

# THE WALL STREET JOURNAL.

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Last week: DJIA 39807.37 ▲ 331.47 0.84% NASDAQ 16379.46 ▼ 0.3% STOXX 600 512.67 ▲ 0.6% 10-YR. TREASURY ▲ 6/32, yield 4.192% OIL \$83.17 ▲ \$2.54 EURO \$1.0798 YEN 151.33

## What's News

### Business & Finance

◆ **The continued run up** in the share prices of four of the big tech firms known as the Magnificent Seven represents a bullish signal, some investors said, even as the other names faltered or fell. **A1**

◆ **A number of foreign** executives have been refused permission to leave China under exit bans that apply not to people accused of a crime but to those involved in civil litigation, usually business disputes. **A1**

◆ **Some of the biggest** U.S. companies in artificial intelligence asked their Taiwanese manufacturing partners to step up production of AI-related hardware in Mexico, seeking to diminish reliance on China. **B1**

◆ **Cognition Labs**, a startup developing an AI tool for writing code, is in talks with investors to raise funding at a valuation of up to \$2 billion. **B3**

◆ **“Godzilla x Kong: The New Empire”** notched the second-biggest domestic weekend opening at the box office of a movie so far this year. **B2**

◆ **Social-media startup** Discord plans to start showing advertisements on its free platform in the coming week after long dismissing them. **B3**

◆ **Tupperware delayed** its annual results due to internal control issues and a shortage of accountants. **B12**

◆ **China’s manufacturing** sector returned to expansion in March after five months of decline, adding to signs of a stabilizing economy. **A9**

◆ **Rite Aid reached** deals to hand ownership of the bankrupt drugstore operator to creditors and settle lawsuits over its alleged role in overprescribing opioids, court papers showed. **B12**

### World-Wide

◆ **A secret memorandum** that expanded intelligence sharing with Israel after the Oct. 7 Hamas attack has led to growing concerns in Washington about whether the information is contributing to civilian deaths, people familiar with the issue said. **A1**

◆ **Pressure is building** on Netanyahu over tough decisions that could strain the prime minister’s coalition and threaten his grip on the management of Israel’s war with Hamas. **A8**

◆ **Turkey’s main** opposition party was poised to control most of the country’s largest cities while claiming a surprise victory in local elections that represent a rebuke to President Erdogan, reflecting discontent with the country’s turbulent economy. **A1**

◆ **Engineers began** the complicated and painstaking process of clearing the wreckage of Maryland’s Francis Scott Key Bridge after it was struck by a ship and collapsed. **A3**

◆ **Some U.S. lawmakers** backing a crackdown on TikTok worry that overly broad Senate changes to a House proposal to ban the app or force its sale could significantly delay the effort or derail it altogether. **A5**

◆ **A congressional race** in Iowa is testing whether the national uproar over in vitro fertilization will help Democrats win in November and potentially tip control of the House in their favor. **A4**

◆ **Business owners** are resisting the Republican state lawmakers who are trying to deter migrants from illegally entering the U.S. by making it tougher for them to find work. **A6**

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## Easter Seals a Spring Awakening With Peeps



**EGG-CITING ENTOURAGE:** Revelers wearing decorated hats and costumes participated in the annual Easter Parade and Bonnet Festival in front of St. Patrick’s Cathedral on Fifth Avenue in New York City on Sunday.

## Wall Street’s Magnificent Seven Narrows to Become the Fab Four

By HARDIKA SINGH

The Magnificent Seven trade is beginning to fizzle—and yet, the stock market is still heading higher.

The S&P 500 climbed 10% in the first quarter, its best start to a year since 2019, even though two of its biggest constituents suffered double-digit percentage declines. Apple shares fell 11% in the first three months of the year, while Tesla dropped almost 30%. Alphabet shares sputtered for much of the period before making a run in the past three weeks and ending up 8%.

The other four big tech stocks in the group known as the Magnificent Seven—Nvidia, Meta Platforms, Microsoft, Amazon.com—continued their runs and outpaced the broader market. Some market strategists have dubbed them the new Fab Four.

Some investors said it is a bullish signal that the market is still rallying without the likes of Apple and Tesla because it means other groups are taking part. All of the S&P 500’s sectors, except real estate, logged gains in the first quarter. Smallcaps, industrial and financial-services stocks are among

those that jumped, fueling bets that the broader market might have more room to run.

Much of the enthusiasm is tied to hopes that the economy has escaped a deep recession and that the Federal Reserve will soon pivot to cutting interest rates, even if not at the pace some investors had previously hoped. A frenzy over the future of artificial intelligence has added to the zeal.

“If you’d have told me eight weeks ago that Apple and Tesla would be down as much as they are, oh and by the way, you’re punting when you’re going to do the rate cuts and

you’re getting less rate cuts, I would have assumed the market would be down,” said Ryan Detrick, chief market strategist at Carson Group.

