THE WALL STREET JOURNAL.

DOW JONES | News Corp ***** FRIDAY, OCTOBER 27, 2017 ~ VOL. CCLXX NO. 100 WSJ.com ★★★★ $4.00

DJIA 23400.86 ▲ 71.40 0.3% NASDAQ 6556.77 ▼ 0.1% STOXX 600 391.27 ▲ 1.1% 10-YR. TREAS. ▼ 2/32, yield 2.452% OIL $52.64 ▲ $0.46 GOLD $1,266.30 ▼ $9.10 EURO $1.1653 YEN 113.99

What's News

Business & Finance

CVS is in talks to buy Aetna for over $66 billion, as the drugstore chain seeks to fortify itself against looming competition from Amazon amid a health-care-industry reordering. **A1, A5**

◆ **Alphabet, Amazon** and Microsoft reported booming growth as the three drive the economy's technological transformation. **A1**

◆ **GE is seeking** to shed its locomotive and railroad-equipment unit, part of its CEO's streamlining plan. **B1**

◆ **The SEC signaled** that the agency is pivoting away from a prosecutorial approach to enforcement. **B1**

◆ **China sold** $2 billion in bonds at rates just above U.S. Treasury yields, in a sign of investor confidence. **B1**

◆ **The ECB said** it would continue buying bonds until September 2018 but in lower monthly sums. **A6**

◆ **Stocks rose** on upbeat earnings and ECB bond-buying plans. The Dow gained 71.40 points to 23400.86. **B11**

◆ **Comcast suffered** its largest loss of cable-TV subscribers in three years. **B3**

◆ **American and Southwest** reported higher revenue on solid demand for both business and leisure travel. **B3**

◆ **Ford's quarterly profit** jumped 63%, fueled by sales of its F-series trucks. **B3**

◆ **Twitter said** it overstated its user counts and said it would reject ads from two Russian media outlets. **B4**

◆ **Apple's iPhone 8** posted the weakest sales of any of its new smartphones in years. **B4**

World-Wide

◆ **The House voted** 216-212 to adopt a budget that sets the stage for a rewrite of the tax system, but the slim margin indicates the difficulty GOP leaders may face in winning votes for a tax bill. **A1**

◆ **The FBI is set** to hand over to Congress papers related to an unverified file on Trump's alleged Russia activities by next week. **A4**

◆ **The State Department** took initial steps toward imposing new Russia sanctions by sending Congress a list of Kremlin-related entities. **A16**

◆ **Iraqi forces launched** an offensive to rout Islamic State from its final stronghold in Iraq and separately fought Kurdish fighters. **A16**

◆ **Trump declared** opioid addiction a "public health emergency" in a speech from the White House. **A3**

◆ **Drug-overdose deaths** jumped 21% from January 2016 to January 2017, driven by synthetic opioids. **A3**

◆ **Trump authorized** the release of 2,800 documents related to the assassination of President Kennedy. **A3**

◆ **The administration** agreed to settle lawsuits against the IRS for targeting tea-party groups in 2013. **A4**

◆ **South Korea is pushing** the U.S. to allow it to take control of its own military forces should war break out on the Korean Peninsula. **A7**

◆ **Kenya's opposition** boycotted a rerun of the presidential election, damping voting and sparking clashes that left three dead. **A16**

CONTENTS

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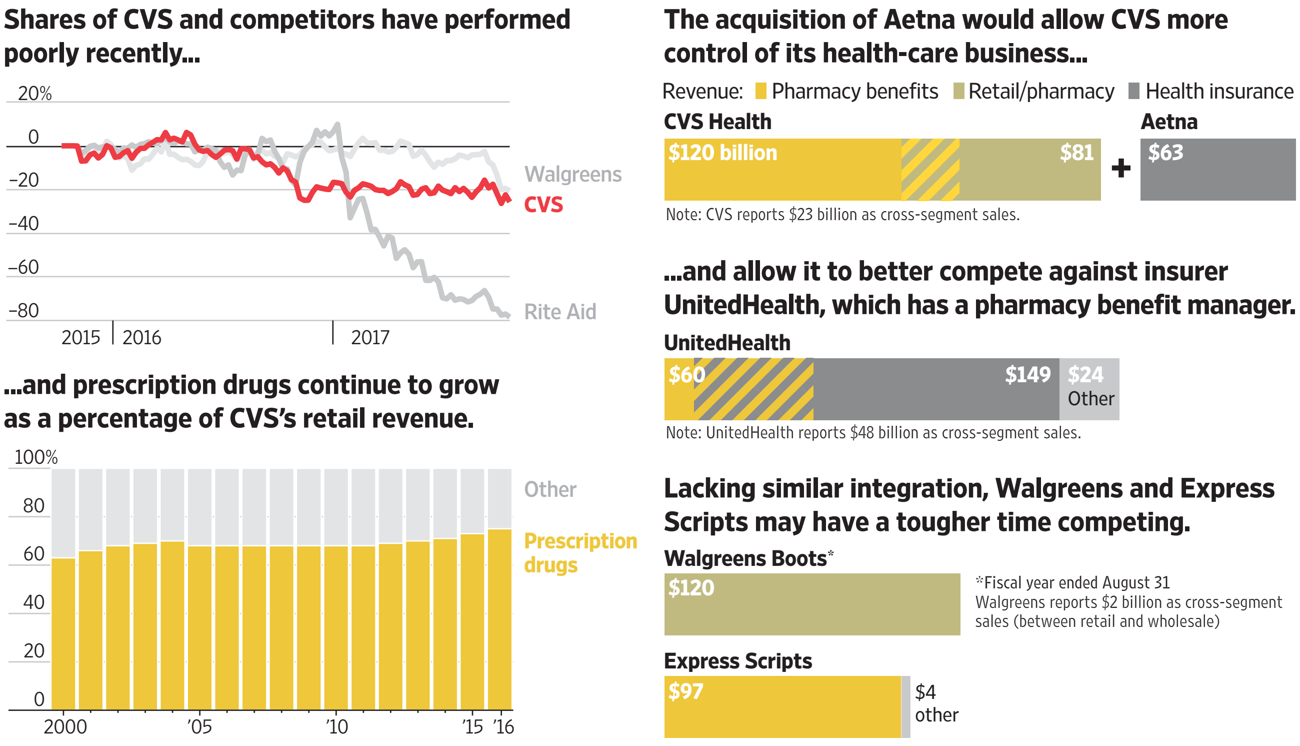
CVS, Aetna Plot $66 Billion Tie-Up

Merger talks between drug retailer and insurer come in response to industry pressures



Sources: WSJ Market Data Group; SEC filings (retail breakdown); S&P Capital IQ

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CVS Health Corp. is in talks to buy Aetna Inc. for more than $66 billion as the drugstore giant scrambles to fortify itself against looming competition from Amazon.com Inc. amid a continuing reordering of the health-care industry.

By Dana Mattioli, Sharon Terlep and Anna Wilde Mathews

CVS has made a proposal to buy the health insurer for more than $200 per share, people familiar with the matter said. The talks may not lead to a deal, but in a sign of their seriousness, the companies' respective chief executives—Larry Merlo at CVS and Mark Bertolini at Aetna—have met multiple times over a period of roughly six months, one of the people said.

With Aetna, CVS could look in a huge number of members for its pharmacy-benefit management, or PBM, arm, as well as customers for its drugstores. That could bolster its leverage in negotiations with drugmakers, while its oversight of health insurance could improve its ability to strike new deals that tie drug prices to patient outcomes.

A deal for Aetna would also advance efforts CVS has been making to move further into health care, with services including urgent-care clinics, and could enable it to pitch a unified, seamless benefits offering to clients such as big employers. The combined behemoth would also have a large and diversified store of health data, an important asset in today's competitive environment.

Expectations that Amazon will enter the pharmacy business helped spur CVS's move on Aetna, according to another person familiar with the matter. An acquisition of a major insurer was among roughly a dozen strategies CVS management recently presented to directors, the person said.

The urgency of the threat from Amazon was underscored Thursday when it surfaced that the online juggernaut received approval for wholesale pharmacy licenses in several states.

Shares of CVS and other pharmacy chains tumbled after the St. Louis Post-Dispatch reported on the approvals. CVS stock had been down by about 5% before it rallied when The Wall Street Journal reported on a possible deal with Aetna. The shares closed at $73.31, down 2.9%.

Shares of Aetna, meanwhile, shot up about 12% on the Journal's report to close at $178.60. That gives the Hartford, Conn., company a market value of nearly $60 billion. CVS's is about $75 billion.

Woonsocket, R.I.-based CVS and its rivals were already under pressure to devise a counter attack should Amazon enter their turf. The company's stock, along with those of its

Please see CVS page A5

◆ Counterattack to Amazon helps spur deal........................ A5
◆ Heard on the Street: Drug prices drive CVS, Aetna...... B1

House Passes Budget, Paving Way for Taxes

BY RICHARD RUBIN

WASHINGTON—The House adopted a budget Thursday that sets the stage for a rewrite of the tax system, as Republicans overcame internal divisions and began a six-day countdown for releasing closely guarded details of their tax plan.

The vote on the budget for the fiscal year that began Oct. 1 was 216-212, a slim margin that is an early indication of the difficulty Republican leaders will face in cobbling together the votes for a tax bill packed with trade-offs.

Eleven of the 20 Republican no votes came from representatives of the high-tax states of New York and New Jersey, who opposed the budget because of the party's plan to limit or repeal the federal deduction for state and local taxes.

Satisfying their demands presents a hurdle. A compromise could force GOP leaders to kill other tax breaks to make up for the hundreds of billions of dollars in lost revenue a deal could add to the bill. But failing to gain an agreement with some or all of the 11 representatives would send Republicans into a floor vote in November with very little room to maneuver.

All Democrats voted against the budget.

House Republicans now turn to the even tougher work of writing, amending and passing a tax bill on an incredibly ambitious timeline.

Please see TAXES page A4

◆ Facebook seeks more sway in Washington.......................... A2
◆ Ryan says FBI to turn over Russia dossier........................ A4
◆ Treasurys fall after passage of budget resolution........... B11

Tech's Big Get Bigger, With an Earnings Blowout

BY JACK NICAS AND LAURA STEVENS

Three of the world's biggest companies—Google parent Alphabet Inc., Amazon.com Inc. and Microsoft Corp.—reported booming quarterly growth, extending their reach in industries from advertising to retail to business software as they drive the economy's technological transformation.

Alphabet on Thursday said profits soared 33% in the third quarter as users clicked on more ads on smartphones, atop search results and before YouTube videos. Amazon, meanwhile, said its revenue grew by 34% and profits inched up, shrugging off concerns that heavy investments in new warehouses and hiring workers would push it to a loss. And Microsoft reported a 12% revenue increase, capitalizing on a shift to cloud computing.

The technology industry's banner day underscored the dominance of a handful of companies in the internet age—and foreshadowed more expansion, including into new businesses.

Alphabet reported a 40% increase in nonadvertising revenue to $3.41 billion, showing the strength of its relatively new cloud-computing

Please see TECH page A2

History Gets New Look at JFK Assassination Files

ASSOCIATED PRESS

Nearly 3,000 classified documents on the assassination of Kennedy in 1963 were released Thursday. **A3**

Democrats Struggle With Their Own Tea-Party Moment

Record number of Congressional candidates is sign of ideological split

BY JANET HOOK

HOUSTON—Six Democrats are crowding into a House primary race here to challenge an incumbent Republican in next year's midterm election. One identifies with the anti-Trump "resistance" movement. Another calls himself a "practical progressive." Two already have more campaign cash than the incumbent, Rep. John Culberson.

It's exactly the kind of congressional seat Democrats will have to win to seize control of the House in 2018. It's also a vivid example of the family feud now dividing the party across the country.

While Democrats are unified in their opposition to President Trump, they are at odds over which strategy and message are needed to end the party's losing streak.

Democratic candidates are split on Sen. Bernie Sanders's proposal to create a national single-payer health system. They disagree about whether the party should focus on mobilizing its liberal base or instead try appealing to swing voters in the middle. Since the November general election, the Democratic National Committee has posted lackluster fundraising numbers, and the party has failed to win back Republican seats in four high-profile special House elections.

Some political strategists warn that contentious primary races could produce nominees too liberal to flip a Republican-held district,

Please see DIVIDE page A9

INSIDE

ECB SHIFTS POLICY ON STIMULUS

WORLD NEWS, A6

THROW-INS CLINCH BIG HOME SALES

MANSION, M1

In Houston, 'Houston, We Have a Problem' Is a Problem

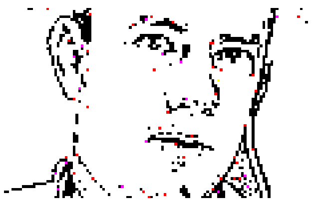
* * *

Texans beg outsiders to lay off cliché—a misquote from NASA

BY MIGUEL BUSTILLO AND ERIN AILWORTH

Lauren Martinez was enjoying a problem-free Saturday evening, watching her beloved Houston Astros beat the New York Yankees to reach baseball's World Series, when it happened, *again*.

A sportscaster dropped a "Houston, we have a problem" reference. This time, it was a play on words by Fox Sports' Tom Verducci during the American League Championship Series trophy celebration: "Houston, tonight we have no problems. Houston, your team is going to the World Series!"



Tom Hanks

"I literally groaned," says Ms. Martinez, 32 years old, of Humble, Texas. "You are so happy, and suddenly, so incensed."

Houston has a problem, all right. It's people who still think "Houston, we have a problem" is a clever turn of phrase.

The line—a misquote of the actual 1970 warning from an Apollo 13 astronaut to mission control in Houston—comes up ad infinitum, especially in newspaper headlines and sports broadcasts.

That's annoying to many Houstonians, and others, who consider it the laziest of clichés.

"Houston, we have a problem" resurfaced with regularity

Please see ASTROS page A9

U.S. NEWS

Facebook Seeks More Sway in Washington

By Julie Bykowicz

As the probes of Russian interference in the 2016 presidential election turn to the role of social-media giants, Facebook is looking to boost its influence in Washington amid talk of potential federal regulation.

The Menlo Park, Calif., company has invested more than $8.4 million this year on its 36-member federal lobbying team—putting it on track to spend more on federal lobbying than in any previous year. The company recently added Republican-led Hamilton Place Strategies and other communications strategists to its team and posted an ad seeking a crisis communications specialist.

The tech giant also held several focus-group sessions last week hosted by Quadrant Strategies, a Democratic-led research firm. People familiar with the sessions said public relations professionals and other Washington insiders were among the attendees. Facebook was soliciting advice as to how best to respond to the Russia ad controversy—and how to communicate with Republicans in particular, the people said.

Proposed messaging strategies appeared to highlight the company's desire to fix any problems on its own rather than through regulation, the people said. Among the test messages were "we're not a news organization" and "we can combat the problems with automated buys with other automated tools." Facebook drew criticism during the 2016 campaign for fabricated news reports that appeared in users' news feeds. And last month, the company disclosed that it had sold political ads to Russian entities that wanted to help elect President Donald Trump during last year's campaign.

Democratic Sens. Amy Klobuchar of Minnesota and Mark Warner of Virginia have announced legislation to force technology companies to disclose more about who is buying political ads on their sites.

Lawmakers and special counsel Robert Mueller are investigating U.S. intelligence agencies' findings that Russia interfered in the election and whether Trump associates colluded in that effort. Mr. Trump has denied any collusion by him or any associates and Russia has said it didn't interfere in the election.

Executives of Facebook, Twitter and Google have been called to appear before three congressional panels next week: the Senate Judiciary subcommittee on crime and terrorism on Tuesday, followed by back-to-back appearances in front of the Senate and House intelligence committees a day later.

Facebook says it is cooperating with both the Russia probes and with separate efforts by lawmakers and federal regulators who are considering whether to require more regulation of online political advertising. "We stand with lawmakers to achieve transparency in political advertising," said Erin Egan, Facebook's vice president for U.S. public policy.

Silicon Valley companies can appear to predominantly favor Democrats, based on the campaign contributions of their employees and the favored politicians of their leaders, but they have adapted in the past few years to a Republican-led Washington.

When Facebook opened its Washington office almost a decade ago under the leadership of a former American Civil Liberties Union lawyer, it had a $200,000 lobbying budget and its employees made a few thousand dollars' worth of federal political contributions each year, all to Democrats, according to federal lobbying records.

Although Facebook employees—including Chief Executive Officer Mark Zuckerberg and Chief Operating Officer Sheryl Sandberg—still donate mostly to Democrats, the company tries to balance that by giving more heavily to Republicans through its corporate political committee, according to the Federal Election Commission reports.

And Joel Kaplan, a former policy adviser to President George W. Bush, oversees an army of in-house lobbyists and those contracted at eight outside firms.

The company's highest-paid outside lobbying firm, Subject Matter, added to its Facebook roster Ed Kutler, once an adviser to former House Speaker Newt Gingrich, a Trump confidant. In the spring, Facebook brought in as a policy team member Sandy Luff, a former top aide to now-Attorney General Jeff Sessions.

Facebook also has developed relationships with Republicans and Democrats alike by showing them how to use tools such as advertising to maximize their reach.

—John McKinnon and Deepa Seetharaman contributed to this article.

Online-Ads Bill Draws Criticism

Sen. Mark Warner (D., Va.) and Sen. Amy Klobuchar (D., Minn.) introduced a bill last week that proposed online disclosure and reporting requirements for any political entity that spends more than $500 in a given year on a platform such as Facebook.

The measure, which is co-sponsored by Sen. John McCain (R., Ariz), also would hold online companies liable if they fail to adhere to the standards.

But the Republican congressional leadership has been reluctant to move legislation related to the Russia probes, which some see as an effort to undermine Mr. Trump's win, and Republicans typically haven't backed tightening campaign finance rules.

The idea that a group of bureaucrats will "regulate what we will be able to see in terms of social media or other formats offends me and I will certainly oppose that in any way I can," Rep. Paul Mitchell (R., Mich.) said.

David Keating, president of the Center for Competitive Politics, which advocates for less campaign finance-regulation, said Mr. Warner's plan is "basically a campaign finance bill taking advantage" of the Russian online ads controversy.

He said it would make it tougher for Americans to participate in politics by potentially increasing the cost of social-media advertising that small groups use.

The Brennan Center, the Campaign Legal Center and other Democratic-leaning campaign-finance groups, as well as Ellen Weintraub, a Democratic member of the Federal Election Commission, are welcoming the legislation.

—Julie Bykowicz

Rare Red Pandas Make Debut in Philadelphia

MATT ROURKE/ASSOCIATED PRESS

NEW ADDITION: One of the twin red pandas born in June at the Philadelphia Zoo met visitors Thursday. The pandas, native to mountains in China, Nepal and Myanmar, are considered endangered because of habitat destruction, poaching and climate change.

U.S. WATCH

HONOLULU

Pedestrians Face Fines for Texting

Honolulu this week became the largest city in the U.S. to make it illegal for people to look at cellphones, tablets or videogames while crossing a road or highway. It comes as a few states still haven't outlawed texting while driving.

It remains to be seen how the law can be enforced on an island that draws tourists from across the globe. The tourism industry is trying to educate visitors.

The law applies to the entire island of Oahu, where it is also illegal to drive while using handheld mobile electronics. A first offense for the distracted-walking ordinance carries a fine of between $15 and $35. It increases to between $75 and $99 for a third offense within a year of the first violation.

Officers in tourist-heavy Honolulu have discretion to issue a warning or a ticket, police spokeswoman Michelle Yu said.

"We realize not everyone is going to know," she said. "Local laws could vary."

—Associated Press

ECONOMY

Jobless Claims Rise

The number of Americans filing applications for new unemployment benefits rose last week, after falling to the lowest level in 44 years in mid-October.

Initial jobless claims, a proxy for layoffs across the U.S., increased by 10,000 to a seasonally adjusted 233,000 in the week ended Oct. 21, the Labor Department said Thursday.

Puerto Rico and the U.S. Virgin Islands continue to experience power outages and infrastructure damage because of recent hurricanes, causing many applying for unemployment benefits to submit paper applications, a Labor Department economist said. This caused what usually would have been a large increase in claims after the storms to slow to a trickle, with unemployment-benefit applications falling to their lowest level in 44 years in mid-October.

Despite recent storm activity, claims have remained historically low. Claims numbers have remained below 300,000 a week for more than 2½ years.

—Sharon Nunn and Sarah Chaney

TECH

Continued from Page One

business, which sells computing power to other companies over the internet. Pharmaceutical stocks fell Thursday after the St. Louis Post-Dispatch reported that Amazon had obtained licenses from several state pharmaceutical boards. The licenses are for Amazon to sell some medical wholesale equipment, according to a person familiar with the matter.

"The strong keep getting stronger," said Colin Sebastian, a Robert W. Baird & Co. analyst who covers Amazon, Google and Twitter Inc. "The bigger drivers of their operations—secular growth trends in e-commerce and digital advertising—are still very strong."

Shares in three tech giants jumped in after-hours trading, adding a combined $80 billion in market value in the first hour or so after results were announced. Alphabet and Amazon's stocks both surged past the $1,000 mark and approached all-time highs.

But their rising fortunes are also drawing new scrutiny and questions about whether they have grown too powerful.

Lawmakers have proposed new transparency rules for digital political ads after Google, Facebook Inc. and Twitter said Russian actors ran ads on their sites around the 2016 election. The platforms face wider criticism of their roles in spreading misinformation and hateful messages on the internet. European competition regulators in June fined Alphabet $2.7 billion for abusing its internet-search dominance, and they are investigating other aspects of its business. Alphabet denies the charges and has appealed the fine.

Advertisers, too, are wary of the increasing power of a few digital-ad businesses, amid allegations of ad fraud and shoddy metrics, and brands' ads running next to unsavory YouTube videos. On Thursday, Twitter said it mistakenly overstated its number of users for the past three years. Yet their businesses continue to flourish, in part because of one fundamental trend: surging internet usage world-wide.

"Are you going to use the internet less next year?" said Macquarie Capital analyst Ben Schachter. "These are already some of the largest companies in the world, and they are continuing to expand."

The tech-earnings triumph extended beyond the three giants. Chip maker Intel Corp. said its profits rose 34% to $4.52 billion and lifted its outlook for the year. Even Twitter, which has struggled for years, narrowed its quarterly loss to $21.1 million, from $103 million a year prior, and forecast that next quarter it could earn its first profit since going public in 2013. Twitter shares rose 18.5%. Two other tech giants—Apple Inc. and Facebook—are due to report earnings next week.

Amazon's quarterly revenue hit a new record in the third quarter at $43.74 billion, as it expanded into more corners of consumer spending. The third quarter was the first time earnings included Amazon's $13.5 billion acquisition of Whole Foods Market Inc.

The jump in revenue is but one measure of Amazon's scale. Marketing-research firm eMarketer estimates Amazon will command some 43.5% of e-commerce sales this year, compared with 38.1% last year.

Amazon's profit increased 1.6% to $256 million, even though the third quarter is typically a period of heavy spending. The company's total number of employees increased to 541,900 from 382,400 in the second quarter, including roughly 87,000 Whole Foods employees.

Alphabet, with 78,100 employees, said its quarterly profit grew to $6.73 billion on revenue of $27.77 billion. The company's core business, selling ads in search results and on YouTube, grew at its fastest rate in a year, 22.6%.

"The core search business is just super-strong," said JMP Securities analyst Ron Josey. Google's search ads "continue to be a must buy for advertisers."

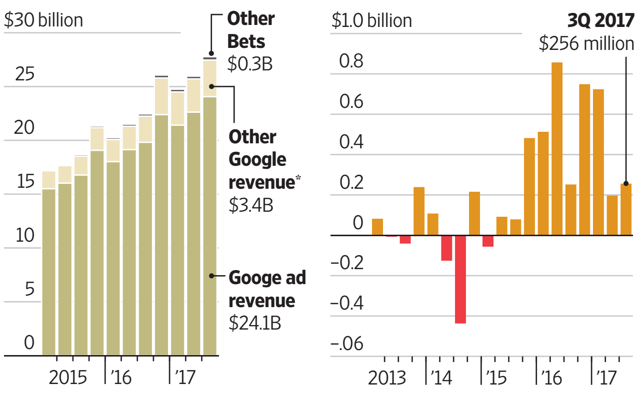
The amount advertisers paid Google per ad click rose by 1% from the second quarter, the first such increase since the first quarter of 2016. Advertisers' cost per click has been dropping for years as they bought more mobile ads, which are generally cheaper than those on desktop computers. Analysts said the quarterly increase suggests advertisers would pay more for mobile ads.

Microsoft revenue surged on the strength of its web-based, on-demand computing services. In the fiscal first quarter, its Azure infrastructure services and Office 365 online-productivity business saw revenues soar 90% and 42%, respectively. Overall, Microsoft's profits increased 16% to $6.58 billion. Revenue reached $24.54 billion.

"The secular shift from offline to online is continuing to gain steam and gather momentum," Mr. Josey said. "You're seeing that every single quarter, and I don't know what gets in its way."

—Jay Greene, Ted Greenwald and Georgia Wells contributed to this article.

Tech Boom



*Includes hardware, cloud and app-store sales
Source: the companies

THE WALL STREET JOURNAL.

Amazon Revenue Up 34% in Quarter

Amazon.com Inc.'s revenue in the third quarter soared 34% to a record, a first for a non-holiday period, as the internet retail giant spread its ambitions with the acquisition of Whole Foods Market Inc. and widened its lead in cloud computing.

The sales of $43.74 billion, which barely topped the previous record set in last year's fourth quarter, enabled Amazon to surprise investors with a small profit increase to $256 million despite its costs bulging by 35%, a five-year high.

"Certainly costs are going up as we invest in some very key areas," said Chief Financial Officer Brian Olsavsky, citing such areas as Amazon Web Services, which rents computing power to other companies, and its devices business and order fulfillment. Head count increased 77% from a year earlier to 541,900 as the company added Whole Foods employees as well as tens of thousands of warehouse workers.

The third quarter is typically a period of heavy spending, as Amazon opens warehouses to get them up and running for the holidays.

Shares of the company rose 8% to $1,050.10 in after-hours trading after finishing $972.43 on Thursday. Shares are up about 30% year to date.

Mr. Olsavsky attributed sales growth to the company's annual Prime Day in July when it offers deals, an event that especially grew overseas.

This was the first quarter where Amazon included Whole Foods results, which contributed about $1.28 billion to sales after the acquisition closed on Aug. 28.

—Laura Stevens

CORRECTIONS & AMPLIFICATIONS

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Border-Wall Models Put On Display

Prototypes are shown even as the president's plan faces funding and other challenges

By Alicia A. Caldwell

SAN DIEGO—Seven months after the federal government asked for bids to build a wall on the U.S. border with Mexico, the country got its first glimpse of President Donald Trump's vision, rising on a dusty patch of desert.

Eight completed border-wall models were unveiled Thursday in a pageant of concrete and steel hosted by U.S. Border Patrol officials and led by Ron Vitiello, the acting deputy commissioner for Customs and Border Protection.

"These prototypes are vitally important for the future of border security here in San Diego as well as the southwest border," Mr. Vitiello said Thursday at the border.

He said testing of the prototypes at the border and a second set of mock-ups at another nearby location will start soon, and could take three to four months to complete.

"We're going to look at all of these features, look at what works and what doesn't work," Mr. Vitiello said, adding that agency officials will test the wall samples to figure out how they can be breached, climbed or tunneled under.

The towering panels, each 30 feet high and about 30 feet long, are planted just east of the busy Otay Mesa border crossing, dwarfing the existing, decades-old steel panels that sit at the border in the area.

But the fate of the proposed wall, which would stretch hundreds of miles of new barriers along a roughly 2,000-mile border, is in doubt. Congress hasn't approved funding, California is challenging the project in court and some who live on the border object to the wall.

The prototypes, which cost about $450,000 each on average, were paid for with money already in the U.S. Department of Homeland Security's coffers.

Mr. Vitiello wouldn't put a price tag on a final border wall project, but said "it will be expensive."

The wall samples were built by six companies from across the country.

Mr. Trump has asked Congress for $1.6 billion for the current 2018 budget year to fund the first phases of the project, despite his previous promises that Mexico would pay for the structure. So far, lawmakers haven't acted on the request and may not, which could mean the enormous panels could stand as little more than an unfunded campaign promise.

Mr. Vitiello said a single winning design may not be chosen from the prototypes. Instead, he said, Border Patrol officials could come up a with a "composite" design.

"There are different requirements for different areas," Mr. Vitiello said. "We're going to look at everything that is reflected here" to create "a new design standard."

The contract notices for the project required that the wall sample be able to withstand efforts to breach it for at least an hour with a "sledgehammer, car jack, pick ax, chisel, battery-operated impact tools, battery-operated cutting tools, Oxy/acetylene torch or other similar hand-held tools."

The wall is also supposed to look attractive to anyone seeing it from the U.S. side. Five prototypes completed earlier this month were largely beige, one with stamped concrete designs intended to look like stones and topped with steel fencing. Another prototype included concrete panels painted a dark blue and topped with staggered steel posts and sheets making a solid wall of steel.

> *An official said the next step is to 'look at what works and what doesn't work.'*

Only two of the completed prototypes provided border agents with a view to the Mexican side of the wall, through posts topped with sections of solid materials. The contract notices called for wall prototypes built with "other materials" to be see-through.

The prototypes likely will remain in place as long as they are structurally sound and may be permanently incorporated into the border barrier infrastructure already there, said Roy Villareal, the acting chief patrol agent for the Border Patrol's San Diego sector.

Several immigrants were caught illegally crossing the border into the prototype construction site in the past month, though most are believed to have been trying to turn themselves over to border agents so they could apply for asylum in the U.S.

Even if Mr. Trump's border wall doesn't come to fruition, Mr. Villareal said, the Border Patrol will be able to learn from the prototypes as they repair and replace aging fencing that now covers more than 650 miles of the Mexican border in California, Arizona, New Mexico and Texas.

Construction of the prototypes was a much-anticipated first step in Mr. Trump's promised wall, and federal officials initially worried they might spark violent protests.

As construction began last month there was a heavy local and federal law-enforcement presence, though no protests materialized.

San Diego City Councilman David Alvarez said he and other locals oppose plans for a border wall, but Mr. Alvarez said he views the prototypes as "a meaningless show of a campaign slogan," he said. "It's not even worth people's time."

GUILLERMO ARIAS/AGENCE FRANCE-PRESSE/GETTY IMAGES

Models were built for President Donald Trump's proposed border wall. The completed prototypes were unveiled on Thursday.

Opioid Crisis Is Declared a Public Health Emergency

By Louise Radnofsky And Jon Kamp

WASHINGTON—President Donald Trump, surrounded by addicts and their families, declared opioid addiction a "public health emergency" Thursday as he sought to accelerate a federal government response to the crisis.

"We can be the generation that ends the opioid epidemic," Mr. Trump said in a 25-minute speech from the White House in which he decried the tragedy of "opioid orphans" and described opioid abuse as a "plague" that Americans must defeat.

Mr. Trump, saying his administration was already "aggressively" fighting opioid abuse, pledged to raise the subject of Chinese-made bootleg fentanyl on his November visit with President Xi Jinping. Mr. Trump also praised pharmacy benefit managers' efforts to limit the supply of some painkillers and touted a move by the Food and Drug Administration earlier this year to urge one drug maker to pull an opioid off the market.

Reaction to the move in the states was divided somewhat along partisan lines, with Democrats questioning whether Mr. Trump's action went far enough, especially given that it didn't include a commitment to new funding, and Republicans praising it as forceful and necessary.

Mr. Trump also said his administration was looking at bringing lawsuits against unspecified "bad actor" companies, but it wasn't immediately clear what steps the federal government might take in that regard. This week, Purdue Pharma L.P., which sells the opioid painkiller OxyContin, said that the U.S. attorney's office in Connecticut was investigating the company over the drug, and that it was cooperating with the investigation. The U.S. attorney's office declined to comment.

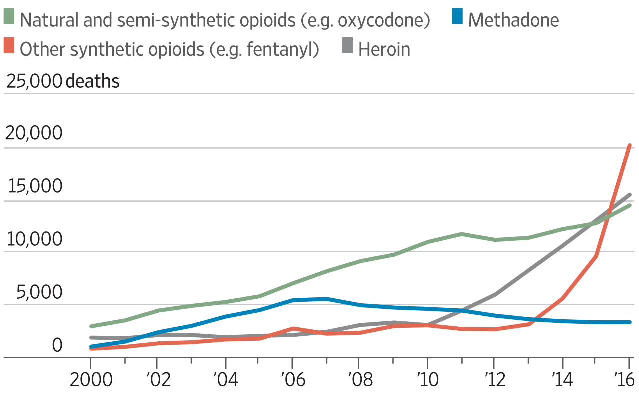
Overall, more than nine states, and dozens of cities and counties, have sued Purdue and other opioid painkiller makers, alleging their marketing has misled the public about addiction risks. Purdue and many of the other firms have denied the allegations.

Opioids such as fentanyl, heroin, oxycodone and hydrocodone killed more than 34,500 people last year, according to the Centers for Disease Control and Prevention. Opioid addiction has ravaged communities throughout the country, drawing attention from officeholders of both parties, many of whom have been urging Mr. Trump to take action for some time.

The president's declaration Thursday stopped short of the "national emergency" designation that he had said over the summer he would invoke. It was twinned with an announcement that the administration would lift a rule that effectively prevented hospitals and treatment centers from maintaining more than 16 psychiatric beds at a time.

Fentanyl Spike

Overdose deaths from fentanyl and other synthetic opioids have risen even faster than deaths from heroin and other opioids in recent years.



Note: 2016 figures are preliminary and run from Feb. 1, 2016 through Jan. 31, 2017.
Source: Centers for Disease Control and Prevention

THE WALL STREET JOURNAL.

Drug-Overdose Deaths Jump 21%

A more than doubling of U.S. deaths involving fentanyl and other synthetic opioids drove a 21% jump in annual drug-overdose deaths from January 2016 to January 2017, preliminary federal data show.

Overdose deaths from fentanyl and other synthetic opioids jumped to 20,145 in the 12 months ended Jan. 31, 2017, from 9,945 in the year-earlier period—the sharpest one-year rise since the U.S. began experiencing widespread addiction to powerful opioid drugs, Centers for Disease Control and Prevention data show.

That surge drove total drug-overdose deaths to 64,070 in the 12 months through January, up from 52,898 a year earlier.

"The numbers are startling. The rise in synthetic overdose deaths is particularly urgent," said Greg Williams, co-founder of the advocacy group Facing Addiction. "We must quickly implement a comprehensive prevention, treatment and recovery health response in communities," he said.

Legal forms of fentanyl are sold as prescription painkillers, but most of the fentanyl that is killing people is produced illicitly for the black market. Fentanyl and other synthetic opioids are particularly deadly because they are often many times more powerful than heroin, another type of opioid.

Much of the synthetic supply is produced for the black market by Chinese labs and sent to the U.S. either directly or via Mexican cartels.

The latest CDC data show deaths involving other opioids are also on the rise. Overdose deaths involving heroin rose 17% to 15,446. Deaths from natural and semi-synthetic opioids, a category that includes prescription painkillers such as oxycodone, rose 13% to 14,427 from 12,726, the data show.

—Jeanne Whalen

Trump Clears Release of JFK Files, With Some Redactions

By Eli Stokols And Del Quentin Wilber

President Donald Trump's decision to release nearly 3,000 classified documents opened a haystack of new details about the assassination of President John F. Kennedy in November 1963 by Lee Harvey Oswald, including some shedding light on the CIA's failed pursuit of the assassin just weeks before the murder.

The tranche of files, posted to the National Archives' website Thursday evening, ranged from records concerning how the CIA raided the trash at the Cuban Embassy in Mexico City to transcripts of interviews of a Russian defector.

One of the more tantalizing files revealed that Oswald had visited the Soviet Embassy in Mexico City in the weeks before the assassination and had met with a top diplomat.

In a CIA report, an officer wrote that the meeting was revealed when U.S. intelligence intercepted a phone call placed by Oswald on Oct. 1, 1963, to the embassy. He had spoken to a guard "in broken Russian," asking if there was "anything new concerning the telegram to Washington." The guard checked and reported that nothing had yet been received by the embassy, the report states.

The CIA determined that days earlier, Mr. Oswald had spoken with a diplomat, Consul Valeriy Vladimirovich Kostikova, who was referred to as an "identified KGB officer" and later identified to have "worked for the KGB's 13th Department (responsible for sabotage and assassination)."

Historians have long wondered what transpired during Oswald's visit to Mexico City before the shooting, and some had hopes that clues may become clearer in the files released Thursday.

Oswald appears to have visited the city to obtain a visa to permit his defection to Cuba. He had previously defected to the Soviet Union in 1959 but became disillusioned and returned to the U.S. in 1962.

Mr. Trump authorized the release of 2,800 documents related to the assassination, but he said much information would remain secret for now due to national security concerns.

"I am ordering today that the veil finally be lifted" on the event, Mr. Trump said in a memorandum to executive-branch departments and agencies. He added, however, "I have no choice" but to accept redactions.

The administration faced an Oct. 26 deadline to release all documents related to the assassination that remain undisclosed. Congress mandated in 1992 that the documents all be made public within 25 years, unless the president determines that doing so would undermine intelligence, law enforcement, military operations or foreign policy.

Under the president's order, the agencies have until April to review whether those documents can be made public and to reduce the number of those that remain classified "to an absolute minimum."

WALT CISCO/DALLAS MORNING NEWS/REUTERS

President John F. Kennedy and first lady Jacqueline Kennedy rode in the back seat of a limousine moments before JFK was assassinated during a trip to Dallas on Nov. 22, 1963.

FBI Set to Turn Over Russia Files

By Byron Tau
And Del Quentin Wilber

SHAWN THEW/EPA/SHUTTERSTOCK

House Speaker Paul Ryan said the FBI would comply with a congressional request for documents related to the Russia probe.

WASHINGTON—The Federal Bureau of Investigation is expected to hand over to Congress documents related to a controversial and unverified dossier on President Donald Trump by next week, ending a long-running impasse between lawmakers and federal law enforcement.

House Speaker Paul Ryan said the FBI had agreed to provide documents long sought by Congress in a variety of investigations under way, including information about a 35-page research document containing unverified allegations about Mr. Trump's ties to Russia.

"The point of these investigations is to find the truth and to make sure if laws were violated or mistakes were made, they're not made again. And transparency is what gets you that," Mr. Ryan said.

In addition to the two intelligence committees investigating Russia activity during the 2016 campaign, a trio of House committees are also conducting probes into an Obama-era uranium deal and the FBI's handling of the inquiry into Hillary Clinton's use of a private email server. As part of these investigations, congressional panels are seeking documents from federal law enforcement that are expected to be turned over.

The dossier was compiled by the research firm Fusion GPS with the help of ex-British spy Christopher Steele. It was revealed this week that Mrs. Clinton's presidential campaign and the Democratic National Committee paid for some of the anti-Trump research through a law firm. Before that, an unknown Republican donor initially paid for some of Fusion GPS's research on Mr. Trump.

Mr. Trump has called the dossier "fake" and "discredited" and has denied any collusion with Russia during the 2016 election. The origins and the credibility of the allegations it contains have become an increasingly central part of the congressional investigations into Russian interference in the 2016 election. Russia has denied meddling in the race.

Attempts to reach the FBI for comment on the bureau's decision to hand over the records to Congress were unsuccessful.

The House Intelligence Committee, which is conducting a broad probe of Russian activity during the 2016 election, subpoenaed the FBI and Justice Department for any material in its possession about Mr. Steele's relationship with law enforcement agencies in late August, as well as any information about attempts to verify or use information in the dossier in a law enforcement proceeding.

The FBI's delay in providing the documents had frustrated the Republican leadership of the committee. Intelligence Committee Chairman Devin Nunes (R., Calif.) in a September letter threatened to force Attorney General Jeff Sessions and FBI Director Christopher Wray to testify in front of Congress in a public hearing to explain why law enforcement wasn't providing the material.

Former FBI officials said the FBI would likely have two general sets of records related to the dossier: a source file with information about Mr. Steele and investigative records detailing work by agents to track down information he provided.

The bureau treated Mr. Steele as an informant of sorts and was hoping to pay him for information he developed, former and current officials said. The FBI had previously paid Mr. Steele for information he helped gather during a probe into alleged corruption at FIFA, the world soccer organization, according to a person familiar with the arrangement.

As previously reported, the FBI had agreed to pay Mr. Steele to continue his research into Mr. Trump's relationship with Russia but the deal fell apart, according to a person familiar with the matter.

Key events in the Russia investigation

March 2016: Research firm Fusion GPS approached law firm **Perkins Coie** about continuing research on then-candidate Donald Trump's activities and connections in Russia; the research had previously been funded by at least one Republican donor.

April 2016: Marc Elias, a Perkins Coie partner who was paid by both Hillary Clinton's presidential campaign and the Democratic National Committee, hired Fusion GPS for research.

January 2017: An unclassified U.S. intelligence report concluded that a Russian campaign to interfere in the U.S. election was directed at the highest levels of its government. U.S. officials also summarized allegations about Russian connections contained in a dossier written by Christopher Steele—a former British intelligence officer who was helping Fusion GPS—in a two-page addendum to a classified briefing provided to then-President-elect Trump. Mr. Trump called the allegations of Russian meddling a "witch hunt"; Russia denied meddling. The House and Senate Intelligence Committees launched probes of the allegations. Separately, BuzzFeed published the full dossier.

August 2017: The House Intelligence Committee subpoenaed the FBI and Justice Department for any material in its possession about Mr. Steele's relationship with law enforcement agencies.

WASHINGTON WIRE

STORMS

President Signs Aid Bill for Disasters

President Donald Trump has signed a $36.5 billion emergency-aid measure to refill disaster accounts, provide a cash infusion to Puerto Rico and bail out the federal flood-insurance program.

The GOP president signed the bill Thursday after the Senate sent him the measure earlier this week to help Florida, Texas and Puerto Rico after a devastating string of hurricanes. The money will also help Western states dealing with massive wildfires.

To date, Congress has approved more than $50 billion in disaster aid this fall, but more money will be needed. The states and Puerto Rico continue to assess the damage from an onslaught of damaging storms.

—Associated Press

VOTING

Election Server Wiped After Lawsuit

A computer server crucial to a lawsuit against Georgia election officials was quietly wiped clean by its custodians just after the suit was filed.

The server's data was destroyed July 7 by technicians at the Center for Elections Systems at Kennesaw State University, which runs the state's election system. The data wipe was revealed in an email sent last week from an assistant state attorney general to plaintiffs in the case that was later obtained by the Associated Press.

The lawsuit, filed on July 3 by a diverse group of election-overhaul advocates, aims to force Georgia to retire its antiquated and heavily criticized election technology.

The server in question, which served as a statewide staging location for key election-related data, made national headlines in June after a security expert disclosed a gaping security hole that wasn't fixed six months after he reported it to election authorities.

—Associated Press

Administration to Settle IRS Suits

By Aruna Viswanatha
And John D. McKinnon

The Trump administration on Thursday said it has agreed to pay between $1 million and $10 million to settle lawsuits against the Internal Revenue Service for targeting tea-party groups in the Obama era, saying in court documents that the IRS "admits that its treatment...was wrong."

The Justice Department entered into proposed settlements with groups that alleged in 2013 they had been subject to discriminatory treatment in applying for tax-exempt status. The move largely puts an end to a saga that had engulfed the IRS.

In a settlement filed in federal court in Washington, which still must be approved by a judge, the Justice Department said the IRS "expresses its sincere apology" and was "fully committed" to not subjecting groups to additional review "solely on the name or policy positions of such entity."

In a separate class-action case brought on behalf of 428 groups in federal court in Ohio, the government agreed to pay a "seven figure" amount, to be distributed to the groups, according to a lawyer for the groups, Edward Greim. Mr. Greim declined to provide a specific number, saying the judge still needed to approve the deal.

The cases spent several years in litigation. The Washington case had initially been dismissed before parts were revived last year by a federal appeals court.

"Hundreds of organizations were affected by these actions, and they deserve an apology from the IRS," Attorney General Jeff Sessions said in announcing the settlements. "We hope that today's settlement makes clear that this abuse of power will not be tolerated."

Democrats say the IRS may have acted clumsily amid the sudden emergence of numerous tea-party groups in 2009 but didn't intend to target them for political reasons, and they accuse Republicans of using the issue gin up hostility to the administration of former President Barack Obama.

Tea-party groups alleged that the IRS discriminated against them.

The controversy arose in 2013 after a then-IRS official, Lois Lerner, publicly apologized for the agency's targeting of conservative groups for extra scrutiny as they sought tax-exempt status. Ms. Lerner, who headed an IRS division overseeing tax-exempt organizations, later retired amid multiple investigations.

Emails uncovered during the probes suggested Ms. Lerner became worried that if the IRS denied tax-exempt status to tea-party groups, they might sue the government and succeed in overturning federal limits on political activity of tax-exempt groups.

As a result, Ms. Lerner set up multiple internal-review processes for the applications that had the effect of significantly slowing them down.

IRS officials and Ms. Lerner's lawyer said there was no political agenda. The controversy led to a congressional probe and the forced resignation of the acting IRS commissioner, Steven Miller, and Ms. Lerner's suspension.

Treasury Official Will Lead Tax Agency Temporarily

By Richard Rubin

WASHINGTON—David Kautter, the Treasury Department's top tax-policy official, will temporarily take over the Internal Revenue Service in mid-November, Treasury Secretary Steven Mnuchin said Thursday.

Mr. Kautter will be doing double duty, helping to work on the tax plan moving through Congress while overseeing the tax-collection agency.

"David will provide important leadership while we wait to confirm a permanent commissioner," Mr. Mnuchin said. "Assistant Secretary Kautter has had an illustrious 40-year career in tax policy, and I am confident that the IRS and the American people will benefit from his experience and insight."

Mr. Kautter will take over for John Koskinen, whose term is expiring Nov. 12. Mr. Koskinen started at the IRS in 2013, chosen by former President Barack Obama to run the agency amid controversy over its treatment of conservative groups seeking nonprofit status.

President Donald Trump hasn't yet nominated a successor to Mr. Koskinen, and the Senate confirmation process could take months.

It will be a politically fraught choice. Mr. Trump, unlike past presidents, hasn't released his own tax returns, citing a continuing IRS audit. Although commissioners typically don't get involved in individual cases, Mr. Trump's choice would oversee that process along with the potential implementation of a new tax law.

TAXES

Continued from Page One

tious schedule. House and Senate leaders each want to pass tax legislation before Thanksgiving, which means going from having no publicly available bill to consequential votes in 22 days.

The goal is to lower tax rates sharply for individuals, corporations and other businesses, while at the same time repealing or limiting enough tax breaks so that the measure doesn't raise the projected federal deficit by more than $1.5 trillion over the next decade.

"This budget that we just passed in the House today brings us one step closer to historic tax reform," House Speaker Paul Ryan (R., Wis.) said.

The House action followed a 51-49 Senate vote last week on the same budget. The nonbinding budget resolution doesn't need to be signed by President Donald Trump and is separate from spending bills that actually fund the government.

But it is a crucial step because the GOP can now use fast-track procedures that allow legislation to be passed in the Senate with a simple majority, rather than the usual 60 votes. The GOP has 52 Senate seats.

Under the fast-track rules, the plan can't increase deficits beyond the first 10 years.

Backed by business groups and conservative allies, Republicans see the next few weeks as essential for their economic agenda—and their political futures. That pressure to deliver and avoid being labeled as standing in the way will weigh on lawmakers and be part of the party's push to move quickly.

"The further you get towards tax reform, two things happen: the more difficult it gets but also the easier it gets," said Rep. Mark Meadows (R., N.C.). "If you're sitting there facing lowering taxes on hardworking American taxpayers or not, it becomes a very difficult decision to vote against."

Democrats see the GOP tax plan as fiscally irresponsible.

"This is just tax cuts for the rich. This is not tax reform," said Rep. Nancy Pelosi of California, the House Democratic leader.

TOM WILLIAMS/CONGRESSIONAL QUARTERLY/NEWSCOM/ZUMA PRESS

Reps. Jodey Arrington, left, Paul Mitchell, center, and Dave Brat leave the Capitol after Thursday's vote.

The House Ways and Means Committee plans to release its tax bill on Wednesday and begin committee review starting Nov. 6. The Senate will be about a week behind that pace, said Sen. John Cornyn (R., Texas).

The outlines of the plan have been clear for months. Republicans want to drop the corporate tax rate to 20% from 35%, set a 25% rate on businesses that pay through their owners' individual tax returns, repeal the estate tax and make tax filing simpler.

Republicans are willing to accept higher short-run budget deficits driven by tax cuts to spur what they promise will be much faster economic growth, though many economists dispute that link.

What Republicans haven't done is give details on which tax breaks would vanish or offer enough information for families to calculate their tax bills.

What is left to decide, said Mr. Cornyn, is "the spinach, as they call it. Not the dessert, but the spinach. That's the [tax-cut] offsets."

In the House, where Republicans have a 239-194 edge, opposition by members from high-local-tax states narrows the party's margins significantly.

So far, party leaders haven't been able to reach a compromise that would continue some federal tax break for local property taxes.

"We're all willing to find a compromise," said Rep. John Katko (R., N.Y.). "But the bottom line is the ball is in their court now and they know it."

Rep. Kevin Brady (R., Texas), the Ways and Means chairman, said he is exploring options including a credit for homeownership that could include property taxes and mortgage interest.

Mr. Brady also said Thursday that he had spoken with Mr. Trump after the two seemed at odds over potential changes to 401(k) and other tax-advantaged retirement plans. He said it is possible that the maximum amount taxpayers can contribute to such plans could rise.

—Kristina Peterson and Siobhan Hughes contributed to this article.

A Force Behind the Aetna Bid: Amazon

By Sharon Terlep
And Laura Stevens

Amazon.com Inc. has struck again. Only this time the internet giant is shaking up an industry it hasn't yet entered.

Amazon's potential entry into the pharmacy-services industry helped spur **CVS Health** Corp.'s $66 billion bid for insurance giant **Aetna** Inc., according to a person familiar with the matter. An acquisition of a major insurer was among roughly a dozen strategies CVS's management team recently presented to directors, the person said.

CVS and its rivals have been under pressure to devise a countermove should Amazon enter the industry. The company's stock, along with its rivals, took a hit when news of Amazon's potential plans surfaced in May. Shares fell again Thursday after the St. Louis Post-Dispatch reported that Amazon had obtained approval from several state pharmaceutical boards to become a wholesale distributor. CVS and Walgreens shares dropped roughly 3%.

The licenses are necessary for selling medical wholesale equipment to licensed professionals via the company's business-to-business marketplace platform, according to a person familiar with the matter. Still, Amazon is looking at getting into the pharmaceutical space, according to another person familiar with the matter, as the company continues to expand its business.

CVS felt further compelled to make a dramatic move after federal antitrust regulators rejected Walgreens Boots Alliance Inc.'s proposed acquisition of Rite Aid Corp. in June, the person said. The death of that deal solidified the view that the solution to intensifying competition must come from beyond traditional channels.

CVS and Walgreens have been wading ever deeper into health care as retail sales of cosmetics, grocery items and other merchandise count for a shrinking share of their overall revenue. Both chains have grown their pharmacy benefit and health-care businesses in recent years. For CVS, retail sales amounted to 46% of total revenue in 2016, down from 52% in 2013. For Walgreens in the U.S., that number fell to 33% last year, from 37% in 2013.

Last year, CVS reported $120 billion in revenue from its pharmacy-services segment and $81 billion from the retail side of its business. Those figures include $23.5 billion of overlapping sales. About 75% of the net retail revenue comes from prescription drugs.

Health-care industry officials say the pharmacy market is ripe for e-commerce.

At almost every opportunity, analysts have peppered CVS and Walgreens executives with questions about their plans to handle the Amazon threat, especially after the Seattle giant acquired grocery chain Whole Foods.

In June, when asked about Amazon's move to hire a manager to develop a pharmacy strategy, Walgreens CEO Stefano Pessina said Amazon's entry into the industry was unlikely. "They have so many opportunities around the world and in many other categories, which are much, much simpler than health care, which is a very regulated business," he said.

A few months later, CVS Chief Executive Larry Merlo said the industry would "rise to any challenges from any new entrant." He noted several hurdles to entering the industry, including the fact that most consumers opt against mail-order drugs, regulatory challenges and the complexities of juggling physicians, pharmacists and insurers. "We've seen threats in the past, OK," he said.

Asked about Amazon's interest in health care on its earnings call Thursday, director of investor relations Dave Fildes said that most of the company's energy is currently focused on its Amazon Business offering to hospitals, labs and government agencies, as well as interacting with that sector via its cloud services business.

Health-care industry officials say the pharmacy market is ripe for e-commerce, much like book-selling was, especially if Amazon can provide the kind of one-click convenience it offers for books, clothes and other products.

"Amazon's entry is expected to pose an immediate near term threat to retail pharmacy chains" including CVS and Walgreens, Leerink Partners wrote in a recent note to investors.

CVS

Continued from Page One

rivals, took a hit after Amazon said it would acquire Whole Foods Market, a move that came amid reports the internet company was considering getting into the pharmacy business.

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Aetna and CVS had already been long-term partners, signing a contract in 2010 for CVS to provide pharmacy-benefit services to the insurer.

In buying Aetna, CVS would evolve more in the direction of UnitedHealth Group Inc., the parent of both the biggest U.S. health insurer and a health-services arm known as Optum, which includes a PBM and a growing number of clinics and physician practices.

But the deal also would set up a potentially challenging dynamic with Anthem Inc., another insurer that had its own blockbuster merger plan thwarted. Anthem recently announced it would set up its own PBM, to be serviced by CVS. That move is set to take place in 2020.

MARIO ANZUONI/REUTERS

With Aetna, CVS could lock in a huge number of members for its pharmacy-benefit management arm.

A deal with CVS would come after Aetna's 2015 plan to buy rival insurer **Humana** Inc. for $34 billion fell apart amid regulatory opposition.

A deal would mean a major change in direction for Aetna. Though the company has said it retains strong pathways to growth, including potential deals and expansion of its Medicare and Medicaid businesses, none appears to hold the turbocharged potential that it had highlighted during its effort to combine with Humana.

CVS, for its part, is already a major player in offering Medicare drug plans.

The deal almost surely would attract close scrutiny from U.S. antitrust enforcers who have expressed concern about health-care consolidation.

While the Justice Department in recent years has challenged health-insurance mergers, the Federal Trade Commission has objected to several hospital combinations. The FTC also forced Walgreens to scale back its planned takeover of Rite Aid. This year, Walgreens ended its agreement to buy all of Rite Aid for $9.4 billion. It is now buying about half the company's stores.

Many of the actions by the FTC have drawn support from Republican and Democratic commissioners.

The deals that have attracted the strongest objections, however, generally have been mergers of two traditional head-to-head competitors.

If a deal were to be struck, it would rank as the year's largest. Year to date, global M&A volume is down 8% at $2.6 trillion, according to Dealogic. Megamergers have been rare.

It would also be the largest in CVS's history. In its largest deal to date, the company bought pharmacy-benefits manager Caremark for $21 billion in 2007.

M. Lee Pearce, M.D., J.D.

December 22, 1930 - October 12, 2017

Entrepreneur and business executive, owner of hospitals and banks, philanthropist and classical music patron as well as an expert wine connoisseur, M. Lee Pearce passed away peacefully on October 12, 2017 at his home on La Gorce Island, Miami Beach, Florida.

Lee Pearce was born in Philadelphia on December 22, 1930. He received his medical degree from Hahnemann Medical College in 1955, and immediately following graduation, moved to Miami. After practicing medicine for several years, he attended and graduated from the University of Miami's School of Law.

Dr. Pearce was well-known for his financial and business acumen as well as for his diverse interests. Over the years, he built and owned hospitals and medical facilities as well as banks and real estate. He was perhaps best known for his well-publicized and successful Southeast Bank proxy battle against corporate measures designed to protect incumbent management at the expense of shareholders.

The Wall Street Journal once described Dr. Pearce as "a tough and savvy investor" and as a "reserved figure who looks as if he were born in a gray three-piece suit." That quip captured Dr. Pearce's strong adherence to tradition and to the values he learned from his father, which he described as "Pop's rules."

Dr. Pearce's directorships, trusteeships and consultancies were numerous as were his roles as president or chairman of various corporations, associations, and societies with which he was involved. A few examples are: American Hospital Management Corp., American Medical International, Inc., American Hospital of Miami, Inc., AmeriFirst Bank of Miami, General Health, LP, and North Ridge General Hospital, Inc. of Fort Lauderdale. In 1990, he became the founder and owner of Bank of North America in Fort Lauderdale.

He served as a consultant to the Mayo Foundation for Medical Education and Research and to Mayo Clinic Ventures in Rochester, Minnesota; as a member of the Board of Fellows of the Harvard Medical School; as emeritus member of the board of trustees for the University of Miami; and as an honorary director for the Mariinsky Foundation of America and The Metropolitan Opera.

In 1984, he established The Dr. M. Lee Pearce Foundation, Inc. which has contributed to many organizations including The Metropolitan Opera, University of Miami, the Mayo Clinic, Tufts University, Colburn School, and the Mariinsky Foundation of America.

In 2007, Ft. Lauderdale's Holy Cross Hospital "announced receipt of a $20 million charitable gift from visionary philanthropist and medical pioneer M. Lee Pearce, M.D., J.D., to assist Holy Cross in the establishment of a comprehensive off-campus ambulatory/outpatient services center close to the hospital."

Dr. Pearce also endowed a chair in Middle East Studies at the University of Miami and supported the University's School of Music with endowments for the opera, orchestra, and string programs.

He attended musical performances annually around the world including in New York, Bayreuth, Germany and Salzburg, Austria, but he particularly cherished his time traveling across Russia on the train with Maestro Valery Gergiev and his orchestra during the annual Moscow Easter Festival.

Dr. Pearce owned homes in Miami Beach, New York, and Cashiers, North Carolina, but during the past several years particularly enjoyed spending time near Caldas, the coffee-growing region of Colombia.

A celebration of life will take place at Domaine de la Paix et de l'Amour, Dr. Pearce's beloved park, with details forthcoming.

ECB Trims but Extends Stimulus Steps

Bank will buy bonds through September in lower monthly sums; 'softly, softly tapering'

By Tom Fairless

FRANKFURT—The European Central Bank said it would carry on buying government bonds deep into next year but in reduced monthly amounts, a milestone policy shift that signals it will follow the U.S. Federal Reserve on a path toward higher interest rates.

Thursday's decision marks the beginning of the end of a policy tool the ECB adopted to stave off deflation: large-scale purchases of eurozone government bonds, known as quantitative easing, or QE.

Europe's strengthening economic recovery is reducing the need for such a stimulus in the ECB's eyes, even though inflation remains weak and well below the bank's target.

The ECB signaled it was moving away from easy money, but the message was laden with caveats, and the bank left open exactly when, and how, its stimulus measures would end.

The decision to reduce QE gently comes amid a rare, synchronized recovery across the world's major economies, a result of extraordinary efforts by central banks to support growth and the fading, at last, of the financial-crisis era.

The decision reopened a rift within the bank's governing council, where Germany's central bank, the Bundesbank, has led a minority faction that wanted a more decisive end to stimulus but was outvoted.

Under the plan, the ECB will continue to buy bonds through September 2018, but cut the pace of its purchases to €30 billion ($35.4 billion) a month from €60 billion after December this year. The bank also left its key interest rates unchanged and said that rate rises remain some way off.

Europe's exit from QE will thus be far slower than that pursued four years ago by the Fed, which cut its purchases by $10 billion a month.

ECB President Mario Draghi told a news conference that the decision didn't signal the end of QE, which economists credit with supporting the region's strong economic recovery. Instead, he indicated QE would probably be extended again, beyond September 2018, an unexpected sweetener for investors.

"This is not tapering, it's a downsize," Mr. Draghi said.

Investors welcomed Mr. Draghi's balancing act, which pushed back market expectations for an ECB interest-rate increase deep into 2019.

"This is softly, softly tapering," said Ian Stewart, chief economist at Deloitte. "The ECB certainly isn't taking away the punch bowl."

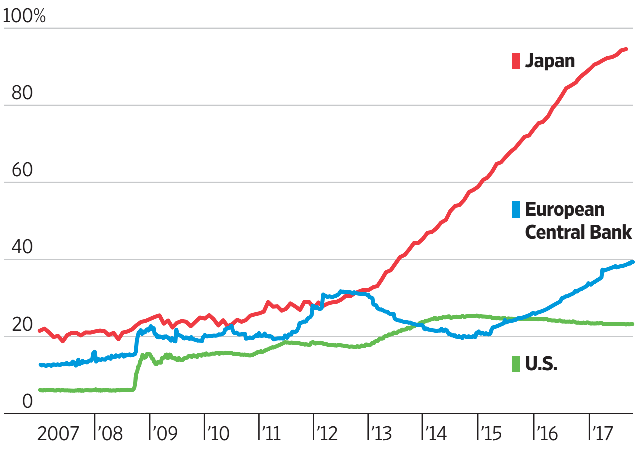
The euro fell 1% against the dollar on Thursday, while shares of companies in the eurozone's most indebted nations jumped on a bet that the ECB's extraordinary monetary stimulus would support the region's markets for longer than many had anticipated.

The ECB also promised to reinvest the proceeds of maturing bonds for "an extended period of time," and to lend freely to banks against collateral until at least the end of 2019.

—Riva Gold and Paul Hannon in London contributed to this article.

Bond Buildup

Balance sheet assets, as a percentage of GDP



Sources: Federal Reserve Bank of St. Louis (U.S. and Japan); European Central Bank (assets); Eurostat (GDP)

THE WALL STREET JOURNAL.

Questions Linger After Bank Move

European Central Bank President Mario Draghi left a lot of questions unanswered Thursday. Here are some takeaways from his appearance.

NO TAPERING HERE

The ECB wanted to "recalibrate" its bond-buying program rather than write its obituary, and it largely succeeded. Quantitative easing will continue for a further nine months from January. Mr. Draghi said it remains "open-ended" and isn't intended to "stop suddenly."

SCARCITY

Most independent calculations suggest the ECB will have run out of bonds to buy by September. Mr. Draghi assured reporters the ECB had the flexibility to do what it needed to do. So exactly where the bonds will be found if a fourth extension is agreed to remains a mystery.

REINVESTMENTS

To underline the point that the ECB will continue to provide a lot of stimulus in 2018, Mr. Draghi made much of the fact that the central bank will buy new bonds to replace those in its portfolio that mature, describing the potential sums involved as "massive."

POSITIVE ON GROWTH, NOT SO MUCH ON INFLATION

Mr. Draghi said the atmosphere in the governing council's two-day meeting was "positive" and noted the economy seems to be growing in the second half of the year at the same robust rate as in the first. But the inflation outlook isn't so great. This is a problem, because the ECB targets inflation, not growth.

DISSENTERS

There is always likely to be some dissent on a 25-member committee, and not everyone was on board with leaving the program open ended. But Mr. Draghi stressed that he had a "large majority" on this question.

—Paul Hannon

Spain, Catalonia Set for Pivotal Day in Crisis

By Jeannette Neumann And Marina Force

BARCELONA—The parliaments of Spain and its would-be breakaway region Catalonia set dueling sessions for Friday, with Catalan legislators weighing whether to formally declare independence, and Madrid lawmakers meeting to strip away the region's authority.

Some separatist leaders are pushing to declare the wealthy northeastern Spanish region an independent republic, a move that would represent a final, defiant step before the central government moves to impose direct rule on Catalonia.

Spain's Senate on Friday is likely to grant Madrid the authority to deploy never-used constitutional powers to seize temporary control of Catalonia's regional government and remove its leaders, a move Prime Minister Mariano Rajoy hopes will quell the secessionist drive.

"In order to confront a situation that is so extraordinarily serious, there are also extraordinary responses," Spanish Deputy Prime Minister Soraya Sáenz de Santamaría told Senate lawmakers Thursday. "We have to rescue [Catalonia]."

Some pro-independence leaders see a proclamation of independence as a way to galvanize their supporters and bring protesters to the streets to confound Madrid's temporary takeover of the restive region. That could possibly kick off days or weeks of civil disobedience.

Separatists groups are calling for large demonstrations to start as soon as Friday, including in front of Catalonia's regional parliament in Barcelona under the slogan "Let's Create the Republic!" Separatist groups have amassed hundreds of thousands of supporters at major demonstrations over the last month. Unionists are holding a protest against secession on Sunday in Barcelona.

It is unclear whether Carles Puigdemont, president of the Catalan region and leader of the separatists, would make a declaration of independence himself or if the assembly—where separatist lawmakers have a majority of seats—would vote on it. Mr. Puigdemont declared Catalonia independent earlier this month but then suspended that declaration moments later. Mr. Rajoy then demanded the Catalan leader disavow his secessionist plans or face direct rule from Madrid—something Mr. Puigdemont refused to do.

Separatists remain deeply divided, though, about whether a unilateral declaration of secession is the best way to create an independent Catalonia that could thrive on its own. As a result, it is uncertain whether independence will even be put to a vote on Friday or whether lawmakers will find another way to rebel against Madrid.

A unilateral declaration of independence would have no legal standing. But it could heighten the possibility of Mr. Puigdemont's arrest.

SANTI PALACIOS/ASSOCIATED PRESS

People waved independence flags in Barcelona on Thursday after Catalonia's regional president, Carles Puigdemont, gave a speech.

EU Stumbles Over Its Values With Turkey

By Emre Peker

ANALYSIS

BRUSSELS—The European Union has a Turkey problem and it isn't going away.

The challenge is that while many EU leaders want to punish Turkish President Recep Tayyip Erdogan, whom they accuse of eroding democracy, competing priorities get in the way.

Since the July 2016 coup attempt against Mr. Erdogan, he has consolidated power and cracked down on broad swaths of society. Turkish authorities have swept up EU nationals in raids targeting journalists and human-rights activists.

