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THE WALL STREET JOURNAL.

DOW JONES | News Corp * * * * * TUESDAY, DECEMBER 17, 2024 ~ VOL. CCLXXXIV NO. 143 WSJ.com ★★★★ $5.00

DJIA 43717.48 ▼ 110.58 0.25% NASDAQ 20173.89 ▲ 1.2% STOXX 600 515.83 ▼ 0.1% 10-YR. TREAS. yield 4.397% OIL $70.71 ▼ $0.58 GOLD $2,651.40 ▼ $4.60 EURO $1.0514 YEN 154.15

What's News

Business & Finance

◆ **Apollo CEO Marc Rowan's** brief consideration for the role of Treasury secretary in the coming Trump administration highlighted the lack of succession planning at his firm, an anomaly in the private-equity world. **A1**

◆ **Honeywell said it was** considering a potential separation of its aerospace business about a month after activist investor Elliott called for the industrial conglomerate to break itself up. **B1**

◆ **Major U.S. stock indexes** ended mixed, with the S&P 500 and Nasdaq advancing 0.4% and 1.2%, respectively, and the Dow retreating 0.3%. **B9**

◆ **Canal+'s shares fell** sharply as it started trading as a stand-alone company after a spinoff from French media group Vivendi. **B2**

◆ **CEOs of the world's** biggest companies are more optimistic about the economy than they have been in years, a survey found. **B1**

◆ **VW and labor leaders** resumed talks as they continue protracted negotiations over how to move forward with cost cuts across the automaker's domestic operations. **B3**

◆ **Novo Nordisk plans to** invest $1.2 billion in a new production site for rare-disease medicines in Denmark. **B3**

◆ **Amazon union members** at a third U.S. facility voted to authorize a strike as tensions with the company intensify over contract negotiations. **B3**

◆ **Saga agreed to sell** its insurance-underwriting business to Ageas and to form a 20-year partnership with the Belgian insurer in a deal valued at the equivalent of $186.1 million. **B9**

World-Wide

◆ **Islamist rebel leader** Abu Mohammed al-Jawlani swapped his military fatigues for a suit, positioning himself as a statesman who can unite Syria and responsibly manage relations with the country's neighbors. **A1**

◆ **Deposed Syrian leader** Bashar al-Assad, speaking out for the first time since his fall, said he stayed in the country until the regime's last defenses crumbled before being evacuated to Russia. **A8**

◆ **Two people were killed** and several were injured after a 15-year-old female student opened fire at a Christian school in Madison, Wis. **A3**

◆ **A New York judge** ruled that Trump's hush-money conviction remains valid, rejecting arguments from the president-elect that it should be dismissed on immunity grounds. **A6**

◆ **Trump and** SoftBank Chief Executive Masayoshi Son jointly announced that the investment company plans to pump at least $100 billion into U.S. projects over the next four years. **A4**

◆ **Finance Minister** Chrystia Freeland quit Canada's Liberal government cabinet after publishing a stinging letter critical of Ottawa's direction on fiscal policy. **A9**

◆ **A Russian tanker split** apart in the Black Sea, spilling heavy fuel oil into the Kerch Strait, Russian maritime officials said. **A9**

◆ **Officials across the** East Coast are pushing the federal government for more answers about a wave of drone sightings, with some seeking local authority to shoot down the aircraft. **A3**

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Germany's Chancellor Loses Confidence Vote

FREDERIC KERN/DDP/ZUMA PRESS

LOW POINT: German Chancellor Olaf Scholz, center, on Monday lost a confidence vote, which he called to clear the way for the dissolution of parliament and early elections, following the unraveling of his coalition government. **A18**

Apollo Eyes Succession Plans After CEO Flirts With Politics

BY MIRIAM GOTTFRIED AND ANNAMARIA ANDRIOTIS

Marc Rowan has remade Apollo Global Management during his nearly four years as its chief executive into a firm that manages more than $700 billion in assets and is on a path to becoming a massive lender. The question facing the firm now: Would it be ready for life without him?

When Rowan, 62 years old, came back from a "semi-sabbatical" in 2021 to take the helm from fellow co-founder and longtime CEO Leon Black, he told people he expected to do the job for five years or less, according to people familiar with the matter. That timeline has slipped because he is enjoying the job—so much so that he is expected to sign on for another five-year stint in the coming months, they said.

Still, the possibility of Rowan's imminent departure emerged last month when he became a top contender for Treasury secretary under President-elect Donald Trump. Apollo and its advisers underwent preparations for his potential departure, the people said. Trump ultimately tapped investor Scott Bessent for the role, but the situation brought attention to the fact that Rowan has yet to spell out a clear succession plan.

Succession planning is serious business for private-equity firms. CEOs at Blackstone and KKR established heirs apparent years in advance to telegraph their intentions to stakeholders. Their goal has been to achieve as close to a seamless leadership transition as possible so as to avoid turnover among staff or clients. Given that, Rowan will likely identify a successor well ahead of any planned retirement.

At an investor conference last week in New York, the billionaire financier responded to a question about succession by highlighting the depth of Apollo's management team.

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Jawlani Promises Overhaul, Counsels Patience

Syrian rebel leader says big changes, including elections, can't happen just yet

BY JARED MALSIN AND ASMAA AL-OMAR

DAMASCUS, Syria—Islamist rebel leader Abu Mohammed al-Jawlani swapped out his military fatigues for a suit on Monday, positioning himself as a statesman who can unite Syria and responsibly manage relations with its neighbors.

Sitting in the cabinet building of the capital his forces seized this month, Jawlani told foreign journalists that Syria's new government plans to launch a process to overhaul the country's constitution and institutions. He cautioned, however, that it would take time.

"People have big ambitions, but today we must think realistically, because Syria has many problems, and they won't be solved with a magic wand," Jawlani said. "It needs patience."

The country isn't ready for elections, he said, because it is mired in turmoil, and many Syrians remain displaced by the civil war. The militant leader, who the U.S. has designated a terrorist, spoke the same day that the man he de-

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Albertsons Blames Kroger For Failed Merger

BY PATRICK THOMAS

Within months of Kroger announcing a $20 billion deal to acquire rival Albertsons, Kroger made missteps that Albertsons said ultimately sank the supermarket megadeal.

A tie-up between the two largest U.S. grocery-store operators was bound to draw scrutiny from government antitrust watchdogs and consumers angry about rapidly climbing food prices. Albertsons officials now allege that Kroger's approach to the federal antitrust review further stacked the odds against the deal, which was blocked last week by a federal judge.

In court documents unsealed Monday that Albertsons filed in its suit against Kroger last week, Albertsons said Kroger showed reluctance to divest itself of a larger number of stores, a move aimed at preserving competition. Kroger executives ignored advice on how to assuage regulators' antitrust concerns and disregarded feedback about the deal from the Federal Trade Commission that could have potentially avoided a trial, Albertsons said.

Lawyers for Albertsons accused Kroger of losing interest in the deal after a pandemic-fueled surge in its profits began to cool and its stock price declined following the October 2022 merger announcement.

"Kroger derailed the merger after suffering a classic case of buyer's remorse," according to the complaint, which seeks at least $6 billion in damages. Albertsons filed the lawsuit in Delaware chan-

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U.K. Clears Royal Mail Deal

CHRISTOPHER FURLONG/GETTY IMAGES

CZECH MATE: The U.K. struck a deal to allow Czech billionaire Daniel Kretinsky's EP Group to take over the owner of Royal Mail, keeping the storied postal service based in Britain. **B4**

The Big Fight Over a Tiny Truck That Isn't Fast or Ford Tough

* * *

Little Japanese haulers are winning fans; some states want them off American roads

BY SEAN MCLAIN

In the land of big trucks, a tiny pickup is stealing drivers' hearts. Now owners of the little haulers from Japan say they're being driven off the road.

Kei trucks are smaller than a Volkswagen Beetle and powered by an engine commonly found in motorcycles, but they have beds as large as a full-size pickup from Detroit. The combination of size and utility are virtues in their home country, where both land and natural resources are scarce.

Lately they have taken off in the U.S., where owners say they do nearly everything that bigger pickups can do and come with additional features—like being super sweet and making other drivers jealous. Even in states like Texas, where bigger is almost always better, kei trucks are flying off lots.

At Tim Odom's dealership in Huffman, Texas, sales of kei trucks have exploded since he started importing them from Japan around five years ago. Odom says customers of Triple T Powersports, formerly Tim's Tiny Trucks, include hunters and outdoor enthusiasts who think American trucks are too darn big.

"Let's be honest, most people aren't using these big trucks to the best of their capabilities," Odom said. "They're going to Lowe's to pick up a piece of plywood."

But many states are barring them from public motorways because regulators say they are too fragile to share the road with American-sized automobiles. Kei truck superfans say size prejudice is at play

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Limits for Musk On SpaceX Secrets

Executives didn't seek higher security clearance for CEO to avoid questions

By Joe Palazzolo, Emily Glazer and Micah Maidenberg

The payloads SpaceX launches into the heavens for the U.S. military and spy agencies are usually treated as a government secret, shared only with select employees at the rocket company who hold special security clearances.

Elon Musk, its founder and chief executive, isn't one of them.

As SpaceX deepened its ties with the national-security agencies in recent years, the company's lawyers advised senior executives not to seek a higher security clearance for Musk that would give him access to details about sensitive programs SpaceX is involved in, according to people familiar with the matter.

The reason, these people said, was that Musk would have had to answer questions from the government about his contacts with foreign nationals and drug use

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U.S. NEWS

Tariffs Threat Spurs Americans to Stock Up

Consumers buy now to avoid potentially higher prices for imports next year

By Jasmine Li And Rachel Wolfe

Tariff-conscious consumers are stockpiling goods and rushing to upgrade old cars and appliances to get ahead of potential price increases.

A quarter of Americans surveyed said it was a good time for major purchases as they expect prices to go up next year, up from 10% a month prior and a record high, according to the University of Michigan's monthly survey of consumers. And a third of the 2,000 people surveyed recently by CreditCards.com said they were buying more now because they feared tariffs.

Some economists warn that by spending as though inflation is coming, people could already be pushing it higher. The consumer-price index of goods and services grew 2.7% year over year in November, according to the Labor Department, slightly higher than in the prior month. The boost was driven in part by a surge in durable-goods purchases that some shoppers said are related to President-elect Donald Trump's threats of tariffs on imports from countries including Canada, Mexico and China.

"People can make a judgment that, 'Well I thought I was going to buy a TV in the next 12 months. Maybe I should buy it in the next 12 weeks,'" said Robert Barbera, director of the Center for Financial Economics at Johns Hopkins University.

Levies proposed

On the campaign trail, Trump proposed 10% to 20% tariffs on all imported products, and 60% on Chinese imports, an effort to spur domestic manufacturing and reduce the trade deficit. After the election, he said he would impose a 25% tariff on imports from Canada and Mexico and threatened 100% on the Brics countries of Brazil, Russia, India, China, South Africa, Iran, Egypt, Ethiopia and the United Arab Emirates.

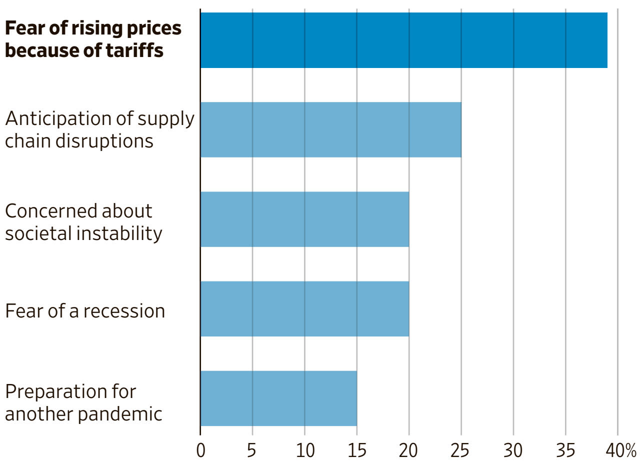
Many economists think that tariffs, even if they boost manufacturing, are likely to lead to rising prices.

To get ahead of price increases, some consumers are spending now. Gerard Szarek is stocking his 800-square-foot basement with as many bags of coffee, bottles of olive oil and bulk packs of paper towels that will fit there.

KYLIE COOPER FOR WSJ (2); CHRISTINA LIU (MIDDLE RIGHT); AYSIA FOOTE (BOTTOM RIGHT)

Gerard Szarek, above, a mechanical engineer, on Friday loaded up two carts at BJ's Wholesale Club and then stored items at his home in Cape Cod, Mass. At right, Los Angeles content creator Christina Liu recently spent over $1,600 on new chips and other computer equipment for her business, while software consultant Christopher Foote, of Vacaville, Calif., has spent more than $12,000 on new devices since Election Day.

Reasons behind increased year-end purchases in 2024



Note: Survey was launched Nov. 26 through the Pollfish platform. A total of 2,000 U.S. residents completed the full survey.
Source: CreditCards.com

"I am taking the man at his word," Szarek, 66 years old, of Cape Cod, Mass., said in reference to Trump and his tariff plans. He said he also fears that Trump's migrant-deportation plan could raise labor costs and lead to higher prices on domestic goods.

Szarek, a mechanical engineer, is planning trips every weekend to his local BJ's Wholesale Club to fill shopping carts with boxes of his wife's favorite Peet's dark roast coffee and cases of navy beans. Recently he said he paid $44,000 for a 2023 Toyota RAV4 hybrid to replace the 2010 Toyota Highlander that he was planning to drive "until the wheels fell off."

But by front-loading purchases en masse because of inflation fears, shoppers including Szarek could be inadvertently driving up prices.

"If the run is big enough and the shortage is big enough," a retailer will have to raise prices, said Harrison Hong, a professor of economics at Columbia University.

Furthermore, inflation expectations matter for future inflation. So it is possible that retailers and manufacturers are preparing for higher tariffs by raising prices now, in expectation of higher import prices, said Paul Ashworth, chief North America economist at Capital Economics.

"The notion that you think prices are on a particular trajectory plays elementally in your decision about how to raise your prices, or what your wage demands are," said Barbera of Johns Hopkins.

Businesses in the U.S., which imported around $3.2 trillion of goods in 2022, are making plans for the worst-case scenario. Some are stocking up on imports to get ahead. Others are urging shoppers to buy now before prices go up.

Best Buy Chief Executive Corie Barry said on a November press call that "the vast majority of that tariff will probably be passed onto the consumer as a price increase." Executives at Walmart, Lowe's and AutoZone have also spoken of potential price increases stemming from the tariffs.

Echoes of 2018

The last time the U.S. levied tariffs on all other countries was in 2018, when Trump imposed a 20% to 50% tariff on all imported washing machines in response to a petition by Whirlpool, said Felix Tintelnot, an economist at Duke University.

The action resulted in a 10% across-the-board price increase on washers and dryers, according to a study by Tintelnot and others. He said it was too soon to tell whether consumers would see price increases this time around because that will depend on the scale, scope and duration of the tariffs levied.

Christopher Foote, of Vacaville, Calif., said the possibility of tariffs have driven him to "go all out" for items he has had his eye on. The 35-year-old software consultant said he has spent more than $12,000 on new devices since Election Day, including a $8,087 Samsung heat pump, a $3,214 LG television, a $1,081 Denon audio receiver and a $509 Miele vacuum cleaner.

Christina Liu, a content creator in Los Angeles, builds personal computers for gaming and shares tutorials with her social-media followers. The fingernail-size GPU and CPU chips that power her computers have been at the heart of the U.S.-China trade war for years.

In an effort to boost domestic manufacturing of the devices that power artificial intelligence, the Biden administration said it would double the tariff rate on China's semiconductors in 2025, to 50% from 25%. With those increases on the way and potential Trump tariff increases on the horizon, Liu decided it was a good time to stock up. She spent over $1,600 on new chips and other computer equipment recently.

The good news, she said, is that one of these chips usually lasts gamers at least a few years. "If you were to build a new PC now, it should last you until the next election cycle," she said.

TikTok Bid To Delay Ban Hits High Court

By Jacob Gershman

TikTok on Monday asked the Supreme Court to delay enforcement of a national security law that could effectively ban the social-media app in the U.S. next month.

In an emergency application, lawyers for TikTok and its parent company, Beijing-based ByteDance, asked the court to suspend the ban while they appeal a lower-court ruling upholding the law, which is supposed to take effect Jan. 19.

That is the deadline that Congress gave for TikTok to be sold to a non-Chinese owner under a law signed by President Biden in April. At that point, mobile app stores, such as Google's and Apple's, will be prohibited from letting users download or update TikTok, and internet-hosting services will be barred from supporting the app, effectively shutting it down in the U.S.

"A modest delay in enforcing the Act will create breathing room for this Court to conduct an orderly review and the new Administration to evaluate this matter—before this vital channel for Americans to communicate with their fellow citizens and the world is closed," TikTok said.

The ban won bipartisan support after lawmakers got classified briefings from the intelligence community about the threat the app could pose to national security, including China's ability to use TikTok to surveil Americans and spread Chinese propaganda.

In upholding the law this month, a Washington federal appeals court rejected the argument that the ban was an unconstitutional infringement on free speech, citing the national security concerns. The appeals court also refused to delay the law.

U.S. WATCH

CALIFORNIA

Figure in Burisma Case Pleads Guilty

A former FBI informant pleaded guilty Monday to lying about a phony bribery scheme involving President Biden and his son Hunter that became central to the Republican impeachment inquiry in Congress.

Alexander Smirnov, 44, entered his plea to a felony charge in connection with the bogus story, along with a tax-evasion charge stemming from a separate indictment accusing him of concealing millions of dollars of income.

An attorney for Smirnov declined to comment after the hearing in federal court in Los Angeles. Prosecutors and the defense have agreed to recommend a sentence of between four and six years.

Smirnov will get credit for the time he has served since his February arrest on charges that he told his FBI handler that executives from the Ukrainian energy company Burisma had paid Joe Biden and Hunter Biden $5 million each around 2015.

No evidence has emerged that Joe Biden acted corruptly or accepted bribes as president or in his previous office as vice president.

—Associated Press

ECONOMY

Services Activity Picks Up Speed

U.S. economic activity picked up the pace again this month as services businesses prepare with greater confidence for a new government in the new year, according to surveys published Monday.

The S&P Global Flash U.S. Composite PMI—which gauges activity in the manufacturing and services sectors—rose to 56.6 in December from 54.9 in November, marking the highest level of activity in nearly three years.

December's increase was driven by strength in the services sector, which marked a 38-month high and recorded rosier expectations for output over the coming six months.

—Joshua Kirby

Albertsons Blames Kroger

Continued from Page One

cery court last Wednesday, less than 24 hours after the federal court ruling.

Kroger had no comment. The company said last week after Albertsons filed the suit that the claims were baseless and without merit.

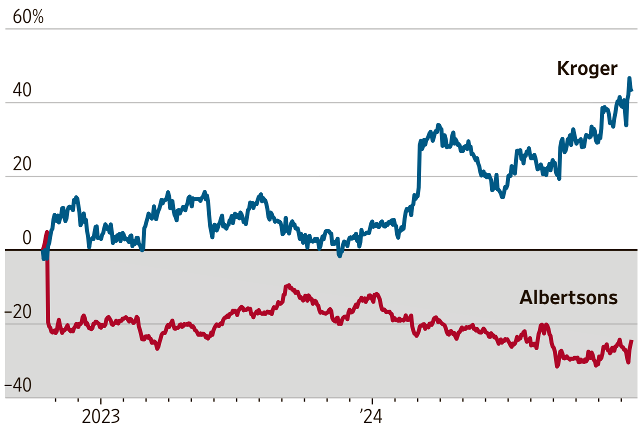
A Kroger spokeswoman has said that Albertsons repeatedly breached their merger agreement and that the suit is an attempt to deflect responsibility and seek payment.

Sparring over stores

Kroger and Albertsons pitched their deal as creating a bigger competitor to mega-retailers such as Walmart and Amazon.com. To address competition concerns the companies offered to sell 579 stores to grocery distributor C&S Wholesale Grocers, but the FTC earlier this year sued to block the deal, claiming that the diminished competition would lead to higher grocery prices for consumers.

Kroger took the lead on efforts to secure government approval of the deal, according to the companies' merger agreement. Publicly, Albertsons supported Kroger's antitrust remedies and offered up some of its top executives to lead C&S's new grocery business that would be built on the divested stores.

Share-price performance since Kroger and Albertsons announced merger



Source: FactSet

"I think they have the fundamental capability and history and the wherewithal to do it," said Albertsons Chief Executive Vivek Sankaran about C&S during the federal antitrust trial in Oregon earlier this year.

Albertsons now alleges that Kroger's divestiture plan ignored more-qualified grocery-store buyers and that Kroger's insistence on only one company taking control of the stores limited the range of purchasers.

Before publicly announcing the merger, the CEOs of Kroger and Cerberus Capital Management, the private-equity firm that owns a nearly 30% stake in Albertsons, made a handshake deal that Cincinnati-based Kroger would divest itself of 650 stores in the transaction, according to Albertsons's lawsuit. That tally was never reached.

When Kroger first met with FTC enforcers in December 2022, it proposed shedding 238 stores, the suit said. Kroger in September 2023 raised its divestiture target to more than 400 stores.

In February meetings with the FTC, Kroger pitched divesting itself of 541 stores, a proposal that Albertsons warned was insufficient. Kroger later bumped it to 579 locations after the FTC sued to block the deal.

Albertsons also accused Kroger of wanting to dump its weakest-performing stores rather than choose locations to shed that would best alleviate the FTC's concerns about one company owning a big chunk of supermarkets in some regions.

In a September 2023 email exchange, Kroger CEO Rodney McMullen directed that a specific Seattle store be removed from the divestiture list because "this store has real estate that is worth a lot," Albertsons's suit said.

Losing the cart

Since the deal was unveiled, both Kroger's and Albertsons's shares of grocery sales in America have declined. A rise in grocery prices has sent more consumers to discount stores such as Aldi and Lidl, which have seen more customers walking through the aisles over the past year.

Kroger's market share of groceries sold in the U.S. stood at 9% in 2024, down from 10% in 2021, according to research firm Numerator. Albertsons's share has fallen to 5% from nearly 6% over the same period.

Profit growth also has slowed. Kroger earned more than $2.2 billion in annual profit in its latest fiscal year on about $150 billion in revenue, while Albertsons reported a $1.3 billion profit on about $80 billion in revenue.

Waiting two years for regulatory approval also has kept Albertsons in limbo, unable to invest in strategic moves such as growing its digital advertising business in stores, the company said in its suit. The company believes its shareholders lost out on a merger premium valued at roughly $6 billion.

Albertsons said last week it would repurchase $2 billion of its shares and increase its dividend.

After the deal was blocked, Kroger announced that it plans to repurchase up to $7.5 billion of its stock. In an investor call earlier this month, McMullen said the company didn't need the deal to be successful. The company's stock is up about 40% over the past 12 months.

Both companies have spent more than $1 billion combined in legal and other fees associated with the transaction.

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CORRECTIONS & AMPLIFICATIONS

Jonah Frey received an Adderall prescription after Teladoc referred him to an outside physician. A Page One article on Monday about bankers using stimulants incorrectly said he received the prescription through Teladoc.

An overhead shot of the interior of Keith Jacobson's Miami home was taken by Michael Stavaridis/Rene Gonzalez Architects. In some editions Friday, a Mansion article incorrectly gave the credit to Alexia Fodere, who took the other photos accompanying the article.

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

Drone Warfare Goes Deep Underwater

Autonomous vessels aim to counter new threats at sea and gather intelligence

By Alistair MacDonald

Drones have revolutionized modern warfare in the sky. Now defense companies and navies are betting they can do the same underwater.

The new underwater drones, with names such as Ghost Shark, Herne and Manta Ray, can typically dive thousands of feet below the surface and operate largely without human interaction for days on end. That ability makes them ideally suited to gather intelligence, protect undersea infrastructure and counter potential threats in the Pacific, advocates say.

"This is an opportune moment for these vehicles," said Cynthia Cook, a senior fellow at the Center for Strategic and International Studies, a think tank. "Submarines are fantastic, but they are expensive."

Perfecting the technology isn't an easy swim. Maintaining communications deep underwater is more difficult than in the sky, and conditions below the sea's surface can be harsh.

Underwater drones have been used by academics and offshore energy companies for decades. An underwater drone found the Titanic in 1985, for example. Navies have also long used smaller—typically remote-controlled—underwater vessels for mine clearance and other tasks.

Now, defense companies are developing larger, more autonomous vessels that can travel longer distances and do more.

Boeing is to deliver five of its Orca extra-large uncrewed undersea vehicles to the U.S. Navy by the end of next year. Up to 85 feet long, the Orca can travel the equivalent of almost 7,500 miles with little human intervention.

Adm. Lisa Franchetti, chief of naval operations, has said developing robotic and autonomous systems is one of the U.S. Navy's top priorities in preparing for a possible war with China.

"Unmanned systems have an enormous potential to multiply our combat power," Franchetti said at a conference earlier this year.

Elsewhere, Australia is working with defense startup Anduril on an underwater drone called Ghost Shark. The project is part of a $4.65 billion investment the country is making in subsea warfare capabilities and new autonomous and uncrewed maritime vehicles.

Other underwater drones include **BAE Systems**' Herne, which is being tested in the U.K., and **Northrop Grumman**'s Manta Ray, which has a similar shape to the giant flat fish.

France, South Korea and Germany are also working on new unmanned underwater vessels. Ukraine is testing an underwater attack drone called Marichka.

One factor aiding the development of this new class of underwater drones is improving technology. Batteries can last longer, sensors are more accurate and electronics are smaller. These advancements mean the vessels can be more autonomous, travel for longer and do more.

The improvements come at an opportune time for Western navies. China has built the world's largest surface naval fleet and its own large autonomous underwater vehicles.

In Europe, cases in which fiber-optic cables were cut have raised concerns that Russia and others could target crucial lines that move energy and data over ocean floors. The North Atlantic Treaty Organization recently conducted a training exercise off Finland in which underwater drones were used to protect undersea infrastructure.

European navies that would counter such threats have shrunk in size, while the U.S. has struggled to build large ships on time. Britain's Royal Navy, once the world's largest, now has fewer than 20 destroyers and frigates, and around 10 submarines.

BAE's Herne is based on an underwater drone already produced for the energy industry by Cellula Robotics, a Canadian company. BAE added computer systems, cameras and sensors that allow the vessel to operate autonomously as well as gather and analyze intelligence.

Herne, which looks like a mini-submarine, guides itself at sea by using sensors that match its surroundings with preloaded maps. It analyzes vessels it sees by comparing them to a database, allowing it to distinguish between military and civilian craft.

BAE has been developing Herne for roughly 11 months and aims to have the vessel battle-ready within the next year and a half.

Herne's battery lasts up to three days. Cellula is experimenting with hydrogen cells that could allow the vessel to operate for 45 days and give it a range of around 3,000 miles—roughly the distance between Ireland and New York.

FROM TOP: NORTHRUP GRUMAN; BAE SYSTEMS (2)

Northrop Grumman's Manta Ray, top, resembles the sea creature of the same name. BAE Systems' Herne drone, above and at left, guides itself at sea by using sensors that match its surroundings with preloaded maps.

Officials Want Answers on Sightings

By Joseph De Avila

Officials across the East Coast are pushing the federal government for more answers about the wave of mysterious drone sightings, with some seeking local authority to shoot down the unauthorized aircraft.

Virginia Gov. Glenn Youngkin, a Republican, said over the weekend that state agencies were monitoring the drone sightings in his state but that he was unhappy with the flow of information coming from federal officials. Connecticut state Sen. Tony Hwang, a Republican who represents Fairfield County where numerous drone sightings have been reported, said there has been a breakdown in communication with the federal government.

New Jersey Rep. Josh Gottheimer, a Democrat, on Friday called on federal officials to tell residents more.

