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What's News

Business & Finance

- ◆ **Inflation eased again** in January but came in above Wall Street's expectations, clouding the Fed's path to interest-rate cuts and potentially giving the central bank breathing space to wait until the middle of the year. **A1**
- ◆ **Major U.S. stock indexes** fell after the release of the inflation data, with the S&P 500 and Dow both retreating 1.4% and the Nasdaq sliding 1.8%. **B1**
- ◆ **Walmart is in talks** to buy smart-television manufacturer Vizio for more than \$2 billion, according to people familiar with the matter. **B1**
- ◆ **Pete Distad, a former** top Apple executive, is among the leading candidates for CEO at the new sports streaming venture from Disney's ESPN, Fox and Warner Bros. Discovery. **B1**
- ◆ **Copilot testers said** Microsoft's artificial-intelligence assistant for its bestselling software is useful, but often doesn't live up to its price. **B1**
- ◆ **Instacart will cut** about 250 employees, or roughly 7% of staff, as the grocery-delivery firm focuses on profitability. **B2**
- ◆ **Oil refiner Phillips 66** named former Cenovus executive Robert W. Pease to its board, bending to pressure from activist investor Elliott. **B3**
- ◆ **Lyft shares soared** as much as 60% in after-hours trading after its earnings release accidentally added an extra zero to a key profitability metric. **B4**
- ◆ **MSCI will drop** dozens of companies from its benchmark China index after a prolonged selloff in that market. **B13**
- ◆ **BlackRock launched** a program to let individual investors have a say in how their proxy votes are cast. **B8**

World-Wide

- ◆ **House Republicans** impeached Homeland Security Secretary Alejandro Mayorkas on a largely party-line vote, succeeding on their second try after an embarrassing defeat last week. **A1**
- ◆ **The Senate passed** a \$95.3 billion package backed by Biden that contains a fresh round of aid for Ukraine and funds for Israel and Taiwan, overcoming Republican objections but facing an uncertain future in the House. **A1**
- ◆ **Democrat Tom Suozzi** won a special election for the U.S. House in New York, a signal that his party can withstand GOP attacks on immigration in swing districts. **A3**
- ◆ **The Biden administration** is considering changes to its Covid-19 recommendations, which suggest the ill isolate for at least five days, following the adoption of new timelines by Oregon and California. **A3**
- ◆ **In Pakistan, a coalition** government led by the party of former Prime Minister Nawaz Sharif was announced, a sharing arrangement that excludes the party of jailed opposition leader Imran Khan. **A5**
- ◆ **CIA Director Burns** ended negotiations with top Middleast officials without making major strides toward a deal between Israel and Hamas that would free hostages and pause fighting in the Gaza Strip. **A5**
- ◆ **Ukrainian officials** presented fresh claims that Russian forces are using satellite internet terminals made by Elon Musk's SpaceX. **A6**
- ◆ **Died: David Bouley, 70,** haute cuisine chef. **A4**

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Inflation Clouds Rate-Cut Path

Stock market drops as consumer prices in January came in above expectations

By JUSTIN LAHART AND NICK TIMIRAO

Inflation eased again in January but came in above Wall Street's expectations, clouding the Federal Reserve's path to rate cuts and potentially giving the central bank breathing space to wait until the middle of the year.

The Labor Department reported Tuesday that consumer prices rose 3.1% in January from a year earlier, versus a

December gain of 3.4%. That marked the lowest reading since June.

Still, the consumer-price index was higher than the predicted 2.9%, a disappointment for investors who hope the Fed will cut rates sooner rather than later. Rate cuts tend to help stock prices by boosting economic activity and reducing competition from bonds for investor dollars.

The release gave a nasty jolt to markets. Stocks fell sharply and bond yields rose. The Dow Jones Industrial Average slid more than 500 points, or about 1.4%, its worst one-day decline since March. For all three major U.S. stock indexes, it was their worst performance on a

CPI release day since September 2022, according to Dow Jones Market Data.

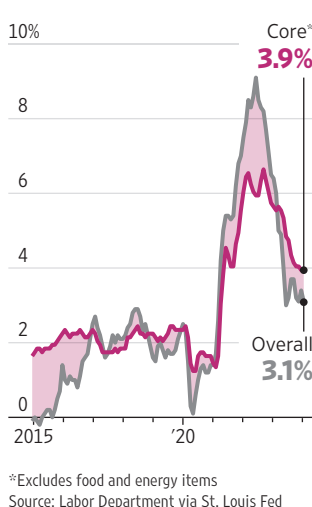
The yield on the 10-year Treasury note rose to 4.315%, bringing it to its highest level since the end of November.

For many investors, Tuesday represented a realization: Disinflation was easy in 2023, when inflation fell from 6.4% at the start of the year to 3.4% in December. That this happened without the widely anticipated rise in unemployment or even recession came

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- ◆ **Cost of car ownership squeezes budgets.....** A2
- ◆ **Stocks sink after inflation setback.....** B1

Consumer-price index, change from a year earlier



*Excludes food and energy items
Source: Labor Department via St. Louis Fed

The Feathered and Fun-Loving Toast Mardi Gras



CARNIVAL COLORS: Amid parades and street parties, revelers danced and took selfies in Jackson Square in New Orleans during Mardi Gras celebrations on Tuesday, the last day before Ash Wednesday and the start of the Christian period of Lent.

