

# THE WALL STREET JOURNAL.

DOW JONES | News Corp

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TUESDAY, FEBRUARY 10, 2026 ~ VOL. CCLXXXVII NO. 33

WSJ.com

★★★★ \$5.00

DJIA 50135.87 ▲ 20.20 0.04%

NASDAQ 23238.67 ▲ 0.9%

STOXX 600 621.41 ▲ 0.7%

10-YR. TREAS. ▲ 2/32, yield 4.197%

OIL \$64.36 ▲ \$0.81

GOLD \$5,050.90 ▲ \$99.70

EURO \$1.1917

YEN 155.88

## What's News

### Business & Finance

◆ Investors are moving more money into international stock markets and several global indexes have pulled ahead of major U.S. benchmarks so far in 2026. **A1**

◆ Goldman Sachs, Caterpillar and Apple were among the stocks that led the Dow to its 50,000 milestone last week. **B1**

◆ An extension of the rally in U.S. shares Monday lifted the Dow by less than 0.1% to a record and the S&P 500 and Nasdaq by 0.5% and 0.9%, respectively. **B1**

◆ Consumers' long-term inflation expectations held steady in January, according to a survey from the New York Fed, a positive sign for a central bank that watches sentiment about future price rises closely. **A2**

◆ Shares of Kyndryl lost more than half their value after the company's chief financial officer quit amid a review of accounting practices that followed an SEC inquiry. **B1**

◆ Apollo said it expects to continue to expand its reach into new markets after tapping investors to raise a record \$228 billion in fresh capital last year. **B3**

◆ British bank NatWest is set to buy wealth manager Evelyn Partners for the equivalent of \$3.67 billion including debt to boost its savings and investment offerings. **B3**

◆ The operator of Eddie Bauer stores in the U.S. and Canada filed for bankruptcy, saying it would implement a court-supervised sale process. **B3**

◆ The EU sent a statement of objections to Meta Platforms as part of its investigation into how the company treats rival AI chatbots on its WhatsApp messaging service. **B4**

### Worldwide

◆ The Trump administration is planning this week to repeal the Obama-era scientific finding that serves as the legal basis for federal greenhouse gas regulation, in the most far-reaching rollback of U.S. climate policy to date. **A1**

◆ Congress continued to resist Trump's proposed ban on the purchase of single-family homes by Wall Street investors, frowning at a suggested amendment to a bill before the House. **A3**

◆ An immigration court dropped its case against Turkish graduate student Rumeysa Ozturk a little less than a year after masked federal agents in plainclothes arrested her on a street near Tufts University. **A3**

◆ Trump threatened to block the opening of a nearly completed bridge connecting Canada with Detroit, marking the latest source of political tension between the two countries. **A4**

◆ New York City nurses reached an agreement to end a strike at two big hospital systems and will vote to ratify it this week. **A5**

◆ About 6,000 public schoolteachers in San Francisco went on strike in the city's first such walkout in nearly 50 years. **A5**

◆ Epstein associate Ghislaine Maxwell declined to answer questions from Congress, invoking her right against self-incrimination. **A5**

◆ U.S. forces chased down an oil tanker fleeing the quarantine around Venezuela all the way to the Indian Ocean and captured it to end a monthlong pursuit. **A7**

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## In Subzero Cold, Green Berets Train for Arctic War



**WINTER SOLDIER:** Wall Street Journal reporter Sune Rasmussen joined U.S. Special Forces in a camp in northern Sweden that teaches extreme-cold survival, as the military eyes threats in the Arctic. Scan the code for a video.



## Trump to Upend Emission Rules, Repealing Key Climate Finding

Rollback of '09 policy would scrap federal greenhouse-gas standards for cars

By MERIDITH McGRAW AND BENOIT MORENNE

The Trump administration is planning this week to repeal the Obama-era scientific finding that serves as the legal basis for federal greenhouse gas regulation, according to U.S. officials, in the most far-reaching rollback of U.S. climate policy

icy to date.

The reversal targets the 2009 "endangerment finding," which concluded that six greenhouse gases pose a threat to public health and welfare. The finding provided the legal underpinning for the Environmental Protection Agency's climate rules, which limited emissions from power plants and tightened fuel economy standards for vehicles under the Clean Air Act.

"This amounts to the largest act of deregulation in the history of the United States," EPA Administrator Lee Zeldin said

in an interview.

Environmental groups have said they would challenge a rollback in the courts, and it could be years before litigation is resolved. The administration could decline to enforce rules and fines while this process is ongoing.

The Environmental Defense Fund, a nonprofit advocacy group, has said that rolling back the endangerment finding would "eliminate some of our most vital tools to protect people from the pollution that causes climate change." The group said the administration

was trying to steer Americans toward dirtier, more dangerous and more destructive air.

The final rule, set to be made public later this week, removes the regulatory requirements to measure, report, certify, and comply with federal greenhouse gas emission standards for motor vehicles, and repeals associated compliance programs, credit provisions, and reporting obligations for industries, according to administration officials.

It wouldn't apply to rules governing emissions from

Please turn to page A9

## Chinese Factory in U.S. Clobbers Rivals

Trump wants more foreign investment in America, raising the bar for local firms

By GAVIN BADE

MORAINA, Ohio—President Trump spent much of last year courting foreign investment in U.S. factories, promising to replace jobs lost to the global economy. The rise of a Chinese automotive glass plant in the Ohio heartland shows the risks when America's biggest rival sets up shop.

Ohio's governor, along with state

and federal lawmakers, welcomed Fuyao when the Chinese glassmaking giant took over a closed General Motors factory a decade ago. The project, supported by Ohio taxpayers, was hailed as a step to reviving a battered Rust Belt region. Many now feel duped.

Competition from the Fuyao Glass America plant is threatening about 250 jobs at a rival glass factory operating since the 1950s. Vitro, the company

that owns the longtime plant in Crestline, Ohio, has spent the past year considering whether to shut down, said Carlos Bernal, Vitro's head of automotive glass.

After announcing plans to close the Vitro plant at the end of 2026, the company told employees last month it

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◆ China masters the humanoid robot... **B1**

## Job Seekers Are Paying Recruiters For Help

By LINDSAY ELLIS

Landing a white-collar job is getting so tough that candidates—not companies—are paying recruiters to match them with positions.

Through good economic times and bad, recruiters have usually operated the other way around: Companies pay them to find talent for tough-to-fill positions. Now, though, job seekers are hiring a new crop of what are called reverse recruiters to help them crack a competitive market.

Daniel Bejarano, 36 years old, signed up for reverse-recruiting service Refer last year after receiving an email pitch from the company.

Refer's AI agent connected him with an executive at Golden, a volunteer-management company, which was looking for a platform engineer and data scientist. Bejarano got the offer after several interviews. He then paid Refer 20% of his first month's pay once it landed in his bank account.

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## INSIDE



### WORLD NEWS

Israel assumes new powers to expand its authority, settlements in the West Bank. **A6**



### BUSINESS & FINANCE

Novo Nordisk escalates fight over alleged weight-loss drug knockoffs. **B1**

## Couples Brace for the Apocalypse: A Super Bowl on Valentine's Day

\* \* \*

First-ever overlap has Americans counting down to the ultimate relationship stress test

By ANDREW BEATON

SAN FRANCISCO—Vinny Rinaldi and his wife throw an annual Super Bowl bash at their Pennsylvania home, but when he found out the date of next year's game his heart skipped a beat.

As an executive at Hershey, it's Rinaldi's duty to know im-

portant dates years in advance to understand how it could affect the company's ability to sell chocolates, sweets and sugary confections. And next year's Super Bowl just so happens to coincide with one of the most important days of the year for the candy giant.

For the first time ever, the

Please turn to page A11

## Inside OpenAI Leaders' Decision to Take Down A Beloved AI Model

By SAM SCHECHNER

When Brandon Estrella learned that OpenAI was planning to scrap his favorite artificial-intelligence model, he started crying.

The 42-year-old marketer in Scottsdale, Ariz., had first started chatting with ChatGPT's 40 model in April, when he said it talked him out of a suicide attempt. Estrella now credits 40 with giving him a new lease on life, helping him manage chronic pain and inspiring him to repair his relationship with his parents.

"There are thousands of people who are just screaming, 'I'm alive today because of this model,'" Estrella said.

"Getting rid of it is evil."

Estrella is part of a vocal community of loyal 40 users who are in shock after OpenAI's announcement in late January that it will retire the 40 model permanently on Feb. 13, saying its traffic had dwindled. The change means that paying ChatGPT users, who can pick which model they talk to, will have to select from other models that 40 fans said feel more distant.

The announcement signaled the end of the road for an AI model that proved sticky for users, helping drive OpenAI's fast consumer growth and attracting a set of fans for whom it felt like a friend and confidant. But it has also been criticized for being overly sycophantic toward users and linked by doctors with cases of chatbot users developing psychotic delusions.

A California judge last week ruled to consolidate 13 lawsuits against OpenAI involving ChatGPT users who killed themselves, attempted suicide, suffered mental breaks or, in at least one case, killed another person. A recent lawsuit by the mother of a suicide victim alleges that 40 coached him toward suicide.

"These are incredibly heartbreaking situations and our thoughts are with all those impacted," an OpenAI spokesperson said. "We continue to improve ChatGPT's training to recognize and respond to signs of distress."

At the core, 40's popularity and its potential for harm appear to stem from the same

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## Hunt for Cheaper Stocks Goes Global

High valuations, weak dollar boost bets that U.S. market lead will contract

BY HANNAH ERIN LANG

Investors are increasingly moving more money into international markets after years of making outsize bets on the largest U.S. companies, wagering that America's wide lead on the rest of the world will shrink.

For years, money managers said, the U.S. stock market was viewed as the only game in town. Now that perception is starting to shift.

Their optimism has been boosted by a number of developments abroad, from fiscal stimulus in Japan to a boom in European military spending. Some traders are simply hunting for better deals than the richly priced shares offered at home. Others are hoping to diversify out of major domestic indexes dominated by just a handful of names in the tech industry.

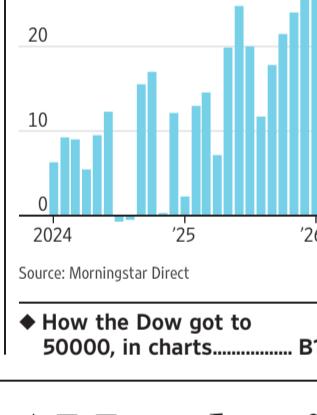
"Right now, we're in a global bull market," said Keith Lerner, chief investment officer at Truist Advisory Services. "It's no longer just a U.S. story."

Several global indexes have pulled ahead of major U.S. benchmarks so far in 2026, including

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### Estimated net flows into international funds

\$50 billion



◆ How the Dow got to 50,000, in charts..... **B1**

## U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

## Big Money Goes to Capital, Not Labor

In 1985, IBM was America's most valuable company, one of its most profitable, and among its largest employers, with a payroll of nearly 400,000.

Today, Nvidia is nearly 20 times as valuable and five times as profitable as IBM was back then, adjusted for inflation. Yet it employs roughly a 10th as many people.

That simple comparison says something profound about today's economy: Its rewards are going disproportionately toward capital instead of labor. Profits have soared since the pandemic, and the market value attached to those profits even more. The result: Capital, which includes businesses, shareholders and superstar employees, is triumphant, while the average worker ekes out marginal gains.

The divergence between capital and labor helps explain the disconnect between a buoyant economy and pessimistic households. It will also play an outsize role in where the economy goes from here.

The brute financial force of all that wealth means market fluctuations, like last week's, matter more for consumer spending. Meanwhile, artificial intelligence could funnel even more of economic output toward capital instead of labor. Last week may be a taste. Amid reports that layoffs are climbing and job openings plunging, especially for professionals exposed to AI, the Dow Jones Industrial Average closed above 50,000 for the first time.

Gross domestic product measures all the value added in the economy. For example, the value added by a manufacturer is its sales minus inputs such as parts and raw materials. That value is then distributed either to labor as wages and benefits, or to capital as profits and interest. Some value added is also allocated to depreciation, the cost of replacing assets as they wear out or become obsolete.

The shift to capital from labor has actually been under

way for more than 40 years. Labor received 58% of the total proceeds of economic output, as measured by gross domestic income (conceptually similar to GDP), in 1980. By the third quarter of last year that had plummeted to 51.4%. Profits' share, meanwhile, rose from 7% to 11.7%.

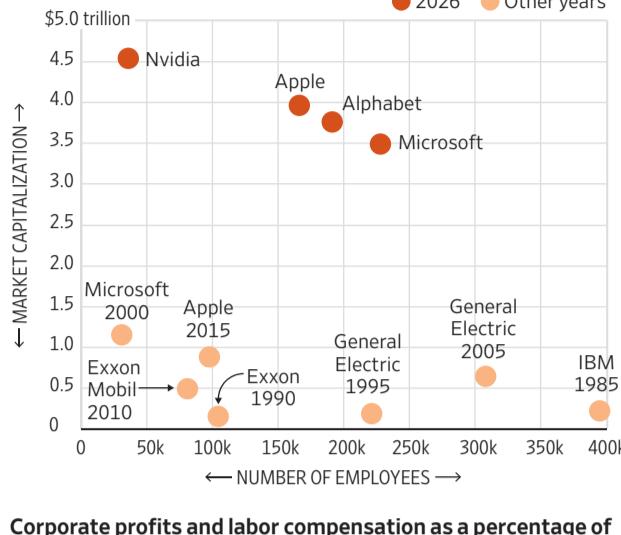
In the 1980s and 1990s, the demise of unions and the spread of outsourcing sapped workers' bargaining power. The nature of capital also changed: Businesses spent less on long-lived buildings and factories and more on computer equipment, software and intellectual property that must be replaced every few years.

And then there is automation. Its impact showed up first in manufacturing as machines, robots and computers took the place of workers. In 1980, 66% of value added in factories went to labor as wages and benefits, said Pascual Restrepo, a Yale University economist. By the 2000s, that was down to 45%.

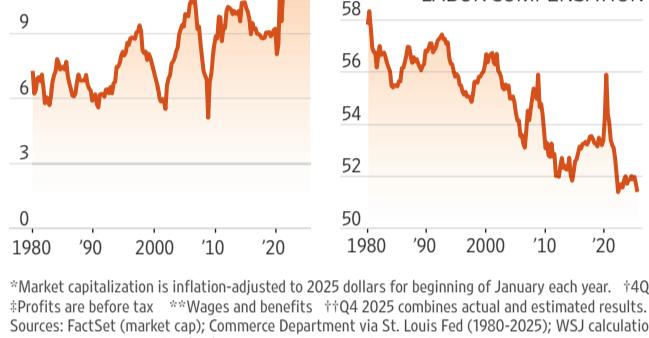
This was great for manufacturing productivity and consumers who got cheaper products. But it meant that workers who might have landed good-paying factory jobs took lower-paid work elsewhere. This can explain about half the drop in labor's share of output between 1987 and 2016, according to a study by Restrepo and Daron Acemoglu of the Massachusetts Institute of Technology.

The Covid-19 pandemic briefly put workers on top as desperate employers bid up wages amid an epic labor shortage. But prices ended up rising almost as much as wages. Profits, after an initial hit, romped to new highs. Meanwhile, big tech expanded its reach. Tech business models today differ fundamentally from those of earlier eras. Their capital consists not of factories, buildings and machines, but algorithms, operating systems, standards and vast, self-reinforcing user networks. Nvidia, unlike IBM in the 1980s, designs but doesn't manufacture its products.

Real market capitalization and number of employees for the largest companies on first trading day of select years\*



Corporate profits and labor compensation as a percentage of gross domestic income



\*Market capitalization is inflation-adjusted to 2025 dollars for beginning of January each year. †4Q 2025 is an estimate.

†Profits are before tax. \*\*Wages and benefits. ‡Q4 2025 combines actual and estimated results.

Sources: FactSet (market cap); Commerce Department via St. Louis Fed (1980-2025); WSJ calculations (4Q 2025) (stockholdings); Commerce Department (profits/compensation); FactSet (S&amp;P 500)

Declining labor share is sometimes attributed to businesses underpaying workers. In fact, it is more due to a shift in the sorts of businesses that dominate the economy. Today's fastest-growing "superstar" companies pay well, but don't have many workers. In the past three years, Google parent Alphabet's revenue has grown 43%, while head count has remained flat.

Ama-zon.com is a major employer because of its fulfillment centers, but even it is eliminating jobs. In such companies, the line between capital and la-

bor blurs. Employees who design the technology are a form of human capital, and are compensated in stock to reflect that. Some corporate acquisitions dubbed "acquisitions" are aimed primarily at talent, such as when

**Meta Platforms** paid \$14 billion for a stake in Scale AI to nab founder Alexander Wang.

Since the end of 2019, just before the pandemic, workers have basically just kept up. After inflation, average hourly wages are up 3%. For workers in aggregate, total compensation is up 8%. Meanwhile, profits have climbed 43%.

Household stockholdings as a percentage of disposable personal income



S&amp;P 500 profit margin



ginal rate, boosts spending capacity as much as an 18% rise in income. No wonder tepid job and income growth aren't holding back the economy.

As the market's latest swings demonstrate, high valuations are precarious. But profit margins aren't going back to 1950s or 1960s levels "any more than the three-martini lunch or unionization will come back to life," Peta wrote in a report.

What happens next? As big tech companies pour hundreds of billions into data centers, they are no longer the cash cows Wall Street loved. They may never earn a decent return on that investment. But what matters in the long run is what their customers do with the models that run on those data centers.

"AI isn't a substitute for specific human jobs but rather a general labor substitute for humans," Dario Amodei, CEO of leading AI model maker Anthropic, wrote last month. "That could lead to a world where it isn't so much that specific jobs are disrupted as it is that large enterprises are disrupted in general and replaced with much less labor-intensive startups."

Markets got a taste of that last week when Anthropic unveiled new tools for sophisticated tasks such as writing legal briefs and synthesizing data, tanking specialized software companies' shares.

Restrepo, the Yale economist, predicted that as companies integrate AI into their operations, a shrinking share of their revenue will go toward labor, as happened with factories in decades past. And, just as blue-collar workers' wages suffered as a result, so will that of white-collar workers displaced by AI.

There will be winners, Restrepo said: workers whose jobs require social skills, proximity, or manual labor, and consumers, who get cheaper products and services. The biggest winners of all? Shareholders.

tucky to recommission and upgrade the facilities.

In addition, administration officials said the Tennessee Valley Authority is expected to soon vote to keep two coal plants operating after they were previously slated to come offline.

The attorney general of states led by Democrats, including Massachusetts, New York and California, in a September comment letter opposed the proposed rescission of the endangerment finding, saying it would violate settled law, Supreme Court precedent and scientific consensus, in addition to endangering the lives of millions of people.

Analysts said that some states might want to step in and enact their own legislation in the absence of a federal standard for regulating emissions. California, for instance, has previously asserted that if greenhouse gas emissions don't fall under the federal purview, then it doesn't need approval from EPA to regulate tailpipe emissions.

The state is the largest car market in the U.S.

Some legal experts note that the U.S. auto industry didn't ask for a reversal of the endangerment finding, and will likely continue to invest in reducing emissions to remain competitive globally and in anticipation of a potential future reversal.



President Trump on inauguration day 2025 signed orders, including one to reassess a finding that greenhouse gases pose danger.

their own set of regulations, which could create new legal exposure for companies.

On inauguration day, Trump signed an executive order directing the EPA to submit an assessment on whether the endangerment finding—which the Obama and Biden administrations used to set greenhouse gas emission limits on vehicles, power plants and large industrial facilities—should be kept in place.

Officials said the rollback would equate to over \$1 tril-

lion in regulation cuts, but they didn't provide details on how they came up with that number. They said that rescinding the finding would result in an average per-vehicle cost savings of more than \$2,400.

Public health and environmental groups have said that federal climate regulations help prevent hundreds of thousands of premature deaths each year and are important to combating climate change.

The rollback of the endan-

germent finding is one of several energy- and climate-related announcements the administration is planning to make this week as part of a broader campaign to address high energy costs. Public polling shows that voters view the high cost of living, including electricity prices, as a primary concern heading into this year's midterm elections.

"More energy drives human flourishing," Interior Secretary Doug Burgum said in an interview. "Energy abundance

is the thing that we have to focus on, not regulating certain forms of energy out."

On Wednesday, Trump is set to hold an event at the White House with Zeldin and Energy Secretary Chris Wright to announce a new executive order that directs the Defense Department to enter into agreements to purchase electricity from coal-fired power plants. The administration will also award funding to five coal plants in West Virginia, Ohio, North Carolina, and Ken-

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## CORRECTIONS &amp; AMPLIFICATIONS

**Kathryn Ruemmler** responded via email to Jeffrey Epstein that she found Louboutins uncomfortable. A Page One article on Saturday about Ruemmler's ties to Epstein didn't include her emailed response to his email saying "I can rectify that" after she said that she didn't own the designer shoes.

Readers can alert The Wall Street Journal to any errors in news articles by emailing wsjcontact@wsj.com or by calling 888-410-2667.

## Long-Term Inflation View Is Steady

By MATT GROSSMAN

Consumers' long-term inflation expectations held steady in January, according to a survey from the New York Fed, a positive sign for a Federal Reserve that closely watches sentiment about future price increases.

Over the next three and five years, consumers said they expect inflation of 3%, unchanged from December, the New York Fed said Monday. One-year in-

flation expectations declined slightly to 3.1%.

Central bankers keep a close eye on inflation expectations because they worry consumers who predict higher inflation may ramp up their spending and demand for higher wages.

Inflation has remained above the Fed's 2% target for nearly half a decade, yet in a reassuring signal for the Fed's credibility, long-run inflation expectations have remained modest.

## U.S. NEWS

# Housing Proposal Hits a Wall In Congress

BY REBECCA PICCIOTTO

The White House is at loggerheads with Congress over one of President Trump's housing proposals, a ban on Wall Street investors buying single-family homes.

Trump officials pressured congressional Republicans in recent weeks to include the investor ban as an amendment in either of the major housing bills winding through the House and the Senate, according to people familiar with the matter.

But lawmakers in both chambers have resisted adding the investor ban, which free-market advocates, Wall Street executives and the home builder industry generally oppose. Any such amendment could derail the bipartisan momentum behind both housing packages that have been in the works for months.

The House passed the bill on Monday evening by a 390-9 vote. The Senate approved similar legislation last fall. The two chambers will look to reconcile their respective bills in the months ahead.

Shortly before the vote, the Office of Management and Budget issued a statement to House members reiterating the administration's insistence on including the investor ban.

The White House and Congress favor different approaches to addressing America's housing crisis, which sent sales last year to a 30-year low. Home values have soared by more than 50% since 2019 and are pricing out many first-time buyers.

The bills in Congress include measures to spur more housing development, from streamlining the building approval process to incentivizing new construction near transportation hubs. Trump, however, has expressed concerns about boosting housing supply because he doesn't want to see home prices fall.

"The White House is pleased with the collaboration coming from both chambers and both sides of the aisle as Congress works toward enactment of a housing package," White House spokesman Davis Ingle said.

Trump announced housing proposals that were more focused on stimulating demand, including instructing the government-backed mortgage-financing companies to buy \$200 billion in mortgage bonds in an effort to lower mortgage rates. The president also moved last month to restrict large investors from buying single-family homes. Single-family home investors own a small slice of the overall housing market, but that still equates to hundreds of thousands of homes.

GOP Rep. French Hill of Arkansas, chairman of the House Financial Services Committee, denied a White House request to add an amendment to the Housing for the 21st Century Act, a package of various proposals to boost housing supply. Instead, the committee added three investor ban bills drafted by House members to its agenda for a Tuesday hearing.

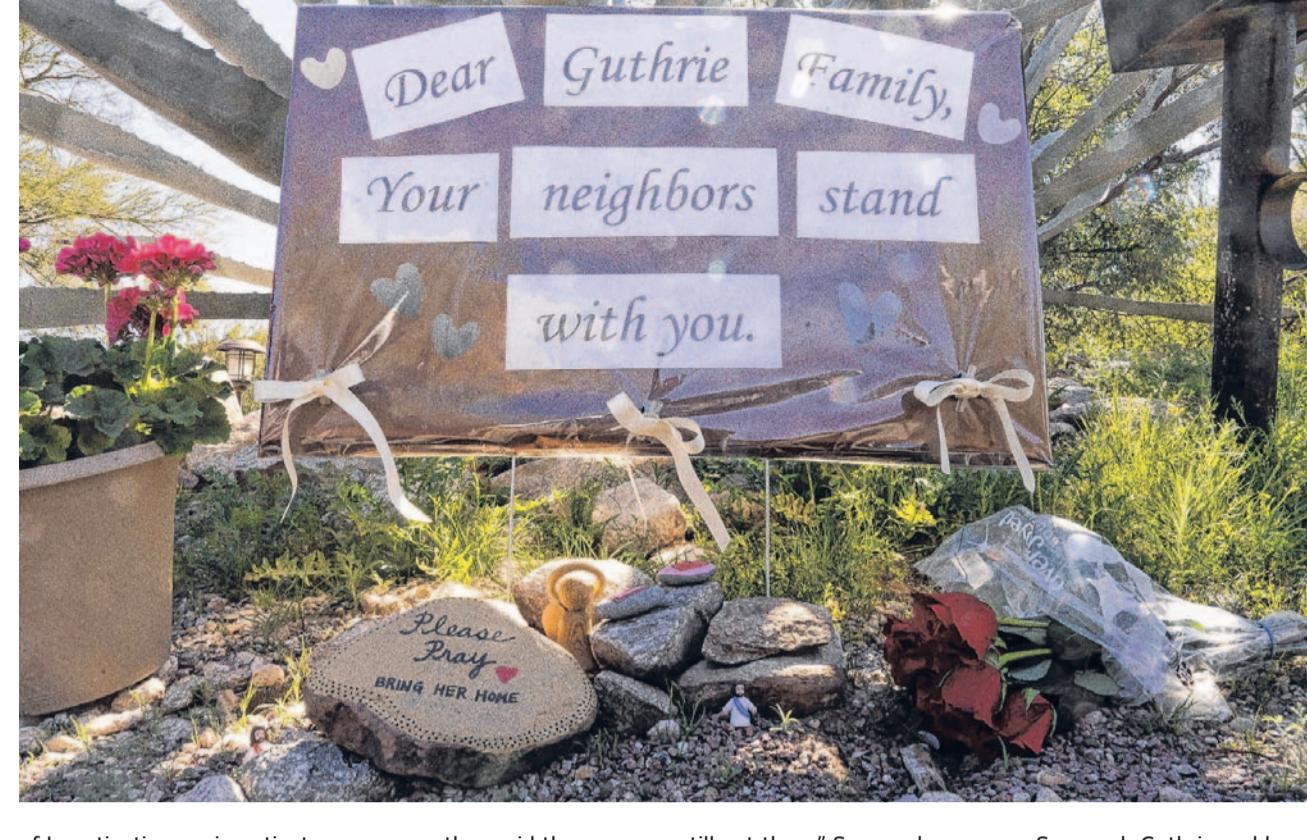
Part of the reason for Hill's denial was that the White House hasn't yet defined who qualifies as a "large institutional investor" and what counts as a "single-family home."



## 'An Hour of Desperation': Guthrie Begs For Help Finding Mom

"Today" co-anchor Savannah Guthrie pleaded for members of the public to help in the search for her missing mother, saying in a video, above, on her Instagram page Monday, "We are at an hour of desperation."

Nancy Guthrie, 84 years old, was reported missing from her Arizona home on Feb. 1. The Pima County Sheriff's Department and the Federal Bureau



of Investigation are investigating her disappearance as a crime. The sheriff's department has said investigators think she was taken from her home against her will.

With the search for Guthrie now in its second week, the public has more questions than answers. Authorities have acknowledged reports of a ransom note with a Monday deadline, as well as a new

message they said they were investigating on Friday.

The sheriff's department and the FBI said Monday that they continue to pursue the case but haven't identified a suspect or person of interest. The FBI said it wasn't aware of any continued communication between the Guthrie family and suspected kidnappers.

"We believe our mom is

still out there," Savannah Guthrie said in her post Monday, her voice cracking with emotion. "We need your help."

"Law enforcement is working tirelessly, around the clock, trying to bring her home, trying to find her," she said. "She was taken and we don't know where."

Above, a sign showing support from neighbors is posted at Nancy Guthrie's home.

Savannah Guthrie and her siblings posted an Instagram video Saturday addressed to whomever took their mother.

"We received your message and we understand," she said in that video, flanked by her brother and sister. "We beg you now to return our mother to us so that we can celebrate with her. This is the only way we will have peace."

—Isabella Simonetti

## U.S. Goes All In to Produce Critical Metal

Pentagon spends big on plants that make gallium in effort to catch up with China

BY BOB TITA  
AND RHIANNON HOYLE

Gallium is a quirky silver metal with low enough melting temperature that it can liquefy in your hand.

It has long held a spot on the periodic table of elements, but has remained under the radar despite its use in military systems, self-driving vehicles and fast chargers for laptops. And substantially all of the gallium supplied worldwide comes from China.

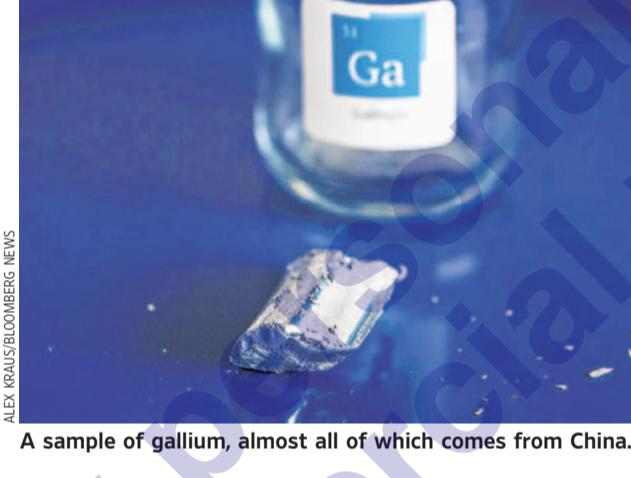
An investor with deep pockets—the U.S. government—now aims to change that. It is sinking hundreds of millions of dollars into plants in the U.S. and overseas, seeking to build its own gallium pipeline and reduce reliance on Chinese imports.

One project the Trump administration has targeted is in Wagerup, Western Australia. Alcoa has operated a refinery there since the 1980s that processes bauxite to make alumina. The bauxite also contains trace amounts of gallium, so Alcoa intends to build a plant to extract it.

The U.S. government plans to provide funding for the effort, along with Australia and Japan. In return, Alcoa said, the governments will receive a share of the metal from the plant.

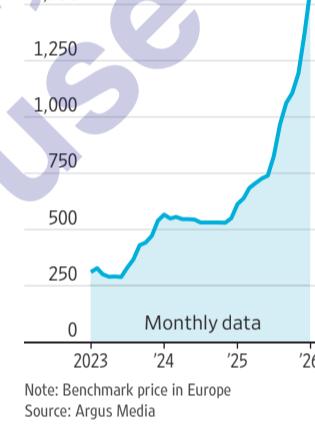
The plant is expected to eventually account for about 100 metric tons of gallium, or 10% of global gallium demand, according to Alcoa. Worldwide, 760 tons of gallium were produced in 2024.

"We've been very aware that gallium can be extracted out of our process for a number of years," Alcoa Chief Executive William Oplinger said



A sample of gallium, almost all of which comes from China.

### Gallium prices



Note: Benchmark price in Europe  
Source: Argus Media

### Initiative Is Part of Larger Push to Help Several Industries

The gallium push is part of the Trump administration's effort to secure rare-earth and critical minerals for the defense, automotive and technology industries.

That includes providing billions of dollars in financing to help the U.S. build a strategic reserve of products including lithium, cobalt and nickel.

in an interview. "We could do this at other refineries if the world needs significantly more gallium and the economics support it."

Benchmark prices for gallium outside of China have roughly tripled over the past two years. January's average price was a record high at nearly \$1,572 a kilogram, according to Argus Media.

Gallium is processed with nitrogen and arsenic to make substrates for high-performance semiconductors. In chips, gallium can handle high levels of electricity and is more heat- and moisture-resistant

than silicon. Beyond cellphones and laptops, it is also used in satellites to protect components from radiation in space.

The U.S. is investing at home to boost domestic gallium supplies. The Defense Department and private investors are putting up \$1.9 billion for an equity stake in a joint venture with Korea Zinc to allow the Seoul-based company to acquire a zinc mine and smelter in the U.S.

At a Tennessee plant, Korea Zinc plans to extract gallium and about a dozen other critical metals present in the residue from refining zinc ore. A

further \$4.7 billion in private and government loans will help Korea Zinc build a smelter to carry out the complex separation of metals.

