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

THE WALL STREET JOURNAL WEEKEND

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Economy

Strong

Boosts

Banks'

Results

Consumers and

in earnings at the

largest U.S. firms

businesses drive rise

American consumers and businesses remained on sur-

prisingly solid financial foot-

ing last year, propelling earn-

ings for the biggest banks yet

By Ben Eisen, David

Benoit and Gina Heeb

made \$50 billion in 2023, a re-

cord, as many firms reported

fourth-quarter and full-year

results Friday. JPMorgan, Bank of America, Wells Fargo

and Citigroup together earned

\$104 billion in 2023, up 11%

stronger than executives and

economists predicted when the

Fed started its aggressive rate

increases. Sky-high inflation

has come down without the

U.S. falling into a recession.

The U.S. has continued to grow despite multiple wars abroad and a regional-banking crisis.

"The consumer still has plenty of firepower," said

Alastair Borthwick, chief fi-

nancial officer of Bank of

sentiment about the economy

remains decidedly downbeat.

Inflation is still above normal

◆ Heard on the Street: Banks

can't count on loans..... B12

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At the same time, consumer

The economy has remained

from the year earlier.

JPMorgan Chase said it

again.

What's News

Business & Finance

- ◆ American consumers and businesses remained on solid financial footing last year, propelling earnings for the biggest banks yet again. A1
- ♦ China is sinking deeper into its worst deflation in years, as consumer prices fell for a third straight month in December. A1
- ◆ The Federal Reserve ran an operating loss of \$114.3 billion last year, its largest operating loss ever. A2
- ◆ The S&P 500 ended Friday less than 0.1% higher. The Nasdaq added less than 0.1% and the Dow lost 0.3%. B11
- ◆ Citigroup plans to eliminate some 20,000 jobs by the end of 2026 as part of its restructuring plan. B9
- ♦ Morgan Stanley agreed to pay \$249 million to settle probes into allegations that some employees improperly shared information about clients' stock sales. B9
- ◆ BlackRock has agreed to buy Global Infrastructure Partners for roughly \$12.5 billion in cash and stock. **B10**
- ◆ Tesla plans to halt production at its only large factory in Europe for two weeks because of a lack of parts. B10

World-Wide

- ♦ The U.S. carried out a new round of strikes in Yemen, a day after U.S.-led forces launched naval and air attacks on at least 28 targets controlled by the Houthi rebels, who have vowed to retaliate. A1
- ♦ State officials in Texas are blocking federal Border Patrol agents from accessing a busy section of the U.S.-Mexico border, the federal government has alleged. A3
- ◆ House Speaker Johnson said that he was sticking for now with a budget deal he struck with Schumer. A4
- ◆ The judge in Trump's criminal case in Georgia said that early February was likely the soonest he could schedule a hearing to consider removing Willis. A4
- ♦ The FAA said it would ramp up inspections of Boeing's manufacturing facilities after grounding roughly 170 of the company's jets. A2
- ◆ The DOJ will seek the death penalty against the white supremacist who killed 10 Black people at a Buffalo supermarket in 2022. A3
- ♦ The U.S. and its partners are exploring ways to use frozen Russian funds to back loans to Ukraine. A7

NOTICE TO READERS

WSJ.com and WSJ mobile apps will publish throughout the weekend and on Martin Luther King Jr. Dav. The Wall Street Journal print edition won't be published on Monday.

NOONAN

The voters finally get their say A13

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Crowds in San'a, Yemen, protested Friday against U.S.-led strikes, which targeted Houthi military targets and were carried out in response to the group's attacks on Red Sea shipping lanes. The rebels warned they would retaliate against international targets.

U.S. Launches a New Strike, Defiant Houthis Vow Revenge

By Thomas Grove AND STEPHEN KALIN

The U.S. carried out a new round of strikes in Yemen, a day after U.S.-led forces launched naval and air attacks on at least 28 targets controlled by the Houthi rebels.

On Saturday morning Yemen time, the U.S. struck a Houthi-controlled radar site "designed to degrade the Houthis' ability to attack maritime vessels, including commercial vessels" in the Red Sea, said U.S. Central Command, which oversees U.S. military operations in the Middle East.

