

## What's News

### Business & Finance

◆ **Edgar Bronfman Jr.** has walked away from bidding for Paramount Global, ending his \$6 billion proposal and paving the way for Shari Redstone's media empire to be sold to David Ellison's Skydance Media. **A1**

◆ **Major U.S. stock indexes** ended mixed, with the S&P 500 and Nasdaq falling 0.3% and 0.9%, respectively, and the Dow rising 0.2% to a record. **B11**

◆ **Fears of stock-market** turbulence threaten to further delay a rebound in initial public offerings as companies weighing a flotation face a narrowing window for 2024 and a decision about whether to launch next year. **B1**

◆ **A group of lenders** set to take over Red Lobster tapped a recent chief executive of Asian restaurant chain P.F. Chang's to run the seafood restaurant brand. **B1**

◆ **Kroger and Albertsons** went to court to defend the largest supermarket merger in history from antitrust enforcers who say it could raise consumer prices and stifle workers' wage increases. **B1**

◆ **Citadel's new tower** in Miami will include restaurants, a rooftop hotel, a public waterfront terrace and perhaps a dock for access from Biscayne Bay, plans filed by the hedge-fund firm reveal. **B1**

◆ **Apple said its chief financial officer** is stepping down next year, one of a number of top long-serving executives that are approaching 65. **B1**

◆ **Apple sent invitations** for an event Sept. 9, where the company is expected to unveil the iPhone 16, which will come with new artificial-intelligence-powered features. **B3**

### World-Wide

◆ **Eyes turned to Tehran** after Hezbollah chief Hassan Nasrallah said that following a salvo of rockets, the Iran-backed militant group was done with retaliation against Israel for the July killing of a senior leader in Beirut. **A1**

◆ **Long Covid pushed** around one million Americans out of the labor force, economists estimate, and is most prevalent among those in their working prime, dealing careers a heavy blow. **A1**

◆ **Special counsel** Jack Smith told an appeals court that a federal judge in Florida made grievous errors and ignored decades of precedent when she dismissed the case charging Trump with illegally retaining classified documents. **A3**

◆ **Russia struck sites** across Ukraine, inflicting damage to the country's already strained energy infrastructure and prompting calls from Kyiv for Western allies to help it strike back. **A16**

◆ **Meta CEO Zuckerberg** told a House committee that it was improper for the Biden administration to have pressured Facebook to censor content in 2021 related to the coronavirus pandemic and vowed to reject any such efforts in the future. **A4**

◆ **The Paris prosecutor's** office said the detention of Telegram founder and chief executive Pavel Durov was part of a broad investigation into online criminality opened in July. **A16**

◆ **Gunmen in southwestern** Pakistan killed at least 38 people in three separate attacks, officials said, while the military said security forces killed 21 insurgents. **A7**

CONTENTS	Markets..... B11
Arts in Review..... A11	Opinion..... A13-15
Business & Finance B25	Personal Journal A9-10
Business News..... B3	Sports..... A12
Crossword..... A11	Technology..... B4
Equities..... B7	U.S. News..... A2-4
Heard on Street..... B12	World News..... A6-7,16

## Tennis Queen Opens Her Title Defense



**HOME TURF:** Coco Gauff hits a return to Varvara Gracheva of France during their first-round match at the U.S. Open Tennis Championships in New York on Monday. The 20-year-old American, who won the Open last year, beat Gracheva 6-2, 6-0. **A12**

## Tehran Sends Mixed Signals On Retaliation Against Israel

BY CARRIE KELLER-LYNN AND DOV LIEBER

Hezbollah chief Hassan Nasrallah told people in Lebanon on Sunday they could "take a breath," saying that after a salvo of rockets, the Iran-backed militant group was done with retaliation against Israel for the July killing of a senior leader in Beirut.

Now, all eyes are on Iran, which had said it too would inflict a "painful response" on

Israel after the killing of Ismail Haniyeh, leader of Palestinian militant group Hamas, in Tehran hours after the death of Fuad Shukur, the Hezbollah commander.

Hezbollah's strike, which followed what Israel called a pre-emptive attack on Sunday, prompted congratulatory statements from Hamas and Iran-backed Iraqi militants while Houthi rebels in Yemen called for more attacks. Israel said no major damage oc-

curred. Casualties and damage in Lebanon were also limited, Hezbollah said.

The messages from Iran have been less clear. On Sunday, Iran's supreme leader, Ayatollah Ali Khamenei, didn't address the operation directly but said "war has many forms," adding: "It doesn't always mean holding a gun. It means thinking correctly, speaking correctly, identifying correctly, aiming accurately."

The speaker of Iran's par-

liament said Israel suffered a defeat at the hands of Hezbollah that was similar to the 2006 war between Lebanon and Israel. "They cannot cover up this defeat," he said. Iran's foreign minister said there would be a "precise and calculated" response to Israel but that "unlike the Zionist regime, Iran isn't seeking to es-

*Please turn to page A7*

◆ **In Lebanon, two separate realities..... A6**

## Long Covid Changes Millions' Life Paths

BY JENNIFER CALFAS AND PAUL OVERBERG

Among Covid's superlatives is the blow it dealt to people's career plans en masse.

Never before have so many people in the U.S. redrawn their relationships with work as a result of one public-health crisis. More than four years after the pandemic began, some are still reckoning with how to balance their livelihoods and life with long Covid, the chronic condition doctors are still trying to understand. People at the height of their careers are operating without clarity on when, or if, they can resume the paths they once laid out.

"Covid just kicked me off the train while it was still moving," said Amie Pascal, 47 years old, who spent years climbing the ladder at a digital-marketing agency in Oregon before getting long Covid.

Long Covid has pushed around one million U.S. workers out of the labor force, economists estimate. More than 5% of adults in the U.S. have long Covid, and it is most prevalent among people in their prime working years. About 3.6 million people reported significantly modifying their activities because of the illness in a recent survey by the federal Centers for Disease Control and Prevention.

Long Covid is a chronic condition with symptoms lasting at least three months after a Covid infection, according to the CDC. Symptoms include fatigue, changes in memory, shortness of breath and trouble concentrating.

Long Covid can make tasks as simple as responding to an email arduous, people with the condition said. They

*Please turn to page A4*

## INSIDE



**PERSONAL JOURNAL**  
Hotel loyalty programs get less rewarding for guests after a surge in signups. **A10**

**BUSINESS & FINANCE**  
IBM to shut down its China R&D operations, the latest retreat by a U.S. tech giant. **B1**

## Elon Musk's Turn to Politics, In 300,000 of His Own Words

An analysis of his tweets over the past five years shows a shift from business to political and social issues

BY ANDREA FULLER, ALEXA CORSE, JOHN WEST AND KARA DAPENA

When Elon Musk endorsed former President Donald Trump's campaign in July, X was his megaphone to reach his almost 200 million followers. The endorsement not only made Musk one of Trump's most influential supporters, but also represented a remarkable shift in his eagerness to weigh in on political debates compared with just a few years ago.

In 2019, Elon Musk mostly tweeted about his companies—plus memes and the occasional dad joke. Today, he posts almost daily about political issues on X, the platform he acquired in 2022.

Musk posted about 13,000 times this year

through the end of July—almost as much as in all of 2023. That's about 61 posts a day, compared with nine in 2019.

If you were to read all his exchanges on X from the past 5½ years—including the posts he replied to—that would add up to about 1.5 million words. That's roughly twice as long as the King James Bible. The words in Musk's posts alone added up to more than 300,000—not counting emojis.

Musk and his representatives didn't respond to questions from The Wall Street Journal about his posting patterns on X, formerly called Twitter.

To understand the political evolution of one of the world's richest men, the Journal cap-

*Please turn to page A8*

## Less Painful Ballet Shoes Arrive—Some Dancers Won't Use Them

To purists, suffering comes with the art; 'That is why I love it'

BY PRIYA BHARADIA

LONDON—Ballet dancers have a more intimate relationship with their shoes than most people. So do ballet fans. When Marie Taglioni, among the first dancers to perform on the tips of her toes, or en pointe, had her final show in Russia in 1842, admirers reportedly banded together to buy a pair of her shoes for 200 rubles and had them fricasseed and served with a delicate white wine sauce.

The reality, however, is that ballet shoes can be a pain. Traditional designs use

satin, leather, paper and paste. While this might help a dancer "feel the floor," they're typically worn out after a single performance and can take a toll on one's feet, with bruises and bunions part of ballet lore.

But adopt shoes that hurt less? That is a touchy point in the rarefied world of classical ballet.

"You're not going to play Mozart on the guitar," said Petr Orlov, general manager of Nikolay, the U.S.-based brand of Grishko, a well-

known Russian pointe shoe maker. "There is a tradition to our craft. I'm all for moving

*Please turn to page A2*



Tutu much

## Big-Bank CEOs Mum On Race for President

BY JUSTIN BAER AND JACK GILLUM

The nation's top bankers seek to influence U.S. policy on everything from immigration to tariffs and bank-capital rules. They donate freely to their companies' political-action committees and meet regularly with leaders of both political parties.

Yet when it comes to siding with one presidential candidate or the other, the chief executives of big banks take a more diplomatic approach. And they almost never contribute directly to presidential campaigns, at least not since the 2008-09 financial crisis transformed their relationship with Washington.

There is little to gain by endorsing a candidate, current and former bank executives said. Doing so runs the risk of alienating employees and cus-

tomers and straining the bank's dealings with the White House and its appointees.

It isn't that they don't engage in politics or on policy. The bank CEOs have personally lobbied against Federal Reserve proposals that would have forced their companies to set aside more capital, arguing that the measures would drive up costs and reduce their ability to lend. The tactics were effective: U.S. regulators eventually moved toward a different plan with more modest increases in capital requirements.

No bank CEO has been more influential—yet careful to straddle a tight line between presidential rivals—than JPMorgan's Jamie Dimon, the only current big-

*Please turn to page A2*

◆ **Candidates have contrasting visions of America..... A4**



# U.S. NEWS

## Bank CEOs Stay Mum On Election

*Continued from Page One*  
bank chief executive who has remained in his role since before the crisis.

Dimon said during a 2012 television interview that he was “barely Democrat, at this point.” The comment was a clever way to keep loyalists from both parties happy, said Tevi Troy, a senior fellow at the Bipartisan Policy Center who wrote “The Power and the Money: The Epic Clashes Between Commanders in Chief and Titans of Industry.”

By 2019, Dimon’s views had evolved somewhat, though they still struck a bipartisan chord. “My heart is Democratic, my brain is kind of Republican,” he said.

In January, he said former President Donald Trump was “kind of right” on some policies related to the economy, immigration and China. Two months later, Dimon was in the White House having lunch with Vice President Kamala Harris. He came away from that visit believing she sounded reasonable and was open to improving the government’s relationships

with U.S. corporations, The Wall Street Journal reported.

It is little wonder, then, that Dimon’s Aug. 2 op-ed in the Washington Post offering his advice to the next president didn’t mention any of the candidates by name, or their party affiliation. Even his list of successful leaders—Presidents Lincoln, Truman and Eisenhower—made sure to include both Republicans and Democrats.

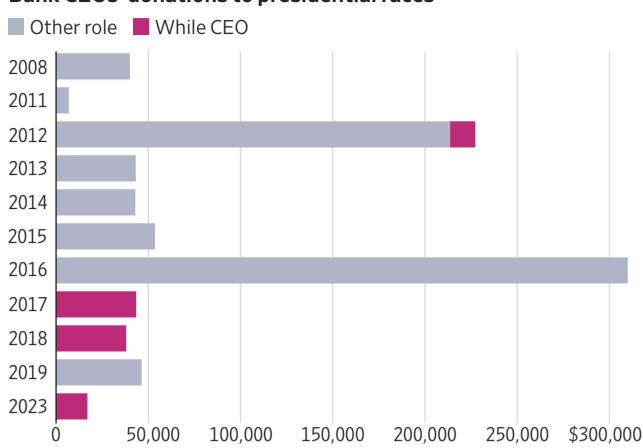
Bank of America CEO Brian Moynihan has visited the White House on several occasions to share his views on the economy with President Biden and his predecessors. He has praised Biden’s administration for its work in the wake of the Covid-19 pandemic while also criticizing policies toward energy projects and corporate dealmaking as bad for business.

Bank CEOs didn’t always guard their presidential preferences so closely. As recently as 2007, all of the heads of JPMorgan, Bank of America, Citigroup, Goldman Sachs, Morgan Stanley and Wells Fargo contributed to at least one presidential campaign.

By the time Barack Obama and John McCain won their party’s nominations in 2008, the financial-services industry as it was known was changing dramatically.

Since then, active bank CEOs have made only a handful of donations to presidential

Bank CEOs’ donations to presidential races



Note: Analysis of contributions of CEOs from JPMorgan, Bank of America, Citigroup, Goldman Sachs, Morgan Stanley and Wells Fargo. Figures adjusted for inflation. Source: Federal Election Commission

campaigns. Wells Fargo’s John Stumpf gave Mitt Romney’s campaign \$10,000 in 2012. His successor, Tim Sloan, made two contributions to the Republican National Committee in 2017 and 2018.

Lloyd Blankfein, Goldman’s former CEO, publicly endorsed Hillary Clinton in 2016, then praised Trump’s handling of the economy in 2018. In 2023, his successor, David Solomon, contributed to South Carolina Republican Sen. Tim Scott’s campaign.

Many of those big-bank CEOs were more frequent contributors to White House bids before they were promoted to the top job, and after they stepped down. Of their dona-

tions since 2008, only 15% occurred when they held the title, according to an analysis of federal campaign-finance data by the Journal.

The U.S. government responded to the financial crisis by rolling out many new regulations that sought to rein in banks’ risks.

The banks are under constant supervision and often under siege from a battery of new rules designed to make the financial system safer.

Presidents might criticize Wall Street publicly. But in private, and especially in moments of turmoil, they often turn to the big-bank CEOs for their advice and insights into the economy or the markets—

as they did in the aftermath of the pandemic, the invasion of Ukraine and the failure of Silicon Valley Bank.

An election might sweep out a president’s cabinet and the heads of the government agencies, but even in defeat the losing party still holds sway in Congress and on regulators’ boards.

“There’s a sense that the Democrats don’t go away, and the Republicans don’t go away,” Troy said. “They’re all here.”

The biggest banks have hundreds of thousands of employees and customers in nearly every state. As a group, they form a mosaic of political opinions that mirrors the overall electorate. With this year’s presidential race shaping up to be another close one, the banks’ leaders are mindful of saying or doing anything politically that might alienate roughly half of their constituents.

And like the rest of the country, more of those employees and customers are willing to voice those beliefs than they were a decade ago, current and former bank executives said.

“Any stance you take, you’re going to end up hearing about it from the other side,” one executive said. “You have to be really careful.”

—Alexander Saeedy and Gina Heeb contributed to this article.

## U.S. WATCH

### IMMIGRATION Judge Pauses Policy To Benefit Spouses

A federal judge in Texas on Monday paused a Biden administration policy that would give spouses of U.S. citizens legal status without having to first leave the country, dealing a setback to one of the biggest presidential actions to ease a path to citizenship in years.

The administrative stay issued by U.S. District Judge J. Campbell Barker comes just days after 16 states, led by Republican attorneys general, challenged the program that could benefit an estimated 500,000 immigrants in the country, plus about 50,000 of their children. The states accused the administration of bypassing Congress for “blatant political purposes.” Barker is a Trump appointee.

One of the states leading the challenge is Texas, which in the lawsuit claimed the state has had to pay tens of millions of dollars annually from healthcare to law enforcement because of immigrants living in the state without legal status.

The court order, which lasts for two weeks but could be extended, comes one week after the Department of Homeland Security began accepting applications. Homeland Security didn’t respond to a request for comment.

—Associated Press

### WISCONSIN Green Party’s Stein Stays on Ballot

Green Party presidential candidate Jill Stein will remain on the ballot in the crucial swing state of Wisconsin after the state Supreme Court decided Monday not to hear a Democratic challenge seeking to oust her.

Democrats are concerned third-party candidates could draw votes away from Vice President Kamala Harris and help Republican Donald Trump win Wisconsin. The presence of independent and third-party candidates on the ballot could be a deciding factor in a state where four of the last six presidential elections have been won by between 5,700 votes and 23,000 votes.

The court decided against hearing the challenge brought by an employee of the Democratic National Committee who sought to oust Stein from the ballot. The court didn’t explain its reasoning.

—Associated Press

### ALASKA One Person Dead, 3 Hurt in Landslide

One person was killed and three were injured by a landslide that prompted a mandatory evacuation in the city of Ketchikan, authorities said.

Three people were transported to Ketchikan Medical Center following the landslide, which struck around 4 p.m. Sunday and damaged homes and infrastructure, the Ketchikan Gateway Borough and City of Ketchikan said in a joint statement.

Alaska Gov. Mike Dunleavy declared an emergency for Ketchikan. “In my 65 years in Ketchikan, I have never seen a slide of this magnitude,” city Mayor Dave Kiffer said.

The landslide followed a weekend bout of rain.

—Associated Press



CHRISTOPHER DUGGAN/HONG KONG BALLETT



KESTONE/HULTON ARCHIVE/GETTY IMAGES

## Ballet Has Toe-to-Toe Dispute

*Continued from Page One*  
forward, there is plenty of room for new-age pointe shoes in contemporary ballet. But I don’t want to see a beautiful White Swan wearing a skintoned sock.”

Searching for new ways to keep ballet dancers on their toes, more high-tech pointe shoes have hit the market, promising longevity and greater comfort.

New York-based Gaynor Minden makes them with a shock-absorbent foam lining, and a polymer toe box and shank to support the arch of the foot.

It says the shoes last about five times longer and are more comfortable than traditional ballet pumps.

A German startup called act’ble took a leap forward with a modular design involving a 3D-printed sole, enabling dancers to replace components as needed instead of buying entirely new shoes. (For their part, companies such as the Royal Ballet in London and the American Ballet Theatre have set up appeals to help cover the cost of replacing shoes, at around \$90 a pair.)

Yet dancers and directors remain divided over whether to use this newer breed of shoes, sometimes bitterly so. “Certain directors want only one type of shoe,” said Kay Tien, a former ballet dancer. Her consultancy company, Pivot Pointe, worked with act’ble during its research stage.

“The classical ballet world has a resistance to change that can be a huge obstacle.”

In a culture that prizes aes-



DMITAR DILICOFFA/GETTY IMAGES



GAYNOR MINDEN

thetics over efficiency, some connoisseurs worry artisans who hand craft the shoes could be obliterated by these streamlined designs. Others fear that, without the suffering that can accompany traditional pointe shoes, the art form itself will be diminished.

Older, classical ballet companies still prefer the sleek look of traditional pumps. Freed of London, which has hand-crafted ballet shoes since 1929, is the primary supplier to the Paris Opera and New York City Ballet. Freed employs 25 makers, each producing up to 40 pairs a day. Dancers can wait over

12 months for their custom-built shoes. “We can’t machine-work these human beings,” said Kelsie Jones, marketing manager at Freed.

Xuan Cheng, principal dancer and ballet mistress with the Hong Kong Ballet, has worn Freed shoes for years and enjoys their pliability. “My students say ‘This feels awful.’ I tell them they’ll get used to it,” she said, recalling how she would stick wads of wool and cotton in her shoes to ease the bleeding and bruising.

Sometimes her toenails would peel off.

“Pointe work is hard, but

Top left, clockwise: Xuan Cheng, with the Hong Kong Ballet, says ‘you feel the pain, and then you miss it,’ the late George Balanchine, an artistic director of the New York City Ballet; dancer Alexandra Kirshina rehearses on pointes made at Grishko especially for her in Moscow in 2020; Gaynor Minden production.

that is why I love it—when you hit that balance, you feel so good. It’s addictive. You feel the pain, and then you miss it. You are so in control of your body, you have so much power.”

Many dancers have concluded there is room for both styles, which keeps the manufacturers relatively happy. Eliza Minden, the founder of Gaynor Minden, said they “all know each other and we’re pretty friendly.”

For the most part anyway. Ballet-shoe choices have provoked global intrigue.

Moscow-based Grishko has long supplied pointe shoes to the Bolshoi and Mariinsky and still does—though some dancers felt the ferocious leaps and turns of Russian technique favored a more durable shoe. For the reopening of the Bolshoi Theatre in 2011, principal dancer Svetlana Zakharova donned shoes from New York-based Gaynor Minden, rather than a Russian brand.

“It was like stealing Helen of Troy,” said Minden.

In February 2014, an article in the Moscow newspaper Moskovskaya Pravda asserted the plastics used in American pointe shoes were damaging the toes of Russian ballerinas. It raised the question of whether they were part of an effort by U.S. intelligence to bring about the “economic collapse of Russia and the destruction of the nation.”

Nikolay Grishko, the founder of the Russian brand who was interviewed in the

article, pointed to a scientific paper circulated a few years earlier that said Gaynor Minden shoes contain hazardous chemicals.

“I didn’t know about the laboratory methods,” he said in an email, saying that suggestions that American intelligence agencies could be involved were the newspaper’s idea. “I just worried about how I could help dancers from different parts of the world.”

Minden wasn’t impressed.

When she and her Gaynor Minden team saw the article, “we laughed about it,” she recalled, adding that a copy of the study she saw said the plastics in the shoes had been heated to 250 degrees Celsius—a temperature shoes would never reach during pointe work.

“I never felt that I’d really achieved success until I’d been accused of being a CIA plot,” she said.

## CORRECTIONS & AMPLIFICATIONS

A photo with Saturday’s U.S. Watch showed members of the Iota Phi Theta step team performing in New York City. The caption incorrectly said Phi Alpha Theta.

Former Thai Prime Minister Srettha Thavisin belongs to the Pheu Thai Party. A World News article on Friday about Thailand’s economy incorrectly implied that he belonged to the dissolved Move Forward Party.

In some editions Monday, Lululemon was misspelled as Lulemon in a headline with a Business & Finance article about the athletic-wear company.

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: [wsjletters@wsj.com](mailto:wsjletters@wsj.com)

Need assistance with your subscription? By web: [customercenter.wsj.com](http://customercenter.wsj.com); By email: [support@wsj.com](mailto:support@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

# Special Counsel Pushes to Revive Documents Case

By Sadie Gurman

Special counsel Jack Smith told an appeals court Monday that a federal judge in Florida made a series of grievous errors and ignored decades of precedent when she dismissed the case charging Donald Trump with illegally retaining classified documents after he left the White House.

Smith's team urged the Atlanta-based 11th U.S. Circuit Court of Appeals to reinstate the 40-count indictment against the former president, which U.S. District Judge Aileen Cannon tossed in July after finding the special counsel's appointment was unconstitutional. That bombshell opinion "is at odds with widespread and longstanding appointment practices in the Department of Justice and across the government," Smith's prosecutors wrote in their opening brief.

Cannon, a Trump appointee, said in her ruling she wasn't persuaded by decisions spanning back to the Watergate era upholding the legality of the appointments of outside prosecutors, including by the Supreme Court. Officials like Smith, she said, typically must be confirmed by the Senate unless Congress has given such appointment powers to the executive branch alone.

If upheld, the decision could jeopardize the future of a mechanism the Justice Department has long relied upon to avoid conflicts of interest in investigations of politically powerful people. Even if Smith's appeal is successful, the documents case won't go to trial soon. Trump spokesman Steven Cheung said Cannon's ruling should be upheld.

Monday's submission marked the start of what is sure to be a protracted legal battle over the fate of the documents case, in which prosecutors alleged Trump willfully kept classified material—including sensitive national security information—after he left the White House and obstructed the government's re-

peated efforts to recover it.

Attorney General Merrick Garland appointed Smith in November 2022 to oversee the Justice Department's Trump probes, shortly after the former president announced he would make another bid for the White House.

"The Attorney General validly appointed the Special Counsel, who is also properly funded," Smith told the appeals court. Cannon's "rationale could jeopardize the long-standing operation of the Justice Department and call into question hundreds of appointments throughout the Executive Branch," he said.

Trump has been running to return to the White House while facing four different prosecutions, all of which are facing varying degrees of uncertainty. The Supreme Court in July imperiled Smith's other prosecution of the former president on allegations he sought to subvert the 2020 election. The high court's decision found that former presidents enjoy sweeping immunity for their acts while in office.

In New York, Trump was convicted this year of 34 felony counts of falsifying business records for covering up a payment to a porn star. Trump's lawyers have asked the judge to delay his Sept. 18 sentencing until after the election to give them time to appeal an anticipated ruling on whether the Supreme Court's immunity decision impacts the case. Prosecutors said they would defer to the judge on the matter.

The fourth case, involving election-interference allegations in Georgia, is delayed indefinitely.

Cannon's ruling didn't address the substance of the allegations outlined in the documents case. Smith alleged Trump held on to information about U.S. and foreign defense and weapons capabilities, U.S. nuclear programs, potential vulnerabilities of the U.S. and its allies to military attack, and plans for a possible retaliation in response to a foreign attack.



Mercedes Peterson negotiated to stay in her Philadelphia apartment after an illness caused her to fall behind on rent.

# How Philadelphia Curbed Evictions

By Will Parker

Mercedes Peterson was half-asleep on a hospital bed when an email from her landlord arrived. "I have to start the eviction process," he wrote. "Thank you."

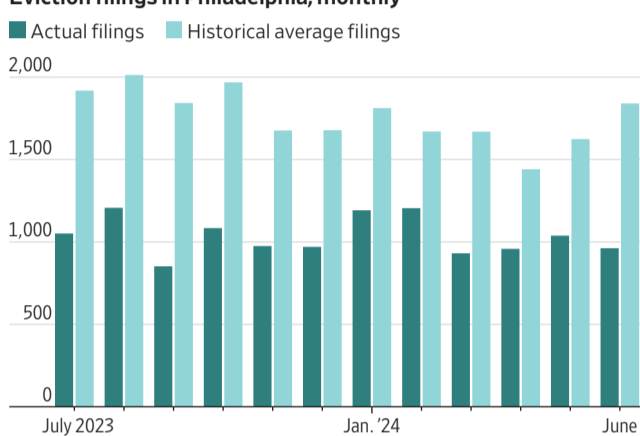
Peterson missed her January rent payment, and after an emergency illness that led to surgery and a lengthy recovery, she was about to miss another in February. But once out of the hospital she got an unexpected text. Someone with the city of Philadelphia said they would start negotiating with her landlord to keep her in her home.

"It really just calmed my mind and allowed me to focus on my health," Peterson said. She is one of thousands of Philadelphia renters who have been spared from eviction through a relatively new process known as eviction diversion. After a trial period, the city in June made it a permanent requirement for landlords to go through out-of-court negotiations with tenants before they can sue to remove them.

Courts in Alaska, Indiana, Texas, Michigan and other states have also experimented with diversion, which gained traction in the pandemic when job losses surged and cities feared rising homelessness. Nationally, evictions have risen back to prepandemic levels, after federal tenant protections expired and rents grew at record rates.

But in Philadelphia, eviction filings remain unusually low. Court filings to remove tenants are down 41% in Philadelphia in the 12 months ended in June, compared with the annual average between 2016 and

Eviction filings in Philadelphia, monthly



Note: Historical averages come from filings for respective months during years 2016 to 2019. Source: Eviction Lab

2019. That is according to the Eviction Lab at Princeton University.

The city's diversion program is the main reason why. It stands out from others because tenant negotiations start before courts get involved, and landlords are required to participate.

"Everyone anticipated that there would be this wave of eviction filings and you saw that nationally," said Rachel Garland, a housing lawyer with Community Legal Services of Philadelphia. "We never saw the wave hit."

Philadelphia has no shortage of tenants struggling to make the rent. In 2023, enrollments in the diversion program were higher than the number of eviction filings before the pandemic, the Philadelphia Housing Authority said.

"Rents continue to go up," Garland said.

Renters with little personal savings are most at risk of eviction when they lose jobs, face medical emergencies or

experience another financial trigger. Eviction filings don't just mean losing housing; they also make it harder to obtain future housing. Court filings create a public record that follows renters when they apply for a new place to live.

When Peterson entered diversion, she worked with Adam Goldman, a program-appointed counselor. They charted a plan to present to Peterson's landlord. Their aim was to show she could pay off the back rent on her studio apartment, while also making on-time payments going forward.

Future rent payments were the easy part. Just a day before getting sick in January, Peterson started a full-time job with the city's parking authority, sticking tickets on scofflaw cars. She resumed working again in March.

To pay back missed payments, Goldman and Peterson got more creative. Some money came from Peterson's tax return refund. They also proposed letting Peterson put

some of her large security deposit toward the rent. For the rest, they created a plan for paying down missed rent over time, which the landlord accepted.

"Even just having an extra 30 days to really figure things out makes all the difference in the world for so many tenants," Goldman said.

In other cases, public rental assistance—which Philadelphia is funding at \$34 million this year—helps resolve temporary payment problems. Tenants also sometimes agree to move out without having to involve the courts.

If the two sides can't reach an agreement, the landlord can move forward through the typical eviction process. Just over half of all cases eventually end up in court, according to one 2023 study.

Many landlords support the diversion program's goals, especially when tied to rental assistance. They can often recover unpaid rent that is otherwise difficult to obtain.

But property owners still have quibbles. The Pennsylvania Apartment Association, a trade group, has pushed the City Council to narrow the eligibility criteria, which currently includes lease violations that don't involve nonpayment of rent. The group also wants to make it faster to evict renters who don't hold up their end of agreements.

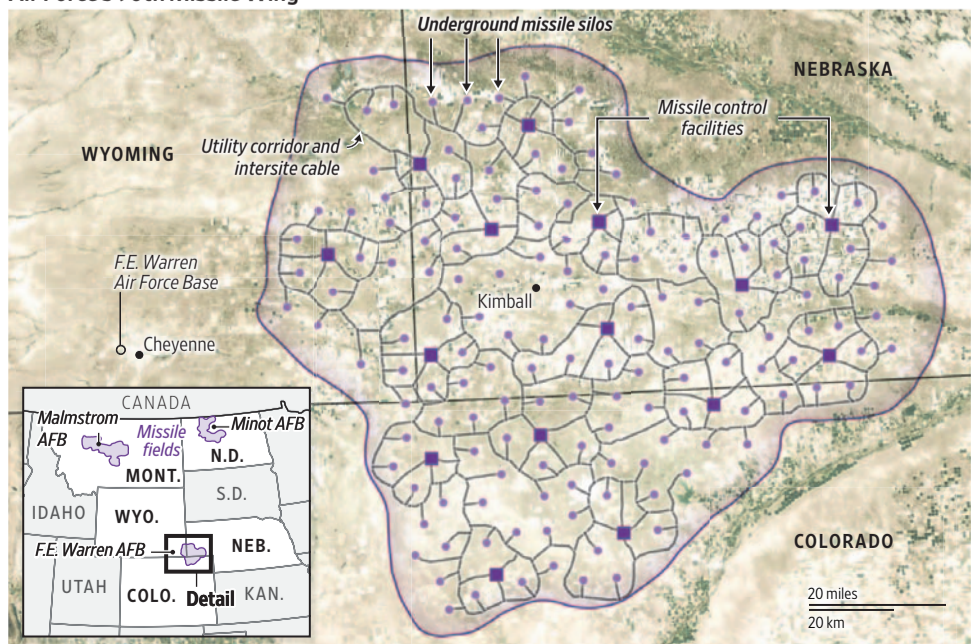
In some cases, diversion postpones the inevitable at the landlord's expense, said Mark Copoulos, a local landlord lawyer. "It kind of solves everything for a short period of time," Copoulos said. "But then you still end up having to go through the eviction process."



Air Force airmen working on a ballistic missile near Malmstrom Air Force Base in Montana. The Pentagon has said the nuclear missiles are critical to national security.

Kimball, Neb., is at the center of the oldest and largest nuclear missile cluster, with 150 silos spread over 9,600 square miles.

Air Force's 90th Missile Wing



Source: Air Force Global Strike Command

ANDREW MOLLICA/WJSJ

# Nuclear Missile Silos Need Fixes, But Upgrading Faces Delays, Costs

By Doug Cameron

The price tag for upgrading the nation's land-based nuclear missiles is rising, but support for the project isn't.

The Pentagon has revised the projected cost of refurbishing hundreds of nuclear missile silos to \$141 billion, a \$30 billion increase from an estimate provided in January. The U.S. Air Force project, known as Sentinel, includes replacing the Cold War-era intercontinental ballistic missiles inside the silos with newer models.

The largely rural communities that house the missiles have been plunged into uncertainty over when—or even if—thousands of workers will begin the construction project, which was slated to kick off this summer. Military leaders recently told residents of Kimball, Neb., a town surrounded by one of the biggest missile fields, that it could be five years or more before work starts.

"There are a lot of unknowns here, and I understand the frustration," Brig. Gen. Colin Connor said at a town hall this month.

Sentinel is part of a long-delayed nuclear-arms refresh that the Congressional Budget Office estimates will cost at least \$1.5 trillion over the next 30 years. Some lawmakers, such as Rep. John Garamendi (D., Calif.), question whether there is still a need for land-based missiles alongside ones carried on new submarines and bombers, as well as new nuclear warheads.

For decades, the Pentagon and presidential administrations have said the nuclear missiles are critical to national se-

curity and global conflict deterrence. Recently officials from the U.S. military and its contractors have said efforts to extend the lives of existing weapons and structures are hitting their limits.

The missiles sitting inside some 450 silos are decades past their projected lifespan of 10 years. The underground silos require thousands of miles of new fiber-optic cabling. Underground command centers that control the missiles need to be rebuilt. Maintenance jobs that used to take two or three hours now take twice as long, and parts are more difficult to obtain, Air Force officials said.