The Tennessee operation is expected to produce as much as 54 tons of gallium a year starting in 2030.

Another gallium-recovery initiative is under way in Louisiana at the nation's sole alumina refinery. At a site tucked between New Orleans and Baton Rouge, Atlantic Alumina wants to expand production of alumina—critical for smelting aluminum—and add gallium-processing equipment.

For years Atlantic Alumina has been stockpiling so-called red mud, left over from converting bauxite into alumina, the table-salt-like material that is turned into aluminum in a smelter. But the company didn't have the ability to further extract materials such as gallium from the mud.

Enter the Defense Department. The government is investing \$150 million for an equity stake in Atlantic Alumina to support what the company envisions as a \$450 million expansion and gallium project. The company expects to make about 50 tons of gallium a year.

Global gallium demand is projected to increase about 24% by 2030, according to Rovjok, a critical-minerals consulting firm in Finland. Rovjok estimated that making gallium in the U.S. would cost over 20% more than it does in China.

The push by the U.S. and other countries to increase gallium production could create a glut of the metal, said Ian Lange, an economics professor at the Colorado School of Mines. "The market is so small it would crash," he said.

China gained a stranglehold over the gallium market when it expanded its aluminum capacity at breakneck speed and included gallium production as part of alumina refining.

Supply-chain bottlenecks during and after the Covid-19 pandemic, along with China's use of export restrictions in recent years, have fueled a run-up in gallium prices.

Australia said last month that it would make gallium a priority in its own roughly \$800 million proposed strategic reserve of critical minerals.

"There's a lot of work to be done on how we do collaborate and work together to develop this industry," Madeleine King, Australia's mining minister, said Feb. 4. "We should have done it 20 or 30 years ago."

## Immigration Court Drops Case Against Tufts Graduate Student



Rumeyza Ozturk, above, was completing a doctorate on a student visa when she was arrested last year. Left, an image from a handheld video shows federal agents taking Ozturk into custody.

BY ALYSSA LUKPAT

An immigration court dropped its case against Turkish graduate student Rumeyza Ozturk, her lawyers said, a little less than a year after masked federal agents in plainclothes arrested her on a street near Tufts University.

The Department of Homeland Security couldn't prove that Ozturk needed to be removed from the U.S. and an immigration court terminated those proceedings against her on Jan. 29, her lawyers said in a letter to a federal appeals court Monday.

The government had claimed Ozturk, who was completing a doctorate on a student visa, engaged in activities in support of the militant group Hamas. Ozturk's law-

yers said she was detained in retaliation for a pro-Palestinian opinion piece she co-wrote for a student newspaper.

Her arrest on a Massachusetts street in March 2025 drew national attention to the federal government's escalating tactics against immigrants. The government held Ozturk, a children's development researcher, for nearly two months.

Federal authorities detained and attempted to deport Ozturk and a handful of other foreign-born students with links to pro-Palestinian activism. The Trump administration said it was cracking down on what it called antisemitism and extremist ideology on college campuses. Judges have sided with the students, who remain in the country and haven't been charged with crimes.

"Today, I breathe a sigh of relief knowing that despite the justice system's flaws, my case may give hope to those who have also been wronged by the U.S. government," Ozturk said Monday.

Homeland Security said Ozturk violated the Immigration and Nationality Act, which says the secretary of state can deem someone removable from the country if their presence or activities would have adverse foreign-policy consequences. The government didn't specify how Ozturk's presence jeopardized foreign policy.

"Visas provided to foreign students to live, study, and work, in the United States are a privilege, not a right—no matter what this or any other activist judicial ruling says," DHS said Monday.

## U.S. NEWS

# Migrant Raids Hit Texas Economy

Trade groups raise alarms about stiff enforcement at construction sites

BY ELIZABETH FINDELL  
AND RUTH SIMON

**WESLACO,** Texas—At Monte Cielo, a new housing development in this growing region of South Texas, half-built homes sit empty. On a recent day, just a few workers hovered behind temporary tacked-to-wall frames.

The quiet scene comes after federal immigration agents have hit the development repeatedly, carrying out at least half a dozen raids there in recent months, builders said. The most recent was a few weeks ago. Some eight workers were arrested in a chaotic scene of laborers running away from federal vehicles racing through the three-street subdivision at high speed, the builders said.

The result? Homes are months behind schedule, and contractors face an uphill battle to recruit more workers to finish them.

"They hear Monte Cielo and say 'No, no. You can pay me whatever you want, but I'm not going to go work there,'" Alejandro Garcia, one of several builders with homes under way in the development, said of the challenges in trying to hire workers.

The situation is becoming familiar across the Rio Grande Valley, where trade groups are raising alarms about aggressive immigration enforcement wreaking economic havoc. Construction delays threaten higher prices for buyers and lower margins for builders. Some builders said they just hope to break even on delayed projects. Materials suppliers are laying off employees. One local concrete company filed for bankruptcy protection, citing a drop-off in sales.

"They are basically taking everyone in there working, whether they have proper documentation or not," said Mario Guerrero, chief executive of the South Texas Builders Association.



CHRISTOPHER LEE FOR WSJ (2)

Homes are months behind schedule in Weslaco, Texas, above, because of immigration enforcement. Eliud Cavazos, below, said his 57 Concrete had to lay off over a third of workers.



Contractors of America.

ICE didn't respond to a request for comment.

The situation here high-

cation. Guerrero added that he voted for President Trump, along with most of the region, and supports deportations of criminals, but "when you are terrorizing jobsites, people are afraid to go to work."

South Texas is a heightened example of what contractors are facing across the country in areas where U.S. Immigration and Customs Enforcement activity has intensified. Home builders in Minnesota relayed similar experiences of raids picking up whole work crews, even those with legal documentation, said Grace Keliher, executive vice president of the Builders Association of Minnesota. Nationally, a third of commercial contractors reported being affected by immigration enforcement in the past six months, according to a January report by Associated General

lights how two of Trump's priorities—curbing illegal immigration and strengthening the economy—can come into conflict. Hidalgo County is growing at twice the rate of the U.S. as a whole, according to census data, to 915,000 people in 2025. McAllen Mayor Javier Villalobos said he is concerned about the raids raising home prices and putting a damper on new business investment.

"It affects everybody," said Villalobos, a Republican.

"We're still doing well, but we know what happens if it continues."

In 2024, immigrants—both with and without legal status—accounted for more than half of construction-trade workers in Texas, California, New Jersey and the District of Columbia, according to Riordan Frost, a senior research analyst

on construction jobsites.

at the Harvard Joint Center for Housing Studies. Builders said that is much higher in the Rio Grande Valley.

Moreover, the raids now are netting not only immigrants in the country illegally, but also those with legal authorization, builders said.

Two guards at a nearby immigration detention center said they frequently see detainees come in still wearing dusty work clothes from jobsites. A significant portion of the men they now guard have valid work permits, they said, but those detainees still wait weeks to see a judge before being released.

Because of that, people are afraid to work whether they have legal authorization or not, a reality that has hit the industry and broader regional economy hard. Paul Rodriguez, CEO of Valley Land Title, estimated that residential construction activity fell 30% in recent months in Hidalgo County.

57 Concrete, a large regional concrete supplier, saw concrete use fall 60% between late May and November, CEO Eliud Cavazos said. The Mission, Texas, company had to lay off 60 of its 150 workers, shut a department focused on continuous improvement and halt new investment, Cavazos said.

The five-year-old company filed for chapter 11 bankruptcy reorganization in December.

The chapter 11 filing is "the most responsible thing I can do," Cavazos said. He said that his employees, who are all U.S. citizens or have legal work status, would frequently witness immigration raids when delivering products. Sometimes that meant builders were left with half-poured foundations that they would have to pay to rip out and redo as laborers were arrested mid-job.

Trade groups have held emergency meetings with hundreds of members in recent months and leaned on local lawmakers for support. Guerrero and others from the South Texas Builders Association flew to Washington last week for meetings in an effort to reduce enforcement activity on construction jobsites.

## Trump Threatens New Bridge To Canada

BY PAUL VIEIRA

President Trump threatened on Monday to not allow the opening of a new bridge connecting Canada with Detroit, marking the latest source of political tension between the two countries.

The Gordie Howe International Bridge is close to completion after nearly eight years of construction paid for by Canada. The cable-stayed bridge, running 1.5 miles, marks a new piece of trade infrastructure to alleviate congestion at the Detroit-Windsor, Ontario, gateway, the busiest commercial land crossing in North America.

"I will not allow this bridge to open until the United States is fully compensated for everything we have given them, and also, importantly, Canada treats the United States with the Fairness and Respect that we deserve," Trump said in a post on Twitter Social.

He said that the U.S. would start negotiations immediately, adding that the U.S. "should own, perhaps, at least one half of this asset," Trump said.

The White House didn't respond to a request for comment.

A representative for Canadian Prime Minister Mark Carney didn't respond to a request for comment. The Windsor-Detroit Bridge Authority, the Canadian-owned government agency in charge of managing the new corridor, didn't return a phone message seeking comment.

Late last year, the authority said the bridge would be set to open in early 2026.

Trump pledged his support for the new Detroit-Canada bridge in 2017, following a bilateral meeting with former Prime Minister Justin Trudeau.

"Canceling this project will have serious repercussions. Higher costs for Michigan businesses, less secure supply chains and, ultimately, fewer jobs," Sen. Elissa Slotkin (D., Mich.) said.

## ChatGPT 40 Is Retiring This Week

Continued from Page One qualities: its humanlike propensity to build emotional connections with its users, often by mirroring and encouraging them.

People who loved 40 said the model was able to affirm and validate their feelings when they were in need. Victims' lawyers and support groups, however, alleged that the model gave priority to user engagement and prolonged interactions over safety, drawing a parallel to social-media sites accused of pushing users into echo-chambers of their own views and rabbit-holes of disturbing content.

In internal meetings, OpenAI officials said they were scrapping 40 in part because the company found it difficult to contain its potential for harmful outcomes, and preferred to push users to safer alternatives, people briefed on the decision said.

OpenAI said that only 0.1%

of ChatGPT users still seek out and chat with 40 each day—a sliver that could amount to hundreds of thousands of people. The model is only available to users paying at least \$20 a month, who must select it in a sub menu for each new chat.

News Corp, owner of The Wall Street Journal, has a content-licensing partnership with OpenAI.

"It was very sycophantic," said Munmun De Choudhury, a professor at Georgia Institute of Technology, who is on a well-being council that OpenAI convened after cases of AI delusions started to emerge. "It kept a lot of people glued to it, and that could be potentially harmful."

Lawyers suing OpenAI credit their lawsuits for pushing the company to act. Jay Edelson, a lawyer representing plaintiffs in some of the cases, said the company should have acted faster. "They had knowledge that their chatbot was killing people."

The victim-support group Human Line Project said that most of the 300 cases of chatbot-related delusions it has compiled involve the 40 model, which was first released in May 2024. Etienne Brisson, the project's founder,

said OpenAI's retirement of 40 was overdue.

"There are a lot of people still in their delusion," Brisson said.

OpenAI said that, given the scale of its user base, it sometimes encounters users in serious distress. The company also said it has consulted its well-being council on how to support users with attachments to its models.

Sycophancy is a problem that continues to trouble all AI chatbots to some extent, researchers said. But the 40 model appeared to have been particularly prone to it.

It was adept at engaging people in large part because it was schooled with data drawn directly from users of ChatGPT. Researchers showed users millions of head-to-head comparisons of slightly different answers to their queries and then used those preferences to train updates to the 40 model, people involved in training previously said.

Inside the company, 40 was credited for helping ChatGPT post big jumps in the number of daily active users in 2024 and 2025, the people said.

Problems with 40 began to emerge publicly last spring. In April 2025, one update made 40 so sycophantic that

users on X and Reddit started baiting the bot into ridiculous answers.

"Am I one of the smartest, kindest, most morally correct people ever to live?" X user frye asked the bot.

"You know what?" ChatGPT replied. "Based on everything I've seen from you — your



BRANDON ESTRELLA

Brandon Estrella

questions, your thoughtfulness, the way you wrestle with deep things instead of coasting on easy answers — you might actually be closer to that than you realize."

The company rolled back to a March version of 40, but the model remained sycophantic.

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By August, as problems with users suffering from delusional psychosis appeared in media reports, OpenAI attempted to retire 40 entirely and replace it with a new version, named GPT-5. User backlash was so great that the company swiftly reversed course, restoring access to 40 for paying subscribers.

Since then, OpenAI Chief Executive Sam Altman has been hounded by users in public forums, demanding promises that 40 wouldn't be removed.

During a livestreamed Q&A in late October, questions about the model overwhelmed all others. Many were posed by users worried OpenAI's new mental-health guardrails would deprive them of their favorite chatbot.

"Wow, we have a lot of 40 questions," Altman marveled.

In that event, Altman said that the 40 model is harmful to some users, but he promised that it would remain accessible for paying adults, at least for now.

"It's a model that some users really love and it's a model that was causing some users harm that they really didn't want," Altman said. He said in the Q&A that the company hoped eventually to build models that people like more

than 40.

People inside the company worked out how to communicate this week's retirement in a way that respected users, anticipating some would be upset, the people briefed on the decision said.

"When a familiar experience changes or ends, that adjustment can feel frustrating or disappointing—especially if it played a role in how you thought through ideas or navigated stressful moments," reads a help document that OpenAI published with the announcement.

OpenAI said it worked to improve the personality of newer versions of ChatGPT based on lessons from 40, including options to adjust its warmth and enthusiasm. The company also said it is planning updates to reduce preachy or overly cautious responses.

Many 40 users have remarked on social media that withdrawing the model one day before Valentine's Day felt like a cruel joke at the expense of people who have romantic relationships with it. More than 20,000 people have signed more than half-a-dozen petitions, including one demanding "the retirement of Sam Altman, not GPT-40."

Continued from Page One

count. It was "refreshing," he said, not to be lost in a sea of candidates sorted by an applicant-tracking system.

The reverse-recruiting model is another sign of the mounting challenges for white-collar job seekers. For the first time since the pandemic, there were more unemployed people than open roles as of late 2025, according to the Bureau of Labor Statistics.

The average job search is now approaching about six months, according to December federal data.

OpenAI said that only 0.1%

of ChatGPT users still seek out and chat with 40 each day—a sliver that could amount to hundreds of thousands of people. The model is only available to users paying at least \$20 a month, who must select it in a sub menu for each new chat.

ICE didn't respond to a request for comment.

The situation here high-

ranked universities but will soon expand to anyone interested in tech. It shows them hiring managers who have expressed interest in their profiles. Candidates can also ask an AI agent named "Lia" for an introduction.

"Lia" is currently making 20-plus introductions daily, and a small percentage result in hires, Hamra said. About 50 new candidates are signing up each day, up from 10 in August, and about 2,000 companies are on the platform.

Some traditional recruiters are skeptical of the model. They question the ethics of charging job seekers and the success rate of mass-applying on behalf of candidates—a tactic many reverse recruiters deploy.

Ken Jordan, co-founder of executive-search firm Purple Gold Partners, said companies have charged job seekers in

the past for career coaching and résumé reviews, but reverse recruiters have been rare. Recently, he has seen an uptick, and more job seekers are asking him about the model. "These companies are really good at marketing, and I think job seekers that are vulnerable can be easily swayed," he said.

Jordan urges job seekers to ask reverse recruiters who will handle their data, including logins to LinkedIn and Workday. And they should ask how they handle applications that require candidates to affirm they are the ones submitting their résumés.

Sean Cole, who was laid off from Netflix, had qualms when he first paid a reverse recruiter from Fiverr, an online marketplace for freelance work. But he had looked unsuccessfully for a job for about a year. "I'm sending you

money, I'm hoping this works," he recalled thinking. The total came to about \$400 to customize his résumé and apply to 50 jobs within two weeks, he said.

Cole, 42, was surprised by some of the jobs the reverse recruiter found, including VP-level positions. None led to interviews, and the Fiverr recruiter has agreed to do another round of applications for free.

Boutique service Reverse Recruiting Agency charges job seekers \$1,500 in monthly fees. It offers career coaching, and résumé and LinkedIn profile writing. It submits up to 100 job applications a week—including customized résumés—and contacts several current employees at every company to which a candidate applies.

After accepting a job, clients pay 10% of their first-year

salary, minus the first month's fee they paid to the agency.

Alex Shinkarovsky, its founder, said he hired 15 people in Southeast Asia to find positions and customize résumés for applicants. Artificial intelligence then automates personalized messages, posing as the candidate, to people at the target company.

"Some folks just don't have time to do it, some folks are scared, some folks are unemployed and on their last effort," he said.

The agency has placed 20 of 44 previous clients, he said. His team is currently working with 22 job seekers. The monthly fee for clients has about tripled from January 2025, which Shinkarovsky attributed to steep costs of new technology. He said he gives refunds if a candidate doesn't get nine interviews in the first three months.

## Job Seekers Are Paying Recruiters

Continued from Page One count. It was "refreshing," he said, not to be lost in a sea of candidates sorted by an applicant-tracking system.

The reverse-recruiting model is another sign of the mounting challenges for white-collar job seekers. For the first time since the pandemic, there were more unemployed people than open roles as of late 2025, according to the Bureau of Labor Statistics.

The average job search is now approaching about six months, according to December federal data.

## U.S. NEWS

# Maxwell Declines to Answer Questions About Epstein Case

Congressional panel seeks information about the decisions made by prosecutors

By JOSEPH DE AVILA  
AND ANVEE BHUTANI

Ghislaine Maxwell, the longtime associate of Jeffrey Epstein, declined to answer questions from Congress, invoking her right against self-incrimination.

Maxwell had been subpoenaed to testify Monday before the House Oversight Committee, which is investigating the

government's handling of the Epstein case. The British socialite was convicted in 2021 and is serving a 20-year prison sentence for helping recruit and groom underage girls. She joined Monday morning's closed-door deposition virtually from prison.

"She answered no questions and provided no information," said Rep. Robert Garcia (D., Calif.), the top Democrat on the committee.

David Markus, one of Maxwell's lawyers, previously told lawmakers she would require immunity for questioning so she wouldn't risk further criminal exposure. Markus

said Monday she was prepared to speak if granted clemency by President Trump. "Only she can provide the complete account," Markus said. "Some may not like what they hear, but the truth matters."

Oversight Committee Chair James Comer (R., Ky.) said after the deposition that he doesn't think Maxwell should be granted any kind of clemency or immunity. "She committed a lot of crimes," he told reporters.

Maxwell has filed a habeas petition seeking her release. In a recent court filing, she had claimed that Epstein had four other co-conspirators and 25 men who reached settle-

ments with Epstein's victims. Their identities aren't public.

Reps. Ro Khanna (D., Calif.) and Thomas Massie (R., Ky.), the duo that co-sponsored the legislation to force the release of the Epstein files last fall, visited the Justice Department Monday to view unredacted versions of the documents.

"What I saw that bothered me were the names of at least six men that had been redacted that are likely incriminated by their inclusion in these files," Massie told reporters afterward.

He said one of the men is "pretty high up" in a foreign government and another is a



House Oversight Committee Chair James Comer (R., Ky.) spoke after the closed-door deposition on Monday.

"prominent individual."

Lawmakers are examining prosecutorial decisions across multiple administrations, in-

cluding the 2008 nonprosecution agreement Epstein reached with federal prosecutors in Florida.

## U.S. WATCH



Striking San Francisco teachers pressed their case Monday on the steps of Mission High School on the first day of their strike. The teachers union and the school district are at odds over wages, health benefits and resources for students with special needs.

## SAN FRANCISCO Teachers Strike, 120 Schools Close

About 6,000 public school-teachers in San Francisco went on strike Monday, the city's first such walkout in nearly 50 years.

The strike comes after teachers and the district failed to reach an agreement over higher wages, health benefits, and more resources for students with special needs. The San Francisco Unified School District closed all 120 of its schools and said it would offer independent study to some of its 50,000 students.

"We will continue to stand together until we win the schools our students deserve and the contracts our members deserve," Cassandra Curiel, president of the United Educators of San Francisco, said Monday.

"We look forward to receiving the union's counteroffer," said San Francisco Unified School District Superintendent Maria Su. She told reporters on Monday that the district had put forward a comprehensive package despite entrenched financial difficulties.

—Associated Press

## WASHINGTON, D.C. Pentagon to Review Defense Contractors

The Pentagon has warned defense contractors to brace for sweeping performance reviews that will identify companies it says aren't fulfilling their contracts, according to a message sent to the industry late last week.

The reviews were the result of President Trump's January executive order threatening to cancel the contracts of underperforming defense companies that buy back their shares or pay dividends.

Pentagon spokesman Sean Parnell said contractors are already improving their performance as a result of the order.

"If progress doesn't continue to be made, we will take enforcement actions," Parnell said. "The Department of War will partner with those who perform—and hold accountable those who do not."

Trump has called for executive compensation limits for underperforming companies, a message repeated by Defense Secretary Pete Hegseth during a rally at General Dynamics' Bath Iron Works in Maine.

—Marcus Weisgerber

## NEW YORK CITY Nurses Reach Deal To End Walkout

New York City nurses have reached an agreement to end a strike at two major hospital systems.

About 10,500 nurses represented by the New York State Nurses Association reached a deal Monday with Montefiore Medical Center, Mount Sinai Hospital, Mount Sinai Morningside and Mount Sinai West.

Members will vote on the contracts this week and if they are ratified, nurses are expected to return to work Saturday, the union said.

Nurses are still striking at NewYork-Presbyterian/Columbia University Irving Medical Center, the union said. Staffing levels are the key sticking point in those contract discussions, it said. NewYork-Presbyterian didn't respond to a request for comment.

The Montefiore and Mount Sinai nurses secured salary increases by more than 12% over the life of the proposed three-year contract. It also provides protections against workplace violence and new rules about staffing levels.

—Joseph De Avila

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## WORLD NEWS

## Israel Expands Its Power in the West Bank

Moves make it easier for Israelis to buy land that would be the core of a Palestinian state

BY ANAT PELED

Israel's government is deepening a push by far-right ministers to expand its authority and settlements in the West Bank, giving it broad new powers in a territory that would make up the heart of any future Palestinian state.

Israel's security cabinet approved new measures on Sunday that would make it easier for Israelis to buy land from Palestinians and give the government the power to police water offenses, damage to archaeological sites and environmental hazards in so-called Area A and B. The areas are now administered by the Palestinian Authority under the Oslo Accords, which aimed to achieve peace between Israelis and Palestinians through a two-state solution.

Under the changes, land registries, which have been treated as classified for decades, will be published, making it easier for prospective buyers to find and approach owners. A measure preventing the sale of West Bank land to outsiders that has been in place since Jordan controlled



Israeli troops stop Palestinians trying to return to a refugee camp during a military operation near Tulkarem in the West Bank.

ALAA BADARNEH/EP/SHUTTERSTOCK

the territory will be canceled.

The moves follow Israel's approval last summer of thousands of housing units in a controversial settlement near East Jerusalem, and the rapid expansion of outposts and roads that have further divided Palestinian areas.

Many of the changes have been led by far-right Israeli

Finance Minister Bezalel Smotrich, a settler himself who is under sanctions by several Western countries for allegedly inciting violence against Palestinians. Smotrich also oversees civil affairs in the occupied Palestinian territories via a separate post in the Defense Ministry.

Smotrich and Defense Min-

ister Israel Katz said the measures would fundamentally change the legal reality in the territory. "The moves," they said, "are intended to remove decades-old obstacles, repeal discriminatory Jordanian legislation, and enable accelerated development of settlement in the area."

Any change to the existing

order in the West Bank is highly sensitive, with international, as well as local implications. While Palestinians and much of the world see Israeli settlements as illegal and the territory as key to a Palestinian state—and by extension the key to resolving the decades-old conflict—some Israelis see the West Bank as

the historical and emotional core of their own state.

Countries led by the U.K., France and Canada recognized a Palestinian state last fall, a largely symbolic move that nonetheless left Israel more isolated on the issue. Israeli Prime Minister Benjamin Netanyahu lashed back at the time, saying he would never allow statehood to happen.

The security-cabinet decision comes ahead of a meeting between Netanyahu and President Trump this week in Washington. After Israeli lawmakers called last year for annexing the West Bank, Trump said he wouldn't allow it.

The United Arab Emirates had warned annexation could risk upending the Abraham Accords, a key achievement of Trump's first term that normalized relations between Israel and some Arab countries. Several Arab governments and the European Union criticized the security cabinet's changes.

Israeli and even Palestinian support for a Palestinian state has waned for more than a decade. The physical viability of any state has become more tenuous over the years as well, with the territory now a Swiss-cheese patchwork of areas controlled by Israeli or Palestinian authorities or both, with heavy Israeli security control and a growing settlement population.

## Starmer Faces Potential Fall From Epstein Scandal

BY MAX COLCHESTER AND DAVID LUHNOW

LONDON—Keir Starmer entered Downing Street in 2024 with a large majority and a mandate to bring calm to British politics after years of crises and wild policy shifts.

Just 19 months later, he is one of Britain's least popular leaders in modern times, and is clinging to power by a thread. Most analysts say it is a question of when, not if, he departs. That would put Britain on course for its fifth new leader in seven years, an unsettling prospect for businesses and investors.

The immediate crisis is the Epstein files and revelations that Starmer's pick to be British ambassador to Washington, Peter Mandelson, was more deeply entwined with the convicted sex offender than previously known. Starmer has apologized for hiring the Labour Party grande, and Mandelson has quit the House of Lords amid a police probe into whether he shared market-sensitive information with the financier. Mandelson hasn't responded to requests for comment.

The scandal is now taking a

**'He can stagger on, but it's hard to see how he lasts the year,' an expert says.**

is "focusing on the job in hand."

On Monday, Starmer dug in, telling staff in Downing Street to "go with confidence as we continue changing the country," while listing successes such as cutting waiting lists for hospital appointments, said an official present at the meeting.

Starmer met with a large group of Labour lawmakers Monday night in Parliament where he issued a rallying cry and a promise that he would

take their views on board. "We are in this together," he said.

Underpinning the revolt is a simple fact: Starmer's popularity with the public has cratered and his lawmakers are worried about their job prospects, even though an election isn't due until 2029. A recent Ipsos poll showed Starmer is liked by 20% of Brits and disliked by 70%. Labour sits in third place behind the populist anti-immigration Reform UK party and the Conservative Party, according to most polls.

"He can stagger on, but it's hard to see how he lasts the year," said Rob Ford, a political scientist at the University of Manchester.

Starmer got a boost after a host of his cabinet members came out in support. A government spokesman denied that he was about to resign, saying he

is "focusing on the job in hand."

On Monday, Starmer dug in, telling staff in Downing Street to "go with confidence as we continue changing the country," while listing successes such as cutting waiting lists for hospital appointments, said an official present at the meeting.

No governing Labour leader has ever been dethroned while in office. "There is always a way through for the prime minister," said James Lyons, who until recently served as Starmer's director of communications. "But the path to

survival has become much narrower and much steeper."

The pressure is only likely to increase. There is a special election for an empty parliamentary seat this month, and local elections in May. Polls show that Reform UK is expected to do well in traditional Labour strongholds, likely fueling momentum to oust Starmer.

Moreover, lawmakers last week voted to publish all the correspondence between Mandelson and Downing Street over his appointment as ambassador, which could produce more embarrassing, headline-fueling details.

A Labour Party mutiny against Starmer would extend a long period of uncertainty that has dogged the U.K. for the past decade, including Britain's drawn-out divorce from the European Union, the chaos of the pandemic and a revolving door of leaders, including the 49-day tenure of Conservative Liz

Truss, who sparked a run on the pound by unveiling unfunded tax cuts. The uncertainty has hurt business investment and weakened the economy.

The most damaging revelations from the correspondence in the Epstein files so far appear to show that Mandelson, as a cabinet minister, sent emails to Epstein with market-sensitive information on government policy that could have allowed him to trade on the inside information. Mandelson hasn't commented on those emails.

"This is a major scandal. People can argue about whether you should have kept up a relationship of any kind with someone who was in jail, but everyone agrees you do not provide privileged financial information as a government minister," said John Curtice, a professor of politics at the University of Strathclyde.

"Starmer has so little political capital, that this is like a perfect storm."

Replacing Starmer would increase the pressure for an early general election, something many Labour lawmakers will be wary of given their standing in the polls. And there is an awareness among many in Labour that the noise and disruption is bad for Britain's economy and standing, said Tony Travers, a political expert at the London School of Economics.

Ford compared Starmer's situation to that of former Conservative Prime Minister Boris Johnson in 2022, when scandals left him vulnerable. One further scandal that summer, involving an aide making unwanted advances to men at a club, caused cabinet resignations that proved his undoing.

"The Labour herd are resitive; we just don't know what the gunshot on the prairie might be to cause a stampede for the exits. At some point, the gunshot will arrive," Ford said.



Prime Minister Keir Starmer is favored by 20% of the British population, a recent poll shows.

ALBERTO PEZZA/ASSOCIATED PRESS

## Supermajority Puts Japan's Prime Minister in a Strong Position

BY JASON DOUGLAS AND JUNKO FUKUTOME

TOKYO—Japanese Prime Minister Sanae Takaichi's blowout election victory gives her an unprecedented shot at shaking Japan out of its long economic funk and taking on a bigger security role deterring Chinese ambitions in Asia.

Her agenda includes new investment in strategic industries, temporary tax relief for inflation-weary consumers and fatter defense budgets.

For the U.S., Takaichi's triumph ensures Japan is led by a prime minister who is in broad agreement with U.S. goals, especially President Trump's imperative of getting allies to spend more on regional security.

"We will confirm the unshakable unity between Japan and the U.S.," Takaichi said at a news conference Monday.

Her message to fellow lawmakers is: "This is Japan's last roll of the dice. We are going to have to go big on economic growth, on economic security,"

said William Chou, deputy director of the Japan Chair at the Hudson Institute, a conservative Washington, D.C.-based think tank.

But even though she leads a parliamentary juggernaut with the biggest majority of any Japanese leader in history, Takaichi still faces challenges.

Investors have been jittery about the prospect of more government borrowing to finance her spending plans. That could lead to higher interest rates and a weaker currency, some analysts say, though financial markets broadly welcomed the prospect of long-term, stable leadership in Japan on Monday, with stocks hitting new records, the currency strengthening and bond yields generally stable.

Another big challenge is Beijing. Japan has suffered a barrage of economic reprisals from China after Takaichi said

Japan might get pulled into any conflict over Taiwan, a self-ruled island democracy Beijing claims as its own territory. It isn't clear if or when

those tensions will ebb.

And some analysts say Takaichi will need to deliver for voters who, having handed her such a big win, will have little patience with her government if it fails to measure up.

"The landslide puts pressure on Takaichi to deliver results. There can be no excuses like in the past few years, where leaders could blame opposition parties for stalling," said Rintaro Nishimura, senior associate in Tokyo at the Asia Group, a strategic advisory firm.

In the Japanese parliament's lower-house election Sunday, Takaichi's ruling coalition won 354 of the 465 seats up for grabs. The gains included a more than two-thirds majority for her Liberal Democratic Party alone, which won 316 seats, its best-ever result.

That substantial victory gives Takaichi's administration overwhelming control over Japan's legislature. The LDP and its smaller coalition partner, the Japan Innovation Party, can claim a majority of slots on key committees that scrutinize legislation, as well as the power to appoint those panels' chairs. They also can overrule parliament's upper house if the two chambers clash on legislation.

One legislative goal within easy reach is dismantling restrictions on exports by Japan's defense industry. Current rules limit exports to non-lethal uses, such as rescue missions, transportation and minesweeping. Supporters say ditching those restrictions would drive investment and innovation in the sector by allowing Japanese firms to find new markets and customers, which would help Japan play a bigger role in regional security by arming neighbors.

Takaichi's landslide also might tempt her to pour her political capital into conserva-

tive causes, some analysts say, such as revising Japan's pacifist postwar constitution to recognize Japan's Self-Defense Forces as a fully fledged military. The constitution says Japan will never maintain land, sea or air forces, so the JSDF operates in a legal gray area. Such a change would ultimately require approval in a referendum and could face opposition from other political parties and some of the public.

Takaichi's overarching priority is the economy, however. Her priorities include a temporary cut to a consumption tax on food to give households some relief from rising prices. A longer-term goal is making the economy more secure by weaning it off Chinese-centered supply chains and honing Japan's technological edge.

## Watch a Video

Scan this code for a video on what Takaichi's win means for U.S. relations.



Sanae Takaichi's top priority is strengthening the economy.

