

THE WALL STREET JOURNAL.

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Last week: DJIA 37863.80 ▲ 270.82 0.7% NASDAQ 15310.97 ▲ 2.3% STOXX600 469.24 ▼ 1.6% 10-YR. TREASURY ▼ 1 20/32, yield 4.145% OIL \$73.41 ▲ \$0.73 EURO \$1.0898 YEN 148.15

What's News

Business & Finance

◆ **Target, Nike, and REI** all complained to city officials about crime in Portland, Ore., and sought help before announcing plans to close stores in the city in 2023, email correspondence viewed by The Wall Street Journal shows. **A1**

◆ **Exxon sued two** sustainable-investment firms to block them from putting forward a shareholder proposal that would commit the oil company to further curb its greenhouse-gas emissions and target its customers' emissions. **B1**

◆ **Citigroup is exiting** the \$4 trillion municipal-bond market early this year after a quarter-century as a top trader of U.S. state and local government debt. **B1**

◆ **An investor that** lodged a \$5.8 billion bid to acquire Macy's threatened to bring the matter to shareholders as the famed department-store chain said it had rejected the offer. **B1**

◆ **Archer Daniels Midland** placed its chief financial officer on administrative leave as it investigates accounting practices centering around its nutrition business. **B3**

◆ **After a door-plug** blowout on an Alaska Airlines flight, Boeing faces new concerns that added inspections and regulatory scrutiny will sap its output this year. **B1**

◆ **Chinese electric-vehicle** maker BYD is moving into the luxury market, having overtaken Tesla in overall EV sales with a range of affordable cars. **B3**

World-Wide

◆ **DeSantis ended his** presidential bid, a crushing defeat for a figure who once represented the strongest hope for Republicans wanting to move past Trump but one who misread the former president's durability, overestimated his own political skill and struggled through reboot after reboot. **A1, A4**

◆ **The U.S., Egypt and** Qatar are pushing Israel and Hamas to join a phased diplomatic process that would start with a release of hostages and an end to the war in Gaza, diplomats involved in mediating the talks said. **A1**

◆ **Disagreements between** Biden and Netanyahu over the possibility of establishing a Palestinian state after Israel's war with Hamas have spilled into public view, threatening to create a deeper rift between Israel and its biggest ally. **A7**

◆ **Ukraine hit a Russian** fuel terminal on the Baltic Sea, one of its longest-range strikes yet in a growing effort to damage Russia's war economy. **A8**

◆ **More Americans than** ever owe past-due taxes, some because IRS collection efforts were put on hold during the pandemic, which reduced the number of taxpayers paying balances. **A3**

◆ **The IRS is struggling** to sort legitimate claims from bogus ones for the pandemic-era employee-retention tax credit, with many claims that arrived last summer considered particularly suspect. **A3**

