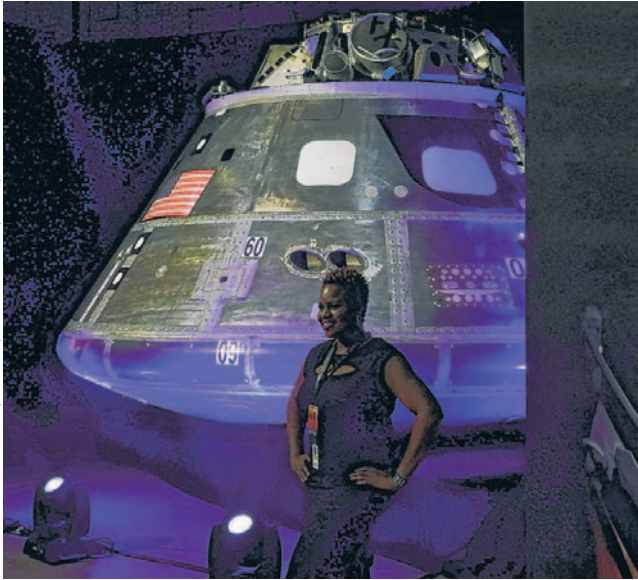






# U.S. NEWS



## NASA Names Crew to Orbit Moon in 2024

By MICAH MAIDENBERG

NASA and the Canadian Space Agency selected four astronauts to fly around the moon on a mission that would take people deep into space for the first time in decades. Americans Christina Koch, Victor Glover and Reid Wiseman, and Canadian Jeremy Hansen are the quartet chosen for the flight, officials from the two agencies said.

For Artemis II, as the roughly 10-day mission planned for late 2024 is called, the astronauts would fly past the moon after a fiery launch, traveling 6,400 miles beyond its far side before speeding back to Earth.

Artemis is the National Aeronautics and Space Administration's multiyear exploration program that aims to return astronauts to the moon, establish a long-term presence there and push on to Mars.

Artemis II would mark the first since the last Apollo moon-landing mission in 1972 that humans have flown beyond low-Earth orbit, a NASA spokeswoman said.

"It's a demonstration of our ability to push the boundaries of human achievement," said NASA Administrator Bill Nelson at an event at Johnson Space Center in Houston.

In recent years, human



Artemis II would mark the first time since 1972 that humans have flown beyond low-Earth orbit. Named to the new crew are, from left, NASA astronauts Christina Koch, Victor Glover, standing, Reid Wiseman, and Canadian Space Agency astronaut Jeremy Hansen.

spaceflights have focused on transporting people to the International Space Station, located relatively near the planet. SpaceX currently handles crewed flights to the orbiting research facility for NASA, while Roscosmos, the Russian space agency, uses its vehicles to do the same.

The four astronauts chosen for Artemis II won't touch down on the lunar surface. Instead, the mission is designed to test how the vehicles and other hardware NASA is using for its exploration program perform with crew members, setting the stage for a landing the agency would like to conduct with SpaceX in 2025.

For Artemis II, the astronauts would board the crew module on the Orion spacecraft. The mission would test Orion's life-support systems and ability to protect those on the flight from radiation, NASA has said. The crew would practice emergency procedures, among other activities.

All three Americans chosen for the mission have previously traveled to the International Space Station, according to their biographies. Ms. Koch would be the first woman to travel to the moon, while Mr. Glover would be the first African-American to do so, according to the NASA spokeswoman. Ms. Koch began her space

career as an electrical engineer at NASA's Goddard Space Flight Center. Mr. Wiseman, who will serve as mission commander for the flight, has a background as a naval aviator, as does Mr. Glover.

Mr. Hansen, the Canadian astronaut chosen, will be the first person from Canada to travel to the moon. Mr. Hansen's background is as a fighter pilot, according to a biography.

During the Artemis III mission, currently planned for 2025, astronauts would board the Starship lander in lunar orbit from Orion and then be transported to the moon, NASA officials have said.

## Hearings Sought on Spy Risks Of Chinese Cranes

By GORDON LUBOLD  
AND ARUNA VISWANATHA

WASHINGTON—Top lawmakers who oversee the Department of Homeland Security want to hold hearings and obtain access to classified and unclassified government documents that expose potential security vulnerabilities posed by dozens of Chinese-made cranes at American ports across the country.

It is "extremely worrisome" that about 80% of American port cranes use Chinese software that is manufactured by a Chinese company, said House Committee on Homeland Security Chairman Mark Green (R., Tenn.) in a statement.

"On behalf of the American people, this Committee is demanding answers on the risks these cranes pose to U.S. cybersecurity and the resilience of our critical infrastructure, which is a core aspect of the homeland security mission," he said.

The demand for more information follows a March 5 Wall Street Journal article that detailed for the first time some of the security concerns posed by the large cranes, which are made by state-owned Shanghai Zhenhua Heavy Industries, or ZPMC, in China and are used in most American ports. ZPMC has ties to the People's Liberation Army, or PLA and, according to lawmakers, "participates in military-civil fusion."

The cranes are equipped with Chinese-made software that could be used to surveil or manipulate port operations, U.S. officials said. There is no evidence that Beijing has used the cranes to conduct nefarious activity at any American ports, officials said.

Chinese officials have dismissed the concerns as paranoid and an attempt to obstruct trade and economic cooperation with China. Representatives of ZPMC haven't responded to requests to comment.

The Homeland Security Committee wants to hold public and potentially closed-door hearings on the matter by April 18, officials said. It also wants Homeland Security documentation pertaining to security vulnerabilities, as well as documentation that show the risk assessment and mitigation efforts that are in place as directed by Congress in 2021.

Other documentation requested includes how the U.S. Coast Guard operates with ports to mitigate cybersecurity risks and more.

U.S. maritime ports help facilitate \$5.4 trillion worth of commercial and military goods annually.

The letter comes as others in Congress have also taken up the issue. Rep. Mike Gallagher (R., Wis.), who chairs a new House committee focused on China, visited the Miami port on Friday with Florida Rep-

### U.S. WATCH



SAND-SATIONAL: Melineige Beauregard, left, and Chris Guinto, from Hawaii, work on their sand sculptures depicting musicians for the 2023 Sugar Sand Festival in Clearwater Beach, Fla.

FLORIDA

#### Permitless Carry Gun Bill Signed

Floridians will be able to carry concealed guns without a permit under a bill Republican Gov. Ron DeSantis signed Monday, giving the governor another legislative victory as he prepares a campaign for president.

The new law will allow anyone who can legally own a gun in Florida to carry one without a permit. It means training and a background check will not be required to carry concealed guns in public. It takes effect July 1.

The arguments over the legislation were divided along political lines, with Republicans saying law-abiding citizens have a right to carry guns and protect themselves. However, Democrats say the new law will only make the state more dangerous.

—Associated Press

OBITUARY

#### Music Executive Who Signed Madonna Dies

Seymour Stein, the brash, prescient and highly successful founder of Sire Records who helped launched the careers of Madonna, Talking Heads and many others, died Sunday at age 80.

Mr. Stein, who helped found the Rock and Roll Hall of Fame Foundation and was himself inducted into the Rock Hall in 2005, died of cancer in Los Angeles, according to a statement by his family.

Born in 1942, Mr. Stein was a New York City native who as a teenager worked summers at Cincinnati-based King Records, James Brown's label, and by his mid-20s had co-founded Sire Productions, soon to become Sire Records.

—Associated Press

## Inventory Helps Boost Auto Sales

Continued from Page One

difficulties keeping factories running flat out, leaving dealers with little to sell and consumers paying top dollar to secure what was available.

The industry also is rebounding from a troubled start to 2022, when Russia's invasion of Ukraine led to disruption across the auto-industry supply chain and a scarcity of computer chips wreaked havoc on companies' ability to build vehicles.

GM said its U.S. sales jumped 17.6% in the first quarter, helped along by strong pickup-truck demand and an increase in sales to fleet customers. Hyundai reported a 16% increase in its U.S. sales for the January-to-March period, attributing the rise in part to higher demand for its fully electric and hybrid models. Nissan Motor Co. posted a 17.3% increase for the quarter, while Honda Motor Co.'s U.S. sales were up 6.8% over the prior year. Ford Motor Co. is expected to report sales results Tuesday.

Some car companies, however, are still confronting challenges, a sign that the year ahead could be a bumpy one.

Stellantis NV, the owner of Jeep, Ram, Chrysler and other automotive brands, said its U.S. sales dropped 9% in the first quarter. Toyota Motor Corp. also reported a nearly 9% decline for the period, attributing the decrease to continued supply-chain troubles and tight inventory.

Jack Hollis, Toyota Motor's North American sales chief, said last week he expected the period to be slow but sales would pick up again in the back half of the year.

"Our situation is improving," he said. "The problem is our dealerships are just selling them faster than we're producing them."

Auto executives have said that some of those supply-side obstacles have been easing, particularly on semiconductors, with factory production schedules becoming more stabilized.

Overall, the available stock at dealerships and in transit was 1.85 million units at the end of March, up about 50% from at the month's end a year ago, according to Wards Intelligence, an industry data-analytics firm. That figure, however, is still well below the historic norm, and dealers expect it could be a while before availability fully returns because many vehicles that hit lots are already pre-ordered.

Some auto makers have been stockpiling vehicles ahead of the spring selling season, a historically busy period for both manufacturers and car retailers.

Still, even as inventory levels come back, consumers are feeling new pressures that could hamper demand this year. Recent interest-rate increases are adding to the cost of car loans, further fueling concerns about affordability.

In the first quarter, the average loan payment for a new automobile was \$730 a month, about \$75 higher than the period last year, according to Edmunds, a car-buying research firm. The average interest rate on new vehicles financed during the early months of 2023 reached 7%, compared with 4.4% a year earlier, Edmunds said.

The level of industry spending on sales promotions and other discounts has started to creep back up, rising 45.2% to an average \$1,558 a vehicle in March, according to J.D. Power.

Sales of electric vehicles also picked up. Overall, EVs accounted for 8.5% of total auto-industry sales in the first quarter, up from the 5.3% recorded for full-year 2022, according to J.D. Power.

Tesla Inc., which doesn't break out U.S. sales, said Sunday it had delivered a record 422,875 vehicles to customers globally in the first quarter, up around 36% from a year earlier. In the quarter, Tesla cut prices to juice demand.

### CORRECTIONS & AMPLIFICATIONS

In some editions Monday, Saudi Arabia's Saudi First economic policy was misspelled as Saudi Firs, and Kazakhstan was misspelled as Kazakstan in a Page One article about oil production.

Georgia Institute of Technology, commonly known as Georgia Tech, was incorrectly called Georgia Tech University in a Page One article on Monday about parking.

A U.S. News article on

Monday about former President Trump's lawyers misspelled the date of the Jan. 6, 2021, attack on the U.S. Capitol as 2001.

In the television show "The Brady Bunch," nothing is stated about the marital status of Carol Brady, the mother of three daughters, before she meets Mike Brady, the father of three boys. A column in Saturday's Review section described her as a widow.

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

THE WALL STREET JOURNAL

(USPS 664-880) (Eastern Edition ISSN 0099-9660)  
(Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036  
Published daily except Sundays and general legal holidays.  
Periodicals postage paid at New York, N.Y., and other mailing offices.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicopee, MA 01020.

All Advertising published in The Wall Street Journal is subject to the applicable rate card, copies of which are available from the Advertising Services Department, Dow Jones & Co. Inc., 1211 Avenue of the Americas, New York, N.Y. 10036. The Journal reserves the right not to accept an advertiser's order. Only publication of an advertisement shall constitute final acceptance of the advertiser's order.

Letters to the Editor: Fax: 212-416-2891; email: [wsjltrs@wsj.com](mailto:wsjltrs@wsj.com)

Need assistance with your subscription?  
By web: [customercenter@wsj.com](mailto:customercenter@wsj.com); By email: [wsjsupport@wsj.com](mailto:wsjsupport@wsj.com)  
By phone: 1-800-JOURNAL (1-800-568-7625)

Reprints & licensing:  
By email: [customreprints@dowjones.com](mailto:customreprints@dowjones.com)  
By phone: 1-800-843-0008

WSJ back issues and framed pages: [wsjshop.com](http://wsjshop.com)

Our newspapers are 100% sourced from sustainably certified mills.

GOT A TIP FOR US? SUBMIT IT AT [WSJ.COM/TIPS](http://WSJ.COM/TIPS)



U.S. NEWS

# Nashville Shooting Suspect Fired 152 Rounds

By MARIAH TIMMS

NASHVILLE—The suspect in last week’s mass shooting here fired more than 100 rounds in roughly 15 minutes and spent months plotting the attack, killing six at a private Christian school, authorities said.

Journals and other writings left by the suspect, identified by police as 28-year-old Audrey Hale of Nashville, also indicated Hale acted alone, the Metropolitan Nashville Police Department said Monday.

Investigators continue to search for a motive for the attack, in which the suspect killed three students and three adults at Covenant School in the Green Hills neighborhood of Nashville. Hale—who allegedly carried two military-style, semiautomatic rifles and a handgun to the school—fired a total of 152 rounds, police said Monday. Some 126 were rifle rounds; the other 26 were from the handgun.

Police identified the victims as Evelyn Dieckhaus, William Kinney and Hallie Scruggs, daughter of the Covenant Presbyterian Church’s lead pastor, all age 9. Also killed were three adults: Cynthia Peak, 61, a substitute teacher; Katherine Koonce, 60, the head of school; and Mike Hill, 61, a custodian at the school, according to police.

The latest developments came as Gov. Bill Lee, a Republican, said he would support reviewing the state’s gun laws after facing pressure to act. Thousands of demonstrators, mostly students, marched to the state Capitol building and legislative offices downtown on Monday morning.

“We cannot control evil but we can do something,” Mr. Lee said Monday in the first news conference he held since the shooting. Mr. Lee and other

## Journals and other writings left by the suspect indicated Hale acted alone.

leadership in the Republican-dominated Tennessee legislature have focused on pushing school security measures in response but have been resistant to calls for the pre-emptive gun control laws Democrats and others have called for.

Mr. Lee stopped short of saying he supported “red-flag laws,” which would allow authorities to take away guns from people that a court deems dangerous, in part because of terminology. “I’m looking for answers that separate dangerous people from firearms and protect constitutional rights. It is very important that we do that, whatever it’s called,” he said. “I’m standing here saying that that’s what we should do, going forward with that in mind. That certainly requires more than a week.”

Mr. Lee was joined by nearly three dozen Republican state lawmakers and at least two Democrats during Monday afternoon’s news conference. The governor said he would bolster school security legislation that was already pending with more funding for physical security upgrades and other measures. Lt. Gov. Randy McNally, the state Senate president, sent a letter to Mr. Lee last week calling for armed guards at all schools, securing windows and glass doors in schools, magnetic locks on doors and other measures.

Mr. Lee told reporters he had not spoken to Senate Judiciary Committee Chairman Sen. Todd Gardenhire, who last week said he would not consider gun laws this session when asked if action would be delayed by the impending end of the legislative term.

At the Capitol, many of the students who showed up Monday wore red, a school color of the Covenant School, and held signs calling for stricter gun laws or asking “am I next.”

# Making Their Home in Maine, and Beyond

At least 930 asylum seekers have come to Portland so far this year, straining the city

By JON KAMP  
AND ALICIA A. CALDWELL

PORTLAND, Maine—While traveling north to the U.S. from Brazil, Teresa Matondo, an asylum seeker originally from Angola, said she learned about Maine’s largest city.

“There were people talking about this town Portland, where if you got there, they would help,” the 35-year-old said. She entered the U.S. in March with her three children.

They are among at least 930 asylum seekers to come to Portland so far this year, many either with permission to come to the U.S. through ports of entry or illegally along the southwest border. Like Haitians who have recently headed to Boston or Cubans arriving in Iowa, these migrants are reaching U.S. communities large and small in search of established immigrant groups, aid and jobs. The surge has taken a toll on Portland, straining shelters, schools and local aid groups.

Ms. Matondo fled Angola after her husband from an arranged marriage repeatedly abused her, she said in French through a shelter staff member who translated. Like many Angolans, she traveled first to Brazil before making the journey through Mexico to the U.S. border. She crossed into California, roughly 3,000 miles from Portland.

The Maine city of about 68,300 is currently sheltering roughly 1,110 people, many of them asylum seekers. They have filled city facilities, but also hotel rooms and a middle-school gymnasium.

Some asylum seekers have been sleeping inside a warming center next to a city shelter for families. “When you’ve got to look at a little kid and tell them you can’t lay down on the floor, that’s tough,” said Mike Guthrie, who directs the family shelter.

Portland saw a major surge in asylum seekers in 2019, too, though the city noted the recent influx has been far higher.

Maine is an aging, rural state that needs newcomers to fill jobs, and Portland has welcomed asylum seekers as a refugee-resettlement city for decades, said Kate Snyder, the city’s mayor. The city also has an acute housing shortage and rising prices, heightening the challenge of finding places for newcomers to live, the mayor said. “The pressure right now on emergency shelter is so incredible,” she said.

Since President Biden took office, Border Patrol agents have made more than 4.5 mil-



Haitian-born Jean-Maxon Charlemeau, right, reached Massachusetts last May. He and his family now live in Brockton, a city south of Boston. Below, Teresa Matondo, with her daughter, fled an abusive husband in Angola and ended up in Portland, Maine.

lion arrests of migrants from around the world crossing illegally into the U.S. from Mexico, according to federal data. The sustained high volume is at a record high.

Some migrants are released and allowed to travel and temporarily settle in the U.S., but they have to file a formal asylum request in court within a year and are required to report back to immigration authorities. As long as migrants show up at their assigned court dates or report to immigration as ordered, they generally cannot be deported without a judge’s order.

Often, where they settle depends on a city’s word-of-mouth reputation.

Authorities in Nebraska and Iowa saw more than 1,100 Cubans register for social-welfare benefits through the states’ refugee offices during the 2022 budget year. In the prior two years, only 31 such people registered for aid in Iowa and none in Nebraska.

Migrants have also surged into Massachusetts, including many from Haiti. People are often guided there as word spreads on WhatsApp, said Gerald Gabeau, executive director of the nonprofit Immigrant Family Services Institute in Boston, which helps many migrants upon arrival.

“The minute that they come and find a welcoming environment, they text people that are still at the border,” Dr. Gabeau said.

Jean-Maxon Charlemeau, originally from Haiti, said he knew he was heading to Boston when he left Chile in August 2021 with his wife and young son. They were struggling to afford propane to



“The pressure right now on emergency shelter is so incredible.”

Portland Mayor Kate Snyder

cook after he lost his job as an electrician’s assistant, he said.

The trip north was arduous but the family reached Massachusetts last May and welcomed a second son in December. They now live in Brockton, a city south of Bos-

ton. Mr. Charlemeau said he learned about New England’s largest city from a friend who had already arrived.

More recently, a U.S. policy shift has allowed Haitians, Venezuelans, Nicaraguans and Cubans to come more directly

to the U.S. under a provision of immigration law called humanitarian parole if they have a sponsor.

Massachusetts Gov. Maura Healey, a Democrat, signed a supplemental budget last week that included \$85 million to support the state’s emergency-assistance shelter system. The legislation also helps support schools experiencing a large influx of new students due to shelter placements, the governor’s office said.

Some parents of school-age children at the family shelter said they were on school waiting lists, and the Portland district said it was dedicating more staff to help with a backlogged intake process.

The asylum seekers have many needs upon arrival, such as warm clothing, legal aid and help finding and initially paying the rent as they await permission to work. The state has pumped about \$1.2 million into local aid groups while also investing in housing, including covering rent up to two years for tenants moving into a new South Portland apartment building.

For some, reaching Portland is one step on a still unsettled journey. Lumuangamu Kenge Madelena, 34, arrived there from Brazil more than a month ago with her daughter. She said she fled Angola more than five years ago, to escape a violent ex-partner.

She remarried in Brazil and is three months pregnant, but her new husband remains detained at the U.S. border, she said. She believes their different last names led to confusion about their marital status. “I have to pray God sends my husband here,” she said.

# Fight Over Transgender Rights Snarls Nebraska’s Legislature

By JENNIFER CALFAS

Nebraska lawmakers have not passed a single bill this session.

Sen. Machaela Cavanaugh has filibustered on the floor of the Legislature for more than a month. The Omaha native is intentionally delaying progress on every bill as she protests legislation that would ban gender-affirming surgeries and treatment for transgender Nebraskans under age 19.

“If this Legislature collectively decides that legislating hate against children is our priority, then I am going to make it painful, painful for everyone,” Ms. Cavanaugh told the unicameral, nonpartisan body in late February.

The current version of the Nebraska bill advanced out of the Legislature’s health and human services committee in late February. Ms. Cavanaugh, who sits on the committee, launched her filibuster effort shortly afterward.

Since then, her efforts have garnered national attention as clips of her speeches went viral. Ms. Cavanaugh and Democratic-affiliated colleagues, Sens. Megan Hunt and John Fredrickson, have launched a political-action committee that will support lawmakers nationwide who are opposed to legislation they say aims to



Sen. Machaela Cavanaugh

marginalize members of the LGBTQ community.

The American Civil Liberties Union and other legal groups plan to challenge new bans in states including Tennessee, Oklahoma and Montana, said Gillian Branstetter, a spokeswoman for the organization. Courts have temporarily blocked similar laws passed in Arkansas and Alabama.

Lawmakers supporting the restrictions say minors are unable to make such life-altering decisions so early in their lives.

“We tell them you can’t drive. We tell them you can’t drink. You can’t get a tattoo even with your parents’ permission in certain places on your body. And we protect them in the criminal justice system because they’re too

young to make a decision,” said Kathleen Kauth, the Republican-affiliated Nebraska state senator who introduced the legislation.

During debate over the bill, Mr. Fredrickson, who is also a clinical social worker, said parental consent is required for minors to receive gender-care related services. Evaluations from licensed mental-health providers are required for any irreversible or partially irreversible treatment, he said.

“There’s this misconception that these kids are out there making these choices by themselves,” Mr. Fredrickson said.

A rules change last week limits one of the filibuster tactics that Ms. Cavanaugh and colleagues have used. She and Ms. Hunt, whose son is transgender, filed more than 700 motions on bills in anticipation of the change.

“I wish that I wasn’t doing this. But it’s too important to not do,” Ms. Cavanaugh told The Wall Street Journal.

Weeks into the filibustering effort, Ms. Cavanaugh and Sen. John Arch, the Republican-affiliated speaker of the Legislature, agreed to schedule the bill for debate. A 33-16 cloture vote on March 23 ended hours of debate, and the bill passed its first vote 30-17. The bill would need to pass two more times to reach the governor’s desk.

## SPRING-SUMMER 2023 COLLECTION



Lift. Bar, designed by Sacha Lakic.

rocheboboibobois PARIS



U.S. NEWS

# Haley Went From Friend to Foe on Boeing

**GOP '24 hopeful draws flak from some in her party over company's role in her career**

By John McCormick  
and Andrew Tangel

NORTH CHARLESTON, S.C.—Nikki Haley frequently questions the use of public money to help corporations as she campaigns for the Republican presidential nomination, but her tone was significantly different when it came to interests in South Carolina.

As a state legislator and candidate for governor, Ms. Haley supported a 2009 economic development package for Boeing Co. valued at as much as \$900 million that helped land the company's 787 Dreamliner production facility in this city. A few years later, as governor, she signed into law an additional \$120 million for the aerospace company as part of an expansion.

After accepting a seat on Boeing's board after her time in the Trump administration, she became an opponent of the company's potential request for government assistance as the possibility of her 2024 presidential bid loomed, abruptly quitting the board

and publicly criticizing the idea of government aid.

It isn't unusual for conservative politicians to confront tensions between their support for limited government and parochial interests. Still, as voters examine the emerging GOP field, Ms. Haley's record on Boeing has led some to portray the former governor and United Nations ambassador as someone prone to reversals and tied to the corporate establishment.

Taylor Budowich, who leads a political-action committee backing Donald Trump's bid to return to the White House, said in a statement after Ms. Haley entered the race that she resigned her U.N. post to "go rake in money on corporate boards."

**Major employer in state**

Chaney Denton, a spokeswoman for Ms. Haley, drew a distinction between local and state economic development and federal assistance to businesses. "Governor Haley was proud to support the expansion of a major South Carolina jobs provider, helping thousands of local families and South Carolina businesses," she said in a statement.

The importance of Boeing to South Carolina as an employer and economic magnet is hard to exaggerate. The company



Nikki Haley spoke at a February campaign event in Charleston, S.C.

employs roughly 6,500 people in the state.

When she was a South Carolina House representative, Ms. Haley missed the 2009 vote that secured public support for tax breaks and state-issued bonds for the Boeing project.

"She was the Tea Party candidate, and the Tea Party was really against these types of things," said Vincent Sheheen, a Democrat who was then a state senator.

Ms. Haley said at the time that she had a previously scheduled event and put a note in the official House journal that she would have voted yes, had she been there.

Boeing went on to be one of the largest corporate donors to Ms. Haley's 2011 inauguration

celebration, and its 1.2-million-square-foot factory formally opened in June of that year.

While governor, Ms. Haley used the powers and influence of her office to help smooth Boeing's expansion in the state, people familiar with the matter said. She made working with the bureaucracy user-friendly, they recalled, helping cut through red tape for permits and securing training for constituents who would become Boeing employees.

Besides the state assistance, the airplane maker was attracted to South Carolina because Ms. Haley worked to keep organized labor from gaining a foothold at Boeing's facilities.

In Ms. Haley's 2014 re-election

campaign, a Boeing aircraft appeared prominently in some of her advertising.

"Boeing is now a part of the fabric of South Carolina," Ms. Haley said in 2013.

**Joined board in 2019**

Ms. Haley joined Boeing's board of directors in April 2019. A 2018 disclosure form, reflecting Ms. Haley's 2017 finances, showed signs of significant debt and relatively little income for her family.

Ms. Haley was on the Boeing board less than a year. She collected \$256,322 in cash, stock and other compensation from the company in 2019, while receiving an additional \$83,750 in 2020, Securities and Exchange Commission filings show.

Her arrival on the board came at a low point for the company after two of its 737 MAX jets crashed, taking 346 lives.

Ms. Haley was generally active and engaged on the board, people familiar with the matter said. She was particularly vocal on matters related to the company's South Carolina operations, the people said.

Then, Covid-19 emerged as a significant threat. As the company watched customers cancel orders, Boeing executives raced to shore up company finances. At board meetings in early 2020, the focus

was on tapping the bond market and lining up government support for the nation's vast network of aerospace suppliers that Boeing relies on.

Executives outlined to directors how they viewed possibly tapping government aid for Boeing itself to be a last resort.

Ms. Haley sat through discussion of the topic, people familiar with the matter said. Soon thereafter, she issued a resignation letter criticizing a potential government aid package.

The company ended up not seeking aid for itself and instead issued \$25 billion in bonds to shore up its finances.

A Boeing spokeswoman said: "We appreciate Ambassador Haley's service on the board and her leadership as governor."

Lewis Gossett, former chief executive of the South Carolina Manufacturers Alliance, defended Ms. Haley's economic-development efforts.

"They needed a relationship with President Trump, and she had the international experience," said Mr. Gossett, who worked closely with Ms. Haley on economic-development projects when she was governor. "I remember hearing that criticism—that it was payback—but she didn't give them anything any governor wouldn't have given them."



Crowds gathered to see California poppies in Antelope Valley this past weekend. Heavy winter rain is producing a superbloom this year.

## California Blooms Are Bustin' Out All Over

By Alyssa Lukpat  
and Carl Churchill

California is about to be treated to a spectacle: Hillsides awash in poppy superblooms, thanks to heavy rain during the winter that is coaxing the flowers to blossom.

Deserts and hills in parts of the state are expected to be covered in bursts of orange and yellow poppies this spring. California officials said there was enough rain over the winter to bring the superblooms back for the first time since 2019.

Superblooms, when flowers blossom en masse, usually happen when a rainy winter follows a drought. The drought kills plants that would have competed with poppies, a hardy species, for nutrients. Poppies are the most well-known flowers in the superbloom, but others, such as whispering bells and milkmaids, are also expected to blossom.

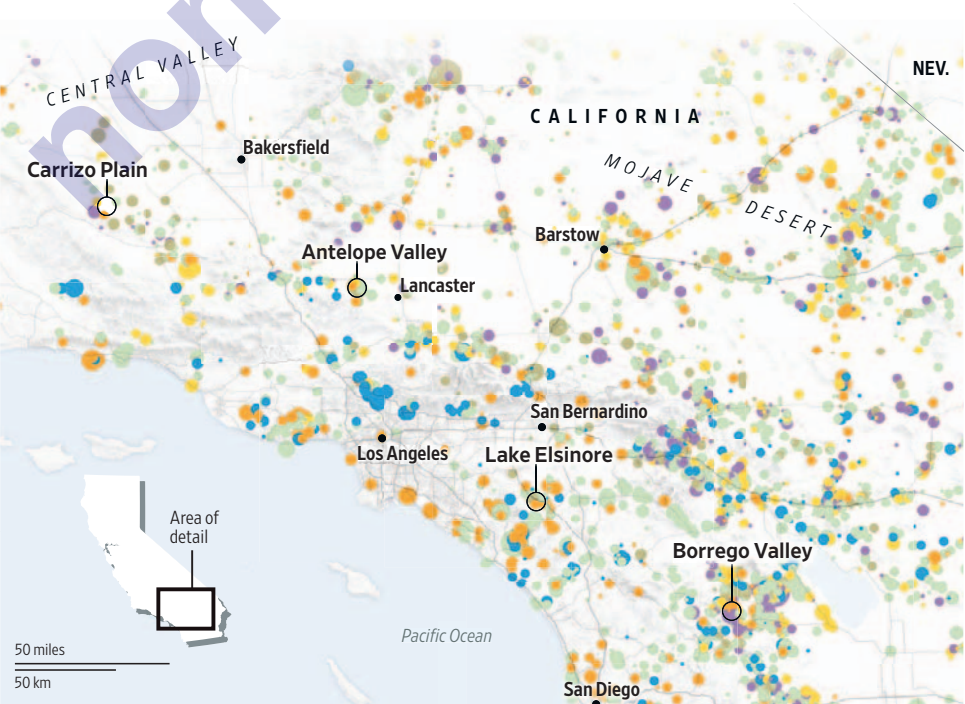
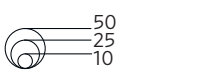
Golden poppies are the state flower of California. They are typically bright orange and grow to the size of a tennis ball.

For many Californians, the superblooms are a rare positive following a wet winter. A series of storms throughout the state killed dozens of people,

**Wildflower observations from 1876 to 2023\***

- Poppies
- Suncups
- Lupins
- Pincushions
- Desert dandelions
- Other flowers

**Number of sightings**



Note: Observations grouped on one-mile radius from point's centroid. \* Through Feb. 23  
Source: Janice E. Bowers/Journal of the Torrey Botanical Society (wildflower species), Calflora (wildflower occurrence)

Carl Churchill/THE WALL STREET JOURNAL

ple, led to floods and power outages and caused billions of dollars in damage.

Both locals and tourists flock to the superblooms to see a rare phenomenon that happens only every few years, according to the U.S. Geological Survey. The poppies are expected to bloom so bright in April and May that they can be seen from space.

In Southern California, popular viewing spots are Lake Elsinore and the Antelope Valley Poppy Reserve outside Los Angeles. In Northern California, state parks such as Sugarloaf Ridge and Mount Tamalpais, both north of San Francisco, are also known for

poppy superblooms.

The most recent superblooms in 2019 were so popular that visitors trampled the flowers in some areas. The stampedes stressed local officials who tried to corral "Disneyland-sized crowds" in places such as Lake Elsinore. Influencers and selfie-takers in particular wanted to snap pictures of the superblooms to share on social media.

It is against California law to pick golden poppies on state or private property. They can be poisonous if eaten.

California's snowpack, meanwhile, ranks as the biggest in at least 40 years, giving much needed relief to crippling

drought but leaving many rural communities under threat of major new flooding when the frozen bounty melts.

Surveyors from the California Department of Water Resources on Monday conducted manual measurements of a snow field near Lake Tahoe, where they said the 126.5 inches was among the deepest since the hand tallies were first carried out more than a century ago. The water equivalent was 54 inches.

The measurement corroborated electronic readings also taken Monday that showed a statewide snowpack of 237% of normal for this date.

—Jim Carlton  
contributed to this article.

## Trump Set To Face Charges

Continued from Page One

Daniels ahead of the 2016 election. Mr. Trump's former lawyer, Michael Cohen, paid Ms. Daniels \$130,000 to keep her from going public with allegations that she had had a sexual encounter with Mr. Trump a decade earlier, which the former president denies. Mr. Cohen was later reimbursed through Trump payments that were misclassified as legal fees.