"The FBI, Homeland Security, and the FAA, the agencies chiefly responsible for monitoring drone activity, they must disclose more information to the public," Gottheimer said. "And they have to do so now."

The White House announced Monday that the Biden administration conducted an assessment about the drone activity in the Northeast, so far finding they don't pose a national security threat to Americans.

"We assess that the sightings to date include a combination of lawful commercial drones, hobbyist drones, and law enforcement drones, as well as manned fixed-wing aircraft, helicopters, and even stars that were mistakenly reported as drones," National Security Council spokesman John Kirby said.

President-elect Donald Trump said Monday that the "government knows what's happening" and should keep the public informed.

Kirby said that there are more than one million legally registered drones with the government, with thousands of them flying across American skies every day. Of the 5,000 drone sightings reported to the FBI over the past few weeks, about 100 of those tips "needed to be followed up on," he said.

The assessment was compiled partly based on the Defense Department's use of additional detection capabilities from military installations like Naval Weapons Station Earle and Picatinny Arsenal, both in New Jersey.

The 88th Air Base Wing at Wright-Patterson Air Force Base in Ohio temporarily closed airspace for four hours Friday night and Saturday morning after reports of drones flying in the area, according to local media reports. Drone sightings also shut down runways at New York Stewart International Airport on Friday, a small regional facility.

The recent wave of drone sightings involving large, unmanned aircraft often flying near sensitive sites started last month in New Jersey and has spread to other states such as New York, Connecticut and Massachusetts.

The Federal Bureau of Investigation and the Department of Homeland Security have said that the drone sightings don't pose a threat to national security or public safety. Drone sightings are often misidentified manned aircraft, the agencies said.

Flying a drone below 400 feet is legal in most locations, according to the Federal Aviation Administration. Recreational fliers need to take a basic safety-knowledge test and follow rules such as avoiding airspaces around airports.

CHIP SOMODEVILLA/GETTY IMAGES

New Jersey Rep. Josh Gottheimer last week called on federal officials to disclose more about the drone sightings.

◆ Joanna Stern: Tracking the New Jersey drones......... A12

School Shooter Kills Teacher, Student in Wisconsin

Two people were killed and several were injured after a 15-year-old female student

By Joseph Pisani, Victoria Albert and Jennifer Calfas

opened fire at a Christian school in Madison, Wis., on Monday, police said.

A teacher and a teenage student were killed in the shooting at Abundant Life Christian School, Madison Police Chief Shon Barnes said at a press conference. The suspected shooter, identified as Natalie Rupnow, is believed to have died from a self-inflicted gunshot wound, Barnes said at a press conference. Rupnow went by the name Samantha, he said.

Rupnow's family is cooperating with the investigation, Barnes said. He said police are still working to determine a motive.

Barnes said a handgun was used in the shooting, which took place during a mixed-grade study hall in a classroom.

Six other people were hospitalized, two of whom have life-threatening injuries, Barnes said. Of the four without life-threatening injuries, a teacher and three students, two have been released, he said.

"Today is a sad, sad day not only for Madison, but for our entire country," he said.

Officers responded to a call of an active shooter at the K-12 school around 11 a.m. Monday. Police found multiple victims suffering from gunshot wounds, Barnes said.

Police said earlier that five people, including the suspect, were killed, before revising the number.

"Every child, every person in that building is a victim and will be a victim forever," Barnes said.

Abundant Life Christian School has about 390 students, according to the school's website. The school sits on a 28-acre campus alongside a church.

The school asked for prayers for its community Monday in a Facebook post.

Wisconsin Gov. Tony Evers said he ordered flags across the state lowered to half-staff.

In a statement, President Biden called on Congress to pass gun-safety laws.

"From Newtown to Uvalde, Parkland to Madison, to so many other shootings that don't receive attention—it is unacceptable that we are unable to protect our children from this scourge of gun violence," Biden said. "We cannot continue to accept it as normal."

There have been more than 200 shootings on school grounds this year in the U.S. that resulted in over 50 deaths, according to Everytown for Gun Safety, a gun-control group.


ANDREW HARNIK/GETTY IMAGES

SoftBank CEO Masayoshi Son, center, appeared at Mar-a-Lago in Florida with President-elect Donald Trump and Howard Lutnick, his pick for commerce secretary, left. It is unclear how SoftBank intends to fund its investment commitment.

Softbank Chief Promises Investments in Trump Visit

Japanese telecom company vows to spend $100 billion on projects in four years

By Alex Leary And Eliot Brown

PALM BEACH, Fla.—Donald Trump and SoftBank Group CEO Masayoshi Son jointly announced Monday that **SoftBank** plans to invest at least $100 billion in U.S. projects over the next four years, as the president-elect seeks to project enthusiasm over his return to power.

The Japanese internet and telecommunications company estimates that its U.S.-based investments will create 100,000 jobs focused on artificial intelligence and emerging technologies and plans to complete the work before Trump leaves office in 2029.

During an event at Mar-a-Lago, Trump's private Florida club, Trump asked Son to further increase the company's previously negotiated $100 billion investment. "Would you make it $200 billion?" Trump asked. Son paused and said, "I will try to make it happen."

It is unclear how SoftBank intends to fund the commitment. The global tech investor has roughly $30 billion of cash on hand.

The incoming Republican president made rejuvenating the economy a centerpiece of his presidential campaign and has said he is prepared to move swiftly on his agenda upon taking office next month. Last week, Trump said that any company that invests $1 billion or more in the U.S. would receive fast-track permitting.

The $100 billion is double what Son pledged to invest in startups following a meeting with Trump in December 2016, just after Trump's first successful White House bid. At the time, Trump called Son "one of the great men of industry."

Son pledged to invest in startups after a meeting with Trump in 2016.

The 2016 pledge came months after Son secured funding from Middle East countries for most of the SoftBank Vision Fund, a $100 billion venture capital fund. The fund—much of which was invested in the U.S.—became defined by numerous high-profile flops, such as office-space company WeWork and failed startups such as construction-focused Katerra and a robot pizza-delivery company.

That performance scared off outside investors from backing SoftBank again for a second Vision Fund—and could add a challenge if SoftBank is intending to raise outside money to fulfill the Trump commitment.

More recently Son has been eager to pump money into AI—a sector he has for years been predicting as ripe for investment—though his investments in startups have been far slower than in prior years. He has told others he aspires to also invest in areas tied to the sector such as data centers and chip manufacturing, people familiar with the conversations said.

Earlier this year he said he believes computers will possess human-level cognitive abilities known as artificial general intelligence in two to three years. "A gold rush of intelligence has arrived. The one who goes fastest will win," Son said at SoftBank World 2024, a conference organized by his company.

In June, SoftBank said it would form a joint venture with U.S. healthcare company Tempus AI.

Companies have at times struggled to follow through on their bold commitments to create jobs and invest in the U.S. In 2018, Trump traveled to Wisconsin for the groundbreaking of a liquid-crystal-display plant. Electronics maker Foxconn said at the time that it would invest $10 billion in the project and that it would create as many as 13,000 jobs in the state. But the company later scaled back its plans, investing a fraction of the money and creating far fewer jobs than it promised.

Trump has been eager to show his clout as he returns to the White House. He has spoken to world leaders and met with leading business executives, including some who had once shied away from him. Over the weekend, Trump and his wife, Melania, hosted Akie Abe, the wife of the late Japanese Prime Minister Shinzo Abe, at Mar-a-Lago.

Watch a Video
Scan this code to see a video on the SoftBank event with Donald Trump.

Trump Weighs In On Tariffs, War Other Hot Topics

By Natalie Andrews, Alex Leary and Brian Schwartz

PALM BEACH, Fla.—President-elect Donald Trump gave his first press conference since winning the election, speaking to reporters for more than an hour about vaccines, tariffs, pardons and more.

Here are the top takeaways.

Vaccines

The president-elect said he is skeptical of mandatory vaccines in public schools. "I don't like mandates," he said. "I'm not a big mandate person."

Trump's nominee to lead the Health and Human Services Department, Robert F. Kennedy Jr., has for years expressed skepticism of vaccines, a position that could prompt some senators to oppose his nomination.

Trump said he wouldn't block access to the polio vaccine: "You're not going to lose the polio vaccine. That's not going to happen."

Trump also said he would look into whether vaccines cause autism, an assertion that most experts have rejected.

Cabinet nominees

Trump said senators may find themselves challenged in primary elections "if they are opposing somebody for political reasons or stupid reasons."

If a senator's objection was "reasonable, fair and really disagreed with something or somebody," Trump said he could see a reason to vote against a nominee. But he said that he believes his nominees are a "great group of people."

Most of Trump's nominees have been welcomed by Republican senators, but some, like Kennedy and defense secretary nominee Pete Hegseth, are expected to face scrutiny.

Trump said he didn't know whether Florida Gov. Ron DeSantis would select Lara Trump, his daughter-in-law, to succeed Sen. Marco Rubio if Rubio is confirmed as secretary of state.

Foreign affairs

Trump said Hamas, which thus far hasn't notched a cease-fire deal with Israel, must release all hostages by his inauguration on Jan. 20, or "all hell's going to break out."

The president-elect didn't provide details, but said he had recently spoken to Israeli Prime Minister Benjamin Netanyahu to discuss the conflict. Negotiators have continued working on a cease-fire deal in Gaza, and last week Hamas handed over a list of hostages, including U.S. citizens, whom it would release under a cease-fire pact, something it hasn't done since the first truce in the conflict last year.

Trump credited Turkey for Syrian rebels' victory in ending the regime of Syria's now-ousted President Bashar al-Assad. Asked if he would pull the roughly 900 U.S. troops stationed in Syria, Trump said: "I don't think I want to have our soldiers killed, but I don't think that will happen now anyway because the one side's been decimated."

Trump also said he was working to end the conflict between Russia and Ukraine and said he had made "a little progress" but didn't elaborate.

Tariffs

Trump doubled down on his use of tariffs on imports from around the world after he is sworn in as president. "They tax us, we tax them," Trump said about the use of tariffs.

Howard Lutnick, Trump's pick for commerce secretary, who is expected to take a leading role on the trade front, noted the administration will embrace reciprocal trade policies.

"Reciprocity is something that is going to be a key topic for us. How you treat us is how you should expect to be treated," Lutnick said when asked during the news conference if there is a trade deal to be made with China.

Though Trump didn't detail his tariff plans at the press conference, the president-elect has already threatened to impose stiff tariffs on China, Canada, Mexico and other countries.

"Tariffs will make our country rich," Trump said.

Pardons

Trump said that he would look at pardoning New York City Mayor Eric Adams, whom federal prosecutors in September charged with bribery, fraud and campaign-finance offenses. Adams, a Democrat, received more than $100,000 in secret benefits, including free flights on a Turkish airline and luxury hotel stays, for about a decade, according to the federal indictment.

"I think that he was treated pretty unfairly, now I haven't seen the gravity of it all, but it seems, you know, like being upgraded in an airplane many years ago, I know probably everybody here's been upgraded," Trump said.

Apollo Eyes Plans for Succession

Continued from Page One

Rowan noted that he has two senior partners in both the asset-management and retirement-services sides of the business.

"And then we've elevated the next generation, which is another 10 in asset management and another handful in retirement services," Rowan said. He suggested the firm could further clarify its transition plans in the next year.

"We have the deepest bench of talent on Wall Street, and Marc has no intention of leaving his role as CEO," an Apollo spokeswoman said.


MICHAEL BUCHER/WSJ
CEO Marc Rowan has yet to decide who will take his place.

Rowan may opt to become executive chairman part of the way through his second five-year term, ceding the CEO title to someone else, people close to the firm said. The point at which he decides to do that will help determine whom he selects to take his place.

In the mix are Co-Presidents James Zelter and Scott Kleinman, as well as younger leaders such as Deputy CIO of Credit John Zito and Co-Heads of Equity David Sambur and Matt Nord, the people said.

Rowan has also considered bringing in someone from outside Apollo. He was recently in discussions with Goldman Sachs President John Waldron about joining the firm in a high-level position, some of the people said. But those talks fizzled out.

With a professional demeanor and a penchant for wearing sweaters instead of suits, Rowan brought stability to Apollo during a tumultuous period. Black had stepped down following a review of his ties to disgraced financier Jeffrey Epstein and allegations of rape made by a former lover. (The case was later dismissed.)

Black later accused the firm's third co-founder, Josh Harris, of plotting his removal from Apollo in an act of revenge for being passed over to succeed him as CEO. (Harris has since left and started his own firm.)

Rowan quickly solidified Apollo's strategy by buying the remainder of its affiliated insurance company, Athene, and presented the firm's goals to investors in a clearer way. Apollo's shares have nearly tripled since he took over.

The firm recently laid out a goal of originating $275 billion a year in deals by 2029, including by making loans to corporations such as Intel, Anheuser-Busch InBev and AT&T.

Zelter and Kleinman would have taken over if Rowan had gone to lead the Treasury, the people familiar with the matter said. The two executives have been running Apollo's day-to-day operations since 2017. But the likelihood that they will be the ones to succeed Rowan diminishes the longer he stays in the role, people close to the firm said. Zelter and Kleinman in 2021 received equity awards potentially worth a combined total of more than $860 million, the final tranche of which will vest if they stay at the firm through 2026.

Zito is seen as a leading contender because of his credit expertise and investment talent, though he still needs more experience as a manager, people familiar with the matter said. The 43-year-old, who joined Apollo in 2012 from hedge fund Brencourt Advisors, is one of the few people who challenges Rowan in meetings, they said. His favored status was cemented a few years ago when he was the star of a firm off-site meeting in Florida during which Apollo's private-equity business was barely mentioned, according to one attendee.


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Trump's Hush-Money Conviction Upheld

President-elect had argued the verdict should be tossed on immunity grounds

By Corinne Ramey

A New York judge ruled Monday that Donald Trump's hush-money conviction this year remains valid, rejecting arguments from the president-elect that it should be dismissed on immunity grounds.

The judge left for another day the question of whether Trump should ever be sentenced for 34 low-level felony counts of falsifying business records. A jury convicted the former president in May of causing the misleading records to cover up money paid to silence adult-film star Stormy Daniels before the 2016 election. She says she and Trump had an affair, a claim he denies.

Justice Juan Merchan, who presided over Trump's New York trial earlier this year, found that the U.S. Supreme Court's July ruling granting former presidents broad immunity didn't affect Trump's state conviction, which largely involved conduct that took place before the Republican began his first term in the White House.

Merchan said that even though some of the evidence introduced in the case stemmed from his tenure in office, that material related entirely to conduct that wasn't part of Trump's official duties.

"The People's use of these acts as evidence of the decidedly personal acts of falsifying business records poses no danger of intrusion on the authority and function of the Executive Branch," wrote Merchan in a 41-page ruling.

A Trump spokesman said the decision violated the Supreme Court's ruling. "President Trump must be allowed to continue the Presidential Transition process, and execute the vital duties of the presidency, unobstructed by the remains of this, or any other, Witch Hunt," he said.

A spokeswoman for Manhattan District Attorney Alvin Bragg, a Democrat whose office brought the case, declined to comment.

Trump's election to a second term has upended the four criminal cases against him. Federal cases accusing Trump of plotting to overturn the 2020 election and alleging he unlawfully retained classified documents have been dismissed at the request of special counsel Jack Smith. Justice Department policy doesn't allow the prosecution of a sitting president.

A separate Georgia prosecution of Trump alleging election interference has been mired in delays.

The fate of the New York case is in some ways the most complicated because it already went to trial. The district attorney's office has suggested that any sentencing of Trump could be postponed until after he leaves the White House again. Prosecutors have also floated the possibility that the judge could leave Trump's conviction on the books but never sentence him at all.

RFK Jr. Begins Push to Win Senate Confirmation

WASHINGTON—Robert F. Kennedy Jr.'s attempt to win over Capitol Hill starts this week with a strategy to play down the topic of vaccines, adhere tightly to President-elect Donald Trump's messaging on abortion and talk up healthy food and preventing chronic disease, according to people familiar with his thinking.

By Liz Essley Whyte, Kristina Peterson and Natalie Andrews

His nomination to lead the Department of Health and Human Services has met resistance in some corners, as Republican senators voice concerns about his years of vaccine skepticism, his abortion-rights stance and unorthodox takes on agricultural policy. He can afford to lose only three Republican votes if every Senate Democrat votes against his confirmation, and his strategy also includes trying to win support from Democrats.

Robert F. Kennedy Jr. was on Capitol Hill Monday as he seeks Senate support for his nomination.

Kennedy is slated to be on the Hill several days this week, sitting down with over two dozen senators and a team of Republican staffers, people familiar with his plans said.

His team is hoping to assuage senators' concerns about his broad criticism of vaccines, according to people familiar with his strategy. He is likely to tell senators that, if confirmed to lead HHS, he isn't planning to take anyone's vaccines away and instead wants to promote transparent, safe, effective vaccines, the people said.

Wisconsin Sen. Ron Johnson, a Republican who is attempting to persuade fellow senators to vote to confirm Kennedy, said many of his colleagues like most of Kennedy's message but that some have concerns about his past comments on vaccines. Kennedy has said that the Covid-19 vaccines were the deadliest ever made and that the polio vaccine may have caused more deaths than it averted.

"Efforts to undermine public confidence in proven cures are not just uninformed—they're dangerous," said Sen. Mitch McConnell (R., Ky.), adding that the polio vaccine has saved millions of lives. "Anyone seeking the Senate's consent to serve in the incoming administration would do well to steer clear of even the appearance of association with such efforts," said McConnell, who had polio as a child.

Sen. Mike Rounds (R., S.D.) also expressed concern about Kennedy's plans, saying: "I do not want to lose our vaccine programs."

Many food and pharmaceutical trade associations, including the Pharmaceutical Research and Manufacturers of America, have declined to oppose Kennedy's confirmation, out of fear it would hurt their interests in the long run.

"You always want to try to work with the regulator," said Nick Shipley, an independent consultant and registered lobbyist who works on pharmaceutical issues. "It probably doesn't behoove anyone to burn down the house on these things."

Kennedy dined earlier this month with Trump and pharmaceutical executives at Mar-a-Lago. The health nominee brought along his attorney and close adviser, Aaron Siri, people familiar with the dinner said. Siri is a strident vaccine skeptic who has filed a petition for the Food and Drug Administration to revoke approval of a polio shot, among other efforts.

Siri has said the polio vaccine needs more study, a claim rejected by health regulators. Siri is the main adviser helping Kennedy vet top staff for the health department, a person familiar with the matter said.

Some senators strongly opposed to abortion, such as Sen. James Lankford (R., Okla.), are seen as likely to question Kennedy's beliefs on abortion rights. Kennedy, a longtime Democrat, supported abortion rights during his independent presidential bid.

Kennedy's team hopes the health agenda can win over some Democrats, providing some cushion should he lose any GOP support. Their target list includes Sen. Bernie Sanders (I., Vt.) and Sen. Cory Booker (D., N.J.), according to a person familiar with the matter.

A spokesman for Sanders said last week he hadn't yet been contacted by anyone from Kennedy's team. Sanders said it would be "premature" to announce his decision on the nomination. Booker said he has concerns but isn't an "automatic" no on Kennedy.

"The food industry makes billions of dollars by getting our children addicted to unhealthy food, which causes diabetes and a bunch of other illnesses. I think Kennedy understands that," Sanders said this month.

—Laura Kusisto, Catherine Lucey and Jared S. Hopkins contributed to this article.

partsol

An Open Letter to
David Sacks

Dear Mr. Sacks,

On behalf of everyone at Partsol, we would like to extend to you our warmest congratulations on your appointment as the first AI and Crypto Czar for the United States. This is not only a great milestone in your career but also a revolutionary moment in the history of technology and its relationship with society.

Your leadership is an opportunity to bring clarity, vision, and accountability to the rapidly evolving fields of artificial intelligence and cryptocurrency. Both technologies hold immense promise to revolutionize industries and improve lives, but they also pose unique challenges that require bold and thoughtful stewardship.

At Partsol, as pioneers in cognitive AI and creators of the Absolute Truth Algorithms, we realize how serious this moment is. We are greatly inspired by your ability to lead with a unifying approach, ensuring that innovation aligns with ethical principles. As you take up this responsibility, we encourage a set of guiding principles that will be important in shaping the future of AI:

Demand Absolute Truth as the Minimum Standard
Anything less than Absolute Truth compromises the very foundation of trust required for the full integration of AI. AI needs to attain a level of reliability that society can depend upon. In critical sectors like health, banking, law, and national security, AI must deliver 100% accuracy 100% of the time.

Insist on Bias-Free Algorithms and Supply Chains
Transparency is the key to trust. In developing AI, it is essential to demand complete transparency on underlying algorithms. Do not settle or assume that the underlying algorithms and supply chains are free of bias or nefarious intentions.

Empower Ethical AI Evolution Responsibly Without Fear
Fear often stifles progress. It's essential to recognize that even the most advanced AI can—and must—be developed ethically. Policies for safe and responsible AI development can evolve in parallel with innovation, ensuring that neither progress nor accountability are sacrificed.

Reaffirm U.S. Leadership in AI and Crypto Innovation
The United States has always been in the lead in technology, so this is the time when it should ensure that such leadership extends to AI and cryptocurrency. That means fostering an environment that will drive innovation, support domestic talent, and position the United States as the unequivocal center of excellence in AI. Anything else would be second place-and second place should never be an option.

These are not ideals but rather achievable goals with the right leadership and collaboration. At Partsol, we are ready to support your work in transforming AI and crypto into forces for good. Our commitment to precision, transparency, and ethical innovation is in line with the goals we know you share for these industries.

David, the world is watching. Your vision and leadership have the power to redefine what AI can achieve and how it serves humanity. We believe in a future in which AI is a tool for progress, built on a foundation of truth, trust, and responsibility. Together, we can make that vision a reality.

Congratulations again on this historic appointment. We look forward to supporting you as you lead the AI and crypto revolution into a new era of innovation and impact.

Sincerely,
The Team at Partsol
Leaders in Cognitive AI and creators of the Absolute Truth algorithms

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Assad Says He Held Out Until the End

Deposed dictator rejects criticism that he abandoned Syrian regime's supporters

By Stephen Kalin And Anat Peled

ARIS MESSINIS/AGENCE FRANCE-PRESSE/GETTY IMAGES

Ousted Syrian President Bashar al-Assad, whose defaced portrait hung near Damascus on Monday, defended his flight to Moscow.

Deposed Syrian leader Bashar al-Assad, speaking out for the first time since rebels ended more than 50 years of his family's brutal rule, said he stayed in the country until the regime's last defenses crumbled before being evacuated to Russia.

The comments, distributed Monday by social-media accounts long controlled by the Syrian presidency and published by the Russian state news agency TASS, were framed as a rebuttal of reports that he had fled. A longtime spokeswoman and several other officials close to the Assads couldn't immediately be reached for comment.

Following a protracted civil war and long stalemate, a lightning assault by rebels brought down the regime in 11 days. Assad—skipping a previously announced address to the nation—disappeared from view as rebel forces descended on the capital, Damascus, on the night of Dec. 7. His cabinet learned with the rest of the world on Sunday that he was in Russia.

Assad said in the statement that he remained in Damascus until early Dec. 8 before moving to Hmeimim Air Base "in coordination with our Russian allies to oversee combat operations." After the last Syrian army positions crumbled and the Russian base itself came under renewed drone attacks, Moscow ordered an evacuation to Russia, he said.

Russia granted political asylum to Assad and his family, TASS reported at the time.

"At no point during these events did I consider stepping down or seeking refuge, nor was such a proposal made by any individual or party," Assad said. "The only course of action was to continue fighting against the terrorist onslaught."

In fact, the regime that Russia and Iran spent years propping up had collapsed without much of a fight. Assad's forces had been low on supplies and exhausted from years of war. Meanwhile, Russia's ability to come to Syria's defense had been drained by the war in Ukraine, while Iran and its Lebanese ally Hezbollah had been battered by attacks by Israel.

The de facto authorities in Damascus are now a mix of rebel factions, with a former al Qaeda affiliate called Hayat Tahrir al-Sham wielding significant influence.

The U.S. is in contact with HTS and is communicating Washington's hope that a transitional government can quickly establish security and prevent the country from descending into chaos, Secretary of State Antony Blinken said during a tour of the region over the weekend.

Hassan Hassan, a Syrian-American analyst, said Assad's statement was probably prompted by criticism from his own supporters. The longtime dictator's "disgraceful abandonment is arguably the best gift to the new Syria," Hassan wrote on X. "Any other way might have kept the doors open for a unified front for the most loyal Assadists."

U.S. Central Command said its forces conducted airstrikes Monday targeting Islamic State camps and operatives in former regime- and Russian-controlled areas of Syria, killing 12 Islamic State fighters. The Israeli military also continued to launch airstrikes on Syria as it takes advantage of the chaos in the country to dismantle its longtime foe's military capabilities, including missiles and air-defense systems it doesn't want to fall into rebel hands.

—Suha Ma'ayeh contributed to this article.

Syrian Christians Balance Hope, Fear

By Stephen Kalin And Suha Ma'ayeh

Above and below, Christians attended Mass at Zaitoun Church in Damascus on Sunday.

AMMAR AWAD/REUTERS (2)

In the western Syrian enclave of Wadi al-Nasara, or Valley of the Christians, the sound of church bells rang through the streets and people put up Christmas trees this week.

So far, life for people in Syria's ancient Christian community hasn't been disrupted by the toppling of President Bashar al-Assad. But there is anxiety about what comes next under the rule of the Islamist-led groups who have taken power in the country.

"They're asking the Christians to keep practicing all their religious affairs and celebrate Christmas fully," said Ammar Fakhouri, a charity worker in the valley. "We are still scared of the unknown future and haven't reached the stage of full confidence, but their words and actions and respect for everyone reduces this fear a little."

During decades of Assad family rule, Christians and Muslims lived side by side with minimal friction, but Christian communities were severely tested by the civil war that broke out in 2011. Christians largely sided with the regime, or at least declined to actively oppose it. Many members of the church had longstanding ties with the regime and intelligence services.

The Christian population, one of the world's oldest, is made up of vibrant, if dwindling, communities of Syrian Orthodox, Syrian Catholics, Greek Orthodox, Greek Catholics and Armenian Orthodox. The rebels have largely sought to reassure religious and ethnic minorities that they will have equality with the Muslim majority. When they conquered Aleppo late last month, followed by Homs and ultimately Damascus, they distributed bread and children's gifts in Christian neighborhoods, telling residents not to fear.

Yet, in a sign of their sense of foreboding, some Christian store owners are refraining from selling alcohol, which Islamists consider sinful, or are doing so discreetly. Residents of Homs say armed men tried to shut liquor stores and remove crosses from Christians' cars. Those appear to be isolated incidents so far.

"We are still in the province of promises," an Armenian Christian businessman from Aleppo said.

The treatment of minorities will be a test for the rebel forces. The leading group, Hayat Tahrir al-Sham, has sought in recent years to distance itself from its extremist past as an al Qaeda affiliate. Designated a terrorist organization by the U.S., the European Union and the United Nations, it will likely have to convince the West that it can protect minorities if it wants to lose the label, be freed from sanctions, secure aid in rebuilding and reintegrate Syria into the global economy. Its ability to do so will also be a sign of whether Syria can unify under one government or will be plagued by strife.

Islamist rebels have struck many of the right notes in their public statements so far. They have pledged equal rights for all Syrians, forbidden discrimination based on religion or ethnicity and vowed to protect churches and religious schools. In meetings this week with local Christian leaders, HTS commanders said they wanted all Syrians to feel safe and welcome in their country.

In the coastal city of Tartus, an HTS commander named Sheikh Ala met recently with some 100 civic and religious leaders, including Christian clergy. As he was introduced, some attendees intoned a typical Islamist chant of God is great.

"You are our people and we are your sons," he said. "We have no division or discrimination, God willing."