"Its scale, scope and complexity are something we haven't attempted as a nation for over 60 years," Bill LaPlante, the Pentagon's chief weapons buyer, said in July as he cleared Sentinel to continue as a must-do program despite the surging costs.

The Air Force is looking for ways to reduce the Sentinel project's complexity, but deciding on changes could take as long as 18 months, LaPlante said.

The Defense Department has negotiated a third of the real-estate deals needed to secure access to private land for the silos and the cabling that links them to underground control centers.

The Pentagon hired Northrop Grumman in 2020 to oversee the Sentinel program and do the initial engineering and design work. Northrop, aided by construction giant Bechtel, was the only bidder for the initial \$13.3 billion contract after Boeing dropped out.

The early cost estimates proved to be unreliable and unrealistic, said Pentagon officials, while inflation in construction and raw-material costs added to the potential bill.

As with a nightmare fixer-upper, the Pentagon and its contractors faced steep challenges with repairing concrete, accessing wiring and modernizing communications systems. "Most of the people who did it the last time aren't even around anymore. So re-creating all of this has turned out to be a huge problem," said Madelyn Creedon, a former senior Energy Department and Pentagon official.

Fully shutting down the silos and command centers to rebuild isn't possible because the missile systems are expected to be available continuously. Some silos have been scanned using lidar to provide 3-D images of interiors as well as to test their concrete linings for damage.

For the towns affected, the slow progress on Sentinel is a relief as they prepare for the disruption expected from the construction work. "It's nothing short of a blessing for us that the Air Force backed off," said John Morrison, mayor of Kimball in Nebraska.

While Morrison supports the modernization work, he said about the project's impact on local economies.

Air Force and Northrop officials held public meetings in towns across the missile fields over the past two years as the government prepared to buy up the necessary land, prep the work camps and begin construction.

U.S. NEWS

# Campaigns Assert Two Visions of America

GOP ticket stresses ties to 'homeland'; Harris focuses on U.S. as land of opportunity

By Aaron Zitner

CHICAGO—Sen. JD Vance introduced himself to the nation as a son of poor Kentucky coal country with family roots going back generations. Kamala Harris introduced herself as the child of Indian and Jamaican immigrants, one of them “a brown woman with an accent” who arrived with dreams of becoming the scientist who cured breast cancer.

These details, laid out at the two parties' national conventions, weren't just intended to fill in the biographies of the faintly known Republican nominee for vice president and Democratic nominee for president. Rather, they were part of the two parties' explanations for why they would take the nation in radically different policy directions.

The two presidential campaigns, at the conventions and in other messages, have offered far different visions of what it is to be American, part of a battle over which agenda serves the nation best. To Vance, the “source of American greatness” is the bonds built over generations of people connected to their “homeland,” which he said must be defended against imported foreign labor, imported energy and trade deals that shipped jobs overseas. To Harris and her allies, the American story is often about people overcoming racial and economic hurdles, whose aspirations deserve targeted aid from the government.

Donald Trump, the GOP presidential nominee, has



Hulk Hogan at the Republican convention. Kamala Harris's grandnieces, with actress Kerry Washington, at the Democratic one.

prominently taken up the debate over American identity by portraying Harris herself and her policies as outside the mainstream.

Deriding her economic plan as a form of Soviet-style governance, Trump has continually dubbed her “Comrade Kamala” and recently posted an image online casting the Democratic convention as a communist rally, with Harris as its leader. He has falsely contended that she took on her Black identity only recently, suggesting she is deceitful in presenting herself to the public.

“He’s trying to ‘other’ Harris”—make her seem alien in her identity and values, said Sarah Longwell, a Republican strategist who opposes Trump. She said Harris had responded in the convention by “leaning into what it means to be an American, how American she is, how she’s a unique American story.”

Trump has also proposed the largest mass deportation program ever of people in the U.S. illegally, describing them as a threat to safety and the American way of life.

Vance, meanwhile, used the

story of a family rooted to the land for generations, using it to argue in part for protecting the nation’s native-born citizens and their values.

Vance talked about the cemetery in eastern Kentucky, near his family’s ancestral home in one of the nation’s poorest counties, where he expected to be buried one day next to people born at the time of the Civil War. He put the shared history of the people there at the center of his vision of America.

“America is not just an idea,” Vance told the Republican convention. “It is a group of people with a shared history and a common future.” While accepting immigrants is part of the American tradition, he said, “when we allow newcomers into our American family, we allow them on our terms. That’s the way we preserve the continuity of this project from 250 years past to hopefully 250 years in the future.”



Harris’s convention speech, by contrast, leaned into the idea that her story of a first-generation, biracial child advancing to high office embodies America’s promise of offering opportunity to all.

Harris has proposed a sweeping package of tax cuts for parents, aid to first-time home buyers and access to capital for small-business owners that she suggested would help

people who had few chances for advancement. “Opportunity is not available to everyone,” she said she learned as a child. “That’s why we will create what I call an opportunity economy, an opportunity economy where everyone has the chance to compete and a chance to succeed.”

The two party conventions also offered a more direct engagement in the battle to define American identity. When Hulk Hogan, the retired WrestleMania star, took the stage shortly before Trump accepted the GOP nomination, he wore

a shirt that said “Real American.” He then explained what the term meant to him.

“I found out I was in a room full of real Americans,” he said, referring to the convention hall and the loyalty of GOP delegates to Trump. “When Donald J. Trump becomes the president of the United States, all the real Americans are going to be nicknamed Trumpites, because all the Trumpites are going to be running wild for four years,” he said.

Democrats left it to Barack Obama to give the reply. “Donald Trump wants us to think that this country is hopelessly divided between us and them, between real Americans who of course support him and the outsiders who don’t,” the former president told his party’s convention. He urged the audience to reject that idea.

The convention also put Harris’s grandnieces on stage to explain the correct way to say the candidate’s first name (it is COMM-a-lah)—an implicit rebuke to Trump, who often mispronounces the name and has said “I couldn’t care less” about doing so.

## An argument over which party's values represent the mainstream.

# Zuckerberg: Pressure On Covid Content Was Wrong

By Siobhan Hughes

WASHINGTON—Meta Platforms Chief Executive Mark Zuckerberg said it was improper for the Biden administration to have pressured Facebook to censor content in 2021 related to the coronavirus pandemic, vowing that the social-media giant would reject any such future efforts.

Zuckerberg also said he didn’t plan to repeat efforts to fund nonprofits to assist in state election efforts, a Covid-era push that had drawn Republican criticism and sparked many Republican-leaning states to ban the practice.

In a letter to House Judiciary Committee Chairman Jim Jordan (R., Ohio) that touched on a series of controversies, Zuckerberg wrote that senior Biden administration officials, including from the White House, had “repeatedly pressured our teams for months to censor certain COVID-19 content, including humor and satire, and expressed a lot of frustration with our teams when we didn’t agree.”

At the time, Facebook’s publicly stated goal was to push millions of people toward Covid-19 vaccines. In his letter, Zuckerberg didn’t indicate whether he had changed his mind about that goal or whether he simply felt that the Biden administration had gone too far. The Wall Street Journal reported in 2023 about debates between the company and the White House over Covid-related content, including humorous or satirical posts.

Zuckerberg said that he believed the pressure from the administration “was wrong, and I regret that we were not more outspoken about it.” He said that the company had “made some choices that, with the benefit of hindsight and new information, we wouldn’t make today,” and that “I feel strongly that we should not compromise our content standards due to pressure from any administration in either direction—and we’re ready to push back if something like this happens again.”

A Meta spokesman said the letter speaks for itself. A White House spokeswoman didn’t respond to a request for comment. The White House has previously said that its discussions with social-media companies were aimed at promoting the adoption of vaccines and other public-health goals. Administration officials feared at the time that many Americans were hesitant to get vaccines because of false information they saw on Facebook.

Zuckerberg also made clear he didn’t plan to repeat heavy spending on election access. The billionaire Facebook founder and his wife, Priscilla Chan, donated more than \$400 million to nonprofits to help conduct elections during the 2020 coronavirus pandemic.

While many localities said the money was a lifeline helping them register voters, set up socially-distanced voting booths and provide equipment to sort mail-in ballots, among other uses, Republicans said that the money unfairly benefited Democratic areas.

—Mariah Timms contributed to this article.



Believing she was recovering from Covid, Stacy Cooper tried to return to the cafe she had opened as a bucket-list project—but she couldn't recall names of customers or count change.

## Long Covid Pushes Out Workers

Continued from Page One  
struggle to summon the right word or manage stress. Among its many symptoms is post-exertional malaise, which can worsen after even minor physical or mental activity.

“People can’t go back to work or have to significantly cut down on the amount of work that they can handle,”

said Akiko Iwasaki, an immunobiology professor at Yale School of Medicine.

Researchers don’t know how long symptoms can last. Few people with long Covid have fully recovered within two years. Patients said their doctors have tried measures from antihistamines to blood thinners to physical therapy to acupuncture. Some people might live with the condition for the rest of their lives, said Dr. Paul Volberding, a professor emeritus at the University of California, San Francisco.

“We are still learning week by week,” Volberding said. Walking across the kitchen of her cafe in Biddeford,

Maine, in June 2020, Stacy Cooper felt exhausted.

Believing she was recovering from a Covid infection, she had wanted to return to work at Biscuits & Company, the cafe she had opened as a bucket-list project in 2014.

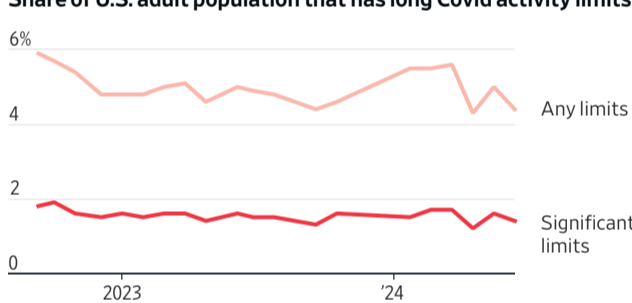
But she couldn’t remember the names of her customers. She couldn’t calculate change and blanked while trying to use the credit-card machine.

She and her business partner closed Biscuits & Company in October 2021. She stopped her customer-service-training consultant practice, too.

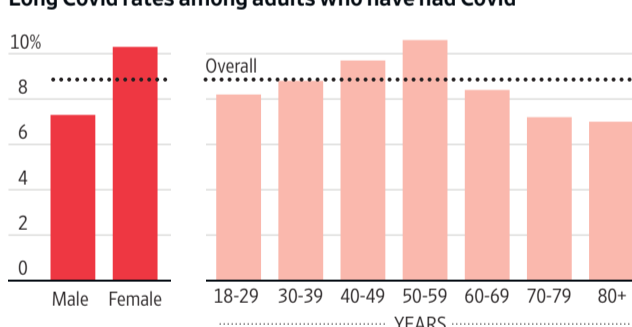
“There’s a lot of grief in losing your identity when your identity is your work,”

A small but significant share of U.S. adults report they are hampered by long Covid. Rates are higher among working-age people who have had Covid.

Share of U.S. adult population that has long Covid activity limits



Long Covid rates among adults who have had Covid



Note: Long Covid is a chronic condition with symptoms lasting at least three months after a Covid infection. Sources: Census Bureau/Centers for Disease Control and Prevention

Cooper, 64, said.

Some people with long Covid, which the federal government has classified as a disability, have stayed in their jobs. Human-resource managers have made accommodations including remote work or flexible hours, said Rue Dooley of the Society for Human Resource Management.

People were more likely to develop long Covid at the start of the pandemic, according to a study published in July in the New England Journal of Medicine. The proliferation of vaccines and changes to the virus have made people infected with Covid less likely to develop long Covid.

Anisha Sekar, 33, hasn’t worked full time since she got Covid in 2020. Sekar worked in tech in San Francisco, eventually co-founding a fintech startup. She worked with her colleagues to develop a more accommodating schedule.

But when she tried to work more frequently, symptoms including brain fog and nerve pain worsened. Work felt incompatible with her illness, Sekar said. She left her startup last year.

Sekar, Cooper and Pascal found each other online in 2020. They maintain a daily group text and gather on video calls to paint, crochet and sew together.

## Bronfman Drops Bid For Studio

Continued from Page One

Bronfman’s efforts had been enough for Paramount to extend the go-shop period—a window during which the board committee can solicit and review bids—until Sept. 5.

Under the terms of the deal with Skydance, the special committee had to decide if Bronfman’s bid “is or would reasonably be ex-

pected to lead to a superior proposal,” relative to Skydance’s offer.

Skydance fought back, with its lawyers delivering a letter to the special committee last week calling for Paramount to end talks with Bronfman on the grounds that they violated terms governing its own negotiations with the company.

Bronfman was up against a deadline this week to submit a final offer for Redstone’s media empire—this time with more clarity around his financing commitments. Bronfman’s investor group had included Fortress Investment Group and BC Partners Credit.

Ellison’s roughly \$8 billion

offer involves buying National Amusements and merging Skydance into Paramount. The deal would put \$1.5 billion on Paramount’s balance sheet that can be used to pay down debt. Additionally, it would provide more than \$4 billion to buy out about 50% of nonvoting Paramount shares at \$15 each, or allow them to roll into the new company.

Bronfman had argued that Skydance’s plans to merge its film and TV business with Paramount—at a \$4.75 billion valuation—was going to dilute non-Redstone shareholders.

Bronfman, whose family once owned the liquor giant Seagram, prides himself on

helping steer companies through big transformations. The 69-year-old helped to reshape the music industry as an investor and executive, though he has had a mixed record of success in the broader media business.

He previously ran Warner Music and currently serves as executive chairman of FuboTV.

Ellison has been a would-be Hollywood mogul for more than a decade.

He built Skydance, a production company that was launched in 2010, into a powerful and profitable maker of big-budget movies and television shows. His father, Larry Ellison, co-founded the software giant Oracle.



Edgar Bronfman Jr.'s exit paves way for Skydance.

# CONGRATULATIONS TO LYDIA KO

## THE 2024 AIG WOMEN'S OPEN CHAMPION



**AIG**  
FORWARD WE GO™

## WORLD NEWS

## In Lebanon, Location Defines Reality

Those far from the battle with Israel enjoy life while others fear for their lives

By SUNE ENGEL RASMUSSEN |

KFARDEBIAN, Lebanon—Fireworks crackled over this mountain resort about 50 miles north of the border with Israel, their reflections glittering in a swimming pool as young people ordered bottle service and puffed on cigars. A nearby nightclub filled up with affluent Lebanese dancing and drinking cocktails at tables that cost \$100 to book.

Sunday's heavy exchange of fire between Israel and Hezbollah did little that might interrupt the vibe. The militant group fired hundreds of rockets into Israel, and about 100 Israeli warplanes hit dozens of suspected rocket-launch sites across southern Lebanon. Much of the rest of Lebanon was untouched, and a feared escalatory spiral appears to have been avoided.

The two sides have now settled back into the skirmishing that has prevailed for months—the fiery exchanges of drone attacks, airstrikes, and rocket and artillery fire that have made swaths of Lebanon's southern border area unlivable, killing people and cattle, and sending nearly 100,000 residents fleeing for shelter, while sparing residents to the north.

"In a dystopian country, you have to hold on to happiness," said Luna Karame, a 26-year-old who works in fashion in Paris and was visiting her home country this summer.

Lebanon is living two realities. While areas of the south are experiencing the heaviest fighting in nearly two decades, with more than 500 people killed, mostly Hezbollah fighters, other Lebanese are doing their best to live life as normal. That includes escaping the heat and tension to party in a paral-



Affluent Lebanese, top, patronize a club in the mountain resort of Kfardebian. Below, relatives and friends mourn the death of a Hezbollah militant in Beirut's Dahiyeh district.

lel world in the mountains.

The scene belies a Middle East on edge as the fighting in Gaza has spilled into violence on several fronts. Residents of Beirut, the Lebanese capital, are moving on with life even as they worry about a wider

war. In the south, where Hezbollah has traded fire with Israeli forces since October, people say the war has come.

"It's like the war has split the population in two, and it is only the people in the south who are paying the price," said Hafez

Moustafa, a 47-year-old farmer whose family fled the village of Beit Lif, less than 2 miles from the border, on Oct. 9. They now live in a shelter in the southern city of Tyre. Moustafa said his house has been destroyed and his cows have either been killed

or have fled.

The fighting began shortly after the Oct. 7 Hamas-led attacks on southern Israel that triggered an Israeli assault on the Gaza Strip. Hezbollah started firing at Israel the next day, leading to a cycle of strikes and counterstrikes that has depopulated a swath of northern Israel as well, where more than 60,000 residents have been evacuated.

Israel says it has drawn up plans for an incursion into Lebanon and will take action unless a diplomatic solution to the fighting is found. Hezbollah says it won't stop until the fighting ends in Gaza. Diplomats are scrambling to secure a cease-fire in Gaza.

Lebanon has long been a nation divided, its five million people split among a plethora of faiths and sects swerving from one violent conflict and political crisis to the next stretching back to a 15-year civil war in the 1970s and 1980s. For years, the country has been controlled by a feeble caretaker government that struggles to provide even basic services like electricity, much less unify or defend the population.

Since Hezbollah originated in the 1980s to resist Israeli occupation of Lebanon, it has grown into the country's best-armed force, surpassing the national military, largely because of support from Iran. As a legal party, it also is a dominant political force and provides social services to its constituents. It controls crucial infrastructure.

"Some people think the south is a country of its own," Nadim Mantoura, a 34-year-old entrepreneur planning to open a Hi-Fi listening bar in Beirut, said over pizza at a fair in Kfardebian. At the fair, families ate fast food as nannies watched children jump around in a bouncy castle.

Hospitality is a big part of the crisis-plagued Lebanese economy. In the past half decade Lebanon has been rocked by a popular uprising, the pan-

demie, an explosion at the port that laid waste to large parts of economically active Beirut, and a banking crisis that devalued the currency by 98% and wiped out people's savings.

Now, amid the fear of war, international airlines have suspended flights, foreign embassies have told their citizens to leave the country and hotels stand empty. Yet, the hospitality sector soldiers on.

"Our job is to give you a good time, to fuel your energy," said Charbel Sabbagh, the owner of Odin nightclub in Kfardebian. "This area is so far from what's happening around us, but that doesn't mean we don't care."

In a shelter for displaced people in Tyre in southern Lebanon, Moustafa Ibrahim Saeed, a 54-year-old farmer who fled Beit Lif 10 days after the cross-border shelling started, was bouncing one of his 11 children—from two wives—on his lap. His house was badly damaged, and the land where he grew seasonal vegetables was ruined, because it hadn't been farmed.

Saeed said he feared a repeat of the 2006 war between Israel and Hezbollah, in which his brother was killed and his own house destroyed.

"No one wants war," he said. "But Israel will never allow peace."

The violence is gradually encroaching on Beirut. Twice, suspected Israeli airstrikes have hit the southern suburbs of the Lebanese capital, killing a senior Hamas operative and a senior Hezbollah commander, as well as civilians. Low-flying Israeli jet fighters routinely break the sound barrier over the city, rattling residents with their sonic booms.

"There's a lot of denial," said 29-year-old Patricia Ferzly, who had slipped out of Beirut to spend a few days at the Kfardebian fair. "Every day is stressful. We deal with it step by step."

—Adam Chamseddine contributed to this article.

## Get ready for LABOR DAY

Be the first to know about our handpicked Labor Day deals.



SIGN UP FOR OUR NEWSLETTER

[wsj.com/buyside-labor-day-signup](https://wsj.com/buyside-labor-day-signup)



Buy Side FROM WSJ

REVIEWS & RECOMMENDATIONS TO SAVE YOU TIME & MONEY. FROM THE WALL STREET JOURNAL.

# WORLD NEWS

## SUDAN Dozens Missing After Dam Collapse

The Arbaat dam in Sudan's eastern Red Sea state collapsed, sending water flooding over nearby homes, the country's health ministry said late Sunday.

The ministry said at least four people died but didn't estimate how many are missing. A local official told the Sudanese news site Al-Tagheer that he believed at least 60 people were dead. The Sudanese news outlet Medameek, citing the country's air force, reported more than 100 people missing.

The dam supplied drinking water to Port Sudan, where many top officials and civilians have fled since a brutal conflict pitting the country's military against the paramilitary Rapid Support Forces broke out in April 2023, setting off a humanitarian crisis and pushing many into starvation.

—Associated Press

## UNITED NATIONS WHO Offers Plan To Beat Back Mpxv

The U.N.'s World Health Organization on Monday launched a six-month plan to stanch mpxv, including adding staff in affected countries and boosting surveillance, prevention and response strategies. The WHO said it expects the plan, which aims to improve access to vaccines, notably in African countries hardest hit, to require \$135 million in funding. In mid-August, WHO classified the current outbreak as a global-health emergency.

Last week, Congo—the hardest-hit country—reported more than 1,000 new mpxv cases over the previous week. The African Centers for Disease Control's latest data shows that as of Thursday, more than 21,300 suspected or confirmed cases and 590 deaths were reported this year in 12 African countries.

—Associated Press

## PAKISTAN At Least 38 Dead In Three Attacks

Gunmen in southwestern Pakistan killed at least 38 people in three separate attacks on Monday, officials said. Security forces killed 21 insurgents, the military said. In all, it marked one of the deadliest days of violence in Balochistan province—scene of a long-running insurgency by an array of separatist groups.

In Musakhail district, 23 people were fatally shot after being taken from vehicles, police said. In Qalat district, gunmen killed at least nine people, including four police officers. The bodies of six people were found in Bolan, where insurgents also blew up a railway track.

A police station was attacked in Mastung district and vehicles were burned in Gwadar district, with no casualties reported.

—Associated Press

## WORLD WATCH



A charred vehicle in the Musakhail district of Pakistan's Balochistan province on Monday marked the site of one of the attacks by separatist insurgents that killed at least 38 people.

AGENCE FRANCE PRESSE/GETTY IMAGES

## Mideast Focus Turns To Tehran

Continued from Page One

calate tensions, although it doesn't fear them." One question is whether Iran will use Sunday's strike by Hezbollah—which has proclaimed success—as cover to avoid further escalation as Tehran looks for a response that would deter Israel from further attacks while also avoiding triggering a regional war.

"Its calculation isn't necessarily in synergy with the rest of the 'axis of resistance,'" said Sanam Vakil, a Middle East expert at the U.K.-based Chatham House, referring to Iran's web of allied militias in the region. "The assumption should not always be that Iran is going to pile in or Iran is going to be involved in what comes next."

The degree to which Hezbollah's attack will influence Iran's own plans will depend on how much Tehran sees itself a part of Hezbollah's operation. "It is unclear at the moment if Iran considers this part of their own retaliation," an Israeli security official said.

Some Iranian allies, such as the Houthi rebels in Yemen, have pushed for a harder line.

While Israel and Hezbollah have signaled they want to de-escalate and no attack appeared to be imminent, Pentagon officials believe the threat from Iran still exists, spokesman Maj. Gen. Pat Ryder said on Monday. "We continue to assess that there is a threat of attack and we again remain well postured to be able to support Israel's defense as well as protect our forces should they be attacked."

Officials in Washington said they have no plans to change the bolstered U.S. military presence in the region.

Late last week, a second U.S. aircraft carrier strike group arrived in the region. The USS Abraham Lincoln and

its accompanying ships traveled from the Pacific as part of the U.S. effort to increase its military presence. It joins the USS Theodore Roosevelt strike group, which has been operating in the Middle East. The U.S. also deployed an Air Force F-22 Raptor squadron, and the USS Georgia, a cruise-missile submarine, is nearby.

The Roosevelt was scheduled to leave this week but will stay in the region until at

least next week or potentially later, a U.S. official said on Monday.

The Pentagon has assessed that the decision to boost U.S. military presence in the Middle East over the past few weeks has succeeded in deterring Iran and its proxies from launching a broader attack, Ryder said.

Immediately following the killing of Haniyeh, Khamenei said it was Iran's "duty to take

revenge" and that Israel had "prepared the ground for a severe punishment." The country's acting foreign minister, Ali Bagheri-Kani, told diplomats this month that Iran's response would be "definitive and decisive." A few days later, however, Iran's top diplomat said the country's response would be "at the right time and in the appropriate shape."

Since the killings in late July, the U.S. and some Arab countries have been working to ease tensions. Israel promised heavy retaliation against Iran if it attacked the country directly again. In April, Iran sent over 300 missiles and drones into Israeli territory, an attack that was largely thwarted after coordination with the U.S., Western and Arab allies in the region.

Amos Yadlin, a former head of Israeli military intelligence, said he believes Iran is contemplating a different response than repeating the direct attack on Israel seen in April, based on his own analysis and nonpublic intelligence assessments. The reasons, he

said, are threats from the U.S. and promises from Israel that its retaliation would be much stronger than in April, as well as internal opposition from President Masoud Pezeshkian of Iran, who hopes to improve Iran's economy and ties with the West.

Yadlin said Iran could be looking for a different type of retaliation, including the possible targeting of a high-level Israeli official.

Hezbollah's attack could provide a way for Iran to de-escalate, said Danny Citrinowicz, who served as head of the Iran branch for the Israeli military and is now a fellow with the Tel Aviv-based Institute for National Security Studies. There would be more pressure on Hezbollah to respond to Shukr's killing, since he was a Hezbollah official and he was killed in Beirut. But Haniyeh wasn't Iranian.

"They have the ability to retaliate in a way that is less severe than what Hezbollah tried today," Citrinowicz said.

—Alexander Ward, Nancy A. Youssef and Lara Seligman contributed to this article.



A woman looks through a shattered window in a building in the northern Israeli city of Acre hit by a rocket fired from Lebanon.

JIN/ANHUA/ZUMA PRESS

# It's time for "qualified" to mean qualities, not just a bachelor's degree.

Tear the paper ceiling that is keeping you from discovering over 70 million STARS: workers *Skilled Through Alternative Routes* that are being held back by degree screens, stereotypes and more. Find out how STARS can meet your talent needs.

**TEAR THE PAPER CEILING.ORG**

Keith, Data Analyst,  
Google Career Certificate Graduate,  
STAR

#HireSTARS

# FROM PAGE ONE

## Musk's Evolution In Tweets

Continued from Page One  
tured nearly 42,000 of Musk's exchanges on X between 2019 and the end of July. (That's nearly all his conversations during that period, with a small number of exceptions, such as posts he deleted.)

Musk's exchanges included roughly 76,000 posts—his tweets as well as his retweets, tweets to which he replied and any quoted tweets. The Journal mapped them using the same technology that powers artificial intelligence tools like ChatGPT.

All told, the Journal classified more than 500 variations of words and phrases related to political and social issues, and nearly 300 as terms related to Musk's companies and their industries.

In 2024, Musk had roughly 230 times as many exchanges a month containing the political terms compared with 2019. Conversations containing business terms more than doubled, but fell as a share of overall tweets.

To dig into the details of the shift, the Journal manually classified each of Musk's tweets from July 2019. Roughly two-thirds were about cars or space, both industries central to Musk's business empire. The handful that pertained to governmental issues or the media generally related to his business interests.

In July of this year, roughly a fifth of Musk's nearly 2,200 posts pertained to his rocket and electric-vehicle companies, or those industries, according to the Journal's manual review. Nearly 60% of Musk's posts were about politics, the media, current events or cultural issues.

Five years ago, Musk said he wasn't a partisan.

Feb. 2, 2019  
**Elon Musk** @elonmusk  
I'm openly moderate. There, I said it.

The outbreak of the Covid-19 pandemic marked a turning point. A tweet saying "The coronavirus panic is dumb" was his first post to get more than one million likes in the Journal's analysis.

In subsequent tweets, Musk criticized government-mandated lockdowns and sparred with local authorities over reopening Tesla's factory in Fremont, Calif. He complained about the power of "unelected" officials over pandemic-related mandates, with nine of his conversations on the platform containing the term in May 2020.

Musk had courted controversy on Twitter in prior years, such as when his tweets about taking Tesla private led the Securities and Exchange Commission to sue him. But he began taking on a more political tone. In May 2020, he tweeted, "Take the red pill"—a reference to the movie "The Matrix" that is used by some on the right as a rallying cry. In the movie, the red pill allows the main character to see the reality behind the illusion.

Throughout 2020, Musk's Twitter exchanges directly named President Biden, who was elected in November of that year, once. In 2021, Musk repeatedly clashed with the president and other Democrats whom he accused of unfairly treating him and his companies.

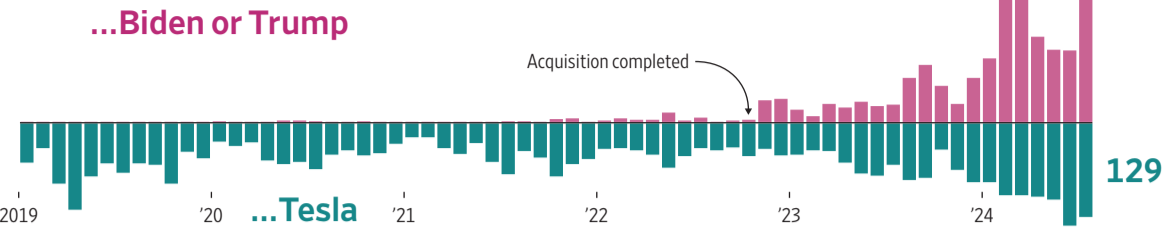
Musk bristled when the Biden administration invited only automakers with unionized workforces to a White House event on electric vehicles in August 2021, excluding Tesla. He continued to complain about the administration's auto industry policies.

Oct. 31, 2021  
**Elon Musk** @elonmusk  
Biden is a UAW puppet

He also feuded with Democratic Sen. Elizabeth Warren. "Let's change the rigged tax code so The Person of the Year will actually pay taxes and stop freeloading off everyone else," she tweeted in 2021, when he was named Time's person of the year. Musk replied, "And if you opened your eyes for 2 sec-

Five years ago, Elon Musk mostly tweeted about his companies, plus memes and the occasional dad joke. Today, he posts almost daily about political issues on X, the platform he acquired in 2022.

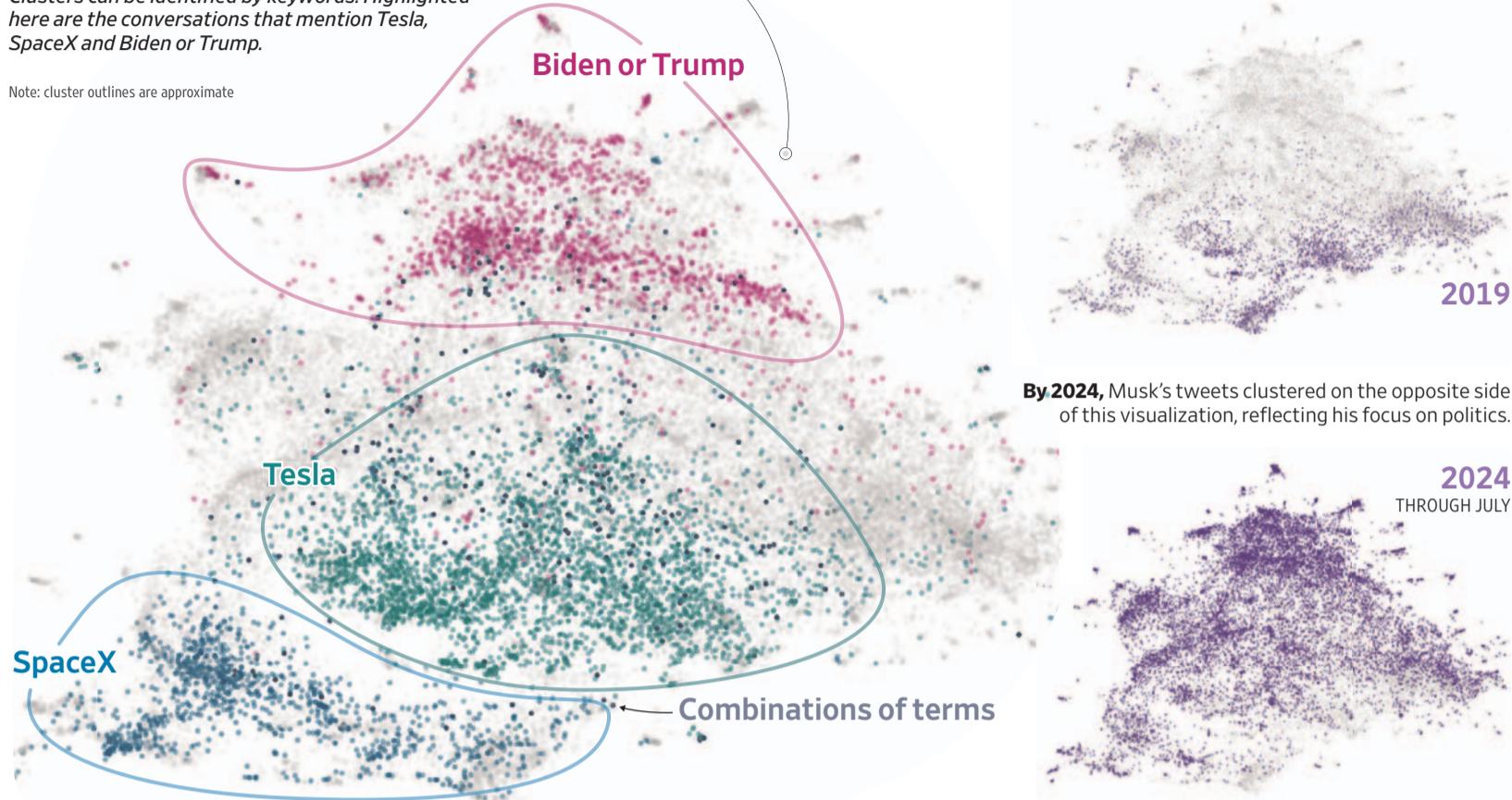
### Musk's exchanges that mention...



