76	9.77	-26.9	-29.1	-8.3

§Philadelphia Stock Exchange

Sources: SIX Financial Information; WSJ Market Data Group

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE MKT and Nasdaq issues from 4 p.m. to 6:30 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of $2 and minimum after-hours volume of 5,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Energy Transfer Equity	ETE	9,514.8	17.45	...	unch.	17.45	17.43
Blackstone Group	BX	7,275.8	30.00	0.01	0.03	30.30	29.92
NVIDIA	NVDA	6,529.6	117.75	14.81	14.39	118.45	100.00
Yelp	YELP	4,582.2	24.92	-9.78	-28.18	34.92	24.00
VanEck Vectors Gold Miner	GDX	4,467.2	21.65	0.13	0.60	21.68	21.38
Enterprise Pdts Partners	EPD	4,195.4	26.75	-0.03	-0.11	26.85	26.75
PwrShrs QQQ Tr Series 1	QQQ	4,077.6	138.37	0.05	0.04	138.48	138.28
SPDR S&P 500	SPY	4,066.9	239.31	-0.13	-0.05	239.51	239.31

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Electro Scientific Inds	ESIO	8.3	9.00	1.55	20.81	9.08	7.45
NVIDIA	NVDA	6,529.6	117.75	14.81	14.39	118.45	100.00
Denbury Resources	DNR	65.6	2.00	0.19	10.50	2.00	1.81
Array BioPharma	ARRY	368.6	7.65	0.63	8.97	8.20	6.90
Vivint Solar	VSLR	7.8	3.10	0.25	8.77	3.10	2.85

...And losers

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Yelp	YELP	4,582.2	24.92	-9.78	-28.18	34.92	24.00
Fossil Group	FOSL	342.2	14.30	-3.85	-21.21	18.50	14.00
VeriSign	VRSN	53.9	71.00	-18.00	-20.22	89.10	71.00
Acacia Communications	ACIA	533.3	41.05	-7.36	-15.20	48.41	38.51
DepoMed	DEPO	98.6	9.55	-1.41	-12.86	10.96	9.03

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE MKT
Total volume*	860,976,030	10,263,463
Adv. volume*	373,578,301	4,150,694
Decl. volume*	468,965,655	5,825,545
Issues traded	3,104	330
Advances	1,293	133
Declines	1,691	179
Unchanged	120	18
New highs	154	8
New lows	30	6
Closing tick	252	12
Closing Arms†	0.90	0.88
Block trades*	7,168	133

	Nasdaq	NYSE Arca
Total volume*	1,975,254,828	229,334,592
Adv. volume*	1,129,002,317	76,985,124
Decl. volume*	818,925,734	151,442,968
Issues traded	3,001	1,345
Advances	1,440	587
Declines	1,400	729
Unchanged	161	29
New highs	176	157
New lows	69	17
Closing tick	180	22
Closing Arms†	0.75	1.69
Block trades*	8,366	1,368

* Primary market NYSE, NYSE MKT NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	Latest % chg	YTD % chg
World	**The Global Dow**	2746.37	-5.39	-0.20	8.5
	The Global Dow Euro	2374.42	4.26	0.18	5.1
	DJ Global Index	354.83	-0.48	-0.13	8.8
World	**DJ Global ex U.S.**	237.23	-0.41	-0.17	10.9
Americas	**DJ Americas**	575.97	-0.54	-0.09	6.6
Brazil	**Sao Paulo Bovespa**	66277.67	751.63	1.15	10.0
Canada	**S&P/TSX Comp**	15569.20	-82.88	-0.53	1.8
Mexico	**IPC All-Share**	49939.47	433.61	0.88	9.4
Chile	**Santiago IPSA**	3681.21	-11.96	-0.32	14.2
Europe	**Stoxx Europe 600**	395.81	1.77	0.45	9.5
Euro zone	**Euro Stoxx**	391.24	0.78	0.20	11.7
Belgium	**Bel-20**	4036.80	-0.43	-0.01	11.9
France	**CAC 40**	5398.01	15.06	0.28	11.0
Germany	**DAX**	12749.12	54.57	0.43	11.0
Israel	**Tel Aviv**	1428.62	5.10	0.36	-2.9
Italy	**FTSE MIB**	21486.95	58.85	0.27	11.7
Netherlands	**AEX**	536.26	1.95	0.36	11.0
Spain	**IBEX 35**	11049.20	-47.10	-0.42	18.1
Sweden	**SX All Share**	592.80	5.03	0.86	10.9
Switzerland	**Swiss Market**	9113.83	74.22	0.82	10.9
U.K.	**FTSE 100**	7342.21	41.35	0.57	2.8
Asia-Pacific	**DJ Asia-Pacific TSM**	1576.96	-7.92	-0.50	10.8
Australia	**S&P/ASX 200**	5839.90	-31.00	-0.53	3.1
China	**Shanghai Composite**	3080.53	1.91	0.06	-0.7
Hong Kong	**Hang Seng**	24889.03	311.12	1.27	13.1
India	**S&P BSE Sensex**	29933.25	7.10	0.02	12.4
Japan	**Nikkei Stock Avg**	19843.00	-52.70	-0.26	3.8
Singapore	**Straits Times**	3249.97	12.99	0.40	12.8
South Korea	**Kospi**	2292.76	...	Closed	13.1
Taiwan	**Weighted**	9915.48	-21.77	-0.22	7.2

Sources: SIX Financial Information; WSJ Market Data Group

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Cleantech Solutions Intl	CLNT	5.45	2.18	66.67	10.70	2.31	29.8
World Acceptance	WRLD	88.00	24.50	38.58	88.26	37.80	102.9
Emmis Communications Cl A	EMMS	3.26	0.68	26.36	4.33	1.92	66.3
Teladoc	TDOC	28.60	5.75	25.16	29.13	9.28	142.4
Valeant Pharm Intl	VRX	12.05	2.34	24.10	32.75	8.31	-56.8
CPI Aerostructures	CVU	7.00	1.30	22.81	10.15	4.35	27.3
Wayfair Cl A	W	61.73	10.60	20.73	64.48	27.60	59.5
Hallador Energy	HNRG	7.89	1.23	18.47	10.40	3.95	69.3
Endo International	ENDP	12.82	1.97	18.16	24.93	9.70	-17.4
Atlas Financial Holdings	AFH	14.95	2.10	16.34	18.48	12.15	-16.8
Xcel Brands	XELB	2.60	0.35	15.56	6.75	1.80	-58.0
Nova Measuring Instr	NVMI	22.13	2.91	15.14	22.60	10.67	93.4
LGI Homes	LGIH	32.87	3.83	13.19	40.47	23.86	19.5
Neothetics	NEOT	2.34	0.27	13.04	2.59	0.72	150.3
Portola Pharmaceuticals	PTLA	42.08	4.77	12.78	42.42	15.68	77.0

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
SCYNEXIS	SCYX	1.62	-0.92	-36.22	5.51	1.55	-57.4
Inpixon	INPX	2.90	-1.54	-34.68	11.08	1.40	-51.7
Fulgent Genetics	FLGT	7.11	-3.60	-33.61	13.90	7.00	...
Neuralstem	CUR	2.93	-1.16	-28.43	6.19	2.47	-31.7
TravelCenters of America	TA	4.70	-1.60	-25.40	9.23	4.50	-40.3
Meet Group	MEET	5.18	-1.13	-17.91	8.11	3.19	45.9
AmTrust Financial	AFSI	12.81	-2.66	-17.19	28.48	12.13	-50.4
NxStage Medical	NXTM	22.96	-4.06	-15.01	30.80	16.42	27.5
ServiceSource Intl	SREV	3.29	-0.56	-14.55	6.25	2.82	-13.2
Liberty Global Cl B	LBTYB	31.95	-5.35	-14.33	44.39	27.34	-2.6
Hertz Global Holdings	HTZ	12.80	-2.11	-14.15	53.14	11.78	...
Urban One Cl D	UONEK	2.43	-0.38	-13.39	3.56	2.05	0.2
Atkore International	ATKR	23.01	-3.43	-12.97	27.30	14.17	...
Nevro	NVRO	75.53	-10.77	-12.48	106.93	62.61	10.5
Catasys	CATS	3.98	-0.56	-12.33	14.00	1.96	14.4

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Valeant Pharm Intl	VRX	124,869	561.8	12.05	24.10	32.75	8.31
iShares MSCI Emg Markets	EEM	68,438	28.7	40.69	1.27	40.81	31.70
Finl Select Sector SPDR	XLF	64,892	-13.4	23.73	-0.38	25.30	17.31
Bank of America	BAC	58,666	-38.6	23.98	0.08	25.80	12.05
Frontier Communications	FTR	51,260	10.5	1.43	-6.54	5.53	1.40
Pandora Media	P	49,632	551.9	9.94	-4.42	14.98	9.41
SPDR S&P 500	SPY	47,119	-39.4	239.44	-0.09	240.32	198.65
Advanced Micro Devices	AMD	46,948	-33.8	10.18	1.39	15.55	3.55
Ford Motor	F	43,770	12.3	11.16	0.27	14.04	10.90
iPath S&P 500 VIX ST Fut	VXX	42,797	-18.4	14.05	-0.28	71.48	13.86

* 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
iShares MSCI Kokusai ETF	TOK	2,344	26540	59.46	-0.03	59.93	49.05
iShares Govt/Credit Bond	GBF	555	7936	113.15	0.15	118.69	111.23
SPDR STOXX Europe 50	FEU	1,969	4230	33.90	-0.24	34.34	27.43
VanEck Vectors Gaming ETF	BJK	162	3138	39.13	1.01	39.80	30.14
Preferred Apt Cmnts	APTS	4,317	2181	14.50	-8.63	15.82	12.02
iShares Asia 50 ETF	AIA	1,557	2088	55.12	0.86	55.53	40.24
iShares MSCI BRIC ETF	BKF	2,399	1960	36.84	0.96	37.15	28.27
Cumberland Pharm	CPIX	366	1813	6.16	10.84	7.48	4.27
Forum Merger Cl A	FMCI	993	1463	9.74	-0.10	10.19	9.65
Nevro	NVRO	6,065	1450	75.53	-12.48	106.93	62.61

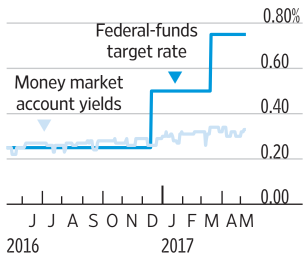
* Common stocks priced at $5 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

Money market accounts

Bankrate.com avg†:	0.33%
ableBanking, a division of Northeast Bank	1.00%
Lewiston, ME	877-505-1933
Barclays	1.00%
Wilmington, DE	888-720-8756
Capital One 360	1.00%
Glen Allen, VA	877-464-0333
Radius Bank	1.00%
Boston, MA	800-242-0272
Ally Bank	1.05%
Midvale, UT	877-247-2559

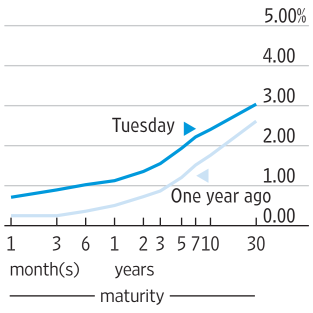
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	0.75-1.00	0.75-1.00	0.25	1.00	0.75
Prime rate*	4.00	4.00	3.50	4.00	0.75
Libor, 3-month	1.18	1.17	0.62	1.18	0.96
Money market, annual yield	0.33	0.30	0.22	0.34	-0.07
Five-year CD, annual yield	1.30	1.30	1.17	1.31	-0.10
30-year mortgage, fixed†	4.06	4.03	3.43	4.33	-0.25
15-year mortgage, fixed†	3.26	3.24	2.70	3.50	-0.12
Jumbo mortgages, $424,100-plus†	4.60	4.54	4.02	4.88	-0.02
Five-year adj mortgage (ARM)†	3.43	3.31	2.97	4.03	-0.11
New-car loan, 48-month	3.10	3.12	2.87	3.36	0.17
HELOC, $30,000	4.90	4.92	4.57	4.96	0.21

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

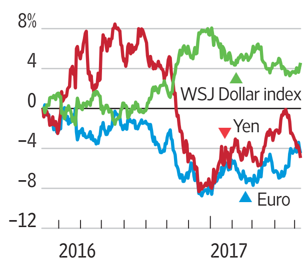
Treasury yield curve

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	1436.248	2.087	1.984	2.237	1.141	-2.208	2.507
10-yr Treasury, Ryan ALM	1706.441	2.405	2.296	2.609	1.366	-0.142	2.645
DJ Corporate	n.a.	n.a.	3.095	n.a.	n.a.	n.a.	n.a.
Aggregate, Barclays Capital	1898.780	2.620	2.540	2.790	1.820	0.115	2.399
High Yield 100, Merrill Lynch	2782.666	5.292	5.248	6.804	5.174	12.538	3.226
Fixed-Rate MBS, Barclays	1954.530	2.870	2.820	3.120	1.930	0.076	2.348
Muni Master, Merrill	509.661	2.060	2.078	2.516	1.297	-0.443	2.617
EMBI Global, J.P. Morgan	777.576	5.584	5.499	6.290	5.134	8.306	5.096

Sources: J.P. Morgan; Ryan ALM; S&P Dow Jones Indices; Barclays Capital; Merrill Lynch

