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What's News

Business & Finance

- ◆ **Diamondback Energy** and Endeavor Energy, two rivals in the Permian Basin, are completing a merger that would create an oil-and-gas behemoth valued at more than \$50 billion. **A1**
- ◆ **Biden's 2022 climate law** is driving faster-than-expected growth in electric-vehicle purchases and clean-energy projects, doubling the projected cost to taxpayers while potentially accelerating emissions reductions. **A2**
- ◆ **A boardroom brawl** at Walt Disney is expected to be the most expensive shareholder fight ever, and a chance for everyday investors to have a big impact. **B1**
- ◆ **An heir of the Reichmann** real-estate dynasty has lined up investor financial commitments for an against-the-grain foray into San Francisco's beaten-down office-building market. **B1**
- ◆ **Stocks that are setting** repeated highs are reigniting a perennial debate among investors about whether they are too expensive. **B1**
- ◆ **Americans' utility bills** are getting wrapped up in the fight over the White House's effective freeze last month of new approvals for liquefied natural gas shipments. **B1**
- ◆ **Nevada and Texas** are among states wooing companies to incorporate under their legal regimes as some firms express discontent with Delaware's rules. **A1**
- ◆ **Appliance makers** are pushing for a change to the Energy Department's periodic tightening of efficiency standards, arguing that evolving technology should drive benchmarks, not government timetables. **B3**

World-Wide

- ◆ **Israel's Netanyahu**, raising the stakes in his widening rift with Biden, said Israel must pursue Hamas in the southern Gaza city of Rafah until the militant group is destroyed. Israel's military said it conducted a series of strikes in southern Gaza, and that it rescued two hostages. **A1, A6**
- ◆ **Biden and NATO leaders** denounced former president Trump's latest comments that he would encourage Russia to invade U.S. allies that don't contribute sufficiently to military defense. **A1**
- ◆ **Russian forces** are using SpaceX's satellite internet system near the frontline in occupied parts of Ukraine, a Kyiv intelligence agency said, possibly undercutting a major advantage for Ukraine. **A8**
- ◆ **Defense Secretary Austin** returned to the hospital, marking his second stay this year at Walter Reed National Military Medical Center following a surgery he had for prostate cancer in December. **A3**
- ◆ **Republican Rep. Mike Gallagher**, a fourth-term lawmaker who chairs a committee aimed at helping the U.S. compete against China, said he won't run for re-election. **A5**
- ◆ **Nawaz Sharif**, a former prime minister of Pakistan, held talks with other parties to form a government as followers of jailed opposition leader Imran Khan claimed last week's election was rigged. **A10**
- ◆ **Six people, including** a prominent Nigerian banker, died in a helicopter crash in California's Mojave Desert. **A3**
- ◆ **Died: Kelvin Kiptum**, 24, record-setting marathoner. **A7**

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Energy Rivals Near Big Merger

Diamondback, Endeavor to create giant with \$50 billion market value

By LAUREN THOMAS AND LAURA COOPER

Rivals Diamondback Energy and Endeavor Energy Resources are finalizing a merger that would create an oil-and-gas behemoth worth more than \$50 billion, as higher oil prices and a rush to grab prime acreage have fueled consolidation in the energy sector.

Diamondback could announce a deal with the closely held Endeavor as soon as Monday, according to people familiar with the matter, assuming the talks don't hit a last-minute snag.

Endeavor, founded by wildcatter Autry Stephens, has long been one of the most prized businesses in the consolidating Permian Basin, the largest U.S. oil patch that straddles West Texas and New Mexico.

In striking a deal for Endeavor, Diamondback fended off competition from other parties including ConocoPhillips, some of the people said.

The stock-and-cash deal would value Endeavor at around \$25 billion, and Diamondback shareholders would own the majority of the combined company after it closes, they said. Diamondback, based in Midland, Texas, has a market value of around \$27 billion.

A pair of megadeals by Exxon Mobil and Chevron late last year helped prompt a flurry of deals in the sector. It is another sign the U.S. economy is proving surprisingly resilient and that for many companies, it is business as usual even amid elevated interest rates.

Already, deal volumes in the U.S. are up 78% compared with a year earlier, according to Dealogic. Pricier debt and a tighter regulatory environment crimped merger and acquisition activity in 2023, but many advisers expect a busier 2024 as companies put their extra cash to work and rates appear poised to come down.

Diamondback went public in 2012 and has been one of the fastest-growing frackers, with its crude production

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Netanyahu Presses Case for New Front In Gaza

Israel's plan to pursue Hamas in Rafah widens rift with U.S.; two hostages rescued

TEL AVIV—Prime Minister Benjamin Netanyahu of Israel, raising the stakes in his widening rift with President Biden during a tempestuous election year, took his message directly to U.S. voters in two television interviews Sunday, arguing that Israel must pursue Hamas in the southern Gaza city of Rafah until the militant group is destroyed.

By Chao Deng, Carrie Keller-Lynn and Daniel Michaels

Netanyahu's determination to crush the military power of Hamas, which Israel, the U.S. and other countries deem a terrorist organization, runs against increasing concern in the White House that Israel is pressing a military campaign that is causing a humanitarian crisis and has no clear resolution.