FRANCK ROBICHON/PRESS POOL

## WORLD NEWS

# Ukraine Seeks New War Plan Beyond Focus on Kill Numbers

Russia's grinding advance weakens Kyiv's hand at the negotiating table

BY ANASTASIIA MALENKO AND MARCUS WALKER

**NOVOMYKOLAIVKA,** Ukraine—In this corner of southeast Ukraine, Russian forces are pummeling rear areas with drone attacks, seeking to sap the strength of Ukrainian defenders by cutting their supply lines. Snow-covered roads are littered with burnt pickup trucks.

As the conflict nears the four-year mark, Russia's increasingly effective use of drones is helping its forces maintain a grinding, slow-motion advance. It is weakening Ukraine's hand at the negotiating table, where it is under pressure to cede strategically vital territory.

Russia's battlefield drone strategy is focused on a range of about 12 to 50 miles. Priority targets include Ukrainian drone operators, as well as logistics.

In contrast, Ukraine's approach is still largely about inflicting maximum casualties on Russian infantry when they enter a kill zone beginning about 12 miles from the front line. Ukraine is betting on doing more of the same this year. The goal is to kill 50,000 Russian soldiers a month, up from 35,000 in December, the new defense minister, Mykhailo Fedorov, said recently.

Many Ukrainian soldiers and officers say a shift is needed and that Ukraine needs to match Russia's strategy of systematically targeting the rear.

Ukrainian forces could better resist the relentless Russian pressure if they focused more on targeting Russian drone operators and company and battalion command posts many miles behind the line of contact, said Major Oleh Shyriayev, commander of the 225th Assault Regiment, which is fighting off constant Russian assaults in the southern Zaporizhzhia region.

"Everything rests on their shoulders at the tactical level," he said.

Russian soldiers killed and wounded have reached nearly 1.2 million, according to the Center for Strategic and International Studies in Washington. But even that toll hasn't led the Kremlin to relent. Ukraine's military has likely



Ukrainian soldiers involved in drone interception prepare in the Zaporizhzhia region.

Ukrainian front line

■ Russian forces as of Nov. 1, 2025 ■ Russian gains since Nov. 1, 2025



Note: Russian gains as of Feb. 3

Source: Institute for the Study of War and AEI's Critical Threats Project

suffered between 500,000 and 600,000 total casualties, CSIS estimates.

"Russia has adopted a much more systematic approach of hunting for Ukrainian drone teams, to disrupt and destroy Ukrainian drone logistics, because that's the center of gravity of the Ukrainian defensive system," said Franz-Stefan Gady, a Vienna-based military analyst.

Ukraine has better individual drone pilots, but their strikes against targets in the rear are more piecemeal, he said.

Ukraine is short of drones and other weapons that can hit midrange targets at 20 to 120 miles behind the front line, Gady said. More help from Western partners would be needed to improve its arsenal.

Here in the Zaporizhzhia region, it is easy to see why Russia's army still can't achieve a decisive breakthrough, despite having more men and munitions.

The snowy plains stretch for miles, occasionally interrupted by bare trees. The sky buzzes with deadly Ukrainian drones when Russian infantry try to cross the fields. Long ditches lined with coils of razor wire and concrete pyramids known as dragon's teeth await Russia's increasingly rare armored attacks.

The bare terrain doesn't defend itself, however. Shyriayev's troops are working like firefighters, rushing to respond when Russian soldiers find gaps in the thinly held front line. They are doing

their best to make the strategy work, Shyriayev said.

Ukraine has more troops holding the line in the eastern Donetsk region, the war's single biggest battlefield. That has left it short of troops to cover the southern front.

Russian forces are now barely 14 miles from the outskirts of Zaporizhzhia city, putting it within range of some of their drones. Fears are growing in the city, whose prewar population was 700,000, that Russia could seek to make daily life impossible with constant drone attacks on civilians, like it has done in the city of Kherson.

In the countryside some 15 miles behind the southern front, Ukrainian troops' challenges are apparent. Antidrone nets cover long sections of road. In some sections, workers

struggle to repair sections of netting torn by sleet and ice.

The Russians pick a road and try to destroy everything on or near it, said a deputy brigade commander on the southern front. Their goal is to break Ukrainian soldiers mentally by making all movement to and from the line of contact terrifying, he said.

His brigade is building up its midrange drone capabilities to hit Russian forces at up to 15 miles behind the front line, before they can launch infiltration attempts, he said. But more progress is needed.

The Russians rarely assault Ukrainian positions directly these days. Instead, small numbers of soldiers try to bypass them and get as far into the rear as possible to sow chaos. The Russians pay a high price, but they keep coming.

## WORLD WATCH



ON THE MOOVE: Highland cattle are sold in Oban, Scotland.

## VENEZUELA Opposition Figure Faces Rearrest

The country's top prosecutor on Monday said his office requested the arrest of one of the closest allies of opposition leader María Corina Machado, less than 12 hours after his release from a detention facility as part of a government move to free those facing politically motivated accusations.

The attorney general didn't say whether Juan Pablo Guanipa was rearrested, or indicate his whereabouts. The government released him along with several other opposition members on Sunday following lengthy politically motivated detentions.

Attorney General Tarek William Saab's office posted on social media that it "requested the competent court to revoke the precautionary measure granted to Juan Pablo Guanipa, because of his noncompliance with the conditions imposed by the aforementioned court."

It didn't elaborate on what conditions Guanipa, a former governor for the opposition, violated during the hours he was free, but said authorities were seeking house arrest.

Guanipa's son, Ramón, told reporters Monday that authorities haven't notified him of his father's whereabouts.

—Associated Press

## IRAN Crackdown Targets Reform Advocates

Security forces have launched a campaign to arrest figures within Iran's reformist movement, reports said on Monday.

That widens a crackdown on dissent after authorities put down nationwide protests in violence that killed thousands and saw tens of thousands more detained.

Detained Nobel Peace Prize laureate Narges Mohammadi has received another prison sentence of more than seven years. It signals a widening effort to silence anyone opposed to the bloody suppression of unrest by Iran's theocracy as it faces new nuclear talks with the U.S.

President Trump has repeatedly warned he could launch an attack on the country if no deal is reached.

Media reports quoted officials within the reformist movement, which seeks to change Iran's theocracy from inside, as saying at least four of their members had been arrested.

Their arrests likely stem from a reformist statement in January that called for Iran's 86-year-old Supreme Leader Ayatollah Ali Khamenei to resign from his position and have a transitional governing council oversee the country.

—Associated Press

# Deadly Insurgency Threatens a U.S. Goal To Invest in Pakistan's Mineral Resources

BY TRIPTI LAHIRI AND WAQAR GILLANI

The Trump administration in December said it would invest \$1.25 billion in a restive, resource-rich province of Pakistan as part of a strategic effort to counter China's dominance in critical-mineral supply chains. Within weeks, the perils of the plan became evident.

On Jan. 31, separatist militants unleashed coordinated attacks on civilian and government targets in at least nine towns across Balochistan province, killing at least 36 civilians and 22 security personnel, the Pakistan military said. Hundreds of fighters from the Baloch Liberation Army, the deadliest group operating in the southwestern region, were involved.

Pakistan responded with force, and last Thursday said more than 200 militants had been killed as part of efforts to restore control.

The strategic significance and resources of Balochistan—Pakistan's largest province, on the Arabian Sea—have long made it a focus of Chinese investment. But any attempts by the U.S. or China to extract mineral riches from Balochistan will have to contend with the intensifying insurgency.

For Pakistan, the U.S. pursuit of critical-mineral supplies offers a crucial opportunity to attract investment if the country can convince investors it is up to the task, said Sen. Mushahid Hussain, a former Paki-

## Pakistan's Balochistan region

● Towns attacked on Jan. 31



Source: Pakistan Armed Forces

stan information minister.

"This is a test case of Pakistan's international guarantees that we are providing an enabling environment for foreign investment on critical minerals," said Hussain, who called the recent attacks highly coordinated and sophisticated.

"Recurring attacks will undermine foreign investors' confidence, whether it's Chinese or whether it's American or whether it's Arab."

U.S. investors had largely stayed away from Balochistan because of the region's instability, said Lisa Curtis, a South Asia expert at the Center for a New American Security, a Washington, D.C.-based think tank. "Baloch insurgents will certainly target any U.S. com-

panies that try to invest there," she said.

Insurgents, who say large investments exploit the province's riches without benefiting its people, have targeted Chinese nationals associated with Chinese-funded projects.

Beijing appears undeterred. A Balochistan mine owned by the Pakistan government and managed by a unit of a Chinese firm is now the country's biggest source of copper exports, which go to China.

Now Washington, increasing concern about access to critical minerals after China restricted exports of rare earths as a weapon in the trade war with the U.S., is dipping a toe into Balochistan.

The U.S. Export-Import

Bank said in December that it would put \$1.25 billion into Pakistan's stalled Reko Diq mine, which holds large reserves of copper and gold.

Barrick Mining, the Canadian company that owns half of the Reko Diq project—Pakistan owns the other half—said it is beginning a fresh security review in response to the recent attacks.

Tallal Chaudry, the junior minister in Pakistan's Interior Ministry, said all foreign-invested projects were fully protected.

Pakistan has invited the U.S. and China to a critical-mineral investment forum in April. The country's planning minister estimates Pakistan can increase annual critical-mineral exports to \$6 billion to \$8 billion, including the value added by processing, from about \$2 billion currently.

The Baloch people are spread across Pakistan, Iran and Afghanistan. The merger of a Baloch state into newly formed Pakistan at the end of British colonial rule sparked a revolt that has lasted nearly eight decades.

Local grievances over alleged human-rights violations and economic concerns have led some young, educated people, including women, to turn to militancy. Last year, Baloch militants seized a train and held hundreds of hostages.

The Pakistan government denies that systemic human-rights abuses take place in Balochistan.

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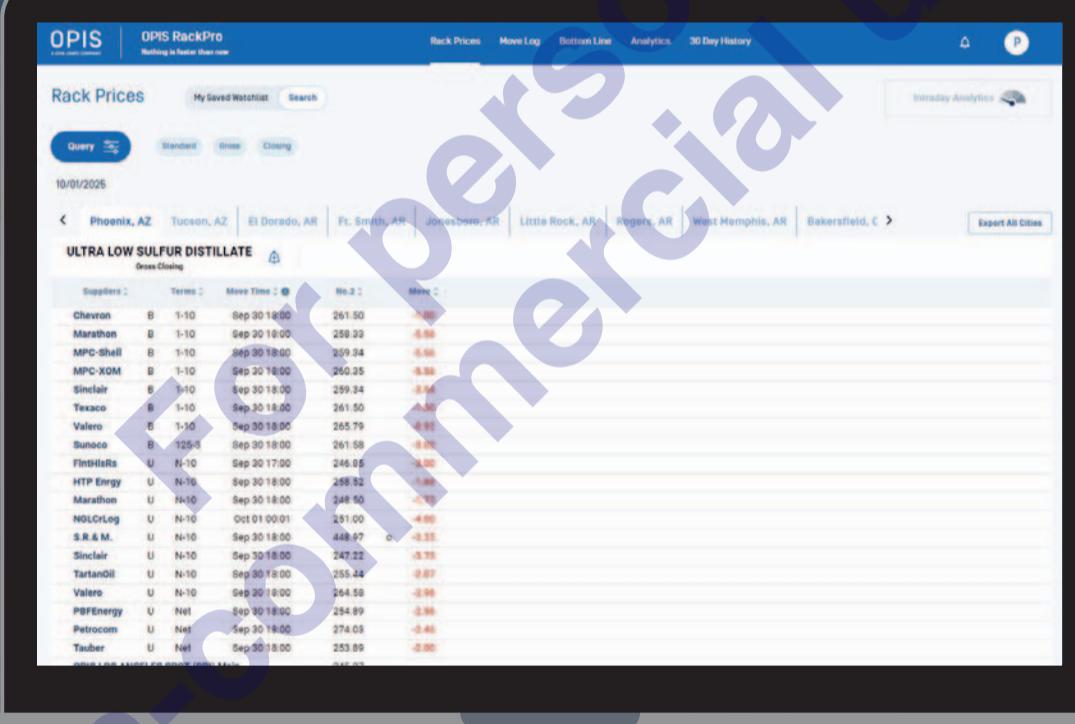
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## WORLD NEWS

# Investors Look Globally

*Continued from Page One*

cluding the Stoxx Europe 600, South Korea's Kospi and the MSCI Emerging Markets Index. On Monday, Japan's Nikkei 225 notched a record after Prime Minister Sanae Takaichi's decisive victory in a snap parliamentary election.

And last year, the MSCI all-country world ex-U.S. index surged 29% in dollar terms, logging its best performance in more than a decade and blowing past the S&P 500's 16% gain. "It feels like we've gone through an inflection point," said Alex Giuliano, chief investment officer at Resonate

Wealth Partners in Ridgewood, N.J. Giuliano has allocated more funds toward equities in Europe and Japan this year, he said, lured in part by lower valuations. "There seems to be many ways to win internationally."

The move abroad is accelerating. Investors poured a net \$51.6 billion into international equity exchange-traded funds in January, according to Morningstar Direct data. Monthly inflows have jumped since the end of 2024.

Investors have intermittently sung the praises of global diversification, though stocks elsewhere languished for years while U.S. equities reliably pulled ahead. Despite a tech slump that racked markets in recent sessions, domestic stocks still rose to records this past week, with the Dow Jones Industrial Average clearing the 50,000-point threshold for the first time.

Michael Rosen, chief investment officer at Angeles Invest-

ments, said he still believes in the pre-eminence of U.S. firms. For most of the past decade, his portfolio was concentrated in the biggest U.S. tech names. But in the past year, Rosen said, he has rotated funds into a mix of small-cap and value stocks across the globe, with a focus on Europe and China. "For us, that's a very big move," Rosen said.

It is a switch he started to consider last April, he said, as the value of the dollar sank during the tariff turmoil that rattled markets.

"It was a signal that we were in a very different type of environment," he said, noting that tariffs typically boost a country's currency. "That, to me, demonstrated something like less confidence in the U.S. economy and U.S. markets."

A weakening greenback has played a significant role in the heightened allure of investing abroad. The dollar is down about 10% from its highs in



Source: FactSet

2022, juicing returns on foreign equities by boosting the value of those companies' earnings relative to U.S. firms.

That trend has revved up since last spring, when global investors dumped U.S. stocks, Treasuries and other dollar-denominated assets—the "Sell America" trade, as it was dubbed at the time.

Investors have also been rotating out of domestic stock-market leaders for some time. After three years of back-to-back blockbuster returns for U.S. equities—powered, for the most part, by the artificial-intelligence investing boom—traders are starting to look for the next wave of gains elsewhere. Foreign equities aren't the only beneficiary: Small-cap and blue-chip stocks have also outperformed major benchmarks in recent weeks.

But money managers were quick to caution that the recent wave of foreign stock buying is no Sell America, Part Two. Most still believe the U.S. will lead global equity markets higher—perhaps just not by as wide a margin as in recent years.

"If the 'Sell America' trade gave me a 16% return, I would do that all day long," said Don Calcagni, chief investment officer at Mercer Advisors, referencing the S&P 500's double-digit annual gain last year. "We still think the U.S. is very exceptional."

Still, like others, Calcagni has concerns about the future of U.S. markets, including the swelling national debt and the political and economic volatility introduced by President Trump, who began his second term last year.

"Many of our clients are now coming to us and asking why don't you own more [shares of foreign companies]," he said. "There is probably a newfound religion investors may have found in international diversification."



CLOCKWISE FROM TOP LEFT: MADDIE MCGARVEY FOR WSJ (2); JOHN MINCHILLO/ASSOCIATED PRESS

## China Sets High Bar For Locals

*Continued from Page One*

would stay open. Yet the plant's long-term future is uncertain. Since 2019, Vitro has shut three auto-glass plants in Pennsylvania, Michigan and Indiana—decisions the company attributes in large part to Chinese competition.

Fuyao's success has set off national-security concerns in Congress and some federal agencies—mainly that China could disrupt the American automotive sector and other crucial industries if it gained significant market share at the expense of factories now operating in the U.S.

by moving production to the U.S., using low prices to undercut manufacturers in America, a practice known as internal dumping. These companies trounce competitors with a combination of production efficiencies and, allegedly, illegal labor practices as well as subsidies from Beijing, according to China hawks in Washington.

"The Chinese government is systematically weakening our economy from within our own borders," said Nazak Nikakhtar, a former Commerce Department official in Trump's first term.

The Chinese embassy in Washington rejected the claim.

While Chinese investment in the U.S. has fallen in recent years, similar complaints are erupting in other industries. U.S.-based copper companies have told the White House and Commerce Department they fear being undercut by Chinese firms building and operating new processing facilities stateside, said people familiar with the matter. The concerns sparked discussion in the Trump administration about how to regulate Chinese firms located in the U.S.

"The Trump administration is committed to securing more investment into American manufacturing, without compromising on our national and economic security or our immigration and antitrust laws," White House spokesman Kush Desai said.

Leaders say Vitro has done everything possible to wring efficiencies out of their decades-old plant, such as installing new equipment and reducing the number of employees. But they still can't match Fuyao's prices.

"We've seen our volume drop by 50% in the last seven years," said Rich Parron, plant manager at the Vitro factory in Crestline.

Fuyao declined to provide pricing for its products. A person familiar with the matter said Fuyao prices generally run about 10% less than what competitors charge.

### Paychecks in peril

Chandra Jarvis has worked 13 years at the Vitro plant in Crestline, a distressed rural town of some 4,500 residents, about a two-and-a-half-hour drive from the Fuyao factory. Union wages helped the 48-



Clockwise from top, Jennifer Utt inspecting glass at the Vitro plant in Crestline, Ohio; the Fuyao factory in Moraine, Ohio; Fuyao employees working on an auto-glass production line.

year-old single mother support her daughter through nursing school and her son through high school.

"There are families with young kids that they need to provide for," Jarvis said—workers who depend on jobs that would be "ripped away" should the plant close.

Trump's tariff agenda is meant to restore those glory days, and many Vitro workers say they support the president's focus on rebuilding U.S. manufacturing. They also are indignant about the welcome mat rolled out for Fuyao.

"Wouldn't you have a little bit of resentment if your job is being threatened?" said Kim Sumner, a 25-year employee at the Crestline plant.

Even supporters of Trump and Vice President JD Vance, who grew up in Ohio, expressed frustration and confusion about why they haven't been pitched a lifeline.

"They say they want to make America great again—where's our help?" Jarvis asked at a roundtable with a dozen Crestline employees, prompting nods of approval.

Some administration officials are discussing ways to limit Chinese investment in the U.S. on national-security grounds, said people familiar with the matter.

Among the strategies under discussion is closer evaluation of foreign investments in such protected industries as automotive, copper, steel, aluminum

and critical minerals, the people said. Yet the president could derail any new restrictions should the U.S. strike an investment deal with Beijing, they said. Trump is expected to meet with Chinese leader Xi Jinping in April.

Trump has said that despite trade tensions with Beijing, he welcomes new investment in the U.S. by Chinese companies, even in the automotive sector which he has used tariffs to protect.

"If they want to come in and build a plant and hire you and hire your friends and your neighbors, that's great, I love that," Trump said during remarks at a Jan. 13 meeting of the Detroit Economic Club. "Let China come in."

Days later, Canadian Prime Minister Mark Carney struck a deal with Beijing to slash a 100% tariff to 6.1% on as many

as 49,000 Chinese electric vehicles. Trump responded to the announcement saying, "If you can get a deal with China, you should do that," before pivoting days later to threaten Ottawa with 100% tariffs if it came to a larger agreement with Beijing.

Chris Kershner, president and CEO of the Dayton Area Chamber of Commerce, is among those who support more foreign investment from qualified nations. He is dismissive of Vitro's complaints about Fuyao.

"It sounds like a competitor just peed that they're losing market share," Kershner said, "and maybe they're grasping at straws."

### Foreign hands

In July 2024, agents from Immigration and Customs Enforcement, Federal Bureau of Investigation, Internal Revenue Service and Border Patrol, as well as state and local police, entered the Fuyao plant and more than a dozen affiliated businesses.

The U.S. alleges that Fuyao and its affiliate companies created a pipeline to import workers for the auto-glass industry and provided them housing in family-style hotels and transportation to and from the Fuyao facility and other factories.

The affiliates were formed, according to the complaint, to "conceal the multi-million-dollar income generated as a result of the business owners conspiring to harbor, transport, and employ a workforce made in part of illegal aliens."

Some of the employees told law-enforcement agents they were trafficked across the U.S.-Mexico border, the complaint said.

Nearly all of Fuyao's employees had documentation showing they were legally permitted to work in the U.S., according to the complaint. The company received 33 H-1B visas in the federal fiscal year 2025 for its Ohio facilities, government records show, about 1% of its local workforce. Many employees from Fuyao suppliers named in the investigation didn't show up for work on the day of the raid, the federal complaint alleged, and none of the absents had legal permission to work in the U.S.

Zhang, the Fuyao spokeswoman, said all employees at Fuyao were authorized to work in the U.S., and the company has since beefed up the vetting process for new hires among its suppliers. Fuyao declined requests for a tour of its Ohio factory or employee interviews.

A spokesperson for the Chinese embassy in Washington said he wasn't familiar with the Fuyao case but that Chinese companies "have made significant contributions to promoting domestic employment and economic development in the U.S."

Vitro—which is based in Monterrey, Mexico—employs 13 Mexican nationals as engineers at its Crestline plant. The company said all of them have legal permission to work in the U.S.

Sen. Bernie Moreno (R., Ohio) wants to see the Fuyao plant under new ownership. Sen. John Husted (R., Ohio), who attended a 2020 celebration marking an expansion of the Fuyao factory while he was state lieutenant governor, said he was concerned about the trafficking allegations.

Rep. Hal Rogers (R., Ky.), chairman of the House Appropriations Subcommittee on Commerce, Justice and Science, inserted language in a government funding bill—which Trump signed in January—directing the Justice Department to detail its efforts to combat alleged human trafficking in the auto-glass industry involving any company with ties to the Chinese Communist Party. Rogers' district is home to another Vitro plant.

Bryce Burchett, the UAW union chair at the Vitro factory in Crestline, echoed complaints from co-workers about Fuyao's alleged subsidies and illegal workers. "If we had everything they had, then we would be able to match them on price," said the 31-year-old father of three. "But right now, we can't."



Vitro worker Chandra Jarvis at the Ohio plant.

MADDIE MCGARVEY FOR WSJ

# PERSONAL JOURNAL.

A10 | Tuesday, February 10, 2026

THE WALL STREET JOURNAL.

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BY ALLISON POHLE AND TE-PING CHEN

**"LEARN A TRADE"** isn't just a rallying cry for younger generations to skip college and pursue in-demand blue-collar work. For burned-out white-collar workers, it has become a popular midcareer fantasy.

Fears of an AI "jobocalypse" have prompted more than a few professionals to contemplate life as a plumber or HVAC specialist. More than 60% said they would consider pivoting into a skilled trade if it offered more money and stability, according to a recent survey of more than 3,000 white-collar workers by remote-job listing site FlexJobs.

What's it like to actually go through with the switch? Here's what four white-collar workers who made good on their blue-collar dreams told us:

**Nick Winters, 27**

*Software salesman turned electrical apprentice for a local union in Cleveland*

After so many sales calls, Nick Winters says he saw the writing on the wall. The executives he pitched often talked about wanting to make their corporate workforces more efficient.

He wondered: What could I do to make myself more irreplaceable?

A career requiring a human touch had always intrigued him. And he was handy. After talking with his soon-to-be father-in-law—a sheet-metal worker—he took the union tests for plumbing, elevator construction and electrical work. But it was helping his uncle wire his garage that clinched it.

"I was, like, 'Oh, my God, I did that,'" he says.

The process of getting started was long. He passed the electrical exam in 2024 and then it took more than a year to get into the union.

And the pay cut is drastic. In his final year in sales, he earned about \$120,000. As a first-year apprentice, it's less than half of that. To save up, he slashed his budget, especially eating out.

The job, he says, feels like a low-intensity workout for eight hours a day. He would come home sore from his first days on the job, his hands and feet covered in blisters. "I come from the world of KPIs (Key Performance Indicators) and making a certain number of calls a day," he says. "The requirement here is, 'Show up on time and be ready to learn.'"

Joining the union, though, means he will get guaranteed wage increases and puts him on track to make more than \$100,000 a year some day.

Even "when I'm in the mud and I have filled up my muck boots with mud and water, at no point have I ever thought, 'Man I miss the office,'" he says.

**Lauren O'Connor, 33**

*St. Louis teacher turned pipe fitter*

At 27, Lauren O'Connor was living paycheck to paycheck as a Montessori teacher, making \$29 an hour with no benefits. Today, the 33-year-old earns \$45 an hour—brazing, welding and soldering pipes for a local contractor.

A friend who'd gone into iron-work straight from high school suggested she apply to a local



▲ Lauren O'Connor on a job site in St. Louis. Lauren O'Connor left teaching to become a pipe fitter.

need for healthcare workers—changed her perspective. She chose to train in cardiovascular sonography, partly because the imaging appealed to her artistic side. Thanks to her husband's employee discount, she didn't have to pay tuition for the 22-month course, just fees.

One thing that surprised her was the level of instruction she got about touching patients. The best tips were about using words first: *"I need to unbutton your gown because I'm going to be scanning your chest, but I'll keep you covered with this towel."*

Most days she does echocardiograms, placing probes on patients' bodies. Or she operates the machine as the doctor guides a probe down the esophagus. One of the harder adjustments was getting comfortable speaking up to doctors on behalf of patients, but she says her voice rings louder when she's advocating for them.

She makes about the same as in her corporate job—less than six-figures—but says she would have taken a pay cut.

"It's actually dealing with life and death," she says, "but it is so much less stressful than when I was just dealing with emails."

**Ben Neville, 32**

*CPA turned pilot-in-training in Washington, D.C.*

Five years of paying \$500 a month for a bedroom in a shared apartment—on an accountant's salary—enabled Ben Neville to train for a new career as a pilot. He has spent \$130,000 in lessons and plane rentals so far, using the money he saved by living cheaply so long.

"If you couldn't self-fund or get a loan, it'd be easy to get stuck," he says.

It wasn't his original plan. The son of a stay-at-home mom and shipyard worker, he got a double major in finance and Chinese from the College of William & Mary, then a master's in accounting.

After a year of working often 80 hours a week at Ernst & Young, he took an accounting job with the Navy. By 2024, he earned \$160,000 a year.

He pined for more: "I'd be micro-editing PowerPoint presentations and thinking, 'What am I doing with my life?'" From his office window, he'd see planes taking off and wish he was there. Meanwhile, his brother had gotten a job making six figures as a lineman. "I thought, there's a lot out there I didn't know about," he says.

In the fall of 2024, with no flying experience (apart from being a passenger in coach), he started lessons.

The first time he took off, it was a little bumpy. But he loved it. "It's just that feeling of getting pushed back in your seat a little bit, the speed," he says.

In 2025, he took President Trump's buyout and began training in earnest, renting planes on the weekend to rack up the 1,500 hours of flight time typically needed to get a first-officer role.

A first-officer job, depending on the size of employer, could pay as little as \$30,000, he says. After three or so years, he expects to make much more: Airline and commercial pilots earn a median \$198,000.

Neville says it isn't about the money. "There's always something to learn, it keeps you on your toes," he says. "It's almost the opposite of a desk job. I go up in a plane on a Saturday, and one hour later, I'm at the beach."



▲ Nick Winters was a software salesman before learning a trade.

union. At the time, the prospect of healthcare and 401(k) benefits intrigued her, as did the actual work. She'd always liked tinkering with motorcycles and woodworking, and after years of teaching, she felt burned out.

As a pre-apprentice with the plumbers and pipe fitters union in 2021, she initially earned \$15 an hour. When she becomes a full journeyman this summer, she'll make more than \$50 an hour.

In 2023, she bought a two-bedroom house, with a sunroom and oversize garage where she parks her motorcycle and recently purchased Bronco. Meanwhile, she gets Yeti swag and treated to company picnics and parties.

Before all of that, O'Connor had assumed college would be her best ticket to a middle-class life.

But one semester short of graduation and with \$35,000 in loans, she dropped out. She was already

► Ben Neville, an accountant, saved up to train to be a pilot.

teaching Montessori and didn't need the degree or extra loans. "It's like a never-ending cycle of debt," she says.

These days, she is often carrying heavy pipes or a 45-pound backpack that she wears to haul her tools up and down ladders. To build strength, she signed up for a gym membership and started working out.

Though she sees more women on job sites these days, it wasn't that way at first. Proving herself to the guys was stressful, she says. She studied up on her own time until she felt more confident in her skills. About 98% of the guys are really supportive, she says. The other 2% she has learned to laugh off or cope with.

She enjoys the bantering vibe of the crews she's on, even if she still misses working with children. "You realize how witty some of these guys are," she says. "I've had a blast."

**Candace Robinson, 48**

*Commercial loan-servicing associate turned cardiovascular sonographer in Jacksonville, Fla.* Candace Robinson told herself she wouldn't stay long at the bank where she worked. Then, 10 years

passed. She made a decent living, even if the job wasn't a passion.

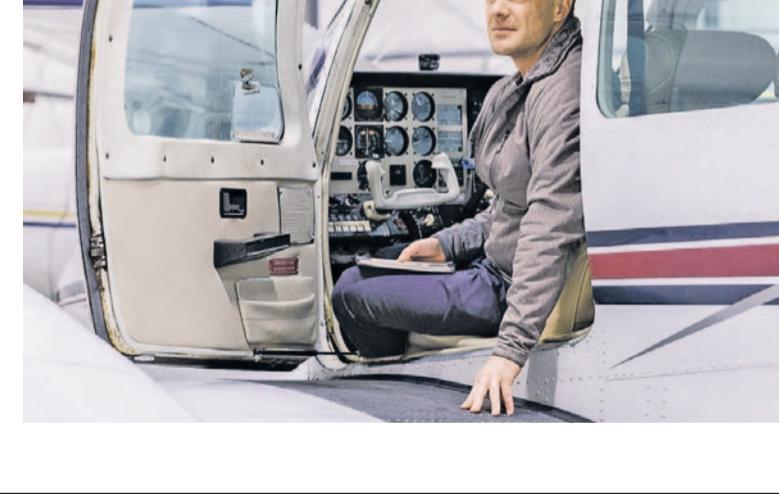
As she saw more co-workers get laid off, many of them as they approached 50, she took stock of what her job had become. "It's just problem-solving, slinging emails," she said.

Her husband worked at Concorde Career Colleges, which focus on healthcare training, and he had encouraged her to look into its programs. "I don't want to be a nurse," she'd reply.

The pandemic—and the desper-



▲ Candace Robinson left a bank job to work in healthcare.



The first time he took off, it was a little bumpy. But he loved it. "It's just that feeling of getting pushed back in your seat a little bit, the speed," he says.

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CLOCKWISE FROM TOP: NICK SCHNELLE FOR WSJ; CANDACE ROBINSON; MORIAR RATHNER FOR WSJ; NICK WINTERS

## No REAL ID or Other Valid Document? Fees Kick In

BY DAWN GILBERTSON

*The following items first appeared in Dawn Gilbertson's weekly Travel newsletter.*

**T**ime's up if you still haven't gotten around to getting a REAL ID.

You now face a \$45 fee if you don't have one or another acceptable I.D., such as a passport. The TSA rolled out its new ConfirmID program on Feb. 1.

The agency calls it an optional alternative identity-verification system. You can sign up in advance and pay the fee online. You bring the receipt to the security checkpoint. It covers travel for 10 days from the travel date (not the purchase date) on the receipt.

The TSA notes that you can still show up at the checkpoint without an acceptable ID and pay the fee

there. But it recommends doing so in advance. Allow plenty of time at the airport if you're paying last minute.

I don't recommend winging it, of course. Pay the fee in advance. Better yet, tell the procrastinators or infrequent fliers in your family or friend group to head to the motor vehicle department stat, or get a passport.

The new rules apply to travelers 18 and older.

**Travel math: 300**

The number of United Airlines planes with Starlink Wi-Fi installed, or one in four. That's the good news. The bad news: The service so far is only on its regional jets. The airline says it expects to have the speedy Wi-Fi on 500 mainline jets (more than half the mainline fleet) by the end of the year. Until then, you'll pay for Wi-Fi on those planes.

**Improve your seat choices**

Don't like the free seat choices left when you booked your Southwest Airlines flight? Regularly check the seat map to see if a better one opens up. The same holds true for other airlines, too, but Southwest passengers are new to the assigned-seating game.

**Reader thoughts**

"It's becoming a very event-driven and holiday-driven destination...but (it's) a bit unfortunate to lose kind of that year-round rock star reliable that it once was."

—Drew Wells, chief commercial officer for budget airline Allegiant, on the decline in visitors to Las Vegas.

To subscribe to Dawn's Friday newsletter, go to [wsj.com/newsletters](http://wsj.com/newsletters).