Domestic pressure is weighing on German Chancellor Angela Merkel and several of her European peers to take economic and political measures including ending Ankara's EU membership negotiations.

Restraining the EU are counterterrorism cooperation and a 2016 deal to help curb Europe's worst refugee crisis since World War II. Ankara halted the westward flow of refugees, mostly Syrians, and in return received €3 billion ($3.51 billion) from EU countries—plus political and economic promises.

The EU's Turkey dilemma was on display last week, when European leaders cooked up a solution over an informal dinner. They asked the EU's executive, the European Commission, to slash and redirect more than €600 million in annual funding Turkey receives as a candidate to join the bloc. Then, several EU leaders stressed that the move wouldn't affect their pledge to provide another €3 billion for refugee programs in Turkey starting next year.

"There is a general sense of skepticism with regards to the present situation," Ms. Merkel said after the dinner. "The immediate task ahead of us...is how can we reengage with Turkey, in what kind of format, without turning it into a kind of showdown."

Turkey and the EU have so far danced around the ultimate standoff: formally suspending or ending Ankara's accession talks. The two sides have repeatedly lobbed the ball to each other's court, demanding decisions and accusing each other of betraying promises.

Behind closed doors, diplomats and bureaucrats are striving to bolster ties.

"It's the backbone of our relationship," an EU diplomat said of bilateral efforts to forge closer links.

After the European leaders' meeting last week, Turkey's EU Affairs Minister Omer Celik played down the decision to curb funds as "meaningless."

Instead, he highlighted that EU governments had decided to continue membership negotiations with Turkey.

"Turkey does not need Europe; it is Europe that is truly in need," Mr. Erdogan said this week.

ERIC VIDAL/REUTERS

Turkish Foreign Minister Mevlüt Çavuşoğlu and EU foreign policy chief Federica Mogherini in July.

WORLD WATCH

PAKISTAN

U.S., Islamabad Spar Over Terror Threat

The U.S. will address terrorist threats in Pakistan on its own if the country doesn't cooperate with American requests to do so, Secretary of State Rex Tillerson indicated Thursday after meetings with officials in Islamabad who bristled over that approach.

"We have some very legitimate asks and some very legitimate concerns that we need their help addressing," Mr. Tillerson said, referring to terrorist attacks by the Taliban and its allied Haqqani network. If Pakistan doesn't cooperate, he said, "We'll adjust our plans accordingly, and we'll deal with it ourselves.'"

Mr. Tillerson's comments came in Geneva after a week of diplomacy during visits to India, Afghanistan and Pakistan.

Pakistani officials pushed back after Mr. Tillerson departed. "If they [the United States] want us to become their proxy and fight their war, this is unacceptable," Foreign Minister Khawaja Muhammad Asif said in parliament on Wednesday.

—Paul Sonne and Saeed Shah

INDONESIA

Fireworks Factory Blaze Kills at Least 47

At least 47 people were killed and dozens more injured when a fire tore through a fireworks factory on the outskirts of Jakarta, police said.

Witnesses said they heard an explosion around 9 a.m. Thursday, after which a fire erupted and engulfed the facility, police said. By late afternoon, police said 47 people had been killed. A further 46 people were being treated at hospitals.

Residents around the factory knocked down a wall to give workers an escape route, police said. About 10 workers haven't been accounted for, police said.

—I Made Sentana and Anita Rachman

AUSTRALIA

High Court Rules Lawmakers Ineligible

Australia faces weeks of political turmoil after judges ousted five lawmakers—including the country's deputy leader—because they ran afoul of an obscure constitutional rule barring dual citizenship, threatening the conservative government's delicate grip on power.

The High Court ruled Friday the lawmakers were ineligible to sit in Parliament because they are citizens of second country, a breach of a 116-year-old rule that states lawmakers must not owe allegiance to a foreign power.

The decision means Deputy Prime Minister Barnaby Joyce, who leads the junior National party in Prime Minister Malcolm Turnbull's fragile coalition, is ineligible to hold his seat in the lower house, where Australian governments are formed.

The ruling is a severe blow to Mr. Turnbull, whose government has been losing voter support all year, fuelling speculation the prime minister could face one of the internal party leadership coups that have scarred Australian politics in recent years.

—Rob Taylor

China Demands More Party Fervor

BY CHUN HAN WONG

LIU WEIBING/XINHUA/ZUMA PRESS

Members of China's Communist Party opened the 19th National Congress at the Great Hall of the People in Beijing last week.

BEIJING—China's Communist Party has enforced its political monopoly so completely for decades that members overwhelmingly staff government agencies, manage state-owned companies and supervise civic and religious groups, chambers of commerce and unions.

Yet as China's economy flourished, party membership came to be seen less as a political commitment and more as a way to secure jobs and profit from power. Party loyalty gradually slipped so much among rank-and-file members that many stopped bothering to pay their required membership dues.

That changed when Beijing launched a nationwide campaign last year. In the northeastern city of Tianjin, officials collected 277 million yuan ($41.7 million) in fees owed by more than 120,000 Communist Party members at state-owned companies, state media reported. Among those deemed in arrears were officials in the party's powerful personnel department, which oversaw the campaign, people familiar with the matter said.

Now that the party has given Xi Jinping five more years in charge and power on par with that of Chairman Mao Zedong, he will return to one of his top priorities: restoring the party as a force in people's lives and recapturing its revolutionary sense of mission.

Doing so, Mr. Xi says, will secure his nation's transformation into a rich superpower in the coming decades, and deliver his "China Dream" of national rejuvenation.

Under Mr. Xi's orders, mandatory political-study sessions emphasizing his speeches and policies were revived for all party members. So was the Mao-era practice of members criticizing others and themselves. A Communist Party directive on adjusting membership dues was applied retroactively last year.

Since becoming the party's general secretary in late 2012, Mr. Xi has overseen efforts to root out the corrupt, inept and disloyal among the 89 million Communist Party members.

"We must continue to rid ourselves of any virus that erodes the party's fabric," Mr. Xi, 64 years old, said after unveiling a new top leadership lineup on Wednesday. He used the mandate that comes with his unrivaled authority to pressure party members to get in line. Freshly invested with unrivaled authority, he pressured party members to get in lockstep with his program.

Some Communist Party members have grumbled about Xi Jinping's campaign.

Some party members, especially those who viewed the organization largely as a path to career success, have grumbled about Mr. Xi's campaign to instill discipline and whip up nationalist fervor.

Such dissatisfaction could exacerbate foot-dragging and obstruction, making it harder for Mr. Xi to implement his agenda. Officials, particularly in local governments, have frustrated Beijing's plans to curtail debt and close unneeded factories.

"For most rank-and-file members, the party does not require much of them," said Bruce Dickson, a George Washington University professor who studies Chinese politics. "If it is going to start requiring them to actually pay dues, attend meetings and so on, some may decide it is not worth keeping their membership."

Since taking power, Mr. Xi, Premier Li Keqiang and other leaders have inveighed against do-nothing government and company officials.

Many government agencies and state-owned businesses require party members to attend study sessions at least once a month. Some officials organize weekly discussions, ask members to spend an hour a day on political self-study or arrange field trips to revolutionary landmarks.

Rank-and-file Communist Party members must spend spare time studying for regular political discussions and quizzes. Their knowledge of the party's constitution and regulations, as well as Mr. Xi's policies, are regularly tested.

"Participants have to come prepared," said Zhan Wenchao, a party worker in central Henan province who organizes such study sessions. Poor performers face counseling and probation, he added.

The campaign to collect party membership fees has sparked widespread complaints. Social media and online forums crackled with party members fuming about the payments and debating whether to quit.

Zhang Ming was stripped of his post as dean of political sciences a decade ago at Beijing's prestigious Renmin University after criticizing China's lack of academic freedoms. Since then, he has tried to quit the party by not paying dues. He said he was told by university officials last year that his party membership wouldn't be revoked.

"They keep dragging their feet on my request to quit," Mr. Zhang said. "I find it frustrating."

Beijing to Play Down Economic-Growth Targets

BY LINGLING WEI AND CHUN HAN WONG

BEIJING—Fresh into a new term in office, President Xi Jinping is backing away from the hard-and-fast growth targets that have driven the nation's economic policies for decades.

China plans to de-emphasize targets for gross domestic product in coming years, officials involved in policy-making said. At a press conference on Thursday, a senior economic adviser to Mr. Xi said the government would focus less on the speed of economic expansion and more on the quality of growth.

"It's not that we don't want speed in growth, but that we must generate growth with quality, efficiency and dynamism," said the adviser, Yang Weimin.

Economists, including those at the International Monetary Fund, have long urged China to focus less on keeping growth at a preset pace and instead target economic efficiencies and high debt levels—even if that could squeeze growth in the near term.

The new approach doesn't necessarily mean China will abandon markers for economic expansion altogether, Chinese officials said. But by steering the focus away from numeric goals, they said, the government will have more wiggle room in managing the economy.

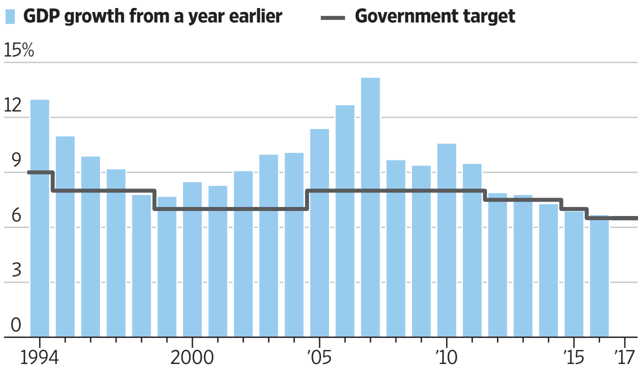
How far the leadership will go in retreating from such goals will indicate its willingness to undertake restructurings that benefit the economy in the long run.

Potentially boosting Beijing's chances of weaning itself from artificially set growth targets was the promotion of Mr. Xi's top economic adviser, Liu He. He was elevated to the powerful 25-member Politburo at a just-concluded congress that set the Communist Party's leadership for the next five years.

Mr. Liu has long advocated shifting away from growth targets toward structural overhauls, party officials said, such as measures aimed at reining in China's ballooning debt levels. One possible position Mr. Liu could hold during Mr. Xi's second term is vice premier in charge of financial matters, the officials said.

Mission Possible

For most of the past few decades, China has widely overshot its growth targets.



Note: The targets for 2013 and 2014 were about 7.5%; for 2015 it was about 7%; for 2016 it was a 6.5%-7% range; for 2017 it is at least 6.5%; 2017 growth through September has been 6.9%.
Sources: Wind Info; Chinese government

THE WALL STREET JOURNAL.

Growth targets have long featured prominently in China's economic policies. Both at home and abroad, they are the primary gauge to measure the party's success in managing the world's second-largest economy. When China's rubber-stamp Parliament meets each spring, the most-watched news on the meeting's first day is the growth target for that year.

In a speech opening the twice-a-decade party congress last week, Mr. Xi didn't explicitly mention numeric targets for China's growth, instead outlining a broad, three-decade road map to build China into a strong global power. "The main reason for the omission was to show that the leadership is de-emphasizing GDP targets," one of the officials tasked with policy-making said.

Mr. Xi's predecessors Hu Jintao and Jiang Zemin both included specific growth targets in their addresses to previous party congresses.

Asked if China is rethinking the 2020 target, Mr. Yang, a deputy director at the Office of the Central Leading Group on Financial and Economic Affairs, said there was "no change" in the goal but that the government "will no longer bring up the target of doubling GDP."

Seoul Pushes for Wartime Command of South Korea Forces

BY GORDON LUBOLD AND JONATHAN CHENG

JUNG YEON-JE/AGENCE FRANCE-PRESSE/GETTY IMAGES

South Korean soldiers participate in a training exercise at a U.S. Army shooting range near Seoul.

SEOUL—South Korea is pushing the U.S. to allow it to take control of its own military forces should war break out on the Korean Peninsula, but the Americans are concerned that Seoul isn't ready, according to U.S. officials.

The issue creates a potential fault line between the two allies amid a growing threat from North Korea.

The topic is set to feature in security talks that start Friday in Seoul during a visit by Defense Secretary Jim Mattis.

Mr. Mattis on Friday visited the demilitarized zone that divides the two Koreas. "We stand shoulder to shoulder with you and the Korean people in confronting the threats posed by the Kim Jong Un regime," Mr. Mattis said, standing beside South Korea's defense minister, Song Young-moo.

South Korea has day-to-day control of its own military, but under an agreement in place since the Korean War in the 1950s, the U.S. would assume operational control of both the U.S. and South Korean militaries in the event of a major conflict on the peninsula.

The U.S. for years urged South Korea to prepare to take command of its own forces in the event of war with North Korea, but South Korea's military has asked repeatedly that the U.S. delay the transfer, saying it needed more time to invest in its forces and sharpen its capabilities.

Successive conservative governments in South Korea mostly accepted the delays. Now, Seoul's first left-leaning government in a decade, loath to be dragged by the U.S. into what it may see as an unnecessary conflict, is turning the tables and asking to accelerate transfer of what is known in military shorthand as "op-con." Washington isn't inclined to relinquish control. North Korean leader Kim Jong Un's frequent ballistic missile launches, public threats of nuclear war and other provocations have made the U.S. leery of handing over the reins, according to U.S. officials. "I don't think anyone is eager to see op-con transfer given how tense things are on the peninsula," one of the officials said.

A South Korean Defense Ministry spokesman said the transfer of op-con would be on the agenda during the talks, but declined to say which side had requested the issue be raised. Capt. Jeff Davis, a Pentagon spokesman, said the U.S. hasn't changed its position.

The U.S. wants the South Korean military to improve its ballistic missile defense capabilities and its "command-and-control" know-how, among other issues, U.S. officials said.

The election of left-leaning President Moon Jae-in has changed Seoul's calculus. Many on South Korea's political left see the lack of military control as an embarrassment that exposes the country to criticisms from Pyongyang that South Korea is a puppet state of the U.S.

Expansion on Track To Surpass Goal

SEOUL—South Korea's economy expanded at the fastest pace in over seven years in the third quarter, putting it on track to beat the latest 3% growth target for 2017.

Gross domestic product grew by a seasonally adjusted 1.4% in the third quarter from the previous three months, preliminary data from the Bank of Korea showed.

On a year-over-year basis, the economy expanded 3.6% in the third quarter.

—Kwanwoo Jun

ASTROS

Continued from Page One
when the Astros nearly squandered the ALCS series against the Yankees last week before pulling it out in the decisive Game 7.

Should a problem arise in the World Series between the Astros and Los Angeles Dodgers, Houston knows it will be subjected to "Houston, we have a problem," again and again. The Astros won a 7-6 thriller Wednesday night to tie the series at 1-1.

Fox Sports, which is broadcasting the World Series, and Mr. Verducci, who is again part of its crew, didn't respond to requests for comment.

A LexisNexis search shows that "Houston, we have a problem" has shown up in more than 12,000 news articles and broadcasts since 1982, and on at least 10 occasions in this newspaper. Part of the reason it is so overused, Houstonians suspect, is that it is one of the few things most Americans can readily recall about the nation's fourth-largest city, which is home to 2.3 million.

"Much of this country is going to look like Houston by 2050, and people here feel pretty good about living here," said Stephen Klineberg, a Rice University sociologist who has surveyed the city's changing demographics and attitudes for 36 years. "But no one knows much about us."

A Twitter account called @UghHouston is devoted to chronicling offending uses of "Houston, we have a problem.".

Rakesh Agrawal, chief executive of SnapStream Inc., a Houston-based software company that records thousands of hours of broadcasts and feeds clips to late-night talk shows and other clients, thought it would be amusing to track mentions of the phrase during last season's Super Bowl, held in Houston. So he had employee Eric Cohn set up automated alerts for any references to "Houston, we have a problem..." and another irksome space phrase, "The Eagle has landed."

"And our cup runneth over with media mentions," says Mr. Cohn, who curates the @UghHouston Twitter account. Most tend to be sports related, he adds, and some are uninspired variations on the original, such as when ESPN tweeted "Houston, you have a pennant," after the Astros made it to the series.


NASA/ASSOCIATED PRESS

Officials at NASA Mission Control's Manned Spacecraft Center in Houston in 1970 discuss repairs to the crippled Apollo 13.

ESPN declined to comment.

Erik Boland, who writes about the Yankees for Newsday, admits "it wasn't a particularly original thought" when he tweeted, "Houston, we've got a problem" after the Yankees knocked out the Astros' starting pitcher in game 5 of the ALCS. The backlash didn't take long.

"Wow, I haven't seen this 178 times today. You're goooood," an Astros fan in New Hampshire replied. Jennifer Alderman, a 30-year-old Houston native living in Chicago, rolled her eyes and responded, "Delete your account."

These now-ubiquitous words are a slight variation of the famously understated reaction first radioed in by Apollo 13 astronaut Jack Swigert during a mission to the moon in 1970 that had to be aborted. He was referring to an explosion that crippled the spacecraft and destroyed some of the crew's oxygen supplies.

The actual quote: "OK, Houston, we've had a problem here."

"Apollo 13," a 1995 movie starring Tom Hanks, Kevin Bacon and Bill Paxton, dramatized the astronauts' harrowing struggle to safely return to Earth after the accident—and helped popularize the misquote.

"It just sounded like it came off the tongue more easily," recalls William Broyles, a Houston native and Astros fan who cowrote the screenplay for "Apollo 13." "We had no idea it would become such a trope for everything."

One group that doesn't mind the cliché: NASA.

"We think of it as one of our finest hours here, so much so that we just recently named our new Johnson Space Center podcast, 'Houston We Have a Podcast,'" says Kelly O. Humphries, news chief at NASA's Johnson Space Center.

Alas for critics, "Houston, we have a problem" shows no signs of slowing down.

When Tropical Storm Harvey descended on Houston in August, locals worried, not just about the flooding, but the coming deluge of "Houston, we have a problem" references.

Sure enough, there was a torrent. The New York Daily News blared on its cover, "HOUSTON, YOU HAVE A PROBLEM." A Mexican news outlet tweeted, "Houston tenemos problemas!!"

The Daily News didn't respond to a request for comment.

That got a rise from people well beyond Texas, including Taylor Trask, 36, who runs a digital agency in Denver. A South Dakota native, he said he empathized with Texans: "Do we have to resort to 'Houston, we have a problem' during an actual hurricane, when lives are turned upside down? It was easy to see how little people were trying."

C. Nikole Saulsberry, 30, a marketing rep for a software company who grew up near Johnson Space Center, says she is irritated by "Houston, we have a problem" in part because it blandly references what was a serious crisis aboard Apollo 13.

While she was annoyed by its emergence after the Astros' ALCS win, and is bracing for more during the World Series, she plans to fire back gently, with a familiar Southern put-down. "I might go on Twitter and scold people through the games and just say, 'Bless your heart,'" she says. "If you're Texan, you understand what I'm saying."

—Jim Oberman contributed to this article.

DIVIDE

Continued from Page One
despite GOP divisions that have become increasingly and loudly aired in public.

"The Republicans went through their tea party phase," says Tom Davis, a former GOP congressman from Virginia who led the party's national campaign committee. "Now, Democrats are going through their herbal tea party phase."

There is a stampede of Democratic candidates for the 2018 midterm elections. A total of 391 Democratic challengers had filed and raised at least $5,000 apiece for their House campaigns as of Sept. 30, according to an analysis of federal data by the nonpartisan Campaign Finance Institute.

There were 184 Republican candidates by September 2009 for House seats held by Democrats during President Barack Obama's first term. The 2010 midterm election ended up being a GOP landslide.

At least four Democrats have filed to run against Republican incumbents in at least 26 battleground House districts, setting up expensive, potentially bruising primary fights.

The Democratic Congressional Campaign Committee, the party's campaign machine in the House, is targeting the 23 seats held by Republicans in districts that Hillary Clinton won, including Mr. Culberson's.

The crowded midterm primary races are likely to offer a preview of the intraparty debate that will go national in the 2020 presidential race.

JAE C. HONG/ASSOCIATED PRESS

Kevin de León is challenging Sen. Dianne Feinstein, the oldest member of the Senate, in next year's Democratic primary in California.

Family discussion

"This will be a Democratic family discussion. This won't be a family fight," says Pete D'Alessandro, who ran Mr. Sanders's presidential campaign in Iowa and is one of 10 Democrats running in Iowa's Third District. "We are going to decide what we are about, what we stand for."

Steve Israel, a former Democratic congressman from New York who was DCCC chairman from 2011 to 2015, says having "a multitude of candidates...is the best problem a party could have." In the past, party leaders sometimes had to beat the bushes to recruit candidates in key districts.

After Mr. Trump's election victory, Democrats were in a tailspin as they confronted the unexpected loss of the White House, which few of them saw coming. There also was a downside of Mr. Obama's eight years in office. While he held together a coalition that won the White House twice, the party deteriorated at the state and local level. Its national infrastructure crumbled.

In the past several months, new progressive groups have popped up to encourage Democrats to run for office and donate money. Grass-roots activists and party leaders have united against Mr. Trump, celebrating the defeat of efforts to repeal and replace the Affordable Care Act.

Democrats are favored to win next month's gubernatorial elections in New Jersey and Virginia, although the Virginia race is closer than many Democrats would like.

Those successes have masked problems of leadership, money and message. The Democratic Party's congressional leadership, especially House minority leader Nancy Pelosi of California, is facing rumblings of discontent from restive, younger lawmakers. Rep. Pelosi was blamed after Democrats lost a special House election in Georgia in June.

Sen. Dianne Feinstein, 84 years old and the oldest member of the Senate, is being challenged in next year's Democratic primary in California by Kevin de León, 50, a top Democrat in the California State Legislature. He has said Californians are owed "resistance" to the Trump agenda and criticized Ms. Feinstein for counseling "patience" with Mr. Trump.

The DNC is in debt and suffering from a fundraising drought, raising $4.8 million in September, $6 million less than the Republican National Committee. The RNC has hauled in $104 million so far this year, double the DNC's total.

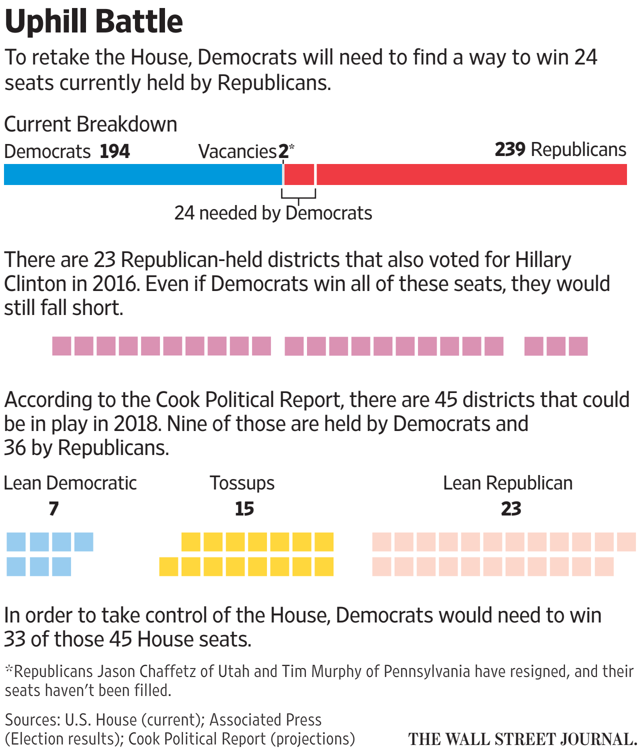
Some critics say Democrats still lack a message to reach the many working-class voters who deserted Mrs. Clinton last year.

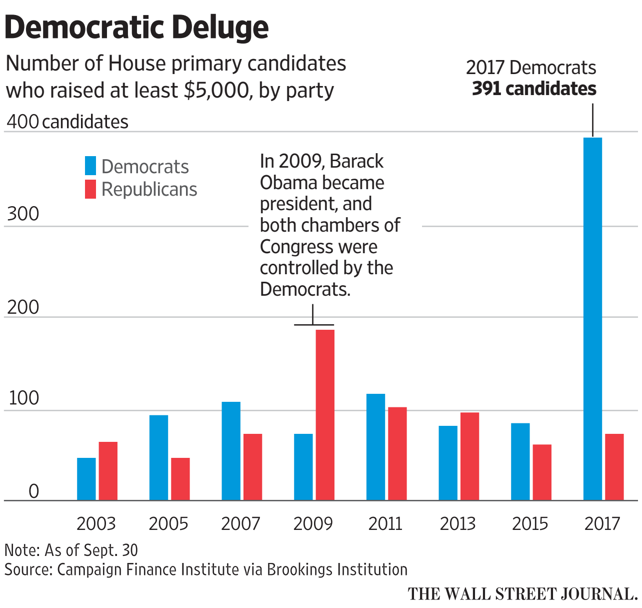
"When you ask people what the Democrats stand for, there's a pause and a silence," Richard Trumka, president of the AFL-CIO, the nation's largest labor federation, said in September. Despite its traditional support of Democrats, more than a third of union members voted for Mr. Trump in November.

Mr. Trumka said Democrats "really do need a face lifting. It's not enough to just have a message. People have to believe you will fight for the agenda you espouse."

In past election cycles, Democratic Party leaders such as Mr. Israel worked behind the scenes to clear a path for preferred candidates, hoping to avoid intraparty battles. Now, though, the DCCC is in a quandary. With so much grass-roots activism and suspicion of the party establishment, its endorsements could carry little weight—or even trigger a backlash against candidates.

One result is a glut of candi-





dates in many primary races. In the Dallas suburbs, 10 Democratic candidates are trying to topple Rep. Pete Sessions, a Republican who was first elected in 1996 and had no Democratic opponent in 2016. In upstate New York, Rep. John Faso, elected to the House in 2016, has eight Democratic opponents. Eight Florida Democrats are running for the seat held by GOP Rep. Ileana Ros-Lehtinen, who is retiring.

DCCC spokesman Tyler Law says the record number of candidates is a welcome sign of party enthusiasm. The primary races haven't turned negative, he adds, and a long primary season might be good for the many candidates who have never before run for office.

In Virginia, national party leaders encouraged state Sen. Jennifer Wexton to run for the House seat in the 10th Congressional District held by Rep. Barbara Comstock, a Republican. Ms. Comstock is one of the Democratic Party's top targets, partly because Mrs. Clinton won the northern Virginia district by 10 percentage points over Mr. Trump last year.

Ms. Wexton entered the race in April with endorsements from two House members and almost all her Democratic colleagues in the state senate, a show of force that typically discourages other candidates from running.

Not this time. Nine other Democrats jumped into the race. All are political novices compared with Ms. Wexton, yet two raised more money than she had as of Sept. 30. The leading fundraiser among the Democratic candidates, human-rights activist Alison Friedman, has been endorsed by feminist icon Gloria Steinem.

"I do think there is an opportunity for an outsider in this cycle," says Ms. Friedman.

Ms. Wexton says her legislative experience and "raising my family here have given me a deep understanding of what matters to my neighbors."

In Nebraska, Brad Ashford, a business-friendly Democrat trying to win back the House seat he narrowly lost to Republican Don Bacon in 2016, is being challenged from the left by Kara Eastman, a nonprofit executive who has accused the party of favoritism on Mr. Ashford's behalf.

Mr. Ashford recently dropped his past support for building the Keystone XL pipeline, a bête noire of environmentalists. The Trump administration approved the project in March about 4½ months after it was blocked by Mr. Obama. A spokesman for Mr. Ashford says the shift wasn't motivated by politics.

In Colorado, lawyer Jason Crow, an Army veteran, is seen by Democratic Party leaders as the strongest candidate to run against GOP Rep. Mike Coffman in the Sixth Congressional District. Mrs. Clinton beat Mr. Trump by 9 percentage points there last year.

Mr. Crow is viewed with suspicion by party outsiders running against him in the primary. Gabriel McArthur, a Sanders delegate at last year's Democratic convention, dropped out in July, endorsed technology entrepreneur Levi Tillemann and claimed Mr. Crow benefited from "establishment favoritism."

A spokesman for Mr. Crow responds that he has received support from across the party spectrum.

Showdown in Texas

In Houston, the Seventh Congressional District is ethnically diverse, well-educated, suburban and includes some of the city's wealthiest voting precincts. Mrs. Clinton beat Mr. Trump here by 1.4 percentage points, but Mr. Culberson won by 12 points.

The DCCC sent a full-time organizer to Houston in February. She has been working to recruit volunteers and train organizers to defeat Mr. Culberson, without favoring a specific Democratic challenger.

The top fundraiser is Alex Triantaphyllis, founder of a nonprofit group that mentors refugees. He says the party's "best approach is to be as connected and engaged in this community as possible."

Primary opponent Laura Moser said at a recent candidate forum that many people in the party "are trying too hard to win over the crossover vote while abandoning our base." She became a national activist last year by starting an anti-Trump text-message service for "resisting extremism in America."

In August, Ms. Moser criticized Rep. Ben Ray Luján (D., N.M.), the current DCCC chairman, in Vogue magazine for saying last spring that the party shouldn't rule out supporting antiabortion candidates.

Elizabeth Pannill Fletcher, a lawyer also running in the Democratic primary, says she welcomes the lively primary race because it helps to have "a lot of people out there getting people motivated" about next year's midterm election.

She also acknowledges a downside: "We are raising money to spend against each other rather than against John Culberson." Another candidate has already run unsuccessfully for the seat three times.

Some Democratic candidates worry they will face pressure to tack to the left because people who attend political events early in the campaign tend to be the party's most liberal activists. A questioner at a forum in July sponsored by the anti-Trump activist group Indivisible demanded a yes or no answer on whether candidates support the legalization of marijuana.

"There is definitely a danger if you have a circular firing squad over who is the most leftist in the room," Democratic candidate Jason Westin, an oncologist, said in an interview. "This is not a blue district."

GREATER NEW YORK

Suffolk DA to Step Down

By Joseph De Avila

Suffolk County District Attorney Thomas Spota announced Thursday that he will resign following his indictment a day earlier on federal obstruction of justice charges in New York.

"I will be leaving my post as District Attorney at the earliest opportunity after the resolution of normal administrative matters relating to my retirement," Mr. Spota said in a news release.

Federal prosecutors said Mr. Spota, who is 76 years old, attempted to cover up the 2012 assault of a handcuffed suspect by former Suffolk County Police Chief James Burke. The man was accused of stealing sex toys, pornography and other items from Mr. Burke's police-issued sport-utility vehicle.

Mr. Spota, along with top aide Christopher McPartland, was charged Wednesday in a four-count indictment that included conspiracy to tamper with witnesses and obstructing an official proceeding.

Both men pleaded not guilty in federal court in Central Islip, N.Y. They each face a maximum of 20 years in prison if convicted.

Mr. Spota said Emily Constant, chief assistant district attorney in Suffolk County, will assume his responsibilities when he leaves office.

Suffolk County Executive Steve Bellone, a fellow Democrat, said Mr. Spota's announcement was "unacceptable" and called on him to leave office immediately. "He can deal with retirement issues after he leaves office," Mr. Bellone said.

Mr. Spota, who is in his fourth term as Suffolk County's top prosecutor, said earlier this year that he wouldn't run for a fifth term in the Nov. 7 election, citing his age and a desire to spend more time with family.

Suffolk County Police Commissioner Tim Sini, a Democrat who is running for district attorney in the Long Island county, and Republican candidate Ray Perini both had called on Mr. Spota to resign right after the indictment was announced. They said Mr. Spota was unfit to serve while he was under federal indictment.

Mr. Burke pleaded guilty in 2016 to his role in the beating and is serving 46 months in prison.

MARK MIRKO/THE COURANT/ASSOCIATED PRESS

Connecticut House Speaker Joe Aresimowicz, left, and Majority Leader Matt Ritter, both Democrats, shared a laugh Thursday.

A Show That's Getting a Lot of Buzz

EDUARDO MUNOZ/REUTERS

CAREFUL PREPARATIONS: A bee was added Thursday to an installation in 'Our Senses: An Immersive Experience,' opening Nov. 20 at the American Museum of Natural History in Manhattan. The experiential exhibition features funhouse-like spaces for visitors to explore.

Bipartisan Deal Resolves State's Budget Impasse

By Joseph De Avila

After a monthslong impasse, Connecticut finally produced a budget Thursday.

A bipartisan coalition of Connecticut lawmakers passed a veto-proof budget that will spend $41.24 billion over two years starting this past July, in an agreement that largely excluded Gov. Dannel Malloy.

"In the darkest of days I think for anyone up here, we found a way to pull through," said House Majority Leader Matt Ritter, a Democrat. "It always wasn't pretty. We were often times about ready to leave that room. But we found compromise."

The two-year budget plan closes a $3.5 billion deficit by raising fees on motor-vehicle registrations, increasing cigarette taxes and raising taxes on hospitals, which will be reimbursed by Medicaid.

The budget also requires teachers to contribute more to their pensions and cuts funding for the University of Connecticut by $134 million.

Lawmakers agreed to provide assistance to the capital city of Hartford, which has said it could seek authority to file for bankruptcy as early as November without more aid from the state.

The plan would provide Hartford with an additional $40 million and create a board to oversee the city's finances. In exchange for the assistance, the city would be prohibited from filing for bankruptcy.

"We cautioned against a short-term fix or Band-Aid, and our legislative leaders agreed, providing tools that make a sustainable solution possible," Hartford Mayor Luke Bronin, a Democrat, and other city officials said in a news release.

Mr. Malloy, a Democrat who has said he wouldn't seek re-election in 2018, vetoed a Republican budget in September. GOP and Democratic lawmakers negotiated a new agreement without the governor. Mr. Malloy hasn't said whether he will veto it. But lawmakers passed the plan with enough votes to overcome a potential veto.

"Staff will continue to analyze the bill, weighing its merits and faults, so that the Governor can arrive at an informed and carefully considered decision regarding his support," a spokeswoman for Mr. Malloy said.

The protracted budget process comes as Connecticut has been in the midst of growing fiscal challenges fueled by increasing costs in pension obligations, health-care expenses and debt servicing that will continue to expand. Income-tax increases passed in 2011 and 2015 have failed to put state revenues on stable footing.

"Does it do everything we need it to do? No way," said Republican House Minority Leader Themis Klarides. "But this budget is a start."

—Heather Gillers contributed to this article.

Key Elements

- Eliminates the governor's proposal to shift teacher pension costs to towns.
- Provides $40 million in aid for Hartford.
- Sets a maximum limit for issuing bonds at $1.9 billion annually.
- Increases cigarette tax to $4.35 a pack from $3.90.
- Imposes a 25-cent fee on ride-hailing services.
- Doesn't call for sales or income tax increases.

Billions Spent Fortifying After Sandy

By Mara Gay

In the five years since superstorm Sandy slammed into New York City and the surrounding region, crippling it and leaving over 100 people dead, billions have been spent to fortify the nation's largest metropolitan area from the next storm.

But some of the most ambitious storm-protection projects have yet to begin. "We are absolutely in much better shape," said Daniel Zarrilli, New York City Mayor Bill de Blasio's senior director of climate policy and programs. But, Mr. Zarrilli added: "We still have a lot more to do."

In New Jersey, more than $1 billion in improvements were made to the electrical grid and gas system. On Long Island, acres of coastline where homes once stood perilously close to the water's edge have been re-established as wetlands, creating a natural barrier. In New York City, hundreds of homes have been elevated above the flood line, along with critical equipment in public housing buildings, hospitals and elsewhere.

The U.S. Congress allocated about $50 billion to help the region rebuild in 2013. Much of the billions in federal, state and local money spent so far on storm protection in the region has gone toward smaller projects, like building dunes and bioswales, a landscape feature that uses pockets of dense vegetation to prevent flooding. Some key bigger projects remain in planning.

In New York City, that includes three seawall-like projects to protect swaths of the city prone to flooding. In one, the city plans to build massive berm hidden by a park along the Lower East Side. In another on Staten Island, the U.S. Army Corps of Engineers, along with the state and city. is preparing to build a sea wall designed as a sand dune with a stone core. And in a third major New York City project, the U.S. Army Corps of Engineers plans to build a reinforced dune and expand the beach off the Rockaway Peninsula in Queens.

Current and former federal and local officials have said the three projects, estimated to cost a total of around $1.6 billion, would substantially improve the city's storm protection.

In New Jersey, after years of pushback from some local towns where residents feared losing their ocean views, federal and state officials now have most of the necessary approvals in place to rebuild and fortify a protective dune and beach system across much of the state's inhabited coastline.

"Resiliency takes a lot longer," said Lisa Bova-Hiatt, executive director of New York Gov. Andrew M. Cuomo's Office of Storm Recovery.

Experts in large-scale storm protection say the larger initiatives take longer in part because of the complicated mélange of agencies involved in the various projects.

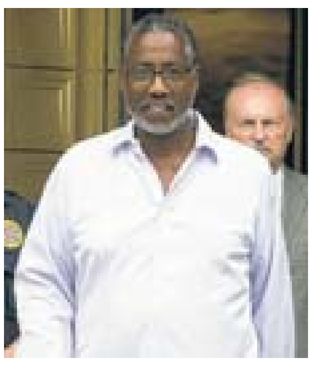
Still, across the region, government officials and others at utility companies and hospitals say they have completed billions in projects and are better prepared for the next major storm.

In New York City, home to an estimated 8.5 million people, preparedness has meant rethinking its messaging to the most vulnerable residents in the days before a major event.

Joseph Esposito, commissioner for the city's Office of Emergency Management, said his agency now plans to go door to door warning residents in the path of a storm of the approaching danger.

—Kate King contributed to this article.

Developer Testifies About Vast Influence Peddling in City



MARY ALTAFFER/ASSOCIATED PRESS

Norman Seabrook is on trial.

By Thomas MacMillan

A former New York City real-estate developer testified how he cultivated political influence with gifts and campaign contributions, calling in City Hall favors on property deals, and even closing an entire lane of the Lincoln Tunnel so he wouldn't have to wait in traffic.

Jona Rechnitz, 34 years old, told those stories in Manhattan federal court on Thursday in the corruption trial of Norman Seabrook, the former head of the Correction Officers' Benevolent Association.

Mr. Rechnitz said he acted as a go-between in a bribery scheme between Mr. Seabrook and his co-defendant, former hedge-fund head Murray Huberfeld. He said he delivered a bribe of $60,000 to Mr. Seabrook, who prosecutors say then invested $20 million of union money in Mr. Huberfeld's fund, Platinum Partners.

Both men, who have pleaded not guilty, face up to 40 years in prison if convicted. Mr. Seabrook's lawyer has described Mr. Rechnitz, who has pleaded guilty to fraud conspiracy, as a pathological liar who is fabricating more stories in a bid for leniency.

Mr. Rechnitz, the son of a prominent real-estate developer in Los Angeles, said he came to New York to create a name for himself. After working for several real-estate companies, he formed his own firm, JSR Capital, in 2011, and began to try to raise his profile.

He said he became friends with Jeremy Reichberg, who now faces federal corruption charges but was then a liaison between the Jewish community and the New York Police Department. With introductions by Mr. Reichberg and donations to the NYPD football team, Mr. Rechnitz soon made friends with high-ranking police officials and secured favors, he said.

Mr. Reichberg has pleaded not guilty. His attorney called Mr. Rechnitz a scheming liar. The NYPD declined to comment.

Mr. Rechnitz said those favors included shutting down the Lincoln Tunnel for a business associate who had flown to New Jersey's Teterboro Airport.

"This is going to earn me a lot of points," Mr. Rechnitz recalled thinking as he cruised through the tunnel.

Menendez Is Honest, Colleagues Testify

By Kate King

NEWARK, N.J.—Two U.S. senators from opposite sides of the political aisle testified on behalf of Sen. Bob Menendez at his federal corruption trial on Thursday, describing the New Jersey Democrat as an honest and honorable colleague.

The two-term senator is facing fraud and bribery charges. Prosecutors have accused him of trading political favors for $1 million in gifts and campaign contributions from his co-defendant, Florida physician Salomon Melgen. Both men, who are longtime friends, have pleaded not guilty.

U.S. Sen. Lindsey Graham, a South Carolina Republican, said Thursday he has found Mr. Menendez to be a man of his word during their time working together on immigration and national security issues. He brushed aside questions about whether he would face any political backlash for testifying on behalf of Mr. Menendez, a Democrat.

"I disagree with him politically, but I think he's a very honest, honorable guy," Mr. Graham said. "If he gives you his word he sticks with it, no matter how much pressure is put on him to back off. And we need more of that, not less."

New Jersey's junior senator, Democrat Cory Booker, also testified for Mr. Menendez's defense. Outside the courthouse, Mr. Menendez teared up when asked by reporters about his colleagues' support.

"When your colleagues come to testify for you, it says a lot," he said.

Prosecutors allege that Mr. Menendez used his position to help Dr. Melgen resolve a medical billing dispute and secure travel visas for his girlfriends. The senator has denied wrongdoing, saying the government is seeking to criminalize his friendship with the doctor.

Mr. Menendez's defense team, which unsuccessfully asked the judge to dismiss the case based on insufficient evidence, is expected to wrap up testimony sometime next week. The prosecution rested its case earlier this month.

GREATER NEW YORK WATCH

POLITICS

Cuomo Pledges Aid For Recovery Efforts

New York Gov. Andrew Cuomo on Thursday made his second trip to Puerto Rico since the island was hit by a devastating hurricane last month.

He pledged to raise $1 million with private partners toward a water-filtration system to clean drinking water. He deployed a team of power-restoration specialists to help with electric grids that are still down.

Mr. Cuomo, a Democrat, also brought more state troopers to help with recovery efforts and supplies such as bottled water.

—*Mike Vilensky*

MONUMENTS

Roosevelt Statue Defaced at Museum

Police say red paint was splashed on the base of the Theodore Roosevelt statue on the steps of the American Museum of Natural History in Manhattan. The vandalism was discovered at about 7 a.m. Thursday.

The bronze statue by James Earle Fraser depicts the former president on horseback flanked by an African and a Native American. The incident comes after a city commission was formed on what to do with monuments seen to have oppressive historical connotations.

—*Associated Press*

YANA PASKOVA FOR THE WALL STREET JOURNAL

A member of the Flying Wallendas practiced before the Big Apple Circus returns to New York City this week after a year-long hiatus.

High-Wire Act for Big Apple Circus

By Charles Passy

CULTURE

The big top is back at Lincoln Center. But the question remains: Will audiences follow?

After a year-long hiatus, the Big Apple Circus is returning to the center's Damrosch Park for its annual run, with shows beginning Friday and running through Jan. 7. This marks not only the circus' first appearance since the 2015-16 season, but the first since being taken over earlier this year by new ownership, a Florida company called BigTopWorks LLC.

The firm acquired Big Apple Circus's assets for $1.3 million through a bankruptcy auction in February.

For its return, the Big Apple Circus says it will put on one of its most star-studded shows since it began four decades ago. Performers include high-wire artist Nik Wallenda and Barry Lubin (aka Grandma the Clown). The show also features two of the most daring feats in the circus world—the quadruple somersault on the trapeze and the seven-person pyramid on the high wire. "We wanted to make sure we had the best show," said BigTopWorks partner and chairman Neil Kahanovitz.

The need to make a splash speaks to the financial pressures the company is facing.

There isn't just the question of re-engaging a New York audience that may have forgotten the troupe's existence. There also is concern that the circus itself, a centuries-old art form, has lost its appeal in an era when audiences have more entertainment options than ever: Consider the recent demise of the Ringling Bros. and Barnum & Bailey Circus, a fixture on the U.S. scene for 146 years.

Complicating matters is that the Big Apple Circus is now being run as a commercial enterprise. Previously, the company was a nonprofit organization, which meant it could solicit contributions to help sustain operations—a strategy that worked for years, until it didn't.

The circus's current leadership says the for-profit setup is changing how the company looks at its operations. Executives won't reveal budget figures, but say that while they are investing heavily in the show itself, they are finding ways to trim costs behind the scenes.

'It's sort of like one last push' to keep the art form going,' says Nik Wallenda.

In particular, Mr. Kahanovitz said the company is focusing on its procurement expenses, looking at "everything from toilet paper to feeder cable."

The Big Apple also has plans beyond New York City. While the circus had done some out-of-town runs in the past, it is considering making the road a key to its financial success.

The company says it has locked in engagements in Atlanta, Baltimore and the Washington, D.C., area in 2018. Executives also say they are weighing a plan in which the company would split into two troupes: One performing traditional shows under the big top, including in New York, and the other traveling to arenas nationwide.

Ultimately, the plan is to fill some of the void left by Ringling's absence. In that regard, Mr. Wallenda sees the Big Apple's rebirth as a story larger than just the company itself. "It's sort of like one last push" to keep the art form going, he said.

Still, industry insiders say that while Big Apple may regain its momentum in New York, it could face challenges elsewhere because it isn't as well-known nationally. "Beyond Lincoln Center, it's a steep climb," said Wayne McCary, a circus-industry veteran associated with the Big E, a New England fair.

LIFE & ARTS

TELEVISION REVIEW

By John Anderson

Return to the Upside-Down

IF NASA WERE TO FILM EARTH from space at, say, 3 a.m. on Saturday morning, the results might reveal a sudden, dramatic drop-off in the degree of luminescence—specifically, a vanishing glow from televisions being shut down across the land, as their binge-watching owners crawl off to bed, minds full of horror and questions. Among them: Is "Stranger Things" one of the best television series ever made?

There's no argument it's a magnificent pastiche. What's become even clearer now, as the entire second season of the multiple-Emmy-winning sci-fi series arrives on Netflix, is that the show's creators and occasional directors, the Duffer brothers, are brilliant curators. Or shoplifters. Set in the mid-'80s, "Stranger Things" cherry picks from among the more memorable, and poignant, movies of that decade, among them "Poltergeist," "Stand By Me," "E.T.: The Extra-terrestrial" and, quite humorously, "Ghostbusters." ("ST2" also siphons quite greedily from the social stew of "Freaks and Geeks," a show set, though not made, in the '80s.) Which poses another question: Are the lovers of "Stranger Things" responding to the qualities of the show itself? Or to their own subconscious nostalgic yearnings for a movie past in which Steven Spielberg regularly pit the family unit against the universe and the adolescent bromance was sweet and pure? Do you have to be a Boomer/Gen-Xer to fully appreciate the shtick? Does anyone care?

Likely not, because "Stranger Things," thus far at least (a third and final fourth season are planned), is predominantly about love—abetted by smash cuts and unnerving sound. (Watch with headphones if at all possible.)

Central to it all is the relationship between the four principals, Mike (Finn Wolfhard), Lucas (Caleb McLaughlin), Dustin (Gaten Matarazzo) and Will (Noah Schnapp), who was captured by the "upside-down" in season 1. Will's PTSD and horrific visions—his "now memories"

Please see STRANGER page A11

NETFLIX

Millie Bobby Brown as Eleven

Elisabeth Moss and Claes Bang, left, and Mr. Bang, below.

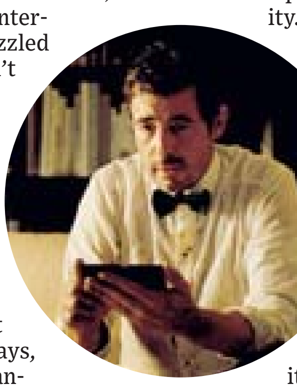
MAGNOLIA PICTURES (2)

FILM REVIEW | By Joe Morgenstern

Satiric 'Square': All the Right Angles

THE FIRST THINGS you may notice about Christian, the conflicted hero of Ruben Östlund's "The Square," are that he's tall, handsome and charming—and formidably articulate, as befits the director of a prominent Swedish museum of modern art. (He's played deftly by Claes Bang.) An American journalist named Anne (Elisabeth Moss) notices all these things as she interviews him for TV. Anne is dazzled by her subject, but she doesn't have a clue what he's talking about, and it's not a language problem, since he's doing the interview in flawless English. The disconnect comes from Christian's penchant for suave gibberish—the kind of coolly abstract, emotionally vacuous way of speaking that you hear everywhere these days, not just in the art world. A language detached from human feelings, it flows like a turbid torrent through this wickedly funny film, which is mostly about a feeling problem—the gap between what we think we feel, as kind and caring people, and the deeds we actually do.

The subject itself is abstract, but Mr. Östlund has come up with a genial scheme to keep things clear as Swedish crystal. The square of the title is a physical space in the cobblestone courtyard of Christian's museum; four meters on each side, it's marked by LED lighting strips. As the focal point of an installation he's about to launch—and of a real installation that inspired the script—it's a precious space, in more ways than one, a self-styled "sanctuary of trust and calm" that imposes stringent rules. Those who choose to step inside must abide by the tenets of altruism by being selfless, kind and respectful of their fellow human beings.



In other words, they must behave, however briefly, in ways they often do not outside the square's boundaries, in the real world of pandemonium and moral ambiguity. Christian is the embodiment of this split, an earnest aesthete and devoted careerist who judges himself, on flimsy evidence, to be a good guy. In fact, he gyrates between good and bad, like the rest of us, and is slow to pick up on real feelings in himself or anyone else. What's more, a shocking event that sets the plot in hilarious motion isn't at all what it first appears to be, even though it gives Christian a chance to feel perfectly wonderful about himself, and his capacity for instant empathy.

Some filmmakers strive to make us feel wonderful about life, but Mr. Östlund isn't one of them. He wants to unsettle us, to play with us—a fine combination for absurdist satire. In his previous feature, "Force Majeure," a Swedish family on a skiing vacation in the French Alps has its lovely, stable life turned upside down by an avalanche. In "The Square," which won top honors at this year's Cannes Film Festival, Christian is constantly, and often comically, at cross-purposes with himself. During an early passage he revels in the stentorian riffs of the French duo Justice while driving his environmentally correct Tesla on a mission of petulant retribution that's bound to inflict an unfair share of injustice.

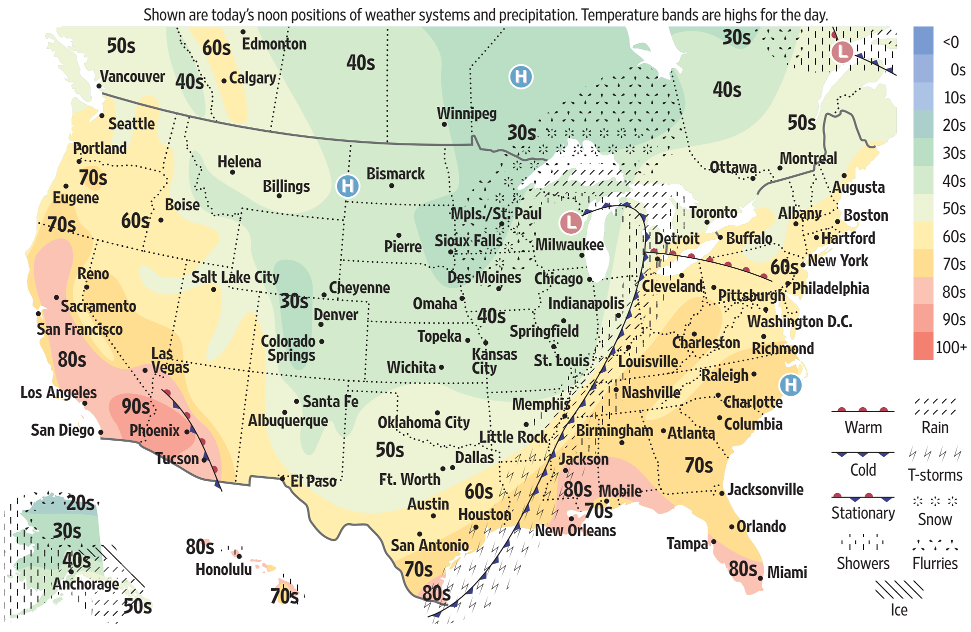
That dissonance is followed by lots of others. "The Square" is too long at 150 minutes and occasionally falls into the sort of preciosity it loves to deride. But the film is full of delicious riffs, salacious outbursts (a polite museum audience is ever so respectful toward a man with Tourette syndrome), unexplained intruders (an orangutan that seems to have an interest in literature.) A wide-eyed boy with a fire-siren voice threatens Christian with impending chaos, as if his life isn't chaotic enough after the museum, eager to promote the opening of "The Square" installation, sends out an idiotically provocative marketing video that goes viral on YouTube. And the tone turns surreal in the climax when the elegance of a museum gala is torn to tatters by a primitive force that has nothing to do with brutalist art (though a lot to do with the abiding influence of Luis Buñuel).

Don't ask me to explain the ape, but most of the other threats and interruptions have common threads of unpredictability, passion and, like a sexual encounter that Christian pursues with huge intensity, primal power. On the one hand, the movie seems to be saying, we have behaviors defined by the square and worthy of it—civilized people in polite discourse, generous people who put coins in the palms of beggars, considerate people who might think about asking the Tourette guy to take a break in the lobby, but would never make such a selfish request. On the other hand, we have these explosively nonrational visitations from outside the square, and guess which behaviors rule the world.

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

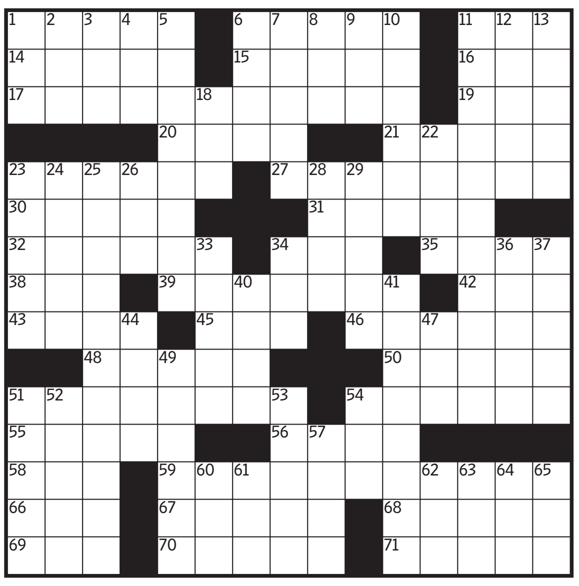
City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Anchorage	49	34	r	42	37	c
Atlanta	74	56	s	60	38	t
Austin	64	37	pc	65	34	s
Baltimore	67	46	s	70	57	pc
Boise	64	40	s	67	41	s
Boston	61	47	s	66	56	s
Burlington	57	43	pc	68	53	s
Charlotte	73	49	s	72	50	t
Chicago	46	38	c	45	30	sh
Cleveland	67	46	pc	49	37	r
Dallas	58	37	pc	61	39	s
Denver	45	30	s	58	39	pc
Detroit	62	38	pc	48	35	r
Honolulu	84	71	pc	84	71	pc
Houston	70	42	t	64	39	s
Indianapolis	51	33	r	45	32	c
Kansas City	44	28	pc	48	29	pc
Las Vegas	84	59	s	84	60	s
Little Rock	53	34	r	56	29	s
Los Angeles	88	65	s	88	63	s
Miami	83	74	pc	83	74	r
Milwaukee	48	38	c	47	32	sh
Minneapolis	39	28	sn	42	27	c
Nashville	72	37	pc	52	33	pc
New Orleans	81	51	c	63	47	pc
New York City	63	53	s	68	62	s
Oklahoma City	51	28	s	55	33	s
Omaha	43	26	pc	51	31	pc
Orlando	78	62	pc	82	66	t
Philadelphia	65	51	s	72	63	s
Phoenix	91	64	s	89	64	s
Pittsburgh	68	50	s	55	36	r
Portland, Maine	60	39	s	61	48	s
Portland, Ore.	68	46	s	68	46	s
Sacramento	86	50	s	84	48	s
St. Louis	48	37	pc	48	30	c
Salt Lake City	61	39	s	65	43	s
San Francisco	77	55	s	71	53	s
Santa Fe	52	28	s	57	34	s
Seattle	65	45	s	65	45	s
Sioux Falls	39	19	sn	49	27	pc
Wash., D.C.	68	52	s	72	57	pc

International

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Amsterdam	58	48	c	59	52	r
Athens	72	59	s	71	54	pc
Baghdad	94	66	pc	98	68	s
Bangkok	91	75	pc	91	73	pc
Beijing	69	50	s	61	35	pc
Berlin	52	45	c	51	45	r
Brussels	57	45	pc	55	52	c
Buenos Aires	66	49	t	70	55	s
Dubai	96	79	s	96	78	s
Dublin	54	45	pc	58	50	c
Edinburgh	53	45	s	60	42	c
Frankfurt	57	42	c	53	48	c
Geneva	64	38	r	56	37	pc
Havana	84	71	pc	79	71	r
Hong Kong	83	71	pc	82	69	s
Istanbul	64	54	s	62	52	r
Jakarta	91	76	sh	90	76	t
Jerusalem	78	58	s	70	54	t
Johannesburg	78	47	pc	58	47	c
London	57	41	s	60	53	c
Madrid	83	46	s	77	44	s
Manila	87	76	c	87	77	pc
Melbourne	79	59	pc	72	52	c
Mexico City	75	48	s	72	49	pc
Milan	74	44	pc	66	43	pc
Moscow	33	29	sn	36	29	sn
Mumbai	92	77	s	92	78	s
Paris	61	41	pc	58	48	pc
Rio de Janeiro	88	72	r	90	72	t
Riyadh	92	62	s	92	66	s
Rome	70	52	pc	70	48	pc
San Juan	86	78	sh	86	77	sh
Seoul	70	50	s	72	50	s
Shanghai	70	55	s	72	57	s
Singapore	87	78	c	87	78	t
Sydney	73	61	pc	80	66	pc
Taipei	77	69	pc	73	67	r
Tokyo	69	59	s	64	60	r
Toronto	58	51	pc	55	36	r
Vancouver	57	43	s	57	42	pc
Warsaw	52	40	sh	48	44	r
Zurich	57	37	r	53	40	c

The WSJ Daily Crossword | Edited by Mike Shenk

PUZZLE CONTEST



ONE QUESTION, THREE ANSWERS | By Matt Gaffney

The answer to this week's contest crossword is **a noted American politician of the 20th century.**

Across

1 Blue material
6 Spring feast
11 "Mom" network
14 Major adoption agcy.
15 Ooze, as charm
16 Place for a cat
17 "This tastes so good!" (5 of the question)
19 NAFTA signatory
20 Come together
21 Glowing bit
23 NBA star befriended by Kim Jong Un
27 Like many commodities
30 Customary
31 Talk to the people
32 C.S. Lewis land
34 Placement number of letters missing from the question, which are the key to the contest answer
35 Cultural stuff
38 "Disgusting!"
39 URL like wsj.com (1 of the question)
42 On fire
43 Bog stuff
45 No-hands Hamm
46 Odorless gas
48 County at the end of the Golden Gate Bridge
50 Pastureland
51 Place for board games
54 Browbeat
55 No minor
56 Dictator exiled to Saudi Arabia
58 Ott with 511 homers
59 Game show hosted by Wink Martindale (3 of the question)
66 Feeling unwell
67 Last box to check, often
68 Swiss genius
69 ___ Halles (Paris market area)
70 Pointless
71 Dashboard array

Down

1 Many "Law & Order" characters
2 Computer key missing its "ape"
3 "Invisibilia" airer
4 Hosp. section
5 Your class and mine
6 Hardens
7 Be
8 Couple
9 Alternative to gov or mil
10 L.A. section mentioned in Tom Petty's "Free Fallin' "
11 1982 movie opponent of Rocky Balboa (6 of the question)
12 City situated where France, Germany and Switzerland meet
13 Tire in the trunk
18 Piper with horns
22 ___ Hari (executed spy)
23 Increase, as the score
24 River of Missouri
25 Baseball team from which a Kevin Costner movie took its name (4 of the question)
26 Isle of ___
28 Poet laureate Nicholas
29 Came up
33 Confess
34 Chorus syllable
36 Color slightly
37 Head of cattle
40 Bedrock pet
41 Without a ride home
44 Starbucks size
47 Bamboozled
49 She won five medals at the 1984 Summer Olympics
51 Sri Lanka language
52 "Skyfall" singer
53 Savory spreads
54 Lighter brand
57 Foal's mother
60 Legal Lance
61 Obama Energy secretary
62 All-vowel "yes"
63 Ending for form
64 Stylist's goop
65 "48 ___" (Eddie Murphy movie)

▶ Email your answer—in the subject line—to **crosswordcontest@wsj.com** by 11:59 p.m. Eastern Time Sunday, Oct. 29. A solver selected at random will win a WSJ mug. Last week's winner: Laura Lerz, Marksboro, NJ. Complete contest rules at **WSJ.com/Puzzles**. (No purchase necessary. Void where prohibited. U.S. residents 18 and over only.)

Previous Puzzle's Solution

THEATER REVIEW | By Terry Teachout

A Far Too Busy 'Butterfly'

New York

DAVID HENRY HWANG'S "M. Butterfly" was one of the great water-cooler plays of the '80s, a show that everyone in New York felt obliged to see so that they could talk about it at the office the next day. The more-or-less true story of Rene Gallimard, a French diplomat who had a protracted affair with a Chinese singer-turned-spy who passed himself off as a woman, "M. Butterfly" ran on Broadway for 777 performances but hasn't been revived there since it closed in 1990. Now it's back, courtesy of Clive Owen and Julie Taymor, and I wish I could say that it's as good as John Dexter's original production. Alas, Ms. Taymor's revival isn't remotely worthy of Mr. Hwang's subtle meditation on male desire and the inability of Westerners to understand the Asian mind, and Mr. Owen is so miscast that it's easy to forget how fine an actor he can be under more favorable circumstances.

Clive Owen, right, and Scott Weber and Jin Ha, below, in Julie Taymor's revival of David Henry Hwang's play.

MATTHEW MURPHY (2)

For all her formidable gifts, Ms. Taymor has always struck me as the kind of director who sees the text of a play as little more than a pretext for creating gorgeous stage pictures. The better the play, the less convincing the production—her 2013 Theater for a New Audience version of "A Midsummer Night's Dream" might just as well have been a silent movie—and "M. Butterfly," which is at bottom a not-so-simple story told to the audience by a desperate, confused man, doesn't profit from her over-elaborate approach. This is a *busy* production, one in which huge panels and screens seem to be in motion all evening long, and having seen a powerful small-scale staging of "M. Butterfly" three years ago at Chicago's Court Theatre, I continue to believe that here as in most things, simpler is better. It's noteworthy that the only scenes in which Ms. Taymor's sight-centered staging illuminates the play are the ones in which we watch Gallimard's deceitful lover performing the Chinese operas that made him a star.

Mr. Owen, a classically trained actor with a reasonable amount of stage experience who was pretty good in the Roundabout Theatre Company's 2015 revival of Harold Pinter's "Old Times," is mostly flat and uninteresting as Gallimard. You never doubt his involvement or sincerity, but his performance feels like that of a movie star who doesn't know how to project his personality past the footlights, and he's far too handsome to be believable as the self-conscious, sexually awkward Gallimard. Jin Ha, by contrast, is astonishing as Song Liling, speaking his lines in a haughty bass-flute voice and carrying himself so convincingly that you have no trouble seeing how Gallimard could have persuaded himself that he was in love with a woman. Were the rest of this production half as impressive as his performance, it would be worth paying any price to see.

Mr. Hwang has rewritten "M. Butterfly" to bring it into closer concord with contemporary thinking about gender identity. Unless you've seen or read the play fairly recently, though, I doubt that you'll notice many of the changes, save for one that stands out in very high relief: In the climactic courtroom scene, Song explicitly spells out how he contrived to have sexual intercourse with Gallimard. While I see the point of the new version—it underlines the falsity of the notions that Western men have about the alleged submissiveness of Asian women—I'm not sure that it works dramatically. It's more effective to force the audience to imagine the nuts and bolts (so to speak) of their couplings.

Mr. Teachout is the Journal's drama critic. "Billy and Me," his new play, opens at Palm Beach Dramaworks on Dec. 8. Write to him at tteachout@wsj.com.

M. Butterfly
Cort Theatre, 138 W. 48th St., New York ($39-$159), 212-239-6200/800-432-7250

NETFLIX

Noah Schnapp, Winona Ryder and David Harbour in 'Stranger Things 2'

STRANGER

Continued from page A10

about the malevolent force festering beneath their town—fuel much of season 2.

But there's also the bond between harried police chief Jim Hopper (David Harbour) and Will's frequently frantic mother, Joyce (a glorious Winona Ryder), who, one year after the events of season 1, finds herself in an all-too-comfortable relationship with an old high-school classmate, Bob "the Brain" Newby (Sean Astin), while carrying uncomfortable feelings for Hopper. There's also the bond between Hopper and Eleven (Millie Bobby Brown), the mystery girl with the telekinetic powers and propensity for nosebleeds. And Eleven and Mike. And Lucas and the new girl, Max (Sadie Sink), whose vicious brother, Billy (Dacre Montgomery), sports the worst mullet in history. There's the budding romance between Mike's sister, Nancy (Natalia Dyer), and Will's brother, Jonathan (Charlie Heaton). And we haven't even mentioned yet the horrific violence, the flesh-eating creatures and malevolent government evil-doers that Hawkins, Ind., has to put up with. Not only does everyone have a secret—about the upside-down, or the death of Barb (see season 1), or the whereabouts of Eleven—he or she also has a secret love.

But therein lies the not-so-secret allure of "Stranger Things." It's not a story about otherworldly powers and mindless evil. It's about the people besieged by the mindless evil. The characters are deftly drawn, and irresistible. I, for one, would watch it without the monsters, or the mucus membranes and shredded wheat that seem to separate our world from theirs.

There's a Halloween basket of spoilers to hand out regarding "Stranger Things," but you won't find them here. A couple of nits to pick: The explanation of what's happening in Hawkins has never been entirely satisfying; neither is the use of Cara Buono, who as Mike and Nancy's mother is given nothing to do. Still, the program does represent something of a geyser in the tumultuous sea change taking place in America's consumption of entertainment. Reportedly, Netflix is spending around $8 million now to make each episode of "ST," which means the nine-episode season likely cost less than half of "Blade Runner 2049." Which are you more excited about? Yes, and it's on Netflix as of 3:01 a.m. Friday.

