

THE WALL STREET JOURNAL.

DOW JONES | News Corp *****

TUESDAY, DECEMBER 12, 2023 ~ VOL. CCLXXXII NO. 138

WSJ.com

★★★★ \$5.00

DJIA 36404.93 ▲ 157.06 0.43%

NASDAQ 14432.49 ▲ 0.2%

STOXX 600 473.70 ▲ 0.3%

10-YR. TREAS. ▲ 2/32, yield 4.238%

OIL \$71.32 ▲ \$0.09

GOLD \$1,978.00 ▼ \$20.30

EURO \$1.0767

YEN 146.15

What's News

Business & Finance

◆ **Google lost** an antitrust case over the market power of its app store as a jury sided with “Fortnite” maker Epic Games, which alleged the search giant used its dominant position to squeeze excess profits from app developers. **A1**

◆ **Occidental Petroleum** announced a \$10.8 billion accord to buy West Texas producer CrownRock, one of the last remaining sizable private companies in the Permian Basin. **B1**

◆ **British oil giant BP** asked U.S. energy regulators to intervene in an escalating dispute with startup U.S. natural-gas exporter Venture Global LNG. **B12**

◆ **Major U.S. stock indexes** rose, with the S&P 500 and Dow industrials both advancing 0.4% and the Nasdaq gaining 0.2%. **B12**

◆ **Shari Redstone** is considering whether to sell control of her family holding company National Amusements or keep it and find a way to change its fortunes. **B1**

◆ **Netflix will stream** a one-night tennis exhibition match featuring Rafael Nadal and Carlos Alcaraz in the company's latest foray into live sports. **B3**

◆ **Drug supplier Sigma Healthcare** agreed to merge with privately owned pharmacy operator CW Group, creating a listed company valued at more than \$5.79 billion. **B3**

◆ **Bytedance's TikTok** will invest more than \$1.5 billion in a deal with GoTo Group that will allow the Chinese video-sharing app to resume retail operations in Indonesia. **B4**

◆ **Oracle reported** second-quarter revenue that missed expectations, sending its shares down 6.9% in after-hours trading. **B4**

World-Wide

◆ **Israeli officials warned** Hezbollah to pull back its forces on the Lebanese border and stop firing missiles at Israel to avert another war as fighting between Hamas and Israel's military rages in the Gaza Strip. **A1**

◆ **U.S. public opinion** remains favorable toward Israel in its war with Hamas, but just over one third of Americans say they are equally sympathetic to both the Israeli and Palestinian people, a Wall Street Journal poll found. **A7**

◆ **Police in major U.S. cities** have seen a rise in hate crimes after the Oct. 7 Hamas attack on Israel and the nation's military response to it. **A7**

◆ **The Supreme Court** agreed to fast-track Jack Smith's request that it take up Trump's claim that he is immune from prosecution and can't face criminal charges related to efforts to overturn the November 2020 election. **A3**

◆ **Harvard's governing board** was scheduled to meet to discuss calls for removing the university's president as pressure mounted from critics following comments she made before Congress about antisemitism on campus. **A6**

◆ **An Iowa poll showed** Trump holding a 32-percentage-point lead over DeSantis, his nearest rival in the state that will hold the first Republican presidential nominating contest on Jan. 15. **A4**

◆ **The Air Force said** it disciplined 15 military officers for dereliction of duty following a probe into how a Massachusetts Air National Guardsman charged with taking and sharing highly classified information went undetected for months. **A4**

CONTENTS	Markets Digest..... B7
Arts in Review..... A13	Opinion..... A15-17
Business & Finance B26	Personal Journal A11-12
Business News..... B3-5	Sports..... A14
Crossword..... A13	Technology..... B4
Heard on Street..... B13	U.S. News..... A2-7
Markets..... B12	World News..... A8-918



© 2023 Dow Jones & Company, Inc. All Rights Reserved

Top Indian Court Backs End to Kashmir Autonomy



WIN FOR MODI: Indian paramilitary troops patrol Srinagar on Monday, before India's high court issued its ruling that upheld the government's 2019 move scrapping autonomy for the disputed Himalayan state of Jammu and Kashmir. **A9**

Israel Warns Hezbollah to Pull Back Forces or Risk Wider War

BY CARRIE KELLER-LYNN
AND DION NISSENBAUM

TEL AVIV—Israeli officials are warning Hezbollah to pull back its forces on the Lebanese border and stop firing missiles at Israel to avert another war as fighting also rages in the Gaza Strip.

The Israeli military on Monday said it shelled Lebanese territory after its air-defense system intercepted six projectiles launched from across the border. Israel's air force later struck what the military said was a Hezbollah site, from which it said the group fired projectiles into Israel. The exchanges followed volleys from both sides on Sunday, part of a near-daily tit-for-tat that has killed more

than 100 Hezbollah fighters and six Israeli soldiers. Israel has evacuated tens of thousands of civilians from northern Israel and transformed border communities into de facto military bases amid fears of an expansion of its war with Hamas militants who carried out the Oct. 7 attacks that killed 1,200 people, most of them civilians.