Jiris Jabra, a Christian resident of Tartus, said he was relieved to be rid of Assad. "We are optimistic, because those who toppled the regime are taking steps that ensure safety and security," he said.

Despite the rebels' message of tolerance, Christians fear a return to earlier days, when a famed Damascus church was razed in the eighth century to make way for the Umayyad Mosque—today one of Islam's holiest sites—and they were relegated to second-class status under Ottoman rule.

More recently in the civil war, clergy and ordinary Christians were repeatedly targeted or caught in the crossfire. When Islamic State surged to power in eastern Syria a decade ago, it kidnapped and killed Christians.

HTS leader Abu Mohammed al-Jawlani, once a member of al Qaeda and Islamic State, broke with both groups and steered his faction away from the global jihadist movement. The interim prime minister, whom Jawlani appointed this week, appeared in televised remarks in front of the Syrian revolutionary flag and an Islamic banner, stirring criticism. In a subsequent interview with Al Jazeera, only the Syrian flag was present.

Recent figures provided by international charities and local communities estimate Syria's Christian population at between 200,000 and 600,000, as little as 1.5% of the country's population, compared with around 10% before the war. In Aleppo, the numbers have dwindled to fewer than 30,000 from as many as 500,000, according to some of the groups. Few Christians remain in Idlib, the base for HTS and a de facto statelet under their rule in recent years, as it battled the Assad regime.

Many Christians initially fled last month's rebel advances on Aleppo and Homs, taking shelter in coastal areas seen as a regime stronghold, but most returned within days to guard their properties.

When the regime fell, Christians in the Damascus suburb of Sahnaya celebrated outside Mar Elias Church, whose bells rang. "One, one, one! The Syrian people are one!" they chanted Sunday beside a Christmas tree, according to a video verified by Storyful, which is owned by News Corp, the parent company of The Wall Street Journal.

The Christian owner of a travel agency in Aleppo said he stayed there throughout the war with his elderly parents, wife and their two children. The 42-year-old said although he's hopeful about the future for Syria, he is still considering migrating abroad, because he believes the region will continue to be torn by conflict. It is a common attitude among young Christians.

"After 30 or 40 years, there won't be any Christians in Syria, because everyone will leave," he said. "Those who can't leave, after 40 years they will be elderly or dead."

Meghrig Kalenderian, a 30-year-old who moved to Dubai in 2021, is worried that Syria's new rulers will curtail the tolerant lifestyle she was used to, barring alcohol and forcing women to cover their hair.

"They were part of ISIS and al Qaeda, so how can I trust someone who was a terrorist two days ago?" she said.

—Saleh al-Batati contributed to this article.

Rebel Chief Tries to Be Statesman

Continued from Page One

posed, former President Bashar al-Assad, defended his decision to flee to Russia, ending more than 50 years of his family's brutal rule.

Jawlani also criticized Israel's attacks inside the country, which continued on Monday, along with U.S. airstrikes targeting Islamic State operatives and camps.

His group, Hayat Tahrir al-Sham, led a coalition of rebels that swept into Damascus this month after pushing Assad's forces from a series of other cities in a lightning attack that drove Assad from power.

The rebel leader, who was formerly affiliated with Islamic State and al Qaeda, and his group now find themselves in control of much of Syria. The international community has yet to decide how much to trust them and is closely watching for evidence his disavowal of his extremist roots is genuine and that his government will respect Syria's many ethnic and religious divisions.

'We are certainly striving to achieve justice,' Jawlani said.

He faces challenges not only from those internal rifts but also from global and regional powers like the U.S., Turkey and Israel all using proxies or force of arms to advance their interests in the country.

"We are certainly striving to achieve justice," Jawlani said.

Jawlani recently dropped his nom de guerre along with his battle gear and started using his real name, Ahmed al-Sharaa. The Federal Bureau of Investigation is offering a reward of as much as $10 million for information about him. HTS itself is also labeled a terror group by the U.S. and the United Nations.

Jawlani criticized the labels on him and HTS, arguing that atrocities committed by Assad's regime should also be considered acts of terror.

"The real terrorist is the one who killed people in Saydnaya and dropped barrel bombs," he said, referring to a notorious prison run by the Assad regime and the improvised explosives the regime dropped on its opponents.

HTS was originally called the Nusra Front, an organization that represented al Qaeda in Syria. The group announced a break with al Qaeda in 2016 and changed its name as a part of what the group has said is a long shift away from the cause of international jihad.

The group has given up international attacks and promised to protect minority groups in Syria under its governance. At the same time, it also has vowed to impose Islamic rule, though what form that will take isn't clear.

The terrorism designation is an obstacle to international engagement with the new government in Damascus when it is at the center of a geopolitical maelstrom.

Jawlani also spoke about the group's complicated position with regard to Israel. The rebel offensive that began in November took advantage of a military weakening of Iran and its Lebanese militia ally Hezbollah by a campaign of Israeli airstrikes. Those strikes included attacks in Syria, which Iran used as a pipeline to supply weapons for Hezbollah.

Israel has launched hundreds of strikes in Syria in recent days that destroyed much of the former regime's military equipment, and it has sent troops into a buffer zone set up between the countries after their 1973 war. The strikes, which have shaken Damascus on recent nights, have put the rebel group in a difficult position as it tries to assume control of the country.

Jawlani said Israel was justified in the earlier attacks aimed at Iranian-backed actors, but said the rebels had removed the threat.

"So the excuse is gone," he said. "There is no justification for the Israelis to bomb Syrian facilities or advance inside Syria."

—Stephen Kalin and Anat Peled contributed to this article.

HAYAT TAHRIR AL-SHAM

Jawlani spoke to reporters in Damascus Monday evening.

Canada's Finance Minister Quits Over Policy Conflict

By Paul Vieira

OTTAWA—Canadian Finance Minister Chrystia Freeland quit the Liberal government cabinet on Monday, a surprise departure that raises further doubts about how long Prime Minister Justin Trudeau can keep his job, given the government's unpopularity.

The departure of one of Trudeau's most loyal and trusted lieutenants—after publishing a stinging letter on the government's fiscal policy—roiled the capital. It came the day Freeland was scheduled to introduce a fall economic statement, which showed sharply wider budget deficits than the government promised just a year ago.

In a letter, addressed to Trudeau and posted on X, Freeland said she and the prime minister have "found ourselves at odds" about policy. Freeland said Trudeau informed her last Friday that he wanted her to shift to a different cabinet position.

Trudeau named longtime ally Dominic LeBlanc as the finance minister.

"The government continues to focus on the work that Canadians want us to focus on," the new finance minister told reporters. "I have a lot of confidence in the decisions our government, our cabinet has made."

Trudeau didn't speak publicly until Monday evening at an event for Liberal Party donors. He told attendees it was an "eventful day, it's not been an easy day," and made no further reference to Freeland's decision in his roughly six-minute speech.

Market reaction to the uncertainty was muted. The Canadian dollar fell roughly 0.1% against the U.S. dollar, while the S&P/TSX Composite Index declined slightly. Freeland's resignation "would seem to cast serious doubt on Trudeau's capacity to manage the challenges ahead, but currency markets seem largely unworried," said Karl Schamotta, chief market strategist at foreign-exchange firm Corpay.


BLAIR GABLE/REUTERS
News of Chrystia Freeland's resignation roiled the capital.

Darrell Bricker, head of polling firm Ipsos Public Affairs, said Freeland's resignation and the accompanying letter "is the biggest crisis the prime minister has ever faced."

Polls show the Liberals trailing the Conservative Party by roughly 20 percentage points. Trudeau has repeatedly said he would stay on as prime minister and seek reelection next year.

The letter indicates Freeland opposed the recent direction of fiscal policy amid the threat of a 25% tariff from President-elect Donald Trump on imports from Canada—which economists say would likely trigger a recession in the country. Freeland said that during the fall, she made "strenuous efforts" to limit spending growth, given heightened uncertainty. Trudeau and Freeland in November unveiled a mini-stimulus package that envisaged spending more than 6 billion Canadian dollars, or $4.2 billion, on a broad sales-tax exemption and a one-time payment to about 18 million Canadians.

Freeland said the government needs to take the Trump tariff threat "extremely seriously," adding, "That means eschewing costly political gimmicks, which we can ill afford and which make Canadians doubt that we recognize the gravity of the moment."

"She's walking away saying, 'I don't have confidence in you,' " said Duane Bratt, a political-science professor at Mount Royal University in Calgary, Alberta, in reference to Trudeau.

Trudeau leads a minority government; the Liberals need the support of at least one opposition party to pass legislation and survive confidence votes in Parliament. About two-thirds of the public disapproves of Trudeau's performance. His Liberal Party is losing once-safe seats, and some members of his caucus have argued that he needs to go. A poll this month from Ottawa-based Abacus Data indicated he is less popular in Canada than Trump is.

A number of cabinet ministers have said they won't seek re-election. Earlier Monday, Housing Minister Sean Fraser said he would be leaving the cabinet, citing family reasons.

Some Liberal Party lawmakers on Monday said it was time for Trudeau to step down as prime minister. "I have been a great defender, but I don't just see how we move forward," Francis Drouin told the Canadian Broadcasting Corp. about Trudeau's future. Anthony Housefather, a Montreal-area Liberal lawmaker, told CTV News that Trudeau has passed his "shelf life" and that voters tell him they believe the Liberal Party has drifted too far to the left.

Freeland said she intends to remain a Liberal Party lawmaker and run for re-election next year.

WORLD WATCH


RUBEL KARMAKER/ZUMA PRESS
FESTIVE ROLL: Bangladeshis celebrated the anniversary of the country's 1971 independence from Pakistan, and promoted environmental causes, with a cycling rally in Dhaka on Monday.

RUSSIA

Tanker Wreck Spills Oil Into Kerch Strait

A Russian tanker split apart in the Black Sea, spilling heavy fuel oil into the Kerch Strait, Russian maritime officials said. A second tanker nearby was also damaged in the stormy weather.

The Volgoneft-212 was carrying thousands of barrels of oil when it ran aground late Sunday and damaged its hull, Russian officials said. One crew member is believed dead and the 13 other sailors were evacuated.

The second tanker, the Volgoneft-239, was adrift in the area with 14 sailors on board, officials said.

Both vessels were passing through the Kerch Strait, which separates Russian-occupied Crimea from mainland Russia.

—Costas Paris

VENEZUELA

Hundreds Freed After Vote Unrest

Roughly a fourth of the people detained during the civil unrest that followed July's disputed presidential election have been granted prison-release orders, the chief prosecutor said.

Attorney General Tarek William Saab on Monday said a review of cases linked to the unrest resulted in 533 release "measures sought" by his office and "agreed" upon by the judicial system.

President Nicolás Maduro ordered the review amid increasing pressure over the repression campaign his government unleashed after the July 28 election.

The governing party tightened the crackdown on dissent after it and the opposition both claimed to have won the vote.

—Associated Press

FRANCE

Aid Sent to Islands Ravaged by Cyclone

France used ships and military aircraft to rush rescue workers and supplies to its tiny Indian Ocean territory of Mayotte on Monday after the island group was battered by its worst cyclone in nearly a century. Authorities fear hundreds and possibly thousands of people have died.

Cyclone Chido leveled entire neighborhoods when it hit Mayotte on Saturday.

The French Red Cross described the devastation as "unimaginable" and said it was impossible to give an exact number of victims, with rescuers still searching for bodies in the rubble.

Many ignored the warnings issued 12 to 24 hours before the storm hit, underestimating its power.

—Associated Press

FROM PAGE ONE

CLOCKWISE FROM TOP LEFT: AFP/GETTY IMAGES; MALCOLM DENEMARK/ASSOCIATED PRESS; AFP/GETTY IMAGES

Elon Musk, above, at SpaceX's Starbase launch facility in South Texas in 2022. A SpaceX launch from Florida's Cape Canaveral on Feb. 14. Company headquarters, below, in Hawthorne, Calif.

Limits For Musk On Secrets

Continued from Page One

previously reported by The Wall Street Journal. In internal discussions, the lawyers and executives posited scenarios in which Musk might inadvertently disclose secrets to foreign officials with whom he regularly speaks, the people said. The Journal reported in October that Musk has been in regular contact with Russian President Vladimir Putin since late 2022.

His current "top-secret" clearance took years for him to obtain following his public use of marijuana on a 2018 podcast. SpaceX's national-security business was rapidly growing at the time.

The SpaceX lawyers began analyzing the risks of seeking a higher security clearance for Musk after the Journal reported in June of last year about Musk's use of ketamine, according to one person familiar with the review. The lawyers and executives concluded that if SpaceX sought a higher security clearance, it would risk Musk being turned down, or worse, losing the top-secret clearance he already has.

DOGE factor

Those concerns could soon become irrelevant. President-elect Donald Trump appointed Musk, who spent about $200 million in support of his presidential run, to lead a new Department of Government Efficiency, which will advise the incoming administration on cutting spending and regulations. As president, Trump will have the power to give Musk and others working for DOGE broad access to classified information as they search for cuts.

Although Trump hasn't indicated publicly whether he intends to do that, SpaceX already has been scouting locations for a secure facility where Musk and other DOGE staffers could review highly classified information.

Representatives for Musk, SpaceX and the Trump transition team didn't respond to requests for comment. A spokeswoman for the Pentagon's Defense Counterintelligence and Security Agency said a federal privacy law prevented her from commenting on the details or status of an individual's security clearance.

Hundreds of thousands of private defense contractors have access to government secrets as part of their jobs. Their security clearances are the same as those held by government employees and generally have three levels: confidential, secret and top secret.

Musk's current top-secret clearance gives him access to some national-security secrets, but he lacks special authorizations that the government requires of most SpaceX employees who work on classified programs, according to the people familiar with the matter. Those employees—more than 400—have permissions for what is known as "sensitive compartmented information," the government's term for need-to-know secrets about how intelligence is collected and where it comes from, one of the people said. A smaller number of SpaceX employees have access to secrets the government deems even more sensitive called special access programs.

Musk's top-secret clearance, without those authorizations, doesn't entitle him to access certain information about SpaceX's spy satellite program, called Starshield, which offers satellite hardware and services to national-security agencies, the people said. He isn't allowed to enter most SpaceX facilities where classified work is done and discussed, and he rarely is privy to classified elements of cargo that his rockets blast into space, such as sensors and other hardware attached to spy satellites.

The CEOs of Boeing, Lockheed Martin and their rocket joint venture, United Launch Alliance, have authorizations for sensitive compartmented information, according to people familiar with their clearances.

Musk had a secret-level clearance before he secured the top-secret clearance in 2022, a process that took years, according to people familiar with his clearance. The unusually long government review of his application was believed within SpaceX to have been the result of Musk's 2018 podcast interview with Joe Rogan in which he smoked marijuana, which is illegal under federal law, the people said.

Musk's current 'top-secret' clearance took years for him to obtain.

"Most of the stuff that I'm aware of...the reason to keep it top secret is it's so boring," Musk said in October at a town hall meeting in Pennsylvania in which he disclosed that he had a top-secret clearance. "We don't want to give exact instructions on how to make a nuclear bomb or something like that, but unless there's a genuine risk to the country, all the information in the government should be public."

SpaceX, which Musk founded in 2002, has worked with national-security agencies since its early days. It won a launch contract in 2005 with an unnamed U.S. intelligence agency. Later, the company began handling regular launches for military and spy agencies. More recently, it entered into a $1.8 billion classified contract with the National Reconnaissance Office, a spy agency that operates satellites, according to people familiar with the matter and company documents viewed by the Journal.

The company's Starshield unit is the military outgrowth of its better-known Starlink business, which uses thousands of satellites in low-Earth-orbit to power high-speed internet connections for consumers and businesses. Employees who work on Starshield generally have the kind of enhanced clearances that Musk doesn't.

Starshield won an initial $70 million order from the military in August 2023 to provide communications services to the Pentagon.

Around that time, SpaceX lawyers and executives were discussing whether Musk should have greater access to the company's classified work. It couldn't be determined Musk was aware of the discussions, prompted by the Journal's June 2023 story that highlighted his ketamine use, or whether he had expressed an interest in having a higher clearance.

After that 2023 article, Musk said in an X post that ketamine is a better way to deal with depression than more widely prescribed antidepressants, and he later posted that he had a prescription for it.

In January of this year, the Journal reported that Musk used illegal drugs including LSD, cocaine, ecstasy and psychedelic mushrooms. His lawyer said there were unspecified "false facts" in the article, and that Musk is "regularly and randomly drug tested at SpaceX and has never failed a test."

Were Musk denied a higher clearance, SpaceX lawyers told company executives, it could have had broader implications for SpaceX, said the people familiar with his clearance.

The government could have revoked Musk's existing top-secret clearance if he failed the security vetting, and SpaceX might have needed to seek a waiver from the government to continue to do some of its national security work because Musk is SpaceX's senior management official. The company also might have had to create extra layers of security to wall Musk off from a growing part of its business.

SpaceX was prepared to answer questions from government officials about Musk's drug use after the Journal reported on it, but the Pentagon didn't ask, and SpaceX executives decided the company didn't need to self-report to the government based solely on news accounts, said the people familiar with his clearance.

Disclosure issue

The federal questionnaire for contractors and employees seeking a security clearance instructs applicants to disclose whether in the past seven years they have used any of a variety of listed drugs, including ketamine. Government contractors can lose their security clearances over drug abuse, a term broadly defined in federal regulations as the use of an illegal drug or of a prescribed drug "in a manner that deviates from approved medical direction."

The questionnaire also requires applicants to report "close and/or continuing contact with a foreign national."

Musk would have had to fill out a new questionnaire and likely undergo a polygraph examination to receive a higher clearance through traditional channels.

As president, Trump will have the power to authorize access to government secrets and could waive security requirements. The Supreme Court has ruled that the president's authority to control the flow of national-security information stems from his role as commander in chief.

Trump has said DOGE will exist outside the government and serve in an advisory rather than a decision-making role. Already, Musk and his co-head, biotech company founder Vivek Ramaswamy, have identified the Pentagon as a potential target for spending cuts.

They likely will need special clearances to view sensitive information as they pick through military spending on classified programs, looking for efficiencies. Trump will be in a position to provide them.

—Sharon Terlep contributed to this article.

Big Fight Over Weird Little Truck

Continued from Page One

and they're revving up for a fight.

Alec Davies bought a 1991 Honda Acty for $9,000, after he fell in love with the "cute little truck."

"They're not fast, they're not luxurious, but this puts a smile on my face every single time I get in," said the five-foot-six Davies, who uses it to haul lumber or run errands. "It kind of just fit my vibe and what I was going for."

The smiles faded in May, when the Michigan resident got a letter from state officials saying that his Honda was no longer road legal. "Unfortunately, an error has been discovered on your title," the letter read. Kei truck owners in at least a half-dozen other states have received similar letters in recent years.

Owners in states where kei trucks are legal say they're often better than the hulking alternatives.

Kaleb Sparks, a 26-year-old paramedic from Florida, ditched his Chevrolet Silverado pickup within six months of buying a Honda kei truck.

Sparks said he rarely needed the extra power offered by the larger Chevy, for which he paid $70,000 and added another $10,000 in accessories and modifications. The Honda, which cost him $7,500, is also more fun to drive and gets a better reaction, he said.

"People are always rolling down their windows to say: 'What is that thing?' It's mostly a dude magnet. Every guy that sees it is like: 'That's sick',' Sparks said.

Small vehicles like kei trucks perform poorly in crash tests, which was cited as a reason for banning kei trucks from public roads. In a letter to the Rhode Island state legislature, the state's department of motor vehicles said kei trucks could travel at highway speeds, which was inherently dangerous. Kei vehicles can travel up to 70 miles an hour.

"The word is it all has to do with safety. It doesn't take a lawyer or car expert to say that there are vehicles that are more dangerous than a kei car," said Steven Lefkoff, a Georgia attorney challenging the ban in that state. Motorcycles and classic cars like the Ford Model T have fewer protections than a tiny truck, but are street legal, Lefkoff said. The kei vehicles being driven on public roads are 25 years old or more, meaning they are exempt from federal safety and emissions standards for automobiles.

GEORGE ZOTOS

Kei trucks are smaller than a Volkswagen Beetle and use an engine common in motorcycles.

U.S. imports of kei trucks, light trucks in Japanese, surged during the pandemic, driven in part by social-media posts showing the fun-size pickups tooling around town or performing off-road stunts.

In one recent video, Cody Detwiler the man behind the popular YouTube channel Whistlindiesel, welded a fighter-jet engine to the bed of a kei truck and filmed himself driving it down the road.

"I was driving, let's just say, possibly over the speed limit. It handled immaculately for what it is," said Detwiler.

The video, which has over six million views, resonated because the kei truck reflects American desires for cheap, fun cars at a time when vehicles have only been growing larger and more expensive, Detwiler said.

The most recent study by the Environmental Protection Agency said that the size of vehicles sold in the U.S. have grown steadily since 2008, when the agency began tracking this data.

Still, as anyone who has driven a small vehicle on today's roads can attest, piloting a kei in traffic can be an unnerving experience.

"Obviously, a kei truck driving on American roads is the equivalent of a mosquito being hit by a dump truck," Detwiler said. "I don't think the vehicle is unsafe, it is that the other vehicles are so big."

In 2020, over 1,000 shipping containers containing kei trucks were sent to the U.S. from Japan, according Import Genius trade data. By 2023, the number of containers jumped to more than 4,000. This year's figure looks to surpass that mark.

Still, kei truck fans face an uphill battle to keep their vehicles on the road. In Texas and Massachusetts, owners successfully lobbied to have local regulators allow the vehicles to be registered. In Georgia a bill that would allow kei trucks back on the road stalled in the legislature.

For Davies, the Michigan Honda owner, good news came in October in a letter saying the state was reversing the previous ban.

ELENA SCOTTI/WSJ, ISTOCK, PIXELSQUID

PERSONAL TECHNOLOGY

Buyer Beware When Searching For 'Best' Products on Google

Shopping sites tout five stars, No. 1 rankings, media endorsements. How do you know what's real?

By Andrea Fuller

Shoppers often hit Google to search things like "top vacuums" or "best dishwashers," expecting fair, independent assessments of top models. Instead, they might land on marketing pages disguised as expert rankings.

Some firms buy Google ads to promote these "ratings" sites as a quick way to steer customers to pricey off-brand products and potential rip-offs.

How do I know? My dad fell for it—almost.

This Thanksgiving, my parents visited from North Carolina and—in what was surely a commentary on the state of my New York City apartment—my dad proposed buying me a new vacuum for Christmas. He suggested one called the V70 on Snapbuy.us, on sale for $260. "It's ranked the No. 1 vacuum," he told me. He pointed me to the listing, which featured snazzy product shots and stellar reviews.

Fortunately, I'm an investigative reporter. I already knew that fake product reviews were a dime a dozen, but this seemed to go further. Now that anyone can use artificial intelligence to write convincing marketing and construct sharp-looking websites, the spin has become harder to spot.

Harder, yes, but not impossible. Using my dad's shopping expedition as a case study, I created this list of how you can avoid falling for fake reviews and iffy products.

Trap No. 1: Sponsored content

I searched Google for "top cordless vacuum 2024." Among the top sponsored links—technically ads—was one for product-reports.org, which my dad had stumbled upon.

When you click on the three dots next to the link, Google shows that the sponsor was a company called Internet Up GmbH.

Melanie McGovern, director of public relations at the International Association of Better Business Bureaus, says people should be wary of sponsored links. "Scroll down to the first organic search results," she said, "because sometimes the ads may not be what you think they are."

Nate Funkhouser, a Google spokesman, said all ads go through automated or human review before they are posted, and that ads with misleading product information violate its policies. Google determined this ad wasn't in violation, he said.

Trap No. 2: Alleged experts

The product-reports.org link directs to an article by Oliver Harris, saying reviewers tested 87 vacuums to rank the best.

Only...Harris doesn't seem to be real. His image—a mustachioed man in flannel—appears to be a stock photo, a Google Images search shows. Elsewhere on the web, this image endorses a Brazilian Pomeranian breeder. And on product-reports.org, the photo also represents "Ludwig Scott" on reviews for washing machines, grills and, mysteriously, cat food.

Emails to Harris and Product Reports couldn't be delivered.

There are plenty of other red flags indicating the article is more ad than expert take:

▶ **Promotional writing:** Despite the alleged testing of dozens of models, the review is mostly devoted to the wonders of the V70.

▶ **Poor grammar:** Plentiful typos indicate the article wasn't written by a professional. ("It's absolutely the leading role of my today's review.")

▶ **No contact information:** The page lists a nonworking phone number. The published address is missing the city.

▶ **Foreign footprint:** Though that address is in Georgia, some of its reviews link to German websites and list prices in euros.

▶ **Broken links:** The links to social media and the "about us" pages, among others, are dead.

But like many of us would, my dad breezed through the ranking and clicked the product link.

Trap No. 3: The website

Snapbuy *looks* glitzy. The Vacuum V70 resembles a high-end Dyson, and the product page says it was featured on platforms including Fox News. "USA's #1 Top Rated Vacuum Cleaner," it reads, touting top-of-the-line features.

But I'd never heard of Snapbuy. And I spotted fresh red flags:

▶ **Media appearances:** If something says "as seen on," check it out. (Googling *"vacuum V70" site:foxnews.com* yields no results.)

▶ **The inventory:** Other Snapbuy listings have the exact same look: unbranded electronics celebrated as "USA's #1 Top Rated" and feted by the nation's top news brands, bolstered by glowing testimonials from—you guessed it—Product Reports.

▶ **Contact information:** The only listed phone number? It's in Germany. Off hours, a recording in German tells you to call back during business hours. Those fall between 3 a.m. to 9 a.m. EST. I called twice during that time, sat on hold and was eventually disconnected both times.

Here's the kicker: Snapbuy's terms of service says it's a trademark of Internet Up, the same German company that paid for the Product Reports ad.

I reached out to Snapbuy and Internet Up via their published email addresses. I also reached out to the companies via Instagram, Facebook and LinkedIn. I received a LinkedIn message from Internet Up's managing director, Alan Szymanek, citing email difficulties. On the fifth day of my inquiries, Szymanek wrote to say that "it is not feasible for us to process such a comprehensive request within just a few days." Another representative asked for an additional week to respond.

Trap No. 4: Five stars

Snapbuy's page for the V70 touts a five-star rating from Trustpilot, a platform that allows customers to review businesses.

There are a few problems:

▶ **Vague stars:** The nearly perfect rating associated with this "hassle-free cleaning" product can't be found on Trustpilot itself. Trustpilot runs reviews of companies, not products. On the actual ratings site, there was a Snapbuy.net with 4.4 stars, but no rating for Snapbuy.us.

▶ **Suspicious reviews:** Snapbuy.net has more than 8,000 reviews, mostly five-star. But many of those sound generic and overly praising. Some reviewers said they rated the company before receiving a product.

The one-star reviews—about 9% of the total—are more revealing. Some claimed Snapbuy didn't respond to customer-service inquiries about returns. Others said they received low-quality products that retailed for less than what they paid. "Shame on Oliver Harris," one wrote.

After I contacted Trustpilot, it removed Snapbuy's stars. It affixed a warning that the reviews might not be trustworthy and that Snapbuy inaccurately used Trustpilot branding on its site.

Trustpilot's chief trust officer, Anoop Joshi, says that consumers should beware of sites claiming stellar Trustpilot reviews that don't link back to the platform.

So is the Vacuum V70 a decent product? We didn't buy it, but found far cheaper look-alikes elsewhere: A search for "cordless vacuum cleaner" on Amazon turns up dozens of practically indistinguishable, vaguely branded products.

In the end, my dad sent me a vacuum from a known brand—with a price tag under $260. I hope my apartment will finally live up to his standards.

Cheers! No Spouses At the Office Party

By Ray A. Smith

Like the three-martini lunch, the tradition of bringing a partner to the lavish office Christmas bash is fading into a workplace relic.