Stranger Things 2
Friday, Netflix

SPORTS

MLB

YANKEES SEEK NEW MANAGER

BY JARED DIAMOND

JOE GIRARDI brought his team to within one game of the World Series, turning what started as a rebuilding year for the New York Yankees into an undeniable success. But not even that could save his job.

The Yankees announced Thursday that they would not renew Girardi's contract, leaving their managerial seat open for the first time in a decade. Girardi led the Yankees to a 910-710 record, six postseason appearances and a World Series championship in 2009. With Girardi at the helm, the Yankees never finished with a record below .500, extending a streak of consecutive winning campaigns that started in 1993.

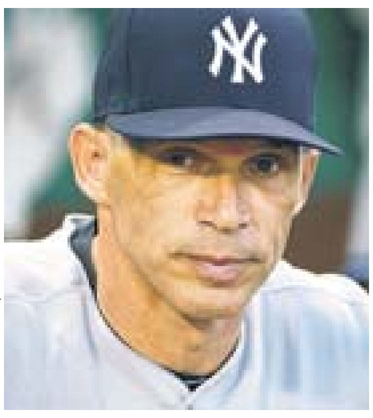
"With a heavy heart, I come to you because the Yankees have decided not to bring me back," Girardi said in an emailed statement.

The news of Girardi's dismissal came as a bit of a surprise considering how the Yankees' fared in 2017. He oversaw the development of the Yankees' new, talented young core of outfielder Aaron Judge, catcher Gary Sanchez and ace pitcher Luis Severino. With more heralded prospects on the way, that group appears poised to compete for a title again not just next season, but for the foreseeable future.

Girardi faced criticism this month, however, for a crucial mistake in Game 2 of the American League Division Series against the Cleveland Indians. He failed to ask for a replay review on a potential strikeout that the umpires incorrectly ruled as a hit batsman and later acknowledged that he "screwed up"—a rare mea culpa. Though the Yankees rallied to win that series, the episode seemed to affect Girardi and raised questions about whether he would return.

That answer officially came Thursday.

It remains unclear where the Yankees will look for their next skipper, just the franchise's third since 1996. Bench coach Rob Thomson and Triple-A manager Al Pedrique would seem like the top internal candidates, though the Yankees will likely expand their search outside the organization.



MICHAEL DWYER/ASSOCIATED PRESS

CHRISTIAN PETERSEN/GETTY IMAGES

WORLD SERIES

It's a Whole New Ballgame

Can the Dodgers recover after blowing Game 2 or will the Astros maintain the momentum?

Los Angeles Dodgers closer Kenley Jansen reacts after giving up the tying run against the Houston Astros in the ninth inning of Game 2 on Wednesday.

BY JARED DIAMOND

AS THE CLOCK approached 11:15 p.m. on the East Coast Wednesday, the Los Angeles Dodgers appeared in total control of the 2017 World Series. Three outs separated them from a commanding 2-0 advantage, with Kenley Jansen, baseball's best closer, on the mound to face the bottom of the Houston Astros' lineup.

A little over an hour later, after three wild innings that featured an absurd six home runs, the Astros had roared back to win. A World Series that was starting to look lopsided was quickly transformed into one filled with drama and uncertainty.

Now the teams head to Houston for Friday's Game 3 facing all the questions that tend to follow such a stunning result: How do the Dodgers recover? Can the Astros carry the confidence gained in their comeback with them into their home ballpark this weekend?

The possibilities are tantalizing. The Astros' powerful bats could stay hot in the wake of their late heroics. Or Dodgers right-hander Yu Darvish could silence them again. The Dodgers could fold from shock or show the resiliency it takes to stand back up after a haymaker to the jaw.

"If you thought it was going to go 4-0, you're crazy," Dodgers outfielder Yasiel Puig said. "These are the best teams in American baseball. That's what you get."

The fact that the Dodgers lost should not have come as too much of a surprise. A blowout wouldn't do justice to a World Series duel like this, pitting a pair of 100-win foes for the first time since 1970.

At the same time, nobody ever imagined the Dodgers falling the way they did, with their playoff-tested plan operating largely to perfection, only for the bullpen, their greatest weapon, to malfunction.

The Dodgers managed to withstand Justin Verlander, the Astros' postseason monster, by hitting two homers off him and knocking him out after six innings. Their pitcher, Rich Hill, delivered a solid outing, allowing just one run in four innings.

Hill's performance enabled the Dodgers to turn their fate over early to their vaunted bullpen, an unstoppable force throughout October. Except this time, it didn't work.

Brandon Morrow conceded a run in the eighth, snapping a streak of 28 consecutive scoreless frames by Los Angeles relievers. Then in the ninth, Jansen gave up a leadoff homer to Marwin Gonzalez, blowing a save in the postseason for the first time in his career after 12 successful conversions. The Dodgers' relievers would up letting a run score in four straight frames, a complete and total meltdown by their lofty standards.

Afterward, Jansen tried to shrug it off. "I'm just human," he said. "I'm not a machine." His teammates rushed to his support, and Jansen vowed to reward their faith.

"I'm going to get my shot at them," Jansen said. "When I get my shot, I'm going to help my team win. I'll be back for Game 3. The team will give me a shot again, my guys will pick me up again."

More likely than not, Jansen will recover just fine. He rarely surrenders hits, let alone runs. The Dodgers should not—and will not—hesitate to put their championship aspirations on his broad right shoulder when the situation rises again.

How Dodgers manager Dave Roberts behaves on Friday and beyond will emerge as the most intriguing story line moving forward. He was criticized for how he handled his bullpen Wednesday, a rare backlash against a tactician who navigated the first two playoff rounds almost flawlessly by sticking to a strict blueprint. For the first time all month, the blueprint failed.

Hill exiting so early forced the Dodgers to shift all of their relievers up an inning, eventually prompting Roberts to ask Jansen to record a six-out save, something he didn't do once all season. From there everything spiraled out of control.

Roberts defended his process Wednesday night, especially considering "the way our bullpen has been throwing." Sometimes, a manager's choice goes wrong. The good ones know not to overreact—the mission for Roberts on Friday.

"The bottom line is I'll take Kenley any day of the week with a one-run lead going into the ninth inning," Roberts said. "It just doesn't always go as planned."

The Dodgers and Astros took Thursday to rest, traveling halfway across the country to prepare for another showdown Friday, this time at Houston's Minute Maid Park. Darvish, the Dodgers' big trade-deadline acquisition, will square off against Lance McCullers, the curveball specialist who threw four innings of scoreless relief in Game 7 of the American League Championship Series.

When McCullers fires the first pitch, the excitement from Game 2 will disappear from the players' minds, their focus shifting entirely to figuring out how to win three more games before the other team. But the specter of Wednesday will continue to hover over this World Series, whether it serves as a minor setback on the Dodgers' march to a title or ignites a furious Astros turnaround.

The impact of one of the most thrilling games in recent World Series history won't disappear from memory

"You're usually going to be wrong if you make an assumption on anything, especially this time of year," Astros manager A.J. Hinch said. "These are two incredible teams that are going to fight."

COLLEGE FOOTBALL | By Jason Gay

TIME TO CHEER, CHEER FOR OLD NOTRE DAME

Well, look-y here, it's Notre Dame—playing legit teams, winning big games, stuffing a big green toe inside the door of college football's top 10.

Playoffs? Maybe! Don't laugh! Remember: just when you think college football can't get weird, it gets weird.

The Fighting Irish are 6-1, but ranked No. 9 in the AP poll with a thick cluster of really good teams in front of them. A lot will have to break South Bend's way. A *lot*.

But it isn't impossible. Really.

Notre Dame haters, relax. We're going to walk through this respectably, like adults, with careful consideration. No screaming and yelling about the media's ND obsession. No complaining about childhood memories being ruined by Ara Parseghian or Tim Brown.

It's easy to pile on the Fighting Irish—they're treated as a big deal even when they're not a big deal. They're on television more than Anderson Cooper. Their coach, Brian Kelly, can be grouchy.

They refuse to join a conference for football, like the guy who skips the name tag table at the company retreat.

But they sure have fans everywhere. Everywhere! You probably know a few Notre Dame nuts who were hiding under their desks after last season's 4-8 debacle. Now they're popping up, strutting around, and tentatively clearing vacation time in early January.

This is OK. I'm among the crowd who thinks college football is better when its traditional titans are rolling. A vibrant Notre Dame gets everyone riled up. I *like* the arguing. That's what college football is for.

Besides, Notre Dame's 49-14 thumping of Southern California last week sent a signal. The Trojans may not be the juggernaut they were predicted to be—USC began the season as the AP's 4th-rated team—but the Irish weren't even in the cheap seats of the top 25.

Expectations were...middling at best. Kelly's seat was warm and getting toasty. The ESPN college football rabble-rouser Paul Finebaum—not a Kelly fan, to put it mildly—howled that the Irish coach would soon be on his way out of town.

That's not happening. With an improved defense, an experienced offensive line and a formidable 1-2 combo in running back Josh Adams (more than 9 yards per carry this season) and quarterback Brandon Wimbush, Notre Dame is far from an easy out. Versus USC, Adams and Wimbush combined for 297 rushing yards and 5 touchdowns—and Wimbush connected on a pair of early touchdown passes as well.

Notre Dame's one-point home loss to Georgia looks respectable now, since the No. 3 Bulldogs are undefeated and squarely in the playoff picture. There's also a nice win over 16th-ranked, 6-1 Michigan State. The 14th-ranked North Carolina State Wolfpack arrive in South Bend Saturday, and ranked opponents like undefeated Miami and Stanford loom.

Finebaum, meanwhile, is asking for absolution. "When you're wrong, you're wrong," Finebaum said on ESPN the other day.

The Irish have a lot to climb over, even if they win the rest of their games. Besides undefeated heavies like Alabama, Penn State, TCU and Georgia, there are my Wisconsin Badgers, who are 7-0 and dominating the Big Ten's junior varsity division (I hate that this is true, but it's true.) Ohio State and Clemson are also lurking with one loss (Can someone please explain to me how Clemson lost to Syracuse? It still confuses me, like finding out my cat played pro tennis.)

Even though some of the competition will beat up on each other—and college football always has a few weekends of chaos—that's a good deal of leapfrogging left for Kelly & Co. And Notre Dame's lack of a conference may prove to be a headache: the wacky selection committee likes its Power 5 and its teams that win conference championships, even if most of the conference championships are just foolish Frankengames cooked up for TV money. The cranks, of course, will point to Alabama's demolishing of an undefeated Notre Dame in the January 2013 national title game.

But a Notre Dame team with a single one-point loss to a great team and a bunch of victories over ranked teams will be hard to ignore. The clichés about a national following are utterly true. For TV, Notre Dame in the playoffs would be a delicious lamb chop.

I know what you're saying: *Whoa, whoa, whoa, slow down, buddy.*

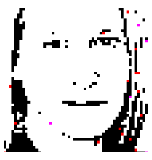
True. It's still October. There's a lot of football left to be played. But the cold air of autumn is coming and Notre Dame has improbably barged its way into the picture. Not every college football fan will like it, and it may cause trouble for the selection committee, but so what? Trouble's fun.

CHARLES REX ARBOGAST/ASSOCIATED PRESS

Notre Dame running back Josh Adams, pictured, is averaging 9.2 yards per carry this season.

OPINION

The Coming Russia Bombshells



POTOMAC WATCH
By Kimberley A. Strassel

The confirmation this week that Hillary Clinton's campaign and the Democratic National Committee paid an opposition-research firm for a "dossier" on Donald Trump is bombshell news. More bombshells are to come.

The Fusion GPS saga isn't over. The Clinton-DNC funding is but a first glimpse into the shady election doings concealed within that opposition-research firm's walls. We now know where Fusion got some of its cash, but the next question is how the firm used it. With whom did it work beyond former British spy Christopher Steele? Whom did it pay? Who else was paying it?

The answers are in Fusion's bank records. Fusion has doggedly refused to divulge the names of its clients for months now, despite extraordinary pressure. So why did the firm suddenly insist that middleman law firm Perkins Coie release Fusion from confidentiality agreements, and spill the beans on who hired it?

Because there's something Fusion cares about keeping secret even more than the Clinton-DNC news—and that something is in those bank records. The release of the client names was a last-ditch effort to appease the House Intelligence Committee, which issued subpoenas to Fusion's bank and was close to obtaining records until Fusion filed suit last week. The release was also likely aimed at currying favor with the court, given Fusion's otherwise weak legal case. The judge could rule as early as Friday morning.

If the House wins, don't be surprised if those records include money connected to Russians. In the past Fusion has worked with Russians, including lawyer Natalia Veselnitskaya, who happened to show up last year in Donald Trump Jr.'s office.

FBI bombshells are also yet to come. The bureau has stonewalled congressional subpoenas for documents related to the dossier, but that became harder with the DNC-Clinton news. On Thursday Speaker Paul Ryan announced the FBI had finally pledged to turn over its dossier file next week.

Assuming the FBI is comprehensive in its disclosure, expect to learn that the dossier was indeed a major basis of investigating the Trump team—despite reading like "the National Enquirer," as Rep. Trey Gowdy aptly put it. We may learn the FBI knew the dossier was a bought-and-paid-for product of Candidate Clinton, but used it anyway. Or that it didn't know, which would be equally disturbing.

It might show the bureau was simply had. Don't forget that it wasn't until January the dossier became public, and the media started unearthing details. And the more ugly info that came out (Fusion, Democratic clients, intelligence-for-hire) the more former Obama officials seemed skeptical of it. In May, former Director of National Intelligence Jim Clapper said his people could never "corroborate" its "sourcing." In June, Mr. Comey derided it as "salacious and unverified."

Yet none of this jibes with reports that the FBI debated paying Mr. Steele to continue his work. Or that Mr. Comey

A judge may order Fusion GPS to give House investigators its bank records.

was so convinced by the dossier that he pushed to have it included in the intelligence community's January report on Russian meddling. Imagine if it turns out the FBI was duped by a politically contracted document that might have been filled up by the Kremlin.

There's plenty yet to come with regard to the DNC and the Clinton campaign. Every senior Democrat is disclaiming knowledge of the dossier deal, leaving Perkins Coie holding the bag. But while it is not unusual for law firms to hire opposition-research outfits for political clients, it is highly unusual for a law firm to pay bills without a client's approval. Somewhere, Perkins Coie has documents showing who signed off on those bills, and they aren't protected by attorney-client privilege.

Those names will matter, since someone at the DNC and at the Clinton campaign will need to explain how they somehow both forgot to list Fusion as a vendor in their campaign-finance filings. Some Justice Department lawyer is presumably already looking into whether this was a willful evasion, which can carry criminal penalties. It's one thing to forget to list that local hot-dog supplier for the campaign picnic. It's a little fishier when two entities both fail to list the firm that supplied them the most explosive hit job in a generation.

And there are still bombshells with regard to unmasking of Americans in surveilled communications. If the Steele dossier reports (which appear to date back to June 2016) were making their way into the hands of senior DNC and Clinton political operatives, you can bet they were making their way to the Obama White House. This may explain why Obama political appointees began monitoring the Trump campaign and abusing unmasking. They were looking for a "gotcha," something to disqualify a Trump presidency. Of course, they were doing so on the basis of "salacious and unverified" accusations made by anonymous Russians, but never mind.

No, this probe of the Democratic Party's Russian dalliance has a long, long way to go. And, let us hope, with revelations too big for even the media to ignore.

Write to kim@wsj.com.

How Martin Luther Advanced Freedom

HOUSES OF WORSHIP
By Joseph Loconte

Martin Luther was an unlikely revolutionary for human freedom. When the Augustinian monk hammered his "Ninety-Five Theses" to the Wittenberg Castle Church on Oct. 31, 1517—and unleashed the Protestant Reformation—he was still committed to the spiritual authority of the Catholic Church and retained many of the prejudices of European Christianity.

Yet Luther's personal experience of God's love and mercy—"I felt myself to be reborn"—supported a democratic approach to religious belief. In his theological works, Luther introduced a radical egalitarianism that helped lay the foundation for modern democracy and human rights.

Born into a German peasant family in 1483, Luther came to despise every form of spiritual elitism. He sought to replace rigid church hierarchies with "the priesthood of all believers," the proposition that there are no qualitative differences between clergy and laity. "Just because we are all priests of equal standing," he wrote in "An Open Letter to the Christian Nobility" (1520), "no one must push himself forward and, without the consent and choice of the rest, presume to do that which we all have equal authority."

It was a message at odds with the vast superstructure of 16th-century Christendom. Only the monastic orders, with their vows of celibacy and poverty, could produce the spiritual athletes of the church, the thinking went. But to Luther the monasteries were hotbeds of avarice and pride. He wanted them abolished, writing in "The Babylonian Captivity of the Church" (1520) that "pretentious lives, lived under vows are more hostile to faith than anything else can be."

Luther applied the same logic to the doctrine of Christian vocation. Resisting the stark divisions between "secular" and "religious" occupations, he dignified all legitimate work. "A shoemaker, a smith, a farmer, each has his manual occupation and work; and, yet, at the same time, all are eligible to act as priests and bishops," he wrote.

Luther took an ax to the legal culture that shielded priests and bishops from criminal prosecution simply because they held church offices. "It is intolerable that in canon law, the freedom, person, and goods of the clergy should be given this exemption, as if the laymen were not exactly as spiritual, and as good Christians, as they, or did not equally belong to the church." Here was a religious basis for the principle of equal justice under the law, a core tenet of liberal democracy.

Perhaps Luther's most subversive act was his translation of the New Testament into German, a feat scholars estimate he accomplished in three months. The papacy had controlled the interpretation of Scripture, available almost exclusively in Latin, the language of the clergy and the highly educated. But Luther wanted the Bible translated and read as widely as possible: "We must inquire about this of the mother in the home, the children on the street, the common man in the marketplace," he explained in "On Translation: An Open Letter" (1530). "We must be guided by their language, the way they speak, and do our translating accordingly."

The Reformation brought a radical egalitarianism to Christendom.

Luther always elevated the individual believer, armed with the Bible, above any earthly authority. This was the heart of his defiance at the Diet of Worms: "My conscience is captive to the Word of God. I cannot and I will not recant anything, for to go against conscience is neither right nor safe. Here I stand." Neither prince nor pope could invade the sanctuary of his conscience. This, he proclaimed, is the "inestimable power and liberty" belonging to every Christian.

It would be hard to imagine a more radical break with centuries of church teaching and tradition. Luther's intense study of the Bible—part of his anguished quest to be reconciled to God—made these great innovations possible. Convinced that the teachings of Christ had become twisted into an "unbearable bondage of human works and laws," he preached a gospel of freedom. Salvation, he taught, was a gift from God available to everyone through faith in Jesus and his sacrificial death.

In 1520, some three years after publishing his theses, Luther released "On the Freedom of a Christian," his manifesto on the privileges and obligations of every believer. It became a publishing phenomenon. "A Christian has no need of any work or law in order to be saved," he insisted, "since through faith he is free from every law and does everything out of pure liberty and freely." Christian liberty of this kind provided no excuse for libertinism. Just the opposite: "I will therefore give myself as a Christ to my neighbor, just as Christ offered himself to me."

Luther offered more than a theory of individual empowerment. He delivered a spiritual bill of rights. Generations of reformers—from John Locke to Martin Luther King Jr.—would praise his achievement. Half a millennium later, his message of freedom has not lost its power.

Mr. Loconte, an associate professor of history at the King's College in New York, is author of "God, Locke, and Liberty: The Struggle for Religious Freedom in the West" (Lexington, 2014).

Health Care Needs a Bipartisan Fix

By Lamar Alexander And Mike Rounds

President Trump has asked for a bipartisan short-term solution to reduce health-insurance premiums and avoid chaos in the individual market so 18 million Americans won't be hurt.

Last week, 12 Republican and 12 Democratic U.S. senators proposed a solution. After eight years of ObamaCare speeches and votes but zero legislative victories, our bill actually could make conservative ideas law. It would permanently roll back some restrictions on states and allow anyone to buy a lower-cost catastrophic plan. To achieve these conservative victories, we agreed to extend cost-sharing reduction payments for two more years.

Sens. Lindsey Graham and Bill Cassidy are co-sponsors. This bill is not a substitute for their repeal-and-replace legislation, which wouldn't take effect until 2020. Meanwhile, they want to avoid chaos.

Iowa Sens. Chuck Grassley and Joni Ernst are co-sponsors. The bill would allow Iowa an ObamaCare waiver to stabilize its collapsing insurance market. Waivers from Oklahoma, Minnesota and New Hampshire

No one wants to 'bail out' insurers, and our bill wouldn't do that.

could also be approved. The bill streamlines the waiver process making it easier to copy ideas like Alaska's insurance fund for the very sick, which reduces premiums 20% for everyone else with no new federal dollars.

Co-sponsors Bob Corker, Johnny Isakson and Richard Burr like the bill's fiscal soundness. The Congressional Budget Office finds our bill will reduce the deficit by $3.8 billion. Failure to extend cost-sharing actually would add $194 billion to the debt over 10 years to pay for higher premium subsidies, CBO says. A federal court has said cost-sharing payments are illegal unless Congress acts.

Co-sponsors John McCain, Lisa Murkowski and Susan Collins want a thorough process. The Senate's health committee held four hearings and four meetings for senators not on the committee. Sixty senators participated.

The president doesn't want to "bail out" insurance companies. We agree, as does Sen. Patty Murray, the lead Democratic negotiator. This week CBO affirmed that our cost-sharing proposal benefits taxpayers and low-income policyholders, not insurers.

The president doesn't want Americans to be hurt more before ObamaCare is replaced. CBO says without cost-sharing they will be: Premiums would rise and insurers would flee collapsing markets, leaving up to 16 million Americans without options. Such chaos would be a four-lane highway to single-payer insurance, a gift to Sen. Bernie Sanders. That's why House Republicans' repeal-and-replace bill continued cost-sharing for two years.

This week Iowa withdrew its waiver and Massachusetts was denied. States need flexibility now. Should we have negotiated more flexibility? Getting 60 Senate votes requires compromise, and the reforms we negotiated are the first in seven years. Most are changes that Senate rules won't allow in a 51-vote repeal-and-replace budget bill.

This sounds like a proposal on its way to becoming a law. The sooner, the better.

Mr. Alexander, a Tennessee Republican, is chairman of the Senate health committee. Mr. Rounds, a South Dakota Republican, is a U.S. senator. Both are former governors.

BOOKSHELF | By Roger Lowenstein

A Pudding Head And His Money

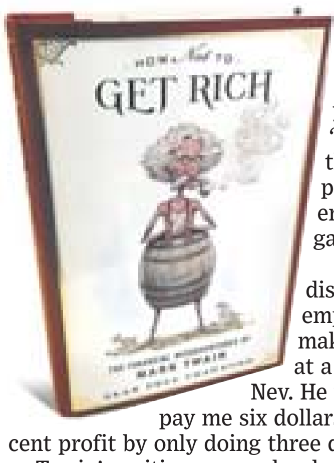
How Not to Get Rich

By Alan Pell Crawford
(Houghton Mifflin Harcourt, 224 pages, $27)

In his later years, Mark Twain took up with Henry Huttleston Rogers, a Standard Oil tycoon. Rogers had a reputation for ruthlessness, but he smoked, swore and played billiards, and Twain enjoyed his company. Besides, he was helping Twain dig out of financial trouble. One day, when Twain proposed to invite the tycoon to a literary luncheon, a fellow writer inquired with puzzlement: "Why ask Rogers?" Twain responded with incredulity: "To pay for the lunch, you idiot."

This is the sort of comic vignette that enlivens Alan Pell Crawford's "How Not to Get Rich," a short book that focuses on Twain's wayward financial life. There is a notion that it is undignified for a writer to lust after money. Twain, as Mr. Crawford makes clear, did not hold to it.

Born, of course, Samuel Clemens, in 1835, and raised in "genteel poverty," Twain seems to have dreamt of getting rich ever since his youth. His father, John Marshall Clemens, was a failed storekeeper who speculated on land. Twain caught the bug. He panned for silver, patented inventions, invested in get-rich-quick schemes. Over the years, these included a "baby-bed clamp" (to secure the sheets); a "Vaporizer" for producing steam; a new engraving process; a board game. Failures all.



As a young man he had discovered that regular employment didn't suit him. To make ends meet he found work at a newspaper in Virginia City, Nev. He wrote to his mother: "They pay me six dollars a day, and I make 50 per cent profit by only doing three dollars' worth of work."

Twain's writing career developed almost accidentally. He wrote a story about a gambler, "The Celebrated Jumping Frog of Calaveras County," and suddenly readers wanted more. In a letter, he told his brother, "I *have* had a 'call' to literature, of a low order—i.e. humor." He added, almost apologetically: "It is nothing to be proud of, but it is my strongest suit."

Yet even as his fame spread, he frittered away time on inventions and investments when he could have been writing. Of a Hartford company that proposed a new steam pulley, Twain later recollected that, among its powers, it had "pulled thirty-two thousand dollars out of my pocket in sixteen months." He was certain, in the early 1860s, that mining shares would make him rich. Then the mining bubble burst. Even after he had penned a best seller—"The Innocents Abroad" (1869)—Twain decided that there was "no nobler field" than insurance and helped to launch the Hartford Accident Insurance Co., which lasted 18 months and cost him $23,000. If deep-sea fishing and hunting were for Hemingway a passion, financial prospecting was for Twain nearer to an obsession. "It spurred him on as few other things did," Mr. Crawford observes. "Writing books was just a means to an end."

Given the novelist's tart view of human character, the financial misadventures of Mark Twain are hard to fathom.

This judgment amounts to a large reappraisal for the titan of 19th-century American letters, especially since his financial flops have been written about before. Yet by banishing all else to the sidelines, Mr. Crawford casts them in a powerful light. He builds a plausible case that the one-time riverboat pilot's true ambition was not literary but, rather, "to make money and then make even more money."

Given his spending habits, it is no wonder. His wife, the former Olivia Langdon, was heiress to a coal fortune, and Twain and "Livy" lived in style. They built a 25-room mansion in Hartford, Conn., which included a carved chimney from Scotland. They entertained the prominent and pampered the children with tutors. When hard times hit, the family moved to Europe to avoid embarrassment. When the coal industry (and with it, the family fortune) recovered, Twain cheerfully told William Dean Howells: "We've quit being poor."

For a novelist with such a tart view of human character, Twain's gullibility is hard to fathom. No matter his dismal track record, he always appraised the next opportunity as a sure thing. The two fields he knew about, books and newspapers, caused him more grief than any other. He had success with Charles L. Webster & Co., the publisher he founded, which issued the memoirs of Ulysses S. Grant. But after that runaway hit, he published a string of lemons.

Even worse was his decade-long investment in a typesetting machine, the Paige Compositor, which, Twain noted, would be faster than a human typesetter and "does not get drunk" and "does not join the Printer's Union." But its inventor proved to be a hopeless perfectionist, his machine with its thousands of parts a tribute to complexity gone mad. Ultimately, Twain invested $175,000—an immense sum. With the mogul Rogers guiding him, the author transferred his assets to his wife and put his publishing company into bankruptcy. Only by embarking on a world-wide speaking tour was he able to pay his debts.

Mr. Crawford doesn't seem curious about whether Twain's financial capers informed his writing. He has nothing notable to say, for instance, on "The Prince and the Pauper," a wry commentary on the sort of class envy to which Twain himself was susceptible. Nor does Mr. Crawford attempt to reconcile the conventional view of Twain as a folksy raconteur with the evidence of his desperately striving entrepreneurship.

Indeed, Mr. Crawford seems not sure what to do with his cameo portrait. "What is the takeaway? What can we learn?" he muses. "Well, not much, probably." As if to make up for this needless self-flagellation, he argues that, given Twain's ultimate success at promoting his image, "How Not to Get Rich" can be read as a primer for the modern marketer. No need for that. His book's real value, I suspect, would be closer to his subject's heart. With all Twain's insights into human character and foibles, he was, like so many of us, pitifully unable to see the demons in his own soul.

Mr. Lowenstein is the author of "Origins of the Crash: The Great Bubble and Its Undoing."

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OPINION

REVIEW & OUTLOOK

The Opioid Puzzle

President Trump has now declared opioid addiction a national "public health emergency," a political formality for a crisis that has wrecked lives and families across America. The Trump Administration's move is a moment to consider what the government can do to treat a social ailment that so far has resisted effective treatment.

Innovation is the answer to treating a national public health emergency.

The Administration declined to call the problem a "national emergency." That's prudent, since the disaster accounts dedicated for such emergencies already are oversubscribed from our recent, catastrophic hurricanes. But Mr. Trump directed federal agencies to deploy "every appropriate emergency authority to fight the opioid crisis," and such overdoses have claimed more than 300,000 lives since 2000. The move allows Health and Human Services and other agencies to streamline barriers to treatment and Mr. Trump also ordered training for federally employed prescribers.

Some are complaining the initiative doesn't include a cash infusion, but blank checks aren't the solution. The opioid problem began in the 1990s, when prescriptions were filled too casually—for example, 30 days of opioids prescribed for a dental procedure that needed only three or four pills. Education for prescribers has improved in recent years but more is needed from within the profession.

Beyond better prescribing, the problem gets complicated fast. FDA Commissioner Scott Gottlieb said in testimony at a House hearing this week that the agency is supporting the development of alternative painkillers with less addictive features. Another priority is expanding access to naloxone, a nasal spray that can interrupt an overdose. It's important to get more naloxone into the hands of more hospitals and first responders, but too often the spray can't break the cycle of addiction.

Democrats say not enough money is being devoted to addiction treatment, but even here the story is murky. One treatment for addiction is essentially less-powerful opioids such as buprenorphine, which can be effective for patients but now has its own black market.

One of the toughest realities of the crisis is that many folks who don't get treatment don't want it. Consider an analysis from the Substance Abuse and Mental Health Services Administration of U.S. adults who needed treatment last year for illicit drug use, including painkillers, heroin and others, but didn't receive it.

More than nine in 10 "did not feel they needed treatment." Of the sliver that acknowledged the need for treatment, only about 25% listed affordability or health-care coverage as the reason for not receiving care.

Federal dollars alone can't fix the fact that many people disappear into opioid addition as an escape from reality.

What Congress should do is consider the government's role in allowing too-easy access to painkillers, particularly among society's poor and vulnerable. A 2016 Centers for Medicare and Medicaid Services bulletin noted that "Medicaid beneficiaries are prescribed painkillers at twice the rate of non-Medicaid patients" and are three to six times more at risk for overdose.

For Medicare, the details are no less alarming. One in three Medicare Part D beneficiaries received an opioid prescription last year, according to the HHS Inspector General. Some 500,000 beneficiaries received more than 120 mg a day for at least three months—equivalent to 12 tablets a day of 10 mg Vicodin. That figure excludes patients with cancer or in hospice, who tend to need heavy pain meds. The only way to explain this cascade of pills is an epidemic of fraud.

Last year Congress approved nearly $1 billion in funding for state opioid grants, which could result in more innovative programs tailored to local populations. The Administration should audit the results and try to replicate what works, particularly efforts to get people clean and back into the workforce.

And of course there's crime. Many addicts migrate to cheaper alternatives such as heroin or the powerful synthetic opioid fentanyl, which is smuggled from China and can kill people in tiny doses. Mr. Trump's plan to focus enforcement on the fentanyl trade is a good start.

In his remarks, President Trump spoke movingly of his brother Fred, who suffered from alcoholism. The takeaway from Thursday's announcement is that mitigating a problem as deep and complex as the opioid crisis will require an all-of-the-above approach.

The U.S. is rightly proud of itself as a center of innovation in so many areas that make life more enjoyable and productive. What's needed now is similar innovation in finding ways to ameliorate the awful pain and suffering of addicted Americans.

Puerto Rico's Backlog

Puerto Rico Governor Ricardo Rosselló met President Trump last week and said the island's post-hurricane emergency isn't over "by a long shot." He might have added that trade protectionism, enabled by the Trump Administration, is prolonging the misery.

Much-needed supplies pile up while the Jones Act delays delivery.

Ricky Castro is a food and beverage wholesaler and president of Puerto Rico's Chamber of Food Marketing, Industry and Distribution, known as MIDA, which boasts 200 members across the island. This month MIDA conducted an informal survey of 15 members and found there are roughly 1,400 containers of their provisions sitting in U.S. ports, waiting to be shipped to Puerto Rico.

Mr. Castro attributes the delay to the Jones Act, which mandates that U.S.-flagged, -built and -manned carriers conduct all shipping between U.S. ports. This means an oligopoly of three companies—Crowley Maritime Corp., TOTE Maritime and Trailer Bridge Inc.—conduct the vast majority of the protected trade between the mainland and the island, at inflated costs on aging ships. The ocean-going Jones Act fleet numbers a mere 99 vessels, compared to thousands available from foreign-flagged carriers.

Mr. Castro says the Federal Emergency Management Agency and carrier executives are meeting regularly with Puerto Rican importers and assuring them that the backlog will be resolved shortly. Maybe, or maybe not. The island was pounded by Hurricane Irma, and then devastated by Hurricane Maria. Some 75% of the population is still without power, and communications and transportation infrastructure are badly damaged.

Under these conditions, U.S. Presidents have waived the Jones Act to allow importers to hire foreign carriers to meet the demand for water, food, generators, construction supplies and other materials. President Trump did give Puerto Rico legislative relief—for 10 days. Eduardo Marxuach, president of Supermercados Econo, says it's "impossible" to book a foreign carrier in such a short time frame.

GOP Senator John McCain introduced legislation earlier this year to repeal the Jones Act, while other legislators are pushing to exempt Puerto Rico from the protectionist law, either permanently or for a few years. But without Congressional leadership and White House support, these measures won't go far. Meantime, Puerto Ricans are suffering while Washington protects private interests.

A Talcum Powder Tort Blowout

Plaintiff lawyers are hoping to make talc torts the next asbestos racket, but their dreams of mega-payoffs may have been shattered last week when a judge in California tossed a $417 million jury award against Johnson & Johnson.

A California judge tosses out a jury verdict based on little evidence.

The case was brought by a 63-year-old woman with advanced ovarian cancer who had used baby powder for more than 40 years. She claimed the talc caused her cancer and that J&J knew the product was carcinogenic but failed to warn consumers. A Los Angeles jury in August awarded the plaintiff $70 million in compensatory and $347 million in punitive damages.

Johnson & Johnson appealed the verdict and requested a new trial, which California superior court judge Maren Nelson granted after ripping apart the plaintiff lawyers' arguments and evidence.

For instance, trial lawyers tried to foist liability on Johnson & Johnson even though its subsidiary JJCI had manufactured baby powder after 1967. The judge noted that "the law is well established that ordinarily a holding company cannot be held liable for the acts of its wholly owned subsidiary" absent evidence that the consumer unit was an agent of the company, which the lawyers did not show.

The judge also deemed the plaintiff's evidence lacking. No causal link has been established between talc and ovarian cancer, as even one plaintiff expert testified. Lawyers sought support from an epidemiologist, but the judge noted that the "expert did not properly employ the methodology she espoused."

While the plaintiff attorneys then sought "to argue that epidemiological studies are not required to establish causation," the judge determined this is "not persuasive given [the studies] were utilized for such a purpose." The judge also dismissed the plaintiff's unscientific contention that the condom industry's discontinuation of talc after 1994 demonstrated its carcinogenic risk.

"The documents and testimony, granting all evidence in favor of [the plaintiff] do not support liability . . . much less support a finding of clear and convincing evidence that a punitive damage was appropriate," the judge concluded, adding that the "compensatory verdict is plainly excessive."

After the Los Angeles jury verdict, plaintiff attorneys had been anticipating a potential global settlement for talc claims that could be worth tens of billions of dollars. But they may get little or nothing if this is all the evidence they have.

LETTERS TO THE EDITOR

Classical Liberalism Isn't Neocon or Leftish

In "Is 'Classical Liberalism' Conservative?" (op-ed, Oct. 14) Yoram Hazony sees a parting of the ways between individuals who advocate for personal freedom, including economic freedom, and those whom he identifies as empiricists or nationalists who believe our society depends on traditional, Protestant religious beliefs and traditional family structure.

What Mr. Hazony fails to see or present is that the principles of liberty—not just the economic theories—espoused by Ludwig von Mises, Friedrich Hayek and Milton Friedman are based on respect for each individual on earth as well as on a vision of man's potential. The Anglo-American conservatism that Mr. Hazony describes isn't even in conflict with classical liberalism unless demagogues choose to portray it this way.

No one will deny that American leaders grossly underestimated and misunderstood how hard it would be to import our political or economic structures to the Middle East. Surely free societies must be helped to evolve where possible, rather than our thinking that removing one dictator will transform a society. A classical liberal is more likely to understand this and study it empirically than a person who is conservative and isolationist for nationalistic reasons.

Rather than seeing those who believe in liberty and free markets as an opposing force to the people who love their country and their families, we should find ways to educate Americans, at least so they understand our system of voting and the checks and balances that allow our citizens to have a voice. We all need to understand the basic principles of economics and the meaningfulness of a lifetime of constructive work.

ANNA HOLLOWAY, PH.D.
Fort Valley, Ga.

As our founders believed, America could have a beneficial impact on world affairs only by defending itself and by being a shining example of what a truly free country looks like.

HENRY YOUNG
Andover, Mass.

Conservatism has always had competing trends within it, and those definitions and associations have changed dramatically over time. The Whig philosophy that is now Anglo-American standard conservatism was once violently opposed by the "conservative" Tories of their day.

I think the author makes the same mistake with von Mises and Hayek. They were writing at a time when democracy and capitalism were under assault; their ideas were focused on defending liberal ideas against totalitarianism. "The Road to Serfdom" is an example. Hayek's "bottom up" approach is why he opposed government interference so vigorously because he thought it distorted decision-making in the market. He also opposed the dogma of laissez-faire.

Mr. Hazony is right that classical liberalism has lost its way but not because it is a top-down, rationalist philosophy. Rather, it became so enamored with its own dogma that it failed to dedicate itself to examining the evidence through experience, experiment and testing.

The nation state emerged from the Treaty of Westphalia (1648), which had nothing to do with Protestantism. Silicon Valley, has little respect for "traditional Protestant institutions." Japan progressed from a Third World feudal backwater as a Shinto/Buddhist country, destroying the thesis of the necessity of traditional Protestant institutions.

The rise of nationalism is another dogma-based "ism" replacing ideological divisions with cultural division. This new nationalism hasn't demonstrated it can solve any problem, let alone run the government more effectively. Laissez-faire trade hasn't worked, but neither has protectionism. Nationalism offers lots of cultural fodder but has no vision of how things can work better or how we can make decisions more effectively.

Mr. Hazony's nationalism is another framework with no error-correcting mechanism and is an us-versus-them dynamic that always leads to division and dysfunction.

RICHARD L. WISE
Salem, Mass.

Hayek, Ayn Rand, Friedman, etc., don't place the nation, the family or the church outside the scope of politics and government. They simply chose to leave families and churches alone and advocate that the "nation" (for example, the federal government) get out of the way of the real business of America: raising families, going (or not going) to church and conducting business without interference from Washington. It simply isn't the government's job to regulate church, family or business.

That antistatist doctrine is utterly American and recognizes that a flourishing nation, family and church need less taxes, war, etc., and more liberty and freedom.

MATTHEW WATERS
Students For Liberty
Arlington, Va.

What Have Trump's Tweets Really Achieved?

Scott Adams's "The Power of the Presidential Tweet" (op-ed, Oct. 23) quickly reveals the value-free nature of his boundless adulation for President Trump by what it doesn't say. There is no mention of the word "truth." There is a single use of the word "true," but only in the context of whether one can "imagine" a world in which Jemele Hill is "bad" for ESPN. We are merely treated to the admiration of a "trained hypnotist and a lifelong student of persuasion" for the president's ability to get people to "think past the sale." Exactly what they are thinking about past the sale is apparently irrelevant. I fail to see how this analysis helps us to arrive at any useful conclusion.

MICHAEL F. KERR
Santa Monica, Calif.

Missing from Scott Adams's ode to President Trump's persuasiveness is any evidence that Mr. Trump has yet to actually persuade anyone. Despite 1,000-plus tweets since the election, the president's approval rating hovers below, not above, his election margin. His self-proclaimed policy accomplishments stem mostly from persuasion-free party-line votes or executive orders.

That his base chuckles at his troll-like Twitter stream is undeniable. I fail to see how that counts as persuasion or humor. By comparison, Ronald Reagan's deeply held and thoughtfully articulated "city upon a hill" conservatism really did win hearts, minds and eventually 49 states. Mr. Trump's tweet-fueled populism will be lucky to count even one net new adherent by the end of his term.

RAY PRISAMENT
Briarcliff Manor, N.Y.

Pity Poor Elvira Madigan, But There is Hope in Love

Peter Cowie's Ernest Hemingway quote misses the mark at the end of an excellent retrospective review of "Elvira Madigan" ("Intimate Bliss That Flirts With Taboos," Masterpiece, Oct. 14) with: "If two people love each other, there can be no happy end to it."

Such gloom may serve the purpose of the artist searching for publishable drama, but a more accessible formulation for the rest of us might be: "If two people love each other, every awakening, every morning is the start of it."

STEPHEN N. MILLER
Encinitas, Calif.

A Prosperous Job Market Gives Workers Better Choice

As William McGurn points out in "The Morality of Charles Koch" (Main Street, Oct. 3), competition and free trade in the job market allow the individual worker his or her greatest weapon, which is the ability to leave and go to another job. The most effective employers understand that their employees' talents aren't a static good purchased at a single price in perpetuity. Talent becomes more valuable or deteriorates, and successful organizations assess and adjust talent faster than their competition.

JACKIE DORMIRE
Lewisville, Texas

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Pepper ... And Salt

THE WALL STREET JOURNAL

"We're looking for someone with experience doing everyone else's job for them."

Let's Agree: Racial Affirmative Action Failed

By John Katzman
And Steve Cohen

We disagree in principle about affirmative action. One of us, a frequent fundraiser for Democratic candidates, believes that it's better for colleges to have a diverse student body that more faithfully reflects the nation; and that we need to counterbalance the impact of poverty on education and opportunity, which often means giving special consideration to minority students. The other, a former Reagan staffer, believes consideration of race is intrinsically unfair and hinders race relations.

And college admissions offices should reveal the true secret sauce (not test scores) for getting in.

But we agree that race-based affirmative action hasn't worked. Because of how it has played out in practical terms, it's time for colleges to shift the policy from being based on race to income.

Affirmative action's original intent was to incorporate more minority students, specifically blacks and Hispanics, into elite universities. But blacks and Hispanics have actually lost ground in the admissions race over the past 25 years, as recently reported by the New York Times. And while the original policy was intended to help minorities, Asian-American students feel they are taking the biggest hit. As a result, many have filed lawsuits against Ivy League schools such as Harvard, claiming that to gain admission, Asian-American students, on average, have to score 140 points higher on the SAT than white students, 270 points higher than Hispanic students, and 450 points higher than African-American students.

In tandem with shifting the basis for affirmative action, colleges need to be clearer about what qualifies students for admission. Many people believe that selective college admissions is, or should be, purely based on academic success. But the work of admissions officers is more complicated than finding the highest test scores. It's more like casting a movie. They want to put together an incoming freshman class that has aspiring journalists for the school newspaper, great athletes for all the teams, debaters, musicians, actors, dancers, legacies, and development prospects.

Jack DeGioia, the president of Georgetown, told us that his school has to fill more than 140 separate "buckets," reflecting the diversity of interests and backgrounds that will create a vibrant community. Of 19,500 Georgetown applicants last year, about half were academically qualified—that is, they scored over the threshold of test scores and grades to put them into the qualified pool to fill those buckets.

Standardized tests help admissions officers narrow their pools; they are still the most often used yardstick colleges have to compare applicants. But those tests are also

GETTY IMAGES

very responsive to focused preparation. A new survey commissioned by Noodle found that Asian-American families spent more than twice as much money on test prep as any other group. This explains in part why Asian-American kids do so well on the exams. It's not surprising that they are disappointed when their higher scores don't result in admission to elite schools.

But the counterintuitive admissions secret—based on hundreds of interviews we've conducted with college admissions directors, deans and presidents over 25 years—is that an additional 10 or 20 points on the SAT above the (secret) threshold doesn't improve one's chances of getting in. That's because admissions officers know that standardized tests are best at measuring how hard someone prepares for the test. They are less useful at predicting whether an applicant will be an academic star in college. Consequently, admissions officers place much more weight on the rigor of academic courses and teacher recommendations to help identify the most promising students.

The application essay is another tool for admissions officers, which they use to identify applicants who are generous, considerate and thoughtful—and to weed out those who obviously are not. Then they look for evidence of long-term commitments to extracurricular interests, volunteer activities and even after-school and summer jobs, to fill those buckets and leaven the college community.

One way schools could make admissions less "unfair" and a bit less stressful is to be more transparent about their scoring rubrics—the combination of GPA, SAT and course selection that get an applicant into the "possible" pile. Colleges could say: "To be a serious candidate for admission, you need a 3.2 GPA and 1200 SAT scores. Of course, if you are a potential All-American athlete, an all-state flutist, or have a family income under $35,000, we'll probably make allowances. But importantly, once you've met that threshold, we really do not care if your grades or SAT scores are higher. At that stage, we're looking for interesting, nice kids with a passion."

In the 2003 pivotal decision in *Grutter v. Bollinger*, Justice Sandra Day O'Connor wrote that colleges should not need race-conscious decision policies in 25 years; that was 14 years ago.

Now is the time to make the switch from a "minority" bucket to a "grit" bucket—for applicants of any race who've risen above economic adversity—and to be transparent about this change. Whether on the left or right, fair people cannot begrudge a boost in the admissions process for a young person who overcomes poverty and inferior local schools.

Rather than continue to pretend that college admissions is one giant academic meritocracy, let's be more candid about the complex and idiosyncratic needs of each school. Let's explicitly reward students who have overcome disadvantaged financial beginnings, but not give one race an advantage over another. This is where we begin to create better outcomes and build a fairer, healthier system.

Mr. Katzman is CEO of Noodle and founder of the Princeton Review and 2U. Mr. Cohen is an attorney and a co-author of "Getting In! The Zinch Guide to College Admissions & Financial Aid in the Digital Age."

Don't Trust the Chinese to Make Microchips for the Military

By Dan Nidess

The recent disclosure that Moscow co-opted the popular Russian cybersecurity firm Kaspersky Lab to aid its espionage efforts has highlighted the danger of relying on companies from adversary countries for the security of sensitive government systems. While the federal bureaucracy and Congress now are acting decisively to end American dependence on Russian-made software products, America's national-security infrastructure has an even deeper vulnerability to address.

In 2014 McKinsey & Co. estimated that more than 50% of personal computers and between 30% and 40% of the world's embedded systems—such as automotive, commercial and medical electronics—contained Chinese-designed components. By pressuring Chinese manufacturers to source components domestically, Beijing stimulated a semiconductor industry that has rapidly developed expertise and expanded its reach. Beijing's strategy has also attracted U.S. manufacturers in ever-increasing numbers to relocate their development and production facilities. Companies are drawn to China's low manufacturing costs and its sizable market. But for America's armed forces, the results could one day be devastating.

"If I look out to 2025, and I look at the demographics and the economic situation, I think China probably poses the greatest threat to our nation," warned Gen. Joseph Dunford, chairman of the Joint Chiefs of Staff, in September. Central Intelligence Agency Director Mike Pompeo said essentially the same thing in July.

In 2011 microchips headed for U.S. Navy helicopters were found to carry defects that would have prevented them from firing missiles. Given that the chips came from China, there was a strong suspicion that the defect was the result of deliberate tampering. Sabotaging an adversary's military equipment has a long and colorful history, and it would fit squarely in China's strategy of asymmetrically undermining America's conventional military superiority.

After an investigation the Navy concluded the defect was an unintentional flaw. This only raised additional concerns about the quality of critical electronics produced in China. Counterfeit Chinese chips have become a rampant problem affecting America's military, the intelligence community and the Missile Defense Agency. Long and obscure supply chains make it almost impossible to verify the reliability and source for weapons-grade microchips.

Congress should require defense manufacturers to buy vital electronics from American producers.

The Defense Department is experimenting with different ways to detect fakes entering the supply chain and has pursued legal action against traffickers. Such efforts, while welcome, are insufficient. Even if the Defense Advanced Research Projects Agency succeeds at reducing counterfeits, the U.S. will still be vulnerable to defects deliberately embedded by legitimate Chinese suppliers. The possibility that China will simply cut off access to the integrated circuits the on which the military relies remains a risk as well.

Maintaining a domestic chip-manufacturing industry is critical to American national security. It will also stimulate the economy and bring high-quality tech manufacturing jobs back to the U.S. Market forces alone won't achieve this. If it is cheaper to acquire parts abroad, that's what defense firms will do absent other incentives.

Congress should pass legislation requiring defense manufacturers to source all electronic components domestically or from approved allies. Although such legislation would run counter to the principles of free-market capitalism, there is significant precedent for interfering in the market to safeguard vital security interests. The Committee on Foreign Investment in the U.S. reviews foreign acquisitions of American companies for this reason.

Republicans and Democrats alike are starting to acknowledge the critical nature of the semiconductor industry. Presidents Obama and Trump blocked the acquisition of chip manufacturers by Chinese investors. But blocking acquisitions of domestic companies won't be enough if those same companies continue to depend on China for component parts. It also won't prevent U.S. manufacturers from actively moving their manufacturing plants to China. In addition to bolstering security, requiring the defense industry to source chips wholly produced by the U.S. and its allies would give manufacturers an incentive to keep their facilities in the U.S. This would not only provide jobs in the short term, it would help ensure a competitive domestic semiconductor design and manufacturing capability in nonmilitary applications as well.

While overhauling the supply chain will be an expensive and gradual process, it is an essential one. With Beijing now pursuing an active role in what had previously been a relatively independent Chinese tech industry, the threat of compromised microchips in America's military supply chain is only increasing. The opportunity to exploit such vulnerabilities and sabotage the U.S.—during peacetime or war—will be too great to pass up.

Depending on China for critical military components is as reckless as depending on Russia for cybersecurity. The U.S. military would not rely on either country to produce its fighter planes or warships. It should stop depending on them for the components that make those weapons function.

Mr. Nidess, a former Marine, is a writer in San Francisco.

Regulators Can Help American Workers Get the Credit They Deserve

By William M. Isaac
And Ken Rees

This month the Consumer Financial Protection Bureau issued new rules likely to curtail payday and title loans. On the same day, the Office of the Comptroller of the Currency removed its ban on short-term subprime lending by banks. Now some banks are sorting through ways to help meet demand for these loans.

These changes come amid turbulent times for millions of Americans. Average savings have dropped to less than 5% of income today from around 13% in the 1970s, according to the U.S. Bureau of Economic Analysis. A 2016 Federal Reserve report estimates nearly half of Americans would not be able to muster $400 for an emergency. Making matters worse, according to the Brookings Institution, income volatility has risen 30% since 1971. Access to credit has become an essential tool for millions of people dealing with unexpected expenses and income shortfalls.

Banks have also undergone dramatic changes. Automated credit scoring systems have replaced local loan officers, who once made credit decisions based on bank statements, income assessments, community connections and character. These technologies penalize those without pristine credit histories. Regulatory pressures have made the situation worse, forcing banks to curtail lending to the people most in need of it while battling for the relatively small pool of affluent customers.

To regain the trust and business of working-class Americans, bankers and their regulators must encourage innovations that help the underserved. With new leadership coming to the federal banking agencies, we offer five important insights:

• *America is a nonprime nation.* An astounding two-thirds of Americans have a nonprime credit score (below 700) or no score at all, according to the Corporation for Enterprise Development and FICO. Due to high credit-score requirements, some 160 million Americans find it difficult or impossible to access traditional bank credit. The way for banks to grow and better serve their communities is to figure out how to lend again, safely and profitably, to a much broader range of customers. Banks need a new generation of nonprime credit products.

• *Nonprime customer needs differ greatly from prime customers.* Traditional bank credit products haven't really changed much in recent decades. Banks assume a customer is willing to come to a branch, fill out an application, provide paperwork, and then wait for a decision.

Nonprime customers' need for credit is far more urgent. The top five reasons for selecting a lender are "Solve Financial Need," "Fast and Easy," "Money Quick," "No Hidden Fees" and "Few Documents," according to the Center for the New Middle Class. "Lowest APR" was listed as a top three reason by less than 1 out of 5 non-prime customers.

Nonprime lending isn't as risky as it's made out to be, and fintech firms can help traditional banks.

It is not enough to provide credit for consumers' immediate needs. Banks need to be fully committed to improving the financial wellness of their customers through credit building and personal-finance training.

• *Traditional underwriting approaches don't work.* Although FICO scores do a good job of identifying the overall riskiness of customers within different bands of credit scores, they are only minimally predictive for underwriting nonprime consumers. Prime lenders look for customers with pristine credit and typically turn down anyone with a limited credit history or derogatory credit information.

Lending to nonprime customers requires new, targeted credit scores built around specific types of consumers, often using alternative data sources and machine learning techniques. Regulators should support technology-based innovation in underwriting.

• *Nonprime lending can be less risky than prime lending.* The real risk in consumer lending stems from changes in the economic environment. Perhaps surprisingly, this is where nonprime lending is actually less volatile. During the Great Recession, charge-off rates for personal loans to prime credit customers increased by a higher percentage than nonprime loans, according to data from the credit reporting firm TransUnion. Changes in the broader business cycle influence prime customers more than nonprime customers, who are used to dealing with financial pressures.

• *Fintech innovators are not the enemy.* Most banks outsource the technology used in branch systems and for support of their core products. Fintech innovators should be encouraged to work with banks, not compete against them.

Banks have funding and compliance advantages, and banks already have financial relationships with the majority of Americans. But most banks will have difficulty matching the agility and analytical savvy of the fintech industry. Regulators should be receptive to joint ventures between banks and technology firms.

An outdated regulatory environment, fueled by misperceptions about nonprime lending, has resulted in greater risks for banks and their customers. Loss of market share and profitable sources of income has weakened banks, and consumers are hurt by being driven to more expensive nonbank lenders. The incoming leadership at the federal banking agencies has an opportunity to help banks re-emerge as the lender of choice to tens of millions of working Americans.

Mr. Isaac, a financial consultant, was chairman of the Federal Deposit Insurance Corp. (1981-85) and of Fifth Third Bancorp (2010-14). Mr. Rees is CEO of the online lender Elevate.

Notable & Quotable

From the abstract of a paper in the scholarly journal Catalyst:

I argue that those of us who have left the Sciences proper and moved to feminist studies have continued to do science through our teaching. In a moment when the impulse to do real science is palpitating in our feminist hearts, I suggest that we critically examine the political stakes of our affective attachments and detachments from s/Science(s). I consider what it means to be attached to a Science that earned its epistemic authority through its co-constitution with colonization and slavery. . . . I offer critical science literacy as a practice that can directly challenge the epistemic authority of Science and be read as "doing science" or more broadly as "rewriting knowledge."

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DAI KUROKAWA/EPA/SHUTTERSTOCK; DAI KUROKAWA/EPA/SHUTTERSTOCK (BELOW)

Backers of opposition leader Raila Odinga peered around a corner at a police officer during a protest in Nairobi's Kibera slum on Thursday.

Violence Mars Kenya Vote

Opposition boycott of presidential election rerun sparks clashes that leave three dead

BY MATINA STEVIS-GRIDNEFF

An observer from the ruling Jubilee Party awaited voters at a polling station in Gatundu on Thursday.

NAIROBI, Kenya—A presidential election meant to end Kenya's democratic crisis instead pushed the country further into polarization as an opposition boycott damped voting and sparked clashes that left three people dead.

Polling stations didn't open in parts of the country, forcing the electoral body to repeat the vote on Saturday in four counties, all opposition strongholds.

Three people were killed in street fights with police in opposition strongholds, one in Nairobi's Mathare slum and two in western Kenya.

Thursday's vote went ahead after a series of dramatic twists over the past few weeks in a monthslong political saga that has thrown one of Africa's most promising economies and democracies into crisis.

President Uhuru Kenyatta, whose re-election in an August vote was annulled by the Supreme Court in September, rallied supporters ahead of Thursday's new vote, saying Kenya would emerge from this test stronger.

Raila Odinga, his veteran nemesis who withdrew from the election this month, urged his supporters to boycott the vote, claiming the government planned to rig the poll.

In the capital's Mathare slum, polling stations were guarded by heavy security and youths threw rocks and glass bottles. Inside, dozens of electoral officials played games on their smartphones or slept wrapped in blankets.

At one station with 670 registered voters, only five had turned out to vote in late afternoon, an electoral official said.

Wilfred Muniau Muli was one of them. The 31-year-old defied the opposition call for a boycott to cast his ballot, his finger inked to show he had voted in what has traditionally been a proud display on Election Day.

Thursday's vote went ahead after a series of dramatic twists in the past few weeks.

As he left the station to go home, a group of young men he said he didn't know approached him.

"They took my arm and saw my finger," he said through his lips swollen from the beating he said they gave him, eyes hardly open, drops of blood on his torn shirt and trousers. "They took my shoes, my jacket, my ID. I wanted to vote; it is my right."

By contrast, the mood was upbeat and polling stations were reporting a 50% turnout by midday in Mr. Kenyatta's home county, Kiambu, some 9 miles outside Nairobi.

Families dressed in their Sunday best formed orderly queues and chatted in the garden of a polling station there after casting ballots.

"Everything will be OK after the elections," said 55-year-old Grace Wanjiku, a chicken farmer who sported nail polish in the black, red and green colors of the Kenyan flag.

But, she said, the prolonged electoral crisis was bad for business. "We have been in meetings and protests for too long. We want to move on and do our work," she added.

Kenyans voted for a new president on Aug. 8, but the Supreme Court annulled the result in September because of widespread irregularities.

Tensions escalated last week when the chief of Kenya's electoral commission said he wasn't able to deliver a credible election amid alleged meddling from candidates and threats of violence, after a top electoral official resigned and said she feared for her life.

On Wednesday, the Supreme Court was due to decide whether the vote should be postponed, but said it lacked a quorum to make a judgment.

The electoral gyrations have deepened a rift between the two parties, making attempts to unify the East African nation that much tougher.

"Today is the manifestation that there are so many problems you can't overcome in such a compressed timetable, and with two leaders who weren't willing to compromise," said Nic Cheeseman, an African democracy expert at Bristol University in the U.K. "The biggest issue with this election is, whatever happens, almost everybody is diminished," he added.

U.S. Takes Steps To Implement Russia Sanctions

BY FELICIA SCHWARTZ

WASHINGTON—The Trump administration on Thursday took initial steps toward imposing sanctions targeting Moscow under a new U.S. law by sending Congress a list of entities linked to the defense and intelligence arms of the Russian government.

The move is behind schedule, missing an Oct. 1 deadline set in the U.S. legislation, which President Donald Trump signed over the summer. Republican and Democratic lawmakers had criticized the administration for the lag. The administration said the State Department needed extra time to make the assessments required by the law.

The list will guide sanctions actions that the administration must begin to take on Jan. 29, 2018, a State Department official said. By that date, the administration must start sanctioning people or entities who knowingly engage in certain transactions with the entities named on the list.

The list, viewed by The Wall Street Journal, names more than 30 companies as associated with Russia's defense sector and several entities as linked to Russia's intelligence sector.

The State Department hasn't yet publicly released the list but said it would do so soon. Notable on the list reviewed by the Journal are **Kalashnikov Concern**, which makes assault weapons; **Rosoboronexport** JSC, Russia's largest arms-exporting company; and **Russian Aircraft Corporation MiG**. None immediately responded to a request for comment.

Deputy Secretary of State John Sullivan called Sen. Bob Corker (R., Tenn.), the chairman of the Senate Foreign Relations Committee on Thursday afternoon to update him on the implementation of the law and notify him of the transmission of the list, the State Department said.

The information sent to Congress also includes guidance about what kinds of transactions might draw sanctions under the bill. According to the memo, the State Department at first intends to focus "on significant transactions of a defense or intelligence nature" with those named on the list. Not all transactions with the named firms would necessarily be subject to sanctions, the administration memo said.

In a statement, Sens. John McCain (R., Ariz.) and Ben Cardin (D., Md.) said they would watch closely how the administration defines a "significant transaction."

"The guidance allows for notable discretion in this regard as cases arise. We will conduct focused oversight on this issue," they said.

A State Department official said the U.S. would work with allies and partners to help them identify and avoid engaging in potentially sanctionable activity.

"The administration is working with foreign partners and U.S. business stakeholders to clearly identify the scope of transactions that will be scrutinized and will continue to issue guidance to on the implementation of the act," the official said.

Iraq Moves on ISIS And Kurdish Fighters

BY ISABEL COLES AND ALI NABHAN

ERBIL, Iraq—Iraqi forces launched an offensive to rout Islamic State from its final stronghold in the country, while advancing against Kurdish fighters on a separate front.

Iraqi Prime Minister Haider al-Abadi announced the start of the operation to recapture the town of al-Qaim on Iraq's western border with Syria. Meanwhile, Kurdish Peshmerga fighters in northern Iraq said they were under attack by Iraqi government forces using heavy artillery as the government escalates its conflict with its former allies in the war against Islamic State.

Iraqi military spokesmen couldn't be reached to comment.

Leaflets dropped by the Iraqi air force on al-Qaim and the nearby town of Rawa overnight said the forces would "liberate" Anbar province towns as they did Mosul, Iraq's second-largest city, following a monthslong battle.

Iraqi forces moved against the Peshmerga earlier in October after the Kurds, who run their own semiautonomous region, held a Sept. 25 referendum on independence. The Kurds conducted the vote not only in their own region but also in disputed territories they effectively annexed during the war against Islamic State—angering the central government in Baghdad.

Baghdad deployed troops to recapture the disputed areas, dislodging Kurdish fighters from a vast swath of territory, including the oil-rich city of Kirkuk.

The Kurdistan Regional Government made its first major concession Wednesday, offering to suspend the results of the referendum in a bid to open dialogue with Baghdad and avoid losing more ground.

Jordan Sees Opportunity as Syria, Iraq Wars Wind Down

MIDDLE EAST CROSSROADS

By Yaroslav Trofimov

AMMAN, Jordan—Squeezed by the wars in neighboring Syria and Iraq, Jordan has survived the regional mayhem—and is starting to look at the future with guarded optimism now that both conflicts show signs of winding down.

Few countries will be as affected as Jordan by the Syrian war's endgame. Some 1.3 million Syrians live in a kingdom of 10 million people, and many could return if the fighting ceases. Islamic State's rise in Iraq, meanwhile, had cut off Jordan's once-lucrative trade with Baghdad.

"Iraq was our major trading partner and we lost that. Syria was the path to our exports to Europe and we lost that," Jordan's Foreign Minister Ayman Safadi said in an interview. "So, yes, we are in a very tight economic condition."

There are signs that this isolation may be ending, however. If borders reopen, Jordan—a key U.S. ally in the region—hopes to benefit from the massive reconstruction effort that the international community is likely to fund, particularly in Syria.

Jordan needs an economic jolt: Growth this year is projected at merely 2.3%, and the country is implementing an unpopular International Monetary Fund austerity program that involves raising income-tax rates.

Iraq's recent victories against Islamic State in western Anbar province have already allowed the resumption of trade through the only border post between the two nations. Jordan and Iraq reopened the crossing, which was closed since 2015, in August.

For now, that route remains dangerous and the trade flow there is just a fraction of what it was in its heyday. Still, Iraq's Prime Minister Haider al-Abadi, who visited Amman this week, is eager to boost economic cooperation—including plans to build a pipeline that would allow the export of Iraqi oil through Jordan's Red Sea port of Aqaba.

There are also negotiations under way involving the Syrian regime, Sunni Syrian rebels and Jordan to reopen the Nasib border crossing with Syria. If it happens—and officials say it's unlikely to occur in the immediate future—Jordan could once again become a land route for trade with Syria and Lebanon.

To benefit from such an opening, Jordan is cautiously seeking to improve ties with Damascus. That is delicate, as Jordan also doesn't want to upset its traditional backers such as Saudi Arabia and other Gulf monarchies that are focused on a confrontation with Iran.

Unlike the U.S., Saudi Arabia or Turkey, Jordan has maintained diplomatic relations with the Syrian regime and even allows direct flights between Amman and Damascus.

MOHAMAD ABAZEED/AGENCE FRANCE-PRESSE/GETTY IMAGES

Rebel forces stood guard in October on the Syrian side of the border with Jordan. Some 1.3 million Syrians live in Jordan.

So now, as President Bashar al-Assad's regime is consolidating its authority over most of Syria—thanks to Russian and Iranian help—Jordan views the development more as an opportunity than a threat.

The regime's survival under Russian patronage, after all, is seen in Amman as a much better outcome than a fragmented Syria that descends into Libyan-style chaos.

"Strategically speaking, the battle is over and the talk about the downfall of the Syrian regime is history now," said Zaid Nawaiseh, a political commentator in Amman. "Now, it is in our interest to see a stable and secular regime in Damascus. The alternative would have been the rise of political Islam—and in the jihadi mind-set, Jordan is just the launchpad to liberate Palestine."

Syrian rebels recognize this shift. "As far as Jordan is concerned, what matters to it most is to have its borders secure and so it will end up siding with whoever is in control," said Tlass Salameh, commander of one of the Sunni Arab Syrian rebel groups operating on the Jordanian border, the Lions of the East.

Cooperating closely with Russia and the U.S., Jordan has already helped negotiate cease-fire agreements between the rebels and the regime in southern Syria.

"This cease-fire is the first step toward building a de-escalation zone," said Mr. Safadi, the foreign minister. "This would bring back some sense of normalcy in the area, create some opportunities for people to work, and will be a step to what we hope will be a process to produce a cease-fire across the board in Syria."

TECHNOLOGY: TWITTER SHUNS RUSSIAN MEDIA ADS B4

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GE Looks to Shed Train Business

Locomotive building may not survive CEO's plan to cut more than $20 billion in assets

By Thomas Gryta And Dana Cimilluca

General Electric Co. is looking to exit from the railroad business, one of its oldest, as new Chief Executive John Flannery seeks to streamline the conglomerate.

