

THE WALL STREET JOURNAL.

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WSJ.com

★★★★ \$5.00

DJIA 37545.33 ▲159.36 0.43%

NASDAQ 15074.57 0.54%

STOXX 600 Closed (477.60)

10-YR. TREAS. ▲6/32, yield 3.885%

OIL \$75.57 ▲\$2.01

GOLD \$2,058.20 ▲\$1.10

EURO \$1.1045

YEN 142.40

What's News

Business & Finance

◆ **Retailers are bracing** for a wave of postholiday merchandise returns, with returns-services provider Optoro projecting that U.S. consumers will send back \$173 billion of goods between Thanksgiving and the end of January. **A1**

◆ **U.S. retail sales rose** 3.1% from Nov. 1 through Dec. 24, according to Mastercard SpendingPulse, which measures in-store and online sales, reflecting a year marked by higher prices and a strong U.S. job market. **A2**

◆ **Major U.S. stock indexes** advanced to start the holiday-shortened trading week, with the S&P 500 and Dow both gaining 0.4% and the Nasdaq rising 0.5%. **B9**

◆ **Investors piled into** far-reaching corners of global markets in 2023, driving a rally spanning stocks, bonds, gold and cryptocurrencies. **B1**

◆ **Apple appealed** a decision by a federal trade agency that forced it to stop selling two models of its smartwatches after the agency said Apple violated patents of a competitor. **B3**

◆ **Drug company Bristol-Myers Squibb struck** a \$4.1 billion deal to buy RayzeBio in a bet on a re-emerging cancer drug technology. **B3**

◆ **AstraZeneca agreed** to buy Gracell Biotechnologies for a transaction value of \$1.2 billion, as part of AstraZeneca's efforts to grow its cell therapies business. **B3**

◆ **The companies that** install and operate electric-vehicle charging networks are in the middle of a building boom, but their share prices are sputtering. **B1**

World-Wide

◆ **Iran has tripled** production of nearly weapons-grade uranium in a move likely to deepen its confrontation with the West as Tehran helps allied militias to attack Israel and U.S. forces in the region. **A1**

◆ **Israel's war cabinet took** an Egyptian proposal to end the war with Hamas to a wider group of ministers as domestic pressure grows to secure the release of hostages and as regional powers look for a solution to halt the fighting in Gaza. **A8**

◆ **Ukrainian forces struck** a large Russian warship during an air raid on a base in occupied Crimea, dealing another blow to Moscow's Black Sea fleet. **A9**

◆ **Navalny resurfaced** on social media a day after his associates confirmed the jailed Russian opposition leader was traced to a penal colony in the country's Far North almost three weeks after they lost contact with him. **A8**

◆ **The billionaire Koch** family and its network of donors are re-entering presidential politics, opposing Trump and backing Nikki Haley in the 2024 Republican primary. **A4**

◆ **Trump, preparing** for a potential second term, has been stocking an arsenal of protectionist trade measures filled primarily with new levies on imports from China and elsewhere. **A4**

◆ **China hit back** at U.S. criticism of its human-rights record by imposing sanctions on a Los Angeles data-analytics firm and two analysts involved in scouring the country's supply chain for abuses. **A8**

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Boxing Day Hunt Rides On, but Without the Fox



HOOFES AND WOOFES: The Old Surrey Burstow and West Kent Boxing Day event was held in Chiddingstone, Britain, on Tuesday. With fox hunting banned since 2004, modified hunts take place using scented trails for the animals to follow.

U.S. Struggles to Spy on China, Its Leading Espionage Priority

By WARREN P. STROBEL

WASHINGTON—Beijing's spycatchers all but blinded the U.S. in China a decade ago when they systematically rounded up a network of Chinese agents working for the CIA. As many as two dozen assets providing information to the U.S. were executed or imprisoned, among them high-ranking Chinese officials.

The CIA is still struggling to rebuild its human espionage capabilities in China, the agency's top intelligence target, according to interviews with current and former U.S.

officials. The gaps leave the U.S. with limited understanding of secret deliberations among Chinese leader Xi Jinping and his inner circle on key security issues such as Taiwan and other topics, the officials said.

"We have no real insight into leadership plans and intentions in China at all," said a former senior intelligence official who until recently read classified reporting.

Strengthening the human spy network targeted on China is one goal of a titanic, but mostly secret, shift at the CIA and its sister U.S. spy agen-

cies. It comes amid a larger transformation in U.S. security policy away from fighting insurgencies around the world and toward preparing for a possible "great power" conflict with China and Russia.

After two decades of hunting terrorists, the \$100 billion-a-year U.S. intelligence community is retraining personnel, redirecting billions in budgets and retooling expensive spy machinery to focus on those potential adversaries.

The pivot hasn't been simple. Hamas's surprise Oct. 7 attack on Israel and the ensuing war in Gaza, and Russia's

invasion of Ukraine have demanded White House attention and intelligence resources, complicating CIA Director William Burns's drive to ensure China is the top long-term priority. One agency veteran said that handling the two crises, while keeping a sustained focus on Beijing, will test the agency's agility.