CURRENCIES

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Tues in US$	Tues per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0645	15.5155	-2.2
Brazil real	.3136	3.1891	-2.0
Canada dollar	.7289	1.3720	2.1
Chile peso	.001474	678.60	1.3
Colombia peso	.0003358	2978.04	-0.8
Ecuador US dollar	1	1	unch
Mexico peso	.0522	19.1721	-7.5
Peru new sol	.3040	3.290	-1.9
Uruguay peso	.03561	28.0800	-4.3
Venezuela b. fuerte	.099005	10.1005	1.1
Asia-Pacific			
Australian dollar	.7344	1.3617	-1.9
China yuan	.1447	6.9086	-0.5
Hong Kong dollar	.1285	7.7838	0.4
India rupee	.01546	64.675	-4.8
Indonesia rupiah	.0000748	13365	-1.2
Japan yen	.008773	113.98	-2.6
Kazakhstan tenge	.003140	318.44	-4.6
Macau pataca	.1245	8.0347	1.5
Malaysia ringgit	.2301	4.3465	-3.1
New Zealand dollar	.6896	1.4501	0.4
Pakistan rupee	.00954	104.845	0.5
Philippines peso	.0200	50.035	0.9
Singapore dollar	.7083	1.4118	-2.5
South Korea won	.0008778	1139.16	-5.7
Sri Lanka rupee	.0065535	152.59	2.8
Taiwan dollar	.03306	30.247	-6.8
Thailand baht	.02875	34.780	-2.9
Vietnam dong	.00004396	22750	-0.1
Europe			
Czech Rep. koruna	.04083	24.491	-4.7
Denmark krone	.1461	6.8443	-3.2
Euro area euro	1.0875	.9196	-3.3
Hungary forint	.003487	286.79	-2.5
Iceland krona	.009418	106.18	-6.0
Norway krone	.1151	8.6901	0.5
Poland zloty	.2569	3.8921	-7.0
Russia ruble	.01711	58.454	-4.6
Sweden krona	.1125	8.8905	-2.4
Switzerland franc	.9926	1.0075	-1.1
Turkey lira	.2759	3.6240	2.9
Ukraine hryvnia	.0377	26.5000	-2.2
UK pound	1.2935	.7731	-4.6
Middle East/Africa			
Bahrain dinar	2.6534	.3769	-0.1
Egypt pound	.0552	18.1030	-0.2
Israel shekel	.2772	3.6070	-6.3
Kuwait dinar	3.2844	.3045	-0.4
Oman sul rial	2.5972	.3850	0.02
Qatar rial	.2746	3.642	0.04
Saudi Arabia riyal	.2666	3.7506	...
South Africa rand	.0734	13.6277	-0.5

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	90.54	0.38	0.42	-2.58

Sources: Tullett Prebon, WSJ Market Data Group

COMMODITIES

	Close	Tuesday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	547.45	-0.73	-0.13	589.81	506.18	7.42	-3.49
TR/CC CRB Index	177.29	-0.84	-0.47	195.82	177.01	-1.66	-7.91
Crude oil, $ per barrel	45.88	-0.55	-1.18	54.45	39.51	2.73	-14.59
Natural gas, $/MMBtu	3.227	0.055	1.73	3.93	1.96	49.54	-13.35
Gold, $ per troy oz.	1214.30	-11.00	-0.90	1364.90	1127.80	-3.92	5.59

COMMODITIES

WSJ.com/commodities

Futures Contracts

Metal & Petroleum Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
May	2.4825	2.5020		2.4800	**2.4900**	0.0045	3,361
July	2.4940	2.5175		2.4805	**2.4980**	0.0045	121,807
Gold (CMX)-100 troy oz.; $ per troy oz.							
May	1226.10	1226.20		1214.00	**1214.30**	–11.00	78
June	1226.60	1228.70		1214.30	**1216.10**	–11.00	255,800
Aug	1229.70	1232.10		1217.80	**1219.60**	–11.00	90,563
Oct	1233.40	1235.10		1221.70	**1222.90**	–11.00	7,948
Dec	1236.50	1238.60		1224.50	**1226.20**	–11.00	57,145
Feb'18	1241.20	1241.50		1228.30	**1229.60**	–11.00	7,765
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
May	812.80	812.80	▲	812.80	**793.45**	–11.95	1
June	807.55	809.60		790.90	**793.60**	–11.95	30,265
July	796.10	796.10		793.90	**793.20**	–12.00	1
Sept	806.55	808.05		790.70	**792.85**	–12.05	7,214
March'18	799.50	799.50		799.15	**794.15**	–12.10	4
Platinum (NYM)-50 troy oz.; $ per troy oz.							
May	902.00	902.00		902.00	**898.40**	–18.70	1
July	919.40	920.50		900.00	**900.90**	–18.70	67,414
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
May	16.145	16.185		16.030	**16.008**	–0.191	274
July	16.235	16.315	▼	16.060	**16.067**	–0.191	149,072
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
June	46.49	46.78		45.53	**45.88**	–0.55	491,012
July	46.92	47.17		45.92	**46.27**	–0.57	393,677
Aug	47.25	47.52		46.27	**46.62**	–0.57	130,809
Sept	47.59	47.80		46.57	**46.92**	–0.58	175,123
Dec	48.35	48.60		47.36	**47.73**	–0.58	277,195
Dec'18	48.97	49.08		48.07	**48.43**	–0.45	134,161
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
June	1.4590	1.4672		1.4333	**1.4421**	–.0135	116,235
July	1.4669	1.4719		1.4389	**1.4473**	–.0133	92,632
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
June	1.5234	1.5296		1.4835	**1.4895**	–.0283	117,720
July	1.5255	1.5320		1.4878	**1.4932**	–.0273	92,324
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
June	3.178	3.246		3.173	**3.227**	.055	239,506
July	3.262	3.327		3.257	**3.315**	.058	239,262
Aug	3.294	3.359		3.291	**3.349**	.058	103,233
Sept	3.289	3.343		3.282	**3.333**	.054	126,064
Oct	3.301	3.367		3.300	**3.355**	.053	173,285
Jan'18	3.560	3.609		3.558	**3.601**	.049	101,119

Agriculture Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
May	358.25	360.50		357.25	**358.25**	1.50	1,747
July	366.00	369.50		365.75	**366.50**	.50	736,221
Oats (CBT)-5,000 bu.; cents per bu.							
July	248.25	249.75		245.00	**245.75**	–2.75	4,804
Dec	225.00	225.00		222.75	**223.25**	–.75	879
Soybeans (CBT)-5,000 bu.; cents per bu.							
May	956.25	968.00		956.25	**965.25**	9.00	609
July	965.00	977.25		963.50	**974.00**	9.25	364,497
Soybean Meal (CBT)-100 tons; $ per ton.							
May	309.50	314.80		309.50	**314.20**	4.70	787
July	313.90	319.20		313.10	**318.50**	4.90	203,549
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
May	32.75	32.86		32.73	**32.65**	–.08	129
July	32.94	33.17		32.81	**32.89**	–.05	214,862
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
May	…	…		…	**964.50**	–5.50	135
July	994.00	995.00		986.50	**987.00**	–7.50	10,188
Wheat (CBT)-5,000 bu.; cents per bu.							
May	421.00	423.25		420.50	**421.75**	3.75	82
July	433.50	434.50		428.50	**429.50**	–4.00	260,129
Wheat (KC)-5,000 bu.; cents per bu.							
May	…	…		…	**427.00**	–5.50	2
July	444.00	445.25		438.50	**438.75**	–5.50	151,522
Wheat (MPLS)-5,000 bu.; cents per bu.							
May	…	528.50		528.50	**528.50**	–4.25	121
July	545.00	550.50		540.00	**541.00**	–3.75	30,847
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
May	148.900	150.150		143.800	**144.525**	–3.775	5,897
Aug	156.825	158.800		152.150	**152.150**	–4.500	33,386
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
June	128.000	129.625		124.775	**124.975**	–2.800	123,675
Aug	123.500	124.925		120.250	**120.650**	–2.600	133,078
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
May	70.300	70.650		70.100	**70.300**	.400	1,647
June	77.600	78.425		77.175	**77.375**	…	58,044
Lumber (CME)-110,000 bd. ft., $ per 1,000 bd. ft.							
May	381.00	383.00		377.50	**379.70**	–1.50	569
July	387.50	388.00		384.00	**384.40**	–3.10	3,802
Milk (CME)-200,000 lbs., cents per lb.							
May	15.55	15.57		15.46	**15.52**	–.03	4,621
June	15.91	15.92		15.72	**15.87**	.01	5,461
Cocoa (ICE-US)-10 metric tons; $ per ton.							
May	1,836	1,866		1,836	**1,990**	35	27
July	1,969	1,971		1,926	**1,960**	5	154,949
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
May	132.90	133.00		132.40	**132.80**	–1.75	5
July	136.85	137.00		134.80	**135.15**	–1.75	107,249
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
July	15.47	15.73		15.36	**15.44**	.06	379,709
Oct	15.76	16.00		15.68	**15.76**	.08	163,094
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
July	29.24	29.24		29.24	**28.60**	.12	1,577
Sept	28.59	28.74		28.59	**28.77**	.23	1,544
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
July	77.19	77.82		77.07	**77.43**	.24	136,888
Dec	73.35	73.67		72.96	**73.04**	–.29	106,188
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
May	147.85	147.85	▼	147.85	**147.90**	–1.20	26
July	150.55	151.65		146.85	**148.40**	–.25	7,891

Interest Rate Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
June	151-040	151-090		150-190	**150-240**	–18.0	665,555
Sept	149-260	150-000		149-140	**149-170**	–18.0	2,023
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
June	124-305	125-020		124-240	**124-265**	–7.5	3,293,135
Sept	124-200	124-225		124-125	**124-155**	–8.0	21,734
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
June	117-315	118-010		117-265	**117-277**	–5.2	3,168,482
Sept	117-105	117-112		117-082	**117-095**	–5.5	26,057
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
June	108-057	108-065		108-045	**108-047**	–1.5	1,353,380
Sept	108-002	108-002		107-310	**107-310**	–2.0	12,469
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
May	99.095	99.095		99.093	**99.090**	–.005	230,910
July	98.885	98.900	▼	98.885	**98.890**	–.005	235,657
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
June	92.063	92.109		91.922	**91.984**	–.188	29,797
1 Month Libor (CME)-$3,000,000; pts of 100%							
May	98.9975	99.0000		98.9950	**98.9975**	.0075	3,090
Sept	98.6625	98.6625	▼	98.6625	**98.6700**	–.0100	573
Eurodollar (CME)-$1,000,000; pts of 100%							
May	98.7975	98.8100		98.7975	**98.8075**	.0100	171,529
June	98.7000	98.7250		98.6950	**98.7150**	.0150	1,443,805
Sept	98.5700	98.5950		98.5650	**98.5850**	.0050	1,419,029
Dec	98.4850	98.5050		98.4800	**98.4900**	–.0050	1,637,684

Currency Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
May	.8829	.8837		.8749	**.8753**	–.0096	404
June	.8840	.8851		.8759	**.8763**	–.0096	195,392
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
May	.7312	.7315		.7273	**.7290**	–.0014	731
June	.7305	.7319		.7275	**.7293**	–.0014	203,689
British Pound (CME)-£62,500; $ per £							
May	1.2943	1.2961		1.2906	**1.2928**	–.0018	509
June	1.2955	1.2976		1.2918	**1.2940**	–.0018	252,142
Swiss Franc (CME)-CHF 125,000; $ per CHF							
June	1.0035	1.0046		.9932	**.9936**	–.0107	46,028
Sept	1.0103	1.0103		.9993	**.9995**	–.0107	253
Australian Dollar (CME)-AUD 100,000; $ per AUD							
May	.7352	.7397	▼	.7329	**.7336**	–.0050	626
June	.7380	.7392		.7323	**.7331**	–.0051	113,167
July	.7379	.7389	▼	.7321	**.7328**	–.0051	166
Sept	.7378	.7382		.7315	**.7322**	–.0051	1,724
Dec	.7338	.7369	▼	.7312	**.7315**	–.0050	140
Mexican Peso (CME)-MXN 500,000; $ per MXN							
June	.05170	.05202		.05158	**.05176**	–.00007	178,409
Euro (CME)-€125,000; $ per €							
May	1.0926	1.0936		1.0868	**1.0872**	–.0065	1,313
June	1.0945	1.0954		1.0884	**1.0889**	–.0065	409,839

Index Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
June	20943	20987		20875	**20907**	–34	121,805
Sept	20898	20928	▲	20831	**20856**	–35	430
S&P 500 Index (CME)-$250 x index							
June	2395.40	2400.00	▲	2389.00	**2393.30**	–1.70	70,928
Sept	…	2397.00	▲	2388.00	**2390.80**	–1.70	240
Mini S&P 500 (CME)-$50 x index							
June	2394.50	2400.00	▲	2388.75	**2393.25**	–1.75	2,993,818
Sept	2392.75	2397.50	▲	2386.25	**2390.75**	–1.75	23,817
Mini S&P Midcap 400 (CME)-$100 x index							
June	1728.70	1733.70		1721.30	**1725.90**	–4.60	96,169
Mini Nasdaq 100 (CME)-$20 x index							
June	5654.3	5687.8	▲	5650.8	**5676.3**	20.8	271,692
Sept	5661.5	5692.3	▲	5656.8	**5682.0**	20.8	901
Mini Russell 2000 (ICE-US)-$100 x index							
June	1390.80	1395.10		1384.20	**1389.40**	–1.20	580,197
Sept	1391.00	1391.00		1389.20	**1388.20**	–1.20	232
Mini Russell 1000 (ICE-US)-$100 x index							
June	1328.80	1330.10		1324.50	**1326.60**	–2.20	7,628
U.S. Dollar Index (ICE-US)-$1,000 x index							
June	99.02	99.57		98.96	**99.54**	.61	71,859
Sept	98.84	99.38		98.80	**99.36**	.60	1,761

