

THE WALL STREET JOURNAL.

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DJIA 38424.27 ▲ 151.52 0.40% NASDAQ 15859.15 ▲ 1.3% STOXX 600 485.24 ▲ 0.5% 10-YR. TREAS. ▲ 13/32, yield 4.266% OIL \$76.64 ▼ \$1.23 GOLD \$1,990.30 ▼ \$2.60 EURO \$1.0729 YEN 150.60

What's News

Business & Finance

- ◆ **Morgan Stanley plans** to cut several hundred jobs in its wealth-management division, an area that is critical to the firm's success but has shown signs of weakening lately. **B1**
- ◆ **Warren Buffett's** Berkshire Hathaway trimmed its flagship position in Apple in the fourth quarter, selling about 1% of its Apple shares. **B1**
- ◆ **U.S. stocks regained** their footing after a selloff sparked by inflation fears a day earlier. The S&P 500, Nasdaq and Dow rose 1%, 1.3% and 0.4%, respectively. **B11**
- ◆ **Japan dropped** a rank to become the world's fourth-largest economy after a weak end to 2023, as growth in tourism spending failed to offset sluggishness in domestic consumption and capital spending. **A16**
- ◆ **Sony raised its** full-year net profit view after third-quarter profit beat expectations, saying it will take steps to drive growth in its entertainment business as it prepares to spin off its financial unit. **B3**
- ◆ **Self-driving car** company Waymo issued its first-ever recall over a software issue after two of its cars in Phoenix collided with a pickup truck that was being towed. **B3**
- ◆ **The QQQ** exchange-traded fund will turn 25 next month, having grown into a \$250 billion behemoth as a tool that investors use to gain broad exposure to big tech stocks. **B1**
- ◆ **Shell said it expects** global demand for liquefied natural gas to grow beyond 2040, driven by industrial demand in China and economic development in South Asia and Southeast Asia. **B2**

World-Wide

- ◆ **Israel said it wouldn't** resume negotiations aimed at halting fighting in the Gaza Strip and the release of hostages until Hamas softens its demands, a setback for the Biden administration's push to secure a deal that could avert an Israeli offensive on the densely populated city of Rafah. **A1**
- ◆ **The U.S.** is investigating several Israeli airstrikes in Gaza that killed dozens of civilians and the possible use by Israel of white phosphorus in Lebanon. **A5**
- ◆ **A probe by the FTC** into recent shortages of chemotherapies and other drugs is examining the role played by companies that help buy and distribute the bulk of medicines sold to U.S. hospitals. **A1**
- ◆ **One person was killed** and more than 20 others suffered gunshot wounds during a mass shooting near Union Station in Kansas City, Mo., where crowds had gathered to celebrate the Chiefs' Super Bowl win, police said. **A3**
- ◆ **With the Senate's** bipartisan immigration deal in tatters, Biden is weighing what he can do unilaterally to curb illegal crossings at the southern border and defuse a politically toxic issue before November's elections. **A4**
- ◆ **Classified intelligence** held by the U.S. relates to a Russian military capability involving incomplete ambitions to develop a nuclear weapon in space, people familiar with the matter said. **A4**
- ◆ **Iranian officials said** explosions that ruptured natural-gas pipelines in two of the country's provinces were a terrorist attack. **A5**

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Christians Around the World Mark Start of Lent



ASHES TO ASHES: Students line up to have their foreheads marked with a cross of ashes during a Catholic Mass in Bogotá for Ash Wednesday, the start of Lent, a period of repentance and penance for Christians that leads up to Easter on March 31.

Drug Shortages Trigger Probe By FTC Into Industry Players

By LIZ ESSLEY WHYTE

The Federal Trade Commission is launching a probe into recent shortages of chemotherapies and other drugs, examining the role played by companies that help buy and distribute the bulk of medicines sold to U.S. hospitals.

The inquiry shines a spotlight on a little-noticed corner of the drug supply chain—but one that can have an outsize impact on stores of critical medicines.

The agency is exploring whether the companies that broker drug purchases for

hospitals, along with the middlemen that ship the medicines, have misused their market power to push down prices of generic drugs so much that some manufacturers can't profit and have stopped production, causing shortages.

The probe is seeking information about a market dominated by a handful of companies. Three groups help purchase drugs on behalf of most hospitals in the U.S., while the three leading wholesalers supply about 90% of drugs to hospitals and other buyers across the country.

In a public request for in-

formation, the FTC is asking about the drug distributors and hospital purchasing groups and their contracting practices, market concentration and compensation as part of the agency's examination of drug shortages and their causes. The agency announced the inquiry on Wednesday.

"For years Americans have faced acute shortages of critical drugs, from chemotherapy to antibiotics, endangering patients," FTC Chair Lina Khan said. "Our inquiry requests information on the factors driving these shortages and scrutinizes the practices of opaque

drug middlemen."

The Healthcare Supply Chain Association, the trade association representing the hospital purchasing groups, has blamed drug shortages on manufacturers' quality problems and said the groups work with hospitals to manage shortages and increase the number of drug suppliers.

The groups "help stabilize the market for generic drugs by working with manufacturers on contracts that provide the certainty and predictable demand they need to remain in the market," HCSA Chief

Israelis Pull Out Of Talks For Gaza Pause

Netanyahu charges Hamas makes 'delusional demands' for hostages' return

TEL AVIV—Israel said Wednesday it wouldn't resume negotiations aimed at halting fighting in the Gaza Strip and the release of hostages until Hamas softens its demands, a setback for the Biden administration's push to secure a deal that could avert an Israeli offensive on the densely populated city of Rafah.