Among the most likely charges in New York is falsifying business records, according to legal experts. The charge by itself is a misdemeanor but can be converted into a felony if prosecutors prove records were falsified to commit or conceal another crime, such as a state election-law offense.

The former president is expected to arrive at the district attorney's office Tuesday midday to turn himself in. He will be fingerprinted and booked before appearing in court in the afternoon to be arraigned on the charges, which remain under seal. During the hearing, the presiding judge is expected to unseal the indictment, which will allow the first detailed look at the charges Mr. Trump is facing.

Mr. Trump and his lawyers were surprised by the timing of the indictment when it was handed up last week, having expressed optimism that the case might be falling apart. Some advisers had told Mr. Trump that an indictment was likely not to come for weeks, if at all.

The former president has been privately unsettled by the prospect of being indicted but also sees an opportunity to rally fellow Republicans around him as he seeks his party's 2024 presidential nomination, advisers said. Mr. Trump, 76 years old, has scheduled a prime time address at Mar-a-Lago for Tuesday evening, hours after his arraignment. Advisers expect him to possibly make additional remarks while he is in New York.

Trump aide Jason Miller tweeted Monday that the campaign, which has sent a barrage of fundraising emails in recent days, had raised \$8 million since news of the indictment broke. Federal-election records aren't yet public.

While the episode could solidify Mr. Trump's standing among GOP voters—and several polls show his lead in the 2024 primary widening—it could also serve to remind swing voters of the constant controversy that surrounds him. The former president is also facing investigations into the Jan. 6, 2021, Capitol riot by a mob of his supporters to interfere with the certification of President Biden's victory, and separate attempts to overturn his election defeat in Georgia, as well as his handling of classified documents at his Florida resort. He

has denied wrongdoing.

The campaign on Monday also announced the hiring of an experienced white-collar defense attorney to boost Mr. Trump legal team for the New York case.

The new addition, Todd Blanche, who had been a partner at firm Cadwalader, Wickersham & Taft LLP, has experience representing defendants in Mr. Trump's orbit, including former Trump campaign chairman Paul Manafort and Igor Fruman, a figure in the first of two impeachment inquiries into the former president.

Mr. Trump's current lawyers, Susan Necheles and Joe Tacopina, remain on the team. Mr. Tacopina also is set to defend Mr. Trump in a civil trial this month on allegations by advice columnist E. Jean Carroll, who alleges the former president raped her in a dressing room in the mid-1990s. Mr. Trump has denied the allegation.

Mr. Blanche declined to comment. He just opened his own law firm this month, Blanche Law PC, according to his LinkedIn profile.

Mr. Blanche has experience both in New York state court and with campaign-finance matters. He has done battle with Manhattan prosecutors

## The campaign also hired an experienced white-collar defense attorney.

before, representing Mr. Manafort when he was charged in 2019 with offenses including residential mortgage fraud and falsifying business records. A judge subsequently tossed the charges after Mr. Blanche argued the case violated a state law that protects defendants from being prosecuted for the same crimes twice.

Mr. Blanche also represented Mr. Fruman, an associate of Rudy Giuliani's who pleaded guilty to soliciting a political contribution from a foreign national in 2021. A federal judge last year sentenced Mr. Fruman to a year and a day in prison, although he served a fraction of that. Mr. Fruman became a key figure in Mr. Trump's first impeachment over his efforts to help Mr. Giuliani try to persuade Ukrainian officials to investigate Joe Biden, then a Democratic presidential candidate, and his son Hunter Biden.

Mr. Blanche served for nine years as a federal prosecutor for the Southern District of New York, where he was co-chief of the White Plains Division and co-chief of what was then known as the Violent Crimes Unit. Mr. Blanche clerked for federal judges in Manhattan and Brooklyn. For four years, beginning in 1999, he worked as a paralegal at the U.S. attorney's office in Manhattan while attending Brooklyn Law School at night.

—Jimmy Vielkind  
contributed to this article.

JOHN CHRISTIAN

Crafted in gold & platinum

Rush! Service Available

Immortalize Your Anniversary in Roman Numerals!

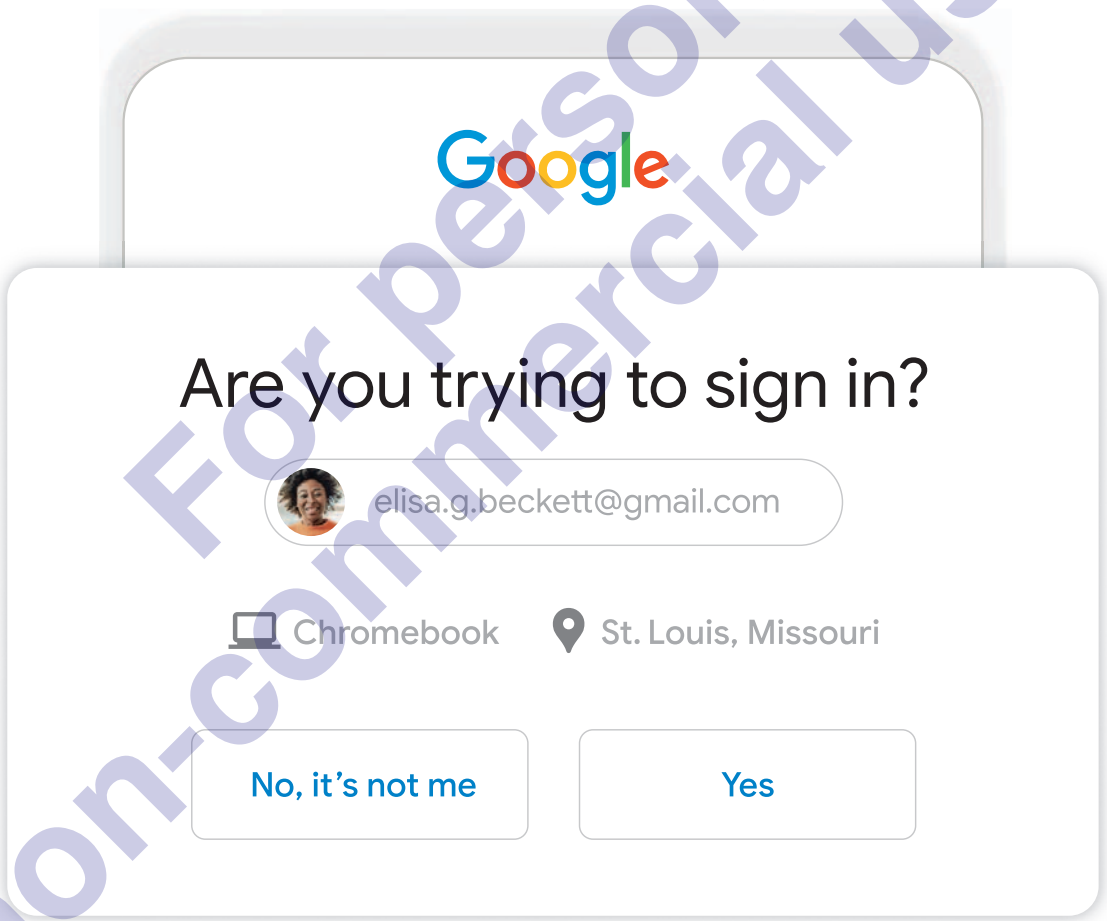
JOHN-CHRISTIAN.COM 888.646.6466





# Cyberattacks can happen with just a click

## So can preventing them



[2-Step Verification](#) was built to secure your account with an additional layer of protection, keeping your private information safe even if your password is compromised. That's why it's now on by default for 150 million people.

Explore how Google is keeping more Americans safe online than anyone else at [safety.google](http://safety.google)



Safer with Google



U.S. NEWS

# DiCaprio Testifies at Rapper’s Trial

Prosecution calls actor in case of Pras Michel, who is facing charges linked to IMDB scandal

By BYRON TAU  
AND ARUNA VISWANATHA

WASHINGTON—Actor Leonardo DiCaprio appeared in a Washington federal courthouse on Monday to testify in a closely watched criminal case featuring a potent mix of celebrity, money and geopolitical intrigue.

The Academy Award-winning star of blockbusters such as “Titanic,” “The Revenant” and “Catch Me If You Can” appeared as a witness in a sprawling Hollywood-meets-Washington trial against the rapper Pras Michel, a founding member of the hip-hop trio the Fugees.

Mr. Michel stands accused of numerous criminal charges related to his business and political relationship with Malaysian businessman Jho Low, the alleged mastermind of the 1MDB fraud, one of the largest financial scandals in history.

Mr. Michel, who has pleaded not guilty and denied any wrongdoing, is one of the last left to face prosecution in cases stemming from the scandal. Its central figure was Mr. Low, who allegedly directed an elaborate scheme to steal more than \$4.5 billion from a Malaysian development fund, 1Malaysia Development Bhd, or 1MDB. Mr. Low remains a fugitive and is believed to be in China.

Mr. DiCaprio hasn’t been accused of any crime and his appearance in the Washington courthouse seemed to catch jurors by surprise. He testified largely about how a chance encounter with Mr. Low at a birthday party in Las Vegas more than 10 years ago blossomed into a business relationship. Mr. Low would ultimately help invest millions into “The Wolf of Wall Street,” a film that other Hollywood



A sketch of Leonardo DiCaprio on the stand Monday in the trial of rapper Pras Michel in Washington.

studios saw as a risky project. Mr. DiCaprio also testified about his friendship with Mr. Michel, saying it dated back to the 1990s.

The Justice Department later said much of those funds had been unlawfully diverted from 1MDB, a Malaysian development fund meant to benefit the people of Malaysia.

Besides testifying about his friendship with Mr. Michel, Mr. DiCaprio spoke on the witness stand about the lavish gifts and donations Mr. Low made, buying art at charitable events that supported the actor’s charitable foundation, for example. The actor recalled a conversation where he said Mr. Low told him he planned to make what Mr. DiCaprio called “a significant sum” in political contributions to the Democratic Party during the 2012 election. The amount Mr. Low planned to contribute was between \$20 million and \$30 million, the actor recalled.

The government says Mr. Low ultimately transferred \$21.6 million to Mr. Michel between June and November 2012. Mr. Michel stands ac-

cused of funneling nearly \$2 million of that money to support then-President Barack Obama’s re-election campaign.

The rest of the allegations against Mr. Michel stemmed from 2017, when prosecutors allege he assembled a team of people to try to influence the Trump administration both to

## The case against Mr. Michel is tied to the central figure in a Malaysian fraud.

close the investigation into 1MDB and to remove from the U.S. a fugitive Chinese businessman whose return China was seeking.

As a foreigner, Mr. Low wasn’t permitted to make political contributions. Further, federal campaign finance law doesn’t allow donors to make donations on behalf of others without disclosure.

Prosecutors opened their case against Mr. Michel last

week, after a three-day effort to select a jury for the trial. “This is a case about foreign money, foreign influence and concealment,” trial attorney Nicole Lockhart said, telling jurors that a tale full of political intrigue, backroom deals and burner phones would unfold before them.

Since his indictment, Mr. Michel has rejected potential plea deals and said he had relied on his former lawyer’s advice in working with Mr. Low. Mr. Michel has described his efforts to remove the Chinese fugitive, Guo Wengui, as a humanitarian effort to help the U.S. get back in exchange a pregnant American woman who hadn’t been allowed to leave China.

In court, Mr. Michel has sat with his lawyers, often wearing a dark suit, tie and face mask. Despite his early musical success, Ms. Lockhart said, by 2012, Mr. Michel was looking for other ways to make money. All told, Mr. Michel took some \$100 million from Mr. Low over the course of their friendship, she said, using some of it to get Mr. Low

access to senior officials in the U.S. government. The prosecutor said those efforts broke a law that bars foreign money in U.S. elections as well as one that requires the disclosure of foreign influence campaigns.

Prosecutors have clashed repeatedly with Mr. Michel’s lawyer, David Kenner, who objected several times throughout Ms. Lockhart’s half-hour opening remarks last week. After other disagreements between prosecutors and Mr. Michel’s team, Mr. Kenner said he wouldn’t provide an opening statement at the trial’s outset but would do so after the government presented its case.

Other prominent witnesses expected to be called to the stand include casino mogul Steve Wynn and senior Trump administration officials. Ms. Lockhart also previewed the testimony of Republican fundraiser Elliott Broidy, who pleaded guilty to working on the lobbying campaign with Mr. Michel and was later pardoned by former President Donald Trump.

Ms. Lockhart referred to Mr. Broidy as the “fixer” and said he would describe how he worked with Mr. Michel to hide the fact that Mr. Low was their client in a lobbying campaign.

She also told jurors about the efforts to get Mr. Guo removed from the U.S., describing how Messrs. Michel and Broidy tried to set up meetings between a Chinese government official and senior members of the Trump administration. She mentioned an effort to have Mr. Wynn press Mr. Trump to deport Mr. Guo, even calling Mr. Trump from his yacht.

Mr. Guo was arrested in March on separate U.S. charges of engaging in a \$1 billion fraud, a development Mr. Michel’s team has described as bolstering its argument that Mr. Michel, in seeking Mr. Guo’s removal, was only pursuing efforts that were in the U.S. interest. Mr. Guo pleaded not guilty.

# Accident At JFK Airport Leaves Two Dead

By JOSEPH DE AVILA

Two workers died at John F. Kennedy International Airport in a construction accident, authorities said on Monday.

The Port Authority of New York and New Jersey, the agency that manages the airport, said it was notified on Monday morning that two workers were trapped under rubble at a construction site at the airport.

The workers had been relocating utility lines at the time of the incident at JFK, the Port Authority said.

The Port Authority Police Department, the New York City Fire Department and emergency medical services responded to the accident, the agency said.

Both construction workers died, it said.

“A stop order for all construction at JFK has been issued,” the Port Authority said in a statement.

The workers weren’t immediately identified by officials.

The Port Authority said that the incident didn’t interrupt flight operations at the airport.

Details of the incident were scarce as of Monday afternoon.

The Port Authority said it is conducting an investigation and that it is cooperating with all other investigative agencies.

“My thoughts are with the loved ones of two people tragically killed while working on a construction site” at JFK Airport, New York Gov. Kathy Hochul, a Democrat, said in a tweet.

THE JOURNAL.

A daily podcast about money, business and power. Dive deep into the most complicated and important stories WSJ covers with hosts Kate Linebaugh and Ryan Knutson. Listen each weekday, wherever you get your podcasts.

[LISTEN WHEREVER YOU GET YOUR PODCASTS](#)



WSJ

GIMLET

LISTEN ON Spotify



U.S. NEWS

Virginia Teacher Shot by Child Files Lawsuit

By Alyssa Lukpat

The Virginia teacher who was shot by her 6-year-old student earlier this year filed a \$40 million lawsuit Monday, saying administrators failed to take action despite repeated warnings that the boy had a gun.

The lawsuit, filed in Newport News Circuit Court, said the school's former assistant principal and other administrators ignored pleas from staff members to search the boy for a gun.

The boy, whom officials haven't named, fired one shot at Abigail Zwerner on Jan. 6, officials said. The 25-year-old teacher was seated at a reading table when the bullet went through her hand and upper chest, the lawsuit said. She evacuated her children out of the classroom despite her injuries and was the last to leave.

The shooting drew national attention and raised questions about the state of gun violence in U.S. schools. The lawsuit said the boy was armed with a 9mm handgun his mother had legally purchased. She dropped him off the day of the shooting at Richneck Elementary School in Newport News, a city in eastern Virginia.



Abigail Zwerner was shot through her hand and chest.

Ms. Zwerner filed negligence charges against Newport News's school board, a political subdivision of Virginia that is responsible for supervising the city's schools, and three former administrators: the assistant principal, Ebony Parker; the principal, Briana Foster Newton; and the superintendent, George Parker III. The three have since left the district or been assigned to another job.

The boy's family has said he has an acute disability.

The Newport News School Board said Monday that it hadn't yet been served the lawsuit. "Our thoughts and prayers remain with Abby Zwerner and her ongoing recovery," the board said.

Ms. Zwerner in the lawsuit requested a jury trial and damages to compensate for her post-traumatic stress disorder and physical and mental pain.

Diane Toscano, one of Ms. Zwerner's lawyers, said Monday that the shooting was preventable. Ms. Zwerner had no further comment Monday on the lawsuit, according to one of her lawyers.

In the lawsuit, Ms. Zwerner and her lawyers laid out a timeline of the events leading up to the shooting. They detailed the boy's violent history. They also blamed Ms. Parker for not intervening on the day of the shooting, saying she had a reputation at the school for playing down concerns that teachers would bring her.

Ms. Parker couldn't be reached to comment.

Ms. Zwerner told Ms. Parker, then the assistant principal, at lunchtime on the day of the shooting that the boy was in a violent mood, the lawsuit said.

"Upon hearing that information, Assistant Principal Parker had no response, refusing even to look up at Plaintiff when she expressed her concerns," the lawsuit said.

"As a first-grade teacher at Richneck Elementary School," the lawsuit said, "Plaintiff reasonably anticipated that she would be working with young children who posed no danger to her."

Bad Pothole Season Rattles the Twin Cities

By Joe Barrett

Hanaa Kadry was driving two clients home from the airport on a recent night in St. Paul, Minn., when her Chevrolet Suburban hit one of the harsh facts of life in the northern city.

"My whole front end just kind of popped in and popped back out" as they hit the biggest pothole she had ever encountered in her 13 years as a limo driver, she said.

"I said, 'Oh! Is everybody OK? Good thing we didn't have a cup of hot coffee in our hands,'" she said. It left her stranded on the side of the road for hours and cost her more than \$700 in repairs.

Many cities in colder climates are all too familiar with the freeze-and-thaw cycles that chew up roads as melting snow and ice ooze into cracks in the pavement and then expand as they freeze overnight, forming potholes. But St. Paul officials say this year's unique weather—and roads that frankly already needed some help—have created the worst pothole season in a generation.

Minneapolis-St. Paul International Airport has had 89.7 inches of snow this year, including 8.5 inches Friday night, making this the third snowiest year on record, according to the National Weather Service.

On top of that, the area had three periods of rain in what are usually the coldest

months, said Tyler Hasenstein, a meteorologist with the weather service's Twin Cities Forecast Office. "We're generally mostly snow and maybe a few events that are kind of a wintry mix. But just a pure, cold rain isn't something we get all that often."

The extra moisture, combined with long-term under-spending on roads, created a ferocious pothole season, said Sean Kershaw, St. Paul's director of public works.

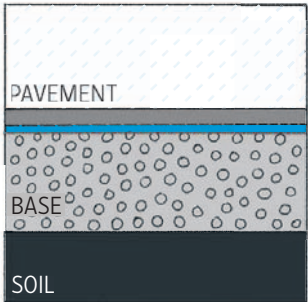
Mr. Kershaw appeared this past week at the state legislature to support a city plan for a ballot proposal on a 1-cent sales tax for roads and parks. "We've had a short-term awful winter, combined with a long-term 'we've got to fix our streets,'" he said.

Other pothole-prone cities such as Chicago, Detroit, Boston and Des Moines, Iowa, all had relatively mild winters and therefore average to below-average pothole seasons, officials in those cities said.

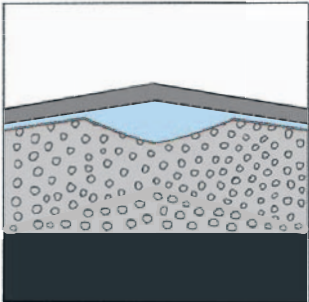
An official in Erie County, N.Y., where a blizzard in December dumped more than 50 inches of snow on the Buffalo region, said pothole complaints are rolling in, but it isn't clear yet whether this pothole season will be worse than other years.

Potholes are tough to patch in the winter because hot asphalt plants can't open until weather warms up in the spring, leaving crews to use a material called cold mix that doesn't adhere as well and can

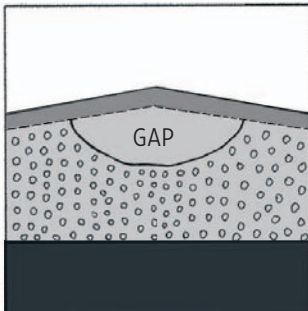
How potholes form



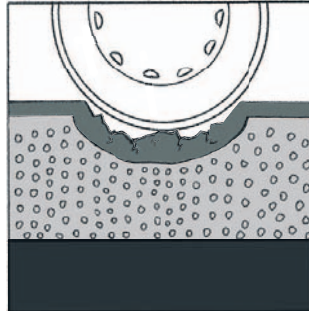
Rainwater or melted snow and ice flow through cracks in the pavement and pool under the surface.



The water freezes, making the pavement rise and weakening it.



As the temperatures rise, the ice melts and contracts, forming a gap under the raised pavement.



The weight of vehicles that drive over the gap collapses the pavement into a pothole.

Source: Minnesota Department of Transportation  
Elizaveta Galkina/THE WALL STREET JOURNAL

sometimes pop back out with the next freeze-thaw—or at the end of a snowplow blade during the next snowstorm, Mr. Kershaw said.

St. Paul officials received 85 claims for pothole damage to residents' cars last year and 250 in the first two months of this year, said Lisa Hiebert, a

spokeswoman for the public works department. The median claim was \$800.

One road in the city has gotten so chewed up that workers have posted orange signs warning drivers to slow down to either 20 or 35 miles an hour in different sections instead of the usual 50, said

Ms. Hiebert. Patching there has become almost impossible, she said.

"Imagine that you've got a bowlful of Oreo cookie crumbs, and you're spreading frosting on top of that to try to get it to all stick together. It just doesn't hold," she said.

Still, there is some hope. One nearby hot asphalt plant did manage to open March 20, making patching much more effective, she said. The city is hoping to open its own asphalt plant by the end of next week, Ms. Hiebert said.

St. Paul officials spent about \$2.3 million on pothole patching last year, but they aren't sure how much more they will spend this year, Ms. Hiebert said. In Minneapolis, officials said they expect to spend about \$1 million extra on winter maintenance this year, about the same as 2014, the worst pothole year in recent history in that city.

Glenn Mitchell, a retired airline mechanic in St. Paul, said both of his adult daughters lost tires to gaping potholes last month.

"It's like a war zone," he said. "It's crazy."

Nate Hood, a 39-year-old urban planner, was walking his dog this winter when he saw a car swerving down the road. "I thought, 'Oh, my God, this guy's drinking and driving.' And then I realized he was just dodging potholes very soberly," he said.

—Jimmy Vielkind contributed to this article.



You don't just need oil & gas. You need security.

While America produces much of its own energy, about one million barrels of oil per day is still imported from OPEC nations like Saudi Arabia, Iraq and Libya. There is a better solution. Canada has more than enough oil and gas to meet US demand for imports, supplementing domestic production. We're your neighbor. Your ally. And a reliable and responsible producer. Together, Canada and the US can achieve energy security and independence for North America.

CanadaIsTheSolution.com

Canadian Energy Centre

This material is distributed by DDB Canada on behalf of the Canadian Energy Centre. Additional information is on file with the Department of Justice, Washington, D.C.



WORLD NEWS

U.S. Allies Demand Reporter's Release

Countries consider confronting Moscow at United Nations over arrest of WSJ journalist

By DANIELLA CHESLOW AND LAURENCE NORMAN

European governments and the chief of the North Atlantic Treaty Organization denounced the arrest of Wall Street Journal reporter Evan Gershkovich and demanded his release, while a senior Russian diplomat said the investigation in the reporter's case is ongoing and declined to state when he would be permitted visits from lawyers and U.S. diplomats.

Mr. Gershkovich, 31 years old, was arrested Wednesday in the city of Yekaterinburg. Russian authorities have accused Mr. Gershkovich of espionage, which the Journal and the Biden administration deny. He is being held at a jail in Moscow run by Russia's Federal Security Service, or FSB.

"Journalism is not a crime," German Foreign Minister Annalena Baerbock said in a tweet. "Russia must release Evan Gershkovich immediately...Journalists must not become the plaything of perfidious political maneuvers and the arbitrariness of the Kremlin."

A spokesman for U.K. Prime

Minister Rishi Sunak said Monday: "We stand shoulder to shoulder with the United States, who are leading on the efforts to get Mr. Gershkovich free."

NATO Secretary-General Jens Stoltenberg said he expects Mr. Gershkovich's detention to be raised at this week's meetings of alliance foreign ministers in Brussels.

"His arrest is of great concern," Mr. Stoltenberg said.

The European Union condemned Russia's detention of Mr. Gershkovich and urged authorities there to deal with the case in a way that results in his release. "Journalists need to be able to exercise their duties and their jobs without any intimidation and threats from the authorities," said Peter Stano, a spokesman for the European Commission, the bloc's executive body.

On Monday, Russia held the first working day of its month-long presidency of the United Nations Security Council. European members of the council are considering denouncing Moscow in the forum over the jailing of Mr. Gershkovich and the Ukraine invasion.

"It's like an April Fools' joke," U.S. Ambassador to the U.N. Linda Thomas-Greenfield said Monday of Russia's leadership of the Security Council, a body dedicated to the pursuit of world peace. "We ex-



Evan Gershkovich was arrested Wednesday and is being held at a jail in Moscow run by Russia's Federal Security Service.

pect that they will behave professionally. But we also expect that they will use their seat to spread disinformation and to promote their own agenda as it relates to Ukraine."

Russian Ambassador Vassily Nebenzia declined to discuss Mr. Gershkovich's case in any detail, citing in a U.N. news conference what he referred to as the separation of powers in the Russian justice system.

"I'm not an investigative

body," he said. He said U.S. diplomats would be granted access to the jailed reporter, "but at what stage and when I also have no idea. That is for the authorities in Moscow to decide."

A Russian prisoner monitoring group said Monday it had visited Mr. Gershkovich at Lefortovo prison. The group's account couldn't be independently verified.

The U.S. has taken its appeal for Mr. Gershkovich's

freedom directly to Russia. On Sunday, Secretary of State Antony Blinken spoke to his Russian counterpart, Sergei Lavrov, urging Mr. Gershkovich's immediate release.

The State Department is undergoing its process to designate Mr. Gershkovich as wrongfully detained, John Kirby, a spokesman for the National Security Council, said Monday. That finding would commit the U.S. government to securing Mr. Gershkovich's release and would broaden the State Department's authority to exert pressure on the host country, monitor intelligence, build diplomatic coalitions, exert media pressure and fight for regular consular access.

"We are keenly and strongly and closely tracking this issue and working as diligently as we can to secure his release," Mr. Kirby told reporters. "We have been pushing hard since the moment we found out that he was detained by the Russians on ridiculous charges and that's not going to change."

James Jeffrey, who served as U.S. ambassador to Iraq and Turkey and as an envoy in Syria, said that confronting Russia during its Security Council presidency was unlikely to yield success, in part because Russian President Vladimir Putin is impervious to

shame. Rather, he said, the U.S. would have to find a way to negotiate directly with the Russians or find a go-between to work on Washington's behalf.

"The Security Council cannot take any legally binding action of any sort without a vote and Russia can veto the vote. That's the end of that," he said. "They've got to sit down and talk to Putin."

Nearly a dozen protesters gathered outside the Russian consulate in Manhattan on Monday, chanting "Free Evan Gershkovich."

"I thought I would express my disapproval of this sham," said Len Lubinsky, an 81-year-old retired school superintendent who lives in Manhattan.

Some of the protesters noted that Mr. Gershkovich, who is Jewish, was arrested days before Passover, a Jewish holiday.

"On a human level, I feel so much compassion for his parents. It's so heartbreaking," said New York Rabbi Yosie Levine.

—Gordon Lubold and Bojan Pancevski contributed to this article.

Watch a Video



Scan this code for a video on WSJ colleagues speaking out for Gershkovich.

Suspect Held in Killing of Russian Pro-War Blogger

By MATTHEW LUXMOORE

Russian authorities arrested a suspect in the killing of a Russian war propagandist, alleging she gave him a statuette in his likeness containing explosives, in the second apparent bomb attack targeting pro-war figures on Russian soil since last year's invasion of Ukraine.

The country's Investigative Committee said it had detained Darya Trepova on suspicion of carrying out the Sunday attack in a cafe in St. Petersburg where the blogger, Maxim Fomin, was giving a talk. More than two dozen people were injured in the attack, authorities said.

The explosion that killed Mr. Fomin occurred shortly after the blogger was handed a small bronze bust in his likeness, Russian state news agency TASS reported, saying Ms. Trepova had handed it to Mr. Fomin.

Footage posted to Telegram from the event at the Street Food Bar No1 cafe shows a crowd applauding as Mr. Fo-



Darya Trepova was arrested on suspicion of carrying out an attack that killed propagandist Maxim Fomin.

min receives the bust, but it doesn't show Ms. Trepova.

Authorities said Ms. Trepova's mother and sister had been questioned in connection with the attack. The 26-year-old, who is in custody, couldn't be reached to comment on her arrest or the charges.

In a police video following

her detention, Ms. Trepova is shown saying she brought the statuette that exploded to the cafe. Authorities say she had attended protests against the war in Ukraine. She was detained at a rented apartment five minutes' walk from the cafe where Mr. Fomin was killed, news outlets in St. Petersburg reported.

Mr. Fomin, 40, who was better known under his pseudonym Vladlen Tatarsky, was a prominent blogger and a member of a militia in Russian-occupied Donetsk in eastern Ukraine, according to a biography posted by the Russian state news agency RIA Novosti. He fought in the Vostok battalion—a Russian militant

group operating in the Donbas region of Ukraine—and traveled to the front lines to post reports to his Telegram channel that were republished on various platforms.

The Kremlin has in recent months sought to co-opt bloggers like Mr. Fomin, who command large followings online and have been invited to state ceremonies in Moscow and given audiences with President Vladimir Putin.

Since Russia's invasion of Ukraine in February 2022, bloggers like him have published pro-war reports but have often given candid assessments of the fighting that are sometimes critical of Russian commanders overseeing the war effort.

In September, Mr. Fomin posted a video of himself attending an opulent Kremlin ceremony where Mr. Putin proclaimed the annexation of four regions of Ukraine, a move the West criticized as illegal.

"We'll conquer everyone, we'll kill everyone, we'll loot whoever we need to, and ev-

everything will be just as we like it," Mr. Fomin said in the clip.

Maria Zakharova, a Russian Foreign Ministry spokeswoman, blamed Kyiv for Mr. Fomin's death, without providing evidence.

"Russian journalists are constantly experiencing threats of reprisals from the Kyiv regime and its inspirers, which are increasingly being implemented," she wrote on the Foreign Ministry's Telegram channel. "He was dangerous for them, but boldly went to the end, doing his duty," she added.

Mykhailo Podolyak, an adviser to Ukrainian President Volodymyr Zelensky, suggested Mr. Fomin's death was the result of factional disputes within Russia. "Spiders are eating each other in a jar," he posted on Twitter.

Kyiv has chalked up previous attacks that have killed pro-war figures in Russia and on Russian-occupied territory to infighting among political groups vying for power as the war elevates some previously marginal people.

Accused Spies Face Tough Odds

Continued from Page One

tional body defended the country's judicial process. "Believe it or not," Vassily Nebenzia said, "we have the division of powers in Russia."

U.S. diplomats would be granted access to the jailed reporter, Mr. Nebenzia said, "but at what stage and when I also have no idea. That is for the authorities in Moscow to decide."

Fewer than 1% of defendants win an acquittal in Russian criminal trials, a statistic that has changed little over the years and which is cited widely by legal analysts and the U.S. State Department. In the rare cases where defendants prevail, prosecutors can appeal the decision.

"On paper, it's a court system with all sorts of pretense to modernity, but the reality is less encouraging," said Tom Firestone, a former resident legal adviser to the U.S. Embassy in Moscow and now a partner with the law firm Strock and Stroock and Lavan. "It's basically an instrument of state control."

Moscow has charged Mr. Gershkovich, who was arrested during a reporting trip to the provincial city of Yekaterinburg last week, with espionage.

The Journal vehemently denies that Mr. Gershkovich is a spy. National Security Council spokesman John Kirby said on Monday that Mr. Gershkovich's

detainment was based on "ridiculous charges."

Mr. Gershkovich was in Russia on a journalist visa and carried press accreditation issued by Russia's foreign ministry. He hasn't yet been allowed to meet with a lawyer.

Russia's state-run media has called his arrest confirmation that the U.S. is engaged in the war in Ukraine and is sending undercover agents into Russia's hinterlands to gather information about its armaments production.