Source: SIX Financial Information

Cash Prices | WSJ.com/commodities

Tuesday, May 09, 2017

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Tuesday
Energy	
Propane,tet,Mont Belvieu-g	0.6325
Butane,normal,Mont Belvieu-g	0.7703
NaturalGas,HenryHub-i	3.030
NaturalGas,TranscoZone3-i	3.020
NaturalGas,TranscoZone6NY-i	2.930
NaturalGas,PanhandleEast-i	2.660
NaturalGas,Opal-i	2.730
NaturalGas,MarcellusNE PA-i	2.730
NaturalGas,HaynesvilleN.LA-i	2.900
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	52.450
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	11.750
Metals	
Gold, per troy oz	
Engelhard industrial	1223.73
Engelhard fabricated	1315.51
Handy & Harman base	1220.40
Handy & Harman fabricated	1354.64
LBMA Gold Price AM	*1229.70
LBMA Gold Price PM	*1229.80
Krugerrand,wholesale-e	1264.85
Maple Leaf-e	1277.01
American Eagle-e	1277.01
Mexican peso-e	1474.37
Austria crown-e	1195.12
Austria phil-e	1277.01
Silver, troy oz.	
Engelhard industrial	16.2200
Engelhard fabricated	19.4640
Handy & Harman base	16.1150
Handy & Harman fabricated	20.1440
LBMA spot price	£12.5503
(U.S.$ equivalent)	16.2200
Coins,wholesale $1,000 face-a	12329
Other metals	
LBMA Platinum Price PM	*912.0
Platinum,Engelhard industrial	906.0
Platinum,Engelhard fabricated	1006.0
Palladium,Engelhard industrial	802.0
Palladium,Engelhard fabricated	902.0
Aluminum, LME, $ per metric ton	*1879.0
Copper,Comex spot	2.4900
Iron Ore, 62% Fe CFR China-s	59.9
Shredded Scrap, US Midwest-s,w	307
Steel, HRC USA, FOB Midwest Mill-s	625
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.5800
Cotton,1 1/16 std lw-mdMphs-u	0.7593
Cotlook 'A' Index-t	*87.70
Hides,hvy native steers piece fob-u	69.000
Wool,64s,staple,Terr del-u,w	4.49
Grains and Feeds	
Barley,top-quality Mnpls-u	n.a.
Bran,wheat middlings, KC-u	48
Corn,No. 2 yellow,Cent IL-bp,u	3.4050
Corn gluten feed,Midwest-u,w	79.2
Corn gluten meal,Midwest-u,w	484.4
Cottonseed meal-u,w	180
Hominy feed,Cent IL-u,w	n.a.
Meat-bonemeal,50% pro Mnpls-u,w	255
Oats,No.2 milling,Mnpls-u	2.7175
Rice, 5% Broken White, Thailand-l,w	378.00
Rice, Long Grain Milled, No. 2 AR-u,w	20.25
Sorghum,(Milo) No.2 Gulf-u	7.2588
SoybeanMeal,Cent IL,rail,ton48%-u	315.00
Soybeans,No.1 yllw IL-bp,u	9.3850
Wheat,Spring14%-pro Mnpls-u	6.5600
Wheat,No.2 soft red,St.Louis-bp,u	4.1100
Wheat - Hard - KC (USDA) $ per bu-u	3.9575
Wheat,No.1soft white,Portld,OR-u	4.7750
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	225.17
select 1-3,600-900 lbs.-u	208.09
Broilers,dressed 'A'-u	n.a.
Broilers, National comp wghtd-u,w	0.9912
Butter,AA Chicago	2.1050
Cheddar cheese,bbl,Chicago	146.00
Cheddar cheese,blk,Chicago	159.00
Milk,Nonfat dry,Chicago lb.	85.75
Cocoa,Ivory Coast-w	2124
Coffee,Brazilian,Comp	1.3495
Coffee,Colombian, NY	1.5402
Eggs,large white,Chicago-u	0.5450
Flour,hard winter KC	14.30
Hams,17-20 lbs,Mid-US fob-u	0.70
Hogs,Iowa-So. Minnesota-u	67.50
Pork bellies,12-14 lb MidUS-u	1.3336
Pork loins,13-19 lb MidUS-u	0.9933
Steers,Tex.-Okla. Choice-u	n.a.
Steers,feeder,Okla. City-u,w	168.31
Fats and Oils	
Corn oil,crude wet/dry mill-u,w	37.7500
Grease,choice white,Chicago-u	0.3000
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u	0.3102
Tallow,bleach;Chicago-u	0.2400
Tallow,edible,Chicago-u	0.3550

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra,Tordella & Brooks; G=ICE; I=Natural Gas Intelligence; L=livericeindex.com; M=midday; N=nominal; n.a.=not quoted or not available; R=SNL Energy; S=The Steel Index; T=Cotlook Limited; U=USDA; W=weekly, Z=not quoted. *Data as of 5/8

Source: WSJ Market Data Group

Bonds | WSJ.com/bonds

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High
Broad Market Bloomberg Barclays					
1898.78	1.1	U.S. Aggregate	**2.620**	1.820	2.790
U.S. Corporate Indexes Bloomberg Barclays					
2677.25	1.9	U.S. Corporate	**3.330**	2.750	3.520
2562.98	1.7	Intermediate	**2.810**	2.190	3.010
3587.13	2.2	Long term	**4.490**	3.960	4.710
549.34	1.3	Double-A-rated	**2.720**	1.980	2.870
686.86	2.2	Triple-B-rated	**3.640**	3.180	3.870
High Yield Bonds Merrill Lynch					
403.54	3.8	High Yield Constrained	**5.675**	5.566	7.785
405.73	5.5	Triple-C-rated	**10.001**	9.584	16.715
2782.67	3.7	High Yield 100	**5.292**	5.174	6.804
366.70	4.1	Global High Yield Constrained	**5.269**	5.223	7.327
296.61	3.4	Europe High Yield Constrained	**2.610**	2.610	4.840
U.S Agency Bloomberg Barclays					
1619.46	0.9	U.S Agency	**1.870**	1.150	1.960
1455.32	0.6	10-20 years	**1.670**	0.960	1.750
3221.00	3.2	20-plus years	**3.150**	2.390	3.460
2391.94	2.1	Yankee	**2.860**	2.320	3.090
Mortgage-Backed Bloomberg Barclays					
1954.53	0.7	Mortgage-Backed	**2.870**	1.930	3.120
1931.10	0.7	Ginnie Mae (GNMA)	**2.810**	1.850	3.090
1143.65	0.8	Fannie mae (FNMA)	**2.900**	1.950	3.120
1761.26	0.8	Freddie Mac (FHLMC)	**2.900**	1.980	3.130
509.66	2.2	Muni Master	**2.060**	1.297	2.516
356.24	2.6	7-12 year	**2.090**	1.300	2.618
394.20	2.2	12-22 year	**2.675**	1.610	3.047
379.20	2.2	22-plus year	**3.187**	2.027	3.622
Global Government J.P. Morgan†					
n.a.	n.a.	Global Government	**n.a.**	n.a.	n.a.
n.a.	n.a.	Canada	**n.a.**	n.a.	n.a.
n.a.	n.a.	EMU§	**n.a.**	n.a.	n.a.
n.a.	n.a.	France	**n.a.**	n.a.	n.a.
n.a.	n.a.	Germany	**n.a.**	n.a.	n.a.
n.a.	n.a.	Japan	**n.a.**	n.a.	n.a.
n.a.	n.a.	Netherlands	**n.a.**	n.a.	n.a.
n.a.	n.a.	U.K.	**n.a.**	n.a.	n.a.
777.58	5.2	Emerging Markets **	**5.584**	5.134	6.290

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds
† In local currency § Euro-zone bonds
** EMBI Global Index

Sources: Merrill Lynch; Bloomberg Barclays; J.P.Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

Coupon (%)	Country/ Maturity, in years	Yield (%) Latest	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points Latest	Prev	Year ago
1.250	**U.S.** 2	1.343 ▲	1.338	1.286	0.706			
2.250	10	2.404 ▲	2.389	2.382	1.745			
5.250	**Australia** 2	1.733 ▲	1.731	1.665	1.583	39.0	39.2	87.7
4.750	10	2.692 ▲	2.683	2.562	2.331	28.8	29.4	58.6
0.000	**France** 2	-0.428 ▼	-0.411	-0.513	-0.446	-177.1	-174.9	-115.2
1.000	10	0.871 ▲	0.837	0.889	0.496	-153.4	-155.2	-124.9
0.000	**Germany** 2	-0.671 ▼	-0.664	-0.807	-0.492	-201.3	-200.2	-119.8
0.250	10	0.431 ▲	0.420	0.228	0.127	-197.3	-196.9	-161.8
0.300	**Italy** 2	-0.133 ▲	-0.137	-0.090	-0.047	-147.5	-147.5	-75.3
2.200	10	2.274 ▲	2.242	2.043	1.471	-13.1	-14.7	-27.4
0.100	**Japan** 2	-0.185 ▲	-0.194	-0.214	-0.244	-152.8	-153.2	-95.0
0.100	10	0.036 ▲	0.030	0.050	-0.105	-236.9	-235.9	-184.9
2.750	**Spain** 2	-0.294 ▼	-0.288	-0.233	-0.080	-163.7	-162.6	-78.6
1.500	10	1.615 ▲	1.578	1.602	1.569	-79.0	-81.1	-17.6
1.750	**U.K.** 2	0.165 ▲	0.156	0.114	0.414	-117.8	-118.2	-29.2
4.250	10	1.203 ▲	1.151	1.078	1.417	-120.2	-123.8	-32.8

Source: Tullett Prebon

Corporate Debt

Price moves by a company's debt in the credit markets sometimes mirror and sometimes anticipate moves in that same company's share price.

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Maturity	Spread*, in basis points Current	One-day change	Last week	Stock Performance Close ($)	% chg
Royal Bank of Scotland	RBS	7.640	Sept. 30, '49	2237	–73	2209	6.82	–1.45
Credit Agricole S.A.	ACAFP	7.875	Jan. 23, '49	327	–13	344	…	…
Wells Fargo Bank NA	WFC	2.150	Dec. 6, '19	54	–13	61	…	…
Whole Foods Market	WFM	5.200	Dec. 3, '25	205	–11	217	36.57	–0.38
Goldman Sachs	GS	6.750	Oct. 1, '37	172	–10	183	223.76	–0.56
Intesa Sanpaolo Spa	ISPIM	6.500	Feb. 24, '21	145	–10	163	…	…
Shell International Finance Bv*	RDSALN	4.375	March 25, '20	32	–10	43	…	…
UBS AG	UBS	7.625	Aug. 17, '22	198	–10	n.a.	16.79	–1.52

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Barclays	BACR	6.625	Sept. 15, '49	276	31	n.a.	…	…
Goldman Sachs	GS	5.750	Jan. 24, '22	112	19	98	223.76	–0.56
Time Warner	TWX	3.400	June 15, '22	114	17	111	98.13	–0.26
Costco Wholesale	COST	1.700	Dec. 15, '19	47	11	n.a.	172.68	0.02
Exelon	EXC	3.950	June 15, '25	117	9	n.a.	33.59	–1.96
Viacom	VIA	5.875	Feb. 28, '57	216	9	204	38.40	–0.13
Bank of New York Mellon	BK	2.150	Feb. 24, '20	45	8	41	47.12	–1.17
Plains All American Pipeline	PAA	4.900	Feb. 15, '45	233	8	n.a.	26.95	–5.41

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
Valeant Pharmaceuticals International	VRXCN	7.500	July 15, '21	89.500	3.75	84.625	…	…
Hertz	HTZ	5.875	Oct. 15, '20	92.625	3.63	91.500	12.80	–14.15
Yum! Brands	YUM	6.875	Nov. 15, '37	104.625	2.88	n.a.	68.76	–0.55
Post Holdings	POST	7.750	March 15, '24	113.625	2.56	111.250	78.12	–5.47
Avis Budget Car Rental	CAR	5.500	April 1, '23	100.770	2.27	96.750	…	…
Endo Finance	ENDP	5.375	Jan. 15, '23	85.500	2.25	85.500	…	…
Genon Energy	GENONE	9.500	Oct. 15, '18	68.500	2.25	63.500	…	…
Ensco	ESV	4.500	Oct. 1, '24	82.750	1.75	83.000	7.83	…

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Maturity	Current	One-day change	Last week	Close ($)	% chg
Intelsat Luxembourg S.A.	INTEL	8.125	June 1, '23	51.500	–5.50	n.a.	…	…
Frontier Communications	FTR	11.000	Sept. 15, '25	93.057	–2.44	97.813	1.43	–6.54
Revlon Consumer Products	REV	5.750	Feb. 15, '21	90.500	–2.25	99.500	…	…
MEG Energy	MEGCN	6.375	Jan. 30, '23	83.750	–1.88	87.500	…	…
Genon Americas Generation	GENONE	9.125	May 1, '31	79.750	–1.75	90.250	…	…
Resolute Forest Products	RFP	5.875	May 15, '23	92.750	–1.50	96.500	4.75	–5.94
Talen Energy Supply	TLN	9.500	July 15, '22	87.250	–1.50	90.000	…	…
Freeport–McMoran	FCX	4.550	Nov. 14, '24	92.250	–1.25	94.750	11.63	–0.34