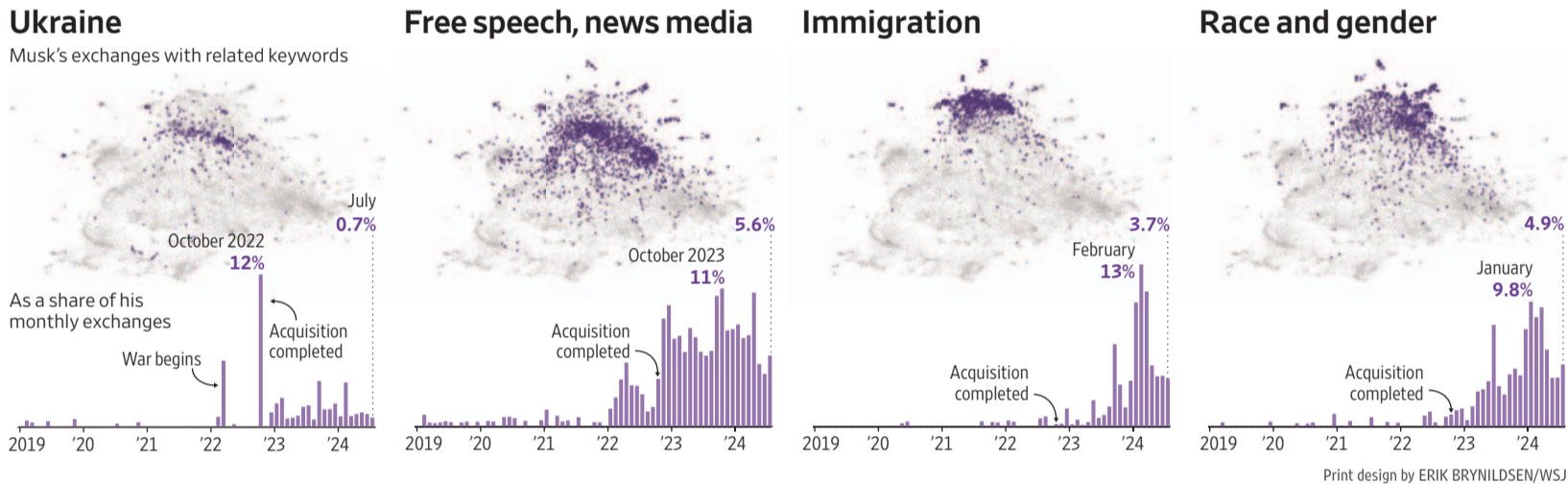
Each dot is one of the nearly 42,000 exchanges Musk had on X between 2019 and the end of July. Exchanges with similar content are clustered together.

Clusters can be identified by keywords. Highlighted here are the conversations that mention Tesla, SpaceX and Biden or Trump.

Note: cluster outlines are approximate



By 2022, Musk was spending more time wading into sensitive political and social issues.



onds, you would realize I will pay more taxes than any American in history this year."

By 2022, Musk was spending more time wading into sensitive political and social issues.

More than 250 of Musk's Twitter exchanges in 2022 mentioned "free speech," "disinformation," "the media" or similar phrases.

That year, Musk offered to buy Twitter. He accused the platform of having a "strong left wing bias" and said that he would soften content moderation in the name of free speech if he bought the platform.

March 25, 2022  
**Elon Musk** @elonmusk  
Free speech is essential to a functioning democracy.  
Do you believe Twitter rigorously adheres to this principle?  
YES 29.6%  
NO 70.4%  
2,035,924 votes • Final results

**Elon Musk** @elonmusk  
The consequences of this poll will be important. Please vote carefully.

He completed the acquisition in October 2022 in a deal valued at \$44 billion. The move won him many admirers among conservatives and critics of big social-media platforms. Several of his most-liked posts of all time pertain to free speech and his acquisition of Twitter, with some receiving millions of likes. His top most-liked in the Journal's analysis: a joke about "buying Coca-Cola to put the cocaine back in."

The name of the platform appeared in about 900 of his exchanges in 2022. That's nearly twice as many as mentioned Tesla during the same period. In November of that year, a record 36% of his conversations mentioned Twitter.

In a May 2022 tweet, Musk made his split with Democrats explicit.

May 18, 2022  
**Elon Musk** @elonmusk  
In the past I voted Democrat, because they were (mostly) the kindness party.  
But they have become the party of division & hate, so I can no longer support them and will vote Republican.  
Now, watch their dirty tricks campaign against me unfold...

May 30, 2022  
**Elon Musk** @elonmusk  
I support free speech, but not any one candidate. In fact, I gave money to & voted for Hillary & then voted for Biden.  
However, given unprovoked attacks by leading Democrats against me & a very cold shoulder to Tesla & SpaceX, I intend to vote Republican in November.

March 21, 2024  
**Elon Musk** @elonmusk  
This is a battle to the death with the anti-civilizational woke mind virus.  
My positions are centrist:  
- Secure borders  
- Safe & clean cities  
- Don't bankrupt America with spending  
- Racism against any race is wrong  
- No sterilization below age of consent  
Is this right-wing?

Musk also began expressing more views about international affairs, such as Russia's invasion of Ukraine starting in February 2022.

Early on, Musk posted his support for Ukraine, tweeting "Hold Strong." SpaceX's Starlink, which uses a fleet of satellites to provide internet service, has been a key tool Ukraine has used in its fight with Russia.

Later, he voiced concerns about oversight of the U.S. government's spending on Ukraine and the risk of nuclear war. Musk drew ire from Ukraine's President Volodymyr Zelensky over a tweet in which he proposed that Ukraine cede the Crimean region to Russia. Musk responded that he still supports Ukraine.

In 2023, Musk replied to, quote-tweeted or retweeted

prominent foreign leaders at least 18 times, including Indian Prime Minister Narendra Modi and Israeli Prime Minister Benjamin Netanyahu.

Of those exchanges, seven were with Hungarian Prime Minister Viktor Orban, whose policies have made him an icon for some on the right.

Musk engaged more frequently than in prior years with accounts focused on political commentary. Among the accounts he engaged with the most since 2023 were @EndWokeness, which Musk replied to, quote-tweeted or retweeted more than 470 times. He had about 450 exchanges on the platform with Alex Lorusso, a conservative political commentator, during that period.

The term "woke" appeared in more than 400 of Musk's exchanges since 2023 as he criticized liberals, or amplified others who did. In more than 60 of those, Musk posted about the "woke mind virus," his way of labeling what he sees as a herd-like mentality on the left.

Nov. 7, 2023  
**Libs of TikTok** @libsoftiktok  
They managed to convince an entire population that they're somehow guilty and should be ashamed of their skin color. Racism against white people is the only kind of discrimination that's allowed.

Nov. 8, 2023  
**Elon Musk** @elonmusk  
It's messed up and needs to stop

As Musk spent more time engaging with political controversies, he also at times amplified inflammatory or conspiratorial content. In 2022, in a later-deleted tweet, he posted a link to an article with salacious and unsubstantiated claims about the attack on lawmaker Nancy Pelosi's husband.

In November 2023, Musk responded to a user's post that espoused an antisemitic conspiracy theory by writing: "You have said the actual truth." Musk has vehemently denied being antisemitic and said he hadn't meant anything antisemitic by that post. That comment, he said, was "one of the most foolish, if not the most foolish thing, I've ever done on the platform."

stroy the woke mind virus after that," he said.

Musk also ramped up posting about diversity, equity and inclusion initiatives, known as DEI, which he called a form of discrimination, writing in December 2023, "DEI must DIE."

Since 2023, more than 1,400 of his exchanges included the terms "DEI," "racist," "trans," "gender," or similar words related to race, gender and sexuality.

Musk also amplified the idea that white people are made to feel guilty about their skin color, replying to a post that included a video of people being asked if they are proud to be white.

Feb. 2, 2024  
**Elon Musk** @elonmusk  
Biden's strategy is very simple:  
1. Get as many illegals in the country as possible.  
2. Legalize them to create a permanent majority - a one-party state.  
That is why they are encouraging so much illegal immigration. Simple, yet effective.

Nov. 8, 2023  
**Elon Musk** @elonmusk  
It's messed up and needs to stop

Since last year, more than 100 of his exchanges on the platform mentioned the billionaire George Soros. Some of his comments about Soros, including a comparison to Jewish X-Men villain Magneto, drew condemnation from the Anti-Defamation League.

Musk also amplified claims that the left is "importing future left-wing voters" through illegal immigration.

This year, illegal immigration has been a focal point of his attacks against Democrats. Since January, terms like "illegal immigrants," "migrants," "the border" and similar phrases appeared in more than 900 of Musk's conversations.

In April, Musk posted, "My politics are (I think) fairly moderate anyway."  
By July, Musk was posting often about Trump and Biden, with 15% of his exchanges on X mentioning at least one of their names that month. He declared his support for Trump in a post on X shortly after the former president was shot in a failed assassination attempt.

July 13, 2024  
**Elon Musk** @elonmusk  
I fully endorse President Trump and hope for his rapid recovery

July 13, 2024  
**Elon Musk** @elonmusk  
I fully endorse President Trump and hope for his rapid recovery

The same day, Musk posted a viral photo of Trump raising his fist in defiance after he was shot. The post garnered roughly 3.4 million likes. It was Musk's second-most popular post to date.

July 13, 2024  
**Elon Musk** @elonmusk  
I fully endorse President Trump and hope for his rapid recovery

The same day, Musk posted a viral photo of Trump raising his fist in defiance after he was shot. The post garnered roughly 3.4 million likes. It was Musk's second-most popular post to date.



## Landlords Offer Cash Back For Renters Who Pay on Time

Owners give incentives to fill vacancies and encourage tenants to renew their leases

By KATHERINE HAMILTON

The only reward for paying your rent used to be a place to live. Now landlords are offering credit-card-style incentives like 2% cash back or points redeemable for home goods and gift cards.

Behind the incentives are about a dozen companies including Stake, Incentco and Piñata. Some of these companies say it is a big benefit for landlords because people in these programs are more likely to renew a lease, even when the rent goes up.

Given the high cost of rent, tenants say even small rewards can affect their decisions about where to live. About 12 million renters spent more than half their income on housing as of 2022, a Harvard University report this year said. Turning people's biggest expense into a loyalty program may take a tiny bit of the sting out of paying rent.

Today, there are more than two million renters across the U.S. getting rewards for paying rent on time and signing or renewing leases.

Ernest McKee, a renter in East Fort Worth, Texas, enrolled in Stake rewards when he renewed his lease in April. Stake, which launched nationally in 2021, gives McKee about 1% in cash back



▲ Ernest McKee, on vacation, gets about 1% in cash back when he pays his \$1,135 rent on time.

when he pays his \$1,135 rent on time. The company also covers the roughly \$4 in fees related to paying his rent online.

McKee, 44 years old, said he uses the money to help cover fees his landlord charges, such as electricity in his building's common areas and property maintenance. Those totaled \$93, on top of his

rent, in July. "I know 15 bucks doesn't seem like a lot," said McKee. "But when you're being overcharged for rent and you're unemployed, getting even that back every month is a blessing."

Renters can also earn points when paying rent with a credit card, but fees charged by landlords wipe out most benefits. (The Bilt credit card is an exception.)

Companies such as Stake are helping turn the necessity of rental payments into yet another loyalty program.



▲ Joelle Manning has cashed in her points for reusable paper towels and a set of colored pencils for her daughter.

### What you get

New renters are getting offered more deals from landlords eager to fill vacancies after a boom in apartment construction.

Traditional concessions include a month or two of free rent or a discount on utilities, but monthly rewards offer a new format. Some rental-rewards companies, such as Stake, offer cash back. With Piñata, people accrue and cash in points for home goods, gift cards and other products from merchants including Amazon, CVS, Target and

Walmart. Many companies say renters can count rental payments toward their credit scores.

A return on rent is better than nothing, but these prizes are relatively tiny compared with the cost of rent. They're also generally worth less than the more conventional incentives landlords offer.

Joelle Manning enrolled in Piñata two years ago. She receives up to 60 points back each month, equivalent to about \$10, or less than 0.4% of her \$2,575 rent. She's cashed in the points for reusable paper towels and a set of colored pencils for her 4-year-old daughter.

"I wouldn't not rent an apartment if they didn't participate with Piñata, but it's definitely somewhat of an incentive to stay," said Manning, 47, who lives in Summit, N.J.

Sharon Williamson, who lives in subsidized senior housing in Newark, N.J., said the opportunity to build her credit score motivated her to enroll in Piñata eight months ago. The points are nice too, she said, though she hasn't accrued enough to buy anything yet. Her credit score has risen one point. Piñata said the average renter's credit score increases 65 points in the first six months in the program.

### Do the math

The average concession was equivalent to 5% of annual rent during the first half of 2024, according to Moody's, which estimates the average rent for the year at \$21,000, or \$1,750 a month. Rent costs have risen 22% since 2019, Moody's says.

By comparison, Piñata renters would make the equivalent of about \$125 a year if they paid their rent on time each month. That is about .6% of Moody's average annual rent figure. A tenant would have to stay

in their unit nine years to get a value comparable to the average concession.

Renters choosing a place to live should factor in the dollar value of a year of rewards, said Brad Hargreaves, a real-estate analyst. It isn't that easy to value points or credit-score changes, however.

"You shouldn't let the rewards blur the bigger picture," he said. "If the landlord's trying to raise your rent 10%, that is going to blow away any potential savings you can get from the rewards."

About 97% of Piñata renters with an annual lease renewed it in 2024, and almost all of them at a higher rent, the company said. The national lease renewal rate is around 65%, according to a report from Yardi Matrix.

Rewards are usually worth less than a free month of rent, helping landlords save on concessions, said Gerry Wiatrowski, co-founder of rewards company Incentco. Roughly a million renters get rewards through Incentco. They may rack up a ton of points, but each one is usually only worth about 3 cents, he said. "It's the psychology of points," he said. "The perceived value is higher."

## In HBO's 'Industry,' Ethics Takes a Loss

By ELLEN GAMERMAN

In "Industry," having a good soul is a bad investment.

HBO's cult hit returned this month against a new backdrop, using the realm of ethical investing as the canvas on which to paint the moral lapses, take-no-prisoners competitiveness and unrivaled cynicism of the bankers and traders in the show's fictional world.

No financial incentives exist for them to put the interests of others above their own. Examples of characters getting rewarded for altruism "are few and far between," says series creator Mickey Down.

Kit Harington anchors the season as Sir Henry Muck, the aristocratic founder of a green energy company called Lumi. The Dickensian-named Muck, played by the "Game of Thrones" star, is a well-meaning rich boy who treats his eco-startup as something between a crusade and a hobby. Muck betrays his own company to sell off his personal stake shortly after the IPO, saving himself but setting up the company's investors and customers for pain. "Most

companies fail," he tells himself, wrapped in a spa robe while justifying his mistakes in the mirror.

"Industry" follows the lives of strivers who meet at the London investment bank Pierpoint & Co. in their search for power and wealth. In this series, money becomes whatever the characters need it to be—a substitute for love, a bulwark against old age, a shortcut to a sense of self, an addictive game.

In Sunday's episode, Pierpoint bankers scramble to sell their virtuousness at a climate conference in Switzerland.

"Poster children of a new kind of capitalism," says manager Eric (Ken Leung), whose stint at the gathering includes failing to pay a sex worker \$20,000 and lying to investors about Lumi's prospects.

The plot develops beyond Pierpoint. At the climate conference, Harper (Myha'la) and Petra (Sarah Goldberg, the "Barry" star who is new to the cast), undercut the self-centered head of an ethical investment fund to build their own fund that Petra says will be "dressed in whatever politics you want." They



◀ Marisa Abela and Kit Harington in "Industry," which follows the lives of strivers who meet at an investment bank.

tions are on full display once again. "All the characters in this show understand on a level, whether or not they admit they do or even are conscious of it, that everyone and everything in finance is collateral," says Myha'la, adding of Harper: "Maybe she's just more honest about it."

Nigel Nicholson, emeritus professor of organizational behavior at London Business School, says financial companies are faced with a challenge: They must search for staff who aren't so uptight that they won't take risks but not so driven that they're willing to cheat or delude themselves into thinking they can control markets.

"You're not going to employ social workers," he says. "But you don't want Machiavellians." The characters in "Industry" tend to favor the latter.

As cracks form on their exteriors, they patch themselves up as best they can, using bluster to cover any glimpse of vulnerability. So far, Robert (Harry Lawtey) shows the most potential for allowing his soul to guide him. When he cries on the trading floor in the season three premiere—not explaining to his co-workers that the client he was sleeping with just died—his boss Eric takes him aside and makes him chant the phrase, "I am a man, and I'm relentless." Robert screams it until his voice is raw.

"Now," says Eric. "Go to work."

land the huge investor Otto Mostyn (Roger Barclay), who doesn't worry about Venice sinking because of climate change because he'll be dead by then anyway.

"Two women who flew into a climate conference and left with a sin stock fund," Petra announces in triumph, preparing the story they'll sell to investors. Otto then turns to Harper and praises her "progressive" look. "New look, same great taste," Harper replies, to his giant guffaw.

As it has in the past two seasons, "Industry" finds fodder in the real-life pressures in the banking world.

"There's an up-or-out mentality to some of these high finance jobs where only the strong survive and the weak are sacrificed," says David Zaring, a professor of legal studies and business ethics at the University of Pennsylvania's Wharton School. "I get where regulators think people just aren't going to comply with the rules if their bonus, their ability to stay in their job, depends on them cutting every corner they possibly can, and high finance has that reputation."

After being on the outs at the start of the season, Harper's ambi-

## PERSONAL JOURNAL.

# Hotel Guests' Rewards Get Downgrade

Increased competition for perks from surge in signups means loyalty points are often not going as far as they used to

By JACOB PASSY

Hotel rewards programs have long offered frequent travelers a guaranteed free night, room upgrade or other amenity. It's not as easy anymore.

Hotels are signing up new members in droves. Lucrative credit-card offers and partnerships are making it easier to attain higher levels of status. And hotel conglomerates like Hilton and Marriott are launching new chains annually, meaning a person could stay at different brands and accrue loyalty points in the same centralized program.

While many more people are able to get points for their stays, the growth has increased competition for crucial perks and watered down the rewards themselves, travel industry analysts say. Many hotel rewards programs also have begun adjusting the number of points needed for a reward stay based on the popularity of the property and the dates of travel.

"These programs have followed the path of airlines," says John Ollila, founder of LoyaltyLobby, a site that analyzes travel loyalty programs. "They have become less rewarding for those who stay at their hotels, and more emphasis is placed on revenue that various partnerships and credit cards drive."

## Off the charts

Since 2019, Marriott, InterContinental Hotels and Hilton have all shifted to the airline-like form of dynamic pricing.

Other hotel companies, like Hyatt and Wyndham, have stuck with set charts that determine how many points are needed to book different categories of hotel stays. Hyatt has opted to keep awards charts in an effort to keep its program straightforward and transparent, says Amy Weinberg, Hyatt's senior vice president of brand, loyalty and data. "What I hear from members is that simplicity gives them confidence and comfort," she says.

Dynamic award pricing doesn't inherently mean it will take more points to book a room—but in recent years that's often been the case, especially in popular destinations, says Larry Wine, president of iSeatz, a company that creates technology for loyalty programs.

Luxury properties that years ago would have cost around 40,000 points now cost many multiples of that, Ollila says.

Christine Mercadel has Lifetime Platinum Elite status with Marriott Bonvoy thanks to her job in the biotech industry that involves large amounts of travel. Despite



her elite status, Mercadel last year considered switching to another hotel program.

Mercadel did a status challenge with Hyatt—a common promotion with loyalty programs where you can earn status quickly such as after 20 nights' worth of stays over 90 days. Doing this allowed her to quickly reach the top tier in the World of Hyatt program.

Since then, she says her points go further with Hyatt. For a trip to Japan next year, Mercadel had originally booked a hotel with Marriott but rebooked with Hyatt when she calculated that it cost about half as many points.

Hotels say that they have added more redemption options to their awards programs. Marriott chief customer officer Peggy Roe says flexible pricing allows the company to make its rewards program more valuable.

► **Hilton has over 195 million members in its loyalty program.**

"It's all going to depend on who you ask and what property you're looking at," Roe says. "The most popular places are always going to feel like they're more expensive."



◀ **Hyatt's rewards program has posted 21% growth over the past year to around 48 million members.**

Marriott Bonvoy has a platform called Moments where travelers can redeem points for a wide range of experiences or bid on them at an auction. A recent example: A Bonvoy member bid 2.4 million points to choreograph the famous fountain show at the Bellagio Hotel and Casino in Las Vegas.

## Surging members

A recent analysis of the programs at five major U.S. hotel companies from commercial real-estate services provider CBRE showed that the programs' membership has grown 11% over the past year, compared with a 5% uptick in the global room count.

Wyndam, IHG and Hilton each have well over 100 million members in their loyalty programs; Marriott has more than 200 mil-

lion. At Wyndham, one out of every two stays is attributable to a Wyndham Rewards member, according to Michael Shiwdin, the company's group vice president of guest engagement, loyalty and strategic partnerships. The ratio is even higher at Hilton's brands, says Mark Weinstein, Hilton's chief marketing officer.

"You don't win people's hearts by awarding them points, you win people's hearts by letting them redeem those points and have those experiences," Weinstein says.

Smaller programs are closing the gap: Hyatt's program has posted 21% growth over the past year to around 48 million members.

To grow these membership pools, hotels have forged partnerships with other travel companies such as airlines and car-rental agencies, where status with one automatically confers status with the other. For instance, frequent fliers with Premier Gold status in United Airlines' MileagePlus program receive complimentary Marriott Bonvoy Gold Elite.

Another big driver is credit-card signups—some hotel-branded cards allow a traveler to qualify automatically for higher status. With programs like Hyatt's, spending on these cards earns awards nights for customers. "Those co-branded credit-card deals are driving fees that are now growing faster than the core hotel business itself," says David Katz, an analyst with investment bank Jefferies.

At IHG, people who have the hotel's credit cards generally spend more and are more inclined to stay at the company's properties, says Kristin Klebanov, IHG's vice president of loyalty strategy and performance.

## Setting standards

One confusion point for travelers with hotel loyalty programs is whether they get access to other perks such as lounge access, free meals, room upgrades and benefits like late checkout.

There's a great deal of variability as every property is different, even if it's under the same brand. Plus, most hotel companies don't own the actual properties and rely on franchisees to operate them.

Hotels regularly reevaluate the perks that come with status. Marriott reworked its upgrade rewards benefit earlier this year and added more room types and participating brands to the system. Klebanov says IHG has invested heavily in training hotel staff on the ins and outs of the benefits tied to IHG One Rewards.

"We focus on making sure they understand the context behind them, the value of loyalty and how to execute them consistently," she says.

# Baby Bonus, Tax Credits Pitched to Aid Families

By DALVIN BROWN

The first year of a baby's life is costly and stressful for new parents, who often lose income as well as sleep as the bills mount.

Vice President Kamala Harris proposes giving families of newborns a \$6,000 bonus in the form of a tax credit to support their fi-

nances and well-being—an approach used in a handful of other countries.

"That is a vital, vital year of critical development of a child, and the cost can really add up, especially for young parents who need to buy diapers and clothes and a car seat and so much else," Harris said in Raleigh, N.C., on Aug. 16. Harris also proposes reinstating the pandemic-era expansion of the child tax credit, which provided up to \$3,600 per child.

Having a baby in the U.S. causes a 10.4% income drop on average from the month the baby is born compared with before the pregnancy, as parents work fewer hours or stop working, according to the Urban Institute. The U.S. doesn't mandate paid parental leave, as

many countries do.

Meanwhile, families have new expenses: diapers, food, medical bills. The cost of daycare and preschool rose at nearly twice the rate of inflation between 1991 and this spring, according to a KPMG analysis. Infant care can top \$1,400 a month in big cities, according to a Labor Department report in 2023.

Shybril McCullum said the \$6,000 credit would have been a lifeline after her third child was born in 2022. She took 12 weeks of unpaid leave because of health concerns, she said.

"To manage, we had to make trade-offs," the 33-year-old teacher said. She had a car accident in May, and she and her husband can't afford to replace the totaled car, so they share one car. She said an increase in the child tax credit couldn't come soon enough. "We could use it now," she said.

## Financial relief

The expanded child tax credit during the pandemic temporarily raised 2.9 million children out of poverty, according to the Census Bureau. The full amount of the credit, up to \$3,600 per child, was available to single filers making up to \$75,000 and married couples making up to \$150,000.

Families spent the money on essentials such as groceries, housing and utilities. About a quarter of families with young children used the payments for child-care costs, according to the Census Bureau's Household Pulse Survey.

Most families can get a maximum child tax credit of \$2,000 for each child under age 17. Families earning less than \$2,500 don't qualify.



▲ **Shybril McCullum, with husband Gary and their three children, says Vice President Kamala Harris's tax-credit proposal would have been of help to her family.**

While specifics of Harris's proposal remain unclear, preliminary estimates suggest the combined cost of the newborn bonus and expanded child tax credit could cost \$1.6 trillion over the next decade, according to the Tax Foundation, a conservative-leaning think tank.

Some Republican lawmakers also support expanding tax credits for children, a rare moment of common ground in Washington.

Sen. JD Vance, former President Donald Trump's running mate, backs a \$5,000 yearly child tax credit. Trump has said he agrees with the idea of a credit, without specifying an amount. The campaign didn't respond to requests for comment on Harris's proposals.

Tax credits would require congressional approval, which is no sure thing. Republican opposition in the Senate in August killed a nearly \$80 billion tax bill that would have expanded the child credit. They said the credit was too generous and would discourage people from working.

## Bonus boom

Harris's baby bonus idea has been used elsewhere as a way to provide financial support and in some cases encourage people to have children at a time of falling birthrates.

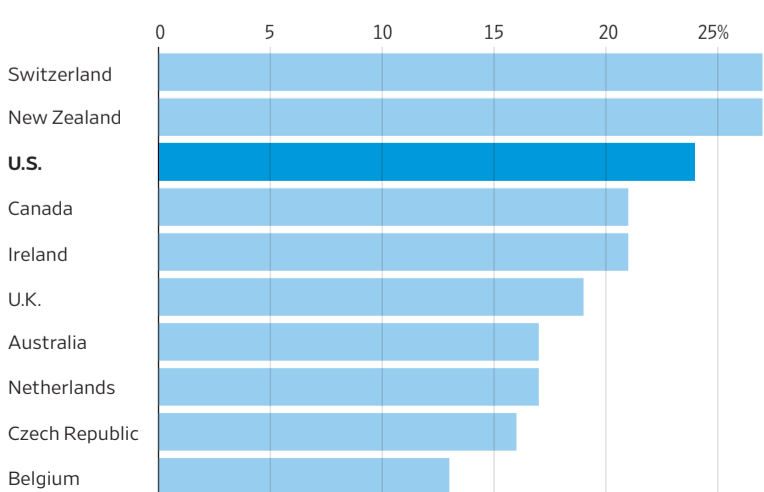
When a baby bonus of up to 3,000 Australian dollars went into effect in Australia in July 2004, researchers estimated that more than 1,000 birth dates were changed, with parents delaying inducing and caesarean-section dates, sometimes for more than a week, so their children would be eligible for the policy. In 2014, Australia replaced the one-time bonus with monthly support.

Research suggests a child's first year is a critical window for brain development. A study published in 2022 on the effects of cash support on low-income families found that when parents received \$333 a month, the babies' brains showed brain activity that is associated with higher cognitive development.

Studies have also shown that boosting financial assistance for families can reduce child poverty, cut gender pay inequity and lower infant mortality rates.

"Kids learn the most they'll ever learn in their lives in those first few years," said Anne Hedgepeth, chief of policy at research agency Child Care Aware of America. "It pays off in the long run."

Percentage of household income used for child care



Note: Costs after any child-care benefits, for couples who make an average wage, from 2022. Source: Organisation for Economic Co-operation and Development

# ARTS IN REVIEW

ART REVIEW

By BARRYMORE LAURENCE SCHERER

New York

## Shining Silver Craftsmanship

The Met devotes an exhibition to the 19th-century Tiffany & Co. designer Edward C. Moore

In post-Civil War America, vast wealth from burgeoning industry—and a little robber-baronial trickery—fostered an eager taste for luxury and novelty, which shone with particular brilliance in the realm of silver design. To satisfy it, American manufacturers buccaneered their way through design history, from ancient Egypt to then-contemporary Japan, adopting and adapting decorative motifs and sometimes mixing disparate elements in a single object. Despite Modernism’s sweeping repudiation of all things Victorian, the period did yield innumerable imaginative and beautiful silver designs by numerous makers, among them Gorham, Reed & Barton, Whiting, and Wood & Hughes. But Tiffany & Co. achieved leadership in the field, and its longtime design director Edward C. Moore (1827-91) was deemed America’s pre-eminent silver designer.

Currently at the Metropolitan Museum of Art, the comprehensive exhibition “Collecting Inspiration: Edward C. Moore at Tiffany & Co.,” through Oct. 20, celebrates some of the finest silver objects produced in the Gilded Age and the man who designed them, revealing how Moore sought inspiration from his vast collection of decorative objects acquired while regularly traveling the world.

Conceived and organized by the museum’s curator of American decorative arts, Medill Higgins Harvey, who has also edited the sumptuous catalog, the show features 70 resplendent silver objects designed and created at Tiffany & Co. under Moore’s direction. Supplementing works drawn from the Met’s holdings are rarely seen examples from private and public lenders, including the Tiffany & Co. Archives. Together they embody the exuberant inventiveness of a period made familiar by

the novels of Edith Wharton and Henry James.

Moore initially went into partnership with his silversmith father in 1849, their firm, John C. Moore & Son, being known for high-quality silver productions. In 1851, Tiffany, Young & Ellis (as it was then) became the sole retailer of

Moore & Son silver. By the middle of the decade, Edward was the driving creative force behind Tiffany silver.

Named a trustee of the newly reorganized Tiffany & Co. in 1868, Moore thereafter directed their silverware department, in which capacity he crossed the Atlantic

◀ **The Magnolia Vase, which was completed after Moore’s death and unveiled in 1893.**



regularly, keeping informed about the work of Tiffany’s European rivals. His travels also enabled him to satisfy his urge to collect all manner of fascinating objects, not just for their own beauty, but to teach and inspire his growing staff of artisans in New York.

Works like the large 1882-89 sterling pitcher with its merry frieze of Bacchic putti encircling the vessel’s body show Moore and his staff employing traditional ornamenting techniques including hammered chasing on the surface, repoussé chasing (hammered from behind), engraving, acid etching and, for the bibulous putto reclining on the handle, applied castings of solid silver. Other works, like the diminutive c. 1879 Mustard Pot combining silver, copper, gold, and various mixed-metal alloys with a silver, copper and sulphur-based black enamel called niello, bespeak his tireless search for novel methods to achieve new and striking effects—including damascening, *champlevé* enameling, electrolytic inlay, and applying silver ornamentation to copper bodies in the Japanese mixed-metals technique.

The show places Moore’s silver works, displayed in vitrines occupying the center of the show galleries, in the context of his lifelong acquisition of decorative arts. Thematically arranged in cases along the gallery walls near the silver they inspired are over 180 of the exceptional objects Moore collected. Donated to the museum in 1891, they include examples of ancient Greek and Roman glass, mosaics and pottery; magnificent Islamic metalwork, ceramics and textiles; dazzling East Asian artifacts including superlative Japanese metalwork, lacquer, netsuke, fabrics and basketry.

The exhibition culminates with

what might be considered Moore’s valedictory design for Tiffany & Co., the monumentally flamboyant Magnolia Vase. Made of silver, enamel, gold and opals, it was intended to represent indigenous America, its shape apparently inspired by Pueblo pottery, the eight handles inspired by Toltec or Aztec motifs. The body is chased with pinecones and needles representing the American North and East, magnolia blossoms representing the South and West, cactus plants representing the Southwest, and solid gold used for the goldenrod plants springing from the opals (representing the earth) set around the base. The matte enameling of the naturalistically tinted and textured magnolias was itself a technical triumph achieved through years of experimentation born of Moore’s interest in enamel ornament.

Completed after Moore’s death, the vase design was long credited to his pupil John T. Curran, who had overseen its two-year execution. But recent scholarship has revealed that Moore himself designed the immense piece, which stands roughly three feet tall and was unveiled at the 1893 World’s Columbian Exposition in Chicago.

While walking me through the show, Ms. Harvey observed that “Moore’s mission was very much to educate both silver professionals and the greater public toward a goal of raising the level of design in America.” The show thus provides an important in-depth study of a major aspect of late-19th-century American design, the wealthy—and often cultivated—society that supported it, and the exceptional craftsmanship behind it.

**Collecting Inspiration: Edward C. Moore at Tiffany & Co.** The Met Fifth Avenue, through Oct. 20

Mr. Scherer writes about music and fine art for the Journal.