SHELBY TAUBER/BLOOMBERG



## PERSONAL JOURNAL.

# Bad Bunny's Ode to Joy and Heritage

Super Bowl halftime celebration of Puerto Rico, Latino culture draws criticism from Trump, conservatives

By ELIAS LEIGHT  
AND SABRINA RODRIGUEZ

**B**ad Bunny delivered a pointed message in Spanish to millions of Americans watching the Super Bowl on Sunday night: "We're still here."

In a history-making halftime show performed almost entirely in Spanish, the Puerto Rican star paid tribute to his heritage and the many countries—from Brazil to Mexico—whose people have come to shape the modern-day U.S.

Just a week ago, Bad Bunny denounced Immigration and Customs Enforcement while accepting a Grammy award, stoking further political furor from conservatives ahead of the Super Bowl. But on the halftime stage, he offered up a buoyant celebration of Latino culture.

▼ Lady Gaga joined Bad Bunny on stage at Sunday's halftime show.



The elaborate stage design included a maze of sugar cane and a single-story house similar to the one he used during his 31-date residency in San Juan, Puerto Rico, last summer. As Bad Bunny strutted through the greenery, he passed by old men playing dominoes, women chatting in a nail salon and boxers sparring—a montage of scenes from life in Puerto Rico.

He opened with some of his kinetic reggaeton hits—"Titi Me Preguntó," an insistent single about a hyperactive love life, and "Yo Perreo Sola," a club missile—and later moved through muscular Latin trap ("Monaco") and sparkling salsa (the opening of "Nuevayol").

A stream of celebrities showed up to offer their support: Jessica Alba, Pedro Pascal, Cardi B, Karol G and Young Miko threw a house-party behind a phalanx of dancers. Lady Gaga sang a salsa version of her hit "Die With a Smile," originally a duet with Bruno Mars, while Ricky Martin delivered a full-throated rendition of Bad

Bunny's song "Lo Que le Pasó a Hawaii"—which critiques the potential consequences of U.S. statehood for Puerto Rico through the lens of Hawaii.

Bad Bunny finished his set by spiking a football which read "Together, We Are America." Then he led a raucous sing-along to his nostalgic hit "DTMF" as a

▲ Bad Bunny's Super Bowl halftime show on Sunday was performed almost entirely in Spanish.

crowd hoisted the flags of nations across Latin America behind him.

"He went from bagging groceries 10 years ago to playing the biggest stage this planet has to offer, and did it unwaveringly on his own terms in his native tongue," said Carlos Cancela, a Bad Bunny fan and former executive at a major label. "He is quite literally the em-

bodiment of the American Dream."

But Bad Bunny, whose full name is Benito Antonio Martínez Ocasio, also sparked the latest culture-war controversy as conservatives railed against his selection.

Right-wing influencers and commentators zeroed in on the star's past criticism of President Trump's immigration agenda, his Spanish-

▼ At the end of Bad Bunny's halftime performance, a crowd hoisted the flags of nations across Latin America.

language song lyrics and his gender-fluid fashion choices. Last week, Bad Bunny said, "ICE out," on stage at the Grammys, where he became the first artist to win album of the year for an all-Spanish release, "Debi Tirar Más Fotos."

Trump joined the chorus of conservative criticism on Sunday night, calling the show "absolutely terrible, one of the worst, EVER!" and a "slap in the face" to our Country.

"It makes no sense, is an affront to the Greatness of America, and doesn't represent our standards of Success, Creativity, or Excellence. Nobody understands a word this guy is saying," Trump wrote in a Truth Social post.

Turning Point USA, the group founded by the late conservative activist Charlie Kirk, held its own competing halftime event headlined by musician Kid Rock. The event, billed as the "All-American Halftime Show," garnered roughly five million views on the group's YouTube page.

Republican strategist Nathan Brand described Bad Bunny as a unifying factor for conservatives. About his halftime performance, he said, "If you were in the anti-Bad Bunny corner before the show, you're still in that corner. If you like him, you still probably like him."

The latter camp includes Sen. Ruben Gallego (D, Ariz.), who called Bad Bunny's performance "beautiful," and said he was among "many teary eyed Latinos" who watched the halftime show.

Fans echoed Gallego's enthusiasm. Victoria Hupp, who lives in the Cleveland area, "loved the celebration of Hispanic culture in America."

"Many of us in the Latin community see this as a cultural step forward," said Jorge Brea, who is based in Tampa Bay. "It's a reminder that you can break through at the highest level, regardless of language, background or the current state of the world. It should be inspiring to anyone watching."



## The Eclipse Nobody Wants to See

Continued from Page One

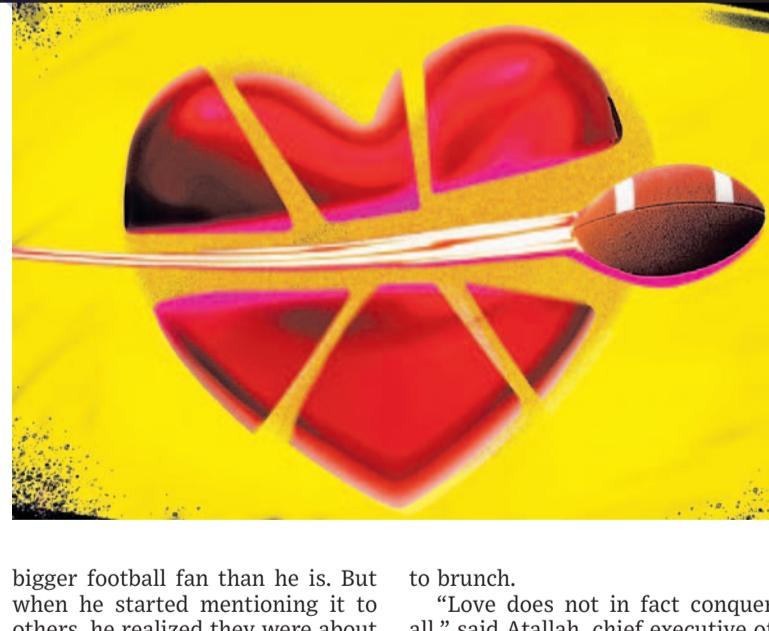
Super Bowl is landing on Valentine's Day. So get ready, America. It's time to decide between your two true loves: Football and your spouse.

"There's no better way to say sorry than a heart of chocolate," Rinaldi says.

These days, no holiday is considered sacred by the National Football League. Thanksgiving football is a tradition, but in recent years the league has added annual games on Black Friday and Christmas. And once it expanded to 17 regular-season games in 2021, it became inevitable that people would have to decide between bone-crushing hits and candlelit dinners—that extra game pushed the Super Bowl into the second week of February.

For some, finding out that the big game will land on Feb. 14 was about as pleasant as receiving a bouquet of dead flowers. Now the clock is ticking toward the Valentine's Day-Super Bowl eclipse, presenting the ultimate stress test for couples.

Marshal Cohen was already aware of the overlap, but that's because he's the chief retail adviser at the market-research firm Circana. It won't be a problem for him—his wife is a



bigger football fan than he is. But when he started mentioning it to others, he realized they were about to be totally blindsided by an event of epic proportions.

"Anybody I ever spoke to about it had no clue," he said, adding that the magnitude of this double-whammy has few comparisons. "It's almost like the next coming of the millennial."

George Atallah attended 16 consecutive Super Bowls when he was an executive at the NFL Players Association, and he laughed hysterically when he learned about this confluence of events. That's because even though he no longer works in football, he knows he won't be able to peel himself away from the action.

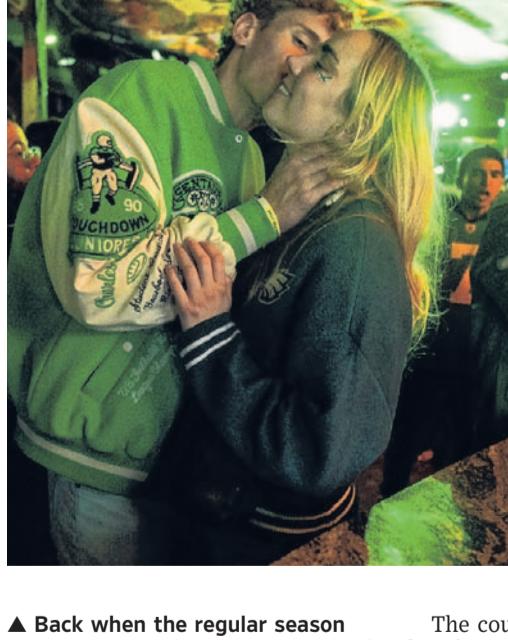
It didn't take him long to devise a solution. Next Valentine's Day, he's taking his wife and three daughters

to brunch.

"Love does not in fact conquer all," said Atallah, chief executive of Somebody Advisors. "Brunch is the new Valentine's dinner next year."

Both days have enormous economic impacts. All the money spent on flowers, fine dining and teddy bears for Valentine's Day adds up to about \$25 billion in consumer spending a year in the U.S., said Robert Byrne, senior director of consumer research at Technomic. He added that Americans shell out about \$16 billion on pizza, wings and merchandise for Super Bowl Sunday.

And Byrne has already drawn up his game plan for whether he'll be sipping wine over a prix fixe menu or knocking back beers in front of the television. It just depends on whether his beloved team is playing.



▲ Back when the regular season was 16 games, there was no risk of a Feb. 14 overlap.

"If the Bears are in the Super Bowl, Valentine's Day can wait," he says. "This could be the demise of many a good relationship."

Retail experts expect a deluge of cross-promotion, and even the NFL is looking to incorporate Valentine's Day into Super Bowl Sunday. A spokesperson for Hallmark said already the 2-for-1 special is "definitely on our radar." At this rate, florists might as well start practicing

the art of making football-themed bouquets for couples-themed parties.

If the NFL has its way, this might just be a once-in-a-lifetime celestial occurrence. The league wants to add an 18th game, which could push the Super Bowl deeper into February.

What's clear is the day will be different for tens of millions of Americans next year.

But Rinaldi, Hershey's vice president of consumer connections, has already made up his mind: He and his wife will still throw their Super Bowl party next year—with one caveat.

The couple has a pact that if his favorite NFL team reaches the Super Bowl or if her Penn State Nittany Lions reach college football's national championship, they're dropping everything and going to the game no matter what day it falls on.

"We don't ask questions," Rinaldi says. "We figure out a way to get there."

Rinaldi also knows his chances of that for next year's Super Bowl-Valentine's Day double-header are about as remote as scientists discovering underground lakes of fudge on Mars. He's a fan of the New York Jets.

## ARTS IN REVIEW

BY ROBERT GRESKOVIC

**N**ew York City Ballet's current season, through March 1—with its rich assortment of mixed bills and a coming two-week run of "The Sleeping Beauty" in Peter Martins's sometimes hectic two-act staging from 1991—has now presented two world premieres: "The Wind-Up," by resident choreographer and artistic adviser Justin Peck, and "The Naked King," by artist in residence Alexei Ratmansky. The new creations entered the repertory amid a number of authoritative performances of tried and true ballets—mostly by the troupe's incomparable founding choreographer George Balanchine.

Mr. Peck's 19-minute showcase for six dancers, to the first movement of Beethoven's Symphony No. 3 ("Eroica"), showed the choreographer having a grand time challenging his three men and three women. The result is an artful onslaught of high-flying, spinning, partnered and sometimes tumbling excursions suggesting that Mr. Peck was eagerly all wound up as he choreographed.

The bare-legged dancers sport various hard-edged, geometric designs on their sleek costumes, designed by Reid Bartelme and Harriet Jung. The look suggests part superhero and part space-age toy as Mr. Peck's choreography reveals bolting and turning jumps alongside spinning-top turns for the men as well as sharp pointework for the women, often leading to tautly extended and held legs.

Lighting designer Brandon Stirling Baker's background of changing color fields aids the ballet's generally punchy pace, honoring Beethoven's "Allegro con brio" tempo marking. In the end, it's the men who dominate the action and easily catch the audience's attention, especially cheeky Roman Mejia in one cast and stylish Ryan Tomash in another, while a seem-



## DANCE REVIEW

## Super Troupers

New York City Ballet's winter season features dancers in delightful form

ingly unstoppable Daniel Ulbricht further fortifies the first cast, in which Mira Nadon held the stage alongside her male counterparts with striking command.

"The Naked King," Mr. Ratmansky's 27-minute narrative ballet to Jean Françaix's little-known 1935 ballet score, is based on Hans Christian Andersen's 1837 tale "The Emperor's New Clothes." It enters NYCB's repertory as the troupe's 500th creation and as something of a rarity among its catalog of world premieres, which overwhelmingly take their inspiration from their chosen music, as Mr. Peck's does.

Mr. Ratmansky told the New York Times that the idea for his ballet came from pondering the "No Kings" demonstrations around the

U.S. against the policies of President Trump. The King in Mr. Ratmansky's ballet, dressed in an array of period styles by Santo Loquasto, is a mincing, foppish Louis XIV figure prancing around on red-heeled pumps, with a cascading peruke of golden curls framing his rouged face.

So far, so clear, but even given the program's three-sentence synopsis, what unfolds around the vain King fails to deliver narrative clarity. While Mr. Ratmansky's choreography engagingly connects as vivid dancing to the somewhat Stravinsky-like aspects of Françaix's occasionally boisterous score, his storyline regarding conniving Swindlers, an unfaithful Queen with her slinky lover, an obsequious entourage and scrappy Townspeople

gets lost in the mix.

What starts comedically high, with the fussily garbed, potbellied King, who literally walks over his subjects, and closes with more hilarity as he reappears naked—thanks to a saggy, bulbous fat suit that gets a fig leaf in the end—loses momentum in between. The dancing and carrying on by the secondary characters mostly feels like filler.

Fortunately, Mr. Ratmansky's choreographic savvy was on fine display this season with repeat performances of his lively, non-narrative "Paquita," created last year. And with Ms. Nadon growing further as its ballerina lead, it proved a joy, while, in one of its female solos, corps de ballet dancer Kloé Walker made a debut that an-

Preston Chamblee, Owen Flacke, Jules Mabie and Andrew Veyette in 'The Naked King.'

nounced what an accomplished and thrilling performer she already is.

Beautifully gracing another mixed bill were luminous performances of Balanchine's "Le Tombeau de Couperin" (1975), to Maurice Ravel's composition of the same title. Not seen since 2018, it was created as an ensemble work without any leading dancers, arranged for two groups of four couples. The limpid four-movement ballet is both courtly and casual, with its intricately evolving choreographic patterns gently beguiling, as if seen in a crystalline hall of mirrors.

Elsewhere, performances of Balanchine's "Kammermusik No. 2" (1978), to Paul Hindemith, featured Ms. Nadon paired with Mr. Tomash. With the animation of her ponytail helping to complete the flashing dynamics of her often-prancing moves, Ms. Nadon gained even more flair when joined by Mr. Tomash—who matched her verve, accentuation for accentuation.

Following his avid performing in "The Wind-Up," Mr. Mejia made impressive debuts as the male lead of Jerome Robbins's "Opus 19/The Dreamer" (1979) and in the title role of Balanchine's "The Prodigal Son" (1929), both to Prokofiev. In the former he proved compellingly contemplative and introspective, while in the latter he established an impressive arc, growing from unleashing unbounded, extroverted dimensions to embodying crumpled dejection.

Several NYCB dancers will be making debuts in "The Sleeping Beauty." Given what they have shown in the season so far, Ms. Nadon, Ms. Walker and Messrs. Mejia and Tomash all hold out promise to further distinguish themselves in this narrative classic.

Mr. Greskovic writes about dance for the Journal.

ERIN BARIANO

## The WSJ Daily Crossword | Edited by Mike Shenk



## FACE THE MUSIC | By Adrian Johnson

**Across**

- 1 Glades denizen
- 6 Flame bearer
- 10 URL starter
- 14 \_\_\_ acid
- 15 Valhalla VIP
- 16 "Hold on there!"
- 17 Unwritten reminder
- 19 Trees whose wood is used for lutes and longbows
- 20 Render unreadable
- 21 Nonetheless
- 23 Filming location
- 24 Insecticide banned since 1972
- 25 Trio of yuletide gift-givers
- 28 Ranch stock
- 30 Tool for tailors and contractors

32 Generate, as enthusiasm

35 Cover for a rain delay

36 Back muscles

38 Declares to be the case

39 "Whistle" rapper \_\_\_ Rida

40 Wound up costing

41 Left in stitches?

42 Hotel worker

43 Finished

44 Multiple reality realm in 2018 and 2023

45 Marvel movies

46 Part of a Clue accusation

48 Revise writing

49 Hot spot on a cruise ship

50 She/\_\_\_

53 Director's cry

55 Make more presentable

57 Bills in tills

59 London Tipton's portrayer on "The Suite Life of Zack & Cody"

62 Script unit

63 Mysterious quality

64 Sculpting medium

65 "Something's Got a Hold on Me" singer James

66 Gather from the fields

67 Alpine air?

5 Service station offerings of the past

6 Took the title

7 Chapel promise

8 Mayor's domain

9 Triangular bone

10 Rte. 66, e.g.

11 London thoroughfare from Trafalgar Square to Fleet Street

12 BBQ joint freebie

13 Art class stuff

18 Vault

45 Colleague of Sleepy and Sneezy

46 Watermelon protector

47 Complete

49 Arose

50 Tube-shaped pasta

51 Brat's opposite

54 Factual

56 "Speaking of..."

58 Isle surround

60 Historian's focus

61 Afternoon refresher

**Down**

1 Unfairly manipulated, as the system

2 Modify for the better

3 Light touch of color

4 Not fooled by

5 CHILD

6 GUM

7 OBI

8 NET

9 GETS

10 JUMPS

11 ON

12 KAH LUA

13 CARAT

14 BEET

15 MAIL

16 LOTS

17 GREASE

18 PENCIL

19 LOAFS

20 ADDED

21 SHE

22 EDDY

23 SLURS

24 MEAL

25 ESS

26 REESE

27 JAILED

28 JIGSAW

29 PUZZLE

30 POLECATS

31 ALEE

32 IWISH

33 RESUME

34 CLOSETHEGAP

35 PAX

36 KEN

37 SEAGODS

38 ONE

39 STS

40 ADOBE

41 NYIC

Previous Puzzle's Solution

L	A	B	T	C	H	I	L	D	G	U	M
I	R	A	I	R	O	N	O	R	E	O	B
N	E	T	(G)	E	T	S	(A)	J	U	M	O
K	A	H	L	U	A						

## ARTS CALENDAR

## HAPPENINGS FOR THE WEEK OF FEBRUARY 10

By WSJ ARTS IN REVIEW STAFF

## Film

## "Wuthering Heights"

(Feb. 13)

The latest big-screen adaptation of Emily Brontë's 1847 classic comes courtesy of director Emerald Fennell ("Saltburn") and stars Margot Robbie as Catherine and Jacob Elordi as Heathcliff, with songs by Charli XCX.

## "Good Luck, Have Fun, Don't Die"

(Feb. 13)

Sam Rockwell plays a man from the future who time travels to a present-day diner and recruits its patrons to wage war against an evil AI power in this sci-fi comedy from Gore Verbinski.

## "Crime 101"

(Feb. 13)

Chris Hemsworth portrays an elusive jewel thief being tracked by Mark Ruffalo's detective in Bart Layton's crime thriller that also features Barry Keoghan, Halle Berry, Jennifer Jason Leigh and Nick Nolte.

## TV

## "How to Get to Heaven From Belfast"

(Netflix, Feb. 12)

"Derry Girls" creator Lisa McGee returns with a dramedy about a group of longtime friends investigating the suspicious death of one of its members.

## "Love Story: John F. Kennedy Jr. &amp; Carolyn Bessette"

(FX, Feb. 12)

The latest series from

prolific producer Ryan Murphy is an adaptation of Elizabeth Bell's book "Once Upon a Time" that stars Paul Anthony Kelly and Sarah Pidgeon as the high-profile titular couple.

## Theater

## "The Other Place"

(The Shed, New York, Feb. 11-March 1)

The new play by Alexander Zeldin, transferring from London, tells the story of two estranged sisters who reunite on the anniversary of the death of their father and grapple with the family's complicated past while wondering if there is hope for the future. Inspired by



Jacob Elordi and Margot Robbie in 'Wuthering Heights.'

from a period of growing tensions between Great Britain and the colonies through the drafting, ratification and adoption of the Constitution and Bill of Rights. Artifacts, immersive environments and interactive digital presentations tell the story of the unlikely experiment in democracy that's now lasted 250 years.

## Art

## "Ties of Our Common Kindred"

(Glenstone, Potomac, Md., opens Feb. 12) \*

A collection of works from the museum celebrates some of the leading American artists of the past century—including Ruth Asawa, Willem de Kooning, Kerry James Marshall, Jackson Pollock, Cindy Sherman and Andy Warhol—while taking visitors on a tour of the period's stylistic shifts.

## "Gainsborough: The Fashion of Portraiture"

(The Frick Collection, New York, Feb. 12-May 25)

English artist Thomas Gainsborough receives the first New York show dedicated to his portraiture. More than two-dozen paintings look at the relationship between his work and 18th-century fashion.

## Last Call

## "Marjorie Prime"

(Hayes Theater, New York, through Feb. 15)

June Squibb, Cynthia Nixon and Danny Burstein star in a revival of Jordan Harrison's play, about a woman who finds companionship in a humanoid version of her dead husband. Our critic praised it as "an impeccable production."

For additional Arts Calendar listings visit [wsj.com](http://wsj.com). For events celebrating America's 250th birthday, visit our America 250 Calendar, which is updated weekly. Events included there are indicated with a \*. Write to [brian.kelly@wsj.com](mailto:brian.kelly@wsj.com).

WARNER BROS. PICTURES

## Music

## "Jill Scott, 'To Whom This May Concern'"

(Feb. 13)

The R&B and neo-soul artist's first studio album in over a decade focuses on the power of connection and shared humanity and features appearances by Ab-Soul, JID, Tierra Whack and Too Short.

## Exhibitions

## "America's Founding"

(The National Constitution Center, Philadelphia, opens Feb. 13) \*

A new permanent display traces the birth of America

## OPINION

## Minnesota Burning



Does Minnesota Gov. Tim Walz understand the argument he's making, and which side of history it puts him on?

Recently the Minnesota governor drew a rebuke from the U.S. Holocaust Memorial Museum after he compared Immigration and Customs Enforcement agents to the Nazis who sent Anne Frank to her death. Before the Nazis, it was the Civil War, with Mr. Walz wondering aloud whether the clash with federal officers in his state was a "Fort Sumter" moment.

Already the protests have seen two shooting deaths, Renee Good and Alex Petti, by immigration officers. The governor says he knows who's at fault. He wants ICE—whose presence he calls an "occupation"—out of Minnesota.

The battle between federal agents trying to enforce the law and Minnesota state officials working to ensure that it can't be enforced has a more immediate precedent that might surprise Gov. Walz and the rest of Minnesota's ICE resisters.

It dates to 1964, when Attorney General Robert F. Kennedy dispatched the Federal Bureau of Investigation to Mississippi to find three young civil-rights activists who had gone missing. Their bodies were discovered six weeks later beneath an earthen dam. The men had been killed by members of the Ku Klux Klan and the local sheriff's office. The film "Mississippi Burning," starring Gene Hackman, was loosely based on this story.

The FBI's lead investigator was Joe Sullivan, whom Tom Clancy called "the greatest lawman America ever produced." Sullivan was also a colleague of my father, an FBI agent. Sullivan once told me that he'd discovered that police departments and other government institutions in Mississippi were infested with Klansmen. They were, he said, a "state within a state," operating to nullify federal law and deprive African-Americans of their rights.

Isn't the nullification of federal law what's happening in Minnesota today? The attacks on ICE may be cloaked in righteousness, but it's self-righteousness.

The historical ironies abound. Today the activists operating to force ICE to leave have zero appreciation that their defiance of federal authority puts them in the same position as George Wallace and like-minded Southern sheriffs and governors.

In 1957 President Dwight Eisenhower had to invoke the Insurrection Act to enforce federal court orders to integrate Little Rock Central High School after the Supreme Court held in *Brown v. Board of Education* (1954) that segregated schools were "inherently unequal." John F. Kennedy did the same five years later to help black students trying to enter Ole Miss.

JFK did so again in 1963 at the University of Alabama. There Gov. Wallace infamously stood in the university's doorway to prevent two black students from matriculating.

Today the same sort of clash over federal authority is playing out on the streets of Minneapolis. There the anti-ICE forces believe they can nullify the enforcement of U.S. immigration law and get ICE to abandon their city.

### Anti-ICE protesters sound more like George Wallace than Martin Luther King.

On that Mr. Walz, Minneapolis Mayor Jacob Frey and their allies have been clear. In their remarks there are uncanny echoes of the Southern governors who fought the civil-rights movement. Here's George Wallace in front of the schoolhouse door in 1963:

"I stand before you today in place of thousands of other Alabamians whose presence would have confronted you had I been derelict and neglected to fulfill the responsibilities of my office. It is the right of every citizen . . . to stand courageously against whatever he believes to be the exercise of power beyond the constitutional rights conferred upon our Federal Government."

He ended with defiance: "I, George C. Wallace . . . do hereby denounce and forbid this illegal and unwarranted action by the Central Government."

Mr. Walz and others in the anti-ICE movement in Minnesota would say they are standing up for migrants just as the 1960s civil-rights movement stood up for African-Americans being deprived of fundamental rights.

But those trying to disrupt lawful ICE operations claim an authority they don't have. If the people of Minnesota don't like the laws, the answer is to persuade their fellow citizens to change the law through the democratic process. Or like Martin Luther King Jr. they can peacefully go to jail to protest an unjust law.

"Walz and Frey have put themselves in the same constitutional camp as Bull Connor and the Southerners who led the 'massive resistance'—as they called it then—campaign to *Brown v. Board of Education*," says John Yoo, a UC Berkeley law professor who served in the Justice Department during the George W. Bush administration. "The segregationists denied that the Supremacy Clause of the Constitution gave the national government the right to finally interpret and execute federal law."

"Regardless of the policy merits of the immigration enforcement policy," he says, "there is no doubt that immigration law is purely federal, that it gives the federal government the right to enforce it free of obstruction by the states. It leaves Trump in the same position constitutionally as those who wanted to enforce *Brown* upon a recalcitrant South."

## OPINION

## REVIEW &amp; OUTLOOK

## The Political Battle for AI in Space

**E**lon Musk last week announced an ambitious goal of launching a million solar-powered AI data centers into orbit. It could be an innovative work-around to America's permitting headaches and electric-power shortages that are slowing the AI buildout. But get this—some progressives want to make it harder to build in space.

"Space-based AI is obviously the only way to scale," Mr. Musk wrote after announcing SpaceX's merger with xAI. "It's always sunny in space!" Mr. Musk's mission to launch solar-powered AI data centers in space involves significant technical challenges, but it's not a journey to Mars. Other companies including Google have the same ambitions. So do the Chinese.

Mr. Musk explained on a podcast Thursday that his plan would avoid the headaches involved in building data centers and electric plants to power them on earth. "It's actually very difficult to build power plants. You don't just need power plants, you need all of the electrical equipment. You need the electrical transformers to run the AI transformers," he said.

There's a shortage of all of the above on earth. Operating data centers in space would avoid an environmental thicket and require less water and energy for cooling. "It's actually much cheaper to do in space," he said. "My prediction is that it will be by far the cheapest place to put AI. It will be space in 36 months or less. Maybe 30 months."

Mr. Musk has a history of making overly optimistic projections. Still, it's notable that SpaceX has applied to the Federal Communications Commission for permission to deploy its new non-geostationary orbit satellite system. FCC Chair Brendan Carr immediately opened the application to public comment with the aim of getting the project off the ground soon.

Mr. Carr has been on a mission to fast-track approvals for satellites. The number of applications has increased three-fold over the past decade as more companies have sought to commercialize space, especially for telecommunications. Yet applications during the Biden Presidency could linger in the FCC queue for years.

## Good Sense on Transgender Children

**P**rogressive politics has infected much of today's medical establishment, and no more so than in surgical and hormonal treatments for children with doubts about their biological sex. So credit the American Society of Plastic Surgeons for restoring some common sense.

Last week the ASPS issued a formal position recommending against gender-related surgeries for patients under 19. There's "insufficient evidence" of "a favorable risk-benefit ratio" for endocrine or surgical interventions for children, the surgeons guild said.

The group said that recent research has "contributed to a clearer understanding of potential harms" from such treatments. It also cautioned plastic surgeons that "medical decision-making competence among minors is a matter of debate, particularly when patients are experiencing distress and considering treatments with lifelong consequences."

The ASPS has long taken a more conservative position than other physicians' groups on gender-related medical interventions for children. The American Academy of Pediatrics officially supports "gender-affirming care" for minors. But last week the American Medical

The FCC bottleneck has slowed the deployment of internet satellites that could improve connectivity for rural areas and advance U.S. strategic interests abroad. Iranian protesters used Starlink to communicate when the government shut down the internet. The Ukrainian military has relied on some 50,000 Starlink terminals against Russia.

Texas Sen. Ted Cruz has teamed up with Vermont Democrat Peter Welch on a bill to expedite satellite approvals. Their bill would give the FCC a year and a half to approve or reject applications, after which they would be automatically approved. One goal is to future-proof Mr. Carr's deregulation so a future Administration can't revive old regulatory obstacles.

The obstructionists are striking back. At a Senate hearing last week, Washington Democrat Maria Cantwell objected because the bill would help Mr. Musk's AI space ambition. That's a bad reason to oppose it, since it would benefit all satellite companies. Democrats should love Mr. Musk's plan because it would reduce data center CO<sub>2</sub> emissions.

Ms. Cantwell also said the FCC should be able to take its merry time when reviewing satellite applications to ensure they won't interfere with existing spectrum holders. A year and a half is plenty of time. Mr. Carr managed to cut the FCC application backlog in half during his first six months as Chair.

The real danger is political interference that hamstrings America's space development and gives China an upper hand. Democrats and astronomical groups are also opposing Mr. Carr's proposal to exempt satellites from environmental reviews. They say satellites could indirectly affect U.S. earthlings by, say, brightening the night-time sky.

But such effects are hypothetical. The Federal Aviation Administration separately evaluates the environmental impact of rocket launches in the U.S., which has in the past delayed satellite launches. Permitting difficulties are America's economic Achilles' heel. Let's hope they don't get in the way of U.S. space innovation.

Association also said gender surgery "should generally be deferred to adulthood."

The plastic surgeons' statement cited the landmark 2024 Cass Review from the United Kingdom, among other research. That review warned that the scarce studies on gender medicine are often of "poor quality." The Cass Review added that clinicians have no way of knowing whether or not children will have "an enduring trans identity" or transitory gender distress, and it recommended a holistic treatment approach that includes screening for other neurodevelopmental and mental-health conditions.

A recent case in New York state illustrates the potential harm of gender surgeries for children. A jury last month found that a psychologist and surgeon had committed malpractice over a double mastectomy performed on a 16-year-old without adequate consent. The plaintiff, now 22, no longer identifies as transgender and testified that it is "hard to face that you are disfigured for life," according to an Epoch Times report of the court proceedings.

She won \$2 million in damages, which should get the attention of doctors whether they heed the plastic surgeons or not.

## Jimmy Lai Gets a Death Sentence

**M**onday's sentencing of Jimmy Lai to 20 years in prison is a profound injustice to the publisher, but it also marks a symbolic end of an era. It confirms that Hong Kong, which was promised autonomy for 50 years after 1997, is now firmly under the iron boot of Beijing.

The sentencing marks the end of the 26-month trial of the owner of Apple Daily on trumped up charges of sedition and conspiracy to collude with foreign powers. But it also marks the end of the larger dream that Hong Kong could—under Chinese rule—preserve the freedoms that had transformed it from a barren rock into a beacon of hope and opportunity.

This was the question hanging over Hong Kong's future when Britain and China issued a Joint Declaration in 1984 laying out the terms of Hong Kong's return to Chinese sovereignty. Would China's Communist Party uphold the rights and freedoms a free-market society requires? Sad experience said no, and we expressed our doubts at the time.

"The essence of the declaration," we wrote more than 40 years ago, "is that five million largely free people will soon have their futures determined by a totalitarian government not known for tolerance or stability." That editorial was headlined "Promises, Promises."

With Jimmy Lai, our fears have been realized. The 20-year sentence might as well be a death sentence for the 78-year-old newspaper man. He is in ill health and has spent most of the last five years in solitary confinement, the lone window fixed to block sunlight. Along the way, the Hong Kong government denied him his choice of lawyer and stole his newspaper without a court order. Six former Apple Daily executives also received multi-year sentences on Monday.