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.
Note: Data are for the most active issue of bonds with maturities of two years or more

Sources: MarketAxess Corporate BondTicker; WSJ Market Data Group

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

May 9, 2017

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	March index level	Chg From (%) Feb. '17	March '16
U.S. consumer price index			
All items	**243.801**	0.08	2.4
Core	**251.290**	0.06	2.0

International rates

	Latest	Week ago	52-Week High	Low
Prime rates				
U.S.	**4.00**	4.00	4.00	3.50
Canada	**2.70**	2.70	2.70	2.70
Japan	**1.475**	1.475	1.475	1.475
Policy Rates				
Euro zone	**0.00**	0.00	0.00	0.00
Switzerland	**0.50**	0.50	0.50	0.50
Britain	**0.25**	0.25	0.50	0.25
Australia	**1.50**	1.50	1.75	1.50
Overnight repurchase				
U.S.	**0.82**	0.85	1.30	0.15

U.S. government rates

	Latest	Week ago	52-Week High	Low
Discount				
	1.50	1.50	1.50	1.00
Federal funds				
Effective rate	**0.9300**	0.9300	0.9400	0.3200
High	**1.0625**	1.0625	1.0625	0.5000
Low	**0.8800**	0.7500	0.9100	0.2000
Bid	**0.9100**	0.9100	0.9300	0.2000
Offer	**0.9300**	1.0000	1.0000	0.2600
Treasury bill auction				
4 weeks	**0.710**	0.725	0.770	0.160
13 weeks	**0.900**	0.845	0.900	0.240
26 weeks	**1.015**	0.975	1.015	0.340

Secondary market

	Latest	Week ago	52-Week High	Low
Fannie Mae				
30-year mortgage yields				
30 days	**3.611**	3.589	3.865	2.806
60 days	**3.640**	3.619	3.899	2.832

Other short-term rates

	Latest	Week ago	52-Week high	low
Call money				
	2.75	2.75	2.75	2.25
Commercial paper (AA financial)				
90 days	**1.06**	1.01	1.13	0.47
Libor				
One month	**0.98856**	0.99278	0.99500	0.43395
Three month	**1.18200**	1.17372	1.18456	0.62360
Six month	**1.44517**	1.43239	1.44517	0.88685
One year	**1.79067**	1.78011	1.82761	1.19570
Euro Libor				
One month	**-0.403**	-0.401	-0.351	-0.403
Three month	**-0.364**	-0.362	-0.273	-0.364
Six month	**-0.271**	-0.262	-0.159	-0.271
One year	**-0.140**	-0.143	-0.026	-0.146
Euro interbank offered rate (Euribor)				
One month	**-0.374**	-0.374	-0.348	-0.375
Three month	**-0.329**	-0.329	-0.257	-0.332
Six month	**-0.249**	-0.249	-0.143	-0.251
One year	**-0.123**	-0.121	-0.011	-0.126

	Latest	Value Traded	52-Week High	Low
DTCC GCF Repo Index				
Treasury	**0.813**	44.950	1.266	0.244
MBS	**0.846**	91.700	1.328	0.257

	Settle	Change	Open Interest	Implied Rate
DTCC GCF Repo Index Futures				
Treasury May	**99.155**	0.010	5639	0.845
Treasury Jun	**99.030**	0.010	1267	0.970
Treasury Jly	**98.910**	0.005	1024	1.090

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 16, 2017. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective March 16, 2017. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET. **Futures on the DTCC GCF Repo Index** are traded on NYSE Liffe US.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; SIX Financial Information; General Electric Capital Corp.; Tullett Prebon Information, Ltd.

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Tuesday, May 9, 2017

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
AlerianMLPETF	AMLP	12.36	–0.64	–1.9
CnsmrDiscSelSector	XLY	90.86	0.58	11.6
CnsStapleSelSector	XLP	55.00	–0.36	6.4
DBGoldDoubleLgETN	DGP	22.26	–1.15	10.6
DBGoldDoubleShrt	DZZ	6.07	0.50	–11.5
DeutscheXMSCIEAFE	DBEF	30.81	0.26	9.8
EnSelectSectorSPDR	XLE	67.23	–0.83	–10.7
FinSelSectorSPDR	XLF	23.73	–0.38	2.1
GuggS&P500EW	RSP	91.58	–0.07	5.7
HealthCareSelSect	XLV	75.59	0.12	9.6
IndSelSectorSPDR	XLI	66.83	0.13	7.4
iShIntermCredBd	CIU	109.09	0.06	0.8
iSh1-3YCreditBond	CSJ	105.11	0.02	0.2
iSh3-7YTreasuryBd	IEI	123.08	–0.05	0.5
iShCoreHiDividend	HDV	83.09	–0.43	1.0
iShCoreMSCIEAFEETF	IEFA	60.57	–0.20	12.9
iShCoreMSCIEmgMk	IEMG	49.36	1.02	16.3
iShCoreS&P500ETF	IVV	240.99	–0.07	7.1
iShCoreS&PMdCp	IJH	172.27	–0.22	4.2
iShCoreS&PSmCpETF	IJR	69.53	0.13	1.1
iShS&PTotlUSStkMkt	ITOT	54.81	–0.07	6.9
iShCoreUSAggBd	AGG	108.50	0.01	0.4
iShSelectDividend	DVY	91.19	–0.40	3.0
iShEdgeMSCIMinEAFE	EFAV	68.67	0.09	12.2
iShEdgeMSCIMinUSA	USMV	48.25	–0.25	6.7
iShGoldTr	IAU	11.73	–0.59	5.9
iShiBoxx$InvGrCpBd	LQD	118.21	0.02	0.9
iShiBoxx$HYCpBd	HYG	87.62	–0.07	1.2
iShJPMUSDEmgBd	EMB	114.05	–0.10	3.5
iShMBSETF	MBB	106.45	–0.04	0.1
iShMSCIACWIETF	ACWI	64.87	–0.03	9.6
iShMSCI EAFE	EFA	64.94	–0.25	12.5
iShMSCIEAFESC	SCZ	57.35	–0.04	15.1
iShMSCIEmgMarkets	EEM	40.69	1.27	16.2
iShMSCIEurozoneETF	EZU	40.38	–0.39	16.7
iShMSCIJapanETF	EWJ	52.62	–0.32	7.7
iShNasdaqBiotech	IBB	292.95	1.21	10.4
iShNatlMuniBdETF	MUB	109.13	–0.05	0.9
iShRussell1000Gwth	IWF	117.51	0.17	12.0
iShRussell1000ETF	IWB	133.25	–0.11	7.1
iShRussell1000Val	IWD	114.61	–0.29	2.3
iShRussell2000Gwth	IWO	164.39	0.31	6.8
iShRussell2000ETF	IWM	138.35	–0.04	2.6
iShRussell2000Val	IWN	117.62	–0.29	–1.1
iShRussell3000ETF	IWV	141.93	–0.07	6.7
iShRussellMid-Cap	IWR	188.85	–0.07	5.6
iShRussellMCValue	IWS	82.76	–0.24	2.9
iShS&PMC400Growth	IJK	193.94	–0.20	6.4
iShS&P500Growth	IVW	135.46	0.08	11.2
iShS&P500ValueETF	IVE	103.99	–0.30	2.6
iShUSPfdStk	PFF	38.86	–0.18	4.4
iShTIPSBondETF	TIP	113.21	–0.09	0.0
iSh1-3YTreasuryBd	SHY	84.41	–0.05	–0.0
iSh7-10YTreasuryBd	IEF	105.61	–0.11	0.8
iSh20+YTreasuryBd	TLT	120.62	–0.01	1.3
iShRussellMCGrowth	IWP	106.13	0.20	9.0
PIMCOEnhShMaturity	MINT	101.58	–0.01	0.2
PwrShQQQ1	QQQ	138.32	0.35	16.7
PwrShS&P500LoVol	SPLV	43.86	–0.32	5.5
PwrShSrLoanPtf	BKLN	23.27	–0.04	–0.4
SPDRBloomBarcHYBd	JNK	36.94	–0.08	1.3
SchwabIntEquity	SCHF	31.05	–0.22	12.2
SchwabUS BrdMkt	SCHB	57.88	–0.07	6.8
SchwabUS LC	SCHX	57.15	–0.09	7.3
SPDR DJIA Tr	DIA	209.62	–0.14	6.1
SPDR GldTr	GLD	116.05	–0.60	5.9
SPDR S&PMdCpTr	MDY	314.20	–0.23	4.1
SPDR S&P 500	SPY	239.44	–0.09	7.1
SPDR S&P Div	SDY	88.05	–0.29	2.9
TechSelectSector	XLK	55.28	0.13	14.3
UtilitiesSelSector	XLU	51.33	–0.73	5.7
VanEckGoldMiner	GDX	21.52	–0.09	2.9
VangdInfoTech	VGT	141.69	0.21	16.6
VangdSC Val	VBR	122.27	–0.39	1.0
VangdDivApp	VIG	91.49	–0.01	7.4
VangdFTSEDevMk	VEA	40.83	–0.17	11.7
VangdFTSE EM	VWO	40.41	1.13	12.9
VangdFTSE Europe	VGK	54.91	–0.07	14.5
VangdFTSEAWxUS	VEU	49.54	0.04	12.1
VangdGrowth	VUG	125.76	0.14	12.8
VangdHlthCr	VHT	139.96	0.19	10.4
VangdHiDiv	VYM	77.45	–0.33	2.2
VangdIntermBd	BIV	83.75	–0.06	0.8
VangdIntrCorpBd	VCIT	86.60	0.08	1.1
VangdLC	VV	109.85	–0.05	7.3
VangdMC	VO	141.12	–0.06	7.2
VangdMC Val	VOE	102.12	–0.14	5.1
VangdREIT	VNQ	81.38	–0.54	–1.4
VangdS&P500	VOO	219.79	–0.13	7.1
VangdST Bond	BSV	79.66	–0.05	0.3
VangdSTCpBd	VCSH	79.69	…	0.4
VangdSC	VB	133.78	–0.17	3.7
VangdTotalBd	BND	81.06	–0.05	0.3
VangdTotlntlBd	BNDX	54.23	–0.06	–0.1
VangdTotIntlStk	VXUS	51.40	–0.06	12.0
VangdTotalStk	VTI	123.10	–0.03	6.7
VangdTotlWrld	VT	66.89	0.07	9.7
VangdValue	VTV	95.35	–0.31	2.5
WisdTrEuropeHdg	HEDJ	66.66	0.06	16.1
WisdTrJapanHdg	DXJ	52.68	–0.15	6.3

AHEAD OF THE TAPE | By Steven Russolillo

Snap Earnings: The Moment of Truth

Young tech companies often generate excitement leading up to their first earnings reports as public companies. With **Snap** Inc.'s first report due out Wednesday, investors should resist.

When Facebook Inc., Twitter Inc. and GoPro Inc. reported their first-quarterly reports as public companies, their shares tanked immediately afterward. Odds are Snap investors will be disappointed, too.

While the messaging app and camera maker's shares have gained 6% over the past week, first-quarter results are expected to show slowing growth and steepening competition are only making Snap's life more difficult and its lofty valuation even tougher to justify.

Analysts polled by FactSet expect a quarterly adjusted loss of 21 cents a share versus a loss of 9 cents a share a year ago. The range of estimates vary widely, from a loss of 8 cents to 51 cents a share. Revenue is expected to have surged more than 300% to $158 million, although that would be slightly lower than the $165.7 million Snap reported for the fourth quarter.

MARK LENNIHAN/ASSOCIATED PRESS

Analysts are lukewarm on Snap. Only a third of those who follow it call it a buy.

The maker of Snapchat, a disappearing photo app popular with young people, has had a turbulent ride since a highly celebrated initial public offering in March. Shares popped its first few trading days but have mostly languished since. A $27 billion valuation leaves little room for error.

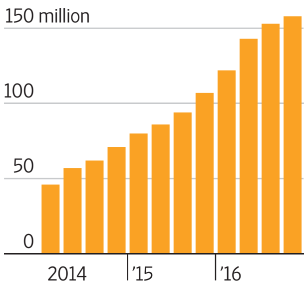
Analysts are lukewarm, with only one-third of those who follow it calling the stock a buy. And there is governance risk: Investors have little say in the company's strategic direction, with a majority of the company's voting power controlled by the founders.

The key indicator to watch is daily active users. Snap had 158 million people use the app every day as of the fourth quarter. Growth slowed recently, though, coinciding with the launch of "Instagram Stories" last summer by Facebook. That is a direct competitor to Snapchat Stories, mimicking many of its features. Instagram Stories already has 200 million daily active users, surpassing those on Snapchat.

Still, Snap has lofty plans to turn itself into an advertising juggernaut, a market long dominated by Facebook and Google. Snap has less than 1% of the global digital advertising pie, according to eMarketer Inc. It is focused on growing in North America and Europe, markets with big ad dollars. And it is scrambling to develop television-like original content to keep users engaged.

Whippersnappers

Snapchat's daily active users



Source: the company

THE WALL STREET JOURNAL.

Snap is expensive by almost any valuation metric. Shares fetch an enterprise-value-to-revenue multiple of 18 times, far richer than Facebook at 9.6 times, Twitter at 4.7 and GoPro's multiple of less than 1.

Like its content, don't be surprised if the stock's gains in recent days become a vanishing act, too.