ARTS CALENDAR

### HAPPENINGS FOR THE WEEK OF AUGUST 27

By WSJ Arts in Review Staff

**Film** “1992” (Aug. 30)

This drama follows Tyrese Gibson as Mercer, a Los Angeles factory custodian and father to a teenage son. Another father-son duo, Lowell (Ray Liotta in one of his last screen performances) and Riggin Bigby (Scott Eastwood), plot a heist at Mercer’s workplace. Tensions between the two families erupt against the backdrop of the city’s 1992 race riots.

**“The Falling Star”** (Aug. 30)

In this colorful caper film by the Belgian duo of Dominique Abel and Fiona Gordon, a fugitive is confronted with his criminal past. Boris, a former activist, has been eluding the law for 35 years and peacefully working as a bartender—until an armed stranger shows up seeking revenge.

**“The Wasp”** (Aug. 30)

Naomie Harris (“No Time to Die”) and Natalie Dormer (“Game of Thrones”) star as estranged childhood friends who reunite to hatch a murderous scheme in this psychological thriller helmed by Guillem Morales.

**TV** “Only Murders in the Building,” season 4 (Hulu, begins Aug. 27)

In the new installments of this comic mystery starring Selena Gomez, Martin Short and Steve Martin, Mabel, Oliver and Charles’s true-crime podcast has attracted a major following. A Hollywood adaptation of the amateur sleuths’ show is now under way, but the production is halted after Charles’s friend and stunt double, Sazz Pataki (Jane Lynch), is murdered.

**“KAOS”**

(Netflix, begins Aug. 29) Jeff Goldblum reigns from atop Mount Olympus as a cruel, capricious and fashionably cool Zeus in this show

inspired by Greek mythology, which also stars Janet McTeer and David Thewlis.

**Theater** “Romeo and Juliet” (Loeb Drama Center, Cambridge, Mass., Aug. 31-Oct. 6)

Tony Award-winner Diane Paulus directs an American Repertory Theater production of Shakespeare’s classic tale starring Rudy Pankow (“Outer Banks”) and Emilia Suárez (“Up Here”).

**“Meot: Korean Art From the Frank Bayley Collection”**

(Seattle Asian Art Museum, Aug. 28-March 2, 2025)

The patron and his relationship with contemporary Korean artists is celebrated in this presentation, which pairs their work with historic pieces he owned that were created using similar media and techniques. The 60-plus objects in the show include ceramics, paintings, photos and more



▲ A scene from the Belgian film ‘The Falling Star.’

**Music** RZA, “A Ballet Through Mud” (Aug. 30)

The hip-hop maestro, best known as a founding member of the Wu-Tang Clan, surprised listeners when he wrote a coming-of-age ballet last year for the Colorado Symphony Orchestra in Denver. That work is now being released as an orchestral album.

**Art** “Tau Lewis: Spirit Level” (ICA Boston, Aug. 29-Jan. 20, 2025)

The self-taught, Toronto-born artist receives her first museum show in the U.S., which highlights her labor-intensive practice of transforming found materials—through hand sewing, carving, plaster casting and more—into soft sculptures, quilts, masks and other assemblages.

to reveal the ways traditional forms have evolved across time.

**Last Call “Stalker”**

(New World Stages, New York, through Sept. 1)

The Swedish duo Peter Brynolf and Jonas Ljung perform a series of spectacular magic tricks, exhibiting an impressive talent for sleight of hand and an even more confounding ability to access the private thoughts of audience members. Our critic praised the performance as an “entertaining mind-bender of a magic show” packed with “many wonder-inducing moments.”

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					63				64			
65					66				67			

- 28 Scotland native
- 29 Black-and-white predator of the ocean
- 32 Taxpayer, come April
- 33 Environment-aware prefix
- 35 Mint product
- 36 Like some coffees
- 37 Fashion brand based in Manhattan
- 39 Mom’s mom
- 40 Monkey named for its resemblance to a monk
- 45 Gives into, as an urge
- 46 Suppress
- 47 Sick and tired
- 48 Masjid leaders
- 49 Italian scooter brand
- 50 Inventor of a library classification system
- 51 Like some cheap B’way tix
- 54 “I’m \_\_\_ hurry”
- 55 Picked from a lineup, informally
- 56 Cruise stop
- 59 Yoo-\_\_\_ (chocolate drink)
- 60 Lb. parts
- 61 Rep. from the Bronx

HOLD YOUR APPLAUSE | By Adam Vincent

<b>Across</b>	38 *Analog timekeeper	63 Exude, as charm	9 “A mouse!”
1 Two-time AL MVP Shohei	41 Part of a bed frame	64 Soccer great Messi	10 Really something to behold
7 Word after family or decision	42 Scads	65 “Don’t text and drive” ad, e.g.: Abbr.	11 Excite
11 Whiz	43 Visitor from Venus, say	66 Excessively curious	12 Michael of “Sleuth”
14 Impulse-transmitting cell	44 Reasonable	67 Make hard to read, in a way	13 An American in Paris, say
15 Go along with	46 Expensive, informally	<b>Down</b>	18 Little bit
16 The Grinch’s dog	47 *Game dating back to the Civil War	1 Just	23 Horrified
17 *Collective bargaining tactic	52 Get to know over Zoom, say	2 Spot for a bowler	24 Make like a tourist
19 Spot on a domino or die	53 “The Very Hungry Caterpillar” author Carle	3 Places for rubber duckies	25 Heartland harvest
20 NFL units	54 Sundial numeral	4 Like one in a queerplatonic relationship, for short	26 Senator Claiborne for whom a grant is named
21 Oolong and pu’er, e.g.	57 Marx’s “___ Kapital”	5 It’s between Denmark and the United Kingdom	27 Avenue liners
22 Animal life	58 Informal voting method, and an element of each of the starred answers	6 Pants measurement	
24 *Figure made of darkness		7 Mannequin section	
27 Diva’s problem		8 Stat for a slugger	
30 Pitch in			
31 T-shirt size			
32 Have a hunch			
34 Corrosive stuff			
62 One who calls balls			

Previous Puzzle’s Solution

A	S	T	O	L	I	E	C	A	T	S									
B	T	E	A	M	T	H	O	N	E	A	C	R	E						
B	U	N	K	E	R	I	L	L	S	U	E	T							
A	N	T	R	O	U	S	E	R	I	T	E	S							
				I	C	B	A	L	O	N	E								
				C	R	O	S	S	B	A	G	E	B	O	A	R	D		
A	L	A	S					D	U	D	E		N	E	O				
L	I	P						B	E	D	H	E	A	D		G	A	G	
E	L	I						O	R	E	O				A	L	P	S	
C	O	T	T	A	G	E	C	H	E	E	S	E							
A	E	S	O	P				O	A	T	S								
S	P	L	A	T				F	E	T	C	H			C	H	I		
I	R	I	S					B	E	R	T	H			A	C	C	O	L
D	A	Z	E					O	L	A	Y				N	O	V	E	L
E	Y	E	S					B	T	S					B	I	E	S	

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

## SPORTS



Christian McCaffrey, top, is the most coveted player in fantasy football. Below, Vikings defenders perform a keg stand celebration.

Kansas City grew up loving the Chiefs, South Floridians adored the Dolphins, and Jets fans grew up resenting their parents for forcing them to watch the Jets. Fantasy football incites people to watch not only their miserable childhood team, but everyone else's miserable childhood team, too. This is why the NFL and its media partners love fantasy and its dodgy cousin, legalized gambling—how else do you get otherwise sensible humans to care about a meaningless October tilt between the Panthers and the Commanders? Even the Panthers and Commanders aren't interested in watching the Panthers and Commanders.

**There are a million podcasts with smart people having intelligent discussions about fantasy football.** You could listen to these, or, alternatively, you could fill a metal bucket with coins and hammers and shake it vigorously next to your head. Sort of like reading this sports column.

**Many fantasy leagues offer the option of asking the computer to draft for you.** I am against automation. I want all the awful decisions to be mine. Same goes for injury reminders and so on: You aren't a true fantasy player until you accidentally start a tight end who's been retired for a month.

**Draft Christian McCaffrey.** The problem is everyone knows this. McCaffrey, an all-purpose, oft-scoring back for the San Francisco 49ers, is the most coveted player in fantasy football. I could go into all the reasons why you might want to pursue different players, and find value at other positions, or I could talk about proper humidity settings for raising a pet gecko.

**Don't bug the players about fantasy.** Not a week goes by without hearing an NFL player inveigh about being accosted by a fan about his subpar fantasy performance—or worse, grimly harassed on the Internet by recidivist gamblers. It's obvious, but: don't ever do this. On the other hand, if you are out getting an ice cream cone, or waiting for a private jet, and you see an NFL owner standing there, feel free to go up to the NFL owner and tell them all the ways they could be helping out your fantasy team. They love this, trust me. Offer suggestions!

**Remember: If you win at fantasy football, you're a genius, capable of running a real NFL team.**

**If you lose, it's somebody else's fault.**

JASON GAY

# Fantasy Football Season Is Here. Don't Be a Loser Like Me.

It's a popular passion played by many millions. Our columnist is here with some terrible advice.



Howdy friends! It's draft season for fantasy football—a grim hobby concocted by the calculator industry (aka Big Math) to suck all the pleasure out of watching the NFL.

I'm terrible at playing fantasy, and have never won a thing, but it's not going to stop me from offering unsolicited, lousy advice to my fellow sufferers. Please enjoy:

**For the happily uninitiated:** Fantasy football is an odd game in which participants draft fake teams of real NFL players, tabulate their weekly scoring to compete against other fake teams, briefly think they're smarter about football performance than most NFL general managers, go into an existential funk when their top player becomes allergic to the end zone, and wind up having to stand in the rain at a busy intersection draped in a sandwich board reading HONK I LOST MY FANTASY LEAGUE.

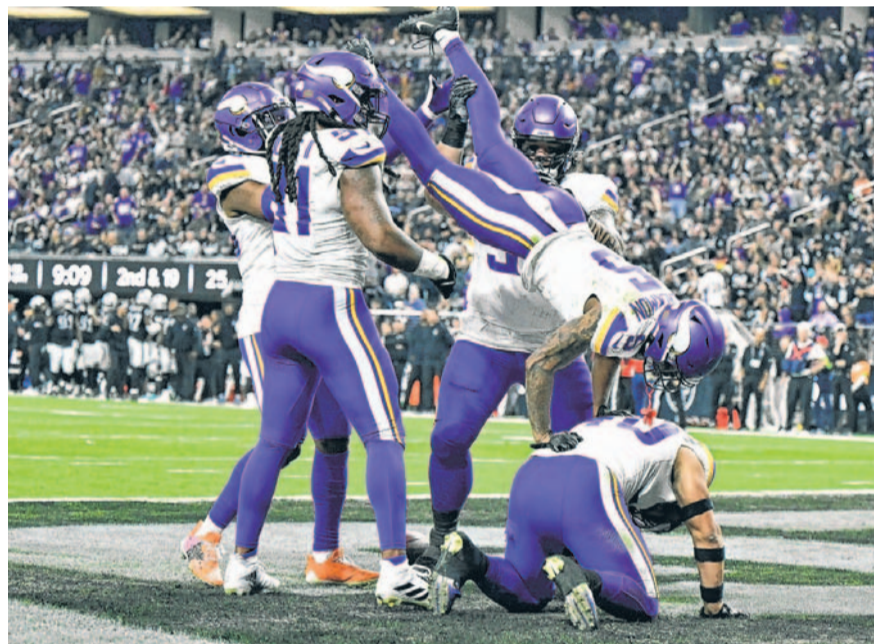
**It's a miserable, time-sucking habit.** And yet somehow I find it entertaining, as do millions and millions.

**Nobody wants to hear you prattle on about your fantasy team.** They

really don't. This is wise advice: avoid interrupting polite conversation with loud talk about religion, politics, or fantasy football. Truthfully, if I had to pick, I would be perfectly happy to hear about your politics and religion. Maybe even your pickleball vacation.

**Another way of putting it: Having a fantasy team is sort of like owning a pet gecko.** You enjoy owning the gecko, and nobody minds that you own a gecko, but it's not the kind of topic you want to spend a lot of time talking about at dinner parties, or in the kitchen at work. If you do, pretty soon your friends and co-workers are going to be like *This person really talks a ton about geckos* and they'll start avoiding the kitchen when you're in there. Fantasy football is pretty much the exact same deal, without having to buy as many crickets and mealworms.

**The perfect number of fantasy teams to have is zero.** If that number is unrealistic, I would suggest one team—or a maximum of two teams. People who have four or more fantasy teams usually have a shortage of activities or people in their lives, and players with seven



or more fantasy teams probably have pizza boxes from 2014 stacked on their dining room table and a garage full of decomposing squirrels. I know fantasy football can be more compelling than a job, but it is not a job—it is a pathway to anxiety, sleeplessness, and decom-

posing squirrels.

**Fantasy football disrupts the normal ecosystem of football fandom.** Used to be, a person would grow up in a region and follow the local football concern—or inherit the fandom of a loved one. People in

By ROBERT O'CONNELL  
AND JIM CHAIRUSMI

## Coco Gauff Has a Glaring Weakness: The Simplest Shot in the Book

**THIS TIME A YEAR AGO,** Coco Gauff had the greatest triumph of her tennis life. At the 2023 U.S. Open, she won her only major singles title, the peak of a career that began when she made her WTA Tour debut as a 15-year-old prodigy.

Gauff had always been known as a dogged defender with a lethal backhand and a powerful, if inconsistent, serve. But as she rallied from a set down to knock off the higher-seeded Aryna Sabalenka in last year's final with a thrilling display of court coverage and audacious shotmaking, it seemed as though she had every ingredient to start racking up major championships.

One year on, however, as she returns to Queens for this year's Open in the midst of a disappointing season, it's beginning to look like one crucial ingredient is missing. And it happens to be the most fundamental part of a tennis player's game.

Gauff's forehand has emerged as a major weakness this season, and other top players have attacked it ruthlessly.

"The players now are exposing that," said Hall-of-Famer Chris Evert. "It's not backhand, backhand, forehand. They're hitting every ball to the forehand."

It is that shot, the first one every tennis player learns, that has turned this season into something of a letdown for the now-20-year-old Gauff. After winning four tournaments last season, she's won just one this campaign.

But by her own admission, she hasn't been quite at her best. At the top of the tennis ladder, small mar-

gins can quickly knock a champion from her perch—and opponents have lately discovered what appears to be a glaring hole in Gauff's otherwise sterling game.

"[Coach] Brad Gilbert helped her last year saying, 'You can sit back and play a little bit more of a defensive game and win.' That's what happened last summer at the U.S. Open," ESPN analyst Patrick McEnroe said. "Now the other players are adjusting to that."

The starkest example of those adjustments came in this year's French Open, when No. 1 Iga Swi-

atek, who has an 11-1 record against Gauff, attacked the forehand side over and over again. Swiatek glided to an easy 6-2 6-4 victory.

The strategy Swiatek used has since been copied across the entire tour. In Gauff's last four tournaments before the U.S. Open, she failed to advance past the round of 16. In a recent tournament in Cincinnati—commonly a tune-up for the top players and where Gauff was the defending champion—she had more than 50 unforced errors and was defeated by unseeded Yulia Putintseva in her very first

match.

Diana Shnaider held Gauff to only five games in an upset win over the American in Toronto earlier this month. Shnaider said her strategy was to test Gauff's erratic strokes by keeping a lot of balls in play.

"I know Coco is very physically prepared for everyone on tour, and she's running very well, she's covering all of the balls and all the angles," Shnaider said. "Coco had a lot of unforced errors, so I really tried my best to keep long rallies." It hasn't been all bad. A down

year for Gauff would be a career year for most anyone else on the tour, and she remains the No. 3 player in the world.

Despite her recent struggles, she enters the Open as one of the favorites in an imperfect field. Sabalenka, last season's finalist, is nursing an injured shoulder. Swiatek and other top players have had their normal routines interrupted by the Olympics, which threw a wrench into tennis's hard-court season.

"She can still win it," Evert said of Gauff. "I think she's got to start to trust her instincts."

As she looks to shake off her struggles and finish an up-and-down year with a major victory, Gauff's instincts have her turning to some unorthodox sources of coaching. A TikTok commenter recently posted a message to Gauff: "Why stress yourself out over a victory lap?" Gauff said she has taken the message to heart, and is training with fewer worries.

Gauff has reminded her critics—and herself—that her journey in tennis is only beginning. "I don't feel like my game is all the way developed yet," she admitted after losing at the French Open. "I definitely don't think I'm there yet."

But this summer, even an imperfect Gauff might have enough for an encore to remember. And she carries into the U.S. Open, where she began play on Monday with a 6-2, 6-0 victory over France's Varvara Gracheva, the mental edge that comes with being the defending champion on her home turf.

"My motto is: If you defend, that means you won something before," Gauff said. "I'm excited to be back here and hopefully have a good two weeks."

## OPINION

## Netanyahu's Place in History



**GLOBAL VIEW**  
By *Walter Russell Mead*

Almost a year into Israel's most challenging conflict since the 1948-49 War of Independence, one thing is increasingly clear about its embattled prime minister. Love him or loathe him, Benjamin Netanyahu is a historic leader who has imposed his will on the great events of his time.

To call Mr. Netanyahu a great leader is neither to predict his ultimate successor nor to endorse everything he does. It certainly isn't to call him infallible. But we can't understand the course of the current conflict in the Middle East without giving Bibi his due. He is a political genius who towers above his critics and rivals. Despite his political vulnerabilities at home and the limits on Israeli power internationally, he has kept the threads of power in his hands far longer and to much greater effect than almost anyone expected after Oct. 7.

Consider his liabilities. He leads a deeply divided coalition in a deeply polarized country. Criminal cases against him are grinding through the courts. Thousands of Israelis regularly turn out in the streets to demand he step down. The Israeli military establishment is in open revolt, and the in-

telligence establishment despises him. Israel's Supreme Court considers him a threat to constitutional order.

The Gaza war began with Hamas exposing the Jewish state's catastrophic strategic and tactical failures. It will take years to assign precise responsibility for the host of intelligence, political and military errors that left so many Israelis vulnerable to the terrorists' barbarity, but the key failures occurred on Bibi's watch.

Meanwhile the ugly realities of an unexpectedly difficult war have tested his leadership. Believing that Israel's security requires the military annihilation of Hamas, Bibi finds himself committed to a long war that is explosively unpopular internationally, even as his refusal to place the return of the hostages ahead of military victory has mobilized domestic opposition. The military realities in Gaza and the political realities inside his coalition consistently require him to take actions that embarrass and anger the Biden administration, whose support is critical to Israel's war effort.

Mr. Netanyahu is the *bête noire* of the international intelligentsia and the favorite whipping boy of the global press. As the most sweeping orgy of antisemitism in generations swirls around the world, Israel's enemies use it to mobilize opposition to Bibi's policies, while many

Jews blame his policies for triggering the hate.

The entire world, the Israeli military, political and intellectual establishments, the Biden administration—not to mention Bibi's enemies on the field and in the palaces of the Middle East—have tried to break his hold on power or at least force him to change direction.

### Win, lose or draw, Israel's leader will leave deep footprints in the sands of time.

They've all failed. Bibi remains at the helm. Despite the heart-rending tragedy of the hostages and their families, he has resisted the call to allow Hamas to profit from rape, kidnapping and torture by paying an extortionate price for their release. Time and again he has outmaneuvered the Biden administration, refusing to let a muddled and confused American Mideast policy control Israel's agenda in an existential war.

For now, the tide seems to have turned in Bibi's favor. A recent Maariv poll gives him a small lead over his chief rival, Benny Gantz. Hamas is fighting for its life with diminishing resources in the ruins of Gaza. The alignment of the conservative Arab states with Israel against

Iran is holding. Hezbollah and Iran seem deterred by Israeli military power.

The Jewish state's survival remains a work in progress. The conflict with Iran and its growing network of regional proxies remains unresolved. Relations with the U.S. under a Harris administration would likely be difficult. Domestically, the deep rifts between religious and secular Israelis, European and Middle Eastern Jews, and Jewish and Arab Israelis remain. The human costs of the Gaza war will add new depths to the bitterness of the Israeli-Palestinian conflict.

Yet one thing seems clear. Win, lose or draw, Bibi Netanyahu is leaving deep footprints in the sands of time. Unlike most of the mediocrities who hold office in countries around the world, he won't be quickly forgotten. He will occupy an outsize place not only in the history of Israel and the modern Middle East, but in the history of the Jewish people.

Great leaders don't always succeed. Winston Churchill's lifelong goal was to preserve the British Empire. In this and in much else, he failed. But Churchill saw one thing clear. "We are all worms," he said. "But I do believe that I am a glow-worm."

Only a handful of leaders can credibly claim to glow. As the Gaza war nears its first anniversary, Bibi Netanyahu has found a place among them.

**BOOKSHELF** | By Dominic Green

## Imperial Fantasies

### Empire's Son, Empire's Orphan

By Nile Green

Norton, 384 pages, \$29.99

Scam artists rarely show the artistry of Ikbal and Idries Shah. Each made his life a fraudulent work of art: Ikbal (the father) as a political middleman between Britain and its Asian and Middle Eastern empire; Idries (the son) as a spiritual entrepreneur in the decades of decolonization. Nile Green's "Empire's Son, Empire's Orphan" is so entertaining that you wonder if it can all be true. It is, and its truths are more than biographical. Mr. Green has written a double history of empire and its aftermath, told through the exploits of its renegade children.

Ikbal's great-grandfather, a hereditary landlord from a village near Kabul, allied with the British when they invaded Afghanistan in 1839, then retreated to India with the British three years later. This "Scatterer of Souls" was rewarded with an estate near Delhi, a pension and a *nawwab's* title. Ikbal, born in 1894, was schooled at the Muhammadan Anglo-Oriental College at Aligarh—a blend, Mr. Green writes, of "Mughal madrasa and Oxford college."

Ikbal was supposed to join the Raj's culturally hybrid elite. In 1913 he went to Edinburgh to study medicine. Instead he married a Scottish woman—against the wishes of both families—and became a writer. Inspired by his family legend and the novels of Walter Scott, Ikbal proselytized for the harmony of Islam and the British Empire, and in 1918 published a volume of verse, "Eastern Moonbeams." The market preferred Eastern moonshine. Ikbal kept afloat by writing on Afghan magic and Sufism for the Occult Review.

The Russian Revolution had opened a new chapter in the "Great Game," the struggle between the British and Russian empires for control of the central Asian approaches to India, especially the mountain passes of Afghanistan. In February 1919 Ikbal secured a commission from the India Office to report on Bolshevik activities in central Asia. Casting himself in an update of Rudyard Kipling's "Kim," Ikbal supplied a mostly fictional report, claiming that the Bolsheviks were laying roads and a secret railway across "some of the highest mountain passes on the planet" to invade India.

One of Ikbal's purportedly Bolshevik roads was the work of British engineers on the Indian side of the Khyber Pass. A photograph he provided of "The White Tents of a Bolshevik Outpost," Mr. Green notes, was actually a stock photo of the 62nd Punjabis. While Ikbal had claimed to be on his mission, he was seen "hanging around the Ritz Hotel" in Piccadilly.

Forging ahead, Ikbal was engaged by Laurence Rushbrook Williams, who ran the Raj's anti-Soviet propaganda unit. After spying on pilgrims at Mecca, Ikbal returned to London as an expert on what was now being called the Middle East. In the 1930s, Ikbal wrote "Through the Garden of Allah" as the "bluff English explorer" John Grant, and wrote a pseudo-autobiography of Habibullah Kalakani, the "brigand king" who had overthrown the king of Afghanistan in 1929. Kalakani could not object to Ikbal's invention, since he had been hanged soon after seizing power. The New Statesman called Ikbal an "Afghan Odysseus." He even met his king-emperor George V at a Buckingham Palace garden party.

World War II was Ikbal's Indian summer. He followed Rushbrook Williams to the Near and Middle East Section of the Ministry of Information, then made propaganda broadcasts for George Orwell at the BBC. But Ikbal's business collapsed when Britain left India in 1947, though he still received a pension. Ikbal retired to Tangier, the Moroccan haunt of remittance men, and died in 1969.

### Ikbal Shah and his son Idries each published works that tapped into their era's fascination with the East. Neither let facts get in the way.

Idries, born in 1924, inherited his father's talent and interests. His work "Oriental Magic" (1956) led to an alliance with Gerald Gardner, an ex-rubber planter in Malaya who had founded a religion called Wicca, some of whose devotees convened in a wood north of suburban London to munch magic mushrooms. In 1961 Gardner and his "sorcerer's apprentice" met the poet Robert Graves. Idries convinced Graves that the poet was a descendant of the Prophet, and that Idries himself was the "Grand Sheikh" of the Sufi path. Graves, Mr. Green writes, continued "experimenting with magic mushrooms" on Idries's advice, and Idries followed Graves's advice and wrote a bestseller, "The Sufis" (1964).

Mr. Green, a specialist in Islamic history at the University of California, Los Angeles describes how Idries detached Sufism's popular mysticism from Islam and claimed Templars, Mithraists and even Charles de Gaulle as secret Sufis. His version of Sufism was a "spiritual freemasonry," a key to the mysteries in paperback form.

For his next trick, Idries convinced the leader of the English followers of the mystic George Gurdjieff to sign over the group's home to him. In 1966 he sold it to a developer, bought himself a mansion in the country, engaged the Duke and Duchess of Windsor's gardener, made his followers dig him a nuclear bunker, and lived, as Kipling had written, in "more-than-oriental-splendor."

Idries was exposed after his brother Omar convinced Graves to issue a translation of the Rubaiyyat of Omar Khayyam, supposedly from a manuscript in the Shah family's possession, but more probably cribbed from an obscure 19th-century translation. Undeterred, the scattered souls of the 1960s and '70s still bought Idries's epigrammatic collections of legends about the trickster Mullah Nasruddin and his quasiscientific guff about "ecstatogenic processes."

Meanwhile, in reality, the puritans of Wahhabism and Salafism suppressed the Sufis. In 1979 the Russians, fulfilling Ikbal's prophecy, invaded Afghanistan on secretly built mountain roads. Idries's acolyte Doris Lessing, reporting from Peshawar, said the mujahideen that she met represented "liberal Islam." But Afghanistan's future was not Mullah Nasruddin and the mystical reconciliation of East and West. Idries died in November 1996, two months after Mullah Omar's Taliban captured Kabul. The Shahs, Mr. Green writes, were an imperial invention, "cultivated in the nostalgic soil of exile." Idries, a thoroughly modern "avant-gardener," bloomed and faded accordingly.

Mr. Green is a Journal contributor and a fellow of the Royal Historical Society.

## Confessions of a Pro-Lifer



**MAIN STREET**  
By *William McGurn*

For anyone who can't forget that each abortion involves more than one life, joy isn't the right word to describe the Democratic convention. Out is "safe, legal and rare," replaced by Kamala Harris's full-throated celebration of what Democrats call "reproductive freedom." Oddly underscoring the party's commitment not to reproduce was a Planned Parenthood van offering free vasectomies and abortions.

The Republicans are hardly more encouraging. There was a time when Donald Trump liked to call himself "the most pro-life president in American history." But on Friday he posted the following on his social-media site, Truth Social: "My administration will be great for women and their reproductive rights." This was followed by his running mate, JD Vance, promising NBC that Mr. Trump would veto any federal abortion ban.

It gets worse. In 10 weeks, voters in 10 states will decide whether to enshrine abortion as a right in their state constitutions. In the two years since the Supreme Court's *Dobbs v. Jackson Women's Health Organization* overturned its 1973 decision in *Roe v. Wade*, voters in seven states—red ones included—have already come down on the pro-choice side

on ballot measures.

What's a pro-lifer to do? In the thick of a presidential election it's easy to forget that, for pro-lifers, abortion isn't merely one box on an issues checklist. It is a beachhead for an ethic that says that what the Declaration calls the unalienable right to life can disappear when that life is inconvenient to others. This has implications for everything from assisted suicide to in vitro fertilization.

In American politics today, this is a hard sell—and those advancing the pro-life argument must expect to be unpopular. We are, after all, the new counterculture. Though our counterculture seeks to build and not tear down.

At times it can be tempting to think, "We are just a court ruling or an election away from getting what we want." It's at precisely these moments we must recognize that the only secure defense for the unborn is persuading our fellow Americans of the intrinsic dignity of their lives. This is especially true with advances in medical technology fast rendering any ban easier to get around. The Guttmacher Institute reckons that 63% of abortions now are medication abortions, which can be done at home.

Pro-lifers understand that what is most needed is a culture of life. Absent that, laws and Supreme Court rulings make for a brittle foundation. It is simply too much to expect an ordinary politician to parse the complexities of

abortion—not least the real hardships the denial of an abortion can bring—and then, in the face of a hostile media looking to trip that politician up at every turn, deliver a public and compelling defense of the unborn. It is harder still when the pro-choice side holds the commanding heights of the culture, and even the pulpits are timid.

### Today Democrats celebrate abortion, while Republicans run away from the issue.

Neither Democrats, who spent their convention celebrating abortion, nor Republicans, who spent theirs running away from it, challenged the idea that the 60 million abortions since *Roe* raise no troubling questions. The public debate is dominated by gut-wrenching stories of women denied abortion in truly horrific circumstances.

Far less reported on is a Charlotte Lozier Institute study last year of women who had abortions. Just 33% identified their abortions as "wanted and consistent with my values and preferences," 43% as "accepted but inconsistent with my values or preferences," 14% as "unwanted" and 10% as "coerced." Sixty percent of these women said they would have preferred to give birth if they

had received either more emotional support or financial wherewithal.

The good news is that today yeoman's work is being done to ensure that the cold front door of a Planned Parenthood clinic isn't these women's only choice. In New York and New Jersey, Chris Bell runs four Good Counsel homes helping women, mostly African-American, keep their babies—and go back to school or whatever else a new mom might need to do to support herself and her baby.

Erica Pelman founded Shifra, a nationwide effort to help Jewish women with unplanned pregnancies by offering financial aid, professional counseling through the baby's first birthday and a lifetime of parenting support classes. And tiny Benedictine College in Kansas is planning to build a pro-life medical school.

All these groups and leaders have stared into a bleak political landscape before: when *Roe* was handed down; when a raft of Democrats such as Ted Kennedy—who started out pro-life—embraced abortion; when Justice Anthony Kennedy's defection in *Planned Parenthood v. Casey* (1992) seemed to destroy hope in ever overturning *Roe*.

But, as the name implies, pro-lifers are in it for life. We don't oppose abortion because we can end it. We oppose abortion because it's the taking of a human life at its most innocent and vulnerable—and we are compelled to try.

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

## Starbucks' New CEO Has a Big Footprint

By Jonathan Berry and Michael Buschbacher

In its latest worker-friendly move, Starbucks is giving one employee a new perk. Its new CEO "will not be required to relocate" to Seattle before he takes over on Sept. 9. Instead, he'll commute from Newport Beach, Calif., on the company jet. We leave it to the Starbucks board and shareholders to decide whether Brian Niccol merits the expense, but the decision belies the company's claim to responsible corporate governance.

Starbucks touts its decades-long commitment to find solutions to mitigate the impacts of climate change. It has reconfigured its supply chain to reduce its carbon footprint and aims to halve emissions by 2030. It also joined the "Transform to Net Zero" initiative as a founding member and committed to net-zero carbon emissions by 2050. "Our vision for the future is to become resource

positive—giving back more than we take from the planet," its webpage asserts. "And we know we can't do it alone. It takes all of us."

Except Mr. Niccol. Conservative estimates indicate that his commute will release nearly nine tons of carbon dioxide each round trip. That's roughly the annual energy-consumption footprint

### He plans to fly to work, never mind climate pledges.

of the typical American household. We'd like to see him explain to California's dairy farmers (where the *latte* for the latte comes from) why they should have to install cumbersome and costly "anaerobic digesters" to manage emissions from cow manure while the new Starbucks CEO jets up and down the West Coast to keep his Newport Beach lifestyle.

But the Starbucks ESG—environmental, social and governance—team need not worry thanks to the system that governs much of what goes on in the name of fighting climate change. For workers, farmers, small-business owners and consumers, "decarbonizing" means being forced to change: buy the electric vehicle, junk the gas stove and eat the bugs. For Starbucks and many of its ESG-loving peers, however, all they need do is buy "carbon credits" to boost their ESG ratings.

Glossy press releases from companies trumpet the "transition" to "net zero" and "a strong and sustainable economy" without acknowledging any trade-offs. It's a 21st-century version of buying indulgences. Well-heeled carbon emitters draw on the "treasury of merit" stored up by those performing actual, or supposed, works of supererogation by sequestering carbon. In words often attributed to Jo-

hann Tetzl, "As soon as the coin in the coffer rings, the soul from purgatory springs," apparently aboard a private jet.

Nobody's fooled by the posturing. And that may be the point: It isn't hypocrisy; it's hierarchy. Major companies cut checks while ordinary folks pay the price.

Mr. Niccol says he's "energized by the tremendous potential to drive growth" at Starbucks, while "staying true" to its "mission and values." He could demonstrate how true he intends to stay to those values and do right by his climate-conscious customers. Perhaps he can offset his carbon footprint by skipping the latte. Or ditch the jet and move to Seattle as he would expect his employees to do. But what's the point when Starbucks can buy its way to virtue?

Messrs. Berry and Buschbacher are partners at the law firm Boyden Gray PLLC.

## OPINION

## REVIEW &amp; OUTLOOK

## Google and California's People's Dailies

Talk about a danger to democracy. Google and Democrats in Sacramento last week struck a \$180 million compact to fund state-backed news organizations. It's hard to see this as anything other than progressives enlisting Big Tech to amplify their views and entrench their political dominance.