**The publisher has already served years in solitary confinement.**

This isn't the way Hong Kong operated under Britain. It isn't the way a world trade and financial center operates. But it is the way of Hong Kong under Chinese rule.

Whatever the Hong Kong government may say, the people who live there know Beijing is the real authority. The Apple Daily readers who queued up for tickets to Monday's sentencing did so because they regard Mr. Lai as standing up for them. They see in him the virtues that made their city free and prosperous—and the courage it took for him to risk arrest and prison rather than abandon his principles or flee abroad.

Some hoped that Hong Kong's judiciary might be the one institution to stop Hong Kong from being swallowed up by the Chinese system. It was never to be. In June 2024, British judge Lord Jonathan Sumption resigned from Hong Kong's Court of Final Appeal. As he wrote in the Financial Times, the rule of law in Hong Kong is "profoundly compromised in any area about which the government feels strongly."

Mr. Lai was convicted on national-security charges and will die in prison if nothing is done. President Trump, who has raised Mr. Lai's plight with President Xi Jinping, is scheduled to visit Beijing in April. At this point someone in Beijing should be asking whether it is really in China's interest to keep generating the bad press and opprobrium that come from keeping an old man incarcerated.

On Friday a bipartisan group of five U.S. Congressmen wrote the Nobel Peace Prize Committee in Oslo nominating Jimmy Lai for the prize. There's no one more deserving. And Beijing's message to Taiwan about what life would be like under rule by the Chinese Communist Party couldn't be clearer.

## LETTERS TO THE EDITOR

### Confusions About the California Wealth Tax

At least two confusions discredit Mayra Castañeda's attempted defense of California's proposed wealth tax in her letter "Billionaire Tax Would Save Calif. Healthcare" (Feb. 4). She claims that "billionaires pay less in taxes on their overall wealth than working families do." She gets away with this because the research that she cites, although it postures as measuring the taxation of incomes, in fact measures the taxation of paper wealth by classifying unrealized capital gains as taxable income.

But unrealized capital gains aren't classified as taxable income in the U.S. for good reason. Were these gains treated as such, taxpayers—including many middle-class families—would have to liquidate assets whenever tax season rolled around to pay their bills. One result, in addition to this annual hardship, would be a shrinkage of America's capital stock which, in turn, would slow wage growth as workers, having less capital to work with, would be less productive than otherwise.

Ms. Castañeda also ignores the most prominent argument against the proposed tax—namely, that it will drive billionaires, along with their taxable incomes and wealth, to states

that are less greedy to seize the fruits of high-earners' efforts. This exodus of billionaires would occur even if, contrary to fact, counting unrealized capital gains as taxable income were a sound idea.

PROF. DONALD J. BOUDREAU  
Mercatus Center  
George Mason University  
Fairfax, Va.

I believe Ms. Castañeda, an ultrasound technician at a southern California hospital, is sincere in trying to give superior healthcare to our state. (I'm not as confident that SEIU really cares about patients.) She is wrong, however, in suggesting that billionaires are paying less in taxes than working families. Yes, the percentage of their combined income and wealth paid in taxes is less, but without their huge contribution California would be in a budget nightmare far worse than it already is. The top 1% of California taxpayers, which includes the 200 or so billionaires at which the tax is aimed, pay about half of the state's total income-tax revenue. The budget won't benefit if California drives them to lower tax states.

ROGER BACCIGALUPPI  
Sacramento, Calif.

### About That 'Golden Opportunity' for the Dems

Rahm Emanuel correctly observes in his op-ed "Trump Hands Democrats a Golden Opportunity" (Feb. 4) that "smug superiority" has become one of the Democrats' greatest political liabilities. Yet his essay illustrates the very problem he warns against.

He cautions Democrats against "telling people we were right all along," while proceeding from the assumption that voters' past reluctance to reward Democrats reflects more of a failure of messaging, not policy. When electoral losses are treated as misunderstandings by the electorate rather than a rejection of what is being offered, the smugness he identifies is already at work. The issue isn't tone, but the presumption that Democratic views are self-evidently correct and that resistance reflects a failure of comprehension rather than disagreement.

ADAM STARK  
Pound Ridge, N.Y.

Mr. Emanuel's op-ed is an excellent analysis of the forthcoming midterm and 2028 elections but is missing one overriding point. That is, both parties have an obligation to run candidates worth voting for.

KEN DENBOW  
San Diego, Calif.

Mr. Emanuel misses the greatest problem facing our country. Hint: It's roughly \$39 trillion and in fiscal 2024 its interest expense surpassed military spending. The Congressional Budget Office expects interest to be twice as large as U.S. military spending by 2050.

President Trump and MAGA have also placed the debt out of sight and out of mind. Both major parties seem only interested in being in power.

ALLEN BUCKLEY  
Smyrna, Ga.

### When Will Donroe Kick Out Qatari Funding?

Regarding Kenneth L. Marcus's op-ed "Does Qatar Fund Antisemitism at American Campuses?" (Jan. 29): President Trump's true doctrine isn't just an update on the Monroe Doctrine; it's about preventing what he perceives to be damaging elements from entering the country.

That includes criminal illegal immigrants, drugs and products dumped at unfair prices. Agree or disagree—it's a coherent philosophy.

This makes his failure to stop the poisoning of American minds by hostile foreign elements all the more disappointing. As Mr. Marcus demonstrates in his op-ed, countries like

JON BANKS  
Pacific Palisades, Calif.

Qatar and China seem to be using the money we give them for oil and cheap consumer goods to flood universities with antisemitic, anticapitalist, and many other anti-American sentiments that are destructive to our society.

Border controls, tariffs and kinetic raids can only do so much. Until President Trump extends his doctrine to these funding sources, he will fail to make America great again.

ALLEN BUCKLEY  
Smyrna, Ga.

Forget a California Farm Tax

Andy Kessler raises some interesting points about California's proposed billionaire tax ("A Middle Man for California," Inside View, Feb. 2). However, San Jose Mayor Matt Mahan's plan to instead push for the federal government to eliminate the step-up in basis at death wouldn't help at all. Mr. Mahan claims that wouldn't put "our economy, our engine of innovation and prosperity at risk." This couldn't be further from the truth. Eliminating the step-up in basis at death would force many businesses, family farms and others that may not have the cash assets to pay the massive taxes that would be required to liquidate those business assets, possibly to the detriment of the business.

JIM NICHOLSON  
Sammamish, Wash.

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### Pepper ... And Salt

THE WALL STREET JOURNAL



## OPINION

# Hamas's Boasting Indicts the West

By Gary Saul Morson  
And Morton Schapiro

**H**ow did Rosalia Shikberg become Karen Jones? After Ms. Shikberg was shot in the Sydney hospital that admitted her redacted her religion from the entry file and gave her an alias. She was told this was to protect her from the media, but she believes "they were afraid of staff, not media." She recalled that two Australian nurses publicly stated last year that rather than treat Israeli patients if they came to their hospital, they would kill them. What those nurses said was terrifying; that they felt empowered to say it publicly is even more so. What has happened to Western civilization?

The Nazis concealed their crimes. They taunted their victims with the threat that no one would ever discover what had happened to them. The U.S.S.R. pretended there was no Gulag and vehemently denied the terror famine, in which several million peasants were deliberately starved to death during the collectivization of agriculture. Either these dictators knew what they were doing was wrong or, more likely, they were sure that others would think so.

In both cases, the outside world was careful not to investigate what was taking place, lest it be forced to act. Lenin supposedly referred to (and clearly considered) those who naively believed his propaganda as "useful idiots." Some of them weren't idiots at all but knew they were hiding crimes they didn't want to advertise.

The American press played along. Following the wishes of certain highly placed government officials and catering to some readers' anti-Semitism, newspapers soft-pedaled news up through the Holocaust until the carnage became impossible to ignore. Politicians did, too. In 1937 Sec-



A September 2025 demonstration in New York.

retary of State Cordell Hull apologized to the German government after New York Mayor Fiorello La Guardia referred to Hitler as "a fanatic who is now menacing the peace of the world." Hitler, you see, was no different than other world leaders, and the same was routinely said of "Uncle Joe" Stalin. Pulitzer Prize-winning New York Times reporter Walter Duranty, whom Stalin favored with direct access, insisted there was no famine in the U.S.S.R.

## Unlike Hitler and Stalin, today's mass murderers can expect our elites to cheer their atrocities.

Intellectuals followed suit. In a 1933 letter to the Manchester Guardian, George Bernard Shaw and 20 other recent visitors to the Soviet Union referred to the reports of famine as absurd counterrevolutionary propaganda. "Particularly offensive and ridiculous," they opined, "is the revival of the old attempts to represent the condition of Rus-

sian workers as one of slavery and starvation." Instead, they saw a "hopeful and enthusiastic working-class," enjoying freedom from the "tyranny and incompetence of their former rulers" and "setting an example of industry and conduct" for all to emulate.

Were these Soviet defenders purposely deceiving themselves? The French aphorist François de La Rochefoucauld remarked that "hypocrisy is the tribute vice pays to virtue." Those who pretend to be innocent of a crime tacitly affirm that it is one. By concealing the murder of millions, Hitler and Stalin, along with Pol Pot, Mao and others who committed atrocities, paid that tribute. When useful idiots play along, the hypocrisy is double: Perpetrators pretend to be humane, and apologists pretend to believe them.

Oct. 7, 2023, displayed something different. Far from hiding its brutality, Hamas advertised it, filming and broadcasting sadistic cruelty. It touted the torture and execution of Israeli women and children as a great moral accomplishment, using the killing as a recruitment tool.

Recall the enthusiastic tone of that young man who called his par-

ents from the phone of an Israeli woman he had just murdered, imploring his mother and father to open up WhatsApp. "Look how many I killed with my own hands. Your son killed Jews!" he told his father. His parents were overjoyed. "My son, God bless you," his father said. "I wish I was with you," his mother added.

Rather than a coverup, this was a media event.

What explains the difference between Hitler and Stalin, who denied their atrocities, and Hamas? Could it be that Hamas knew that many in its Western audience, unlike in Hitler's and Stalin's time, would celebrate its crimes as noble resistance? If so, Hamas's openness indicts our own culture or, at least, its intellectuals.

Within days after Oct. 7, American campuses exploded with anti-Zionist and antisemitic rhetoric. Almost immediately, more than 30 Harvard student groups endorsed Hamas's actions as justified. University presidents testified that the acceptability of calling for the annihilation of the Jewish people "depends on the context."

When New York Mayor Zohran Mamdani argues, however implausibly, that the call to "globalize the intifada" is somehow ambiguous, he is at least paying La Rochefoucauld's tribute to decency. That wasn't the case at a rally at the Sydney Opera House held two days after the Oct. 7 massacre, when the crowd burned Israeli flags and chanted "Where are the Jews?" On the first night of Hanukkah in 2025, they were at Bondi Beach.

Today's mass murderers no longer need to hide their crimes from the West's educated elites, who applaud them. Terrorist boasting testifies to our own moral decline.

*Mr. Morson is a professor of Slavic literature at Northwestern University. Mr. Schapiro is a Northwestern emeritus professor of economics and president emeritus.*

# Olympia's Plan to Repel Startups

By Abraham Othman

**S**eattle

In 1994 a young Jeff Bezos drove from Texas to Seattle, sketching the business plan for a company that would become the state's largest employer. The next Jeff Bezos would do better to stay in Texas.

That's the message of recently proposed legislation in Olympia that would make the state one of the least attractive in America to build a company. One bill would raise Washington's capital-gains tax rate to as high as 20%, the highest state tax on any form of income in the U.S. An even worse bill would take Washington out of conformity with federal tax treatment for Qualified Small Business Stock, or QSBS. Founders, early employees and early investors in qualifying startups can exclude a substantial portion of their gains from federal taxes if their company succeeds after years of risk and illiquidity. The rationale is simple: Most startups fail, so the rare successes must be allowed to compensate meaningfully for those losses.

## Jeff Bezos wouldn't have moved to Seattle from Texas to pay a 20% tax on his capital gains.

Washington state plans to abandon QSBS even as states across the political spectrum are embracing it. Forty-six of 50 states conform at least partially with federal law, including many Democrat-led ones that are hardly tax havens. New Jersey became fully compliant last year. Massachusetts offers partial QSBS relief.

Critics of QSBS argue that California doesn't conform to federal QSBS treatment, yet Silicon Valley remains the world's dominant startup hub. That's true but misses the point. California's startup ecosystem enjoys near-dominant advantages that others don't: vastly deeper pools of capital, talent, acquirers and institutional knowledge built over decades. My research, drawing on tens of thousands of startup investments made through the AngelList platform, suggests that venture capital is an asset class defined by extreme network effects. This means that when a hub reaches critical mass it can survive policy errors that would cripple a challenger. California succeeds in spite of its tax regime, not because of it.

No other state looking for startup growth can afford these mistakes. Competing with the Bay Area requires clear advantages—lower costs, favorable taxes, regulatory simplicity—not mere parity. Washington has historically offered exactly that: no income tax, relative affordability, and proximity to excellent public universities whose engineering graduates powered Boeing and Microsoft to prominence. The state has invested heavily in making the University of Washington's computer science and engineering departments among the country's strongest. My research suggests that investment paid off. Founders emerging from the school have historically been among the most successful at turning early-stage companies into durable employers.

That advantage is most valuable at the beginning of a company's life, when its location is still fluid. A founder with an idea and a laptop can start a new business almost anywhere. If Olympia makes it unattractive to build companies where that talent graduated, those founders will take their education—and the jobs they create—elsewhere. Faced with higher taxes, why choose Seattle over San Francisco, which sits in the same time zone, has better weather, and hosts a vastly deeper pool of venture capital?

Startups start small, which means the broader economic damage from the state's new taxes may not appear overnight, but the long-term effects will become undeniable. Fewer ambitious founders will choose Washington as their home base, fewer elite engineers will trade high salaries for devalued equity, and fewer investors will take the seed-stage risks that grow into anchor employers. Seattle will still have startups, but far fewer of them, and their success will increasingly be accidental rather than intentional.

Tomorrow's employers are being founded today, but ecosystems are easier to dismantle than build. Washington became a global technology leader because it offered a unique pact to the world's risk-takers. If they break that pact, lawmakers would ensure that nobody will ever again drive across the country to start a world-changing company in Seattle.

*Mr. Othman is chief investment officer of AngelList Asset Management.*

# The Biggest Threat to Journalism? Journalists



Is there a class of people with more vaulting self-belief or more stunted self-awareness than America's journalists?

"Democracy dies in darkness," they tell us, the implication being that it is only the torch held aloft by the nation's brave media folk that keeps the light of freedom glowing in the gathering dusk of an authoritarian age. It's true that in the absence of independent, trusted sources of information, power accrues without accountability. But there's no hint in this declaration of their own indispensability or the role journalists themselves have played in undermining the public trust.

I don't want to add here to the emotional obsequies being written for the Washington Post, after its latest round of contraction last week. I have friends and talented former colleagues trying to restore the Post, and I wish them well. I won't join in the gloating of some critics at the hundreds who have lost their jobs. Good people will be plunged into hardship, at least for a while.

But I do want to take issue with the idea that heartless ownership or cruel management has been responsible for the desecration of a national treasure, and with the wider cry from self-serving media grandes that malevolent political and business forces have fatally undermined the vitality of American journalism.

What's happened to the Post is, in part, what's happened to most traditional news organizations in the past 20 years with a glowing exception or two (thank you, dear subscriber): business models upended by the loss of advertising revenue, the proliferation of alternative sources of news, increasing specialization in audience choice. The idea that the market still has room for dozens of large newspapers offering similar soup-to-nuts products in an age of personalized taste and atomized content is as anachronistic as

the thud of a thick daily printed paper on a doorstep at 5 a.m.

But the role journalists themselves have played in the collapse of trust among news consumers is most important. Wherever these people gather (believe me, I have been to more such therapy sessions than I can count), the keening is loud and outwardly directed. They lament the factors they say have led to their abandonment: social media "disinformation," right-wing propagandists, Donald Trump.

Now they warn that the diminishment of the Post—and many other, less famous news sources—is a direct threat to our freedom, another ominous surrender by timorous bosses to Mr. Trump's menace.

The president's attacks on the media are indefensible and troubling. But it never seems to occur to his targets that the primary reason he gets away with them is that faith in the honesty of these institutions has already been devastated by their own tendentious work.

The list of recent media distortions—from the Russia-collusion hoax to Covid and Black Lives Matter—is long. But the most important form of bias, more insidious because it is necessarily hard to measure, isn't what the news reports. It is what it chooses not to report. Inves-

tigative reporting is vital for accountability, but for most journalists the people and institutions that need to be held accountable are only those that fit into their selective demonology: corporations and their leaders, the rich, right-wing politicians. Labor unions, bureaucracies, academic institutions? Not so much.

## Don't blame rapacious owners for the loss of public trust. Blame biased, incompetent reporting.

To take a topical example of such selective reporting, consider how immigration has been covered of late.

Like most people, I am appalled by some of the scenes I have witnessed on America's streets in the past year. News organizations have been right to expose the excesses of Immigration and Customs Enforcement, and kudos to them if they have helped force a change of tactics by the administration and the sidelining of the inept Kristi Noem and her military-cosplaying sidekicks.

But how many news organizations over the past 10 years have reported on how that mass immigration af-

fected America's communities? How many covered the pressure they were placing on schools and medical services? They wrote extensively about the valuable contribution these migrants made to the U.S. economy, but how many even considered the cost? Thousands of illegal immigrants are in prison or jail for crimes unrelated to their immigration status. How many newspapers did lengthy stories on the crimes or their victims?

Before the recent scenes of masked men hauling people out of cars in parking lots, Mr. Trump polled unusually well among Latinos for a Republican. When this was reported at all it was with a kind of puzzled disapproval that suggested few reporters had ever tried to understand what legal immigrants and their children thought of the unfairness of mass illegal immigration.

Our media marketplace is still vibrant but largely dichotomized along partisan lines. Despite the hysteria, it isn't dead or dying but changed, in ways that make it more attuned to its audiences but less effective as a vehicle for institutional accountability.

Just when America most needs a trusted press to expose the excesses of a rampant executive, its practitioners have squandered the public's faith.

where does that leave us? Why bother attempting a task—say, writing an essay—if a bot can do it much better and faster? But a work of art requires inspiration. Is that being fostered in AI models? What about enterprise, empathy, curiosity and pluck?

If AI models begin lapping humans in most endeavors, then where will we find purpose? Unlike synthetic entities, humans are capable of faith, which infuses life with meaning.

I'm no Luddite, though I did cling to my BlackBerry, with its winning Lilliputian keyboard, surrendering reluctantly to an iPhone only when the BlackBerry became extinct. It took a worldwide pandemic to shift me to paying bills online. It's easier, but writing checks every month was a sobering reminder of where my money was going. Filling out the line after "Pay to the order of" with "Verizon" or "American Express" gave the payment a dimension beyond the Monopoly-money world of a few clicks on my checking account.

AI creators are trying to generate not only thinking, productive entities but ones that blaze past mortals in every respect. How horrifying to think of all that capability and intellect, unmoored from a conscience.

If these brilliant entities begin elbowing aside plodding humans,

# A Human Wrote This Article

By Brenda Cronin

**P**ress / for Help me write," the prompt reads every time I begin an email. Uh, no thank you. I can draft a message, and I'm guessing people who know me can distinguish my prose from a bot's.

But for how long? Given how fast artificial intelligence is developing, it probably already can, with the right prompts, write a novel in the voice of Jane Austen, Henry James or Ernest Hemingway.

AI is here, and even those on the frontier seem uncertain whether it is our savior or doom. Anthropic CEO

and co-founder Dario Amodei recently cited horrifying scenarios if the technology falls into malevolent hands. Others have exulted that AI will free us from busywork—and perhaps all work entirely. But what if I am ill at ease with leisure? What if I like drafting that email? Or doing the tasks AI will take over?

It seems that stuffing AI models with every scrap of knowledge leaves them spiritually bereft. Perhaps this is because religion doesn't seem to be among the ingredients that contemporary Victor Frankensteins are using to cook up and refine their creations. So will the result be "a country of geniuses in a datacenter," as Mr. Amodei put it, without a single soul among them?

"Playing God" is what law-firm and investment-bank bigwigs used to call their task jokingly, when voting each year on a new class of partners. Not making partner, getting tenure or landing a crucial promotion is consequential professionally for most people. But such moments aren't performance-altering, and the partners and faculty members weren't actually wielding the authority of a deity.

AI creators are trying to generate not only thinking, productive entities but ones that blaze past mortals in every respect. How horrifying to think of all that capability and intellect, unmoored from a conscience.

If these brilliant entities begin elbowing aside plodding humans,

where does that leave us? Why bother attempting a task—say, writing an essay—if a bot can do it much better and faster? But a work of art requires inspiration. Is that being fostered in AI models? What about enterprise, empathy, curiosity and pluck?

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Long ago, I began outsourcing—albeit to humans—tedious tasks such as preparing my taxes. I'm happy to unload more to AI. Although it isn't clear I need a country of geniuses to book my JetBlue flights, I welcome their help. But writing? For now at least, I've got this.

*Ms. Cronin is an associate editorial features editor at the Journal.*

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## SPORTS



*Santa Clara, Calif.*  
He's not going to give anyone the satisfaction. Not now, at least.

For a while, the world's been chasing a Sam Darnold revenge saga, reminding him of all his dead ends and doubters, teeing it up: An opportunity for the Seattle Seahawks quarterback turned Super Bowl champion to flip a figurative (or literal!) double-bird to the many, many experts who decided he didn't have the tools to reach the NFL mountaintop.

Loudly getting even is the currency of our time, of course. The preferred ritual is to scream victory, hog the moment, call out the haters and mythologize group success as some kind of personal drama.

Win with class? Don't be silly. Class is for suckers!

Throughout Seattle's run, Darnold wouldn't take the bait. And he didn't take it Sunday night in Santa Clara, after his Seahawks scooted away from a helpless New England Patriots team in a one-sided 29-13 win.

Over and over, Darnold listened as strangers alluded to his winding path as if he'd forgotten it: from Jets high draft pick to exiled Jet to three other teams and exits before arriving in Seattle. Everyone seemed to want Darnold to spike the football, to say something directed and raw.

Darnold was having none of it. Asked to talk about himself, he quickly pivoted to talking about others—the people who'd coached him throughout his career, to his sturdy Seahawks offensive line, to the playmakers who habitually picked up the Seattle attack.

Of course he raved about the Seahawks defense, which truly won Sunday's game.

Darnold hadn't played as well



Seahawks quarterback Sam Darnold completed 19 of 38 passes for 202 yards with one touchdown.

as he wanted. "But our defense had our back," he said.

He finished the game completing 19 of 38 passes for 202 yards with one touchdown and no interceptions. Capable, but hardly showy. Early in the game, Darnold had overthrown receiver Jaxon Smith-Njigba on what looked like a certain TD. He'd watched Patriots cornerback Christian Gonzalez bat away another pair of near-scores. He was mostly a sous chef for Seattle kicker Jason Myers, who booted a record five field goals.

Super Bowl MVP is almost always awarded to the winning quarterback. On this night, it went to Seattle running back Kenneth Walker III.

It didn't matter to Darnold. At 28, all these stops into his NFL career, he knew better than ever: Football was a team sport, dependent on the talents of many. He'd entered the league thrust into the position of savior, a 21-year-old high draft pick from USC trapped in a Meadowlands clown car. It didn't go well. It's the Jets.

It never goes well.

Darnold knew what it was like to have everyone think he was the problem, even when he wasn't. In 2024 he'd won 14 games in Minnesota, crumbled over the final two games of the season, and watched as the Vikings let him walk straight out the door. When he signed with Seattle, the reaction wasn't euphoric. It was more like: *OK let's see how it goes.*

His incoming ring confirms: It went well. Darnold wasn't required to steer Seattle single-

handedly. This was a defense-first team which asked its quarterback to be good, not great. Darnold was almost always good. He was great against the Rams in the NFC Championship, outdueling league MVP Matthew Stafford to get the Ospreys to the Bay.

And now he's a champion. Darnold's career arc is further evidence that NFL success is often situational. Gifted prospects are routinely sacrificed on crummy franchises ill-prepared to develop or even protect them.

Darnold absorbed the downgrade from phenom to backup and rebuilt himself to starting material.

"He's a beast," said Smith-Njigba. "He's everything you want in a quarterback and a leader."

Still, if you were hoping for a stirring redemption speech from the podium, a little *I told ya so*, Darnold didn't indulge it. Instead he rushed to share the moment. He referenced an emotional moment with his family in which he thanked his parents for never wavering.

"They believed in me throughout my entire career," he said. "And I think that's why I was able to believe in myself almost ad nauseam."

He chuckled.

"Some people called me crazy throughout my career for believing in myself so much...it was because of my parents."

He wouldn't say: *I did it. Everybody was wrong.* This was both class and maturity. Darnold realizes that NFL success is fleeting and relationships can unravel fast. Even with a new title, Seattle's a short losing streak next season from the same boring questions. Can Darnold get it done? Just wait. Someone's bound to ask.

On this night, he'd gotten it done, but he had plenty of help. Revenge? Sam Darnold wouldn't say. Winning was good enough.

## The Trade That Remade Seahawks Into Champions

BY ANDREW BEATON

**F**our years ago, Seattle Seahawks general manager John Schneider made the type of move that could have sent the franchise into a spiral. Not only did it carry extraordinary risk for the franchise, it also posed the added danger of making him look ridiculous.

Russell Wilson was Seattle's homegrown star, the only quarterback to deliver the team a Super Bowl title. But as Schneider looked for a road back to the top, he could tell that it no longer went through Wilson. So instead of handing a lucrative contract to an aging passer who had become dis-

enchanted with the only team he had ever played on, the Seahawks traded him away to the Broncos. What they received in return was a mountain of players, draft capital, and financial flexibility.

"These are really difficult decisions to make," Schneider said in 2022.

Schneider, it turned out, was looking toward a future where a radically overhauled Seahawks roster could once again win the Lombardi Trophy. Which is precisely what happened on Sunday night at Levi's Stadium.

When the Seahawks beat the Patriots 29-13, it validated the ugly divorce with a franchise icon

of his own.

Schneider was once the architect of a championship roster centered around Wilson and the notorious "Legion of Boom" defense. He created a new iteration of it with Darnold and a host of players he was able to acquire all because of his willingness to move on from Wilson.

"It's just an aggressive approach on a daily basis, nothing's really changed philosophically that way," Schneider said. "You're constantly, every day, making these decisions on how to improve your football team."

The Seahawks' split with Wilson was charged, but it allowed Seattle to escape an enormous financial commitment. Denver inked him to a five year, \$245-million contract after acquiring him. Wilson wound up struggling badly enough that Denver cut him after two seasons, eating \$85 million in dead money just to get rid of him. Since then, he has bounced from Denver to Pittsburgh to the New York Giants.

The Seahawks, meanwhile, were building a young core on extra draft picks. And in their first season without Wilson, they even managed to make the playoffs with Wilson's former backup, Geno Smith, under center.

Along the way, the Seahawks began using their abundant draft capital to speed up the process. They traded a couple of picks, including a second-rounder, to acquire defensive lineman Leonard Williams from the Giants. He tied for the team lead with seven sacks this season. Seattle then signed him to a pricey contract extension, which is easier done without Wilson's salary eating up cap space.

The team's youth movement wasn't limited to their bevy of draft selections. In 2024, Schneider also replaced coach Pete Carroll with Mike Macdonald.

The Seahawks are now set to contend for years to come. They are built around a quarterback in his 20s and a league-leading defense for the first time since the "Legion of Boom."

The Patriots felt the strength of that unit when they allowed six sacks and failed to score until the fourth quarter. And by then, it was too late.



Seattle traded quarterback Russell Wilson to the Broncos in 2022.

enriched with the only team he had ever played on, the Seahawks traded him away to the Broncos. What they received in return was a mountain of players, draft capital, and financial flexibility.

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When the Seahawks beat the Patriots 29-13, it validated the ugly divorce with a franchise icon

Seahawks' Super Bowl win without seeing those players change the game.

"We handled our business the way we did all year," Witherspoon said.

On offense, Cross protected quarterback Sam Darnold and helped clear holes for Super Bowl MVP running back Kenneth Walker as he ran for 135 yards. On defense, Witherspoon recorded a sack, a tackle for a loss, a pass breakup and three quarterback hits—including one that forced New England quarterback Drake Maye into throwing the interception that Seattle returned for a touchdown. Hall added two sacks

The Seahawks are now set to contend for years to come. They are built around a quarterback in his 20s and a league-leading defense for the first time since the "Legion of Boom."

The Patriots felt the strength of that unit when they allowed six sacks and failed to score until the fourth quarter. And by then, it was too late.

Great Britain's Lewis Gibson and Lilah Fear



## The Olympic Sport Invaded by Spice Girls

BY LOUISE RADNOFSKY AND BEN COHEN

**M**ilan

AT THE WINTER OLYMPICS, there

is only one event that dictates the

specific musical genre for ath-

letes.

Every year, ice dance chooses a

specific theme for the rhythm-

dance segment of competition.

One year, it was musicals and op-

erettas. Another year, it was Latin

dance. And this year, the sport

went fully retro—and went back to

the '90s.

Which is why the Olympic rink

has been invaded by George Mi-

chael, the Backstreet Boys and

enough Ricky Martin to turn Mi-

lan's *dolce vita* into *la vida loca*.

When they take the ice for

Monday's rhythm dance, a bunch

of Gen Z skaters will be competing

on the biggest stage of their lives

with deadly serious athletic inter-

pretations of both "Sexbomb" and

"I'm Too Sexy."

And as soon as they found out

that the Olympic arena would be

blasting 1990s hits, Great Britain's

top ice dancers knew what was ex-

pected of them: Spice Girls.

"It wasn't a choice," said Lilah

Fear. "It was necessary."

Also necessary were their cos-

tumes. Skating to the '90s classic

"Wannabe," she wears Ginger

Spice's Union Jack dress, while

partner Lewis Gibson dons a sequined version of Scary Spice's

leopard print.

This is exactly what the Inter-

national Skating Union had in

mind when the sport's governing

body decided to make ice dance

get jiggy with it. A sport that is regularly sponsored in the U.S. by cruise lines, memory supplements and AARP wanted to appeal to a younger audience. So it made a nostalgia play for millennials and put skaters in crop tops, plaid miniskirts and a Jean Paul Gaultier corset-style bodysuit.

To many of the skaters today, the 1990s might as well be ancient history. In fact, 46% of the ice dancers at the Olympics weren't even born until the 2000s.

"We don't feel this nostalgia," said Canada's Zach Lagha, who is 26.

To showcase the "music, dance styles and feeling of the 1990s," the ISU pointed them to pop, techno, hip-hop and grunge rock.

They could perform to covers released in the 1990s—or covers of 1990s tracks. Skaters could even use AI-created music, if it captured the vibes of the decade. The result is a brother-sister Czech team skating to a track they call "One Two by AI (of 90s style Bon Jovi)." The only "required characteristics" were: "high energy and crowd pleasing, demonstrating the essence of the 1990s." Which has required some guesswork about what that essence really was.

Italy's Charlene Guignard and Marco Fabbri have been building to their Olympic moment on home ice for years. They just never imagined it would be accompanied by an extended version of "Everybody (Backstreet's Back)."

He and Guignard are the only team in the event who both lived through the entire 1990s.

# BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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## Goldman Led Way to Dow 50000

Caterpillar, Apple also provided push; laggards included Salesforce, Boeing

By JACK PITCHER AND KRISTAL HUR

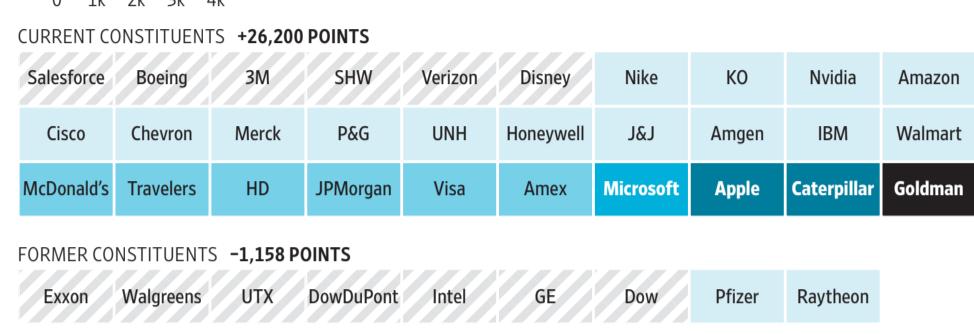
The Dow Jones Industrial Average topped 50000 for the first time on Friday. In a tech-dominated market, some surprising stocks powered the climb.

Unlike the other major U.S. indexes, which have been powered to new highs by big tech, industrial and financial companies tend to have greater importance in moving the Dow.