Oil Prices Continue To Sink

By Timothy Puko

Crude prices slid, with a slate of factors including a rising dollar and skepticism about OPEC's influence continuing to batter oil.

The drop was the 11th in 17 sessions and brought oil prices to their second lowest settlement of 2017. Prices are down more than 14% year to date.

COMMODITIES

Light, sweet crude for June delivery settled down 55 cents, or 1.2%, at $45.88 a barrel on the New York Mercantile Exchange. Brent crude, the global benchmark, lost 61 cents, or 1.2%, to $48.73 a barrel on ICE Futures Europe.

Oil markets have been prone to selloffs this spring largely because U.S. stockpiles haven't fallen sharply as many expected. Until recent weeks, they spent most of the year rising to records despite a deal from the Organization of the Petroleum Exporting Countries, Russia and other exporters to cut total output by 1.8 million barrels a day.

A rising dollar probably hurt on Tuesday, too, said Bart Melek, head of commodity strategy at TD Securities in Toronto.

CREDIT MARKETS

Fund Managers Prepare As U.K. Bond Buying Ends

By Tasos Vossos

While investors around the world anticipate the tapering of the European Central Bank's bond-buying program, across the English Channel, the Bank of England has already completed its own plan.

Now, fund managers are bracing themselves for life without the central bank's corporate bond-purchase program, which reached its £10 billion ($12.94 billion) limit last week, several months ahead of schedule.

While investors debate whether the U.K. central bank has met its targets—lowering corporate yields, boosting bond issuance and spurring portfolio rebalancing—they appear sure the bond buying was good for them.

"The Bank of England [program] was successful from a confidence standpoint," said Andreas Michalitsianos, portfolio manager at **J.P. Morgan Asset Management.**

The central bank announced the program—to buy £10 billion of corporate bonds over 18 months—last August in the wake of Britain's vote in June to leave the European Union.

Yields on sterling-denominated corporate bonds and their spreads over U.K. government debt started tumbling not long after the Brexit vote, in anticipation that the central bank would announce such a program. The ECB, meanwhile, had already started to buy corporate bonds as it also looked to stimulate its economy.

Yields have shown a more muted response since the program started in September.

Some investors worry that as the Bank of England withdraws its money, the effect of previous spending may reverse and spreads widen.

"The sterling corporate bond market is losing a large marginal buyer, which should make spreads widen over the medium term," said Nicolas Trindade, sterling credit fund manager at **AXA Investment** Managers.

Still, some market participants appreciated the buying.

The central bank "helped the market by being in it for a while, especially in the initial period of greater uncertainty," says Michal Jezek, a credit strategist at Deutsche Bank AG.

Treasury Yields Keep Stepping Up

By Min Zeng

Prices of U.S. government bonds fell for a second consecutive session, driving the yield on the 10-year Treasury note to the highest level in more than a month.

The selling pressure on Tuesday was driven by new debt supply and investors' expectations that the Federal Reserve is likely to raise short-term interest rates again in June.

The yield on the 10-year Treasury note settled at 2.405%, compared with 2.376% Monday. It marked the yield's highest closing level since March 30. Yields rise as bond prices fall. The 10-year yield has climbed from this year's low of 2.177% reached in April, but it traded above 2.6% in mid-March.

A gauge of expected price swings in the bond market on Monday fell to the lowest level in more than two years. According to analysts, it is a sign investors don't expect a sharp rise in yields given some concerns surrounding U.S. growth momentum, the global ripples from China's actions to curb excessive borrowing and market bubbles, as well as the uncertainty looming over President Donald Trump's fiscal stimulus.

A $24 billion sale of three-year Treasury notes Tuesday drew average demand. Some analysts said bond yields need to rise further to entice buyers for two longer-dated bond sales in the following sessions.

2.405%

10-year Treasury note yield, its highest closing level since March

A $23 billion sale of 10-year Treasury notes is scheduled for Wednesday, followed by a $15 billion sale of 30-year bonds Thursday.

Corporate-bond sales have been robust this month, adding to selling pressure in Treasurys. Firms and banks that underwrite corporate-debt sales typically sell Treasurys to hedge against unwanted interest-rate risks.

Last Friday's nonfarm jobs report pointed to a robust labor market, bolstering the Fed's case to tighten monetary policy further after raising its policy rate in March.

Federal-funds futures, used by investors to bet on the Fed's interest-rate policy outlook, showed an 88% chance for the Fed to tighten monetary policy by its June 13-14 meeting, according to CME Group Inc.

"There is continued selling pressure in the bond market in light of wider acceptance of Fed rate hikes this year that will be less sensitive to near-term economic or inflation data" than in 2016, said Jim Vogel, market strategist at FTN Financial.

Demand for haven assets has eased lately. Sunday's French elections deflated political risks in Europe. Centrist Emmanuel Macron defeated the far-right candidate, Marine Le Pen, who had threatened to pull the country out of the eurozone.

A survey showed investors have become the most bearish on Treasury-bond prices since January. The share of investors expecting higher yields rose to 27% for the week that ended Monday, from 25% a week earlier, according to J.P. Morgan's weekly Treasury client survey. The share of those expecting lower yields was flat at 16%.

John Canavan, market analyst at Stone and McCarthy Research Associates, said the markets would "stay calm and steady" as long as there isn't any interest-rate policy shock from the Fed or any surprise on fiscal policy.

Aaron Kohli, interest-rates strategist at BMO Capital Markets, said low volatility in both stocks and bonds suggest there is still "a lot of liquidity in the markets right now that's driving risk appetite."

AUCTION RESULTS

Here are the results of Tuesday'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.

FOUR-WEEK BILLS

Applications	$178,562,674,300
Accepted bids	$55,000,590,700
" noncompetitively	$374,669,700
" foreign noncompetitively	$100,000,000
Auction price (rate)	99.944778
	(0.710%)
Coupon equivalent	0.720%
Bids at clearing yield accepted	94.28%
Cusip number	912796LD9

The bills, dated May 11, 2017, mature on June 8, 2017.

THREE-YEAR NOTES

Applications	$74,154,401,900
Accepted bids	$31,929,051,900
" noncompetitively	$49,666,200
" foreign noncompetitively	$100,000,000
Auction price (rate)	99.789820
	(1.572%)
Interest rate	1.500%
Bids at clearing yield accepted	87.86%
Cusip number	912828X96

The notes, dated May 15, 2017, mature on May 15, 2020.

Mutual Funds | WSJ.com/fundresearch

Explanatory Notes

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes with net assets of at least $500 million each. **NAV** is net asset value. Percentage performance figures are total returns, assuming reinvestment of all distributions and after subtracting annual expenses. Figures don't reflect sales charges ("loads") or redemption fees. **NET CHG** is change in NAV from previous trading day. **YTD%RET** is year-to-date return. **3-YR%RET** is trailing three-year return annualized.

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.