After his arrest, commentators on the popular state-run Russian television program, named "60 Minutes," called Mr. Gershkovich's conviction a foregone conclusion. "We are awaiting details of the charges, unfortunately in such cases of espionage the court proceedings are closed," program host Evgeny Popov said. "Of course we would like to see the evidence of guilt."

After the fall of the Soviet Union, Russia's court system was a prime target for overhauls by the country's pro-Western government of the early 1990s.

Moscow worked with U.S. legal scholars and the U.S. Agency for International Development to craft a legal system based on an adversarial framework, where prosecutors and defense attorneys would argue on a level playing field.

How aspirations for Russia's legal system shifted under President Vladimir Putin, a lawyer himself, speaks to his autocratic ways as well as the staying power of Soviet tradition.

Soviet police and courts gave a legalistic patina to the Kremlin's most brutal undertakings. During the purges of the late 1930s under Soviet

dictator Joseph Stalin, the police bureaucracy kept a punctilious file on each execution victim as it filled mass graves throughout the country, each file typically containing a questionnaire, an interrogation transcript and a ruling from a troika of Soviet officials, ordering the defendant to be shot.

The courts continued as a potent instrument in the waning days of the Soviet Union, when dissidents weren't merely arrested, but also tried and imprisoned for Soviet-era crimes such as discrediting Soviet authorities or "parasitism"—living at the expense of other people or society.

With the fall of the Soviet Union, President Boris Yeltsin backed a revamp of the courts, and Russia in 1996 adopted a new legal code more fitting for a modern market economy. Soviet-era offenses such as parasitism and conducting private trade were swept from the books.

When Mr. Putin came to power in 2000, he forged ahead with changes that ironed out contradictions within the Russian legal system. In 2002, he backed a new code of criminal procedure that, on paper, gave defendants the same rights as those in the West. Fundamental Western concepts, such as forbidding confessions made to police in the absence of a defense attorney, came into effect.

"In many ways, it was a major step forward," Mr. Firestone said. "But gradually, you saw authorities chip back on those provisions over time, so they didn't insure the protections of defendants they were designed to insure."

Today, many Russians

credit Mr. Putin with re-establishing order after the chaotic 1990s, when the country appeared to be disintegrating and newly minted oligarchs ran roughshod over government interests, acquiring huge stakes in Soviet-era industries at rigged privatization auctions.

In Mr. Putin's first term as president, his defenders said he took much-needed steps to rein in oligarchs and shore up some courts that began to function as a forum for settlement of some commercial disputes.

But Mr. Putin worried reformers with his promise to introduce what he called a "dictatorship of the law." By

In rare cases where defendants prevail, prosecutors can appeal the decision.

increments, he began to follow the Russian tradition of using the law to punish his political opponents, at first alleging economic crimes to jail political opponents and seize their property.

In 2003, oil tycoon Mikhail Khodorkovsky and his business partner, Platon Lebedev, were arrested. In drawn-out trials where the verdicts were widely believed to be foregone conclusions, Mr. Khodorkovsky often stared at the floor while Mr. Lebedev wore earplugs and read novels. They were convicted of a variety of economic crimes connected to the alleged looting of their oil company, Yukos, and each spent about 10 years in

prison. Each maintained his innocence.

As criminal cases piled up in the 2000s, many of them tried at the Basmanny District Court House in central Moscow, a new phrase crept into the Russian lexicon: Basmanny Justice, meaning a sham court proceeding where the Kremlin told the judge how to rule.

Criminal cases like Mr. Gershkovich's, involving espionage or treason, were relatively rare early in Mr. Putin's rule, but the numbers began to pick up with the rise of internal dissent and then his decision to seize Crimea from Ukraine in 2014, said Ivan Pavlov, a Russian lawyer who has specialized in such cases.

After 2014, he estimates based on his personal involvement, that such cases numbered about a dozen annually. Now he thinks there are more than 50 annually.

Mr. Pavlov said the cases are nearly impossible for defendants to win in court. Sometimes prosecutors back down when ham-handedness provokes public outcry, he said.

In 2015, prosecutors dropped treason charges against one of Mr. Pavlov's clients, he said—a 37-year-old woman with seven children—who had been arrested for telling the Ukrainian Embassy in Moscow the year before that Russian soldiers might be heading to eastern Ukraine.

She made the call after riding a bus where she overheard a soldier's conversation about troops from a nearby military base being sent to Ukraine, he said. Russia denied having any troops in Ukraine at the time.

In 2017, Mr. Pavlov helped get a pardon for three women from the southern provincial

town of Sochi who were convicted of treason after they saw a train loaded with military equipment. They sent messages to their relatives in the former Soviet republic of Georgia, fearing it would mean a war.

Mr. Pavlov prodded journalists to take an interest in the convictions. When one asked Mr. Putin about the incident at a news conference, the Russian leader said he didn't understand the reason for the conviction. Mr. Putin later issued the pardon for the women.

In 2021, Mr. Pavlov left Russia when the FSB told him he was under investigation for his work defending Ivan Safranov, a journalist who was accused of treason for allegedly disclosing military secrets. Mr. Pavlov said the FSB suspected him of disclosing classified information, too.

Mr. Safranov, who was later found guilty, was sentenced to 22 years in prison. Mr. Pavlov, who was never charged with a crime, now lives in Germany.

If the proceedings against the Journal's Mr. Gershkovich are similar to other cases, they will likely be secret and tedious, said Mr. Pavlov, who witnessed a number of trials.

In the past, he said, evidence against his own clients has been flimsy—based in some cases on testimony by a single Russian security-service officer who interpreted his client's actions as espionage.

Mr. Gershkovich could also be convicted on such evidence, he said. "In a normal court system, nobody would accept this kind of evidence. But in the Russian, it might be all they have and it is enough."

—Daniella Cheslow contributed to this article.





Dear Readers,

It has been a very challenging week as we continue to navigate the detainment of our colleague and friend, **Evan Gershkovich**. The actions of the Russian government are completely unjustified. Evan is a member of the free press who right up until he was arrested was engaged in newsgathering. Any suggestions otherwise are false.

His sole purpose in his work is to capture issues occurring around the world and to shed light on them so that the public can make informed decisions about how to navigate the future. We continue to call for his immediate release. The unjust arrest of one of our own sits heavy with all of us, and I know for many there are lingering questions about what the Russian government's actions mean for freedom of the press in the region.

We will carry on doing everything in our power to secure Evan's release. We are working closely with the State Department and relevant U.S. government officials, as well as legal teams here and in Russia to ensure Evan is able to get home safely and that his health and well-being are maintained while he is in custody.

The Wall Street Journal's top priority has always been ensuring the protection of our journalists so that they can continue to serve the public through fair and transparent journalism in markets around the world.

Emma Tucker

# #IStandWithEvan

THE WALL STREET JOURNAL.



WORLD NEWS

Migrant Endured Poverty, Journey, Then Died in Fire

By Juan Montes

CIUDAD JUÁREZ, Mexico—Five months after leaving Venezuela, Orlando Maldonado was detained by Mexican immigration authorities near the Rio Grande, a few hundred feet from El Paso, Texas.

Six hours later on March 27, he died in a fire inside a cell at a crowded detention center along with 38 other migrants, authorities and his relatives said.

The blaze started when a small group of migrants fearing that they would be deported set alight highly inflammable cell mats to protest being detained, Mexican authorities said.

Private security guards and immigration officers abandoned the facility, leaving the migrants locked up as smoke filled the detention area, a surveillance video showed.

Five persons have been arrested on homicide charges, including three National Migration Institute staff members, a private security guard and a migrant suspected of having set fire to the mats. Prosecutors said that when the fire started, the guards made no attempt to open cell doors.

Mr. Maldonado, 26 years old, was detained with his

brother, Abel, and several other relatives. Abel Maldonado, and his wife and two sons, were taken to the detention center, but were released with a notice to leave the country within 30 days.

Under Mexican law, children and families can't be kept in the same detention area as single adults. Orlando wasn't released.

When Abel said goodbye to his brother at around 5 p.m. on March 27, he was sure Orlando would be released in a few days. He never saw him again. The fire started that evening. The migrants died from suffocation, authorities said.

"I'm devastated," Abel said. "We just wanted to seek a better future, and instead I lost my younger brother. That's our sad story."

Orlando left Venezuela in October with his wife and 4-year-old son, but they decided the wife and son should wait in Panama until Orlando could get to the U.S. and send them money to join him there.

Mexico's government on Friday said the Ciudad Juárez detention center has been shut, and that its functions will be handled temporarily by a government-operated migrant shelter in the city.

The Ciudad Juárez deten-



Abel Maldonado and his family were detained with his brother Orlando, but they were released before the fire at the center.

tion facility was holding 68 adult males from Central and South America, authorities said. It was used to hold foreign migrants apprehended because of their illegal status in Mexico as they tried to cross the Rio Grande or climb the border fence into the U.S.

A dozen asylum seekers from Venezuela and Central America who were held at the center in recent weeks said there were no fire extinguishers and that sometimes there was only one private security guard on duty at night.

A spokeswoman for Mexico's

National Migration Institute said the agency was cooperating with federal prosecutors.

Abel said he was given the runaround by authorities as he looked for his brother, first at hospitals in the hope of finding him alive, and then to locate his body.

An official at the Chihuahua state human-rights agency said the bodies of those who died in the fire are at the morgue while authorities arrange for their repatriation. He said embassies would likely be in touch with relatives soon. Mexican officials have said they are

preparing compensation for the relatives of the victims.

Abel lives in a hostel for migrants on Ciudad Juárez's main avenue, a few blocks from one of bridges that link the city with El Paso. He shares a room with his wife, Katuska Márquez, and two sons, ages 2 and 4. Ms. Márquez's sister, her husband and a 16-month-old baby are with them in the same room.

They pay about \$15 a day for the room, which has three beds. Some of Orlando's clothes and sneakers are still there.

"It's better than sleeping on

the street," Ms. Márquez said.

The night before their detention, Orlando showed Abel a photo of New York City with snow. Like many Latin Americans, they had never seen it.

"You see, brother, when we get there, we'll play with our sons throwing snowballs," Orlando told him. "It will be fun."

Abel said he plans to wait in Mexico until U.S. authorities give him an appointment to request asylum. He has already applied online.

"We don't want to take risks. I lost a brother. I don't want to lose a son," he said.

Saudis Pursue Revenue for Projects

By Summer Said and Stephen Kalin

DUBAI—An oil production cut by Saudi Arabia and its allies demonstrated how Crown Prince Mohammed bin Salman is willing to set aside U.S. concerns to pursue a nationalist energy policy aimed at funding an expensive makeover of his kingdom.

This weekend's move came as a surprise after Saudi Energy Minister Prince Abdulaziz bin Salman told industry analysts privately in February that the kingdom would tolerate oil prices slipping to about \$65 or \$70 a barrel, according to analysts and Saudi officials familiar with the matter. Brent crude, the international benchmark, was trending downward since late last year on global recession fears, nearing \$70 a barrel last month. On Monday, oil prices posted their steepest one-day increase in more than a year, rising 6.3% to \$84.93 a barrel.

It is the second time in less than six months that the Saudis have disregarded U.S. concerns that elevated oil prices would help fuel Russia's war machine. Sunday's production cut is the clearest signal yet that the Saudis will do whatever it takes to keep oil prices at levels that benefit them.

Prince Mohammed is implementing what analysts label a "Saudi First" economic policy aimed at giving priority to national interests at a time of growing uncertainty about the U.S. commitment to defend its Middle Eastern allies amid increased great-power competition in the region.

Prince Mohammed told as-



A recent move would cut more than a million barrels of output daily. Storage tanks at a Saudi Aramco site.

sociates late last year that he was no longer interested in pleasing the U.S., saying he wants something in return for anything he gives Washington, according to people familiar with the conversation.

Officials and other people familiar with Saudi oil policy say Riyadh's move wasn't a surprise, as it needs to defend higher prices to pay for massive development projects. These include a Red Sea resort the size of Belgium and a \$500 billion futuristic, high-tech city in the desert that is 33 times bigger than New York City.

Prince Mohammed, the de facto Saudi ruler, is halfway through an ambitious plan to use his country's gusher of oil revenue to transform its economy, rework its physical landscape and upend its conserva-

tive culture. As prices hit \$100 a barrel last year following the Russian invasion of Ukraine, the kingdom accelerated those efforts, which are financed largely by the \$650 billion sovereign-wealth fund chaired by Prince Mohammed.

Saudi economic advisers privately have warned senior policy makers that the kingdom needs high oil prices for the next five years to keep spending billions of dollars on projects that have so far attracted meager foreign investment.

Before previous production cuts announced in October, Saudi officials said they believed economic data indicated that the government budget required \$90 to \$100 a barrel for Brent crude, above the \$75 to \$80 range the kingdom was targeting. With about \$450 bil-

lion in foreign reserves and the world's second-largest proven oil reserves, Saudi Arabia is unlikely to run out of money soon. But Prince Mohammed was alarmed by an economic analysis from his energy minister, Prince Abdulaziz, warning that oil could fall below \$50 a barrel, imperiling his spending plans, the officials said.

Sunday's decision will cut more than a million barrels of output a day starting next month from production quotas in Saudi Arabia, Russia, Iraq, the United Arab Emirates, Kuwait, Algeria, Oman and Kazakhstan.

Bjarne Schieldrop, chief commodity analyst at Nordic commodity bank SEB, said the new cuts could add headwinds to the global economy and tighten the oil market, helping Russia get better prices for its crude.

Oil Prices Rise 6.3% On Cuts

Continued from Page One

health of the banking system. If crude prices continue to rise, they are likely to feed quickly into higher gasoline bills for drivers, boosting inflation.

Yet benchmark oil prices stand lower than they did a month ago even after Monday's jump, and are well below the pandemic closing high of more than \$125 a barrel posted in March 2022, limiting the immediate impact on inflation calculations.

For crude prices to zip higher from here depends on a number of moving parts.

These include the degree to which producers actually follow through on cuts, as well as strong supply from midsize producers, demand from China and the recent banking upheaval in the U.S. and Europe.

"OPEC probably needs to do this to stand still," said Martijn Rats, chief commodity strategist at Morgan Stanley. The decision "reveals something, it gives a signal of where we are in the oil market. And look, let's be honest about this, when demand is roaring...then OPEC doesn't need to cut," he said.

The production cut by the Saudi-led group showcased how Crown Prince Mohammed bin Salman is increasingly giving priority to a nationalist energy policy over U.S. concerns. OPEC and its allies have been curtailing their output since November, to little effect.

Confounding the cartel's desires: rising output in a number of smaller producers, including Nigeria, Brazil and Guyana as well as Iran and Kazakhstan. Combined, that was enough to lead to a significant increase in stockpiles of crude starting late last year.

Sunday's cuts are designed in part to whittle down that surplus, analysts said.

They said the Organization of the Petroleum Exporting Countries and its Russia-led allies, collectively known as OPEC+, are also trying to show they are in control of the oil market, not Wall Street traders.

Tallying up Sunday's commitments by Saudi Arabia, Iraq and others, OPEC producers said they will cut daily output by more than 1.1 million barrels from May, according to Natasha Kaneva, head of commodities research at JPMorgan Chase.

In reality, the reductions are likely to be smaller than that, Ms. Kaneva said.

Some participants in the latest round of cuts are pump-

ing less oil than their OPEC quotas allow them to, meaning lower quotas wouldn't necessarily pass into lower output. Cartel members haven't always followed through fully on promised production curbs in the past.

On top of the OPEC cuts, Russian officials said Moscow would extend existing daily curbs of half a million barrels through to year-end.

In practice, Sunday's move will take just 70,000 additional Russian barrels off the market each day this year, compared with what she was expecting previously, Ms. Kaneva said.

Nonetheless, the cuts are big enough to drain excess stockpiles of crude that began to emerge late last year, said Paul Horsnell, head of commodities at Standard Chartered.

Much hangs on the trajectory of demand in China, the one major economy where oil consumption is expected to grow significantly this year.

Mr. Horsnell expects daily Chinese demand to rise 1.3 million barrels in 2023. That would help push global consumption to 100.8 million barrels a day and boost Brent to about \$90 a barrel, but not much higher.

"This is China returning to business as usual. This isn't China booming in quite the same way as it did, say, after the global financial crisis," Mr.

'When demand is roaring...then OPEC doesn't need to cut,' a strategist says.

Horsnell said.

Chinese commodities demand hasn't risen as fast as many traders expected when President Xi Jinping of China relaxed Covid-19 lockdowns late last year.

But data such as international-flight bookings and a recent rise in the price of tankers carrying oil to China suggest consumption is now picking up.

The U.S. remains by far the biggest oil consumer in the world.

If banks cut lending significantly in response to the collapse of Silicon Valley Bank and other midsize lenders, it could tip the economy into a recession and weigh on crude prices globally by hitting demand.

"My biggest worry in terms of risks is definitely what is happening in the United States," Ms. Kaneva said. Higher borrowing costs set by central banks "will start showing up in the system. In the United States, it's already showing up," she said.

"What will be the impact on demand? That's the question," Ms. Kaneva said.

Smaller China Cities Have Apartment Glut

By Stella Yifan Xie

HONG KONG—China's property market appears to have stabilized after a two-year downturn. But one problem continues to hold back its recovery: a major oversupply of unsold apartments.

China had 3.5 billion square feet of finished but unsold apartments in February, according to Wind, a data provider. That is equivalent to around four million homes, according to some estimates. It is also the worst oversupply in China since 2017, when it was in the midst of a "slum clearance" program meant to boost demand for new housing by tearing down old, dilapidated buildings.

Around a third of all newly completed apartments in 2022 were unsold, the highest percentage since 2015, calculations by property consulting firm China Real Estate Information Corp. show.

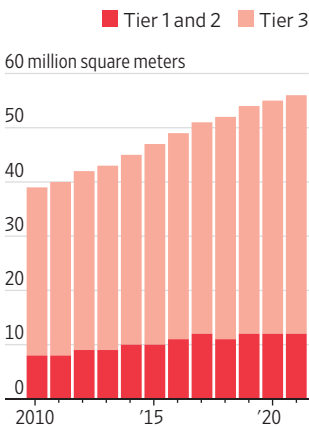
The overhang is most acute in smaller cities with popula-

tions of a few million people or less, economists say. After a long building boom, the more than 640 cities labeled as "third tier" in China now have nearly 80% of China's total housing stock, according to a paper published last year by economists Kenneth Rogoff and Yuanchen Yang. Demand in those cities is weaker than in bigger markets such as Beijing and Shanghai, where populations and job markets have grown faster.

It would take nearly six years for one well-known third-tier city, Beihai, to absorb its stock of unsold homes, compared with seven months in Shanghai and nearly two years for Beijing, according to China Real Estate Information estimates.

On average it would take 20 months to absorb the excess housing supply in the 50 cities that China Real Estate Information monitors, the firm said. The U.S. currently has a 2.9-month supply of existing homes, according to the National Association of Realtors,

Total housing stock in China by city tier



Note: Tier-1 cities refer to Beijing, Shanghai, Guangzhou and Shenzhen. Tier-2 cities covers 35 large and medium-size cities. All other cities are considered tier-3 cities. Source: 'A Tale of Tier 3 Cities' by Kenneth Rogoff and Yuanchen Yang; IMF

and an 8.2-month supply of new homes, according to U.S. government data.

In February, new-home prices in "top-tier cities"—Beijing, Shanghai, Shenzhen and

Guangzhou—rose 1.7% from a year earlier. Prices in third-tier cities dropped by 3.3%, though the pace of decline has slowed from previous months, according to data from China's statistical bureau.

Overall, new-home prices across 70 major cities rose 0.3% from the previous month, after declining month-over-month since August 2021.

If China fails to stabilize home prices in its lower-tier cities, which are home to about two-thirds of China's urban population according to one estimate, it will likely damp household confidence and consumers' willingness to spend in many parts of the country, limiting the extent of China's overall economic recovery this year.

In the longer run, the need to absorb the market's excess housing could mean a prolonged period of depressed new-home construction, depriving China of one of its biggest growth drivers and job creators.



WORLD NEWS

Netanyahu Delays Minister's Dismissal

By Aaron Boxerman

JERUSALEM—Israeli Prime Minister Benjamin Netanyahu has temporarily suspended his decision to fire Defense Minister Yoav Gallant because of the tense security situation in the country, people close to the premier said Monday, days after the dismissal amplified mass protests across Israel.

Mr. Netanyahu on March 26 said he was firing Mr. Gallant, who is a member of the prime minister's own Likud party, a day after the defense minister called for a delay to the government's controversial judicial-overhaul plan. Mr. Gallant said protests within the military against the proposals had become a grave threat.

After Mr. Gallant's dismissal sparked spontaneous protests and strikes, Mr. Netanyahu suspended the overhaul plan and has since joined talks with opposition parties to seek a compromise. But the premier has refrained from commenting on whether Mr. Gallant would stay in his role. His fate will now be determined at a later date, the people said.

Mr. Netanyahu never sent Mr. Gallant a formal dismissal, a spokeswoman for the defense minister said.

Over the past eight days, Mr. Gallant has remained on the job, holding meetings with Israel's security brass, greeting the visiting Azerbaijani foreign minister and attending photo ops with troops. Some former security officials have warned keeping Mr. Gallant on under such unclear circumstances creates a vacuum at the top and endangers Israel's security.

"Decide, Mr. Prime Minister. Either take back your decision or fire him," Tamir Pardo, former director of the Mossad national-intelligence agency said on Wednesday. "This constitutes grave damage to state security."

Mr. Netanyahu's judicial overhaul plan has divided the country since it was formally unveiled three months ago.

Supporters of the overhaul say the proposals are long-overdue checks on left-wing, activist judges. They say the Supreme Court has seized too much power and thwarted popular legislation passed by the elected leadership.

Meanwhile, hundreds of thousands of Israelis have demonstrated in the streets against what they call a fundamental threat to Israeli democracy. Protesters and the country's political opposition say the plan would effectively end judicial review, removing any check on the power of the ruling coalition.

Scores of Israeli reservists, including elite intelligence officers, had vowed they would no longer volunteer for duty should the overhaul pass, shaking Israel's defense establishment. Mr. Gallant, a former top Israeli general, warned in a speech on March 25 that the crisis over the judicial overhaul was threatening Israel's security.

After his dismissal the following day, hundreds of thousands of Israelis gathered in major cities, blocking roads, grappling with police and setting bonfires along Tel Aviv's main highway. On March 27, Israel's largest labor union declared a general strike. The strike was called off after Mr. Netanyahu suspended the overhaul plan.

Israelis See a Chance to Write Constitution

By Dov Lieber

TEL AVIV—The battle in Israel over Prime Minister Benjamin Netanyahu's judicial overhaul is leading to growing calls for the country to work toward finally drafting a constitution.

In the face of mass protests, Mr. Netanyahu agreed on March 27 to delay a vote on a bill that would have been the first piece of a broader effort to weaken the power of the Supreme Court and give greater control to elected lawmakers. To avoid what Mr. Netanyahu called a civil war, he agreed to negotiate a compromise deal with the opposition.

Israeli President Isaac Herzog, leaders of the opposition and a growing number of legal scholars say Israel should now focus on drafting a constitution, something Israel's founders intended to do but were never able to complete. Supporters say it could resolve the current turmoil and ensure that the country enshrines individual rights.

"We don't need to put a plaster over the injuries but to treat them properly," opposition leader Yair Lapid said in

response to Mr. Netanyahu's decision. "We need to sit together and write the Israeli constitution."

Spokespeople for Mr. Netanyahu and Justice Minister Yariv Levin declined to comment.

Members of Mr. Netanyahu's Likud party say they are focused on passing the judicial overhaul but wouldn't rule out a constitution at a later point.

Senior Likud lawmaker Danny Danon said "the debate about the constitution is a legitimate debate," but that his party's short-term goal is legislation regarding the relationship between the Supreme Court and the Knesset, Israel's parliament. He said talks over a constitution could be part of a second phase of overhauling Israel's judiciary.

A senior Israeli official said talks over the judicial overhaul can pave the way toward a constitution, but he said that may not immediately happen.

Mr. Netanyahu's coalition has proposed legislation that would give the ruling coalition more power on the committee that appoints judges, limit judicial review and allow a major-

ity of 61 out of 120 lawmakers to override the Supreme Court if it strikes down legislation.

Mr. Netanyahu and his coalition allies argue that Israel's top court is controlled by liberal, activist judges who too easily overrule the will of elected officials by striking down laws they deem contrary to a set of quasi-constitutional

The country is just one of a handful of democracies lacking a constitution.

laws, a power they argue judges have taken for themselves but which was never explicitly handed to them.

Opponents of the plan say it would undermine Israel's system of checks and balances and weaken protections for minorities by handing near-unchecked power to the ruling coalition.

Mr. Herzog, who serves a largely ceremonial role, is hosting the negotiations. He has been trying for months to

bring the two sides to the table and has proposed a compromise he said could serve as a framework for a constitution.

Israel is just one of a handful of democracies without a constitution.

There were several reasons Israel's first leaders failed to draft one, said Guy Lurie, a research fellow at the Israel Democracy Institute, a Jerusalem-based think tank.

These include that Israel's first prime minister, David Ben-Gurion, a staunch socialist, opposed a constitution because he thought it would allow the court to restrict progress.

Israel's early leaders also delayed forming a constitution because they feared a culture war between religious and secular Jews over matters of religion and the state. Israel's early religious leadership also argued they already had a constitution—their religious texts.

"Israel lost this the moment where a society can step out of its regular politics and do constitutional politics," Mr. Lurie said.

In 1950, Israeli leaders agreed on a new path. Rather than writing a constitution all

at once, lawmakers would pass basic laws, each of which would delineate a basic tenet of the state, such as electoral procedure, minting currency, or the military-government relationship.

In the early 1990s, the Knesset passed two basic laws that dealt explicitly with the individual rights of citizens. These laws stipulated no other law, with few exceptions, should contradict them.

It was soon after this that the Supreme Court began what then-Chief Justice Aharon Barak called a "constitutional revolution," in which it viewed these new basic laws not as a constitution in the making, but instead as active constitutional articles that the court could use to strike down laws that contradicted them. This interpretation has been rejected by the right as a power grab.

The senior Israeli official said the Knesset could formally grant the court the right of judicial review on basic law. That would reassure opponents of the overhaul that their civil liberties would be protected, and serve as the basis of a constitution, the person said.

Rising Atlantic Engulfs Brazil Fishing Town

By Samantha Pearson

ATAFONA, Brazil—Sônia Ferreira struggles to remember what this deserted fishing community near Rio de Janeiro looked like when she moved here some 50 years ago—mostly because a good chunk of it is now at the bottom of the Atlantic Ocean.

The coastline is receding as much as 18 feet a year at the mouth of the Paraíba do Sul river in Atafona, home to 7,000 people, satellite images show. Between 1984 and 2016, some 550 feet have disappeared. Climate change has increased sea levels, scientists say, and most of the river's water has been diverted to nearby cities, farms and factories, thwarting its ability to push back the ever-higher waves that sweep away buildings, livelihoods and memories.

"You watch it happen in slow motion," said Ms. Ferreira, 78, surveying the rubble at the water's edge that had been the home where she raised three children. "You don't know when exactly your house will fall down but you know it will."

Atafona is an extreme example of the challenge that lies ahead in a country with some 4,600 miles of coastline, one of the world's longest. Environmental researchers say scores of other beachside communities face similar fates in Brazil, among the top 10 countries that will be most affected by rising sea levels, according to Climate Central, a research organization on climate science.

In tourist hot spots such as João Pessoa on the northeastern coast, hotel owners are begging the government to build artificial reefs to protect their beaches from higher tides.

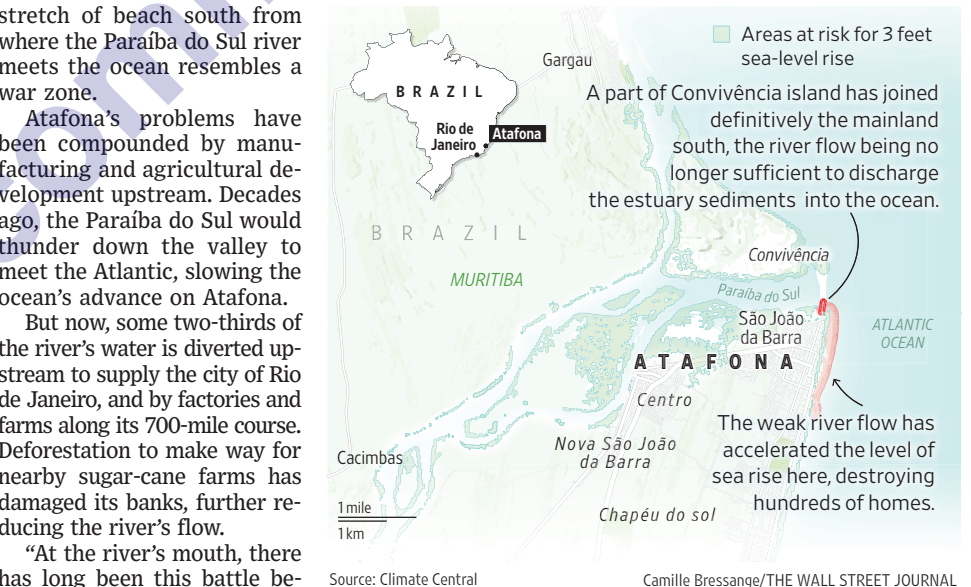
In São Paulo state, rising sea levels combined with intense rains led to severe floods in February that killed more than 60 people and left thousands homeless, said Celia Gouveia Souza, a geologist and oceanographer at the government-backed Institute of Environmental Research.

"There was a huge amount of water trying to drain down the rivers into the sea just as the sea was rising to its highest point," she said.

In Atafona, the 2-mile-long



Ruins of houses destroyed by the ocean in Atafona, Brazil, reflect how climate change has increased sea levels, scientists say.



stretch of beach south from where the Paraíba do Sul river meets the ocean resembles a war zone.

Atafona's problems have been compounded by manufacturing and agricultural development upstream. Decades ago, the Paraíba do Sul would thunder down the valley to meet the Atlantic, slowing the ocean's advance on Atafona.

But now, some two-thirds of the river's water is diverted upstream to supply the city of Rio de Janeiro, and by factories and farms along its 700-mile course. Deforestation to make way for nearby sugar-cane farms has damaged its banks, further reducing the river's flow.

"At the river's mouth, there has long been this battle between the river and the sea," said Eduardo Bulhões, a marine geographer at Rio's Federal Fluminense University. The river—now a slow-moving muddy stretch of water that is gradually getting saltier—has lost.

Some 500 buildings have disappeared into the sea since the 1960s, said André Pinto, a historian and official at the São

João da Barra municipality, of which Atafona is a district.

Ms. Ferreira's eyes welled up as she scanned the ocean's empty expanse for remnants of her past. "There used to be five blocks of houses that way...beautiful mansions, a church, places to eat crab and fresh fish where everyone

"In the end, nothing was done," said Mr. Pinto, blaming Brazil's rigid environmental laws and infighting over which government entity would pay. He believes the best solution is to relocate people farther inland.

Marcela Toledo, environment secretary for São João da Barra, said the city hall was working with federal and state officials "to unify efforts," saying more needed to be done to address problems upriver.

Meanwhile, the municipal government has resorted to putting out more than a thousand sandbags every year to protect the most vulnerable properties—a palliative measure Mr. Pinto said is about as effective as "trying to dry ice."

Some residents refuse to give up. Ms. Ferreira was recently hunkered down in an outbuilding she built behind her now-destroyed house. "Most people around here believe that this is all the will of God," said Ms. Ferreira. "I'm not one of those people, though," she said. "This was us, human beings, we did this."

WORLD WATCH

INDIA  
Gandhi Avoids Prison As Case Is Appealed

An Indian court on Monday suspended a two-year prison sentence for Indian opposition leader Rahul Gandhi as he appeals his criminal conviction for mocking the prime minister's surname that resulted in his expulsion from Parliament, dealing a huge blow to his Congress Party ahead of general elections next year.

Mr. Gandhi, a fierce critic of Prime Minister Narendra Modi and his main challenger in the 2024 polls, was ousted after a court sentenced him to two years in prison for defamation for a comment made in a 2019 election speech.

The prosecution of Mr. Gandhi, the great-grandson of India's

first prime minister and scion of the dynastic Congress party, was widely condemned by opponents of Mr. Modi as the latest assault against democracy and free speech by a government seeking to crush dissent. The speed of his removal from Parliament shocked Indian politics.

Mr. Gandhi appeared in a court in the western state of Gujarat on Monday to file an appeal and was granted bail for the duration of the appeal process.

