

# THE WALL STREET JOURNAL.

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DJIA 37683.01 ▲ 216.90 0.58% NASDAQ 14843.77 ▲ 2.2% STOXX 600 478.18 ▲ 0.4% 10-YR. TREAS. ▲ 11/32, yield 4.001% OIL \$70.77 ▼ \$3.04 GOLD \$2,026.60 ▼ \$15.80 EURO \$1.0952 YEN 144.23

## What's News

### Business & Finance

◆ **Offices in the U.S.** are emptier than at any point in at least four decades, reflecting years of overbuilding and shifting work habits that were accelerated by the pandemic. **A1**

◆ **Major U.S. stock** indexes rose, with the S&P 500 and Nasdaq climbing 1.4% and 2.2%, respectively, and the Dow industrials gaining 0.6%. **B11**

◆ **Novartis is close to** clinching an acquisition of Cytokinetics and its promising heart drug, as big pharma companies continue buying fast-growing biotech to replenish pipelines. **B1**

◆ **HPE is in advanced** talks to buy Juniper Networks for about \$13 billion to better position the technology company in the era of artificial intelligence. **B1**

◆ **A breakup over** grocery prices got messier when PepsiCo said that it, not supermarket chain Carrefour, initiated the split. **B1**

◆ **The president** of the National Association of Realtors resigned after allegedly receiving a blackmail threat. **B1**

◆ **J&J will acquire** cancer-treatment developer Ambrx in a \$2 billion cash deal, the companies said. **B2**

◆ **Merck struck a deal** to buy clinical-stage immunotherapy company Harpoon for about \$680 million. **B2**

◆ **Robin Hayes will step** down as JetBlue's CEO as the company waits to find out whether a judge will block a merger with Spirit that he championed. **B2**

◆ **Walgreens agreed to pay** \$360 million to Humana to settle a lawsuit alleging the retail pharmacy chain overcharged for prescription-drug reimbursements. **B2**

### World-Wide

◆ **A senior Hezbollah** commander was killed in Lebanon in what the group said was the second recent Israeli assassination there, while Washington's top diplomat met with Gulf leaders in a tour aimed at preventing a broader war in the Middle East. **A1, A6-7**

◆ **The Vulcan Centaur** rocket launched successfully, but the privately developed Peregrine lunar vehicle it was carrying suffered a propulsion-system failure and won't be able to complete its mission to the moon. **B3**

◆ **Lloyd Austin declined** to inform the White House both times he was hospitalized and transferred authority to run the Pentagon to his deputy, military officials said, episodes that call into question the defense chief's judgment amid heightened tensions in Asia, Europe and the Middle East. **A2**

◆ **A Trump co-defendant** in Georgia accused District Attorney Willis of having an "improper" relationship with a special prosecutor in the case. **A4**

◆ **French Prime Minister** Elisabeth Borne resigned after passage of an immigration bill that was opposed by many in Macron's party. **A16**

◆ **China said it took** into custody a foreign national it accused of being a spy for Britain as Beijing steps up warnings about national security and infiltration across its borders. **A16**

◆ **Polish officials have** resisted cooperating with an international probe into the sabotage of the Nord Stream natural-gas pipelines, European investigators working on the case said. **A16**

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## Michigan Defeats Washington for Championship



**BIG WIN:** The Wolverines returned to the summit of college football with a 34-13 win Monday in Houston. It was Michigan's first national title since 1997. Above, Michigan running back Donovan Edwards runs for a touchdown in the first half. **A12**

## Home, Auto Insurers Jack Up Rates, Pull Back From Markets

By JEAN EAGLESHAM

After Allstate suffered billions of dollars in losses and failed to get the rate increases it wanted, it resorted to the nuclear option.

The insurance giant threatened last fall to stop renewing auto insurance for customers in three states that hadn't given in to its demands, which would have left those policyholders scrambling for coverage. The states blinked.

In December, New Jersey approved auto rate increases for Allstate averaging 17%, and

New York, a 15% hike. Regulators in California are allowing Allstate to boost auto rates by 30%, but still haven't decided on its request for a 40% increase in home-insurance rates after the insurer refused to write new policies.

For many Americans, getting insurance for both their cars and homes has gone from a routine, generally manageable expense to a do-or-die ordeal that can strain household budgets.

Insurers are coming off some of their worst years in history. Catastrophic damage

from storms and wildfires is one big reason. The past decade of global natural catastrophes has been the costliest ever. Warmer temperatures have made storms worse and contributed to droughts that have elevated wildfire risk. Too many new homes were built in areas at risk of fire.

As losses mounted, inflation only made matters worse, boosting the cost of repairing or replacing cars or homes.

Climate change also has made it harder for insurers to measure their risks, pushing some to demand even higher

premiums to cushion against future losses.

"I have never seen the overall market this bad," said Barry Gilway, a 52-year veteran of the industry who retired in 2023 as head of Florida's Citizens Property Insurance, a state-created insurer of last resort that sells plans to people who can't get coverage elsewhere.