Tuesday, May 9, 2017

Fund	NAV	Net Chg	YTD %Ret
A			
American Century Inv			
Ultra	39.98	+0.12	14.6
American Funds Cl A			
AmcpA p	29.45	+0.07	8.2
AMutlA p	38.53	-0.07	5.1
BalA p	26.07	-0.02	5.5
BondA p	12.81	-0.01	1.4
CapIBA p	60.62	-0.12	6.1
CapWGrA	48.36	...	10.8
EupacA p	51.75	+0.05	14.7
FdInvA p	59.13	-0.01	8.9
GwthA p	46.78	+0.07	11.3
HI TrA p	10.43	+0.01	3.6
ICAA p	38.52	-0.05	6.7
IncoA p	22.44	-0.02	4.3
N PerA p	40.42	+0.07	14.4
NEcoA p	41.26	+0.19	14.8
NwWrldA	59.51	+0.13	15.7
SmCpA p	51.56	+0.12	12.1
TxExA p	12.84	...	1.9
WshA p	43.16	-0.05	5.9
AMG Managers Funds			
YacktmanFd I	22.89	-0.07	7.0
B			
Baird Funds			
AggBdInst	10.77	-0.01	1.4
CorBdInst	11.11	-0.02	1.6
BlackRock Funds A			
GlblAlloc p	19.32	-0.02	6.3
BlackRock Funds C			
GlblAlloc t	17.55	-0.01	6.0
BlackRock Funds Inst			
EqtyDivd	23.46	-0.07	4.5
GlblAlloc	19.45	-0.01	6.4
HiYldBd	7.77	+0.01	3.8
StratIncOpptyIns	9.90	...	1.8
D			
Del Invest Instl			
Value	20.00	-0.11	2.5
Dimensional Fds			
5GlbFxdInc	10.95	...	1.1
EmgMktVa	27.51	+0.02	14.9
EmMktCorEq	20.21	+0.04	16.4
IntlCoreEq	13.01	-0.04	11.7
IntSmCo	19.55	-0.01	13.2
IntSmVa	21.21	-0.04	11.5
US CoreEq1	20.45	...	6.5
US CoreEq2	19.50	-0.01	5.2
US Small	34.29	...	1.5
US SmCpVal	36.87	...	-1.3
US TgdVal	23.80	-0.03	-0.6
USLgVa	36.42	-0.07	4.2
Dodge & Cox			
Balanced	105.90	+0.07	4.6
Income	13.72	...	1.8
Intl Stk	43.40	+0.02	13.9
Stock	191.73	+0.12	5.9
DoubleLine Funds			
TotRetBdI	NA	...	NA
TotRetBdN	NA	...	NA
F			
Federated Instl			
StraValDivIS	6.20	-0.03	5.8
Fidelity			
500IdxInst	83.93	-0.08	7.8
500IdxInstPrem	83.93	-0.08	7.8
500IdxPrem	83.92	-0.09	7.8
ExtMktIdxPrem r	57.74	-0.01	5.2
IntlIdxPrem r	39.65	-0.09	12.3
TMktIdxF r	68.94	-0.06	7.3
TMktIdxPrem	68.93	-0.06	7.3
USBdIdxInstPrem	11.53	...	1.3
Fidelity Advisor I			
NwInsghtI	29.92	+0.01	12.0
Fidelity Freedom			
FF2020	15.98	...	6.6
FF2025	13.75	...	7.0
FF2030	17.10	...	8.3
FreedomK2020	14.88	...	6.6
FreedomK2025	15.62	-0.01	7.1
FreedomK2030	16.12	...	8.3
FreedomK2035	16.83	...	9.1
FreedomK2040	16.86	...	9.2
Fidelity Invest			
Balanc	23.50	+0.01	7.1
BluCh	79.38	+0.39	17.8
Contra	112.28	+0.17	14.8
ContraK	112.23	+0.17	14.8
CpInc r	10.08	+0.01	5.2
DivIntl	38.08	-0.02	14.4
GroCo	156.14	+0.83	14.2
GrowCoK	156.03	+0.83	14.2
InvGB	7.85	...	1.5
InvGrBd	11.17	-0.01	1.6
LowP r	52.90	-0.06	6.9
LowPriStkK r	52.87	-0.06	7.0
MagIn	99.74	-0.03	9.2
OTC	99.31	+1.02	19.2
Puritn	22.03	+0.01	7.4
SrsEmrgMktF	18.59	+0.09	18.1
SrsInvGrdF	11.18	...	1.6
TotalBond	10.61	...	1.8
Fidelity Selects			
Biotech r	197.66	+2.01	13.6
First Eagle Funds			
GlbA	57.35	-0.13	5.7
FPA Funds			
FPACres	34.27	+0.02	5.1
FrankTemp/Frank Adv			
IncomeAdv	2.32	...	3.6
FrankTemp/Franklin A			
CA TF A p	7.38	-0.01	2.4
Fed TF A p	11.98	-0.01	1.4
IncomeA p	2.34	...	3.5
RisDv A p	55.85	+0.01	6.4
FrankTemp/Franklin C			
Income C t	2.37	...	3.7
FrankTemp/Temp A			
GlBond A p	12.45	+0.04	4.7
Growth A p	25.56	-0.03	8.5
FrankTemp/Temp Adv			
GlBondAdv p	12.40	+0.04	4.7
H			
Harbor Funds			
CapApInst	65.58	+0.40	15.8
IntlInst r	66.61	+0.22	14.0
I			
Invesco Funds A			
EqIncA	10.85	-0.01	3.1
J			
John Hancock Class 1			
LSBalncd	15.12	+0.01	6.4
LSGwth	15.89	+0.01	8.1
John Hancock Instl			
DispValMCI	22.43	-0.03	4.5
JPMorgan Funds			
MdCpVal L	38.14	-0.04	4.8
JPMorgan I Class			
CoreBond	11.54	-0.01	1.4
JPMorgan R Class			
CoreBond	11.56	...	1.4
L			
Lazard Instl			
EmgMktEq	18.05	+0.07	13.1
Loomis Sayles Fds			
LSBondI	13.94	...	3.7
Lord Abbett A			
ShtDurIncmA p	4.30	...	1.1
Lord Abbett F			
ShtDurIncm	4.29	-0.01	1.2
M			
Metropolitan West			
TotRetBd	10.58	-0.01	1.1
TotRetBdI	10.58	-0.01	1.2
TRBdPlan	9.95	-0.02	1.2
MFS Funds Class I			
ValueI	38.19	-0.08	5.8
Mutual Series			
GlbDiscA	32.45	-0.02	6.1
GlbDiscz	33.07	-0.02	6.2
O			
Oakmark Funds Invest			
EqtyInc r	31.88	-0.01	4.8
Oakmark	76.52	+0.08	5.6
OakmrkInt	26.19	-0.05	15.4
Old Westbury Fds			
LrgCpStr	13.96	...	8.8
Oppenheimer Y			
DevMktY	37.09	+0.20	16.0
IntGrowY	39.65	-0.16	14.3
P			
Parnassus Fds			
ParnEqFd	41.46	...	5.8
PIMCO Fds Instl			
AllAsset	NA	...	NA
HiYld	8.97	+0.01	3.7
TotRt	10.12	-0.01	2.0
PIMCO Funds A			
IncomeFd	NA	...	NA
PIMCO Funds D			
IncomeFd	NA	...	NA
PIMCO Funds Instl			
IncomeFd	NA	...	NA
PIMCO Funds P			
IncomeP	NA	...	NA
Price Funds			
BlChip	84.63	+0.35	16.6
CapApp	28.15	-0.01	7.5
EqInc	32.50	-0.10	3.6
EqIndex	64.48	-0.06	7.7
Growth	62.66	+0.21	17.7
HelSci	66.85	+0.32	13.2
InstlCapG	34.20	+0.11	17.0
IntlValEq	14.35	...	12.0
IntlStk	17.66	+0.03	15.5
MCapGro	83.99	+0.20	11.4
MCapVal	29.51	-0.04	1.5
N Horiz	49.73	+0.07	14.8
N Inc	9.42	...	1.5
OverS SF r	10.28	-0.01	13.3
R2015	15.00	...	5.8
R2020	21.83	...	7.0
R2025	16.73	...	7.9
R2030	24.50	...	8.7
R2035	17.83	...	9.5
R2040	25.53	+0.01	10.0
Ret2045	17.21	+0.01	10.2
SmCapStk	46.84	-0.04	4.3
Value	35.60	-0.09	5.8
Principal Investors			
DivIntlInst	12.49	-0.03	13.5
Prudential Cl Z & I			
TRBdZ	14.26	-0.02	2.3
S			
Schwab Funds			
S&P Sel	37.09	-0.03	7.8
T			
TIAA/CREF Funds			
EqIdxInst	17.80	-0.02	7.3
Tweedy Browne Fds			
GblValue	27.55	+0.08	10.0
V			
VANGUARD ADMIRAL			
500Adml	221.55	-0.22	7.8
BalAdml	32.47	-0.02	4.9
CAITAdml	11.69	...	2.4
CapOpAdml r	138.88	+0.90	11.8
EMAdmr	33.45	+0.16	12.5
EqIncAdml	71.28	-0.24	5.0
ExtndAdml	76.29	-0.02	5.2
GNMAAdml	10.52	-0.01	0.7
GrwthAdml	64.75	+0.09	13.3
HlthCareAdml r	85.35	+0.28	12.6
HYCorAdml r	5.92	+0.01	3.5
InfProAd	25.61	-0.02	0.6
IntlGrAdml	81.19	+0.48	20.6
ITBondAdml	11.34	...	1.8
ITIGradeAdml	9.72	-0.01	1.9
LTGradeAdml	10.13	...	2.2
MidCpAdml	174.86	-0.02	7.7
MuHYAdml	11.14	-0.01	2.6
MuIntAdml	14.05	-0.01	2.2
MuLTAdml	11.48	...	2.2
MuLtdAdml	10.96	...	1.7
MuShtAdml	15.79	...	0.8
PrmcpAdml r	120.98	+0.55	11.2
REITAdml r	115.33	-0.63	-0.6
SmCapAdml	64.12	-0.08	4.1
STBondAdml	10.44	-0.01	0.7
STIGradeAdml	10.66	...	1.1
TotBdAdml	10.69	...	1.3
TotIntBdIdxAdm	21.66	-0.02	0.3
TotIntlAdmIdx r	27.58	-0.02	12.3
TotStAdml	59.92	-0.05	7.3
TxMIn r	13.11	-0.03	12.1
ValAdml	37.20	-0.11	3.3
WdsrllAdml	65.98	-0.06	5.8
WellsIAdml	63.02	-0.09	2.8
WelltnAdml	70.04	-0.14	4.5
WndsrAdml	73.96	-0.05	6.8
VANGUARD FDS			
DivdGro	25.02	-0.01	7.4
HlthCare r	202.35	+0.66	12.6
IntlVal	35.87	+0.02	13.0
INSTTRF2020	21.26	-0.02	5.6
INSTTRF2025	21.38	-0.01	6.3
INSTTRF2030	21.44	-0.02	6.9
INSTTRF2035	21.51	-0.02	7.6
INSTTRF2040	21.58	-0.01	8.2
INSTTRF2045	21.65	-0.02	8.4
LifeCon	19.15	-0.01	4.3
LifeGro	31.05	-0.03	7.6
LifeMod	25.58	-0.02	5.9
PrmcpCor	24.47	+0.12	10.3
SelValu r	30.57	+0.05	6.2
STAR	25.45	+0.03	7.5
STIGrade	10.66	...	1.0
TgtRe2015	15.17	-0.01	4.5
TgtRe2020	29.83	-0.03	5.6
TgtRe2025	17.37	-0.02	6.2
TgtRe2030	31.22	-0.03	6.9
TgtRe2035	19.08	-0.01	7.6
TgtRe2040	32.69	-0.02	8.2
TgtRe2045	20.48	-0.02	8.4
TgtRe2050	32.95	-0.03	8.4
TgtRetInc	13.18	-0.01	3.2
TotIntBdIxInv	10.83	-0.01	0.2
WellsI	26.02	-0.03	2.8
Welltn	40.56	-0.08	4.5
WndsrII	37.17	-0.04	5.8
VANGUARD INDEX FDS			
500	221.53	-0.21	7.7
ExtndIstPl	188.27	-0.04	5.2
SmValAdml	52.56	-0.16	1.5
TotBd2	10.65	-0.01	1.2
TotIntl	16.49	-0.01	12.3
TotSt	59.89	-0.05	7.3
VANGUARD INSTL FDS			
BalInst	32.47	-0.03	4.8
DevMktsIndInst	13.13	-0.03	12.2
ExtndInst	76.29	-0.02	5.2
GrwthInst	64.75	+0.09	13.3
InPrSeIn	10.43	-0.01	0.6
InstIdx	218.59	-0.21	7.8
InstPlus	218.60	-0.22	7.8
InstTStPlus	53.75	-0.04	7.3
MidCpInst	38.63	...	7.7
MidCpIstPl	190.51	-0.02	7.7
SmCapInst	64.12	-0.07	4.1
SmCapIstPl	185.08	-0.21	4.2
STIGradeInst	10.66	...	1.1
TotBdInst	10.69	...	1.3
TotBdInst2	10.65	-0.01	1.3
TotBdInstPl	10.69	...	1.3
TotIntBdIdxInst	32.51	-0.03	0.3
TotIntlInstIdx r	110.31	-0.07	12.4
TotItlInstPlId r	110.33	-0.07	12.4
TotStInst	59.93	-0.05	7.3
ValueInst	37.20	-0.11	3.3
W			
Western Asset			
CorePlusBdI	NA	...	NA

New Highs and Lows | WSJ.com/newhighs

Continued From Page B15

Stock	Sym	52-Wk Hi/Lo	% Chg
MCBCHoldings	MCFT	17.91	3.2
MMACapitalMgmt	MMAC	24.00	0.3
MalibuBoats	MBUU	24.29	1.8
Marriott	MAR	103.22	6.4
MazorRobotics	MZOR	41.07	3.9
MercadoLibre	MELI	283.68	2.5
MobileIron	MOBL	5.28	6.2
NCS Multistage	NCSM	21.97	-0.8
NICE	NICE	73.50	0.8
Nathan's	NATH	71.95	0.9
NewYorkMtgPfB	NYMTP	24.50	0.5
NovaMeasuring	NVMI	22.60	15.1
NuanceComms	NUAN	18.23	0.4
NuvNasd100Dyn	QQQX	21.96	0.9
OfficeDepot	ODP	5.54	2.9
PC-Tel	PCTI	8.48	-0.2
PICO	PICO	17.20	0.9
PRA HealthSci	PRAH	67.37	0.7
PetMedExpress	PETS	32.88	7.4
PhibroAnimal	PAHC	32.81	7.2
PinnacleEnt	PNK	21.58	2.8
PointsIntl	PCOM	10.42	0.9
PortolaPharm	PTLA	42.42	12.8
PwrShDWAMom	DWLV	27.43	-0.1
PwrShDynConDis	PEZ	44.65	0.3
PwrShFTSEIntlLow	IDLB	27.55	0.1
PwrShGoldDragon	PGJ	37.32	1.6
PwrShNasdInternet	PNQI	102.57	0.6
PwrShQQQ 1	QQQ	138.63	0.3
Presidio	PSDO	16.38	-1.8
PrincplMillennials	GENY	28.31	0.8
ProShUltPrQQQ	TQQQ	100.83	1.1
PureCycle	PCYO	7.90	3.3
PureFundsETFHealth	IMED	27.60	0.7
QAD A	QADA	31.23	0.6
RBC Bearings	ROLL	104.83	0.7
RCI Hospitality	RICK	18.45	9.6
RMR Group	RMR	55.10	-2.8
ROBOGlblRobotics	ROBO	33.78	0.2
Radware	RDWR	17.25	1.7
RenewableEnergy	REGI	12.65	2.0
RockyBrands	RCKY	15.70	2.0
RuthsHospitality	RUTH	21.55	2.7
Sina	SINA	82.15	1.5
SLM Pfd B	SLMBP	70.96	0.3
SelectBancorp	SLCT	12.19	0.2
Stratasys	SSYS	28.00	2.4
SunHydraulics	SNHY	42.76	8.3
SunshineBancorp	SBCP	23.25	0.4
SykesEnterprises	SYKE	33.29	11.9
Synopsys	SNPS	74.41	0.4
TactileSystems	TCMD	22.74	12.0
Teletech	TTEC	32.55	2.0
Teligent	TLGT	8.93	3.5
TiGenix	TIG	17.42	0.7
TowerSemi	TSEM	25.01	2.8
USA Tech Pfd	USATP	23.61	0.3
UltaBeauty	ULTA	301.40	0.7
Ultralife	ULBI	6.65	-5.6
UtdCmntyBcp	UCBA	18.15	0.3
UroGenPharma	URGN	16.90	2.9
VOXX Intl	VOXX	6.85	3.1
VangdRuss1000Grw	VONG	120.66	0.1
VSInverseVIXSTerm	XIV	81.01	0.5
VicShIntlHiDivVol	CID	34.40	-0.4
VicShIntlVolWtd	CIL	36.62	0.1
Weibo	WB	62.17	2.9
Wendy's	WEN	15.31	0.6
WhiteHorseFin	WHF	14.75	1.9
WisdTrChinaxSOE	CXSE	61.55	1.4
WisdTrJapanHdgSC	DXJS	39.74	0.1
WorldAcceptance	WRLD	88.26	38.6
Xilinx	XLNX	65.21	0.2
Yahoo	YHOO	49.67	1.3
YangtzeRiverDev	YERR	9.99	6.1
ZAGG	ZAGG	8.50	5.6
ZebraTech	ZBRA	99.00	1.8
ZionOil&Gas	ZN	2.05	8.2
Nasdaq lows - 69			
Aceto	ACET	13.69	-1.8
AEternaZentaris	AEZS	0.78	-6.8
AlderBioPharm	ALDR	17.50	-3.7
AldeyraTherap	ALDX	3.80	2.5
AmTrustFinSvcs	AFSI	12.13	-17.2
ApolloEnd	APEN	4.96	2.8
Aradigm	ARDM	0.95	...
AtossaGenetics	ATOS	0.52	-4.3
Avinger	AVGR	0.43	-8.5
AviragenTherap	AVIR	0.48	...
BurconNutrasci	BUR	1.15	0.8
CAS MedSys	CASM	0.93	...
CSI Compressco	CCLP	6.39	-4.5
CapstoneTurbine	CPST	0.65	-1.4
Cardtronics	CATM	35.01	-2.3
CarrizoOil	CRZO	23.86	-6.7
CatalystBiosci	CBIO	4.05	-5.0
CellularBiomed	CBMG	10.00	-2.0
ChinaCache	CCIH	1.06	-3.6
CollegiumPharm	COLL	7.37	7.9
ConsldComm	CNSL	21.69	-0.2
DelcathSystems	DCTH	0.04	4.3
DelMarPharm	DMPI	2.10	2.2
DepoMed	DEPO	10.65	1.2
FifthStreetFin	FSC	4.29	-0.2
FT GlTactCommod	FTGC	19.64	-0.8
ForumMergerWt	FMCIW	0.42	-8.7
FrontierCommPfA	FTRPR	35.40	-6.3
FulgentGenetics	FLGT	7.00	-33.6
GSV Capital	GSVC	4.33	-3.3
HorizonPharma	HZNP	9.80	-2.0
InventergyGlobal	INVT	0.17	-11.1
KonaGrill	KONA	4.55	-12.1
Lifevantage	LFVN	4.34	-5.2
MaidenHoldings	MHLD	10.75	-7.2
Mannatech	MTEX	12.51	-6.6
MarathonPatent	MARA	0.42	-12.1
Medigus	MDGS	2.17	-12.0
MeridianWasteWt	MRDNW	0.37	-11.9
MoleculinBiotech	MBRX	0.79	...
MySize	MYSZ	1.18	-6.3
OpGenWt	OPGNW	0.05	-2.7
PAVmedWt	PAVMW	1.64	-13.9
PennsWoodsBncp	PWOD	38.95	-1.6
PLxPharma	PLXP	5.86	-5.3
ProShUltraProShQQQ	SQQQ	32.22	-1.0
ProtagonistTherap	PTGX	9.01	2.7
ReWalkRobotics	RWLK	1.25	-10.7
RitterPharm	RTTR	0.55	0.7
RosettaGenmcs	ROSG	2.01	-6.9
RXiPharm	RXII	0.51	-1.8
SCYNEXIS	SCYX	1.55	-36.2
SeanergyMaritime	SHIP	0.60	-7.7
SeanergyMarWt	SHIPW	0.12	-20.0
ServiceSource	SREV	2.82	-14.5
SierraOncology	SRRA	1.17	-6.0
SilverRunII Wt	SRUNW	1.45	-0.7
SinovacBiotech	SVA	5.10	-1.5
SundanceEnergy	SNDE	6.36	-8.6
TraconPharm	TCON	3.07	-1.5
Tesco	TESO	5.65	-7.7
TravelCenters	TA	4.50	-25.4
TravelCtrsNt28	TANNI	24.56	-2.6
Trevena	TRVN	3.07	-0.6
TrovaGeneUn	TROVU	2.19	-7.5
VS2xVIXShortTerm	TVIX	26.21	-0.5
VSVIXShortTerm	VIIX	23.43	-0.1
VoyagerTherap	VYGR	8.53	-0.4
XploreTech	XPLR	1.72	-3.2


REX SHUTTERSTOCK/ZUMA PRESS

Under Armour shares rose 4.2%. The company is a sponsor of Andy Murray, shown playing at the Mutua Madrid Open on Tuesday.