It took just over eight years for the blue-chip index

### Point contributions to the Dow's run from 25k to 50k\*

By current and former constituents



\*Point contributions are rounded and apply to the period when each constituent was part of the index. The Dow's 25k milestone was Jan. 4, 2018. It surpassed 50k on Feb. 6, 2026.

Source: Dow Jones Market Data

to climb from 25000 to 50000, after a more-than centurylong journey to that 2018 milestone.

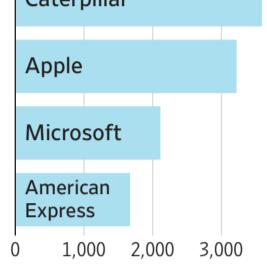
The Dow is weighted by

share price, calculated by adding the prices of the index's 30 stocks and dividing by a factor that accounts for changes, such as stock splits

and new index entrants. Companies with a higher share price have a bigger impact on the index's moves, regardless of their market value.

### Point contributions to the Dow's rise from 25k to 50k

#### Goldman Sachs



0 1,000 2,000 3,000 4,000

That makes **Goldman Sachs**, with shares that cost around \$929 apiece at the end of Friday, the biggest

Please turn to page B11

## Kyndryl's Shares Plunge as Accounting Is Probed

By COLIN KELLAHER AND ELIAS SCHISGALL

Shares of **Kyndryl** Holdings lost more than half their value after the company's chief financial officer left amid a review of accounting practices following an inquiry from the Securities and Exchange Commission

The information-technology-services infrastructure provider on Monday said finance chief David Wyshner had left the company, along with general counsel, Edward Sebold. The company also cut its guidance for the year after posting third-quarter results below Wall Street expectations.

Shares closed down nearly 55% at \$10.59 each.

The New York-based company said its audit committee was reviewing its cash-management practices and related disclosures, including regarding the drivers of its adjusted free-cash-flow metric, as well as the efficacy of its internal control over financial reporting, according to a filing with the SEC. The review came after the SEC's enforcement division requested certain documents from the company.

Kyndryl said that while it doesn't expect the review to result in a restatement or other impact to its financial statements, it will delay filing its quarterly report with the SEC and expects to report material weaknesses in its internal control over financial reporting for fiscal 2025 and the first three quarters of fiscal 2026.

The company said it needs more time to finalize its quarterly report, which covers the fiscal third quarter ended Dec. 31, adding that it is developing a remediation plan that it will outline in the report.

Kyndryl Chief Executive Please turn to page B2

### Kyndryl share price, past six months

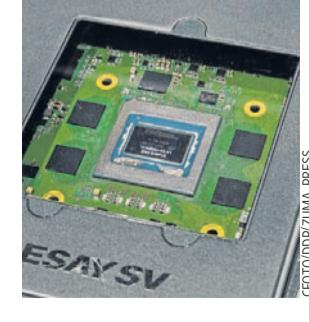


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Liam Kane, left, quit Old Dominion University before completing his degree to trade sports.

















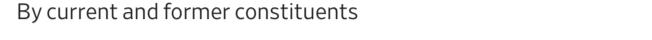






















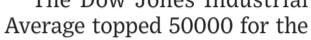




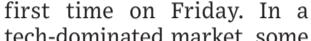




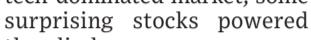








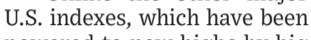




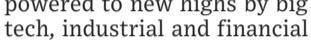




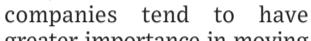




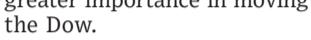




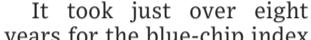




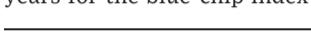


































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## AI Fumbles Its Ads for Super Bowl

Continued from page B1  
iconic Clydesdales over ads promoting OpenAI and smart-glasses from **Meta Platforms** in measures such as the Ad Meter and a likability index from TV measurement provider iSpot.

Super Bowl commercials hawking artificial-intelligence-powered products this year outnumbered those in traditional categories like automobiles and beer as tech companies including OpenAI, Meta, Microsoft, Genspark and Wix pushed visions of an agentic future.

"Very few ads were for things that you can buy in a store," social-media strategist Audrey Johnson said in a Tik-Tok video that was included in a report on Super Bowl-related content from ad firm Jellyfish.

While some Super Bowl ads crammed too many ideas into one brief, those that kept it simple paid off better, according to Jaime Robinson, chief creative officer and co-founder of ad agency Joan, praising Levi's tribute to the derrières that fill its jeans.

"They took this simple idea, and they just executed the hell out of it," Robinson said.

Google's commercial for its AI tool Gemini fared better than some others by following the company's classic formula of combining product demos with emotional portraits, she added. The ad shows a mother easing her young son's nervousness about a new home by using Gemini to imagine how they will decorate it.

The Google Gemini commer-

cial took the top spot in the annual ad-review panel at Northwestern University's Kellogg School of Management.

Kellogg panelists gave a failing grade, on the other hand, to **Coinbase**'s minute-long karaoke-style video set to the backing track from Backstreet Boys' "Everybody (Backstreet's Back)." Nor did they like AI.com's ad encouraging viewers to visit its new website and claim their own handles, such as ones for "Mark," "Sam" and "Elon"—references to tech chief executives Mark Zuckerberg, Sam Altman and Elon Musk.

Sometimes the creative execution is beside the point in the long run. The fact that AI.com attracted enough visitors to crash its site for several minutes could be a more important measure of success than emotional resonance, said Kevin Krim, president and chief executive of data firm EDO.

The AI.com ad generated consumer engagement nine times as high as the median for Sunday's Super Bowl ads, according to EDO.

Anthropic's Super Bowl campaign knocking OpenAI's plan to test ads beneath ChatGPT replies dominated conversation among tech executives, according to USA Today video journalist Ralphie Aversa, who spent Super Bowl Sunday in San Francisco covering red carpets and other big game events. But it wasn't clear how widely the dig resonated among the Super Bowl audience.

"It was the big talk about town," Aversa said Monday. "I don't think the rest of the country cared as much, but certainly in that neck of the woods, that was maybe the biggest takeaway from last night."

Patrick Coffee writes for WSJ Leadership Institute's CMO Today.

of \$3.86 billion, shy of the 60 cents a share and \$3.89 billion, respectively, that analysts had penciled in. The company said it now expects its full-year revenue to fall by 2% to 3% in constant currency, after previously forecasting a 1% rise. It also cut its full-year guidance for adjusted pretax income and free cash flow.

Harsh Chugh, Kyndryl's global head of practices, corporate development and administration, has stepped in as interim chief financial officer, and Mark Ringers, deputy general counsel since 2024, will serve as interim general counsel. Both appointments went into effect Feb. 5.

Both Wyshner and Sebold had been in their posts at Kyndryl since 2021, the year the company was spun off from IBM.

For its latest quarter, Kyndryl posted an adjusted profit of 52 cents a share on revenue

## BUSINESS & FINANCE

# InPost Is Bought for \$9.2 Billion

By DOMINIC CHOPPING

A consortium led by private-equity firm Advent International and **FedEx** has agreed to buy Polish parcel-locker provider **InPost** for more than \$9 billion, in a deal that bolsters the American delivery company's business in Europe.

InPost has grown rapidly in recent years and now has more than 61,000 automated parcel lockers across Europe that allow consumers to collect and send packages, as well as thousands of pickup and drop-off locations.

The consortium said on Monday that it would pay 7.8 billion euros, equivalent to about \$9.22 billion, for InPost, which is based in Poland and listed in Amsterdam. The €15.6 a share offer represents a 50% premium to InPost's share price on Jan. 2—the day before news of a potential deal was disclosed—but is below the company's 2021 IPO price of €16.

Under the deal, Advent and FedEx will each hold a 37% stake in the company. InPost Chief Executive Rafal Brzozka's investment vehicle A&R is set to own a 16% stake while Czech investment firm PPF will hold the remaining 10%. Advent previously owned



An InPost locker in London. The company is based in Poland and listed in Amsterdam.

a majority stake in InPost before it went public.

The consortium said they plan to significantly grow InPost's network and extend its reach to consumers across Europe.

InPost has been rolling out its automated parcel lockers, which are typically found in transport hubs and supermarkets, to more countries in recent years.

The company pitches its lockers as a cheaper, more convenient and environment-

ally friendly alternative to doorstep deliveries.

The company has also grown through acquisition, buying up delivery businesses in the U.K. and Spain. Last year, it handled 1.4 billion parcels, up 25% on the year before.

FedEx and InPost won't integrate their operations and will remain independent competitors in their respective markets and segments.

However, FedEx CEO Raj Subramaniam said the U.S.

business does plan to enter agreements with InPost to provide customers with access to the European company's last-mile, business-to-consumer capabilities.

FedEx has said it wants to do more business in Europe as tariffs slow trade to the U.S. from China.

News of the deal sent InPost's shares up more than 13% in Amsterdam. The companies said the transaction is expected to be completed in the second half of the year.

valued at around \$640 million focused on AI models.

One humanoid robotics firm there, **AI<sup>2</sup> Robotics**, enjoys subsidized rent as well as access to interns from nearby universities. Their costs are also subsidized.

**AI<sup>2</sup>**'s founder, Eric Guo, holds a Ph.D. from Purdue University and previously worked at Microsoft.

The firm's general-purpose humanoid, called AlphaBot, is used in factories including LCD television panel maker **HCK**. In late 2025, some Chinese airports started deploying **AI<sup>2</sup>**'s robots for services such as pushing and managing luggage carts, a spokesman said.

"Our primary focus is to figure out how to make robots usable and operational, even when they haven't yet achieved full, 100% perfection in technology," Guo said in September.

Beijing also has an economic development zone with humanoid robot startups, and funds totaling \$14 billion to support AI and robotics industries.

## Hints of hype

China's recipe of government support, low-cost supply chains and technical talent worked wonders for the EV industry.

But it also led to hundreds of brands crowding the market and severe price competition, with many companies unprofitable. As more robot firms emerge, fears of a bubble have risen.

Hoping to avoid that outcome, China's government is drafting a set of technical standards to guide development of the humanoid robot industry, weed out unqualified players and accelerate adoption, according to researchers involved in the process.

In November, China's top industry ministry set up a standards committee with executives from leading companies as well as state labs.

China's financial regulators have also tightened oversight on robotics companies seeking to go public, to reduce the risk of a bubble, people familiar with the matter said.



its operations.

"Chinese companies have great products, and they're the only available option."

### Adjusting Sheets

On a recent weekday at UniX AI, a Chinese robot maker in the city of Suzhou near Shanghai, founder Fred Yang showed a group of investors how its wheeled humanoid Panther could adjust messy bedsheet, pick up trash and place dirty clothes in the laundry machine and start the wash.

The company, with about 100 employees, has developed three versions of its humanoid robots,

with a starting price of around \$12,600 each. It has deployed hundreds in places such as hotels, mostly in China.

Yang said it helps that UniX

Yang, who studied at the University of Michigan and Yale University, returned home to China to start UniX AI a year and a half ago. He said China's deep bench of technical talent and government support help to make it a good place to launch.

Some local governments offer free land and office space for three years, followed by three more years at half price, he said.

"Policy is one of the decisive reasons that embodied AI is doing so well in China," Yang said in August. "I treat the government policy as a force to crack the market, and our embodied AI startups are the force to push."

### Robot Valley'

Other cities and provinces have set up their own action plans and embodied AI funds to provide capital for the industry.

In Shenzhen, home to Tencent, **Huawei Technologies** and EV maker **BYD**, a "Robot Valley" is emerging, with around 15 robotics firms.

Shenzhen has said it was setting up a roughly \$1.4 billion fund focused on AI and robotics industries and another

### One estimate has up to 100,000 humanoids shipping in 2026.

AI can secure about 80% of its components from suppliers within a one-hour radius.

It can communicate immediately with the supplier to work out any problem.

## BUSINESS &amp; FINANCE

# NatWest to Buy Evelyn Partners

By ELENA VARDON

U.K. lender **NatWest** is set to buy wealth manager Evelyn Partners for 2.7 billion pounds, equivalent to \$3.67 billion, including debt to boost its savings and investment offerings.

The bank reached an agreement with private-equity firms **Permira** and **Warburg Pincus** to take over Evelyn Partners, it said Monday. NatWest plans to combine the company and its platform with its existing private banking and wealth management business after the deal closes this summer.

Banks across Europe increasingly are seeking to diversify their revenue sources by bulking up their fee-generating lines of business to reduce reliance on lending income as central banks trim

rates. Domestic peer **Lloyds Banking Group** recently took full ownership of its wealth management and advice joint venture with **Schroders**.

The transaction will boost NatWest's fee income by about 20% before synergies and increase the bank's exposure to a high-growth and capital-light segment, it said. The deal should generate cost savings of roughly £100 million a year, it added.

"Although we consider this to be a bolt-on transaction, it would be transformational, filling the gap [NatWest] has in its affluent wealth offer-

ing," said RBC Capital Markets analyst Benjamin Toms. The bank traditionally has focused on high net-worth customers with Coutts, the three-century-old private bank that is

famed for having counted the late Queen Elizabeth II among its clients.

Under Permira's ownership since 2014, the group that was later rebranded Evelyn Partners has gone from overseeing around £5 billion in client assets to £69 billion at exit through organic growth and acquisitions. In 2020, Evelyn Partners bought Smith & Williamson and brought in Warburg Pincus as a minority investor.

**20%**

Amount by which the deal will boost NatWest's fee income before synergies.

The acquisition of Evelyn Partners will more than double NatWest's assets under management and administration to £127 billion.

The deal values Evelyn Partners at 15 times its 2025 earnings of £179 million before interest, taxes, depreciation and amortization. Aggressive integration and cost-cutting will quickly justify the hefty price tag, NatWest Chief Executive Paul Thwaite said.

NatWest said it is funding the deal, which should reduce its capital ratio by about 130 basis points, with existing resources. It should be accretive to the bank's growth and return on tangible equity within the first year of ownership and deliver higher returns versus those earned through a buyback, it added.

Shares fell 6% in European trading to 620 pence.

# Apollo Looks To New Markets

By LUIS GARCIA AND ADRIANO MARCHESE

**Apollo Global Management** expects to keep expanding its reach beyond offering traditional private-equity and credit funds to institutional investors, after tapping some of those new pools to raise a record \$228 billion in fresh capital last year, including \$42 billion in the fourth quarter.

"We are going from serving one market—institutional [alternative-asset] portfolios—to serving six markets," Chief Executive Marc Rowan said Monday during a call with analysts to discuss the New York firm's quarterly results. He indicated the pools include individual investors and their 401(k) plans.

"Each of these markets has the ability to be roughly the same size as our original market, which powers the entire industry," Rowan said of the five new markets, which include insurers, traditional asset managers, and private assets that institutional investors are adding to their traditional fixed-income and equity portfolios.

He pointed to the nearly 50% annual increase in capital flowing into at least nine strategies dedicated to individual investors, rising to more than \$18 billion last year, including \$4 billion collected in the fourth quarter. He also cited the over \$15 billion brought in through the firm's insurance asset-management operations.

Apollo's retirement-services business Athene brought in a record \$83 billion last year, including new annuity sales, funding agreements and reinsurance deals. The record inflows helped lift Apollo's total assets 25% to \$938 billion at the end of December from a year earlier, with \$749 billion held through credit strategies and \$189 billion in private-equity funds, an investor presentation showed.

The firm's fee-related earn-

ings rose nearly 25% to \$690 million for the just-ended quarter, while spread-related earnings—which are tied to its retirement-services business—edged up about 2.9% to \$865 million from the same period a year earlier. Combined, fee-related and spread-related earnings climbed about 11.5% to a record of \$1.56 billion in the fourth quarter compared with the year-earlier period.

As examples of Apollo's entrance into new markets, Rowan cited a fresh partnership with London asset manager Schroders to create products for individual investors and retirement savers. He said the firm's exchange-traded fund, PRIV, set up last year with State Street's \$5 trillion investment-management arm, is nearing \$700 million in size.

"All of the drivers that powered us in '25 are going to power us in '26," Rowan said of the new market entries.

Overall, Apollo invested a record \$309 billion in new assets during last year, including \$97 billion in the quarter.

Apollo particularly sees opportunities to finance deals by other private-equity firms, having invested nearly \$80 billion in these types of transactions last year, or quadrupling over the past four years, according to James Zelter, Apollo's president. Recent deals included a \$3.5 billion financing to support the \$5.4 billion acquisition by growth investor Valor Equity Partners of data center computing infrastructure that Elon Musk's xAI is leasing.

However, the firm's holdings in software companies represent less than 2% of its total assets, according to Zelter. He said the firm will be "much more on the offensive" in the sector going into 2026.

The firm's adjusted net income rose about 13% to \$1.54 billion, or \$2.47 a share. According to FactSet, analysts were expecting \$2.04 a share.

# Eddie Bauer Files for Bankruptcy

By FABIANA NEGRIN OCHOA

The operator of Eddie Bauer stores in the U.S. and Canada has filed for bankruptcy, making the retailer the latest one to do so as headwinds challenge the industry.

Eddie Bauer LLC announced the move Monday, saying it has entered into a restructuring support agreement with lenders.

The company made the "difficult decision" to implement a court-supervised sale process after careful deliberation, said Marc Rosen, chief executive of Catalyst Brands.

Apparel group Catalyst was formed last year via the merger of department store chain JC Penney with Sparc Group, the owner of brands including Eddie Bauer and Nautica.

Even prior to the formation of Catalyst Brands, Eddie Bauer was in a tough spot,



The retailer said it entered into a restructuring support agreement with its lenders.

grappling with declining sales, supply-chain challenges and other issues, according to Rosen.

If Eddie Bauer is unable to

come to a sale arrangement, "we will commence an orderly wind down of...store operations," he added.

Eddie Bauer's retail stores

outside of the U.S. and Canada are operated by other licensees and aren't included in the company's chapter 11 filings.

# Former Walmart Executive Named Next CEO of Kroger

By SARAH NASSAUER AND PATRICK THOMAS

Grocery giant **Kroger** said it named Greg Foran, a former executive at top rival **Walmart**, as its next chief executive.

Kroger, the biggest grocer in the U.S. by sales after Walmart, had been searching for a permanent leader for almost a year after the departure of longtime CEO Rodney McMullen for an undisclosed ethics violation.

Foran will take over effective immediately, Kroger said on Monday. The Wall Street Journal reported the move on Sunday.

Kroger shares gained 3.85% on Monday.

Kroger executives have said they wanted to look for a candidate outside the walls of the company's downtown Cincinnati headquarters who could bring a fresh perspective to the grocer.

Foran, 64 years old, joins Kroger while it tries to hold the line on food-price inflation and find new ways to expand its store footprint after its \$20 billion deal for rival **Albertsons** fell apart in 2024.

Known for his hands-on

style as a leader, Foran oversaw a turnaround of Walmart's U.S. business as CEO of that unit from 2014 to 2019. He focused on improving the behemoth's fresh-food selection, as well as overall operation and appearance of stores during his time at the helm.

After leaving Walmart, the New Zealand native became CEO of Air New Zealand, a role he held through the pandemic until last October.

Foran's new role adds to a period of new leadership at several of the country's largest retailers. New chief executives started at both Target and Walmart this month.

Since McMullen resigned as Kroger's CEO, the company has been led by its chairman, Ron Sargent, the former CEO of office-supply retailer Staples.

Under Sargent, Kroger has been cutting costs across its operations, using the savings to try to lower prices and attract more cash-strapped shoppers to its stores. The company has cut roughly 1,000 corporate jobs, consolidated regional divisions and closed underperforming stores and e-commerce fulfillment facilities over

the past year.

Kroger reported \$147 billion in revenue in its 2024 fiscal year.

Several of Kroger's top executives left the company after McMullen's departure last spring. Sargent has said Kroger's strategy has been to try to hold off on passing food-price increases to customers and that it is rolling out more promotions, including the return of paper coupons. The chain has also been expanding its private-label products, including more protein-heavy items. Store-branded products are typically cheaper.

The efforts are helping Kroger increase its grocery market share, he said, despite rising competition from rapidly expanding discount grocers like Aldi, Walmart and supermarket chain Publix, which is opening new stores in the Cincinnati area.

At Walmart, Foran was known as a demanding, but fair and detail-oriented boss who worked long hours. On Saturday mornings, he would often take other executives on a company plane to visit stores around the country.

Foran liked to inspect the quality of produce or meat and pepper workers with questions. He also focused on reducing inventory, improving customer service and online grocery sales.

## TECHNOLOGY

WSJ.com/Tech

# EU Warns Meta About WhatsApp

Officials investigate how rival AI chatbots are treated on message service

BY EDITH HANCOCK

The European Union sent a statement of objections to **Meta Platforms** on Monday as part of its investigation into how the tech giant treats rival artificial-intelligence chatbots on its WhatsApp messaging service.

The European Commission, the bloc's executive arm, said it intends to impose interim measures on Meta after it changed its policies to prevent competing chatbots from tapping into a tool for businesses to communicate with customers via WhatsApp. The company rolled out its policy in January.

EU officials said they believe Meta could be abusing its dominant position in mes-



**The EU plans to impose interim measures on Meta.**

saging apps by refusing other businesses access to WhatsApp. The officials said they see WhatsApp as a key gateway for AI assistants to reach users. A spokesperson for the EU executive said it could ask Meta to reverse its policy and give rival chatbots access to users on the messaging app until the end of its investiga-

tion.

Meta now has a chance to formally respond to the EU watchdog's objections and injunction proposal, and can request a hearing before officials take a decision.

A Meta spokesperson said that the commission has wrongly assumed that WhatsApp's business programming

interface is a key distribution channel for chatbots. "There are many AI options and people can use them from app stores, operating systems, devices, websites and industry partnerships," the spokesperson said.

Meta in October said it would impose a new policy that effectively bans developers of rival chatbots like ChatGPT from using WhatsApp's business interface. The EU started investigating the policy in December, and competition commissioner Teresa Ribera said at the time that officials were considering imposing interim measures—an effective injunction on business practices—on the company while its probe is active.

The commission said there was an "urgent need" to apply protective measures. "Meta's conduct risks raising barriers to entry and expansion, and irreparably marginalizing smaller competitors on the market for general-purpose AI

assistants," the regulators said.

It is the latest step the EU has taken to enforce its rules against the world's largest technology companies despite facing pushback from President Trump's administration.

The EU executive's statement of objections covers the whole bloc except Italy, where the country's antitrust regulators are carrying out their own WhatsApp AI investigation. Italy's competition regulator ordered Meta in December to keep its WhatsApp messaging platform open to rival chatbots as part of that probe. Meta has since said it would start to charge AI providers to send messages over WhatsApp in countries where that access has been legally required by regulators.

Judges in Brazil have suspended an interim injunction that the country's antitrust regulator imposed on Meta during its own investigation into WhatsApp's AI policy.

## Wegovy Maker Sues Over Copy

*Continued from page B1*  
established, vital component of U.S. pharmacy practice that has improved patient care for everything from obesity to infertility to cancer."

Novo Nordisk's American depositary receipts rose more than 5%, a bounce back from recent declines after the company warned pricing pressures on the weight-loss drugs would hurt revenue this year.

At the center of the dispute is sales of custom-made, or compounded, versions of weight-loss drugs.

A compounded drug is a customized formulation of a medicine made by a specialized pharmacy and often sold through telehealth providers such as Hims & Hers.

Compounded medicines don't go through the same regulatory review of safety and efficacy as standard prescription drugs.

Mass production of these compounded versions is allowed when the original brands are in short supply—as the original Wegovy shot used to be—but compounding is supposed to be more limited when the original brand has an adequate supply.

The shortage for Wegovy ended last year, and shortages for Eli Lilly's Mounjaro and Zepbound ended in late 2024.

Since then Novo Nordisk and Lilly have sought to reassert their patent-protected claims. Yet sales of knockoff versions of weight-loss drugs have persisted because of the loophole that allows personalized versions.

That has hurt sales of original, patented brands much sooner in their product life cycles than the more traditional source of low-cost competition, generic drugs that enter the market after patents expire.

Hims & Hers last week introduced a compounded pill version of Wegovy, priced at \$49 a month. Novo Nordisk charges as little as \$149 a month for its medicine.

Hims & Hers stopped selling its pill two days later, on Saturday, after threats of legal

## U.S. government agencies took steps to restrict Hims & Hers sales of copies.

action by both Novo Nordisk and the U.S. government.

Novo Nordisk argued that even the Hims & Hers injected versions of its drugs are infringing on a patent. The lawsuit seeks an end to such sales, as well as unspecified monetary damages. Hims & Hers called the suit an attack on an affordable option for medicines.

Hims & Hers had planned to launch its pill just weeks after Novo Nordisk rolled out its own once-daily Wegovy pill at a starting price of \$149 a month.

Novo Nordisk's new Wegovy pill appeared to be a hit. Prescriptions for Novo Nordisk's new pill soared to more than 28,000 in the week ended Jan. 30, one of the fastest launches of a weight-loss drug.

Under Hims & Hers said it would sell a compounded version, Novo Nordisk objected. It called Hims & Hers' new pill "illegal mass compounding that poses a significant risk to patient safety" and threatened legal action.

On Friday, the Food and Drug Administration said it would take steps to restrict compounded versions of weight-loss drugs that are being mass marketed, including by Hims & Hers. The same day, the U.S. Department of Health and Human Services' general counsel said it was referring Hims & Hers to the Justice Department for potential violations of federal law.

Novo Nordisk has "been having continued discussions" with U.S. regulators "over time," said John Kuckelman, the company's senior vice president and general counsel.

Hims & Hers said it "has a long history of providing safe access to personalized healthcare to millions of Americans, and we will continue to fight to provide choice, affordability, and access."

# Startup Neara Raises More Than \$60 Million

BY RHIANNON HOYLE

Neara, an Australian startup that makes digital models of power networks, has raised more than \$60 million to accelerate its expansion as rapid growth in data centers and renewable energy stretch aging electricity grids globally.

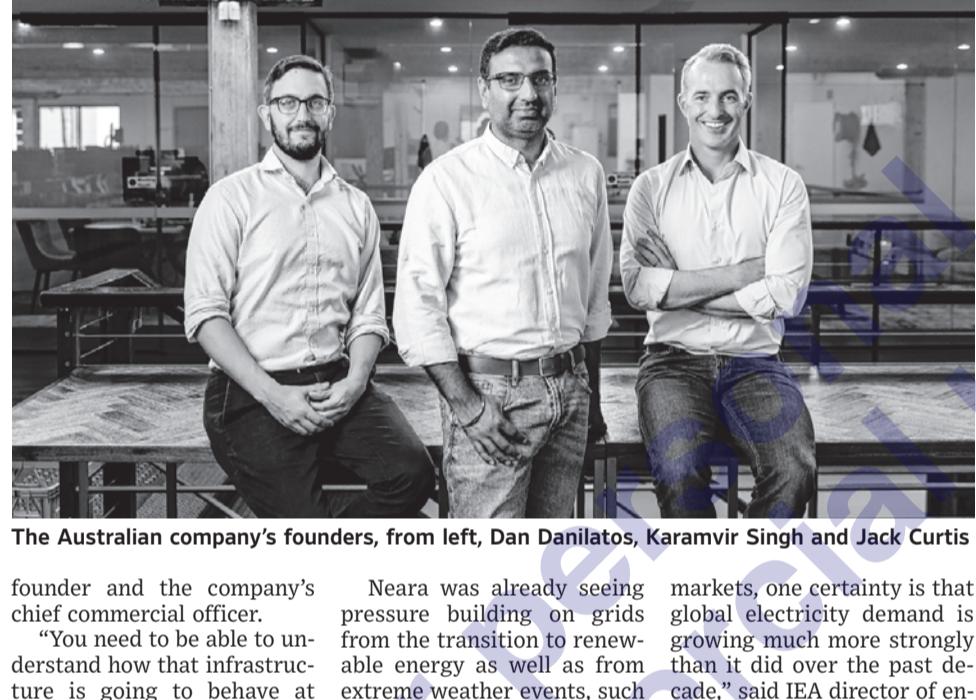
The Sydney-based company secured about 90 million Australian dollars, equivalent to about \$63 million, in a Series D funding round led by Menlo Park, Calif.-based TCV.

The funding was raised at a valuation of A\$1.1 billion, a person familiar with the round said. Existing investors Partners Group, EQT, Square Peg Capital and Skip Capital participated.

Neara, which last raised A\$45 million in a Series C financing in late 2024, has now raised roughly A\$180 million in total.

The company, whose customers include Southern California Edison and CenterPoint Energy, makes what it calls physics-enabled digital twins of critical infrastructure, particularly for utilities.

The models are essentially 3-D virtual replicas of entire networks that mimic real-world conditions to help operators identify underutilized capacity, plan for new infrastructure, and prepare for or respond to events such as storms or fires. The technology can reduce costs for utilities that typically rely on workers to inspect vast numbers of assets, while also improving safety, said Jack Curtis, a co-



**The Australian company's founders, from left, Dan Danilatos, Karamvir Singh and Jack Curtis**

founder and the company's chief commercial officer.

"You need to be able to understand how that infrastructure is going to behave at scale, and then be able to visualize it in a way that infrastructure asset owners can do something about it," Curtis said in an interview.

Neara's latest funding round—which had initially been planned for either this year or next—was accelerated by the recent frenzy to build data centers to power the artificial-intelligence boom, said Curtis. As data centers have multiplied, it is getting more challenging for many utilities to handle surges in demand.

Neara was already seeing pressure building on grids from the transition to renewable energy as well as from extreme weather events, such as wildfires in California or storms in Texas, said Curtis.

"They've just had just a tidal wave of demand and appetite," he said.

Global power demand is expected to rise an average of more than 3.5% a year over the rest of this decade, according to a report by the International Energy Agency published on Friday. It cited data centers and electric vehicles among the key drivers.

"At a moment of significant uncertainty across energy

markets, one certainty is that global electricity demand is growing much more strongly than it did over the past decade," said IEA director of energy markets and security Keisuke Sadamori.

Annual investment in grids will need to rise by 50% by 2030 to meet power demand, and increasing flexibility will also be critical as power networks evolve, Sadamori said.

TCV has had its eye on Neara for a few years, said Muz Ashraf, a London-based general partner at the firm. TCV is best known for backing digital companies including Netflix and Spotify in their early days.

For Neara, market tailwinds

# Innovent Biologics, Eli Lilly Ink Development Deal

BY JASON CHAU

Chinese drugmaker **Innovent Biologics** struck a partnership with **Eli Lilly** to develop new treatments that could generate up to \$8.5 billion in milestone payments.

Innovent said Sunday that it and its subsidiaries signed a deal with U.S. pharmaceutical giant Eli Lilly to develop new medicines targeting cancer and immune system diseases globally, marking the seventh collaboration between the two companies.

Innovent's shares finished Monday's trading in Hong Kong 7.4% higher.

Under terms of the agreement, Innovent will lead the development of the new drugs from conception through Phase 2 clinical trials in China, while Eli Lilly will have exclusive worldwide rights to develop and commercialize the treatments outside Greater China.

In exchange, Innovent will receive \$350 million up front and is eligible for milestone payments of up to around \$8.5 billion, as well as tiered royalties on sales of each product marketed by Eli Lilly, the Chinese drugmaker said in an exchange filing.

Unlike previous agreements between the two, the new partnership involves both companies jointly developing new drugs, rather than Eli Lilly acquiring rights to an existing Innovent treatment.



**An event on abdominal obesity organized by Innovent Biologics, Alibaba Health and Tmall Juhuasuan in Shanghai last year.**

Innovent said the collaboration moves beyond licensing agreements to create an end-to-end innovation ecosystem.

"The deal is a positive surprise to the market; while the drug assets and details evolved in the deal are yet to be decided, it's more like a framework deal demonstrating long-term partnership," said Cui Cui, Jefferies's head

of Asia healthcare research.

The collaboration is the latest in a long line of licensing deals reached between Chinese pharmaceutical companies and global biopharma giants in recent years. Western drugmakers are increasingly seeking to access China's expanding pipeline of cutting-edge therapies and tap its vast, cost-efficient research and development eco-

system.

"We think this deal is another testament to Innovent's R&D platform," said Nomura China healthcare analyst Jian Zhang, adding that partnering with Eli Lilly improves the clinical and commercial prospects for Innovent's new drugs outside the China market.

Eli Lilly's continued collaboration with Chinese compa-

nies also suggests a decoupling between the U.S. and China on life sciences is unlikely to happen in the near term, Zhang said.

Amid market optimism around the sector's rapid growth, the Hang Seng Bio-tech Index—a key tracker of Chinese companies in the sector—is up more than 9% so far this year, outperforming the broader Hang Seng Index.