The Boston-based company is exploring options for the GE Transportation division, according to people familiar with the matter, as a major part of Mr. Flannery's plans to shed more than $20 billion worth of assets in the next two years.

The company, the people said, is looking to partner, spin off or possibly sell the operations, which primarily produce diesel-powered locomotives and railroad equipment. An outright sale could trigger a big tax hit since GE has owned the business for a century and it is valued so low on its books, one person said.

$4.7B

Revenue of General Electric's transportation division last year

Although GE is one of the world's biggest makers of freight locomotives, the business is cyclical and has been suffering lately from slack demand. In the first nine months of 2017, the unit's revenue slipped 8% and profit fell 15%. The division accounted for $4.7 billion of GE's total revenue of $123.7 billion last year.

It isn't clear what the transportation business may be worth or what other units GE is looking to jettison. The down cycle for the rail industry is a key factor in determining the best way to get out of it, the people said. A GE spokeswoman declined to comment.

GE is also seeking a buyer for part or all of its health-care information-technology business, known as Centricity, people familiar with the matter said. It is unclear how much the unit is worth, but it could be in the billions of dollars.

The company has many strong divisions, Mr. Flannery said on a conference call, but also "a number of other businesses which drain investment and management resources without the prospects for a substantial reward."

GE's diesel locomotives are primarily assembled in Fort Worth, Texas, and western Pennsylvania. The division had about 10,000 employees at the start of the year, 2,000 fewer than the prior year. In July, GE said it would stop locomotive production at a plant in Erie, Pa., and shift the work to Fort Worth.

The division was until recently led by Jamie Miller, who will become GE's chief financial officer on Nov. 1. Rafael Santana, chief executive of GE Latin America, was named to take over the unit. In addition to locomotives, the division produces mining equipment and marine motors.

GE mainly produces freight locomotives, which sell for millions of dollars apiece. It eclipsed rival Electro-Motive Diesel, now a unit of Caterpillar Inc., as the biggest seller of diesel locomotives in the early 1990s. Rivals like Siemens AG, Alstom SA and Bombardier Inc. mostly compete in the passenger market.

GE's health-care IT business provides software and other tools for things like medical-records and image management as well as human-resource and payroll services. GE built up the business through a series of acquisitions, including its $1.2 billion purchase of IDX Systems Corp. in 2006.

Efforts to shed the businesses come as Mr. Flannery is less than three months into the job but facing pressure from activist Trian Fund Management and other investors to reduce costs as questions

Please see GE page B2

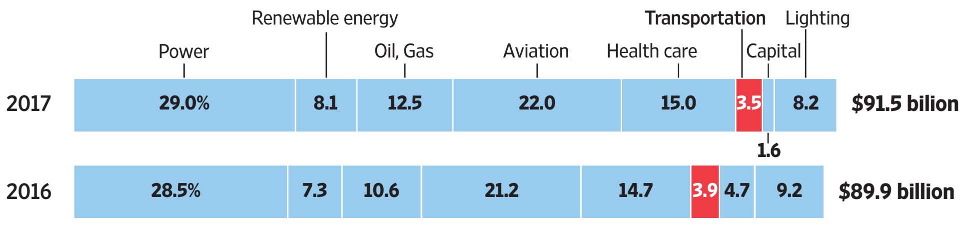
JACK HANRAHAN/ASSOCIATED PRESS

Workers assembled GE locomotives last year in Erie County, Pa. GE may now leave the business.

Switching Tracks

GE is looking to exit manufacturing railroad equipment, a relatively small business for the conglomerate.

GE operating segments, percentage of revenue for the first nine months



Source: The company Note: Oil/Gas revenue grew due to the combining of operations with Baker Hughes. THE WALL STREET JOURNAL.

China Sells Dollar Bonds at Yields Near Treasurys

By Manju Dala And Carolyn Cui

China sold $2 billion in bonds at record-low interest rates that were slightly above what the U.S. pays to borrow in the debt markets, a sign of investors' confidence in the financial health of the world's second-largest economy.

A surge of investor demand for the country's first U.S. dollar-denominated debt sale in 13 years enabled China to price its five-year bonds to yield 2.196%, or just 0.15 percentage point over comparable U.S. Treasury notes at the time of the pricing.

The country's 10-year bonds were priced to yield 2.687%, or 0.25 percentage point above Treasury yields. China received more than $22 billion in orders from investors and allocated a third of China's bonds to investors in Europe. The bulk went to Asian institutions, and some were purchased by investors in the Americas.

The bond sale, which followed this week's conclusion of China's twice-a-decade Communist Party congress, was carefully managed to achieve an outcome that would send a strong message about China to the global markets.

The $2 billion offering was small by the standards of the U.S. and other major sovereign-debt issuers. Coupled with China's long absence from the global capital markets, it created a scarcity value for the country's bonds. Many investors, led by Chinese institutions with dollars to invest outside the mainland, were eager to own the securities, and they helped push down yields, which move inversely to prices.

"Investors' view of China is at its strongest point" in years, said David Loevinger, managing director of Emerging Markets Sovereign Research at TCW Group, referring to what he called "super-tight spreads" on the new bonds.

With China's new leadership in place and U.S. President Donald Trump preparing to visit Beijing, "China wants to show that it is an equal power to the U.S.," Mr. Loevinger added.

China had said it has no significant need for external financing. The country runs a large trade surplus and has over $3 trillion in foreign-currency reserves, including a big stash of U.S. Treasurys.

The main goal of the bond

Please see BONDS page B10

SEC Hints Of Shift in Enforcing Civil Cases

By Dave Michaels

WASHINGTON—The Securities and Exchange Commission on Thursday signaled a pivot away from the prosecutorial approach to enforcement that the agency pursued after the financial crisis.

Steven Peikin, co-director of the SEC's enforcement division, indicated the regulator would drop the "broken windows" strategy of pursuing many cases including even the smallest legal violations, and may also pull back from trying to make some companies admit to wrongdoing as a condition of settling with the SEC.

Trump appointee Jay Clayton took over as SEC chairman earlier this year, naming Mr. Peikin to a top enforcement role.

The SEC in recent years piled up record numbers of enforcement cases and corporate penalties as it pursued both major Wall Street frauds and scores of picayune filing violations. A dogged sweep of areas where firms or individuals often fell short on compliance, but didn't merit civil fraud charges, helped push the number of cases ever higher.

Now, under the direction of Mr. Clayton, and with its budget essentially frozen, the SEC is cuing that "broken windows" won't continue.

"It may be the case that we have to be selective and bring a few cases to send a broader message rather than sweep the entire field," Mr. Peikin told a securities conference Thursday. He said the enforcement division, which had about 1,400 employees in 2016, might have 100 fewer investigators and supervisors by next September.

Mr. Peikin cast doubt on a signature element of the SEC's enforcement program in the past four years: admissions of wrongdoing. Under former Chairman Mary Jo White, an Obama appointee, the SEC sought admissions of fault by firms and individuals in select cases, rather than allowing defendants to resolve probes by paying penalties but neither admitting nor denying the allegations. "When I heard about the admissions policy, it didn't really knock me down," said Mr. Peikin, who was formerly a white-collar defense lawyer at Sullivan & Cromwell LLP.

Mr. Peikin said the SEC would still pursue tough enforcement, rooting out intentional wrongdoing that results in losses for investors. He signaled the SEC could still seek admissions of wrongdoing in certain cases, including those where a defendant admitted guilt in a related criminal case.

◆ Treasury calls for delaying, scaling back of rules........... B11

HEARD ON THE STREET | By Charley Grant

Drug Prices Drive CVS, Aetna

A deal between **CVS Health** and **Aetna** would be the most dramatic moment in a tumultuous year for the drug industry, which is under increased pressure to rein in costs.

Pharmacy benefits and drugstore giant CVS Health is in talks to buy the health insurer Aetna, The Wall Street Journal reported Thursday. CVS has offered more than $200 a share for Aetna, which is more than a 25% premium from Thursday's opening stock price.

A deal between the No. 1 drugstore chain and the No. 3 health insurer by revenue is less surprising than it might seem. CVS owns a large pharmacy-benefits manager, a business that was created to cut drug costs for payers, such as insurers. The steady march higher of drug costs has led insurers to buy or start their own PBMs. **UnitedHealth Group** bought Catamaran in 2015 to significantly bulk up its own PBM business, a deal that has paid off handsomely.

Last week, **Anthem** said it would start its own in-house PBM after its contract with **Express Scripts Holding** expires in two years. That decision was the culmination of a nasty legal fight in which Anthem claims that Express Scripts overcharged it for drugs by billions of dollars over several years. CVS buying its own insurer would be a simple variation on that trend.

The whole drug industry is facing new pressures. Prices were falling for generic drugs even before regulators started to aggressively approve new offerings, and a series of big price increases on branded drugs sparked outrage among the public and in Washington.

The latest surprise came just hours before news of the CVS-Aetna deal when the St. Louis Post-Dispatch reported that **Amazon.com** has obtained wholesale pharmacy licenses in at least a dozen states. Pharmacy and drug distributor stocks fell sharply.

Granted, CVS is taking a big risk with this offer. Swallowing a company like Aetna would put some stress on the CVS balance sheet, which had about $25 billion in net debt at the end of June, according to FactSet.

And Aetna shares closed more than 10% below the offer price Thursday, in a sign that investors have some reservations that this deal will close successfully.

Still, given the state of affairs in the drug business, the real risk for CVS shareholders might be standing pat.

INSIDE

FORD TRUCKS HAUL IN BUSINESS

AUTOS, B3

IPHONE 8 SALES DON'T RATE A 10

MOBILE, B4

More Join Billionaires Club, With Asia in Lead

By Brian Blackstone

ZURICH—The world's billionaires are richer, older and more sports-obsessed than ever.

Asia's billionaires outnumbered those in the U.S. last year for the first time, driven by strong growth in China, according to a new report by Swiss banking giant UBS Group AG and global consulting and accounting firm PwC.

It was a banner year for the richest of the rich, with their total wealth up 17% in 2016 to $6 trillion after a slight decline in 2015, far exceeding the percentage increase in global equity markets and world economic growth.

The world's ultrawealthy, led by Asia, have increasingly gobbled up professional sports teams to invest some of their billions, as the soaring price of those franchises put them out of reach for mere megamillionaires.

The number of Asian billionaires increased by 117, or 23%, to 637 in 2016. In contrast, the ranks of U.S. billionaires rose by just 25, or 5%, to 563, according to the report. Europe's billionaire ranks were little changed at 342.

"Three-quarters of the newly minted billionaires are from [Asia's] two biggest economies—China and India," the report said, with China adding a net 67 billionaires to 318 and India's increasing by 16 to 100.

And in Asia, they are younger than most, with China's billionaires averaging 55 years old, more than a decade younger than their U.S. and Europe counterparts. Globally, the average billionaire is 63 years old, up three years from two decades ago.

Despite the U.S. falling from the top spot, it still has the most wealth concentrated among billionaires at $2.8 trillion

Please see WEALTH page B2

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

INDEX TO PEOPLE

GE

Continued from the prior page
swirl around GE's ability to generate enough cash to fund its $8 billion annual dividend.

Mr. Flannery has slashed 2017 financial projections, blasted the state of the company and assured investors he has identified the problems. He has promised to get rid of underperforming businesses and cut more than $3 billion in annual industrial spending by the end of 2018. He has made several executive changes and recently agreed to give Trian a seat on the board.

Slack demand has hurt the cyclical business of freight locomotives.

GE shares are down about 32% this year, erasing more than $93 billion in market value even as the stock market has surged to records.

The company plans to unveil its deeper financial plan and strategy at a Nov. 13 meeting. Shares in GE declined 18 cents to $21.32 on Thursday.

The transportation unit is one of seven major business lines at the roughly 295,000-person company. But the unit is far smaller in terms of revenue than GE's power, aviation, oil-and-gas and healthcare units. The only division with less revenue is the century-old GE Lighting, which the company is also looking to exit.

Should GE part with the transportation business, it would be the latest in a series of divestitures. Hit hard by the financial crisis and a slump in energy business, former Chief Executive Jeff Immelt moved to exit from media and financial businesses to focus on industrial machinery and services.

Last month, GE agreed to sell its industrial-solutions business to Switzerland's ABB Ltd. for $2.6 billion. The unit, which makes electrical equipment for utilities, was started around 130 years ago when Thomas Edison patented the first circuit breaker.

In March, GE struck a deal to sell its water business to France's Suez SA and one of Canada's largest pension funds for around $3.4 billion.

WEALTH

Continued from the prior page
lion. But that might not last, either. UBS estimated that the total wealth of billionaires in Asia could surpass that of the U.S. in four years.

The figures in the report were based on a database of more than 1,500 billionaires.

The report also identified a new haven among the world's billionaires: sports franchises, including soccer, baseball and basketball. "According to our analysis, more than 140 of the top sports clubs globally are owned by just 109 billionaires," the report said, with 60 coming from the U.S., 20 from Europe and 29 from Asia, which accounted for more than half of the sports-club purchases made by billionaires in the past two years.

"And owning a sports club is not for your fledgling billionaire—the average sports baron is 68 years old with a wealth of $5 billion," the report said.

Two-thirds of U.S. basketball and football franchises are owned by billionaires, as are just under half of U.S. Premier League soccer clubs.

"As the price tags on sports clubs appreciate, often it's only billionaires who have the financial firepower to buy them and make the necessary follow-on investments," the report said.

Asia's Rise

Asia's billionaire ranks topped the U.S. for the first time in 2016, as new entrants to the list far surpassed those that fell off it.

Source: UBS/PwC Billionaires report THE WALL STREET JOURNAL.

BUSINESS & FINANCE

Breaking Even Becomes Goal in Oil

By Sarah Kent

GEORGE OSODI/BLOOMBERG NEWS

Oil producer Chevron says it can break even at $50 a barrel. Workers on a vessel operated by Chevron.

The world's biggest oil companies have a suddenly popular measure for success: breaking even.

Once obscure and little noted, the break-even number has become an obsession for investors in oil giants such as **Exxon Mobil** Corp., **BP** PLC and **Chevron** Corp. as crude prices stay mired between $50 and $60 a barrel. At its simplest, the metric represents the oil price that a company needs to generate enough cash so it can cover its capital spending and dividends.

Brent crude settled at $59.30 a barrel Thursday, down from over $114 in June 2014.

BP says its break-even was $47 a barrel in the first half of the year, and the company is targeting between $35 and $40 a barrel by 2021, assuming prices stay about where they are today.

Overall, Europe's biggest oil companies have cut break-evens to around $50 a barrel, according to Barclays.

Exxon doesn't release a break-even number but has succeeded in covering its costs with cash from operations for the past three quarters, when international benchmark Brent crude averaged just over $51 a barrel, according to Barclays.

Investors focused on the healthy dividends that make oil-company stocks appealing say they will be watching for news about break-even prices as Exxon, Chevron and **Total** SA prepare to announce third-quarter earnings on Friday, and BP and **Royal Dutch Shell** PLC next week.

"It's a crucial thing we look at," said Rohan Murphy, energy analyst at Allianz Global Investors, which holds stocks in BP and other large oil companies. "If the oil price were $70, it wouldn't matter so much, but at the moment we're on a knife edge, so it matters more."

The industry's intense focus on the break-even represents a stark change from the era of rising oil prices, when the emphasis often was more on companies' ability to increase production rather than to generate cash.

BP's share price slumped 4% in February after the company said it needed oil to hit $60 a barrel to break even this year. Six months later, BP said spending cuts allowed the company to break even at $47 a barrel in the first half. The stock moved up 2%. The company has kept its dividend unchanged throughout the downturn.

At Total's investor day last month, the phrase "break even" came up around 30 times.

Big oil companies say they have made progress in cutting costs since 2014, when oil prices entered a long downturn. The companies say they can maintain those lower levels of spending, bring down their break-even costs further and begin again to expand operations—all without relying on an oil-price recovery.

"The break-even cost of oil and gas companies is going to the $40s and $30s today," BP Chief Executive Bob Dudley told the Oil & Money conference in London this month. "It's actually healthy. I think $100 a barrel was not healthy."

Investors, however, remain nervous about the viability of their dividends. While big oil companies are back in the black, many of them still aren't generating enough cash to cover the payouts, despite ambitious targets to lower break-even prices.

The methods companies use when disclosing their break-even prices often vary from company.

Chevron says it can break even this year at $50 a barrel—if revenue from its asset sales is included. Total says it will be able to break even at less than $30 a barrel in 2019, excluding dividend costs.

Total, Shell and other companies have used scrip programs that allow them to pay a portion of their dividend in company stock, which helps them bring down the oil price they need to cover spending. While effective, the tactic isn't sustainable in the long term without diluting investors' holdings.

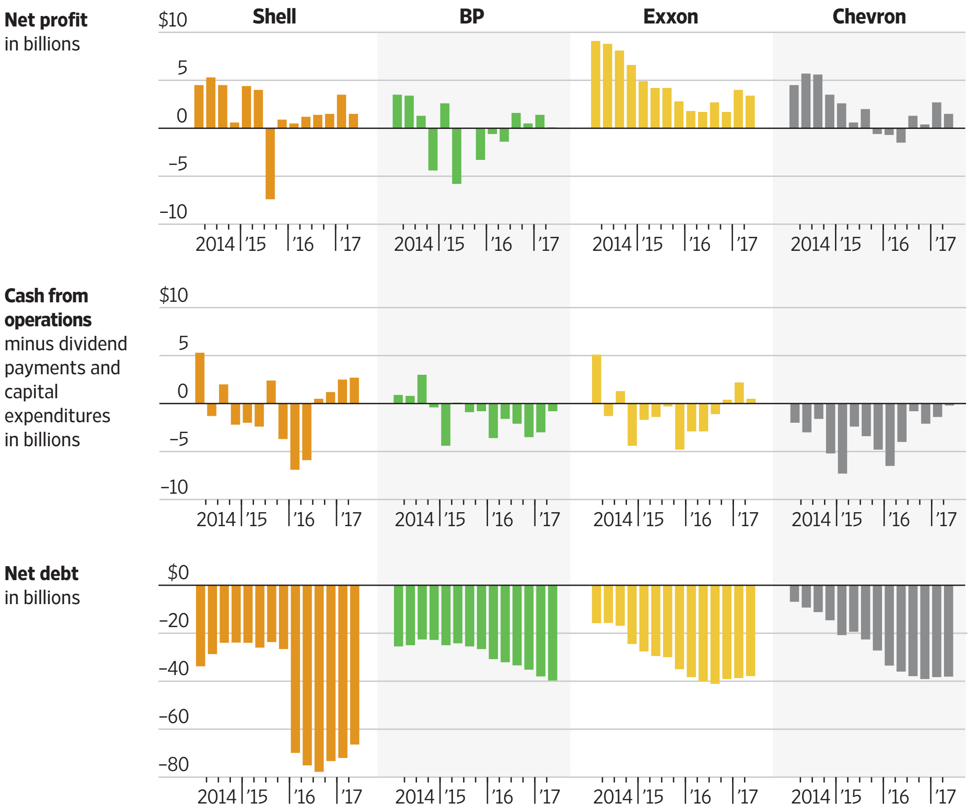
Companies also often refer to project-specific break-evens, another metric that has new currency since prices crashed. Shell has said it is looking at new projects that can be profitable even if oil is at less than $40 a barrel, but that doesn't reflect the overall price the company needs to cover spending and dividends.

U.S. shale-oil players have faced particular criticism from investors over how they define project break-evens, sometimes not accounting for all associated costs, such as the amount they pay to lease land. Most shale companies say their wells generate a 20% rate of return or higher, even at today's prices. Yet in the past three years, almost none has posted a positive quarterly net income.

—Lynn Cook contributed to this article.

Comeback Kids

Energy companies are turning a corner on profits and cash generation, while driving down debt loads.



Source: S&P Global Market Intelligence THE WALL STREET JOURNAL.

Debt Payments Loom Over Caracas

By Julie Wernau And Carolyn Cui

Global investors have been bracing for a Venezuelan default for years, but a period of reckoning could be coming with more than $2 billion in bond payments due over the next several days.

State-owned oil company **Petróleos de Venezuela** SA has $985 million in principal and interest due Friday, and another $1.2 billion due Nov. 2.

Venezuela has fallen behind on interest payments in recent months, though the sums are much higher now. PdVSA and Venezuela made use of a 30-day grace period for those late interest payments, but the bulk of the money due this time is for principal bond payments that aren't subject to a grace period.

That means failure to pay on time could enable investors to declare a default, according to bond documents. Analysts say a Venezuelan default could create one of the largest and most complicated debt restructurings in history.

Creditors include contractors with promissory notes, bondholders who were promised the assets of state-owned oil refiner **Citgo Holdings** Inc. in the event of a default, Russian oil producer **Rosneft** and dozens of creditors with international disputes related to nationalized assets, all of whom are expected to scramble for limited assets.

A default would also allow PdVSA bondholders to trigger cross-default provisions in nearly all the other PdVSA bonds, enabling them to push for full payment if holders of at least 25% of the debt vote to do so, according to bond documents. PdVSA has about $30 billion of debt outstanding that could be triggered by a default, according to **Seaport Global Securities** LLC, a brokerage that trades Venezuelan bonds.

Officials from Venezuela and PdVSA didn't respond to requests for comment. In the past, President Nicolás Maduro and other Venezuelan government officials have insisted that they will pay off their debts.

The government has continued to service its more than $140 billion in external debt, but Venezuela's bondholders are increasingly speculators who are betting that the country would continue to pay to prevent its oil assets from being seized by creditors.

They have been rewarded with some of the best returns in emerging markets. The Venezuela portion of a key emerging-market bond index, the J.P. Morgan EMBI Global Diversified, is up 57% from the beginning of 2015 through Thursday.

Venezuela became heavily indebted by borrowing in the early 2000s under the leadership of Hugo Chávez, the country's former president, who used the money to fund Socialist programs. The South American country is now in deep recession, suffering a shortage of imported food and medicine and is increasingly stretched for cash with prices for oil, its main export, still at half the level of three years ago.

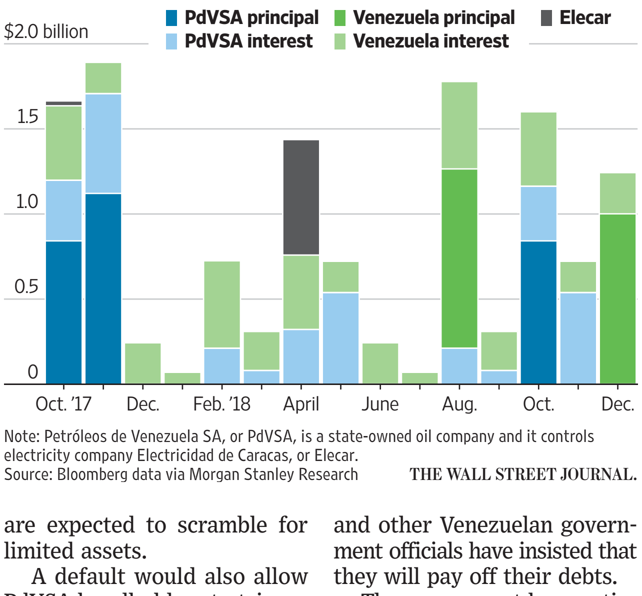
The country's reserves have dwindled to $9.9 billion, according to official data. But analysts say the vast majority isn't readily available, with much of it in gold that was pledged as collateral for loans.

"There's no way of knowing if they have the money on hand. Nobody knows how liquid their reserves are," said Jim Barrineau, Schroders co-head of emerging-market debt, one of several large bondholders who have left the market over the past several months. "You don't invest in Venezuela. You speculate and gamble in Venezuela."

Still, Morgan Stanley said in a note that it expects Venezuela will honor its payments. It pointed to money saved from pullbacks in imports of everything from refining products to food and medicine. Venezuelan creditors in China and Russia also have been patient when payments have been delayed.

Paying Up

Venezuelan bond payments, by month due



Note: Petróleos de Venezuela SA, or PdVSA, is a state-owned oil company and it controls electricity company Electricidad de Caracas, or Elecar.
Source: Bloomberg data via Morgan Stanley Research THE WALL STREET JOURNAL.

Executive Arrested In Probe Of Insys

By Joseph Walker

Billionaire pharmaceuticals entrepreneur John N. Kapoor was arrested by federal agents at his Phoenix home and charged with leading a nationwide criminal conspiracy to illegally distribute an addictive prescription painkiller—the highest ranking former executive of **Insys Therapeutics** Inc. to be charged in a long-running investigation.

Dr. Kapoor, who co-founded Insys and served as its chief executive until earlier this year, was charged by federal prosecutors with participating in an alleged conspiracy to bribe doctors to prescribe large amounts of the drug, Subsys, a mouth-spray version of the potent opioid painkiller fentanyl that is approved by the Food and Drug Administration to treat cancer-related pain. The conspiracy also allegedly involved defrauding health insurers by misleading them into paying for the drug.

Dr. Kapoor, 74 years old, resigned his operational duties at the company earlier this year but retains a seat on its board and owns two-thirds of its shares outstanding.

Dr. Kapoor retains a seat on the Insys board and owns two-thirds of its shares.

Dr. Kapoor pleaded not guilty to the charges in federal court in Phoenix on Thursday and was released on $1 million bail, his attorney, Brian Kelly, said in a telephone interview. As a condition of his release, Dr. Kapoor is restricted from traveling outside of Maricopa County, Ariz., and must wear an electronic monitoring bracelet, said Mr. Kelly, a defense attorney at Nixon Peabody LLP.

"These are serious charges, but he's not guilty of any of them and he intends to defend himself vigorously at trial," said Mr. Kelly, a former federal prosecutor in Boston who helped convict gangster James "Whitey" Bulger in 2013.

An Insys spokesman declined to comment.

The allegations against Dr. Kapoor were brought by the U.S. attorney's office in Boston, which in December arrested six former Insys executives and managers, including onetime Chief Executive Michael Babich, and charged them with participating in the alleged conspiracy. Dr. Kapoor was named as the seventh codefendant in that case in a superseding grand jury indictment unsealed Thursday.

Mr. Babich has pleaded not guilty to the charges, and his attorney said in January that "we look forward to our opportunity to establish his innocence in court." In July, Mr. Babich's wife and former Insys sales rep Natalie Levine pleaded guilty to conspiring to violate the antikickback statute during her time at the company. Insys has previously said "we continue to work with relevant authorities to resolve issues related to inappropriate actions taken by some of our former employees."

"Today's arrest and charges reflect our ongoing efforts to attack the opioid crisis from all angles," William Weinreb, acting U.S. attorney for the District of Massachusetts, said in prepared remarks.

Insys shares fell 23% to $5.74 Thursday, a three-year interday low.

Dr. Kapoor and the other former Insys employees are being prosecuted under the Racketeer Influenced and Corrupt Organizations Act, commonly referred to as RICO, a law passed in the 1970s to target the Mafia.

Dr. Kapoor was "the leader of the organization" and "deeply involved in the day-to-day operations of the company," Mr. Weinreb said in a telephone interview Thursday. "He personally directed other people to engage in criminal conduct."

Big Airlines Offset Rising Costs

American, Southwest maintain their prices, report better revenue, but stocks take a hit

By Susan Carey


JAMES LAWLER DUGGAN/REUTERS

An American Airlines counter at Dulles International Airport in Virginia. Both American and Southwest reported gains in a key metric.

American Airlines Group Inc. and **Southwest Airlines** Co. reassured airline investors worried about rising costs in the industry, as the two carriers on Thursday reported improved revenue in the latest quarter thanks to solid demand for both business and leisure travel.

Both carriers said they have been able to maintain prices, helping to offset rising costs for fuel, labor and other expenses.

Results were hit by a string of hurricanes during the quarter. American, the largest U.S. carrier by traffic, canceled 8,000 flights, denting pretax profit by $75 million. Southwest, the fourth-largest carrier, scrubbed 5,000 flights, shaving $100 million off revenue.

Still, both airlines reported gains in unit revenue—a key metric that measures how much it earns for each seat flown a mile.

American said unit revenue rose 1.1% in the third quarter compared with a year earlier, topping its forecast that the figure would be flat to up 1%. The carrier said unit revenue should grow by up to 4.5% in the fourth quarter.

Southwest said unit revenue slipped 0.5% in the third quarter but forecast it would rise 1.5% in the fourth quarter.

Shares of American were down 4.7% at $48.61 in 4 p.m. Nasdaq Stock Market trading Thursday, while Southwest was down 3.6% to $55.11 on the New York Stock Exchange.

Rising costs have slammed shares of several other airlines. **United Continental Holdings** Inc., the No. 3 carrier by traffic, suffered a 12% drop in its share price Oct. 19 in part because it said costs were expected to be near the high end of its earlier forecasts. Analysts questioned whether United was on track to meet targets.

Alaska Air Group Inc., long a steady hand at costs, is grappling with its integration with **Virgin America** Inc., and saw its stock drop 13% on concerns about costs after its third-quarter earnings report this week.

JetBlue Airways Corp. also faced tough analyst questions this week on its third-quarter results, mostly on whether it can achieve its goals for shaving costs and increasing revenue.

But American and Southwest dispelled such concerns in separate earnings calls on Thursday.

American, in particular, handily beat Wall Street expectations and raised the bar for the fourth quarter. It said its pretax-profit margin in the third quarter was 9.2% and was on track to come in between 4.5% and 6.5% in the fourth quarter, higher than most analysts had expected.

Southwest, which reported a solid operating-profit margin of 15.8%, delivered earnings in line with Wall Street's forecasts.

For the quarter, American reported net profit of $624 million, or $1.28 a share, compared with $737 million, or $1.40 a share, a year ago. Excluding one-time items, the company handily beat Wall Street consensus, with income of $692 million, or $1.42 a share.

American, based in Fort Worth, Texas, said revenue grew by 2.7% to $10.9 billion, in line with estimates.

The results come a day after Chief Executive Doug Parker responded to claims from the NAACP that his company disrespects and discriminates against African-American passengers. The civil-rights organization issued a travel advisory earlier this week about American, warning that it has seen a "pattern of disturbing incidents" in recent months.

Mr. Parker said in a note to employees that American prides itself on inclusion and is eager to meet the organization and listen to its concerns.

Southwest, meanwhile, reported a profit of $503 million, or 84 cents a share. That was up sharply from a year-ago net of $388 million, or 62 cents a share. Excluding one-time items, the result in the most recent period was $528 million, just shy of estimates, but earnings per share beat analysts' forecasts by a penny.

The Dallas-based carrier said revenue rose 2.6% to $5.3 billion, matching consensus estimates.

—Cara Lombardo contributed to this article.

Comcast's Cable-TV Subscribers Fall Sharply

By Austen Hufford

Comcast Corp. suffered its largest quarterly loss of cable-television subscribers in three years, underscoring the pressure on traditional TV players as new entrants heighten the competition for customers.

The cable company's results for the September quarter come as **AT&T** Inc. and **Charter Communications** Inc. also reported continued declines of pay-TV subscribers in their latest quarters.

Comcast lost 125,000 residential and business TV customers, a drop roughly four times higher than occurred in the second quarter. A year earlier, the company reported a gain of 32,000 customers. The company said hurricanes in the quarter cost it about 20,000 video subscribers.

But larger forces are at work as well. Traditional pay-TV providers are losing subscribers to new, more affordable online channel bundles as well as streaming services such as **Netflix** Inc.

Comcast also said it was monitoring more aggressive competition from traditional rivals, which are responding to the growth of the streaming players and making their own investments. AT&T has been expanding its own ultrafast fiber internet service.

Despite such concerns, Comcast on Thursday reported growth in its internet-access business. "Our broadband business is increasingly the epicenter of our relationship with customers," Comcast Chief Executive Brian Roberts said on a call with analysts.

Shares in Comcast closed down 1.5%.

Charter, whose shares fell 8.3%, shed 104,000 TV customers in its latest quarter, the company's sixth-consecutive quarterly decline. Still, it recorded 249,000 new internet subscribers.

On a call with analysts, Comcast said the shift from video to internet could lead to higher profit margins. Its stand-alone internet service is more expensive than as part of a bundle and costs the company less proportionally.

Comcast gained 214,000 internet customers in the quarter, down from the 330,000 gained a year earlier.

Total revenue per customer relationship increased 2.1%.

In all, net income rose to $2.65 billion, or 55 cents a share, from $2.24 billion, or 46 cents a share, a year earlier. On an adjusted basis, earnings per share came in at 52 cents.

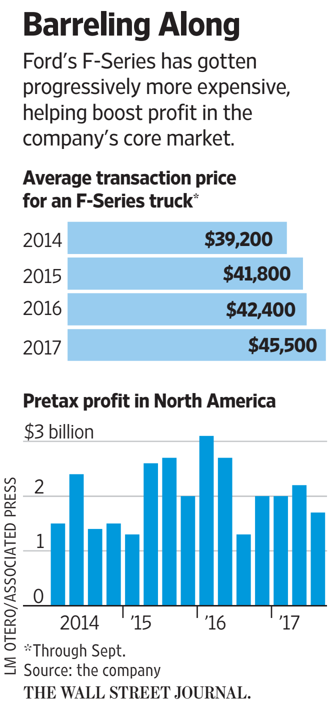
Revenue fell 1.6% to $20.98 billion, but adjusted revenue, excluding the impact of the Olympics, rose 5.8%.

Ford's Workhorse Trucks Haul In Solid Profit

By Mike Colias And John D. Stoll


LM OTERO/ASSOCIATED PRESS

The auto maker's redesigned Super Duty lineup of bulky work trucks has carried the bottom line.



Ford Motor Co. delivered a fresh reminder that—amid all the talk about driverless cars and electric vehicles—Detroit is a truck town.

The No. 2 U.S. auto maker on Thursday reported a 63% third-quarter profit increase, a positive sign following a summer marked by management reshuffling, a renewed cost-cutting drive and continued malaise for the share price. Those results were fueled by sales of F-series trucks, hulking vehicles that likely made up more than half of the $2 billion in operating profit Ford fetched over the period.

The average Ford pickup sold for $45,400 even with incentives factored in during the July through September period. That price firmly outpaces the $31,200 that J.D. Power estimates is the average transaction price on vehicles sold in the U.S., and it was also $2,800 higher than F-series prices during the same period a year ago.

General Motors Co., which reported earnings Tuesday, also saw truck pricing increases, raking in $43,220 per Chevy Silverado or GMC Sierra sold in the third quarter, or nearly $1,300 more than the same period a year ago.

Ford's results highlight a persistent reality for car executives eager to showcase investments in future technology. The billions of dollars being spent on autonomous-vehicle research and making more affordable electric cars wouldn't be available if it weren't for brisk truck sales.

The truck momentum has been sparked by the redesign of Ford's so-called Super Duty lineup, a series of bulky work trucks that can cost more than $100,000. The auto maker put a new version on sale last fall as U.S. buyers soured on bread-and-butter sedans and compact cars. It marked the first major redesign of the Super Duty in several years.

Ford also sells the F-150 truck for lighter-duty needs. The F-series has been the best-selling vehicle in America since 1977.

Competitors, convinced that low gasoline prices and favorable economic conditions will remain, are angling to cut in on Ford's truck dominance. GM and **Fiat Chrysler Automobiles** NV are prepping redesigned models for introduction late next year, and those projects require billions of dollars and thousands of engineers.

Pickup trucks are a vital source of profit for the Detroit companies. While the Asian auto makers are formidable rivals in cars and crossover SUVs, none offer any serious challenge in the market for big pickups. Profit margins on those trucks—used to haul recreational boats and on construction sites across America—are typically far above 10% and can outpace luxury cars.

Ford needs to protect its turf. North America continues to fuel Ford's bottom line, contributing nearly all of its automotive operating profit as other regions net out at about break-even. Ford's operating margin rose to 8.1% in the third quarter, short of the 10% margins that Detroit executives expect to squeeze from core operations but substantially better than the same period a year ago.

Ford's overall profit increase during the quarter was also attributed to a lower tax rate and belt-tightening measures. The No. 2 U.S. auto maker by sales reported net income of $1.6 billion for the July through September period, and it raised its full-year earnings guidance.

The brighter outlook is a sign the company is optimistic about measures it is taking to improve its business, Chief Financial Officer Bob Shanks said during a round table with reporters. Ford posted adjusted earnings per share of 43 cents, better than the average analysts' forecast of 33 cents.

Revenue grew 1% to $36.5 billion, surpassing Wall Street expectations of $32.8 billion.

Ford cited early progress on new Chief Executive Jim Hackett's goal of slashing billions of dollars in engineering and manufacturing costs to improve Ford's "fitness" as it pivots to longer-term bets on electric cars and autonomous vehicles. Costs improved by about $700 million in the quarter.

DAVID PAUL MORRIS/BLOOMBERG NEWS

A customer waited for assistance to activate an iPhone 8 smartphone in San Francisco last month. Apple reports results on Nov. 2.

iPhone 8 Starts Off Slowly

Market-research firms call device's early sales the weakest in years among Apple's phones

By Tripp Mickle

Bad Apple

Early sales of Apple's new iPhone appear to be the weakest in years.

	Sales days in quarter	Countries, territories	Share of quarterly sales
iPhone 8/Plus	9	25	16%
iPhone 7/Plus	9	25	43
iPhone 6s/Plus	2	12	21
iPhone 6/Plus	8	10	36

Note: iPhone 8 sales are estimated

Source: Consumer Intelligence Research Partners

THE WALL STREET JOURNAL.

Apple Inc.'s iPhone 8 posted the weakest sales of any of the company's new smartphones in recent years, according to estimates by two market-research firms, raising the stakes for the higher-priced iPhone X as advance orders start on Friday.

In the U.S., Apple's largest market, the iPhone 8 and its larger 8 Plus version accounted for 16% of all iPhone sales in the September quarter, according to Consumer Intelligence Research Partners LLC. By comparison, the iPhone 7 and 7 Plus accounted for 43% in the same period last year and the iPhone 6s and 6s Plus accounted for 24% in the same period in 2015. Other signs indicate similar underperformance globally.

Soft iPhone 8 sales stem partly from confusion over the trio of phones Apple is releasing this year—and could reflect buyers waiting for the iPhone X, which boasts edge-to-edge display and facial-recognition technology. It ships Nov. 3 and starts at $999.

The iPhone 8 and 8 Plus, which started shipping Sept. 22 and start at $699 and $799, offer wireless charging, improved processors and new camera capabilities over preceding models but feature the same basic design.

Many consumers have decided the improvements in the iPhone 8 are too incremental to justify the higher price tag and instead opted to buy less-costly, older models or wait for the iPhone X, said Mike Levin and Josh Lowitz, co-founders of Consumer Intelligence Research Partners.

"They signaled to their customers: Don't buy the 8. Their customers listened," Mr. Lowitz said.

Mr. Levin expects poor iPhone 8 sales to weigh on Apple's quarterly results when it announces earnings Nov. 2.

As of a month after it started shipping, the iPhone 8 and 8 Plus combined accounted for 2.4% of iPhones in use world-wide, according to market research by Localytics, which analyzed data from more than 70 million Apple devices. That was less than half the share claimed by its predecessors, the iPhone 7 and 7 Plus, a month after they started shipping, and the lowest for a new iPhone since at least 2014, the firm said.

The iPhone 8 got less promotional support from resellers than its predecessor. In the U.S., wireless carriers largely offered discounts on the iPhone 8 with trade-ins of old devices rather than the free iPhone 7 deals some offered for trade-ins last year, according to Jefferies.

During a call with analysts last week, Rogers Communications Inc. Chief Executive Joseph Natale said there was an "anemic appetite for the iPhone 8" across the Canadian wireless carrier's network and "lots of anticipation around the iPhone X."

Wall Street analysts have waived off tepid demand for the iPhone 8, saying weaker demand for it could benefit the company if it sells more of the pricier iPhone X. Sales of more iPhone X devices would boost average iPhone selling prices and potentially lift annual revenue.

Still, Apple must prove consumers will embrace the iPhone X's higher price tag—and demonstrate that it can make enough of them. The iPhone X—which Apple is releasing six weeks later than usual for a new iPhone—has been dogged by production problems that delayed typical manufacturing timetables by at least a month.

Twitter Shuns Ads From Two Russian Media Outlets

By Georgia Wells

Twitter Inc. on Thursday said it overstated its number of users for the past three years and committed to take advertising off its site from two Russian media outlets, while reporting modest user growth for the third quarter.

Even so, the social-media company's shares gained nearly 19% as Twitter also reported a narrower loss for the quarter and raised its earnings forecast for the current period. At Thursday's closing price of $20.32, the stock is still below its 2013 initial offer price of $26.

Twitter said it will no longer accept advertising from any account owned by Russian-backed news outlets RT and Sputnik. U.S. intelligence officials have described RT as "the Kremlin's principal international propaganda outlet."

Twitter's decision marks a stark change in company practice. The RT's editor in chief said in a tweet on Thursday that Twitter approached RT ahead of the 2016 U.S. presidential election to pitch ways RT could advertise on the service during that stretch.

Commenting on the interactions between RT and Twitter, a person familiar with the matter said it is the job of any advertising sales team to aggressively recruit and retain clients.

"We did not come to this decision lightly," Twitter said in a statement.

In the latest quarter, Twitter realized that it had been mistakenly including users of a service for third-party apps in the company's tally of monthly users, a spokeswoman said.

Twitter restated its user counts for the past three quarters—revising them down by one million to two million—but said it didn't have user data going back further than that.

Twitter in the third quarter added four million monthly users—analysts were expecting just over one million—bringing its total to 330 million monthly users.

For the second quarter, however, the adjusted numbers showed the company's tally actually shrank for likely the first time since 2015, by one million users.

The company's loss in the latest quarter was its smallest since going public in 2013.

Previously Twitter had said user growth was flat in the second quarter.

Revenue in the third quarter declined 4.2% from a year earlier to $590 million. Analysts were expecting $587 million, according to FactSet.

Twitter has posted a string of quarterly losses as a public company, but its latest, $21.1 million, was the smallest and compared with $103 million in last year's third quarter.

"Our work to increase relevance and make Twitter easier is making an impact," Twitter Chief Executive Jack Dorsey said on the company's earnings call.

—Jack Nicas contributed to this article.

Effort to Muzzle Islamic State Online Is Showing Results

Twitter Inc.'s campaign to suspend accounts supporting Islamic State has hampered the jihadist group's ability to spread its message, according to a study analyzing hundreds of thousands of tweets by the terror group's supporters.

The study, by the Program on Extremism at George Washington University, examined English-language tweets from more than 1,700 accounts over 63 weeks to see if Twitter's policies had affected Islamic State's use of social media to reach sympathizers.

"Declining tweet frequency, mounting account suspensions, and falling follower count initially indicate that English-language [Islamic State] sympathizers suffer at the hands of Twitter's efforts to counter the group online," the study said.

Twitter has been criticized for allowing its microblogging service to become a preferred outlet for Islamic State. A Twitter spokesman didn't reply to emails requesting comment.

The study's author, Audrey Alexander, a research fellow at the Program on Extremism, said suspending pro-Islamic State accounts has created new challenges. For example, she said, Twitter's efforts have prodded Islamic State supporters to migrate to encrypted applications, which are harder to monitor.

—Del Quentin Wilber

Saudis Set to Invest in Virgin Galactic

By Andy Pasztor

Saudi Arabia is poised to invest $1 billion in entrepreneur Richard Branson's space-tourism and satellite-launching venture, which is seeking to show it is back on track three years after a fatal accident.

Thursday's joint announcement, though it had scant details and described a nonbinding agreement, provides a high-profile vote of confidence in Mr. Branson's **Virgin Galactic** LLC because the Saudi kingdom envisions taking, according to the press release, "a significant stake" in the closely held company and its affiliates.

Specifics of the revised ownership structure weren't disclosed. The deal was announced at a three-day event, dubbed "Davos in the Desert," organized by Saudi Arabia's Public Investment Fund to showcase Prince Mohammed bin Salman's vision for a tech-driven economy.

Following an October 2014 test flight tragedy that killed one pilot and injured the other, Mr. Branson's management team was forced to suspend operations and reassess manufacturing, safety and test flight procedures. The company's rocket-propelled spacecraft, intended to briefly take tourists to the edge of space before landing like a conventional plane, hasn't conducted a powered flight since that crash.

The announcement offered the most authoritative and detailed timetable yet for the anticipated resumption of more ambitious, suborbital test flights. "We are now just months away from going into space with people on board," Mr. Branson said in a statement.

Virgin Galactic's founder has been working since 2004 to make good on promises to carry passengers into weightlessness for $250,000 each. Mr. Branson has said he and some family members intend to be on the first commercial suborbital journey.

Virgin Galactic's rivals include separate space transportation companies run by fellow billionaires Elon Musk and Jeff Bezos, founder and chairman of **Amazon.com** Inc.

CHINA CIRCUIT | By Li Yuan

What Xi's New Term Likely Means for the Internet in China

While Xi Jinping was ascending to the pinnacle of power in China the past five years, the Chinese internet industry was maturing.

In October 2012, a month before Mr. Xi took office, e-commerce power **Alibaba Group Holding** was two years away from listing on the New York Stock Exchange. Nearly all apps were free because few users were willing to pay. The social-media platform Weibo, a Twitter-like service, became an agenda-setting forum.

Now Alibaba and messaging-and-gaming company **Tencent Holdings** rank with **Amazon.com** and **Facebook** among the top 10 most valuable tech companies in the world. Chinese surpassed Americans as the biggest spenders on mobile apps in 2016. With more than half of its 751 million online users having paid for products and services on their phones, China leads the world in mobile-payment penetration and transactions.

Alongside this blossoming, Mr. Xi has imposed severe restrictions on online dissent and foreign content. Regulations have raised punishments for spreading rumors and made group chat leaders responsible for everything said. Censorship technology has grown more potent. Chinese now talk of an "intranet," a network that is large and vibrant inside China but increasingly separate from the rest of the World Wide Web.

With the just-concluded Communist Party congress having handed Mr. Xi unrivaled authority, what will the internet look like in his second five-year term? Here are five likely developments.

◆ Trend lines on access to the wider internet are looking unfavorable. Advances in cloud computing and artificial intelligence will make censorship infrastructure more formidable, giving censors the ability to screen network activities in crushing detail and track people's digital footprints.

Circumvention software, known as virtual private networks, or VPNs, have been under assault. A new regulation outlaws all but government-approved VPNs.

Content regulation goes way beyond concerns about politics. Now even entertainment blogs are censored. Online fiction writers are told not to write about any body part below the neck.

◆ Mr. Xi, in a speech last year, said that Chinese tech companies should continue to innovate and that the internet industry's growth is crucial to the nation's economy and security.

ANDY WONG/ASSOCIATED PRESS

A social-network company's booth at the Global Mobile Internet Conference in Beijing last year.

While growth of online users is plateauing, demand for online products and services is robust. New markets are waiting to be tapped in smaller cities, the countryside and developing markets such as India.

◆ Chinese internet companies collect a gold mine of personal data. Some industry executives say that trove, combined with low public concerns about privacy, are propelling China's development of artificial intelligence past the rest of the world. The government wants to mine that data, too, to enhance its management of society, but it lacks the expertise big tech firms have.

Cooperation is under way on facial recognition. China leads the world in deploying the technology. Those companies are working with police and other government agencies to identify lawbreakers and build systems that include information on unpaid fines, online comments and other behavior.

◆ Alibaba, Tencent and other tech firms will face greater pressure to work more closely with the government. They have grown powerful, and their involvement in everything from messaging and e-commerce to entertainment and finance makes them indispensable to many Chinese.

That is a position Mr. Xi sees as belonging to the Communist Party. Without naming specific companies, Mr. Xi, in the 2016 speech, raised the issue of dominant players abusing their power to limit competition. He called for better regulation that could limit their power. The government is also starting to take capital stakes in internet companies to gain board seats and a say over operations.

◆ As growth in users slows, getting a competitive edge is more important. Tech companies are plowing more into research and development to find it.

Alibaba this month said that it would nearly triple R&D spending to more than $15 billion over the next three years. Data analytics, quantum computing and machine learning are among the targeted fields. Such splurges dovetail nicely with Mr. Xi's goal to develop indigenous cutting-edge technologies for national security.

Follow Li Yuan on Twitter @LiYuan6 or write to li.yuan@wsj.com.

Hershey Confronts Pressures On Profit

By Annie Gasparro

Hershey Co. says snacks and candy are a rare bright spot in the U.S. food industry, but pressure on the company's profit margin disappointed investors.

Hershey's sales rose 1.5% to $2 billion in the latest quarter, as snack foods are outpacing sales of packaged and canned meals in the U.S., said Hershey Chief Executive Michele Buck, who took the helm in March.

"The broader snacks category continues to grow, despite the volatile consumer and retail environment," Ms. Buck said on a conference call with investors.

However, Hershey's gross profit margin fell 3 percentage points to 45.3% in the quarter.

The company said that was caused by investments meant to satisfy retailers, a shift to

Snacks and candy helped sales rise 1.5%, but investors signaled concern.

selling a broader range of snacks, as opposed to just candy, and higher supply-chain costs. It expects these factors to damp its profitability through the first half of 2018.

Shares in Hershey declined 5.3% on Thursday.

Hershey executives have pointed to the challenges the company and industry face with a rise in health-focused snacks. The maker of chocolate Kisses and Reese's peanut-butter cups will continue to focus on branching out beyond candy, Ms. Buck said.

Chief Financial Officer Patricia Little said that "nothing is as profitable...as our core products," such as chocolate and other candy, "but we do need to expand our portfolio."

In recent years, Hershey bought a beef-jerky brand and higher-end sweet snack makers such as BarkThins. It has also created products, such as chocolate-covered pretzels and Reese's snack mix, to get its brands into the snack aisle.

In North America, Hershey's sales volume rose 1.6% in the quarter. "It seems that the overall indulgent snack category is continuing to hold up reasonably well, and Hershey is holding its own," Bernstein analyst Alexia Howard said.

Hershey reported a third-quarter profit of $273.3 million, or $1.28 a share. Excluding certain factors, earnings were $1.33 a share, up 3% from the prior year.

UPS Bulks Up to Meet Web Boom

Delivery giant is accelerating spending on facilities and planes as volume increases

By Paul Ziobro

MARK ELIAS/BLOOMBERG NEWS

The company's earnings fell slightly amid higher costs from expanding Saturday delivery and the effects of recent natural disasters.

United Parcel Service Inc. plans to spend more on bigger package-handling facilities, planes and other capacity upgrades next year, efforts to keep up with an e-commerce boom that shows no sign of slowing.

The Atlanta-based delivery giant on Thursday said it would add 5 million square feet of capacity in 2018, five times what it added this year, including new fulfillment and sorting centers, larger planes and expansion of Saturday delivery to more markets. UPS expects its spending on such initiatives to be 8% of its 2017 revenue, more than the 6% to 7% of revenue that it had forecast for the coming years.

"We are investing in order to build our network, not just for the next year or two, but for the next generation," UPS Chief Financial Officer Richard Peretz said on a call with analysts. "If we can move a little faster, it's always going to be the best thing we can do."

In an interview, Chief Executive David Abney said that the long-term capital expenditure levels aren't changing but that the company had to speed up the spending because of expected volume increases. "That can cause the numbers to change from one year to the next, but it doesn't cause the overall capex to change over time," he said.

As more people shop online, UPS along with FedEx Corp. and the U.S. Postal Service have made investments to accommodate the number of packages moving through their networks. But investors have grown concerned that the spending doesn't seem to be abating.

UPS reported a slight decline in its third-quarter earnings, as higher costs from expanding Saturday delivery and recent natural disasters weighed on its U.S. business.

Profit fell slightly to $1.26 billion, or $1.45 a share, compared with the year-earlier period. Revenue rose 7% to $15.98 billion, with the average revenue per shipment, excluding currency translation, up 2.8%.

UPS shares rose 0.7% to $119.33 Thursday.

Delivery companies are raising prices to recoup the network investments they are making. On Wednesday, UPS said it would increase rates 4.9% starting in late December and it lowered the threshold for oversize package fees, so that a wider range of items would be subject to an extra surcharge.

UPS has previously announced plans to tack on extra fees for most packages shipped during the busiest weeks of the holiday season, which it is implementing for the first time this year. UPS expects to spread the load more evenly during the season, aiming to top 30 million packages delivered on 17 of the 21 delivery days between Thanksgiving and New Year's Eve, up from 11 last year.

Overall, UPS expects to make 750 million deliveries during that period, up 5.6% from last year.

—Allison Prang contributed to this article.

AB InBev Cuts Costs but Can't Stem U.S. Slide

LUKE SHARRETT/BLOOMBERG NEWS

Budweiser and Bud Light have been losing U.S. market share.

By Nick Kostov

Sales of Bud Light and Budweiser continue to go flat just as fast as **Anheuser-Busch InBev** NV can slash costs at the world's biggest brewer.

The Belgium-based company said for the third quarter its share of the U.S. market, its largest, was down 0.8% from a year earlier.

"The underlying business remains incredibly weak," said Trevor Stirling, an analyst at Sanford C. Bernstein. "U.S. revenues were down 5.3%—we can't remember a quarter as bad."

Bud Light, still by far the top-selling beer in the country, lost almost a full percentage point of market share in the three months to Sept. 30, while Budweiser was down more than a third of a point.

"We're working to stabilize the market share for these two brands, but we know it is journey," said Chief Financial Officer Felipe Dutra.

The setbacks, exacerbated by hurricanes in Florida and Texas, were only partially offset by strong results for the company's more expensive beers, including low-calorie Michelob Ultra and Stella Artois.

Profit margins edged higher due to aggressive cost-cutting after the acquisition of SABMiller a year ago.

AB InBev's woes are symptomatic of broader trends in the consumer-goods market: Younger customers are more health-conscious and focused on customization. The brewer has responded by buying or promoting faster-growing brands, including "craft" beers and imports.

AB InBev has shaken up its marketing strategy for Budweiser and Bud Light in the U.S., though with little effect so far. In August, the brewer launched a marketing campaign that touted the simplicity of Bud Light while poking fun at more complex beers. Earlier this year, another new marketing campaign, "Famous Among Friends," was pitched as a down-to-earth tribute to friendship.

Mr. Dutra said the early response to the campaigns "gives us confidence that we are moving in the right direction."

Revenue across the company rose 3.6% in third quarter, an indication that its strategy of expanding brands such as Budweiser, Stella Artois and Corona overseas and positioning them as premium beers is helping offset the trouble in the U.S. In Brazil, the company's second-largest market, profit rose for the first time in nearly two years.

Overall, AB InBev reported its profit rose to $2.06 billion, from $557 million a year earlier when it incurred financing costs for the SABMiller deal.

EARNINGS WATCH

DOWDUPONT

Pro Forma Results Reflect Gains

DowDuPont on Thursday reported a rise in sales and profit on an adjusted basis in its latest quarter, providing a window into the global chemical giant's standing in its first quarterly report following the merger of Dow Chemical and DuPont.

DowDuPont debuted on the New York Stock Exchange on Sept. 1, consummating a deal nearly two years in the making.

The company reported adjusted per-share earnings on a pro forma basis of 55 cents, up from 50 cents a year earlier. Net sales on a pro forma basis were $18.29 billion, up 7.6% from a year ago.

DowDuPont said the results reflect growing consumer-led demand in key end markets, gains on higher prices and higher equity earnings, which offset higher feedstock costs, impact from recent hurricanes and weak market conditions in agriculture.

Analysts polled by Thomson Reuters expected per-share earnings of 40 cents on $17.6 billion in revenue.

—Bowdeya Tweh

VALE

Higher Prices Buoy Iron-Ore Producer

Brazilian mining company **Vale** SA reported a surge in its third-quarter earnings Thursday thanks to higher global prices for iron ore and widening quality premiums.

Vale, the world's largest iron-ore producer, said its net profit nearly quadrupled to $2.23 billion in the July-to-September period thanks to a combination of rising prices, greater production and a stronger Brazilian real.

Benchmark prices for iron ore, the raw material used to make steel, rose 21% in the third quarter to $70.9 per metric ton. This, combined with higher production and sales volumes, drove a 35% increase in Vale's revenue to $9.05 billion.

Vale's adjusted earnings before interest, taxes, depreciation and amortization, or Ebitda, rose 41% to $4.19 billion.

—Paul Kiernan

CEMEX

Quakes and Storms Exact a Toll on Sales

Cement and construction materials company **Cemex** SAB posted a small increase in third-quarter profit owing to higher sales and lower financial costs that helped offset a decline in operating income.

The Mexican company said Thursday it made a net profit of $289 million in the July-September period, up 1% from a year before. Sales grew 2% to $3.5 billion amid increased cement sales volume in a number of markets and higher prices in Mexico and the U.S.

Sales by volume fell in Mexico, where construction activity was negatively affected by earthquakes, several hurricanes and lower government spending on infrastructure. Revenue rose, however, as a result of higher prices.

—Anthony Harrup

MATTEL

Toy Maker Plans To Suspend Dividend

Mattel Inc. said it would suspend its dividend, accelerate cost-cutting and scale back new product launches after it swung to a surprise loss and reported a 13% drop in third-quarter sales.

The weaker-than-expected results are the latest worrisome signal from the maker of Barbie and Hot Wheels, which earlier this year named its third chief executive in as many years in an attempt to turn the company around.

Mattel shares, already down more than 40% this year, fell 19% to $12.38 after hours Thursday.

The latest quarter was hit with a $561.9 million tax-related charge, which resulted in a loss of $603.3 million, or $1.75 a share, for the period. Last year, Mattel posted profit of $236.3 million, or 69 cents a share. Excluding the tax charge, Mattel said earnings were 9 cents a share. Revenue was $1.56 billion.

The results were well below estimates by Thomson Reuters of a per-share profit of 59 cents on revenue of $1.82 billion.

—Paul Ziobro

TOBY MELVILLE/REUTERS

A Barbie takes a ride in London. Mattel's stock fell after hours.

Mexican TV Mogul Stepping Down as CEO

Televisa, which Emilio Azcárraga Jean led for 20 years, is grappling with lower ad sales

By José de Córdoba
And Santiago Pérez

EL UNIVERSAL/ZUMA PRESS

Emilio Azcárraga Jean will remain as chairman of the company founded by his family in 1973.

MEXICO CITY—Emilio Azcárraga Jean, the 49-year-old scion who has led Mexican television giant **Grupo Televisa** SAB for the past 20 years, is stepping down as chief executive officer as the broadcaster grapples with sagging advertising sales and growing competition to lure young viewers, the company said Thursday.

Two of his closest advisers, Alfonso de Angoitia, the company's vice president and finance chief, and Bernardo Gómez, who oversees Televisa's news division and government relations, will jointly run the company as co-CEOs. Both joined the company soon after Mr. Azcárraga Jean took the reins of Televisa in 1997. The board of directors approved the corporate shuffle at a meeting on Thursday.

Mr. Azcárraga Jean will remain as chairman of the company founded by his family in 1973, and will head its charity foundation and the popular Mexico City-based Club América soccer team, which is owned by the broadcaster, Televisa said in a filing with the Mexican Stock Exchange.

Mr. Azcárraga Jean said in the statement that the changes would allow him to "focus on the company's long-term strategy."

His resignation comes as the world's largest producer of Spanish-language television programs struggles with the challenges posed by the internet age. Many young viewers have grown bored with Televisa's stale format of low-budget soaps, and have abandoned the broadcaster in favor of streaming services such as **Netflix**, which now offer fast-paced TV series in Spanish.

The market shake-up has led to drastic changes at Televisa's flagship content division, which has suffered a sharp decline in revenue and profitability. It now accounts for just one-third of overall sales and less than 40% of operating profit compared with about 60% of sales and 70% of operating income 10 years ago.

In the first nine months of this year alone, ad revenue fell 8.7% compared with the same period a year earlier. Weakness in advertising continued in the third quarter, dropping 8.4%, Televisa reported Thursday.

Early this year, Televisa replaced its top executive in charge of content with an executive of U.S. Hispanic network Univision Communications Inc. It also began revamping the way it sells advertising slots.

Mr. Azcárraga Jean's resignation marks the end of an era for the company's founding family, which ran Televisa since its creation and for decades enjoyed a near monopoly on Mexico's broadcasting market.

Mr. Azcárraga Jean, who remains Televisa's largest single shareholder with about a 15% stake, took over the reins of the company in 1997 after the death of his father, Emilio Azcárraga Milmo. After a struggle with other shareholders, the then 29-year-old college dropout secured control and was credited with the turnaround of an indebted company bleeding cash.

Mr. Azcárraga Jean relied on his close associates, Mr. de Angoitia, then his personal lawyer, and Mr. Gómez, a childhood friend, to get full control of the company and turn it around. But Televisa's situation was so dire back then that Mr. Azcárraga Jean reached an unusual compensation agreement with the two men, according to people with knowledge of the arrangement.

While retaining ownership of his shares, Mr. Azcárraga Jean agreed to share 50% of the dividends from his shares with the two men until each received $100 million, these people said. Televisa's board was aware of the agreement, the people said.

Since then, each of the two executives has received about $97 million, these people said.

Under Mr. Azcárraga, Televisa expanded its satellite TV and cable and telecommunications businesses, which now make up 54% of the more than $5 billion in sales last year.

Despite the diversification, the rise of the internet has exposed weakness in Televisa's traditional business model. For decades, the company's trademark product has been its soap operas, or "telenovelas," produced quickly and cheaply.

But subscriber services like Netflix allowed many younger Mexicans a window into a new world of content from abroad, much of it in Spanish.

Concerns about Televisa's programming began to emerge about three years ago in the U.S., as a deterioration in ratings and audience share hammered **Univision**, the U.S.-based broadcaster, of which Televisa owns 36%.

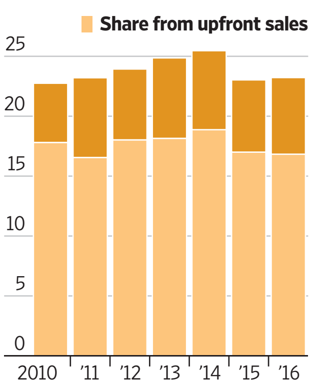
Unlike **Comcast** Corp.-owned rival **Telemundo**, which makes much of its own TV content—and has been gaining ground, thanks to edgier offerings—Univision has long relied on Televisa programming for its prime-time lineup. It pays more than $300 million a year for Televisa programs, and the outlays are set to increase in 2018 to about $500 million.

Univision began pressuring Televisa to make its shows more appealing, leading to the ouster in January of José Bastón, Televisa's longtime head of content who was seen as close to Mr. Azcárraga Jean.

Succeeding Mr. Bastón was Isaac Lee, Univision's head of news, entertainment and digital operations, who now oversees content and programming at both companies.

Stagnant Sales

Total advertising revenue at Televisa and share from upfront sales



Note: 1 Mexican peso = $0.0525
Source: GBM Research based on company data
THE WALL STREET JOURNAL.

Weinstein Pressures Studio for Records

By Ben Fritz

Harvey Weinstein has sued his former employer, demanding access to documents he claims could help with his potential defense against civil and criminal claims as well as a possible claim of wrongful termination against the studio he once led.

Mr. Weinstein, who was fired from **Weinstein** Co. on Oct. 8 following allegations of sexual misconduct and assault, said in a complaint filed Thursday in Delaware Chancery Court that the studio has declined to provide him with emails he sent and received via his work account and his personnel file.

The former co-chairman of the studio behind "The King's Speech" and "Paddington," which is now exploring a sale due to the damage of the allegations against Mr. Weinstein, said that access to his emails could also help defend Weinstein Co. against civil claims, including one already filed by an actress for $5 million.

"Mr. Weinstein believes that his email account...will contain information exonerating him, and therefore the company," the complaint says, adding that the former co-chairman "is in a unique position to offer insight, and further explain and contextualize his emails."

Mr. Weinstein and his brother, Bob Weinstein, hold the largest individual financial stakes in the closely held studio—a combined total of 42%.

Mr. Weinstein also alleges that the company has leaked information from his personnel file to the press and said in the complaint he wants to see the file to confirm that and then "pursue potential claims."

A Weinstein Co. spokesman didn't respond to a request for comment. In a letter to Mr. Weinstein's attorneys included in the complaints responding to his initial demand to see the documents, attorneys for Weinstein Co. said his need to defend himself against civil and criminal allegations or to pursue a claim of wrongful termination aren't a proper purpose as a shareholder or former employee.

McDonald's to Assess Its Global Marketing

By Suzanne Vranica

McDonald's Corp. is conducting a review of its ad-buying account, as the fast-food company seeks to find more efficient ways to spend its advertising dollars around the globe.

The burger chain, which hasn't done a formal media review in about 14 years, spends roughly $2 billion on media annually world-wide, according to a person familiar with the matter.

"We are looking at ways to make our marketing dollars work harder, whether that be through more efficient media spending or finding more effective ways to connect with consumers," said Bob Rupczynski, McDonald's vice president of global media and customer relationship management.

Omnicom Group Inc.'s OMD has handled McDonald's ad-buying business for more than a decade in the U.S. and is also responsible for the work in most other countries.

McDonald's said its relationship with OMD remains strong, and the agency will be participating in the review process. The Oak Brook, Ill., company has been making big changes in its approach to marketing.

THIERRY ROGE/AGENCE FRANCE-PRESSE/GETTY IMAGES

The program offers a vehicle from 5 a.m. Monday through 7 p.m. Friday at monthly fees starting at $199 plus 45 cents a mile.

Zipcar Program Targets Commuters

By Tim Higgins
And Adrienne Roberts

Zipcar is expanding its bet that urban commuters will pay monthly subscriptions for unlimited access to cars during the work week, escalating competition with ride-hailing services that have pushed Zipcar's rivals to scale back their offerings.

The Boston-based unit of **Avis Budget Group** Inc., which popularized the idea of hourly rental cars, aims to broaden its appeal beyond university campuses and carless city dwellers needing weekend rides for errands.