Just under a third of companies are inviting plus-ones to their holiday parties this season, slightly fewer than last year and down from 53% in 2021, according to a survey of 173 companies by outplacement firm Challenger, Gray & Christmas.

Some partners are more than happy to take a pass, while others see it as a sign of the fraying bond between employers and employees. When most families had just one breadwinner, couples shared a connection to one employer; company parties were a joint reward, like the year-end bonus.

These days, attending a partner's work event can feel like a chore when you've got your own. Workers often don't socialize even with their own colleagues after hours.

For companies, the move is a way to rein in costs. But another reason looms large: The holiday party is now one of the rare times often-remote staffers come together in person. Instead of an occasion to glimpse into—and appreciate—each other's lives outside of work, the celebration stands in for a team-bonding session.

"We just don't have a lot of opportunities for the team to meet together," said Efrat Ravid, chief marketing officer at digital-analytics company Quantum Metric, which is holding an employee gathering in January in lieu of a holiday party.

In 2022, the Colorado Springs-based company flew staff and their families to Atlanta for a three-day event that included Quantum Metric's annual meeting, a talent show and a formal dinner with a DJ and dancing in a downtown hotel ballroom. About 500 employees plus family members and customers came, some from as far away as Italy and Spain.

This time, no plus-ones are invited, and the aim of the January meetup is to bring its mostly remote workforce in for team-building, bonding and goal-setting. Smaller holiday dinners among colleagues in cities around the world are also employee-only. (Last year, the company held a virtual celebration.)

Sure, it's nice for co-workers and significant others to get to know each other, Ravid says, but "many times it's a distraction because you need to make sure that the other person feels included."

What gets lost

Companies aren't alone in wanting more-muted celebrations. In a survey of 1,000 U.S. workers by people analytics platform Visier last year, nearly two-thirds said they had cut back or stopped attending work events outside normal hours, including holiday parties. One of the biggest reasons cited was preferring to keep their professional and personal lives separate.

POPPERFOTO/GETTY IMAGES

> **Workers often don't socialize even with their own colleagues after hours.**

Still, something intangible gets lost when plus-ones are deleted from the invite list, some workers lament.

Getting to know the boss's or team members' significant other fosters a better working relationship, they say, in part because they gain a fuller picture of one another's lives beyond work.

"People that my spouse manages relate to him more,'" says Pamela Power, a marketing director in Portland, Ore., who loves to attend her engineer husband's holiday parties and relishes it when he comes to hers. "They see he's a person too, he has kids, he's not always buttoned up."

Likewise, your spouse can better understand the rigors of your job if they've met the people you deal with day in and day out, says Draye Redfern, founder of marketing consulting firm Fractional CMO in Dallas.

"There's more buy-in when the company is like, 'Hey we really need you to go out to this client, all the way across the country for four days','" says Redfern, whose firm is encouraging its remote employees to bring guests to a holiday dinner at a restaurant in January.

Companies holding smaller gatherings without plus-ones this season also cite this year's condensed holiday calendar. A later-than-usual Thanksgiving meant fewer dates to throw a big bash before Christmas, and some companies have simply moved their holiday gatherings to January.

Nearly 60% responding to the Challenger survey said they were putting on more low-key celebrations during the workday. More than half, meanwhile, say they're serving alcohol at the holiday party.

Josie Morgan, chief operating officer of BoyarMiller says the Houston law firm invites plus-ones to its annual holiday party by design.

"The family support network is what helps make you successful in this industry and so this is to reward them, too," she says. The firm was expecting 75 guests, including more than 30 plus-ones, Saturday at its Western-holiday themed bash, held at a live-music venue with a restaurant and backyard beer garden.

Grindr is also bucking the trend. The online dating site plans to hold its holiday party in West Hollywood for staff and plus-ones at the end of a three-day company gathering that includes a hackathon and 2025 goal-setting.

"We value connections," Grindr Chief Executive George Arison says.

Tracking Down the New Jersey Drones

Authorities say that unexplained aircraft seen in the night sky is no cause for concern, but my neighbors are worried

PERSONAL TECHNOLOGY
JOANNA STERN

I've got to make this quick. At 9 p.m. sharp, I report for my nightly duty of scanning the skies and chasing unidentified flying objects. From now on, call me Mulder.

Let me back up, for those who aren't my neighbors in the great state of New Jersey.

Dozens of mysterious aircraft have been spotted across the skies here in recent weeks, perplexing state and federal officials. The FBI, White House and Pentagon all say none of the activity poses a credible threat.

Given that this is the most excitement New Jersey has seen since Tony Soprano, I did what any self-respecting tech columnist would do: charged up my phone, hopped in the car and went drone hunting. They came to me—or at least, I think they did.

On Wednesday night, I spotted several loud, low-flying aircraft near my house. Reports of similar sightings flooded social media and neighborhood apps like Ring and Nextdoor.

Experts I showed the videos to offered mixed takes: Some think these are fixed-wing unmanned aerial vehicles while others suggest they're typical piloted planes. Elsewhere in the state, people have reported seeing large quadcopters overhead.

Either way, there's definitely a surge of activity in the skies over the Garden State. Is something sketchy afoot? Or is it just a classic case of social-media-fueled hysteria, fed by an endless stream of blurry object-in-sky smartphone videos?

After assembling a panel of six drone experts, I think it's both. The truth is out there—let's find it together.

Neighborhood watch

No. 1 finding of the week: The definition of "drone" is…up in the air. A drone can range from a $12 helicopter toy to a multimillion-dollar combat-ready roboplane. Whatever's flying around New Jersey definitely isn't your average DJI quadcopter from Best Buy.

Melissa Pedersen of Chatham seems to have spotted a large quadcopter—at least according to the experts who reviewed her video. The 46-year-old professional photographer witnessed a loud flying object moving back and forth over a house a block away from hers. The next night, she packed her camera, binoculars and headlamps, and decided to follow another one she saw in her car. A real American hero.

I drove through Morris and Middlesex counties, hoping to spot something similar, but nothing. That's when I met Joe Micali, a neighbor a few blocks from my house in Union County.

Joe had been monitoring the skies with his binoculars for over a week, watching unusual low-flying aircraft zigzag over his house. So on Wednesday night, my new friend and I set up shop in his driveway. Within minutes, we saw so many plane-like objects flying overhead, I half-expected to hear an airshow announcer.

Yes, what we saw looked like planes: wings, blinking lights and a recognizable nose. *But* they didn't move like planes. They were smaller, flying much lower, and, in some cases, slowing down in ways typical commercial aircraft don't.

Living near Newark Airport, I'm no stranger to the regular parade of planes passing overhead. This was different. To rule out any confusion, I checked the FlightRadar24 app, which shows a live view of nearby flights. There were a few but whatever we were watching, it wasn't part of usual air traffic.

▲ Unidentified aircraft flying only hundreds of feet from the ground have appeared in the skies over the Garden State in recent weeks—including over WSJ tech columnist Joanna Stern's neighborhood.

▼ Melissa Pedersen packed her camera and other gear to go drone hunting in Morris County.

Expert intelligence

Some said what I saw could be fixed-wing drones. Others said it could be smaller piloted planes.

"Drones resemble planes, that's the issue," Brett Velicovich, a former army intelligence analyst, told me. "I'm afraid there is a lot of paranoia, everything in the sky is a drone."

When I asked why we can't identify these drones—make, model, military vs. commercial, etc.—the experts said it's because there are many variations on the basic designs, from many manufacturers.

"Drones are pretty generic. What you are seeing is a form factor anyone can do," said Eric Brock, founder of Ondas Holdings, which makes drones and counter-drone systems. "Where it differentiates is on the sensor packages and intelligence."

At a New Jersey briefing on Wednesday, officials said the drones fly for six to seven hours at night, and don't emit radio signals.

They believe they are coming in from over the water.

I asked my panel of experts the leading theories of what these are:

▶ **Another country:** Numerous government agencies have said they don't believe this is a foreign threat, specifically denying allegations of Iran. Also, all of the footage has shown aircraft adhering to FAA-prescribed lighting.

"When people turn their lights on their drones at night, it tells you it's the world's worst terrorist or exactly the kind of enemy you want to fight," retired Maj. Gen. James Poss, a former Air Force intelligence officer who led the first armed drone strikes in Afghanistan, told me. He believes it's something innocuous.

▶ **Our country:** Some have floated that this could be our own military, testing new systems, only that typically wouldn't be done over a populous area. "There are ranges and places where you would test those systems," Michael Horowitz, a former Biden administration defense official, told me. "People in New Jersey wouldn't just be seeing them on the regular."

▶ **A company:** So maybe it's a tech company or some other company testing some new drone-delivery offering? "Very unlikely," said Michael Johnson, president of the New Jersey Innovation Institute. If it were a private firm, they'd have stopped by now, he added.

These aren't the first mysterious drone sightings in this country. In December 2023, some were spotted over Langley Air Force Base on Virginia's shoreline.

The truth is out there?

What we're left with is an unexplained phenomenon. Good thing we have a totally calm, rational public forum for that. Ever been to the internet?

In a Facebook group dedicated to Jersey drone tracking, people share videos, theories and feelings about what's happening. Every post claiming it's a drone is matched with one saying it's a plane…or a UFO. Some take to the skies themselves, flying their hobbyist quadcopters from their backyards to investigate.

It's the Real Drone Hunters of New Jersey: Everyone's on the case. Last night, someone even posted a photo of what turned out to be…a Target parking lot streetlamp.

"People have seen it. The state police have seen them. These are not made up," Rep. Josh Gottheimer (D., N.J.) said Friday. "I don't believe all of these are necessarily drones, but there are certainly drones out there." Finally, someone who made me not feel so crazy!

Is it a bird? Is it a plane? Is it…a drone?

In New Jersey, I'm confident it's all of them. Time to get back out there.

Watch a Video

Scan this code to watch a video on Joanna Stern's hunt for the mysterious aircraft.

FROM TOP: JOANNA STERN; MELISSA PEDERSEN

Election Puts Republicans In the Mood To Shop

By Joe Pinsker

Donald Trump's presidential win could make Republicans more liberal with their spending.

Republicans' views on the future of their finances and the economy jumped about 45 points, to 105.9, in an index from the University of Michigan's Surveys of Consumers, compared with October, before the presidential election. Democrats' outlook fell by the same amount, to 48.7, based on data released earlier this month, the survey's first to exclusively measure post-election sentiment.

While Trump's second term won't necessarily send Republicans on a shopping spree or Democrats into a bout of austerity, economists and consumer-behavior researchers say such large swings can nudge people one way or the other.

These changes can have a particularly strong bearing on big purchases, such as a car or home, because they are long-term commitments often paid off over years, said Stephanie Tully, a marketing professor at the University of Southern California.

"Your feelings about how the economy will be doing in the future should matter a lot," Tully said.

A candidate's victory can reduce some of their supporters' financial uncertainty about the years ahead, which encourages spending, she said. Her research found that people with lower overall balances still spend more if they feel more confident about how much they will have in the future.

Consumer spending grew steadily this year before the election. It was up 3% in October from a year earlier, according to the latest inflation-adjusted data from the Commerce Department.

Still, some purchases may have been put on hold until after the election.

Nearly a quarter of people looking to buy their first house said in September that they would wait until after the votes were in, according to a survey from the real-estate firm Redfin. The company says home buying demand increased after the election and has remained higher since.

Ballots and wallets

There is some recent precedence for a change in spending after the nation picks a new president.

In the three months after Trump first took office in 2017, consumer spending on durable goods such as appliances and furniture increased more in counties in Florida with larger shares of Republican voters, according to a study this year in the journal Economic Inquiry.

▲ Changes on economic outlook can have a strong bearing on purchases such as a car or home.

ERIC THAYER/BLOOMBERG NEWS

For every increase of 10 percentage points in the Republican share of a county's voters, that spending went up about 2%, the study found.

After elections when a leader from a different party took over as prime minister of Australia, the winner's supporters were 10% to 15% more likely to buy a car, according to a 2018 study.

In the U.S., when a voter's party matches the president's, they are more likely to buy or sell a house, according to a working paper released in October by researchers at Texas Tech University and the University of North Carolina at Charlotte.

About 18% of Republicans said shortly after last month's election that the result made them more likely to buy a house, versus 12% of Democrats, according to a survey from Realtor.com. (News Corp, parent of The Wall Street Journal, operates Realtor.com.)

Some 56% of Republicans said days after the election that they expected to be better off financially in one year, up from 27% in late October, according to Economist/YouGov surveys. Democrats' expectations swung in the opposite direction.

Not all economists are convinced the election has a pronounced effect on actual spending. Other factors such as interest rates and the state of the labor market matter a lot, researchers say.

"Our research suggests it is more tangible measures of household financial conditions—for example, employment outcomes—that are really what's steering the ship in terms of spending growth," said Kayla Bruun, the lead economist at Morning Consult.

Second thoughts

Knowing the potential influence of politics on our mood should prompt people considering a big purchase to examine why they think it is a good time to buy, said Christos Makridis, a research associate professor at Arizona State University.

"You don't want to just get on the bandwagon," Makridis said. "If you do think it is a good economy or that it's getting better, why do you think that?"

People's perceptions can vary depending on where they get their information.

Almost half of Americans who mainly watch cable news and read national newspapers said in October that they saw the cost of gas or groceries drop in the previous three months, according to a poll from Ipsos. Roughly one-tenth of those who got their news from conservative media outlets said the same.

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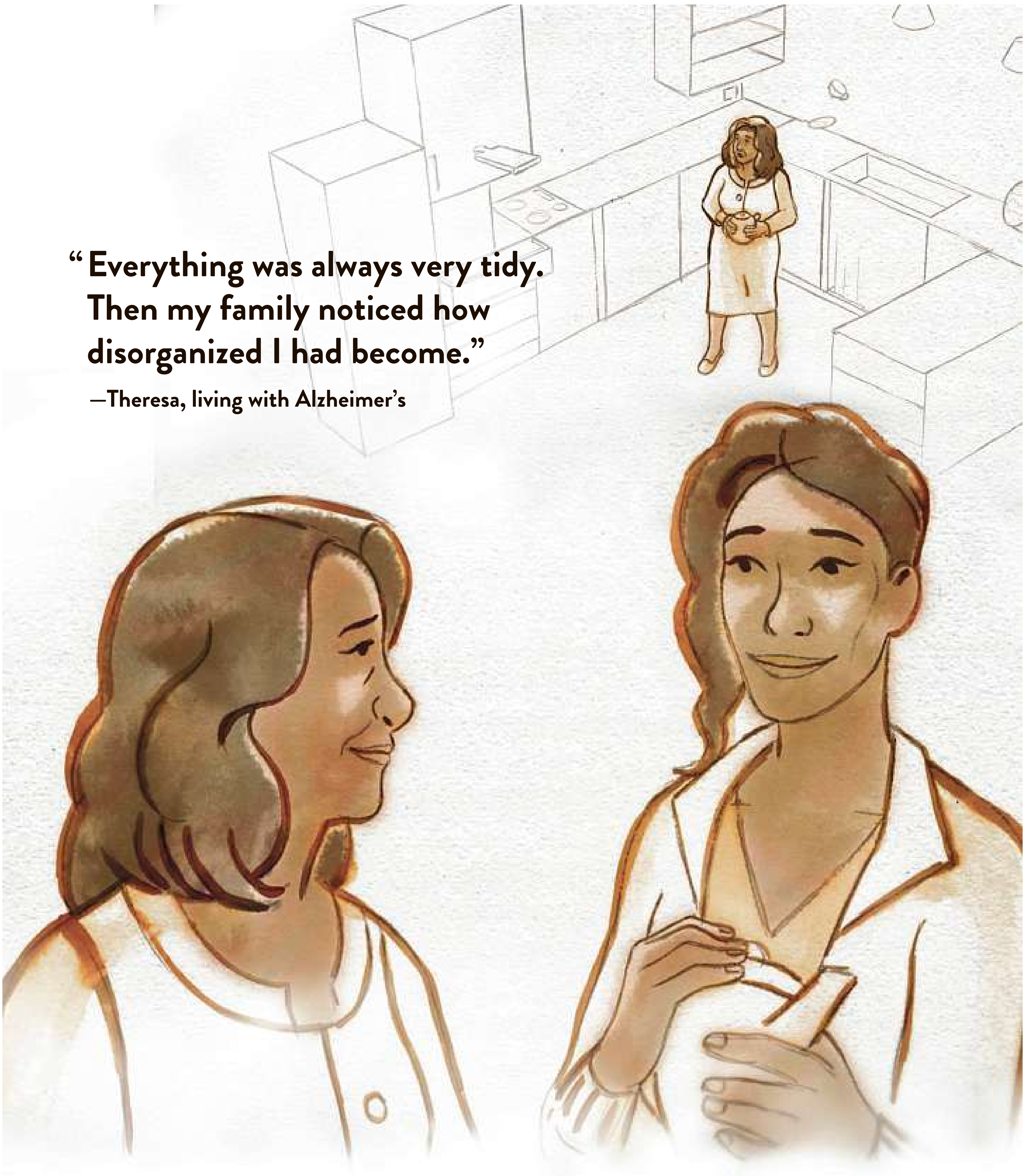
"Everything was always very tidy. Then my family noticed how disorganized I had become."
—Theresa, living with Alzheimer's

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ARTS IN REVIEW

MUSIC REVIEW

An Elegiac Rock Album

Released 50 years ago, 'So What' expressed Joe Walsh's profound grief

By Marc Myers

Before joining the Eagles in 1975 and toting a chainsaw on tour, guitarist Joe Walsh had two promising careers. Starting in 1968, he was the linchpin in the James Gang, which released three formidable country-rock studio albums while he was a member. By 1972, he left to form Barnstorm. His band's first album came out later the same year and reached only No. 79 on the Billboard LP chart. The second release, in 1973, dropped the Barnstorm name and hit No. 6. Ambitious and hard-charging, Mr. Walsh felt the next record had to sound bigger and more textured than the last one.

When "So What" was released 50 years ago this month, the country-rock album was everything he'd hoped for and more. It reached No. 11 and was a critical and commercial success, selling a half-million copies by January 1975. Mr. Walsh also won praise from hard-rock guitarists Jimmy Page, Pete Townshend and Eric Clapton, who said: "He's one of the best guitarists to surface in some time. I don't listen to many records, but I listen to his."

Mr. Walsh was a force from the start. During his stretch as lead vocalist and guitarist with the James Gang, the band opened concerts for the Yardbirds in 1968, Led Zeppelin in 1969 and the Who in 1970. Dozens of artists have since been influenced by Mr. Walsh's churning, soulful style and steely attack, including Dan Fogelberg, Vince Gill, Maroon 5 and the Fabulous Thunderbirds.

Constantly experimenting with his sound, Mr. Walsh was considered a gear guru by peers and changed hard-rock history multiple times. In 1969, he insisted Led Zeppelin's Mr. Page switch to a Gibson Les Paul Standard and sold him his 1959 model. It would become Mr. Page's primary guitar, producing his most identifiable biting sound. In 1970, Mr. Walsh gave the Who's Mr. Townshend an orange Gretsch 6120 guitar and a Fender Bandmaster amp. Mr. Townshend used the pair on the Who's masterpieces "Who's Next" (1971) and "Quadrophenia" (1973) for a new, feedback-heavy tone.

> The guitarist cut the record shortly before he joined the Eagles.

Mr. Walsh held himself to the same high standards as Messrs. Page and Townshend. Several months before "So What" was released, he told Rolling Stone magazine that he wanted the LP "to be the difference between 'Revolver' and 'Sgt. Pepper,'" referring to the artistic leap between those two Beatles albums. Many of the songs he wrote for the record were shaded by a family tragedy. On April 1, 1974, Mr. Walsh's wife was driving Emma, their 2-year-old daughter, to nursery school in their hometown of Boulder, Colo., when the vehicle was hit by a car that ran a stop sign. Rushed to the hospital, Emma was taken off life-support later that day, and the couple separated within a year.

When Mr. Walsh returned to the studio after Emma's death, songs such as "Falling Down," "Help Me Thru the Night," his synth-infused cover of Ravel's "Pavane of the Sleeping Beauty," and "Song for Emma" were wrenching efforts to express his grief.

"So What" opens strong with Mr. Walsh's "Welcome to the Club," a march-time rocker replete with his wide-bodied guitar chords and his jaunty, flinty vocal. His use of a Mellotron provides a steady drone as a backdrop to lyrics about coping with loneliness.

Mr. Walsh and Don Henley of the Eagles co-wrote "Falling Down." Earlier in the year, Mr. Walsh had urged his producer, Bill Szymczyk, to produce the Eagles, which led to the cross-pollination between the group and Mr. Walsh on this album. The midtempo ballad features Mr. Walsh on guitars and synthesizer, with background vocal harmony by Mr. Henley and session artists Jody Boyer and Bryan Garofalo. Others affiliated with the Eagles on the album include J.D. Souther, Glenn Frey and Randy Meisner.

On "Pavanne," we hear Mr. Walsh at the height of his sensitivity as he plays the two-minute classical piece on Moog and ARP synthesizers. An abrupt return to hard rock follows with "Time Out." Mr. Walsh plays guitar, bass and synthesizer as Mr. Henley joins on background harmony along with Mr. Souther.

"All Night Laundry Mat Blues" is a minute-long novelty interlude followed by "Turn to Stone," written by Mr. Walsh for Barnstorm in 1972. It features him on a guitar and church organ. Background harmony vocals are by Messrs. Frey, Henley and Meisner. The smoothed-out twang of the Eagles is most pronounced on Mr. Walsh's stricken "Help Me Thru the Night."

On "County Fair," an album high point for its blue mood, textured instrumentals and lyrics, Mr. Walsh uses a child's jigsaw puzzle with missing pieces as a metaphor to mourn the loss of his daughter: "It's a county fair picture / Part of me's there / Some of the pieces are still at the fair / And it may be forever."

The album closes with "Song for Emma," a pained strings-and-choir sigh on par with the Beatles' "The Long and Winding Road": "You were with us for a while and He took you / And He made your mama cry / I can see it in her eyes, there's a question as to why."

In 1975, Bernie Leadon left the Eagles and was replaced by Mr. Walsh, who today is playing with the band during their residency at the Sphere in Las Vegas. As for "So What," the LP would become Mr. Walsh's most personal solo effort and should be heard as a rock eulogy to a daughter he barely knew.

Mr. Myers is the author of "Rock Concert: An Oral History" and "Anatomy of 55 More Songs" (Grove Press).

RICHARD CREAMER/MICHAEL OCHS ARCHIVES/GETTY IMAGES

▲ **Joe Walsh performing circa 1976; his 1974 solo album came in the wake of his daughter's death.**

ARTS CALENDAR

HAPPENINGS FOR THE WEEK OF DECEMBER 17

By WSJ Arts in Review Staff

Film

"Sonic the Hedgehog 3"
(Dec. 20)

The Sega character returns for another installment of this speedy series, teaming up with Tails, Knuckles and former enemy Dr. Robotnik to save the world from the devious Shadow the Hedgehog. Ben Schwartz is back to voice the lead role, and the rest of the cast (both live-action and voiceover) includes Idris Elba, Keanu Reeves, Jim Carrey and Krysten Ritter.

"Mufasa: The Lion King"
(Dec. 20)

It's hard to crown the king—of the jungle or otherwise—among the voice actors in this combination prequel/sequel: Donald Glover, Seth Rogen, Billy Eichner, Beyoncé Knowles-Carter and Mads Mikkelsen contribute their talents to a story that weaves together the tales of Mufasa's upbringing and the adventures of Kiara, the cub of Simba and Nala. Barry Jenkins ("Moonlight") directs.

A24/ASSOCIATED PRESS

▲ **Adrien Brody and Felicity Jones in 'The Brutalist.'**

"The Brutalist" *(Dec. 20)*

Adrien Brody stars as a brilliant architect and Holocaust survivor who flees postwar Europe and settles in America, feeling adrift until a wealthy benefactor (Guy Pearce) recognizes his talent. Our critic said that this "often-staggering movie casts an unsentimental look at the price of greatness."

TV

"The Secret Lives of Animals" *(Apple TV+, Dec. 18)*

This BBC-produced nature doc brings viewers behind the bushes to learn more about critters' habits, with Hugh Bonneville as their guide.

"Beast Games"
(Prime Video, Dec. 19)

Hit YouTuber Mr. Beast puts 1,000 contestants to the tests—both physical and mental—as they compete for $5 million.

"The Six Triple Eight"
(Netflix, Dec. 20)

Tyler Perry's first war drama stars Kerry Washington, recounting the true story of the only predominantly black female Army battalion to serve abroad in World War II.

Theater

"Eureka Day"
(Samuel J. Friedman Theatre, New York, through Jan. 19, 2025)

Jonathan Spector's comedy moves to Broadway after a well-received London run. Amber Gray, Jessica Hecht, Bill Irwin, Thomas Middleditch and Chelsea Yakura-Kurtz play the board of directors of a private elementary school who are confronted with a difficult choice about vaccine policy in the wake of a mumps outbreak.

"Gypsy" *(Majestic Theatre, New York, opens Dec. 19)*

Audra McDonald steps into the spotlight as Rose, the role originated by Ethel Merman, in the new Broadway production of the Jule Styne–Stephen Sondheim–Arthur Laurents musical. George C. Wolfe directs a cast that also features Danny Burstein, Joy Woods, Jordan Tyson and Kevin Csolak.

Art

The Rothko Chapel Reopens
(Houston, Dec. 17)

After closing in July due to Hurricane Beryl and the damage the storm caused, this temple to creativity—a meditative, interfaith oasis in southeast Texas, built in 1971 and filled with Mark Rothko's work—reopens to the public following repairs.

"Robert Frank: Mary's Book" *(MFA Boston, Dec. 21-June 22, 2025)*

Marking the centennial of the photographer, this show focuses on the scrapbook he made for Mary Lockspeiser, who would become his first wife. Created at a pivotal point in his career—1949, as he was pushing at the edges of photography while not yet a full-blown artist—the 74 pictures and accompanying inscriptions offer a snapshot of a creative mind at work and in love.

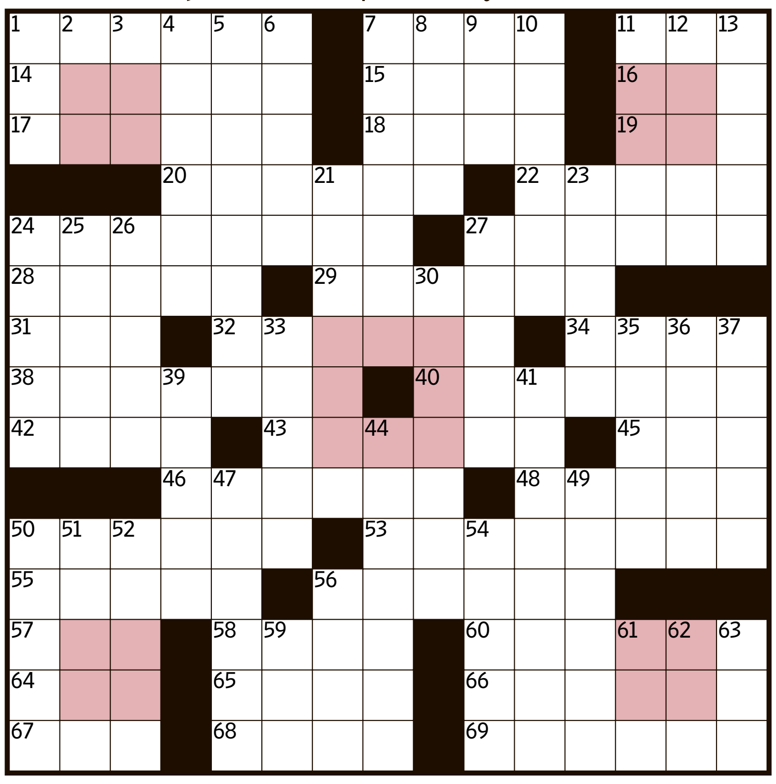
Last Call

"Die Frau Ohne Schatten"
(The Metropolitan Opera, New York, through Dec. 19)

Richard Strauss's epic, about love, magic, humanity and a race against the clock, is conducted by Yannick Nézet-Séguin and features Elza van den Heever as the Empress, Lise Lindstrom as the Dyer's Wife, Nina Stemme as the Nurse, Michael Volle as Barak, Russell Thomas as the Emperor and Ryan Speedo Green as the Spirit Messenger.