The Houthis responded defiantly to U.S.-led strikes against them Friday, saying that the attacks had failed to cause significant damage and that they remained undeterred from launching more actions on U.S. and international targets in the region.

strikes—and fresh promises of retaliation—are cal Council of the Houthis, the latest signs that conflict stemming from the Israel-Hamas war in Gaza is widening across the Middle East, with the Red Sea as a new flashpoint between Washington and the various Iran-backed groups arrayed across the region.

"All American and British interests have become legitimate targets for the Yemeni armed forces in response to the aggression," said a statement from the Supreme Politiwhich controls the capital

Houthi spokesman Mohammed Abdul Salam said more attacks in the Red Sea were imminent: "This isn't going to deter

- ♦ Israel rebuts accusations
- of genocide..... ♦ Oil jumps following strikes on Houthi rebels.

San'a and swaths of territory.

us." The attacks, primarily on shipping lanes, would continue Please turn to page A6

♦ Citigroup to eliminate 20,000 positions

America.

◆ Morgan Stanley settles block-trading probes...... B9

A man leaves a campaign event in Ankeny, Iowa, on Friday. Heavy snow, then bitter cold, threaten turnout for Monday's GOP caucuses, the first presidential-nominating contest.

Trump's Hold on Rural America Is Key to His Success

Outsize support in places like Iowa's Hancock County help propel the former president past legal woes and challengers

doused garlic-scented potion

on his engine, and he pur-

posely parks in a different

spot each night, trying to stay

cheese.

the enemy.

a whisker ahead of

It is as if his car

made out of

"They will find

you," he says, of

rats. "And they all

know each other

and they talk to

Please turn to page A9

have

each other.'

anecdotal reports of critter-

Rodents

By John McCormick

By GINGER ADAMS OTIS

New York, is a sur-

vivor of roughly

four rodent inva-

sions of his car,

which he parks in

a city that is home

to an estimated

he's tried as many

tricks to defend

his ride.

It can feel like

tanite has wrapped his igni-

tion wires in minty tape,

two million rats.

Tom Marion, a theater pro-

fessor at the City University of

GARNER, Iowa-Republican voters in Hancock County largely rejected Donald Trump eight years ago, giving him less than a fifth of the vote in the GOP caucuses. As recently as a year ago, some party faithful here and elsewhere in Iowa seemed eager to move on, saying they were tired of the former president's chaos and liabilities.

Now Trump appears poised to win this county Monday and claim victory in Iowa's

New York Professor Wages Battle

Against Rats Attacking His Car

From hot sauce to hiding, desperate auto

owners try everything to keep out critters

The 62-year-old Manhat- long ravaged automobiles, and

caucuses, powered largely by his overwhelming support among rural voters who see him as the best candidate to advance a populist conservative agenda. That pattern has played out in similar places across the country, helping explain why Trump has a hold over the Republican Party and is the nomination front-runner.

Trump arrives at the caucuses that kick off 2024 nominating contests with baggage that would likely stop any other politician. He faces Please turn to page A10

EXCHANGE



INSIDE VIEW Boeing's manufacturing

mess **B1**

Wary World Watches As Prices Fall in China

By Stella Yifan Xie

HONG KONG—China is sinking deeper into its worst deflation in years as demand falters, spelling trouble for the

With many Chinese worried about the economic outlook and unwilling to spend, consumer prices fell for a third straight month in December, official data showed Friday. Prices charged by manufacturers dropped for the 15th month in a row.

Economists at Morgan Stanley described the situation as the "longest and deepest" deflation in China since the Asian financial crisis in 1998, when countries across

the region overheated and entered recessions that took years to recover from.

Until recently, many Western economists welcomed some deflation in China, because it lowered the cost of imported Chinese goods, helping to ease inflationary pressures elsewhere.

Inflation in the U.S. cooled through most of 2023, though it edged up in December.

But as inflation worries have eased in the West, China's deflation has become a bigger source of concern. It signals continuing economic Please turn to page A8

◆ IPO plan puts Shein in tricky spot......