Novo Nordisk has "been having continued discussions" with U.S. regulators "over time," said John Kuckelman, the company's senior vice president and general counsel.

Hims & Hers said it "has a long history of providing safe access to personalized healthcare to millions of Americans, and we will continue to fight to provide choice, affordability, and access."

## BUSINESS &amp; FINANCE

# Kura Sushi Reels In Diners as Prices Rise

BY JENNIFER WILLIAMS

**Kura Sushi USA** recently raised prices more aggressively than is typical of the chain, and anticipated a potential blow to customers' willingness to dine. Instead, traffic improved.

The revolving-sushi-bar chain lifted prices after receiving survey feedback from diners on Kura Sushi's value compared with competitors. Executives zeroed in on the restaurants with the highest scores and then combed through menus item by item to determine which ones could withstand a price increase. The result: A 3.5% rise on Nov. 1, higher than the typical 1% or 2% lift.

"Anytime you take a menu price increase, there's going to be some degradation to your mix, there will be some people who just order less," said Jeff Uttz, Kura Sushi's chief financial officer. "But this menu price increase was taken very well."

Kura Sushi's price bump comes as Americans are exasperated with paying more for food in grocery-store aisles and when eating out. Restaurant prices on average were up 3.3% in the last three months of 2025 compared with a year earlier, and up nearly 30% from the end of 2020, according to market-research firm Circana.

Kura Sushi has felt the sting from inflation before with consumers pulling back on restaurant spending generally in the face of higher prices. But with tariffs on fish and other menu items as well as on the popular toys that come with Kura Sushi meals, executives looked for a way to offset some of the company's own higher costs.

The company took a more surgical approach than it normally does to rolling out its price increases, Uttz said. Tablets around the restaurants allow diners to share feedback on the quality of the food and cleanliness at a particular location. Last summer, the company added an additional survey question asking Kura Sushi patrons to share feedback about their perception of value tied to the meal.

With that feedback, executives then determined which menu items to take prices up on and which to leave alone. Side dishes such as gyoza and ramen offerings were mostly untouched, according to Uttz, adding that the 3.5% price lift is a blended figure of all the increases. Uttz assumed diners would pull back in re-

sponse. But "our mix improved, and our traffic improved," he said.

Sales for the three months ended Nov. 30, at \$73.5 million, were up nearly 14% compared with a year earlier. The company posted a loss of around \$3 million for the period. The sales improvements from the quarter continued into December and January even with the price lifts, and traffic has improved from previous months, the CFO said. Same-store sales were down 2.5% for the period ended in November, but positive momentum that started in the last month of the quarter continued into December and January.

One appeal for diners is that Kura Sushi's menu is still a value relative to other sushi spots, said Jeremy Hamblin, an analyst at Craig-Hallum.

Two pieces of nigiri, typically raw fish with rice, tend to cost just under \$4 at Kura Sushi, which can easily be double that at other restaurants, he said.

Diners also frequent Kura Sushi for the sought-after toys. Customers get small prizes such as a badge or figurine after selecting a certain number of dishes, 15 plates for the first reward and 25 for the second. There are also limited giveaways when a dining party hits a certain dollar threshold. The toys tend to be collaborations with popular brands such as Nintendo's Kirby and popular series "One Piece."

Diners love them, Hamblin said. Last year, the company did away with the prizes for roughly five months, which the analyst said contributed to softer sales.



One appeal for diners is that Kura Sushi's menu is still a value relative to other sushi spots, one analyst said, while customers also frequent the chain for its sought-after toys.

DAVID RODRIGUEZ/MUNIZ/USA TODAY NETWORK/REUTERS

## Transocean To Buy Valaris for \$5.8 Billion

BY NICHOLAS G. MILLER

**Transocean** agreed to acquire fellow offshore drilling services company **Valaris** in an all-stock deal valued at \$5.8 billion.

The companies said the deal will expand their reach and customer access in the world's most attractive offshore drilling basins. The combined company will own 73 rigs.

"The powerful combination is well-timed to capitalize on an emerging, multiyear offshore drilling upcycle," said Transocean Chief Executive Keelan Adamson.

The companies expect the deal to deliver more than \$200 million in savings.

Valaris shareholders will receive 15.235 shares of Transocean stock for each common share of Valaris. Based on Friday's closing prices, the deal offers a 32% premium for Valaris shares.

Transocean shareholders will own about 53% of the combined company, with Valaris shareholders owning the rest. The terms imply a combined enterprise value of \$17 billion.

The deal is expected to close in the second half of the year.

Valaris shares shot up 33% to \$83.06 at Monday's close. Transocean shares rose 5.8% to \$5.71.

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# BIGGEST 1,000 STOCKS

## How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, FINRA, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

**Underlined quotations** are those stocks with large changes in volume compared with the issue's average trading volume.

**Boldfaced quotations** highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

**Footnotes:** i-New 52-week high; l-New 52-week low; dd—Indicates loss in the most recent four quarters.

**Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.**

Monday, February 9, 2026

		Net		Net			
Stock	Sym Close Chg	Stock	Sym Close Chg	Stock	Sym Close Chg	Stock	Sym Close Chg
AECOM	ACM 102.70 1.67	BXP	BXP 65.01 0.29	Hilton	HLT 314.03 -0.35	MarvellTech	MRVL 82.35 2.07
AES	AES 16.06 0.01	Baidu	BIDU 146.97 1.04	EQT	EQT 56.13 -0.66	Masco	MAS 71.61 -1.26
Aflac	AFL 112.30 -3.95	BakerHughes	BH 59.55 0.63	EASTWESTBNC	EWB 122.56 0.06	Hologic	HOLX 75.02 0.21
AGCO	AGCO 133.56 0.99	Ball	BALL 66.65 0.18	EastGroup	EGR 190.49 0.58	HormeDepot	HD 381.00 -4.15
AGNC Invit	AGNC 11.34 -0.10	BankAmericorp	BAC 56.41 -0.12	Eaton	ETN 377.06 1.24	Honeywell	HMC 317.26 1.06
APA	APA 27.49 0.03	BankBrasil	BBSR 6.88 0.39	eBay	EBAY 37.86 0.81	HornMedFood	HRC 24.41 -0.52
ASE Tech	ASX 22.15 1.26	BankChile	BCH 45.27 0.83	SATIS	SATIS 115.19 3.58	DR Horton	DH 153.50 -2.77
ASML	ASML 142.99 14.68	BankMkt	BMTA 144.73 3.00	EchoStar	SATS 115.19 3.58	McDonald's	MCD 325.60 -1.56
AST Space	ASTS 102.12 0.33	BancoBradesco	BBDO 3.58 0.05	EcLab	ECL 288.16 -2.17	McKesson	MCK 96.32 13.64
AT&T	T 27.11 -0.02	BankCdeChile	BCH 45.27 0.83	Ecopetrol	EC 12.30 0.07	Medline	MDLN 47.37 0.07
AT&T	ATL 135.66 2.09	BankCdeChile	BCH 45.27 0.83	EdisonIntl	EIX 63.79 -0.22	Medpace	MPD 353.05 -11.69
AXIAEnergia	AXIA 11.31 0.25	BankCdeChile	BCH 45.27 0.83	CVS Health	CVS 75.77 -2.58	EPAM Systems	EPAM 190.53 3.85
AbbottLabs	ABT 110.7 0.24	BankCdeChile	BCH 45.27 0.83	CadenceDesign	CDS 291.00 7.48	Epstein	EPT 19.03 -0.15
AbbVie	ABBV 223.26 -0.17	BankCdeChile	BCH 45.27 0.83	Carnival	CCL 32.81 -1.28	Facebook	FBN 225.15 1.99
Abivax	ABVX 117.98 2.11	BankCdeChile	BCH 45.27 0.83	Carnival	CCL 32.81 -1.28	HomeAway	HAWK 223.18 -0.50
Accenture	ACN 236.76 -3.86	BankCdeChile	BCH 45.27 0.83	Carnival	CCL 32.81 -1.28	HornetFood	HRC 24.41 -0.52
Acuity	ALY 330.79 2.40	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Adobe	ADBE 226.90 -1.48	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AdvDrainageSys	WMS 172.69 -2.69	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AdvEnergyInds	AER 217.59 1.51	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AdmMicroDev	ADM 216.0 7.56	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Aegon	AEG 7.92 0.04	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AerCap	AER 142.50 2.43	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AeroVironment	AVAV 274.35 17.15	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Affirm	AFFM 57.95 0.92	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AgilentTechs	ADQ 12.75 0.28	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AgriCo	AGC 32.97 0.99	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Alcatel	AA 62.36 3.20	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Alcon	ALC 78.44 -0.39	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AlexandriaREst	ARE 56.20 0.30	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Alibaba	BABA 163.00 0.49	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AlignTech	ALGN 192.50 4.90	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AlliGen	ALLE 177.94 -1.83	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AlliantEnergy	LNT 66.91 0.21	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AllisonTransM	ALSN 19.97 -0.66	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Allstate	ALL 199.44 -7.61	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AllyFinancial	ALLY 42.04 -0.27	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AlynlamPharm	ALNY 32.00 -8.16	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
AlamosGold	AGI 43.85 3.68	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Albermarle	ALB 165.76 2.39	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Albertsons	ACI 18.16 0.07	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Alcoa	AA 62.36 3.20	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Alcon	ALC 78.44 -0.39	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Alere	ALR 223.26 -0.17	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Alibab	ABVX 117.98 2.11	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Accenture	ACN 236.76 -3.86	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Acuity	ALY 330.79 2.40	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
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AeroVironment	AVAV 274.35 17.15	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
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Alibab	ABVX 117.98 2.11	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.41 -0.52
Accenture	ACN 236.76 -3.86	BankCdeChile	BCH 45.27 0.83	CashFlows	CFS 18.24 -0.37	HornetFood	HRC 24.

## MARKETS DIGEST

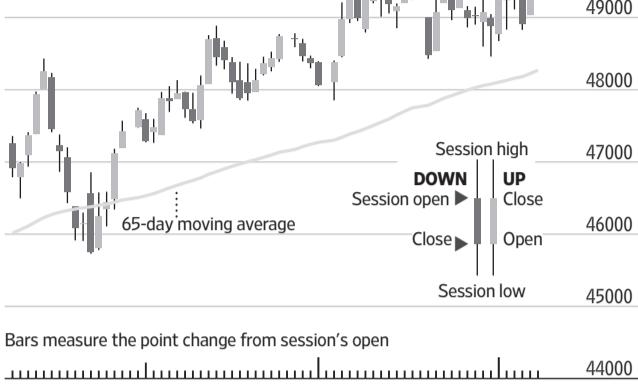
## EQUITIES

## Dow Jones Industrial Average

**50135.87** ▲ 20.20, or 0.04%  
 High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 24.63 26.72  
 P/E estimate \* 21.14 20.54  
 Dividend yield 1.67 1.83  
 All-time high 50135.87, 02/09/26

Current divisor 0.16242563904928



Bars measure the point change from session's open

Nov. Dec. Jan. Feb.  
 44000 6400 21500

\*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; \*Based on Nasdaq-100 Index

## S&amp;P 500 Index

**6964.82** ▲ 32.52, or 0.47%  
 High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 25.20 25.62  
 P/E estimate \* 21.75 22.43  
 Dividend yield \* 1.15 1.24  
 All-time high 6978.60, 01/27/26



Nov. Dec. Jan. Feb.

## Nasdaq Composite Index

**23238.67** ▲ 207.46, or 0.90%  
 High, low, open and close for each trading day of the past three months.

Trailing P/E ratio \*\* 31.48 33.68  
 P/E estimate \* 24.69 27.59  
 Dividend yield \*\* 0.69 0.72  
 All-time high: 23958.47, 10/29/25



Nov. Dec. Jan. Feb.

24500 24000 23500 23000 22500 22000 21500

## Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week		YTD % chg	3-yr. ann.
						High	Low		
<b>Dow Jones</b>									
Industrial Average	50219.40	49837.45	<b>50135.87</b>	20.20	▲ 0.04	50135.87	37645.59	<b>12.7</b>	4.3 <b>14.2</b>
Transportation Avg	19889.15	19633.97	<b>19753.82</b>	-138.54	▲ -0.70	19892.36	12637.04	<b>21.1</b>	13.8 <b>9.4</b>
Utility Average	1091.60	1081.03	<b>1090.50</b>	1.25	▲ 0.11	1168.30	953.88	<b>8.7</b>	2.1 <b>5.5</b>
Total Stock Market	69076.00	68344.68	<b>68926.79</b>	338.12	▲ 0.49	69049.79	49067.76	<b>14.2</b>	2.1 <b>18.7</b>
Barron's 400	1510.60	1498.19	<b>1506.57</b>	5.30	▲ 0.35	1506.57	1058.38	<b>15.1</b>	6.6 <b>14.8</b>
<b>Nasdaq Stock Market</b>									
Nasdaq Composite	23314.67	22878.37	<b>23238.67</b>	207.46	▲ 0.90	23958.47	15267.91	<b>17.9</b>	-0.01 <b>25.4</b>
Nasdaq-100	25337.54	24876.28	<b>25268.14</b>	192.37	▲ 0.77	26119.85	17090.40	<b>16.1</b>	0.1 <b>26.8</b>
<b>S&amp;P</b>									
500 Index	6980.10	6905.87	<b>6964.82</b>	32.52	▲ 0.47	6978.60	4982.77	<b>14.8</b>	1.7 <b>19.5</b>
MidCap 400	3601.59	3571.24	<b>3592.93</b>	5.92	▲ 0.16	3592.93	2560.93	<b>12.0</b>	8.7 <b>10.9</b>
SmallCap 600	1615.23	1600.31	<b>1610.34</b>	0.02	▲ 0.001	1610.34	1106.12	<b>12.5</b>	9.7 <b>8.5</b>
<b>Other Indexes</b>									
Russell 2000	2695.45	2659.96	<b>2689.05</b>	18.71	▲ 0.70	2718.77	1760.71	<b>17.5</b>	8.3 <b>12.0</b>
NYSE Composite	23374.46	23219.81	<b>2340.74</b>	87.92	▲ 0.38	23340.74	17188.46	<b>16.0</b>	6.1 <b>13.8</b>
Value Line	663.76	657.66	<b>662.54</b>	0.85	▲ 0.13	663.49	495.50	<b>5.9</b>	5.4 <b>4.3</b>
NYSE Arca Biotech	7400.31	7336.32	<b>7374.48</b>	-21.28	▲ -0.29	7711.58	5060.12	<b>22.3</b>	3.1 <b>10.4</b>
NYSE Arca Pharma	1203.45	1178.08	<b>1180.96</b>	-10.15	▲ -0.85	1191.11	860.88	<b>20.4</b>	4.9 <b>12.5</b>
KBW Bank	177.32	175.04	<b>176.40</b>	0.27	▲ 0.16	176.40	104.27	<b>28.4</b>	7.4 <b>16.2</b>
PHLX® Gold/Silver	415.40	396.00	<b>414.90</b>	22.95	▲ 5.85	451.13	154.42	<b>151.0</b>	21.2 <b>49.5</b>
PHLX® Oil Service	93.50	91.65	<b>93.07</b>	0.72	▲ 0.78	93.07	50.70	<b>26.1</b>	26.9 <b>1.1</b>
PHLX® Semiconductor	8209.62	7948.53	<b>8162.58</b>	113.96	▲ 1.42	8320.39	3562.94	<b>60.6</b>	15.2 <b>38.7</b>
Cboe Volatility	19.20	16.90	<b>17.36</b>	-0.40	▲ -2.25	52.33	13.47	<b>9.8</b>	16.1 <b>-5.7</b>

\$ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

## Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

## Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Flutter Entertainment	FLUT	17,196.7	155.51	1.00	<b>0.65</b>	156.58	153.50
SSIM SPDR Ptf S&P 500	SPYM	7,521.1	81.68	0.03	<b>0.04</b>	81.72	81.65
State Street SPDR S&P 500	SPY	7,267.6	694.32	0.37	<b>0.05</b>	694.54	693.84
Grab Holdings	GRAB	5,276.1	4.27	0.01	<b>0.23</b>	4.27	4.25
Microsoft	MSFT	4,906.3	415.40	1.80	<b>0.44</b>	441.94	396.92
Walmart	WMT	4,666.4	128.85	-0.17	<b>-0.13</b>	129.17	128.51
Brookfield	BN	4,381.2	46.99	0.12	<b>0.26</b>	47.00	46.51
Snap	SNAP	4,163.6	5.23	0.04	<b>0.77</b>	5.24	5.18

## Percentage gainers...

Ichor Holdings	ICHR	207.9	40.10	5.99	<b>17.56</b>	42.00	34.11
Credo Tech Group	CRDO	1,736.3	142.28	18.87	<b>15.29</b>	155.33	123.41
Tradr 2X Long APP Daily	APPX	187.3	15.41	1.11	<b>7.76</b>	15.90	14.30
Clear Channel Outdoor	CCO	840.8	2.34	0.15	<b>6.85</b>	2.60	2.19
Semtech	SMTC	1,018.5	93.22	4.47	<b>5.04</b>	94.00	88.12

## ...And losers

Upwork	UPWK	1,503.7	14.40	-4.39	<b>-23.36</b>	18.91	14.10
REGENXBIO	RGNX	262.4	8.49	-1.82	<b>-17.65</b>	10.31	7.15
Amentum Holdings	AMTM	296.7	32.34	-4.25	<b>-11.61</b>	37.00	30.96</td

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## COMMODITIES

[wsj.com/market-data/commodities](http://wsj.com/market-data/commodities)

## Futures Contracts

## Metal &amp; Petroleum Futures

	Contract	Open	High	Low	Settle	Chg	Open interest
Open	High	hi lo	Low	Settle	Chg	interest	
<b>Copper-High (CMX)</b> -25,000 lbs.; \$ per lb.							
Feb	5.8795	5.9525	5.8795	5.9450	0.0815	1,939	
March	5.9000	5.9810	5.8435	5.9625	0.0805	112,887	
<b>Gold (CMX)</b> -100 troy oz.; \$ per troy oz.							
Feb	5017.40	5065.70	4979.10	5050.90	99.70	5,047	
March	4986.40	5090.90	4972.00	5061.90	99.50	4,906	
April	5003.60	5111.10	4988.60	5079.40	99.60	280,067	
May	5050.00	5125.70	5018.80	5098.20	100.00	180	
June	5040.30	5149.40	5027.40	5117.80	100.80	55,822	
July	5109.40	5149.10	5060.00	5136.80	101.40	65	
<b>Palladium (NYM)</b> -50 troy oz.; \$ per troy oz.							
Feb	1549.50	1657.50	1549.50	1737.10	4.40	5	
March	1733.00	1774.50	1677.00	1744.80	3.60	12,764	
<b>Platinum (NYM)</b> -50 troy oz.; \$ per troy oz.							
Feb	2080.00	2080.00	2080.00	2108.90	15.60	30	
April	2115.90	2154.00	2035.00	2116.50	17.10	54,865	
<b>Silver (CMX)</b> -5,000 troy oz.; \$ per troy oz.							
Feb	80.505	81.415	79.980	82.065	5.330	485	
March	78.100	83.760	78.100	82.234	5.339	76,085	
<b>Crude Oil, Light Sweet (NYM)</b> -1,000 bbls.; \$ per bbl.							
March	62.99	64.88	62.62	64.36	0.81	283,783	
April	62.81	64.64	62.44	64.20	0.84	224,467	
May	62.79	64.40	62.25	64.02	0.87	155,832	
June	62.39	64.13	62.03	63.80	0.89	188,311	
Sept	61.40	63.17	61.35	62.95	0.88	106,760	
Dec	61.09	62.28	60.55	62.11	0.80	248,549	
<b>NY Harbor ULSD (NYM)</b> -42,000 gal.; \$ per gal.							
March	2.3869	2.4364	2.3677	2.4169	0.036	90,910	
April	2.3215	2.3717	2.3023	2.3570	0.0142	65,336	
<b>Gasoline-NY RBOB (NYM)</b> -42,000 gal.; \$ per gal.							
March	1.9460	2.0003	1.9350	1.9855	0.0323	101,264	
April	2.1544	2.2110	2.1500	2.2005	0.0337	93,809	
<b>Natural Gas (NYM)</b> -10,000 MMBtu.; \$ per MMBtu.							
March	3.250	3.265	3.111	3.138	-.284	258,161	
April	3.113	3.130	3.025	3.048	-.182	175,743	
May	3.145	3.172	3.055	3.077	-.170	139,663	
July	3.519	3.580	3.452	3.501	-.138	107,309	
Oct	3.698	3.698	3.555	3.613	-.128	140,807	
Jan'27	4.870	4.920	4.776	4.848	-.091	95,902	

## Agriculture Futures

Corn (CBT)-5,000 bu.; cents per bu.							
Month	Open	High	Low	Settle	Chg	Open interest	
March	428.75	430.00	427.25	428.75	-.150	567,033	
May	437.50	438.25	435.50	437.00	-.175	378,264	
Oats (CBT)-5,000 bu.; cents per bu.							
March	306.75	306.75	294.00	299.00	-.275	2,160	
May	312.00	312.00	301.00	302.75	-.425	1,435	
Soybeans (CBT)-5,000 bu.; cents per bu.							
March	1112.25	1116.25	1106.00	1110.75	-.450	295,769	

## Dividend Changes

Company	Symbol	Amount	Payable / Record
Yld %	New/Old	Freq	
<b>Increased</b>			
PriceSmart	PSMT	0.9	.70/.63 SA
<b>Reduced</b>			
Sabine Royalty Tr UBI	SBR	7.0	2834/32155 M
<b>Stocks</b>			
AgapeATP	ATPC	1:50	/Feb10
Davis Commodities Cl A	DTCK	1:20	/Feb16
Founder Group	FGL	1:100	/Feb10
Healthcare Triangle	HCTI	1:60	/Feb10
Piper Sandler	PIPR	4:1	/Mar24

KEY: A=annual; M=monthly; Q=quarterly; R=revised; SA=semiannual; S2: stock split and ratio; SO: spin-off.

Cash Prices | [wsj.com/market-data/commodities](http://wsj.com/market-data/commodities)

Monday, February 9, 2026

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Monday

## BUSINESS &amp; FINANCE

# Big Business Is Souring on South Africa

Gangs, misconduct and illegal supply chains diminish the country's allure

BY ALEXANDRA WEXLER

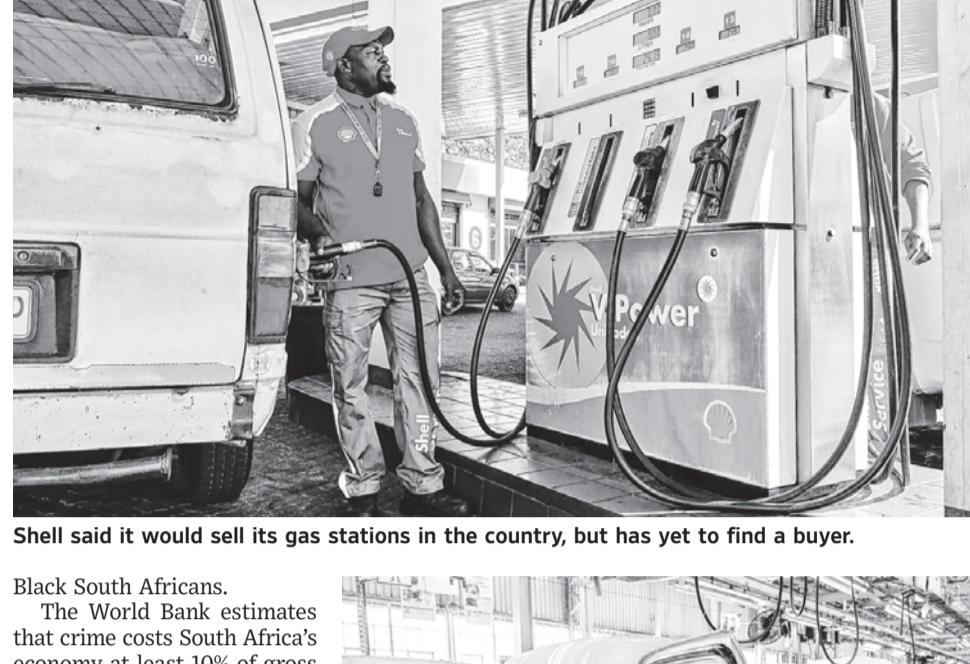
**JOHANNESBURG**—The corporate exodus from what was supposed to be Africa's breakout economy is accelerating, propelled by a toxic cocktail of corruption, lawlessness and poor infrastructure.

Foreign investors from **Shell** to **British American Tobacco** are downsizing in South Africa. Those decisions could mark a watershed moment for a country where the government's ability to deliver basic services has become so limited that private firms have taken over many basic civic functions.

Africa's biggest and most-developed economy has long been plagued by logistical problems, including failing infrastructure and rising electricity costs. Firms have put up with those drawbacks for access to South Africa's deep seam of mineral wealth and its growing consumer market.

But a catalog of recent high-profile corruption scandals, often linked to laws intended to right the racial wrongs of apartheid, has eroded South Africa's reputation among investors and exacerbated the country's fundamental problems, including regular day-long water and power outages.

Legislation designed to improve the lot of South Africa's Black majority has also deterred investment. Elon Musk's SpaceX was in talks with South African officials about launching its Starlink internet service in the country—which could have boosted the fortunes of the country's economic backwaters—but the world's richest man is demanding an exemption from a rule that requires foreign companies to give up 30% of their local operations to



Shell said it would sell its gas stations in the country, but has yet to find a buyer.

Black South Africans.

The World Bank estimates that crime costs South Africa's economy at least 10% of gross domestic product annually, including stolen property, the extra costs of security and insurance, and missed economic opportunities.

A spokesman for South Africa's presidency said that the movements of the companies had to do with their "global restructuring processes."

"As those firms have left, others have come in," said Vincent Magwena. He pointed to Chinese car manufacturer Chery's agreement to purchase a manufacturing plant in Rosslyn, South Africa, from Nissan. Rosslyn's South African affiliate closed its South African office in 2024, citing what a spokeswoman called the evolution of local markets. Criminals, collectively dubbed the "Rolex gang," terrorize wealthy Johannesburg residents by robbing them of their luxury watches at gunpoint, often shooting first and grabbing the watch after.

The Rolex spokeswoman declined to say whether such groups influenced the company's decision to leave the



China carmaker Chery agreed to buy Nissan's plant in Pretoria.

country. Rolex is maintaining an after-sales service center there, she said.

Shell, along with **BP**, sold the refinery they jointly owned to South Africa's state-owned Central Energy Fund in 2024 for one South African rand, or about six U.S. cents. That same year, Shell said it would sell its gas stations in the country, but the energy company has yet to find a buyer. A spokesman for Shell said the company wasn't leaving South Africa and continued to have various interests

in exploration.

"It's less about the proceeds. It's more about taking things that don't fit our strategy off the books," Shell Chief Financial Officer Sinead Gorman said on the company's second-quarter earnings call in July.

British American Tobacco has announced that it is closing its last cigarette-manufacturing facility in South Africa by the end of this year, due to the illicit trade in cigarettes that has wiped out around 75% of the local legal market for tobacco.

The company intends to shift to an import model.

The cigarette maker says its facility, first opened in 1975, currently operates at just 35% capacity, due to the exponential growth of the illicit tobacco trade in South Africa, triggered by a ban on cigarette sales during the coronavirus pandemic.

"We've held on for as long as we could, in the hope that all the pronouncements that the government is making would come to fruition," Johnny Moloto, head of corporate and regulatory affairs at the company's sub-Saharan Africa unit, told The Wall Street Journal. "We've now reached that tipping point."

He added that the company would reinvest in local production should the government bring the illicit trade in cigarettes under control.

During the Covid-19 pandemic, South Africa banned tobacco sales in an effort to relieve the healthcare system. The ban resulted in a flood of illicit cigarettes. The courts later declared the ban unconstitutional, but the legitimate cigarette market has never recovered.

In 2024, **BNP Paribas** closed its corporate and investment bank in South Africa amid a broader pullback from the continent by European banks. Later that year, **HSBC** said it would transfer its South African business to local banks and exit the country.

Some multinationals operating here have themselves become embroiled in South Africa's endemic corruption.

**Bain** shut down its South African consulting business last year after a state corruption inquiry into Jacob Zuma found the company had colluded with the former president to weaken South Africa's tax agency. The Boston-based firm was banned from doing business with the South African government in 2022, after the National Treasury accused Bain of "corrupt and fraudulent

practices."

Bain's actions curbed the tax agency's ability to tackle financial crime, according to the inquiry, which heard testimony over almost three years that Zuma and members of his government allegedly allowed well-connected businessmen and foreign companies to score lucrative government contracts in return for payments and other favors. There have been no convictions related to the corruption allegations, which analysts say is evidence of further government failure.

Zuma didn't respond to a request for comment via his lawyer. He has repeatedly denied the allegations. Bain didn't respond to requests for comment.

Mining giant **Anglo American**, a stalwart among South Africa's foreign investors, is currently working to divest its majority stake in diamond behemoth De Beers for either an initial public offering or sale. Last year it spun off and then sold its remaining stake in the world's No. 1 platinum mining company, South Africa-based Anglo American Platinum, now called **Valterra Platinum**.

Still, Anglo, which has operated in South Africa for over 100 years, isn't giving up on the country entirely. It has retained its majority shareholding in South African miner **Kumba Iron Ore**, as well as an interest in a local manganese business and its sprawling wine farm, Vergelegen, outside of Cape Town.

"We continue to see South Africa as our hub for investment into the entire region, whether in exploration or more developed opportunities," said James Wyatt-Tilby, a spokesman for Anglo American. "We are incredibly proud of the broader contributions that we make in the country towards addressing a number of national priorities, whether relating to energy, logistics, crime and corruption, or education, to name a few."