For additional Arts Calendar listings visit wsj.com. Write to brian.kelly@wsj.com.

The WSJ Daily Crossword | Edited by Mike Shenk



CHILD'S PLAY | By Geoff Brown

Across

1 Criticizes savagely
7 Opera piece
11 Back on board
14 Smells, in Saskatoon
15 Not busy
16 Crème de cassis cocktail
17 Very nearly
18 Move to thrash metal, perhaps
19 One of the Greek vowels
20 Attach with a click
22 Archaeology find
24 On the sly
27 Bottled water brand from Coca-Cola
28 Sports car from Mazda
29 ___ Belt (Alnitak, Alnilam and Mintaka)
31 French friend
32 Wrapping, as an ankle
34 They're not Reps. or Dems.
38 Affectedly refined
40 Surfing spill
42 ___ noche (tonight, in Toledo)
43 Snicker sound
45 Ovine utterance
46 Tree in a tray
48 Looping in, in email
50 Title character in a series of Beverly Cleary books
53 Miserly curmudgeons
55 Powder on a manicure strip
56 "You saved me!"
57 Sloan degree
58 Magneto's opponents
60 Soldiers' temporary lodgings
64 Under the weather
65 Architect Saarinen
66 It's a polar map of the world wreathed by olive branches
67 Strikes out
68 Slow cooker dish
69 Kid's container, and a clue to this puzzle's theme

Down

1 Feathery accessory
2 So-called "bad cholesterol"
3 "You've got mail" co.
4 Primes, in relation to integers, e.g.
5 Shorten
6 Low-temperature red giant, in astronomy classification
7 Anastasia's love, in 1997's "Anastasia"
8 Wheat noodles, in Japanese cuisine
9 Overhead trains
10 Capital served by Imam Khomeini International Airport
11 Cub Scout pack leader
12 Belong
13 Bingham of "Baywatch"
21 Races
23 Popular nail polish brand
24 Mirror reflection
25 City of southern France
26 John, George or Paul, e.g.
27 Stray on the range
30 Start of some old chapter titles
33 Insurer owned by CVS Health
35 "Bro, don't worry 'bout it"
36 Guitar legend Eddy
37 Bucks
39 Fifer's small drum
41 Italian cheese made from sheep's milk
44 "Whoa there, fella!"
47 Cameo stones
49 In a nonchalant manner
50 Club hit, perhaps
51 Leisurely stroll
52 Dining hall offerings
54 Prove false
56 Nothing more than
59 Citi Field player
61 High hit, in tennis
62 It can be stroked
63 ___ screen (medical examiner's request)

Previous Puzzle's Solution

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

▶ Solve this puzzle online and discuss it at WSJ.com/Puzzles.

SPORTS

By Andrew Beaton

The NFL's Ultimate Wrecking Ball: Can Anyone Stop Josh Allen?

The Buffalo Bills quarterback continued his torrid play in a Week 15 where the Buccaneers pulled off another upset and most of the playoff picture came into focus

Late in the second quarter of Sunday's marquee showdown between the Buffalo Bills and the Detroit Lions, quarterback Josh Allen faked a pitch before rolling out to his right and outrunning a defender. Then the Bills star patiently settled in near the sideline—and it was anyone's guess what he might do next.

He could have dumped the ball to his tight end streaking across the field. He could've used his uncanny size and speed to run the ball himself. Instead, Allen chose a different option.

He motioned to a teammate downfield and uncorked a missile to receiver Keon Coleman for a 64-yard gain.

It was part of another monstrous day for the MVP favorite, who led Buffalo to a 48-42 victory in a game that might just be a preview of this season's Super Bowl. Allen threw for 362 yards and two touchdowns while adding 68 yards and two more scores on the ground.

That came just a week after he became the first player in modern NFL history to throw three passing scores and rush for three touchdowns in a game.

At this point, Allen looks like one of those high-school football stars who can beat entire defenses all by himself. The difference is that Allen is doing it at the highest level of the game.

Allen's exploits against the Lions, who entered the day as the favorites to win the Lombardi Trophy, offered a clear illustration of what has turned him into a force unlike any other in the league right now. And it's not simply that he's one of those quarterbacks who can break defenses with both his arm and his legs. More than that, the 28-year-old's game has evolved in a way that has minimized the mistakes that plagued him earlier in his career—without sacrificing that signature big plays that devastate opponents.

"It's the best I've seen him play," Buffalo coach Sean McDermott said. "We're watching an incredible player play incredibly consistent."

In some respects, Allen barely resembles the strong-armed gunslinger he was when he first entered the league. This season, his average pass has traveled 8.1 yards past the line of scrimmage, a far cry from the rookie who averaged 11 air yards per attempt. Allen has never been below 8.6 air yards on average in any other season of his career.

It's an evolution that makes sense considering how modern defenses increasingly guard against explosive plays and instead coax quarterbacks into methodically grinding their way toward the end zone.

Other passers have struggled to make that transition. Allen has weaponized it.

This season, Allen is getting rid of the ball in just 2.84 seconds on average—the fastest release time of his career. That has helped him avoid getting sacked a single time in four consecutive games now and his overall sack rate this season is a career low. At the same time, his five interceptions mean he's throwing picks on just 1.2% of his passes. That's also the best rate of his career.

But eliminating bad plays hasn't come at the cost of creating big ones. Allen still runs past, and sometimes over, opposing defenders. And often, he uses the threat of his scrambling to create his most spectacular gains.

Entering Sunday, Allen had attempted the third-most passes in the league while scrambling, and he doesn't typically use those on checkdowns. Instead, those passes usually go deep down the field. On average, his throws from scrambles have gone 18.7 yards past the line of scrimmage, the farthest among quarterbacks with at least 15 throws after scrambling, according to the NFL.

Against the Lions, when Allen moved around so much that he actually held onto the ball longer than he had all season, he was particularly unstoppable in those situations. The bomb he sent to Coleman accounted for just a small chunk of the 171 passing yards he accumulated on throws outside the pocket—the most by any quarterback in a game in three years.

It's that type of ability that explains why the Lions no longer have the shortest Super Bowl odds. That's because Allen and the Bills have taken over as the favorites to win their first Lombardi Trophy.

Josh Allen, above, threw for two touchdowns and ran for two scores. Baker Mayfield, left, led the Bucs to a win.

NIC ANTAYA/GETTY IMAGES; GARY A. VASQUEZ/REUTERS

The Data: The Playoff Picture Crystalizes

There are still three weeks left in the regular season, but this year's playoff race has already come into clear focus. Seven teams (Chiefs, Bills, Steelers, Texans, Lions, Eagles and Vikings) have clinched postseason berths, and two others (Ravens and Packers) have virtually done so, with a greater than 99% chance of making it.

That leaves five other playoff spots up for grabs—but even those don't come with a lot of mystery. The Broncos (91%) and Chargers (87%) are strong favorites to round out the AFC field with the Colts (10%), Dolphins (7%) and Bengals (5%) clinging only to the faintest of hopes. In the NFC, the Buccaneers (87%) are in a strong position to win the South while the Commanders (83%) are leading the way for the final wild-card spot.

The real exception is the NFC West, which remains wide open. The Seahawks' loss to Green Bay on Sunday night, when quarterback Geno Smith left with a knee injury, means they're now tied with the Rams atop the division. The defeat dropped their chances to 34%, with Los Angeles now favored to get in at 55%.

The Decision: Mahomes Suffers Another Ankle Injury

The one sight Kansas City Chiefs fans can't bear to see appeared on Sunday: quarterback Patrick Mahomes limping off the field with an ankle injury. His backup, Carson Wentz, ultimately finished off the win over the Browns.

Mahomes has shown a capacity to grit through injuries in the past, including one to his ankle two years ago in the playoffs. But even if he's capable of suiting up as soon as next week, the Chiefs will have to weigh his recovery against clinching the top seed in the AFC.

With a 13-1 record, the Chiefs are two games ahead of Buffalo for the top spot—and the critical opening-round bye that comes with that. But they can't afford to slip up too much. Their one loss came to the Bills, giving Buffalo the tiebreaker if the two teams finish with the same record.

The Debate: Can the NFL's Giant Slayers Make a Run?

For most of this season, the Buccaneers haven't looked like Super Bowl contenders. Just a month ago, they had a 4-6 record.

Since then, though, they have rattled off four consecutive wins, capped by Sunday's 40-17 rout of the Chargers. That marked yet another signature victory for Tampa Bay, which earlier this season beat both the Eagles and the Lions—the two teams tied atop the NFC, which have lost a grand total of four games combined.

At this point, the Bucs are far from guaranteed to make the playoffs. But if they do, even the NFL's top teams won't be excited to play them. In fact, they're starting to look like a dark-horse Super Bowl contender.

JASON GAY

Is This the Wobbliest 13-1 Team on Earth? The Chiefs Keep Rolling

Each week delivers a fresh and perhaps unnecessary freakout for the Kansas City Chiefs.

The latest crack-up concerns K.C.'s intergalactic quarterback Patrick Mahomes, limping off the field during Sunday's romp over Cleveland—the sort of visual that sends Chiefs fans straight to the edge, or the bourbon, whatever is closest.

Reportedly, the news is good: Mahomes's banged-up ankle isn't broken. But it's sore and in need of rehab, according to head coach Andy Reid, and with the playoffs less than a month away, the three-time Super Bowl MVP is considered day-to-day, week-to-week, something-to-something.

"We'll just have to see how he does," said Reid. Adjust your three-peat predictions and fantasy lineups accordingly.

The Great Mahomes Ankle Panic is an annual Chiefs staple, even during ring-winning runs, to the point it's made a mild celebrity out of the expert tasked with its recovery, Chiefs trainer Julie Frymyer, aka Mahomes's Ankle Whisperer. There's a certain inevitability to the crisis: Mahomes is very mobile, and stuff happens to mobile quarterbacks. Caveat emptor—and always look for Travis Kelce on third down.

What's different about this latest anklepalooza is that it's happening amid perhaps the strangest season of the Mahomes era—and yes, I'm counting last year, when the cranky Chiefs sputtered often and half of America was distracted by you-know-who sitting in an Arrowhead skybox.

At the moment, Kansas City is 13-1, confirmed division winners with the best record in the league, reasons enough for a parade in nearly every other NFL town. But it feels like an unpersuasive 13-1. Sunday's win against Cleveland notwithstanding, Kansas City has won close and won late. They have a record of 10-0 in one-score games. If you think that mark has required a double scoop of luck, you're quite right.

To wit: The Chiefs won a game over the Chargers last week when their backup kicker saw a last-second field goal attempt *doiiiiinnnnk* off the upright and curl in for the victory. A week prior, Kansas City seemed doomed to lose to the Raiders when the Las Vegas quarterback bumbled a late snap and fumbled the ball and game. K.C. also won in Denver when they managed to block what seemed like an easy Broncos field goal.

It's made this Chiefs season resemble the opening credits of the classic cartoon Mr. Magoo—the merry, nearsighted protagonist unwittingly driving his mud-soaked car over train tracks, farmland, construction and a roller coaster, somehow avoiding calamity. (All that's missing is the walrus-mustached Reid barking: ROAD HOG!)

Yes, I just made a Mr. Magoo reference in 2024. We can't all be TikTok savants, folks.

With all these close escapes, there's been a skittishness about declaring Kansas City championship material. Each week, it seems, there's a national huddle about their dubiousness: *Are these Chiefs the worst 9-0 team ever, Are these Chiefs the shakiest 11-1 team ever, Are these Chiefs the rottenest worstest horriblest 12-1 team ever*, and so on. Each week, the league girds for an opponent to deliver a comeuppance, and outside of a November loss to trendy Super Bowl pick Buffalo, it hasn't happened.

Still, skeptics are easy to find. Statistically, these Chiefs—racked early by injuries at playmaking positions—have been inferior to their dynastic best. Despite owning the NFL's best record, Kansas City is barely in the league's top half in scoring, passing, and total yardage (rushing is quite a bit worse.)

Defensively, they're steadier, though they have proven vulnerable to a well-orchestrated passing attack.

As always, Mahomes remains the best in the sport in late-game situations—I'm not telling you anything you don't know already when I say there's nobody you would rather have under center with the final seconds ticking off the clock. But his numbers are down, too—Mahomes's passer rating (92) hovers just above struggling lobbers like Aaron Rodgers and Kirk Cousins.

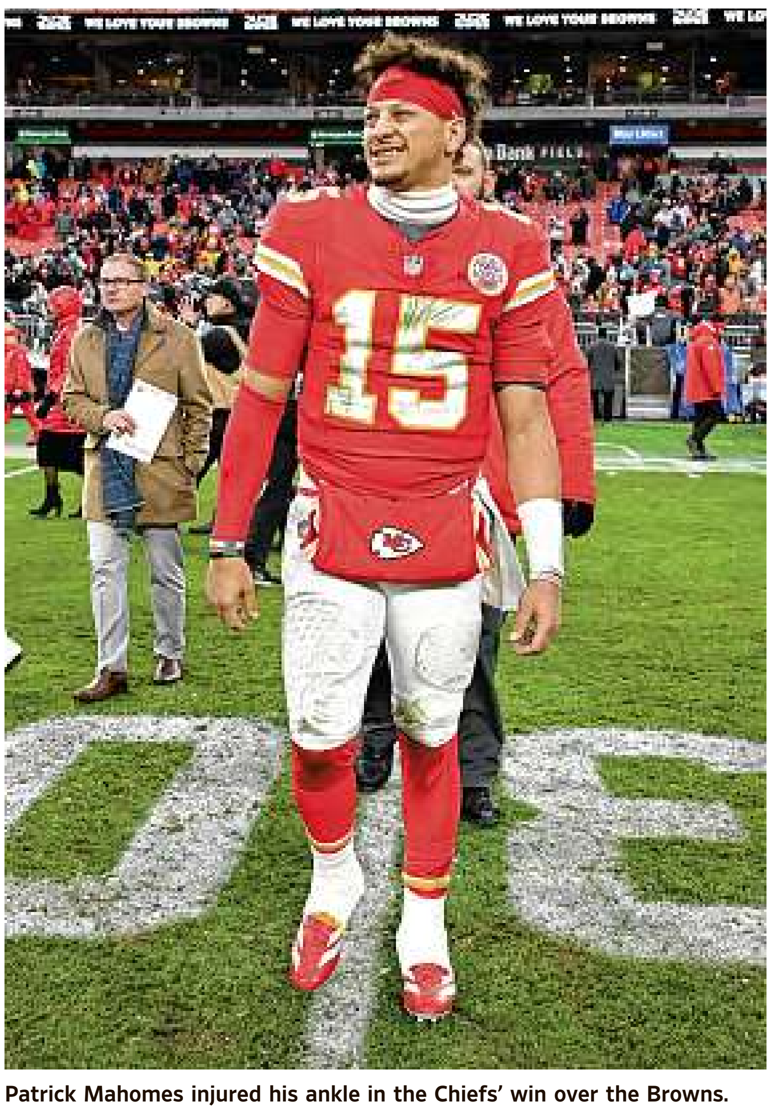
For Chiefs fans—and Chiefs opponents—there's a hope-slash-fear that this may simply be a case of an old grizzly playing possum. Last season, of course, the Chiefs stumbled into the playoffs, losing four of their last eight, and had to win tough road games in Buffalo and Baltimore to reach the Super Bowl, where they conquered San Francisco in overtime.

Respect is due. Anyone who has witnessed the Reid-Mahomes era—and the ability of aging pals like Kelce to rev the engine when it matters most—cannot dismiss their method. Outside of Mahomes, the Chiefs are getting healthier, and their experience shows during playoff time.

They find a way. You detect the institutional confidence postgame after that loss to the Bills, Mahomes embracing rival Josh Allen and whispering *"Let's do it again, baby."* Buffalo's definitely riding high, but do they *really* want a return waltz with Kansas City in late January?

The hurdle is the quarterback's ankle, which will now be the most vigorously-watched and speculated-upon joint since your bad cannabis joke here. The Ankle Whisperer will do her thing, orthopedics who've never seen an MRI from Missouri will diagnose from afar, and Mahomes will tell everyone he intends to play, because that's what Mahomes winds up doing.

Does that sound like a freakout to you? It sounds almost...normal. They may be a strange 13-1, but they're still the Kansas City Chiefs.



Patrick Mahomes injured his ankle in the Chiefs' win over the Browns.

NICK CAMMETT/GETTY IMAGES

OPINION

Daniel Penny, Round Two

MAIN STREET
By William McGurn

Scarcely a week ago, Daniel Penny was facing the very real possibility of prison time. But last Monday, jurors in Manhattan cleared him of criminal responsibility for the 2023 death of Jordan Neely on a New York subway car. By Saturday Mr. Penny was in a whole new world. Thanks to an invitation from Vice President-elect JD Vance, a fellow Marine, Mr. Penny watched the annual Army-Navy game alongside Donald Trump in a luxury box at Northwest Stadium in Landover, Md.

Though he no longer faces the threat of prison, the Marine vet now faces a civil suit.

But Mr. Penny isn't entirely out of the woods. Though the threat of prison time no longer hangs over his head, he's still a long way from justice.

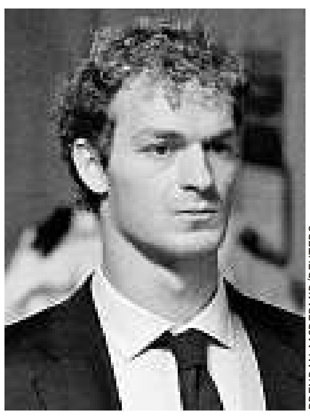
That's because while the jury was deliberating his fate in the criminal case, Neely's father, Andre Zachery, filed a civil suit against Mr. Penny. The suit alleges his son's death "was caused by the reason of negligence, carelessness and recklessness" of Mr. Penny. The filing doesn't request a specific dollar amount in damages, but it does say Mr. Zachery is demanding a sum that "a jury may find reasonable, fair, and just."

Like so much else in this case, it is a cynical move. A New York magazine profile of Neely pointed out that, while his mother was brutally murdered when he was 14, his father wasn't much of a presence in his life when he was homeless, hurting and in and out of shelters. The article quotes a friend of Neely's as saying, "His father should have taken better care of him."

Alas, there's no real downside for filing a lawsuit, and the upside can be a very big payout. The family of Eric Garner, a Staten Island man who died 10 years ago when a New York police officer applied an illegal chokehold, settled with the city for $5.9 million. More notoriously, a jury returned a $33.5 million judgment against O.J. Simpson in the 1994 stabbing death of his ex-wife, Nicole Brown Simpson, and her friend Ron Goldman.

Mr. Penny doesn't have that kind of money. He does have $3.4 million in a crowdfunded GiveSendGo legal defense fund, but it isn't clear how much he owes his lawyers for his criminal trial. A civil judgment could ruin him.

Some argue that Mr. Zachery doesn't have a good case—and it will be tossed. That's exactly what famed litigator and former Harvard law professor Alan Dershowitz predicts will happen. During an appearance on "The Glenn Beck Program," he summed up Mr. Penny's chances this way:



BRENDAN MCDERMID/REUTERS

Daniel Penny

"There's a civil lawsuit against him. But he'll win that civil lawsuit. It will probably never get past the motion to dismiss because the person bringing it was a father who had nothing to do with the son. He had no relationship with the son. He became the father after the killing in order to gain publicity from it."

Mr. Dershowitz added: "It's not like the O.J. case, where clearly there was a strong civil case after he was acquitted, and they won the civil case, although they never collected any money." He should know: He was one of Simpson's legal advisers and later wrote a book about the case.

Others aren't as confident. One reason is that the standard of proof is lower in a civil trial than in a criminal proceeding. And although Mr. Penny's acquittal on the criminal charges certainly matters, it is no guarantee of victory in a civil case. The police officer in the Garner case was fired but never criminally charged, and the city still had to settle the suit. And O.J. Simpson was infamously found not guilty of murder in his criminal trial.

But for right now, lawsuits are in the air. On Fox News one of Mr. Penny's lawyers, Steven Raiser, floated the possibility of a malicious prosecution lawsuit against Manhattan District Attorney Alvin Bragg.

Certainly Mr. Bragg's record is appalling, and he never should have brought this case in the first place. But a malicious prosecution is very hard to prove, if only because prosecutors have vast discretion—and Mr. Bragg can point out that he had the backing of the grand jury. The city, moreover, would fund Mr. Bragg's defense so the suit would cost him nothing personally.

Meanwhile, there's Mr. Penny. In his only post-trial interview, with Jeanine Pirro on Fox Nation, this shy Marine made clear that he doesn't want the limelight, doesn't even want praise. If there's any justice, a judge would toss this dreadful lawsuit and let Mr. Penny go back to his life as an architecture student.

So far New York City's legal system has proved it can work to protect Alvin Bragg from his bad decisions, it can try to hold someone accountable for the death of Jordan Neely, and it can even offer a financial opening for Andre Zachery. Isn't it time for justice to work for Daniel Penny?

Write to mcgurn@wsj.com

Assad's Fall Is a Chance to Back the Kurds

By Thomas S. Kaplan And Bernard-Henri Lévy

We created Justice for Kurds in 2018, after Turkey's attack on the Syrian region of Afrin, to defend and pay tribute to one of the West's most loyal friends. The Kurds are among the few peoples in the region with whom America shares not only common interests but common values—and even fewer that can be counted on to be valorous when times are toughest. With the collapse of the Assad regime in Syria, it's time for America to show up for them.

Reinstating vigorous American support to the Kurds of Syria and Iraq wouldn't require more American boots on the ground. Given the right assistance, the Kurds already know how to fight—and win. They served as the tip of the spear in our common fight against ISIS—a brutal struggle that cost the Kurds more than 11,000 dead and 34,000 wounded, while fewer than a dozen American servicemen were killed. This noble and ancient people was then abandoned. Regime change in Damascus has created a rare opportunity to honor our debt and make good on the moral obligation to secure the Syrian Kurds' future.

Doing so would also strengthen U.S. interests in the region. A bipartisan consensus behind a coordinated and energetic support of the

They are among the few allies who share American values, and they know how to win.

much-admired Kurds would present the U.S. with a low-cost, high-impact policy option to show that America is back as the world's most reliable partner. The moment is ripe to contrast the West's fidelity, confidence and power with the current standing of the brotherhood of autocrats. The fall of Bashar al-Assad has crushed the reputations of both Russia and Iran, and dented even China's, with strategic ramifications extending well beyond the Middle East.

Such a forceful assertion of American leadership, at minimal expense, would pay significant dividends in hard as well as soft power. Beyond humanitarian aid, robust political and security relationships with our Kurdish comrades would directly serve key pillars of U.S. regional policy.

These include stabilizing post-Assad Syria, now dominated by a rebranded al Qaeda spinoff backed by Turkey and Qatar; upholding the vital imperative of degrading ISIS before it can regroup and guaranteeing that more than 10,000 hard-core ISIS operatives under Kurdish detention aren't allowed to break free or simply be released; keeping in check Turkish hegemonic pretensions, attacks, and bloodthirsty proclamations toward the Kurds; and further impairing the crumpled heap of Tehran's self-proclaimed "axis of resistance," which has formed the most divisive barrier to Arab-Israeli peace.

The Kurds are much more than a mere rampart against barbarism or a valiant partner in the promotion of Western interests. As a people and a cause, they represent an idea—a promise. They are proud heirs to longstanding humanistic values, democratic norms and religious enlightenment. Under incredibly difficult circumstances, they have managed to establish and nurture free, open, and tolerant societies.

Syrian and Iraqi Kurds constitute an essential force for peace and stability in the region, one that is committed to the protection of all minorities, including Christians, Druzes and Yazidis. They ought to play a central role in the future of Syria, and the U.S. should use all its might to ensure that they do.

Mr. Kaplan is chairman and CEO of The Electrum Group LLC. Mr. Lévy is author, most recently, of "Israel Alone." They are founders and board members of Justice for Kurds, a New York-based nonprofit.

Walter Russell Mead is away.

In Praise of Christopher Wray

By William Webster

I recently attended the annual G-Man dinner, an event hosted by the FBI Agents Association. It was a moving evening that recognized the service and sacrifice of FBI employees. Funds raised will provide financial assistance to FBI families dealing with unforeseen emergencies and education support to the children of deceased FBI agents. The evening affirmed what I learned when I became FBI director almost 50 years ago: The bureau is made up of people with fidelity, bravery, integrity—and heart.

Director Christopher Wray spoke proudly about today's FBI. The organization remains as I knew it: one of supremely dedicated men and women whose life mission is to protect Americans and our Constitution.

I learned that vital partnerships with state and local law enforcement have increased and strengthened under Mr. Wray's leadership. The FBI now leads 700 different task forces comprised of over 9,500 law enforcement officers. Private-sector partnerships, key to protecting U.S. innovation and critical infrastructure, have increased significantly. These police and company partnerships demonstrate that Americans still believe in the FBI and its work.

Likewise, citizens both continue to call the FBI for help and to help the bureau themselves by offering tips. The FBI's National Threat Operations Center in the last four years received on average over 1.5 million calls annually, showing how much Americans trust and value our country's pre-eminent law enforcement agency.

While other law enforcement have recently experienced recruiting struggles, applications to the FBI have soared under Mr. Wray. New recruits' caliber and character remain extremely high. Mr. Wray hasn't missed one agent graduation during his tenure and has handed badges to more than 5,600 FBI special agents. That's 40% of the current agent workforce. This is evidence that Americans want to join and remain in an FBI led by a respected leader.

As director, Mr. Wray has traveled to 30 of the FBI's legal attaché offices across the globe and visited every one of the FBI's 55 field offices twice, many thrice. He knows the importance of presence and fostering key relationships. Mr. Wray reports to elected leaders, repeatedly warning domestic and global leaders about looming threats from terrorists, cybercriminals and foreign adversaries.

From day one at Quantico, new agents are rigorously trained on the importance of producing solid facts and evidence. Throughout his tenure, Mr. Wray has repeatedly reminded agents that the FBI must remain resolute in following the facts, wherever they lead, and operate above politics.

The next leaders of the FBI would be well advised to do the same. If they don't, public trust in the FBI will erode.

He earned the respect of FBI agents and their families.

Mr. Wray's FBI has investigated and charged Republicans, Democrats and independents alike. Juries of people from all political parties have heard case evidence and issued convictions based on solid information produced by the FBI and law enforcement partners.

Sadly, more and more Americans are happy only when the facts suit their way of thinking. That isn't how a successful democratic society operates. The America I've known for a century will self-destruct if people don't respect our precious rule of law and trust the work of law-enforcement organizations.

Despite growing media, societal and political pressures to twist the organization, Mr. Wray and the FBI have done their work with rigor, independence and integrity. In his resignation remarks, Mr. Wray said, "That's what the American people expect of us, and that's what they deserve."

At the G-Man dinner, the room was filled with active and retired FBI agents, corporate and law enforcement partners, and other FBI friends. Mr. Wray took the stage and left it to standing ovations and thunderous applause. Many had tears in their eyes; we knew his days as director were numbered.

While neither my nor any FBI director's tenure is flawless, the G-Man dinner reinforced what I have long believed—that Mr. Wray is a highly respected, widely admired and effective leader. That such a man felt forced to resign purely due to partisan politics is a travesty at a time when our country has never faced more dangerous threats from home and abroad. May future leadership come to recognize and respect the extraordinary fidelity, bravery and integrity of Christopher Wray and the FBI he led with dedication and, most important, heart.