Zipcar's new program offers a vehicle, such as a Toyota Corolla, for unlimited and exclusive use from 5 a.m. Monday through 7 p.m. Friday, at monthly fees of $199 to $299 depending upon the city, plus 45 cents a mile in the U.S.

The subscription program began as an experiment among a small group of commuters in New York City late last year. Zipcar has been slowly expanding to additional cities ahead of Thursday's official launch, which opens it up to all Zipcar members and potential customers in eight major North American cities.

The expansion added Chicago, Philadelphia, and Toronto.

"This is meant for someone who lives in the city, who doesn't really want to own a car because it's expensive and it's a hassle, but they still need to get to work every day," Tracey Zhen, Zipcar's president, said in an interview.

Zipcar's move is the latest example of how Avis is trying to find its way in a rapidly changing automotive industry that threatens to displace traditional players with new entrants such as Uber Technologies Inc. and self-driving-car developer Waymo, a unit of Google parent **Alphabet** Inc.

Zipcar has been slowly expanding to additional cities ahead of the launch.

Zipcar typically has offered membership plans that included a $70-a-year fee plus an hourly and daily rate for the use of a vehicle.

The price for Zipcar's subscription program—which includes gasoline, insurance and parking—contrasts with more expensive subscription programs offered by General Motors Co.'s Cadillac and Volkswagen AG's Porsche. Zipcar customers also can use any of the company's vehicles on the weekend for normal hourly and daily rates.

The average monthly lease payment for a new car this year has been $439, according to Edmunds, which tracks automotive sales.

An early adopter of the Zipcar commuter program, Carl Baldasso, a 63-year-old art director, considered buying a car to make his 90-minute commute from Manhattan to Brooklyn easier but balked at the cost and hassle of ownership in the city.

A big selling point was the guaranteed parking spot that each Zipcar has. "I could buy a car, but parking in the city is impossible," he said.

Dividend Changes

Dividend announcements from October 26.

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
Aflac	AFL	2.2	.45 / .43	Q	Dec01 / Nov15
AllianceBernstein	AB	7.9	.51 / .49	Q	Nov16 / Nov06
Arrow Financial	AROW	2.8	.25 / .24272	Q	Dec15 / Dec01
Carriage Services	CSV	1.2	.075 / .05	Q	Dec01 / Nov13
CrossAmerica Partners	CAPL	10.0	.6275 / .6225	Q	Nov13 / Nov06
Dolby Labs A	DLB	1.1	.16 / .14	Q	Nov15 / Nov06
Dover Motorsports	DVD	4.0	.08 / .05	A	Dec10 / Nov10
Duke Realty	DRE	2.8	.20 / .19	Q	Nov30 / Nov16
Fidelity Ntl Financial	FNF	3.0	.27 / .18047	Q	Dec29 / Dec15
First Citizens Bcshs Cl A	FCNCA	0.3	.35 / .30	Q	Jan02 / Dec18
First Mid-Illinois Bcsh	FMBH	1.6	.34 / .32	SA	Dec08 / Dec01
Kimco Realty	KIM	6.1	.28 / .27	Q	Jan16 / Jan02
Middlesex Water	MSEX	2.0	.2238 / .21125	Q	Dec01 / Nov09
MPLX	MPLX	6.9	.5875 / .5625	Q	Nov14 / Nov06
Orrstown Financial	ORRF	1.8	.12 / .10	Q	Nov15 / Nov06
Prosperity Bancshares	PB	2.1	.36 / .34	Q	Jan02 / Dec15
RPC	RES	1.2	.07 / .06	Q	Dec11 / Nov10
Shenandoah Telecom	SHEN	0.7	.26 / .25	A	Dec01 / Nov03
Stepan Co	SCL	1.1	.225 / .205	Q	Dec15 / Nov30
Viper Energy Partners Un	VNOM	7.2	.337 / .332	Q	Nov14 / Nov07
Westwood	WHG	4.1	.68 / .62	Q	Jan02 / Dec08
Funds and investment companies					
Dreyfus Hi Yd Strat Fd	DHF	8.2	.0235	M	Nov27 / Nov08
YieldShares Hi Incm	YYY	8.0	.13	M	Oct31 / Oct27
Stocks					
WisdomTr US MC Div Fd	DON		3:1		Nov09 / Nov10
WisdomTree US Earn 500	EPS		3:1		Nov09 / Nov10
WisdomTree US SC Div Fd	DES		3:1		Nov09 / Nov10
WisdomTree US Total Earn	EXT		3:1		Nov09 / Nov10
Foreign					
Agnico-Eagle Mines	AEM	1.0	.11	Q	Dec15 / Dec01
Aspen Ins 5.625% Pfd.	AHLpD	5.5	.35163	Q	Jan01 / Dec15
Aspen insurance	AHL	2.3	.24	Q	Nov28 / Nov10
Barrick Gold	ABX	0.8	.03	Q	Dec15 / Nov30
Coca-Cola Femsa ADR	KOF	2.5	.87592	SA	Nov13 / Nov06
Fomento Econ Mexicano ADR	FMX	1.5	.67593	SA	Nov13 / Nov06
GlaxoSmithKline ADR	GSK	5.5	.50373	Q	Jan11 / Nov10
Nordic American Tankers	NAT	2.7	.03	Q	Dec05 / Nov13
Silicon Motion Tech ADR	SIMO	2.5	.30	Q	Nov24 / Nov09
Waste Connections	WCN	0.8	.14	Q	Nov22 / Nov08
Special					
Marine Products	MPX	1.9	.05		Dec11 / Nov10
RPC	RES	1.2	.07		Dec11 / Nov10

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

MARKETS DIGEST

EQUITIES

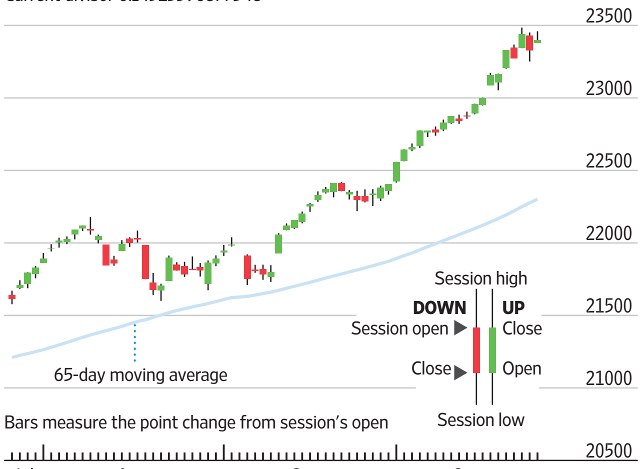
Dow Jones Industrial Average

23400.86 ▲71.40, or 0.31%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	21.24	19.74
P/E estimate *	19.58	17.26
Dividend yield	2.19	2.59
All-time high	23441.76, 10/24/17	

Current divisor 0.14523396877348



S&P 500 Index

2560.40 ▲3.25, or 0.13%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	24.52	24.41
P/E estimate *	19.56	18.05
Dividend yield	1.95	2.15
All-time high:	2575.21, 10/20/17	

Nasdaq Composite Index

6556.77 ▼7.12, or 0.11%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	26.35	24.13
P/E estimate *	21.29	19.51
Dividend yield	1.10	1.23
All-time high:	6629.05, 10/20/17	

Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

Major U.S. Stock-Market Indexes

	Latest High	Low	Close	Net chg	% chg	52-Week High	Low	% chg	% chg YTD	3-yr. ann.
Dow Jones										
Industrial Average	23459.84	23380.89	23400.86	71.40	0.31	23441.76	17888.28	28.8	18.4	11.7
Transportation Avg	9947.92	9834.95	9881.46	91.37	0.93	10038.13	8008.38	23.3	9.3	4.9
Utility Average	753.42	746.36	746.61	0.27	0.04	754.80	625.44	13.1	13.2	8.6
Total Stock Market	26599.72	26521.98	26537.83	44.04	0.17	26697.94	21514.15	20.6	14.0	9.1
Barron's 400	688.65	685.32	687.91	2.47	0.36	691.35	521.59	29.3	14.3	10.0
Nasdaq Stock Market										
Nasdaq Composite	6582.76	6550.03	6556.77	-7.12	-0.11	6629.05	5046.37	25.7	21.8	13.5
Nasdaq 100	6066.61	6035.95	6037.87	-17.17	-0.28	6122.61	4660.46	24.8	24.1	14.3
Standard & Poor's										
500 Index	2567.07	2559.80	2560.40	3.25	0.13	2575.21	2085.18	20.0	14.4	9.2
MidCap 400	1831.20	1820.54	1829.27	8.73	0.48	1834.29	1476.68	21.9	10.2	9.9
SmallCap 600	913.14	908.27	911.22	4.40	0.49	918.72	703.64	26.7	8.7	12.2
Other Indexes										
Russell 2000	1501.36	1494.11	1497.46	3.98	0.27	1512.09	1156.89	25.8	10.3	10.2
NYSE Composite	12380.28	12350.50	12352.43	15.85	0.13	12430.52	10289.35	17.6	11.7	5.3
Value Line	542.85	540.32	542.03	1.71	0.32	545.98	455.65	16.4	7.1	4.3
NYSE Arca Biotech	4117.78	4029.63	4081.01	-36.77	-0.89	4304.77	2834.14	36.8	32.7	7.9
NYSE Arca Pharma	547.50	538.66	540.06	-7.44	-1.36	560.52	463.78	10.5	12.2	1.1
KBW Bank	102.38	101.43	101.96	0.85	0.84	101.96	73.36	35.8	11.1	13.7
PHLX§ Gold/Silver	83.04	81.04	81.09	-1.52	-1.84	96.72	73.03	-3.8	2.8	2.2
PHLX§ Oil Service	130.38	126.44	127.61	-2.23	-1.72	192.66	117.79	-18.9	-30.6	-19.6
PHLX§ Semiconductor	1239.57	1230.55	1237.03	7.76	0.63	1245.38	802.88	50.2	36.5	26.4
CBOE Volatility	11.81	10.60	11.30	0.07	0.62	22.51	9.19	-26.4	-19.5	-11.1

§Philadelphia Stock Exchange

Sources: SIX Financial Information; WSJ Market Data Group

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6:30 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of $2 and minimum after-hours volume of 5,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	After Hours Last	Net chg	% chg	High	Low
SPDR S&P 500	SPY	8,457.4	255.97	0.35	0.14	256.13	255.40
General Electric	GE	5,309.1	21.25	-0.07	-0.33	21.54	21.22
Mattel Inc	MAT	5,235.1	12.50	-2.87	-18.67	15.41	11.10
Microsoft	MSFT	4,434.3	82.20	3.44	4.37	82.41	78.00
PwrShrs QQQ Tr Series 1	QQQ	4,168.9	148.32	1.36	0.93	148.50	146.96
Ford Motor	F	4,038.7	12.27	...	unch.	12.28	12.14
iShares MSCI Emg Markets	EEM	3,723.8	45.45	-0.03	-0.07	45.83	45.43
Comcast Cl A	CMCSA	3,551.6	36.39	0.12	0.33	36.96	36.09

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Align Technology	ALGN	112.3	225.00	22.02	10.85	228.00	202.98
8X8	EGHT	21.2	13.55	1.05	8.40	13.56	12.50
Nevsun Resources	NSU	18.0	2.21	0.17	8.33	2.35	2.20
Amazon.com	AMZN	1,907.8	1050.01	77.58	7.98	1055.01	971.01
First Solar	FSLR	283.1	51.57	3.65	7.62	52.36	47.35

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Mattel Inc	MAT	5,235.1	12.50	-2.87	-18.67	15.41	11.10
Electronics for Imaging	EFII	16.1	35.00	-7.13	-16.92	42.13	34.99
Expedia	EXPE	1,798.0	126.00	-21.35	-14.49	147.35	122.51
Super Micro Computer	SMCI	31.1	19.00	-2.70	-12.44	21.70	16.20
Baidu ADR	BIDU	824.4	232.74	-27.88	-10.70	266.99	221.00

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	867,595,516	10,192,393
Adv. volume*	446,797,693	4,155,077
Decl. volume*	410,169,954	5,726,676
Issues traded	3,060	329
Advances	1,550	134
Declines	1,410	179
Unchanged	100	16
New highs	187	2
New lows	83	10
Closing tick	132	44
Closing Arms†	1.05	0.87
Block trades*	6,732	82
	Nasdaq	**NYSE Arca**
Total volume*	2,081,488,460	245,856,273
Adv. volume*	847,386,513	103,882,025
Decl. volume*	1,191,561,409	140,673,223
Issues traded	3,060	1,290
Advances	1,480	693
Declines	1,420	556
Unchanged	160	41
New highs	132	74
New lows	70	18
Closing tick	307	40
Closing Arms†	1.47	1.48
Block trades*	7,683	1,291

* Primary market NYSE, NYSE American NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	% chg	YTD % chg
World	The Global Dow	2956.41	0.36	0.01	16.8
	DJ Global Index	381.87	0.12	0.03	17.1
	DJ Global ex U.S.	257.27	–0.25	–0.10	20.2
Americas	DJ Americas	616.27	0.74	0.12	14.0
Brazil	Sao Paulo Bovespa	75896.35	–774.78	–1.01	26.0
Canada	S&P/TSX Comp	15891.63	36.86	0.23	4.0
Mexico	S&P/BMV IPC	48986.84	110.38	0.23	7.3
Chile	Santiago IPSA	4187.05	16.22	0.39	29.9
EMEA	Stoxx Europe 600	391.27	4.14	1.07	8.3
Eurozone	Euro Stoxx	394.50	4.96	1.27	12.6
Belgium	Bel-20	4089.70	41.20	1.02	13.4
France	CAC 40	5455.40	80.51	1.50	12.2
Germany	DAX	13133.28	179.87	1.39	14.4
Israel	Tel Aviv	1438.18	0.60	0.04	–2.2
Italy	FTSE MIB	22807.42	361.03	1.61	18.6
Netherlands	AEX	547.67	6.40	1.18	13.3
Russia	RTS Index	1118.19	0.06	0.01	–3.0
Spain	IBEX 35	10347.80	194.50	1.92	10.6
Sweden	SX All Share	591.74	3.92	0.67	10.7
Switzerland	Swiss Market	9200.08	116.04	1.28	11.9
U.K.	FTSE 100	7486.50	39.29	0.53	4.8
Asia-Pacific					
Australia	S&P/ASX 200	5916.30	10.70	0.18	4.4
China	Shanghai Composite	3407.57	10.67	0.31	9.8
Hong Kong	Hang Seng	28202.38	–100.51	–0.36	28.2
India	S&P BSE Sensex	33147.13	104.63	0.32	24.5
Japan	Nikkei Stock Avg	21739.78	32.16	0.15	13.7
Singapore	Straits Times	3356.25	12.37	0.37	16.5
South Korea	Kospi	2480.63	–11.87	–0.48	22.4
Taiwan	Weighted	10734.76	–15.81	–0.15	16.0

Sources: SIX Financial Information; WSJ Market Data Group

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Neos Therapeutics	NEOS	10.05	2.75	37.67	10.90	4.85	62.4
Opiant Pharmaceuticals	OPNT	40.15	10.55	35.64	51.90	5.00	401.9
National Vision	EYE	27.83	5.83	26.50	...	...	...
iRadimed	IRMD	12.55	2.35	23.04	15.00	7.85	35.7
Volt Info Sci	VISI	4.10	0.70	20.59	8.75	2.16	-35.5
Buffalo Wild Wings	BWLD	120.95	19.80	19.57	175.10	95.00	-15.5
Twitter	TWTR	20.31	3.17	18.49	20.88	14.12	16.7
Echo Global Logistics	ECHO	22.90	3.20	16.24	28.90	13.00	6.3
LendingTree	TREE	255.40	33.95	15.33	270.00	75.05	231.4
Whiting Petroleum	WLL	5.56	0.69	14.17	13.39	3.97	-36.3
World Wrestling	WWE	24.40	2.85	13.23	24.48	16.77	27.3
China Internet Nationwide	CIFS	37.35	4.34	13.15	38.41	10.81	...
Celadon Group	CGI	7.55	0.85	12.69	9.75	1.30	9.1
Xunlei ADR	XNET	8.08	0.89	12.38	8.14	3.11	57.5
Rush Enterprises A	RUSHA	53.76	5.90	12.33	54.11	24.40	106.7

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Idera Pharmaceuticals	IDRA	1.47	-0.56	-27.41	2.87	1.30	-14.0
Insys Therapeutics	INSY	5.74	-1.68	-22.64	15.06	5.18	-47.0
Essendant	ESND	9.83	-2.72	-21.67	22.52	9.60	-34.7
Nokia ADR	NOK	4.76	-1.29	-21.32	6.65	4.04	0.6
Ultra Clean Holdings	UCTT	25.82	-6.87	-21.02	34.59	7.75	229.3
Intelsat	I	4.79	-1.15	-19.36	7.47	2.46	75.5
GNC Holdings A	GNC	6.65	-1.47	-18.10	17.79	6.51	-56.0
Oceaneering Intl	OII	19.34	-4.26	-18.05	32.12	17.11	-24.0
Molecular Templates	MTEM	7.13	-1.47	-17.09	11.88	3.85	57.7
Celgene	CELG	99.99	-19.57	-16.37	147.17	94.55	-4.5
Brunswick	BC	48.63	-8.85	-15.40	63.82	42.02	12.7
TAL Education Group ADR	TAL	27.73	-4.64	-14.33	36.16	11.02	104.8
Schmitt Industries	SMIT	1.92	-0.31	-13.91	2.32	1.48	22.3
Qudian ADR	QD	22.80	-3.59	-13.60	35.45	22.72	...
NeoPhotonics	NPTN	5.62	-0.88	-13.54	15.59	4.61	-59.8

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Twitter	TWTR	111,723	710.8	20.31	18.49	20.88	14.12
Advanced Micro Devices	AMD	86,817	47.0	12.01	-2.64	15.65	6.22
General Electric	GE	80,938	63.3	21.32	-0.84	32.38	21.20
Nokia ADR	NOK	73,976	603.1	4.76	-21.32	6.65	4.04
Celgene	CELG	69,291	1523.0	99.99	-16.37	147.17	94.55
SPDR S&P 500	SPY	61,258	-3.5	255.62	0.13	257.51	208.38
Comcast Cl A	CMCSA	55,079	145.2	36.27	-1.52	42.18	30.02
Bank of America	BAC	54,475	-16.5	27.74	0.40	27.98	16.28
iShares MSCI Emg Markets	EEM	51,596	6.1	45.48	-0.68	46.82	33.94
VanEck Vectors Gold Miner	GDX	49,496	18.3	22.43	-1.75	25.93	18.58

* 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
SPDR Portfolio Mid Cap	SPMD	933	5173	32.47	0.54	32.76	25.98
Hutchison China ADR	HCM	833	2022	30.64	5.36	32.03	11.40
Marin Software	MRIN	397	1959	14.10	6.42	19.19	7.00
Nomura Holdings ADR	NMR	5,469	1939	5.96	3.83	6.80	4.83
Celgene	CELG	69,291	1523	99.99	-16.37	147.17	94.55
MediciNova	MNOV	1,063	1423	6.35	-2.76	7.85	4.40
Sprott Jr Gold Miners ETF	SGDJ	744	1386	32.29	-2.68	41.83	28.00
iRadimed	IRMD	269	1359	12.55	23.04	15.00	7.85
iSh Edge MSCI Intl Mom	IMTM	223	1152	30.65	0.62	30.69	23.88
Neos Therapeutics	NEOS	7,068	1028	10.05	37.67	10.90	4.85

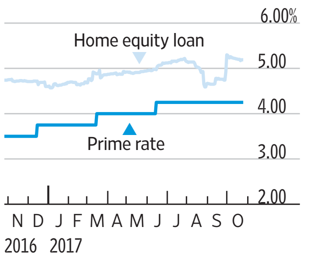
* Common stocks priced at $5 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

CREDIT MARKETS & CURRENCIES

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

Home Equity

Bankrate.com avg†:	**5.19%**
WaterStone Bank, SSB	**1.95%**
Wauwatosa, WI	414-258-5880
Cambridge Savings Bank	**2.99%**
Cambridge, MA	888-418-5626
City National Bank of West Virginia	**2.99%**
Charleston, WV	304-925-6611
Third Federal S&LA	**3.24%**
Cleveland, OH	888-THIRDFED
Dollar Bank, a Federal Savings Bank	**3.74%**
Pittsburgh, PA	800-828-5527

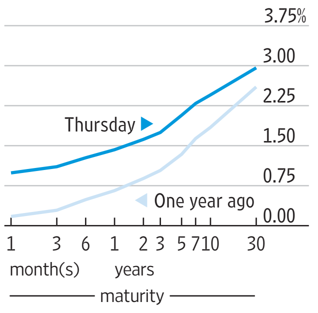
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	1.00-1.25	1.00-1.25	0.25	1.25	1.00
Prime rate*	4.25	4.25	3.50	4.25	1.00
Libor, 3-month	1.38	1.36	0.88	1.38	1.14
Money market, annual yield	0.32	0.32	0.26	0.36	-0.10
Five-year CD, annual yield	1.47	1.46	1.19	1.47	-0.04
30-year mortgage, fixed†	4.00	3.91	3.58	4.33	-0.02
15-year mortgage, fixed†	3.30	3.22	2.85	3.50	0.13
Jumbo mortgages, $424,100-plus†	4.38	4.41	4.23	4.88	0.10
Five-year adj mortgage (ARM)†	3.53	3.56	3.13	4.03	-0.01
New-car loan, 48-month	3.02	3.06	2.85	3.36	-0.20
HELOC, $30,000	5.19	5.20	4.57	5.30	0.75

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: SIX Financial Information; WSJ Market Data Group; Bankrate.com

Treasury yield curve

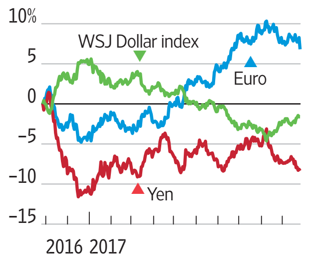
Yield to maturity of current bills, notes and bonds



Sources: Ryan ALM; Tullett Prebon; WSJ Market Data Group

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
Treasury, Ryan ALM	1449.677	2.191	2.091	2.237	1.482	–1.678	1.662
10-yr Treasury, Ryan ALM	1717.839	2.452	2.323	2.609	1.783	1.354	1.410
DJ Corporate	378.212	3.085	3.012	3.390	2.730	2.528	3.709
Aggregate, Barclays Capital	1930.600	2.650	2.580	2.790	2.100	0.276	2.175
High Yield 100, Merrill Lynch	2866.701	5.157	5.124	6.448	4.948	7.616	4.172
Fixed-Rate MBS, Barclays	1977.350	2.930	2.850	3.120	2.270	0.061	1.940
Muni Master, Merrill	520.944	1.978	1.882	2.516	1.677	1.928	2.557
EMBI Global, J.P. Morgan	800.132	5.544	5.398	6.290	5.279	4.960	5.621

Sources: J.P. Morgan; Ryan ALM; S&P Dow Jones Indices; Barclays Capital; Merrill Lynch

U.S.-dollar foreign-exchange rates in late New York trading

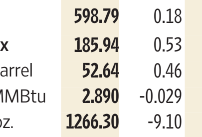
Country/currency	Thurs in US$	per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0566	17.6535	11.2
Brazil real	.3039	3.2906	1.1
Canada dollar	.7785	1.2846	–4.4
Chile peso	.001575	634.90	–5.2
Colombia peso	.0003317	3015.07	0.4
Ecuador US dollar	1	1	unch
Mexico peso	.0521	19.2044	–7.4
Peru new sol	.3086	3.240	–3.4
Uruguay peso	.03396	29.4500	0.3
Venezuela b. fuerte	.099311	10.0694	0.7
Asia-Pacific			
Australian dollar	.7661	1.3053	–6.0
China yuan	.1505	6.6430	–4.3
Hong Kong dollar	.1282	7.8029	0.6
India rupee	.01536	65.090	–4.2
Indonesia rupiah	.0000733	13650	0.9
Japan yen	.008773	113.99	–2.6
Kazakhstan tenge	.002995	333.85	0.05
Macau pataca	.1248	8.0106	1.2
Malaysia ringgit	.2362	4.2340	–5.6
New Zealand dollar	.6845	1.4609	1.2
Pakistan rupee	.00949	105.355	0.9
Philippines peso	.0193	51.938	4.7
Singapore dollar	.7313	1.3674	–5.5
South Korea won	.0008859	1128.75	–6.6
Sri Lanka rupee	.0065108	153.59	3.5
Taiwan dollar	.03308	30.228	–6.9
Thailand baht	.03008	33.240	–7.2
Vietnam dong	.00004400	22725	–0.2
Europe			
Czech Rep. koruna	.04535	22.050	–14.2
Denmark krone	.1565	6.3882	–9.6
Euro area euro	1.1653	.8582	–9.7
Hungary forint	.003750	266.69	–9.4
Iceland krona	.009398	106.41	–5.8
Norway krone	.1224	8.1721	–5.5
Poland zloty	.2739	3.6508	–12.8
Russia ruble	.01729	57.843	–5.6
Sweden krona	.1198	8.3500	–8.3
Switzerland franc	1.0022	.9978	–2.1
Turkey lira	.2618	3.8203	8.4
Ukraine hryvnia	.0373	26.8430	–0.9
UK pound	1.3160	.7599	–6.2
Middle East/Africa			
Bahrain dinar	2.6521	.3771	–0.03
Egypt pound	.0566	17.6555	–2.6
Israel shekel	.2835	3.5277	–8.3
Kuwait dinar	3.3085	.3023	–1.1
Oman sul rial	2.5987	.3848	–0.04
Qatar rial	.2743	3.645	0.1
Saudi Arabia riyal	.2666	3.7505	–0.01
South Africa rand	.0702	14.2427	4.0

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	87.78	0.62	0.72	–5.54

Sources: Tullett Prebon, WSJ Market Data Group

COMMODITIES

	Close	Thursday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	598.79	0.18	0.03	600.13	527.06	10.04	5.56
TR/CC CRB Index	185.94	0.53	0.29	195.14	166.50	-2.16	-3.42
Crude oil, $ per barrel	52.64	0.46	0.88	54.45	42.53	5.87	-2.01
Natural gas, $/MMBtu	2.890	-0.029	-0.99	3.93	2.56	4.56	-22.40
Gold, $ per troy oz.	1266.30	-9.10	-0.71	1346.00	1127.80	-0.13	10.11



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:
- i-New 52-week high.
- ↓-New 52-week low.
- dd-Indicates loss in the most recent four quarters.
- FD-First day of trading.
- h-Does not meet continued listing standards
- lf-Late filing
- q-Temporary exemption from Nasdaq requirements.
- t-NYSE bankruptcy
- v-Trading halted on primary market.
- vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Thursday, October 26, 2017

NYSE

Stock	Sym	Close	Net Chg
ABB	ABB	25.43	0.40
AES	AES	10.86	-0.04
Aflac	AFL	83.63	-0.04
AT&T	T	33.68	0.19
AbbottLabs	ABT	55.48	-0.01
AbbVie	ABBV	89.56	-2.21
Accenture	ACN	141.97	0.81
AcuityBrands	AYI	159.21	2.82
Adient	ADNT	83.63	-0.01
AdvanceAuto	AAP	85.65	2.34
AdvSemiEngg	ASX	6.23	-0.05
Aegon	AEG	5.94	-0.01
AerCap	AER	52.62	0.56
Aetna	**AET**	**178.60**	**18.48**
AffiliatedMgrs	AMG	190.99	1.80
AgilentTechs	A	67.71	0.32
AgnicoEagle	AEM	45.45	1.50
Agrium	AGU	108.40	-1.72
AirProducts	APD	161.39	-6.80
AlaskaAir	**ALK**	**65.38**	**-3.54**
Albemarle	ALB	139.04	0.51
Alcoa	AA	49.15	-0.37
AlexandriaRealEst	ARE	121.73	-0.29
Alibaba	BABA	170.32	0.10
Alleghany	Y	571.44	5.77
Allegion	**ALLE**	**80.70**	**-5.79**
Allergan	AGN	176.33	-4.01
AllianceData	ADS	232.59	-3.23
AllianceBernstein	AB	25.95	0.20
AlliantEnergy	LNT	43.38	0.13
AllisonTransm	ALSN	40.97	0.42
Allstate	ALL	93.96	0.68
AllyFinancial	ALLY	26.02	0.35
AlticeUSA	**ATUS**	**23.88**	**-1.52**
Altria	MO	65.79	2.00
AlumofChina	ACH	21.34	-0.17
Ambev	ABEV	6.32	-0.16
Ameren	AEE	61.38	0.28
AmericaMovil	AMX	17.29	-0.36
AmericaMovil A	AMOV	17.20	-0.30
AmCampus	ACC	41.68	-0.63
AEP	AEP	73.76	0.18
AmericanExpress	AXP	95.69	2.16
AmericanFin	AFG	105.47	0.74
AIG	AIG	64.85	-0.25
AmerTowerREIT	AMT	138.45	1.12
AmerWaterWorks	AWK	82.99	0.33
Amerigas	APU	44.79	0.52
Ameriprise	AMP	162.80	5.74
AmerisourceBergn	ABC	78.77	-3.45
Ametek	AME	69.23	0.72
Amphenol	APH	85.50	-1.75
AnadarkoPetrol	APC	47.69	0.01
Andeavor	ANDV	104.75	-0.15
AB InBev	BUD	120.41	-1.15
AnnalyCap	NLY	11.50	-0.34
AnteroResources	AR	18.14	-0.37
Anthem	ANTM	206.91	1.20
Aon	AON	151.21	-0.44
Apache	APA	39.59	0.08
ApartmtInv	AIV	43.35	-0.35
ApolloGlobalMgmt	APO	31.96	-0.32
AquaAmerica	WTR	35.47	0.12
Aramark	ARMK	43.30	0.33
ArcelorMittal	MT	29.40	-0.66
ArcherDaniels	ADM	43.01	-0.43
Arconic	ARNC	24.29	-0.26
AristaNetworks	ANET	191.83	2.22
ArrowElec	ARW	83.96	0.57
AstraZeneca	AZN	33.53	-0.59
Athene	ATH	53.25	-0.10
AtmosEnergy	ATO	88.36	0.32
Autohome	ATHM	55.91	-1.36
Autoliv	ALV	123.45	1.06
AutoZone	AZO	590.89	3.49
Avalonbay	AVB	180.66	0.18
Avangrid	AGR	50.51	0.67
AveryDennison	AVY	104.86	0.81
AxaltaCoating	AXTA	28.84	-0.12
BB&T	BBT	48.62	0.28
BCE	BCE	46.21	-0.13
BHPBilliton	BHP	40.88	0.13
BHPBilliton	BBL	36.12	0.20
BP	BP	38.65	-0.14
BRF	BRFS	13.42	-0.33
BT Group	BT	17.72	-0.11
BWX Tech	BWXT	60.21	-0.37
BakerHughes	BHGE	29.94	-0.13
Ball	BLL	42.73	0.28
BancoBilbaoViz	BBVA	8.60	0.03
BancodeChile	BCH	90.75	-0.51
BancoMacro	BMA	134.65	0.56
BcoSantChile	BSAC	30.86	0.28
BancoSantander	SAN	6.74	0.11
BanColombia	CIB	42.57	0.09
BankofAmerica	BAC	27.74	0.11
BankofMontreal	BMO	77.81	0.09
BankNY Mellon	BK	52.22	0.47
BkNovaScotia	BNS	64.28	0.03
Barclays	**BCS**	**9.45**	**-0.99**
Bard CR	BCR	328.08	0.05
BarrickGold	**ABX**	**14.51**	**-1.24**
BaxterIntl	BAX	64.93	0.55
BectonDickinson	BDX	209.84	-0.55
Berkley	WRB	70.57	0.28
BerkHathwy A	BRK.A	282810-225.00	
BerkHathwy B	BRK.B	188.61	-0.10
BerryGlobal	BERY	60.64	0.68
BestBuy	BBY	55.95	0.78
Bio-RadLab A	BIO	220.63	-1.59
Bio-RadLab B	BIO.B	223.20	0.20
BlackKnight	BKI	46.00	1.05
BlackBerry	BB	10.74	-0.01
BlackRock	BLK	473.48	4.33
BlackstoneGroup	BX	33.77	-0.40
BoardwalkPipe	BWP	14.26	-0.00
Boeing	BA	259.27	0.85
BorgWarner	BWA	53.37	1.71
BostonProperties	BXP	121.28	-0.21
BostonScientific	BSX	28.82	-0.79
Braskem	BAK	28.80	-0.53
Bristol-Myers	BMY	60.95	3.05
BritishAmTob	BTI	65.44	0.91
BroadridgeFinl	BR	85.08	0.82
BrookfieldMgt	BAM	41.55	-0.01
BrookfieldInfr	BIP	42.38	-0.21
Brown&Brown	BRO	49.38	0.47
Brown-Forman A	BF.A	56.72	0.63
Brown-Forman B	BF.B	56.73	0.67
BuckeyePtrs	BPL	52.04	1.15
Bunge	BG	69.96	-0.06
BurlingtonStores	BURL	90.45	1.47
CBD Pao	CBD	23.98	-0.61
CBRE Group	CBG	39.59	0.59
CBS A	CBS.A	56.13	-0.82
CBS B	CBS	57.04	-0.19
CF Industries	CF	37.45	-0.03
CGI Group	GIB	53.28	1.19
CIT Group	CIT	47.19	0.69
CMS Energy	CMS	47.93	0.03
CNA Fin	CNA	50.65	0.31
CNOOC	CEO	129.18	0.38
CPFLEnergia	CPL	16.61	-0.23
CRH	CRH	37.46	0.39
CVS Health	CVS	73.31	-2.22
CabotOil	COG	24.65	0.23
CamdenProperty	CPT	90.54	-0.69
CampbellSoup	CPB	47.92	1.31
CIBC	CM	88.04	-0.75
CanNtlRlwy	CNI	81.31	-0.13
CanNaturalRes	CNQ	32.83	0.35
CanPacRlwy	CP	174.33	0.10
Canon	CAJ	36.88	0.50
CapitalOne	COF	92.52	1.70
CardinalHealth	CAH	64.75	-2.30
Carlisle	CSL	111.01	0.27
CarMax	KMX	74.86	0.05
Carnival	CCL	66.60	0.76
Carnival	CUK	66.87	0.69
Catalent	CTLT	42.58	-0.37
Caterpillar	CAT	136.94	0.10
Celanese A	CE	106.05	1.59
Cemex	CX	8.16	0.06
CenovusEnergy	CVE	9.38	-0.02
Centene	CNC	93.82	-3.00
CenterPointEner	CNP	29.49	0.20
CentraisEl Bras	EBR	7.09	-0.13
CenturyLink	CTL	18.51	-0.02
Chemours	CC	56.61	-0.21
Chevron	CVX	118.44	...
ChinaEastrnAir	CEA	25.33	0.09
ChinaLifeIns	LFC	16.20	0.09
ChinaMobile	CHL	50.38	0.15
ChinaPetrol	SNP	72.45	-0.27
ChinaSoAirlines	ZNH	35.61	0.51
ChinaTelecom	CHA	50.72	-0.71
ChinaUnicom	CHU	14.31	-0.05
Chipotle	**CMG**	**281.52**	**4.51**
Chubb	CB	154.75	0.59
ChunghwaTelecom	CHT	33.69	-0.05
Church&Dwight	CHD	45.76	...
Cigna	CI	198.75	3.05
CimarexEnergy	XEC	113.36	0.32
Citigroup	C	73.79	0.17
CitizensFin	CFG	38.51	0.48
Clorox	CLX	127.86	0.77
Coach	COH	40.39	0.13
Coca-Cola	KO	46.23	0.18
Coca-Cola Euro	CCE	41.28	0.11
Coca-Cola Femsa	KOF	70.24	1.00
Colgate-Palmolive	CL	71.21	-0.21
ColonyNorthStar	CLNS	12.44	-0.10
Comerica	CMA	79.71	0.83
SABESP	SBS	9.29	-0.07
ConagraBrands	CAG	33.38	-0.55
ConchoRscs	CXO	130.12	-0.41
ConocoPhillips	COP	51.46	1.50
ConEd	ED	85.50	0.17
ConstBrands A	STZ	211.74	-0.74
ContinentalRscs	CLR	38.24	0.50
Cooper	COO	240.41	2.51
Corning	GLW	31.70	0.16
Coty	COTY	15.24	-0.01
Credicorp	BAP	207.01	0.60
CreditSuisse	CS	15.96	-0.16
CrestwoodEquity	CEQP	23.60	-0.25
CrownCastle	CCI	103.18	-0.94
CrownHoldings	CCK	59.53	0.05
Cullen/Frost	CFR	100.47	0.95
Cummins	CMI	178.64	1.72
DTE Energy	DTE	110.56	0.05
DXC Tech	DXC	90.93	0.30
Danaher	DHR	91.46	0.81
Darden	DRI	82.79	0.98
DaVita	DVA	61.53	-1.07
Deere	DE	132.14	1.58
DellTechnologies	DVMT	82.97	0.37
DelphiAutomotive	DLPH	99.07	1.67
DeltaAir	DAL	50.93	-1.31
DeutscheBank	DB	16.72	-0.40
DevonEnergy	DVN	34.91	0.56
Diageo	DEO	135.28	0.20
DigitalRealty	**DLR**	**115.81**	**-7.17**
DiscoverFinSvcs	DFS	66.69	1.54
Disney	DIS	98.56	0.76
DolbyLab	DLB	57.53	-2.45
DollarGeneral	DG	84.37	0.93
DominionEner	D	80.41	0.73
DominosPizza	DPZ	185.68	-0.07
Donaldson	DCI	48.17	0.49
DouglasEmmett	DEI	39.27	-0.20
Dover	DOV	96.47	1.47
DowDuPont	DWDP	73.05	1.06
DrPepperSnap	DPS	86.46	0.94
DrReddy'sLab	RDY	35.71	-0.03
DukeEnergy	DUK	87.36	-0.39
DukeRealty	DRE	28.61	-0.18
ENI	E	32.62	-0.05
EOG Rscs	EOG	96.92	0.77
EQT	EQT	60.07	-0.79
EastmanChem	EMN	91.04	0.41
Eaton	ETN	79.50	0.52
EatonVance	EV	51.42	0.68
Ecolab	ECL	132.67	0.18
Ecopetrol	EC	10.43	0.15
EdisonInt	EIX	78.73	-0.20
EdwardsLife	EW	103.37	0.04
EmersonElec	EMR	66.83	0.13
EnbridgeEnPtrs	EEP	14.51	0.14
Enbridge	ENB	37.96	-0.05
Encana	ECA	10.70	0.10
EnelAmericas	ENIA	10.57	-0.04
EnelChile	ENIC	5.95	0.01
EnelGenChile	EOCC	26.94	-0.10
EnergyTrfrEquity	ETE	16.72	0.62
EnergyTransfer	ETP	16.60	0.21
Entergy	ETR	86.18	-0.16
EnterpriseProd	EPD	24.58	0.22
Equifax	EFX	108.95	1.41
EquityLife	ELS	87.67	0.29
EquityResdntl	EQR	67.35	-0.27
EssexProp	ESS	259.65	2.02
EsteeLauder	EL	111.79	0.67
EverestRe	RE	229.94	2.55
EversourceEner	ES	62.24	-0.09
Exelon	EXC	39.88	-0.19
ExtraSpaceSt	EXR	78.70	-1.95
ExxonMobil	XOM	83.47	0.30
FMC	FMC	93.14	-0.07
FactSet	FDS	189.44	1.24
FederalRealty	FRT	121.73	-1.54
FedEx	FDX	229.04	3.54
Ferrari	RACE	115.07	0.35
FiatChrysler	FCAU	17.27	0.18
FibriaCelulose	FBR	16.19	...
FidelityNatlFin	FNF	36.44	1.09
FNFV Group	FNFV	17.15	-0.45
FidelityNtlInfo	FIS	95.94	0.41
58.com	WUBA	62.53	-0.50
FirstAmerFin	FAF	52.11	1.25
FirstData	FDC	18.63	-0.15
FirstRepBank	FRC	99.57	...
FirstEnergy	FE	31.78	-0.07
FleetCorTech	FLT	164.14	-0.26
Flowserve	FLS	44.74	0.31
Fluor	FLR	42.69	0.19
FomentoEconMex	FMX	89.07	-0.12
FordMotor	F	12.27	0.13
ForestCity A	FCE.A	24.66	-0.06
Fortis	FTS	36.55	-0.02
Fortive	FTV	73.47	1.00
FortBrandsHome	FBHS	68.35	1.47
Franco-Nevada	FNV	78.70	-0.26
FranklinRscs	BEN	43.95	-0.20
Freeport-McMoRan	FCX	14.69	-0.01
FreseniusMed	FMS	48.31	-0.28
GGP	GGP	20.45	-0.15
Gallagher	AJG	62.25	-0.29
Gap	GPS	27.28	0.17
Gartner	IT	124.75	0.68
Gazit-Globe	GZT	9.70	0.02
GeneralDynamics	GD	203.91	-3.34
GeneralElec	GE	21.32	-0.18
GeneralMills	GIS	51.76	0.23
GeneralMotors	GM	45.25	0.13
Genpact	G	30.37	0.66
GenuineParts	GPC	89.40	0.94
Gerdau	**GGB**	**3.50**	**-0.19**
Gildan	GIL	30.95	-0.24
GlaxoSmithKline	GSK	36.53	-0.50
GlobalPayments	GPN	100.48	0.60
GoDaddy	GDDY	45.75	0.31
Goldcorp	GG	12.92	0.04
GoldmanSachs	GS	241.72	0.01
Graco	GGG	133.50	5.58
Grainger	GWW	201.18	4.05
GreatPlainsEner	GXP	32.40	0.25
GrupoAvalAcciones	AVAL	8.12	-0.05
GpFinSantandMex	BSMX	8.46	-0.53
GrupoTelevisa	TV	23.88	0.13
GuidewireSoftware	GWRE	77.22	-0.26
HCA Healthcare	HCA	76.69	-2.31
HCP	HCP	25.21	-0.15
HDFC Bank	HDB	93.19	0.76
HP	HPQ	21.52	-0.15
HSBC	HSBC	49.01	-0.35
Halliburton	HAL	42.61	-0.24
Hanesbrands	HBI	22.82	0.04
HarleyDavidson	HOG	48.80	0.17
Harris	HRS	136.66	-0.70
HartfordFinl	HIG	55.56	0.72
HealthcareAmer	HTA	29.45	-0.23
Heico	HEI	91.94	-0.30
Heico A	HEI.A	74.75	-0.40
Herbalife	HLF	71.23	-0.67
Hershey	**HSY**	**103.27**	**-5.73**
Hess	HES	41.28	-0.93
HewlettPackard	HPE	14.25	0.17
Hilton	HLT	72.48	1.16
HollyFrontier	HFC	36.10	-0.20
HomeDepot	HD	167.65	1.58
HondaMotor	HMC	30.80	0.34
Honeywell	HON	145.84	-0.15
HormelFoods	HRL	30.37	0.05
DR Horton	DHI	44.00	0.74
HostHotels	HST	19.40	0.05
HuanengPower	HNP	26.64	0.17
Humana	HUM	251.52	3.16
HuntingtonIngalls	HII	231.82	-2.18
Huntsman	HUN	29.80	0.15
HyattHotels	H	62.45	0.82
ICICI Bank	IBN	8.82	-0.29
ING Groep	ING	18.66	-0.16
IQVIA	IQV	103.06	-1.57
IDEX	IEX	129.21	2.17
IllinoisToolWks	ITW	157.50	-0.04
Infosys	INFY	15.01	...
Ingersoll-Rand	IR	90.66	-0.66
Ingredion	INGR	125.45	0.78
ICE	ICE	65.61	-0.30
InterContinentl	IHG	54.77	0.88
IBM	IBM	153.60	0.10
IntlFlavors	IFF	150.00	0.80
IntlPaper	IP	58.00	0.01
Interpublic	IPG	20.17	0.67
InvitationHomes	INVH	22.75	-0.06
IronMountain	IRM	39.66	-0.15
IsraelChemicals	ICL	4.25	0.04
ItauUnibanco	ITUB	13.28	-0.38
JPMorganChase	JPM	101.74	0.72
JacobsEngineering	JEC	58.73	0.65
JamesHardie	JHX	14.97	0.25
JanusHenderson	JHG	35.05	0.13
J&J	JNJ	141.81	-0.55
JohnsonControls	JCI	42.17	0.97
JonesLangLaSalle	JLL	128.02	2.47
JuniperNetworks	JNPR	24.86	0.30
KAR Auction	KAR	46.99	0.12
KB Fin	KB	51.98	-0.53
KKR	KKR	20.30	-0.22
KT	KT	14.04	-0.03
KSCitySouthern	KSU	104.68	2.48
Kellogg	K	60.55	0.07
KeyCorp	KEY	18.52	0.20
KeysightTechs	KEYS	42.99	-0.03
KilroyRealty	KRC	70.17	-0.97
KimberlyClark	KMB	113.59	1.19
KimcoRealty	KIM	18.33	-0.16
KinderMorgan	KMI	18.00	-0.04
Knight-Swift	KNX	43.18	-1.05
Kohl's	KSS	44.60	0.85
KoninklijkePhil	PHG	41.08	0.57
KoreaElecPwr	KEP	17.38	-0.43
Kroger	KR	20.82	-0.31
Kyocera	KYO	65.75	-0.14
LATAMAirlines	LTM	13.42	-0.49
L Brands	LB	44.23	-0.06
LG Display	LPL	12.56	-0.61
LINE	LN	42.75	1.30
L3 Tech	LLL	185.45	-3.00
LabCpAm	LH	153.99	0.68
LambWeston	LW	50.60	-0.02
LasVegasSands	LVS	62.58	-0.33
Lazard	LAZ	45.57	0.30
Lear	LEA	177.16	5.64
Leggett&Platt	LEG	48.23	0.03
Leidos	LDOS	62.47	-0.27
Lennar A	LEN	58.46	0.52
Lennar B	LEN.B	49.87	0.84
LennoxIntl	LII	195.55	2.33
LeucadiaNatl	LUK	25.53	0.09
Level3Comms	LVLT	52.85	-0.05
LibertyProperty	LPT	42.77	-0.03
EliLilly	LLY	84.16	-0.69
LincolnNational	LNC	76.99	0.53
LionsGate A	LGF.A	29.49	-0.83
LionsGate B	LGF.B	27.88	-0.93
LiveNationEnt	LYV	42.26	0.01
LloydsBanking	LYG	3.68	0.02
LockheedMartin	LMT	307.89	-4.54
Loews	L	48.37	0.12
Lowe's	LOW	81.53	0.54
LyondellBasell	LYB	101.23	1.48
M&T Bank	MTB	167.60	1.60
MGM Resorts	MGM	30.83	-0.14
MPLX	**MPLX**	**34.13**	**1.67**
MSCI	MSCI	120.25	1.71
Macerich	MAC	57.05	0.23
MacquarieInfr	MIC	69.26	-0.03
Macy's	M	21.34	0.10
MagellanMid	MMP	67.39	1.22
MagnaIntl	MGA	55.17	0.21
Manpower	MAN	124.75	1.51
ManulifeFin	MFC	20.24	-0.04
MarathonOil	MRO	13.56	0.08
MarathonPetrol	MPC	57.27	0.83
Markel	MKL	1091.61	24.73
MarshMcLennan	MMC	81.36	-3.11
MartinMarietta	MLM	216.92	4.69
Masco	MAS	40.11	0.44
Mastercard	MA	146.59	0.35
McCormick	MKC	99.04	0.17
McCormickVtg	MKC.V	98.21	-0.45
McDonalds	MCD	164.01	0.43
McKesson	**MCK**	**140.34**	**-7.84**
Medtronic	MDT	80.44	1.24
Merck	MRK	61.99	-0.46
MetLife	MET	54.21	0.27
MettlerToledo	MTD	667.74	2.31
MichaelKors	KORS	49.76	0.03
MicroFocus	MFGP	33.67	0.10
MidAmApt	MAA	99.72	-4.50
MitsubishiUFJ	MTU	6.76	0.09
MizuhoFin	MFG	3.65	0.02
MobileTeleSys	MBT	10.46	-0.04
MohawkIndustries	MHK	262.98	-0.17
MolsonCoors B	TAP	80.37	-1.89
Monsanto	MON	121.45	-0.05
Moody's	MCO	147.38	1.80
MorganStanley	MS	50.77	0.24
Mosaic	MOS	21.16	-0.28
MotorolaSolutions	MSI	90.28	0.23
NRG Energy	NRG	24.77	-0.15
NTTDoCoMo	DCM	24.52	0.64
NVR	NVR	3203.00	43.86
NationalGrid	NGG	60.72	-0.20
NatlOilwell	NOV	33.86	0.23
NatlRetailProp	NNN	40.06	-0.71
NewOrientalEduc	EDU	82.75	-6.18
NY CmntyBcp	NYCB	12.72	0.22
NewellBrands	NWL	40.40	0.12
NewfieldExpln	NFX	29.07	0.25
NewmontMining	NEM	35.81	-0.94
NextEraEnergy	NEE	153.39	-0.47
NielsenHoldings	NLSN	39.27	0.71
Nike	NKE	56.81	1.87
NiSource	NI	26.47	-0.07
NobleEnergy	NBL	26.87	0.13
Nokia	**NOK**	**4.76**	**-1.29**
NomuraHoldings	NMR	5.96	0.02
Nordstrom	JWN	42.21	0.69
NorfolkSouthern	NSC	133.25	4.56
NorthropGrumman	NOC	297.99	-6.76
Novartis	NVS	80.91	-0.46
NovoNordisk	NVO	48.86	-1.27
Nucor	NUE	59.73	0.74
NuSTAREnergy	NS	33.47	0.67
OGE Energy	OGE	36.23	-0.08
ONEOK	OKE	53.43	-0.28
OccidentalPetrol	OXY	64.62	-0.73
Och-Ziff	OZM	3.68	0.07
Olin	OLN	35.35	-0.07
OmegaHealthcare	OHI	31.32	-0.19
Omnicom	OMC	70.36	0.55
Oracle	ORCL	50.15	0.45
Orange	ORAN	16.02	0.01
OrbitalATK	OA	133.26	0.21
Orix	IX	84.97	...
Oshkosh	OSK	90.61	1.43
OwensCorning	OC	79.21	2.54
PG&E	PCG	56.74	0.61
PLDT	PHI	32.26	-0.29
PNC Fin	PNC	138.77	0.39
POSCO	PKX	72.69	-1.31
PPG Ind	PPG	118.67	0.95
PPL	PPL	37.69	...
PVH	PVH	129.04	-0.96
PackagingCpAmer	PKG	118.58	0.42
PaloAltoNtwks	PANW	148.80	3.32
ParkHotels	PK	28.57	0.48
ParkerHannifin	PH	184.83	1.15
ParsleyEnergy	PE	24.52	0.65
Pearson	PSO	9.42	0.15
PembinaPipeline	PBA	33.48	0.10
Pentair	PNR	71.16	0.22
PepsiCo	PEP	110.73	0.66
PerkinElmer	PKI	72.10	0.66
Perrigo	PRGO	83.54	-1.46
PetroChina	PTR	63.52	0.15
PetroleoBrasil	PBR	10.39	-0.12
PetroleoBrasilA	PBR.A	10.14	-0.15
Pfizer	PFE	35.74	-0.42
PhilipMorris	PM	106.93	-0.07
Phillips66	PSX	91.18	-0.53
PinnacleFoods	PF	53.78	-1.74
PinnacleWest	PNW	88.14	-0.11
PioneerNatRscs	PXD	142.31	-0.75
PlainsAllAmPipe	PAA	19.36	0.38
PlainsGP	PAGP	19.93	0.37
PolarisIndustries	PII	121.28	-1.89
PostHoldings	POST	79.34	-0.33
Praxair	PX	149.60	5.98
PrincipalFin	PFG	68.20	0.52
Procter&Gamble	PG	87.50	0.64
Progressive	PGR	49.15	0.54
Prologis	PLD	64.27	0.24
PrudentialFin	PRU	111.89	0.64
Prudential	PUK	49.12	0.16
PublicServiceEnt	PEG	49.36	0.20
PublicStorage	PSA	204.21	-5.79
PulteGroup	PHM	29.76	0.53
QuantaServices	PWR	37.74	0.36
Qudian	**QD**	**22.80**	**-3.59**
QuestDiag	DGX	94.80	0.59
QuintilesIMS	Q	105.50	4.00
RELX	RENX	22.42	0.53
RELX	RELX	22.69	0.54
RPM	RPM	52.71	0.39
RalphLauren	RL	91.26	-0.59
RaymondJames	RJF	84.58	-1.15
Raytheon	**RTN**	**181.86**	**-7.33**
RealtyIncome	O	53.44	-1.03
RedHat	RHT	120.29	0.07
RegencyCtrs	REG	62.38	-0.55
RegionsFin	RF	15.81	0.24
ReinsuranceGrp	RGA	144.86	1.26
RepublicServices	RSG	65.37	1.60
ResMed	RMD	78.61	0.21
RestaurantBrands	QSR	65.38	-2.01
RioTinto	RIO	47.21	0.11
RobertHalf	RHI	53.26	1.27
Rockwell	ROK	188.03	0.96
RockwellCollins	COL	135.05	0.13
RogersComm B	RCI	52.41	-0.09
Rollins	ROL	43.64	0.11
RoperTech	ROP	257.52	2.36
RoyalBkCanada	RY	78.58	0.24
RoyalBkScotland	RBS	7.41	-0.08
RoyalCaribbean	RCL	123.06	1.78
RoyalDutch A	RDS.A	62.74	0.41
RoyalDutch B	RDS.B	63.14	-0.08
S&P Global	SPGI	113.40	0.64
SAP	SAP	165.00	4.08
SINOPECShanghai	SHI	60.08	-1.34
SK Telecom	SKM	25.63	-0.40
SLGreenRealty	SLG	95.88	0.08
Salesforce.com	CRM	100.05	0.46
Sanofi	SNY	47.54	-0.13
Sasol	SSL	28.95	0.27
Scana	SCG	47.83	0.26
Schlumberger	SLB	63.37	-0.07
SchwabC	SCHW	45.35	0.70
ScottsMiracleGro	SMG	99.42	-0.07
SealedAir	SEE	44.74	0.16
SemiconductrMfg	SMI	6.79	-0.03
SempraEnergy	SRE	115.11	0.80
SensataTech	ST	49.26	0.30
ServiceCorp	**SCI**	**35.40**	**2.11**
ServiceMaster	SERV	45.09	0.47
ServiceNow	NOW	126.14	1.52
ShawComm B	SJR	21.41	0.15
SherwinWilliams	SHW	396.50	3.96
ShinhanFin	SHG	45.50	-0.48
Shopify	SHOP	104.11	1.12
SimonProperty	SPG	163.76	0.08
SmithAO	AOS	59.67	0.56
Smith&Nephew	SNN	38.09	0.07
Smucker	SJM	104.14	0.21
Snap	SNAP	14.39	0.23
SnapOn	SNA	159.47	-0.45
SOQUIMICH	SQM	60.71	-0.15
Sony	SNE	37.26	0.08
Southern	SO	52.06	-0.15
SoCopper	SCCO	43.22	-0.43
SouthwestAirlines	LUV	55.11	-2.05
SpectraEnerPtrs	SEP	41.21	-0.27
SpectrumBrands	SPB	108.43	1.82
SpiritAeroSys	SPR	79.67	-0.95
Sprint	S	6.93	-0.05
Square	SQ	34.11	1.21
StanleyBlackDck	SWK	164.70	1.17
StateStreet	STT	94.74	0.69
Statoil	STO	19.89	-0.57
Steris	STE	91.20	0.13
STMicroelec	**STM**	**23.08**	**2.18**
Stryker	SYK	148.82	-1.36
SumitomoMits	SMFG	8.03	0.07
SunCommunities	SUI	89.63	0.01
SunLifeFinancial	SLF	39.33	-0.05
SuncorEnergy	SU	33.56	0.62
SunTrustBanks	STI	60.61	0.83
SynchronyFin	SYF	32.87	0.49
Syngenta	SYT	92.15	0.04
Sysco	SYY	56.16	-0.11
TAL Education	**TAL**	**27.73**	**-4.64**
TE Connectivity	TEL	88.59	-0.31
Telus	TU	36.63	-0.19
Ternium	TX	32.35	-0.17
TIM Part	TSU	18.66	-0.16
TJX	TJX	71.87	0.23
TableauSoftware	DATA	79.38	1.08
TaiwanSemi	TSM	41.20	0.04
TargaResources	TRGP	42.69	0.33
Target	TGT	62.01	0.09
TataMotors	TTM	32.28	0.16
TechnipFMC	**FTI**	**26.50**	**1.42**
TeckRscsB	**TECK**	**20.84**	**-2.04**
TelecomArgentina	TEO	33.56	0.05
TelecomItalia	TI	8.81	-0.20
TelecomItalia A	TI.A	7.06	-0.20
TeledyneTech	TDY	167.49	-0.09
Teleflex	TFX	241.30	-1.13
TelefonicaBras	VIV	15.69	0.10
Telefonica	TEF	10.18	-0.19
TelekmIndonesia	TLK	30.27	-0.26
Tenaris	TS	26.14	0.17
Teradyne	**TER**	**42.03**	**2.91**
TevaPharm	TEVA	13.69	-0.27
Textron	TXT	53.76	0.05
ThermoFisherSci	TMO	203.37	0.31
ThomsonReuters	TRI	47.36	0.11
ThorIndustries	THO	133.24	1.68
3M	MMM	232.94	-4.74
Tiffany	TIF	94.10	0.62
TimeWarner	TWX	98.97	0.25
Toll Bros	TOL	45.69	0.63
Torchmark	TMK	85.08	0.50
Toro	TTC	63.57	0.68
TorontoDomBk	TD	56.37	0.01
Total	TOT	54.28	-0.05
TotalSystem	TSS	70.71	0.29
ToyotaMotor	TM	123.85	1.51
TransCanada	TRP	46.71	0.07
TransDigm	TDG	273.00	0.38
TransUnion	TRU	51.19	0.33
Travelers	TRV	131.94	0.16
TurkcellIletism	TKC	9.23	0.01
TurquoiseHill	TRQ	3.06	-0.04
Twitter	TWTR	20.31	3.17
TylerTech	**TYL**	**181.86**	**11.35**
TysonFoods	TSN	73.30	0.21
UBS Group	UBS	17.12	-0.16
UDR	UDR	38.25	0.04
UGI	UGI	48.02	0.40
US Foods	USFD	27.18	-0.02
UltraparPart	UGP	24.07	-0.34
UnderArmour A	UAA	16.38	0.37
UnderArmour C	UA	14.65	...
Unilever	UN	57.00	1.11
Unilever	UL	55.46	1.18
UnionPacific	**UNP**	**116.47**	**6.20**
UnitedContinental	UAL	59.95	0.03
UnitedMicro	UMC	2.55	0.01
UPS B	UPS	119.33	0.78
UnitedRentals	URI	141.24	2.23
US Bancorp	USB	54.30	0.16
US Steel	X	27.69	-0.42
UnitedTech	UTX	119.93	0.94
UnitedHealth	UNH	209.15	1.59
UniversalHealthB	**UHS**	**103.86**	**-6.89**
UnumGroup	UNM	52.93	0.72
VEREIT	VER	7.75	-0.05
VF	VFC	70.50	-0.75
Visa	V	109.80	0.31
ValeRsrcs	MTN	225.71	0.04
Vale	VALE	9.88	-0.45
ValeroEnergy	VLO	76.29	-1.39
Vantiv	VNTV	68.75	-2.41
VarianMed	VAR	104.41	-3.49
Vedanta	VEDL	20.99	0.39
VeevaSystems	VEEV	59.49	0.19
Ventas	VTR	61.10	-0.40
Verizon	VZ	48.89	0.25
VistraEnergy	VST	20.49	0.17
VMware	VMW	119.01	0.11
VornadoRealty	VNO	72.98	0.17
VoyaFinancial	VOYA	40.21	0.07
VulcanMaterials	VMC	123.01	0.68
WABCO	WBC	153.86	1.72
WEC Energy	WEC	67.28	0.51
WP Carey	WPC	67.84	-0.70
Wabtec	WAB	76.02	-1.63
Wal-Mart	WMT	88.62	0.14
WasteConnections	WCN	72.18	2.30
WasteMgt	WM	81.31	3.80
Waters	WAT	194.63	4.28
Weibo	WB	99.85	0.71
WellsFargo	WFC	55.62	0.37
Welltower	HCN	65.76	-0.44
WestPharmSvcs	**WST**	**100.93**	**9.28**
WestAllianceBcp	WAL	56.20	0.04
WesternGasEquity	WGP	38.54	0.23
WesternGasPtrs	WES	47.08	0.46
WesternUnion	WU	20.25	0.22
WestlakeChem	WLK	84.85	0.34
WestpacBanking	WBK	25.68	0.01
WestRock	WRK	60.47	-0.50
Weyerhaeuser	WY	34.88	0.20
WheatonPrecMetals	WPM	20.36	-0.24
Whirlpool	WHR	161.51	0.57
Williams	WMB	28.41	0.07
WilliamsPartners	WPZ	36.69	-0.13
Wipro	WIT	5.17	-0.09
WooriBank	WF	47.48	0.87
Wyndham	WYN	106.42	2.75
XPO Logistics	**XPO**	**69.14**	**0.98**
XcelEnergy	XEL	49.05	-0.33
Xerox	**XRX**	**30.65**	**-2.45**
Xylem	XYL	64.81	0.28
YPF	YPF	24.47	-0.26
YumBrands	YUM	75.87	1.30
YumChina	YUMC	40.61	0.49
ZTO Express	ZTO	15.49	0.07
ZayoGroup	ZAYO	35.75	-0.33
ZimmerBiomet	ZBH	121.00	-0.46
Zoetis	ZTS	63.74	-0.64

NASDAQ

Stock	Sym	Close	Net Chg
AGNC Invt	AGNC	20.53	-0.91
Ansys	ANSS	133.84	0.99
ASML	ASML	177.82	0.46
Abiomed	**ABMD**	**179.59**	**8.22**
ActivisionBliz	ATVI	62.06	0.25
AdobeSystems	ADBE	173.75	1.92
AkamaiTech	AKAM	53.34	-0.66
AlexionPharm	ALXN	126.07	-5.94
AlignTech	ALGN	202.98	1.23
Alkermes	**ALKS**	**54.97**	**5.48**
AlnylamPharm	ALNY	114.49	-2.91
Alphabet A	GOOGL	991.42	-0.04
Alphabet C	GOOG	972.56	-0.77
Altaba	AABA	65.57	0.17
Amazon.com	AMZN	972.43	-0.48
Amdocs	DOX	65.41	-0.33
Amerco	UHAL	395.89	7.64
AmericanAirlines	AAL	48.61	-2.41
Amgen	AMGN	176.52	-0.98
AnalogDevices	ADI	90.56	0.70
Apple	AAPL	157.41	0.31
AppliedMaterials	AMAT	55.93	0.63
ArchCapital	ACGL	100.61	-1.50
Atlassian	TEAM	47.91	-0.35
Autodesk	ADSK	121.35	1.41
ADP	ADP	117.30	0.96
BOK Fin	BOKF	87.35	0.24
Baidu	BIDU	260.42	-2.42
BankofOzarks	OZRK	47.13	0.06
Biogen	BIIB	307.64	-7.00
BioMarinPharm	BMRN	83.72	-1.86
Bioverativ	BIVV	57.25	-1.48
BlueBuffaloPet	BUFF	28.98	-0.10
bluebirdbio	**BLUE**	**156.30**	**-6.85**
BookingHoldings / Broadcom ...			