Some investors worry the divergence in the big tech stocks is a sign of exhaustion in the rally and question whether future gains will be harder to achieve from here. The S&P 500’s market value has swelled more than \$9 trillion since late October, and

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◆ **Giant merger deals stage a comeback.....** B1  
◆ **Quarterly Market Review...B6**

## China Uses Exit Bans To Detain Executives

By REBECCA FENG AND ELAINE YU

HONG KONG—A U.S. executive who lives in China went to Shanghai Pudong airport six years ago for a routine business trip to San Francisco. When he tried to cross the border, he was told he wasn’t permitted to leave China.

“You know what you did,” the border officer told him. He tried another airport and got a similar response.

The executive has been stuck in China ever since. He was the target of an exit ban, a legal tool used by Chinese courts that has left numerous foreign executives trapped inside the country—often with no idea when they will be allowed to leave.

The vast majority of exit bans aren’t applied to people accused of a crime but to

those involved in civil litigation, usually business disputes. Even foreign nationals who aren’t personally liable or who left a company years before it got involved in a dispute have been subject to these bans.

China’s government is in the midst of a charm offensive to attract foreign companies and businesspeople after a series of company raids and detentions last year scared off executives and raised serious questions about the risks of doing business in the country.

But Beijing hasn’t attempted to address one of the big risks facing foreigners working in China: the chance they might not be allowed to leave.

The U.S. executive’s story was a textbook case: He had been the general manager of the Shanghai subsidiary of a

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## INSIDE



KEVIN LAMARQUE/REUTERS

### PERSONAL JOURNAL

New data show the best schools for high-paying careers in finance, tech and consulting. **A12**

### BUSINESS & FINANCE

U.S. technology giants ask makers of AI gear to build factories in Mexico. **B1**

## Fatal Fall Tears Apart a Storied British Family

Saga pitted Robert Walmsley’s children against their stepmother

By BENJAMIN KATZ AND JON KAMP

The night before he died, Robert Walmsley and his wife, Alexandra, enjoyed lobster and seared tuna at his favorite restaurant on Cape Cod, where they were spending the summer away from their London home.

Robert, a spry 81-year-old who was a vice admiral in the British navy and helped reshape the country’s military after the Cold War, had played 18 holes of golf that day and

planned to do the same the next. He didn’t walk, he “bounded,” Alexandra later said of her husband, describing him as “fizzing with energy.” Three decades older than his second wife, he once promised her he would live to 100.

They were happy, she said. But friends of the couple said their relationship had never been embraced by his children from a previous marriage—one of whom is Emma Walmsley, CEO of pharmaceutical giant GlaxoSmithKline.

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## Citigroup’s Chief Prankster Doesn’t Wait for April 1

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Jane Fraser’s gags include kidnapped teddy bears, fuzzy robes and skydiving trips

By DAVID BENOIT

In early 2022, Citigroup Chief Executive Jane Fraser startled her senior team with a request: Please sign these waivers to go skydiving.

Executives questioned the sanity of the bank’s leaders all jumping out of a plane. Does the board know, one of them emailed. I’m not sure my heart is healthy enough, another replied.

Karen Peetz, the chief administrative officer hired to repair Citigroup’s relationships with regulators, tried to calm the kerfuffle. She said she’d gone

with her old bank and it was great.

After watching her team squirm for a while, Fraser emailed again: April Fools’.

It was March 31.

Fraser made headlines in 2021 when she became the first woman to run a major U.S. bank. Less well-known is the fact that she has long been one of Wall Street’s biggest pranksters. She co-opted Peetz into the skydiving joke, knowing the others wouldn’t suspect her. And she moved it up from actual April Fools’ Day so it would land better.

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## Turkey’s Opposition Gains in Local Voting

By JARED MALSIN AND ELVAN KIVILCIM

ISTANBUL—Turkey’s main opposition party was poised on Sunday to control most of the country’s largest cities while claiming a surprise victory in local elections that represent a rebuke to President Recep Tayyip Erdogan, reflecting discontent with the country’s turbulent economy.

Istanbul’s incumbent Mayor Ekrem Imamoglu, who is one of Erdogan’s top critics and a possible presidential candidate, led his opponent by 50.4% to 40.7% with more than 86% of ballot boxes opened in the city, Turkey’s state-run news agency reported.

Istanbul is a strategic and

symbolic prize. Sitting astride the Bosphorus that separates Europe and Asia, the city with its 16 million people is a global center of culture and trade and the economic heart of Turkey, accounting for 30% of the country’s total gross domestic product. Erdogan is a former mayor of the city who grew up in one of its working-class neighborhoods.

The opposition CHP took the largest share of the total vote for the first time since the 1970s, leading in 36 provinces, compared with 23 for the ruling Justice and Development party, or AKP, with more than 70% of ballot boxes opened nationwide, according to preliminary results

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## Final Four Takes Shape



TONY GUTIERREZ/ASSOCIATED PRESS

**UPSET:** N.C. State advanced to its first NCAA Final Four since 1983 with an upset win over Duke to join Purdue, UConn and Alabama. **A14**