Mr. Webster served as director of the FBI (1978-87) and the Central Intelligence Agency (1987-91). He is a retired partner at Milbank.

BOOKSHELF | By David P. Barash

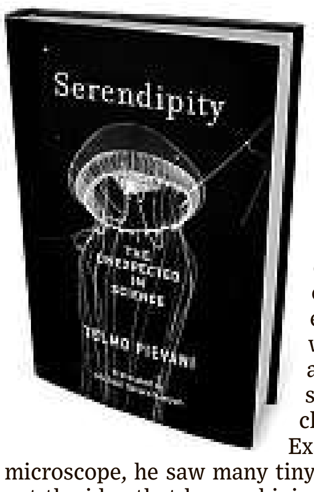
Progress By Accident

Serendipity

By Telmo Pievani
MIT, 216 pages, $27.95

Thomas Edison said that genius is 1% inspiration and 99% perspiration. In "Serendipity: The Unexpected in Science," Telmo Pievani adds a crucial element to the formula. Mr. Pievani, a biology professor at the University of Padua in Italy, gives us a detailed account—sometimes too detailed—of how fortuitous circumstances have often been crucial to important discoveries.

Fully a quarter of "Serendipity" deals with the etymology of the word, tracing its various meanings and its origin in a Persian fairy tale—translated into English as "The Three Princes of Serendip"—before finally landing on some key distinctions. Horace Walpole, who coined the term "serendipity" in a 1754 letter, believed that "the best discoveries are made while one is searching for something else," according to Mr. Pievani. But blind luck, although often important, is not sufficient in itself, as emphasized by Louis Pasteur when he observed that "chance favors the prepared mind."



"Serendipity" provides a catalog of serendipitous discoveries. In 1941 the Swiss engineer George de Mestral was vacationing in the Alps and noticed that burdock seeds stuck annoyingly to his clothes and to his dog's fur. Examining the culprits under a microscope, he saw many tiny hooks, whereupon de Mestral got the idea that by combining a hooked surface with another outfitted with tiny loops, the resulting materials would stick together without glue but could also be readily separated. Hence the invention of Velcro.

Mr. Pievani offers a useful and informative survey but sometimes layers his material so elaborately as to be off-putting. Early on, for example, we learn that "in 1762, Venetian playwright Carlo Gozzi, the anti-Goldoni who in the same year published the *Turandot*, which would inspire Giacomo Puccini, brought to the theater a fairy tale, *The Deer King*, which in the midst of the rococo revived the novella by Khusrau and Armeno, in particular the theme of the transmigration of souls from human to animal." Huh? Aside from showcasing Mr. Pievani's extensive learning, such digressions mostly demonstrate his need for a ruthless editor.

"Serendipity," translated from the Italian by Michael Gerard Kenyon, is most intriguing when it focuses on people with prepared minds who didn't merely find something they weren't looking for but were in fact searching for something else when they had a breakthrough. "The common thread," Mr. Pievani writes, is "chance and observational sagacity: a mixture of skill, clairvoyance, an incisive and fortunate mind, and the ability to discover connections."

Penicillin and X-rays were discovered by scientists who had originally been looking for something else entirely.

Alexander Fleming's discovery of penicillin fits the bill. In 1928 Fleming, a microbiologist, had been growing *Staphylococcus aureus* in petri dishes. One day, upon returning from vacation, he noticed that one of the cultures had been accidentally contaminated with a *Penicillium* mold, which had mysteriously killed the surrounding bacteria. As a military doctor in World War I, Fleming had seen many soldiers die of bacterial infections, and he surmised that maybe this mold would help cure comparable illness. The rest is medical history.

Mr. Pievani recalls the German physicist Wilhelm Röntgen, who was experimenting with cathode rays in 1895 when, to his surprise, a nearby screen began to glow. He figured that this unexpected effect might be somehow due to those mysterious emanations, which he designated "X-rays." Such a combination of unexpected findings and open-minded curiosity led others to the discovery of things as diverse as pulsars and background radiation from the Big Bang and to the invention of Post-it Notes and corn flakes. And did you know that our understanding of diabetes, and the eventual discovery of insulin, was transformed by "the sweet pee of a dog," when scientists removed the animal's pancreas, seeking to discover its function, and happened to notice that the dog's sugary urine was attracting flies?

Highly successful scientists—especially Nobel laureates during their acceptance speeches—often emphasize the role of serendipity in their discoveries, in part because it helps generate an appearance of modesty. Nonetheless, without a prepared mind à la Pasteur, many key discoveries would have been missed. Mr. Pievani makes clear that "if you do not have predictions and expectations in mind, you will never be able to see that an accidental observation is incongruent and therefore potentially a harbinger of serendipity." The author seeks to encourage what he calls an "ecology of serendipity" that facilitates scientific discovery. He has some suggestions, notably that one should be a "xenophile: love all things strange, all things different, foreign and new, the exceptions, the deviations."

Although science is the book's main focus, there are insights here for nonscientists as well, including anyone who uses the internet. Mr. Pievani points out that in the early days of the web, serendipitous encounters were relatively frequent, indeed unavoidable. Today, however, the deluge of digital information paradoxically hampers new discoveries. "In the dictatorship of an instantaneous, emotional, and overwhelming present," Mr. Pievani writes, "you can always look for something specific with a quick google and find it for sure. Serendipity instead blossoms in the bends and meanders, the dull moments and wanderings."

Mr. Pievani concludes that in today's "digital cosmos," it is harder than ever "to find something one was not looking for given that in every step of the search, the algorithm proposes predictable and obvious connections that are annoyingly based on the previous accumulation of our choices and browsing." We get trapped within our own bubbles of conformity, silos not just of opinion but increasingly of information and hence of imagination. More serendipity offers a way out.

Mr. Barash is an evolutionary biologist and emeritus professor of psychology at the University of Washington. His most recent book is "Oops! The Worst Blunders of All Time, From Pandora's Box to Putin's War."

OPINION

REVIEW & OUTLOOK

A Question for Jerome Powell

Why is the Fed on track to cut interest rates again this week?

The Federal Open Market Committee convenes this week, and all indications are that it will close out the year with a 25-basis-point interest-rate cut. The cut to the target fed funds rate, if it happens, would mark a full one-percentage-point reduction since September. Our question is: Why?

Federal Reserve Chairman Jerome Powell is pursuing this course even as progress has stalled toward the Fed's 2% inflation target. Last week's consumer-price index report for November rose to 0.3% after four straight months of 0.2%. The increase in the price level over 12 months was 2.7%, or 3.3% for the core measure that excludes food and energy. The producer-price index (PPI)—the ghost of consumer-price inflation future—hit a five-month high of 0.4% month-on-month in November.

The refrain from inflation optimists is that an imperfect measure of housing costs is pushing up the CPI number for now, but that this will soon reverse and inflation will resume its decline. As for producer prices, Wall Street discerns good news in that most of this was a rising cost for eggs. After recent inflation-forecasting errors, are the experts confident other price increases will remain subdued?

The Fed rolled out a jumbo 50-basis-point rate reduction in September because officials were worried about a softening labor market. Some signs of that softness remain, but most signals are that the imminent arrival of the second Trump Administration is sparking a revival of economic animal spirits. We don't buy the theory that pro-growth policies are inherently inflationary, but those policies do mean the economy won't need a boost from another rate cut. Why isn't the Fed taking the opportunity to focus on containing inflation?

A common explanation for the Fed's recent easing is technical. Officials are said to worry that as the inflation rate falls back toward the 2% target (well, they assume it will), real interest rates will rise too high if the FOMC doesn't trim the nominal rate. But nothing about financial markets suggests real rates are restrictive.

Quite the opposite. Equities are soaring and bitcoin is above $106,000, near a record high. Household net worth is rising sharply again, to 778% of disposable income in the third quarter from a post-Fed-tightening low of 733% in the first quarter last year. Asset values have surged.

Long bond yields popped after Mr. Powell's September rate cut and they haven't come down. The 10-year Treasury remains 4.4%. The Chicago Fed's indices of financial conditions have registered loose for some time and are getting looser. There's no shortage of money around. What makes Mr. Powell think monetary policies are restrictive?

Perhaps part of Mr. Powell's worry is simply that markets expect a rate cut this week and might react badly if he doesn't deliver. Investors have placed big bets on the prospect of a cut, to judge from the fed funds futures market. But so what? A far bigger blow to Fed credibility would be if he has to raise rates next year because inflation continues to be stubborn.

The last thing Mr. Powell should want is to have to raise rates next year if inflation rebounds. President-elect Trump and many Republicans already suspect (wrongly, we think) that the Fed cut rates by so much before the election to help Kamala Harris. Perhaps Mr. Powell will issue a so-called hawkish rate cut, in which he cuts but then tells the Fed press that's it for a while. But that still means the Fed is cutting rates despite a robust economy and continuing inflation.

Mr. Powell's best defense against Mr. Trump's political assaults is the Fed's credibility as an inflation fighter. Why endanger that now with another rate cut the economy doesn't appear to need before the Fed has whipped inflation for good? If Mr. Powell does cut rates again, one sign to watch is how many dissents there are on the FOMC.

Justin Trudeau Nears the End

His finance minister quits, as the Liberals sink in the polls.

Canada's press is reporting that Justin Trudeau may resign as Prime Minister, and why keep the country in pain any longer? The Liberal government has been on political life support for some time, and our neighbors to the north deserve a new election.

The latest blow to Mr. Trudeau's faltering rule came Monday with the resignation of Finance Minister Chrystia Freeland. She didn't go quietly. She resigned with a tough letter citing differences with the Prime Minister over fiscal policy and preparation for Donald Trump's threat to impose a 25% tariff on Canadian exports to the U.S. The resignation was a political shock in Ottawa, but it's understandable that she wants to leave this Titanic before it sinks.

A 25% U.S. tariff would do great harm to Canada's economy, as the country's central bank governor noted last week. Ms. Freeland said in her letter that she favors "keeping our fiscal powder dry today, so we have the reserves we may need for a coming tariff war." Mr. Trudeau wants to keep on spending like there's no tomorrow, which for him there may not be.

Mr. Trudeau's Liberals are trailing the opposition Conservatives by 20 or so points in most opinion polls. The Conservatives are led by Pierre Poilievre, who unlike recent Tory leaders wants to offer a genuine policy contrast with Mr. Trudeau's spendthrift fiscal policy, his cultural leftism, and Liberal hostility to fossil fuels. Ms. Freeland and other Liberals can read the polls and apparently want to cast off Mr. Trudeau before he takes them all down.

But they've all been aboard the cruise, and Mr. Trudeau's failures aren't merely personal. He's presided over runaway deficits and a plunge in the Canadian dollar to a mere 70 cents on the U.S. greenback. And he's done this while not coming close to meeting Canada's defense-spending obligations to NATO.

Canada's voters are telling pollsters they want a change, and with Mr. Trump about to take power in Washington, they are going to need one.

A GOP Gift for Randi Weingarten

The Senate is poised to rob $196 billion from Social Security for public union workers.

Republicans claim to want to reduce the budget deficit, but then why are they joining Democrats in raiding Social Security for nearly $200 billion in extra benefits for government workers?

The House last month passed the misnamed Social Security Fairness Act, 327-75. Senate Majority Leader Chuck Schumer vowed at a rally with union leaders last week to hold a vote on the bill this week. "What's happening to you is unfair, un-American," Mr. Schumer declared to cheers from teachers union chief Randi Weingarten.

What's unfair is rewarding high-paid government workers with larger Social Security benefits than they earned. That's essentially what the bill would do.

Social Security payments are based on worker contributions and average monthly earnings over the highest 35 years of compensation. They are also progressively indexed so higher-paid workers receive a benefit that replaces a smaller share of their earnings. Ergo, an investment banker receives a smaller wage replacement rate than a retail clerk.

But what about teachers and firefighters? Many state and local government employees who receive pensions don't pay into Social Security. Instead they earn pensions that are far more generous than the average Social Security benefit. Many can also retire as early as 50 and then work in private industry while receiving their government pension.

Here's the rub: Government workers who spend some of their career in private industry are entitled to Social Security benefits. However, the standard Social Security formula treats years employed in government as if workers have zero earnings. This reduces their average earnings in the equation and thus increases their wage replacement rate.

As a result of this formula quirk, government workers who spend some years with private employers would get a relatively larger benefit than similar-earning workers who spend their entire careers in private industry. Congress in 1983 sought to fix this injustice with the Windfall Elimination Provision (WEP), which reduced benefits for such government workers.

Government unions have long pushed to repeal this provision as well as a 1977 law that ensures government workers don't receive outsize spousal benefits under the Social Security formula. Ms. Weingarten's ship has finally come in as some Republicans cozy up to unions.

Never mind that repealing these two Social Security adjustments would benefit workers in government unions who paid less in payroll taxes. High-earning government workers would also benefit more than lower earners.

House Republicans passed the bill after the election, perhaps as a payoff to the International Association of Fire Fighters, which declined to endorse Kamala Harris and has led the lobbying campaign on Capitol Hill. Many firefighters retire in their early 50s and then work for private employers.

Thirteen GOP Senators have co-sponsored a companion bill, including Susan Collins, Bill Cassidy, Lisa Murkowski, Markwayne Mullin, John Kennedy, Mike Braun, JD Vance, Deb Fischer, Jerry Moran, Pete Ricketts, Marsha Blackburn, Rick Scott and John Boozman.

Social Security is headed for insolvency, but these Republicans don't seem to care. The Weingarten gift would cost $196 billion over 10 years. That's more than double the savings from raising the retirement age to 70, according to the Congressional Budget Office.

We know Republicans are phonies on spending restraint, but handing a huge victory to unions like the teachers and Afscme that back Democrats takes a special kind of political masochism. Please spare us any future whining about debt and deficits.

LETTERS TO THE EDITOR

America's Health After the Healthcare Hit

The heartbreaking story of UnitedHealthcare CEO Brian Thompson and Luigi Mangione underscores a pervasive issue in modern healthcare ("The Madness of Luigi Mangione," (Review and Outlook, Dec. 11). Upon seeing Mr. Mangione's X-ray, I wasn't surprised to read about his persistent chronic pain and loss of sexual function—devastating outcomes for an otherwise healthy 26-year-old.

For physicians, this story hits close to home. It is hard to overstate the frustration of battling insurance companies to secure appropriate care for our patients. We are painted as reckless spenders for advocating necessary diagnostics and treatments, only to face the familiar refrain: "Experimental and investigational." This phrase is wielded like a weapon—not to ensure evidence-based care, but to justify denial of cutting-edge therapies that often surpass outdated alternatives in safety and efficacy.

Much of healthcare spending is concentrated on elderly patients with no chance of recovery languishing in ICUs, while their families cling to faint hope. Meanwhile, our youngest citizens, with decades of potential contributions to society ahead of them, are often denied access to innovative care because it's deemed "unnecessary" or "experimental."

JOSEPH ENAYATI, M.D.
Los Angeles

We can speculate, but we still don't know for certain the alleged murderer's motivations. We do know, however, that he clothed himself in a hoodie and mask, skulked in the shadows of Manhattan and ultimately shot Brian Thompson in the back. Where I'm from, this makes him a gutless coward rather than an avenging crusader.

PAUL BERG
Bellevue, Neb.

I would add to your editorial that there is madness evident at the University of Pennsylvania, from which Mr. Mangione graduated. A self-proclaimed antifa professor there, Julia Alekseyeva, whose nom de guerre is "The Soviette," announced on TikTok that she, upon hearing of Mr. Mangione's nefarious deed, has "never been prouder to be a professor at the University of P3nnsylvania." (The "3" is apparently intentional.) She also called him "the icon we all need and deserve."

Under pressure, Prof. Alekseyeva has since apologized, but this incident remains a sign as to how toxic the intellectual environment is at our elite universities, where students and faculty come out thinking that it is OK to resort to cold-blooded assassination to express dissent.

DOUGLAS R. LEMPEREUR
Delray Beach, Fla.

Readers Place Their Bets for Bolton vs. Patel

In "Kash Patel Doesn't Belong at the FBI" (op-ed, Dec. 11), John Bolton claims that President Trump will face a situation like that of Gerald Ford in the 1970s. President Ford replaced senior leadership at the Justice Department and the FBI, looking to restore institutional credibility following the Watergate scandal and the resignation of President Nixon.

Mr. Bolton's inability to perceive the difference between Ford's situation, in which an ally may have mishandled the Justice Department and FBI, and the situation Mr. Trump faces, in which an opponent weaponized the Justice Department and FBI against him, is inexplicable.

MARTIN A. STEVER
Bainbridge Island, Wash.

Mr. Bolton notes that President Ford in 1975 selected Edward Levi, dean of the University of Chicago Law School, as attorney general. Although Levi had been the dean, in 1975 he was the president of the University of Chicago. Robert Bork, a former student, commenting on Levi's reaction to the cabinet appointment, remarked, "I think he looks on the job as a sort of demotion."

As Mr. Bolton observes, Kash Patel is no Ed Levi.

JOHN E. LOPATKA
Port Matilda, Pa.

Mr. Bolton offers many over-the-top judgments about Mr. Patel's qualifications and fitness and many over-the-top predictions about the horrors Mr. Patel will rain down on our nation if confirmed. Mr. Bolton, in turn, reminds me of the over-the-top conclusions, judgments and predictions the Democrats have made about Mr. Trump since 2015.

Mr. Bolton even concludes his article with the ominous statement, "We are now all fairly warned." The Democrats' statements seemed ridiculous to me, and most voters appear to feel the same way. So, too, with Mr. Bolton's statements?

SCOTT HOBBY
Atlanta

Parable of the Good Samaritan for Our Times

The acquittal of Daniel Penny by a Manhattan jury is a relief, and not only because my teenage children ride the subways alone to travel home from school at night ("Merry Christmas, Daniel Penny" by William McGurn, Main Street, Dec. 10). It is reassuring that in this age of fear and cancellation, Mr. Penny's courage prevailed over woke cowardice.

I will sleep better at night knowing that the brave Good Samaritans among us won't have legal precedent to fear, when the law should be on their side.

NADINE SHATZKES
Great Neck, N.Y.

The acquittal of Mr. Penny adds to Alvin Bragg's track record as a dysfunctional Manhattan district attorney in two distinct ways. First, the case never should have been brought. Both charges against Mr. Penny were way off the mark. His intent and state of mind were driven by an instinct to prevent harm. Thankfully, the jury concurred.

Second, this case will affect the Good Samaritan law, which was created to protect people who come to the aid of others in distress. People will think twice after seeing Mr. Penny's life upended for this trial—and perhaps more in a civil trial going forward. It would be no surprise to see people walk the other way or do nothing when viewing a potential harm to others.

If Mr. Bragg is re-elected, we can expect more of the same.

PHIL SERPICO
Kew Gardens, N.Y.

Surely You Can't Be Serious

Mike Kerrigan's op-ed "Life Lessons From 'Airplane!'" (Dec. 2) reminds me of a little episode from my own career. As a wet-behind-the-ears young lawyer, I attended a pretrial settlement conference with my client. When I said to the experienced opposition counsel that surely we ought to be able to settle the case before trial, I got the inevitable "Don't call me Shirley" crack.

The next day, as the trial was set to begin, I ran into the attorney on my way into the courtroom. He commented that he was ready to do battle, and said that he thought I was "nattily dressed."

I thanked him for the compliment and then added, "and don't call me Natalie."

LARRY JAHN
The Villages, Fla.

Pursue Reform at Warp Speed

I appreciate Arthur Herman's excellent recounting of how President Franklin D. Roosevelt mobilized industry for World War II ("The World War II Lesson for DOGE," op-ed, Dec. 10). I don't, however, think we have to look that far to see what can happen when industry is unleashed and encouraged.

Operation Warp Speed included not only development of the Covid vaccine in unbelievable record time, but also a logistically excellent plan by the military to distribute it. That this was a product of the Trump administration gives me great hope for the Department of Government Efficiency if Elon Musk and Vivek Ramaswamy can take that example to heart.

KATHLEEN BEASLEY
Carson City, Nev.

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Pepper ... And Salt

THE WALL STREET JOURNAL

"Okay, I'm jiggling it—still nothing."

OPINION

The Right Way to Ditch The Paris Agreement

By Steven E. Koonin

Donald Trump intends to leave the Paris Agreement on climate change again. He could do so in a way that benefits not only the U.S. but also the rest of the world and the climate.

The Paris Agreement has foundered on fundamentals. Despite years of effort, global greenhouse-gas emissions continue to increase. Developed countries are falling short of their aggressive emission-reduction goals, and their economies can't handle the costs and disruptions of rapid decarbonization. Developing countries are focused on securing a "green climate fund" of $1.3 trillion a year from the rich countries, as discussed at last month's United Nations climate summit. Never mind that developed countries can't even afford their own green efforts.

Trump plans to withdraw from it. In doing so, he can show the world a better way to reduce emissions.

Mr. Trump should highlight these failings and the absent evidence of a "climate emergency" as part of an explanation for the country's exit from the agreement. Providing this rationale would create a moment for European countries to admit that the climate emperor has no clothes, giving them license to confront the awkward and obvious truths they've been avoiding for years.

In its withdrawal, the U.S. should urge all nations to eliminate energy poverty. Energy inequalities across the globe are astounding. On average, an American citizen uses 30 times as much energy as a Nigerian does. There are also inequalities within our own borders: More than a third of U.S. households experience some form of energy insecurity. That fraction will increase if decarbonization efforts continue their current course.

Washington's goal should be energy for all. Providing affordable and reliable energy, no matter the source, would do far more good for humanity than discouraging fossil fuels based on fear of some vague climate catastrophe. U.S. leadership on this front would counter China's influence in the Third World through its Belt and Road Initiative. American efforts would increase demand for U.S. energy and energy-technology exports, setting the stage for the future deployment of cost-effective clean technology around the globe.

Renewed commitment to developing this technology could be the final element of Mr. Trump's productive withdrawal. Creating affordable, reliable, emissions-lite energy technology is essential. Small modular fission reactors and better batteries are particularly promising.

But we shouldn't subsidize or mandate the deployment of immature or ineffective technologies—such as offshore wind farms, residential heat pumps and electric cars that nobody wants. Rather, Europe and the U.S. should follow Xi Jinping's energy-transition plan for China: "Build the new before discarding the old."

It will take a year for a withdrawal from the Paris Agreement to take effect. Mr. Trump could use that time to highlight the agreement's failures, plan a global "energy for all" program and strengthen efforts to develop cleaner tech. Doing so would show how futile and destructive the world's current efforts to reduce emissions really are, and chart a healthier path for the planet.

Mr. Koonin is a senior fellow at Stanford's Hoover Institution and author of "Unsettled: What Climate Science Tells Us, What It Doesn't, and Why It Matters."

Why the U.S. Is Trouncing Europe

By Edward Conard

Economists never cite one of the most significant statistics about the U.S. economy. According to data released last week by the Organization for Economic Cooperation and Development, only about 12% of Americans score at the highest levels on internationally administered academic tests, while 34% score at the lowest levels—nearly three low scorers for every high scorer. Germany's figures are nearly even: 18% score at the highest levels and 20% at the lowest. Put another way, Germany's ratio of high to low scorers is almost three times America's. Scandinavia's is five times; Japan's, seven.

ROBERT NEUBECKER

These enormous differences have profound economic implications. With more talent and fewer needy people, is it any wonder that Northern European countries can afford more-generous welfare policies than their neighbors to the south?

Yet America excels relative to Europe despite these enormous differences. While Europe has created 14 companies worth more than $10 billion in the past 50 years, with about $400 billion of market value in total, Americans have created nearly 250 such companies, worth $30 trillion.

That success has driven up America's middle-class incomes. The median disposable U.S. household income, according to the OECD, is now 25% greater than the median German household and 60% greater than the median household in Italy.

Europeans' incomes would be even lower if they weren't free-riding on American innovation, defense spending and higher drug prices, which incentivize research. America's median incomes would be higher if we had more talent devoted to supervising and creating jobs for blue-collar workers or Northern Europe-like distribution of test scores.

The outsize success of America's talented entrepreneurs doesn't stem from their superior intelligence. It comes from working at companies such as Google and Microsoft, which mine the technological frontier and

Americans do worse in education scores, but the Continent lacks the risk-taking U.S. culture.

expose employees to valuable knowledge, insights and opportunities. Apple is worth more than the 30 largest German companies combined. Apple's employees and its alumni use their knowledge and training to create more value than their counterparts in Europe.

Unlike Europe, the enormous success of American entrepreneurs motivated an army of talented Americans to get valuable on-the-job training, work longer hours, take risks and succeed. A small amount of success bubbles up from a large pool of failure.

The belief that taxing success more heavily will scarcely slow inevitable progress ignores the importance of being first to market and founding successful companies in America rather than the rest of the world, the enormous difference in the training and expected payoffs for successful risk-taking that it creates for America's talented workers, and the motivational effect higher expected payoffs for successful risk-taking have on our talented workers.

Studies of short-term tax elasticity laughably miss the enormous difference between the success of the U.S. and Europe. Even if Europe cut its tax rates, it would have a trivial short-term effect on the expected returns to risk-taking, because without companies such as Google, entrepreneurs wouldn't come up with ideas worthy of investment regardless of the tax rate. It takes decades of successful risk-taking to create companies and workers who can spawn the next generation of success.

The argument that we can heavily tax the tail of the distribution of payoffs without discouraging prudent risk-taking—since entrepreneurs such as Bill Gates and Steve Jobs took risks without expecting the enormous success they achieved—fails to recognize that outsize payoffs at the tail of the distribution critically drive overall expected risk-adjusted returns above break-even. Even with these successes, the returns to venture capital over the last 20 years have been mediocre at best.

When entrepreneurs capture as little as 5% of the value they create for others, it makes little sense to encourage successful risk-takers to quit working long before they achieve outsize success. With the effect technological success has on the productivity of talented American workers, who are our constraint to growth, and the effect of their productivity on the growth of middle-class incomes relative to Europe, that's not a "policy failure."

The fastest way to accelerate America's growth and increase tax revenues is to let high-skilled immigration expand our talent pool. Forty percent of America's billion-dollar startups were founded by high-skilled immigrants—roughly the same percentage of STEM doctorates held by foreign-born American workers.

Mr. Conard is a fellow at the American Enterprise Institute, a retired Bain Capital partner, and publisher of Macro Roundup.

Trump Is Back, This Time Without Disdain

FREE EXPRESSION
By Gerard Baker

Almost exactly eight years ago, President-elect Trump hosted a gathering at Trump Tower for the leaders of America's biggest technology companies.

The titans of tech were all there: Jeff Bezos of Amazon, Tim Cook of Apple, Sheryl Sandberg of what was still called Facebook, Satya Nadella of Microsoft, Elon Musk of Tesla, the top dogs at Google. The atmosphere at the gathering—evidenced by Mr. Trump's language and demeanor and by reports from participants afterwards—was cordial and constructive, but in a strangely one-sided way.

"There's no one like you in the world," Mr. Trump gushed to the assembled corporate aristocrats. "Anything we can do to help . . . we're going to be there for you." The tone was less that of a new commander in chief issuing directives to his troops than of a new company boss eager to impress a team of skeptical management consultants.

Most of the businesspeople there had privately and occasionally publicly expressed their barely concealed contempt for the man some had tried to stop from ever becoming president. Mr. Trump seemed to crave approval from corporate luminaries who had long looked down on him. The dynamic suggested the tech leaders thought they could play him.

Contrast that with his encounters with the Silicon Valley crowd in the past few weeks. One of them, Mr. Musk, is now a loyal lieutenant. Mr. Cook was seen supping solicitously at Mar-a-Lago on Friday; Mark Zuckerberg has donated $1 million to the inaugural budget.