“I think we are a mistake away from escalation,” one Israeli military official said. “I don't think Hezbollah really appreciates how the Israeli psyche has changed since Oct. 7.”

Please turn to page A8

◆ **Majority of Americans back Israel in war**..... **A7**
◆ **Security fears spur Israelis to buy guns**..... **A8**

‘Everything Rally’ Stirs New Skepticism

BY CHARLEY GRANT

Investors spent most of 2023 fretting about inflation and interest rates. Now they are snapping up everything from stocks and bonds to crypto and even gold.

The simultaneous surge across assets has sparked debate about whether the “everything rally” marks the arrival of a lasting bull market—or just a fleeting sugar high at the end of the Federal Reserve's tightening cycle.

At the start of the year, interest rates were rising and Wall Street was bracing for a recession. Major stock indexes rallied, driven largely by the “Magnificent Seven” group of technology stocks, but most other sectors languished.

Now bond yields are plunging, and investors sense the Fed's fight against inflation is

winding down. The drop in yields has led to a broad rally: Some of the market's most beaten-down sectors, including property stocks and regional banks, are leading the way.

“The economy is slowing, but it's not cracking,” said Jason Draho, head of asset allocation Americas at UBS Global Wealth Management. “All of which means the concern about the Fed hiking any more, that's off the table.”

The S&P 500 has advanced 12% from its Oct. 27 low to reach its highest level of 2023 and extend its year-to-date gains to 20%. The blue-chip Dow Jones Industrial Average, which had lagged behind for much of

Please turn to page A2

◆ **High yields lure baby boomers to bonds**..... **A12**
◆ **Stocks rise ahead of new inflation data**..... **B12**

INSIDE



BUSINESS
Hasbro to cut nearly 20% of its workforce as toy slump lasts into the holidays. **B1**



JASON GAY
The Mahomes meltdown game: Mistake-prone Kansas City trips up. **A14**

Alarm Grows Over Europe's Empty Arsenal

War in Ukraine reveals risks as budget cuts have hollowed out military powers

The British military—the leading U.S. military ally and Europe's biggest defense spender—has only around

By Max Colchester,
David Luhnow
and Bojan Pancevski

150 deployable tanks and perhaps a dozen serviceable long-range artillery pieces. So bare was the cupboard that last year the British military considered sourcing multiple rocket launchers from museums to upgrade and donate to Ukraine, an

idea that was dropped.

France, the next biggest spender, has fewer than 90 heavy artillery pieces, equivalent to what Russia loses roughly every month on the Ukraine battlefield. Denmark has no heavy artillery, submarines or air-defense systems. Germany's army has enough ammunition for two days of battle.

In the decades since the end of the Cold War, weakened European armies were tolerated by governments across the West because an

Please turn to page A10

Tweens Can't Live Without \$29 Face Mist

* * *
Buzzy skin-care brands catch fancy of young market

BY CHAVIE LIEBER

Last Christmas, 11-year-old Charlotte asked for art supplies. This Christmas, she wants face cream.

A wish list Charlotte made for her family includes a lactic-acid peeling solution, a beta-hydroxy acid exfoliant, an antioxidant cleanser, and a vitamin B5 serum.

“I just really love skin care,” said Charlotte, a fifth-grader who lives in the Central Valley of California. “Serums are my favorite because some cool down your face and others give you glowy skin.”

Tween girls, as defined by

Please turn to page A6

How Alumni Donors Ousted Penn President

By Thanksgiving, University of Pennsylvania trustees thought they had weathered the worst of an aggressive campaign that rich alumni mounted to fire President Liz Magill over concerns about antisemitism on campus. That hope died when Magill appeared before Congress last week.

Magill said context was needed to determine whether calling for the genocide of Jews would be considered bullying or harassment at Penn. The clip went viral, drawing millions of views. Pennsylvania's governor called the comments “shameful.” The Penn president rushed out a video backtracking her remarks. By the weekend, Magill and board Chairman Scott Bok resigned.

At Penn, the university's response to the Oct. 7 attacks in Israel was the final straw for a largely Jewish group of prominent alumni who felt the school wasn't adequately protecting

By Melissa Korn,
Rachel Louise Ensign
and Douglas Belkin

Jewish students. They campaigned behind the scenes and publicly for the president and chairman to step down, threatening to withhold millions of dollars. They took a playbook from the business world, approaching the typically genteel world of higher education like activist investors.

Since September, marquee donors have huddled in dozens of private meetings, exchanged scores of letters and taken to the airwaves in an effort to combat antisemitism on campus and, eventually, to force a leadership change.

This account of the rupture at Penn is based on conversations. Please turn to page A6

◆ **Pressure builds on Harvard president**..... **A6**

DELL Technologies



Infinite thanks

Wishing our customers and partners a happy holidays and joy in the coming year.

Dell.com