Broadcom AVGO 243.76 -2.06; CA CA 32.63 -1.50; CDK Global CDK 66.66 0.17; CDW CDW 69.30 0.14; CH Robinson CHRW 79.59 0.99; CME Group CME 136.60 2.75; CSX CSX 52.35 -0.57; CadenceDesign CDNS 42.72 0.50; Carlyle CG 22.60 -0.35; CboeGlobalMkts CBOE 111.49 1.76; **Celgene CELG 99.99 -19.57**; Cerner CERN 71.32 -0.48; **CharterComms CHTR 316.29 -28.62**; CheckPointSftw CHKP 115.88 0.32; ChinaLodging HTHT 130.18 -5.41; CincinnatiFin CINF 76.02 0.27; Cintas CTAS 151.55 1.39; CiscoSystems CSCO 34.27 -0.03; CitrixSystems CTXS 81.20 -1.23; Cognex CGNX 123.35 0.58; CognizantTech CTSH 74.58 0.33; Coherent COHR 262.42 -1.14; Comcast A CMCSA 36.27 -0.56; CommerceBcshrs CBSH 58.60 0.72; CommScope COMM 31.73 -0.13; Copart CPRT 35.91 0.16; CoStarGroup CSGP 289.25 10.84; Costco COST 162.46 0.28; Ctrip.com CTRP 46.60 -0.75; DISH Network DISH 49.52 -0.13; DentsplySirona XRAY 61.37 0.37; DiamondbackEner FANG 100.88 -0.01; DiscoveryComm B DISCB 27.00 -0.99; DiscoveryComm A DISCA 19.28 -0.38; DiscoveryComm C DISCK 18.27 0.09; DollarTree DLTR 93.23 1.62; E*TRADE ETFC 43.64 0.22; EastWestBancorp EWBC 61.22 1.03; eBay EBAY 36.90 0.22; ElbitSystems ESLT 149.76 -0.34; ElectronicArts EA 115.83 1.27; Equinix EQIX 454.20 -3.73; **Ericsson ERIC 6.12 -0.46**; Exelixis EXEL 25.92 0.03; Expedia EXPE 147.35 -0.55; ExpeditorsIntl EXPD 59.23 0.39; ExpressScripts ESRX 58.93 -2.23; F5Networks FFIV 124.05 4.74; Facebook FB 170.63 0.03; Fastenal FAST 47.49 0.85; FifthThirdBncp FITB 28.85 0.27; Fiserv FISV 128.94 0.73; Flex FLEX 17.95 -0.28; FlirSystems FLIR 47.72 1.20; Fortinet FTNT 40.10 0.40; GamingLeisure GLPI 36.07 0.26; Garmin GRMN 56.47 -0.08; GileadSciences GILD 77.28 -2.01; Goodyear GT 33.67 -0.28; Grifols GRFS 21.61 0.29; HD Supply HDS 35.50 0.33; Hasbro HAS 93.19 0.53; HenrySchein HSIC 81.47 -1.43; Hologic HOLX 37.13 0.10; JBHunt JBHT 108.88 2.65; HuntingtonBcshs HBAN 13.91 0.03; IAC/InterActive IAC 123.72 -0.15; IdexxLab IDXX 164.25 2.21; IHSMarkit INFO 42.99 0.04; ING Research INCR 57.25 1.75; IPG Photonics IPGP 208.75 1.79; IcahnEnterprises IEP 54.87 -1.01; **Icon ICLR 122.79 9.88**; Illumina ILMN 208.31 3.46; Incyte INCY 112.00 -1.86; Intel INTC 41.35 0.57; InteractiveBrkrs IBKR 52.52 1.06; Intuit INTU 151.33 1.87; IntuitiveSurgical ISRG 372.36 -0.06; IonisPharma IONS 54.32 0.30; JD.com JD 36.81 -0.59; JackHenry JKHY 108.84 1.92; JazzPharma JAZZ 138.46 -1.81; JetBlue JBLU 19.99 -0.13; **KLA Tencor KLAC 108.85 2.14**; KraftHeinz KHC 77.30 -0.03; LKQ LKQ 37.10 0.56; LamResearch LRCX 206.76 3.71; LamarAdvertising LAMR 68.66 0.71; **LibertyBroadbandA LBRDA 82.24 -7.45**; **LibertyBroadbandC LBRDK 83.68 -7.73**; LibertyGlobal A LBTYA 30.99 -0.20; LibertyGlobal B LBTYB 31.05 -1.50; LibertyGlobal C LBTYK 30.00 -0.17; LibertyLiLAC A LILA 21.23 -0.50; LibertyLiLAC C LILAK 21.20 -0.09; LibertyQVC A QVCA 23.04 0.59; LibertyVentures A LVNTA 53.96 -2.51; LibertyFormOne A FWONA 35.77 -1.41; LibertyFormOne C FWONK 37.63 -1.37; LibertySirius A LSXMA 42.14 -0.12; LibertySirius C LSXMK 42.11 -0.10; LibertyBraves C BATRK 24.40 -0.24; LibertySirius C LSXMK 42.12 0.32; LincolnElectric LECO 92.60 1.20; LogitechIntl LOGI 34.42 0.32; LogMeIn LOGM 122.05 0.65; lululemon LULU 62.01 -0.06; MarketAxess MKTX 179.43 -0.25; Marriott MAR 118.81 2.48; MarvellTech MRVL 18.40 0.01; MatchGroup MTCH 25.21 0.01; MaximIntProducts MXIM 52.01 0.56; MelcoResorts MLCO 23.30 0.26; MercadoLibre MELI 229.60 7.49; MicrochipTech MCHP 93.12 0.80; MicronTech MU 44.00 0.40; Microsemi MSCC 52.48 -0.18; Microsoft MSFT 78.76 0.13; Middleby MIDD 118.86 2.30; Momo MOMO 29.27 -0.29; Mondelez MDLZ 40.91 -0.17; MonsterBeverage MNST 56.75 0.25; Mylan MYL 38.57 -0.45; NXP Semi NXPI 116.62 0.13; Nasdaq NDAQ 72.29 -0.15; NationalInstruments NATI 44.35 0.10; NetApp NTAP 44.42 0.71; Netease NTES 276.06 0.85; Netflix NFLX 195.21 1.44; NewsCorp A NWSA 13.68 0.02; NewsCorp B NWS 14.00 ...; Nordson NDSN 127.13 1.59; NorthernTrust NTRS 95.52 0.76; NorwegianCruise NCLH 54.92 0.13; NVIDIA NVDA 195.69 2.03; **OReillyAuto ORLY 214.00 11.28**; **OldDomFreight ODFL 117.23 6.20**; ON Semi ON 20.40 0.18; OpenText OTEX 34.38 0.42; **PTC PTC 64.47 4.58**; Paccar PCAR 72.00 1.85; PacWestBancorp PACW 48.88 0.99; Paychex PAYX 64.59 0.51; PayPal PYPL 71.34 0.32; People'sUtdFin PBCT 18.85 0.17; PilgrimPride PPC 31.05 0.18; Priceline PCLN 1939.29 10.48; Qiagen QGEN 33.71 0.17; Qorvo QRVO 71.56 -0.22; Qualcomm QCOM 53.80 -0.04; RandgoldRscs GOLD 96.15 -1.04; RegenPharm REGN 416.04 -5.89; RossStores ROST 64.27 0.43; RoyalGold RGLD 84.08 -2.42; Ryanair RYAAY 104.80 1.34; SBA Comm SBAC 146.55 0.07; SEI Investments SEIC 64.87 2.07; Sina SINA 105.39 -2.39; SS&C Tech SSNC 40.55 -1.52; SVB Fin SIVB 192.37 3.79; ScrippsNetworks SNI 83.63 0.12; Seagate STX 38.18 0.03; SeattleGenetics SGEN 54.17 -0.89; Shire SHPG 138.24 -5.45; SignatureBank SBNY 134.33 0.42; SiriusXM SIRI 5.56 0.02; Skyworks SWKS 105.52 0.95; Splunk SPLK 66.27 1.53; Starbucks SBUX 54.91 0.75; SteelDynamics STLD 38.89 0.16; Stericycle SRCL 71.78 0.38; Symantec SYMC 31.86 -0.32; Synopsys SNPS 86.81 1.12; **TD Ameritrade AMTD 50.94 1.06**; TESARO TSRO 113.09 3.06; T-MobileUS TMUS 61.73 -0.20; TRowePrice TROW 95.07 -0.08; TakeTwoSoftware TTWO 105.43 0.56; Tesla TSLA 326.17 0.33; TexasInstruments TXN 96.15 0.33; TractorSupply TSCO 57.35 -0.57; Trimble TRMB 41.21 0.01; 21stCenturyFoxA FOXA 26.31 0.18; 21stCenturyFoxB FOX 25.70 0.27; UltaBeauty ULTA 200.51 -0.78; UltimateSoftware ULTI 195.77 0.23; UniversalDisplay OLED 133.55 0.95; VEON VEON 3.88 0.03; VeriSign VRSN 109.20 1.45; VerisignAnalytics VRSK 84.83 0.63; VertexPharm VRTX 143.76 -3.04; ViacomA VIA 31.30 -0.20; Viacom B VIAB 25.30 -0.18; Vodafone VOD 29.68 0.17; WPP WPPGY 87.81 0.20; WalgreensBoots WBA 67.11 -2.25; Weibo WB 99.96 -0.39; WesternDigital WDC 89.38 2.09; WillisTowersWatson WLTW 162.82 -0.42; Workday WDAY 107.12 1.12; WynnResorts WYNN 145.34 1.83; Xilinx XLNX 73.19 1.21; Yandex YNDX 32.68 0.67; ZebraTech ZBRA 111.40 0.68; Zillow A ZG 41.20 0.25; Zillow C Z 41.43 0.83; ZionsBancorp ZION 46.93 0.94

NYSE AMER

CheniereEnergy LNG 44.98 0.58; CheniereEnerPtrs CQP 27.66 0.14; CheniereEnHldgs CQH 24.77 -0.02; ImperialOil IMO 31.03 0.11

New Highs and Lows | WSJ.com/newhighs

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.

Thursday, October 26, 2017

Columns: Stock | Sym | 52-Wk Hi/Lo | % Chg

NYSE highs - 187

Aflac AFL 85.70 -0.5; Accenture ACN 142.91 0.6; Aetna AET 184.98 11.5; AirProducts APD 161.96 4.4; Allete ALE 79.83 0.3; AllianceBernstein AB 26.20 0.8; AllisonTransm ALSN 41.11 2.0; AllyFinancial ALLY 26.28 1.4; Ameren AEE 61.96 0.5; AEP AEP 76.22 0.5; AmericanExpress AXP 95.73 2.3; AmerWaterWorks AWK 83.16 0.6; Ameriprise AMP 163.04 3.7; Ametek AME 69.31 1.1; Anthem ANTM 209.91 0.6; AshfordGlobal ASH 68.64 1.1; Avangrid AGR 50.77 1.3; AveryDennison AVY 105.51 0.8; BancCA Pfd E BANCpE 27.97 0.7; BancodeChile BCH 91.60 0.6; BankofAmPfd L BACpL 1335.00 0.5; BankofAmerica BAC 27.98 0.4; BankofAmPfd W BACpW 27.56 0.4; BankofAmerica BAC 27.99 0.4; BaxterIntl BAX 65.43 0.9; BerryGlobal BERY 60.70 1.1; BorgWarner BWA 53.85 3.3; BostonBeer SAM 181.20 -2.2; Briggs&Stratton BGG 25.95 6.9; BroadridgeFinl BR 85.29 1.0; CBIZ CBZ 17.20 2.4; CTS CTS 26.30 3.6; CadenceBancorp CADE 23.80 0.8; CalAtlantic CAA 49.09 0.8; CallawayGolf ELY 15.63 4.7; CharlesRiverLabs CRL 118.39 2.2; ChoiceHotels CHH 69.85 1.8; Cigna CI 202.22 1.6; Constellium CSTM 12.45 10.6; Crane CR 86.67 1.0; Cullen/Frost CFR 103.37 1.0; CurtissWright CW 117.55 0.2; Deere DE 133.28 1.2; Dover DOV 96.52 1.5; DollarGeneral DG 85.07 1.1; DouglasDynamics PLOW 42.30 4.4; DukeEnergy DUK 88.55 -0.4; DukeEnergyPfd DUKH 28.49 0.8; DynegyUn DYN 76.81 2.4; Dynegy DYN 12.47 7.4; EMCOR EME 77.80 0.1; EastmanChem EMN 91.67 0.5; Ecopetrol EC 10.43 4.5; EmpresaDisCom EDN 44.81 0.4; Entergy ETR 87.00 -0.2; EnergyTrfrEquity ETE ... ; EsteeLauder EL 112.49 0.6; Evercore EVR 85.46 1.2; FB Financial FBK 40.78 1.6; FactSet FDS 191.00 0.7; FedEx FDX 230.56 1.6; Ferro FOE 23.95 -0.4; FidelityNatlFin FNF 36.57 3.1; FidelityNtlInfo FIS 96.55 0.4; FirstAmerFin FAF 52.98 2.4; FirstCash FCFS 64.30 4.1; Flagstar FBC 38.76 1.5; FortBrandsHome FBHS 68.82 2.2; Fortive FTV 73.69 1.4; FirstAm FAF 52.98 ...; GTT Comm GTT 39.35 1.7; GardnerDenver GDI 29.47 1.7; Generac GNRC 52.17 0.6; GlobalPayments GPN 100.58 0.6; GraceWR GRA 76.79 1.2; Graco GGG 133.82 4.4; GraphicPkg GPK 16.13 2.0; GreatPlainsEner GXP 32.48 0.8; GreenDot GDOT 57.05 0.1; GrubHub GRUB 59.39 2.2; GuessInc GES 17.52 ...; HawaiianElec HE 35.87 0.4; Heico A HEI.A 74.80 -0.5; HiltonGrandVac HGV 40.82 1.5; HiltonGrandVacs HGV ...; Hillenbrand HI 40.15 1.8; HomeDepot HD 167.94 1.0; Honeywell HON 147.13 ...; DR Horton DHI 44.06 1.7; Hubbell HUBB 127.33 1.2; Huntsman HUN 30.24 0.5; HyattHotels H 62.95 1.3; IDACORP IDA 93.52 0.1; Invesco IVZ 37.75 0.0; IDEX IEX 129.36 1.7; JPMorganChase ...

NYSE lows - 83

AdvanceAuto AAP 81.31 2.8; AdvantageOil AAV 5.87 1.6; AlaskaAir ALK 65.25 -5.1; AllerganPfdA AGNpA 633.42 -2.9; Allergan AGN 174.66 -2.2; AlticeUSA ATUS 23.63 -6.0; AmericanRenal ARA 12.95 -4.4; Andeavor ANDV 87.49 -2.0; BT Group BT 16.96 -0.6; BakerHughes BHGE 29.73 -0.4; BlueApron APRN 4.48 -2.4; BostonProperties BXP ...

NYSE Arca highs - 74

NYSE Arca lows - 18

NYSE American highs - 2

NYSE American lows - 10

Nasdaq highs - 132

Nasdaq lows - 70

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.

Thursday, October 26, 2017

Fund	NAV	Net Chg	YTD %Ret
American Century Inv			
Ultra	43.71	-0.03	25.3
American Funds Cl A			
AmcpA p	31.43	+0.04	17.1
AMutlA p	41.42	+0.04	11.0
BalA p	27.22	+0.04	11.4
BondA p	12.91	-0.02	2.5
CapIBA p	62.56	-0.02	11.2
CapWGrA	51.57	-0.08	19.5
EupacA p	56.48	-0.21	27.8
FdInvA p	62.63	+0.14	17.2
GwthA p	51.17	+0.07	20.3
HI TrA p	10.49	...	6.8
ICAA p	41.03	+0.11	17.3
IncoA p	23.31	...	9.2
N PerA p	44.42	+0.02	25.2
NEcoA p	45.69	+0.06	25.5
NwWrldA	65.44	-0.26	27.2
SmCpA p	56.46	-0.01	21.9
TxExA p	12.99	-0.02	4.6
WshA p	45.22	+0.18	14.7
Baird Funds			
AggBdInst	10.84	...	3.4
CorBdInst	11.15	-0.01	3.8
BlackRock Funds A			
GlblAlloc p	20.13	-0.04	10.7
BlackRock Funds Inst			
EqtyDivd	23.07	+0.04	11.5
GlblAlloc	20.26	-0.04	11.0
HiYldBd	7.85	-0.01	7.6
StratIncOpptyIns	9.97	...	3.3
Bridge Builder Trust			
CoreBond	NA	...	NA
Dimensional Fds			
5GlbFxdInc	11.03	...	1.6
EmgMktVa	30.15	-0.09	27.6
EmMktCorEq	22.20	-0.06	29.4
IntlCoreEq	14.13	-0.03	21.5
IntlVal	20.00	-0.01	19.9
IntSmCo	21.27	-0.05	24.3
IntSmVa	23.15	-0.05	22.8
US CoreEq1	21.91	+0.07	17.0
US CoreEq2	20.69	+0.07	15.3
US Small	36.51	+0.20	8.6
US SmCpVal	39.17	+0.22	5.2
US TgdVal	25.12	+0.15	6.9
USLgVa	38.87	+0.10	12.4
Dodge & Cox			
Balanced	108.82	-0.06	8.8
GblStock	13.92	-0.08	16.9
Income	13.79	-0.01	3.7
Intl Stk	46.44	-0.10	21.9
Stock	201.19	-0.12	13.2
DoubleLine Funds			
TotRetBdI	NA	...	NA
Edgewood Growth Instituti			
EdgewoodGrInst	28.97	+0.15	31.1
Federated Instl			
StraValDivIS	6.39	+0.01	11.2
Fidelity			
500IdxInst	89.60	+0.11	16.2
500IdxInstPrem	89.60	+0.11	16.2
ExtMktIdxPrem r	62.40	+0.22	13.7
IntlIdxPrem r	42.73	-0.11	21.5
SAIUSLgCpIndxFd	13.73	+0.01	16.1
TMktIdxF r	74.37	+0.12	15.8
TMktIdxPrem	74.35	+0.12	15.8
USBdIdxInstPrem	11.55	-0.02	2.6
Fidelity Advisor I			
NwInsghtI	32.89	+0.02	23.2
Fidelity Freedom			
FF2020	16.59	...	12.9
FF2025	14.35	...	13.9
FF2030	17.62	...	15.6
Freedom2020 K	16.59	-0.01	13.0
Freedom2025 K	14.35	-0.01	14.0
Freedom2030 K	17.61	-0.01	15.8
Freedom2035 K	15.07	+0.01	17.6
Freedom2040 K	10.61	...	17.6
Fidelity Invest			
Balanc	23.46	...	13.3
BluCh	84.93	+0.02	28.7
Contra	124.24	+0.12	27.1
ContraK	124.24	+0.12	27.1
CpInc r	10.30	-0.01	8.5
DivIntl	40.92	-0.04	21.4
GroCo	177.61	+0.27	30.4
GrowCoK	177.76	+0.28	30.5
InvGB	7.90	-0.01	3.8
LowP r	54.51	+0.06	16.6
LowPriStkK r	54.47	+0.05	16.6
Magin	104.12	+0.18	23.3
OTC	104.99	+0.19	31.8
Puritn	22.70	+0.03	15.6
SrsEmrgMkt	21.05	-0.10	33.2
SrsGroCoRetail	17.46	+0.02	31.0
SrsIntlGrw	17.27	-0.05	26.1
SrsIntlVal	11.59	-0.02	18.1
TotalBond	10.73	-0.02	4.3
Fidelity Selects			
Biotech r	215.82	-4.72	24.0
First Eagle Funds			
GlbA	60.20	+0.11	10.9
FPA Funds			
FPACres	35.26	+0.07	9.4
Frank/Temp Frank Adv			
IncomeAdv	NA	...	NA
Frank/Temp Franklin A			
CA TF A p	7.44	...	4.4
Fed TF A p	11.97	-0.01	2.9
IncomeA p	NA	...	NA
RisDv A p	60.63	+0.39	16.2
Frank/Temp Franklin C			
Income C t	NA	...	NA
Frank/Temp Temp A			
GlBond A p	NA	...	NA
Growth A p	NA	...	NA
Frank/Temp Temp Adv			
GlBondAdv p	NA	...	NA
Harbor Funds			
CapApInst	73.29	-0.23	29.4
IntlInst r	69.25	-0.36	18.6
Harding Loevner			
IntlEq	NA	...	NA
Invesco Funds A			
EqIncA	11.06	+0.01	9.6
John Hancock Class 1			
LSBalanced	15.73	...	11.3
LSGwth	16.19	...	13.6
John Hancock Instl			
DispValMCI	23.96	+0.05	11.6
JPMorgan Funds			
MdCpVal L	39.97	+0.11	11.9
JPMorgan R Class			
CoreBond	11.61	-0.01	2.9
Lazard Instl			
EmgMktEq	19.35	-0.17	27.9
Loomis Sayles Fds			
LSBondI	14.16	-0.03	6.5
Lord Abbett A			
ShtDurIncmA p	4.24	...	2.3
Lord Abbett F			
ShtDurIncm	4.24	...	2.4
Metropolitan West			
TotRetBd	10.62	-0.01	3.1
TotRetBdI	10.62	-0.01	3.3
TRBdPlan	10.00	...	3.4
MFS Funds Class I			
ValueI	41.08	+0.09	14.6
MFS Funds Instl			
IntlEq	25.18	-0.05	24.3
Mutual Series			
GlbDiscA	NA	...	NA
Oakmark Funds Invest			
EqtyInc r	33.07	+0.08	10.0
Oakmark	84.31	+0.28	16.3
OakmkInt	29.80	-0.02	27.4
Old Westbury Fds			
LrgCpStr	15.39	...	17.8
Oppenheimer Y			
DevMktY	41.77	-0.10	30.7
IntGrowY	42.84	-0.03	23.5
Parnassus Fds			
ParnEqFd	43.70	+0.11	14.1
PIMCO Fds Instl			
AllAsset	NA	...	NA
TotRt	10.24	-0.02	4.4
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	94.76	+0.09	30.5
CapApp	29.99	+0.02	12.8
EqInc	34.81	+0.04	10.1
EqIndex	69.32	+0.09	15.8
Growth	68.58	+0.03	28.6
HelSci	73.43	-1.38	28.6
InstlCapG	37.05	+0.01	29.4
IntlStk	19.14	-0.03	25.0
IntlValEq	15.23	-0.05	15.8
MCapGro	91.96	+0.60	22.0
MCapVal	30.92	+0.01	6.4
N Horiz	55.10	+0.28	27.2
OverS SF r	11.05	-0.02	21.2
R2020	23.06	...	13.0
R2025	17.77	...	14.6
R2030	26.17	...	16.2
R2035	19.07	...	17.6
R2040	27.00	...	18.9
Value	38.68	+0.13	14.9
PRIMECAP Odyssey Fds			
Growth r	35.32	+0.08	23.3
Principal Investors			
DivIntlInst	13.80	-0.02	26.5
Prudential Cl Z & I			
TRBdZ	14.56	-0.04	5.6
Schwab Funds			
S&P Sel	40.61	+0.04	16.2
TIAA/CREF Funds			
EqIdxInst	19.94	+0.03	15.7
IntlEqIdxInst	21.17	-0.05	21.1
Tweedy Browne Fds			
GblValue	27.57	...	14.2
VANGUARD ADMIRAL			
500Adml	236.82	+0.31	16.2
BalAdml	33.85	+0.02	11.4
CAITAdml	11.80	-0.01	4.8
CapOpAdml	149.19	+0.35	25.4
EMAdmr	36.76	-0.20	28.3
EqIncAdml	77.41	+0.08	11.8
ExtndAdml	81.99	+0.29	13.7
GNMAAdml	10.41	-0.01	1.8
GrwthAdml	69.13	+0.05	22.4
HlthCareAdml r	89.53	-0.57	20.2
HYCorAdml r	5.93	...	5.9
InfProAd	26.04	-0.05	2.5
IntlGrAdml	97.11	-0.28	39.5
ITBondAdml	11.38	-0.02	3.7
ITIGradeAdml	9.82	-0.01	4.5
LTGradeAdml	10.49	-0.02	9.7
MidCpAdml	184.65	+0.66	14.9
MuHYAdml	11.17	-0.01	5.2
MuIntAdml	14.17	-0.01	4.4
MuLtdAdml	11.02	...	1.7
MuLTAdml	11.65	-0.01	5.0
MuShtAdml	15.79	...	1.4
PrmcpAdml r	133.66	+0.25	26.8
REITAdml r	116.14	-0.87	2.1
SmCapAdml	68.63	+0.35	12.3
STBondAdml	10.42	-0.01	1.6
STIGradeAdml	10.71	-0.01	2.1
TotBdAdml	10.72	-0.02	3.2
TotIntBdIdxAdm	21.97	-0.01	2.2
TotIntlAdmIdx r	30.53	-0.07	23.2
TotStAdml	64.06	+0.11	15.8
TxMIn r	13.93	-0.03	21.9
ValAdml	38.97	+0.10	11.7
WdsrllAdml	67.48	+0.14	14.1
WellsIAdml	65.56	-0.03	9.0
WelltnAdml	73.47	+0.04	11.9
WndsrAdml	76.55	+0.21	12.4
VANGUARD FDS			
DivdGro	26.53	+0.06	14.9
HlthCare r	211.87	-1.36	20.2
INSTTRF2020	22.18	-0.01	13.0
INSTTRF2025	22.52	-0.01	14.6
INSTTRF2030	22.80	-0.01	15.9
INSTTRF2035	23.06	...	17.1
INSTTRF2040	23.29	...	18.4
INSTTRF2045	23.31	...	18.8
IntlVal	41.04	-0.08	22.7
LifeCon	20.56	-0.02	10.0
LifeGro	33.43	...	16.8
LifeMod	27.40	-0.01	13.1
PrmcpCor	26.12	+0.04	21.9
SelValu r	31.50	+0.14	13.4
STAR	26.94	-0.02	14.5
STIGrade	10.71	-0.01	2.0
StratgcEq	34.76	+0.13	12.0
TgtRe2015	15.48	...	10.2
TgtRe2020	30.84	-0.01	12.9
TgtRe2025	18.40	+0.01	12.5
TgtRe2030	33.23	+0.01	13.8
TgtRe2035	20.10	...	15.0
TgtRe2040	34.51	...	16.2
TgtRe2045	21.61	...	16.5
TgtRe2050	34.75	+0.01	16.5
TgtRe2060	30.74	...	16.5
TgtRetInc	13.50	...	8.0
TotIntBdIxInv	10.99	...	2.1
WellsI	26.82	+0.01	7.5
Welltn	42.44	+0.03	11.8
WndsrII	38.03	+0.08	14.0
VANGUARD INDEX FDS			
500	236.57	+0.31	16.1
ExtndIstPl	202.29	+0.71	13.7
SmValAdml	56.97	+0.37	9.4
TotBd2	10.69	-0.01	3.0
TotIntl	18.25	...	23.0
TotSt	64.03	+0.11	15.6
VANGUARD INSTL FDS			
BalInst	33.86	+0.03	11.4
DevMktsIndInst	14.06	-0.01	22.0
DevMktsInxInst	21.98	-0.04	22.0
ExtndInst	81.99	+0.29	13.8
GrwthInst	69.13	+0.05	22.4
InPrSeIn	10.61	-0.02	2.5
InstIdx	233.42	+0.29	16.2
InstPlus	233.44	+0.29	16.2
InstTStPlus	57.46	+0.09	15.8
MidCpInst	40.79	+0.14	14.9
MidCpIstPl	201.17	+0.71	14.9
SmCapInst	68.63	+0.35	12.3
SmCapIstPl	198.10	+1.02	12.3
STIGradeInst	10.71	-0.01	2.1
TotBdInst	10.72	-0.02	3.2
TotBdInst2	10.69	-0.01	3.1
TotBdInstPl	10.72	-0.02	3.2
TotIntBdIdxInst	32.97	-0.01	2.1
TotItlInstIdx r	122.10	-0.27	23.3
TotItlInstPlId r	122.12	-0.27	23.3
TotStInst	64.07	+0.11	15.8
ValueInst	38.97	+0.10	11.7
Western Asset			
CorePlusBdI	NA	...	NA

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.							
Oct	3.1640	3.1665		3.1590	**3.1675**	–0.0040	590
Dec	3.1865	3.2000		3.1580	**3.1775**	–0.0055	173,939
Gold (CMX)-100 troy oz.; $ per troy oz.							
Oct	1273.50	1273.50		1264.70	**1266.30**	–9.10	170
Dec	1278.60	1283.80		1266.40	**1269.60**	–9.40	389,301
Feb'18	1283.80	1287.80		1270.90	**1273.80**	–9.40	76,962
April	1289.90	1290.50		1274.70	**1277.70**	–9.30	16,457
June	1292.00	1295.00		1279.40	**1281.60**	–9.40	13,225
Dec	1304.40	1305.40		1290.90	**1294.00**	–9.40	10,330
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
Oct	985.00	985.00	▲▼	985.00	**969.20**	10.00	1
Dec	957.40	969.25		956.75	**968.10**	10.00	29,435
March'18	952.15	961.00		949.15	**960.10**	10.70	3,820
Platinum (NYM)-50 troy oz.; $ per troy oz.							
Oct	920.20	920.20		920.20	**918.20**	–5.80	5
Jan'18	926.00	930.30		919.00	**922.10**	–4.60	70,177
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
Oct	16.890	16.945		16.890	**16.764**	–0.104	74
Dec	16.960	17.045		16.755	**16.811**	–0.114	141,731
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
Dec	52.19	52.86		51.91	**52.64**	0.46	603,459
Jan'18	52.43	53.06		52.16	**52.86**	0.43	308,794
Feb	52.55	53.19		52.31	**53.00**	0.41	125,507
March	52.66	53.25		52.45	**53.10**	0.39	238,682
June	52.67	53.23		52.47	**53.06**	0.34	198,259
Dec	51.85	52.28		51.67	**52.18**	0.24	259,047
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
Nov	1.8196	1.8523		1.8076	**1.8419**	.0237	28,819
Dec	1.8195	1.8521		1.8079	**1.8408**	.0225	123,402
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
Nov	1.7348	1.7572	▲	1.7105	**1.7506**	.0158	34,742
Dec	1.6868	1.7077	▲	1.6658	**1.7017**	.0156	150,959
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
Nov	2.929	2.941		2.867	**2.890**	–.029	18,945
Dec	3.094	3.103		3.036	**3.051**	–.031	275,062
Jan'18	3.214	3.221		3.161	**3.175**	–.028	204,931
Feb	3.217	3.223		3.165	**3.178**	–.027	83,521
March	3.176	3.182		3.127	**3.139**	–.026	171,917
April	2.974	2.980		2.936	**2.953**	–.014	127,416

Agriculture Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
Dec	350.75	352.00		349.50	**350.50**	–.50	764,330
March'18	365.00	366.00		363.25	**364.50**	–.75	316,767
Oats (CBT)-5,000 bu.; cents per bu.							
Dec	275.75	277.25		261.25	**262.50**	–13.75	5,143
March'18	275.50	277.00		263.25	**265.50**	–11.00	1,862
Soybeans (CBT)-5,000 bu.; cents per bu.							
Nov	975.50	978.75		970.25	**971.25**	–4.25	166,031
Jan'18	986.50	989.50		981.75	**982.50**	–3.75	292,983
Soybean Meal (CBT)-100 tons; $ per ton.							
Dec	315.40	316.00		311.80	**312.10**	–3.30	136,498
Jan'18	317.50	318.00		313.90	**314.20**	–3.30	92,709
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
Dec	34.30	34.63		34.29	**34.50**	.24	160,981
Jan'18	34.48	34.79		34.45	**34.66**	.23	95,312
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
Nov	1165.00	1170.00		1145.50	**1149.00**	–17.50	2,920
Jan'18	1197.00	1200.00		1175.50	**1178.50**	–18.50	6,508
Wheat (CBT)-5,000 bu.; cents per bu.							
Dec	435.50	437.50		431.00	**431.75**	–3.75	268,103
March'18	454.00	455.75		449.25	**450.25**	–3.50	113,129
Wheat (KC)-5,000 bu.; cents per bu.							
Dec	433.50	435.75		427.50	**428.25**	–5.25	147,902
March'18	451.25	453.25		445.25	**446.00**	–5.25	87,538
Wheat (MPLS)-5,000 bu.; cents per bu.							
Dec	620.00	623.00		617.75	**620.50**	–1.00	35,527
March'18	632.25	634.75		629.75	**632.50**	–.75	24,720
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
Oct	155.000	155.500		155.000	**155.425**	.575	2,216
Jan'18	155.600	156.875		155.250	**156.100**	.500	24,528
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
Oct	113.275	114.500		113.050	**114.150**	1.125	1,694
Dec	119.225	120.975		118.925	**120.700**	1.625	138,267
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
Dec	64.625	65.550		64.100	**65.050**	.575	112,716
Feb'18	69.725	70.725	▲	69.350	**70.525**	.925	52,276
Lumber (CME)-110,000 bd. ft., $ per 1,000 bd. ft.							
Nov	439.50	442.00		438.40	**440.90**	1.20	2,464
Jan'18	432.10	436.50		432.10	**435.30**	2.70	3,818
Milk (CME)-200,000 lbs., cents per lb.							
Oct	16.70	16.72		16.69	**16.70**	.10	3,806
Nov	16.21	16.33		16.16	**16.29**	.16	4,608
Cocoa (ICE-US)-10 metric tons; $ per ton.							
Dec	2,084	2,134		2,078	**2,127**	48	95,936
March'18	2,091	2,125		2,082	**2,119**	34	101,850
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
Dec	124.40	124.90		123.00	**124.55**	.45	121,593
March'18	128.20	128.65		126.80	**128.15**	.35	62,157
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
March	14.27	14.31		14.00	**14.11**	–.07	431,031
May	14.37	14.40		14.11	**14.22**	–.06	130,549
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
March	27.03	27.06		27.03	**27.00**	–.04	2,710
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
Dec	69.25	69.27		68.10	**68.19**	–1.12	115,111
March'18	68.86	68.99		67.98	**68.06**	–1.00	76,728
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
Nov	152.70	155.00		151.85	**153.70**	.35	906
Jan'18	152.55	154.85		150.30	**153.60**	.90	5,753

Interest Rate Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
Dec	151-050	151-220		150-150	**150-230**	–6.0	746,649
March'18	150-040	150-140		149-110	**149-180**	–5.0	900
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Dec	124-175	124-235		124-090	**124-120**	–2.5	3,206,532
March'18	124-060	124-100		123-305	**124-000**	–2.5	16,883
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Dec	117-005	117-037		116-270	**116-287**	–2.0	3,064,433
March'18	116-237	116-260		116-197	**116-207**	–2.0	6,794
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
Dec	107-220	107-227		107-200	**107-205**	–.7	1,673,091
March'18	107-167	107-167		107-152	**107-147**	–.7	6,349
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
Oct	98.848	98.848		98.845	**98.845**	...	233,573
Jan'18	98.630	98.635	▼	98.625	**98.630**	–.005	349,028
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
Dec	100.359	100.422		100.063	**100.156**	–.031	28,734
1 Month Libor (CME)-$3,000,000; pts of 100%							
Nov	...	...		...	**98.7525**	–.0025	928
Eurodollar (CME)-$1,000,000; pts of 100%							
Nov	98.5825	98.5875		98.5825	**98.5850**	.0025	101,411
Dec	98.4950	98.4950		98.4850	**98.4850**	–.0050	1,772,335
March'18	98.3500	98.3600		98.3400	**98.3400**	–.0050	1,286,772
Dec	98.0550	98.0750		98.0300	**98.0350**	–.0100	1,610,678

Currency Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
Nov	.8807	.8823		.8776	**.8780**	–.0021	2,738
Dec	.8816	.8842		.8785	**.8793**	–.0021	270,704
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
Nov	.7820	.7822	▼	.7780	**.7783**	–.0024	1,160
Dec	.7822	.7828		.7780	**.7785**	–.0024	169,426
British Pound (CME)-£62,500; $ per £							
Nov	1.3274	1.3274		1.3169	**1.3163**	–.0099	1,106
Dec	1.3283	1.3298		1.3165	**1.3175**	–.0099	180,075
Swiss Franc (CME)-CHF 125,000; $ per CHF							
Dec	1.0141	1.0157	▼	1.0052	**1.0057**	–.0086	64,351
March'18	1.0130	1.0224	▼	1.0130	**1.0126**	–.0086	176
Australian Dollar (CME)-AUD 100,000; $ per AUD							
Nov	.7708	.7719	▼	.7654	**.7665**	–.0029	1,102
Dec	.7699	.7718		.7650	**.7662**	–.0028	134,452
Jan'18	.7697	.7715	▼	.7654	**.7661**	–.0028	532
Feb	.7703	.7710	▼	.7652	**.7659**	–.0027	646
March	.7694	.7711		.7648	**.7657**	–.0028	697
June	.7700	.7700		.7690	**.7652**	–.0028	244
Mexican Peso (CME)-MXN 500,000; $ per MXN							
Dec	.05200	.05227		.05154	**.05156**	–.00043	177,991
March'18	.05121	.05148		.05079	**.05079**	–.00043	633
Euro (CME)-€125,000; $ per €							
Nov	1.1825	1.1841	▼	1.1650	**1.1669**	–.0149	5,469
Dec	1.1847	1.1869		1.1671	**1.1691**	–.0149	429,345

Index Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
Dec	23311	23404	▲	23289	**23349**	48	159,919
March'18	23293	23394	▲	23277	**23339**	50	1,578
S&P 500 Index (CME)-$250 x index							
Dec	2558.70	2564.70		2555.80	**2561.60**	3.10	59,506
Mini S&P 500 (CME)-$50 x index							
Dec	2559.50	2565.00		2555.50	**2561.50**	3.00	3,089,530
March'18	2559.25	2565.25		2556.00	**2561.75**	3.00	53,809
Mini S&P Midcap 400 (CME)-$100 x index							
Dec	1823.40	1830.40		1820.80	**1828.80**	9.10	92,930
Mini Nasdaq 100 (CME)-$20 x index							
Dec	6065.0	6096.3		6035.0	**6084.8**	20.3	281,153
March'18	6074.0	6109.5		6048.5	**6098.0**	20.5	1,290
Mini Russell 2000 (ICE-US)-$100 x index							
Dec	1496.70	1503.40		1494.70	**1499.50**	1.50	64,957
Mini Russell 1000 (ICE-US)-$100 x index							
Dec	1419.10	1421.30		1417.50	**1419.60**	.90	214
U.S. Dollar Index (ICE-US)-$1,000 x index							
Dec	93.50	94.62		93.37	**94.51**	.93	47,044
March'18	93.17	94.25		93.09	**94.20**	.92	2,048

Source: SIX Financial Information

Cash Prices | WSJ.com/commodities

Thursday, October 26, 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.

	Thursday
Energy	
Propane,tet,Mont Belvieu-g	0.9739
Butane,normal,Mont Belvieu-g	1.0481
NaturalGas,HenryHub-i	2.890
NaturalGas,TranscoZone3-i	2.820
NaturalGas,TranscoZone6NY-i	2.710
NaturalGas,PanhandleEast-i	2.650
NaturalGas,Opal-i	2.710
NaturalGas,MarcellusNE PA-i	0.820
NaturalGas,HaynesvilleN.LA-i	2.740
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	55.500
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	11.750
Metals	
Gold, per troy oz	
Engelhard industrial	1278.82
Engelhard fabricated	1374.73
Handy & Harman base	1273.75
Handy & Harman fabricated	1413.86
LBMA Gold Price AM	*1273.00
LBMA Gold Price PM	*1275.00
Krugerrand,wholesale-e	1319.34
Maple Leaf-e	1332.03
American Eagle-e	1332.03
Mexican peso-e	1537.55
Austria crown-e	1246.48
Austria phil-e	1332.03
Silver, troy oz.	
Engelhard industrial	16.9400
Engelhard fabricated	20.3280
Handy & Harman base	16.9150
Handy & Harman fabricated	21.1440
LBMA spot price	£12.8400
(U.S.$ equivalent)	16.9700
Coins,wholesale $1,000 face-a	12683
Other metals	
LBMA Platinum Price PM	*916.0
Platinum,Engelhard industrial	930.0
Platinum,Engelhard fabricated	1030.0
Palladium,Engelhard industrial	975.0
Palladium,Engelhard fabricated	1075.0
Aluminum, LME, $ per metric ton	*2149.5
Copper,Comex spot	3.1675
Iron Ore, 62% Fe CFR China-s	60.6
Shredded Scrap, US Midwest-s,w	286
Steel, HRC USA, FOB Midwest Mill-s	n.a.
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.6100
Cotton,1 1/16 std lw-mdMphs-u	0.6769
Cotlook 'A' Index-t	*80.25
Hides,hvy native steers piece fob-u	n.a.
Wool,64s,staple,Terr del-u,w	n.a.
Grains and Feeds	
Barley,top-quality Mnpls-u	n.a.
Bran,wheat middlings, KC-u	71
Corn,No. 2 yellow,Cent IL-bp,u	3.1750
Corn gluten feed,Midwest-u,w	80.4
Corn gluten meal,Midwest-u,w	470.2
Cottonseed meal-u,w	233
Hominy feed,Cent IL-u,w	88
Meat-bonemeal,50% pro Mnpls-u,w	223
Oats,No.2 milling,Mnpls-u	2.9250
Rice, 5% Broken White, Thailand-l,w	374.00
Rice, Long Grain Milled, No. 2 AR-u,w	24.00
Sorghum,(Milo) No.2 Gulf-u	7.8213
SoybeanMeal,Cent IL,rail,ton48%-u	308.60
Soybeans,No.1 yllw IL-bp,u	9.2700
Wheat,Spring14%-pro Mnpls-u	7.6300
Wheat,No.2 soft red,St.Louis-bp,u	4.2450
Wheat - Hard - KC (USDA) $ per bu-u	3.6025
Wheat,No.1soft white,Portld,OR-u	5.3500
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	178.04
select 1-3,600-900 lbs.-u	167.71
Broilers, National comp wghtd-u,w	0.8421
Butter,AA Chicago	2.3100
Cheddar cheese,bbl,Chicago	170.25
Cheddar cheese,blk,Chicago	171.75
Milk,Nonfat dry,Chicago lb.	74.50
Cocoa,Ivory Coast-w	2400
Coffee,Brazilian,Comp	1.2300
Coffee,Colombian, NY	1.4224
Eggs,large white,Chicago-u	0.8850
Flour,hard winter KC	15.30
Hams,17-20 lbs,Mid-US fob-u	0.77
Hogs,Iowa-So. Minnesota-u	66.28
Pork bellies,12-14 lb MidUS-u	n.a.
Pork loins,13-19 lb MidUS-u	0.9558
Steers,Tex.-Okla. Choice-u	n.a.
Steers,feeder,Okla. City-u,w	160.75
Fats and Oils	
Corn oil,crude wet/dry mill-u,w	34.5500
Grease,choice white,Chicago-h	0.2300
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u	0.3313
Tallow,bleach;Chicago-h	0.2500
Tallow,edible,Chicago-u	0.3100

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra,Tordella & Brooks; G=ICE; H=Hurley Brokerage; I=Natural Gas Intelligence; L=livericeindex.com; M=midday; N=nominal; n.a.=not quoted or not available; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; W=weekly, Z=not quoted. *Data as of 10/25

Source: WSJ Market Data Group

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Thursday, October 26, 2017

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
AlerianMLPETF	AMLP	10.49	1.65	–16.7
CnsmrDiscSelSector	XLY	90.93	0.35	11.7
CnsStapleSelSector	XLP	53.56	0.07	3.6
DBGoldDoubleLgETN	DGP	23.81	–1.61	18.3
DBGoldDoubleShrt	DZZ	5.69	2.15	–17.0
EnSelectSectorSPDR	XLE	67.22	0.21	–10.8
FinSelSectorSPDR	XLF	26.80	0.56	15.3
GuggS&P500EW	RSP	96.72	0.20	11.6
HealthCareSelSect	XLV	82.16	–1.00	19.2
IndSelSectorSPDR	XLI	72.29	0.14	16.2
iShIntermCredBd	CIU	109.71	–0.04	1.4
iSh1-3YCreditBond	CSJ	105.15	–0.02	0.2
iSh3-7YTreasuryBd	IEI	122.79	–0.08	0.2
iShCoreMSCIEAFEETF	IEFA	64.68	–0.03	20.6
iShCoreMSCIEmgMk	IEMG	54.89	–0.63	29.3
iShCoreMSCITotInt	IXUS	61.52	–0.18	21.8
iShCoreS&P500ETF	IVV	257.35	0.12	14.4
iShCoreS&PMdCp	IJH	182.47	0.50	10.4
iShCoreS&PSmCpETF	IJR	74.78	0.47	8.8
iShS&PTotlUSStkMkt	ITOT	58.59	0.15	14.2
iShCoreUSAggBd	AGG	109.00	–0.11	0.9
iShSelectDividend	DVY	95.09	0.22	7.4
iShEdgeMSCIMinEAFE	EFAV	71.22	0.06	16.3
iShEdgeMSCIMinUSA	USMV	51.33	0.04	13.5
iShGoldTr	IAU	12.18	–0.90	9.9
iShiBoxx$InvGrCpBd	LQD	120.55	–0.01	2.9
iShiBoxx$HYCpBd	HYG	88.23	–0.12	1.9
iShJPMUSDEmgBd	EMB	115.25	–0.29	4.6
iShMBSETF	MBB	106.48	–0.06	0.1
iShMSCIACWIETF	ACWI	69.75	–0.03	17.9
iShMSCIBrazilCap	EWZ	40.63	–2.98	21.9
iShMSCI EAFE	EFA	69.02	–0.01	19.6
iShMSCIEAFESC	SCZ	62.22	–0.08	24.8
iShMSCIEmgMarkets	EEM	45.48	–0.68	29.9
iShMSCIEurozoneETF	EZU	43.43	–0.07	25.5
iShMSCIJapanETF	EWJ	57.98	0.54	18.7
iShNasdaqBiotech	IBB	313.98	–2.32	18.3
iShNatlMuniBdETF	MUB	110.64	–0.10	2.3
iShRussell1000Gwth	IWF	127.89	0.13	21.9
iShRussell1000ETF	IWB	142.32	0.14	14.3
iShRussell1000Val	IWD	119.97	0.16	7.1
iShRussell2000Gwth	IWO	180.05	0.24	17.0
iShRussell2000ETF	IWM	148.76	0.21	10.3
iShRussell2000Val	IWN	124.41	0.22	4.6
iShRussell3000ETF	IWV	151.62	0.15	14.0
iShRussellMid-Cap	IWR	200.15	0.36	11.9
iShRussellMCValue	IWS	85.58	0.20	6.4
iShS&PMC400Growth	IJK	208.34	0.76	14.3
iShS&P500Growth	IVW	145.97	0.03	19.9
iShS&P500ValueETF	IVE	109.71	0.22	8.2
iShUSPfdStk	PFF	38.41	–0.03	3.2
iShTIPSBondETF	TIP	113.09	–0.04	–0.1
iSh1-3YTreasuryBd	SHY	84.25	...	–0.2
iSh7-10YTreasuryBd	IEF	105.51	–0.13	0.7
iSh20+YTreasuryBd	TLT	122.43	–0.33	2.8
iShRussellMCGrowth	IWP	116.02	0.54	19.1
PIMCOEnhShMaturity	MINT	101.82	...	0.5
PwrShQQQ 1	QQQ	146.96	–0.32	24.0
PwrShS&P500LoVol	SPLV	46.74	0.37	12.4
PwrShSrLoanPtf	BKLN	23.11	–0.09	–1.1
SPDRBloomBarcHYBd	JNK	37.14	–0.13	1.9
SPDR Gold	GLD	120.33	–0.84	9.8
SchwabIntEquity	SCHF	33.76	...	22.0
SchwabUS BrdMkt	SCHB	61.87	0.19	14.2
SchwabUS LC	SCHX	61.08	0.15	14.7
SPDR DJIA Tr	DIA	233.85	0.30	18.4
SPDR S&PMdCpTr	MDY	332.50	0.43	10.2
SPDR S&P 500	SPY	255.62	0.13	14.4
SPDR S&P Div	SDY	93.42	0.30	9.2
TechSelectSector	XLK	60.90	0.41	25.9
UtilitiesSelSector	XLU	54.71	0.02	12.6
VanEckGoldMiner	GDX	22.43	–1.75	7.2
VangdInfoTech	VGT	157.96	0.42	30.0
VangdSC Val	VBR	128.92	0.35	6.5
VangdDivApp	VIG	97.39	0.24	14.3
VangdFTSEDevMk	VEA	43.71	–0.11	19.6
VangdFTSE EM	VWO	44.20	–0.52	23.5
VangdFTSE Europe	VGK	58.04	–0.22	21.1
VangdFTSEAWxUS	VEU	53.22	–0.19	20.5
VangdGrowth	VUG	134.30	–0.06	20.5
VangdHlthCr	VHT	152.51	–0.96	20.3
VangdHiDiv	VYM	82.75	0.22	9.2
VangdIntermBd	BIV	84.16	–0.06	1.3
VangdIntrCorpBd	VCIT	87.63	–0.03	2.3
VangdLC	VV	117.43	0.12	14.7
VangdMC	VO	149.07	0.32	13.2
VangdMC Val	VOE	106.92	0.26	10.0
VangdREIT	VNQ	81.91	–0.82	–0.8
VangdS&P500	VOO	234.72	0.09	14.3
VangdST Bond	BSV	79.60	–0.03	0.2
VangdSTCpBd	VCSH	79.91	–0.06	0.7
VangdSC	VB	142.70	0.38	10.7
VangdTotalBd	BND	81.45	–0.12	0.8
VangdTotlntlBd	BNDX	54.73	0.16	0.8
VangdTotIntlStk	VXUS	55.33	–0.14	20.6
VangdTotalStk	VTI	131.57	0.13	14.1
VangdTotlWrld	VT	71.69	0.03	17.5
VangdValue	VTV	102.08	0.25	9.8
WisdTrEuropeHdg	HEDJ	65.56	1.20	14.2
WisdTrJapanHdg	DXJ	57.68	0.87	16.4

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

October 26, 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

	Sept. index level	Chg From (%) Aug. '17	Sept. '16
U.S. consumer price index			
All items	246.819	0.53	2.2
Core	252.941	0.19	1.7

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	4.25	4.25	4.25	3.50
Canada	3.20	3.20	3.20	2.70
Japan	1.475	1.475	1.475	1.475
Policy Rates				
Euro zone	0.00	0.00	0.00	0.00
Switzerland	0.50	0.50	0.50	0.50
Britain	0.25	0.25	0.25	0.25
Australia	1.50	1.50	1.50	1.50
Overnight repurchase				
U.S.	1.10	1.20	1.38	0.15

U.S. government rates

	Latest	Week ago	52-Week High	52-Week Low
Discount	1.75	1.75	1.75	1.00
Federal funds				
Effective rate	1.1700	1.1700	1.2000	0.3500
High	1.3125	1.3125	1.3125	0.5625
Low	1.0000	1.0500	1.1600	0.2400
Bid	1.1600	1.1600	1.1700	0.3000
Offer	1.1700	1.1700	1.1900	0.3200
Treasury bill auction				
4 weeks	1.005	0.995	1.300	0.240
13 weeks	1.105	1.090	1.180	0.340
26 weeks	1.245	1.240	1.245	0.475

Secondary market

	Latest	Week ago	52-Week High	52-Week Low
Fannie Mae				
30-year mortgage yields				
30 days	3.508	3.441	3.865	3.013
60 days	3.540	3.463	3.899	3.048

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Call money	3.00	3.00	3.00	2.25
Commercial paper (AA financial)				
90 days	1.28	1.29	1.30	0.62
Libor				
One month	1.24166	1.23888	1.24166	0.53044
Three month	1.37796	1.36250	1.37796	0.87567
Six month	1.56447	1.55069	1.56447	1.24267
One year	1.84289	1.82789	1.84456	1.55622
Euro Libor				
One month	-0.403	-0.405	-0.376	-0.405
Three month	-0.381	-0.377	-0.319	-0.381
Six month	-0.322	-0.313	-0.212	-0.322
One year	-0.233	-0.220	-0.071	-0.233
Euro interbank offered rate (Euribor)				
One month	-0.371	-0.373	-0.366	-0.375
Three month	-0.331	-0.329	-0.311	-0.332
Six month	-0.274	-0.274	-0.210	-0.275
One year	-0.183	-0.183	-0.069	-0.183

	Latest	Value Traded	52-Week High	52-Week Low
DTCC GCF Repo Index				
Treasury	1.176	23.800	1.366	0.244
MBS	1.192	109.770	1.506	0.257

	Settle	Change	Open Interest	Implied Rate
DTCC GCF Repo Index Futures				
Treasury Oct	98.845	-0.005	4427	1.155
Treasury Nov	98.850	-0.010	6378	1.150
Treasury Dec	98.705	-0.005	1988	1.295

Weekly survey

	Latest	Week ago	Year ago
Freddie Mac			
30-year fixed	3.94	3.88	3.47
15-year fixed	3.25	3.19	2.78
Five-year ARM	3.21	3.17	2.84

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 June 15, 2017. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective June 15, 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.

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					
1930.60	2.7	U.S. Aggregate	2.650	2.100	2.790
U.S. Corporate Indexes Bloomberg Barclays					
2765.46	5.1	U.S. Corporate	3.210	2.950	3.520
2615.66	3.7	Intermediate	2.740	2.360	3.010
3804.51	8.3	Long term	4.220	4.110	4.710
564.35	3.7	Double-A-rated	2.670	2.290	2.870
714.13	5.8	Triple-B-rated	3.490	3.320	3.870
High Yield Bonds Merrill Lynch					
417.43	7.4	High Yield Constrained	5.462	5.373	6.858
417.97	8.7	Triple-C-rated	10.307	9.584	13.189
2866.70	6.8	High Yield 100	5.157	4.948	6.448
378.91	7.6	Global High Yield Constrained	5.000	4.934	6.450
306.51	6.8	Europe High Yield Constrained	2.138	2.121	3.814
U.S Agency Bloomberg Barclays					
1634.68	1.8	U.S Agency	2.010	1.330	2.010
1464.51	1.2	10-20 years	1.840	1.140	1.840
3314.21	6.1	20-plus years	3.040	2.670	3.460
2447.37	4.4	Yankee	2.850	2.470	3.090
Mortgage-Backed Bloomberg Barclays					
1977.35	1.9	Mortgage-Backed	2.930	2.270	3.120
1946.02	1.4	Ginnie Mae (GNMA)	2.880	2.160	3.090
1159.13	2.0	Fannie mae (FNMA)	2.950	2.300	3.120
1785.30	2.1	Freddie Mac (FHLMC)	2.960	2.310	3.130
520.94	4.4	Muni Master	1.978	1.677	2.516
364.40	4.9	7-12 year	2.004	1.674	2.618
408.33	5.8	12-22 year	2.420	2.114	3.047
393.19	5.9	22-plus year	2.932	2.592	3.622
Global Government J.P. Morgan†					
540.81	0.7	Global Government	1.480	1.080	1.560
752.52	-0.1	Canada	2.080	1.390	2.190
369.86	0.2	EMU§	1.129	0.826	1.363
707.96	0.2	France	0.880	0.540	1.210
507.62	-1.4	Germany	0.490	0.170	0.620
287.35	-0.3	Japan	0.430	0.170	0.460
559.70	-1.2	Netherlands	0.630	0.290	0.760
908.44	-0.5	U.K.	1.690	1.340	1.790
800.13	8.3	Emerging Markets**	5.544	5.279	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
1.500	U.S. 2	1.631 ▲	1.603	1.432	0.868			
2.250	10	2.454 ▲	2.435	2.238	1.793			
2.750	Australia 2	1.873 ▼	1.895	1.957	1.695	24.2	29.2	82.7
2.750	10	2.765 ▼	2.770	2.781	2.273	31.1	33.6	47.9
0.000	France 2	-0.560 ▼	-0.529	-0.513	-0.582	-219.1	-213.2	-145.0
2.750	10	0.712 ▼	0.756	0.705	0.367	-174.2	-167.9	-142.6
0.000	Germany 2	-0.744 ▼	-0.701	-0.715	-0.633	-237.4	-230.4	-150.1
0.500	10	0.418 ▼	0.483	0.410	0.087	-203.6	-195.2	-170.7
0.050	Italy 2	-0.181 ▼	-0.134	-0.107	-0.085	-181.1	-173.7	-95.3
2.050	10	1.963 ▼	2.032	2.115	1.470	-49.1	-40.3	-32.4
0.100	Japan 2	-0.147 ▼	-0.131	-0.136	-0.243	-177.8	-173.4	-111.1
0.100	10	0.068 ▼	0.074	0.030	-0.062	-238.6	-236.1	-185.5
2.750	Spain 2	-0.343 ▼	-0.301	-0.308	-0.224	-197.4	-190.3	-109.2
1.450	10	1.563 ▼	1.642	1.605	1.139	-89.1	-79.2	-65.4
1.750	U.K. 2	0.481 ▼	0.493	0.447	0.273	-115.	-111.0	-59.5
4.250	10	1.387 ▼	1.408	1.333	1.052	-106.	-102.6	-74.2

Source: Tullett Prebon

Corporate Debt

in that same company's share price.

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Maturity	Spread*, in basis points Current	One-day change	Last week	Stock Performance Close ($)	% chg
Becton Dickinson & Co	BDX	3.250	Nov. 12, '20	32	–33	70	209.84	–0.26
Morgan Stanley	MS	5.550	July 15, '49	78	–22	74	50.77	0.47
Motorola Solutions	MSI	3.500	Sept. 1, '21	70	–15	82	90.28	0.26
Honeywell International	HON	1.400	Oct. 30, '19	9	–13	n.a.	145.84	–0.10
RPM International	RPM	2.250	Dec. 15, '20	95	–13	n.a.	52.71	0.75
Unicredit Spa	UCGIM	5.861	June 19, '32	268	–11	290	...	...
JPMorgan Chase	JPM	2.750	June 23, '20	27	–10	39	101.74	0.71
Sanofi S.A.	SANFP	4.000	March 29, '21	5	–9	n.a.	...	...

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Maturity	Spread*, in basis points Current	One-day change	Last week	Stock Performance Close ($)	% chg
JPMorgan Chase	JPM	7.900	April 30, '49	–102	42	–95	101.74	0.71
Teva Pharmaceutical Finance	TEVA	2.950	Dec. 18, '22	225	29	n.a.	...	...
Aetna	AET	3.875	Aug. 15, '47	120	27	101	178.60	11.54
Commerzbank AG	CMZB	8.125	Sept. 19, '23	187	16	n.a.	...	...
Goldman Sachs	GS	5.375	March 15, '20	57	16	58	241.72	...
Oceaneering International	OII	4.650	Nov. 15, '24	232	16	221	19.34	–18.05
CVS Health*	CVS	3.375	Aug. 12, '24	74	14	64	73.31	–2.94
US Bank NA	USB	2.125	Oct. 28, '19	29	14	31	...	...

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
Pride International	ESV	7.875	Aug. 15, '40	85.500	3.25	86.000	...	...
Hexion	HXN	9.000	Nov. 15, '20	69.750	1.75	66.625	...	...
New Albertson's	NEWALB	8.000	May 1, '31	87.000	1.75	84.000	...	...
AmeriGas Partners	APU	5.750	May 20, '27	102.625	1.37	n.a.	44.79	1.17
Windstream Services	WIN	7.750	Oct. 15, '20	88.813	1.31	89.250	1.83	0.55
McClatchy	MNI	6.875	March 15, '29	89.500	1.25	79.000	9.75	4.84
Staples	SPLS	8.500	Sept. 15, '25	90.250	1.13	94.875	...	...
Frontier Communications	FTR	8.750	April 15, '22	82.500	1.00	83.000	11.48	0.79

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week	Stock Performance Close ($)	% chg
Avis Budget Car Rental	CAR	5.250	March 15, '25	85.500	–12.50	99.375	...	...
Rite Aid	RAD	7.700	Feb. 15, '27	83.000	–4.25	85.000	1.67	–6.18
Transocean	RIG	7.500	April 15, '31	89.000	–2.66	91.375	10.17	0.39
Beazer Homes USA	BZH	5.875	Oct. 15, '27	99.750	–2.24	99.500	19.47	–2.41
Intelsat Luxembourg S.A.	INTEL	7.750	June 1, '21	66.500	–2.00	72.000	...	...
HCA	HCA	5.500	June 15, '47	100.438	–1.84	102.750	76.89	–2.92
Seagate HDD Cayman	STX	4.750	Jan. 1, '25	99.375	–1.56	96.750	...	...
Tenet Healthcare	THC	6.750	June 15, '23	93.135	–1.49	95.250	12.87	–9.17

*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

Lobbying Beats Back New Rule for Banks

Securing votes of a handful of Republicans proves key to blocking consumer measure

BY ANDREW ACKERMAN AND YUKA HAYASHI

ANDREW HARRER/BLOOMBERG NEWS

Sen. Lisa Murkowski of Alaska was a main target of the campaign by the financial-services industry.

WASHINGTON—The financial-services industry, relying on a group of small banks, successfully targeted a few Senate Republicans to ensure lawmakers scuttled a rule that would have made it easier for consumers to join in class-action lawsuits against banks.

The vote late Tuesday to kill the Consumer Financial Protection Bureau's arbitration rule marks the most significant legislative victory for the financial-services industry in years. Industry lobbyists and congressional aides had always expected the difference in the vote count to be razor thin, so swaying just a couple of GOP senators could determine the fate of the independent agency's rule.

One of the main targets of the campaign, Sen. Lisa Murkowski of Alaska, privately told community bankers in her home state as early as August that she would likely support the resolution to block the rule, according to people familiar with her remarks. Yet she never publicly telegraphed her plans, leaving some lobbyists guessing on the vote's outcome close to the last minute on Tuesday, when shortly after 10 p.m. she appeared on the Senate floor and voted "yes."

Adding to the drama, Ms. Murkowski was the last Senate lawmaker to arrive, her vote leaving the chamber tied at 50-50, largely along party lines. Minutes later, Vice President Mike Pence put Republicans over the top with the deciding vote, as some lawmakers returning from a black-tie dinner looked on in tuxedos. Ms. Murkowski couldn't be reached for comment Wednesday.

The CFPB rule would have barred fine-print requirements in financial-services contracts that consumers use arbitration to resolve disputes, though consumers still would have had the option to use arbitration rather than the courts.

Under the Congressional Review Act of 1996, lawmakers can overturn a newly issued regulation on an expedited schedule with a simple majority vote in Congress. Had Congress not acted, the arbitration rule would have gone into effect next year.

The House voted to kill the rule shortly after its completion in July, but Senate Republicans struggled to muster the votes needed to do the same. Several GOP senators expressed reservations about voting to overturn the regulation, worried they might be portrayed as siding with banks and against consumers.

Congressional action to roll back financial regulation has been rare. Though the Trump administration has pledged to "dismantle" much of the post-crisis financial rulebook, wholesale legislative efforts to kill the 2010 Dodd-Frank regulations languish in the Senate.

Proponents of killing the CFPB rule also lobbied Susan Collins of Maine and John Kennedy of Louisiana, two Republicans who at least initially hesitated to take a position publicly. Ms. Collins voted against the rule, while Mr. Kennedy voted to keep it.

Ms. Collins said Wednesday that lobbying by small credit unions convinced her they would be "devastated" by the measure. She also said she conducted her own review of the CFPB's economic studies and came to the conclusion that "consumers in most cases were far better served by arbitration than by class-action lawsuits." Proponents say arbitrated cases are generally resolved more quickly and less expensively than court cases.

Mr. Kennedy, who told reporters the morning of the vote that he was still studying the rule in question, was one of two GOP lawmakers to vote "no" to killing it, joining Lindsey Graham of South Carolina. Mr. Kennedy said he voted the way he did after hearing from veterans groups who support the CFPB rule, and after taking account of revelations that credit monitor Equifax Inc. initially sought to require victims of its massive hack to settle disputes through arbitration.

"Just about every adult in my state had his or her data stolen," he said. "I am not going to tell my people they cannot have their day in court."

Mr. Graham, a former trial attorney, had long said he would vote in support of the CFPB's rule. In an interview earlier this year, he said arbitration is "a windfall for the companies in terms of how you settle their cheating."

Efforts to influence Sen. Murkowski intensified i, with Alaska's credit unions and community banks joining the fray. Helping lead the lobbying was Dan McCue, senior vice president of Alaska USA Federal Credit Union, by far the largest credit union in the state with $6.86 billion in assets.

Mr. McCue wrote an opinion piece on Oct. 13 for the Juneau Empire criticizing the CFPB regulation. The rule "doesn't make sense for any credit union member across this state," he wrote. "Unfortunately, more Washington-based groups, many representing the interest of trial lawyers, are putting pressure on our senators to back the anti-arbitration rule, and we couldn't disagree with them more." Mr. McCue declined to comment Wednesday.

Struggles Persist for Barclays and Deutsche

BY MAX COLCHESTER AND JENNY STRASBURG

TOLGA AKMEN/AGENCE FRANCE-PRESSE/GETTY IMAGES

Barclays reported a third-quarter profit but shares fell 7.4%, reflecting concerns about its efforts to build up the investment bank.

New bosses took the reins at **Barclays** PLC and **Deutsche Bank** AG two years ago promising sharper strategies and clearer paths for the embattled lenders. Investors are still foggy on the CEOs' vision.

Both big European banks said Thursday that trading revenue declined 30% in the third quarter, a disappointing result even considering the historically low market volatility.

On average, U.S. banks' trading revenue dropped half that amount this past quarter.

Barclays's shares slumped 7.4%, while Deutsche Bank's stock fell 0.9% on Thursday. No major European lenders' shares have performed worse since the start of the year. The pressure is rising on Jes Staley and John Cryan, chief executives of the British and German lenders, respectively, to deliver results rather than reassurances.

Both banks have already gone through significant overhauls. At Barclays, Mr. Staley implemented a plan to ditch billions of dollars in assets, exit more than a dozen countries and cut 60,000 staff. The former **J.P. Morgan Chase** & Co. banker has spent the past three months telling investors and analysts that the restructuring at Barclays is complete.

At Deutsche Bank, Mr. Cryan also has axed clients, business lines and thousands of employees, settled big regulatory probes and is planning to list part of the German bank's asset-management business. But the British Mr. Cryan has been dour about Deutsche's outlook, warning that it could take years to turn the bank around.

However, investors don't see how much or when the big changes will ultimately pay off for either bank. "These European banks don't look good compared to the U.S. banks," said David Stowell, a former investment banker who teaches finance at Northwestern University's Kellogg School of Management.

A lot of what the European banks are doing to fix technology and legal problems, the U.S. banks already did, and now American lenders stand to benefit more from regulatory relief at home.

"Some trading clients have been concerned about the European banks," Mr. Stowell said. "Part of it is a perceptual problem, but that's how markets work."

While Europe's economic rebound is helping fuel retail and corporate banking businesses, analysts question whether European investment banks have the muscle to take on U.S. rivals. Deutsche Bank and Barclays are the world's sixth- and seventh-largest investment banks by revenue, according to data by Coalition.

On Thursday, Barclays recorded a third-quarter profit, helped by a fall in regulatory fines and operating costs. But the subsequent share drop reflects how investors are becoming skeptical that Mr. Staley can build a competitive investment bank without pouring in huge resources. The bank said shareholders would have to wait until early next year to get clarity on dividends.

Meanwhile, Mr. Staley is pushing on with a plan to revamp the markets business by redeploying capital into the unit and recently hiring about two dozen new bankers. "We have a way to go," he said on Thursday.

Deutsche Bank faces a similar investment-banking headache. On Thursday, it said its

30%

Decline in third-quarter trading revenue for the two banks

third-quarter profit more than doubled, beating analysts' expectations, even though trading and overall revenue dropped sharply.

Deutsche Bank, once one of the world's most highly leveraged banks, has had to wean itself off the borrowing and capital-intensive trades that once juiced profits. Investors by and large accepted that it had to happen eventually, but they want to see proof that the German bank can maintain much of its dominant presence in fixed-income trading. After losing ground there last year, the bank has clawed back some fixed-income business, but investors say it isn't enough.