—Associated Press

PERU  
Autopsies Show 30 Protesters Were Shot

In autopsy after autopsy, Peruvian antigovernment protesters share the same cause of death: "firearm projectile."

Human-rights groups—including the United Nations—have called on the Peruvian government to investigate claims of excessive force used by police and soldiers during recent protests that have left 49 civilians dead, and the autopsies provide some evidence of the alleged use of lethal ammunition.

Thirty of the 32 forensic reports obtained by the Associated Press list gunfire as the cause of death. Some of the reports detail bullet calibers similar to those used by security forces in Peru, which experts believe indicates that police and soldiers violated their own operations manuals prohibiting shooting directly toward protesters unless there is a serious risk to their life.

Carmen Rosa Cardoza, a Peruvian forensic anthropologist,

said that the autopsies show a pattern of a "disproportionate use of force."

In a January news conference, President Dina Boluarte said police officers had conducted themselves in an "immaculate" manner.

—Associated Press

AUSTRALIA  
TikTok Banned on Government Devices

Australia said it will ban TikTok on all government-issued digital devices, following the U.S. and other intelligence-sharing allies in response to concerns about data security on the app.

The decision announced by Australia's attorney general means all members of the Five Eyes intelligence alliance have re-

stricted government access to the video-sharing app either through full or partial bans. Lawmakers worry that the Chinese government could force TikTok parent ByteDance Ltd. to hand over user data, or to influence the videos they view.

The U.S. gave government agencies 30 days from the start of March to delete TikTok from federal devices and systems. Canada and the U.K. have enacted similar prohibitions in recent weeks, while New Zealand banned it from devices linked to its Parliament.

Australia's ban, which covers all devices issued by federal government departments and agencies, came on the advice of the intelligence and security agencies, Attorney General Mark Dreyfus said.

—Stuart Condie

SOUTH KOREA  
Three Countries Hold Antisubmarine Drills

The South Korean, U.S. and Japanese navies began their first antisubmarine drills in six months on Monday to boost their coordination against increasing North Korean missile threats, South Korea's military said.

The two-day drills come as North Korea's recent unveiling of a type of battlefield nuclear warhead prompted worries the country may conduct its first nuclear test since 2017.

The maritime exercises off South Korea involved the nuclear-powered USS Nimitz aircraft carrier and naval destroyers from South Korea, the U.S. and Japan, South Korea said.

—Associated Press







# PERSONAL JOURNAL.

© 2023 Dow Jones & Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Tuesday, April 4, 2023 | **A13**



Trish Macvaugh, 76, uses her Apple Watch to track her swimming stats.

in popularity among older adults across the country, with one in three older adults owning one. Approximately 60% of the older adults who own a home assistant use it daily, the AARP says.

As with other age groups, older adults use home assistants largely to play music, ask questions, check weather or traffic and set alarms or timers.

## Streaming services

Ms. Culbertson says that Willow Valley residents are very interested in streaming movies and shows and that many residents no longer watch network television. She recently taught a class on how to use Apple TV.

Older adults are fueling the growth in video-streaming and subscribing to multiple services, including Netflix, Hulu and HBO Max.

They're also combining their interest in streaming content with their interest in fitness. Older Adults Technology Services from AARP, a nonprofit that teaches tech to older adults, streams free fitness classes via Zoom. Its stretch classes have been wildly popular, says OATS Executive Director Tom Kamber.

## Password protection

Al Williams, president of Willow Valley's 845-member computer club, says password protection has been a hot topic among older people since news broke that the password manager LastPass was hacked.

Mr. Williams, an 83-year-old retired engineer, recently gave a presentation on choosing strong passwords and using password managers.

A recent poll from Age of Majority found that only 37% of people ages 55 and older use a password manager.

## Scam prevention

Older adults have fallen prey to all kinds of scams conducted online and by phone.

OATS from AARP offers free online classes for older adults who want to burnish their digital skills, including one later this month on how to protect your personal information online.

Mr. Williams says Willow Valley residents are interested in this, too. He plans to give a "Scammers and other invasive species" presentation to teach people to recognize social engineering.

Teaching tech to a span of older adults, ranging from 55 to over 90, requires a certain skill. "The main thing we have to do," he says, "is to talk about tech in terms of solving a problem, not as a lecture."

# Tech Older Adults Want Now

Fitness wearables and password managers are among the hot topics for people ages 50 and up



**FAMILY & TECH**  
**JULIE FARGNOLI**

The residents of a retirement community in the heart of Amish country are proving what experts on aging have been saying for years: Older adults are as keen on new technologies as anyone else.

Willow Valley Communities, a 2,600-resident campus in Lancaster, Pa., has a tech center staffed by volunteers. People can drop in for tech help or get their computers fixed. It also has an active computer club and an Apple products group that offer resident-taught classes.

The challenges of the pandemic accelerated tech adoption among older adults who, initially, just needed ways to communicate with far-flung loved ones. People ages 50 and older each spent an average of \$912 on technology last year, up from \$394 in 2019, according to the AARP.

But barriers remain as older Americans go beyond the video call. There is a lack of training programs and a concern that products aren't always designed for an aging populace, the organization says.

At Willow Valley, many of the

residents are focused on technology that can keep them active but won't open them up to scams or frauds.

"Older adults aren't into tech for tech's sake," says Jeff Weiss, chief executive of Age of Majority, a consulting firm that helps companies market to older adults. "For them to want to use and adopt technology, there has to be a practical reason."

During my conversations with aging experts and Willow Valley residents, these five topics came up again and again:

## Health wearables

Wearable devices for tracking health and fitness are the hottest technology among older adults, according to leaders at several aging-tech organizations and companies. The AARP says 28% of older Americans own a wearable and 77% of those people use it daily.

The Centers for Disease Control and Prevention says people ages 65 and older need at least 150 minutes a week of moderate to intense activity, such as brisk walking, as well as strength and balance exercises.

Trish Macvaugh, a 76-year-old Willow Valley resident, began swimming competitively three years ago. She uses her Apple Watch Series 6 to log her heart

rate and more particular stats, too. There's her "swolf" score, the number of strokes taken plus the time it takes to swim a certain length, and her "VO2 max," the maximum amount of oxygen she takes in during intense exercise.

"I can compare all of that to what I was doing a month ago, and it's really encouraging to see how much I'm improving," says Ms. Macvaugh, who is planning to compete in her second National Senior Games this summer.

A retired professor of English and women's studies and mother of two, she also uses her Apple Watch to track her walking steadiness, as well as her performance when lifting weights and using the elliptical machine.

For tech advice, she turns to fellow resident Susan Culbertson, a 76-year-old retired computer-software trainer. Last fall, Ms. Culbertson created classes at Willow Valley to teach others how to use Apple products. The classes have gotten so popular, they've occasionally run out of seats for people in the con-



Al Williams, head of Willow Valley's computer club, advises residents to protect their accounts with strong passwords.

ference room where they take place.

Using the iPhone's Health app and tracking Apple Watch metrics—beyond just step counting—are top subjects. "People want to stay fit as long as possible," Ms. Culbertson says.

## Home assistants

Many residents at Willow Valley use voice-activated home assistants such as Amazon Echo and Google Nest Audio. They're rising

# AI Photos Create Celebrity Woes

By **ASHLEY WONG**

A fabricated image of Pope Francis wearing a fashionable white puffer was a funny viral moment for many. But artificial-intelligence experts say its implications are no laughing matter.

Several researchers said the picture, created using the AI image generator Midjourney, is a sign of a coming misinformation wave in which fake photos will be more convincing than ever. Even those who specialize in AI and social media can't always tell what's real from what's not.

"I thought it was excellent," said Jeff Hancock, professor of communication at Stanford University and founding director of the Stanford Social Media Lab, of the pope image's photorealism. "Everything fit right, there were no obvious distortions," he added.

AI has entered everyday life, optimizing everything from meal planning to essay writing to detecting cancer. Though the full potential of this technology has yet to be fully realized, tools like Midjourney, ChatGPT, DALL-E and Stable Diffusion are already being widely used to create text and images that spread easily online.

They have also made it easier for people to use and abuse public figures' likenesses online. Last fall, the likes of Leonardo DiCaprio and Elon Musk saw their faces being used in

advertisements without their permission, while NBC News reported the face of actress Emma Watson was used to create sexually provocative videos in an advertisement for a deepfake mobile app last month.

"Any internet troll now can, with only a few keystrokes and a click of a button, create convincing images that might fool a human," said Andrew Owens, assistant professor of electrical engineering and computer science at the University of Michigan.

In a statement, a spokesperson for Stability AI, the company that created Stable Diffusion, said the company is searching for ways to combat AI's potential for creating misinformation.

"We are currently working with leading companies and researchers in the digital security space to implement a secure, long-term solution to this concern," the spokesperson said. Representatives for Midjourney, ChatGPT and DALL-E didn't respond to requests for comment.

Last week, as news circled the possible arrest of Donald Trump, images of the former president being arrested, tackled and carried



**A fabricated photo showed Pope Francis in a big puffy coat.**

media with little to no context, experts said, and may be taken at face value. As AI image generation continues to improve, experts said, the usual telltale signs of fake images, such as hands with too many fingers or odd-looking eyeballs, will start to disappear.

"When it's presented in a context of, 'Oh look, this could be fake,' then of course your spidey senses are active," said Abhishek Gupta, founder and principal researcher at the Montreal AI Ethics Institute. "But in regular cases, if you're just browsing, you might just chuckle at the image and keep scrolling rather than keep questioning the image."

Mickinzy Seneff, a 21-year-old student at the University of California, Santa Cruz, paused when she saw a video all over her Twitter feed of pop star Harry Styles kissing model, author and podcaster Emily Ratajkowski. It looked odd, Ms. Seneff said, and she assumed the celebrities had been misidentified.

After reading a viral Twitter post suggesting that the video was AI-generated, she started to believe it.

"AI is really huge," Ms. Seneff said. "So it wasn't that far of a reach for me to be like, 'Oh, this video looks

like fake people.' " If the theory were true, she said, it could explain why the video was so blurry and why the pair's posture was awkward—not to mention the extremely public nature of the display, which looked to be in the streets of Tokyo. A spokesperson for Ms. Ratajkowski didn't respond to requests for comment, and Mr. Styles couldn't be reached for comment. Neither has publicly commented on the photos, which first appeared in the Daily Mail online without a photographer credited.

When images of people are grainy and the faces are difficult to distinguish, experts said, it's hard to tell with certainty if they're authentic. In theory, it would be relatively easy to generate still images of a real celebrity couple caught in a clinch.

"With powerful computer capability, we can get the images to do pretty much whatever we'd like them to," Mr. Lightman said.

But creating convincing videos of real human beings is still a difficult task for AI, experts added, since the human eye can detect even the smallest irregularities in movement. Videos are essentially a series of different images, and every image has to be convincing—something machine learning hasn't quite yet achieved. The technology is on the way though, they said.

After seeing more images of the pair taken from different angles, Ms. Seneff said she now believes the footage is real. But the experience has left her even more disturbed about a future rife with AI-generated visual misinformation.

"I think it's scary to like, the things that are AI look so real," she said. "And these things that are real can be seen as AI."



PERSONAL JOURNAL.

Why Weekends Aren't the Same

The trade-off for flexible midweek schedules and hybrid offices can be a 7-day workweek

By Anne Marie Chaker

Once relished as the reward after five days of hard work, weekends are dwindling as employees move fluidly between work and personal time all of the time.

When the pandemic began, many professionals stuck at home opened their laptops on Saturday mornings. They just never stopped: Saturdays and Sundays are starting to resemble Monday through Friday, with hours of emailing and stretches of catch-up time. Some find the spillover of work into the weekend to be invasive, with kids' soccer games to date nights to religious services to attend. But employees acknowledge that work-filled weekends are the trade-off for hybrid office time and flexible schedules that allow for midmorning gym workouts, afternoon school pickups, dog walks and grocery-store runs.

"It's the cost of flexibility," said Katerina Manoff.

The founder of a Washington-based nonprofit that pairs Ukrainian youths with English speakers answered some backlogged messages on a recent Saturday, including one from an associate hoping to partner on a project. Five seconds later, a response pinged her inbox.

"He wrote back right away," said the 35-year-old mother of two girls, ages 7 and 2. The email volley shifted the weekend vibe from a quick catch-up in pajama pants to something akin to a regular workday.

A new study of 134,260 employees across more than 900 organizations by the workforce-analytics software firm ActivTrak found that people now work an average of 6.6 hours on the weekend, up 5% from 2021. One of the biggest leaps in weekend work came from computer hardware industry workers, whose weekend workload increased 31% to 11.5 hours, according to the study.

Microsoft Corp.'s Work Trend Index published in March 2022 found that weekend work was 14% higher than it was in 2020. Microsoft measures average time spent on its Teams app and can see that a significant amount of work is happening during a second shift at night and now on weekends, too.

"I think it means that we're working differently, not necessarily that we're working less," said Colette Stallbaumer, general manager of Microsoft's Future of Work team.

Old notions of what work looks like—seated at a desk for eight or nine hours, or in a conference room—are being challenged from all sides, she added. That after-



noon jog, for instance, might produce a flurry of great ideas and renewed productivity.

Employees are still adjusting to working hybrid schedules. A hybrid-work mind-set requires switching between tasks that require focused attention and personal time that's more dispersed. Those who choose to work across six or seven days instead of five

would be wise to stay focused on the benefits of that trade-off: a summer walk on a Wednesday afternoon or after-school play time with the kids, said professionals working longer weeks.

Andrew Noyes, a San Francisco-based vice president at Eat Just Inc., said he used to dread working on weekends. Now, it's an empowered choice, as he works from home and juggles a workout or throwing a ball for his dog, Truman, between phone calls and Zoom meetings.

"I'm going to work in the time that works best for me," he said.

In a recent poll of more than 1,000 employees by the performance-management software company 15Five, 22% of employees and 21% of HR leaders said that if they could change one thing about today's work environment, they wanted personal downtime respected.

Research also shows that the traditional weekend of two whole days off work has real value. Employees who take advantage of weekend detachment were more likely to feel happier and more energetic at the start of the following workweek, according to a recent study by Portland State University.

The ubiquity of laptops and hand-held devices makes it tempting to fill in downtime with work whenever possible, said Maria Simon, a managing partner at a Fairfax, Va., law firm. "Before, I could always use the line, 'when I get to the office,'" the 41-year-old mother of three boys, ages 2, 6 and 12, said. "There's no line now."

Ms. Simon typically works three to six hours on weekends, compared with one or two before the pandemic. While she actively works to turn off the fire hose of messages for a few hours every weekend, Ms. Simon said those days are often the only time she can really catch up. When she fires off emails to staff over the weekend, she said she makes it clear that she doesn't expect a response until Monday.

"Just because I'm working doesn't mean you should," she said.



Katerina Manoff, with one of her daughters, says working on weekends is 'the cost of flexibility.'



Andrew Noyes takes breaks with his dog, Truman, on weekend days that he works from home.

The Right Amount of Cash, Cards And ID to Carry in Your Wallet

By Oyin Adeboyin

As phones take on more of the work of wallets, people are rethinking how much they still need to carry in cash, cards and identification.

Four in 10 Americans say none of their purchases in a typical week are paid for using cash, according to a 2022 survey from the Pew Research Center. That is up from 29% in 2018 and 24% in 2015, reflecting a trend accelerated by the pandemic. Plastic is getting displaced, too: 59% of Americans said they increased their use of digital payment methods last year, according to Mastercard's New Payments Index.

Meanwhile, eight states began allowing their residents to upload their driver's licenses or state ID cards to their Apple Wallet in 2021.

"You could make an argument that it's easier than ever to leave your house without your physical wallet," said Ted Rossman, a senior industry analyst at Bankrate.

Technology has been shrinking wallets for centuries, from something more like a knapsack in Shakespeare's day, to their familiar flat shape after paper money became widespread, and again after the advent of credit cards in the 1950s.

Now, wallets are slimming down even further. People want minimalist wallets that may contain just a few cards or adhere to a phone like a kangaroo's pouch.

"The wallet is going to be a piece that we're going to be seeing in museums and exhibits," said Vasilios Christofilakos, a professor at the Fashion Institute of Technology.

So do we still need wallets? And if so, how much cash should we carry? And how many cards?

How much cash should you carry?

Dan Casey, a financial adviser and founder of Bridgeriver Advisors in Bloomfield Hills, Mich., thought his days of

asking his mother for money were behind him. But on the way to a fancy work event with colleagues, he realized he had no cash to tip the limo driver. Luckily, Mr. Casey had invited his mother to join them, so he leaned over and asked her for two \$20 bills.

"I'm 53 years old and I had to go 'Mom, I have a favor to ask,'" said Mr. Casey. He hadn't carried cash in nearly two years, he said.

Many Americans do carry cash, on average about \$67 as of 2021, according to the Federal Reserve's Diary of Consumer Payment Choice.

you may still run into places that don't, Ms. Ransom-Cooper says. She advises diversifying the types of cards you carry. If your debit card is a Visa then maybe one of your credit cards should be from American Express.

Thinner wallets guard against identity theft

People who walk around with too many things in their wallets are at greater risk of identity theft, says Henry Bagdasarian, founder and president of the Identity Management Institute. Creating a list of what is in your



A lot of people don't remember what's in their wallet.

That may be too much, said Chelsea Ransom-Cooper, director of financial planning at Zenith Wealth Partners. She recommends \$30 just to cover small transactions.

Josh Abady, a professional poker player from New York, said one should only ever carry a sum of cash in their wallets they are mentally prepared to lose. For Mr. Abady, that is roughly \$150.

Carry 2, not more than 3 credit cards

The average American has about four credit cards, but financial advisers say you should leave home with no more than two or three. Having one or two credit cards and a debit card may be ideal.

While more vendors accept mobile payments apps,

wallet and then seeing what can be removed are the first steps to mitigating risk of identity fraud in the case of a lost or stolen wallet, he said.

"A lot of times we don't know what we have in our wallets," he said. "That inventory list will help us identify quickly because the last thing you want to do is waste a lot of time when you lose your wallet."

Rebecca Raghunath, a 20-year-old English major at City College of New York, uses Apple Pay, but admits much of what she lugs around in her wallet stays there. There is her YMCA card, American Eagle store credit card and a Dave & Buster's card that she hasn't touched in two years.

"I never went back to Dave & Buster's," she said.



THE SPIRIT OF SAILING

Designed to withstand the demands of the open seas. The Yacht-Master is an emblematic nautical timepiece that combines elegance and performance. Its bidirectional bezel is used to calculate sailing time between two points, and its waterproof Oyster case protects the movement in the most extreme conditions. The range includes models fitted with the innovative Oysterflex bracelet, ensuring comfort and reliability. Highly legible and embodying the Rolex sailing tradition, it exemplifies the precision required to navigate the ocean and its challenges. **The Yacht-Master.**

#Perpetual



OYSTER PERPETUAL YACHT-MASTER 42 IN 18 KT WHITE GOLD

OFFICIAL ROLEX JEWELER  
WATCHES OF SWITZERLAND  
60 GREENE STREET  
HUDSON YARDS  
WATCHESOFSWITZERLAND.COM



ROLEX OYSTER PERPETUAL AND YACHT-MASTER ARE ® TRADEMARKS.



ARTS IN REVIEW



MUSIC REVIEW | MARK RICHARDSON

# Wednesday’s ‘Rat Saw God’: Miracles of the Mundane

An album joins guitar-driven intensity to observational, empathetic lyrics

**IN 2022**, indie-rock band Wednesday released a covers album called “Mowing the Leaves Instead of Piling ‘em Up.” The set followed a self-released debut album and two more LPs on a small label, including 2021’s “Twin Plagues,” which made some critics’ lists that year. “Mowing the Leaves” served as a mood-board documenting the Asheville, N.C., band’s influences. Along with tunes by artists who have become currency in the indie underground—Chris Bell of Big Star, Greg Sage of Kurt Cobain favorite Wipers—it featured versions of tracks from dreamy alt-rock

bands with a psychedelic bent and country songs by artists including Gary Stewart and Roger Miller. The impressionistic drift of shoegaze and the clear-eyed focus of country music would seem to be musical opposites, but Wednesday has a knack for finding connections between disparate sounds. The thread tying these varied inspirations together is the remarkable lyric writing of Wednesday singer-songwriter Karly Hartzman. Her quavery voice has some tonal similarity to that of Adrianne Lenker of Big Thief, but she’s a very different songwriter, more

direct and observant than introspective. Ms. Hartzman writes about what she sees and hears in front of her and is able to transform the mundane into the miraculous. The band’s new LP, “Rat Saw God” (Dead Oceans), out Friday, is also its best, finding Ms. Hartzman and her group channeling with a new level of intensity the artists that have inspired them since the beginning. The brief opening song, “Hot Rotten Grass Smell,” one of several cuts here that conjure images from their titles alone, moves quickly from de-tuned jangle to a jarring wall of distortion, laying

out the album’s sonic extremes in just a little over 90 seconds. Ms. Hartzman’s voice is low in the mix, as it often is throughout the record, as if the singer herself is overwhelmed by the music surrounding her, and the overdriven guitars, by Ms. Hartzman and M.J. Lenderman—the latter also has a burgeoning solo career—are harsh and trebly, evoking television static and rushing water. This sets the stage for the stunning “Bull Believer,” a three-part epic that runs for 8½ minutes. The lyrics function like a film montage, splicing descriptions of personal desolation (“A corpse with a spirit / Got out of my bed today”) with the gory drama of a matador doing battle in a ring (“Got ‘im right between the shoulders / And the bull loses blood”). This sounds like a mish-mash on paper, but Ms. Hartzman has a way of arranging such shards into a larger image of existential angst. Two-thirds of the way through the lengthy number, she forgoes words entirely and unleashes a visceral, throat-shredding scream that lasts for almost two minutes as the music swells around her. And then the third track, “Got Shocked,” tells the story of a near-death experience during band practice thanks to a faulty circuit (“I’m told that I screamed and looked up / Then I sat down and wept after the amp got unplugged”) while a storm of guitar chords makes you feel the power and danger of the electricity. After this harrowing opening triptych, “Rat Saw God” settles down slightly and the band indulges its rootsy side. “Formula One” is a slow countrified number with a weepy lap steel guitar part that finds Ms. Hartzman seeing a bird flying into a window and musing about hope and futility. “Chosen to Deserve” has a crunchy riff reminiscent of Tom

Petty and finds the singer looking back on her self-destructive youth over twangy guitars. Ms. Hartzman has expressed admiration for Flannery O’Connor, and there’s a strong Southern gothic streak in her work. Her songs are set in broken-down towns filled with broken-down people who find themselves in extreme situations, but she writes about them with empathy. “Quarry,” a breezy mid-tempo number with the album’s catchiest melody, offers a series of compact character sketches, including a story from Ms. Hartzman’s own life about a kid who started a fire in a field of cotton when setting off a model rocket. In these songs, she sees loneliness everywhere. The closing “TV in the Gas Pump” ends with an image of the titular device blaring in the dark, with no one around to hear it. Wednesday isn’t a particularly melodic band—Ms. Hartzman’s tunes tend to meander, stop and turn around, and sometimes it’s like watching someone navigate a maze. But there’s a logic to her wanderings that opens up after hearing the album a few times, when the sturdy chord progressions and potency of her lyrics take hold. The production on “Rat Saw God” by Alex Farrar (Angel Olsen, Snail Mail) has no designs on the mainstream—individual instruments are sometimes lost in the mix, and here and there one wishes for a little more sparkle. But this is an exceptional record that makes you want to look more deeply at the world around you, an album of wild storytelling and quiet epiphanies.

*Mr. Richardson is the Journal’s rock and pop music critic. Follow him on Twitter @MarkRichardson.*



The group’s new LP, out Friday, draws on numerous genres—from shoegaze to country—to craft emotional narratives that lead to moving epiphanies.

ARTS CALENDAR

## HAPPENINGS FOR THE WEEK OF APRIL 4

By WSJ Arts in Review Editors

The Wall Street Journal’s Arts Calendar is a regular series of listings highlighting some of the most important and engaging cultural events each week, curated by the editors of the Arts in Review section.



A scene from Lyric Opera of Chicago’s ‘Proximity’

**Film**  
“**The Super Mario Bros. Movie**” (April 5)  
It’s-a me, Chris Pratt. The “Parks and Rec” actor voices Nintendo’s iconic plumber/hero in the latest big-screen adaptation of the videogame franchise, which is teeming with more stars than a “Super Mario 64” level. Anya Taylor-Joy plays Princess Peach, Charlie Day plays Luigi, Jack Black plays Bowser; other familiar names include Keegan-Michael Key, Seth Rogen and Fred Armisen.

“**Air**” (April 5)  
Ben Affleck steps into Phil Knight’s shoes, portraying the Nike co-founder in this biopic, which he also di-

rected. It tells the story of sneaker salesman Sonny Vaccaro (Matt Damon) who tries to ink a deal with Michael Jordan to wear the company’s kicks.  
**TV**  
“**Beef**” (Netflix, April 6)  
The new dramedy about a road-rage incident and its

diaspora. Boston is the first stop for the show, which will eventually travel to Washington and Los Angeles.  
“**Basquiat x Warhol. Painting Four Hands**” (Fondation Louis Vuitton, Paris, April 5-Aug. 28)  
Michael Halsband’s photo of Jean-Michel Basquiat and Andy Warhol, both sporting boxing gloves and looking ready to square off, has become an iconic image and was originally used to promote a joint show in 1985. Now an exhibition looks at that period of collaboration between the two power punchers when they created about 160 paintings together (also the subject of Anthony McCarten’s recent Broadway play “The Collaboration”). Collecting over 300 works and documents, the show also includes art from Jenny Holzer, Kenny Scharf, Keith Haring and more to tell the story of the duo and the broader downtown New York art scene of the time.

**Theater**  
“**Shucked**” (Nederlander Theatre, New York, opens April 4)  
Musical theater meets the Music City in this new Broadway comedy about a struggling farm community and the attempts to save it, with music from country stars Brandy Clark and Shane McAnally and a book from Tony winner Robert Horn.

**Last Call**  
“**Proximity**” (Lyric Opera of Chicago, closes April 8)  
A trio of American operas from creators almost all new to the form, directed by mainstay Yuval Sharon, tackles of-the-moment issues. The works—from Daniel Bernard Roumain and Anna Deavere Smith; Caroline Shaw and Jocelyn Clarke; and John Luther Adams and John Haines—feature what opera critic Heidi Waleson calls an “ingenious production” packed with “visual opulence.”

For additional Arts Calendar listings visit [wsj.com](http://wsj.com). Write to [brian.kelly@wsj.com](mailto:brian.kelly@wsj.com).

### The WSJ Daily Crossword | Edited by Mike Shenk

1	2	3	4	5	6	7	8	9	10	11	12	13
14				15			16					
17				18			19					
20						21	22					
23					24					25		
26				27				28	29			
30			31				32					
33			34			35			36	37	38	
			39			40				41		
42	43	44			45				46			
47				48	49			50				
51			52				53					
54						55	56					
57						58			59			
60						61			62			

### NOT DEFYING GRAVITY | By Annemarie Brethauer

Across

1 Storage structure	30 “___& the Women” (2000 Richard Gere film)	51 Relating to Jewish law	4 Nearest target in bowling
5 Jean-___ Picard	31 Derby entrant	53 App in which you swipe right to like	5 Pork cut
8 Starting to thaw, in a way	32 Upper limit	54 Prepares for prayer, perhaps	6 Put to work
14 Idyllic spot	33 Hurricane’s most destructive part	55 Equivocal answers	7 Up-to-the-minute
15 Columbus sch.	35 “I’m fine with that”	57 Like chanterelle but not amanita mushrooms	8 Hindu teacher
16 Reno’s county	39 Gomez Addams’s cousin	58 Crater feature	9 Place for watching grass grow, maybe
17 More exquisite	40 Quarterback Derek	59 Overly cute, in Britain	10 Annapolis sch.
19 “Phooey!”	41 Flying Solo	60 Up-to-the-minute news	11 Moves off the main line
20 Activate, as a light switch	42 Required items	61 Buttonless shirt	12 Inside info for an investor
21 Leftover pieces	45 Really long times	62 Cuts off	13 Agreeable answers
23 Morning, in Montmartre	46 Mary Lincoln’s maiden name		
24 Museum item	47 Part of a Freudian trio		
25 Draw	48 Firing sites		
26 Words with angle or impasse	50 Quaint greeting		
27 Jazz legend Thelonious			
28 Places for padlocks			

Down

1 Like some millionaires
2 No-no per the Ten Commandments
3 Rise up

### Previous Puzzle’s Solution

OJS	MATH	TATUM
PAPA	ISEE	ARENA
EVIL	SHAH	XENON
CALL	THE	SHOTS
STORM	ELI	SAT
WEAR	THE	PANTS
DOHA	SEA	SPEAK
UPON	HOP	IN
CROCS	ERA	IKID
TAK	THE	REINS
SHY	LAX	LOTS
RULE	THE	ROOST
BASIC	ROOD	RAKE
ALIBI	TONI	YVES
MENSA	STET	EDT

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](http://WSJ.com/Puzzles).



SPORTS

UConn Wins the NCAA Title

By LAINE HIGGINS

Houston

Connecticut came into Monday night's NCAA men's championship team riding a run of blowout wins through March Madness, never having to sweat its survival. San Diego State entered with a penchant for last-second comebacks. Then they played a title game that seemed to offer both outcomes.

UConn jumped out to a 12-point first-half lead that it could never quite nail into place after the break, then watched the Aztecs claw their way back as this defensive-minded team seemed unwilling to play the fated role of double-digit loser.

But in the end, the Huskies' knack for pushing the pace and scoring in transition were too much for this physical San Diego State team that does best when it baits opponents into driving in the paint. In front of 70,000-strong at NRG Stadium, the No. 4 seeded Huskies pulled away from five-seed San Diego State 76-59, to deliver UConn its fifth championship in the last 25 years, the most of any Division I program.

Even accounting for its second-half wobbles on Monday night, the win completed an extraordinary glide through the tournament for the Huskies. UConn won its six NCAA tournament games by an average margin of 20 points.

Winning games by large margins on the way to the title game has historically been a good indicator of an imminent championship. UConn became only the sixth team since the field expanded to 64 teams in 1985 to reach the title game while winning every round by double digits. Only one of those teams failed to cut down the nets: North Carolina in 2016, which lost to Villanova on an outrageous buzzer-beater.

It wasn't as easy as it could or should have been against San Diego State, however. The Aztecs came into Monday's championship as a team that prided itself on its defense.

Twice during this tournament, the Aztecs ability to shut down opponents' scoring ambitions enabled second-half comebacks—first in the Elite Eight against No. 6 Creighton and then in the semifinals against underdog Florida Atlantic, a nine-seed.

It looked initially as if a comeback wouldn't be in order this time around—because for a while it seemed that a closer game might be in order.

The Huskies looked jittery to start, as the Aztecs raced to an early lead on red-hot 80% shooting. Coach Brian Dutcher's defense was as advertised, denying UConn looks



UConn's Jordan Hawkins drives to the hoop against San Diego State. The Huskies beat the Aztecs, 76-59, to win the school's fifth national title in men's basketball.

from deep and forcing them to settle for contested field goals.

San Diego State's offense, however, was as anemic as its defense was hearty. The Aztecs struggled through a more than 11-minute scoring drought, during which San Diego State went 0 for 12 from the field as UConn went from trailing by four to leading by 15.

Dutcher had said that the hardest thing to do in these situations is also the most important: stay patient. "I always tell the guy your biggest enemy is frustration, both individually and as a team," he said. "Because if you're frustrated, you're not going to be able to play."

True to form, Dutcher's face didn't become flushed when he summoned his team for a timeout about eight minutes into its scoring drought.

It wasn't just that shots weren't falling for the Aztecs; they weren't taking care of the ball either. Again and again, a San Diego State player would drive into the paint under the basket and see the ball ripped away. By the end of the first half, UConn had scored 11 points off of turnovers and five more on fast-breaks.

"We are really dangerous because of the way we can explode in

transition," junior guard Andre Jackson Jr. had said on Sunday.

It was something of which Dutcher was well aware heading into Monday's matchup. "Obviously we have to control them in transition. They're as good a 3-point shooting team in transition that we've played all year," the coach said.

The only hurdle UConn had to overcome in the first half was star guard Jordan Hawkins picking up two fouls and spending the last six minutes of the half on the bench. With its nine-man rotation, however, that mattered little to coach Dan Hurley. Transfer marksman Joey Calcaterra came into the game in his place and swished a huge 3-pointer that helped put UConn up 36-24 at the break. Just as Dutcher predicted, Calcaterra scored off of a pull-up in transition before San Diego State had a chance to set its defense.

