

# THE WALL STREET JOURNAL.

DOW JONES | News Corp \*\*\*\*\*

FRIDAY, APRIL 12, 2024 ~ VOL. CCLXXXIII NO. 86

WSJ.com

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DJIA 38459.08 ▼ 2.43 0.01% NASDAQ 16442.20 ▲ 1.7% STOXX 600 504.55 ▼ 0.4% 10-YR. TREAS. (Reopening) yield 4.575% OIL \$85.02 ▼ \$1.19 GOLD \$2,354.80 ▲ \$25.20 EURO \$1.0728 YEN 153.28

## What's News

### Business & Finance

- ◆ **A Boeing review found** that CEO David Calhoun and other executives took personal trips worth more than \$500,000 on the company's private jets and other planes that were improperly recorded as business travel. **A1**
- ◆ **Tech stocks rallied**, helping to boost the S&P 500 by 0.7%, while the Nasdaq gained 1.7% to close at a record. The Dow was little changed. **B9**
- ◆ **Regulators are** investigating Morgan Stanley in connection with how it vets clients who are at risk of laundering money through the bank's wealth-management division. **B1**
- ◆ **Big U.S. banks are set** to reveal quarterly earnings, with JPMorgan Chase, Wells Fargo and Citigroup first out of the gate on Friday. **B1**
- ◆ **Spotify is developing** tools that would allow subscribers to manipulate songs from their favorite artists, hoping to deepen user engagement. **B1**
- ◆ **Shares of Globe Life** lost more than half their value after a short seller alleged a range of financial misconduct at the insurance company. **B3**
- ◆ **Advertising group** Publicis said first-quarter revenue continued to grow and beat expectations, helped by new business and what it called a clear rebound in the tech sector. **B3**
- ◆ **Constellation Brands** posted better-than-expected quarterly sales, boosted by strength in its beer brands. **B2**
- ◆ **The ECB gave** the clearest indication yet that it could cut interest rates in June, signaling a possible divergence from the Fed. **A16**

### World-Wide

- ◆ **Israel is preparing** for a direct attack from Iran on southern or northern Israel as soon as the next 24 to 48 hours, a person familiar with the matter said, but a person briefed by the Iranian leadership said Tehran had yet to decide on any strike. **A6**
- ◆ **Shohei Ohtani's** interpreter Ippei Mizuhara was charged with unlawfully transferring \$16 million from the baseball superstar's bank account to pay gambling debts Mizuhara ran up with an illegal bookmaker. **A12**
- ◆ **The U.S. and Russia are** using a confidential channel to discuss a potential prisoner exchange that could include jailed Wall Street Journal reporter Evan Gershkovich, a senior Russian diplomat said. **A7**
- ◆ **Russia launched** a major missile-and-drone assault on Ukrainian power stations, part of a new campaign to exploit delays in Western aid for Kyiv to press Moscow's advantage in the war. **A7**
- ◆ **Biden was losing support** among Black men, according to a recent Wall Street Journal poll, presenting him with another challenge. **A4**

- ◆ **Baltimore's port boss** said he is planning for the resumption of operations ahead of the expected May reopening of the channel blocked by the collapse of the Francis Scott Key Bridge. **A3**
- ◆ **A panel that reviews** foreign investment will get new powers to obtain information and levy higher fines under a proposal from the Treasury Department. **A5**

### JOURNAL REPORT

Golf: It's in a Boom. Can It Last? **R1-12**

CONTENTS	
Mansion.....	M1-14
Arts in Review A10-11	Markets..... B9
Business & Finance B2-35	Opinion..... A13-15
Capital Account..... A2	Sports..... A12
Crossword..... A11	Technology..... B4
From Page One..... A9	U.S. News..... A2-5
Heard on Street..... B10	World News..... A6-8 6



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## Centuries Later, Pompeii Yields New Discoveries



**STUFF OF MYTHS:** Archaeologists excavating new sites as part of a project to shore up the ancient city, destroyed when Mount Vesuvius erupted in A.D. 79, have uncovered a banquet hall decorated with frescoed characters inspired by the Trojan War. **A16**



## Israel Wins Battles But Risks War Loss

Strategic Gaza goals still unmet despite tactical ground gains; Netanyahu criticized

By Marcus Walker  
And Shayndi Raice

TEL AVIV—For six months, Israel's military has won battle after battle against Hamas. But as the fight loses momentum and postconflict plans fail to gel, Israel is facing the prospect of losing the war. The invasion of the Gaza Strip is stalling. Most Israeli troops have gone home. Hamas is returning to areas that previously had been cleared of militants.

International pressure and the challenges of taking on fighters burrowed into a civilian population have combined to impede efforts to root Hamas out of the enclave's refugee-packed south.

That has frustrated Israel's central publicly stated war aim: to kill Hamas's leaders and destroy the radical Islamist militant group as a military and political force.

Some military and political leaders blame Israeli Prime Minister Benjamin Netanyahu's failure to promulgate a plan for postwar Gaza, saying it left a political vacuum that the radical Islamist group is exploiting to rebuild its influence in the strip.

Israel's military is growing increasingly frustrated about the government's indecision. Without a political plan for Gaza, tactical wins won't add up to any lasting strategic gain, said current and former senior officers and soldiers who spent months in hard urban combat.