They have all been forming an orderly, respectful line to bend the knee, kiss the ring, and slip the big check.

Mr. Bezos did the gushing this time, telling a New York Times conference last week, "I'm very hopeful" about the new presidency. Just to be sure, he too is padding that hope with a million-dollar check.

I can't think of a more powerful illustration of the contrast between the circumstances in which Mr. Trump takes office a month from now and how he arrived eight years ago—a contrast that equates to an extraordinary opportunity at home and abroad that awaits the new president and the country.

Just as his domestic critics have gotten in line, so the world has saluted—more or less reluctantly—his restoration.

At the reopening of the Cathedral of Notre-Dame de Paris last weekend, foreign leaders were respectful of their return visitor. Eight years ago in Europe, Mr. Trump elicited a powerful mix of equal parts loathing, fear and disdain. The loathing may still be there, if muted. The fear may be stronger than ever. The disdain is gone.

Not since George W. Bush was re-elected in 2004 has America been led by a Republican on top of such a world of possibility. Given that we were still in the depths of the Iraq war then and a sizable number of Democrats still questioned Mr. Bush's legitimacy, this may be the first time since the 1980s we have had a GOP president with the standing, the authority and the legislative and executive resources to reshape politics in the U.S. and abroad.

Evidence of this new order is already available not simply in the obeisances of once dubious business leaders or the disarray in the Democratic Party and the media at home, but by events beyond our shores.

The fall of Bashar al-Assad in Syria isn't so much a direct result of Mr. Trump's election as a vindication by proxy of Mr. Trump's whole strategic approach—and a repudiation of his predecessor's. It has been achieved by the stalwart assertion

As his domestic critics have gotten in line, so the world has saluted his restoration, if reluctantly.

by Israel of its national interest—mercifully freeing itself from the bridle with which the Biden administration has sought to restrain it, and which Mr. Trump surely wouldn't have strapped on. You can't look at the damage inflicted on Iran and its allies in the past year across the Middle East and fail to see a justification for a much more robust assertion of our own national interests where it matters.

The political turmoil in Europe—a collapsed French government, a collapsing German one, discontent everywhere—isn't a direct result of the election here either, but it is a measure of the Continent's continuing adjustment to the new reality of politics on issues like the environment and immigration that Mr. Trump has championed. The efforts to achieve some sort of settlement in Ukraine have been accelerated mainly because of the advent of the new presidency. The imminence of another round of nationalist economics over tariffs with Mr. Trump is reshaping global investment patterns and rebalancing currency and other markets.

All presidents by dint of their standing, and with a few years to make their mark, get a chance to change the world. That chance can be fleeting—and, with an exiguous congressional majority and still hardly an overwhelming domestic electoral mandate, we can surely overstate Mr. Trump's potential.

But only a few presidents change the political weather by their very election. John F. Kennedy presaged the social and political transformations of the 1960s. Ronald Reagan in 1980 announced the arrival of a new political economy for the West. Five weeks before his inauguration, Mr. Trump's new order is well under way.

Growth Must Be the GOP's Priority

By David Hoppe

As we look forward to the new Congress and Trump 47, we should keep in mind Yogi Berra's words: "It's déjà vu all over again." Today's budget discussion is reminiscent of 2017, the last time a Republican Congress had the opportunity to produce three budget and reconciliation packages in two years.

Congress discovered, to the public's dismay, that having a great opportunity doesn't guarantee success. Instead, lawmakers blew it. Republicans will face the same question in January: How do we seize the momentum from the recent Republican election wins and create the economic growth the country desperately needs?

Because of the divided 118th Congress, there was no budget agreement and no reconciliation legislation for fiscal 2025. Since we are in fiscal 2025 until Sept. 30, the new Congress and the White House have the chance to work together to pass a 2025 budget and reconciliation bill. But—and this is critical—passage must happen in the next three months. Delay longer than that, and the second reconciliation bill plus other initiatives—building the border wall, moving forward with the Department of Government Efficiency, and all other legislative actions—will pile up and stagnate. Crucial momentum will be lost, along with opportunities for Mr. Trump to make good on his campaign promises and solidify his coalition.

Acting swiftly and decisively, however, will require legislative discipline to make tax reform the priority as the first of three reconciliation packages. Congress must take on the most important and achievable issue.

In 2017 former Sen. Phil Gramm urged the Republican majorities to focus on tax reform with the first of the three budget reconciliation packages. Instead, Congress pursued a healthcare-reform package first.

It gets late early during budget negotiations. Lawmakers waited too long to cut taxes in 2017.

That was a bad decision. The result was a lost healthcare-reform bill, and, equally important, a delay of the Tax Cuts and Jobs Act. That postponed the economic recovery for all Americans. Eventually recovery came, and by February 2020 the TCJA had yielded perhaps the strongest economy in U.S. history. That economy would have flourished if not for Covid and liberals' hysterical reaction to it.

There is a lesson here. While the stock market has rallied since Mr. Trump's re-election, there is still much uncertainty and weakness in the economy. That is in part because the TCJA expires next year unless Congress and President Trump extend it.

The extension can be done either by regular order, which takes 60 votes in the Senate, or by budget reconciliation, which takes a simple majority. In regular order, Senate Democrats would have to commit to a consent agreement to limit amendments and forgo a filibuster. The tax cuts could then be made permanent.

If some lawmakers fight against extending the TCJA, then the only way to put the economy on a growth footing is to use the fiscal 2025 budget and reconciliation bill (by a simple majority vote) and renew the TCJA. An extension of the TCJA should be the vehicle for the reconciliation bill. This will spur economic growth.

A first-priority tax bill still allows amendments and agreements on other issues. The state and local tax deduction limitation, for instance, could be handled by changing the current language to eliminate the marriage penalty for couples filing jointly. But to move the bill quickly, lawmakers would have to postpone fundamental changes in the tax code until later reconciliation legislation. Eyes on the prize.

The American economy must be put on a sound footing. The TCJA achieved that after it passed in 2017. The same medicine can cure today's economic ills. A new tax bill is the first step to banishing Bidenomics and helping average Americans participate in a thriving economy.

Mr. Hoppe served as chief of staff to House Speaker Paul Ryan (2015-16) and Senate Republican Leader Trent Lott (1996-2002).

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Germany Heads Toward Early Elections

A month after his coalition collapsed, chancellor loses confidence vote

By Georgi Kantchev

BERLIN—German Chancellor Olaf Scholz lost a confidence vote on Monday, the first step in a sequence of events that will lead to elections—and the latest symptom of political instability in Europe.

Scholz's coalition government collapsed last month, adding a political crisis to the economic slump that has gripped the country for the past two years.

Without a majority in Parliament, Scholz called a confidence vote—which he fully expected to lose—to clear the way for the dissolution of Parliament and an election, now expected in February. Germany's post-World War II constitution instituted a multistep process for early elections in an attempt to prevent a repeat of the prewar years' endemic political instability.


CHRISTOPH SOEDER/DPA/ZUMA PRESS

Chancellor Olaf Scholz called the confidence vote, expecting to lose, to force an early election.

But the fragmentation of European politics—as antiestablishment parties on the left and the right have grown more popular—has caught up with these safeguards. Germany's centrist parties, their vote shares shrinking, have had to cobble together increasingly broad and fractious coalitions to retain power.

Scholz said during debates in Parliament on Monday that his "aim is to bring forward the federal election—so that the citizens can set the political course." His three-way coalition of free-market liberals, social democrats and Greens couldn't agree on how to rescue Europe's largest economy, which has gone from the continent's engine to a laggard.

The Bundesbank, Germany's central bank, warned last week that the economy is expected to stagnate next year, which would be the third consecutive year of contraction or flat growth, as once-mighty exporters face mounting trade barriers around the world face increasing competition from China. If President-elect Donald Trump goes ahead with his threat to impose high tariffs, Germany's economy could even shrink sharply, the Bundesbank said.

The early German election would come as Russia advances in Ukraine and Trump's win raises uncertainty over NATO unity.

Germany, which had been among the most politically stable countries in Europe since the early 2000s—with Scholz's predecessor, Angela Merkel, ruling for 16 consecutive years—has now joined France, paralyzed for months by a political crisis. Last week, French President Emmanuel Macron appointed his fourth prime minister in a year.

Opinion polls show the center-right Christian Democratic Union, led by veteran politician and businessman Friedrich Merz, as the likely winner of the ballot on Feb. 23. Yet the party is unlikely to command a big enough majority to govern alone or with the FDP, the other center-right party in Parliament, and will likely need to form an alliance with one or several center-left parties, diluting its pro-business and law-and-order agenda.

Polls also show that two populist parties—the far-right Alternative for Germany and the far-left Sahra Wagenknecht Alliance—could score about a quarter of the votes together. Polls have struggled to gauge their performance at national elections, leaving room for a possible electoral surprise in February.

If an election fails to deliver a clear majority, as polls suggest, forming a government could take months—bad news for Germany. Analysts say an urgent overhaul is needed to resuscitate an economy that has barely grown since 2019. Industrial production has stagnated, corporate investments have declined and major manufacturers like Volkswagen have announced significant layoffs and plant closures. Unemployment, though low, is beginning to rise.

The economy is expected to decline by 0.1% this year, according to a December survey of banks and other forecasters by Consensus Economics, and grow by only 0.4% next year.

Scholz has called for bailouts and subsidies to save jobs and prop up carmakers, while Merz has floated measures such as lower taxes, less bureaucracy and making Berlin's climate goals cheaper for businesses to reach.

China Races to Squelch Unrest Fanned by Economic Woes

Faced with rising social frustrations and public unrest, China's leaders are ramping up security measures and squelching discordant views on the country's economic health.

By Chun Han Wong in Singapore and Brian Spegele in Beijing

A spate of deadly attacks in China in recent weeks—including mass stabbings and car-ramming incidents—has raised concerns that stagnating growth has played a role in fueling unrest and even outbursts of violence, and an increase in public protests over economic grievances.

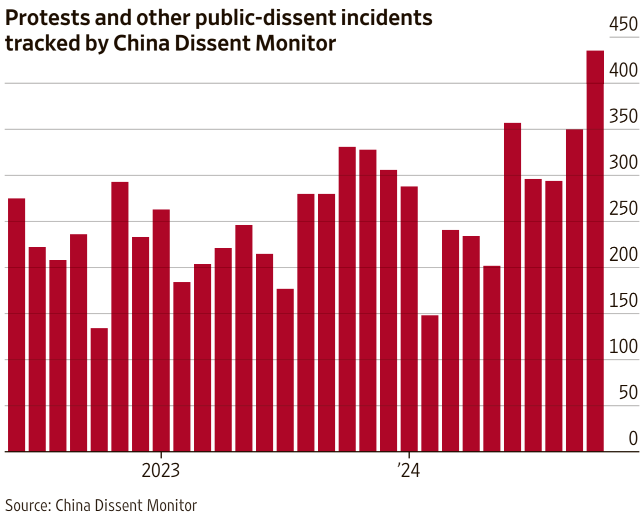
In response, the Communist Party's security czar in November ordered nationwide efforts to "resolve conflicts at the grassroots and nip them in the bud." China's top prosecutor urged officials to better protect the rights of low-income workers, job-seeking graduates and vulnerable groups such as the elderly as a way to "strictly prevent extreme cases from happening."

Officials have fanned out to screen for people who have suffered financial or emotional setbacks and assess their risks of disrupting public order. Authorities also deployed paramilitary troops to help guard schools in Beijing and elsewhere, after some recent attacks appeared to target students. Internet censors, meanwhile, have scrubbed viral commentaries about weaknesses in the world's second-largest economy.

At its latest meeting this month, the party's elite Politburo implicitly acknowledged the connection between economic difficulties and social unrest, ordering officials to "protect people's livelihoods" with the goal of "ensuring the overall stability of society."

The challenges facing Xi Jinping are formidable. Millions of young Chinese struggle to find jobs. Homeowners have been watching their property values sink, while others worry that debt-laden developers might not finish building the apartments they bought. Many migrant workers and even some government employees aren't getting paid.

Beijing is also bracing for Donald Trump's imminent return to the White House, with the president-elect's promises of heavy tariffs likely to heap more stress on the economy.



Academics and activists have long tried to track protests in China as a way to assess social currents. While such unrest has typically stemmed from localized issues, such as unpaid wages and land seizures, recent dissent also reflects disillusionment among many younger and middle-class Chinese who face bleaker economic prospects, said Christian Göbel, a professor at the University of Vienna who researches state-society relations in China.

"If the party cannot protect its people and cannot make the economy grow—and these are two things that it has placed its legitimacy on—there is a problem for the party," Göbel said.

The risks of societal spillover could also complicate Xi's efforts to better fortify the nation for prolonged tensions with the West.

"We must firmly adhere to the bottom line of secure development," Li Zheng, vice president of the Central University of Finance and Economics in Beijing, said in late November at an academic conference that examined links between the economy and the risks of social unrest. He said China's development was facing unprecedented challenges.

While authorities have long ceased publishing statistics on "mass incidents," the official lingo for public protests, activists tracking unrest in China say their partial data indicate festering tensions.

China Dissent Monitor, a platform run by Washington-based rights advocacy group Freedom House, has tracked more than 7,000 instances of public unrest across the country over the past 2½ years—with more than 46% of incidents related to worker protests and more than a quarter involving property owners.

By tracking social media, news reports and other sources, the platform documented a marked increase in public protests this year, mostly driven by economic grievances such as unpaid wages, stalled housing projects and demands for refunds from failed businesses, said Kevin Slaten, a Freedom House researcher who oversees China Dissent Monitor.

In October, China Dissent Monitor counted 435 protests, the highest monthly tally since it started tracking such data, and the first time in about two years that the platform logged more property-related protests than instances of labor unrest.

"The party may choose to make greater use of a powerful repressive apparatus that it has built and invested in over decades, but that too carries risk of backlash," Slaten said.

Elevated security is being paired with a suppression of information about the recent attacks. "On the surface this looks like a form of stricter social governance," Yan Zhihua, a researcher at Nanjing University's Zijin Media Think Tank wrote in a recent Chinese magazine commentary. "But behind it is actually a purging of the information environment, which can cause society's natural adjustment mechanisms to fail."

India's Bid to Fight Air Pollution Falters


SAJJAD HUSSAIN/AGENCE FRANCE-PRESSE/GETTY IMAGES

Thick smog enveloped the Kartavya Path, near India Gate in New Delhi, on Nov. 18, when air-pollution readings soared..

By Shan Li

NEW DELHI—As the skies turned hazy with pollution this winter, a giant outdoor purifier sat dormant in the Indian capital's central business district.

The smog tower, lined with double rows of fans, was intended to purify the surrounding area by sucking in smog, passing it through filters on the inside and releasing clean air. But the contraption hasn't worked for over a year.

"That's so stupid," said college student Suhani Shrivastava, gesturing toward the tower as she walked by. "It doesn't work and it doesn't make any sense."

The 19-year-old said she is sick every winter with congested lungs and a sore throat. She blames the government for what she says is wasting taxpayer money on useless tools that didn't make a dent in the toxic air that afflicts one of the world's most polluted cities.

"I feel like I'm taking in cancer," she said, between bouts of coughing. "It's like the government has given up. They don't care."

Delhi's air quality declines sharply starting each October as farmers to the west of the capital set fires to clear crop stubble from their fields. Winds carry those particles to the city where they mix with emissions from vehicles, power plants and factories. Cooler temperatures prevent the polluted air from dispersing as it does in summer.

Experts said government efforts to combat pollution, often announced with fanfare as winter approaches, have been ineffective.

The ruling party in Delhi, the Aam Aadmi Party, has deployed drones to monitor pollution hot spots and 200 mobile "antismog guns," which are vehicles mounted with water cannons that drive around the city misting the air. It has also lobbied national authorities to be allowed to use artificial rain to clear the skies.

"Those are Band-Aid solutions, knee-jerk proposals to a grave situation," said Vimlendu Jha, an air-quality expert based in Delhi.

On Nov. 18, a key measure of air pollution reached a level more than 100 times the limits the World Health Organization considers safe, according to calculations from the environmental think tank Centre for Research on Energy and Clean Air.

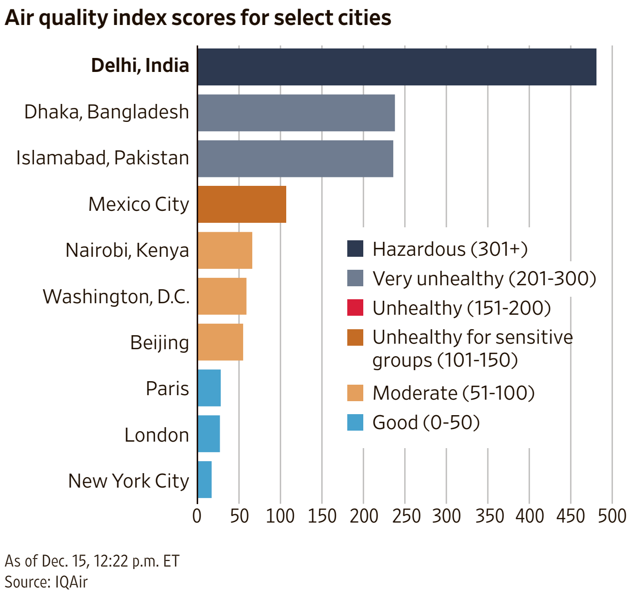
Even residents who typically shrug off the smog bemoaned the pollution and scoffed at official efforts. Some reported that the air inside their offices and homes was hazy.

Yash Vardhan, a 26-year-old pharmacist, said he was splashed once by the spray from an antismog gun while trying to overtake the slow-moving truck on his scooter. He was mystified by the machine's purpose until a friend said it was a pollution-fighting tool.

Vardhan said he gives the government some credit for deploying the smog guns. "At least the government is trying to prove to people that they are doing something. But you'd have to be standing right by the gun to get any benefits."

The Delhi government said the smog guns and drones were part of emergency measures to combat pollution during winter months and that India's top court had ordered the construction of the smog tower.

It said it has taken several long-term steps, including closing local coal-fired power plants, shifting industries to cleaner fuel and dramatically expanding public transport through its metro system. The annual average level of fine particulate pollution has declined between 2015 and 2023, it said. But pollution generated from power plants, industry and farms in nearby areas beyond its administration counteracted its efforts.



"Just by the Delhi government trying to do more will not lead to higher outcomes," it said, adding that China and Mexico had tackled pollution in their capitals because authorities there applied stringent policies across an affected region. "India is yet to take these kinds of measures."

Arvind Nautiyal, spokesman for the Commission for Air Quality Management, a central government body that coordinates pollution-control efforts for the capital and adjoining areas, said the agency has focused on reducing pollution at the source. Policies include encouraging farmers to reduce stubble burning by subsidizing the cost of machines that will mulch straw instead of burning it, requiring industries to switch to cleaner sources of fuel, and taking old cars off the street. India has to weigh the requirements of public health, he added, versus the needs of a developing economy.

"Our economic scenario will not support any drastic action," he said.

From 2013 to 2021, according to the University of Chicago's Energy Policy Institute, nearly 60% of the world's increase in air pollution has come from India, which is seeking to speed up economic growth and lift incomes. India's air-pollution problems extend well beyond Delhi.

But the capital's problem is particularly striking, with air pollution there costing inhabitants nearly eight years of life expectancy, the institute said.

—Krishna Pokharel and Tripti Lahiri contributed to this article.

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BUSINESS & FINANCE

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Outlet Malls Draw Luxury Brands

High-end products attract bargain seekers as retail continues recovery

By Kate King

ELMONT, N.Y.—At Belmont Park Village, a new outdoor luxury outlet mall on Long Island, shoppers bundled up against the cold one recent evening to search for bargains on designer shoes and clothing.

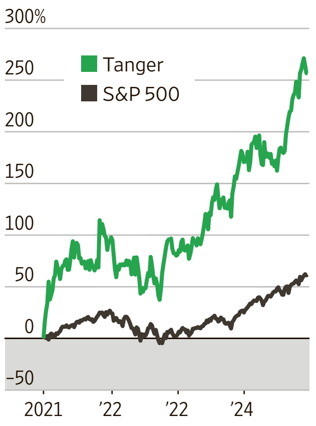
At the Rene Caovilla store, open shoe boxes were spread across the floor. The Italian designer's footwear retails for $2,000 or more at full-price boutiques. But the outlet store sells merchandise at up to 65% off.

"The shoes are so cheap we had to come and get them," said Mikey Marino. He made the two-hour drive from New Haven, Conn., with his wife, Pebbles Marino, who snagged a pair of green chandelier high heels.

The global luxury sector is suffering a down cycle. After years of supercharged sales for designer goods, more customers are balking at the increasingly steep prices these retailers are asking.

But real-estate investors, retailers and landlords are betting that shoppers' increasing desire for the finer things remains strong—as long as the prices are more reasonable. Even though foot traffic is still below prepandemic levels, retailers are leasing more space at outlet shopping centers, where designers sell heavily discounted surplus or lower-quality items.

Share-price and index performance



Source: FactSet

There are more than 200 outlet shopping centers in the U.S., many of which offer "affordable luxury" brands such as Coach and Marc Jacobs. Outlet landlord **Tanger**, which owns 38 properties in the U.S. and Canada, was 97% occupied as of the third quarter, and its stock price has outperformed the S&P 500 since 2019.

A much smaller subset offers discounts on a deep roster of the most-coveted European brands, including Gucci, Prada and Saint Laurent. Many luxury outlets depend on international tourism and therefore have recovered more slowly from the pandemic than other types of retail, said Vince Tibone, head of U.S. retail and industrial research at real-estate analytics firm Green Street.

VINCENT ALBAN/REUTERS

Shoppers flocked to Long Island's Woodbury Common Premium Outlets on Black Friday last year.

But some luxury-outlet owners are now expanding or opening new properties, confident that demand will remain strong in the long term. Belmont Park Village is the first U.S. shopping center in the Bicester Collection, a portfolio that includes discount-luxury shopping centers in Europe and China operated by London-based Value Retail.

LVMH-backed private-equity firm **L Catterton** this summer spent £600 million, equivalent to $775 million, acquiring a 42% stake in Value Retail's European portfolio, which includes nine Bicester Collection locations.

Woodbury Common Premium Outlets—already considered one of the top luxury outlets in the U.S.—opened several new stores in 2024. That included ones from high-end fashion brands MCM and Reformation at its 150-acre New York location, about an hour's drive from Manhattan. The outlet has plans to add another 155,000 square feet of retail stores and restaurants and a 200-room luxury hotel.

Woodbury Common generates more than $1.2 billion in annual sales, according to owner **Simon Property Group**.

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Honeywell Considers Aerospace Business Separation

By Dean Seal

Honeywell International said it was considering a potential separation of its aerospace business, about a month after activist investor **Elliott Investment Management** called for the industrial conglomerate to break itself up.

The Charlotte, N.C.-based company, which makes everything from home thermostats to aircraft-landing gear, said Monday that its board continued to explore strategic alternatives and plans to provide an update on its portfolio review with its fourth-quarter results early next year.

"Honeywell is now well-positioned for significant transformational alternatives, and we are continuing our deeper, more granular exploration of their feasibility and possible timing," Chairman and Chief Executive Vimal Kapur said.

In November, Elliott said it had amassed a $5 billion stake in Honeywell and wanted to see the conglomerate broken up.

The company's stock has underperformed the broader market, rising 8.5% since the start of the year, compared with a 28% rise over the same period in the S&P 500 index. Shares of Honeywell rose 3.7% to $236 Monday.

Two of Elliott's partners early Monday said separating Honeywell's aerospace busi-

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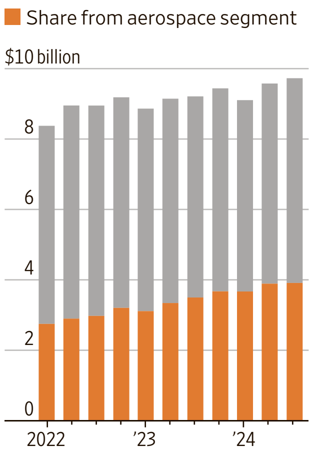
Honeywell's quarterly revenue

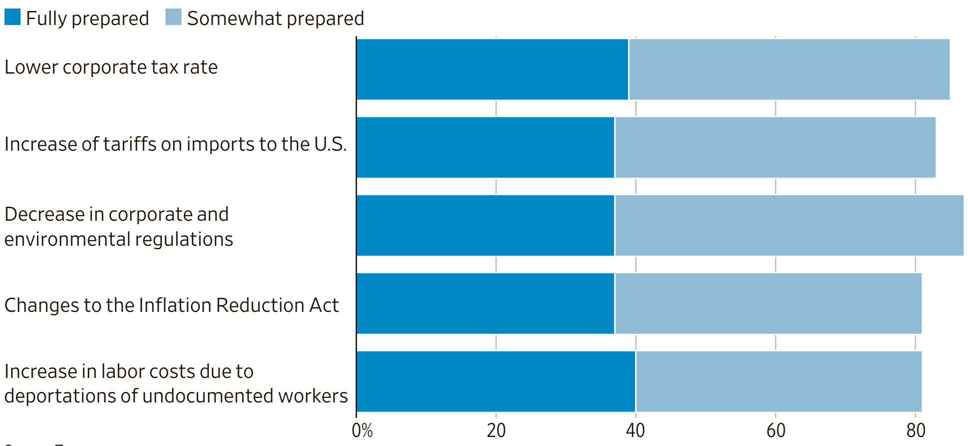


Source: S&P Capital IQ

CEOs Are Taking a Rosier View of Next Year

How well-prepared is your business/do you believe leading corporations are to handle each of the following potential shifts in U.S. policy?

CEOs' corporate preparedness for potential U.S. policy shifts



Source: Teneo

By Ben Glickman

CEOs of the world's biggest companies are more optimistic about the economy than they have been in years.

The enthusiasm is being driven in part by the prospect of President-elect Donald Trump's return to the White House, with many chief executives expecting their businesses to benefit from lower corporate taxes and less regulation, according to a new survey.

Outcomes of other elections around the world also are fueling expectations for improvements in the global economy and political stability. Executives are predicting a pickup in deal activity and easier access to capital in the coming months as well.

Overall, 77% of chief executives said they expect the global economy will improve in the first half of next year, according to the survey of more than 300 public-company CEOs by advisory firm Teneo. That compares with 45% who made a similar forecast last year.

Teneo CEO Paul Keary said Trump's win boosted optimism among executives in both the U.S. and overseas.

The shift toward a glass-half-full outlook was sharpest among CEOs of the biggest companies, or those with more than $10 billion in annual revenue. A little more than 50% of

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BUSINESS NEWS
Pharmaceuticals maker Novo Nordisk plans a new plant in Denmark. **B3**

HEARD ON THE STREET
Cruises are enjoying an exceptionally strong holiday season. **B10**

Insurance Startup Covers Homes In Areas Others See as Too Risky

By Yuliya Chernova

Mark Mitchell spent more than $100,000 to make his family's home in California's Santa Cruz Mountains more resilient to wildfires after it suffered damage when a nearby redwood growth burned in 2020. Despite his efforts, he couldn't find an insurer that would cover the home for more than two years.

That is until Friday, when Mitchell signed a contract with Stand Insurance.

"They are the only company that has been able to figure out how much we've done to protect our house and that it's a reasonable risk to insure," he said.

Stand is a new insurance startup that seeks to cover homes in areas other insurers are abandoning because of risks from natural disasters like wildfires and floods. The company says its simulation software allows it to better predict risk and identify improvements homeowners should make to increase resiliency.

Mitchell's home is the first policy written by Stand, according to Dan Preston, the company's co-founder and chief executive. Preston previously led auto-insurance provider MetroMile, now part of publicly traded Lemonade.

Although venture funding for insurance startups has dwindled, Stand has raised $30 million in Series A financing led by Lowercarbon Capital and Inspired Capital, with participation by Equal Ventures and Convective Capital.