In the second half, UConn continued to dictate the tempo and find buckets at ease. The Huskies parked one or both of their towering big men—6-foot-9 Adama Sanogo and 7-foot-2 Donovan Clingan—under the basket to put every Aztecs shot at risk of being swatted away.

After about 10 minutes of struggling to make a bucket, San Diego State rediscovered its groove on offense. Senior Jaedon LeDee got the rally going with back-to-back layups to narrow the lead to 11. The Aztecs then hit their next three shots—a 3-pointer and two UConn turnovers run back for field goals. Add in perfect free-throw shooting from senior Keshad Johnson and the deficit had shrunk to five points with a little over five minutes remaining.

Then Hawkins drilled a 3-pointer and the Huskies never looked back en route to collecting the fifth banner, which has been the Huskies' elusive goal since Hurley was hired in 2018 amid a dismal spell for the men's team in Storrs, Conn. While the UConn women were winning ever more titles, the men missed two NCAA tournaments in a row. Every day, they walked past life-size banners reminding them of the program's glory days under Jim Calhoun, plus the 2014 title with coach Kevin Ollie.

"It's big shoes to fill," Jackson Jr. said. "But when you work every day and push yourself to the limit, you realize you can accomplish those things."

Hurley had big shoes to fill within his own family. His father, Bobby Hurley Sr., won 26 New Jersey state championships with Jersey City's St. Anthony High School and is enshrined in the Naismith Memorial Basketball Hall of Fame. Older brother Bobby Hurley Jr. was an All American who helped Duke win back-to-back titles in 1991 and 1992 and was an NBA Draft lottery pick. He now is the head coach at Arizona State.

Dan Hurley was only a 1,000-point scorer at Seton Hall, perpetually in the shadow of his father and older brother—until now. He's the first Hurley to make the Final Four as a coach and, as of Monday night, the first to win the whole dang thing.

The now retired Hurley patriarch has been on hand to watch his youngest through every round of the NCAA tournament; so has the Sun Devils coach since the Sweet 16.

"I'm probably not here if I didn't...have tough people that raised me like a tough older brother that prepared me for all the adversity you have to face in life and battle back from," Hurley said after the game.

JASON GAY

Lamar Jackson Is Available, but It's Complicated

A former NFL MVP hits the market to crickets and unsolicited critiques. Where will he end up?



Still available: Lamar Jackson, first-string quarterback, 2019 NFL MVP, 2016 Heisman winner, offensive dynamo, highlight phenom, just 26 years old, one of those football players you watch zoom around the field and think: *Why can't my team ever get someone like this? My team is quarterbacked by a telephone pole with a helmet.*

Now your team can. Any team can, after Jackson's most recent NFL outfit, the Baltimore Ravens, opted in early March to give him a one-year, \$32.4 million "nonexclusive franchise tag." This tag means any franchise has the right to sign Jackson to an offer sheet, and the Ravens have five days to match it, or not.

If the Ravens don't match the new deal, Jackson's new team sends Baltimore a pair of first-round draft picks.

Tantalizing, no? A quarterback of Jackson's youth and talent seldom hits the open market, and it isn't hard to find franchises that wouldn't be instantly upgraded.

If you watch a lot of terrible NFL football, like I do, you can see the need. At least half of the league would be immediately better off with Jackson. Probably more than half. There are a lot of telephone poles with helmets.

In the abstract, Jackson's availability should provoke a frenzy, or at least a solid flurry of interest, but to date, it has been nothing but an orchestra of crickets.

Check that, it has been more than crickets: It's also been the unsolicited bleating of NFL clubs announcing they have no intention of signing Jackson—this usually clandestine collection of football clubs,

suddenly turning into chatty chapters of Oversharers Anonymous.

*Our quarterback situation is set. We like who we have. Jackson gets injured too much. We can't give him what he wants.*

*We're the New York Jets and we're about to risk it all on Aaron Rodgers, who may decide he wants to become a paddleboard yoga instructor.*

Jackson's situation is weird, adversarial, and complicated.

Naturally, it's about the money. As always, we can also blame the Cleveland Browns.

So let's get into it. Jackson is rightfully on the lookout for a spectacular deal—this is what a top-tier NFL free agent is supposed to do, set the market with a new contract ceiling.

Jackson and the Ravens have failed to reach an agreement; the quarterback is said to have rejected an offer that included at least \$133 million in guaranteed money before the start of last season. Jackson appears to have reached his limit: He said he requested a trade from Baltimore on March 2.

Publicly, the Ravens say they want Jackson back; if no other team makes Jackson an offer and Baltimore fails to reach a deal, that "nonexclusive" franchise tag would give Jackson \$32.4 million to play for one year.

"I'm excited, thinking about Lamar all the time," head coach John Harbaugh said just days ago. "Thinking about him as our quarterback. We're building our offense around that idea."

Messing with all of this—yup—are those Cleveland Browns, who last year broke from NFL tradition and awarded a spectacular, fully



Lamar Jackson and the Ravens have failed to reach an agreement on a new contract. A quarterback of Jackson's talent seldom hits the open market.

guaranteed five-year, \$230 million contract to Deshaun Watson, the former Houston quarterback then settling a raft of sexual misconduct lawsuits and on the verge of an 11-game NFL suspension.

It was a massive deal without precedent. NFL owners enjoy guaranteed contracts like they enjoy flying middle seat economy; unlike other major sports, they have mostly avoided the practice. Here Cleveland was giving it to a scandalized player who'd missed an entire year.

Jackson is under no such personal cloud, and his statistics are superior to Watson's; hence his reported expectation he should be rewarded in similarly guaranteed, if not better, fashion.

Instead, franchises appear to be treating the Browns-Watson deal as an outlier, a case of *Cleveland Being Cleveland*.

Then there is this: Jackson is representing himself, without the services of an agent. This isn't unheard of, but it's thrown confusion into the process, as there is no hired representative taking stock of the market and negotiating on Jackson's behalf.

There is Jackson himself, Jackson's occasional commentary on social media, and, according to a recent missive the NFL sent teams, an uncertified associate named Ken Francis who was inappropriately contacting teams. (Jackson denied that this was happening.)

The bottom line is that, with the NFL draft coming on April 27, Jackson doesn't know where he will be playing in the 2023 season. He is at an impasse with the Ravens, and he doesn't seem to be on the verge of a competing offer.

Into the vacuum has come a hot blast of criticism and second-

guessing: That he's asking for too much money; that he's injured too often (Jackson missed significant time in both the 2022 and 2021 seasons); that his throwing-running double threat lends itself to future injuries; that NFL teams are better off drafting quarterback talent, since a rookie can be signed to a cheaper deal that gives the franchise more financial mobility.

It's all starting to take on a whiff of gossipy groupthink, the way NFL teams suddenly appear to collectively decide a college player isn't tall enough or is added by tiny, tiny hands. It has the NFL Players Association on alert about possible coordination. Football clubs will do nearly anything to get an edge. Jackson may be very expensive, but he's an undeniable edge.

I think it's perfectly legitimate for a player of Jackson's caliber to try to leverage a guaranteed deal; if a player like him can't push the boundary, who can? I also think it's fair to wonder if Jackson could improve his position with a hired agent, if only to stimulate fresh conversations with front offices.

I think Jackson can still be the most electric quarterback in the NFL—he's still quite capable of the jaw-dropping highlight—but the injury worries are fair.

I also don't think it's unreasonable to think that when the season begins in September, Jackson may find himself again in Ravens purple.

Or holding out. Again: It is weird, it's adversarial, and it's complicated, and we can pin at least a little bit of this madness on the Cleveland Browns. Lamar Jackson is one of the best players in the NFL, and remains very available.



OPINION

Milton Friedman’s Revolution



MAIN STREET  
By William McGurn

It’s been a good year for Milton Friedman. The Nobel Prize-winning economist has been dead for nearly two decades. But the moment has come for the idea that may prove his greatest legacy: Parents should decide where the public funds for educating their children go. Already this year, four states have adopted school choice for everyone—and it’s only April.

The most recent is Florida, which just extended school choice to every child in the Sunshine State. When signing the bill into law a week ago, Gov. Ron DeSantis rightly called it a “monumental day in Florida history.” State education dollars will follow the student instead of simply going to the public schools.

Florida is the most populous state to embrace full school choice. It follows Iowa, Utah and Arkansas, which passed their own legislation this year. These were preceded by West Virginia in 2021 and Arizona in 2022.

More may be coming. Four other states—Oklahoma, Ohio, Wyoming and Texas—have legislation pending. Nebraska, South Carolina, Kansas and Pennsylvania are working on more limited versions of school choice. In Georgia Republicans in the state House just helped defeat a choice bill, but it may

come back in 2024.

Corey DeAngelis, a senior fellow with the American Federation for Children, says the mood has shifted. In the November state legislative elections, he notes, AFC-backed candidates challenged 69 incumbents—and took out 40 of them.

“There wasn’t a red wave or a blue wave in the 2022 midterms,” he says. “But there was a school choice wave.”

That didn’t appear likely in 1955, when Friedman introduced the idea of vouchers in an essay titled “The Role of Government in Education”:

“Governments could require a minimum level of education which they could finance by giving parents vouchers redeemable for a specified maximum sum per child per year if spent on ‘approved’ educational services.”

It took years to catch on, probably because at the time most people were satisfied with their public schools. When school-choice measures were later passed in some areas, they were almost always targeted at poor children in urban districts. The rationale was that these kids needed help to escape rotten public schools that condemned them to life on the margins of the American Dream.

That changed with Covid. During the pandemic, parents saw their public schools put students last by shutting down and staying closed. When angry moms and dads showed up to complain, the National School Boards Association asked the Biden White

House to treat them as domestic terrorists. Attorney General Merrick Garland then sicced the FBI on them.

These parents didn’t start out demanding school choice. Many aren’t even Republican. Most had modest demands.

Asra Nomani is one of them. A single mom and former reporter, she was one of the leaders of the parent revolt in Northern Virginia that contributed to Glenn Youngkin’s upset win in the 2021

House to treat them as domestic terrorists. Attorney General Merrick Garland then sicced the FBI on them.

These parents didn’t start out demanding school choice. Many aren’t even Republican. Most had modest demands.

Asra Nomani is one of them. A single mom and former reporter, she was one of the leaders of the parent revolt in Northern Virginia that contributed to Glenn Youngkin’s upset win in the 2021

**Biden may write him off, but his idea for school choice is more popular than ever.**

governor’s race. She says that the more parents discover what their public schools are doing (from lowering standards in the name of equity to keeping families in the dark about children who want to change genders), the more Friedman makes sense.

“For three years, school boards, activist educators and the teachers union machine have treated parents like dirt,” she says. “Now an entire swath of parents—immigrants, Democrats, single moms, military families, parents with kids with learning disabilities—are championing this idea they cared little about before: school choice.”

Friedman was primarily concerned with education. But choice in education turns out to have far-reaching conse-

quences for politics, where teachers unions hold great power. Look at the Chicago Teachers Union, which is now trying to elect a former CTU organizer as mayor.

No one is more aware of the threat the Friedman Revolution spells for politics as usual than Randi Weingarten, president of the American Federation of Teachers. In a speech last Tuesday at the National Press Club, she warned that this year 29 states are considering school-choice measures. As the vampire fears garlic, teachers unions fear giving parents any say in public education.

In spring 2020, when Mr. Biden was still in his Wilmington, Del., basement, he boasted to Politico that he would have more leeway as president because “Milton Friedman isn’t running the show anymore.”

Probably Mr. Biden was referring to his spending plans. But the famous economist is now having the last laugh, and not just on inflation. Friedman’s ideas about education are likely to remain strong long after Mr. Biden’s promise of a Green New Deal is regarded with the same skepticism as government promises of “shovel-ready” infrastructure projects.

“I wish Milton Friedman were alive today to see his ideas finally come to fruition,” Mr. DeAngelis says. “The dominos are falling and there’s nothing Randi Weingarten and the teachers unions can do about it.”

*Write to [mcgurn@wsj.com](mailto:mcgurn@wsj.com).*

BOOKSHELF | By Aaron Rothstein

First, Do No Harm

If I Betray These Words

By Wendy Dean, with Simon Talbot  
(Steerforth, 291 pages, \$29)

“Thou must be like a promontory of the sea,” the Roman emperor Marcus Aurelius wrote in “Meditations,” “against which, though the waves beat continually, yet it both itself stands and about it are those swelling waves stilled and quieted.” Though he intended these words to describe the practitioner of Stoicism, they also define the ideal disposition of a doctor. As the chaos of the hospital reigns, the physician tunes it out and focuses on helping the patient. Alas, this paradigm seems more at home in a bygone era than in our current medical system. Burnout now consumes American physicians, who are overworked, nonautonomous and adrift without help.

Such is the crisis facing physicians, according to the psychiatrist Wendy Dean and the hand surgeon Simon Talbot, co-founders of Moral Injury of Healthcare, a nonprofit focusing on distress in the healthcare workforce. In their new book, “If I Betray These Words: Moral Injury in Medicine and Why It’s So Hard for Clinicians to Put Patients First,” they state that today’s physicians are “seeing more patients, in less time, with fewer support staff,” and are “required to use technology that interfere[s] with rather than facilitate[s] care.” As a result, our healers feel exhausted, cynical, alienated and ineffective. However, the authors argue, “burnout” is a

misnomer—it suggests that physicians lack resiliency. They claim physicians suffer from “moral injury” instead. This places the blame on the system, not the physicians.

Drs. Dean and Talbot appropriately fret about the scope of moral injury. Ten percent of doctors have thought about or attempted suicide. One in five U.S. healthcare workers have left the profession since 2020 and close to half of healthcare workers plan to leave their current jobs by 2025. Almost 50% of U.S. physicians experience burnout and there was a dramatic increase in burnout among U.S. physicians between 2020 and 2021. As a result of moral injury, physicians experience poorer physical and mental health, patients suffer from poorer health outcomes, and the medical system loses around \$4.6 billion yearly.

The authors illustrate the ill effects of moral injury on individual physicians through a series of riveting and poignant vignettes. One particularly troubling chapter tells the story of Jay Neufeld, a pediatric rehabilitation specialist taking care of disabled children. Neufeld worked for St. Luke’s Hospital and Children’s Specialty Center in Boise, Idaho. To help keep the institution solvent, hospital administrators shortened his appointments and increased patient volume. As the authors describe, “when he overstayed his scheduled time with a patient, assistants would interrupt him and say, ‘Dr. Neufeld, your twenty minutes are up.’” Then one of his colleagues quit and Neufeld was the only physician left in his group. His request for more support went unanswered. When his contract came up for renewal, he faced a 30% salary cut. Subsequently, when the hospital’s lack of physician coverage nearly led to the death of a patient, Neufeld further pressed his supervisors. But it was in vain. Trapped, he eventually took his own life.

How did this happen? Each chapter and story emphasizes a similar conclusion: “No matter how [physicians] respond, they are all victims of a profit-generating machine that has taken over healthcare.” Profit and nonprofit hospitals, “motivated largely by revenue,” cut staff, increase physician work hours, hijack physician autonomy and silence any dissent with threats of termination. Caught between the oaths they took as medical students and the crushing pressures of corporate healthcare, doctors suffer moral injury.

**Caught between the oaths they took as medical students and the demands of corporate healthcare, today’s doctors suffer moral injury.**

While the authors identify an important concern—that current profit-seeking behavior stymies physicians and patients—such *au courant* criticisms of capitalism are incomplete in explaining moral injury. Profit motives in medicine have existed for decades and will likely always exist to a certain degree. In 1894 an editorial in the journal Medical Record argued that doctors saw hospital growth “critically, not to say coldly,” and resented the motive of hospitals to “get as much out of them with as little return as possible.”

Today, surveys of physicians provide a more comprehensive story. They identify other factors, some of which are mentioned by Drs. Dean and Talbot, as sources of moral injury: increased bureaucracy, lack of respect from staff, lack of respect from patients, and burgeoning government regulations. Not all of this relates to corporate greed; for instance, bureaucracy is always a side effect of government regulation. Indeed, our modern medical system now paradoxically combines the worst excesses of socialism (bureaucracy) and capitalism (greed). This contradictory yet sinewy co-existence is ultimately responsible for physician burnout. And it can only exist in a cultural environment confused about medicine’s purpose.

If a physician labors only to see and please as many patients as possible, then patients, hospital staff and hospital CEOs will treat physicians as service personnel, profit-generators and “providers.” If we think of doctors as algorithm-checking assembly workers, then providers belong in a bureaucracy befitting such a role. However, medicine aims to heal the individual patient, an endeavor that requires negotiation, discussion, time and care within a hospital or clinic room. Our laws and our culture ought to drive medicine toward that goal, not distract from it. If we recognize the health of the patient as medicine’s purpose we necessarily treat the doctor-patient relationship as an end that every aspect of the system serves. Only this will attenuate bureaucracy, greed and moral injury.

“If I Betray These Words” ably humanizes modern, troubled physicians and rightly recognizes an important cause of their suffering. But if we want to make our doctors promontories of the ocean, stilling and quieting the swelling waves as we heal, then we must look much deeper than the corporate enterprise taking advantage of a profession lost at sea.

*Dr. Rothstein, a neurologist and fellow in bioethics and American democracy at the Ethics and Public Policy Center in Washington, D.C., hosts the podcast “Searching for Medicine’s Soul.”*

The Cost of Biden’s ‘Democracy’ Fixation



GLOBAL VIEW  
By Walter Russell Mead

From his 2021 address through the Munich Security Conference to last week’s Summit for Democracy, President Biden has been clear. He wants to frame world politics as a contest between liberal democracy and autocracy. That’s unfortunate. While not completely misguided, this approach hampers America’s diplomacy overseas and further erodes the weak consensus at home behind a strong American foreign policy around the world.

Mr. Biden is invoking an old American tradition here. Woodrow Wilson and Franklin D. Roosevelt framed the world wars as conflicts between democracy and dictatorship. And from Harry S. Truman to Ronald Reagan, America’s Cold War presidents used similar language.

Mr. Biden isn’t all wrong. If the U.S. and its allies lose the contest, and people like Xi Jinping, Vladimir Putin and their hangers-on in countries like North Korea and Nicaragua get to determine the world’s future, democracy isn’t going to flourish.

Nevertheless, the president and his team need to think again. Defining the current contest as one between democracies and autocracies is a flawed strategy. Abroad, this approach weakens America’s ties with key allies and exposes us to devastating

charges of systemic hypocrisy. At home and abroad, the widespread unpopularity of the expanded version of democracy Mr. Biden expounds—including controversial stands on issues like trans rights—is too polarizing and divisive to support the long-term consensus American foreign policy needs for success.

If the U.S. is serious about an Indo-Pacific strategy, it is going to have to assemble and cultivate a coalition of countries that are anything but liberal and democratic. Finland, Sweden and Norway may score a perfect 100 on Freedom House’s widely used global freedom index, with Denmark hard on their heels at 97. But if we want any kind of Southeast Asian strategy at all, we will have to work with countries like Vietnam, Thailand, Cambodia, Laos and Myanmar, all of which count as “not free” on the Freedom House scale. And without as many “partly free” countries like India, Indonesia, Malaysia, Singapore, Nepal, Fiji, Papua New Guinea and Sri Lanka as we can bring into our netting work, we have zero chance of holding the balance against China.

It goes further. In Central Asia, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan all rate as “not free.” Do we write off this part of the world? If we want to keep Middle East oil producers from aligning with our enemies, we need to work with some very undemocratic governments. And if we want to counter China in Africa, there

are very imperfect governments in Angola, Nigeria, Ethiopia and Sudan that we can’t afford to ignore.

To alienate these countries through vacuous posturing about our sincerity as human-rights crusaders would be stupid. To spurn their aid because we dislike their human-rights and democracy policies would be suicidal.

At home, it is easier to show people that China under its current policies poses a direct threat to American security and prosperity than it is to energize people for a democracy crusade in East Asia.

**It alienates allies his foreign policy needs both domestically and around the world.**

Worse, by conflating its international fight for liberal democracy with its internal struggle against the populist GOP, the Biden administration is undercutting the domestic foreign-policy consensus it seeks to build. When administration officials tell the public that the fight against Vladimir Putin is another front in the war against Donald Trump, they undermine the bipartisan support Ukraine desperately needs.

Beyond the Trump question, most Republicans don’t want to build a “democracy” at home that guarantees extreme versions of transgender ideology and abortion on

demand through the ninth month of pregnancy. They certainly won’t want to help the Biden administration build such a democracy overseas. The more Mr. Biden beats this drum, the more isolationist Republican opinion is likely to become.

To win support at home and abroad, American foreign policy needs to become less ideological. Common perceptions of common threats will do more to build the kind of international and domestic coalition that American foreign policy needs than democracy-vamping speeches from the bully pulpit.

Many countries share America’s concerns about Chinese, Russian and Iranian expansionism. China’s abuse of the World Trade Organization harms the whole world. The American-led global system that Russia and China want to break brought many countries unprecedented prosperity and security. These arguments carry more weight than abstract democracy talking points, even in Europe. Concerns about the Uyghurs did less to change German thinking about China than worries about China’s economic designs on the German automobile and capital-goods industries.

Mr. Biden should remember that his global coalition is held together more by common interests and common sense than by common values. And he should never underestimate the domestic and the international cost of overhyped, underthought democracy rhetoric.

When Boys, Not Phones, Delivered the News

By Bob Greene

I’m no stamp collector, but there is a 3-cent first class stamp, issued in 1952, that I keep in a frame on a bookshelf. The Post Office Department authorized the stamp to honor what the nation considered an essential job.

The rectangular stamp, light purple in color, depicts houses in a typical small town. Against that backdrop is an illustration of a boy with a canvas bag slung over one shoulder. The stamp’s inscription reads: “In recognition of the important service rendered their communities and their nation by America’s newspaperboys.”

I look at that stamp every time there is another news story about the declining circulation of print papers, even as digital circulation grows. Newspaperboys (and girls) were a vital part of the American landscape in the decades before the

**Many homes took two papers, a morning and an evening one.**

How ingrained in the nation’s life was that boy? One proud former newspaperboy—Dwight D. Eisenhower—issued a statement from the White House in 1954 honoring the carriers “not only because they serve our daily family needs, but because they symbolize so many cherished American ideals.”

When Eisenhower mentioned “daily family needs,” he

wasn’t being hyperbolic. In 1950 the penetration of American households by newspapers—a statistic measuring in how many homes a newspaper was read each day—was just above 120%. How could the number exceed 100%? Many homes subscribed to two papers—a morning and an evening one.

Part of newspaperboys’ regular duties was to collect by hand, each week or each month, the subscription fees from every home on their route. During World War II, they raised money for the nation’s defense by selling War Bonds and War Stamps as they made their rounds. In appreciation, the U.S. Treasury commissioned a poster featuring a G.I. in combat gear shaking the hand of a newspaperboy. “Thanks Buddy!” the poster proclaimed. “Newspaper Boys have sold over 1¼ billion war savings stamps since Pearl Harbor.”

Some states bestowed an-

nual awards on delivery boys or girls for exemplary work. In Ohio the award was considered so prestigious that it was presented by either the governor or the chief justice of the state supreme court. In 1954 the Bowling Green Sentinel-Tribune explained to its readers that “the newspaperboy completes the job started by the reporter in far-off Asia . . . the photographer in Africa . . . the correspondent in Alaska . . . But the job is a long way from being finished until the newspaper is in your home.”

For some of us who love this business, there is still no sweeter sound than the solid thump of a rolled-up paper hitting the front stoop. The future may be digital, but to that hardworking newspaperboy on the 3-cent stamp, with gratitude and respect across all the years: Here’s to you.

*Mr. Greene’s books include “Late Edition: A Love Story.”*



REVIEW & OUTLOOK

The FTC’s Unholy Antitrust Grail

The Federal Trade Commission on Monday overruled its own in-house judge and ordered gene-sequencing giant Illumina to divest cancer blood-test startup Grail. FTC Chair Lina Khan is showing that the agency’s administrative trials are a sham. Heads the agency wins, tails businesses lose.

A FTC judge in September issued a 203-page opinion rejecting the agency’s complaint that alleged the Grail acquisition would harm potential competitors in the embryonic market for multi-cancer early detection tests. Grail currently has no competitors, and the FTC complaint relies on speculative theories.

Illumina makes the platforms that are used to run Grail and other genetic screening tests. Its scientists developed Grail’s technology before the company spun off the startup in 2016. As the Grail test improved and became commercially viable, Illumina sought to reacquire Grail and closed its acquisition in August 2021.

Grail claims its test can detect the 12 most deadly cancers with 76% accuracy and has a false positive rate of less than 1%. Earlier detection of aggressive cancers could save thousand of lives a year. Illumina says it can bring the test to market faster owing to its relationships with insurers and reduce the price, now about \$949 out of pocket.

But some companies that were interested in buying Grail or that were developing their own cancer tests complained to the FTC that Illumina would thwart rivals. This was the gist of the FTC complaint, which the agency’s in-house judge dismissed after a detailed analysis of the facts. Administrative law judges are rarely so scathing.

“The Clayton Act protects competition, not competitors,” FTC chief administrative law judge D. Michael Chappell wrote, emphasizing that “antitrust theory and speculation cannot trump facts.” He concluded that the FTC had failed to prove its case that Illumina had the ability and incentive to help Grail to the disadvantage of alleged rivals.

The agency overrules its own law judge to block Illumina’s acquisition.

For Illumina to divert sales from multi-cancer early detection rivals to Grail, other “test developers would have to have sales in the first place,” he explained. But none do. He also noted that Illumina had offered a contractual commitment to provide access to its products to all of its future oncology testing customers equivalent to that it provides to Grail.

The FTC commissioners disagreed with the judge 4-0 and ordered Illumina to unwind its Grail acquisition. Republican Commissioner Christine Wilson wrote in a concurrence that she disagreed with some of her colleagues’ legal analysis, but she didn’t believe Illumina had met its burden of proof to show the government’s competition theory was improbable.

Ms. Khan seems to be trying to make an example out of Illumina by ordering the company to pay “transition assistance” to Grail’s next acquirer plus expenses of a government-appointed special monitor to ensure that it complies with the divestiture order. The tacit message to other businesses is don’t dare consummate a merger that the agency challenges.

The FTC could have gone to federal court to try to stop the acquisition. Instead it challenged the deal in its administrative tribunal where it no doubt believed it was more likely to win because it almost always does. Yet after losing, it has now overruled its own judge. What was the purpose of the administrative trial if the FTC could ignore the judge’s findings and do whatever it wants anyway?

That’s a good question for the independent federal courts. Illumina plans to appeal the divestiture order in federal appellate court where it will have the opportunity to raise several constitutional challenges to the FTC’s authority and administrative proceeding that it had earlier raised before the commission. This could get interesting, and the FTC may come to regret its hell-bent effort to stop mergers by whatever means possible.

An Oil Price Warning for Democrats

Oil prices surged 6.3% on Monday, to close to \$85 a barrel on the global market, after a group of Saudi-led producers said they’ll reduce production by a million barrels a day starting in May. That’s another fist bump to the stomach from President Biden’s admirers in Riyadh, and it’s a warning to Democrats in the U.S. of how vulnerable they are to oil producers abroad.

The Organization of the Petroleum Exporting Countries plus Russia already cut oil production by two million barrels a day in October. Monday’s additional reduction took markets by surprise, as the price surge suggests. If it continues, it will complicate decisions by the Federal Reserve and other central bankers trying to get inflation under control.

Not too long ago, before Joe Biden became President, the U.S. produced enough oil to be a price setter in the global market. But Mr. Biden unleashed an assault on U.S. fossil-fuel production that includes permit delays and regula-

Making themselves hostage to the Saudi Crown prince is unwise.

tory hostility that have reduced the incentive to invest in more wells.

Mr. Biden finally approved the Willow project in Alaska last month, though that won’t help in the near term. Mr. Biden tried to reduce prices by tapping the U.S. Strategic Petroleum Reserve, but he doesn’t have too many political tricks left.

Regarding oil prices, Mr. Biden and his party are now hostage to fortune as an election year approaches. A global recession would reduce demand and prices, but that has its own political risks. But if demand and prices surge, consumers paying more to fill up the SUV or truck won’t be happy.

As it happens, House Republicans are offering Democrats a lifeline in the form of H.R.1, the energy bill they passed last week. Mr. Biden is promising a veto, and Democrats may want to filibuster in the Senate. But the better part of political prudence would be to work out a Senate compromise. It’s unwise to count on Saudi Crown Prince Mohammed bin Salman.

Biden’s Hot Air About Spy Balloons

Remember when a Chinese spy balloon flew across the entire continental United States? The Administration is hoping the public has forgotten about the February fiasco, so it’s all the more important to note that the Biden narrative about this spectacle is losing altitude as more details emerge.

Press reports on Monday suggest that the Chinese spy balloon that entered U.S. air space near Alaska on Jan. 28 was able to collect intelligence on American military sites. The balloon was spotted flying in Montana, home to inter-continental ballistic-missile fields. U.S. officials told NBC News that the Beijing blimp could fly in figure-eight pirouettes, lingering over areas of interest. The balloon could pick up electronic signals and transmit information to Beijing in real-time, NBC reports.

This is a Sidewinder missile through the White House-Pentagon talking points at the time, namely that the balloon didn’t present a big intelligence risk and couldn’t suck up better information than Chinese satellites in low-earth orbit. Americans were supposed to believe that China would go through the trouble of building a global balloon flotilla, spotted all over Europe and Asia, for no spying benefit.

The Administration repeated this claim all over town. The Pentagon told reporters on Feb. 2 “that whatever the surveillance payload is on this balloon, it does not create significant value added” over satellites. After President Biden ordered the balloon shot down off the U.S. East Coast, defense officials said on Feb. 4 that the action “further neutralized any intelligence value it could have produced, preventing it from returning” to Beijing.

The balloon carried a payload the size of a regional jet and the news leaks suggest it was capable of self-destructing on command. In other words, America may have been relying on the judgment of the Chinese Communist Party to avoid damage or loss of life on the ground while the balloon was flying over the U.S.

It turns out the blimp was transmitting info to Beijing in real time.

The Biden Team also played up their decision to wait to shoot down the balloon. It wasn’t American hesitation or weakness, they implied, but a chess move to study the Chinese balloon program. The U.S. military “took all necessary steps” to protect against the balloon’s “collection of sensitive information,” and the balloon’s trip was “of intelligence value” to the U.S., the Pentagon said on Feb. 4.

“We tracked it closely, we analyzed its capabilities, and we learned more about how it operates,” President Biden said on Feb. 16. “And because we knew its path, we were able to protect sensitive sites against collection.” This is the same rhetorical jiu jitsu that tried to spin the chaotic U.S. surrender in Afghanistan as a triumph of logistics.

Recall that the Administration went public about the balloon only after civilians in Montana had spotted it. Our guess is that it kept quiet until then because it wanted to keep Secretary of State Antony Blinken’s planned trip to China on course. Once the balloon story broke, Mr. Blinken canceled the trip, and U.S.-China relations have worsened since.

The latest stories make Mr. Biden’s decision to wait to shoot down the balloon look worse, and Congress has an obligation to figure out what American assets may have been compromised by the flyover. Lawmakers have been trying to ferret out a timeline of decisions, to little illumination. The Biden Team has also gone dark on the three “unidentified objects” the U.S. military shot down shortly after the balloon, perhaps because they overreacted and shot down hobby aircraft.

The Biden Administration may insist that the intelligence Beijing gleaned wasn’t that valuable, but voters can fairly conclude the President isn’t leveling with them. This has become a pattern with Team Biden, and it’s undermining the bipartisan support the President needs to conduct foreign policy in an increasingly dangerous world.

LETTERS TO THE EDITOR

America Could Use a Ford to Trump’s Nixon

Regarding your editorial “Pandora’s Trump Prosecution” (March 31): President Lyndon Johnson famously disparaged then-Rep. Gerald Ford by declaring that Ford couldn’t walk and chew gum at the same time. But shortly after becoming president, Ford announced a historic decision for which he took exclusive personal responsibility. It was a decision that temporarily angered many and may have cost Ford in the following presidential race. But it turned out to be the wise course for America.

Ford pardoned former President Richard Nixon because, he foresaw in a dramatic public statement almost 50 years ago, that if Nixon were criminally prosecuted, “ugly passions would again be aroused,” Americans “would again be polarized in their opinions,” and “the credibility of our free institutions of government would again be challenged at home and abroad.”

Loyal Americans can debate whether President Trump violated New York, Georgia or federal law. The answer is far less certain than whether Richard Nixon committed a federal crime by encouraging and participating in the Watergate conspiracy that resulted in prison terms for his attorney general and theretofore respected top White House personnel. But Ford knew and sagely concluded, in a determination that he said was

solely his to make, that criminal prosecution of a former president would tear the country apart and endanger basic American values.