S&P 500 Ends Win Streak

Energy stocks, the worst-performing sector in the index, follow oil prices lower

By Akane Otani and Riva Gold

Falling energy shares pressured the S&P 500, which snapped a three-session winning streak on Tuesday.

Major stock indexes have risen the past few weeks as stronger-than-expected corporate earnings have helped offset a steep decline in commodities prices.

With the bulk of S&P 500 companies having reported earnings, they have largely beat analysts' expectations for the first quarter, according to FactSet.

"There is a strong economic backdrop and robust earnings: That environment is conducive to being invested" in stocks, said Mouhammed Choukeir, chief investment officer at Kleinwort Hambros.

The Dow Jones Industrial Average fell 36.50 points, or 0.2%, to 20975.78 on Tuesday. The S&P 500 fell 2.46 points, or 0.1%, to 2396.92, while the Nasdaq Composite gained 17.93 points, or 0.3%, to 6120.59, posting its 30th record close of the year.

Major indexes have had few large swings in recent weeks. Some analysts attribute the relative calm in markets to data pointing to health in the U.S. economy, which they say should keep stocks climbing.

The CBOE Volatility Index, a measure of expected turbulence in the S&P 500 over the next 30 days, closed Monday at its lowest level since 1993 and edged up slightly Tuesday.

"We've waded through a lot of economic and political concerns over the last year, and now investors are catching their breath," said Brent Schutte, chief investment strategist at Northwestern Mutual Wealth Management.

U.S. crude for June delivery fell 1.2% to $45.88 a barrel, its second-lowest settlement of the year. Energy stocks in the S&P 500, the worst-performing sector in the broad index in 2017, fell 0.9%, deepening their losses for the year.

Consumer-discretionary shares in the S&P 500 rose 0.5% and were among the biggest gainers in the broad index. **Marriott International** shares jumped $6.13, or 6.4%, to $102.50, Class A shares of **Under Armour** added 86 cents, or 4.2%, to 21.39, and **Hanesbrands** rose 86 cents, or 4%, to 22.49.

As stocks rose, government bonds slipped, with the yield on the 10-year U.S. Treasury note rising to 2.405%, from 2.376% Monday. Yields rise as bond prices fall.

Elsewhere, the Stoxx Europe 600 added 0.4%, settling at its highest level since August 2015.

Australia's S&P/ASX 200 was up 0.50% intraday Wednesday.

Hong Kong's Hang Seng Index rose 0.52% early Wednesday. Japan's Nikkei Stock Average was up 0.36%.

Weak Profit Hits AmTrust Shares

By Michael Rapoport And Leslie Scism

Shares of **AmTrust Financial Services** Inc. declined 17% after the company fell far short of Wall Street estimates for its first-quarter earnings.

The workers' compensation insurer reported adjusted earnings of 32 cents a share when it announced first-quarter results late Monday, below analysts' estimates of 60 cents a share.

The shortfall partially stemmed from an $18.6 million boost to claims reserves for a block of discontinued business-liability policies. This indicates that AmTrust's reserve bolstering isn't over after it took a $65 million reserve charge in the fourth quarter of 2016.

AmTrust also had higher year-over-year catastrophe losses, as hail and other severe storms hit Texas and other states, and boosted the company's claims costs.

The first three months of 2017 were the worst first quarter in more than 20 years for U.S. insurers because of unusually harsh weather.

The company also said the costs of restating earnings earlier this year weighed on first-quarter results. AmTrust cited higher professional service fees of $17 million.

AmTrust's Nasdaq-traded shares fell $2.66 to $12.81 on Tuesday. Earlier, shares were down as much as 22% at levels they hadn't traded at since November 2012.

Meyer Shields, a Keefe, Bruyette & Woods analyst, lowered his earnings estimates for AmTrust and said there was "significant skepticism about its loss reserve adequacy."

Uncertainty about the reserves and "credibility concerns" will limit the stock in the near term, he said in a research note.

Sinking

AmTrust Financial Services share price

Source: WSJ Market Data Group
THE WALL STREET JOURNAL.

Barry Zyskind, AmTrust's chief executive, said on the company's earnings call late Monday that "we believe we are properly reserved."

AmTrust has long been the target of criticism by short sellers, or traders who bet a stock's price will fall. The company delayed filing its annual report this year and said it had accounting errors—largely in one part of its business—that ultimately led the company to restate its earnings back to 2014. AmTrust has since filed its annual report.

The Wall Street Journal reported in April that AmTrust is under investigation by the Securities and Exchange Commission and that the focus of the probe includes the company's accounting practices.

AmTrust has denied any wrongdoing and says short sellers have spread false information about the company. Mr. Zyskind noted on the conference call that **KPMG** LLP had given the company a clean audit opinion.

Goods Carriers Go on Strike in Karachi, Affecting Oil Transport


PPI/ZUMA PRESS

NO MOVEMENT: Oil tankers are parked in Karachi, Pakistan, Tuesday because of a strike by carriers protesting a court decision on movement of big vehicles in the city.

Ex-Trader Makes His Case, Again

By Nicole Hong

More than three years after a jury found him guilty of insider trading, Mathew Martoma is still fighting for his freedom.

On Tuesday, lawyers for Mr. Martoma argued for a second time before a federal appeals court in Manhattan that the former SAC Capital Advisors LP portfolio manager should have his 2014 conviction overturned or receive a new trial.

Mr. Martoma, 42 years old, has been serving a nine-year sentence at a low-security prison in Miami, according to the Bureau of Prisons.

He worked for four years at hedge fund SAC Capital for billionaire Steven A. Cohen. Mr. Martoma was convicted of trading on inside information provided by two doctors about the trial of an Alzheimer's drug, which netted him $275 million in profits and avoided losses. Both doctors testified at trial that they passed inside tips to Mr. Martoma.

Tuesday's arguments come in the wake of two major rulings. In 2014, in a case known as U.S. v. Newman, federal appeals judges in Manhattan overturned two insider-trading convictions and said the government needed to prove the tipster gained a tangible reward for providing inside information. But in December, the Supreme Court restored some of the government's power in a separate case known as U.S. v. Salman. The justices ruled that proving a tipster and trader were relatives was enough to bring a criminal prosecution.

After the Newman decision, the Manhattan U.S. attorney's office dismissed charges against seven men who had been convicted of insider trading, including two former SAC employees.

The U.S. attorney's office kept Mr. Martoma's conviction in place because the evidence at trial showed Mr. Martoma had paid for confidential information.

Mr. Martoma's first appeal was argued in 2015, but the judges ordered a reargument after the Supreme Court decision in Salman.

Bitcoin Receives Boost From Digital Brethren

By Paul Vigna

The price of the digital currency bitcoin surged past $1,700 after a 6% rise driven by speculative buying in a new kind of capital raising and virtual-currency creation dubbed the "initial coin offering."

Bitcoin hit an intraday record of $1,747 on the index maintained by research site CoinDesk. That would put it up about 80% year to date, after closing 2016 at $968. Even for bitcoin, a currency whose short history has been marked by extreme volatility, that is a big move.

In late February, the currency pierced its old high of $1,147 set in 2013, and it has been mostly rising since then.

Bitcoin, a stateless digital currency running on a decentralized computer network, benefited from perceptions of increased geopolitical uncertainty following the election of Donald Trump as U.S. president. But it has followed up on early gains this year due in part to enthusiasm for new coins that function like bitcoin but are designed to promote new startup companies.

> *The proliferation of new 'alt coins' has fueled buying across all virtual currencies.*

The startups are creating and selling bitcoin-like tokens that operate as a cryptocurrency-crowdfunding hybrid.

Sometimes the new coins are marketed as a pure investment in a new company, while other times they provide access to do business with the new company.

Bitcoin, which was launched in 2009, allows holders anywhere to exchange value directly without involving a third party such as a bank.

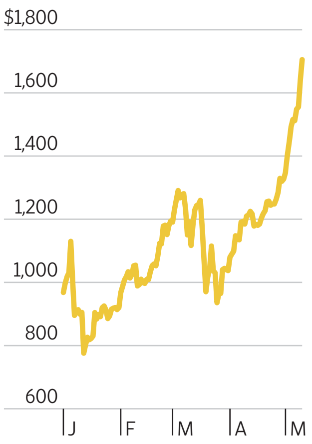
In its short lifetime, it has attracted passionate followers, equally passionate skeptics, and a handful of catastrophic hacks that have undermined investors' confidence. It has also spawned imitators seeking to catch the next big technology wave.

The proliferation of dozens of new "alt coins" has sparked a fresh round of speculative buying across all virtual currencies, including bitcoin. Ethereum, one of the more established alternatives, has risen from $8 to $87 this year. Ripple's total market value was $231 million at the start of the year. It is currently $7 billion.

"There is obviously a lot of hype in the whole space," said Jed McCaleb, an early bitcoin acolyte who co-founded both Ripple and another platform called Stellar. "When you raise millions in a matter of minutes, there's probably a lot of hype driving that."

Soaring

Price of bitcoin digital currency



Source: CoinDesk
THE WALL STREET JOURNAL.

Bitcoin's rise Tuesday, however, came despite declines in many smaller virtual currencies that followed reports of service problems at one of the larger exchanges that deals in the small tokens.

Bitcoin's rise has also been fueled by hope that it will become a more-modern store of value for investors, a sort of gold 2.0.

Bitcoin earlier this year finally started trading above the price of gold, when it crossed above $1,200, and has only increased since then.

Gold peaked at a closing high of about $1,292 this year and now trades at about $1,214. Bitcoin first traded above $1,200 in March, had one brief drop to below $1,000, and has been surging since then.

MARKETS

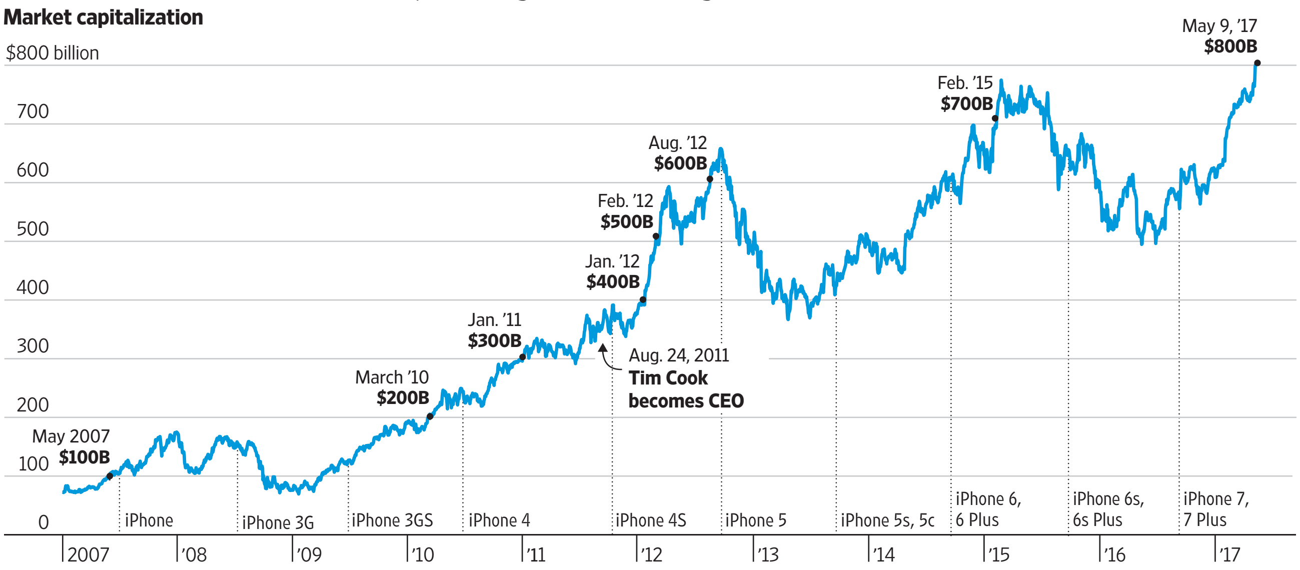
Apple Market Cap Tops $800 Billion

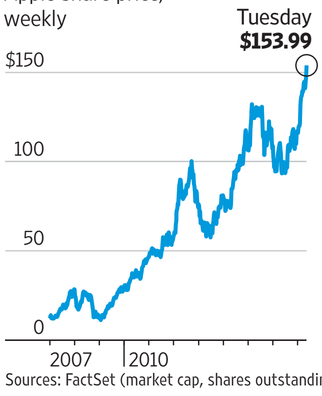
Level is highest ever for a U.S. company; will iPhone maker reach $1 trillion milestone?