Early Monday, Israel's military said it conducted a series of strikes in southern Gaza. It also said it rescued two hostages—Fernando Simon Marman and Louis Har—in an overnight raid on a building in Rafah. They were determined to be in good condition.

Shaping both Biden's and Netanyahu's agendas are constricting domestic political realities. Biden, a Democrat, is locked in a fight for re-election against likely Republican candidate Donald Trump, who—like many members of Congress from both parties—vocally supports Israel.

Biden also faces growing pressure from his party's left wing and crucial pockets of minority voters to moderate his support for Israel and bring the four-month war to an end. Particularly worrying to the administration is the prospect of losing backing among Arab-American voters in Michigan, a swing state that is pivotal to Biden's hopes of remaining in the White House.

Netanyahu, meanwhile, is working to reverse sliding public support among an Israeli public that blames his government for lapses in security on Oct. 7 when Hamas attacked Israel and killed 1,200

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◆ **Hamas hid compound under U.N. agency office..... A6**

Chiefs Beat 49ers 25-22 for Second Straight Title



BACK TO BACK: Patrick Mahomes holds up the NFL championship Vince Lombardi Trophy after leading Kansas City at the Super Bowl Sunday night in Las Vegas. The Chiefs are the first to repeat as champs since the Patriots in 2004 and 2005. **A18**

Sports Streaming Bet Is a Hail Mary

Venture to bundle live sports needs to cover high costs and keep leagues on board

Executives at the National Football League were in Las Vegas on Tuesday preparing for the Super Bowl when they got word from news reports that their

By Joe Flint, Jessica Toonkel, Isabella Simonetti and David Marcelis

business—and the sports media industry writ large—was about to change in a fundamental way.

Disney's ESPN and Fox, two of the league's biggest media partners, announced that alongside Warner Bros. Discovery they would create a new streaming service to offer all their live-sports programming. The NFL, a titan that's used to having a seat at the table in any discussion affecting its future and content, was out of the loop. Executives including Commissioner Roger Goodell and media chief Brian Rolapp were caught off guard by the news.

That the media behemoths were willing to risk the ire of the NFL shows the sense of urgency—even desperation—they feel about solving what is arguably

the biggest riddle in their industry: finding a business model that can work in the streaming economy.

To do that, they made a profound shift without consulting powerful partners like the NFL, revealing it days before the biggest sporting and television event of the year. They're taking the chance that, by joining forces with big rivals, they won't draw antitrust scrutiny. And they're doing it with a product that consumers might not even want—in part because the new service won't

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Frustrated Executives Look Past Delaware

By THEO FRANCIS AND ERIN MULVANEY

Three powerful businessmen are trying to loosen Delaware's long-held grip over public companies.

Tripadvisor, under media executive Greg Maffei, wants to reincorporate in Nevada, over the objection of minority shareholders. Billionaire Barry Diller is awaiting a ruling that could relax Delaware's scrutiny of transactions like the 2020 split of some of his online businesses. And Elon Musk, who reincorporated Twitter as X in Nevada last year, has said he would ask shareholders about reincorporating Tesla in Texas.

"I recommend incorporating in Nevada or Texas if you prefer shareholders to decide matters," Musk posted on X on

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◆ **Investors wonder about Tesla's future..... B4**

INSIDE



PERSONAL JOURNAL Online quizzes, like the citrus peel challenge, put relationships to the test. **A13**



BUSINESS & FINANCE A Buffett protégé bets on San Francisco, bidding on near-vacant office buildings. **B1**

Hands Off! Going Out in Public Wearing a \$3,500 Headset

Early adopters of Apple's Vision Pro are walking magnets for stares and interruptions

By JOSEPH PISANI AND SALVADOR RODRIGUEZ

Yam Olisker was walking around New York City's Times Square getting stares and questions from strangers. That can happen when you have a \$3,500 hunk of tech

strapped to your face. Olisker was wearing Apple's new Vision Pro, the mixed-reality headset that looks like giant silver ski goggles. Yes, even in bustling Times Square—among naked cowboys, costumed Spidermen

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NATO Denounces Trump's Comments Undercutting Pact

President Biden and NATO leaders denounced former President Donald Trump's comments that he would encourage Russia to invade U.S. allies that don't contribute sufficiently to military defense.

By Annie Linskey, Aaron Zitner and Alex Zary

"NATO remains ready and able to defend all Allies," said NATO Secretary-General Jens Stoltenberg in a statement. "Any suggestion that Allies will not defend each other undermines all of our security, including that of the U.S., and puts American and European soldiers at increased risk. I expect that regardless of who wins the presidential election the U.S. will remain a strong and committed NATO Ally."

Leaders in Germany and Poland also swiftly criticized Trump's comments, illustrating how closely top officials

are monitoring the U.S. presidential campaign and its implications for a world that is already on edge.

The unusual and immediate responses came after presidential candidate Trump, speaking at a campaign rally in South Carolina on Saturday, said he would encourage Russia to attack NATO countries that don't pay enough into the alliance. Invoking a scenario in which a country not paying enough were to be attacked by Russia, Trump said, "No, I would not protect you. In fact, I would encourage them to do whatever the hell they want. You got to pay. You got to pay your bills."

Successive U.S. presidential administrations have pushed NATO members to increase their spending to 2% of their GDP, but during his time in the White House, Trump re-

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◆ **Trump exerts control over a GOP in disarray..... A4**