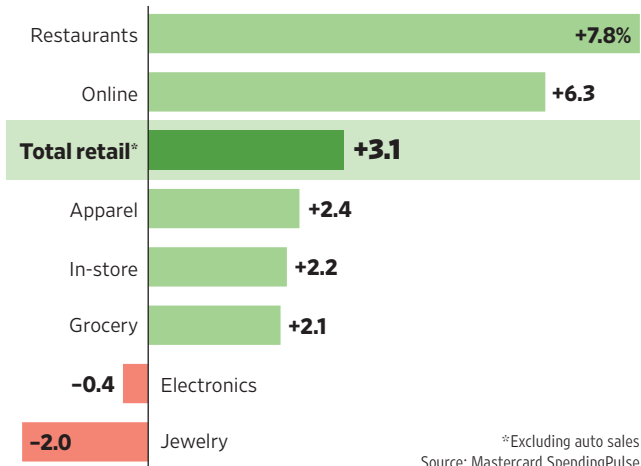
The U.S., which ceded responsibility for monitoring Palestinian militants to Israel in the years following the September 2001 terrorist attacks and like Israel was blindsided by the Hamas assault, has redirected

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Shoppers Keep Spending

Some analysts estimate Dec. 23 topped Black Friday as the biggest sales day of the year, lifted by last-minute buying. **A2**

U.S. retail sales, Nov. 1-Dec. 24, change from 2022



New Wave in Hair Is an '80s Look That Many Would Rather Forget

Thanks, Timothée: Moms who survived perms have teen boys begging for the 'dos

By ANNE MARIE CHAKER

On a recent Wednesday after school, 13-year-old Lukas Winters sat in a hairstylist's chair with half-inch diameter plastic rods placed strategically across his head, a bag clipped over the top.

The eighth-grader at J.R. Gerrits Middle School in Kimberly, Wis., was getting a perm—his second since the beginning of the school year.

"I want it more lifted," he explained while patiently waiting 20 minutes for the Quantum Extra Body solution to sink in. That '80s hair fad some

people hoped to never see again is making a comeback, thanks to teen boys angling for a tousled, just-out-of-bed look that stays perfectly imperfect all day.

"His hair is now more expensive than mine," says Lukas's mother, Wendy Winters, a Home Depot store manager who normally pays \$45 for her own haircuts at Hair by Ali Van-Driel in Menasha. She paid for Lukas's first perm in

August, but told her son to dig into his allowance money to help cover the \$115 this time around. He posted a video of

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The perm returns

Retailers Brace for Returns As Holiday Gift Season Ends

By LIZ YOUNG

BREINIGSVILLE, Pa.—At a brightly lighted desk in this industrial town outside Allentown, Jean Fargas Maldonado carefully pulls a beige-and-white turtleneck sweater from its plastic wrapper and closely eyes every inch of the bulky garment before slipping it into a new bag.

Maldonado then unceremoniously tosses the bag into a huge gray bin, adding to a growing pile of hundreds of similar packages—striped blue scarves, ruby-red shirts and

countless other once-prized purchases—that are headed into the byzantine web of returned merchandise.

Maldonado and dozens of workers at this warehouse run by retail-services company Inmar Intelligence are part of a vast and largely unseen part of the retail economy, the operations that take over when sales go wrong, when gifts are broken or simply unwanted, or when clothing that looked just right in the store falls flat in the mirror at home.

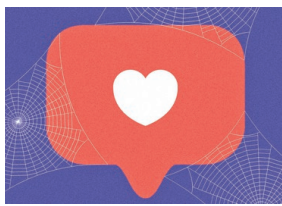
U.S. consumers are estimated to buy more than \$5

trillion of goods this year, making the retail sector a crucial piece of the economy. Yet shoppers last year returned 16.5% of items they purchased online and in stores, valued at nearly \$817 billion and double the percentage of goods returned in 2019, according to the National Retail Federation.

The returns eat into profit margins and force merchants to cope with the unwieldy and unpredictable flow of goods coming back. "We're heading for a trillion dollar problem here," said Tom Enright, a retail ana-

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INSIDE



PERSONAL JOURNAL

Fewer people are posting on social media, as some say the fun has fizzled. **A12**



BUSINESS & FINANCE

A work friendship leads to a lifesaving organ donation. **B1**

College Coaches Favor Giving Athletes Larger Share of Sports' Money

In August, Michigan football coach Jim Harbaugh kicked off one of the most bizarre, dramatic college football seasons in history by do-

By Rachel Bachman, Louise Radnofsky and Tom McGinty

ing something coaches rarely do: He talked about money.

"What I don't understand," Harbaugh said at his first weekly news conference, "is how the NCAA, television networks, conferences, universities and coaches can continue to pull in millions—and in some cases, billions—of dollars in revenue off the efforts of college student-athletes across the country without providing enough opportunity to share in the ever-increas-

ing revenues."

Through the tumultuous season that followed, which included two ongoing NCAA investigations into his program, Harbaugh repeatedly called for football players and other college athletes to receive a portion of sports-related revenue they help universities generate.

Those revenues have surged in recent years, driven by escalating broadcast-rights contracts for football. But the NCAA has long insisted that the amateur status of players is a fundamental feature of college sports, and that amateurs cannot be paid to play. Now Harbaugh and other coaches are echoing what athletes'-rights advocates have said for years—and think they

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