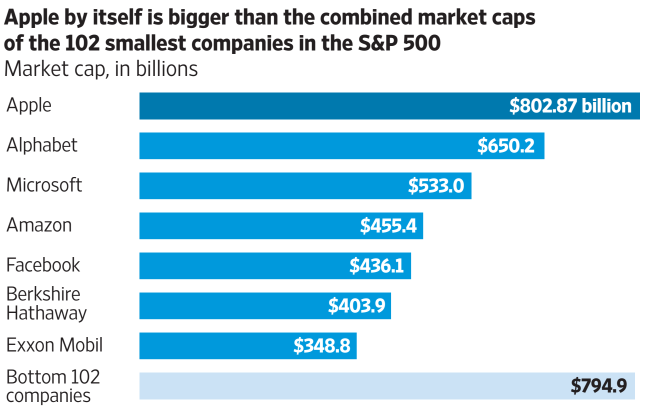
By Ben Eisen
And Chris Dieterich

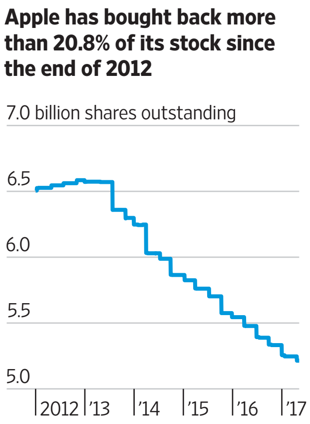
Magic Number

Apple on Tuesday became the first U.S. company to post a closing market value of $800 billion or more, extending an epic 2017 rally reflecting the success of the firm's popular iPhone product line and share buybacks that have helped boost earnings per share by reducing the outstanding share count.









Sources: FactSet (market cap, shares outstanding); the company (dates); WSJ Market Data Group (share price)

THE WALL STREET JOURNAL.

The world's most valuable listed company just got even more valuable.

Shares of **Apple** Inc. rose 0.6% to a high of $153.99 Tuesday, sending its market capitalization above $800 billion, a first for any U.S. company. That level, the latest evidence of how much the stock has risen this year, is a milestone sure to stoke speculation about whether it will be the first public company to be valued at $1 trillion.

The company's stock is up by about a third in 2017 and about two-thirds over the past 12 months. By itself, Apple's market capitalization at Tuesday's closing bell exceeded the combined market values of the 102 smallest companies on the S&P 500, according to FactSet.

The last time one of the 10 largest companies in the S&P 500 had a year-to-date stock-price run better than Apple's in 2017 was in 2001, when Microsoft Corp. gained 66%, according to FactSet data that use only current constituents in the benchmark.

Apple has been boosted by revelations of a big investment from Warren Buffett's **Berkshire Hathaway** Inc., and investor enthusiasm for the release of the 10th-anniversary iPhone later this year, which could prompt many users to buy new phones.

"We think this will be a pretty big upgrade cycle for Apple, which should bring with it pretty decent growth in unit sales for iPhones," said Harald Hvideberg, a portfolio manager at Eagle Asset Management in St. Petersburg, Fla.

Mr. Hvideberg counts the stock as one of his biggest holdings, though he said he had to pare his position this year because Apple's rise threatened to breach a self-imposed rule that no single holding can make up more than 5% of the portfolio.

But with stocks generally expensive, many investors are doubling down on companies that have proven ability to generate sales. Some investors see Apple as a good bet because the tech company still looks cheap by general profitability metrics.

Apple's price is 15.7 times its earnings, based on analysts' earnings estimates for the next 12 months, according to FactSet.

That is up from slightly under 12 before the November presidential election but well below other technology companies and the S&P 500 as a whole. The forward price/earnings ratio of the S&P 500 is 17.6, while tech stocks in the S&P 500 sport a forward P/E of 18.5.

Wall Street analysts are ratcheting up their expectations for how high Apple's stock might go. Brian White at Drexel Hamilton on Monday raised his forecast for Apple's stock price to $202 over the next year. His call, which is the most bullish among nearly 40 Apple analysts tracked by FactSet, would translate into a market cap in excess of $1 trillion.

"Apple has proven its resilience through its unique ability to develop hardware, software and services that work seamlessly together," Mr. White wrote.

Despite the stock's sharp rise this year, the company only topped its old market cap record from February 2015 on Friday.

That is because Apple has aggressively repurchased its shares in recent years. That has resulted in 610.9 million shares, or 10% of them, getting pulled out of the market since its earlier market value peak.

—Paul Vigna contributed to this article.

Dollar Moves Up With Rates In Focus

By Chelsey Dulaney

CURRENCIES

The dollar rose broadly as investors assessed the outlook for higher U.S. interest rates.

The WSJ Dollar Index, which measures the U.S. currency against 16 others, rose 0.4% to 90.54.

The dollar gained against the Japanese yen and many emerging-market currencies.

Investors have become more optimistic that the Federal Reserve will raise interest rates at its meeting next month. Federal Reserve Bank of Kansas City President Esther George said Tuesday that the U.S. central bank should press forward with interest-rate increases, warning that the economy might overheat if borrowing costs aren't increased quickly enough.

Fed-funds futures, used by investors to bet on the U.S. interest-rate outlook, show a 88% chance that the Fed will raise rates at its next meeting in June, according to CME Group data. That is up from 68% a week ago.

Higher rates typically support the dollar by making U.S. assets more attractive to yield-seeking investors.

Friday's U.S. jobs report, which showed hiring rebounded in April, supports the Fed's case for raising interest rates at a steady pace, analysts said.

Geopolitical tensions weighed on several emerging-market currencies. The Turkish lira slid 1% against the dollar after President Donald Trump approved plans to directly arm Kurdish fighters battling Islamic State in Syria, angering Turkish allies who view the Kurdish fighters as terrorists.

HEARD ON THE STREET

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FINANCIAL ANALYSIS & COMMENTARY

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Thin Is In As Allergan Dodges Bullet

A series of acquisitions helped turn **Allergan** into a pharmaceutical giant, but shareholders should be most grateful for what is no longer in its portfolio.

That is the take-away from first-quarter results out Tuesday. Allergan reported revenue of $3.6 billion and adjusted earnings of $3.35 a share, narrowly topping expectations. Familiar products led the way, with sales of Botox 12% higher.

The star of the show, though, had exited stage left. Allergan's $40 billion sale of its generics unit to **Teva Pharmaceutical Industries** was exceptionally well timed. Allergan has used the proceeds to buy back stock, invest in new experimental drug candidates and pay down some debt.

The generics industry is struggling with falling prices as well as a collusion investigation by the Justice Department. Allergan, meanwhile, is up 13% over the past 12 months as most generics stocks have plummeted.

There are hurdles to be cleared. Allergan carries nearly $23 billion in net debt. That would sting if Botox sales lose steam. At 15 times this year's expected adjusted profit, new products like Kybella, a treatment for chin fat, and Coolsculpting, a fat reduction device, will need to blossom to increase that valuation.

But those worries would be far more severe if the generics unit hadn't been sold. And while Allergan's spending spree on new drug candidates isn't without risk, there is significant upside if things go well.

Allergan shareholders have reason to keep their noticeably slimmer chins up.

—Charley Grant

Dizzying Rise in Europe's Bonds

The political clouds have cleared over Europe, creating new opportunities for investors.

Like other European assets, euro-denominated investment-grade and high-yield bonds have posted big moves since the first round of the French presidential elections. For instance, the yield spread between single-B-rated corporate debt and government bonds has narrowed by nearly 1 percentage point in just over two weeks.

Corporate debt is outperforming as a result, with investment-grade securities up 0.7% and high-yield up 3.3% in 2017, versus a loss of 1.4% for German bunds, according to **Bank of America** Merrill Lynch indexes.

The rally has taken the market to dizzying levels. Euro high-yield bonds don't match their description, with the BAML index yield hitting a record low last week of about 2.7%. The spread over government bonds, at just over 3 percentage points, has rarely been narrower since the financial crisis of 2007-08. Investment-grade bonds yield less than 1%.

The search for yield remains supportive for corporate debt. The eurozone looks in better shape than in 2014, when spreads last reached these kinds of levels, and corporate earnings are finally picking up. The European trailing 12-month default rate has remained low and was at just 2.5% in April, according to **Moody's Investors Service**.

The European Central Bank is still buying bonds and supply has been thin in recent weeks, lending technical support. Credit quality is decent, as the European high-yield market is higher rated on average than its U.S. equivalent.

But investors shouldn't take too much comfort. There is little room to absorb surprises such as acquisitions, although this could be of benefit to high-yield bonds, which tend to be issued by targets rather than acquirers.

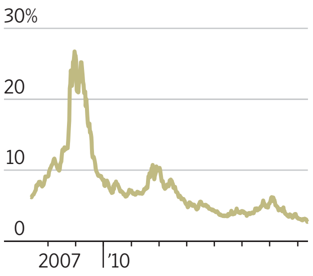
Investment-grade bondholders could suffer unpleasant surprises: Becton Dickinson's $24 billion purchase of C.R. Bard saw yields on its euro-denominated bonds shoot higher, undoing more than four months of good performance in a day. And the strong technical picture might not last.

The crucial problem for bonds is how strong their performance has been. If Europe maintains its sunny outlook, that will support the market. But the benefits are more likely to accrue to shareholders.

—Richard Barley

Vanishing Point

Yield on euro-denominated high-yield corporate bonds



Note: Weekly data
Sources: Bank of America Merrill Lynch index via FactSet; Associated Press (photo)

THE WALL STREET JOURNAL.

Macron's victory has reduced political tensions in Europe.

OVERHEARD

One lesson for airline investors: It is better to own an airline that forcibly kicks passengers off planes than one that won't let them get on.

Shares of discount carrier **Spirit Airlines** fell 2.3% Tuesday after disgruntled pilots refused to get on planes and fly them. Passengers who had been waiting for hours on the ground in Fort Lauderdale, Fla., assailed ground staff and broke through barricades. A sheriff's deputy called in to maintain order was knocked to the ground.

United Continental Holdings suffered a worse embarrassment last month when it hauled off a passenger from an overbooked flight. Despite a public apology, a payoff to the passenger and the ceremonial grilling of its CEO by Congress, United's shares are up 11% since last month's episode.

Regular fliers should hope Spirit doesn't learn any lessons from United.

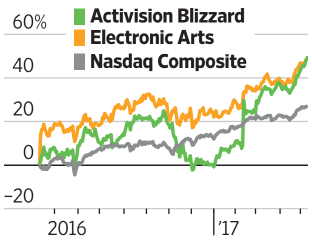
More Action Appears to Be on Tap for Videogame Stocks

Videogame players like action. Investors in videogame publishers may need to steel themselves up for some.

Over the past few years, the business of selling games has gone from "ship it and forget it" to one that never really powers down. Along the way, game publishers have effectively found new ways to make a buck. Expansion content, in-game items and in-game advertising are all growing areas of sales, allowing companies like **Electronic Arts**, **Activision Blizzard** and **Take-Two Interactive Software** to now generate the majority of their revenue through digital channels that offer higher profit margins.

Game Theory

Share and index performance



Source: WSJ Market Data Group

That shows up in results. EA reported fiscal year-end results Tuesday that showed revenue, once adjusted for items like deferred sales from online games, of more than $4.9 billion, a record. Rising cash flow has enabled the company to buy back more than $1.5 billion in shares over the past two years, and it announced a new buyback of $1.2 billion on Tuesday. Activision last week reported a 32% gain in adjusted revenue for the March quarter, thanks mostly to digital sales at its Blizzard properties.

Investors have rewarded the sector well. Electronic Arts and Activision Blizzard have seen their market values surge nearly 50% over the past 12 months, compared with the Nasdaq Composite's 14% gain in that time. Take-Two Interactive is up nearly 90% in that time. That has left the three largest publishers with their highest valuations in more than five years, based on multiples to forward earnings.

That will likely make game stocks more volatile, with further gains harder won. But investors needn't unplug just yet. More big games are on the horizon, like the first sequel to the popular shooter game "Destiny" from Activision. But the release schedule of big hits can still swing by a lot. Take-Two has yet to say when a new "Grand Theft Auto" will arrive; the last was in 2013. Activision also needs this year's "Call of Duty" iteration to mount a comeback after last year's disappointment. Investors need to watch the big releases because a flop could send shares down.

There are other positives, some clear and others more speculative. The emergence of new consoles like the Xbox Project Scorpio coming this fall should be less disruptive than past console transitions, given that the latest generation of machines is built on a more common computing platform. And nascent businesses like competitive gaming and virtual reality could offer up more opportunities down the road.

And even at their current valuations, the three publishers are trading in a range of 23 to 27 times forward earnings, which is only a small premium to the Nasdaq Composite's average of 22.4 times. There could still be a bonus life or two left in this game.

—Dan Gallagher