Local newsrooms have been struggling amid a decline in advertising revenue and subscribers in the internet age. This means less news about local events and less scrutiny of local officials. But the worst response would be to have government finance what would amount to state-sanctioned newsrooms.

Enter Democrats, who this month advanced legislation modeled on laws in Australia and Canada that would require large internet platforms to pay publishers a share of their advertising revenue. Google and others threatened to sue and remove links to California news sites if the law passed.

The new agreement between Google and Democrats averts a costly legal fight for both sides. Gov. Gavin Newsom proclaimed it would ensure "the survival of newsrooms." Don't bet on that if he means independent journalism. This collusion between Big Tech and Sacramento will turn media outlets into de facto government subsidiaries.

Google will contribute \$110 million, and the state will kick in \$70 million, over five years to local newsrooms and journalism programs. Funds will be laundered through a nonprofit dubbed the News Transformation Fund. The fund will be administered by the University of California, Berkeley's journalism school, and you can imagine what the dominant political views at that school are. As a bonus, Google will be able to deduct its alleged charitable contribution on its federal and state taxes.

The News Transformation Fund is supposed to insulate the media grants from political pressure, but that's a fantasy. One sign of the nonprofit's political tilt is that its board will include members from such identity-politics shops as the Ethnic Media Services, Latino Media Collab-

orative, California Black Media and the Media Guild of the West, which is the union that represents journalists. Other details are vague, though a Democratic press release says the funds will support journalism focused on "underrepresented groups." Yes, a rainbow coalition of media shops with the same political views.

Don't expect the nonprofit to back hard-hitting investigations into how California's union-controlled public schools harm minority children. Will media outlets that want money risk their funding by telling the truth about their political benefactors? They will know to toe the progressive line—while claiming to be unbiased. This won't improve local journalism.

Local publishers have beseeched Sacramento for help to get more money from the internet platforms, which are gobbling up the giant share of digital ad revenue. That's in part because the platform ads can better target consumers based on location, demographics and interests. But local newsrooms' problems defy pat government solutions.

A Pew Research Center survey finds a declining number of Americans are following local news. Many people now crowd-source local news from social media and apps. About 52% of U.S. adults say they get local news from online forums, such as Facebook groups or the Nextdoor app, versus 33% from daily newspapers. People want local sports and community news, more than they want another lecture on the perils of climate change.

California has joined the Justice Department antitrust lawsuit against Google for allegedly monopolizing advertising market technology. Courts may in due course limit its digital ad dominance. But the solution isn't for Sacramento to conscript tech companies to finance favored media shops by laundering money through a liberal nonprofit.

If Florida Gov. Ron DeSantis tried this, liberals would be screaming about the threat to a free and independent press. The danger is all the more acute when a one-party state like California does it.

## Sacramento teams up with Big Tech to fund progressive newsrooms.

## Kamala on the Afghan Withdrawal

Kamala Harris is working hard to hide her policy views from the public, but now and then she opens a window on her worldview, and it isn't reassuring. One example came Monday on the third anniversary of the terrorist bombing at the Kabul airport that killed 13 Americans trying to defend the chaotic U.S. withdrawal from Afghanistan.

The Vice President praised the dead servicemen and women. "Today and everyday, I mourn and honor them," she said in a statement.

But if she has any regrets about President Biden's policy, she isn't sharing them. "As I have said," Ms. Harris noted, "President Biden made the courageous and right decision to end America's longest war."

It's good to know what she thinks, but it doesn't reflect well on her judgment as a potential Commander in Chief. The withdrawal decision was arguably the worst of Mr. Biden's Presidency, as he ignored the advice of nearly all of his advisers that a date-certain, total retreat would likely result in the collapse of the Afghan government and a Taliban takeover. Keeping a few thousand troops in support of the Afghan forces could have prevented the catastrophe and its consequences.

Listen to retired Marine Gen. Kenneth McKenzie, who was in charge of Central Command at the time of the Afghan fiasco, speak-

ing recently on the School of War podcast:

Host Aaron MacLean: "What do you think the consequences are broadly of the collapse and us not being there?"

Gen. McKenzie: "Well, I think on several levels, I think [Vladimir] Putin's invasion of Ukraine was directly driven by this. I think the Chinese were emboldened as a result of it. I think that more operationally, I think ISIS-K flourishes now in Afghanistan. The attack in Moscow just a few months ago is only a sign of things to come.

"Our ability to actually look into Afghanistan, understand what goes on in Afghanistan, is such a small percentage of what it used to be that it is effectively zero. So we predicted these things will happen, these things are happening. Our ability to, again, apply leverage here is quite limited."

Mr. Biden was indeed warned about all of this—and so was Ms. Harris if she was in the White House Situation Room as she likes to say she has been for all of this Administration's major security decisions. The needless deaths of those 13 Americans were the worst result, but the withdrawal also marked the end of Mr. Biden's ability to deter adversaries around the world.

That Ms. Harris now embraces this failure suggests more of the same ahead if she wins in November.

## Three years later, she calls Biden's decision 'courageous and right.'

## The Miami Teachers Union Election

Florida's biggest teachers union might be about to lose its job, as it faces a certification election under a law signed by Gov. Ron DeSantis. Roughly 24,000 mail ballots went out this month and are due back by Sept. 24. Whatever the result, this is healthy competition, as an upstart alternative pledges to cut dues in half and refrain from politicking.

United Teachers of Dade (UTD) represents school employees in Miami-Dade County. Mr. DeSantis's law, signed last year, requires public unions to prove their popularity to keep power. If a union can't show that 60% of its bargaining unit is dues-paying members, it must hold an election to keep its certification. Last year UTD came close, 56%, but fell short by about 878. To continue representing Miami teachers, it now needs to win 50% of returned ballots.

Teachers and school staff who don't like UTD can vote for no union, or they can cast ballots for a new group that promises to serve their interests better. That's the Miami-Dade Education Coalition (MDEC), led by teachers dissatisfied with the status quo. UTD members who are full-time teachers pay about \$1,000 a year in dues, and a good chunk goes to affiliates, which include national unions such as the National Education Association and the American Federation of Teachers.

UTD also makes political endorsements, and no prizes for guessing which party it wants in power. Two years ago UTD's president, Karla

Hernández-Mats, even ran for Lieutenant Governor as the running mate of Democrat Charlie Crist, who lost handily to Mr. DeSantis.

MDEC wants to halve dues, keep funds local, and stay out of polarizing politics. "Somebody has to do better than what it is right now," says Renee Zayas, a high-school teacher who is MDEC's vice president. While UTD's leader made more than \$200,000 in

2022, MDEC says it won't pay officers more than the median teacher salary.

To qualify for the ballot, MDEC needed signatures from 10% of the bargaining unit, or 2,368, which it achieved. That's far from the 50% it would take to win the election, and UTD has the advantage of size and organization. But the mere fact that a challenger made the ballot should give UTD pause. "We're getting a lot of teachers that are very excited about finally being able to see a change," says Ms. Zayas.

Mr. DeSantis's law is also having similar effects elsewhere. Dozens of unions have been decertified in the past year, including SEIU and AFSCME affiliates, some of which hadn't managed to sign up more than 25% or even 10% of their eligible workers as dues-paying members, according to a database kept by South Florida public radio site WLRN.

Bringing more worker democracy into union representation, as Mr. DeSantis's law does, isn't anti-union. It's a way of making sure that workers are represented by unions that actually care about their interests.

## LETTERS TO THE EDITOR

## The Bad Economic Idea That Will Never Die

Your editorial "Kamala Harris Endorses Nixonomics" (Aug. 17) misses the genius of one of the vice president's economic ideas. While pursuing her study of the root causes of the immigration crisis, she may have learned that the culture, institutions and largely free-market economy of the U.S. provide vastly more opportunities for a prosperous life than are available in almost any other country. This opportunity gap might explain why so many bear the cost and danger of coming to the U.S. illegally.

The opportunity gap might be reduced by building up the economies of other countries, but this is difficult and slow. The opportunity gap could also be reduced by reducing prosperity in the U.S. Prosecuting food companies for price gouging and imposing price controls on food and groceries has never worked to hold down prices, but it has always worked to create food shortages. Bare supermarket shelves will provide a powerful disincentive for all immigration. If carried on long enough, it may even result in mass self-deportation. The immigration crisis will have been solved by addressing the root cause.

There is no need for walls or agents. Tens of billions of dollars will be saved. Her brilliance will shine through like a joyous sunrise.

WILLIAM KINGSTON  
Parker, Colo.

Ms. Harris said she "studied the maps" in Gaza and concluded "there's nowhere for those folks to go" if Israel were to fight Hamas in the city of Rafah. She was wrong. Rafah civilians relocated in less than two weeks.

Apparently, she has also studied America's economic landscape and concluded that price controls are the answer to inflation. She's wrong again. After wage and price controls failed in the 1970s, Treasury Secretary George

Shultz reportedly told President Richard Nixon, "At least we have now convinced everyone else of the rightness of our original position that wage-price controls are not the answer."

Kamalanomics pairs the massive spending and regulatory overreach of Bidenomics with the price controls of Nixonomics. What could go wrong?

CHARLES D. EDEN  
Atlanta

I've been surprised to see some of my fellow dismal scientists defending Ms. Harris's proposal for federal price-gouging laws because Econ 101 models have exceptions. If only voters were that sophisticated. Alas, they aren't: Price controls poll well because people don't understand Econ 101, not because they understand advanced economics—and it would be remarkable if belligerent populist demagoguery just happened to identify the exception to Econ 101 and the optimal response.

Economists should see Ms. Harris touting price-gouging laws the way they see former President Donald Trump touting tariffs: as a demagogue spouting populist nonsense.

PROF. ART GARDEN  
Samford University  
Birmingham, Ala.

The publicity about Ms. Harris's economic plan reminds me of a discussion in my Econ 101 class years ago at the University of Michigan. Our textbook started out by defining "economics" as the study of how economic goods or wealth is distributed in a society. Our professor wanted to make sure that we didn't buy that. Economics, he said, is not the study of how wealth is distributed in society. That is the job of politics. Economics is the study of how wealth is created, not how it is distributed.

CHARLES M. FREELAND  
Indianapolis

## How to Think About Viktor Orbán and Hungary

Meg Hansen's op-ed "America's Right Got Hungary's Viktor Orbán Wrong" (Aug. 22) offers an important corrective to those like me who have viewed Hungary's prime minister as an ally. We thought this because of his bold and welcome stand on issues of great importance, such as limiting illegal migration and standing for traditional Western values.

Ms. Hansen focuses on Hungary's appalling ties to the Chinese Communist Party. She doesn't mention its egregious, nearly neutral stance on the war in Ukraine, in return for cheap energy imports from Vladimir Putin, or its repulsive "enhanced strategic partnership" with Recep Tayyip Erdoğan's rogue Türkiye.

American conservatives need to retain their critical faculties. Just because an Orbán or El Salvador's Nayib Bukele shares some of our policies doesn't mean we should admire them, encourage them or ally with them. Let's keep it transactional, not emotional: applaud the good, condemn the bad.

DANIEL PIPES  
President, Middle East Forum  
Philadelphia

## Rage Against the Machine, Not Against the Progressives

While Democrats have controlled Chicago for nearly a century, the "Chicago model" for the period can't be called progressive ("The Chicago Model for Democrats," Review & Outlook, Aug. 19). There are many accurate descriptions for "the boss," Mayor Richard J. Daley, but progressive isn't one of them.

Progressive government is the antithesis of machine politics, and Chicago has embraced machine politics. Remember that the younger Mayor Daley, Richard M. Daley, sold a city-owned tollway and the city's parking meters to private entities. That's out of the Margaret Thatcher playbook.

Chicago has had progressive mayors, including Harold Washington, Rahm Emanuel, Lori Lightfoot and Brandon Johnson. But remember also that Chicago's last Republican mayor, "Big Bill" Thompson, was an ally of Al Capone. After Thompson's death in 1944, \$1.8 million was found in his safe-deposit boxes, presumably from government corruption.

KENT FREDERICK  
Downers Grove, Ill.

## No Tax on Tips? Try Again

Donald Trump should offer the Harris campaign another idea: No tips on taxes ("A Bad Tax Policy Tips Over," Review & Outlook, Aug. 13).

GEORGE WOLTZ  
Naples, Fla.

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.

I emigrated from Hungary to the U.S. 25 years ago. As I read Ms. Hansen's article, I became almost outraged by the misconceptions. Mr. Orbán has no choice but to balance his allegiances between the West and the East. You have only to look at the map to realize this necessity. He is also trying to defend his country from the bullying, liberal, unelected European Union leaders.

She writes of the "unique resentment-laden politics of Hungarian national identity, which is little understood beyond niche academic circles." Every schoolchild and adult in Hungary understands this. Our country lost two-thirds of its territory in 1920. Wouldn't any country be upset had that happened to it?

"Hungary allied with Nazi Germany," she writes. Ms. Hansen should know that Hungary's Gov. Miklós Horthy was bullied and blackmailed into obedience by Hitler, who, among other things, kidnapped Horthy's son. Hitler would have marched through Hungary toward the Soviet Union regardless, albeit with much greater devastation.

Ms. Hansen calls Hungary "Europe's most vulnerable link." Those ultraliberal EU leaders make Europe as a whole a weak link. By standing up against woke ideology and unbridled immigration, and for traditional values, Hungary may be one of the strongest.

GYORGY ARGYELAN  
Friendswood, Texas

## The Circle of Political Life

Regarding your editorial "Joe Biden's Sad Presidential Legacy" (Aug. 19): President Biden's staff said he ran circles around them. When that didn't work, they circled the wagons. When that failed, Rep. Nancy Pelosi circled a date on the calendar and told him to drop out.

Now, Vice President Kamala Harris is circling back to what worked for Mr. Biden in 2020: Encircle your team around you and be quiet.

ROBERT CATALANO  
Santa Paula, Calif.

## Pepper ... And Salt

THE WALL STREET JOURNAL



"Your entire business plan is to get a loan from me?"

## OPINION

## Junk Science Sometimes Still Prevails in Court

By Robert P. Charrow

**J**unk science" is in vogue. The term describes expert testimony, hired and paid for by a party in civil litigation, that sounds scientific but isn't. The practice can harm patients by leading corporations to withdraw perfectly safe and effective drugs to avoid litigation.

That happened more than 30 years ago with the drug Bendectin, commonly used to ease morning sickness during pregnancy. Epidemiological studies consistently found no association, let alone causation, between the drug and birth defects. Yet plaintiffs in one case consulted with a cadre of experts who sliced and diced existing data to conclude otherwise. Their findings were never published in a peer-reviewed journal.

### A recent Delaware case shows that not all states follow the Supreme Court's 1993 Daubert ruling.

The issue went to the Supreme Court in *Daubert v. Merrell Dow Pharmaceuticals* (1993). The court, adhering to a federal statute, instructed federal trial judges to act as gatekeepers by permitting testimony about scientific opinions only if it amounted to "good science," developed in accordance with the scientific

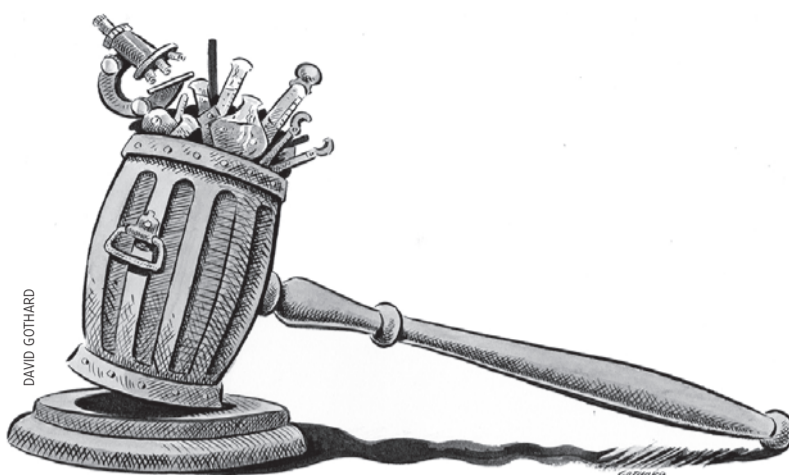
method. Such opinions, the justices added, must also "fit" the issue before the court. If a case were about whether a drug caused a disease in humans, its effect on animals likely wouldn't suffice. The high court instructed the lower court to consider the propriety of the plaintiff's expert testimony in light of its opinion.

When the lower court reconsidered the evidence in light of *Daubert*, it held that reanalyzing existing data for litigation and failing to publish such analysis in a peer-reviewed journal fails to ensure its reliability and isn't consistent with the scientific method. Most states have adopted this approach.

Requiring a judge to act as a gatekeeper ensures that testimony is scientifically sound. It likewise ensures that judges follow the same rules when evaluating scientific evidence. *Daubert* doesn't require that every expert have the same opinion—it simply ensures that judges will maintain guardrails. As in baseball, abiding by the same rules ensures that if a player hits a ball into the bleachers behind home plate, every umpire would call it a foul. The rules make the game, much as the scientific method makes science.

Honoring such rules is especially important as more science-based cases reach the courts. If judges use different rules in similar cases, the scientific method suffers and confusion reigns.

Consider two mass-products liability cases—in Florida federal court and Delaware state court—in which



DAVID GOTHARD

thousands of plaintiffs claim that ranitidine, the active ingredient in the heartburn medication Zantac and its generic counterparts, caused them to develop at least one of several types of cancer. The two cases involve the same drug as well as many of the same claims and approaches by plaintiffs' experts. Both courts consider *Daubert* controlling precedent. Both analyses therefore should have been nearly identical. In practice, however, they were diametrically opposed.

In a December 2022 opinion, federal judge Robin Rosenberg of Florida examined the plaintiffs' expert opinions, which claimed that Zantac and other ranitidine-based drugs caused cancer because their active ingredient can degrade into the carcinogen NDMA, which is also found in smoked meats.

Yet to prove that claim, one must demonstrate the drug exhibits consistent positive associations with certain cancers across a series of human studies. No such relationship existed. The human studies didn't show a consistent statistically significant and valid association between ranitidine use and cancer, let alone causation. Based on these, along with another study from the Food and Drug Administration, the agency and its European counterpart concluded that ranitidine poses no risk of cancer. The judge followed these assessments and excluded the plaintiffs' expert testimony.

The Delaware court on May 31 reached the opposite conclusion in *In re Zantac (Ranitidine) Litigation*. Judge Vivian L. Medinilla's opinion discounted epidemiology studies and the FDA's conclusions. She relied in-

stead on studies of NDMA—the chemical, not the drug—which showed a positive association between certain workers' exposure to NDMA and cancer.

The FDA's fellow public-health agency, the Agency for Toxic Substances and Disease Registry, reviewed at least one of these same studies and decided it couldn't draw the same dispositive conclusions from it. Its limitations, the agency noted, "make it difficult to establish clear associations between NDMA exposure and mortality from specific cancers." The studied workers were exposed to scores of carcinogens, which made linking cancer to one chemical scientifically impossible.

Yet these expert decisions didn't trouble Judge Medinilla. In her view, the jury could second-guess federal agencies, as well as those who conducted the independent epidemiology studies, so long as other experts disagreed. The court effectively put a foul ball into play.

Countenancing junk science could cost Delaware significantly. About 65% of Fortune 500 corporations are incorporated in the state. Many of those corporations—fearful of being hauled into state court—might consider moving to a jurisdiction with judges who can distinguish real science from junk.

*Mr. Charrow served as general counsel of the U.S. Department of Health and Human Services, 2018-21. He was a co-author of a friend-of-the-court brief in Daubert.*

## Democrats' Deception May Be Enough to Win Again



**FREE EXPRESSION**  
By Gerard Baker

**Y**ou campaign in poetry. You govern in prose.

Mario Cuomo's adage has been updated and adapted by his successors in the modern Democratic Party. The duality they present to voters either side of an election is a deception that has defined American politics and culture for the past 20 years.

As they campaign for office, they present a kind of idealized version of themselves to the electorate as mainstream Americans, seeking merely to bring a little unity and compassion to a fundamentally great country in need of reform. Once in office they act as if they have a mandate to remake a benighted country, to reorder an unjust system, to replace American exceptionalism with European social democracy, and to rewrite the nation's values with the precepts of their cultural Marxism.

They campaign, to borrow the late governor's taxonomy, in the poetry of Robert Frost. They govern in the prose of Herbert Marcuse.

Last week in Chicago we got the

poetry, a Frostian pastoral of Democrats posing as regular Americans, honest toilers in a darkening landscape (of their own making, as they didn't tell us). They propose only to enlighten with their benevolence.

I don't mean poetry in the literal sense. With a few exceptions the quality of our political oratory is dire—and plumbed the usual depths last week. We have reached the point where even the actual poetry is prosaic, as the left's unofficial poet laureate, Amanda Gorman, demonstrated with another of her recitations of platitudinous banalities and leaden progressive nostrums delivered in her trademark phony iambic meter.

The "poetry," such as it was—Michelle Obama's speech was the only moment of the week when the oratory came close to matching the ambition—was figurative, an attempt to paint colorful images of the promise of another Democratic presidency.

Its centerpiece was the semifictional self portrait of the presidential candidate herself. In her own biography-heavy, substance-light acceptance speech, Kamala Harris presented herself as that familiar image from popular story telling—"the happy warrior," the all-American fighter for our nation's finest objectives—the tough prosecutor who

waged war on crime just as she will wage war on illegal immigration; the proud patriot, product of a classically diverse, American, immigrant family; the commander in chief, ready to face down America's enemies abroad; the staunch friend of America's allies—Israel, especially—unafraid to use the military's "lethal" force in their support, as she explicitly reminded us.

### If voters believe the chants of 'USA! USA!' they're in for another four years of far-left governance.

This verbal illusion of American iconography was reinforced by the crowd's chants of "USA! USA!" like ecstatic fans at the Olympics, and a waving sea of red white and blue "USA" placards.

But the poetry last week came also in the constantly retold personal narrative that was the real theme of the convention. The winsome second gentleman telling cute stories about gawky first dates and tasty brisket like something from the pages of a 1950s yearbook; saccharine testimonies to Ms. Harris's innate goodness from childhood friends and profes-

sional acquaintances; above all, that Giant Middle American Cliché made flesh himself—Gov., sorry Coach, Tim Walz—practically pulling the high-school football playbook out of his back pocket and urging the nation to vote for him so he could go out there one more time and win just one for the Grifter.

Is anyone fooled?  
The answer, I am afraid, is yes. Every time.

President Biden is only the most recent example. The lifelong centrist Democrat who campaigned as a regular Joe promising to do his best to heal a divided and damaged country in 2020, promptly became the vessel for a Bernie Sanders policy agenda, splurged trillions in expansive government spending and championed the left's continuing cultural reformation of America. He prepares to leave office apparently convinced he belongs in the pantheon of great social reformers next to Franklin D. Roosevelt and Lyndon Johnson.

Barack Obama reminded us in his speech how successful his own self-portrayal was in 2008 as the unifying figure who could bring cohesion and order to a nation battered from the chaos of war and financial crisis, but who again governed, thanks to rigid internal party discipline, to implement an agenda that produced seem-

ingly irreversible shifts in the economic and social fabric.

Above all we were reminded how far Democrats managed to move the needle in government in their direction along the political spectrum by the appearance of those two aging icons from another epoch—Bill and Hillary Clinton. Mr. Clinton's presidency, which ended a little more than two decades ago, now looks to most Democratic activists like an exercise in political reaction. If many of its ideas were preached on a university campus today, they would probably get the speaker canceled.

Republicans also pitch themselves in campaigns as unifying centrists but in office they have too often lacked the ambition or determination actually to govern as Republicans. It is to his credit—and a reason he is widely loathed—that Donald Trump bucked that trend.

Does anyone doubt that a Harris presidency would continue the Democratic pattern of divergent pre-election promise and postelection reality? Will a President Harris more closely resemble Candidate Harris from last week's convention than Vice President Harris from the last four years or Candidate Harris from 2019? If you think she will, then it isn't poetry you've been reading. It's a fairy tale.

## The Legally Dubious Campaign Against Kentucky School Choice

By Corey DeAngelis And Dean McGee

**K**entucky voters will decide the fate of educational opportunity in their state this November when they vote on Amendment 2, a ballot measure intended to pave the way for school-choice initiatives that would open doors for families. Opponents of Amendment 2 seem to be resorting to illegal tactics to stop it.

Kentucky law broadly prohibits the use of tax dollars "to advocate, in partial terms, for or against any public question that appears on the ballot." Officials critical of school choice are doing so anyway.

In August, Pulaski County Schools urged voters to say no to Amendment 2 on its websites, Facebook page, and even a physical sign on school grounds.

Attorney General Russell Coleman, a Republican, responded with a formal advisory reminding school districts that "tax dollars appropriated for public education funds . . . must not be used to advocate for or against the Amendment." The Liberty Justice Center, a libertarian public-

interest litigation firm, also took action, sending a demand letter on behalf of Pulaski County taxpayers to the school district seeking the removal of all illegal campaign messages and the cessation of any further violations of the law.

Pulaski County Schools has since removed the graphics, but replaced them with a statement by its superintendent, Patrick Richardson, that itself seems to violate the law. Mr. Richardson wrote that although he would follow the advisory, he disagreed with it and complained that the attorney general hadn't consulted with him before issuing statewide legal guidance, which he called "partisan politics at its worst."

Mr. Richardson also reiterated his opposition to Amendment 2, and his message remains on the district's official websites and Facebook page. This is, again, the use of public resources to oppose a ballot measure. The district also restricted comments on this Facebook post and blocked one of us (Mr. DeAngelis) after he commented. Though Mr. DeAngelis was eventually unblocked, the dis-

trict's actions potentially violated citizens' First Amendment rights.

Gov. Andy Beshear, a Democrat, initially defended the district by asserting that government-run school districts "have First Amendment rights." But at the Kentucky State Fair the next day, the governor tacitly acknowledged the illegality of the district's lobbying. He first played down the scandal, saying, "This was a Facebook post. This wasn't spending thousands of dollars on a mailer." But he added, "The bottom line is the message that was put out, even if it might not have been put out in the right way, is correct."

At a press conference on Aug. 16, the attorney general said that Mr. Beshear "very artfully dodged whether that was unlawful conduct or not." But the law is the law. Mr. Coleman went on, "My job as attorney general, and [Mr. Beshear] should remember this as a former attorney general, is to clearly spell out what the law is, and then if the law is violated, enforce the law."

It doesn't take the misuse of thousands of taxpayer dollars to violate

Kentucky's statute. In a meeting with lawmakers Thursday, Christopher Thacker, general counsel for the Office of the Attorney General, clarified that even if a school district's advocacy against Amendment 2 doesn't appear to cost money, it would still be illegal "if it creates the appearance that . . . the school as an institution . . . is taking a position, that's a nominal use of resources, and that's not permitted."

### Officials seem to violate a state law that bars using tax money to campaign against a ballot measure.

Mr. Thacker also rebutted the argument that the law violates government employees' First Amendment right: "When you're not on the clock, when you're not using school resources, when you're not using an official forum that's not open to the public, you're free to say whatever you want."

Three days after Mr. Coleman

warned that electioneering with taxpayer-funded resources is illegal, Democratic Lt. Gov. Jacqueline Coleman's official Twitter account praised the Pulaski school district for "ringing the alarm about the school voucher amendment" and instructed Kentuckians: "Vote NO on Amendment 2." If a district's official Facebook page can't be used to oppose a ballot measure, surely a lieutenant governor's official Twitter can't either.

The Daviess County Public Schools also appears culpable. According to a whistleblower who spoke to us on condition of anonymity, the district held a mandatory staff rally where Superintendent Charles Broughton urged district employees to oppose Amendment 2. The whistleblower said that staff were explicitly told to vote no as part of a call-and-response chant, leading some who support Amendment 2 to walk out in protest. The school district didn't respond to our request for comment.

The attorney general should act swiftly to enforce the law throughout the state. He seemed assured of his role in his Aug. 16 news conference. Hopefully he will follow the example of Texas Attorney General Ken Paxton, who earlier this year sued a half-dozen school districts for allegedly using taxpayer resources to lobby against pro-school-choice candidates, which is unlawful under Texas statute.

The illegality—and immorality—of using public resources intended for education to lobby against expanded educational opportunities is obvious, and all efforts should be made to put an end to it statewide. The future of education in Kentucky may hang in the balance.

*Mr. DeAngelis is a senior fellow at the American Federation for Children and a visiting fellow at Stanford University's Hoover Institution. Mr. McGee is senior counsel for educational freedom at Liberty Justice Center.*

## THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES &amp; COMPANY

Lachlan Murdoch  
Executive Chairman, News CorpRupert Murdoch  
Chairman Emeritus, News CorpRobert Thomson  
Chief Executive Officer, News CorpEmma Tucker  
Editor in ChiefAlmar Latour  
Chief Executive Officer and PublisherLiz Harris, Managing Editor  
Charles Frelle, Deputy Editor in Chief  
Elena Cherney, Senior Editor; David Crow, Executive Editor; Chip Cummins, Newsweek; Taneth Evans, Associate Editor; Brent Jones, Culture, Training & Outreach; Alex Martin, Print & Writing; Michael W. Miller, Features & Weekend; Prabha Natarajan, Professional Products; Bruce Orwall, Enterprise; Philana Patterson, Audio; Amanda Wills, VideoDOW JONES MANAGEMENT:  
Mae M. Cheng, EVP, General Manager, Leadership; David Cho, Barron's Editor in Chief; Jason P. Conti, General Counsel, Chief Compliance Officer; Dianne DeSevo, Chief People Officer; Jared DiPalma, Chief Financial Officer; Artem Fishman, Chief Technology Officer; David Martin, Chief Revenue Officer, Business Intelligence; Dan Shar, EVP, General Manager, Wealth & Investing; Ashok Sinha, SVP, Head of Communications; Josh Stinchcomb, EVP & Chief Revenue Officer, WSJ | Barron's Group; Sherry Weiss, Chief Marketing OfficerEDITORIAL AND CORPORATE HEADQUARTERS:  
1211 Avenue of the Americas, New York, N.Y., 10036  
Telephone 1-800-DOWJONESPaul A. Gigot  
Editor of the Editorial Page

Gerard Baker, Editor at Large

DOW JONES | News Corp

## Notable & Quotable: Climate

Umair Irfan writing for Vox.com, Aug. 26:

There's another reason why [Kamala] Harris isn't emphasizing climate change in the campaign: The topic is spurring fewer voters than before, and for those who are motivated by it, the choice is clear. "Very few voters say this issue is determinative to their presidential vote this year," Patrick Murray, who leads the Polling Institute at Monmouth University, wrote in an email. "Among this small group, they have a clear choice in the race even if the issue isn't being discussed. Their position

seems to be that Democrats have to win this election first and then we'll push the issue."

Since the last presidential election, climate change has dropped as a priority for voters in general and Democrats in particular. "We've seen a big dip in concerns about climate change since 2020," Murray said.

Most Americans do think that climate change is a real concern, but the urgency around it has declined. According to a poll conducted in April, Monmouth University found that 46 percent of Americans thought of climate change as a "very serious" issue, down from 56 percent in 2021.

## WORLD NEWS

# Kyiv Presses To Expand Weapons Use

Call to West follows massive Russian aerial bombardment against power grid

By IAN LOVETT

Russia struck sites across Ukraine with what Kyiv called the biggest aerial bombardment of the war, inflicting damage to the country's already-strained energy infrastructure and prompting calls from Ukraine for Western allies to help it strike back.

On Monday, Ukrainian President Volodymyr Zelensky called for Kyiv's allies to lift restrictions on the use of long-range Western-made weapons, such as the U.S.'s ATACMS missiles, to strike deep inside Russian territory.

"There cannot be long-range restrictions in Ukraine, when terrorists do not have such restrictions," Zelensky said on Telegram. "America, Britain, France, other partners have the power to help us stop terror."

Moscow launched 127 mis-

siles and 109 Iranian-designed Shahed drones into Ukraine on Monday, the country's air force said. At least three people were killed, with many wounded.

The assault comes three weeks after Ukraine began its ground invasion of Russia's Kursk region, where Kyiv has now seized more than 400 square miles of territory—giving Ukrainians a much-needed morale boost after months of slowly losing ground on the eastern front.

But Monday's attack underscored some of Ukraine's vulnerabilities. The first F-16 jets began arriving in Ukraine this summer, potentially adding another layer of protection to its ground-based air-defense systems. Ukraine, however, doesn't have the resources to intercept missiles in all parts of the country.

Moreover, Ukraine's energy infrastructure has become more vulnerable this year, with Moscow consistently targeting important power-generation and transmission sites. Rolling blackouts have become common this summer—the



Men on Monday carried the body of a resident killed by a Russian missile strike in the village of Novohupalivka in Ukraine.

first time the energy infrastructure has been crippled during the war months. Authorities imposed emergency power outages.

Ukrainian officials didn't immediately detail which parts of the electric grid were affected, but damage was reported across the country, including in the Lviv and Zaporizhzhia regions. In the Kyiv region, the hydroelectric-power station was struck, but a local official told Ukrainian media that the damage wasn't

serious. If the dam at the hydroelectric station was destroyed, it would flood Kyiv.

"The enemy is not abandoning plans to deprive Ukrainians of electricity," Herman Halushchenko, Ukraine's energy minister, wrote on Facebook. "The situation is difficult."

Russia said it targeted gas and electric-power stations that were used to support Ukraine's military.

Despite Kyiv's repeated pleas, allies—especially Wash-

ington—have been reluctant to allow Kyiv to use Western arms to strike inside Russia.