JOURNAL REPORT

Artificial Intelligence: Answers to readers' AI questions. **R1-10**

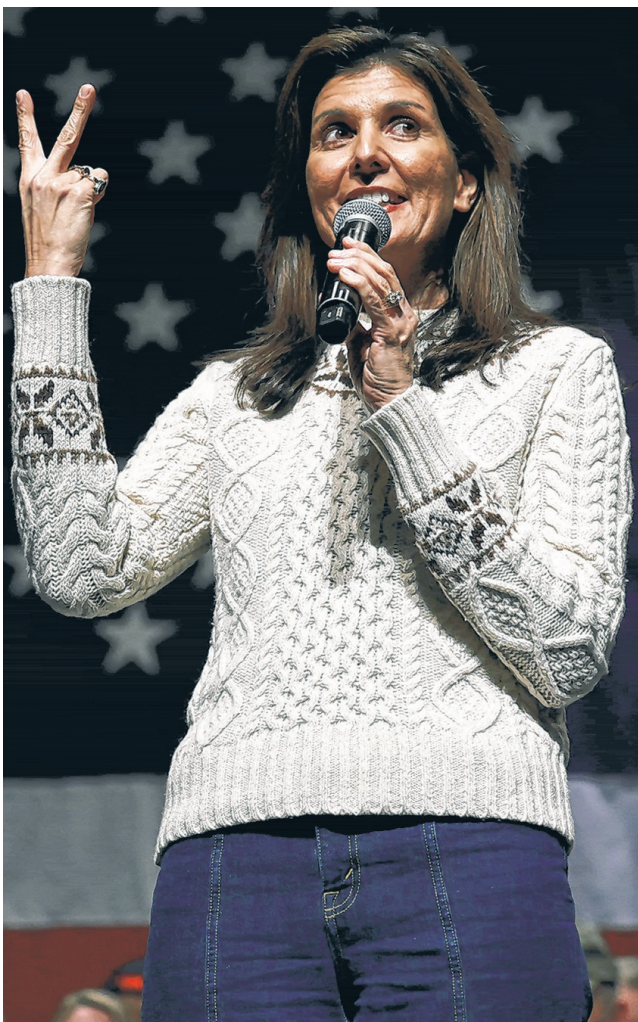
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FROM LEFT: MIKE SEGAR/REUTERS, JOE RAEDLE/GETTY IMAGES



With the GOP nomination battle down to just them, former President Donald Trump and former South Carolina Gov. Nikki Haley campaigned in New Hampshire on Sunday. The state holds its first-in-the-nation primary on Tuesday.

DeSantis Quits GOP Contest, Leaving Field to Trump, Haley

By ALEX LEARY

MANCHESTER, N.H.—Ron DeSantis ended his presidential bid, a crushing defeat for a figure who once represented the strongest hope for Republicans wanting to move past Donald Trump but who misread the former president's durability, overestimated his own political skill and struggled through reboot after reboot.

The Florida governor withdrew on Sunday and endorsed Trump, two days before New Hampshire voters were poised to hand Trump another primary win. Now the race is

down to Trump and Nikki Haley, a former South Carolina governor, who has been the closest competitor in New Hampshire, even though the former president remains dominant in polls there and the states that follow on the primary calendar.

"I am today suspending my campaign," DeSantis said in a video posted on social media. "It's clear to me that a majority of Republican primary voters want to give Donald Trump another chance." He said he was endorsing Trump "because we can't go back to the old Republican guard of yes-

tery, or a repackaged form of warmed-over corporatism that Nikki Haley represents."

The Trump campaign said it was honored by the endorsement, adding, "It is now time for all Republicans to rally behind President Trump" and defeat President Biden, the presumptive Democratic nominee, in November. Susie

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- ◆ **Michigan poses challenge** for Biden..... **A4**
- ◆ **Legal woes complicate** how voters see Trump... **A4**
- ◆ **Stefanik's political shift** puts her in VP running... **A4**



RON DESANTIS CAMPAIGN/REUTERS

Inside Look Shows How Bid to Fight Store Theft Floundered

By INTI PACHECO

Target, Nike, and REI all complained about crime in Portland, Ore., privately before announcing plans to close stores in the city in 2023.

The closures followed months—and in some cases years—of negotiations between company officials and the city over getting additional police patrols near their locations, improving response times and removing homeless encampments, according to emails reviewed by The Wall Street Journal. Ultimately the companies said the city didn't provide enough support and they decided to shutter those locations, emails show.

The correspondence illustrates the behind-the-scenes tensions between the public and private sectors over how to address retail crime. Retailers boost the city's economy, but limited resources hinder local leaders' ability to satisfy the demands of each company. Oregon's largest city has struggled with a rise in violent crimes, homelessness and a decline in its population.

Shoplifting rates in Portland were up 22% in the first half of 2023 when compared with the same period in 2019, according to a Journal analysis of city crime data. The increase in Portland's shoplifting rate over the period was well above the average among 24 cities studied by the Council on Criminal Justice, a think tank.