Homeowners and drivers are facing sharply rising premiums, less coverage and fewer, if any, choices of insurer. In some places, the only op-

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## Hezbollah Blames Israel for Killing in Lebanon

Death of a senior commander comes as U.S. works to prevent broader war

A senior Hezbollah commander was killed in Lebanon Monday in what the group said was the second recent Israeli assassination there, while Washington's top diplomat met with Gulf leaders in a tour aimed at preventing a broader war in the Middle East.

*By Stephen Kalin, Summer Said and William Mauldin*

Hezbollah said the commander, Wissam Hassan Al-Tawil, was killed in an Israeli attack in southern Lebanon. The Israeli military said jet fighters struck Hezbollah targets in Lebanon after a missile was launched toward northern Israel, but Israel didn't say if Tawil's death was related to the airstrikes or if the commander had been targeted.

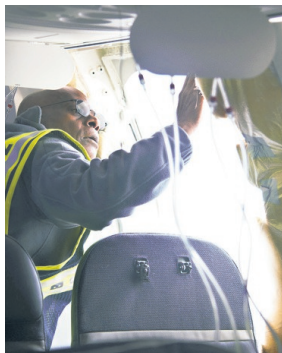
Tawil was a member of Hezbollah's governing Shura Council and was related by marriage to the group's leader, Hassan Nasrallah. But his killing falls short of triggering a second front for Israel during its war with Hamas in the Gaza Strip, analysts said.

The killing of someone as senior as Tawil sends a message to Hezbollah's leadership that it is vulnerable, and it serves as a warning against escalated provocation, said Lina Khatib, director of the SOAS Middle East Institute at SOAS University of London.

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◆ **Increasingly, Gazans have no safe space.....** **A6**

## INSIDE



**U.S. NEWS**  
United, Alaska Airlines find loose parts in inspecting Boeing 737 MAX 9 jets. **A3**



**BUSINESS & FINANCE**  
Tigers Woods and Nike are going their separate ways after a 27-year relationship. **B1**

## Nearly a Fifth of Office Space Sits Vacant, Highest on Record

By KONRAD PUTZIER

U.S. offices are emptier than at any point in at least four decades, reflecting years of overbuilding and shifting work habits that were accelerated by the pandemic.

A staggering 19.6% of office space in major U.S. cities wasn't leased as of the fourth quarter, according to Moody's Analytics, up from 18.8% a year earlier. That is slightly above the previous records of 19.3% set in 1986 and 1991 and the highest number since at

least 1979, which is as far back as Moody's data go.

The record shows how remote work has upended the office market. But that is only part of the story. Much of the market's current malaise traces its roots to the office-market downturn of the '80s and '90s.

That surge in office vacancies in the 1980s and early 1990s followed years of overbuilding. Easy lending fueled a construction boom, particularly in the South where land was cheap and red tape

sparse. Banks often financed speculative office projects that didn't have any tenants signed up.

"The building I built was almost a million square feet—100% empty," said developer Bruce Eichner, who built the Manhattan office tower 1540 Broadway in the 1980s.

The result was a glut of office buildings that couldn't find tenants when the economy went into recession in 1990 as the country suffered from the savings-and-loan crisis.

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## UFO Clubs Aren't So Spacey Now

\* \* \*  
Congressional hearings boost ranks of believers

By ALEXANDER SAEEDY

WINDSOR LOCKS, Conn.—For many years, the Connecticut chapter of America's largest UFO research group investigated alien life on Earth from the shadows. That wasn't by choice—it was because almost nobody ever came to meetings in a suburban basement just outside of Hartford.

But times are changing. Today, the ranks of the Mutual UFO Network of Connecticut have swelled from six to nearly 100, and the meetups are happening in broad daylight. On the first Saturday of every month, several dozen

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## Many Retirees Depend Solely on Social Security

By VERONICA DAGHER AND ANNE TERGESEN

Many people in the U.S. reach retirement with almost no savings. No 401(k). Few investments. And almost no income aside from a monthly Social Security check.

About one in seven Social Security recipients ages 65 and older depend on their benefits for nearly all their income, according to an AARP analysis.

Unable to maintain the lifestyle of their working years, they trim their already trim budgets, move into smaller homes, or rely on the kindness of relatives to get by.

Social Security was never intended to fully support retirees, said Anqi Chen, assistant director of savings research at Boston College's Center for Retirement Research.

In 1940, when the program was new, Social Security re-

placed just more than 20% of a typical worker's income at age 65. As Congress enhanced benefits, the figure rose to about 50% in the early 1980s. It stands at under 40% today, according to Chen.

The average monthly Social Security check is about \$1,900. That doesn't go as far as it once did, said Sandy Markwood, CEO of USAGing, adding that inflation and rising rents have led more older adults to seek help from her nonprofit's Eldercare Locator tool and other organizations that provide support to seniors.

The Wall Street Journal spoke with four retirees who rely mostly on Social Security benefits about their fears, joys and financial challenges.

Though they don't live as comfortably as those fortunate enough to have amassed \$2 million or \$5 million nest eggs, they said they have

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