But this year, Russia's attack on Ukraine's northeastern Kharkiv region prompted foreign governments to lift some restrictions on using Western-made weapons to strike inside Russia. However, Ukraine remains prohibited from using those same weapons to strike deep inside Russia. Though Ukraine has conducted strikes on fuel refineries, airfields and weapons-storage facilities in-

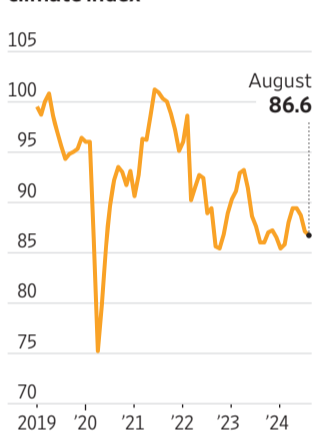
side Russia in recent months, these have been carried out with Ukrainian-made drones.

John Kirby, spokesman for the National Security Council, on Monday said there had been no changes to the guidelines on weapons use but that conversations with Ukraine were continuing.

In Kyiv, officials are hoping Monday's attack would again prompt Western allies to change their policy.

—Ann M. Simmons contributed to this article.

## Germany's business-climate index



Source: Ifo Institute

## German Business Mood Gets Bleaker Yet

By ED FRANKL

Sentiment at German companies edged lower this month, as Europe's largest economy shows little sign of recovering from a persistent manufacturing slump.

The Ifo Institute's business-climate index fell to 86.6 in August, from 87.0 in July, data showed Monday, the fourth decline in as many months.

"The German economy is increasingly falling into crisis," said Clemens Fuest, president of the Ifo Institute.

Companies assessed their current situation as worse, and expectations for the future were more pessimistic, he said.

The survey's component for manufacturing—the traditional backbone of the German economy—dropped substantially, with expectations falling to their weakest since February.

Companies again reported declining order backlogs, and the situation for capital-goods manufacturers in particular is difficult, Fuest said, likely a result of high interest rates. Even in the services sector, which had seen better fortunes this year, the business climate worsened, Ifo said.

Purchasing managers' survey data published last week also showed weakening confidence. Germany's economy contracted in the second quarter, and economists typically expect only a sluggish rebound for the rest of 2024.

Earlier hopes have faded because of a weaker global economy, fears of a cooling U.S. economy, continued geopolitical tensions and domestic policy uncertainty, according to ING economist Carsten Brzeski.

"The German economy seems to be back where it was a year ago: The growth lag of the eurozone with little signs of an imminent improvement," he said in a research note.

# France Details Probe Targeting Telegram CEO

By MATTHEW DALTON

PARIS—Pavel Durov, the founder and chief executive of the Telegram messaging app, is being detained as part of a broad investigation into online criminality opened in July, the Paris prosecutor's office said Monday, raising the stakes in the struggle between governments and digital companies over their responsibility for illegal activity on their platforms.

The investigation is examining 12 potential criminal violations, including complicity in the spread of child pornography, refusal to cooperate with authorities and complicity in fraud. Investigators haven't named Durov or anyone else yet as the target of their probe, according to the statement. The prosecutors said they have 96 hours, or until Wednesday, to hold Durov for questioning.

France's decision to detain the 39-year-old tech entrepreneur is a sign of the growing concern among governments, particularly in Europe, about

Telegram and other platforms being used to sow unrest and fuel criminal activity. Those concerns range from posts that authorities say fuel antisemitism and racism to the exchange of illegal content or goods such as child pornography or counterfeit merchandise.

French President Emmanuel Macron on Monday took the unusual step of publicly defending the judicial investigation, a sign of the sensitivity surrounding the decision to hold Durov. French leaders rarely comment on judicial proceedings to avoid compromising the independence of judges and prosecutors.

"I read false information here about France following the arrest of Pavel Durov," Macron said Monday in a post on X. "The arrest of the president of Telegram on French soil took place as part of an ongoing judicial investigation. It is in no way a political decision. It is up to the judges to rule on the matter."

Police took Durov into custody at Le Bourget Airport north of Paris on Saturday night when his private jet



Telegram CEO Pavel Durov, seen in 2016, can be held until Wednesday for questioning.

landed after a flight from Baku, the capital of Azerbaijan.

France's judiciary is one of the country's most powerful institutions, and its judges and prosecutors are fiercely independent. They have investigated some of the country's most powerful political figures, including the current justice minister, Éric Dupond-Moretti; judicial authorities ultimately declined to send him to trial.

For years, judges have investigated former President Nicolas Sarkozy for possible

crimes. A court convicted him this year of violating campaign-finance laws.

French law requires social-media companies and other online platforms to cooperate with authorities in countering the spread of illegal content. It is mirrored to some extent by the Digital Services Act, the European Union law requiring platforms to prevent such content.

Telegram said it complies with EU law, adding that it is "absurd" to hold a platform responsible for those who abuse it.

"In a state governed by the rule of law, freedoms are upheld within a legal framework, both on social media and in real life, to protect citizens and respect their fundamental rights," Macron said.

Russian Presidential spokesman Dmitry Peskov said Monday that the Kremlin doesn't know why Durov was detained. He called for no conclusions to be drawn until Durov is charged, "if he is charged at all."

—Ann M. Simmons contributed to this article.

## Hindus Celebrate a Festival Marking the Birth of Krishna



OH JOY: In Mumbai on Monday, children dressed as the god for the Janmashtami festival, whose traditions include forming human pyramids to reach pots of curd.

## FTC, Grocery Giants Square Off

Antitrust trial opens in government's bid to halt Albertsons, Kroger from merging

By DAVE MICHAELS

PORTLAND, Ore.—**Kroger** and **Albertsons** went to court Monday to defend the largest supermarket merger in history from antitrust enforcers who say it would create a supermarket colossus that could raise prices on consumers and stifle wage increases for workers. A federal court in Oregon

will consider over the next two weeks whether to grant the Federal Trade Commission's request to block the \$20 billion merger from closing. Stores owned by Kroger and Albertsons compete against one another in thousands of local markets, the FTC says. The rivalry puts a ceiling on food prices, and eliminating it would free Kroger to raise them, the FTC says.

Kroger, which in 2022 struck the deal to purchase Albertsons, says it needs to get bigger to compete with rivals such as Walmart and Costco that lure customers with lower

prices than traditional supermarkets have been able to offer. Kroger's prices today are 10% to 12% lower than Albertsons', the food retailer's lawyer told the court Monday. Kroger says it would invest \$1 billion to lower prices at the Albertsons stores.

The trial comes as U.S. consumers have grappled over the past several years with higher rates of food inflation and both presidential candidates have vowed to bring them down. Prices for food at home were 26% higher in July than they were at the end of 2019, whereas prices for goods ex-

cluding food and energy were up 14%.

Both candidates in the presidential election, Kamala Harris and Donald Trump, have teed off on rising food prices. Harris has effectively blamed supermarkets for driving up food prices, citing corporate greed, and called for a ban on price gouging. Trump has blamed regulation and Biden administration policies for fueling and failing to control inflation.

"This lawsuit is part of an effort aimed at helping Americans feed their families," FTC attorney Susan Musser said Monday in her opening argu-

ment to the court. "Stopping a multibillion-dollar deal will keep in place bigger competition that acts as a check on rising grocery prices and furthers improvements in quality and innovation."

Courts can block mergers that may lead to a substantial loss of competition. Like in most merger trials, the FTC and Kroger will offer the court competing expert witnesses who will try to predict the risk of that outcome.

Kroger, which would operate more than 4,000 stores if the deal closes, says the *Please turn to page B2*

## Stock Volatility Gives IPO Market Cold Feet

By CORRIE DRIEBUSCH

September is a popular time for companies to go public. This month's stock-market volatility is putting some plans on ice.

Companies weighing whether to make their stock-market debuts face a critical decision in the coming weeks: pull the trigger soon so they can launch their deals before year-end or hold off until 2025?

The outlook isn't rosy. The growing consensus among companies considering initial public offerings is to wait until next year, many bankers, lawyers and corporate executives said.

It isn't just the market's recent choppiness, they said, but that turbulence could flare up again, given the uncertainty around November's presidential election and how much the Federal Reserve will cut interest rates this year.

Last week, Chinese autonomous-driving technology company **WeRide** postponed its IPO, saying it needed more time to finalize documents. Ticket-resale company **StubHub** last month pushed off launching its roadshow for investors until September at the earliest, though some people familiar with the deal said it is likely to be delayed until 2025.

Others on the sideline considering late-2024 IPOs include artificial-intelligence chip maker **Cerebras**, according to people familiar with the *Please turn to page B2*

## Apple's CFO Set To Leave Position

By AARON TILLEY

**Apple** said its chief financial officer is stepping down next year, one of a number of top long-serving executives that are approaching 65.

Luca Maestri will be succeeded by Kevan Parekh, 52 years old, Apple's current vice president of financial planning and analysis.

Maestri, Chief Executive Tim Cook and Chief Operating Officer Jeff Williams have entered their early 60s and investors have watched closely for signs about who emerge as the next generation of top leaders.

A number of internal candidates are widely respected but Apple has yet to detail its plans. Apple doesn't have a mandatory retirement age.

Starting next year, Maestri, 60, will transition out of the role to lead its corporate-services team, which consists of its internal data center infrastructure and real estate.

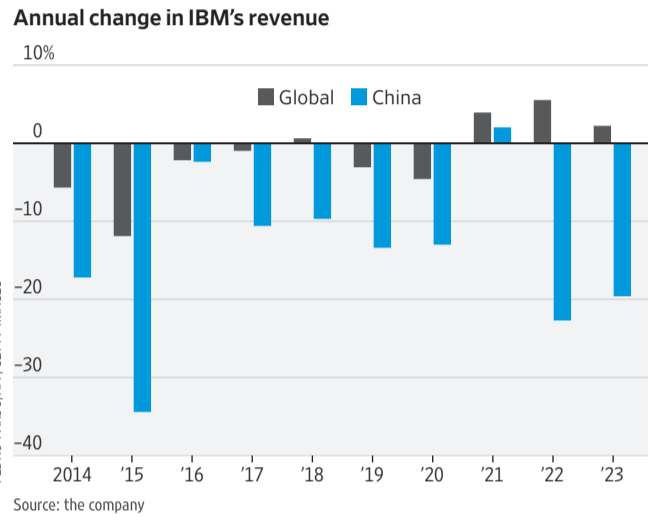
Apple has been using its own internal servers for its recent AI capabilities, rather than using external cloud services.

Since taking over as finance chief in 2014, Maestri developed a reputation for keeping Apple running lean.

The company's expenses and corporate research grew relatively slowly, while many in the technology industry *Please turn to page B4*



The closure will affect more than 1,000 people in several cities.



## IBM to Shut Its China R&D Unit

By RAFFAELE HUANG

**IBM** is shutting down its China research and development department, the latest retreat from the country by a top U.S. technology company.

The company is moving its China R&D functions to other overseas facilities, Jack Hergenrother, an IBM executive, told employees at a virtual

meeting on Monday morning, according to employees who attended. Hergenrother said IBM faced intensifying competition in China, with its infrastructure business declining in the past few years, the employees said.

Hergenrother said IBM plans to concentrate its R&D in several regions, the employees said. IBM has told some

employees it is adding engineers and researchers in places outside China including Bengaluru, India, according to employees who were briefed.

The closure will affect more than 1,000 people, most of them working for the company's R&D labs and focusing on the development and testing of products such as enter-

prise software, the employees said. They are based in several Chinese cities, including Beijing and Shanghai.

In a statement, IBM said it "adapts its operations as needed to best serve our clients," without giving details. The changes won't affect IBM's ability to support clients in China, it said. *Please turn to page B4*



A rendering of the new Citidel headquarters. The building is expected to take five or more years to build.

## Citadel Details Plans for Miami Headquarters

By DEBORAH ACOSTA

MIAMI—Citadel's gleaming new 54-story glass tower in Miami will include two restaurants, a rooftop hotel, a public waterfront terrace and perhaps a dock that would enable hotel and restaurant guests to arrive via Biscayne Bay.

Ken Griffin, the founder and chief executive of Citadel,

who moved his headquarters to Miami from Chicago in 2022, plans to break ground on the 1.7 million-square-foot project in the third quarter of 2025.

The hedge fund and its sister firm, Citadel Securities, currently are located in a building in Miami's downtown less than a mile from the development site.

Griffin filed plans for the project, designed by Foster + Partners, with Miami-Dade County on Monday.

The building, which is expected to take five or more years to build, needs to get public approvals before it proceeds.

The plans describe a range of amenities but don't mention a dock. People familiar

with the project confirmed they are working through including access to the building by boat.

The new development will be the latest addition to the Miami skyline, which has been reshaped in recent years by the migration of businesses to Florida for its low taxes and business-friendly government *Please turn to page B2*

## Red Lobster Snatches New CEO

By HEATHER HADDON

A group of lenders set to take over **Red Lobster** have tapped a recent chief executive of Asian restaurant chain P.F. Chang's to run the struggling seafood restaurant brand.

Damola Adamolekun, most recently an operating partner at private-equity firm Garnett Station Partners, would take over as Red Lobster's CEO pending final court approval of the chain's sale, which is scheduled for next month.

Red Lobster, based in Orlando, Fla., filed for chapter 11 bankruptcy in May, one of a string of restaurant chains that have filed for bankruptcy protection or sought buyers in the past year. Ringing up around \$2 billion in annual sales across 44 states, Red Lobster is among the biggest food-service bankruptcies by assets and liabilities in decades, according to BankruptcyData.com.

Adamolekun said he aims to improve Red Lobster's customer experience and reinvigorate the company, known for *Please turn to page B2*

### INSIDE



#### AIRLINES

Activist investor Elliott Management lays out its plan to fix Southwest. **B3**

#### HEARD ON THE STREET

Watch brands grapple with a strong resale market. **B12**



AI could lighten the workforce

Create value through volatility. Discover how at [crowe.com](https://crowe.com).



embrace volatility  
AUDIT / TAX / CONSULTING



## 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>	International Business Machines.....B1	PepsiCo.....B2
Advanced Micro Devices.....B11	<b>J</b>	<b>R</b>
Albertsons.....B1	Jiangsu Kunshan Rural Commercial Bank.....B5	Reddit.....B2
Alibaba.....B11	<b>K</b>	Red Lobster.....B1
Amazon.com.....B11	Kroger.....B1	Richemont.....B12
Apple.....B1B3	<b>L</b>	<b>S</b>
Arm.....B11	Lineage.....B2	SharkNinja.....B12
<b>B</b>	Lululemon.....A2	Shein.....B11
Bloomin' Brands.....B2	LVMH Moët Hennessy Louis Vuitton.....B12	Six Flags Entertainment.B2
Breville.....B12	<b>M</b>	Southwest Airlines.....B3
<b>C</b>	Maquarie.....B5	Starbucks.....B2
Cerebras.....B1	Meta Platforms.....A4	StubHub.....B1
Chipotle Mexican Grill.....B2B3	Microsoft.....B1	<b>T</b>
Comcast.....B2	<b>N</b>	Tesla.....B4
CrowdStrike.....B12	Nestlé.....B2	Thai Union.....B2
<b>D</b>	Nvidia.....B11	<b>U</b>
Delta Air Lines.....B2	<b>O</b>	Union Bancaire Privée.....B5
<b>E</b>	Oracle.....B4	<b>V</b>
Exxon Mobil.....B3	<b>P</b>	Vera Bradley.....B3
<b>H</b>	Palo Alto Networks.....B12	Volkswagen.....B4
Hermès.....B12	PDD.....B11	<b>W</b>
<b>I</b>		WeRide.....B1
		<b>X</b>
		XPeng.....B4

## INDEX TO PEOPLE

<b>A</b>	<b>H</b>	<b>P</b>
Adamolekun, Damola.....B1	Hale, Clay.....B2	Parekh, Kevan.....B1
Ajder, Henry.....B4	Hargreaves, Brad.....A9	Powell, Gray.....B12
Arora, Nikesh.....B12	Hartung, Jack.....B3	<b>R</b>
<b>B</b>	He, Xiaopeng.....B4	Redstone, Shari.....A1
Barrocas, Mark.....B12	Hergenrother, Jack.....B1	<b>S</b>
Bastian, Ed.....B2	Hu, Larry.....B5	Schiller, Phil.....B4
Blankfein, Lloyd.....A2	<b>J</b>	Schwindle, Michael.....B3
Borges, Gabriela.....B12	Jordan, Bob.....B3	Solomon, David.....A2
Broadhead, Kristin.....B4	<b>K</b>	Soros, George.....A8
Bronfman, Edgar Jr.....A1	Katz, David.....A10	Spanos, Mike.....B2
Brzeski, Carsten.....A16	Kelly, Gary.....B3	Stumpf, John.....A2
<b>C</b>	Kurtz, George.....B12	Symes, Rob.....B4
Casanova, Carlos.....B5	<b>L</b>	<b>T</b>
Cook, Tim.....B1	Levine, Peter.....B12	Tian, Charles.....B12
<b>D</b>	Liani, Tal.....B12	<b>W</b>
Deno, David.....B2	Liu, Jun.....B11	Weinberg, Amy.....A10
Dhar, Vivek.....B11	<b>M</b>	Wiatrowski, Gerry.....A9
DiFucci, John.....B12	Maestri, Luca.....B1	Williams, Jeff.....B1
Dimon, Jamie.....A1	Moynihhan, Brian.....A2	<b>X</b>
<b>E</b>	Murati, Mira.....B5	Xudong, Chen.....B1
Ellison, David.....A1	Musk, Elon.....A1	<b>Y</b>
<b>G</b>	<b>N</b>	Ying, Joel.....B4
Gimigliano, John.....B3	Neri, Antonio.....B4	<b>Z</b>
Goh, Eng Lim.....B4	<b>O</b>	Zaccarelli, Chris.....B11
Gonick, Lev.....B5	Ollila, John.....A10	Zuckerberg, Mark.....A4
Griffin, Ken.....B1		

## BUSINESS & FINANCE

# Outback Owner Names New Chief

By DEAN SEAL

Bloomin' Brands has hired the chief operating officer of Delta Air Lines to be the restaurant-chain operator's next chief executive.

The Outback Steakhouse parent company said Monday that Mike Spanos will take the helm on Sept. 3 from David Deno, who said in May that he would retire after 12 years at the company. Deno will stick around in a transitional role through the end of the year.

Delta told employees last week that Spanos, the airline's operating chief for just over a year, was leaving at the end of the month to take a job elsewhere. Chief Executive Ed Bastian said Spanos had approached him earlier in the summer about consid-

ering other opportunities.

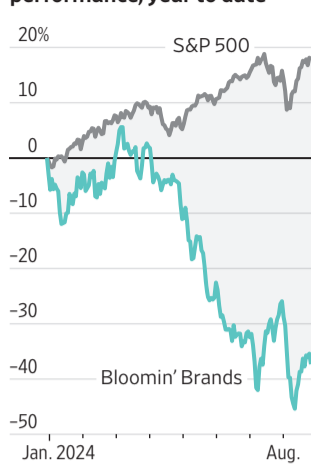
Spanos is set to receive severance benefits from Delta, including 18 months of his base salary, the airline said in a securities filing.

The incoming Bloomin' CEO previously held the top job at Six Flags Entertainment and spent more than 25 years in various roles at PepsiCo and the Pepsi Bottling Group. He will also take a seat on the Outback owner's board of directors.

August has already seen a glut of C-suite turnover among well-known public companies that have hit turbulent times.

Starbucks poached Chipotle Mexican Grill's chief earlier this month in a bid to turn around its business, ousting a previous CEO who had only served about 16 months.

Share-price and index performance, year to date



Last week, Nestlé's chief executive was pushed out and replaced with a company veteran amid slowing sales

growth and a string of issues over the past two years.

Bloomin' Brands, which also owns Carrabba's Italian Grill and Bonefish Grill, has seen its share price fall by a third this year as weak consumer spending on casual dining softened sales. The company cut guidance earlier this month.

Delta has been experiencing its own challenges this year as an oversupply of airline seats has ramped up competition among carriers. The company reported a sharply lower second-quarter profit in July and offered dim guidance. A week later, a botched CrowdStrike software update caused an operational meltdown at Delta and other airlines, costing the company an estimated \$500 million.

## Red Lobster Brings On New CEO

Continued from page B1 its popcorn shrimp and Cheddar Bay Biscuits. "Red Lobster is an iconic brand with a tremendous future," Adamolekun said Monday.

One of the first U.S. casual-dining chains and once an innovator in the sector, Red Lobster suffered from strategic challenges along with a shaky consumer backdrop for restaurants as inflation-pressured consumers have tightened up spending.

An all-you-can eat shrimp deal that executives hoped would revive the chain contributed to millions of dollars in losses. Red Lobster's largest owner, seafood supplier Thai Union Group, this year divested itself of the stake in the company, saying it had lost too much money on the chain.

In July, the lender group led by Fortress Investment Group moved a step closer to taking over Red Lobster after no competing buyers showed up to challenge their bid. The lender group had extended roughly \$300 million in loans to Red Lobster.

A judge is expected to consider Red Lobster's sale to the Fortress-led group, called RL Investor Holdings, next month.

Fortress, an asset manager that has purchased other restaurant chains out of bankruptcy including Krystal Restaurants and Logan's Roadhouse, leads RL Investor Holdings.

Adamolekun, 35 years old, was the CEO of sit-down chain P.F. Chang's from 2020 to 2023, and earlier served as a



Damola Adamolekun, below, says Red Lobster is an iconic brand with a tremendous future.

board member of the company while he was a partner at private-equity firm Paulson & Co.

The privately held chain serving orange chicken, Mongolian beef and other Asian-fusion fare generated \$994.3 million in U.S. sales last year, down slightly from 2022 but above prepandemic levels, according to market research firm Technomic.

Adamolekun was P.F. Chang's CEO through the Covid-19 pandemic, when sit-down restaurants largely had to shut their doors for stretches of time. P.F. Chang's said at the time of his exit that Adamolekun helped the chain embrace to-go service during the crisis, helping to stabilize its business.

The company said Adamolekun also helped P.F. Chang's resume expansion, with an estimated 225 U.S. locations as of last year.



## Citadel Details Miami Plan

Continued from page B1 policies. When Griffin, a billionaire who lives in Miami, announced plans to move there, he cited Chicago's high crime rate and Florida's better corporate environment.

Citadel employs 4,600 workers and is planning to expand in London and New York.

The company isn't planning to occupy all the office space in its new Miami headquarters. Some of it will be leased to other tenants.

Gattuso Development Partners, which developed the Comcast headquarters in Philadelphia that includes a Four Seasons hotel at the top, has been consulting on the project.

Plans for the Miami building call for two separate lobbies for the office space and hotel space. Griffin plans to connect the public terrace to the city's Baywalk, a 5-mile waterfront trail envisioned by the city.

## Volatility Chills IPO Market

Continued from page B1 matter.

The idea that 2025 would be the year that IPOs came back has been "singing in the chorus" since spring, said Clay Hale, co-head of equity capital markets at Wells Fargo.

There was some optimism that the end of 2024 would at least be busier, but the recent market volatility seems to have all but extinguished those hopes.

"It's really hard to plan to do deals in the fourth quarter unless you know the market is great," Hale said.

So far this year, companies going public via traditional IPOs in the U.S. raised about \$25 billion, according to Dealogic. That is below the \$55 billion annual average over the past decade.

One of the popular windows for companies to go public is in the weeks following Labor Day, after a typically slow summer but before many companies' quarterly financial statements are due.

This August has been far from quiet. Earlier this month, a disappointing jobs report and the unwinding of a popular trade triggered a selloff in stocks. Major U.S. indexes bounced back in the following

days after more reassuring data about the economy.

Still, the rout happened just before companies considering new listings for September and early October would need to decide to publicly file with regulators. Once that paperwork is filed, companies have to wait 15 days before they can launch their roadshows to pitch investors.

After a year and a half of red-hot growth, the IPO market went cold in late 2021 when the Fed signaled it would start raising rates. Shares of high-growth but still-unprofitable companies declined as the era of "easy money" came to an end.

There have been some bright spots this year.

When Reddit made its market debut in March, the irreverent social-media company's stock rose 48% on its first day of trading. The company's stock price remains up more than 70% from its \$34 IPO price.

Earlier this summer, cold-storage company Lineage raised more than \$4 billion in the largest U.S. IPO of the year, with the stock rising 3.6% on the first day.

Investors' appetite for smaller companies has also grown.

Since the end of June, the Russell 2000 index of smaller companies has outperformed the S&P 500 by more than 5 percentage points. Since the majority of IPOs are for relatively small companies, the recent gains for this group is encouraging.

## Grocery Antitrust Trial Opens

Continued from page B1 merger would create a nationwide footprint of stores that would allow it to compete more effectively with Walmart, Costco and Amazon.com. The FTC is improperly fixated on one-stop-shop supermarkets rather than considering how Costco, Trader Joe's and newer entrants such as Aldi will restrain Kroger's ability to raise prices, Kroger's lawyers say.

"We are really, really focused on Walmart," Kroger attorney Matthew Wolf said.

The FTC's antitrust enforcers "refuse to recognize the tectonic shift that has occurred in the grocery industry over the last 20 years, refusing to acknowledge that unless traditional grocers act, the dominance of Walmart and Costco and Amazon and their ilk will only grow," Wolf said.

The FTC says the merger would result in excessive concentration in over 1,900 local markets across the country, far more than what the companies have acknowledged. While both companies set prices with an eye to what Walmart charges, Kroger and Albertsons are often in direct competition with one another in many markets, according to the FTC.

Kroger and Albertsons have acknowledged their stores

overlap in many markets and have agreed to sell off 579 stores to C&S Wholesale Grocers. C&S supplies products to retailers across the country but operates relatively few stores on its own.

Most of the divested assets would be Albertsons stores in the West. New Hampshire-based C&S has said it is prepared to invest in those stores and make them viable competitors to Kroger and others.

Selling stores to C&S won't cure the deal's problems, the FTC says.

C&S has a poor record of running stores and has sold or closed hundreds of them over the past two decades, according to the FTC. C&S expects sales to fall at the stores it acquires as it rebrands many of them and updates their layout and product mix, FTC attorney Laura Hall told the court Monday. Those stores won't recapture their current level of profitability for 11 years, Hall said.

In addition to potentially fueling higher prices, the merger would harm union workers' bargaining power, the FTC alleges. Employees couldn't credibly threaten to join a rival supermarket's union workforce if their employer refused to raise pay or benefits, enforcers say.

Kroger says the union would be more powerful when it has to negotiate with only one employer.

In the hearing that began Monday, the FTC wants U.S. District Judge Adrienne Nelson to issue a preliminary injunction that would stop the companies from closing their deal.



WeRide delayed its IPO last week, saying it needed more time to finalize documents.

We don't just listen.  
We hear you.

For 174 years, policyholders have relied on our ear—and our word.

ManhattanLife

Standing By You. Since 1850.

BUSINESS NEWS

# Elliott Lays Out Its Plan to Fix Southwest

Activist investor says it intends to meet representatives of carrier in proxy fight

By Denny Jacob

In an open letter to Southwest Airlines shareholders Monday, Elliott Management offered its proposed fixes and said it plans to meet with representatives of the carrier Sept. 9 in its proxy fight against the company.

The activist investor said it has been engaged with Southwest and criticized its two top executives, Chief Executive Bob Jordan and Executive Chairman Gary Kelly, Jordan's predecessor.

Elliott owns roughly 8% of the shares outstanding and has about an 11% interest when also including derivatives. The activist has called for replacing Jordan and ousting Kelly.

"So long as the jobs of Jordan and Kelly remain sacrosanct—and they remain empowered to make every



Elliott Management owns roughly 8% of Southwest Airlines shares outstanding and, with derivatives, has about an 11% interest.

critical decision at the company without proper oversight from a board that has failed for years to hold them ac-

countable—it is preferable to give shareholders a direct say on the question of who should be leading Southwest," the

letter said. Southwest didn't respond to a request for comment. Elliott said in its letter that

it hopes the board is willing to "look past the personal interests" of Jordan and Kelly in favor of what's best for the com-

pany and its other constituents. Elliott launched a proxy fight against Southwest earlier this month. At the time, Southwest's shares had dropped more than 10% this year, bringing the company's market value to a little more than \$15 billion.

Southwest shares ended Monday at \$28.20, up 0.1%. For the year, the stock is now down about 2.4%.

The activist investor's stake was first reported by The Wall Street Journal in June. After Elliott arrived, Southwest adopted a shareholder-rights plan, also known as a poison pill, meant to make it difficult for an investor to buy more than 12.5% of the company.

Southwest said in July that it will soon assign seats on flights and sell some with extra legroom, sweeping changes meant to broaden its appeal to passengers and boost revenue as it looks to fend off the activist investor.

Earlier this month it also disclosed new flight routes and offerings as well as an executive named to the new role of vice president of pricing.

# How Tax-Rate Change Could Affect Companies

By Jennifer Williams

Executives are grappling with whether the November election will stymie their investment and growth plans. A central variable: how high, or low, the corporate tax rate might go.

This summer's political developments make it hard to pinpoint what could happen to the rate. Vice President Kamala Harris endorsed increasing the levy, currently at 21%, to 28%, echoing what the Biden administration proposed. Republican presidential nominee Donald Trump recently told executives he wanted a 20% corporate tax rate and floated a levy as low as 15%. Neither may get the respective rates if their party doesn't gain full power in Congress.

A top question from company insiders is what rate to model for, tax advisers say. Their response: around 25%.

A higher tax rate now would be more punishing than it would have been 10 years ago. That is because the 2017 cut to 21% broadened the tax base, meaning more income is taxed at a certain threshold. Finance chiefs are looking at the potential impacts of a higher levy on companies' balance sheets, including cash flow, investment strategies and whether price tags for consumer products will rise to offset bigger tax bills, CFOs and tax advisers say.



Handbag retailer Vera Bradley's effective tax rate was 25% for the quarter.

"Every dollar that you are paying in taxes reduces your after-tax rate of return on any investment," said John Gimigliano, principal-in-charge of the federal tax legislative and regulatory services group at KPMG. "And if you have five potential investment options, it's helpful to know today how changes in the rate could impact whether you go with option A or option E."

For some companies, higher tax bills may slow plans for growth.

Taxes make up a significant

portion of Vera Bradley's cash available for investments, Chief Financial Officer Michael Schwindle said.

"When we're in a situation where we're in the mid- to upper 20% on an effective tax rate basis, that has a pretty big impact on our cash flow," he said. "Obviously higher tax rates means less is available."

The company, known for its quilted bags and backpacks, reported revenue of nearly \$81 million for the three months ended May 4, down nearly 15% from a year

earlier. Vera Bradley's effective tax rate was 25% for the quarter.

The handbag retailer is focused on updating stores and expanding its digital and physical footprint, with a goal to open around nine stores and outlet locations this year, the CFO said.

A higher tax rate directly affects the capital available to pursue this kind of expansion, he said.

"Store growth is a high capital consumption activity for a retailer," Schwindle said.

"And so that kind of consumption is going to definitely be muted by tax policies."

Companies could see a lower tax rate after the election, which would free up cash for investments, finance chiefs said.

Favorable tax rates may help motivate companies to keep business operations in the U.S., versus considering international options as a way to potentially limit tax exposure.

Some companies aren't planning to alter investment decisions, even if their tax liability increases.

Chipotle Mexican Grill's finance chief, Jack Hartung, prefers a lower tax rate. But the company won't pull back investments in restaurant openings, staff and ingredients for the chain's bowls, burritos and tacos if the rate edges higher, said Hartung, who is also Chipotle's president of strategy, finance and supply chain.

"We have such a strong balance sheet that even if we have to pay more in taxes, that's not going to affect our strategy," Hartung said.

Chipotle's net income for the three months ended June 30 rose 33% from the prior year, to \$456 million, and revenue increased 18% to \$2.97 billion.

"Nothing that happens in November is going to change our strategy," the CFO said.

# iPhone 16 Expected At Apple's Sept. Event

By Joseph Pisani

Apple Inc. sent invitations for an event Sept. 9, where the company is expected to unveil the iPhone 16, which will come with new artificial-intelligence-powered features.

The invitation says "It's Glowtime" but didn't provide additional details. The company didn't respond to a request for comment Monday.

Sales of the iPhone have been sluggish. For its fiscal third quarter that ended in June, iPhone sales declined nearly 1% from the prior year to about \$39.3 billion.

Apple believes the new AI features will get people to upgrade their iPhones. The features, dubbed "Apple Intelligence," will only work on the iPhone 15 Pro and any new iPhone, Apple has said.

Apple has said the AI will be able to suggest email responses and create images.

Apple's event next month will be held in-person at 10 a.m. local time in the Steve Jobs Theater at Apple's headquarters in Cupertino, Calif., according to the company's invitation. It is usually also broadcast live.



Cars are foreseen using less fossil fuel but industry using more.

# Exxon Sees Consumption Of Oil Unchanged in 2050

By Collin Eaton

Exxon Mobil says humans will use roughly as much crude oil in 2050 as they do today and that the world isn't on pace to make dramatic emissions reductions needed to stem climate change.

In its annual energy outlook, the Houston-based fossil-fuels producer said it expects carbon emissions to drop for the first time in 2030. But the world will need policy changes, breakthroughs in technology and market solutions if governments want to keep global temperatures on pace to meet the goals of the Paris climate accords set out in 2015.