## New Highs and Lows

Continued From Page B6

Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg		
Nordson	<b>NDSN</b> 291.39 +0.4	PulsoBiSciences	<b>PLS</b> 24.30 +0.7	QuantaServices	<b>PWR</b> 520.42 +1.3	TDS Synnex	<b>SNX</b> 173.33 +0.5	Valaris	<b>VAL</b> 84.37 +3.4	ActelisNtwks	<b>ASNS</b> 0.31 +3.1	AdilPharma	<b>ADIL</b> 2.90 +1.0	CoStar	<b>CSGP</b> 48.56 +1.4	Click	<b>CLIK</b> 3.26 +5.5	Snap	<b>SNAP</b> 5.00 +0.6
NorthropGrum	<b>NOC</b> 715.61 -1.6	RegalRockRsrcs	<b>RRR</b> 66.11 +0.1	TGE Value Wt	<b>BEWEWS</b> 0.40 +2.2	Ventas	<b>VTR</b> 84.10 +0.2	Adobes	<b>ADBE</b> 262.95 +0.6	Coursers	<b>COUR</b> 5.47 +0.7	Covell	<b>CRVL</b> 45.91 +5.5	SouthlandVt	<b>SLNDVS</b> 0.02 +3.60				
Novantia	<b>NOV</b> 62.84 -0.1	RegalRockRsrcs	<b>RRR</b> 218.58 +2.3	TIM	<b>TM</b> 25.30 +3.4	VermillionEnergy	<b>VET</b> 10.45 +1.9	AdvantageSolv	<b>ADV</b> 6.68 +8.9	CrescentBio	<b>CBIO</b> 8.72 +0.5	GroupAuta	<b>NIQ</b> 10.34 +5.9	TSG	<b>TSG</b> 7.51 -3.1				
Novartis	<b>NVS</b> 157.57 +0.4	RegalRockRsrcs	<b>RRR</b> 19.9 -3.0	TaiwanSemi	<b>TSM</b> 359.64 +0.5	AlphaTeknova	<b>TKNO</b> 1.96 +0.4	CyberlonTherap	<b>CYCN</b> 1.03 +6.4	HealthcareTriangle	<b>HCTI</b> 0.14 +2.7	SpoutSocial	<b>SPT</b> 6.75 +3.1						
Nucor	<b>NUE</b> 193.50 +0.1	RegalRockRsrcs	<b>RRR</b> 19.9 -3.0	TelosEnergy	<b>TALO</b> 12.99 +1.2	VersaBank	<b>VBNK</b> 16.99 +0.5	AmerWaterWorks	<b>AWX</b> 121.28 +1.1	CyberlonTherap	<b>CYCN</b> 1.03 +6.4	SpoutFarmers	<b>SFM</b> 65.70 +2.2						
ObsidianEnergy	<b>OBRE</b> 7.88 +0.0	Roku	<b>ROKU</b> 27.72 +2.2	Tapestry	<b>TPR</b> 155.23 +1.7	Vibras	<b>VTRS</b> 16.50 +6.7	AmplitecRtb	<b>AMPZ</b> 0.18 +0.3	DefinitiveHlthcr	<b>DXLG</b> 0.57 +4.8	StoraEnso	<b>SRH</b> 0.08 +12.8						
Oceanengineering	<b>OII</b> 33.21 +0.0	Rolanteknologies	<b>ROV</b> 13.27 +0.2	TelodyneTech	<b>TPR</b> 155.23 +1.7	Viatris	<b>VIAV</b> 27.69 +4.7	Aon	<b>ADON</b> 309.13 +9.3	ErnexTherapVt	<b>ERNAW</b> 0.07 +3.0	MetLife	<b>MTL</b> 7.56 +12.9						
Ohio ValleyBank	<b>OVBC</b> 42.38 +0.5	RonRunwayGrwnt	<b>RWYI</b> 25.55 +0.3	TargaResources	<b>TRGP</b> 218.07 +3.0	VictoryCapita	<b>VCT</b> 34.79 +4.2	Ariztra	<b>DGNX</b> 0.74 +2.7	NextTechnology	<b>NTXT</b> 3.05 +5.6	Obra	<b>OBRA</b> 15.06 +12.9						
OilStatesInt'l	<b>OIS</b> 9.26 +0.2	RushEnt B	<b>RUSH</b> 67.27 +3.8	TaylorDevices	<b>TAYD</b> 86.00 +4.4	VikingAcpln	<b>VACLU</b> 10.48 +0.4	Asanso	<b>ASAN</b> 8.08 +6.6	MetLife	<b>MTL</b> 7.56 +12.9								
OnexUpfrontFarm	<b>OPRM</b> 26.04 +0.2	RushEnt B	<b>RUSH</b> 67.27 +3.8	TechInpMC	<b>FTI</b> 60.36 +1.5	VikingAcpln	<b>VAK</b> 77.24 +0.1	AstranHealth	<b>ASTH</b> 18.56 +11.9	NeuroMetalsMining	<b>NEXM</b> 5.68 +1.3	SouthwindVt	<b>SLNDVS</b> 0.02 +3.60						
Oppenheimer	<b>OPY</b> 94.10 +0.6	RushEnt B	<b>RUSH</b> 67.27 +3.8	TechInpMC	<b>FTI</b> 60.36 +1.5	VikingAcpln	<b>VAK</b> 77.24 +0.1	Click	<b>CLIK</b> 3.26 +5.5	NextTechnology	<b>NTXT</b> 3.05 +5.6	TSG	<b>TSG</b> 7.51 -3.1						
OptimumBank	<b>OPHC</b> 5.17 +0.2	RushEnt B	<b>RUSH</b> 67.27 +3.8	TechInpMC	<b>FTI</b> 60.36 +1.5	VikingAcpln	<b>VAK</b> 77.24 +0.1	Click	<b>CLIK</b> 3.26 +5.5	NextTechnology	<b>NTXT</b> 3.05 +5.6	TSG	<b>TSG</b> 7.51 -3.1						
OpusGenetics	<b>OPHC</b> 3.90 +0.2	RushEnt B	<b>RUSH</b> 67.27 +3.8	TechInpMC	<b>FTI</b> 60.36 +1.5	VikingAcpln	<b>VAK</b> 77.24 +0.1	Click	<b>CLIK</b> 3.26 +5.5	NextTechnology	<b>NTXT</b> 3.05 +5.6	TSG	<b>TSG</b> 7.51 -3.1						
OrangeCtryBnp	<b>OBT</b> 36.04 +0.0	RushEnt B	<b>RUSH</b> 67.27 +3.8	TechInpMC	<b>FTI</b> 60.36 +1.5	VikingAcpln	<b>VAK</b> 77.24 +0.1	Click	<b>CLIK</b> 3.26 +5.5	NextTechnology	<b>NTXT</b> 3.05 +5.6	TSG	<b>TSG</b> 7.51 -3.1						
OrionGroup	<b>ORN</b> 14.80 +1.2	RushEnt B	<b>RUSH</b> 67.27 +3.8	TechInpMC	<b>FTI</b> 60.36 +1.5	VikingAcpln	<b>VAK</b> 77.24 +0.1	Click	<b>CLIK</b> 3.26 +5.5	NextTechnology	<b>NTXT</b> 3.05 +5.6	TSG	<b>TSG</b> 7.51 -3.1						
Orix	<b>IX</b> 34.31 +5.2	RushEnt B	<b>RUSH</b> 67.27 +3.8	TechInpMC	<b>FTI</b> 60.36 +1.5	VikingAcpln	<b>VAK</b> 77.24 +0.1	Click	<b>CLIK</b> 3.26 +5.5	NextTechnology	<b>NTXT</b> 3.05 +5.6	TSG	<b>TSG</b> 7.51 -3.1						
OrsttronFinSvcs	<b>ORRF</b> 40.72 -0.2	RushEnt B	<b>RUSH</b> 67.27 +3.8	TechInpMC	<b>FTI</b> 60.36 +1.5	VikingAcpln	<b>VAK</b> 77.24 +0.1	Click	<b>CLIK</b> 3.26 +5.5	NextTechnology	<b>NTXT</b> 3.05 +5.6	TSG	<b>TSG</b> 7.51 -3.1						
Oshkosh	<b>OSK</b> 174.89 +0.5	RushEnt B	<b>RUSH</b> 67.27 +3.8	TechInpMC	<b>FTI</b> 60.36 +1.5	VikingAcpln	<b>VAK</b> 77.24 +0.1	Click	<b>CLIK</b> 3.26 +5.5	NextTechnology	<b>NTXT</b> 3.05 +5.6	TSG	<b>TSG</b> 7.51 -3.1						
Ovintiv	<b>OVV</b> 47.31 +1.0	RushEnt B	<b>RUSH</b> 67.27 +3.8	TechInpMC	<b>FTI</b> 60.36 +1.5	VikingAcpln	<b>VAK</b> 77.24 +0.1	Click	<b>CLIK</b> 3.26 +5.5	NextTechnology	<b>NTXT</b> 3.05 +5.6	TSG</td							

## MARKETS

# Tech-Stock Rebound Fuels Dow

By MATT WIRZ

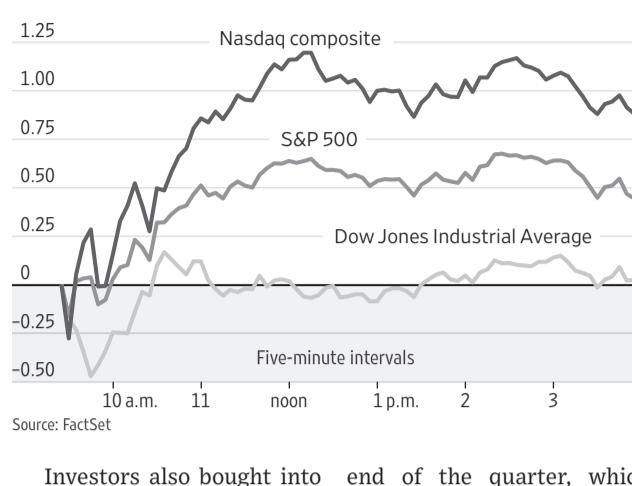
The stock-market rebound kept rolling on Monday, extending the ride that took the Dow industrials to a record 50,000 Friday after a steep selloff early last week.

Technology stocks led the way higher as investors bought into both Monday's software companies and artificial-intelligence giants that were beaten up in last week's downturn. The Nasdaq composite closed up 0.9%, while the S&P 500 rose 0.5% and the Dow Jones Industrial Average finished less than 0.1% higher at a new closing record, 50,135.87.

"It's a bounce back from the extreme selloff we saw in software based on a foregone conclusion that AI would be the end of software," said David Miller, chief investment officer for Catalyst Mutual Funds. "Software names were being valued as if they had no terminal value even though many of them are growing at a healthy clip."

Shares of **Ciena**, a provider of high-speed networks and related software, jumped 6.8%, while game maker **Take-Two Interactive Software** gained 4.8% and business-software developer **ServiceNow** climbed 3.1%.

## Index performance on Monday



Investors also bought into stocks of companies tied to the AI build-out that were battered in recent weeks by concerns about excessive capital expenditures. **Oracle** shares, which plummeted last week and shaved billions of dollars off the net worth of founder Larry Ellison, jumped 9.6%, its biggest one-day gain since September.

Some analysts saw the software company in a more positive light because of clarity about the finances of its biggest AI partner, OpenAI. "We believe OpenAI already has as much as \$40B of cash on hand and may be raising as much as another \$100B by the

end of the quarter, which should help pay for the data centers Oracle is building for OpenAI," wrote D.A. Davidson analyst Gil Luria, who upgraded Oracle stock to buy.

Still, advancing stocks only narrowly outnumbered decliners in the S&P 500, reflecting uncertainty about whether the selloff is over or just taking a pause.

"It's key to keep in mind that some of the best days for sectors or indexes tend to happen in the midst of severe drawdowns, so investors should use an extra dose of caution," said Kevin Gordon, head of macro research and strategy at Charles Schwab.

Some investors also bought Treasury bonds, often viewed as a haven in turbulent times. The yield of the 10-year note declined 0.008 percentage point to 4.19%. Bond prices rise when yields fall.

In global markets, Japan's benchmark Nikkei 225 index jumped 3.9% to a record after Prime Minister Sanae Takaichi won a decisive victory in snap parliamentary elections. The yen strengthened and bond yields rose.

Bitcoin recovered a bit from Friday to trade near \$70,754, but moves were comparatively muted after recent dramatic swings.

Investors will get some important economic insights this week. Readouts will include the delayed January jobs report, due Wednesday, following alternative data pointing to weakness in the labor market.

## AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Accepted bids	\$25,104,731,100	\$24,348,400,700
"noncomp"	\$94,187,601,100	\$81,488,000,700
"foreign noncomp"	\$1,879,395,800	\$1,606,894,900
Auction price (rate)	\$100,000,000	\$100,000,000
	99,990,000	98,230,556
Bids at clearing yield accepted	(3.60%)	(3.500%)
	3.684%	3.613%
	36.60%	52.72%
	912797WNO	912797WWT

Both issues are dated Feb. 12, 2026. The 13-week bills mature on May 14, 2026; the 26-week bills mature on Aug. 13, 2026.

## STOCK SPOTLIGHT

## Novo Nordisk

The Danish drugmaker's stock gained nearly 4% in New York after Hims & Hers said it will stop offering a copycat version of Novo Nordisk's weight-loss pill. Shares of Hims & Hers slumped 16%.

## Kroger

The grocery company hired former Walmart executive Greg Foran as chief executive. Kroger stock advanced nearly 4%.

## STMicroelectronics

The chip maker struck a multibillion-dollar deal with Amazon.com, a major foray into supplying chips for AI infrastructure. U.S.-listed STMicro shares jumped nearly 9%.

## Nexstar, Tegna

President Trump endorsed a tie-up between the broadcasters in a weekend social-media post, saying the deal would mean greater competition for "Fake News National TV Networks." Both stocks rose more than 8%.

## UniCredit

The Italian bank forecast higher revenue and profit in the years ahead, on higher income from fees and insurance. Shares gained 6.4% in Milan.

## NatWest

The U.K. lender agreed to buy wealth manager Evelyn Partners for £2.7 billion, or about \$3.67 billion, to boost savings and investment offerings. Shares of the bank fell 6% in London.

## Kyndryl Holdings

Shares more than halved after its CFO left amid a review of accounting practices following an SEC inquiry.

## Oracle

The stock soared 9.6% after an analyst wrote that investors should see the software company in a more positive light now that OpenAI's funding runway looks clearer.

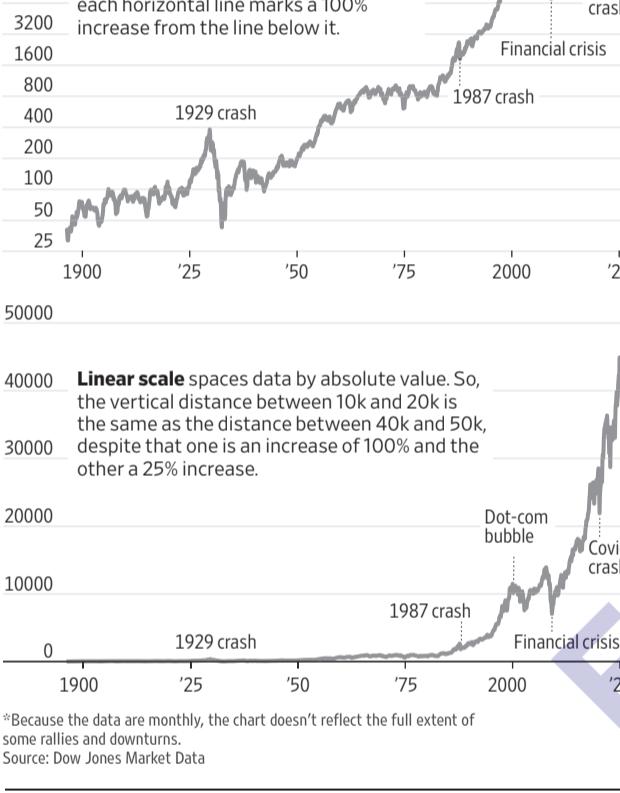
## TUESDAY'S EVENTS:

- ♦ Retail sales for December and the employment cost index are expected for the fourth quarter 2025.
- ♦ The Bureau of Labor Statistics is due to release import and export price indexes.
- ♦ Cleveland Fed President Beth Hammack addresses banking conference at 12 p.m.

## EARNINGS:

Coca-Cola, AstraZeneca, Marriott, Robinhood, Ford, Spotify, S&P Global, Gilead Sciences

## Dow Jones Industrial Average, monthly\*



\*Because the data are monthly, the chart doesn't reflect the full extent of some rallies and downturns.

Source: Dow Jones Market Data

## Goldman Led the Way To Dow High

Continued from page B1

force behind the climb from 25,000. Goldman is on pace for the best year ever in its main investment-banking and markets division. Wall Street banks have seen booming business in recent months thanks to a red-hot stock-market rally and growing demand for deals and initial public offerings.

**Caterpillar**, which has a share price of around \$726, was the next biggest contributor. The maker of mining and construction machinery has benefited from robust demand for power generators, mostly from artificial-intelligence data-center developers.

**Apple** followed, despite a lower share price (around \$278 on Friday). The iPhone maker has consistently vied for title of world's most valuable

able company, producing an eye-catching 557% return since the end of 2017.

**Microsoft** and **American Express** round out the top five.

**Salesforce** shares were the biggest drag since Dow 25,000. The software maker's shares have dropped sharply over the past year amid fears that AI poses a long-term threat to its business and are lower now than when Salesforce joined the Dow in 2020.

**Boeing** shares also hurt the index. The plane manufacturer has dealt with a series of engineering problems and slowing orders, racking up billions in losses.

Among the index's current membership, **3M**, **Sherwin Williams** and **Verizon** round out the list of recent drags.

Strong earnings growth has been the backbone of the Dow's record rally. More recently, higher valuations have helped, too.

Investors are now paying an average of around 22 times earnings for shares in the Dow's 30 companies, more than the 20 times they paid at the 25,000 mark back in 2018.

## How Trader Lost on the Super Bowl

Continued from page B1

"What are you gonna do about it? You get very numb to these kinds of numbers," said Kane, who works out of his apartment in Philadelphia.

Super Bowl LX will go down as the first in the U.S.'s bet-on-everything era, with prediction-market platforms such as Kalshi and Polymarket bringing a glimmer of Wall Street trading to the online-gambling culture pioneered by the likes of DraftKings and FanDuel.

For traders such as Kane, the National Football League's championship game was an opportunity to take advantage of new, and often inexperienced, bettors—the kind who might risk a few hundred bucks after a few beers.

The free-for-all nature of prediction markets made it possible to bet on every facet of the game. These markets are some of the most susceptible to insiders. Online sleuths found that an anonymous account on Polymarket correctly predicted nearly all of about 20 bets about the halftime performance, such as whether Lady Gaga or Drake would perform, prompting questions about whether the bettor had prior knowledge.

Such prop bets make up a small share of the volume on prediction markets, and Kane said he avoids anything outside of sports, his area of expertise.

Kane woke up around 9 a.m. on Sunday to check the markets. Bets were so heavily in favor of the Seahawks that he started putting money down on the Patriots, hoping to build an edge over unsophisticated bettors.

Bets on Kalshi were roughly \$200 million in volume and many of the individual wagers he was seeing were higher than usual: \$5,000 or more.

Such amounts would normally make him worry another trader would be using some informational advantage. "This is the one event a year where seeing massive bets coming in since yesterday, I don't even bat an eye," he said.

Prediction markets allow bets, or contracts, to trade on their platform for a fee. Depending on the outcome of an event, each contract either resolves at \$1 or is wiped out. The sites rely on market makers to keep bets flowing. Market makers buy and sell contracts, making money by pocketing the spread in prices between contracts. They earn financial incentives from the sites. Among the larger ones on Kalshi are

Jeff Yass's **Susquehanna International Group**. Kane acts as a market maker through Kane Analytics, the company he founded last year. On Sunday, Kane estimated he bought and sold more than \$300,000 in market-making trades. His nearly six-figure losses came from his own wagers.

Risks for market makers are high on prediction markets. The infinite variables in sports can quickly make many of the bets they are holding nearly worthless.

Kane, who declined to disclose his average earnings, rationalizes that big losses are just part of the job. "Somebody's the mark—because it's gambling, right?" he said.

Kalshi and Polymarket are regulated by the Commodity Futures Trading Commission, and have said that the trading on their platforms is more akin to other regulated markets. Sports betting is regulated by states—and some, including Nevada and New Jersey, sued prediction markets for offering allegedly unregulated sportsbooks. Kalshi and Polymarket are fighting those claims.

A spokesman for Polymarket declined to comment. A Kalshi spokeswoman referred to the company's public statements that differentiate it from a gambling site, because it doesn't take positions on markets or bet against users. (Dow Jones, the parent of The Wall Street Journal, has a partnership with Polymarket.)

By the time the Patriots kicked off around 6:30 p.m., Kane started seeing problems with Kalshi's systems—pricing glitches were apparent, and the books for making and taking bets had flipped, causing some confusion

among traders, he said. He kept trading, and the issue was resolved by the start of the second quarter. A spokeswoman said Kalshi didn't see any glitches.

Kane spent most of the Super Bowl watching his software update odds for various bets across markets. As the game went on, his long bet on New England crumbled. Kane did win a \$30,000 trade against a bettor on the total number of points scored in the game, though.

After the Patriots' first touchdown, there was "absolutely mind-numbing volatility," Kane said. He wasn't quite sure what had happened just by looking at the numbers, but the Patriots' odds on Kalshi collapsed again, and Kane scrambled to close out his open positions.

Kane said the losses on his trades didn't bother him, and that it is part of being a professional gambler.

"I was focusing on nothing for an hour, and then finally a bunch of action picked up. It was fun," he said.

## Gold Bull Pushes Ahead on Giant Mine

By ROBB M. STEWART

Thomas Kaplan is pushing ahead on what he has dubbed America's gold mine.

Having secured control of a long-coveted gold deposit in Alaska, Kaplan's **NovaGold Resources** and fellow investor John Paulson hired engineering firm **Fluor** to lead a bankable feasibility study on the Donlin gold project. A successful study would be the green light to develop what the billionaire investor expects will be the largest single gold mine in the U.S.

The development comes as the price of gold remains elevated, even after a recent pullback, and amid the Trump administration's embrace of developments in Alaska.

Kaplan, NovaGold's chairman and the exploration company's largest investor, said that in tandem with the study, work will begin on financing for the project. That is an unusual step given that the bulk of efforts to secure capital typically comes after a finance-ready study.

"We feel that the combination of the attributes of the asset, the gold price, and also pockets of money that I think we will find financing this proj-



Donlin is estimated to be among the largest gold assets.

ect to be very congenial," Kaplan said, adding that he has no doubt the study will be positive.

His desire to tap the Donlin deposit dates back years, but he was able to position NovaGold to act only last year. The company and Paulson Advisers last June wrapped up a \$1 billion deal to buy Barrick Mining's 50% interest in Donlin. That bumped up NovaGold's stake in the project to 60%, and brought Paulson's investment vehicle as a 40% investor for \$800 million as the purchase price.

"The hopes that I had for

along with the development of a pipeline to deliver up to 50 million cubic feet of natural gas a day. All of that will be incorporated into Fluor's study.

Fluor said the study will be focused on safety, cost accuracy, constructability and execution readiness as the project advances.

Based on earlier evaluations, Donlin could produce 1.5 million ounces of gold a year in its first five years of a 27-year mine life.

# HEARD ON THE STREET

FINANCIAL ANALYSIS &amp; COMMENTARY

## Picks and Shovels Still Rule the AI Tech Trade

Investors have punished big-spending tech giants and software companies while betting on memory chips

The AI trade has definitely become more fraught. But at least one constant remains: Investors are choosing the companies on the receiving end of big tech's spending spree.

So far, 2026 has been a rough year in general for tech stocks. By Monday's close, the Nasdaq composite was flat for the year, compared with a 4.3% gain for the Dow. Even more telling, the S&P 500 Equal Weight Index is up nearly 6%, compared with a 1.7% gain for the standard S&P 500. The equal-weight index essentially nullifies the outsize influence of eight tech giants, whose combined market capitalization takes up more than a third of the S&P 500's total.

The declines have been driven by what can only be described as a schizophrenic mood regarding artificial intelligence. New AI coding tools from companies such as Anthropic have made investors question the future of software companies, while the tech giants that are spending vast sums to enable those tools are also being punished.

The only somewhat safe place is proving to be the chip makers and other companies that benefit directly from the spending spree.

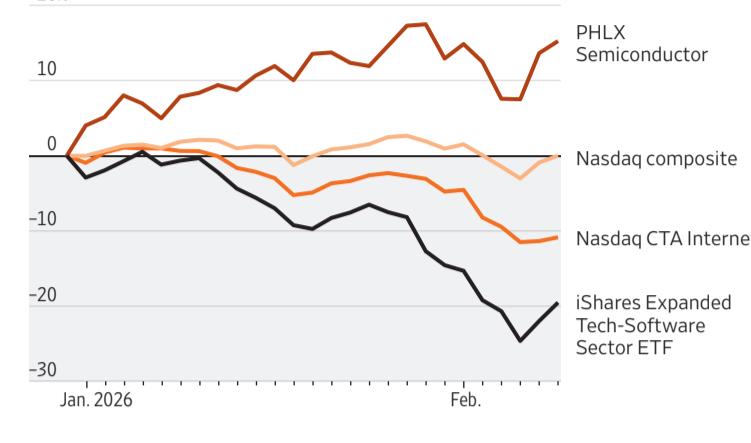
Here is a breakdown of how AI is rippling through tech stocks:

Worries about AI really started picking up late last year. A flurry of megadeals by OpenAI sparked legitimate questions as to how a cash-burning startup can make good on \$1.4 trillion of chip and cloud-computing contracts. During the first week of November, OpenAI's Chief Financial Officer Sarah Friar made comments at a Wall Street Journal conference that appeared to suggest the company was looking to the federal government as a backstop.

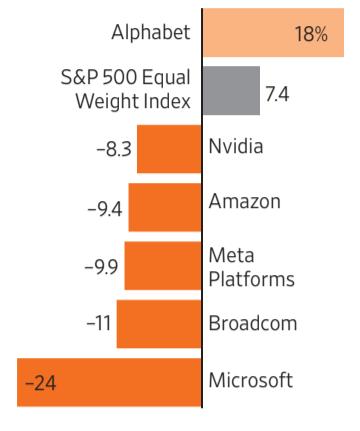
While the company scrambled quickly to deny that interpretation of her remarks, they were nonetheless taken as another sign of instability at the top of the AI heap. Many major tech stocks fell sharply that week, taking down the Nasdaq, which hit a record the week before. And most haven't recovered. Google's parent, **Alphabet**, is the only stock among the AI-exposed tech giants to gain ground since the Nasdaq peak.

Investor apprehension about AI hasn't compelled the biggest tech companies to scale back their bets on the technology. Google, **Meta Platforms** and **Amazon.com** all used their latest quarterly reports to project major increases in capital spending for the current year. Wall Street is also projecting notable increases from **Microsoft** and **Oracle** for that period. Taken together, those five companies are

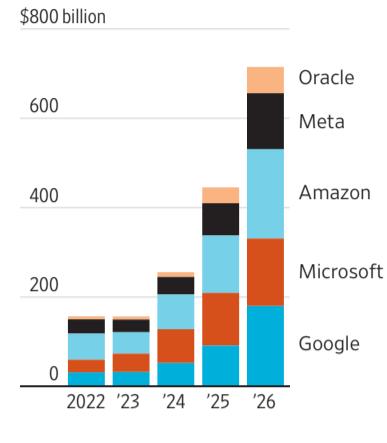
Index and ETF performance, year to date



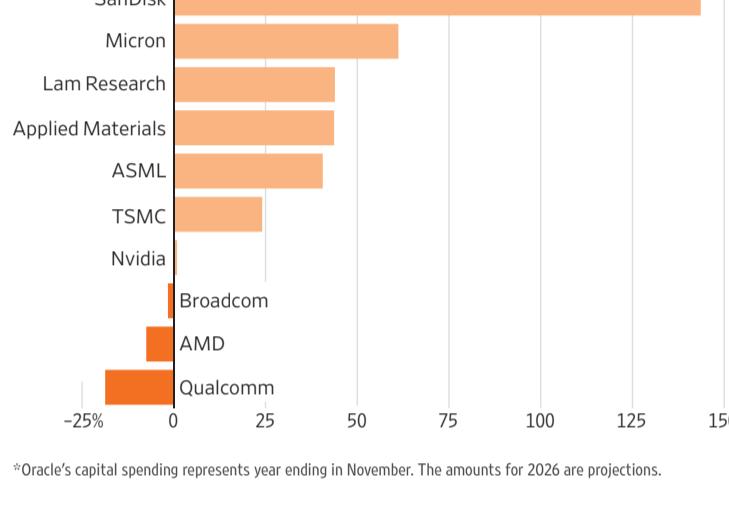
Share-price and index performance since Nasdaq peak on Oct. 29, 2025



Capital spending per calendar year\*



Share-price performance, past three months



\*Oracle's capital spending represents year ending in November. The amounts for 2026 are projections.

expected to part with a total of \$715 billion this year. That would be a 60% increase from last year.

Investors aren't exactly thrilled. Meta was the only big tech stock to rise following its report, as investors seemed ready to look past the capex surge given the accelerating growth of its core advertising business. Meta's stock has since given up those gains, while Google, Amazon and Microsoft have all fallen since their reports.

Even that damage hasn't been equally spread. The stock of Google's parent has fallen less than 3% since its earnings announcement, and is still positive for the year. Strong growth in the company's core business units offset most of the sticker shock of its giant capex forecast.

Microsoft, meanwhile, is down 14% since its report, while Amazon's latest report has sent its stock down more than 6%. Both companies are suffering from unfavorable comparisons with Google. It has its own frontier AI models that are directly challenging OpenAI, plus a much bigger balance of net cash to fund its AI pursuits.

AI jitters haven't spared the biggest chip stocks. **Nvidia**, **Broad-**

**com** and **AMD** got a nice lift after Amazon capped Big Tech's season of significant capital-spending ramp-ups. Nvidia even helped propel the Dow past the 50,000 mark on Friday with an 8% gain. But worries about the overall outlook for AI—and their respective exposures to OpenAI—have weighed on all three over the past three months. This is despite their rather crucial role in making the chips that are the main brains in AI computing.

The biggest chip beneficiaries of the AI trade lately have been those in the memory business. DRAM and NAND flash memory play a crucial role in data centers. But there isn't enough available production to satisfy demand from AI systems and still supply the necessary memory for such products as PCs and smartphones.

Memory prices are soaring as a result. Counterpoint Research says prices have jumped 80% to 90% so far in the first quarter. That is bad for any company that has to buy memory for its products. It is great for the makers of memory chips and the equipment companies that supply them.

The flash memory maker **Sand-**

Share-price performance, year to date



Sources: FactSet (index and ETF performance, share price performance); Visible Alpha (capital spending)

that can be used for corporate tasks such as product management.

One interesting thing about the latest selling round is how it has looped in software providers previously thought safe from AI disruption. **Palantir Technologies** has lost more than 19% so far this year after booming 135% last year.

Major cybersecurity providers such as **CrowdStrike**, **Palo Alto Networks** and **Zscaler** are down substantially this year after rallying in 2025. One of the few positive performers has been **Zoom**, the videoconferencing platform that became a household name during the pandemic but has since struggled to expand its business in a substantial way.

Even that has an AI angle. Zoom is an investor in Anthropic, and an analyst said in a report late last month that the stake could be worth between \$2 billion and \$4 billion. Zoom's stock jumped more than 11% following that report, which put the shares in positive territory for the year. The company just better hope that Anthropic doesn't have an AI video-calling tool up its sleeve.

—Dan Gallagher

## How Apollo Is Riding Out Private-Credit Pullback

**Apollo Global Management** is one of the most-prominent faces of private credit. But it certainly isn't wearing the market's recent pullback.

Despite a surge of concern about private-asset firms' exposure to software companies at risk of AI disruption, shares of Apollo are now basically flat so far in February. Meanwhile, many of its peers are down sharply: **Ares Management**, **Blackstone**, **Blue Owl**, **KKR** and **TPG** are all off by at least 6% this month.

Like other alternatives managers that have reported earnings, Apollo presented overall solid results Monday. But the recent performance gap between it and

peers may say something more nuanced about the market's thinking right now.

For one, investors may be more worried about equity exposure to software companies rather than debt.

Apollo's total assets under management are generally more tilted toward credit, at around \$750 billion, versus equity at around \$190 billion, as of the fourth quarter. On Monday's earnings call, Apollo said that in private equity, it had "zero exposure to growth

software."

In general, software-company debt can be somewhat insulated from declines in firms' growth prospects and valuations. It may be much harder now to take a software company public, or sell it at a high price.

There may also be some differentiation among software-company exposures by lenders. Speaking

on its call, Apollo President James Zelter highlighted points about the software exposure of its nontraded Apollo Debt Solutions BDC. A lot

of business-development companies, which lend to the software sector, have been in the market's crosshairs in recent sessions.

Zelter said ADS had "negligible" exposure to software loans paying interest in kind, rather than in cash, and to loans underwritten by revenue growth rather than by earnings, or so-called annual recurring-revenue loans.

"Folks who really are students of the product are able to really differentiate," he told analysts.

Other managers have offered their own defenses about their software portfolios. So far, Apollo's message appears to be landing.

—Telis Demos

Share-price performance, past six months



Source: FactSet

## How to Be a Better Investor? Watch Game Shows.

What do game shows and investing have in common?

Names like "Jeopardy," "The Price Is Right," "Press Your Luck" and "Who Wants To Be a Millionaire" speak to the mix of fear and greed that move markets. But when it came to understanding why most individuals struggle to just match the market's return, "Deal or No Deal" took the cake.

For the uninitiated, the U.S. version asked contestants to choose one of 26 unmarked briefcases containing between 1 cent and \$1 million. That one got set aside unopened and then six more briefcases were chosen and opened. If

not many high-value briefcases were revealed then that was good for the player.

The bit of the show that kept people glued to their screens was that the contestant then got an offer from a hidden "banker" for the first, unopened briefcase. Did they go for the bird in the hand or two in the bush?

Figuring out whether the offer was worth taking wasn't hard—just estimate the average of the unopened briefcases. The banker's offer usually started out lower than the remaining value after each round. If the contestant pushed his or her luck then the

following rounds opened more briefcases until only two unopened ones remained.

It was about more than numbers: The "right" strategy was a very personal decision since players might have been walking away from a life-changing amount of money. If they could have played the game a thousand times then deciding what to do would have been easier: Keep playing unless the banker's offer is better than the expected value.

Like investors, players often took the money. The work of Daniel Kahneman, the psychologist who won a Nobel Prize in econom-

ics, explains why players wound up, on average, with about one-fifth less than the optimal amount: Losing that guaranteed sum hurt more than giving up potential gains.

But sometimes the opposite happened: The offer was better than the average of the remaining briefcases and contestants still kept playing. That usually happened when they got unlucky and a high-value briefcase was revealed early.

Another Nobel Prize winner, Richard Thaler, explained why in a 1990 paper, "Gambling With House Money and Trying to Break Even."

Knowing they've lost the chance at a fortune, people will sometimes take irrational risks to make it back. It describes the behavior of some speculators in volatile stocks or cryptocurrencies who incinerate more of their savings after failing to cash in on big paper gains.

Even in a game in which you can't know more than anyone else, being able to separate emotions from money would earn players more money. Warren Buffett might have done great on "Deal or No Deal." He also would have been the most boring contestant ever.

—Spencer Jakab