Mr. Trump is the target of state investigations as well as the special counsel’s federal inquiry. Consequently, a presidential pardon wouldn’t legally foreclose all potential prosecutions, including the charges filed in New York. But Ford’s guidance should be followed by those who now exercise the authority to initiate legal proceedings to criminalize the conduct of a president.

NATHAN LEWIN  
Potomac, Md.  
Mr. Lewin, a Washington lawyer, represented Nixon in the Supreme Court.

For years now, Democrats and their coat holders in the media have positioned themselves as champions of American democracy and its cherished norms. But Manhattan District Attorney Alvin Bragg’s indictment of Mr. Trump reveals that Democrats are more an offender of these things than a defender. This politically motivated stunt is but the latest proof that the greatest threats to our democracy, norms and institutions have come not from the rise of Mr. Trump, but rather the response to it.

MICHAEL J. DiSTEFANO  
Jamestown, R.I.

A Problem Too Deep for Gun Control to Solve

Growing up in the white collar, commuter suburbs of Chicago in the 1950s and early ‘60s, guns were a common and accepted thing (“The Heroes of Nashville,” Review & Outlook, March 30). It was normal to walk into a friend’s house and see shotguns and rifles racked on the wall in the den, and it seemed that every other house had a World War II surplus M-1, Lee-Enfield, Mosin-Nagant or some other real “weapon of war” in the closet.

I learned to shoot in high school. There were no background checks, waiting periods or licensing requirements. People, at least in the rural areas, where pickup trucks were a working vehicle and had not yet become a fashion statement, routinely drove around with a rifle and shotgun racked up in the back of their truck without worrying about them being stolen.

Mass shootings, school shootings

and teenagers shooting up the shopping center were unheard of. Homicide rates were stable and low. Then it all started to change in the late 1960s and ‘70s. Shootings increased and with that came more gun control. Nevertheless, even more gruesome shootings followed. Somewhere along the line, the soul of America had sickened. Some people decided that the solution to their problem, whatever it might be, was to go out and shoot someone.

Until we can figure out a way, as individuals and as a society, to purge this sickness from our hearts and the soul of America, the shootings will continue—regardless of all the mobbing of state capitals, demanding action on the flavor-of-the-month idea for gun control.

DAVID GELLATLY  
Winston-Salem, N.C.

Children Can Be Made Safe in Troubled Homes

For nearly a decade, I represented children and parents ensnared by the “child welfare” system. I saw how it harms children more than it helps them. In their narrow comparison of the dangers posed to children by abusive parents and indefinite stays in foster care, Sarah Font and Naomi Schaefer Riley minimize the lifelong trauma that many children endure as a result of family separation, even stays of less than 30 days in foster care (“Foster Kids Need Permanent

Homes,” Review, March 25). They also fail to acknowledge the gross racial disparities in foster care, or the way the Adoption and Safe Families Act has been used disproportionately as a tool for the destruction of black and brown families, depriving more than two million loving parents who would never harm their children from maintaining any kind of relationship.

Studies have consistently found that, with rational interventions, the great majority of children in foster care could remain safely at home. Our blindness to this reality reflects longstanding, unquestioned assumptions about what is best for children.

PROF. LAURA MATTHEWS-JOLLY  
North Carolina Central University  
Durham, N.C.

My Child’s Gender Transition

In “Some Crazy Ideas Are Deadly Serious” (March, 28), Prof. J. Budziszewski refers to my adolescent child’s transition from female to male as surgical disfigurement and hormonal malpractice. I experienced the process differently. This long and difficult decision was made after in-depth consultations that included me, my child, his mother, his pediatrician, an internist, a surgeon and two clinical psychologists. Thankfully, my son is happier in his revised body and his new role in society.

I am grateful we were not compelled to include state lawmakers and Mr. Budziszewski in our heart-wrenching decision, despite their high moral intentions.

SAMUEL METZ, M.D.  
Portland, Ore.

Gratuitous Violence? The Films Aren’t Making It Up

James McElligott makes a fine point about movies, comics and videogames that are filled with gratuitous violence, and he castigates your film reviewer, Kyle Smith, for failing to denounce such “nonchalant killing” and “fantasy butchery” (Letters, March 30). Yet this indignation is misplaced, for the real world is much more violent.

In our own time, Russian and Ukrainian soldiers are dying by the thousands. Bloody, intractable conflicts rage in Syria, Yemen and Libya. A mercurial North Korean dictator appears to be itching for a nuclear confrontation. Closer to home, defenseless children are riddled with bullets in school shootings that by now seem almost routine. Threats of war loom constantly over the globe. The list goes on.

The horrors and violence of the world are real. Movies are make-believe. Let’s give the film critics a break.

NATHANIEL NORMAN  
New York

Legal Norms Fall One by One

I have watched the video of the disrespectful Stanford Law students (Letters, March 28), considered by many to be our “best and brightest,” and the Stanford diversity dean’s hectoring comments directed at the federal judge, an invited guest speaker. It is no longer surprising to me that a historically unprecedented leak of a Supreme Court justice’s draft opinion occurred prior to a final decision as an intimidation tactic.

LAWRENCE J. VOCKE  
Napoleon, Ohio

Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Pepper ... And Salt

THE WALL STREET JOURNAL



“You know you’re having a bad date when the Maitre D’ wraps crime scene tape around your table.”







# SHAPE UP YOUR YARD

**Save now on battery power from STIHL**  
Put the finishing touches on a job well done with the lightweight, easy-to-use FSA 57 featuring low noise and zero exhaust emissions.

**SAVE \$50** ON FSA 57 BATTERY TRIMMER SETS



**NOW ONLY \$149.99** With AK 10 Battery and AL 101 Charger

Real STIHL. Find yours at **STIHLUSA.COM**  
Was \$199.99 MSRP. Offer valid for a limited time only at participating dealers while supplies last. ©2023 STIHL 23STWF6





# BUSINESS & FINANCE

## FTC Rejects Illumina-Grail Deal

Agency says \$7 billion combination would hurt competition for cancer-detection tests

By PETER LOFTUS  
AND JONATHAN D. ROCKOFF

The Federal Trade Commission rejected Illumina Inc.'s \$7 billion deal for cancer-test developer Grail Inc., a fresh sign the commission wants to take a more aggressive stance toward deal making.

The FTC on Monday reversed the ruling of an administrative law judge and ordered Illumina to unwind the merger, which the company has promised will usher in a new frontier of diagnostic medicine but the commission said would stifle innovation.

All the commission's members voted in support of the decision, including its sole Republican member.

Now the dispute and its ramifications for the Biden administration's efforts to beef up antitrust enforcement will head

to the courts, which could be more open to greenlighting the combination.

Illumina said it would appeal the FTC's decision to a federal court, and it expects the FTC's order to be delayed pending the appeal.

The favorable ruling of the FTC's in-house administrative law judge could bolster Illumina's prospects before the appeals court, but the commission's unanimous vote might sway the court, antitrust law experts said.

What the commission's deci-

sion to override an administrative law judge's ruling reinforces, the experts said, is the government's growing willingness to block mergers and order breakups of monopolies to promote competition.

"I think it's a sign they haven't abandoned that more pro-enforcement agenda," said Rebecca Haw Allensworth, an antitrust professor at Vanderbilt Law School in Nashville, Tenn.

Like the administrative law judge, she said, the appeals court could take the view that a

company can address antitrust concerns through behavioral remedies, like Illumina's promise not to disadvantage Grail's competitors.

Illumina said a court could rule on its appeal at the end of this year or early next year.

At issue is an important and emerging field in medicine—the use of sophisticated tests to diagnose disease before it gets too late to treat—as well as the Biden administration's efforts to police mergers more tightly.

Grail's cancer-detection  
*Please turn to page B5*

## Disney's Iger Hits Back at DeSantis

By ROBBIE WHELAN  
AND ARIAN CAMPO-FLORES

Walt Disney Co. Chief Executive Robert Iger called Florida's actions against Disney over the past year "antibusiness" and "anti-Florida" in his first in-depth comments about the company's ongoing battle with Gov. Ron DeSantis.

"While the company may have not handled the position that it took very well, a company has the right to freedom of speech just like individuals do," Mr. Iger said at Disney's annual meeting of shareholders, in response to a question about the dispute.

The two sides have been clashing since Disney's decision in early 2022 to publicly oppose the Parental Rights in Education bill, a measure that prohibits classroom instruction on gender and sexuality for young elementary school students.

In response, Mr. DeSantis called Disney a "woke corporation" that is out of step with the concerns of Florida parents. He announced a special session last spring of the Florida legislature to strip Disney of the power to effectively govern the special tax district that includes Walt Disney World, known as Reedy Creek.

In February, the Republican governor appointed a new board to oversee the land. Disney circumvented some of the moves by locking in land-use approvals for 30 years that will allow the company to expand its theme parks and hotels without relying on the newly appointed board for permissions.

On Monday, at his first shareholder meeting since re-

*Please turn to page B2*

## S&P's Resilience Amid Turmoil Is Due to Tech

By HARDIKA SINGH

Big technology stocks are back in the market's drivers seat.

The S&P 500 has gained 3.3% since March 8 when trouble began brewing ahead of the collapse of Silicon Valley Bank. That is largely thanks to a big rally in the index's information-technology and communications-services groups.

In fact, Microsoft Corp. and Apple Inc. together contributed more points to the benchmark's advance in March than all the financial stocks in the index have subtracted, S&P Dow Jones Indices data show.

That is partly because the S&P 500 is weighted by market cap. The five biggest companies account for roughly 23% of the index, so they have the greatest influence over its direction.

The S&P 500's tech sector, which is home to Microsoft and Apple, has climbed 7.9% since

the start of the banking crisis, while the communications segment that houses the parent companies of Google and Facebook is up 8.7%.

Beneath the market's surface, things don't look as rosy.

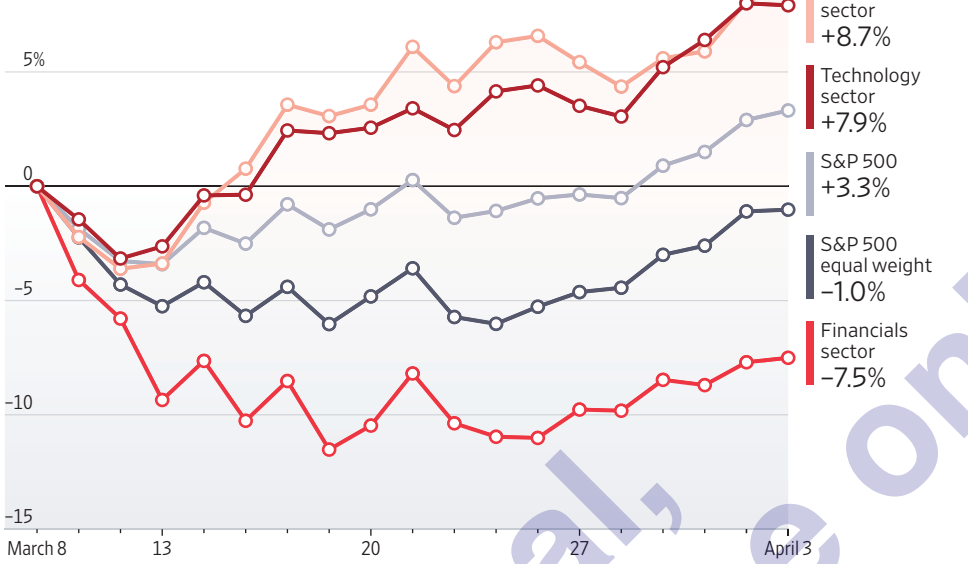
An equal-weighted version of the S&P 500 that gives the same status to small and large companies is down 1% over the same period. Meanwhile, a widely followed technical indicator for market breadth recently hit a level not seen since July 2021. The share of S&P 500 stocks closing below their 200-day moving averages fell to about 45% on Friday, according to Dow Jones Market Data.

The market's resilience has surprised some investors, especially when there is still uncertainty about whether the banking crisis has been fully contained.

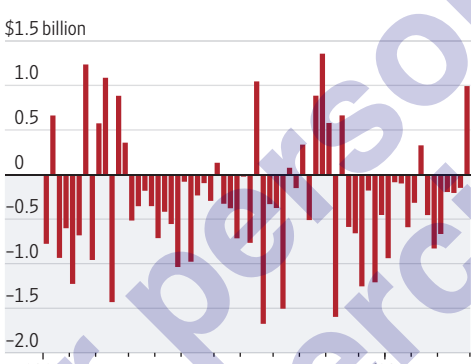
*Please turn to page B10*

◆ Dow, S&P rise, while tech-heavy Nasdaq falls..... B10

Index and sector performance since the start of the banking turmoil



Net flows into tech equities mutual and exchange-traded funds, weekly



Technology stocks weighting in the S&P 500 index, monthly



Sources: FactSet (performance); Refinitiv Lipper (net flows); WisdomTree, FactSet (technology stocks weighting)

### INSIDE



**BUSINESS NEWS**  
Extra Space Storage to combine with Life Storage in \$12.7 billion deal. **B3**



**HEARD ON THE STREET**  
Micron suffers blow as China presses chip war against U.S. **B11**

## U.S. Sues Activision Over Esports Leagues

By DENNY JACOB

The U.S. Justice Department on Monday said it filed an antitrust lawsuit against Activision Blizzard Inc. alleging that the company imposed rules that limited competition for players in two of its videogame franchises' professional esports league and suppressed wages for players in those leagues.

The department said its complaint alleges that in two of the esports leagues owned by the videogame company,

Activision and the independently-owned teams in each league implemented a so-called Competitive Balance Tax.

The tax was structured to penalize teams in the "Overwatch" and "Call of Duty" leagues if a team's player compensation exceeded a threshold set by Activision, the complaint alleges.

The Justice Department's

*Please turn to page B2*

◆ Heard on the Street: Deal enters bonus round phase.. **B11**

## Glencore's \$23 Billion Bid Is Rebuffed By Canadian Miner Teck Resources

By JULIE STEINBERG  
AND VIPAL MONGA

Glencore PLC's around \$23 billion bid for Canadian miner Teck Resources Ltd. marks the Swiss-based commodity company's return to big deal making, potentially creating a copper giant that can capitalize on the rush for energy transition metals.

Teck rejected the offer on Monday, which would be one of the largest mining deals in several years, and the family that holds a third of the Canadian company's voting shares said it won't back Glencore's deal.

Teck has a large portfolio of copper, and Glencore, which has shied away from acquisitions since being hit by several high-profile regulatory probes, has positioned itself as one of the biggest suppliers of resources critical for electric vehicles and clean energy storage.

Teck, one of Canada's last significant mining companies, said that Glencore offered 7.78 Glencore shares for each Teck Class B subordinate voting share and 12.73 shares for



In February, Teck said it would spin off its steelmaking coal business to shareholders.

each Teck Class A common share, representing a 20% premium for both share classes.

Glencore Chief Executive Gary Nagle said the combination would create a leading player in cobalt and copper, crucial for the transition to less polluting forms of energy. "This is a merger between two

great mining companies," Mr. Nagle said on a conference call.

Copper, cobalt and other transition minerals are used in the batteries that power electric vehicles and in wider energy storage and transmission.

A combined company would be the third-largest copper

producer in the world, behind only Arizona-based Freeport-McMoRan Inc. and Chile's state-owned miner, Codelco, Mr. Nagle said.

Teck said it rejected the all-share offer because it would expose its shareholders to Glencore's large thermal coal

*Please turn to page B2*



MAXIMIZE  
WAREHOUSE  
PRODUCTIVITY  
WITH AUTOMATION

[interlakemecalux.com](http://interlakemecalux.com) | (877) 632-2589





INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

<b>A</b>	Ford Motor.....A2	Palette Life Sciences..B5
Activision Blizzard.....B1,B11	<b>G</b>	Pilgrim's Pride.....B3
Amazon.com.....B5	General Motors...A1,B10	Public Storage.....B3
Apple.....B1	Glencore.....B1	Rivian Automotive...B10
<b>B</b>	Goldman Sachs.....B5	
Binance.....B10	Grail.....B1	<b>S</b>
Boeing.....A4	<b>H</b>	Samsung ElectronicsB11
BYD.....B11	Honda Motor.....A2	Shopify.....B5
	Humana.....B10	SK Hynix.....B11
	Hyundai Motor.....A1	Sony.....B11
<b>C</b>	<b>I</b>	Stellantis.....A2
Caris Life Sciences....B5	Illumina.....B1	<b>T</b>
Catalio Capital Management.....B5	<b>K</b>	Teck Resources.....B1
Charles Schwab.....B10	KeyCorp.....B10	Tesla.....A2,B3,B10,B11
Chevron.....B10	Klaviyo.....B5	Toyota Motor.....A2,B11
Cigna.....B10	Krispy Krunchy Foods.B3	Tyson Foods.....B3
CMC.....B5	<b>L</b>	<b>U - Z</b>
Codelco.....B1	Life Storage.....B3	UnitedHealth.....B10
Comerica.....B10	<b>M - R</b>	Walmart.....B5
Crutchfield.....B5	McDonald's.....B2	Walt Disney.....B1
<b>E - F</b>	Micron Technology...B11	Wayne-Sanderson Farms.....B3
Elevance Health.....B10	Microsoft.....B1,B11	World Wrestling Entertainment.....B3
Eli Lilly.....A1	Nissan Motor.....A2	Yangtze Memory Technologies.....B11
Endeavor.....B3	Nvidia.....B11	Yum Brands.....B3
Extra Space Storage...B3	OrbiMed Advisors.....B5	Zions Bancorp.....B10
Exxon Mobil.....B10	Packsize InternationalB5	
First Republic Bank..B10		

INDEX TO PEOPLE

<b>B</b>	Horsnell, Paul.....A10	<b>R</b>
Bazinet, Jason.....B11	<b>I</b>	Ragan, James.....B10
Bialecki, Andrew.....B5	Icahn, Carl.....B5	Rats, Martijn.....A10
Blake, John.....B5	Iger, Robert.....B1	Ricks, David.....A12
<b>C</b>	<b>K</b>	Rizzo, Matthew.....B5
Cathy, Andrew.....B3	Kaneva, Natasha.....A10	Roberts, Huw.....B10
<b>E</b>	Keevil, Norman.....B2	<b>S</b>
Emanuel, Ari.....B3	<b>L</b>	Saffire, Joseph.....B3
<b>F</b>	Lindner, Pat.....B5	Schwartz, Jeremy....B10
Filip, Luc.....B10	<b>M</b>	Shapiro, Dan.....B3
<b>G - H</b>	Margolis, Joseph.....B3	Shapiro, Mark.....B3
Giambone, Mark.....B10	McMahon, Vince.....B3	Spreng, David.....B5
Gabel, Jonathan.....B10	<b>N - P</b>	<b>W</b>
Groseclose, Chris.....B5	Nagle, Gary.....B1	Wowkodaw, Orest.....B2
Hallen, Ed.....B5	Neild, Carter.....B5	<b>Z</b>
Hollis, Jack.....A2	Petrocheilos, George..B5	Zhao, Changpeng.....B10

BUSINESS & FINANCE

Disney's Iger Hits DeSantis

Continued from page B1

turning to the CEO's chair in November, Mr. Iger described Mr. DeSantis's moves as retaliation for Disney taking a political position with which the governor disagreed.

"The governor got very angry about the position Disney took, and it seems like he's decided to retaliate against us, including the naming of a new board to oversee the property and the business," he said. "In effect, it seems, to punish a company for its exercise of a constitutional right. And that just seems really wrong to me."

A spokeswoman for Mr. DeSantis said, "While a company has First Amendment rights, it does not have the right to run its own government and operate outside the bounds of Florida law."

Mr. DeSantis's efforts to strip Disney of power at Reedy Creek could make it harder for the company to expand Walt Disney World.

The resort includes four major theme parks and thousands of hotel rooms, and a master plan for the land approved last year allows Disney to add one



The Florida governor seeks to probe Disney for circumventing his moves at oversight of the company.

more major theme park and two more minor theme parks, such as water parks.

Disney employs more than 75,000 people in Florida, and according to Mr. Iger, is the state's biggest taxpayer.

Mr. Iger on Monday said Disney plans to invest about \$17 billion in Walt Disney World over the next decade, and that those investments will create 13,000 direct jobs and thousands of new indirect jobs. The CEO said the investments will attract more visitors and increase tax revenue.

"Any action that thwarts those efforts, simply to retaliate for a position the company took, sounds not just antibusiness, but it sounds anti-Florida," Mr. Iger said.

Earlier Monday, ahead of the Disney shareholders' meeting, Mr. DeSantis sent a letter to the state's chief inspector general, Melinda Miguel, requesting that she—in consultation with the Florida Department of Law Enforcement—launch an investigation of the former Reedy Creek board's recent actions in striking agreements with Disney.

In the letter, Mr. DeSantis wrote, "These collusive and self-dealing arrangements aim to nullify the recently passed legislation, undercut Florida's legislative process, and defy the will of Floridians."

He added that the Reedy Creek board's actions "appear to suffer from serious legal infirmities, including, among other things, inadequate notice, lack of consideration, improper delegation of authority, and ethical violations."

Legal observers have said that Disney appears to have followed the law in gaining the approvals for future expansions of Walt Disney World. The approvals were done by vote at a public hearing that was twice advertised in notices in the Orlando Sentinel newspaper, the observers said.

# McDonald's Starts Layoffs

By HEATHER HADDON

McDonald's Corp. temporarily closed its U.S. offices this week and has started informing corporate employees about layoffs being made by as part of a company restructuring.

Some McDonald's workers began to hear about the fate of their jobs on Monday. The company's corporate vice president of insurance said he was informed Monday that his position was being eliminated and he was leaving the company after 20 years, he said in an email to colleagues that was viewed by The Wall Street Journal.

McDonald's was laying off hundreds of corporate employees this week, according to people familiar with McDonald's plan.

The Chicago fast-food chain said in an internal email last week to U.S. employees and some international staff that

they should work from home from Monday through Wednesday so it can deliver staffing decisions virtually. The company asked employees to cancel all in-person meetings with vendors and other outside parties at its headquarters.

"During the week of April 3, we will communicate key decisions related to roles and staffing levels across the organization," the company said in the message viewed by the Journal.

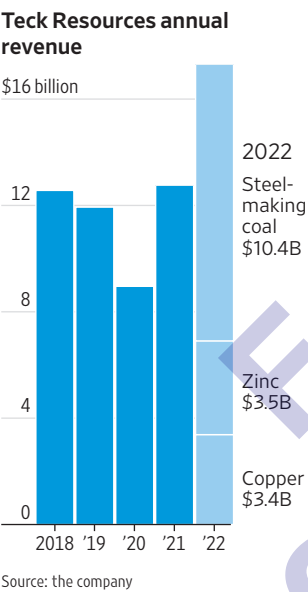
# Glencore Offer Is Rejected

Continued from page B1

business, oil trading and increase the risk of operating in difficult jurisdictions. In recent years, large mining companies have sought to dispose of their exposure to coal amid pressure from investors. In February, Teck said it would spin off its steelmaking coal business to shareholders, creating two independent companies which would focus on base-metals production and coal, respectively. Shareholders will vote on that plan on April 26.

Glencore was one of the few major resource firms to stick with its coal business. The company said that its plan is to combine with Teck and create two separate companies for their merged metals and coal business. That would create "a world-class standalone base metals business with a diversified portfolio and a leading position in the critical minerals required for the energy transition," it said in a statement.

Glencore has faced a series of regulatory probes in the U.S., Europe and Brazil into allegations of bribing foreign officials and manipulation of fuel-oil prices. The company has mainly settled these probes, with corporate units paying in May last year about \$700 million to resolve a U.S. Justice Department foreign-bribery investigation and \$485 million to settle U.S. criminal and civil investigations into manipulation of fuel-oil prices. Last November, it paid \$320 million to resolve U.K. charges that it bribed officials in West Africa for preferential access



to crude oil.

The company's shares have almost tripled in the last three years as prices of the metals and coal it mines have risen and, more recently, as several of the biggest regulatory probes ended.

The Keevil family, which, along with SMM Resources Inc., a unit of Sumitomo Metal Mining Co., holds 44% of Teck's voting power through the company's supervoting

# 19%

Rise in Teck's stock Monday on the New York Stock Exchange

Class A shares, has come out against Glencore's bid. "I remain fully committed to Teck's proposed transaction to create two world-class, well-focused, independent companies and I unequivocally support the Board's decision to reject Glencore's unsolicited offer to acquire Teck," said Norman Keevil, Teck's chairman emeritus.

# Activision Sued Over Esports

Continued from page B1

antitrust division said it filed a proposed consent decree that, if approved, would prohibit Activision from imposing any rule

that would limit player compensation in any of its professional esports leagues or that would tax, fine or otherwise penalize any team for exceeding a certain amount of compensation for its players, among other measures.

"Professional esports players—like all workers—deserve the benefits of competition for their services. Activision's conduct prevented that from happening," said Assistant Attorney General Jonathan Kanter

of the department's antitrust division.


Activision said, "We have always believed, and still believe, that the Competitive Balance Tax was lawful, and it did not have an adverse impact on player salaries. The tax was never levied, and the leagues voluntarily dropped it from our rules in 2021."

The complaint was filed Monday in the U.S. District Court for the District of Columbia.


How much interest is your broker paying you?

IBKR pays up to USD 4.33% on instantly available cash in your brokerage account

Broker	Interest Rate
● Interactive Brokers	4.33% <sup>1</sup>
○ E-Trade	0.01%
○ Fidelity	2.32%
○ Schwab	0.45%
○ TD Ameritrade	0.35%



ibkr.com/instant



Member NYSE, FINRA, SIPC. Supporting documentation for any claims and statistical information will be provided upon request. Competitor rates and offers subject to change without notice. Services vary by firm. [1] Rate shown applies to IBKR Pro clients only. Long-settled cash balances held in the securities segment of accounts with NAV>100k earn the stated interest rate 3/24/2023 and those with NAV<100k earn a proportional rate. Cash held in the commodities segment of an account does not earn interest. For more information, see [ibkr.com/interestpaid](http://ibkr.com/interestpaid)

03-IB23-1608



BUSINESS NEWS

# WWE, UFC Join Forces In New Firm

Endeavor, parent of martial-arts league, to hold 51% stake, while its CEO adds top job

By DEAN SEAL

World Wrestling Entertainment Inc. and Endeavor Group Holdings Inc. agreed to form a new parent company that combines professional wrestling with the mixed martial arts league Ultimate Fighting Championship under one roof.

The two companies said Monday that Endeavor will hold a 51% controlling interest in their newly formed, publicly traded entity, with WWE owning the remaining 49%.

The deal, which was earlier reported by CNBC and then The Wall Street Journal on Sunday, gives UFC an enterprise value of \$12.1 billion and WWE an enterprise value of \$9.3 billion.

The companies said they would each contribute cash to the new venture so that it holds about \$150 million, with all excess cash being swept to UFC when the deal closes.

WWE shareholders will roll their existing equity into the yet-to-be-named new entity, which will serve as a parent company for UFC and WWE and be listed under the ticker symbol “TKO” on the New York Stock Exchange.

The deal has been unanimously approved by the directors of both companies and is

expected to close in the second half of 2023.

Endeavor Chief Executive Officer Ari Emanuel will serve as chief executive of the new parent company while maintaining his role at Endeavor. Vince McMahon, WWE’s majority owner and former CEO, is slated to be named executive chairman.

Talks between the two sides started in early January when WWE opened the formal process for a potential sale, according to Mark Shapiro, the president and chief operating officer of Endeavor. Mr. Shapiro is set to assume those same roles at the newly formed company.

Mr. Shapiro said Endeavor had expressed some interest in WWE’s business over the years, noting that the Endeavor-owned Hollywood talent agency WME has represented the wrestling giant for more than two decades.

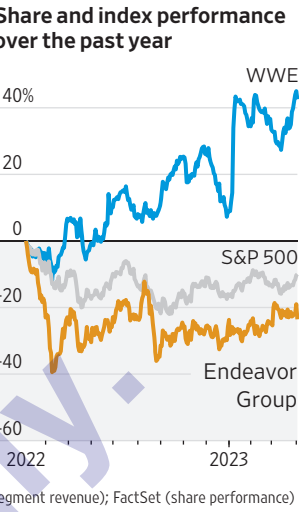
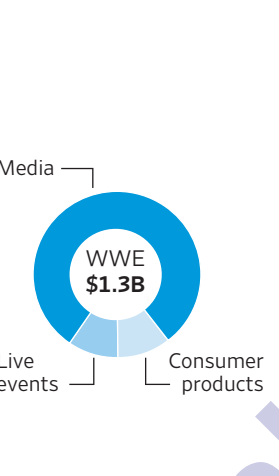
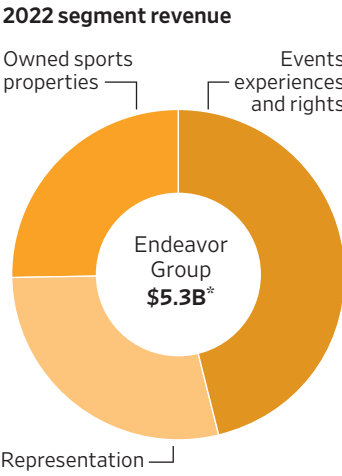
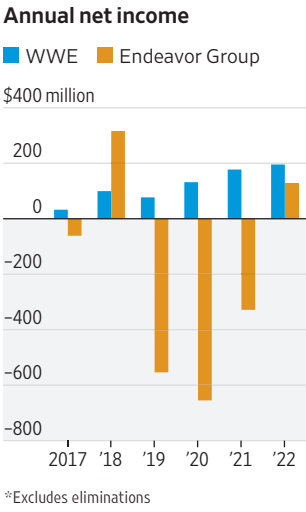
“We have always casually mentioned how much value we felt we could inject into WWE if they were in our portfolio, but it was always fun and very casual,” Mr. Shapiro said. “Once the process started, that became a serious conversation.”

The transaction arrives less than a year after Mr. McMahon briefly left the company following a series of articles in the Journal that detailed payments he had made for decades to suppress allegations of sexual misconduct.

The revelations and subsequent findings of a WWE



The new entity would be parent to both the wrestling and MMA companies. A UFC event in October, won by Manon Fiorot, right.



board investigation led to Mr. McMahon’s retirement after 40 years, but he returned in January to pursue a sale, the Journal previously reported.

In addition to its high-grossing UFC brand, Endeavor owns Euroleague and Professional Bull Riders, and its live-

events arm is involved in hundreds of gatherings annually. The company also manages talent through subsidiaries such as WME and IMG Models.

The expansion has taken a company once best known for representing A-list talent, such as Mark Wahlberg, into far-

flung ventures. Originally founded as the William Morris Agency in the late 1800s to represent the likes of Charlie Chaplin, Endeavor today has seen much of its growth come from business conducted outside of Hollywood. Today its operations dwarf those of its

main rival, Creative Artists Agency, which has taken to pitching itself as a company more focused on the careers of its own A-list clients.

WWE shares slipped 2.15% in Monday trading to \$89.30. Endeavor shares declined 5.9% to \$22.52.



A deal would create the largest U.S. storage operator by locations.

# Extra Space, Life Storage to Merge

By LAUREN THOMAS

Extra Space Storage Inc. struck a \$12.7 billion deal to combine with smaller rival Life Storage Inc., which earlier rejected a bid from industry behemoth Public Storage, executives from the companies said.

Life Storage stockholders are set to receive 0.8950 of an Extra Space share for each share they own, or \$145.82, the companies said Monday. That is more than 30% above Life Storage’s stock price before The Wall Street Journal reported in early February that Public Storage had made an unsolicited offer for the company. Life Storage stock closed Friday at \$131.09, giving the company a market value of \$11.2 billion.

Extra Space shares closed Friday at \$162.93, giving the company a market capitalization of about \$22 billion. Its shareholders are expected to own roughly 65% of the combined company when the transaction closes.

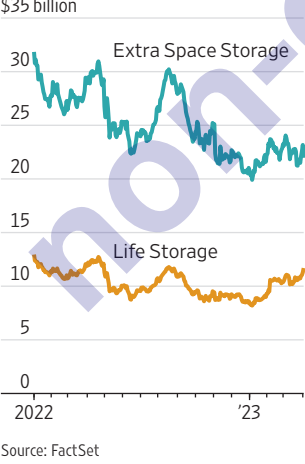
Public Storage, currently the largest storage operator in the country, had bid \$129 a share for Life Storage, which said the offer “significantly” undervalued the business.