The company said it believes oil and natural gas will continue to top the world's energy sources a quarter-century

from now, even as renewable energy grows and coal use falls sharply. But Exxon says passenger cars will consume less fossil fuel and chemical plants will use more oil.

The company expects the world's natural-gas demand to rise 21% by 2050, and oil 2%, with most of that growth in industrial sectors to fuel manufacturing and as chemical feedstock. Meanwhile, it sees consumption of biofuels, solar and wind rising exponentially and coal dropping off 39%.

Last year, Exxon said the global effort to curtail greenhouse-gas emissions isn't on track to keep the planet's temperature from rising by more than 2 degrees Celsius by 2050.

Exxon faces dozens of lawsuits across the U.S. accusing it of climate-change deception.

## Proximity. Proximity. Proximity.

Search homes by commute time.

#1 Trust the #1 app real estate professionals trust

**realtor.com**

Based on 2023 proprietary survey

James Drury Partners

Board Advisory Services

Optimizing Board Selection for Chief Executive Officers & Senior Executives for Over 20 Years

info@jdrurypartners.com  
875 North Michigan Ave, Ste. 3805, Chicago, IL 60611  
www.jdrurypartners.com

TECHNOLOGY

WSJ.com/Tech

# XPeng's CEO Boosts Stake in EV Maker

By JIAHUI HUANG

XPeng stock jumped in Hong Kong after the Chinese automaker disclosed that its chief executive bought more than two million of the company's shares.

The company's shares rose 7% to 29.05 Hong Kong dollars each, or US\$3.73, on Monday in Hong Kong. The Chinese electric-vehicle maker said in a stock-exchange filing that its CEO, Xiaopeng He, bought one million H-shares at an average price of HK\$27.13 each, and 1.42 million American depositary shares at an average

price of US\$7.02 each from Aug. 21 to Aug. 23.

XPeng's board said the stock purchase shows the chief executive's confidence in the company's growth and prospects, adding that he plans to increase his shareholding further.

Nomura analyst Joel Ying said the move could reflect the CEO's confidence in the launch of two coming models, the fully electric Mona M03 and the P7+ sedan. If the two models give a big boost to XPeng's deliveries, they could become key shipment catalysts for the rest of 2024, Ying added.

XPeng is set to announce pricing for the Mona M03 at its launch on Tuesday, while the P7+, which has a pure vision advanced driver-assistance system similar to Tesla's full-service driving system, is due to be rolled out in the fourth quarter.

Since its founding in 2014, XPeng has made a name for itself as one of China's top EV makers, but it has yet to turn a profit. Analysts will be watching the new releases closely to see if XPeng is on the path to profitability.

XPeng maintained a double-digit gross margin in the



Founded in 2014, XPeng has become one of China's top EV makers, but has yet to turn a profit.

second quarter, one of the few Chinese automakers to have done so, a feat it attributed to cost controls and its strategic

partnership with Germany's Volkswagen.

XPeng also more than halved its net loss for the

quarter from a year earlier because of higher revenue from car sales and the VW collaboration.



AI company Synthesia captures audio and video of real humans in order to create AI avatars at its London studio.

# Companies Chart Their Own Course In Using AI-Generated 'Deepfakes'

By ISABELLE BOUSQUETTE

Companies are drawing up their own best practices for the use of AI-generated imagery and video, also known as deepfakes, for a range of business situations, from research to employee training.

Amid a dearth of U.S. regulatory guidance on artificial intelligence, it is a delicate dance. Synthetic audio and video in the hands of bad actors has been linked to a swath of ills, from misinformation campaigns to revenge porn. More recently, the 2024 election has put the spotlight on the potential for AI-powered falsehoods that risk confusing voters.

Even the legitimate use of the generative AI raises challenging questions over intellectual property, consent and disclosure that have yet to work their way through the

U.S. regulatory system.

"It is still very new," said Eng Lim Goh, senior vice president of data and AI at Hewlett Packard Enterprise. The company recently created "Antonio Nearly," an AI avatar of CEO Antonio Neri. Antonio Nearly can appear in video, audio, text chat or even hologram form.

The avatar was augmented with HPE white papers, news releases and marketing materials, as well as speeches Neri has given.

HPE owns the avatar and is using it under CEO Neri's guidance. But what happens when Neri leaves the company?

The company said it could shift the avatar to take on a new persona. But it is a scenario that may come up more often, said Vilas Dhar, president of the Patrick J. McGovern Foundation, a philanthropic organization focused on AI for social good.

Telecommunications company Vodafone said it recently deployed a customer-service audio chatbot in Germany based on the voice of one of its agents, who was selected for the role in an internal competition.

In a situation like that, Dhar said, companies need to consider what happens if that employee leaves the company, especially if the departure is marked by conflict, and whether there are any ramifications for continuity of service.

Sonesta International Hotels said it is using avatars from tech provider Colossyan to create employee-training videos at a fraction of the cost it used to take to film and produce the videos manually.

But the company ran into obstacles when it needed an avatar in a sexual harassment training video to use sexually explicit language. Actors who lent their likenesses to Colossyan as avatars had initially

forbidden certain language in their contracts.

"The legalities of what the AI can and cannot say is—it's a minefield right now," said Kristin Broadhead, Sonesta's director of learning and development.

Efforts in the public sphere designed to protect individuals and entities from deepfake misuse—intentional or otherwise—could help clear that minefield. Fears of sophisticated misinformation campaigns around the 2024 presidential election and high-profile incidents involving sexualized imagery are helping propel some of that legislation.

The European Union's AI Act, which took effect this month, requires mandatory disclosure of highly realistic AI-generated outputs. But in the U.S., a complex patchwork of legislation includes some bills that offer more explicit rules on deepfakes than others.

In New York, for example, Assemblyman Alex Bores, who represents the state's 73rd district, was one of the sponsors of the Political Artificial Intelligence Disclaimer (PAID) Act, which requires political communications that use synthetic media to disclose that they were created with the assistance of artificial intelligence.

"I'm very big on: You should know when you're talking to an AI," Bores said. The bill is now in committee.

Some companies say they don't necessarily disclose to employees watching a training video, for example, whether the images are AI-generated or not.

Sonesta doesn't have any kind of disclaimer on the videos currently.

Neither does Birchwood Foods, which uses AI avatars in training videos for employees who work at food plants. AI avatars have allowed the company to reduce costs of translating or dubbing the training for many workers who don't speak English or struggle with literacy.

Fortell.ai, an AI startup that works with nongovernmental organizations and humanitarian organizations, said it lets people know when they are about to interact with its AI avatars, created by Synthesia.

It uses avatars to interview recipients of humanitarian aid. People who have received aid

of some kind receive a link to a site where the avatar asks them questions and their responses are recorded and shared back with the humanitarian organization.

Still, Rob Symes, chief executive of Fortell.ai, said many users, who often come from vulnerable communities where AI is less commonplace, don't notice the disclosure and thus don't realize they are communicating with an AI-generated avatar.

A simple one-liner may not be enough for a company to show it made a good-faith effort to disclose the use of AI, said Henry Ajder, founder of Latent Space, a consulting firm focused on responsible AI. It is likely disclosures may be required to appear in different languages and be accessible to those with disabilities.

"What people consistently want is transparency," Ajder said. "They want disclosure about what it is they're viewing and they don't like being fooled. That's the bottom line."

**'The legalities of what the AI can and cannot say is—it's a minefield right now.'**

## Your Money Briefing

WSJ

## Finance Advice for Everyday Life.

From spending and saving to investing and taxes, The Wall Street Journal's finance reporters and experts break down complicated money questions every weekday in minutes to help you make better decisions about managing your money.

Listen to Your Money Briefing wherever you get your podcasts.



LISTEN NOW



## Apple CFO To Step Off Next Year

Continued from page B1

plunged on splashy projects. During the pandemic, while many technology companies hired extensively in response to booming demand for their products, Apple stayed lean. Once

the pandemic boom waned, many of these technology companies initiated large-scale layoffs, which Apple avoided.

Still, the company has been cutting back recently and refocusing in some areas.

Earlier this year, Apple canceled its decadelong foray into building its own electrical vehicle.

The company is now expanding its investments in artificial intelligence, where it has found itself behind the rest of the industry.

Throughout Cook's tenure,

the company has had a relatively stable group of top executives and has tried to hold on to them in some cases even when they leave top positions. In 2020, long-time company leader Phil Schiller stepped down as chief marketing officer to become an "Apple Fellow," leading many to speculate about his eventual retirement.

Instead, he has played a leading role in the company's efforts to maintain its closed software ecosystem through the App Store.

## IBM Shuts R&D Unit In China

Continued from page B1

Geopolitical tensions between the U.S. and China have led many multinational companies to reassess their business in China, with some laying off employees and relocating operations to other countries.

IBM once saw China as a major growth market, but its market share has tumbled in recent years as local competitors upgraded their services

and Beijing pushed Chinese buyers to purchase more from domestic technology suppliers, in a campaign dubbed "Delete America." IBM said its revenue in China fell 19.6% last year.

U.S. companies doing business in China also face stricter scrutiny by American policymakers in strategic areas such as artificial intelligence. Microsoft is cutting back its cloud-computing and AI-research operations in China and asking local employees to consider transferring to other locations.

Some employees said IBM's decision to close its R&D operations came as a surprise after executives recently talked up plans to win new business using IBM's strengths in cloud

computing and AI.

In March, Chen Xudong, IBM's chairman for Greater China, held a news conference in Beijing and said the company wanted to help automakers and multinational companies in China deploy generative AI.

Employees from the closing IBM labs said they have been approached by headhunters over openings related to AI and cloud computing at Chinese tech companies.

IBM has done business in China for four decades and once counted the country's biggest telecommunications carriers, banks and energy giants among its customers.

Since the early 2010s, China has become a tougher market.

BUSINESS & FINANCE

# China Worries About Bond-Market Message

Low yields suggest that investors are souring on country's economic prospects

By Jason Douglas and Rebecca Feng

Beijing to investors: Stop bidding up our bonds. It's making us look bad.

In recent weeks, bond traders have been piling into the perceived safety of Chinese government bonds, driving an epic buying spree that has pushed yields on the benchmark 10-year note, which move inversely to prices, to record lows.

The rally has elicited an unusual response from China's central bank, which is responsible for managing the state treasury and maintaining financial stability: Stop buying these notes.

The tug of war has nonetheless persisted, turning an uncomfortable spotlight on some of the ingredients that economists say are fueling de-

China's 10-year government bond



mand for the bonds: waning confidence in Chinese economic growth, and a lack of attractive investment options in a country where real-estate prices and stocks are both taking a beating.

The People's Bank of China says it is worried that a sudden reversal of the bond rally could incur steep losses for smaller lenders snapping up

the notes, a kind of Chinese rerun of last year's Silicon Valley Bank debacle in the U.S.

But economists say those concerns are overblown, and suspect the real reason for authorities' displeasure is the message underpinning the fervor for the government bonds: a lack of confidence in China's economic growth—a posture that grates against Beijing's boosterish view that the country's economic ascent is unstoppable.

Worse still, say economists, is that such gloomy prognostications can become hard to unstick, eating into consumers' willingness to spend rather than save and hurting businesses' enthusiasm to hire and invest.

Already, consumer confidence is in the doldrums and private-sector investment is weak. Consumer-price inflation is hovering close to zero, a sign of feeble spending and industrial excess. By trying to arrest the slide in long-term bond yields, the central bank is seeking to dispel some of the deflationary angst surrounding

China's economy, economists say—though they stress such tinkering is no substitute for higher government spending and other measures that would boost growth.

“What we are trying to avoid here is a Japan-style lost decade,” said Carlos Casanova, senior Asia economist at **Union Bancaire Privée**.

Consumers and some rural commercial banks have been enthusiastically buying long-tenor Chinese government bonds since early 2023. Investors' new enthusiasm for a traditionally boring asset class drove yields on 10-year Chinese sovereign bonds to 2.1% in early August, a record low.

Now, the PBOC says a bubble may be forming. Yields are now “significantly deviating from reasonable core levels,” and financial risks are increasing, the central bank said in August. It said it planned to stress test firms' financial resilience in the event of a rapid rise in interest rates.

One worry is that some smaller regional banks could be left nursing big losses on

their swelling bond portfolios when interest rates in China eventually rise, potentially triggering a banking crisis. A similar sequence of events played out in the U.S. last year, felling Silicon Valley Bank, which suffered a run on deposits after rising interest rates crushed the value of its bondholdings.

In China, investment gains from government bonds now make up a large chunk of profits for some smaller city-level commercial banks, according to their half-year reports. At **Jiangsu Kunshan Rural Commercial Bank**, for instance, government-bond investments jumped to \$5.3 billion by the end of 2023 from \$2.9 billion at the end of 2022, according to its annual reports.

Individual investors have also been piling into bonds. Assets in China's bond funds grew 39% from the beginning of 2023 to mid-August this year, according to data compiled by financial-data provider Wind. Bond funds now account for 35% of all Chinese fund assets, compared with 9.2% for

stock funds. Money-market funds continue to be the biggest category, taking up 43%.

For the average Chinese investor, bonds are a hot investment now because there are precious few other places to park their money. China's property sector—where they used to squirrel away most of their wealth—is in a downward spiral. China's stock market is on track for a fourth straight yearly decline. The country's strict capital controls mean that investors can't invest much in securities overseas, and Chinese banks are slashing deposit rates to salvage their own shrinking profitability.

“It leaves households with very limited options to invest their money,” said Larry Hu, chief China economist at **Macquarie**.

For some economists, PBOC anxiety over low bond yields is a puzzle. Low long-term borrowing costs are the kind of medicine that central banks usually prescribe when they are seeking to rev up growth and generate faster inflation.

# Colleges Come to Terms With Use of Artificial Intelligence Technology

By Isabelle Bousquette

As college students across the country settle in for their first day of classes, they are getting used to a new section on the syllabus: a course's generative AI policy.

Institutions such as Cornell University and Columbia University are letting professors decide the extent to which tools like OpenAI's ChatGPT are allowed in coursework. Or whether they are completely banned.

It is a question professors and institutions have been grappling with for almost two years, since the debut of ChatGPT sowed panic in the sector, giving students the ability to whip up an assignment—not necessarily accurate—with a handful of prompts.

Now, after training, task forces, and trial and error, universities say they have a better grip on what AI should and shouldn't be able to do in the classroom, although they say it remains a learning process with many unanswered ques-



Mira Murati, left, CTO of OpenAI, and Kavita Bala, dean of the Bowers College of Computing and Information Science.



tions. And even when they can decide on a specific policy, it might not be easy to enforce.

Colorado State University history professor Jonathan Rees plans to tell his students they cannot use AI tools to write essays for his class. He is aware he might not necessarily be able to tell if they do, but added that he believes the quality of the AI-generated essays will be so poor that they will receive a low mark anyway.

“The policy I picked is ‘Don't use AI,’” he said. “It's

going to be a bad paper. So if you use AI, you're almost certainly going to fail.”

It is a different story at Arizona State University, which earlier this year signed up to use OpenAI's ChatGPT enterprise product.

Since then, it has contributed feedback that aided in the development of OpenAI's ChatGPT Edu, which has controls similar to those of ChatGPT enterprise, but is less than half the cost, OpenAI said. The product can be used to cover

an array of educational and administrative tasks, from personalized tutoring to helping faculty write grant applications and draft feedback, said Lev Gonick, ASU's chief information officer.

Gonick said the university didn't create a new academic-integrity policy specifically to tackle AI, but as students misuse it, they will be punished under the existing policy, much as other form

“Obviously we need to work through important challenges,” said OpenAI Chief Technology Officer Mira Murati.

The Wall Street Journal previously reported that OpenAI has developed a method to reliably detect AI-generated content, but the tool has been mired in internal debate and has yet to be released.

The lack of AI-detection tools is also forcing some universities to reimagine the way they test and assess learning.

“In some courses we forbid its use,” said Kavita Bala, dean of the Bowers College of Computing and Information Science at Cornell University. In other courses, where AI tools are allowed, professors may ask, “How creative can you be?” Bala said.

ADVERTISEMENT

## The Marketplace

To advertise: 800-366-3975 or WSJ.com/classifieds

CLASS ACTION

IN THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

ROBERT CIARCIELLO Individually and on Behalf of All Others Similarly Situated,

Plaintiff,

Case No. 1:23-cv-00032-CCE-JEP

v.

BIOVENTUS INC., KENNETH M. REALI, MARK L. SINGLETON, GREGORY O. ANGLUM, and SUSAN M. STALNECKER,

Defendants.

SUMMARY NOTICE

TO: ALL PERSONS OR ENTITIES WHO PURCHASED OR OTHERWISE ACQUIRED BIOVENTUS CLASS A COMMON STOCK BETWEEN FEBRUARY 11, 2021, AND NOVEMBER 21, 2022, BOTH INCLUSIVE, AND WERE DAMAGED THEREBY (the “Settlement Class”).

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Middle District of North Carolina (the “Court”) and Rule 23 of the Federal Rules of Civil Procedure, that a hearing will be held on December 13, 2024, at 9:30 a.m., before the Honorable Catherine C. Eagles, at the L. Richardson Preyer Courthouse, 324 W. Market Street, Greensboro, NC 27401, for the purpose of determining: (1) whether the proposed settlement of the claims in the above-captioned litigation (the “Litigation”) for the sum of \$15,250,000 in cash (the “Settlement”) should be approved by the Court as fair, reasonable, and adequate; (2) whether a Settlement Class should be certified for purposes of the Settlement; (3) whether, thereafter, this Litigation should be dismissed with prejudice pursuant to the terms and conditions set forth in the Stipulation of Settlement dated July 12, 2024 (the “Stipulation”); (4) whether the proposed Plan of Allocation is fair, reasonable, and adequate and therefore should be approved; and (5) the reasonableness of the application for payment of attorneys' fees and expenses incurred in connection with this Litigation together with the interest earned thereon (and any payment to the Lead Plaintiff pursuant to the Private Securities Litigation Reform Act of 1995 in connection with his representation of the Settlement Class). The Court may provide the date of this hearing, or hold it remotely, without providing another notice. You do NOT need to attend the hearing to receive a distribution from the Net Settlement Fund.

The Litigation has been preliminarily certified as a class action on behalf of a Settlement Class of all Persons or entities that who purchased or otherwise acquired Bioventus Class A common stock between February 11, 2021, and November 21, 2022, both inclusive, and were damaged thereby, except for certain Persons or entities excluded from the Settlement Class, as defined in the full Long-Form Notice of Pendency and Proposed Settlement of Class Action (“Long-Form Notice”), which is available as described below. If the Settlement is approved, it will resolve all claims in the Litigation. Capitalized terms that are not otherwise defined herein shall have the meanings ascribed to them in the Long-Form Notice and/or Stipulation.

A detailed description of the Litigation, including important information about your rights and options, is in the detailed Long-Form Notice available at [www.BioventusSecuritiesLitigation.com](http://www.BioventusSecuritiesLitigation.com) or by contacting the Claims Administrator at: *Bioventus Securities Litigation*, Claims Administrator, c/o A.B. Data, Ltd., P.O. Box 173114, Milwaukee, WI 53217 or (877) 933-2890.

If you are a Settlement Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim and Release form (“Proof of Claim”) online at [www.BioventusSecuritiesLitigation.com](http://www.BioventusSecuritiesLitigation.com) or by mail postmarked no later than December 2, 2024.

Failure to timely submit a Proof of Claim will subject your claim to possible rejection and may preclude you from receiving any payment from the Settlement.

If you desire to be excluded from the Settlement Class, you must submit a request for exclusion electronically submitted or postmarked by October 18, 2024, in the manner and form explained in the detailed Long-Form Notice referred to above. All Members of the Settlement Class who do not timely and validly request exclusion from the Settlement Class will be bound by any judgment entered in the Litigation pursuant to the terms and conditions of the Stipulation.

Any objection to the Settlement, Lead Plaintiff's Counsel's Fee and Expense Application, and/or the proposed Plan of Allocation must be mailed or delivered to the Clerk of Court and counsel for the Parties at the addresses below such that it is received no later than November 22, 2024:

Court:

Clerk of the Court  
UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF NORTH CAROLINA  
L. Richardson Preyer Courthouse  
324 W. Market Street  
Greensboro, NC 27401

Lead Counsel:

Joseph A. Fonti  
BLEICHMAR FONTI & AULD LLP  
300 Park Avenue, Suite 1301  
New York, NY 10022  
Emailed copy to [bioventussettlement@bflaw.com](mailto:bioventussettlement@bflaw.com)

Counsel for Defendants:

Colleen C. Smith  
LATHAM & WATKINS LLP  
12670 High Bluff Drive  
San Diego, CA 92130

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. If you have any questions about the Settlement, you may contact counsel for Plaintiffs at the address listed above, email [bioventussettlement@bflaw.com](mailto:bioventussettlement@bflaw.com), call (877) 933-2890, or go to the following website: [www.BioventusSecuritiesLitigation.com](http://www.BioventusSecuritiesLitigation.com).

DATED: AUGUST 13, 2024

BY THE COURT:

Chief Judge Catherine C. Eagles

## The CPA and Accountant Shortage is Real and Now

Controllers for a Cause™ Scholarship Fund seeks to reverse this trend by building awareness of the excellent CPA career opportunities that can be fast-track, financially rewarding, and available to women and minorities.



For more information or to help a deserving student in need complete their CPA requirements, use the QR codes below.



MORE INFO

DONATE NOW



# Donate your car and be part of the team that ends cancer.

Did you know you can donate your used car to Stand Up To Cancer and help fund cancer research? It makes a significant impact. Your donation brings us one step closer to a world without cancer. Do something good, skip costly repairs, and free up space in the garage. We accept all types of vehicles, running or not.

**Donating is easy, and your gift is tax-deductible.**

**Call: 844-866-SU2C (7822)**

**or visit: [StandUpToCancer.org/Cars](https://StandUpToCancer.org/Cars)**



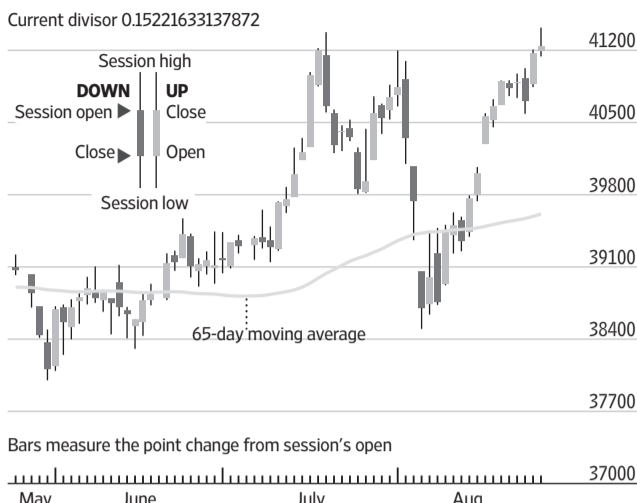
Stand Up To Cancer is a 501(c)(3) charitable organization.

# MARKETS DIGEST

## EQUITIES

### Dow Jones Industrial Average

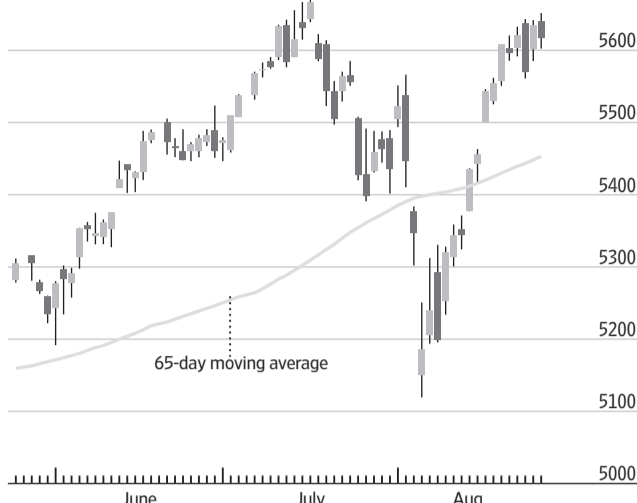
**41240.52** ▲65.44, or 0.16%  
 High, low, open and close for each trading day of the past three months.  
 Last: 25.64, Year ago: 25.17  
 Trailing P/E ratio: 19.99, P/E estimate: 18.73  
 Dividend yield: 2.05, All-time high: 41240.52, 08/26/24



\*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

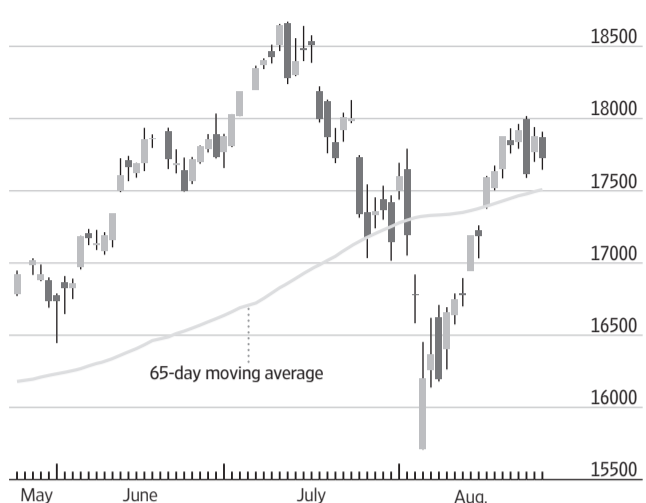
### S&P 500 Index

**5616.84** ▼17.77, or 0.32%  
 High, low, open and close for each trading day of the past three months.  
 Last: 24.51, Year ago: 22.43  
 Trailing P/E ratio: 23.15, P/E estimate: 19.99  
 Dividend yield: 1.31, All-time high: 5667.20, 07/16/24



### Nasdaq Composite Index

**17725.76** ▼152.03, or 0.85%  
 High, low, open and close for each trading day of the past three months.  
 Last: 32.01, Year ago: 31.75  
 Trailing P/E ratio: 29.75, P/E estimate: 27.01  
 Dividend yield: 0.79, All-time high: 18647.45, 07/10/24



### 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	41420.05	41140.23	<b>41240.52</b>	65.44	0.16	41240.52	32417.59	19.3	9.4
Transportation Avg	16051.38	15896.23	<b>15917.32</b>	-53.13	-0.33	16298.98	13556.07	1.3	0.1
Utility Average	1022.02	1011.88	<b>1016.13</b>	5.66	0.56	1018.46	783.08	15.3	15.3
Total Stock Market	56020.34	55552.60	<b>55670.99</b>	-172.16	-0.31	56206.02	40847.04	25.9	16.5
Barron's 400	1216.25	1204.49	<b>1205.06</b>	-4.22	-0.35	1212.12	907.97	22.1	12.4

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
<b>Nasdaq Stock Market</b>									
Nasdaq Composite	17909.09	17645.69	<b>17725.76</b>	-152.03	-0.85	18647.45	12595.61	29.3	18.1
Nasdaq-100	19726.90	19437.34	<b>19516.44</b>	-204.43	-1.04	20675.38	14109.57	29.7	16.0
<b>S&amp;P</b>									
500 Index	5651.62	5602.34	<b>5616.84</b>	-17.77	-0.32	5667.20	4117.37	26.7	17.8
MidCap 400	3117.92	3084.32	<b>3085.56</b>	-10.69	-0.35	3115.02	2326.82	18.6	10.9
SmallCap 600	1424.37	1409.51	<b>1410.16</b>	-2.00	-0.14	1435.83	1068.80	16.9	7.0

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
<b>Other Indexes</b>									
Russell 2000	2237.69	2216.94	<b>2217.92</b>	-0.78	-0.04	2263.67	1636.94	18.7	9.4
NYSE Composite	19184.72	19086.15	<b>19100.40</b>	6.92	0.04	19100.40	14675.78	20.3	13.3
Value Line	616.37	611.40	<b>611.73</b>	-0.67	-0.11	620.59	498.09	8.8	3.0
NYSE Arca Biotech	5898.18	5854.09	<b>5857.44</b>	-5.53	-0.09	5905.19	4544.40	11.3	8.1
NYSE Arca Pharma	1129.10	1123.17	<b>1126.23</b>	-1.91	-0.17	1128.13	845.32	23.5	23.7
KBW Bank	114.50	113.41	<b>113.63</b>	-0.07	-0.06	115.45	71.71	40.3	18.3
PHLX <sup>S</sup> Gold/Silver	158.67	156.76	<b>157.24</b>	-0.03	-0.02	158.93	102.94	34.2	25.1
PHLX <sup>S</sup> Oil Service	84.88	83.13	<b>83.67</b>	0.78	0.94	98.76	76.90	-8.4	-0.2
PHLX <sup>S</sup> Semiconductor	5229.10	5079.97	<b>5097.35</b>	-131.30	-2.51	5904.54	3185.18	44.1	22.1
Cboe Volatility	16.67	15.81	<b>16.15</b>	0.29	1.83	38.57	11.86	7.1	29.7

Sources: FactSet; Dow Jones Market Data

### Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Company	Symbol	Volume (000)	Last	Net chg	After-Hours % chg	High	Low
NVIDIA	NVDA	20,371.1	126.68	0.22	0.17	129.90	126.31
Intel	INTC	8,956.2	20.15	0.02	0.10	20.18	20.13
Manulife Financial	MFC	6,261.3	27.49	0.31	1.14	27.49	27.18
Ford Motor	F	4,891.5	11.13	0.02	0.18	11.13	11.10
Invsc S&P500 HI Div Inv	SPHD	4,336.6	49.27	0.10	0.20	49.50	49.00
Brookfield	BN	4,303.2	49.27	-0.11	-0.22	49.60	49.20
Snap	SNAP	4,296.0	9.42	...	unch.	9.44	9.41
Apple	AAPL	3,781.1	225.82	-1.36	-0.60	227.28	192.61

### Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Trinity Biotech ADR	TRIB	3,351.1	2.88	0.85	41.87	3.08	1.68
Clearwater Analytics	CWAN	155.2	25.37	1.11	4.58	25.37	24.26
PennyMac Mortgage Inv Tr	PMT	52.3	14.50	0.46	3.28	14.50	14.04
Eve Holding	EVEX	87.6	2.69	0.07	2.67	2.69	2.61
TrueCar	True	60.0	3.08	0.08	2.67	3.15	3.00

### ...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Taiwan Semiconductor ADR	TSM	392.5	132.52	-36.55	-21.62	174.36	132.52
Advisor Pure US Cannabis	MSOS	822.9	6.00	-1.04	-14.79	7.09	5.94
CAVA Group	CAVA	789.3	117.41	-8.39	-6.67	126.80	116.75
Comstock Resources	CRK	60.3	10.75	-0.75	-6.52	11.50	10.75
Canopy Growth	CGC	169.3	5.81	-0.36	-5.82	6.20	5.77

### Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	738,322,227	11,649,139
Adv. volume*	409,017,710	3,107,503
Decl. volume*	319,719,715	6,822,949
Issues traded	2,891	307
Advances	1,532	137
Declines	1,267	159
Unchanged	92	11
New highs	347	13
New lows	11	3
Closing Arms*	1.06	1.55
Block trades*	4,086	114

\*Primary market NYSE, NYSE American, NYSE Arca only. †(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

### International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
<b>World</b>	<b>MSCI ACWI</b>	<b>830.03</b>	-1.31	-0.16	14.2
	MSCI ACWI ex-USA	344.36	0.48	0.14	8.8
	MSCI World	3641.81	-7.75	-0.21	14.9
	MSCI Emerging Markets	1104.28	3.60	0.33	7.9
<b>Americas</b>	<b>MSCI AC Americas</b>	<b>2114.59</b>	-5.86	-0.28	16.6
Canada	S&P/TSX Comp	23348.97	62.89	0.27	11.4
Latin Amer.	MSCI EM Latin America	2299.15	6.24	0.27	-13.7
Brazil	Ibovespa	136888.71	1280.24	0.94	2.0
Chile	S&PIPISA	3491.34	-11.42	-0.33	0.7
Mexico	S&P/BMV IPC	53171.31	-319.61	-0.60	-7.3
<b>EMEA</b>	<b>STOXX Europe 600</b>	<b>518.05</b>	-0.08	-0.01	8.2
Eurozone	Euro STOXX	504.72	-0.71	-0.14	6.4
Belgium	Bel-20	4131.65	18.74	0.46	11.4
Denmark	OMX Copenhagen 20	2704.40	-20.25	-0.74	18.4
France	CAC 40	7590.37	13.33	0.18	0.6
Germany	DAX	18617.02	-16.08	-0.09	11.1
Israel	Tel Aviv	2078.17	-13.44	-0.64	11.4
Italy	FTSE MIB	33604.80	-45.37	-0.13	10.7
Netherlands	AEX	907.49	-1.07	-0.12	15.3
Norway	Oslo Bors All-Share	1666.64	12.09	0.73	9.7
South Africa	FTSE/JSE All-Share	84193.95	-157.62	-0.19	9.5
Spain	IBEX 35	11265.50	-12.60	-0.11	11.5
Sweden	OMX Stockholm	992.90	2.12	0.21	10.0
Switzerland	Swiss Market	12354.35	6.89	0.06	10.9
Turkey	BIST 100	9565.76	-102.34	-1.06	28.1
U.K.	FTSE 100	8327.78	...	Closed	7.7
U.K.	FTSE 250	21189.48	...	Closed	7.6
<b>Asia-Pacific</b>	<b>MSCI AC Asia Pacific</b>	<b>185.85</b>	0.38	0.21	9.7
Australia	S&P/ASX 200	8084.50	60.59	0.76	6.5
China	Shanghai Composite	2855.52	1.15	0.04	-4.0
Hong Kong	Hang Seng	17798.73	186.63	1.06	4.4
India	BSE Sensex	81698.11	611.90	0.75	13.1
Japan	NIKKEI 225	38110.22	-254.05	-0.66	13.9
Singapore	Straits Times	3396.03	8.04	0.24	4.8
South Korea	KOSPI	2698.01	-3.68	-0.14	1.6
Taiwan	TAIEX	22240.12	82.07	0.37	24.0
Thailand	SET	1364.81	9.94	0.73	-3.6