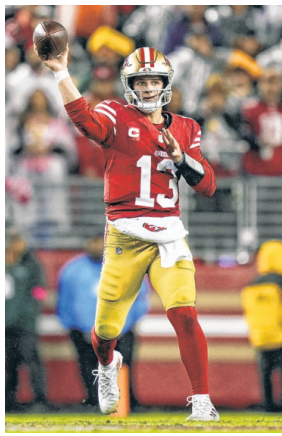
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CARLOS OSORIO/ASSOCIATED PRESS

U.S. NEWS

School shooter's parents face landmark trials on charges of gross negligence. **A3**



SPORTS

49ers pull through at the end in playoff game against the Green Bay Packers. **A14**

Pickleball Players Thwack Back At Silicon Valley Elites

* * *

San Francisco is closing some courts after complaint led by mansion owner; 'hell no!'

By JIM CARLTON

SAN FRANCISCO—Presidio Heights is "a rarefied community where Silicon Valley's elite mingle with affluent families," a real estate description coos. It is also ground zero of the latest pickleball battle in America.

Legions of paddle-wielders are feuding with the denizens of some of the priciest mansions in the country.

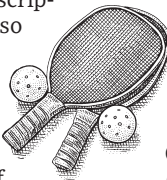
The skirmish started last summer when Holly Peterson, who lives with her husband, venture capitalist and Hotwire.com co-founder Karl Peterson, in a 107-year-old mansion valued at \$29 million,

helped launch a petition asking the city to suspend pickleball in a nearby playground called Presidio Wall: "The endless racket threatens the fragile ecosystem and our community's prestige," the petition argued.

Her roughly 12,000-square-foot, eight-bedroom, Tudor-style home commands views of the Golden Gate Bridge—and of the free public pickleball courts. Peterson's mansion property also includes its own private pickleball court, a fact derided by some pickleballers.

"It's unbelievable that someone has a pickleball court in their yard and wants to get a pickleball court shut down,"

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In a pickle

Stocks Face Pressure As Rate Hopes Cool

By ERIC WALLERSTEIN

Wall Street entered 2024 betting this year would be a smooth ride, but an up-and-down start for stocks and bonds suggests the going won't be easy.

Stocks have climbed to records, driven by cooling inflation that has spurred investors to anticipate as many as six interest-rate cuts. Falling rates often boost share prices by reducing the relative appeal of bonds and making it cheaper for companies and consumers to borrow, lifting corporate profits.

But despite Friday's record

close in the S&P 500, the rally in major indexes has stalled in recent weeks—the benchmark index is up less than 2% from where it was a month ago—while the labor market and economy show few signs of slowing. Bond yields have ticked up in the new year after falling sharply at the end of 2023.

This dynamic is prompting some analysts and portfolio managers to warn that further stock gains might be halting because the rate cuts that are

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- ◆ **Outlook: Inflation fight to** lose key player..... **A2**

U.S. Derails China's Influence in Africa

Angola railway project is part of Biden effort to improve commercial ties

By MICHAEL M. PHILLIPS

LUENA, Angola—In 2012, a Chinese state company finished building the train station in this central Angolan town and installed an illuminated computer-controlled board to show departure times and ticket prices. Then the contractors decamped for China and, according to Angolan railway employees, neglected to tell anyone the computer password.

So for more than a decade, the departure board has stubbornly displayed 2012 train times and 2012 ticket prices.

"Over the years we've told clients that the information

is wrong, so they've stopped paying attention to it," said ticket-collector Cahilo Yilenga during the 200-mile run from Luena to Luau, a border town where the tracks cross a trestle bridge and disappear into the Democratic Republic of Congo.

China's missteps along the vital rail corridor have helped create a surprise opening for the U.S., which finds itself suddenly challenging Beijing's commercial dominance in the unlikelyst of places: Angola, a southern African country once solidly embedded in the Communist bloc and the continent's largest recipient of Chinese

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