A deal between Extra Space and Life Storage would create the largest storage-facility operator in the country by number of locations, according to the companies. Including debt, the combined company would have an enterprise value of roughly \$47 billion.

The combination would increase Extra Space’s storage portfolio by more than 50% by adding roughly 1,200 properties. The combined company, a real-estate investment trust, would have more than 3,500 locations spanning over 264 million square feet.

“This is an industry where scale really matters,” Extra Space Chief Executive Joseph

Market capitalization



Margolis said in an interview Sunday.

Extra Space’s board will expand to 12 directors from 10, with three members from Life Storage including CEO Joseph Saffire, who has been at the helm of the company since March 2019. “We’ve been really fierce competitors, but together we’re going to be a lot better,” Mr. Saffire said.

Self-storage stocks in the U.S. scored big gains after the onset of the Covid-19 pandemic, as some Americans spent time cleaning out their homes and garages while others packed up and relocated to temporary get-aways thanks to new work-from-home flexibility. More recently, the stocks have given back some of those gains.

Life Storage was originally a financial-planning firm when it was founded in 1982, opening its first self-storage facility in Florida in 1985. The Buffalo, N.Y., company operated under the brand Uncle Bob’s Self Storage until rebranding to Life Storage in 2017, according to its website.

# Chicken-Sandwich Demand Creates Mismatch on Supply of Small Birds

By PATRICK THOMAS AND HEATHER HADDON

The growing popularity of crispy chicken sandwiches has left restaurants chasing a relatively rare bird: small chickens.

Restaurant companies, including KFC and Chick-fil-A Inc., have come to prize chickens that weigh about 4 pounds, a slimmer bird than the big-breasted varieties that have come to dominate the U.S. chicken industry.

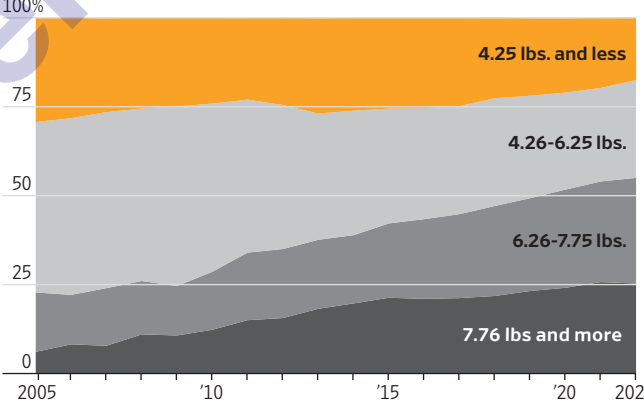
Some fast-food chain executives say the smaller-size birds that are often used for sandwiches and chicken-on-the-bone offerings are more tender and flavorful than their bigger counterparts. Chick-fil-A, the biggest U.S. chicken chain by sales, has long relied on small birds for its sandwiches.

However, rising demand from restaurants and places like convenience stores—coupled with chicken companies’ focus on more profitable big birds—is driving up costs for restaurant operators.

“It just became much tougher for us to find that small bird,” said Dan Shapiro, chief executive of food-service chain Krispy Krunchy Foods. The company sells small-bird products at roughly 2,700 convenience stores and some stadium concession stands in the U.S.

KFC, the second-biggest U.S. chicken chain by sales, said in internal messages to U.S. franchise owners earlier this year that it expected fresh chicken on-the-bone used for the chain’s buckets to drive cost increases

Percentage of chickens slaughtered, by weight\*



for franchisees this year. The company, owned by Yum Brands Inc., said contributing to the supply imbalance were poultry producers converting plants to handle larger-size birds, instead of the smaller varieties used for KFC’s fresh poultry orders.

“This shift in supply has put pressure on both product availability to support our business as well as product cost,” KFC’s supply cooperative said in a message to operators in March.

A KFC spokeswoman said the chain was confident its suppliers would meet its demand for chicken. Chick-fil-A Chief Executive Andrew Cathy said earlier this year that it had adequate supply of small birds and expected that to remain so in the future.

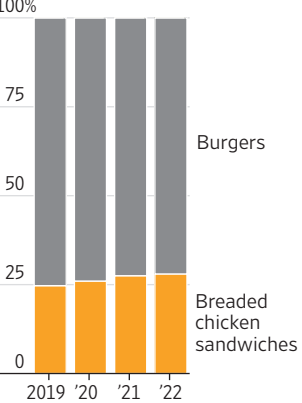
KFC said it was in discus-

sions with its suppliers to help meet its chicken on-the-bone needs though the chain recently approved use of a slightly larger bird in several markets across the country because of costs and short supplies of smaller birds.

Chicken suppliers such as Tyson Foods Inc., Pilgrim’s Pride Corp. and Wayne-Sanderson Farms, have been hesitant to produce the smaller chicken over the years because the birds are less profitable than larger ones that produce more meat per bird, according to poultry executives and industry analysts.

The costs to produce a 4-pound bird and an 8-pound bird are similar, but when chicken prices go up, the larger, meatier bird is more lucrative for processors, said Tom Elam, president of

Chicken sandwiches vs. burgers served at restaurants†



FarmEcon LLC, an agricultural consulting firm.

The number of small chickens slaughtered weekly is down from nearly 30% of the market in 2005 to about 15% in 2023, according to U.S. Agriculture Department data.

Chicken meat generally was in short supply coming out of the pandemic, as demand outpaced production across the industry, sending prices soaring. In recent months, meatpackers staffed up processing lines, and prices have fallen for the more widely produced big birds.

While Krispy Krunchy hasn’t had shortages yet, Mr. Shapiro said he was concerned that in a few years the large chicken chains will hog the tight supply of small birds. Mr. Shapiro said the company is exploring different alternatives for the small bird meat.

# Jury Cuts Award to Black Ex-Worker at Tesla

By REBECCA ELLIOTT

SAN FRANCISCO—Tesla Inc. secured a financial reprieve when a jury ordered the company to pay more than \$3 million to a Black former worker in a racial-harassment case, a fraction of the payout the company initially owed.

It was the second time in as many years that the case was presented to a federal jury here.

In 2021, a jury found Elon Musk’s electric-vehicle maker liable for subjecting the former factory worker to a racially hostile work environment and failing to prevent

racial harassment.

That jury awarded the former worker, Owen Diaz, \$137 million in damages. Mr. Diaz was an elevator operator at Tesla’s Fremont, Calif., factory in 2015 and 2016.

U.S. District Judge William Orrick cut that award last year to \$15 million, calling the original damages excessive. Mr. Diaz rejected that reduced award.

Jurors in the second trial were asked to assume Tesla is liable and assess how much the company should pay in damages.

The eight-person jury on Monday ordered Tesla to pay

Mr. Diaz \$175,000 in compensatory damages and \$3 million in punitive damages.

Alex Spiro, an attorney for Tesla, declined to comment on the verdict, as did the company’s general counsel.

Attorneys for Mr. Diaz expressed disappointment with the outcome. “I don’t think that the truth drove the decisions here. I think it was a show whereby Mr. Diaz was attacked and his credibility was questioned,” said Larry Organ, one of the plaintiff’s attorneys.

Mr. Diaz’s attorneys have asked Judge Orrick to declare a mistrial, saying Tesla im-

properly sought to introduce evidence that prejudiced the jury against Mr. Diaz.

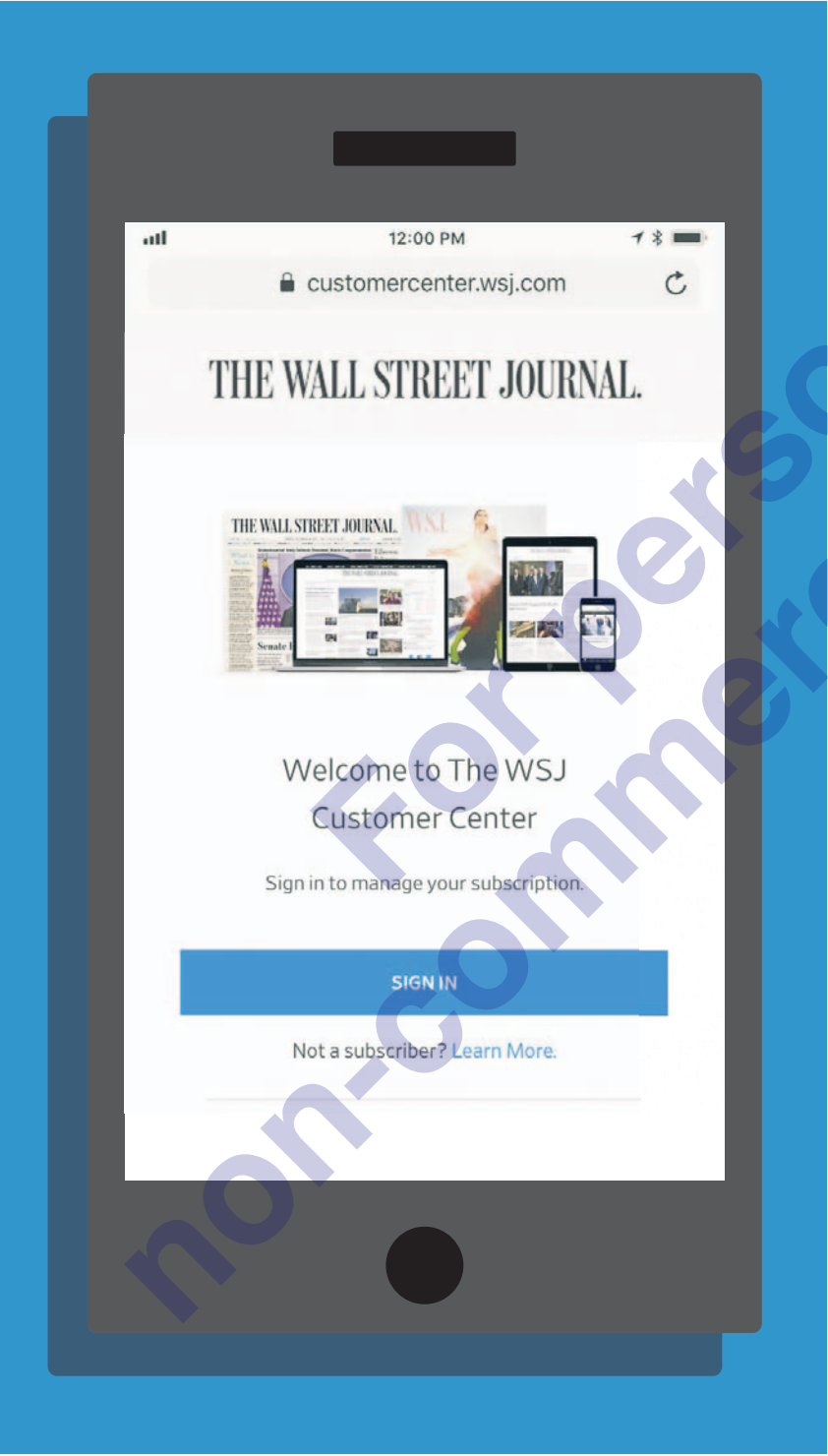
Bernard Alexander, another attorney for Mr. Diaz, asked jurors last week to award more than \$8 million in compensatory damages and some \$150 million in punitive damages. “If Tesla refuses to protect Black employees inside the workplace, then it is unsafe for them,” Mr. Alexander said in his closing statement.

Mr. Spiro called that damages request “unwedded to law” and accused Mr. Diaz of lying repeatedly. “Justice is not lying to get an advantage,” Mr. Spiro said.



# Manage Your WSJ Account Online

Update your account details  
any time. It’s quick and easy.



Visit the Customer Center to:

- Place delivery holds
- Change an address
- Report an issue
- Update your payment information
- Reset your password and more

Take action at [customercenter.wsj.com](http://customercenter.wsj.com)  
or scan the QR code below to explore:





TECHNOLOGY

# Banking Turmoil Gives Boost To Healthcare-Lender Demand

Life sciences firms are seeking alternatives to expensive equity to bolster balance sheets

By BRIAN GORMLEY

Investment firms that lend to healthcare companies are fielding increased interest from entrepreneurs as the banking turmoil unfolds. Interest in debt was rising before Silicon Valley Bank's collapse. But uncertainty stemming from banking industry woes has sharpened startups' focus on boosting their balance sheets with less equity financing, which has grown more costly, investors said.

New York-based life sciences firm **Catalio Capital Management** makes venture-capital investments and backs publicly traded companies. In November, Catalio said it had raised more than \$85 million for its first special-situations fund, a vehicle targeting debt and structured-equity deals for small and midsize private companies.

Catalio has invested about half that pool and intends to

raise a second special-situations fund, well ahead of schedule, because of demand, said George Petrocheilos, co-founder and a managing partner of the firm.

Catalio hasn't determined the amount of the next special-situations fund but expects it will be larger than the first, he said, adding that the firm can create financings tailored to life sciences companies.

"This whole unfortunate situation with SVB is opening up opportunities for funds like ours," Mr. Petrocheilos said. New York-based **OrbiMed Advisors**, which also invests in private and publicly held companies, raised its first dedicated credit and royalties fund in 2011.

OrbiMed has had a steady volume of deals for this practice over the years, but the pullback in the equity markets and troubles in the banking sector have increased its prospects, said General Partner Matthew Rizzo.

"For us, it's allowed us to be even more selective on the opportunities," Mr. Rizzo said.

Mr. Rizzo said OrbiMed is finding that more large companies with well-established



Catalio's George Petrocheilos.

revenue bases are showing interest in credit and royalty financing, in which companies receive cash in exchange for sharing a portion of their revenue.

That gives it the chance to put large amounts of capital to work in relatively low-risk companies.

In January, OrbiMed led a senior secured term loan financing of up to \$400 million for **Caris Life Sciences**, an Irving, Texas-based molecular-profiling company. OrbiMed in March also struck a debt fi-

nancing deal worth up to \$75 million for **Palette Life Sciences**, a Stockholm-based company with a portfolio of products used in radiotherapy and interventional oncology procedures. They include Barigel, used to reduce side effects of radiation therapy.

OrbiMed is opening an office in London to expand its credit and royalty, venture-capital and other investments in Europe, said Managing Partner Carter Neild.

Runway Growth Capital LLC, an investment firm that lends to late- and growth-stage companies, makes about 30% of its loans in healthcare, said David Spreng, founder, chief executive and chief investment officer of the firm.

While banks typically offer lower interest rates, investors such as Runway can often provide larger loans with flexible terms, such as an extended period of interest-only payments and loans stretched over longer terms, he said.

The possibility of equity becoming even more difficult to raise during the banking crisis is leading more companies to consider debt, Mr. Spreng added.

## Illumina-Grail Deal Is Rejected

Continued from page B1

tests, sometimes known as liquid biopsies, aim to detect tumors during earlier stages of cancer when it is easier to treat. The tests rely on technology for identifying the molecular fingerprints of tumors.

San Diego-based Illumina is a leading maker of such gene-sequencing machines. It had founded Grail, but then spun

off the unit in 2017 while retaining a small stake.

In 2020, Illumina reached a deal to buy the part of Menlo Park, Calif.-based Grail that it didn't already own.

Ever since, Illumina has gone head-to-head with antitrust regulators in the U.S. and Europe. Even though FTC staff and their European counterparts objected to the combination, Illumina went ahead with the acquisition, completing it in 2021.

For Illumina, the combination would allow it to tap into an emerging market for cancer blood tests that some analysts predict could reach \$50 billion in annual sales.

Illumina has said it could

help accelerate the rollout of Grail's test beyond the U.S., into Europe and other countries.

The company's dispute with regulators, however, has hurt shares and drawn criticism from activist investor Carl Icahn, who has launched a proxy fight against the company.

He is seeking to place three nominees on Illumina's board of directors and to bring back Illumina's former chief executive. Illumina has urged shareholders to reject Mr. Icahn's proposal.

The deal has also emerged as an early test for a changing regulatory environment for deal making after several years in which technology and

healthcare companies had pursued ever bigger combinations unchallenged.

The government's attitude has shifted as researchers point to examples of healthcare consolidation resulting in higher prices and lawmakers criticize big social-media companies for exposing children to harmful content.

FTC Chairwoman Lina Khan has said the agency would scrutinize mergers more closely, especially those between technology and healthcare companies.

She and the three other members of the commission voted 4-0 against Illumina. Christine Wilson, the sole Republican, issued a concurring opinion before resigning Friday.



Electronics seller Crutchfield said the technology has cut shipping and packaging-material expenses.

## Retailers Custom-Make Boxes To Fight Cardboard Overload

By LIZ YOUNG

The days of tiny online orders shipping to customers in oversize boxes are a step closer to becoming a thing of the past.

Big retailers are rolling out machines in their e-commerce distribution operations that make packages sized specifically to fit the items being shipped, potentially reining in some of the big volumes of cardboard generated as online shopping has grown.

**Walmart** Inc. said it has installed machines that churn out custom boxes at 12 of its fulfillment centers, and plans to add the technology to more facilities. The retailer said it has been able to cut down the amount of cardboard and filler material it uses per order by making individual boxes.

**Amazon.com** Inc., the largest e-commerce merchant in the U.S., has been increasing its use of made-to-fit packaging to ship items from books to shoes. The company said it started using custom packaging in 2016 and is expanding its use of the technology.

Retailers traditionally have used boxes of set sizes to fill online orders, many of them not suited to the enormous array of products now available online. The push to deliver goods faster also has put a premium on speed in fulfillment

centers, leading workers to stuff goods in the closest available boxes.

Walmart is using machines from packaging-technology company **Packsize International** Inc. that take dimensions needed to ship an item, then cut, crease and glue corrugated cardboard to make custom boxes. The machines then label and seal the packages.

Salt Lake City-based Packsize said its machines can make as many as 600 boxes per hour.

Amazon uses technology from Italian automation company **CMC SpA** to make the custom boxes. The retailer has invested in CMC through its \$2 billion Climate Pledge Fund, a venture-capital fund focused on investing in sustainable technologies.

Pat Lindner, vice president of packaging innovation at Amazon, said made-to-fit boxes and other efforts to reduce the use of cardboard have cut the average weight of packaging used per shipment by 38% since 2015.

The speed and functionality of machines that make custom boxes has improved in recent years, said John Blake, an analyst at research firm Gartner Inc., allowing companies to move them into their operations without slowing the pace of fulfillment. A surge in on-

line orders during the Covid-19 pandemic also helped accelerate investments in automation in distribution centers, in part to fill labor gaps, and that has led companies to target the technology to trim cardboard counts and cut shipping costs, he said.

"With the scale, technology, other factors, we're seeing the implementation of this equipment to a greater extent," Mr. Blake said.

The accumulation of cardboard in households, trash heaps and recycling centers has been one visible result of the surge in online shopping in recent years. E-commerce accounted for 14.7% of overall U.S. retail sales in the second quarter of 2022, the latest period for which figures were available, up from 5.8% a decade earlier, according to the U.S. Census Bureau.

Electronics seller **Crutchfield Corp.** has been shipping orders in made-to-fit packaging for roughly a decade. Chris Groseclose, chief fulfillment officer of the Charlottesville, Va.-based company, said installing the automation has cut his average box size in half and reduced shipping and packaging material expenses.

"I think we're saving several million dollars a year pretty easily by having these smaller packages," Mr. Groseclose said.

Praise for the Dancing Iris Collection

★★★★★

"I bought this set of earrings and matching necklace ... they are simply beautiful." — W.D. Pfalzgraff, Tillamook, OR

Stauer Impossible Price Starting At \$39

## Art Nouveau Is New Again

Swirls of sparkle are an ode to art and nature!

Starting in the 1890s, whiplashes were the graceful, swirling lines that became the hallmark of art nouveau. From paintings to stair railings to brooches, these ornamental S-curves were used to evoke movement in stylized depictions of nature's creations — flowers, trees, insects, even a woman's flowing hair. The motif's ubiquity was short-lived; with the start of World War I, sleek industrial lines began to edge out the flowers and their whiplashes. But during its brief reign, art nouveau marked a triumphant departure from stuffy convention in the art world, and its influence continues to echo in jewelry design to this day.

We're paying tribute to an art movement defined by motion with the Dancing Iris Collection, a necklace, ring and earring set inspired by nature. Showcasing nearly 7 total carats of the Ultimate Diamond Alternative®, *DiamondAura*®, in yellow gold-finished settings, each piece features glistening purple teardrops intertwined with swirls of white stones and graceful golden whiplashes. Subtle in its abstract design, yet teeming with sparkle and movement, the Dancing Iris is a contemporary take on a century-old celebration of natural, feminine beauty. Gift it to the muse in your life, and you're sure to whip up an art craze of your own.

Act fast! This collection has been a top customers' pick this year, and we only have 1,427 left for this ad. That's nearly 7 total carats of our Ultimate Diamond Alternative® for the Stauer Impossible Price of \$99! We dare you to find a better bang for your buck.

**Jewelry Specifications:**

- The Ultimate Diamond Alternative®, *DiamondAura*®, in yellow gold-finished settings
- Necklace: 18" + 2" extender with lobster clasp
- Earrings: 1 3/4" drop, latch back
- Ring: whole sizes 5-10

**Dancing Iris Collection**

A. Ring (1 3/4 ctw) ~~-\$299~~ \$39\* + S&P **Save \$260**

B. Necklace (1 3/4 ctw) ~~-\$399~~ \$49\* + S&P **Save \$250**

C. Earrings (3 3/2 ctw) ~~-\$399~~ \$49\* + S&P **Save \$350**

Complete Set\*\* ~~-\$997~~ \$99\* + S&P **Save \$898**

\*Special price only for customers using the offer code.  
\*\*Complete set includes ring, necklace and earrings.

**1-800-333-2045**

Your Insider Offer Code: **DNC148-01**

Stauer, 14101 Southcross Drive W., Ste 155, Dept. DNC148-01, Burnsville, MN 55337 [www.stauer.com](http://www.stauer.com)

**Stauer® | AFFORD THE EXTRAORDINARY®**





MORAL INJURY IS A WAR INSIDE

*No one should fight alone*

Imagine a soldier who takes a life in the line of duty. No matter how much good he does, he believes he’s a bad person. He hates himself, hurts himself. He’s one of the many who struggle with Moral Injury. At Volunteers of America, we can help him find peace.



Volunteers  
of America®

Learn more at [VOA.ORG](http://VOA.ORG)



# COMMODITIES

[wsj.com/market-data/commo-dities](https://www.wsj.com/market-data/commo-dities)

## Futures Contracts

Metal & Petroleum Futures						
	Open	High	Low	Settle	Chg	Open interest
<b>Copper-High (CMX)</b> -25,000 lbs;\$ per lb.						
April	4.0965	4.0965	4.0560			
May	4.0910	4.0975	4.0345	<b>4.0595</b>	-0.0450	3,223
<b>Gold (CMX)</b> -100 troy oz;\$ per troy oz.						
April	1968.10	1991.70	1950.00	<b>1983.90</b>	14.90	4,828
May	1982.60	1998.50	1956.90	<b>1991.30</b>	14.30	1,539
June	1990.00	2008.00	1965.90	<b>2000.40</b>	14.20	390,875
Aug	2007.50	2026.10	1984.50	<b>2018.50</b>	14.40	27,832
Oct	2012.80	2043.00	2003.50	<b>2036.50</b>	14.70	8,588
Dec	2032.30	2060.60	2019.60	<b>2054.10</b>	15.10	19,068
<b>Palladium (NYM)</b> -50 troy oz;\$ per troy oz.						
April				<b>1456.00</b>	-10.00	1
June	1456.50	1498.50	1438.50	<b>1458.00</b>	-10.00	11,123
<b>Platinum (NYM)</b> -50 troy oz;\$ per troy oz.						
April	985.00	989.20	985.00	<b>986.90</b>	-7.20	214
July	1001.00	1009.20	987.10	<b>996.40</b>	-6.70	54,667
<b>Silver (CMX)</b> -5,000 troy oz;\$ per troy oz.						
April	23.725	24.070	23.695	<b>23.941</b>	-0.135	55
May	24.285	24.335	23.725	<b>24.021</b>	-0.135	89,957
<b>Crude Oil, Light Sweet (NYM)</b> -1,000 bbls;\$ per bbl.						
May	80.10	81.69	79.00	<b>80.42</b>	4.75	303,668
June	80.60	81.77	79.04	<b>80.44</b>	4.64	276,958
July	79.32	81.52	78.79	<b>80.16</b>	4.43	231,416
Sept	76.42	80.39	76.42	<b>78.98</b>	3.98	145,608
Dec	76.09	78.55	75.61	<b>76.91</b>	3.36	214,027
Dec'24	70.34	73.29	70.28	<b>71.05</b>	1.71	80,006
<b>NY Harbor ULSD (NYM)</b> -42,000 gal;\$ per gal.						
May	2.7235	2.7642	2.6509	<b>2.6626</b>	.0420	95,040
June	2.6893	2.7099	2.6064	<b>2.6183</b>	.0513	47,814
<b>Gasoline-NY RBOB (NYM)</b> -42,000 gal;\$ per gal.						
May	2.7920	2.8232	2.7432	<b>2.7575</b>	.0765	110,928
June	2.6912	2.7660	2.6898	<b>2.7087</b>	.0807	65,712
<b>Natural Gas (NYM)</b> -10,000 MMBtu;\$ per MMBtu.						
May	2.085	2.160	▼ 2.015	<b>2.097</b>	-.119	384,999
June	2.345	2.398	▼ 2.280	<b>2.333</b>	-.132	82,175
July	2.660	2.660	▼ 2.560	<b>2.586</b>	-.146	142,168
Sept	2.655	2.658	▼ 2.580	<b>2.616</b>	-.134	105,647
Oct	2.750	2.756	▼ 2.676	<b>2.709</b>	-.138	106,317
Jan'24	3.784	3.841	▼ 3.769	<b>3.809</b>	-.113	77,687

	Open	High	Low	Settle	Chg	Open interest
Agriculture Futures						
<b>Corn (CBT)</b> -5,000 bu;\$ cents per bu.						
May	659.50	668.50	656.00	<b>657.75</b>	-2.75	428,034
July	635.00	645.75	635.00	<b>637.00</b>	1.00	381,379
<b>Oats (CBT)</b> -5,000 bu;\$ cents per bu.						
May	364.50	368.75	348.25	<b>348.25</b>	-16.00	2,504
July	363.25	365.00	345.00	<b>345.50</b>	-15.75	894
<b>Soybeans (CBT)</b> -5,000 bu;\$ cents per bu.						
May	1510.00	1527.75	1509.75	<b>1522.00</b>	16.50	258,963
July	1480.00	1500.50	1479.75	<b>1495.00</b>	19.50	205,859
<b>Soybean Meal (CBT)</b> -100 tons;\$ per ton.						
May	463.90	467.50	459.40	<b>464.20</b>	-1.80	143,339
July	459.50	463.20	456.10	<b>460.00</b>	-1.30	131,635
<b>Soybean Oil (CBT)</b> -60,000 lbs;\$ cents per lb.						
May	56.66	57.40	56.05	<b>56.68</b>	1.19	142,646
July	56.75	57.51	56.25	<b>56.78</b>	1.16	132,611
<b>Rough Rice (CBT)</b> -2,000 cwt;\$ per cwt.						
May	17.43	17.60	17.01	<b>17.08</b>	-.34	3,875
Sept	15.62	15.65	15.51	<b>15.53</b>	-1.10	2,723
<b>Wheat (CBT)</b> -5,000 bu;\$ cents per bu.						
May	697.00	710.00	691.50	<b>693.50</b>	1.25	175,333
July	709.00	722.25	704.00	<b>706.75</b>	2.25	112,773
<b>Wheat (KC)</b> -5,000 bu;\$ cents per bu.						
May	887.00	902.00	874.50	<b>875.25</b>	-2.50	70,074
July	863.90	884.00	860.25	<b>861.25</b>	-.50	55,756
<b>Cattle-Feeder (CME)</b> -50,000 lbs;\$ cents per lb.						
April	200.250	200.675	197.925	<b>198.950</b>	-1.875	8,186
May	204.600	205.225	202.275	<b>203.150</b>	-2.100	24,622
<b>Cattle-Live (CME)</b> -40,000 lbs;\$ cents per lb.						
April	168.400	169.425	▲ 167.725	<b>168.125</b>	-.225	30,484
June	161.900	162.525	▲ 160.600	<b>161.225</b>	-.900	135,765
<b>Hogs-Lean (CME)</b> -40,000 lbs;\$ cents per lb.						
April	74.700	75.250	▼ 74.125	<b>74.525</b>	-.725	26,698
June	91.200	92.250	90.100	<b>91.425</b>	-.200	93,527
<b>Lumber (CME)</b> -110,000 bd.ft;\$ per 1,000 bd.ft.						
May	374.30	379.40	370.20	<b>370.70</b>	-.70	1,885
<b>Milk (CME)</b> -200,000 lbs;\$ cents per lb.						
March	18.05	18.07	18.05	<b>18.06</b>	...	4,999
May	18.47	18.51	18.33	<b>18.36</b>	-.11	4,625
<b>Cocoa (ICE-US)</b> -10 metric tons;\$ per ton.						
May	2.927	2.929	2.851	<b>2.868</b>	-.65	126,260
July	2.891	2.892	2.823	<b>2.835</b>	-.59	120,789
<b>Coffee (ICE-US)</b> -37,500 lbs;\$ cents per lb.						
May	171.30	178.35	171.25	<b>176.25</b>	5.75	63,804
July	170.25	177.15	170.25	<b>175.25</b>	5.55	54,323

	Open	High	Low	Settle	Chg	Open interest
Sugar-World (ICE-US)-112,000 lbs;\$ cents per lb.						
May	22.35	22.63	▲ 22.19	<b>22.40</b>	.15	319,303
July	21.90	22.21	▲ 21.80	<b>21.97</b>	.14	289,568
Sugar-Domestic (ICE-US)-112,000 lbs;\$ cents per lb.						
May	39.75	39.95	▲ 39.75	<b>39.95</b>	.70	395
Sept	38.90	38.96	▲ 38.90	<b>38.93</b>	.03	2,317
Cotton (ICE-US)-50,000 lbs;\$ cents per lb.						
May	83.38	83.64	81.88	<b>82.38</b>	-.40	81,338
July	83.73	83.95	82.19	<b>82.64</b>	-.46	52,544
Orange Juice (ICE-US)-15,000 lbs;\$ cents per lb.						
May	267.50	274.35	▲ 263.65	<b>272.55</b>	3.05	7,502
July	255.50	261.30	▲ 254.00	<b>260.05</b>	2.25	1,458
Interest Rate Futures						
<b>Ultra Treasury Bonds (CBT)</b> -\$100,000; pts 32nds of 100%						
June	141-130	143-020	140-010	<b>142-070</b>	1-03.0	1,405,498
<b>Treasury Bonds (CBT)</b> -\$100,000; pts 32nds of 100%						
June	131-050	132-140	130-120	<b>131-300</b>	25.0	1,191,755
Sept	131-000	132-160	130-210	<b>132-020</b>	26.0	64
<b>Treasury Notes (CBT)</b> -\$100,000; pts 32nds of 100%						
June	114-290	115-215	114-180	<b>115-145</b>	17.0	4,246,394
Sept	115-160	116-105	115-095	<b>116-055</b>	18.0	1,611
<b>5 Yr. Treasury Notes (CBT)</b> -\$200,000; pts 32nds of 100%						
June	109-170	110-010	109-087	<b>109-287</b>	12.5	4,415,973
<b>2 Yr. Treasury Notes (CBT)</b> -\$200,000; pts 32nds of 100%						
June	103-068	103-132	103-022	<b>103-123</b>	5.1	2,373,209
Sept	103-271	103-271	103-246	<b>103-303</b>	5.1	41
<b>30 Day Federal Funds (CBT)</b> -\$5,000,000; 100 - daily avg.						
April	95.1850	95.1850	95.1800	<b>95.1850</b>	...	447,584
May	95.0550	95.0550	95.0500	<b>95.0400</b>	-.0200	296,140
<b>10 Yr. Del. Int. Rate Swaps (CBT)</b> -\$100,000; pts 32nds of 100%						
June	98-065	99-050	98-040	<b>98-290</b>	19.0	9,981
<b>Three-Month SOFR (CME)</b> -\$1,000,000; 100 - daily avg.						
March	95.1250	95.1250	95.1025	<b>95.1100</b>	-.0175	1,027,564
June	95.1100	95.1200	95.0450	<b>95.0700</b>	-.0550	1,597,264
<b>Eurodollar (CME)</b> -\$1,000,000; pts of 100%						
April	94.8000	94.8200	94.7925	<b>94.7950</b>	-.0300	139,854
June	94.7550	94.8000	94.7000	<b>94.7300</b>	-.0500	588,611
Sept	95.1000	95.1500	95.0100	<b>95.1200</b>	-.0150	594,992
Dec	95.4000	95.5050	95.3150	<b>95.4800</b>	.0400	569,302
Currency Futures						
<b>Japanese Yen (CME)</b> -¥12,500,000;\$ per 100¥						
April	.7520	.7579	.7492	<b>.7570</b>	.0017	926