Goldman Sachs Group Inc. European banking analysts on Thursday called both Deutsche Bank's and Barclays's third-quarter results weak, highlighting their dismal investment-banking performance relative to U.S. peers.

Temporary Regulator Raises Concerns

BY RYAN TRACY AND YUKA HAYASHI

WASHINGTON—The acting chief of a top federal banking regulator is implementing significant regulatory changes in his temporary post and isn't subject to the ethics restrictions that would apply to his permanent successor, raising concerns from lawmakers.

Keith Noreika isn't bound by the usual curbs on lobbying the agency he now leads, the Office of the Comptroller of the Currency, if he returns to the private sector.

Mr. Noreika has stood out for his vocal criticism of a Consumer Financial Protection Bureau rule that would have eased the way for class-action lawsuits against banks. Congress voted to repeal that rule on Tuesday. Now lawmakers and others are raising concerns about his job status, which shields him from restrictions other senior officials must follow. Mr. Noreika, who wasn't available for comment, would voluntarily abide by some rules that don't apply to

Keith Noreika isn't bound by the usual curbs on lobbying the agency he now leads.

him, an OCC spokesman said.

Mr. Noreika, speaking after a Washington conference last week, said: "I think I am subject to all the postemployment restrictions that everyone else is, and I should be."

The previous comptroller, Thomas Curry, who left the post in May, is observing a one-year "cooling-off" period during which he can't represent clients before the OCC. Mr. Noreika isn't subject to that restriction because his salary is below $161,755, the level the Office of Government Ethics uses to define senior status. Mr. Curry's salary was $165,300, but Mr. Noreika is taking a salary of $130,000.

Mr. Noreika's salary was set by the OCC, in consultation with the Treasury Department, according to a person familiar with the matter. Representatives of those agencies declined to provide details on how his salary was chosen.

Mr. Noreika is classified as a temporary "special government employee," exempting him from a restriction on lobbying the OCC for five years.

BONDS

Continued from page B1

sale was to create low interest-rate benchmarks that Chinese state-owned enterprises and private corporations, which are more-regular issuers of offshore debt, can reference when tapping the global bond markets for funding needs.

China had tapped 10 large banks, including **Bank of China** Ltd., **Citigroup** Inc. and **HSBC Holdings** PLC, to help drum up buyers for its sovereign bonds. The securities were marketed primarily to investors in Asia and Europe.

Some investors were turned away by the meager yields offered by China. Edwin Gutierrez, head of emerging-market sovereign debt at Aberdeen Standard Investment, which has $758 billion of assets under management, said he passed on the China deal.

"This is not targeted for me," Mr. Gutierrez said, noting that the average yield on emerging-market bonds is in excess of 5%. If he bought the Chinese bond, it would be "an incredible yield give-up for global emerging-market managers like me," he said.

Earlier Thursday, banks circulated price guidance for the securities, launching the five-year bond sale at suggested yields of 0.3 to 0.4 percentage point above Treasurys. They offered China's 10-year bonds at 0.4 to 0.5 percentage point over the U.S. yield benchmark.

By the afternoon in Asia, strong investor demand led bankers to move their yield guidance closer to Treasury yields. It is a common strategy for bankers to initially offer more generous yields and later sell the debt at much lower yields to demonstrate strong demand.

The bond sale follows credit-rating downgrades of China this year by international ratings firms Moody's Investors Service and S&P Global. Both grade the country the equivalent of an A+ rating, which is several notches below their rating on the U.S., and the raters have pointed to what they consider rising economic and financial risks in China.

China's Finance Ministry proceeded with its bond sale without getting the securities rated, and in a statement this week said the international raters have misread China's economic development and growth potential. It said investors in the international debt markets would make an objective assessment of China's creditworthiness.

In marketing China's bonds earlier this week, investment bankers provided several 10-year yield benchmarks that investors could use to compare the country's relative risk. The comparisons included 10-year U.S. dollar bonds issued by Israel in September 2016, which were recently yielding 0.41 percentage point above U.S. Treasurys. Israel has the same credit rating as China.

Another benchmark for comparison was German government-backed development bank KfW Group, which in April 2015 issued $3 billion in U.S. dollar bonds. Those securities recently yielded 0.05 percentage point over 10-year U.S. Treasurys. Germany has triple-A credit ratings from the major ratings firms.

Some analysts said the comparisons were surprising because they were made against U.S. dollar bonds from a different region.

China is the latest developing country to tap the international bond market, where investors' thirst for higher yields has sparked record issuance of U.S. dollar-denominated debt this year.

—Nina Trentmann contributed to this article.

DANIEL ACKER/BLOOMBERG NEWS

DowDuPont was one of the biggest gainers in the Dow Jones Industrials after the company gave investors an early look at results. One of its facilities in Manlius, Ill.

Strong Earnings, ECB Lift S&P

BY MICHAEL WURSTHORN AND RIVA GOLD

THURSDAY'S MARKETS

The S&P 500 rose after several companies reported upbeat earnings and European Central Bank officials unveiled plans to scale down but extend their bond-buying program.

Corporate results continued to drive swings in individual U.S. stocks in one of the busiest days for third-quarter reports.

Without geopolitical developments or major legislative changes in Washington, money managers say they are closely following earnings season.

"We're really focused on earnings, which have been pretty strong and consistent across the board in many sectors," said Jennifer Ellison, a principal with Bingham Osborn & Scarborough, a San Francisco-based investment firm with $4.2 billion in assets under management. "The market has some momentum and that can continue with more good news out of [coming] economic data."

The Dow Jones Industrial Average added 71.40 points, or 0.3%, to 23400.86, recouping some of the losses suffered Wednesday.

The S&P 500 rose 3.25 points, or 0.1%, to 2560.40, while the Nasdaq Composite fell 7.12 points, or 0.1%, to 6556.77.

DowDuPont, one of the biggest gainers in the Dow Jones Industrial Average, rose $1.96, or 2.8%, to $73.05 after it gave investors an early look into its sales and profit results, the first window into the global chemical giant following the combination of Dow Chemical and DuPont.

Ford Motor added 23 cents, or 1.9%, to 12.27 after the auto maker said third-quarter profit rose amid strong sales of its F-Series trucks, a lower tax rate and cost-cutting efforts.

Twitter reported a narrower loss and raised its earnings forecast for the fourth quarter, but also said it overstated its number of users for the past three years. Twitter shares surged 3.17, or 18%, to 20.31, its largest percentage increase in more than a year.

Deal chatter, meanwhile, pushed shares of **Aetna** up 18.48, or 12%, to 178.60. The Wall Street Journal reported Thursday afternoon that **CVS Health** had proposed to buy the health insurer for more than $200 a share. CVS fell 2.22, or 2.9%, to 73.31.

In Europe, stocks gained momentum and the euro fell after the ECB said it would pare back its monthly bond purchases to €30 billion (about $35 billion) a month from €60 billion and keep buying through September of next year. The ECB also reiterated that interest rates would remain at their current levels well past the end of the asset-purchase program.

The ECB's move was closely in line with what investors

The Euro Stoxx 50 index of eurozone stocks rose after the ECB's actions.

and economists had forecast. Still, many took the development and ECB President Mario Draghi's tone during his news conference as a confirmation that eurozone monetary policy would remain ultraloose for some time to come.

The Euro Stoxx 50 index of eurozone stocks gained 1.3%, while the euro fell 1.4% against the U.S. dollar to $1.1656.

Many investors believe the eurozone economy is strong enough to handle the gradual shift in policy, underscoring the calm in the region's riskier assets in recent months. Expectations for a policy change come as the currency bloc's economy is on course for its strongest year since 2007, with measures of consumer confidence in the bloc reaching decade highs.

While inflation has remained well below the bank's target, purchasing managers' indexes released this week showed the currency area posted its fastest employment growth in a decade, raising the prospect that rising wages may lift still-weak inflation.

Early Friday, Japan's Nikkei 225 Stock Average was up 0.7%, while Hong Kong's Hang Seng Index was up 0.8%.

Treasurys Fall After Passage Of Budget

BY DANIEL KRUGER

U.S. government bonds fell after the House of Representatives passed a budget resolution giving lawmakers leeway to cut taxes.

CREDIT MARKETS

The yield on the benchmark 10-year U.S. Treasury note rose for a third consecutive day, to 2.452% from 2.444% Wednesday. Bond yields rise as prices fall.

House Republicans now turn to writing, amending and passing a tax bill, which they say will happen by Thanksgiving. The goal is to boost growth by lowering tax rates for individuals, corporations and other businesses, while curbing enough tax breaks so that the measure doesn't raise the projected federal deficit by a total of more than $1.5 trillion over the next decade.

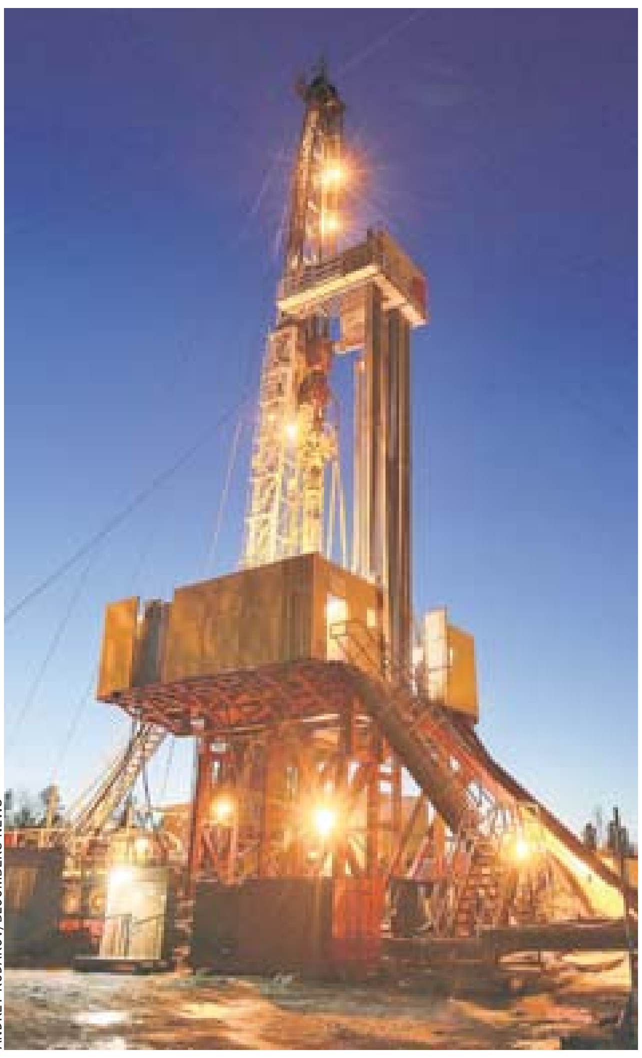
Some investors expect that tax overhaul will stimulate growth and inflation, while also increasing the budget deficit and supply of Treasury debt.

U.S. government bonds had fluctuated earlier after the European Central Bank said it planned to reduce its purchases to €30 billion (about $35 billion) a month starting in January and running through September and intends to hold interest rates at their current minus-0.4% for some time after the purchases end.

ECB President Mario Draghi had sought to avoid sparking widespread selling of bonds by signaling to investors the bank would act judiciously in paring stimulus. German bunds gained on the move, causing sovereign yields between the countries to widen.

The 10-year German bund yield fell to 0.418% from 0.483% Wednesday. The gap between the U.S. and German yields exceeded 2 percentage points for the first time since April, which could encourage foreign investors to continue to seek out higher yields in the U.S. even as ECB stimulus diminishes.

Oil Prices Climb



ANDREY RUDAKOV/BLOOMBERG NEWS

Oil prices closed at a six-month high on Thursday, boosted by declining stockpiles of fuel and hopes that OPEC will extend a deal to limit global production.

Light, sweet crude for December delivery rose 46 cents, or 0.9%, to $52.64 a barrel on the New York Mercantile Exchange, the highest settlement value since April 17. Brent, the global benchmark, rose to a two-year high, closing up 86 cents, or 1.5%, to $59.30 a barrel.

Prices have risen 11 out of the past 14 sessions, as a steady decline in inventories has boosted investor optimism that global supply and demand are starting to even out.

Adding to bullish sentiment, Saudi Arabia and Russia—the world's two largest crude producers—want to extend a deal to cut production through the end of next year, people familiar with the matter said Wednesday.

The Organization of the Petroleum Exporting Countries, along with several other nations outside the cartel, agreed to curb oil production by about 1.8 million barrels a day last year.

—Stephanie Yang and Christopher Alessi

Dollar Cashes In on Overhaul Hopes

BY IRA IOSEBASHVILI

The dollar rose to its highest level in three months, lifted by signs of progress on efforts to overhaul the U.S. tax code and weakness in the euro following the European Central Bank meeting.

The Wall Street Journal Dollar Index, which measures the U.S. currency against a basket of 16 others, closed up 0.7%, at 87.78, its highest level since July 13. It was also the largest one-day percentage gain since January.

The currency gained after Republicans overcame internal divisions Thursday to adopt a budget that sets the stage for a rewrite of the U.S. tax system. Some investors believe a tax overhaul would boost the U.S. economy and push the Federal Reserve to raise rates at a faster clip.

Higher rates make the dollar more attractive to investors seeking yield.

"There seems to be a real sense of urgency on the fiscal side, and that's good for the dollar," said Alan Ruskin, head of G-10 foreign-exchange strategy at Deutsche Bank AG.

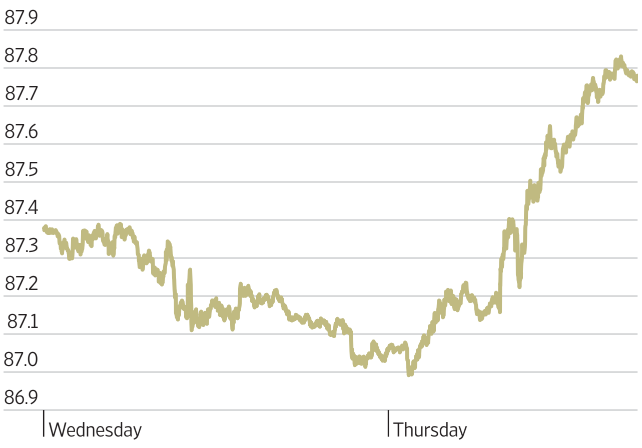
Meanwhile, ECB President Mario Draghi said the bank's bond-buying program could be extended beyond September 2018, sending the euro tumbling against the dollar.

Late in New York, the euro was down 1.4%, at $1.1653, its biggest one-day percentage loss since June 2016.

Sudden Surge

The dollar climbed as Republicans moved closer to overhauling taxes.

WSJ Dollar Index



Sources: WSJ Market Data Group

THE WALL STREET JOURNAL.

Treasury Calls for Delaying, Scaling Back Rules

BY RYAN TRACY AND DAVE MICHAELS

WASHINGTON—Investment funds would see strict postcrisis rules scaled back or delayed under recommendations laid out Thursday by the Treasury Department in its latest report outlining the Trump administration's deregulatory agenda.

The report on the asset-management and insurance industries was the third issued in response to a February executive order from President Donald Trump directing the Treasury to re-evaluate U.S. financial regulations.

The Treasury recommended scaling back a Securities and Exchange Commission rule for mutual and exchange-traded funds meant to reduce the risks of an investor exodus during a panic, particularly one provision that would require funds to estimate and disclose the liquidity of their holdings. The SEC, an independent federal agency, would need to act on the Treasury's recommendations for them to go into effect.

The report also said that designating large insurers and asset managers for stricter federal rules is "not the best approach for mitigating risks," and regulators should focus instead on risky activities. That will be music to the ears of the largest companies in those industries, which under the Obama administration feared the federal regulation that comes with being labeled "systemically important."

The Treasury and other financial regulators rescinded the "systemically important" designation for American International Group Inc. in September, leaving Prudential Financial Inc. as the only insurer with the label.

The report follows two others on banks and capital markets. Those reports also recommended policy changes on the financial industry's wish list.

In a statement accompanying Thursday's report, Treasury Secretary Steven Mnuchin said, "we are recommending more efficient and effective regulation to give consumers access to the products they need while providing individuals with opportunities to save for retirement."

Here are other key recommendations in the report:

- The Treasury endorsed delaying a rule that requires brokers handling retirement accounts to act in the best interest of their clients. The Labor Department issued the fiduciary rule in April 2016 but delayed its implementation to July 2019. It also expressed support for the SEC to review the rule. Financial companies support the SEC's involvement, as they think the commission's stance is more business-friendly than the Labor Department's.
- The report recommended that the SEC and the Commodity Futures Trading Commission choose which of the agencies should oversee some investment-fund managers that are currently regulated by both.
- The Treasury urged state regulators to recalibrate capital requirements for insurance firms to encourage them to invest more in funding public infrastructure.
- The report recommended that regulators no longer use the term "shadow banking" to describe nonbank activities. A senior administration official told reporters the term has a negative connotation.
- The report said Congress should eliminate a requirement for stress-testing investment companies.

MARKETS

Celgene's Plunge Sickens Biotech Sector

Firm's glum outlook helps push Nasdaq Biotechnology Index to seventh fall in a row

By Chris Dieterich

Celgene Corp.'s biggest stock plunge in nearly 17 years propelled a popular biotechnology index to its seventh straight day of losses.

Shares declined 16% to close at $99.99 on Thursday after the company reported disappointing quarterly revenue and cut a series of long-term financial targets. Celgene's drop was the steepest since November 2000 and carried the stock below $100 for the first time this year. The stock's swoon weighed on the Nasdaq Biotechnology Index, which fell 2.3%.

It is the second stiff drop over the past week for Celgene. Shares declined 11% last Friday after the company said it would discontinue development of a widely anticipated Crohn's disease drug.

Other big biotech stocks have been caught in the recent downdraft even after posting mostly upbeat quarterly results. **Amgen** Inc. declined 0.6% Thursday despite topping Wall Street's earnings and revenue estimates. **Biogen** Inc. declined 2.2% on Thursday after topping Wall Street's forecasts earlier this week. In comparison, the S&P 500 index gained 0.1% on Thursday.

Traders said part of the recent weakness in the biotech sector is likely due to unease about owning some of the riskiest U.S. stocks.

With major index valuations stretched, and concerns swirling about potential economic policy changes, investors have set a high bar for corporate fundamentals and appear ready to bail on volatile companies.

"Investors have been pouring into this group with a risk-on mentality," said Ian Winer, head of equities at Wedbush Securities. "It's worth keeping an eye on this group as a proxy for investors' willingness to take risk."

Biotech stocks, a volatile group known for sinking on bad news and soaring on good reports, have never been for the faint of heart. This was especially true over the past two years as political rhetoric about lower drug prices repeatedly jolted markets. Before that, the sector enjoyed an almost unhindered rise from 2009 through the middle of 2015, when the spotlight on drug pricing, including a 2015 tweet from Democratic presidential candidate Hillary Clinton that mentioned "price gouging," brought the rally to an end.

Biotech stocks regained favor this year as broad market benchmarks pushed to records. Despite its seven-day skid, the Nasdaq Biotechnology Index has climbed 19% this year. The S&P 500, meanwhile, is up 14%.

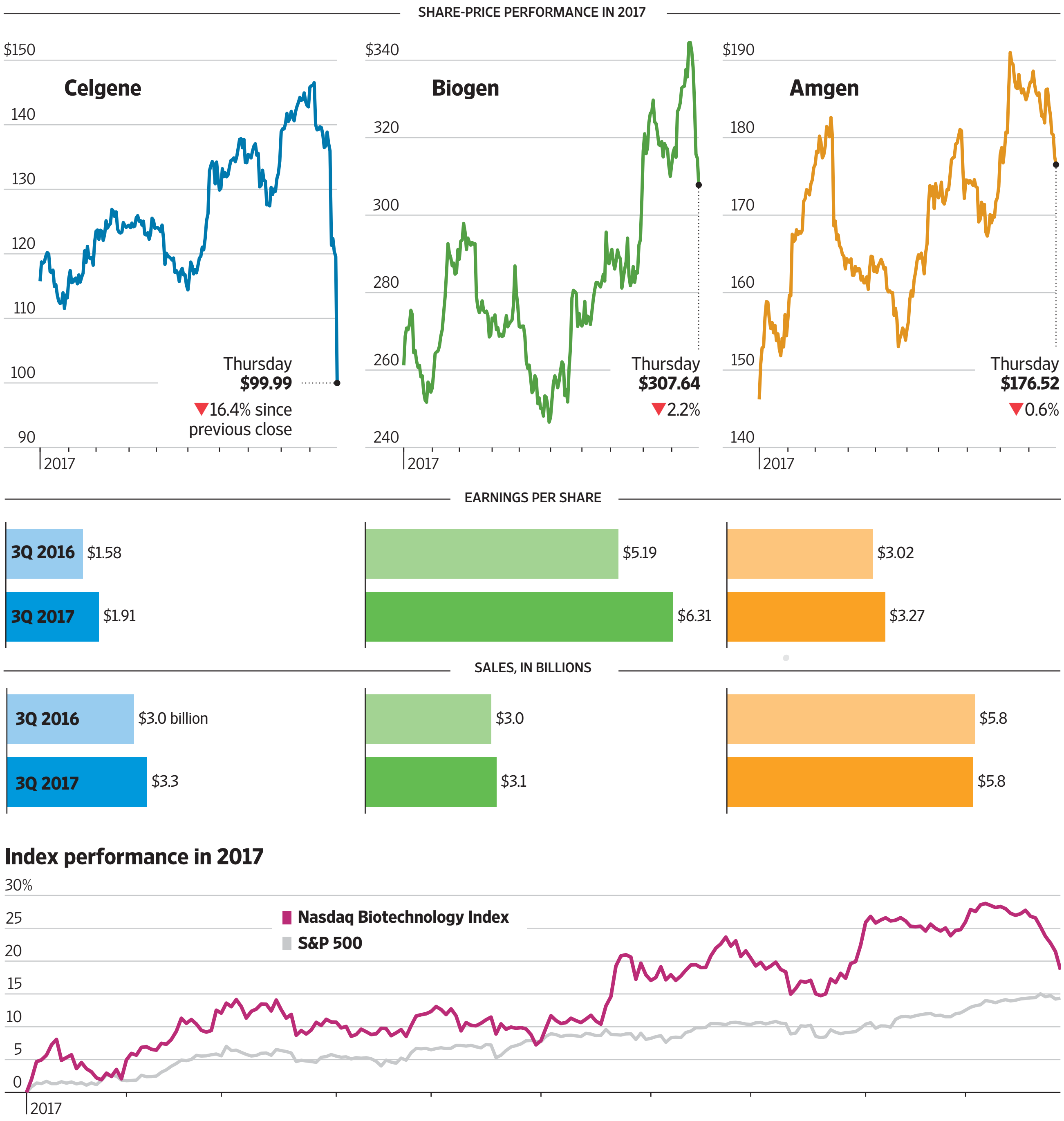
Celgene's 16% drop was its steepest decline since November 2000.

The biotech index, which assigns greater sway to the biggest stocks in the sector, is in the midst of its longest losing streak since 2015.

The biotech company's stock price slumped after company executives told investors that sales of a treatment for psoriatic arthritis and psoriasis were weaker than expected. Celgene lowered its total 2020 revenue target to a range of $19 billion to $20 billion, down from more than $21 billion.

Under the Weather

Biotechnology shares slumped after Celgene slashed its financial projections. Analysts say an autumn pullback reflects in part concerns about the risk of owning shares in new-drug firms following a long rally in which the group, widely seen as one of the market's riskiest sectors, has far outpaced broad indexes.



Source: FactSet

THE WALL STREET JOURNAL.

HEARD ON THE STREET

Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY WSJ.com/Heard

Barclays Flails in Deutsche Bank's Wake

Barclays is achieving something that long seemed impossible in European banking: It is making **Deutsche Bank** look good.

The U.K. bank's shares dropped sharply after it reported its worst investment banking revenue since the final quarter of 2015, which was the worst quarter for the industry in years.

Barclays's markets arm bore most of the blame. Bond and currency trading revenue was down a combined 32% in dollar terms in the third quarter versus the same period last year, worse than U.S. rivals who were down an average of 22%.

Deutsche saw a similar fall in bond trading in dollar terms, but the German bank has split out the part of that business that finances clients. Add that back in and its revenue fall was in line with the U.S. average.

For Barclays, however, it was equities that really disappointed. Revenue was down 22% in dollar terms in the quarter, much worse than Deutsche Bank or any U.S. rival. Barclays is addressing things partly by trying to improve its expertise and win clients in systematic and quantitative trading: in other words, among the exchange-traded funds and computerized traders that have been key to equities for some time.

Another blow for Barclays was a rise in losses in U.S. credit cards. It said there were charges relating to the sale of some riskier balances earlier in the year, rather than rising bad debts, but this still added to the disappointment.

Both banks have cut a lot of costs, but cost-to-income ratios of 69% at Barclays and 85% at Deutsche for the first nine months remain painfully high. They need more revenue to bail them out.

Both hope to see more market activity in general, though they are also trying to reclaim some share lost to U.S. rivals.

Deutsche has at least managed to arrest its market-share fall this year and should finish 2017 in a more solid position than it started. Barclays looks to be losing more ground as the year goes on.

Barclays can boast a return on equity that beats Deutsche Bank by some way, but only when results are adjusted for exceptional costs, such as a £1.4 billion ($1.8 billion) loss on the sale of part of its stake in Barclays Africa. At the bottom line, Barclays still reported a loss for the first nine months while Deutsche tripled its net income—and Barclays still has to settle lawsuits over U.S. mortgage bonds, which will likely entail a multibillion-dollar cost that most other banks have already dealt with.

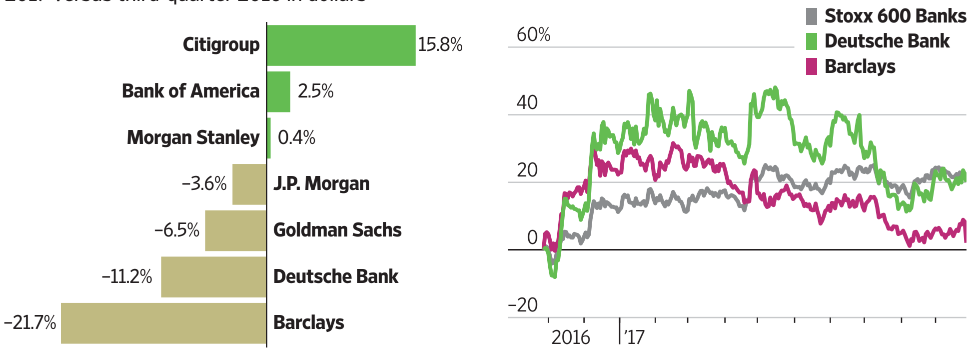
Deutsche tells its story in tones of dour realism, but it is making slow steps in the right direction. Barclays is insistent that brighter days are near, but its grip on its turnaround looks to be slipping. As unlikely as it sounds, the German bank's stock should continue to perform better this year.

—Paul J. Davies

Falling Behind

Change in equities trading revenue, third-quarter 2017 versus third-quarter 2016 in dollars

Share price performance



Sources: the companies (equities trading); FactSet (share price)

THE WALL STREET JOURNAL.

Big Beer's U.S. Problem Gets Bigger

It is now a year since **Anheuser-Busch InBev** bought rival SABMiller in a $103 billion deal that reshaped the global brewing industry. History is often cruel to mega-mergers, but with U.S. tastes shifting, SABMiller looks like it was worth every cent.

Weak third-quarter sales trends reported Thursday by the world's largest brewer would have been even weaker without SAB's portfolio, which was skewed to emerging markets, particularly Africa.

And management will offset some of the top-line damage by extracting more savings from the continuing integration.

The U.S. remains AB InBev's central problem. Third-quarter revenue in the country was 5.7% lower than a year earlier.

The declines can't be attributed to the U.S. economy: Unemployment is low and consumer confidence high. Americans are choosing to spend more money on spirits, and when they do drink beer they are increasingly experimental. The latest craze, which also has hit the growth of once-hip craft brews, seems to be the microbrewery taproom.

AB InBev is less exposed to these trends than it was before the SABMiller deal. Even now, however, the U.S. accounts for more than 30% of AB InBev's equity-adjusted profits, according to estimates from Bernstein.

Investors took a glass-half-empty approach to mixed results on Wednesday from **Heineken**, now the global No. 2. Just think how bad things would look now for AB InBev if it hadn't pulled off last year's mega-deal.

—Stephen Wilmot

Profits Don't Come Cheap for Amazon

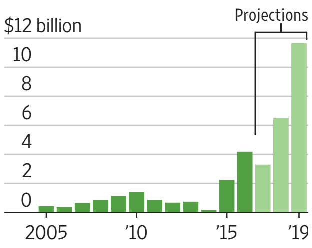
Earnings actually do matter at **Amazon.com**. At least a little.

The online retail giant gave Wall Street some cheer Thursday, posting third-quarter sales that jumped 34% to $43.7 billion. That would have beat analysts' forecasts even without a $1.3 billion contribution from **Whole Foods Market**. Operating income, while down 40% year over year to $347 million, managed to beat the company's rather downbeat forecast from the second quarter.

The results were enough to boost a stock that already appeared primed for a bounce. Amazon's share price had slumped 7% since its last report due to concerns about a renewed era of spending.

Dollar Days

Amazon's annual operating income



Sources: the company; FactSet

THE WALL STREET JOURNAL.

The stock rose 8% in after-hours trading following Thursday's report.

The key question moving forward is how long Amazon's current "investment mode" may last. Analysts expect record operating income of $6.5 billion next year compared with a projected $3.3 billion this year. But the company is absorbing the huge acquisition of Whole Foods as well as building on its future ambitions for grocery, devices, cloud and quite possibly other areas—such as pharmacies.

Those don't come cheap. Amazon's free cash flow dipped into negative territory for the third quarter if one includes the cost of capital lease obligations. And now that Whole Foods is factored in, Amazon now employs more than half a million full-time employees. With investors hungry for more profits, that is a lot of mouths to feed.

—Dan Gallagher

OVERHEARD

In Britain, "The City" is synonymous with finance. Across the pond, "The Citi Never Sleeps."

But now, if a member of Saudi Arabia's royal family is to be believed, an actual city will one day be listed on a stock exchange.

"It's as if you float the city of New York," said Saudi Crown Prince **Mohammed bin Salman** to Reuters.

Aside from the obvious questions—what exactly would one own—there is the small matter of the metropolis in question.

Neom doesn't exist yet. It was just announced this week and would be built with funding of half a trillion dollars from the Saudi Arabian government.

That might be easier if Saudi Arabia ever pulls off the initial public offering everyone is curious about—the on-again, off-again flotation of its mammoth oil company, **Saudi Arabian Oil**.

That would help plug a still-gaping budget deficit that topped 17% of gross domestic product last year as oil revenue slumped.

As for Neom, the would-be publicly listed city looks magnificent on paper and would abut a similarly ambitious bridge that would connect Asia and Africa.

But try finding it on Google maps.

Regina Spektor on her journey from Russian refugee to U.S. music star M10

MANSION

'Everything is negotiable. Whether or not the negotiation is easy is another thing.'
—Carrie Fisher

THE WALL STREET JOURNAL. Friday, October 27, 2017 | M1

Extreme Means to Clinch a Home Sale

In luxury real estate, deals can hinge on throw-ins—items like furniture, art or sports cars that prospective buyers want included in the sale; Belly the cat in a contract.

BOB STEFKO FOR THE WALL STREET JOURNAL (4)

FURNITURE INCLUDED Jenna and Pradeep Raju paid $1 million for their Woodstock, Ill., house, top right, for themselves and two children—soon to be three. The couple paid another $260,000 for almost all the furnishings, including a vibrant silk Turkish rug, folk art and decorative ceramics. Top left, the living room; bottom left, the dining room.

BY AMY GAMERMAN

GEORGE AND SANDRA VALASSIS were delighted with the offer they got on their $14.495 million waterfront estate in Florida—until they realized that the buyers were asking for more than the house.

"They wanted everything—including the two Bentleys in the garage," said Mr. Valassis, founder of Valassis Communications, a media and marketing company.

His agent saw the bright side. "I had to talk them off the ledge and say, 'This is a good thing!'" said Michael Costello, a sales associate with Douglas Elliman in Palm Beach, explaining: "You're moving into a new place. You are probably not going to need a lot of this furniture anyway. Go through the whole house with Post-it Notes and put them on the things you absolutely

Please turn to page M4

A HISTORIC LONDON HOSPITAL UNDERGOES REHAB

A grand Victorian building where the CT scanner was developed has been turned into luxury condos.

BY RUTH BLOOMFIELD

IN A CITY as old and as crowded as London, recycling historic buildings isn't just practical but inevitable.

Case in point: Atkinson Morley Hospital, a grand brick building constructed in 1869 and where a pioneering neurology unit developed the CT scanner in the 1970s. Today that building is home to luxury apartments that list for as much as £2.7 million, or about $3.56 million.

The hospital was named after Atkinson Morley, a wealthy philanthropist who bought the land in 1860 and financed a convalescent hospital for poor patients. During World War II, priorities changed, and the hospital became a neurology unit. It was there in 1971 that Godfrey Hounsfield, an electrical engineer, and Allan MacLeod Cormack, a physicist, carried out the first successful brain scan on a patient using a prototype CT scanner. (They shared a Nobel Prize for their work in 1979.)

Yet, like many British hospitals built in the Victorian era, by the start of the 21st century, the size and layout of Atkinson Morley was considered all wrong for modern medical practice. The hospital was closed in 2003 and the site bought by property developer Berkeley Homes in two stages between 2010 and 2012.

The hospital has now been enlarged and re-christened

Please turn to page M6

ALICE WHITBY FOR THE WALL STREET JOURNAL

NEW LIFE In the Wimbledon neighborhood, Atkinson Morley hospital is now called Wellington Row.

INSIDE

LISTINGS BATTLE
When sellers compete against developers M3

SHELFIE
Inside an investor's unusual collection M5

PRIVATE PROPERTIES

Wrigley Gum Heir Lists Florida Ranch for $20 Million

William Wrigley Jr., an heir to the Wrigley's chewing gum fortune, is listing his central Florida ranch for $20 million.

Mr. Wrigley previously tried to sell the Ocala property for a far more ambitious price of $85 million a decade ago, but has now revised his expectations, said Gary Pohrer of Douglas Elliman, who is listing the property as a co-exclusive with local agent Joan Pletcher.

The property, known as Winter Haven Farm, comprises almost 1,100 acres and includes three homes, four barns, 52 stalls, storage buildings and a grass racetrack. The homes are primarily used by staff; a buyer could renovate one of them or build a main house, Mr. Pohrer said.

There are cattle on the property, but they will not be included in any sale.

Mr. Wrigley bought most of the land in 2005 for $24 million, and later added several additional lots, Mr. Pohrer said. Mr. Wrigley originally intended to turn the property into one of Ocala's best equestrian facilities, where he could breed race horses for races such as the Kentucky Derby, but has now decided to sell instead.

"At this point, he said he'd rather let someone else bring it to its full potential," Mr. Pohrer said. Ocala is widely known as a horse capital, and is home to one of the country's largest horse shows.

The new pricing is more in line with similar properties in the area, where a well-known equestrian farm known as Padua Stables is on the market for $17.9 million. It comprises 768 acres with an 8,000-square-foot main house.

Mr. Wrigley is the former chief executive of Wm. Wrigley Jr. Co., which he took over after his father's death in 1999. He is now CEO of Chicago-based Wrigley Management, the family investment office. He didn't respond to requests for comment.

—Katherine Clarke

TECHNOLOGY EXECUTIVE IN CONTRACT FOR $21 MILLION MIAMI BEACH CONDO

A technology executive is in contract to buy the penthouse at L'Atelier in Miami Beach for $21 million.

Steve Hafner, chief executive of Kayak Software Group, which operates travel website Kayak, said he bought the unit, which is on the northern end of Miami Beach, both because he wanted more space for his growing family and as a financial move. "North Beach/Surfside is an up-and-coming area, and I think the penthouse is a good investment," Mr. Hafner, 49, said.

The property was initially shopped for $33 million in 2015, and was then officially listed for $25 million in February last year, said listing agent Anna Sherrill of ONE Sotheby's International Realty in Miami.

The unit, seen in renderings here, includes the 17th floor, the 18th floor and the rooftop of L'Atelier, a building slated for completion in the third quarter of 2018. The condominium will have nearly 8,000 square feet of interior space, plus 8,500 square feet of exterior space with a 40-foot-long pool. It will also have 22-foot-high ceilings in the living and dining rooms, said Ms. Sherrill.

Daniela Bonetti, also at ONE Sotheby's, represented Mr. Hafner in the purchase. In 2015, she represented him in the purchase of a 4,730-square-foot Miami Beach condo, for which he paid $10 million. Mr. Hafner said he plans to keep the unit. A Florida resident, Mr. Hafner said he has an apartment in New York and a beach house in Rowayton, Conn., and travels constantly. Last year, he paid $24 million for a 4,900-square-foot condo in Walker Tower, in Manhattan, according to public records.

Miami's high-end condo market has been slow for the past 24 months, said Oren Alexander of Douglas Elliman, who isn't associated with the listing. In the past month, however, Mr. Alexander said there has been a dramatic increase in activity, as high-net-worth buyers seek a winter perch "and our competition in the Caribbean has been decimated" by recent hurricanes.

—Katy McLaughlin

SKULLCANDY FOUNDER LISTS SNOWBOARDING ESTATE

In Park City, Utah, a wealthy entrepreneur and avid snowboarder is putting his snowboarding-oriented home on the market for $18.9 million.

Rick Alden founded Park City-based Skullcandy, which specializes in manufacturing headphones and speakers designed for snowboarders and extreme-sports enthusiasts. Now that he's selling his spread, Mr. Alden is willing to throw in part of his massive snowboard collection, which comprises more than 300 boards, some of which are autographed by Olympians and pro-athletes, according to listing agent Mitch Finlinson of Summit Sotheby's International Realty. One board was signed by Jake Burton, founder of Burton Snowboards, while another was signed by freestyle snowboarder Terry Kidwell, Mr. Finlinson said.

Mr Alden said collecting the boards was a passion. "There's so much beauty in these old boards," he said. "They all have different sidecuts, different geometry."

However, he won't part with all of them. "They're getting my second best," he said.

The house, which has direct access to the lifts, is geared toward snowboarders too, with 22 ski lockers with boot dryers and custom-built racking systems to store boards. A sign near the property's entrance reading "Snowboarders only" used to warn skiers away from a snowboarder's half pipe.

The approximately 33,000-square-foot main house sits on 5.53 acres, with 14 bedrooms, 22 bathrooms and an 18-car garage. It has a spa, a gym, eight fireplaces and staff quarters. Mr. Alden paid $12.5 million for the property in 2009, far below its more than $30 million list price, he said. He said he is selling because his four children have grown up and moved out.

—Katherine Clarke

▶ See more photos of notable homes at **WSJ.com/Mansion.**
Email: privateproperties@wsj.com

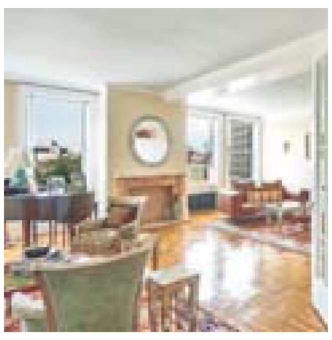
CLOCKWISE FROM LEFT: DUSTIN SELTZER; L'ATELIER RESIDENCES (RENDERING, 2); SUMMIT SOTHEBY'S INTERNATIONAL REALTY (2)

ESTD 1896

WARBURG

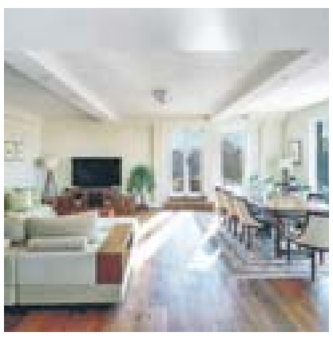
784 Park Avenue

Exceptional Park Avenue duplex with 5 bedrooms, 7 baths, and private balcony. On the market for the first time since 1930. Co-exclusive.
$14,995,000. | Claire Groome, 212.464.8269



924 West End Avenue

Gracious Classic 7 with high ceilings and views. | $3,850,000.
Maria Daou, 212.439.4554
Lisa Chajet, 212.439.5199



444 Central Park West

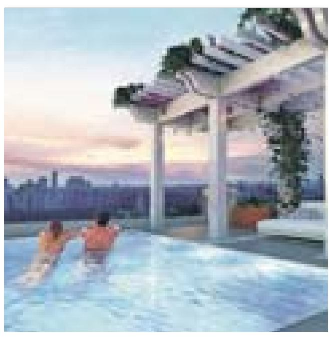
Elegant 3-bedroom home with private terrace and wonderful park views. | $3,300,000.
Mary Dunne, 212.380.2407

241 West 97th Street

Sophisticated and meticulously renovated, 2BR pre-war condo. | $1,465,000.
Diane Rocca, 212.380.2412

455 Main Street

Rarely available 2BR condo with views. No taxes until 2025.
$1,369,000.
Eric Mendelsohn, 212.327.9609

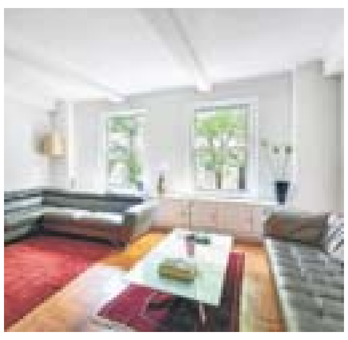


1110 Park Avenue

Impeccably redesigned 5BR triplex PH in new luxury bldg. | $25,950,000.
Lisa Chajet, 212.439.5199
Bonnie Chajet, 212.439.4540
Ronnie Lane, 212.439.4541

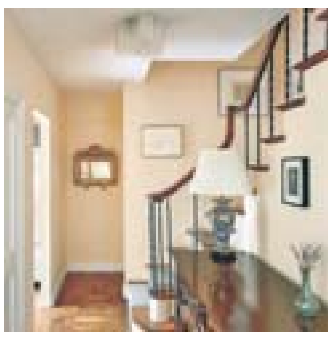
630 Park Avenue

Grand pre-war 3-bedroom, 4-bath corner residence. Rarely available. | $3,495,000.
Judy Kloner, 212.439.4523



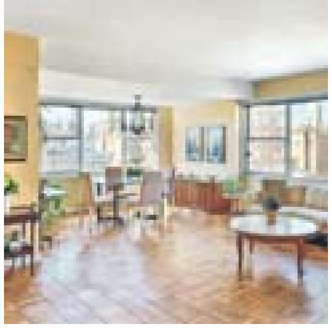
1133 Park Avenue

Expansive and renovated 3-bedroom residence in a full-service co-op. | $2,595,000.
Wendy Greenbaum, 212.439.4542



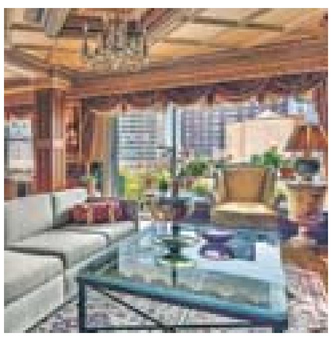
169 East 69th Street

Renovated 2BR duplex in ideal location. | $1,999,000.
June Gottlieb, 917.826.9996
Steve Gottlieb, 917.575.1225
Allison Chiaramonte, 646.248.0193



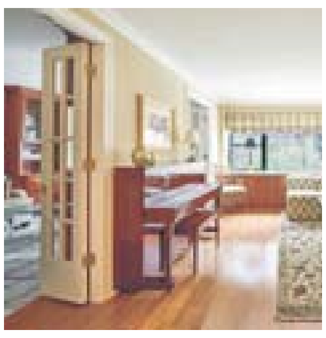
35 East 85th Street

Sunny 2-bedroom, 1 block from Central Park. | $1,995,000.
Harriet Kaufman, 212.439.4575
Dorothy Schrager, 212.300.1822



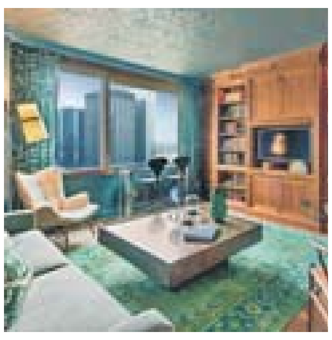
400 East 56th Street

Magnificently renovated, European-style 2-bedroom co-op. | $1,795,000.
Andrea E. Wernick, 212.439.5193
Arlene Reed, 212.439.5180



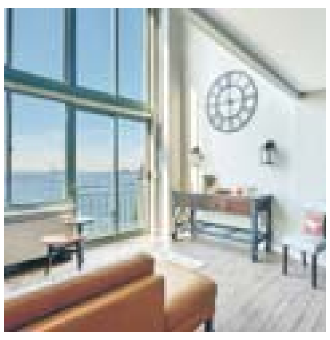
1036 Park Avenue

Elegant, sunny 2-bedroom, 2-bath facing Park Avenue. | $1,685,000.
Annie Gruenberger, 212.439.4527



10 West Street

Chic 1BR on a high floor at The Ritz-Carlton Residences. | $1,895,000.
Herbert Chou, 212.380.2417
Natalya Bowen, 212.380.2405



21 South End Avenue

Beautiful waterfront 1-bedroom duplex with private balcony.
$1,150,000.
John Cronin, 917.583.2341

113 East 2nd Street

Exquisitely curated two-family townhouse with 7BR owner's unit and separate 1BR apartment w/ option to combine or keep as-is. | $10,500,000.
Jason Haber, 212.327.9624, Deborah Ribner, 212.300.1832

warburgrealty.com

UPPER EAST SIDE | 654 Madison Ave., NY, NY 10065 | 212.439.4500
FLATIRON | 18 West 21st Street, NY, NY 10010 | 212.300.1850
TRIBECA | 124 Hudson Street, NY, NY 10013 | 212.380.2400

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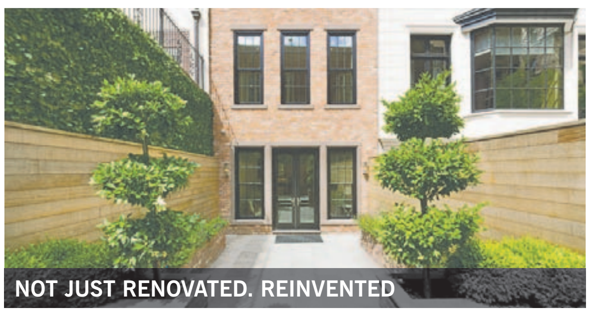
MEAD POINT

Greenwich, CT | $49,000,000 | One of the last undeveloped waterfront properties in Greenwich. 19.17 acres with 11.14 acres of land and 8.03 acres of water. **Web# CT100609 Lyn Stevens O: 203.622.4900 M: 203.912.6720**

THE TOWNHOUSE AT THE HUBERT

7 Hubert Street, TH3 | $18,750,000 | Wide, sun-flooded, approx. 6,500sf interior/3,000sf exterior townhouse with 3 levels, 4 BRs, 5.5 BAs, and a private garage. **Web# 2769621 Jane Powers O: 212.727.6134**



NOT JUST RENOVATED. REINVENTED

46 East 82nd Street | $18,950,000 | The finest renovated townhouse on the Upper East Side. Approx. 7,400sf with 5 BRs, 9-BAs, and exceptional proportions. **Web# 2780999 Tom Postilio O: 212.350.8008 Mickey Conlon O: 212.350.8009**

RARE GREENWICH VILLAGE GEM

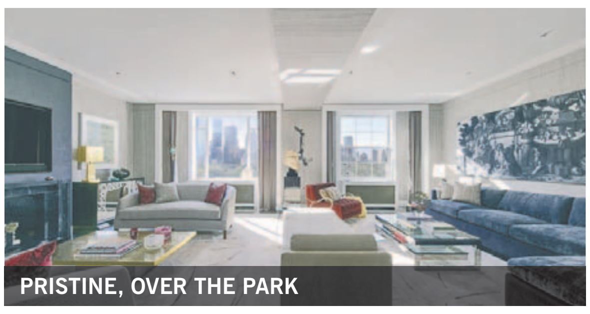
43 Fifth Avenue, A | $1,695,000 | Spectacularly bright 1-bedroom apartment overlooking E 11th Street and Fifth Avenue. **Web# 2915229 Tamer Howard M: 323.533.0745 Brett Miles O: 212.274.7915 M: 917.363.6756**

THREE PONDS

Yorktown Heights, NY | $12,000,000 | Stately home on 20+ acres with elegant proportions, textured stone façade, pool, tennis court, and guest houses. **Web# 4707335 James (JB) Avery M: 914.646.3557 Arlene Oxman M: 914.319.5907**

GORGEOUS VICTORIAN TOWNHOUSE

322 West 71st Street | $7,200,000 | Renovated and restored 4-story townhouse built in 1890s. Features 5-6 large BRs, formal dining room, 4 BAs, and a garden. **Web# 2856731 Nancy Halpern O: 212.891.7000 Andreas Mann M: 917.797.9182 Brad Miles M: 646.387.8741**



PRISTINE, OVER THE PARK

825 Fifth Avenue, 12C | $6,495,000 | Triple mint, stunning 1-2 BR, 2-BA with beautiful park views in top prewar full-service coop. **Web# 2722734 Genevieve Sonsino O: 212.891.7140 Richard Mctighe O: 212.891.7002**

FULL-SERVICE LUXURY CONDO

505 Greenwich Street, 2D | $5,775,000 | Convertible 5-BR, 4.5-BA with a terrace, 2 storage units, Wolf/Subzero kitchen, gym, bike storage, and children's playroom. **Web# 2898023 Benjamin Glazer O: 212.727.6151 Darren Sukenik O: 212.727.6111**

DAZZLING VIEWS

1065 Park Avenue, 23AB | $5,700,000 | Mint 4+ BR with city/park/reservoir views, and separate BR wings. Full-service co-op with garage in top Carnegie Hill location. **Web# 2798048 Lisa Brown O: 212.319.5432 M: 646.338.2026**

SUNNY, SPACIOUS, AND ELEGANT

131 Riverside Drive, 4A | $5,250,000 | Stunning South/West corner 4-BR, 3-BA with open floor plan, chef's kitchen, and 10-ft ceilings. **Web# 2928846 Jessica Saleh Hunt M: 917.319.4717 Sandy Gansberg O: 212.769.6548 M: 917.733.6337**

LIVE/WORK IN TRIBECA

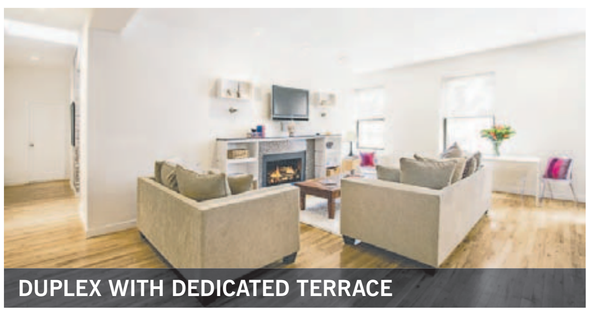
79-81 White Street, 1E | $4,950,000 | 3-BR, 4.5-BA, approx. 5,400 sf live/work triplex featuring 18-ft ceilings, 2 Jacuzzi tubs, and en-suite W/D. **Web# 2914003. Jed Klebanow O: 212.995.5357 M: 646.248.2136**

BREATHTAKING AND SPACIOUS

146 West 22nd Street, 7 | $4,350,000 | Full-floor mint and luxurious 3-BR, 3-BA loft with open floor plan in prime Chelsea. **Web# 2928958 Jessica Saleh Hunt M: 917.319.4717 Sandy Gansberg O: 212.769.6548 M: 917.733.6337**

CITY HALL PARK LANDMARK LOFT

140 Nassau Street, 14AB | $3,865,000 | Sunny flexible loft boasts 65-ft great room, soaring ceilings, and dazzling views from 3 exposures. **Web# 2923860 Richard Mortimer O: 212.769.6562, M: 917.678.3398 Robin Gutterman O: 917.403.7309**



DUPLEX WITH DEDICATED TERRACE

425 West End Avenue, PH7D | $3,498,000 | A wonderful 3-BR, 2-BA home with fireplace, and a Hudson River view. **Web# 2507240 Maria A. Pascal O: 646.505.2229 Curtis Nixon O: 646.505.2240**

CLASSIC SUN-FILLED PREWAR 8

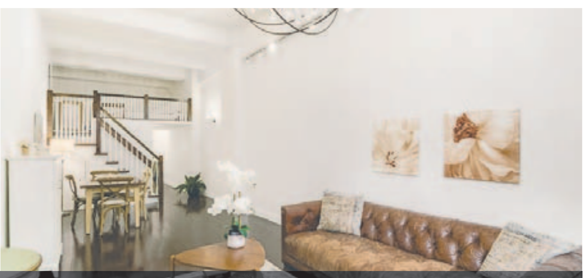
139 East 66th Street, 7S | $3,299,000 | 2-BR, plus a library, 3 full BAs, living/dining room with wood burning fireplace, South exposures, and W/D. Pets ok. **Web# 2814021 Stephanie Kanter-Weisberg O: 212.891.7627 M: 917.319.2251**

LEDGEWOOD ON HUDSON

Hyde Park, NY | $2,900,000 | Fully updated, modern estate on 9.3 acres with remarkable Hudson River views. Includes pool, pool house and tennis court. **Web# 4743733 Margaret Harrington M: 914.572.7395**

RENOVATED CONDOMINIUM DEAL

157 East 32nd Street, 11BC | $2,050,000 | Sunny 3 full BRs, 3 full BAs, gourmet windowed kitchen, 3 balconies, great closets, and W/D. **Web# 2898163 Stephanie Kanter-Weisberg O: 212.891.7627 M: 917.319.2251**



FLEXIBLE LOFT LIVING

310 East 46th Street | $815,000 | Downtown living with the convenience of Midtown. Newly renovated with 12-ft soaring prewar ceilings. **Web# 2905042 Adam Solomon M: 908.578.4481 Sandy Gansberg O: 212.769.6548 M: 917.733.6337**

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THE MARKET

For Sale: Too Many Condominiums

In New York, luxury home sellers find themselves competing against developers of their own buildings

BY KATHERINE CLARKE

IT IS A SELLER'S NIGHTMARE: Putting a luxury condo on the market, only to find that upstairs, another unit that has never been lived in is on the market for the same price or less. And to make matters worse, the seller upstairs has the resources to keep cutting his price if his place doesn't sell.

This is the plight that some owners of luxury condos built in the past few years are encountering, as they find themselves in direct competition with their building's developer when it comes time to sell.

It isn't supposed to work this way. Typically, developers don't allow buyers to resell for the first year after a building is completed, to prevent owners from quickly flipping their homes for a profit. In a hot market, a year gives the developer plenty of time to sell most of a building's units.

But now sales at the top end of the luxury market are starting to slow. In total, the number of sales for Manhattan apartments priced at $10 million or more fell by 25% in the third quarter, compared with the same period last year, according to a Wall Street Journal analysis of public property records. That is in large part due to the oversupply in the luxury sector, caused by a rush by developers to build ultrahigh-end product at the peak of the last cycle.

More developers are finding that a standard one-year restriction is no longer enough to ensure that they're sold out by the time resales start hitting the market. Instead, they're going up against people who have already purchased in their buildings in the battle to court new buyers, and driving prices down for everyone as a result.

"There are lots of buyers out there who are finding that their assets are being devalued by their own sponsor," said Frances Katzen of Douglas Elliman, an agent preparing to put a resale on the market at 30 Park Place. "I think that there are plenty of people who are very angry to see that."

Take One57, the ultraluxury tower on New York's West 57th Street, which quickly became known for its high-end amenities, top prices and wealthy buyers when it launched sales in 2011. Despite the buzz, nearly a dozen available listings are still posted online after six years of sales efforts by Extell Development, the building's developer. The result: The developer is cutting its prices.

For example, a four-bedroom, 43rd floor unit is currently on the market for $17.5 million after listing for $19 million in 2015, and a three-bedroom, 42nd floor unit is asking $16.9 million, down from $18.75 million in 2015, according to listings website StreetEasy.

Owners in the building who wish to resell are doing the same. Late last year, a seller at One57 swallowed a more than $8 million loss when the unit sold for $23.5 million, far less the nearly $32 million it sold for two years prior.

In a statement, Extell executive Anna Zarro said she couldn't speak to the specific cases as to why residents decided to sell their homes, but said she was "confident that One57 will continue to be one of the best investments and buildings in New York."

Resales are also competing with brand-new units at other buildings. "A buyer is always going to say, 'Why should I buy this one when I can go upstairs and get a brand new apartment for the same money?'," said agent Ryan Serhant of Nest Seekers International, who is listing a resale at 50 West Street.

RAMSAY DE GIVE FOR THE WALL STREET JOURNAL

BACK TO EARTH One57, the luxury tower on New York's West 57th Street.

Some owners have tried to stand out by differentiating their units from those of the sponsor. In the case of one unit at One57, real-estate agent Noble Black of Douglas Elliman said it helps to have an income-generating tenant in place, which makes the unit more appealing to investors. Stefani Berkin, president of brokerage Charles Rutenberg, said her agents have also had success competing against developers by selling the apartment furnished and turnkey.

Of course, the best option for would-be sellers in these condos would be to wait until the developer's units are all sold—and the ultraluxury market spikes again—but for some, this isn't a possibility.

When Jason Thomas, an agent at Elegran Real Estate, brought his Texas-based clients to see a two-bedroom apartment in New York's NoMad neighborhood in 2015, they were looking to buy something as a long-term investment for their daughter, who had found a job in the area. They closed on the property, in a new condo conversion at 90 Lexington Avenue by developer HFZ Capital Group, for approximately $3.13 million in December.

However, when their daughter decided to move back home and join the family business just a few months later, they were faced with the prospect of reselling it, Mr. Thomas said.

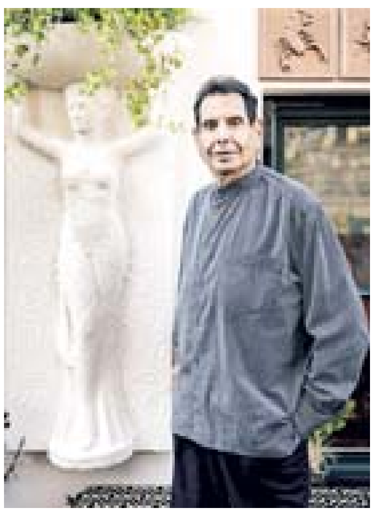
> 'A buyer is always going to say, "Why should I buy this one, when I can go upstairs and get a brand new apartment for the same money?"'

That is not proving as easy as the Texans had hoped. First, they grappled with having to wait a full year to put it back on the market, given the one-year restriction on reselling. In rare instances, developers allow flips before the one-year mark if the buyer shares 50% of the profit, but that was not the case here.

After realizing that their apartment would face competition from several sponsor units still remaining on market through the developer, they worried that HFZ would be able to easily undercut them on price. Now, they've decided to rent their unit instead, Mr. Thomas said. HFZ declined to comment.

"The developer can discount as needed to make a sale and fund the shortfall with revenues from other projects," said Mr. Thomas. "An individual owner can only discount so far before they go into the red."

EXTREME MEANS TO SELL A HOME



CLOCKWISE FROM TOP RIGHT: DOROTHY HONG FOR THE WALL STREET JOURNAL; MARC ANGELES (2)

OLD HOLLYWOOD Screenwriter and art collector Max Ember sold his Los Angeles home, pool house shown above left, in September for $2.4 million. He included some artifacts, such as a fountain that he says was owned by Eva Peron, above right. Mr. Ember, top right, moved some items to his Manhattan penthouse, including a sculpture that he says was a prop from the 'The Ten Commandments.'

Continued from page M1

want."

In the end, Mr. Valassis sold the seven-bedroom manse for $11.5 million, public records show—and took his Bentleys with him. The Texas buyers, who remain anonymous, acquired most of the home's contents—everything from antique furniture and artwork to the pots and pans—for an additional seven-figure sum.

Once the contract is signed, buyers may be in a better bargaining position when it comes to acquiring hard-to-move items like custom couches and other intractable furnishings.

"Two days later I got a call—they were looking for the keys to the jet ski," said Mr. Costello.

In the world of luxury real estate, multimillion-dollar deals can hinge on throw-ins: broker-speak for covetable items like furniture, art or sports cars that prospective buyers want thrown in with the sale. Throw-ins can help lubricate a deal when buyer and seller get stuck on price, real-estate agents say—or provoke an acrimonious tug of war. Deals have fallen apart over drapes, pinball machines and chandeliers.

Many brokers advise their clients to negotiate major add-ons after they have settled on the price for the house, and to do so in a separate transaction to avoid higher property taxes and capital-gains taxes. But in some cases, a well-timed freebie can clinch a deal—or serve as a consolation prize.

"I always tell my buyers, 'If you see something you like, let's keep it on a side burner, because if you get stuck on the price this can give you a win,'" said Judy Gibbons, a broker associate with Jameson Sotheby's International Realty in Chicago. "Like, 'I'll do this price, but to wrap this up today I also want the bar stools.' Or say you have home-inspection issues. You can say, 'You know that tractor you have in the barn? I'll take that and a $500 credit.'"

Once the contract is signed, buyers may be in a better bargaining position when it comes to acquiring hard-to-move items—saving the seller a call to Dr. Sofa to chop up custom couches and other intractable furnishings. Haggling over window treatments and light fixtures is considered bad form; sellers who want to keep their chandeliers should replace them with new ones before they show the house, said Gary Gold, executive vice president at Hilton & Hyland.

"They'll go, 'That's a $30,000 chandelier!' And I'll say, 'Yeah, but this is a $30 million house—what do you expect, something from Home Depot?'" Mr. Gold said.

Buyers sometimes try to sneak their must-haves into the contract. When Sally Slater, a real-estate agent based in Bedford, N.Y., sold a horse farm that she owned with her husband there for $4.9 million five years ago, she was startled to read a last-minute addendum.

"The cat was in the contract," she said.

The buyer's children, who stabled their horses there, had fallen in love with Ms. Slater's barn cat, Belly. "She was really fat and really sweet and the kids were obsessed with her," said Ms. Slater. "But at night she kinda turned into a vampire—in the morning there'd be dead bats and dead birds and chipmunks." She let the buyer have the cat.

Exceptional throw-ins can add value to a listing. When Max Ember, a screenwriter and art collector, decided to sell his classic 1936 home in the Los Angeles neighborhood of Hollywood Hills, he included a slew of unusual artifacts that he had incorporated into the design and landscaping—including a fountain that he says was owned by Eva Peron and metal "clouds" from Hollywood's famed Cocoanut Grove nightclub.

"I don't believe in hoarding—you put these things in your home, and sooner or later the home sucks it in," said Mr. Ember, 66, who has homes in Manhattan and New York's Hudson Valley.

Advertised as a quintessential Streamline Moderne, the three-bedroom home with a guesthouse sold for $2.4 million in September—believed to be a record sale for its location, according to listing agent Ben Belack, residential estates director at the Agency. "We could go for that aspirational price, because when agents and buyers came in we could say, 'You're not buying a property, you're buying a piece of history,'" Mr. Belack said.

Real-estate agents caution overeager sellers against throwing in extraneous luxury items—a Rolls-Royce or a Porsche are popular suggestions—to lure buyers to high-price listings. "I say, 'The house is $3.3 million—you want to narrow down [potential buyers] to people who also want to buy a $50,000 Porsche?' Why don't you include a nose job, too?'" Mr. Gold said.

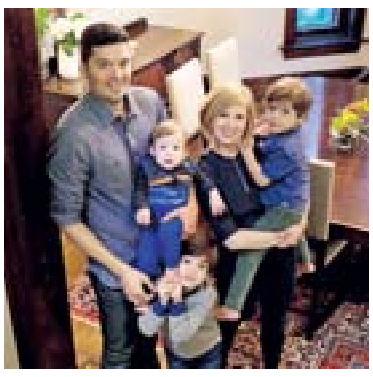
When Alicia and Remberto Del Real bought an 1891 landmark red-brick house in Chicago's historic Wicker Park district for $965,000 in 2015, it was filled with antique furniture. The home's previous owner had lived there well into her 90s. After her death, her heirs listed the house and planned to auction all the furniture. But the Del Reals, who have three small children, were smitten with the heavy Victorian dining table, picturing family dinners and holiday celebrations there.

"It was a family heirloom—it goes with the house," said Ms. Del Real, 37, a partner in a leadership-development company. "It has six chairs, and only one of them has arms—my husband calls it the 'pre-women's suffrage table.'"

The heirs sold the Del Reals the entire dining-room suite, including a matching buffet, for just $400. "They said she would be so happy that a young family is moving in," said Ms. Del Real.

SALLY RYAN FOR THE WALL STREET JOURNAL (4)

DINING IN STYLE When purchasing a house in Chicago's Wicker Park neighborhood, Alicia and Remberto Del Real asked the seller to include the table, chairs and sideboard that complement the unique shape of the formal dining room, above. They had the chairs reupholstered, but kept and framed the original cushion covers, below center. The Del Reals with 9-month-old Andres, Rafael, 3, and Remberto, 6.



During a $250,000 home renovation, Ms. Del Real reupholstered the dining-room chairs and hung the original needlepoint seat covers in the entranceway. The baronial dining room table gets plenty of use. "Our kids are playing Legos on it right now. It would probably make antiques collectors crazy," said Mr. Del Real, 42, a marketing executive with BMO Harris Bank.

Sometimes an obscure object of desire can sink a sale. Cindy Meyer, 61, an executive with Denver-based health-care company HealthOne, was willing to sell her Woodstock, Ill., home fully furnished. But she balked when the buyer also demanded her white baby grand—a custom Yamaha piano with a matching bench.

"I can't even put a price on it—for me it's irreplaceable," said Ms. Meyer, who now lives in Arvada, Colo. "We went back and forth and back and forth and eventually they did not buy the house."