Israeli Offensive Looms Over Crisis in Rafah

War drove more than a million people into a corner of Gaza, where aid bottlenecks leave them short of food and water

By MARGHERITA STANCATI AND ABEER AYYOUB

JERUSALEM—Rafah, on Gaza's southern edge, is now a city of tents, and the epicenter of one of the worst humanitarian disasters in years.

Yet a deadly mix of war, politics and logistics is choking off emergency aid, and the scale of suffering has raised international pressure on Israel ahead of an anticipated offensive.

More than 1.3 million civilians, which amounts to over half of the Gaza Strip's population, have fled fighting in the Palestinian enclave and crowded into Rafah, normally home to about 300,000 residents.

Families shelter from rain and cold beneath plastic sheets strung up along roadsides. Tents from international donors have been sold for \$500 on the black market by families desperate to raise money for food. People make fires with plastic refuse to bake flatbread.

Four months into Israel's invasion of Gaza, many residents say they haven't received any aid. "We have to buy every single thing. We pay so much money just for food each day. We don't have cooking gas. When

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- ◆ **Gaps remain in cease-fire negotiations...** A5
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More People Are Unattached—That's Good for Valentine's Day

Self-gifting is on the rise as consumers enjoy empowerment of treating themselves

By SUZANNE KAPNER

This Valentine's Day, more people are saying "I love you"—to themselves.

Self-gifting is on the rise for Cupid's holiday as more consumers grow tired of receiving duds from their spouse or significant other, enjoy the empowerment of treating themselves or celebrate the single life. It's yet another way Feb. 14 is getting a makeover when nearly half the U.S. adult population is unmarried and many say they aren't looking for a romantic relationship. The trend is a boon for re-

tailers and could help reverse sagging Valentine's Day sales. Larger companies such as Target and Etsy to smaller jewelers and lingerie sellers are switching up marketing messages and creating special collections to emphasize self-gifting.

Lena Parsell, an art director in Philadelphia, received a pair of gray wool socks from her husband for Christmas that were so bulky and itchy that they became a magnet for her cat, who bit her toes when she wore them around the house. "My husband is amazing, but he has trouble figuring out my taste," Parsell says. Please turn to page A8



Blooming solo

INSIDE



SAEED KHAJAVI/AGENCE FRANCE-PRESS/GETTY IMAGES

SPORTS

The U.S. women's soccer league is paying up to lure top foreign players. **A12**

BUSINESS & FINANCE

Walmart is in talks to buy smart-TV maker Vizio for more than \$2 billion. **B1**

Senate Passes Aid For Ukraine, Israel

By SIOBHAN HUGHES AND LINDSAY WISE

WASHINGTON—The Senate passed a \$95.3 billion package backed by President Biden that contains a fresh round of aid for Ukraine and funds for Israel and Taiwan, overcoming Republican objections but facing an uncertain future in the GOP-run House.

The Senate's 70-29 vote marked a victory for proponents of a muscular role for the U.S. in foreign affairs, for the moment elbowing aside isolationist forces in Congress. The bill's passage puts the spotlight on House Speaker Mike Johnson (R., La.), who has indicated the measure will need changes,

potentially including provisions tightening the U.S. southern border, to stand a chance of becoming law.

The passage in the Democratic-controlled chamber comes at a critical moment for Ukraine, which has been running short of supplies and military forces after a failed counteroffensive against Russia last year. Twenty-two Republicans joined almost all Democrats in supporting the bill. Three members of the Democratic caucus who have expressed concerns

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- ◆ **Kremlin keeps POWs' families in the dark.....** A6
- ◆ **Ukraine cites Arab ties to Russia, Starlink.....** A6

Texas Oil Driller Banks Big Deal, With Regrets

By BENOÎT MORENNE

Autry Stephens, one of the last Texas wildcatters, is about to become one of the richest men in the world. He isn't sure how he feels about it.

On Monday, he said he would sell Endeavor Energy Resources, the company that sprang from a well Stephens drilled 45 years ago, to Diamondback Energy in a \$26 billion stock-and-cash deal. Most of the proceeds will go to him and his family, yet Stephens was somber. "There is certainly some sadness on my part," Stephens said Sunday, hours before the sale was announced.

The oilman for years held out on selling Endeavor, long viewed as one of the gems of the Permian Basin in West Texas and New Mexico, turning down oil behemoths including

Exxon Mobil. Stephens loved running the company, where many employees spent their whole careers. "I'll miss the people there," he said. "It was kind of a little family."

In the end, what persuaded the 85-year-old billionaire to cash out was a cancer diagnosis. The treatment left Stephens physically diminished and ready to sell. "That was a big factor in this decision," he said.

The tie-up concludes a 62-year career that spanned the rise of the Organization of the Petroleum Exporting Countries, the feared decline of U.S. crude production and its resurgence with the shale boom.

Stephens is joining the ranks of private oil companies that are cashing in on shale riches, including CrownRock, which is led by Timothy Dunn and

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