Source: FactSet

## Bonds | [wsj.com/market-data/bonds/benchmarks](https://www.wsj.com/market-data/bonds/benchmarks)

## Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest	Yield (%) High
Broad Market Bloomberg Fixed Income Indices				
2018.66	<b>3.4</b>	U.S. Aggregate	4.350	2.980 5.210
U.S. Corporate Indexes Bloomberg Fixed Income Indices				
2986.86	<b>4.0</b>	U.S. Corporate	5.080	3.630 6.130
2867.59	<b>2.9</b>	Intermediate	5.000	3.400 6.050
4028.05	<b>6.0</b>	Long term	5.250	4.020 6.370
583.88	<b>4.4</b>	Double-A-rated	4.410	3.160 5.320
793.48	<b>4.1</b>	Triple-B-rated	5.370	3.890 6.440
High Yield Bonds ICE BofA				
481.96	<b>4.0</b>	High Yield Constrained	4.865	6.046 9.623
443.02	<b>5.4</b>	Triple-C-rated	14.989	9.890 16.916
3253.85	<b>4.5</b>	High Yield 100	7.760	5.487 8.753
419.74	<b>3.5</b>	Global High Yield Constrained	8.607	6.201 9.945
317.70	<b>2.8</b>	Europe High Yield Constrained	7.395	4.313 8.508
U.S. Agency Bloomberg Fixed Income Indices				
1730.49	<b>2.3</b>	U.S. Agency	4.270	2.600 5.080
1528.37	<b>2.1</b>	10-20 years	4.260	2.560 5.100
3387.83	<b>6.1</b>	20-plus years	4.410	3.070 5.240
2621.23	<b>3.4</b>	Yankee	4.860	3.390 5.840

\*Constrained indexes limit individual issuer concentrations to



MARKETS DIGEST

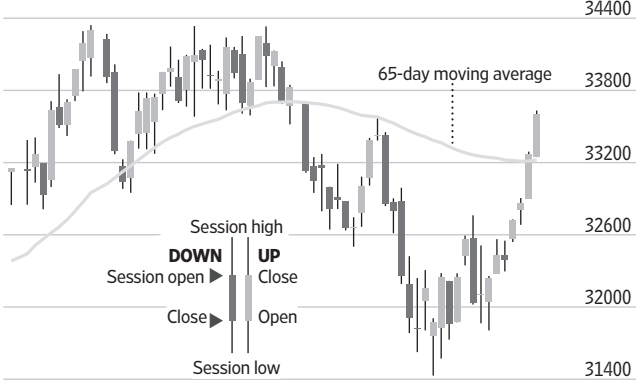
EQUITIES

Dow Jones Industrial Average

**33601.15** ▲ 327.00, or 0.98%  
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio	22.33	19.40
P/E estimate *	17.35	18.16
Dividend yield	2.08	2.01
All-time high	36799.65, 01/04/22	

Current divisor 0.15172752595384



Bars measure the point change from session's open

\*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; \*Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
<b>Dow Jones</b>									
Industrial Average	33632.90	33245.78	<b>33601.15</b>	327.00	0.98	35160.79	28725.51	-3.8	1.4
Transportation Avg	14433.42	14160.06	<b>14281.30</b>	-157.36	-1.09	15640.70	11999.40	-7.9	6.6
Utility Average	940.76	928.18	<b>932.75</b>	-7.04	-0.75	1071.75	838.99	-10.8	-3.6
Total Stock Market	41306.75	40976.20	<b>41249.22</b>	112.67	0.27	46413.63	36056.21	-11.1	7.1
Barron's 400	942.80	931.43	<b>940.30</b>	2.83	0.30	1023.82	825.73	-7.7	2.2

<b>Nasdaq Stock Market</b>									
Nasdaq Composite	12196.34	12086.52	<b>12189.45</b>	-32.45	-0.27	14532.55	10213.29	-16.1	16.5
Nasdaq-100	13157.47	13036.55	<b>13148.35</b>	-33.00	-0.25	15159.58	10679.34	-13.3	20.2

<b>S&amp;P</b>									
500 Index	4127.66	4098.79	<b>4124.51</b>	15.20	0.37	4582.64	3577.03	-10.0	7.4
MidCap 400	2524.66	2492.28	<b>2511.21</b>	-0.95	-0.04	2726.61	2200.75	-7.1	3.3
SmallCap 600	1189.05	1169.19	<b>1182.71</b>	0.64	0.05	1326.33	1064.45	-10.8	2.2

<b>Other Indexes</b>									
Russell 2000	1812.37	1783.47	<b>1802.31</b>	-0.17	-0.01	2095.44	1649.84	-14.0	2.3
NYSE Composite	15514.92	15374.91	<b>15487.96</b>	112.85	0.73	16829.75	13472.18	-8.0	2.0
Value Line	560.90	554.67	<b>558.90</b>	0.22	0.04	642.64	491.56	-13.0	4.2
NYSE Arca Biotech	5317.64	5278.73	<b>5316.95</b>	9.23	0.17	5644.50	4208.43	0.6	0.7
NYSE Arca Pharma	850.66	837.95	<b>849.89</b>	8.41	1.00	887.27	737.84	1.3	-2.1
KBW Bank	82.69	81.03	<b>81.59</b>	-0.45	-0.55	122.56	78.06	-33.4	-19.1
PHLX <sup>S</sup> Gold/Silver	134.60	131.01	<b>133.72</b>	2.28	1.74	167.76	91.40	-17.6	10.6
PHLX <sup>S</sup> Oil Service	84.80	81.52	<b>83.65</b>	4.80	6.09	93.94	56.08	2.0	-0.2
PHLX <sup>S</sup> Semiconductor	3222.33	3162.41	<b>3200.43</b>	-30.43	-0.94	3424.95	2162.32	-6.6	26.4
Cboe Volatility	19.83	18.54	<b>18.55</b>	-0.15	-0.80	34.75	17.87	-0.1	-14.4

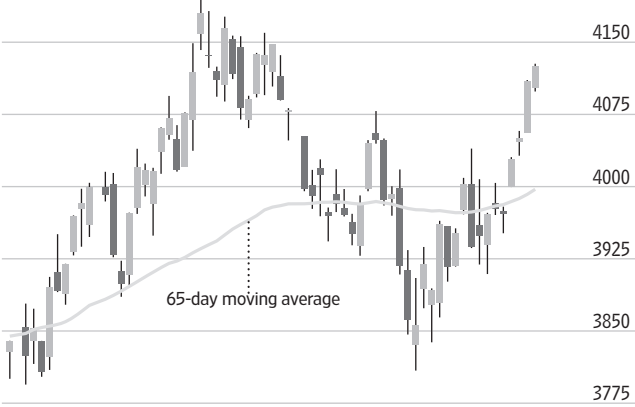
<sup>S</sup>Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

S&P 500 Index

**4124.51** ▲ 15.20, or 0.37%  
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio *	18.06	25.57
P/E estimate *	18.15	20.11
Dividend yield *	1.70	1.38
All-time high	4796.56, 01/03/22	

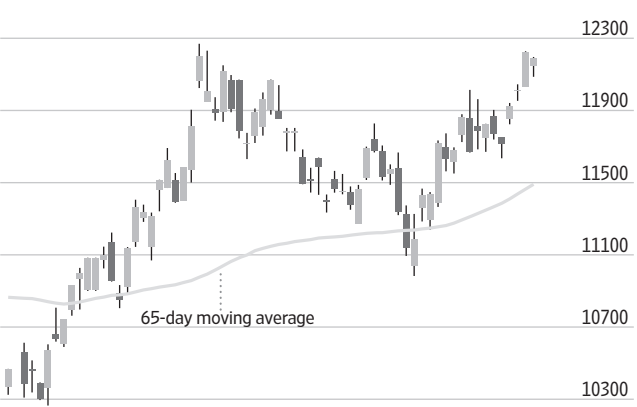


65-day moving average

Nasdaq Composite Index

**12189.45** ▼ 32.45, or 0.27%  
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio **	26.15	33.54
P/E estimate **	25.37	26.09
Dividend yield **	0.85	0.71
All-time high:	16057.44, 11/19/21	



65-day moving average

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
Invsc S&P SC Energy ETF	PSCE	7,500.0	10.00	0.13	<b>1.32</b>	10.00	9.99
AMC Entertainment	AMC	7,272.2	3.90	-1.22	<b>-23.78</b>	5.11	3.70
SPDR S&P 500 ETF Trust	SPY	6,444.8	410.74	-0.21	<b>-0.05</b>	438.80	410.74
Bank of America	BAC	5,881.7	28.50	-0.09	<b>-0.31</b>	28.60	28.48
Wells Fargo	WFC	4,074.3	37.61	-0.11	<b>-0.29</b>	37.74	37.52
Apple	AAPL	3,945.6	166.01	-0.17	<b>-0.10</b>	175.48	165.95
VanEck Gold Miners	GDV	3,436.2	33.09	0.01	<b>0.03</b>	33.15	33.03
Butterfly Network	BFLY	3,135.5	2.31	0.44	<b>23.53</b>	2.51	1.87

Percentage gainers...

Butterfly Network	BFLY	3,135.5	2.31	0.44	<b>23.53</b>	2.51	1.87
Verve Therapeutics	VERV	65.6	15.14	0.73	<b>5.07</b>	16.50	14.12
FactSet Research Systems	FDS	50.7	436.86	20.80	<b>5.00</b>	436.86	416.06
Cytokinetics	CYTK	129.6	39.58	1.87	<b>4.96</b>	39.58	37.71
Old Natl Bancorp	ONB	73.7	14.87	0.60	<b>4.20</b>	15.21	14.27

...And losers

AMC Entertainment	AMC	7,272.2	3.90	-1.22	<b>-23.78</b>	5.11	3.70
Multi Ways Holdings	MWG	87.7	7.75	-1.12	<b>-12.63</b>	9.51	6.39
Duckhorn Portfolio	NAPA	53.2	15.12	-0.93	<b>-5.79</b>	16.05	14.45
agilon health	AGL	51.4	24.14	-1.21	<b>-4.77</b>	25.35	24.14
Nogin	NOGN	638.1	6.20	-0.31	<b>-4.76</b>	9.26	6.05

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low	% chg
Multi Ways Holdings	MWG	8.87	6.37	<b>254.80</b>	16.33	2.50	...
Guardforce AI	GFAI	19.22	12.14	<b>171.47</b>	77.20	3.81	<b>-70.2</b>
Nogin	NOGN	6.51	3.80	<b>139.78</b>	230.20	2.56	<b>-96.7</b>
Amesite	AMST	4.69	2.08	<b>79.69</b>	12.60	1.56	<b>-32.6</b>
Bullfrog AI Holdings	BFRG	4.69	1.30	<b>38.35</b>	5.83	2.47	...
Harbor Custom Devt	HCDI	5.99	1.65	<b>38.02</b>	76.00	3.58	<b>-86.1</b>
VirTra	VTST	5.46	1.46	<b>36.38</b>	6.68	3.70	<b>-3.5</b>
Duos Technologies Group	DUOT	3.80	1.00	<b>28.24</b>	5.70	1.80	<b>-27.9</b>
Indonesia Energy	INDO	6.46	1.69	<b>35.43</b>	30.69	4.26	<b>-71.2</b>
Fusion Fuel Green	HTOO	3.09	0.69	<b>28.75</b>	10.83	2.13	<b>-65.4</b>
BigBear.ai	BBAI	3.13	0.69	<b>28.28</b>	16.12	0.58	<b>-64.2</b>
Kiomic Biopharma	KRBP	4.95	1.09	<b>28.24</b>	27.00	3.16	<b>-80.7</b>
Barnwell Indus	BRN	2.82	0.62	<b>28.18</b>	3.40	1.89	<b>0.4</b>
VNET Group ADR	VNET	4.14	0.90	<b>27.78</b>	7.28	2.90	<b>-40.8</b>
Pulse Biosciences	PLSE	4.24	0.88	<b>26.19</b>	4.58	1.18	<b>19.4</b>

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
Mullen Automotive	MULN	528,692	116.8	0.11	<b>-16.22</b>	3.12	0.09
Bed Bath Beyond	BBBY	179,948	141.3	0.38	<b>-10.04</b>	30.00	0.36
Tesla	TSLA	168,715	-4.1	194.77	<b>-6.12</b>	384.29	101.81
ProShares UltraPro QQQ	UQQQ	124,280	-33.0	28.06	<b>-0.71</b>	61.55	16.10
ProSh UltraPro Shrt QQQ	SQQQ	110,306	-20.0	29.56	<b>0.68</b>	69.55	29.29
Exela Technologies	XELA	103,884	-35.6	0.04	<b>-0.26</b>	8.68	0.03
ProSh Ult Bbg Nat Gas	BOIL	94,833	68.8	3.36	<b>-6.93</b>	140.50	3.24
Faraday Future	FFIE	87,971	55.8	0.30	<b>-15.05</b>	7.85	0.25
SPDR S&P 500 ETF Trust	SPY	66,649	-26.8	410.95	<b>0.38</b>	457.83	348.11
Intel	INTC	56,974	23.3	32.89	<b>0.67</b>	49.23	24.59

\* Volumes of 100,000 shares or more are rounded to the nearest thousand



Scan this code  
Get real-time U.S. stock quotes and track most-active stocks, new highs/lows, mutual funds and ETFs.

All are available free at [WSJMarkets.com](http://WSJMarkets.com)

Percentage Losers

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low	% chg
OncoSec Medical	ONCS	1.30	-1.28	<b>-49.61</b>	27.06	0.74	<b>-95.0</b>
Palisade Bio	PALI	2.26	-1.26	<b>-35.80</b>	53.45	1.55	<b>-95.7</b>
United Homes Group	UHG	13.63	-7.17	<b>-34.47</b>	29.00	9.78	<b>39.2</b>
Ascendis Pharma ADR	ASND	72.83	-34.39	<b>-32.07</b>	134.53	61.58	<b>-38.0</b>
SIGNA Sports United	SSU	3.32	-1.22	<b>-26.87</b>	8.65	3.21	<b>-56.9</b>
Nexters	GDEV	5.32	-1.47	<b>-21.59</b>	8.10	3.10	<b>-16.6</b>
Annovis Bio	ANVS	12.09	-3.32	<b>-21.54</b>	23.91	8.39	<b>-12.8</b>
micromobility.com	MCOM	2.90	-0.76	<b>-27.07</b>	170.00	2.72	<b>-98.3</b>
American Realty Investors	ARL	21.03	-5.29	<b>-20.10</b>	31.59	13.35	<b>24.0</b>
Ocean Biomedical	OCEA	5.36	-1.28	<b>-19.28</b>	26.60	3.06	<b>-46.9</b>
CVD Equipment	CVV	10.82	-2.48	<b>-18.65</b>	15.82	3.68	<b>127.0</b>
iBio	IBIO	1.70	-0.38	<b>-18.27</b>	16.51	0.36	<b>-85.2</b>
Gorilla Technology Group	GRRR	3.99	-0.81	<b>-16.88</b>	51.00	2.62	...
Semler Scientific	SMRL	22.50	-4.30	<b>-16.04</b>	50.88	19.12	<b>-55.0</b>
MicroSectors En 3X Inv	WTID	25.18	-4.21	<b>-14.32</b>	40.44	25.18	...

Volume Movers Ranked by change from 65-day average\*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
AllianzIM US LCBf10 A/O	SIXO	887	16075	26.31	0.16	26.97	23.07
Guardforce AI	GFAI	37,506	13250	19.22	171.47	77.20	3.81
iShares MSCI Ireland ETF	EIRL	566	7013	54.94	0.08	55.01	36.38
Invsc S&P SC Energy ETF	PSCE	8,238	5477	9.87	6.47	12.55	7.62
Invsc DWA Technology MomPTF	205	3651	129.82	-0.71	138.56	98.88	
AllianzIM US LCBf20 Apr	APRW	865	3427	27.09	0.24	27.34	24.82
Worldwide Webb Acqn Cl A	WWAC	7,540	3236	10.33	-0.19	10.75	9.81
GI X MSCI Portugal	PGAL	650	3201	10.83	3.14	11.59	8.35
Ascendis Pharma ADR	ASND	7,653	2858	72.83	-32.07	134.53	61.58
VicSh Intl Value Momentum	UIVM	197	2602	43.45	1.02	47.37	35.07

\* Common stocks priced at \$2 a share or more with an average volume over 65 trading days of at least 5,000 shares \*Has traded fewer than 65 days

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

US\$ vs				US\$ vs			
Country/currency	Mon in US\$	Mon per US\$	YTD chg (%)	Country/currency	Mon in US\$	Mon per US\$	YTD chg (%)
<b>Americas</b>				<b>Vietnam dong</b> .00004258 23485 <b>-0.6</b>			
<b>Argentina peso</b> .0048210 3685 <b>19.0</b>				<b>Europe</b>			
<b>Brazil real</b> .1975 5.0644 <b>-4.2</b>				<b>Czech Rep. koruna</b> .04652 21.496 <b>-4.8</b>			
<b>Canada dollar</b> .7442 1.3437 <b>-0.9</b>				<b>Denmark krone</b> .1463 6.8336 <b>-1.6</b>			
<b>Chile peso</b> .001233 810.73 <b>-4.4</b>				<b>Euro area euro</b> 1.0905 .9171 <b>-1.9</b>			
<b>Colombiapeso</b> .000217 4606.45 <b>-5.00</b>				<b>Hungary forint</b> .002888 346.32 <b>-7.2</b>			
<b>Ecuador US dollar</b> 1 1 <b>unch</b>				<b>Iceland krona</b> .007303 136.93 <b>-3.3</b>			
<b>Mexico peso</b> .0554 18.0633 <b>-7.3</b>				<b>Norway krone</b> .0972 10.2932 <b>4.9</b>			
<b>Uruguay peso</b> .02586 38.6650 <b>-3.3</b>				<b>Poland zloty</b> .2333 4.2871 <b>-2.1</b>			
<b>Asia-Pacific</b>				<b>Russia ruble</b> .01277 78.326 <b>6.2</b>			
<b>Australiadollar</b> .6786 1.4736 <b>0.4</b>				<b>Sweden krona</b> .0965 10.3628 <b>-0.7</b>			
<b>China yuan</b> .1454 6.8782 <b>-0.3</b>				<b>Switzerland franc</b> 1.0957 .9127 <b>-1.3</b>			
<b>Hong Kong dollar</b> .1274 7.8500 <b>0.6</b>				<b>Turkey lira</b> .0521 19.1961 <b>2.7</b>			
<b>India rupee</b> .01217 82.173 <b>-0.7</b>				<b>Ukraine hryvnia</b> .0271 36.800 <b>unch</b>			
<b>Indonesia rupiah</b> .0000670 14920 <b>-4.2</b>				<b>UK pound</b> 1.2417 .8053 <b>-2.6</b>			
<b>Japan yen</b> .007552 132.42 <b>1.0</b>				<b>Middle East/Africa</b>			
<b>Kazakhstan tenge</b> .002206 453.41 <b>-2.0</b>				<b>Bahrain dinar</b> 2.6529 .3770 <b>-0.03</b>			
<b>Macau pataca</b> .1236 8.0910 <b>0.5</b>				<b>Egypt pound</b> .0324 30.9003 <b>24.8</b>			
<b>Malaysia ringgit</b> .2263 4.4195 <b>0.3</b>				<b>Israel shekel</b> .0783 3.5937 <b>1.9</b>			
<b>New Zealand dollar</b> .6296 1.5883 <b>0.9</b>				<b>Kuwait dinar</b> 3.2599 .3068 <b>0.2</b>			
<b>Pakistan rupee</b> .00351 284.950 <b>25.7</b>				<b>Oman sul rial</b> 2.6007 .3845 <b>-0.1</b>			
<b>Philippines peso</b> .0183 54.561 <b>-2.0</b>				<b>Qatar rial</b> .2718 3.679 <b>0.3</b>			
<b>Singapore dollar</b> .7536 1.3269 <b>-1.0</b>				<b>Saudi Arabia riyal</b> .2666 3.7509 <b>-0.2</b>			
<b>South Korea won</b> .0007643 1308.44 <b>3.7</b>				<b>South Africa rand</b> .0560 17.8463 <b>4.8</b>			
<b>Sri Lanka rupee</b> .0030943 323.18 <b>-1.1</b>							
<b>Taiwan dollar</b> .03280 30.492 <b>-0.5</b>							
<b>Thailand baht</b> .02922 34.220 <b>-1.2</b>							
				Close Net Chg % Ytd % Chg			
				<b>WSJ Dollar Index</b> 95.78 -0.44-0.46 <b>-0.80</b>			











# HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Brent crude-oil futures prices, continuous contract



## OPEC Move Isn't That Much of A Surprise

Conditions might have justified output cut

OPEC+ is back with a bang. A subset group of countries in the Organization of the Petroleum Exporting Countries and its Russia-led allies said on Sunday they would collectively cut 1.66 million barrels of oil output a day starting in May. The move caught the market off guard, coming a day before a scheduled Joint Ministerial Monitoring Committee meeting.

Saudi Arabia and Russia are taking the largest hit—500,000 barrels a day each—while seven other countries are adjusting output by smaller amounts, according to OPEC's news release on Monday. Brent crude prices rose 6.3% to \$84.93 a barrel Monday.

The cut, which at face value represents more than 1% of global oil demand, comes six months after OPEC+ agreed to reduce its collective output by 2 million barrels a day. Because OPEC+ members are already underproducing relative to their targets, the actual impact could be smaller than the headlines suggest: Analysts at RBC Capital Markets estimated the real effect could be around 700,000 barrels a day.

Compared with the October cut, this one seems a lot less controversial. For one, unlike that move, the weekend's decision doesn't precede the U.S. midterm elections, when rising fuel prices were an extra-sensitive topic for the White House. Brent crude ended last week fetching less than \$80 a barrel—at least \$5 cheaper than where prices were before OPEC+ announced its cut in October.

More to the point, market conditions look less tight compared with the last time around. The International Energy Agency calculated before the October cut that industry oil inventories in countries that make up the Organization for Economic Cooperation and Development were 9.2% below their trailing five-year average. The agency's latest report showed those inventories were 2.9% below their trailing five-year average with global inventories in January reaching their highest level since September 2021. Further builds were expected for February.

Still, the cut precedes summer driving season and there was a sizable supply disruption from Iraq, where a pipeline closure shut down 470,000 barrels a day of exports. Although there has been an initial agreement to resume those exports, that isn't a sure thing. The OPEC+ move also comes as Chinese oil demand is recovering. ClearView Energy Partners estimated that the latest cuts could lead to an average supply deficit of as much as 2.14 million barrels a day from the second quarter through year-end.

Perhaps the most notable takeaway for the oil markets is the speed at which the group came to a decision and how little noise the countries made about the deliberations beforehand. It could reflect that whatever demand trends the countries were seeing were worrying enough to reach a unanimous decision. If so, the swift move by the suppliers of the world's most important industrial commodity could be an ominous sign for global growth. It also indicates that, if oil-market conditions are a lot tighter than what OPEC+ initially envisioned, the decision makers behind the weekend's move could reverse course just as swiftly.

OPEC+'s decision was a surprise, but the motivation behind it isn't such a mystery. —Jinjo Lee

## Tesla's Growth Comes at a Cost

The electric-vehicle maker's profit outlook is deteriorating even as its stock has soared

Tesla's stock is back to being boringly expensive.

There was nothing in the electric-vehicle maker's first-quarter volume data to move the needle on investors' typically entrenched views. Tesla said on Sunday it produced just shy of 441,000 vehicles and shipped almost 423,000. The latter number was 4% more than the previous quarter and 36% more than in the year-earlier period.

Bulls can see that as another incremental step in the company's growth. It marked a solid third consecutive quarter of expanding sales following the difficult second quarter of 2022, when it was hit by pandemic-related lockdowns in China. Given the backdrop of rising interest rates, which is showing some early signs of hitting auto demand, and intense competition in China, where EV subsidies shrunk and rivals such as BYD are eating into Tesla's market share, it

could have been a lot worse.

Bears can point out that Tesla kept its growth on track only by massively cutting vehicle prices. The price in the U.S. of a long-range Model Y is \$11,000 or 17% lower than at the start of the year, according to brokerage RBC. In China, the same vehicle is 21% cheaper than in September. Furthermore, production exceeded deliveries by 4%—about half the previous quarter's mismatch, but still pointing to rising inventories. Tesla's shares fell 6.1% on Monday, but that followed a 6% rally on Friday.

Tesla in recent months has doubled down on its original mission of growing as rapidly as possible, never mind the cost in a deteriorating sales environment. A big question for investors now is what that cost will be. Analysts debate whether gross margins excluding regulatory credits, a key measure of profitability, will be below or above

20% when Tesla reports its quarterly earnings on April 19. For 2022, the number was roughly 27%.

However this turns out, it won't be the last word on the company's profitability, given how often it tweaks its prices. Tesla is working on a lower-cost production platform that will change the economics of its business again once it launches. The company's margins will be a moving target for years, and for the next couple probably a declining one after the bonanza of high vehicle prices during the pandemic.

Lower margins this year will even offset the profit impact of continued growth in deliveries, according to analysts' forecasts. The current consensus according to FactSet is for a slight fall in net income this year, the first decline since Tesla became profitable in 2019. The forecast cuts started last fall, but continued in the first quarter even as Tesla shares

jumped 68%.

The result is that Tesla's stock has become once again very expensive compared with its profit and its peers. The forward price/earnings ratio is now 45 times, up from about 20 at the start of the year. Its market value is \$616 billion, well over three times that of Toyota, the world's largest car maker by sales. Including the dilutive impact of stock options, which are a real cost to shareholders, the gap is even wider, with Tesla's market value at \$692 billion.

The only world in which this makes sense is one where the EV maker will take a lion's share of industry profit, following the pattern of Apple and mobile phones. The competitive battles in China, the world's most developed EV market, show that the road to this potential future, which was never wide, continues to narrow.

—Stephen Wilmot

## Activision Deal Enters Bonus-Round Phase

For Activision Blizzard, good things are apparently worth a long wait.

The videogame publisher has been under a cloud of uncertainty over the past 14 months, ever since it announced it was being acquired by Microsoft. The deal, valued at nearly \$69 billion once adjusted for Activision's net cash, has sparked lengthy regulatory reviews in the U.S. and Europe that are continuing. The deal came as Activision was reeling both from internal scandals and what looked like a damaged game portfolio following a misfire with its "Call of Duty" sequel released in late 2021 and the delay of two key games from its Blizzard unit.

One of those delayed titles—"Diablo IV"—is shaping up to be a major hit. A beta test of the game in March gave an early indication: Activision said more than a million players reached at least level 20 in the game.

"This is an impressive number considering it was preorders only, likely took 15+ hours, and when the game launches, all progress resets," wrote Andrew Uerkwitz of Jefferies in a note to clients. He boosted his sales target for "Diablo IV" this year by 20% to 18 million units following its planned release in June. Its predecessor sold 12 million units during its release year in 2012.

News of the successful beta came just days before the U.K.'s Competition and Markets Authority narrowed the focus of its probe into the deal. In a March 24 statement, the country's antitrust watchdog said, "new evidence provisionally alleviates concerns in relation to supply of gaming consoles in the UK"—effectively dismissing the worry that Microsoft would withhold the mega-popular "Call of Duty" franchise from Sony's PlayStation platform. Four



Response to a beta test of Blizzard's 'Diablo IV' indicated the videogame is shaping up to be a hit.

days later, the Fair Trade Commission in Japan—Sony's home country—concluded that the deal is "unlikely to result in substantially restraining competition."

While the U.K. agency is still looking into the question of whether the deal will crimp competition in the nascent cloud gaming market, Wall Street now sees the merger having a much greater chance of success. Citigroup analyst Jason Bazinet raised his odds of deal closure from 50% to 70%, while Doug Creutz of Cowen, who was at 30% three months ago, now gives the deal a 60% chance of success. Activision shares have jumped more than 7% since the CMA's announcement to their highest price since the deal was first announced in January 2022.

That has closed the gap to Microsoft's \$95 offer price to just un-

der 10%. That discount was over 20% a month ago and has averaged 18.5% since the deal's announcement, reflecting the substantial risk tech acquisitions face in the current regulatory environment. That risk isn't gone. The U.K. and European Union's deal regulators have yet to render their final decisions, and the Federal Trade Commission in the U.S. has sued to block the deal. A hearing for the FTC's case is scheduled for early August—two weeks after the July 18 final deadline to close the deal that was specified in the merger agreement.

Investors probably won't have to wait that long. The U.K. agency is expected to render its final decision by April 26, while the EU has set the deadline for its decision to May 22.

Matt Perault, policy analyst for

New Street Research, says those rulings will likely factor heavily into the FTC's decision on how to proceed with its own case. He also says the odds are in Microsoft's favor, writing in a note Friday, "we think a settlement is more likely than a block because Microsoft can offer concessions that address many of regulators' core concerns."

But Activision's improved business—which includes the coming "Diablo" game and a strong comeback for "Call of Duty" with the success of the latest sequel, "Modern Warfare II"—also provides some much needed downside protection. Microsoft will still likely succeed in buying the game maker. But, unlike a year ago, Activision now looks like it could manage just fine on its own.

—Dan Gallagher

## Micron Gets Caught in U.S.-China Crossfire

Beijing has launched its first major counterstrike in its chip war with the U.S.

The blow is far from crippling, but U.S. companies in high-tech sectors where European or Asian alternatives exist might increasingly find themselves holding the short end of the stick in China.

China said Friday that it has begun a cybersecurity investigation of U.S. memory-chip maker Micron Technology. That has sparked fears that Beijing is finally retaliating against the sweeping chip-related export controls that the U.S. slapped on China in September 2022.

Beijing didn't release many details on the probe and it is unclear what potential outcomes might be, but Micron's shares fell 4.4% on Friday and a further 1.2% Monday.

Companies based in mainland China accounted for 11% of Micron's revenue for the fiscal year ended last September. Hong Kong companies made up a further 5%. And given that many foreign electronics companies base their manufacturing operations in China, the total percentage of sales derived from buyers using Micron chips in the country is likely even higher.

Micron is a juicy target for a



A Micron facility in Virginia. Shares of the chip maker fell 4.4% on Friday.

couple of reasons. Memory chips are commoditized products and alternatives are readily available. South Korea's Samsung Electronics and SK Hynix are two larger players in the industry, for example.

By targeting U.S. companies that make chips China desperately needs without easy substitutes, such as AI chips from Nvidia, Beijing would just be shooting itself in the foot. And the U.S. has placed export restrictions on the most cutting-edge of those chips

anyway.

Memory chips are also one of the areas in which the U.S. chip-sector restrictions have damaged China the most. Its domestic champion Yangtze Memory Technologies was placed on the entity list in December, meaning U.S. companies have to get a license to do business with it. The company has been one of the few Chinese chip companies at the technological cutting edge—but lack of access to top quality U.S. and allied chip-manufacturing equipment has

now cast its future in doubt.

On the other hand, the fact that memory chips are commoditized products could in some ways make Beijing's fusillade less effective. Companies such as Samsung and SK Hynix may win some additional orders in China, but Micron can reroute its products elsewhere.

Still, Beijing has picked a good time for a punch in the gut. The memory-chip market is facing a global supply glut. The company last week reported a 53% plunge in revenue for the fiscal second quarter, and expects revenue will be down 57% year over year this quarter. The company's loss also widened as memory-chip prices have dived.

The fact that Samsung and SK Hynix increasingly have to pick sides between Beijing and Washington could weigh on future profits.

The chip war between the two superpowers is here to stay. The U.S. has the upper hand technologically, but China's vast market is also a significant weapon. As in the aviation sector, when high-tech alternatives to American products are available, Beijing won't hesitate to make its displeasure clear.

—Jacky Wong



# Privacy is Freedom.

Empower your customers.  
They'll love it.

We process 50 million privacy requests daily.

**All on auto-pilot.**

We power major  
Fortune 100 companies  
on all things privacy.

2 Billion requests in the  
last 30 days impacting  
41 million people.

**clarip**

**Invest in Privacy and get 10x ROI.**

**Book a demo at [clarip.com/ws](http://clarip.com/ws)**