In February, she and her husband, Ken, sold their house to Pradeep and Jenna Raju for $1 million. The Rajus paid another $260,000 for almost all the furnishings, including a vibrant silk Turkish rug, folk art and decorative ceramics.

"It was the easiest move in the world," said Ms. Raju, 29, a physician assistant who is expecting her third child with her husband, a sports-medicine doctor. They have kept almost every room in the house exactly as the Meyers left it—with a few exceptions. A kiddie slide and a play table now claim the spot once held by the baby grand.

"I told them from day one—the piano's going with me," Ms. Meyer said.

BROWN HARRIS STEVENS Established 1873

EAST SIDE

▲ **IMAGINE LIFE AT THE TOP** Midtown. 81st floor. Awesome views in an iconic building. Lux 3BR, 3 baths plus a guest suite available to purchase. $26.75M. WEB# 17450256.
Susan Greenfield 212-906-9214
Matthew Merdinger 212-452-6272

778 PARK-17RM MASTERPIECE Park/E. 74th. Co-Excl. Renovated 11th fl residence w/ 39 windows and four exposures. 12' ceilings, floor-to-ceiling windows. $39.5M. WEB# 16805056.
John Burger 212-906-9274

THE JAMES P. WARBURG MANSION East 70s/Madison. 37' wide, approx. 12,439SF, superb TH block, delivered vacant, South-facing garden. $32.5M. WEB# 17437670.
Paula Del Nunzio 212-906-9207
Leslie R. Coleman 212-906-9387
Mary K. Rutherfurd 212-906-9211

PERFECTLY PRISTINE 2BR UES. Large sunny split 2BR, 3 bath, excellent condition. Gorgeous kitchen/bath. Top FS Co-op on prime block, pied ok, garage. $2.65M. WEB# 17589712.
Ellen Devens 212-452-6240

TURN KEY 2BR IN PRIME UES CO-OP East 72nd. Triple mint prewar 2BR, 2 bath home in white glove Co-op. Sun-flooded, hi ceil, top-of-the-line renovation, W/D. $2.15M. WEB# 16872693.
Wendy J. Sarasohn 212-906-9366
Jamie S. Joseph 212-906-9369

▲ **SPRAWLING CENTRAL PARK LUXURY** East Side. 6B at the legendary Carlton House spans 3,751SF with 4 bedrooms and 4.5 bathrooms. $12.6M. WEB# 17519533.
Richard Ziegelasch 212-452-6274

RENOVATED CLASSIC 6 Midtown East. Classic 6. 3BR, 2 baths, top-of-the-line renovation. Private storage unit transfers with the sale. $1.995M. WEB# 17447700.
Elaine Clayman 212-906-9353
Justine M. Bray 212-906-9253

MAGICAL NIGHT VIEWS Midtown East. High floor w/ breathtaking East River views from every room. 2BR, 2 bath Co-op in FS bldg. Pets OK. $1.795M. WEB# 17129875.
Elizabeth Wohl 212-712-1126
Gary Wohl 212-712-1128

EASY ENTRY, NBA, W/D Upper East Side. Full-service building. 2 bedrooms, 2 bathrooms, 2 terraces, office, fireplace, and pets welcome. $1.695M. WEB# 17407084.
Elaine Clayman 212-906-9353
Justine M. Bray 212-906-9253

UPPER EAST SIDE TH RENTAL Upper East Side. Lex-89th. Lovingly restored historic single-family TH. 4BR and 4.5 bath, amazing kitchen, garden and more. $15.5K/month. WEB# 17468595.
Jeannette Bernstein 212-588-5680

WEST SIDE

▲ **STUNNING RENOVATION ON CPW** CPW/W. 60s. Co-Excl. Amazing views, huge windows and soaring ceilings. Top full service Condo on Central Park. 4,410SF. $30M. WEB# 17423065.
John Burger 212-906-9274

TOP FLOOR 5 BEDROOM Upper West Side. 5BR, 4.5 bath at The Apthorp w/ city & river views. File # CD070555. Sponsor: IT 2211 Owner LLC. $9.5M. WEB# 16892925.
Lisa K. Lippman 212-588-5606
Gerard S. Moore 212-588-5608

CPW CONDO WITH PARK VIEWS Upper West Side. High floor 3BR, 3 bath, EIK, with best open views. DM, postwar, hi ceilings, pool, gym, driveway. Pets OK. $4.2M. WEB# 17471713.
Susan Silverman 212-588-5615

▲ **FUN HOME AT THE ORLEANS** Upper West Side. Spacious & stylish Condo. 2,512SF corner, sunny East-facing rooms overlooking AMNH, park green, 24hr DM. $5.5M. WEB# 17437921.
Joan Goldberg 212-452-4471

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TRUMP PARC CPS – 6th/7th Ave. 2BR, 2.5 bath Condo, split BRs, high floor, open city views, central AC, 24hr DM, W/D. $2.495M. WEB# 17419192.
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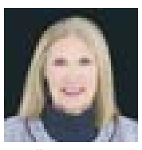
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Special Advertising Feature

NEW JERSEY GOLD COAST PROPERTIES

Spacious and Gracious: Why Everyone's Heading to the Coast

URBAN TRANSFORMATION HAS BOOSTED THE DESIRE TO LIVE, WORK AND DO BUSINESS HERE

SARGENT PHOTOGRAPHY

The Gold Coast has seen vast improvements over two decades: luxury condo and rental opportunities abound, and the area is attracting commercial investors as well as residents.

*By **Joseph Dobrian***

Few parts of the United States have improved more dramatically over a generation than the New Jersey Gold Coast. This area along the Hudson River, which includes Jersey City, Hoboken, Edgewater, Fort Lee and other communities, used to be considered a down-market alternative to New York. Its demographic was mainly working-class families, and young professionals who couldn't afford Manhattan prices.

However, in the past 20 years the Gold Coast has blossomed. Various improvements in public transportation have made it one of the most connected areas in the U.S.—a region where you can "get anywhere from anywhere" in a few minutes. Luxury condo and rental options abound. Amenities match or excel those of any other urban area. The shopping, dining and cultural scenes are all grown up—and the Gold Coast is attracting commercial investors as well as residents.

MULTIGENERATIONAL APPEAL

Until recently regarded as more of a young people's market (aside from older families that have lived there for generations), the Gold Coast now appeals to all ages. It still attracts young singles, couples and families, but now families with school-age children, and empty-nesters, are also looking at it as a destination that combines a relaxed, spacious and gracious lifestyle with easy access to Manhattan.

"THE GOLD COAST IS NOW ATTRACTING A SOPHISTICATED, DIVERSE DEMOGRAPHIC, NOT JUST MILLENNIALS."

"The Gold Coast is a pretty broad market," says Gabe Pasquale, senior vice president of sales and marketing at Landsea Homes, a development company based in Irvine, Calif.

"It runs from south of the George Washington Bridge to Jersey City, and it attracts a sophisticated, diverse clientele because of its proximity to Manhattan, along with the vibrant lifestyle and amenities that the area now offers. New construction opportunities, such as Avora, are very limited, which is helping to drive sales velocity here."

Mr. Pasquale focuses on "the bulls-eye" of the Gold Coast: the town of Weehawken, where, he says, his Avora condo development is "the best commutable location" on the Gold Coast. "Here, you pay substantially less than what you'd pay in Manhattan—and you have more square footage, more amenities, and a parking space," he adds.

Craig Klingensmith, the division president of Lennar Northeast, a homebuilder with its headquarters in Miami, agrees that the Gold Coast is now attracting a sophisticated, diverse demographic, not just millennials.

"Over the past four or five years, we've seen a boom in the creation of rentals, condos and retail here," he says. "We're becoming better known to people from all the boroughs of New York because of the value we offer, and the great public transportation."

COMMERCIAL OPPORTUNITIES

Moreover, says Mr. Klingensmith, the Gold Coast still offers plenty of opportunities for investors in commercial real estate, as well as for residents. Increased population density has led to more demand for retail, and developers are looking harder at the Gold Coast as an office and hotel destination. "More people are hearing about the Gold Coast, and are looking for opportunities," he confirms.

Katherine Strauss Burger, a technology industry professional living in Hoboken, has seen the Gold Coast mature over the past 33 years. She says that her husband, a proud New Yorker, often declared, "I'm never gonna live in Jersey," but the relatively low prices induced the couple to move to Edison in 1984, then to a high-rise apartment building in Hoboken in 1996. The evolution of the Gold Coast has been dramatic—in a good way, she says.

"Hoboken made the transition from being a hardscrabble working-class community to a young city," she says. "I love the convenience. I'm three blocks from the PATH train, and three blocks from the ferry. I can easily take the ferry if I have a meeting in downtown Manhattan."

URBAN VARIETY

Other communities along the Gold Coast are becoming equally attractive, Ms. Burger adds. Jersey City is much bigger than Hoboken: a real city, with considerable variety.

"Jersey City used to be the low-priced alternative to Hoboken, but I'm not so sure about that now. Bayonne is quieter, more residential, but that might be changing too, now that the Light Rail has opened it up and developers are looking harder at it. We're also seeing new construction in Weehawken and West New York. Union City and Guttenberg are lived-in residential areas," she says.

"The Gold Coast isn't cheap, but it's cheaper than the City—and you're paying for the convenience and location. I enjoy seeing all different ages and types when I'm on the PATH, and to me, that's America."

The Wall Street Journal news organization was not involved in the creation of this content

Special Advertising Feature

NEW JERSEY GOLD COAST PROPERTIES

Economic Stimuli Trigger Development

FINANCIAL INCENTIVES HAVE ATTRACTED TOP COMPANIES, BRINGING IN LARGE NUMBERS OF WORKERS

By Joseph Dobrian

Relocating to the Gold Coast has helped a number of companies attract and retain employees, thanks to its affordability and livability.

For individuals, families, and companies looking to relocate, New Jersey's Gold Coast provides an economical alternative to the booming neighborhoods of Brooklyn, Queens and Manhattan. At the same time, its relationship with those neighborhoods is mutually beneficial. Gold Coast residents are finding it easier and faster to commute to New York for work and play—and New Yorkers are crossing the river more frequently to do their day's work, as corporations take advantage of New Jersey's lower rents and tax incentives.

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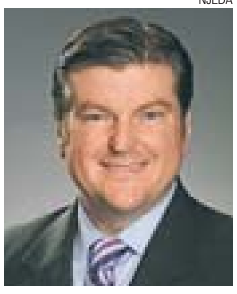

Timothy Lizura

Timothy Lizura, president and chief operating officer (COO) of the New Jersey Economic Development Authority (EDA), reports that most of the Gold Coast's transformation has taken place in the past 25 years. The EDA's role in assisting the development has largely to do with its promotion of the Urban Transit HUB Tax Credit Program, which was enacted in Dec. 2007 and provided tax breaks for developers and tenants who invested in, or used, developments around transportation/infrastructure centers. Nine target cities along the Gold Coast were eligible for the tax credit program, which included residential development. The program pre-dated the Great Recession, but had much to do with the recovery.

"THE COST OF LIVING IN GOLD COAST COMMUNITIES IS CLEARLY A VALUE PROPOSITION COMPARED WITH MANHATTAN."

"This was the first time we'd gotten involved in market-rate residential development," Mr. Lizura recalls. "We targeted municipalities that may have suffered from disinvestment over the years. From this program came projects like 70 Columbus, Journal Squared, and the Harborside in Jersey City. Those first market-rate and mixed-income developments supported an unproven marketplace; by supporting them, we showed the markets that these developments could work—and thus we primed the pump for other developments. Our Grow New Jersey program is another tax incentive: JPMorgan Chase took advantage of it and added 7,000 jobs in Jersey City. Royal Bank of Canada is another incomer. In Hoboken, large corporations and others have brought maybe 1,000 jobs to that city. In all, these well-known companies have brought in more than 10,000 jobs. The greater community has matured to where you can live and work there, with plenty of retail and restaurants."

The cost of living in Jersey City or other Gold Coast communities is clearly a value proposition compared with Manhattan, Mr. Lizura adds, in terms of rents, taxes, cost of transportation—and time.

QUICK COMMUTE

"The commute to Downtown Manhattan from Jersey City is five to six minutes: quicker than any subway," he notes. "The PATH gives you quicker access at a more competitive cost of living. One company that was recently looking at a relocation to Jersey City looked at where their employees were residing, and where they would need to locate to afford to pay those people what they wanted to pay them and let them live someplace affordable and livable. Moving to Jersey City helped them attract and retain employees. We took care of the corporate side and the market took care of the employees.

"Obviously, we're attracting many companies from the financial services industry, but from the technology industry as well, because financial technology is the underpinning of all banking operations. All the institutes of learning we have in New Jersey are fertile grounds for finding talent."

'CRITICAL MASS' IS KEY TO GOLD COAST DEVELOPMENT

For at least 200 years, New Jersey's Gold Coast has been regarded as an under-appreciated market with unimaginable potential. What it lacked, many observers declared, was enough high-end development to trigger more of the same. The market remained suburban, catering mainly to a working-class demographic. Now, though, upscale residential and commercial development has reached "critical mass," according to Craig Klingensmith, division president of Lennar, a home-building firm—and vacant space for development is disappearing fast.

"Now, with large retailers coming in and looking for opportunities, we're on the early side of that critical mass, and commercial tenants are starting to call us," he reports. "Lennar is completing the final phase of Henley on Hudson, in Weehawken, to go along with the Avenue Collection of condo homes, also on the Weehawken waterfront facing Midtown Manhattan. Looking at the Gold Coast in general, combined with the Hudson Yards development on Manhattan's West Side, we see an amazing development hub for residential, retail, and commercial space. New York has extended its High Line park up to 34th Street, which makes the Gold Coast all the more attractive, since it's just eight minutes away by ferry."

Fisher Development Associates has been active in Jersey City's residential scene since the early 2000s. Its newest project, Vantage, is a 45-story, 448-home rental building in the downtown Liberty Harbor North neighborhood.

"We're proud to have been a part of Jersey City's ascent into a leading center of dining, culture, entertainment and lifestyle in the New York metropolitan area," says Brian Fisher, president of Fisher Development Associates. "Vantage is the fourth residential building we've introduced in this market. It has expansive floor plans, a full range of resort-like amenities, magnificent 360-degree views—and an exceptionally commuter-friendly location."

— Joseph Dobrian

THE AVENUE COLLECTION AND HENLEY ON HUDSON DELIVER MODERN WATERFRONT LIVING AT MANHATTAN'S DOORSTEP

Living in the heart of Manhattan may appeal to some big city enthusiasts, but for those who prefer the charm and slightly calmer ambiance of urban waterfront living while remaining conveniently close to the City, The Avenue Collection and Henley on Hudson in Weehawken are answering the call.

Located adjacent to the Port Imperial ferry terminal offering service to midtown and downtown Manhattan, The Avenue Collection blends a modern, urban lifestyle with hotel-inspired amenities and Manhattan skyline views. With the first 74-home building sold out, Lennar is moving towards a sell-out of the 103-home 1200 Avenue at Port Imperial. The seven-story building features a grand salon lobby, library lounge, media screening room, children's playroom, state-of-the-art fitness center and a Skyline Social Room. Outside, a landscaped plaza offers a sun-shelf swimming pool, catering bar, multiple seating areas and a fire pit. Remaining two- and three-bedroom residences with 1,431 to 3,139 square feet of living space are priced from $1.399 million to $3.75 million. Most homes offer private balconies/terraces.

Just down the road, Lennar is completing Henley on Hudson, a 201-home waterfront community. The final 67 residences are situated in two buildings with private garage parking and views of the Manhattan skyline or English Gardens. Homes are priced from $875,000 to $2.5 million and offer one-, two- and three-bedroom floorplans ranging from 1,165 to 1,998 square feet—most with balconies or terraces. Amenities include a lobby lounge, children's playroom, fitness center, theater room, billiards and gaming lounge and a resort-style infinity pool.

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HENLEY ON HUDSON

LENNAR PRESENTS THE AVENUE COLLECTION

AVORA PHASE I SOLD OUT ON WEEHAWKEN WATERFRONT FACING MIDTOWN MANHATTAN

Blending contemporary style and an incomparable waterfront setting with an unparalleled level of amenities, services and convenience, Avora has introduced a new level of sophistication to the area's luxury condominium market. Discerning buyers from both sides of the Hudson River have responded, with the first phase of homes now sold out and a number of residences in the second phase already taken off the market.

Landsea Homes is developing the iconic 11-story building on the Weehawken waterfront with unobstructed views of the Midtown Manhattan skyline. Located just steps from the Port Imperial Ferry Terminal providing an ultra-convenient 8-minute commute into Manhattan, the building features 184 premium one-, two- and three-bedroom residences – as well as a limited offering of duplex Penthouses – currently priced from the $800,000's to more than $4 million. The homes feature dramatic finishes and appointments, and many residences offer balconies and terraces with majestic, unimpeded New York City views.

Exceptional lifestyle amenities include a magnificent lobby with Concierge, private screening theater, a lounge with a bar and catering kitchen, on-site pet grooming, and a state-of-the-art strength and cardio fitness center. A third-floor landscaped outdoor plaza features a pool, spacious sun deck, lounges, grilling areas and fire pit – all set against the backdrop of the Manhattan skyline. Avora will also include a secure parking garage.

Avora's fully-merchandized sales gallery is located at 500 Avenue at Port Imperial, Weehawken, NJ 07086.

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Special Advertising Feature

NEW JERSEY GOLD COAST PROPERTIES

Gold Coast Development Follows the PATH

RESIDENTS AND COMMUTERS CAN BENEFIT FROM ONE OF THE COUNTRY'S BEST TRANSPORTATION SYSTEMS

By *Joseph Dobrian*

The commute between New York and most Gold Coast communities has always been considered quick and easy, compared to commuting to and from some other suburban areas in New York and Connecticut. The Port Authority Trans-Hudson (PATH) train offers fast and quiet service, and recent improvements in that system and the surrounding infrastructure have made the Gold Coast all the more attractive. The easy commute, and the tax incentives to develop on or near PATH stations, have also brought considerable commercial investment to the area along the PATH.

RESIDENTIAL DEVELOPMENTS

Most notably, areas in Jersey City such as Grove Street and Journal Square are benefiting from this activity, but so are Harrison and Newark, where new developments are underway. For example, a residential complex that will include a small park and 17,000 square feet of retail is currently going up at a 10.5-acre former brownfield site in Harrison, developed by Heller Urban Renewal. The Hub at Harrison Station will stand adjacent to the Harrison PATH station on Frank E. Rodgers Boulevard, and will include 640 rental units in five buildings. Occupancy of the first two buildings is scheduled for the fall of 2018.

"THE PATH IS THE CRITICAL ASSET FOR ANY DEVELOPING CITY ALONG THE GOLD COAST."

TAYLOR PHOTO

Top: High living at Henley on Hudson; above: Tax breaks exist for development at PATH stations.

In Newark, the Mulberry Commons park on Mulberry Street is likely to revitalize the downtown just northwest of Newark Penn Station. Designed by Sage and Coombe Architects, it will include shady lawns and walkways, as well as a pavilion and a fountain.

A spokesperson from the New Jersey Economic Development Authority (EDA) says the PATH is the critical asset for any developing city along the Gold Coast. The Gold Coast's value proposition, according to the EDA, combines a financial package, existing housing stock, and extraordinary quality of life.

Jersey City used the funding that it received as a result of the damage caused by Hurricane Sandy in 2012 to create Berry Lane Park. Funding for highways and rail lines came through the federal Department of Transportation. The Port Authority of New York and New Jersey has invested heavily in the PATH, and a new ferry service has just been announced for Harborside, the Mack-Cali Realty Corp. development.

Harborside is a major transportation crossroads that includes the Exchange Place PATH station, the Harborside Light Rail station, and a new New York Waterway ferry terminal. Mack-Cali calls it a "city within a city." It features six Class-A office buildings, retail, restaurants, a full-service Hyatt Regency hotel, luxury apartments, and views of the Manhattan skyline.

In Weehawken, in the heart of the $2 billion master-planned Port Imperial community that covers two miles of Hudson River waterfront, the 184-unit Avora condo development is scheduled for 2018 move-in. According to the developer, Landsea Homes, the building is within walking distance of the Port Imperial Ferry Terminal, which offers ferry service to both midtown and downtown Manhattan. The Hudson-Bergen Light Rail provides service to Hoboken and Jersey City; the PATH system and the Hoboken bus terminal are easily accessible.

Craig Klingensmith, division president of Lennar, is working on two condo projects on the Weehawken waterfront: The Avenue Collection, a series of boutique buildings; and Henley on Hudson, a separate luxury community.

"Downtown Manhattan is 15 minutes away by ferry," he says. "A new hotel is going up at the ferry terminal here in Weehawken, scheduled to be completed next year, with retail under it; we have a new day-care facility in the area; a new [major food retailer] just started construction within Lincoln Harbor. We have all the critical components.

FERRY, RAIL, ROAD

"The ferry is a key driver to the appeal and success of Weehawken. There's also a Light Rail station here, so you can get to Jersey City or Hoboken in five to eight minutes. On the other hand, you can own a car here and drive to the Shore, the mountains or inland," he adds.

Art Johnson, senior vice president of Liberty Harbor North Urban Renewal, notes that Gull's Cove, the Liberty Harbor North condo project in Jersey City, is likewise leveraging its convenience as part of its appeal.

"The NY Waterway ferry service is two blocks away, and the Light Rail is right outside the door," he says. "The PATH station is just a five-minute walk to the north, so we're in the center of the universe. The PATH is one of the country's best public transportation systems; it's easier to get to Downtown or Midtown Manhattan from here than from many parts of New York.

"Jersey City is on a positive trajectory that's seldom been seen before, largely due to investment in mass transit infrastructure."

Because it's part of the Greater New York City metropolitan area, the Gold Coast is susceptible to New York's pricing trends. Still, rents and condo prices along the PATH routes remain a relative bargain—for now.

GULL'S COVE II SURPASSES 75% SOLD IN DOWNTOWN JERSEY CITY

Gull's Cove II, the luxury condominium building located in Downtown Jersey City, has surpassed $60 million in pre-construction sales, with more than 75% of the building's 107 units under contract. Initial occupancy is scheduled for this fall.

Gull's Cove II follows the successful sell-out of the residential property's first phase of 322 condominiums. The two phases are connected by a ground-level row of public retail and private amenities.

The nine-story building is conveniently located within Jersey City's Liberty Harbor North neighborhood. The Marin Boulevard Bergan Light Rail stop is directly in front of the building, while NY Waterway ferry service at neighboring Liberty Harbor/ Marin Boulevard and the Grove Street PATH station are both just a few blocks away. Residents also appreciate being able to walk to an abundance of restaurants, nightlife, arts, parks and culture that have flourished in the area.

Gull's Cove II features 15 distinct floor plans ranging from studios to three-bedroom layouts – including a limited selection of unique duplex and triplex units. Remaining homes are priced from $489,000 to $1,925,000. All residences are well-appointed with elegant finishes, upscale appliances and contemporary design details.

Amenities include a 24-hour Concierge, Fitness Studio equipped with Peloton bikes and a dedicated Yoga studio, a Club Room boasting two full sized mini bowling lanes, shuffle board and screening area; a sophisticated Resident's Lounge furnished with deep velvet tufted sofas and club chairs ideal for socializing; and a children's playroom equipped with modern toys and classic books.

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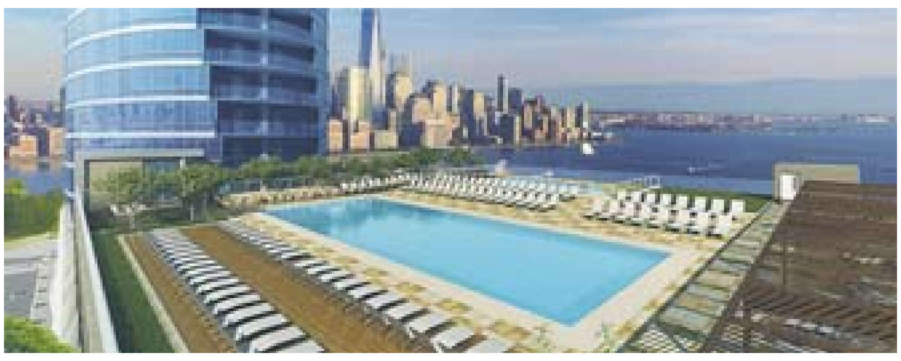

Introducing the Ellipse, the most impressive addition to date to the wildly successful Newport community on Jersey City's waterfront. The Ellipse is a majestic 41-story high rise that raises the standard for luxury urban living. With a unique elliptical shape and ideal waterfront location, it stands apart from its contemporaries and allows for never-before-seen views of the Manhattan skyline. Units range from spacious studios to four-bedroom apartments, including unique, stunning penthouse suites. The homes within the building are perfectly appointed with high-end appliances and finishes, exquisite interiors, and bathed with light from the oversized windows. The extensive package of premium amenities includes an expansive outdoor pool deck with shaded cabanas and fire pits, and well-appointed community lounges, a co-working space, playroom, game room, and a state-of-the-art fitness center. Located within the sprawling Newport community, The Ellipse is surrounded by boutique businesses, restaurants, and entertainment for every palate. From elegant and inventive cocktail lounges to relaxed, generations-old eateries, Newport enjoys a rich and thriving array of cuisines and culture. In addition to stunning views of the Manhattan skyline, an abundance of transportation options provide both convenient access to midtown Manhattan and an idyllic escape from the hustle and bustle of the city. The Ellipse effortlessly combines the comforts and ease of urban living and the serene privacy of a waterfront retreat. The Ellipse is now over 70% leased and is available for immediate occupancy.

To learn more visit *ellipseJC.com*

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Special Advertising Feature

NEW JERSEY GOLD COAST PROPERTIES

Live, Work, Play and Learn

THIS IS AN AREA THAT'S ON THE UP, WITH INCREASING AMOUNTS OF FOREIGN INVESTMENT AND A DIVERSE POPULATION

By ***Joseph Dobrian***

Mixed-use projects are luring commercial tenants and investors to the New Jersey Gold Coast. Retailers, restaurateurs, and large and small users of office space are looking at Jersey City, Hoboken, Newark, Newport and other communities as cost-effective alternatives to New York.

Richard Wernick, executive leasing director at The Ellipse, the 41-story LeFrak development in Newport, notes that the Jersey City/Newport area contains bountiful residential options, at rents well below Manhattan's. He calls Newport "a self-contained community," where LeFrak has developed 15 residential buildings in the past 30 years. The Newport Mall offers retail at all price points; hotels and fine dining are also part of the mix. "Newport has its own PATH stop, plus access to NJ Transit buses and the ferry. You're roughly 20 minutes from Midtown Manhattan. Newport has Newport Green, its own private park, a short walk from the Ellipse; you're close to Manhattan's cultural offerings. We're seeing a mixture of young professionals and families moving in," he says.

Glenn Beyer, senior managing director of RKF, a real-estate services firm that specializes in retail leasing, notes that the increased urbanization of the Gold Coast means there are more mixed-use developments.

"WE'RE SEEING A MIXTURE OF YOUNG PROFESSIONALS AND FAMILIES MOVING IN."

This has resulted in him doing more leasing in urban settings, in a market that was formerly driven by strip centers in highway locations.


NEWPORT MANAGEMENT TEAM

The Ellipse is a 41-story development in Newport, which has a PATH stop.

"We're still in suburbia, where the roads are conducive to retail," he says, "but they're not making any more land, and the key to growth is density. You're seeing more residential projects going vertical on the Gold Coast, and retailers should take notice."

Mr. Beyer urges residential developers to figure the retail component into the mix in the early stages of a project, and build for the type of retailer that will do best in that building.

"The successful model for retail in a residential building," he says, "is to put it on the ground floor, with a clear span, wide storefront, and high ceilings. The top retailers need a certain storefront dimension.

"The majority of our leasing lately has been on the ground floor of residential buildings, but we've had some success with upscale restaurants on the ground floor of office buildings. Retailers who have been successful in Manhattan and Brooklyn are seeing that they can have similar success in Jersey City and Hoboken, now that we have density and affluent average household incomes. Jersey City is a cultural sweet spot for millennials, who can afford to live there or in Jersey City Heights.

"Those tenants are used to certain goods and services, and retailers will reinvent themselves to serve that customer, maybe with a smaller footprint," he concludes.

Art Johnson, senior vice president of Liberty Harbor North Urban Renewal, reports that 10 years ago, foreign investors in commercial real estate wouldn't even look at the Gold Coast—but now it's a popular destination for capital.

"We have an eclectic group of people living here: more nationalities and religious groups than you'll find in many parts of the country.

"Years ago, people didn't want to give up the lifestyle of the city," he says, "but now we have that lifestyle."

VANTAGE OPENS LEASING IN DOWNTOWN JERSEY CITY

Vantage, the upscale 45-story rental tower in downtown Jersey City, has launched its leasing program with fully furnished model apartments and completed amenity spaces available to tour.

Developed by Fisher Development Associates, the signature glass-curtain wall building features a mix of 448 studio, one- and two-bedroom apartment homes with some of the largest floor plans in the New Jersey Gold Coast marketplace. Available for Immediate Occupancy, the residences boast a host of condo-style finishes and one-of-a-kind views of the Statue of Liberty, Liberty Harbor Marina and dynamic New York City skyline. Homes are priced from the low-$2,000s and have limited time concessions.

Apartments at Vantage are complimented by a full suite of indoor and outdoor social and recreational amenities, including a 24-hour Concierge, outdoor zero entry swimming pool, cyber café, 45th floor Sky Lounge, full court basketball and many more.

Vantage offers an ideal address at 33 Park View Avenue steps from the vibrant dining/nightlife scene on Jersey City's Newark Avenue. Manhattan is minutes away via the Grove Street and Exchange Place PATH stations and New York Waterway ferry service.

For more information, visit *VantageJC.com*.

VANTAGE

Special Advertising Feature

NEW JERSEY GOLD COAST PROPERTIES

It's Time to Take a View

WATERFRONT VISTAS ARE EASIER TO FIND HERE THAN YOU MIGHT THINK—PRICES ARE ATTRACTIVE, TOO

By *Joseph Dobrian*

COURTESY TOLL BROTHERS CITY LIVING

New Gold Coast residential developments, such as 1400 Hudson, are ideal for young families that still want more of an urban lifestyle.

With its vistas of the Manhattan skyline, the Hudson River and the Statue of Liberty, the New Jersey Gold Coast is a prime market for high-rise residential development. Many tenants and buyers are willing to pay a little extra for a view, especially since that "little extra" is still cheaper than Manhattan's and Brooklyn's tonier neighborhoods. Several rental and condo projects are in work, just completed, or about to break ground on the Gold Coast, giving prospective residents plenty to choose from.

Richard Wernick speaks enthusiastically about the 41-story LeFrak development in Newport, where he's executive leasing director. He says it's LeFrak's most ambitious project yet, adding that the company is getting more and more ambitious as to the size, scope and amenities of its projects.

LOOKING OUT

"Move-in started in late summer," he reports, "and it's more than 50% occupied, 70% leased. We have a rooftop pool, barbecue area, lounge, gym, fitness center—but it's more about what you're looking at from your apartment. Even as low as the fifth floor, you have to be close to the window to see land. We have 10 units per floor, four with extra-large terraces, two with direct Manhattan views. Studios start at $2,565 per month; three-bedrooms start at $6,000."

Gabe Pasquale, senior vice president of sales and marketing at Landsea Homes, points to high amenities and low prices at his Avora condo project on the Weehawken waterfront.

He points out that upscale residences in Manhattan "are selling from $1,800 to $2,000 per square foot," while at a new West Side development "you'll pay $3,000 per square foot for a new condo, with rentals in the same area from $100 per square foot.

"At Avora, we average $1,000 per square foot, with a price range from the $800,000s to $4 million for a penthouse unit—plus your own parking space. We're directly across the street from the NY Waterway Ferry Terminal with service to Midtown and Downtown Manhattan, steps from the Light Rail with service to Hoboken and Jersey City, and several NJ Transit bus lines at the front door.

"It offers unprecedented views of Midtown Manhattan, and incredible amenities including an outdoor pool, grilling areas, sanctuary garden, grand salon lobby, screening room, refrigeration section for grocery delivery, bicycle and stroller storage, private dining room, board room, Internet lounge, gaming room and a fitness center."

Lennar also has two ongoing projects on the waterfront in Weehawken: The Avenue Collection, which is a series of boutique condominium buildings; and Henley on Hudson, a separate luxury waterfront community.

MANHATTAN SKYLINE

Fisher Development Associates is building Vantage, a 45-story rental property featuring floor-to-ceiling glass, in Jersey City. Brian Fisher, president of Fisher Development, says Vantage offers views of the Statue of Liberty, Liberty Harbor Marina and Liberty State Park to the South, and the entire Manhattan skyline to the east. Amenities include a swimming pool, waterfall, lawn, full-size basketball court, barbecue stations, dog runs, play areas, indoor gym/health club, lounge areas, and a rooftop observation deck.

> "THE NEW JERSEY GOLD COAST IS A PRIME MARKET FOR HIGH-RISE RESIDENTIAL DEVELOPMENT."

"The layouts are a little larger than typical," he claims. "Our studios are mostly just under 600 square feet; one-bedrooms are 780-790 square feet; two-bedrooms are 1,200-1,300 square feet, with glassed-in showers. In Vantage, you have a little more space at an economical cost, which drives a lot of people from Manhattan and Brooklyn, where the trend is to build smaller apartments for more money.

"Jersey City has great bars and restaurants and it has become a mecca for dining, nightlife and the arts. As for accessibility to Midtown, Vantage is situated minutes from the Grove Street and Exchange Place PATH Stations, steps from New York Waterway service into New York and two blocks from the Marin Blvd. Light Rail Station."

Henry L. Waller, division vice president at Toll Brothers Apartments, agrees that Jersey City today is all grown up, with an urban feel and fabric.

BUILDING COMMUNITIES

"Its buyer profile is what Hoboken's was 10 years ago," Mr. Walker says. "My generation fell into Hoboken when we got out of college, because we couldn't afford Manhattan. Many of us stayed, got married to other people who lived there.

"The evolution of Hoboken has been south to north, the southern area being younger, with more amenities. Jersey City is on a similar track now, but it's much more urban. You see many more high-rises, and a higher office population that drives these amenities. Traditionally, these high-rise projects have zoning requirements that demand ground-floor retail, which also helps build communities."

Another important demographic in Jersey City, says Mr. Waller, is young families not quite ready to move to a single-family house with a yard.

"They still want more of an urban lifestyle," he says. "Consequently, our percentage of three-bedroom units has gone up: close to 20% in some projects. Another important feature is versatile public spaces that can be used for parties or for co-working areas. It's isolating to work at home; sometimes you like to work around your neighbors."

JON ORTNER

Floor-to-ceiling windows offer enviable views from Jersey City's Vantage rental properties.

Special Advertising Feature

NEW JERSEY GOLD COAST PROPERTIES

Condo vs. Rentals: Which Has the Upper Hand?

URBAN INFILL MEANS THERE'S PLENTY OF SCOPE FOR DEVELOPERS

By *Joseph Dobrian*

TATSURO NISHIMURA

Gull's Cove condos, at the heart of Jersey City's thriving community.

COURTESY TOLL BROTHERS CITY LIVING

COURTESY TOLL BROTHERS CITY LIVING

High-spec condo developments are on the rise once again in Jersey City.

A movement toward urban infill has been ongoing in many markets since the recovery from the Great Recession, and nowhere more obviously than the New Jersey Gold Coast. In many upscale, high-density markets, tension between condo and rental apartment development is still showing. Conventional wisdom states that when the overall economy is booming, condos do better, because confident consumers are inclined to make a long-term commitment. In an economic downturn, demand for condo units plummets, but rental properties are in demand, as individuals and families prefer not to buy until they feel more secure about their personal fortunes. Today, while demand for both condo and rental apartments is high on the Gold Coast, condo development is as strong as it has ever been since the abrupt downturn of the late 2000s.

JERSEY CITY CONDOS

"When we started Gull's Cove in 2004 in Downtown Jersey City, we had two acres, zoned for 429 condo units," recalls Art Johnson, senior vice president of Liberty Harbor North Urban Renewal. "We decided to develop in two phases, because 429 units was more volume than we wanted to put on the market at one time. We started with 322 units, in a 16-story building, right at the Bergen Light Rail train stop. When we started, it was in the middle of nowhere. Go there today, and you'll find a thriving community with restaurants and shops. We completed the first building and sold out the homes, but the crash put a hold on the second phase. It wasn't until three years ago that we decided we could build condos in Jersey City again. We've already pre-sold 75% of the 107 homes in the second phase at very good prices and will begin moving buyers in this fall.

DEMAND FOR BOTH CONDO AND RENTAL APARTMENTS IS HIGH ON THE GOLD COAST.

"Most of the new buildings going up now are rentals, so we don't have much competition. Owners of rental properties are finding that Jersey City is one of the few markets in the country where average rents per square foot have exceeded 2006 levels."

MANY AMENITIES

"Prior to 2005-2006, we saw a lot of condo construction along the waterfront," agrees Henry L. Waller, division vice president at Toll Brothers Apartments. "When the crisis hit, there was a lot of supply on the market, and it took many years for that supply to get absorbed. We didn't see condo development again till 2012-2013, although many developers continued to build rental properties, since people still wanted to live along the Gold Coast areas. The buildup of the area has been nice for us, since it provided a density that allowed so many amenities to come into this area. That has been a happy accident for developers who have dipped their toe in the water of condo since then.

"Toll Brothers is known for single-family development. We started building high-rise condos here and in Manhattan in 2004, and today that business ranges from 5% to 10% of our revenue in any given year. It's not the central focus of our business. Here in New Jersey, we currently have two properties that are selling: one is 1400 Hudson, in the Hudson Tea community in Hoboken, where units start at $799,995; the other is 10 Provost Street in Jersey City's Arts District, which started selling in July and is now 25% sold. That portion of Provost Street, between Morgan and Bay Streets, is going to be transformed into 'Provost Square.' It'll be a pedestrian-friendly plaza with restored cobblestone paving, outdoor seating, landscaping, and a performing-arts theater."

Joseph Dobrian is a freelance writer specializing in real estate.

SHELFIE | INSIDE A COLLECTION

Ancient Pottery From a Souvenir Shop

Serendipity helped shape an investor's collection of primitive ceramics in Manhattan


KELLY MARSHALL FOR THE WALL STREET JOURNAL (3)

CURATED Works displayed in Arthur Becker's Manhattan townhome include figurines found in a Kyoto shop, second shelf on the right of the fireplace and detail at right.

BY BETH DECARBO

ARTHUR BECKER'S COLLECTION of 8th- and 9th-century pottery began by chance. "I was in Kyoto with my daughter after she graduated from college 1½ years ago," says Mr. Becker, a 67-year-old former tech executive living in Manhattan. "We went to a famous shrine, and as we were leaving, we passed by a souvenir store" with a woman inside selling little bronze teacups.

Amid the knick-knacks, he spotted two pieces of pottery and was told by the woman that her father had purchased them 41 years ago. Through a translator, he purchased the pieces. Mr. Becker, who studied ceramics in college, knew that the pottery was old, but he purchased them mainly for their beauty. Upon returning to New York, he discovered they date from Korea's Goryeo dynasty (918–1392).

These pieces are among scores of artifacts and artwork in his townhome in Manhattan's SoHo neighborhood.

In addition to the pottery, Mr. Becker has works by Mel Bochner and Picasso on display throughout his newly built home, which measures over 6,000 square feet. "Today I bought a 4,000-year-old Neolithic [period] Mongolian profile," he says. "I was so excited to find it."

Mr. Becker, who is also a real-estate investor, previously owned a stake in 10 Sullivan Street, a 16-story condo building in SoHo. The developers of the building, Madison Equities and Property Markets Group, got Mr. Becker's stake in the building in exchange for his townhouse and two others. One of the other townhomes is currently on the market for $16.25 million.

DISPLAY SPACE Mr. Becker's townhome measures over 6,000 square feet.

A FORMER HOSPITAL UNDERGOES REHAB

Continued from page M1

Wellington Row (a nod to the second Duke of Wellington, who once owned the country house where the hospital now stands). There are 27 apartments in Wellington Row, and Berkeley is in the process of building about 150 more houses and apartments on the 19 acres of grounds.

The overall development, scheduled for completion in 2019, is named Wimbledon Hill Park in honor of the nearby All England Lawn Tennis & Croquet Club, where the annual Wimbledon tennis tournament is played.

"When we first bought it, it had been standing empty for a long time and it was almost derelict," said Nino Boehm, sales manager for Berkeley Homes. "It was not pretty, but it had potential."

Since this is a historic building no two apartments in the original hospital are quite alike. A particular prize is Apartment 46, currently in use as the sales and marketing suite but once the hospital's chapel. The legacy of its past can be seen in its fine arched windows and roughly 30-foot ceilings. When converted into a two-bedroom, three-bathroom apartment it will be priced at about $3.3 million.

The first homes at Wimbledon Hill Park were put on the market in 2014. However, the Wellington Row apartments were taken off market for the bulk of 2016—a strategic decision that Mr. Boehm said was so as not to detract from sales of its new-build properties.

The parlous state of London's prime central market, which began to decline in 2015, likely also played a role in this decision. At the start of this year, prices were down almost 7% since 2014 peak levels, according to Knight Frank. This year has seen a modest recovery, and Wellington Row has gone back on the market.

To date, 50 homes have been sold across Wimbledon Hill Park—almost a third of its eventual total. Most buyers have been British downsizers from the affluent local area, and two-thirds are aged 55 or above. The rest are from the Far and Middle East, and Europe.

ALICE WHITBY FOR THE WALL STREET JOURNAL (2); HULTON ARCHIVE/GETTY IMAGES

NEW APARTMENT The centerpiece of Wellington Row, formerly the Atkinson Morley Hospital, is a courtyard and private meadow, top. A bedroom, above, of a three-bedroom apartment priced from $2.02 million.

Prices for apartments still available at Wellington Row start at about $1.39 million for a 958-square-foot, one-bedroom apartment. Two-bedroom apartments measuring 936 square feet start at $1.45 million. Three-bedroom apartments are listed from $2.04 million, and four-bedroom apartments are priced at $3.17 million. The most-expensive apartment is a three-level, three-bedroom property (2,340 square feet) listed for $3.56 million.

While prices at Wimbledon Hill Park are at the top end for the local area, anybody considering buying into this high-end development might well be able to subsidize their buy thanks to the neighborhood's famous tennis tournament.

Each summer, players, coaches and their entourages descend on this quiet corner of southwest London and need places to stay. Wimbledon residents routinely let out their homes at bumped-up prices during the championships. According to property-website Rightmove, the average going rate is just under $800 per room per week, although the more upscale the home the higher the earnings.

HISTORY MAKER Godfrey Hounsfield, one of the inventors of the CT scanner in the 1970s.

DARIEN, CT | $14,395,000
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2 subdivided waterfront lots sold together, or a la carte. #214: $8.995M #218: $6.995.
Houlihan Lawrence
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Stunning waterfront estate on 5.46 acres with carriage house, pool and dock.
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Bahamas Realty Limited
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"Ker Arvor" exceptional estate on 9 acres off Ocean Drive near Newport Country Club.
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OSTERVILLE, MA, USA | $8,950,000
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Robert Kinlin — 508.648.2739

OSTERVILLE, CAPE COD, MA | $6,900,000
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Magnificent waterfront residence w/ in-ground pool, panoramic views and sandy beach.
Robert Paul Properties
Robert Kinlin — 508.648.2739

NARRAGANSETT, RI | $6,495,000
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SANDS POINT, NY | $5,590,000
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Spectacular shingle-style residence with 256 ft. beach frontage and deep water dock.
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CHARLOTTE, NC | $4,995,000
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Exquisite South Charlotte 7B/8.1Ba estate w/ over 8,800 square feet of living space!
Dickens Mitchener
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OSTERVILLE, CAPE COD, MA | $4,900,000
WEB ID: LMTQ4
1.06 acre waterfront parcel w/ private sandy beach, & permits for dock & 5 bd house.
Robert Paul Properties
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BERNARDSVILLE, NJ | $4,795,000
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Gerry-Jo Cranmer — 908.234.9100 x220

HUNTINGTON BAY, NY | $4,500,000
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Rare opportunity to own a historic masterpiece with 190-ft of beach, 1 hr from NYC.
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Elizabeth Alessio — 631.664.6849

COTUIT, CAPE COD, MA | $4,500,000
WEB ID: HMUQ4
Rare & outstanding oceanfront building parcel w/ 8.4 acres, privacy & sandy shoreline.
Robert Paul Properties
Robert Kinlin — 508.648.2739

NEWPORT, RI | $3,995,000
WEB ID: COHQ4
Sunnyside – Commodore William Edgar House (c.1885) designed by McKim, Mead & White.
Lila Delman Real Estate International
Melanie Delman — 401.284.4820

OSTERVILLE, CAPE COD, MA | $3,950,000
WEB ID: ONSD4
Waterfront with 5,603sf on 3 levels, scenic water views, beach and private dock.
Robert Paul Properties
Robert Kinlin — 508.648.2739

SARASOTA, FL | $3,600,000
WEB ID: LJTD4
The Ritz-Carlton Residences, Sarasota – The Grande offers unrivaled views & services.
Michael Saunders & Company
Julia DeCastro — 941.702.2300

MEREDITH, NH | $3,500,000
WEB ID: FADD4
Custom Adirondack, Lake Winnipesaukee. Private, grand fireplace, guest house, more.
Peabody & Smith Realty, Inc.
603.279.6470

CHARLESTON, SC | $3,495,000
WEB ID: YEUZ4
Quiet, private, SoB lane, meticulous renovation, elevator, garage, 5 beds/4½ baths.
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Exquisite 6 acre estate with custom home & lush grounds in gated community!
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Victoria Mitchener — 704.342.1000

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Oceanfront – Exquisite home situated on 150' of shoreline with spectacular views.
Lila Delman Real Estate International
Ruth Bellino — 401.789.6666

OSTERVILLE, CAPE COD, MA | $2,550,000
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Easy living in this completely renovated Ranch overlooking the waters of West Bay.
Robert Paul Properties
Robert Kinlin — 508.648.2739

MENDHAM BORO, NJ | $2,250,000
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"Twelve Trees" beautifully updated 6 BR, 5.2 BA, 2.5 AC Private setting w/pool & spa.
Turpin Real Estate, Inc.
Ashley Christus — 908.234.9100 ext. 214

ROME, IT | €2,150,000
WEB ID: OSJD4
Restored apartment of 340sqm in prestigious area of Rome. 5 bed 5 bath garage.
Carratelli Real Estate
Iryna Dmytrenko — +39 3341684212

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Private gardens, patio and spa, moments from NYC train and town. New white kitchen.
Houlihan Lawrence
Rita McKenna Marber — 203.249.4537

CHARLESTON, SC | $1,595,000
WEB ID: QJPB4
Circa 1815, beautifully restored, sun-filled South of Broad home 3br/2.5ba, 2,300sf.
Carriage Properties
Charles Sullivan — 843.367.8807

NYACK, NY | $1,225,000
WEB ID: CKDD4
Sunlight & fresh air flow throughout this young contemporary. Only 30 min drive NY.
Wright Bros. Real Estate
Russ Woolley — 845.304.6038

PITTSFORD, NY | $754,500
WEB ID: GFQD4
Custom 4,443sf Colonial w/4 Bdrm 3F 2H BA. Finished LL, hrdwds, ingrd pool & more.
Howard Hanna Real Estate Services
Marcia Glenn — 585.248.1064

SPREAD SHEET | ADAM BONISLAWSKI

BEAUTY IS IN THE EYE OF THE HOME BUYER

Research explores how a real-estate agent's appearance and descriptive language affect house hunters

Do attractive real-estate agents make a better impression on potential home buyers than less-attractive ones? The answer might surprise you.

In a study published in the current edition of the Journal of Housing Research, 1,594 potential home buyers from across the U.S. were asked to rate the appeal of a property after taking an online, agent-led tour of the house. The agents leading the tours differed in attractiveness—as assessed by a separate group of subjects—and whether or not they used "pathos," subjective words used to describe the property.

Some of the findings: Home tours conducted by attractive female agents using pathos yielded the highest ratings overall, but these agents were actually more effective with male buyers who identified themselves as homosexual men than heterosexual men. Married buyers had a better impression of homes listed by attractive males using pathos than single buyers. And buyers without a college degree had a higher overall impression of homes listed by attractive females who avoided pathos than buyers with a degree.

The study, conducted in 2014, dispelled the notion of "homophily," the expectation that buyers would best associate with agents most like themselves.

The hypothetical agents featured in the listings were all Caucasian, but Caucasian buyers were no more positively influenced by them than were non-Caucasian buyers. Likewise, male and female buyers showed no preference for male or female agents. The one exception: Men were more positively influenced than women by the less-attractive female agent avoiding pathos.

"Similarity for the sake of similarity we did not find to be significant," says Michael Seiler, professor of real estate and finance at the College of William and Mary and a co-author of the study. Prof. Seiler collaborated with researchers at Old Dominion University, the University of Central Florida and Johns Hopkins University.

The professor says the findings raised interesting points for follow-up, but little in the way of suggestions as to how agents might tailor their approach.

KIRSTEN ULVE

COLDWELL BANKER GLOBAL LUXURY

WHERE EXCELLENCE LIVES

CONCORD, MASSACHUSETTS
Architectural masterpiece provides 10,395 sf and fully integrates smart-house technology. 23.5 acres offer privacy, extraordinary manicured gardens and woodlands with trails. $12,500,000

Jonathan P. Radford, Sales Associate
C. 617.335.1010

NEW CANAAN, CONNECTICUT
Dramatic presence. Circa 2007 custom manor w/ carriage house, tennis court, gardens; on 9 secluded acres. 10,000 sf, 13 bedrooms, 9.3 bathrooms & finished lower level. $9,950,000

Barbara Brock Zaccagnini, Sales Associate
C. 203.249.1454

NEWTON, MASSACHUSETTS
Distinctive brick Georgian estate privately set on 2.6 acres. Impeccable interior, magnificent grounds, elevator, pool, patio, tennis court, & carriage house w/ 5-car garage. $8,500,000

Jayne Bennett Friedberg, Broker Associate
C. 617.899.2111

CHESTNUT HILL, MASSACHUSETTS
"Private, 1+ acre estate in Olde Chestnut Hill with custom iron work, grand entertaining spaces, well-appointed kitchen, and English boxwood gardens. $6,850,000

Deborah M. Gordon, Sales Associate
C. 617.974.0404

BROOKLINE, MASSACHUSETTS
Stately brick Colonial in Sargent Estates set on 1+ acres of landscaped grounds with pond views, renovated kitchen, conservatory, library, 6 bedrooms, and home theatre. $6,400,000

Deborah M. Gordon, Sales Associate
C. 617.974.0404

PURCHASE, NEW YORK
Beautifully crafted 15-room Federal Colonial built in 2003. Hi-end luxury, top-end kitchen, European beams, extensive sprinkler system. Sited on lush 2.4 acres with pool. $5,695,000

Sula Pearlman, Associate Real Estate Broker
C. 914.393.4104 | O. 914.967.0059

GREENWICH, CONNECTICUT
Gated 2 acres, pool, tennis, lake views. Grand home w/ custom brass/iron filigree, 1st fl. master wing/ glass atrium spa. Approx. 10 mins downtown, academies, train. $4,975,000

Tamar Lurie, Sales Associate
C. 203.536.6953

NEW VERNON, NEW JERSEY
This distinctive estate on over 10 acres features extensive renovations and interiors revealing exposed brick, herringbone wood floors and beautiful finishing trims. $4,250,000

Ann Rodriguez, Sales Associate
C. 973.727.0241 | O. 973.263.0400

OLD GREENWICH, CONNECTICUT
In private Shorelands community w/beach/dock. State-of-the-art Shingle Style home. Noted architect. Custom crafted in '08. 5 bedrooms/5.5 baths. Tantalizing water views! $3,750,000

Pat Cameron, Sales Associate
C. 203.962.7627

NEEDHAM, MASSACHUSETTS
Dramatic custom estate set on 7 acres offering a 2-story great room, 5 bedrooms, state-of-the art kitchen, billiard room, home theatre, wine cellar, and 12-stall barn. $3,999,000

Lisa Bell & Lynn Petrini, Sales Associates
LB. 508.479.3344 | LP. 781.223.4145

MARBLEHEAD, MASSACHUSETTS
Ocean & Island views! Classic turn of the century with state-of-the-art luxury, 5 bedroom, 5 ensuite bathrooms Peach's Point seaside home with Association dock, beach, neighboring moorings. $3,299,000

Mary Stewart & Heather Kaznoski, Broker Sales Assoc./Sales Assoc.
M. 781.820.5676 | H. 781.576.9288

WESTPORT, CONNECTICUT
Original 1880's Fraser Barn joined with Snowflake Barn to create Westport's ultimate retreat with Gunite Pool, All Weather Tennis Ct and indoor Basketball Ct. $2,999,000

Linda Skolnick, Sales Associate
C. 203.246.0088

MOULTONBOROUGH, NEW HAMPSHIRE
Winnipesaukee south facing 5BR custom home and guest house with 6 fireplaces, 2-story great room, large screened porch, first floor master, and antique heartwood floors. $2,995,000

Janet Cramer, Sales Associate
C. 603.707.2771 | O. 603.253.4345

LITTLE SILVER, NEW JERSEY
The Hartshorne Mansion graces 4.46 acres on the Shrewsbury River. Built in 1929, it features 11 fireplaces, 8 bedrooms, 10.2 baths, dock, pond, pool, tennis court. $2,950,000

Sarah Pomphrey, Sales Associate
C. 732.841.8913 | O. 732.842.3200

DOVER, MASSACHUSETTS
Exquisite stone and shingle-style new construction with 8,500 square feet on 3+ acres in a prime location. $2,899,000

Joni Shore & Jon Shore, Sales Associates
JS. 781.888.2389 | JS. 781.864.9219

SOUTH END, BOSTON, MASSACHUSETTS
New parlor and garden duplex near Union Park with 3 bedrooms, 3.5 baths, chef's kitchen, rear deck, gas fireplace, security, private patio, and 2 rental parking spaces. $2,895,000

Rob Kilgore & Alexandra Biega, Broker Assoc./Sales Assoc.
R. 617.504.7814 | A. 508.380.2231

WESTPORT, CONNECTICUT
Energy Star-rated, modern masterpiece by award-winning firm Sellers/Lathrop. Folding glass doors. Quality Henrybuilt kitchen. Prof. gardens. Saugatuck River views/dock. $2,850,000

Emily Gordon, Sales Associate
C. 203.451.6432

BROOKFIELD, CONNECTICUT
Candlewood Lake Adirondack waterfront offers 5500 SF of view inspired living. Main level master, wrap deck, Tiki bar, sand beach, 4 docks, garage! Entertainer's Delight. $2,795,000

Barbara Sivba, Associate Broker
C. 203.667.4336

MARBLEHEAD, MASSACHUSETTS
Custom deck house with stunning ocean views, private beach access, exposed beams, vaulted cedar ceilings, stone fireplace, chef's kitchen, pool, patio, and 2-car garage. $2,795,000

Bill Willis, Sales Associate
C. 617.549.8956

BEVERLY, MASSACHUSETTS
Handsome Mansard carriage house set on spectacular 1.5 acre parcel with rights to private beach, stunning vistas, access to mooring and oceanfront living. $2,750,000

Peter Dorsey, Sales Associate
C. 978.340.0661

DANBURY, CONNECTICUT
Unique Candlewood waterfront w/beach, cabana, dock. Adirondack/English decor, walls of windows, m.l. master, guest wing. Private w/panoramic lake views. 70 mins. to NYC. $2,500,000

Barbara Sivba, Associate Broker
C. 203.667.4336

ROXBURY, CONNECTICUT
Classic Reproduction Barn, set on 50+ acs, w/ soaring, beamed ceilings, country kitchen, 36 ft Great Room, wide-plank floors, 6 stone fireplaces, barns, pool, patios & heliport. $2,500,000

Barbara Sivba & Rob Hunt, Assoc Broker/Sales Assoc
B. 203.667.4336 | R. 203.770.9353

MENDHAM, NEW JERSEY
This 5 bedroom, 6.5 bath estate offers impressive main rooms with high ceilings, large windows and deluxe amenities. Extraordinary 5.5 acre grounds feature pool. $2,350,000

Flor de Maria Thomas, Sales Associate
C. 973.214.7553 | O. 973.543.2552

BROOKLINE, MASSACHUSETTS
Gracious Colonial home in desirable neighborhood offering period details, high ceilings, large windows, 5 bedrooms, 4.5 baths, renovated kitchen, and finished lower level. $2,295,000

Chris Remmes, Broker Associate
C. 617.398.0018

WESTON, MASSACHUSETTS
Spectacular Colonial home in Weston Golf Club area offering superb renovations, 4 bedrooms, custom kitchen, family room with seamless sunroom, large deck, tennis court. $2,295,000

Donna Scott, Sales Associate
C. 781.254.1490

MADISON, CONNECTICUT
2004 Nantucket style beach house has spectacular views! 3 quality living levels, top-end kitchen, elevator, 5 fireplaces & 4 balconies. Across from beach/close to village. $2,000,000

Janet Nicolini & The Walz Team, Sales Associates
C. 203.667.1954

KINNELON, NEW JERSEY
With six bedrooms and six full and three half-baths, this 6.8-acre retreat enjoys stunning NYC views and features over 10,000 square feet of living space with indoor pool. $1,698,000

Joshua M. Baris, Sales Associate
C. 201.741.4999 | O. 201.461.5000

FRANKLIN TWP, NEW JERSEY
This equestrian dream estate on 36+ acres offers a stunning custom stucco & stone home, & Amish-built horse barn with 8 large stalls & amenities to care for your foal. $1,875,000

Freeman "Jeff" Smith, Sales Associate
C. 908.500.1640 | O. 908.735.8080

BABYLON, NEW YORK
You'll experience brilliant sunsets in this stunning bay front home adorned with old world charm, gorgeous window walls, boat lifts, & free form pool with spill over spa. $1,699,999

Cheryl A. Messina, Associate Real Estate Broker
C. 516.398.1689 | O. 631.422.5511

MILFORD, CONNECTICUT
The Bonsilene Hotel circa 1920s, rebuilt top to bottom in 2011. 12 rooms, 5 fireplaces, gas utilities, custom porches, chef's kitchen. Beach & stunning LI Sound views! $1,599,999

Barbara Lehrer, Sales Associate
C. 203.640.6407

SHERBORN, MASSACHUSETTS
Midcentury modern home offers approximately 6,776 sf and 6 bedrooms. Large flat areas of lawn, extensive plantings, a swimming pool and views over Farm Pond. $1,595,000

Jonathan P. Radford & Elena Price, Sales Associates
J. 617.335.1010 | E. 508.577.9128

BROOKFIELD, CONNECTICUT
Sprawling Lakeside Ranch offers wide lake views, 3/4 bedrooms, 4 baths, L-shaped living and dining rooms, updated chef's kitchen, large deck, dock & 2 car garage. $1,595,000

Barbara Sivba, Associate Broker
C. 203.667.4336

BASKING RIDGE, NEW JERSEY
This stunning sun-filled townhome in St. Andrews offers dramatic architectural details, luxurious space to entertain, cozy areas to relax, & spectacular golf course views. $1,549,000

Marie Young, Sales Associate
C. 908.938.2525 | O. 908.766.0808

RYE, NEW HAMPSHIRE
Beautiful coastal home overlooking Sagamore Creek offering 4 bedrooms, vaulted ceilings, fireplaces, sunroom, gourmet kitchen, rooftop deck, hardwoods, patio, and gardens. $1,500,000

Marie Francoise Meissner, Sales Associate
C. 603.765.1315 | O. 603.334.1900

WARWICK, RHODE ISLAND
California Estate Ranch set on 1.58 acres with 25 ft. of beach frontage, spectacular views, superb renovations, 4-5 bedrooms, 3 kitchens, 2 fireplaces, and wine cellar. $1,390,000

Janis Cappello, Broker Associate
C. 401.578.6656 | O. 401.884.8050

DOVER, NEW HAMPSHIRE
Extraordinary waterfront home set on 4.34 acres with 371 ft. of frontage, 12 rooms, 5 bedrooms, hardwoods, chef's kitchen, vaulted ceilings, wrap-around deck, and dock. $1,295,000

Joe Tanner, Sales Associate
C. 603.767.7522 | O. 603.334.1900

KILLINGWORTH, CONNECTICUT
Ideal horse farm/vineyard. 14-room Georgian Colonial w/hi-end finishes, custom appointments, vaulted ceilings, eat-in chef's kitchen, guest wing, walk-out lower game rms. $1,050,000

Joe Piscitelli, Sales Associate
C. 203.982.3511

BRANFORD, CONNECTICUT
Architecturally redesign with open/vaulted rooms, beams, glass, gallery, chef's kit, guest wing, priv master. Seasonal pond views. Guilford/Stony Creek line; 75 mi NYC. $1,050,000

Joe Piscitelli, Sales Associate
C. 203.982.3511

BETHANY, CONNECTICUT
A Country Estate on 6 acres w/heated 5-car carriage house/apartment, pool, cabana, pond-stunning great rm, solarium, game rm, 1st floor master suite w/loft. A private retreat. $1,000,000

Carol Murphy, Sales Associate
C. 203.215.6021

SPARTA, NEW JERSEY
This stone castle estate with swimming pool is designed for the finest living with chef's kitchen and stunning master suite and is surrounded by lavish lawns and gardens. Price Upon Request

Grace Gilmore, Broker Sales Associate
C. 973.713.3685 | O. 973.729.6111

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HOUSE CALL | REGINA SPEKTOR

From Refugee To Pop Star

The singer left her cherished piano in Moscow; today, a home in Manhattan

SHERVIN LAINEZ (PORTRAIT); ILYA SPEKTOR (HISTORICAL)

I smile a lot. I can't help it. I come from smiley people. Both of my parents are happy and smiley, and it rubbed off. We're originally from Russia, where people don't smile as much as in the States, so we stood out there.

I was born in Moscow in 1980. My parents and I lived on the outskirts of the city in a typical five-story concrete building. Ours was painted yellow instead of the typical white. The color made it easy for friends to find us when they visited for the first time.

We lived in a tiny one-bedroom apartment on the first floor. My parents gave me the bedroom. They slept on a foldout couch.

My room faced the street, making it easy to sneak out. I'd open the window and bigger boys could lift me out. We'd play in what we called "the woods," but it really was a small park in the center of our apartment complex.

Living in Russia in the 1980s, we faced our share of anti-Semitism. I remember a boy bit my leg in preschool. He was mad about something and told me to go back to Israel.

I didn't know what Israel was then, but I knew I was Jewish. Everyone seemed to know who was Jewish. The way I chose to deal with it was to be defiant. I became proud of who I was.

I began studying classical piano at age 7. My piano was my most favorite thing in the world. It was a little brown upright Petrof that my grandfather had given my mother when she entered the conservatory at 16.

In 1988, I began to overhear my parents talk about leaving the Soviet Union. HIAS (Hebrew Immigrant Aid Service) was going to help us resettle in the U.S. along with thousands of other Soviet Jews.

I was scared until I heard that my cousin Marsha was leaving with her family, too. Marsha has always been my best friend. We're like twins from other mothers.

SONGSTRESS Regina Spektor, above, in a 2016 portrait, and, left holding ribbon, dancing with her cousin Marsha in Marsha's Moscow home, about 1984.

Before my family left, we had to give away or sell all of our things. A man bought my piano. I was heartbroken.

We lived in Vienna for several weeks in one room. Next, we spent two months in Ladispoli, Italy. When we finally arrived in New York in the summer of '89, we stayed with relatives in their big house in New City, N.Y. They had left the Soviet Union in the 1970s.

Soon, my parents found an apartment in the Kingsbridge section of the Bronx. We lived on the fourth floor of a five-story walk-up that was roach-infested.

Fortunately, Marsha lived across the hall, so we were always together. We were on food stamps then and there was a lot of stress. When my brother, Boruch, was born, we had to carry him up and down with the stroller.

A couple of years later, we moved to a street parallel to ours. The building was an upgrade and a downgrade. We had an elevator, but now we had mice and roaches.

Learning English was hard at first. Marsha had arrived in New York a little earlier than me, so by the time I showed up she knew the words "sneakers" and "garbage." I was so impressed.

We both were given full scholarships to SAR Academy, a Jewish school in the Riverdale section.

My father, Ilya, had been a photographer and found a job at a Manhattan commercial photo lab.

My mother, Bella, had been a conservatory professor in Moscow. She went back to college for her Master of Arts in teaching music, and took a job at a public school.

When I was 12, we moved to a nearby low-income co-op for teachers. That building was much nicer.

At 16, in 1996, I received a scholarship from the UJA Federation and the Nesiya Institute to spend the summer in Israel as part of its arts program. That was a life-changing trip.

Other teenagers in the program turned me on to music by Ani DiFranco, Tori Amos and Joni Mitchell. I couldn't believe it. I had grown up listening to male artists. They also encouraged me to sing and write my own songs.

I never had singing lessons. As a result I hurt my voice when I started performing. Eventually I had voice lessons.

Today, I live with my husband, Jack, and our son in a Manhattan apartment with a beautiful view. Marsha is a pediatric neuropsychologist. We still talk all the time.

My most precious possessions are boxes of my father's photos and film. One of my favorites is an 8mm film of my mom, pregnant with me in Moscow, standing next to her sister, Roza, who's pregnant with Marsha.

In July 2012, I returned to Russia for the first time to perform. I would have tried to track down my old piano, but after 20 years, I had no idea where to start looking.

—As told to Marc Myers

Regina Spektor, 37, is an indie-pop singer-songwriter and pianist whose song "You've Got Time" is the theme for the Netflix series "Orange Is the New Black." Her most recent album is "Remember Us to Life" (Sire). She currently is on a solo U.S. tour.