By Dov Lieber, Carrie Keller-Lynn and Thomas Grove

Central Intelligence Agency Director William Burns concluded negotiations with top Middle Eastern officials in Egypt's capital on Tuesday without making major strides toward a deal.

On Wednesday, Prime Minister Benjamin Netanyahu of Israel said he wouldn't send a delegation back to Cairo to continue the talks because Hamas hadn't presented any new offers since he rejected the group's initial proposal last week.

Netanyahu's office said he "insists that Israel will not give in to Hamas's delusional demands." Israel would resume talks if Hamas softened its stance, the statement said.

Israel has resisted Hamas's demands for a permanent cease-fire and a complete withdrawal of its military from Gaza, according to officials fa-

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- ◆ **U.S. probes Israeli strikes on civilians.....** A5
- ◆ **Iran says sabotage caused pipeline blast.....** A5

Baylor's Small But Active Fund Beats Ivy Traders

By JULIET CHUNG

Baylor University traded its way to the top of the university endowment performance rankings last year.

Many universities allocate their money among different assets and adjust periodically. Baylor, led by a former trader, seizes on market moves frequently to boost or cut exposure to its managers.

"The only thing I'm doing is what the market tells me to do: If the market goes up, we take some money back. If the market goes down, we give it money," said investment chief David Morehead. "It is finance 101."

Morehead regularly touts Baylor's performance compared with other endowments to its outside fund managers. He takes particular pride in beating the Ivies, which Baylor has largely done over the past five years despite those endowments' larger staffs. Besides Morehead, Baylor has four investment staffers, all women.

The endowment gained 6.4% for the fiscal year ended June 30, beating all the Ivy League endowments. Over the past five years, its 10.9% annualized return outpaced that of all the Ivies except for Brown University, which notched a 13.3% average annual gain. Baylor ranks in the top 5% of all U.S. endowments for the period, according to Wilshire Trust Universe Comparison Service.

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PERSONAL JOURNAL
Penny-pinching on a cruise ship means saying no to plenty of extras. **A9**



BUSINESS & FINANCE
Buffett's Berkshire Hathaway trimmed its position in Apple in the fourth quarter. **B1**

Tooth Fairy Inflation Is Real: Now Some Drop \$100 Bills, Gifts

Parents are going bigger for the mini milestones, but others are pushing back

By SERENA NG

When her daughter was about to lose her first baby tooth, Kokoa Lawson went to work researching ideas. She wanted to make the tooth fairy experience magical and extra special for her only child.

She gave her daughter a \$100 bill decorated with glitter and tiny removable rhinestones. "She kind of lost her mind when she found it," says Lawson, who lives in Temecula, Calif.

But some cousins were jealous about the tooth-fairy haul and Lawson says she "did get a little pushback from friends."

"I simply said, 'This is just what our tooth fairy does,' and suggested they make it special in their own way for their kiddos," says Lawson, 40, who works as a model and actress. Her outlay dropped to \$20 for subsequent teeth.

The tooth fairy is getting more generous and creative worldwide—and parents are learning how tricky that can be.

Parents already were going big for birthday parties and college acceptances, but now they are increasingly making a splash for smaller milestones, too. Pinterest, the online platform

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EV Revolution Gets A Reality Check

Buyers don't prove as eager as makers

The Michigan plant where the F-150 Lightning electric truck is built used to vibrate with excitement.

By Mike Colias, Nora Eckert and Sean McLain

President Biden visited in 2021 and test drove the blazing-fast pickup. Before the first ones even started rolling off the assembly line in the spring of 2022, Ford said it would expand the factory

to quadruple the number it could build.

That energy is rapidly fading. Ford is cutting the plant's output by half, and workers are relocating to other facilities, mostly those making gas-powered pickups and SUVs.

The sudden change "was a little bit of a shocker," said Matthew Schulte, who inspects trucks at the factory in suburban Detroit. "Reality has set in."

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Oops! Lyft's Big Blooper Puts Stock on Wild Ride

By PREETIKA RANA AND CHELSEY DULANEY

There are many ways for a company to mess up quarterly earnings reports. Lyft this week suffered an eye-popping flub: adding an extra zero to a closely watched profitability measure.

Lyft's earnings release Tuesday said one of its profit margins was expected to expand by 500 basis points—or 5 percentage points—in 2024. That margin was only expected to expand by 50 basis points, the company's chief financial officer later clarified on a call with analysts.

Releasing the earnings report with the error turned a very good quarter into a fantastic one. The company's stock soared more than 60% in after-hours trading, a move

likely exacerbated by trading algorithms that didn't immediately catch that a 5-percentage-point increase in margins might be a mistake.

"It was a bad error, and that's on me," Lyft Chief Executive David Risher said in an CNBC interview Wednesday. He said the company has a process to handle such releases that includes "thousands of eyes" and the extra zero was missed. "Super frustrating for everyone and the team," Risher said.

Still, he said, he didn't want the mistake to take away from the company delivering the best financial quarter in its history. And the market appeared to take notice on Wednesday, with Lyft shares hitting a 52-week high after investors saw the correct version.

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