Sources: FactSet; Dow Jones Market Data

### Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low
Medirom Healthcare ADR	MRM	5.85	3.37	135.89	8.39	2.27
Big Tree Cloud Holdings	DSY	3.88	0.95	32.42	13.47	0.75
Reitar Logtech Holdings	RITR	5.11	0.96	23.13	6.87	4.00
Sonder Holdings	SOND	8.31	1.54	22.75	10.80	0.88
Four Seasons Educ ADR	FEDU	19.50	3.50	21.88	21.28	7.49
Neonode	NEON	5.95	1.04	21.18	7.00	1.02
BM Technologies	BMTX	3.29	0.51	18.35	3.91	1.41
Gannett	GCI	5.73	0.84	17.18	5.91	1.66
Fractyl Health	GUTS	3.50	0.49	16.28	14.50	1.74
G. Willi-Food Intl	WILC	11.20	1.56	16.18	12.00	8.00
Skye Bioscience	SKYE	6.86	0.91	15.29	19.41	1.44
Laser Photonics	LASE	3.25	0.43	15.25	4.83	0.67
BAIYU Holdings	BYU	4.20	0.55	15.07	57.00	1.04
Indonesia Energy	INDO	3.59	0.47	15.06	6.65	2.03
SmartKem	SMTK	5.75	0.75	15.00	19.00	1.50

### 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	418,729	3560.6	0.36	8.08	75.00	0.23
NVIDIA	NVDA	328,131	-11.9	126.46	-2.25	140.76	39.23
ProSh UltraPro Shrt QQQ	SQQQ	130,834	-15.6	8.23	3.13	23.34	7.14
Tonix Pharmaceuticals	TNXP	97,448	1261.4	0.08	27.69	1.43	0.05
Asset Entities Cl B	ASST	105,706	42345.5	1.86	72.22	5.10	0.87
PDD Holdings ADR	PDD	102,422	1181.1	100.00	-28.51	164.69	79.00
ENDRA Life Sciences	NDRA	101,161	8545.2	0.64	62.42	139.50	0.37
Hyzon Motors	HYZN	97,448	1261.4	0.08	27.69	1.43	0.05
Direxion Dly SCOND 3 BL	SOXL	85,718	13.9	37.37	-7.50	70.0	



## COMMODITIES

wsj.com/market-data/commodities

## Futures Contracts

Metal & Petroleum Futures						
	Open	Contract High/low	Low	Settle	Chg	Open interest
<b>Copper-High (CMX)</b> -25,000 lbs.; \$ per lb.						
Aug	4.195	4.2145	4.1995	<b>4.2115</b>	0.0170	1,096
Dec	4.2520	4.2930	4.2405	<b>4.2810</b>	0.0360	116,171
<b>Gold (CMX)</b> -100 troy oz.; \$ per troy oz.						
Aug	2509.90	2523.10	2509.10	<b>2517.70</b>	9.30	217
Sept	2512.60	2527.70	2509.30	<b>2520.20</b>	9.00	5,364
Oct	2522.10	2538.90	2520.70	<b>2531.40</b>	8.80	53,437
Dec	2545.10	2563.20	2544.00	<b>2555.20</b>	8.90	414,959
Feb'25	2569.50	2584.50	2566.70	<b>2577.70</b>	9.10	12,051
April	2590.60	2602.60	2584.70	<b>2596.20</b>	9.30	15,899
<b>Palladium (NYM)</b> -50 troy oz.; \$ per troy oz.						
Aug	836.00	846.00	836.00	<b>960.20</b>	17.70	2
Dec	953.00	967.50	945.50	<b>962.60</b>	17.40	19,725
<b>Platinum (NYM)</b> -50 troy oz.; \$ per troy oz.						
Aug	969.40	980.20	969.30	<b>968.60</b>	8.20	1
Oct	970.60	987.60	965.20	<b>972.70</b>	6.60	66,228
<b>Silver (CMX)</b> -5,000 troy oz.; \$ per troy oz.						
Aug	30.105	30.105	29.905	<b>29.977</b>	0.191	8
Dec	30.325	30.670	30.120	<b>30.453</b>	0.197	98,582
<b>Crude Oil, Light Sweet (NYM)</b> -1,000 bbls.; \$ per bbl.						
Oct	75.10	77.60	75.04	<b>77.42</b>	2.59	345,594
Nov	74.13	76.40	74.08	<b>76.17</b>	2.24	203,189
Dec	73.49	75.47	73.37	<b>75.21</b>	1.96	246,315
Jan'25	72.95	74.77	72.83	<b>74.51</b>	1.77	111,477
June	71.23	72.78	71.16	<b>72.52</b>	1.43	137,124
Dec	69.60	70.95	69.53	<b>70.68</b>	1.22	128,172
<b>NY Harbor ULSD (NYM)</b> -42,000 gal.; \$ per gal.						
Sept	2.3141	2.3677	2.3025	<b>2.3480</b>	0.0483	37,974
Oct	2.3348	2.3863	2.3265	<b>2.3697</b>	0.0516	113,348
<b>Gasoline-NY RBOB (NYM)</b> -42,000 gal.; \$ per gal.						
Sept	2.2984	2.3323	2.2783	<b>2.2799</b>	-0.0052	29,997
Oct	2.1274	2.1714	2.1231	<b>2.1349</b>	0.0163	120,398
<b>Natural Gas (NYM)</b> -10,000 MMBtu.; \$ per MMBtu.						
Sept	2.004	2.022	1.944	<b>1.956</b>	-0.066	28,377
Oct	2.160	2.186	2.114	<b>2.130</b>	-0.050	274,667
Nov	2.546	2.591	2.527	<b>2.542</b>	-0.035	219,038
Dec	3.104	3.146	3.089	<b>3.110</b>	-0.010	120,201
Jan'25	3.390	3.436	3.380	<b>3.403</b>	-0.006	162,922
March	2.946	2.980	2.934	<b>2.951</b>	-0.009	131,779

## Agriculture Futures

Corn (CBT)-5,000 bu.; cents per bu.						
Sept	367.25	367.50	360.50	<b>362.00</b>	-5.75	198,825
Dec	390.75	391.00	385.00	<b>386.50</b>	-4.50	799,221

Oats (CBT)-5,000 bu.; cents per bu.						
Sept	316.00	323.00	313.75	<b>321.00</b>	-4.00	158
Dec	309.75	315.00	308.75	<b>310.25</b>	.25	4,594

Soybeans (CBT)-5,000 bu.; cents per bu.						
Sept	943.50	961.25	939.25	<b>959.75</b>	7.75	24,697
Nov	965.00	982.25	960.50	<b>980.75</b>	7.75	433,699

Soybean Meal (CBT)-100 tons; \$ per ton.						
Sept	304.70	312.30	302.70	<b>312.10</b>	5.80	43,564
Dec	302.70	308.50	300.20	<b>308.20</b>	3.70	250,123

Wheat (CBT)-5,000 bu.; cents per bu.						
Sept	505.25	506.00	495.25	<b>498.00</b>	-4.25	53,845
Dec	531.25	531.75	522.00	<b>525.00</b>	-3.00	236,986

Wheat (KC)-5,000 bu.; cents per bu.						
Sept	522.00	525.50	510.50	<b>525.00</b>	5.00	24,887
Dec	537.50	539.00	527.25	<b>537.25</b>	2.25	152,792

Cattle-Feeder (CME)-50,000 lbs.; cents per lb.						
Aug	241.750	245.000	241.750	<b>244.500</b>	1.925	4,387
Oct	233.125	238.700	232.925	<b>237.475</b>	3.100	22,658

Cattle-Live (CME)-40,000 lbs.; cents per lb.						
Aug	182.425	183.825	182.400	<b>183.600</b>	1.025	1,300
Oct	174.875	178.300	174.800	<b>176.975</b>	1.275	112,486

Hogs-Lean (CME)-40,000 lbs.; cents per lb.						
Oct	80.600	81.450	79.775	<b>80.400</b>	-1.50	104,504
Dec	70.750	71.150	70.300	<b>70.700</b>	-0.050	65,630

Lumber (CME)-27,500 bd. ft.; \$ per 1,000 bd. ft.						
Sept	507.50	510.50	492.00	<b>495.00</b>	-11.00	4,468
Nov	520.50	521.00	504.00	<b>505.50</b>	-10.50	4,483

Milk (CME)-200,000 lbs.; cents per lb.						
Aug	20.65	20.65	20.62	<b>20.64</b>	-0.02	2,828
Sept	21.75	22.54	21.66	<b>22.54</b>	.75	5,040

Cocoa (ICE-US)-10 metric tons; \$ per ton.						
Sept	9,850	9,900	9,715	<b>9,880</b>	59	336
Dec	7,789	8,079	7,675	<b>8,010</b>	199	69,947

Coffee (ICE-US)-37,500 lbs.; cents per lb.						
Sept	249.40	253.25	248.40	<b>253.65</b>	2.45	622
Dec	247.05	250.40	245.30	<b>249.65</b>	2.35	101,577

Sugar-World (ICE-US)-112,000 lbs.; cents per lb.						
Oct	18.50	19.17	18.50	<b>19.04</b>	.65	318,927
March'25	18.85	19.48	18.85	<b>19.37</b>	.65	224,725

Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.						
Nov	35.25	35.50	35.25	<b>35.50</b>	.51	1,291
March'25	35.30	35.76	35.30	<b>35.75</b>	.46	2,282

Cotton (ICE-US)-50,000 lbs.; cents per lb.						
Oct	71.97	71.99	71.26	<b>70.58</b>	-7.1	319
Dec	70.80	71.36	70.22	<b>70.26</b>	-6.5	146,371

Orange Juice (ICE-US)-15,000 lbs.; cents per lb.						
Sept	505.95	525.15	485.70	<b>488.55</b>	-17.05	1,166
Nov	482.70	482.75	461.75	<b>463.85</b>	-17.90	7,411

## Interest Rate Futures

Ultra Treasury Bonds (CBT)-\$100,000; pts 32nds of 100%						
Sept	133-100	133-280	132-250	<b>132-310</b>	-5.0	1,124,983
Dec	134-080	134-250	133-240	<b>133-310</b>	-4.0	678,083

Treasury Bonds (CBT)-\$100,000; pts 32nds of 100%						
Sept	124-230	125-030	124-100	<b>124-170</b>	-2.0	1,155,381
Dec	124-280	125-080	124-160	<b>124-230</b>	-2.0	665,814

Treasury Notes (CBT)-\$100,000; pts 32nds of 100%						
Sept	113-240	113-300	113-180	<b>113-190</b>	-3.5	3,649,977

Foreign						
Autoliv	ALV	2.7	.68	<b>q</b>	Sep23/Sep04	
Hafnia	HAFN	18.2	404.49	<b>q</b>	Sep10/Sep03	
Icon Energy	ICON	14.9	.08		Sep30/Sep15	
X Financial ADR	XYF	7.0	1.62		Sep27/Sep04	
ZTO Express (Cayman) ADR	ZTO	4.6	35		Oct18/Sep10	

Special						
Guardian Health Sciences	GHSI	35.2	5.00		Sep23/Sep09	

Note: Dividend yields as of 3:30 p.m. ET  
Sources: FactSet; Dow Jones Market Data

## Dividend Changes

Company	Symbol	Yld %	Amount New/Old	Payable/ Frq	Record
<b>Increased</b>					
EastGroup Properties	EGP	3.0	1.40/1.27	<b>q</b>	Oct15/Sep30
SCE Tr III 5.75% Pfd	SCEPH	6.4	5489/5482	<b>q</b>	Sep15/Sep13
<b>Stocks</b>					
Draganfly	DPRO	1.25			/Sep03
ESS Tech	GWH	1.15			/Aug26
Forte Biosciences	FBRX	1.25			/Aug28

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

## Bonds

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 (%)	Lowest	High
<b>Broad Market Bloomberg Fixed Income Indices</b>					
2138.32	<b>3.5</b>	U.S. Aggregate	4.360	4.340	5.740
<b>U.S. Corporate Indexes Bloomberg Fixed Income Indices</b>					
3251.39	<b>4.0</b>	U.S. Corporate	4.880	4.860	6.430
3133.18	<b>4.5</b>	Intermediate	4.680	4.660	6.350
4350.60	<b>3.1</b>	Long term	5.260	5.160	6.600
623.60	<b>3.3</b>	Double-A-rated	4.500	4.480	5.760
881.58	<b>4.4</b>	Triple-B-rated	5.080	5.070	6.700
<b>High Yield Bonds ICE BofA</b>					
558.72	<b>6.3</b>	High Yield Constrained	7.251	7.251	9.560
552.75	<b>9.0</b>	Triple-C-rated	12.780	12.616	15.455
3750.14	<b>5.9</b>	High Yield 100	6.473	6.473	9.101
486.55	<b>6.6</b>	Global High Yield Constrained	7.121	7.121	9.440
363.95	<b>5.2</b>	Europe High Yield Constrained	6.168	6.141	8.022
<b>U.S. Agency Bloomberg Fixed Income Indices</b>					
1845.32	<b>3.4</b>	U.S. Agency	4.320	4.250	5.390
1629.78	<b>3.3</b>	10-20 years	4.300	4.240	5.370
3608.19	<b>4.3</b>	20-plus years	4.470	4.420	5.740
2843.93	<b>4.2</b>	Yankee	4.630	4.620	6.110

\*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds \* In local currency \$ Euro-zone bonds \*\*EMBI Global Index Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P.Morgan

## Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Coupon (%)	Maturity, in years	Country/ Latest(▲/▼)	Yield (%)	Spread Under/Over U.S. Treasuries, in basis points
4.375	2	<b>U.S.</b>	<b>3.931</b> ▲	4.388
3.875	10		<b>3.816</b> ▲	4.199
4.250	2	<b>Australia</b>	<b>3.579</b> ▼	4.113
3.750	10		<b>3.865</b> ▼	4.318
2.500	2	<b>France</b>	<b>2.616</b> ▲	2.613
3.000	10		<b>2.962</b> ▲	3.113
2.700	2	<b>Germany</b>	<b>2.388</b> ▼	2.400
2.600	10		<b>2.247</b> ▲	2.408
3.100	2	<b>Italy</b>	<b>2.882</b> ▼	3.532
3.850	10		<b>3.598</b> ▲	3.760
0.400	2	<b>Japan</b>	<b>0.359</b> ▼	0.369
1.100	10		<b>0.885</b> ▼	0.896

# THE BRAVEST HEARTS DESERVE THE HELP OF THE BRIGHTEST MINDS.



The Quality of Life Plus Program brings together America's brightest students at leading universities to create life-transforming, assistive technology for our country's wounded heroes.

Please help support us so we can continue to help them. [www.qlplus.org](http://www.qlplus.org)



QUALITY OF LIFE+®



MARKETS

Dow Industrials Set Record Level

Gain of 65 points is good enough for new high; chip stocks weigh on Nasdaq

By Caitlin Ostroff and Patricia Kowsmann

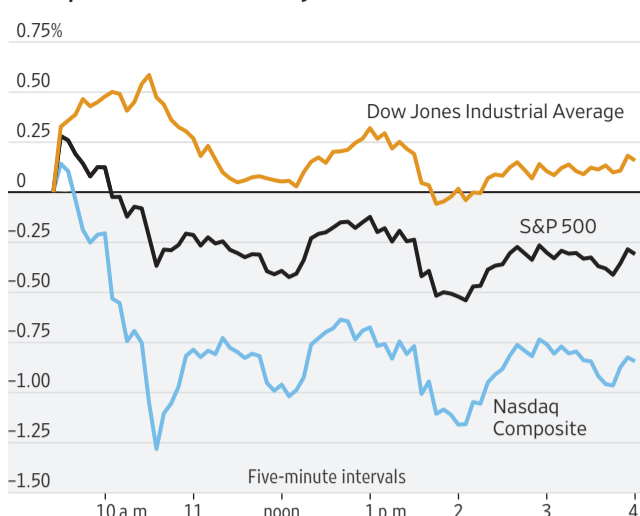
The Dow Jones Industrial Average hit a record, while the Nasdaq Composite and S&P 500 fell after coming off their best two-week stretch of the year.

The Dow industrials edged 0.2%, or 65 points, higher. The Nasdaq and S&P 500 were pulled lower by a broad decline in technology shares, with the indexes falling 0.9% and 0.3%, respectively.

On Friday, excitement about coming interest-rate cuts lifted almost every part of the market. On Monday, old-economy stocks held up better than their high-tech equivalents.

Chip stocks like Advanced Micro Devices, Arm Holdings, Micron and Nvidia—which re-

Index performance on Monday



Source: FactSet

MONDAY'S MARKETS

STOCK SPOTLIGHT

XPeng \$13 million The Chinese electric-vehicle maker disclosed that its chief executive bought company stock worth more than \$13 million. XPeng's American depositary receipts rose 7.1%.

Boeing Two astronauts parked at the International Space Station since early June will return with SpaceX instead of on the Boeing vehicle that brought them there. Boeing shares ticked lower.

IBM The company is shutting down its China research and development department, the latest retreat from the country by a top U.S. tech company. Shares rose almost 1%.

Nvidia Chinese artificial-intelligence engineers continue to access advanced U.S. chips, including from Nvidia, despite export controls, The Wall Street Journal reported. The stock fell 2.2%.

Elsewhere: Treasury yields ticked higher. The 10-year yield edged up to 3.816% from 3.806% Friday.

Overseas, U.K. markets were closed for a holiday. At midday Tuesday, Japan's Nikkei 225, Hong Kong's Hang Seng Index and the Shanghai Composite were each down 0.1%.

TUESDAY'S EVENTS:

The S&P/Case-Shiller 20-City House Price Index for June is due out at 9 a.m. ET.

A Conference Board index will likely show consumer confidence rose slightly in August, according to economists polled by The Wall Street Journal.

EXPECTED EARNINGS:

- Ambarella nCino PVH SentinelOne

Middle East Tensions Drive Up Oil Prices

By Joseph Hoppe

Oil prices rose on escalating Middle East tensions, after Israel and Hezbollah exchanged fire over the weekend, prompting concerns about Iran's potential involvement.

Market expectations center on potential Iranian action hurting Israel without triggering a wider regional conflict, Commonwealth Bank of Australia analyst Vivek Dhar said in a note.

But Israel's response will be equally important, he said. That could include an attack on Iran's oil supply and related infrastructure, risking 3% to 4% of global oil supply, Dhar said.

U.S. crude futures—which had gained Friday after Federal Reserve Chair Jerome Powell said the time had come for interest-rate cuts—added 3.5% Monday.

Brent crude futures increased 3.1%.

Temu Parent's Shares Plunge as Sales Growth Slows

By Denny Jacob

Stock in PDD Holdings sank after sales growth at Temu's parent company undershot expectations and management warned of challenges ahead.

PDD's American depositary receipts were down 29% to \$100 a share on Monday. The stock is down nearly 32% year to date.

"Looking ahead, revenue growth will inevitably face pressure due to intensified competition and external challenges," said Jun Liu, the company's vice president of finance. "Profitability will also likely be impacted as we continue to invest resolutely."

PDD had once threatened to outpace rival Alibaba as the

PDD Holdings ADRs



Source: FactSet

most valuable Chinese e-commerce stock. Alibaba still leads the pack by market cap with a

valuation close to \$199 billion at the close on Friday, while PDD sat closer to \$186 billion.

ports results later this week—all pulled back. Energy shares were the best-performing sector in the S&P 500, with oil prices rising amid heightened tensions in the Middle East.

Chris Zaccarelli, chief investment officer at Independent Advisor Alliance, said investors are focused on signs

of a slowdown in economic growth and the potential for a broader conflict in the Middle East. Those concerns may have prompted some to sell down stakes in more speculative investments, such as technology shares. "It's a little bit more of a cautious day, a more of a wait-and-see-approach," Zaccarelli said.

PDD on Monday said its revenue growth had slowed as consumers diverted their spending to experiences rather than material goods. Consumers in China, the world's second-largest economy, have been more willing to spend on dining out and entertainment as they pull back on purchasing material goods.

PDD has recently been focused on acquiring users in Europe and other countries beyond the U.S. as it expands.

PDD's revenue grew from a year earlier to \$13.36 billion in the second quarter, but it missed Wall Street's estimates of \$14.03 billion. Net income in the quarter came in around \$4.4 billion.

PDD's stock-price decline

put its ADRs on course for their worst day on record. Their biggest one-day percentage drop to date was a near-25% pullback in October 2022, LSEG data shows.

Last week, Alibaba also reported worse-than-expected results, missing analyst views on profit and revenue amid a weakened Chinese economy and changing consumer behaviors.

PDD is in a race to become the primary option for consumers in need of cheap goods as discretionary spending becomes strained globally.

The Wall Street Journal in June reported that Amazon.com plans to launch a service focused on shipping cheap fashion wear, household goods

and other products directly from warehouses in China in response to competition from low-cost e-commerce platforms including Temu and Shein.

AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

Table with columns: Applications, Accepted bids, Auction price (rate), and sub-columns for 13-Week and 26-Week yields.

Both issues are dated Aug. 29, 2024. The 13-week bills mature on Nov. 29, 2024; the 26-week bills mature on Feb. 27, 2025.

Biggest 1,000 Stocks

WSJ.com/stocks

Large table listing the top 1,000 stocks with columns for Stock, Sym, Close, Net Chg, and Net.



Save \$400 When You Spend \$1,000 or More on a Premium Saatva Mattress

For a limited time only, subscribers have exclusive access to discounted luxury mattresses that improve your quality of sleep.



REDEEM NOW wsj.com/tjc-saatva SUBSCRIBER BENEFIT



The Journal Collection is a marketing product, which is separate from The Wall Street Journal news staff.

©2024 Dow Jones & Co., Inc. All rights reserved.

# HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

## Watch Resale Market Is an Issue for Brands

It is less lucrative to speculate on luxury timepieces, creating a knock-on effect in stores

To read the luxury-watch business, it can help to look at what is going on in the secondhand market. Falling prices for used watches suggest that a recovery in first-hand sales will take a long time.

Watches were one of the worst categories for Europe's top luxury companies in the latest quarter. **Richemont**, which owns Cartier as well as Vacheron Constantin, said sales of its specialist watches dropped 13% year over year in the three months through June. **LVMH** said sales in its watches and jewelry division fell 4% over the period, while **Hermès** watch sales dropped 4.9%.

The watch business has an unusually vibrant secondhand market. Around \$50 billion of brand-new luxury watches are sold each year. A further \$25 billion trade hands used, according to estimates from industry data provider WatchCharts.com.

For the luxury-goods industry as a whole, secondhand sales were worth just 12% of primary market sales in 2023, according to consulting firm Bain & Co. Watches tend to hold their value better than other types of luxury products, and resale websites such as Watchfinder.com have made secondhand trading easier and more transparent.

But luxury brands lost two sources of demand lately. Consumers who spent their excess savings on expensive watches during the



The resale wait time for Patek Philippe watches is currently around half a year on the secondhand market.

pandemic pulled back once they were able to splurge on other things such as travel.

Speculators are slipping away. For a while, luxury watches were billed as a hot new alternative investment. According to Charles Tian, founder of WatchCharts.com, many "crypto bros" diversified their portfolios by buying and flip-

ping posh watches.

The trade was lucrative for hard-to-find models because collectors were willing to pay up to skip waiting lists in brands' stores. At the peak of the luxury watch frenzy in March 2022, a Rolex Daytona could be bought new for \$14,550 and immediately resold for \$47,000 in the secondary mar-

ket, data from WatchCharts.com shows. The Rolex Daytona still costs more to buy secondhand than new, as the brand keeps supply artificially low, but the arbitrage is less appealing now that the resale premium has shrunk to 43%.

Speculators also have backed away because they don't want to

be left with unsold stock. Available inventory on watch resale websites has soared. Because of a glut, a Rolex that took less three weeks to sell in 2021 now sits on the market for more than three months. The wait time is even longer for Patek Philippe watches, which currently take around half a year to shift.

The good news for watch connoisseurs is that they no longer have to compete with speculators to get their hands on rare watches in brands' stores. Shoppers still can't buy certain models immediately, but waiting lists are getting shorter.

Brands such as Patek Philippe that have an order backlog can rely on pent-up demand to keep sales steady during this slump. The outlook for less-coveted watchmakers such as LVMH-owned TAG Heuer and Hublot is more mixed.

Serious watch collectors keep a close eye on which models retain their value and are reluctant to splash out on a watch that is dropping in price secondhand. Nine consecutive quarters of falling watch values on resale platforms will depress demand and make it harder for the highest-end brands to raise prices in the primary market.

Until the resale market stabilizes, luxury watch brands will have a difficult time.

—Carol Ryan

## SharkNinja Is Coming For Your Home

**SharkNinja's** appliances have been taking over kitchens and homes. It isn't done yet.

Chances are, you have probably come across one of SharkNinja's products while shopping for a home appliance. Its Shark vacuums and Ninja blenders are strategically priced below those of premium sellers such as Dyson and Vitamix, but are backed up with quality. Over the years, the Needham, Mass., company has sunk its teeth into a range of products including air fryers, coffee makers, hair dryers and air purifiers.

Just this year, the company introduced outdoor coolers, indoor/outdoor fans and a slushie maker that sold out quickly and accumulated a wait list of 100,000 people. In total, the company makes products in 34 subcategories, up from 27 at the end of 2022, according to its latest earnings call. Every year, the company aims to launch in two new categories—one in each brand, according to a report from William Blair.

Naturally, that raises the concern that SharkNinja might be spreading itself too thin, or that it is going for

quantity over quality. Remarkably, it seems to have managed both, judging by where consumers are spending their dollars. SharkNinja managed to increase its market share by a healthy margin in the categories it enters. Its market share in toaster ovens went to 23% in 2023 from 4% in 2019, according to Circana. Its robot-vacuum market share went to 32% from 15%. It has done this while retaining its position as the top blender and vacuum seller in the U.S. over the past four years.

After a rocky debut on the public market last year, the company beat top-line and bottom-line expectations every quarter by a wide margin. In its latest earnings, the company roughly doubled its revenue-growth expectation for this fiscal year to 20% to 22%. After a 75% jump in shares year-to-date, SharkNinja's enterprise value is about 13.4 times forward 12-month earnings before interest, taxes, depreciation and amortization.

That is no bargain, but it is cheaper compared with Australia-listed coffee- and kitchen-appliance maker **Breville**, which trades at a 17.8 times multiple. Not only

is SharkNinja's revenue base bigger, but it also has grown at a faster pace: Its revenue swelled at a compound annual growth rate of about 23% since 2018, compared with an 18% rate for Breville.

What is the secret sauce? Probably a swift production cycle and a keen sense for consumer taste. SharkNinja looks for consumer pain points by scouring social media and online reviews and by closely observing consumers at home as they test one of the company's prototype products.

It then asks the engineering team to come up with a solution. SharkNinja has more than 1,000 engineers across different time zones in Boston, London and China, a structure that allows for a 24-hour innovation cycle and a faster turnaround. It helps that its manufacturing-order lead time is about 30 days compared with the industry's standard of 75 to 90 days, according to a report from William Blair, which notes SharkNinja has longstanding relationships with an extensive base of Asian manufacturers.

For example, a few years ago the company's employees noticed that after consumers were done vacuuming, they took a knife or scissors to slice the accumulated hair off the brush roll, SharkNinja Chief Executive Mark Barrocas



It makes products in 34 subcategories, up from 27 at the end of 2022.

said. The engineering team subsequently came up with a feature that prevents hair from wrapping.

A more recent example occurred when the company observed consumers dealing with soggy sandwiches in their ice-filled coolers. It came up with a cooler that features a dry storage area for food that online reviews say keeps items such as meat cool and dry.

The constant innovation cycle means SharkNinja can't skimp on research and development, where it spent about 6% of revenue last year. It spent about 20% of revenue on sales and marketing. This means its margins look less robust compared with others—such as Breville and Oxo owner Helen of Troy—but operating margins are still respectable at roughly 9%.

The big question is whether SharkNinja can keep its pace of innovation going. After all, there is

only a finite number of home appliances out there. But there are categories where it is in the early innings, such as outdoor appliances. SharkNinja has filed patents for skin-care products, a new market for it. And SharkNinja was able to create demand in smaller markets such as ice-cream makers. The ice-cream-maker market was about \$50 million in the U.S. in 2021 but SharkNinja's CREAMi is a \$200 million business in the country—with a roughly 80% market share.

SharkNinja has a long runway for expansion overseas. While its exposure to Chinese manufacturers presents tariff risks, Barrocas said the company has been diversifying its supplier base and will be able to make all U.S. products outside of China by the end of 2025.

SharkNinja is a big fish. The pond has plenty of room for it.

—Jinjo Lee

**SharkNinja has more than 1,000 engineers across different time zones.**

## CrowdStrike's Big Mystery: How Bad and for How Long?

**CrowdStrike's** next earnings report will answer a lot of questions. But some big ones may go unanswered.

The cybersecurity provider's fiscal second-quarter report on Wednesday comes a little over a month after its minor software update caused a global outage. Its response drew high marks, even from rivals. Palo Alto Networks Chief Executive Nikesh Arora praised CrowdStrike CEO George Kurtz in a LinkedIn post, writing "your diligence, transparency and perseverance is admirable."

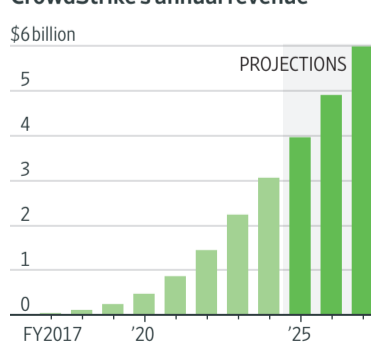
But how the incident affected CrowdStrike's business remains unknown. The outage took place in the final two weeks of its fiscal quarter, which is generally a key period for cloud-software vendors to get deals finalized and signed. But CrowdStrike notably hasn't issued any sort of pre-announcement or pulled its existing forecast. The company previously projected revenue of \$958.3 million to \$961.2 million for the July-ended quarter—the midpoint of which would represent growth of 31% from the same period last year. Cloud-software contracts typi-

cally require payments up front, which are recognized as revenue over the covered periods. So CrowdStrike's revenue could hit that target, even if new deal signings and renewals melted down in the final weeks of the quarter. In a report on Friday, BTIG analyst Gray Powell cited an industry contact as stating: "No one was writing CrowdStrike checks the last two weeks of July."

Investors will thus be looking closely at metrics such as net new ARR (annual recurring revenue) and changes in the company's RPO (remaining performance obligations) for hints as to CrowdStrike's business momentum. Analysts expect RPO to rise 1% from the April quarter, compared with a 9% gain in the same period last year, according to consensus estimates from Visible Alpha. Net new ARR is expected to fall on a year-over-year basis for the next three quarters, which would be a notably weak streak for a company that has typically averaged double-digit growth on this metric.

But ARR and RPO are nonstandard accounting terms that have flaws, and CrowdStrike typically

CrowdStrike's annual revenue



Note: Fiscal year ends Jan. 31. Sources: S&P Global Market Intelligence (actual); FactSet (projections)

doesn't project those anyway. Hence, much will hang on the company's revenue forecast for the third quarter and whether it lowers its projected revenue range for the full fiscal year ending in January. In a note on Friday, John DiFucci of Guggenheim said "3Q guidance will likely be lower due to the outage and a dearth of new business since then."

Wall Street is largely convinced the impact will be short term, given

CrowdStrike's strong position in key markets such as endpoint security, which refers to safeguarding the entry points to an organization's network. "Our industry conversations to date suggest a slowdown in new business, but that this slowdown will likely be temporary given CrowdStrike's history of delivering on road map, and leadership in endpoint and security," Goldman Sachs analyst Gabriela Borges wrote in an Aug. 14 report.

The stock remains popular, despite a handful of downgrades since the incident. CrowdStrike has buy ratings from 78% of analysts—higher than any other pure-play cybersecurity provider save for CyberArk, according to FactSet data. "In a Zero-Trust world, the strategic value of starting security at the endpoint is higher than ever and CrowdStrike is uniquely positioned to be a fundamental cyber platform," Tal Liani of BofA Securities wrote in an Aug. 21 report, maintaining his buy rating.

But its popularity with analysts means there is downside risk to CrowdStrike's share price, espe-

cially since the relatively short time since the incident might limit the company's ability to fully assess the long-term impact. The stock lost 36% of its value in the two weeks after the start of the outage but regained about 22% since as many analysts called the selloff a "buying opportunity." Friday's closing price has CrowdStrike trading just under 15 times forward sales—the highest among cybersecurity peers and the second-highest among the 65 cloud-software companies on the BVP Nasdaq Emerging Cloud Index, according to data from FactSet.

Some analysts are worried. "Our discussions with CrowdStrike reps and customers left us convinced that this event will not be minor," Evercore ISI analyst Peter Levine wrote in an Aug. 8 report. DiFucci rates the stock as neutral, noting "restoration of its reputation may take more time and will likely affect new business signings and perhaps renewal pricing at least in the near-term." Even a decent earnings report may not put CrowdStrike back on safe ground.

—Dan Gallagher