Please turn to page A6

◆ **Fears grow over fate of Gaza hostages.....** A6

## Cost of Owning a Home Soars

Rising insurance premiums, property taxes show little sign of abating

By Nicole Friedman

Darren Gondry has owned his four-bedroom home near a golf course in Louisville, Ky., since 2004. He and his wife, Lori Gondry, paid off their primary mortgage in 2021. That hasn't stopped other bills associated with homeownership from piling up. Their home insurance costs have risen 63% in two years. Their property taxes, utility costs and homeowners' association fees have risen in recent years, too. "I was so sticker-shocked," Gondry said of the mounting home-cost increases. "I fear they're here to stay." Homeownership affordabil-

ity fell to its lowest level since the 1980s last year as mortgage rates reached a 23-year high and home prices set new records.

Borrowing costs have eased somewhat this year, with the average rate for a 30-year home loan down about a percentage point since October. But other prices related to homeownership keep rising and show little sign of abating.

Property taxes and home-maintenance costs are climbing in much of the country. Non-mortgage costs including property taxes, maintenance, utilities and insurance make up more than half of homeowners' overall costs, according to a 2022 analysis by Fannie Mae economists.

Worst of all, home insurance premiums are soaring. Rates rose by more than 10% on average in 19 states in 2023 after a series of big payouts

related to floods, storms, wildfires and other natural disasters across the U.S., according to an Insurance Information Institute analysis of data from S&P Global Market Intelligence. More Americans also moved to disaster-prone areas in recent years, increasing the exposure to these events.

Escalating costs on multiple fronts mean that many first-time buyers will continue to find homeownership a financial stretch.

Consumer prices rose 3.5% in March from a year earlier, the Labor Department said Wednesday. The stronger-than-expected inflation data could prompt Federal Reserve officials to hold rates at their current level for longer, which could also keep mortgage rates from declining.

The tens of millions of American homeowners who have locked in mortgage rates

Please turn to page A9

## Mortgages Approach 7%

Shifts in expectations for action by the Fed have pushed rates back toward 7%. **A3**

Average rate on a 30-year fixed mortgage



Source: Freddie Mac

## O.J. Simpson Dies at 76



**FALLEN IDOL:** Acquitted of a double murder, he never regained his status. **A3**

## Biden Has Few Tools to Fix Inflation

By Andrew Restuccia  
And Sam Goldfarb

Inflation has emerged as the most intractable domestic policy issue facing President Biden less than seven months before the election—but there isn't a whole lot the White House can do to fix it.

The issue roared back to life this week, undercutting a string of positive economic and political developments that have helped improve Biden's standing in recent polls.

The consumer-price index, a measure of goods and services prices across the economy, rose 3.5% in March from a year earlier, a stronger-than-anticipated inflation reading that was met with exasperation by many of the president's advisers.

The White House moved quickly to respond, issuing a statement from the president that acknowledged the federal government has "more to do to lower costs for hardworking families." Behind the scenes,

administration officials said there was no magic bullet to slow rising prices immediately, an issue that has dogged the president for years.

For now, officials said, Biden and his senior aides aren't planning any major policy or rhetorical shifts. They plan to continue talking about the president's proposals to lower the cost of housing and prescription drugs, while slashing student-loan debt and eliminating surcharges tacked on to everything from concert

tickets to banking services.

"Our agenda to lower costs on behalf of working families is as urgent today as it was yesterday," said Jared Bernstein, chair of the White House Council of Economic Advisers. "We're just going to keep our heads down and continue fighting to lower costs." While a White House official said that inflation

Please turn to page A4

◆ **Rate cuts now a matter of if, not when.....** A2

## Generations Split Over Temu Deals

Chinese e-retailer hooks mom and dad; kids mock

By Chavie Lieber

LaTonya Mullins-Mobley was surfing the web for Arizona Cardinals gear when she stumbled across an ad for Temu, the Chinese online-marketplace app known for ultra-discounts. She couldn't believe the low prices.

These days, Mullins-Mobley, who is 53 and works for a cellphone carrier, jokes that she's "having an affair" with the app. She buys clothing, including T-shirts with Bible quotes for her daughter. She started a sunglasses company, picking up pairs from Temu for \$3 and selling them for around \$15.

Please turn to page A9

## Boeing Didn't Disclose All Executive Jet Perks

By Andrew Tangel  
And Mark Maremont

An internal Boeing review found that Chief Executive David Calhoun and other top executives took personal trips worth more than \$500,000 on the company's private jets and other planes that were improperly recorded as business travel.

The review and correction, which Boeing disclosed in a securities filing, was prompted by a Wall Street Journal investigation last year into the executives' use of the company's fleet of private jets, people familiar with the matter said.

Boeing's review found that some flights by the executives in 2021 and 2022 "were not previously classified as perquisites by the company but should have been classified as such in accordance with SEC rules and guidance," the company said in its proxy filing on April 5.

Executives may dart between their residences, work sites and personal destinations such as vacation spots with portions of the trips being officially counted as personal or business trips. In general, a private jet flight taken for commuting purposes may be considered a perquisite, and thus a taxable event, while flights between two company offices may not be. The pandemic and more time spent working from home have complicated the matter.

When executives use a company jet for personal travel, it typically counts as taxable income. The Internal Revenue Service said earlier this year it will begin auditing dozens of companies over the personal use of corporate jets by executives. The Securities and Exchange Commission and IRS have different reporting requirements for personal jet flights.

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