The financing valued Stand at $95 million, Preston said.

Stand uses software to simulate the physical effects of a wildfire on a home and to identify changes a homeowner should make to decrease risks. The goal is to find targeted alterations that don't, for example, turn a home into a bunker or require clearing all trees on a property, Preston said.

"Traditional ways to price insurance don't work in an environment that's so unpredictable," he said, referring to climate risks.

Coverage for a $3 million home in a high wildfire risk region could cost $12,000 to

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MARIO TAMA/GETTY IMAGES

Stand seeks to cover homes in areas other insurers are exiting because of risks from natural disasters like wildfires.

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.

INDEX TO PEOPLE

BUSINESS & FINANCE

Canal+ Slides in Vivendi Spinoff

French studio has a rocky debut after parent's split; two other companies gain

By Najat Kantouar

WARNER BROS/EVERETT COLLECTION

The production company behind the 'Paddington' movie franchise is now listed on the London Stock Exchange.

Canal+'s shares fell sharply as it started trading as a stand-alone company after a spinoff from French media group **Vivendi**.

The listings of three of Vivendi's former core businesses culminated a yearlong process that ended with a four-way split of the conglomerate backed by the family of French billionaire Vincent Bollore.

In addition to Canal+, the group spun out and listed a company called **Louis Hachette Group**, which consolidates its assets in publishing, and **Havas**, an advertising company. Vivendi will continue to operate videogame maker Gameloft and oversee a portfolio of investments.

French television and movie-studio company Canal+ was valued at £2.88 billion, the equivalent of $3.63 billion, when its shares started trading at £2.90 on the London Stock Exchange, but the stock closed down 22% from that initial level.

Canal+'s is the biggest flotation in the U.K. since the London exchange overhauled its listing rules earlier this year, AJ Bell investment director Russ Mould said. Investors will watch its trajectory to see whether other big names could follow, Mould said.

Volatility was expected as some investment funds that held Vivendi stock might be restricted to French-listed stocks and it is common for demerged stocks to experience share-price swings in the first few days of trading, he said.

Shares in Havas began trading on Euronext Amsterdam at 1.80 euros, putting the company's value at about €1.79 billion, the equivalent of $1.88 billion. Shares rose as much as 11% from that level, but its gains later pared and it closed up 2%. In Paris, shares in Louis Hachette Group surged 22% from the opening level on Monday.

Vivendi's shares were sharply lower from Friday's close, but up 9% when compared with an adjusted closing level taking the split into account.

The media group floated plans to break up in December last year, saying its businesses would be better off as independent entities. The aim was to reduce the so-called conglomerate discount—the gap between a company's market value and that of the sum of its parts.

The plan went ahead after a majority of Vivendi shareholders backed it at a meeting held a week ago. Investment firm CIAM—which holds a 0.025% stake in Vivendi—filed an interim injunction with a Paris court in November in an effort to postpone the vote, but its request was rejected.

CAITLIN O'HARA/BLOOMBERG NEWS

The Unmanned Aerial Systems and Urban Air Mobility lab at the Honeywell avionics facility in Phoenix.

Honeywell Mulls Separation

Continued from page B1

ness was the right course for the business.

Honeywell has long justified its diversification and managed to steer clear of the fate of peers such as General Electric and Dow Chemical, which were broken up under investor pressure.

Honeywell in 2017 fended off another activist's campaign to break up the company.

It gets about 40% of its annual revenue from the aerospace business, which makes engines and cockpit systems for Boeing and others.

Honeywell in October cut its full-year forecast for sales after reporting softer interest in smart-energy products. Lagging results in the industrial and building-automation units have dented earnings.

Honeywell has been overhauling its portfolio over the past year with acquisitions and divestitures, saying it wants to orient its diversified structure toward three core trends of aviation, automation and the energy transition. In October, Honeywell announced a plan to spin off an advanced-materials business worth about $10 billion.

Less than two weeks after Elliott disclosed its stake, Honeywell said it would sell its personal-protective equipment business to a private-equity firm's portfolio company for $1.33 billion.

"We look forward to the upcoming completion of the review and to supporting Honeywell as it implements the necessary steps to realize its full value," Elliott Partner Marc Steinberg and Managing Partner Jesse Cohn said Monday in a news release.

High-End Brands Hit Outlet Malls

Continued from page B1

While luxury sales overall have slipped recently, they are still above 2019 levels. High-end retailers are now attracting younger and more economically diverse shoppers than in the past.

"You have a much wider group of people that are buying luxury," said **CBRE** broker Joe Hudson.

Outlets historically have been a small part of luxury retail. Many brands believe that discounting hurts their products' exclusivity. Ultraluxe retailers such as **Hermès** and **Chanel** avoid them altogether.

High-end companies would often burn their unsold handbags and cashmere suits rather than slash prices. European Union countries outlawed the practice last year, and it is now more common for luxury retailers to quietly sell surplus items to family and friends, said Joëlle Grünberg, who leads consulting firm McKinsey's apparel, fashion and luxury sector in North America.

Some retailers also have started selling excess inventory in limited quantities to discounters such as **TJX**, which owns T.J. Maxx and Marshalls.

This may be helping spark interest in luxury outlets as more shoppers realize they can afford high-end items if they know where to look for them, Grünberg said.

Luxury sales have slipped recently but are still above 2019 levels.

And there are signs that more luxury retailers are warming to the idea of outlet locations, particularly European brands looking to gain market share among American shoppers.

The nearly 8-acre Belmont Park Village features brick facades and walkways dotted with trees, benches and high-end food and beverage carts. Several of the couple dozen stores that have opened or announced 2025 openings represent the designers' first U.S. outlet location, including women's footwear brand Aquazzura and retailer Vivienne Westwood.

Pebbles Marino, who bought the Rene Caovilla sandals, found out about the store's opening on TikTok. She recorded a vlog of her shopping trip, turning her new shoe slowly so the light bounced off the tiny crystals that dangled from the spiraling strap.

Belmont Park Village began its gradual opening process in mid-October. It will eventually have 155 boutiques and seven restaurants.

Value Retail thinks its location near New York City's airports will allow it to capture Bicester Collection's core customer, traveling luxury shoppers. In Europe, foot traffic at Bicester Collection's nine shopping villages have recovered to prepandemic levels.

Scott Malkin, chairman of Value Retail, is co-owner of the National Hockey League's New York Islanders. The team plays at UBS Arena next to Belmont Park Village.

VINCENT ALBAN/REUTERS

Trying on sunglasses at Simon Property's Woodbury Common Premium Outlets in Central Valley, N.Y.

Startup Takes on Risky Areas

Continued from page B1

$15,000 in annual premiums with Stand, Preston said.

Mitchell said he is paying significantly more for insurance with Stand than he did before the 2020 fire. "For us, it's much better to have expensive insurance than no insurance," he said. "It's peace of mind."

Mitchell's previous insurer paid more than $1 million in claims for repairs from the wildfire damage before dropping coverage, he said. Mitchell then invested in an advanced sprinkler system, cut down vegetation and made other improvements.

Preston said he expects Stand to insure hundreds of homes worth more than $2 billion over the next year in wildfire risk zones in California.

Stand is focusing on homes valued at $2 million to $10 million.

Almost 1.3 million homes in California are at moderate to very high wildfire risk, according to data provider CoreLogic.

Stand is structured as a managing general agent, a type of insurance broker that can underwrite, price and take on risk. It works with Concert Group, an insurance carrier backed by highly rated reinsurers, Preston said.

Stand plans to expand to other states and other types of catastrophe insurance, such as wind and convective storms and floods, Preston said.

Natural disasters have contributed to poor performance in the U.S. property and casualty industry. Insured property losses from natural catastrophes totaled $78.8 billion in 2023, compared with $109.6 billion the previous year, according to Insurance Information Institute.

Insurers have been trying to change how they assess natural-disaster risk with varying success. Startups have been introducing technology, including geospatial analytics and artificial intelligence, to help make better predictions.

Funding for insurance technology startups in the U.S. totaled $3.8 billion in the first three quarters of this year, compared with $5.8 billion in all of 2023, which was the lowest annual total since 2018, according to research provider PitchBook Data.

Equal Ventures has been looking for years for a startup that could help address risk from climate change in insurance, said Rick Zullo, cofounder and managing partner.

"There is a $100 billion opportunity for whoever figures this out and we are confident that if anyone can, it's this team" at Stand, Zullo said.

EPA/SHUTTERSTOCK

The company plans to invest $1.2 billion in the Odense facility.

Novo Nordisk Plans New Denmark Plant

By Dominic Chopping

Novo Nordisk plans to invest $1.2 billion in a new production site for rare-disease medicines in Denmark.

The Danish pharmaceutical giant said it will establish a production facility in Odense designed to accommodate multiple product types within the rare disease area, such as hemophilia.

Construction work has started and is scheduled to be completed in 2027.

Novo Nordisk said the investment of 8.5 billion Danish kroner, or about $1.2 billion, is expected to create 400 permanent jobs upon completion of the site

Meanwhile, on Saturday the company said a deal to buy three manufacturing sites previously owned by **Catalent** had received all regulatory approvals.

The agreement will see the company's controlling shareholder, Novo Holdings, buy U.S. contract drugmaker Catalent in a $16.5 billion deal before selling three of Catalent's production sites to Novo Nordisk for $11 billion.

Novo Nordisk said the mainly debt-financed acquisition is expected to have a mid-single-digit percentage negative impact on 2025 operating profit growth.

VW Contract Talks Resume Amid Threat of More Strikes

Union says it hopes for a deal before Christmas despite split on key issues

By Dominic Chopping


MORITZ FRANKENBERG/DPA/ZUMA PRESS

Talks are scheduled over the next couple of days. Union officials speaking at a rally Monday.

Volkswagen and labor leaders resumed talks Monday as they continue protracted negotiations over how to move forward with cost cuts across the German auto giant's domestic operations.

Speaking ahead of the talks in Hanover, the head negotiator at metalworkers union IG Metall said he hoped to find an agreement before Christmas while also conceding that the two sides are still a long way apart on key issues.

"If there is no solution, IG Metall's escalation plan stands," Thorsten Groeger said.

The union has threatened unprecedented strike action in the new year if no agreement can be found before then.

Volkswagen has proposed cutting workers' pay by 10% and scrapping bonuses while insisting that capacity must also be cut as it resizes to adapt to waning electric-vehicle demand, competition from Chinese rivals and high labor costs. But labor leaders are refusing to accept any factory closures, mass layoffs or salary reductions.

According to the head of Volkswagen's works council, Daniela Cavallo, the company wants to shut at least three factories in Germany and lay off tens of thousands of staff.

Successive rounds of talks have failed to deliver an agreement, prompting around 100,000 workers at nine plants across the country to stage walkouts on each of two days of strikes in recent weeks.

Ahead of the fifth round of talks, Volkswagen's chief negotiator Arne Meiswinkel reiterated that there is an urgent need for action to secure the company's future.

"We must work together to find further financial potential that will lead to sustainable cost relief for the company," he said. "This relief is absolutely necessary."

Talks are scheduled over the next couple of days.

Amazon Workers Approve Third Walkout, Targeting Illinois Site

By Sabela Ojea

Amazon.com union members at another U.S. facility voted to authorize a strike, becoming the third to do so in less than a week as tensions with the e-commerce giant expand across the country over contract negotiations.

The Teamsters on Monday said that workers at the DIL7 Amazon delivery station in Skokie, Ill., voted overwhelmingly in favor of the move, joining workers of New York City's Staten Island JFK8 and Queens DBK4 facilities, which last Friday made public that they had authorized strikes of their own.

The union had given Amazon a Dec. 15 deadline to agree to come to the table and bargain for a contract.

"Amazon chose to ignore that deadline and is pushing workers across the country closer to launching a strike that could disrupt operations for customers at the height of the holiday season," Teamsters said.

The Teamsters represent hundreds of workers at the Skokie facility, the union said, and a total of 1.3 million people in the U.S. and Canada.

Amazon said the Teamsters has been misleading the public for more than a year now by claiming that they represent thousands of Amazon employees and drivers.

"They don't, and this is another attempt to push a false narrative about the independent small businesses who deliver on our behalf," Amazon spokesperson Eileen Hards said. "The truth is that the Teamsters have actively threatened, intimidated, and attempted to coerce Amazon employees and third-party drivers to join them, which is illegal and is the subject of multiple pending unfair labor practice charges."

Teamsters spokesperson Kara Deniz said Amazon is gaslighting the American public. "The truth is for many years the company has exploited and abused workers, and these workers are fed up and fighting back," she said. "Amazon threatens, intimidates, and coerces its workers by unleashing union busters to swarm facilities."

U.K. Clears Takeover of Royal Mail

The postal service has faced falling mail volumes and rising competition

By Christian Moess Laursen

Britain's storied postal service will remain based in the U.K. after the government struck a deal with Czech billionaire Daniel Kretinsky's EP Group to approve the takeover of **Royal Mail**-owner International Distribution Services.

The private industrial group owned by Kretinsky reached agreements with the U.K. government and unions to protect key Royal Mail services and its workforce, clearing key hurdles for its 3.57 billion pound ($4.50 billion) acquisition of IDS.

The group signed a deal to buy IDS in May, which would end British ownership of the postal service that invented the adhesive stamp.

The 500-year-old Royal Mail has suffered in recent years as letter volumes dropped and competition from new delivery services heated up. The British government privatized the service about a decade ago, listed it on the London Stock Exchange and later changed its name to IDS.

As part of the deal with EP Group, the government will keep a so-called golden share that ensures the headquarters or tax residency of Royal Mail can't be moved abroad without its approval.

The commitments made by EP Group stipulate that Royal Mail would continue as the U.K.'s universal service provider, and that there would be no change in the control of either Royal Mail or IDS's delivery business, GLS, for at least three years following completion of the acquisition.

EP Group will ensure that Royal Mail complies with regulatory conditions and committed not to change its corporate structure, it said. It also pledged to recognize and negotiate with the unions representing Royal Mail's front-line workers and its managerial workforce, respectively known as CWU and CMA Unite.

The CWU said on X that the agreement covers job security commitments and other legally binding guarantees from EP Group over the future of Royal Mail.

IDS Chair Keith Williams said the U.K. government's endorsement and legal backing for the package of commitments marks an important milestone in the process to get the deal approved.


HANNAH MCKAY/REUTERS

Czech billionaire Daniel Kretinsky's EP Group agreed in May to buy the postal service's owner for $4.5 billion.

The green light from the government and agreement in principle with unions means Kretinsky's efforts to take over Royal Mail and its parent company have now cleared some of their biggest hurdles, AJ Bell investment director Russ Mould said.

Ozy Media Ex-CEO Is Given Prison Sentence for Investor Fraud

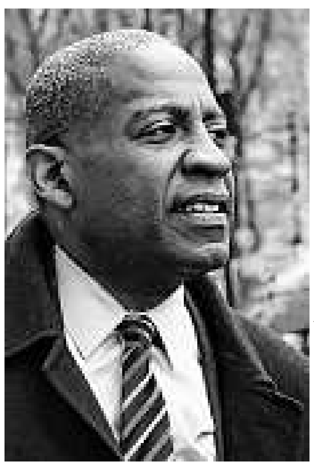
By James Fanelli

Ozy Media's former Chief Executive Carlos Watson was sentenced to nearly 10 years in prison on Monday for defrauding investors and lenders to his once-promising digital-media startup.

A federal jury convicted Watson in July of three counts, including for fraud conspiracies and aggravated identity theft. Ozy Media also was found guilty of two counts of conspiring to commit securities fraud and wire fraud.

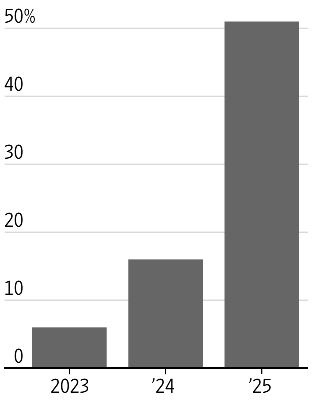
The U.S. attorney's office in Brooklyn, N.Y., charged Watson and his company last year, alleging he conspired with two other high-ranking employees to fabricate Ozy's revenue and profitability to woo investors and keep the sinking business afloat. Federal prosecutors had sought a sentence of 17 years in prison, calling him a serial deceiver.

A lawyer for Watson had sought a no-prison sentence, saying in a filing to the court that it would allow his client to serve the community and care for his ailing 90-year-old father and young nephew.


MICHAEL M. SANTIAGO/GETTY IMAGES

Carlos Watson.

Share of large-company CEOs expecting an improvement in the economy in the first six months of each year



Note: Survey is taken before each year begins
Source: Teneo

CEOs Take Rosy View Of 2025

Continued from page B1

that group expect the economy to improve in the next six months, up from 16% in 2023 and 6% in 2022.

The survey was conducted in the weeks after the U.S. presidential election, and includes responses from the heads of companies with annual revenue of at least $1 billion. About one-third were CEOs of companies based in the U.S.

The survey also found that more than 80% of CEOs expect mergers and acquisitions to pick up in 2025. Global M&A value is up nearly 18% this year from 2023, according to Dealogic, but still below record levels from 2021. About 45% of surveyed CEOs expect tougher regulatory oversight and approvals will be a major barrier to M&A in the next year.

Nearly 80% of CEOs expect inflation to pick up in their region. Consumer prices in the U.S. have continued to rise modestly this year, fueling speculation that the Federal Reserve will slow or stop interest-rate cuts.

THE WALL STREET JOURNAL.

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Howard I. Smith, C.V. Starr & Co., Inc.
Julie Underwood, CA State Teachers' Retirement System
Ralph Woodard, Capital Blue Cross
Patrick Goris, Carrier
Victor Rago, Celonis
Rob McMurray, ChristianaCare
Jeremy Fox-Geen, Circle Internet Financial
Tom Berquist, Cloud Software Group
Thomas J. Seifert, Cloudflare
Oddone Incisa, CNH Industrial
Stan J. Sutula, Colgate-Palmolive
Rohan Sivaram, Confluent
Mike Agresta, Coupa
Brandon Nussey, Coveo
Dallas Clement, Cox Enterprises
Raj Vennam, Darden Restaurants
Don Dixon, DataStax
Janet Lewell, Deloitte
Ray Carpenter, DIRECTV
Jared DiPalma, Dow Jones
Jonathan C. Clark, Encore Capital Group, Inc.
Aaron Bloomer, Exact Sciences
Kevin S. Ingram, Factory Mutual Insurance Company
Chuck E. McLaughlin, Fortive Corp.
David Barry, Fortune Brands Innovations, Inc.
Marc Charnas, GE Appliances
Simone Nardi, Globalization-Partners
Mark D. McCaffrey, GoDaddy
Craig Greiwe, GoDigital Media Group
Christopher J. Waters, Goulston & Storrs PC
Jim E. Stark, Green Plains
Baris Oran, GXO
Ken Goldman, Hillspire
Becky Haight, HRCI
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Jayesh Sanghrajka, Infosys
Nick Goel, Innova Solutions
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Susan Panuccio, News Corp
Seun Salami, Nuveen
Adam Barsky, NYPA
Jenny Osterhout, OneMain Financial
Guido Torrini, OneTrust
Mike Shapiro, Option Care Health
Marc Cabi, Optiv
Vibhu Sharma, Pacific Life Insurance Company
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MARKETS DIGEST

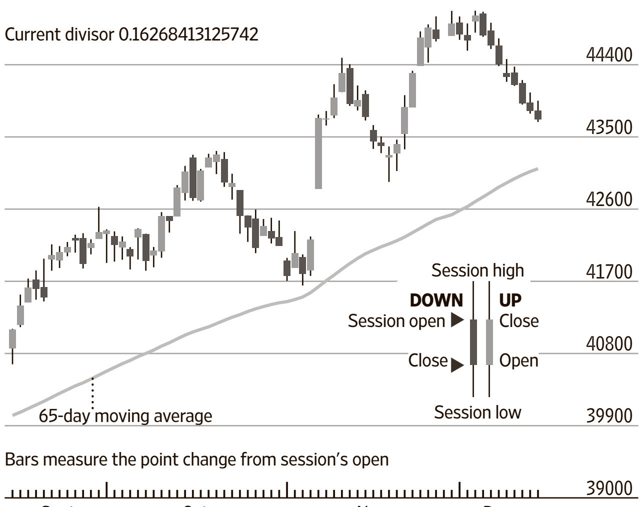
EQUITIES

Dow Jones Industrial Average

43717.48 ▼110.58, or 0.25%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	27.45	27.00
P/E estimate *	22.63	20.47
Dividend yield	1.84	1.97
All-time high	45014.04, 12/04/24	



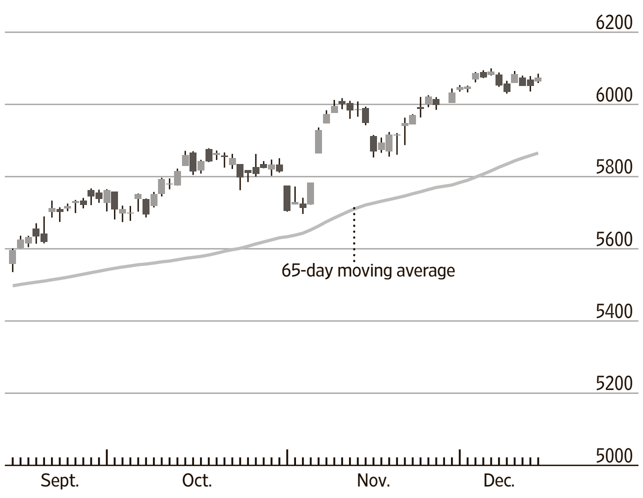
Bars measure the point change from session's open

S&P 500 Index

6074.08 ▲22.99, or 0.38%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	25.75	21.74
P/E estimate *	22.37	21.25
Dividend yield *	1.24	1.57
All-time high	6090.27, 12/06/24	

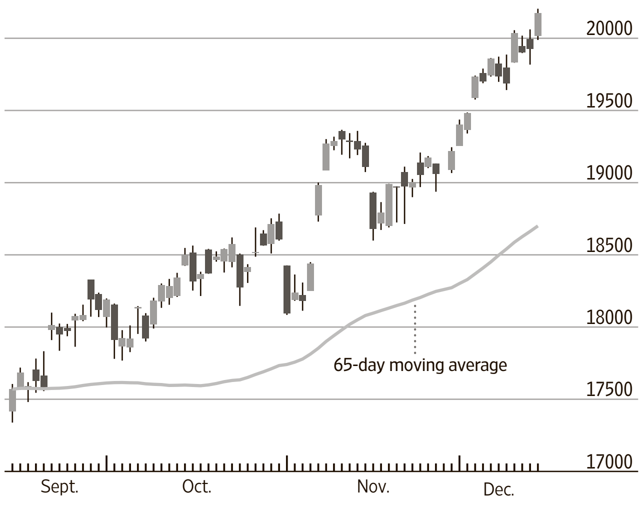


Nasdaq Composite Index

20173.89 ▲ 247.17, or 1.24%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *†	34.92	29.65
P/E estimate *†	28.01	28.49
Dividend yield *†	0.75	0.78
All-time high:	20173.89, 12/16/24	



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	Latest High	Latest Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	52-Week % chg	% chg YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	43951.58	43686.85	43717.48	-110.58	-0.25	45014.04	37082.00	17.2	16.0	6.8
Transportation Avg	16704.05	16546.16	16580.23	-131.20	-0.79	17754.38	14781.56	3.9	4.3	1.2
Utility Average	1006.99	995.81	995.86	-7.79	-0.78	1079.88	829.38	13.2	13.0	1.1
Total Stock Market	60643.97	60380.60	60528.96	246.06	0.41	60836.59	46849.48	27.6	26.7	8.4
Barron's 400	1315.61	1308.13	1310.29	0.23	0.02	1356.99	1039.19	23.5	22.2	7.1
Nasdaq Stock Market										
Nasdaq Composite	20204.58	19988.12	20173.89	247.17	1.24	20173.89	14510.30	35.4	34.4	9.9
Nasdaq-100	22133.22	21879.74	22096.66	316.41	1.45	22096.66	16282.01	32.1	31.3	11.7
S&P										
500 Index	6085.19	6059.14	6074.08	22.99	0.38	6090.27	4688.68	28.1	27.3	9.2
MidCap 400	3293.80	3265.52	3274.95	-2.25	-0.07	3390.26	2691.79	19.1	17.7	6.2
SmallCap 600	1499.78	1483.29	1494.05	5.42	0.36	1544.66	1241.62	16.0	13.3	3.7
Other Indexes										
Russell 2000	2370.43	2339.74	2361.99	15.10	0.64	2442.03	1913.17	19.1	16.5	3.1
NYSE Composite	19773.05	19615.71	19627.68	-101.69	-0.52	20272.04	16522.83	17.8	16.5	5.2
Value Line	641.02	636.33	636.85	-1.76	-0.28	656.04	566.64	9.0	7.2	-0.6
NYSE Arca Biotech	5953.71	5874.21	5917.93	42.05	0.72	6154.34	4861.76	12.6	9.2	3.0
NYSE Arca Pharma	966.76	951.02	952.04	-8.98	-0.93	1140.17	886.88	6.9	4.6	4.9
KBW Bank	132.46	131.15	132.28	0.53	0.40	138.78	91.80	39.2	37.8	-0.2
PHLX§ Gold/Silver	147.86	146.08	146.44	-1.48	-1.00	175.74	102.94	17.9	16.5	5.0
PHLX§ Oil Service	75.11	73.28	73.35	-1.36	-1.82	95.25	72.67	-12.2	-12.6	12.1
PHLX§ Semiconductor	5280.79	5135.19	5256.06	106.28	2.06	5904.54	3908.85	28.1	25.9	11.8
Cboe Volatility	14.69	13.99	14.69	0.88	6.37	38.57	11.86	17.0	18.0	-10.6

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of $2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	After Hours Last	Net chg	% chg	High	Low
iShares Core S&P 500 ETF	IVV	18,607.9	609.30	-0.53	-0.09	610.84	607.72
Vanguard S&P 500 ETF	VOO	17,568.3	557.40	-0.40	-0.07	558.88	557.20
NVIDIA	NVDA	13,260.3	131.49	-0.51	-0.39	132.15	131.21
Broadcom	AVGO	12,996.0	250.16	0.16	0.06	250.50	177.58
Vanguard FTSE DevMkts	VEA	11,336.0	49.78	0.01	0.02	49.99	49.73
SPDR S&P 500 ETF Trust	SPY	9,359.8	606.29	-0.50	-0.08	607.87	601.06
Cisco Systems	CSCO	6,367.1	58.43	0.08	0.13	58.50	58.35
iShares MSCI EAFE ETF	EFA	6,117.1	78.30	-0.33	-0.42	78.66	78.30

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
RCI Hospitality Holdings	RICK	76.6	56.74	4.61	8.84	59.11	51.66
SolarEdge Technologies	SEDG	692.8	13.36	1.04	8.44	13.73	12.30
Tenaya Therapeutics	TNYA	299.7	3.10	0.22	7.64	3.25	2.83
Denali Therapeutics	DNLI	72.0	25.00	1.71	7.34	25.00	23.08
Amentum Holdings	AMTM	171.6	25.37	1.59	6.69	25.42	23.78

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
EVgo Cl A	EVGO	837.4	5.20	-1.12	-17.72	6.35	5.07
Compass Minerals	CMP	55.2	11.73	-0.88	-6.99	14.01	11.50
FIGS	FIGS	78.4	5.71	-0.31	-5.15	6.02	5.71
Cipher Mining	CIFR	696.0	7.01	-0.38	-5.14	7.47	6.95
Unusual Machines	UMAC	115.6	12.49	-0.60	-4.58	13.18	12.20

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	1,090,329,783	19,376,328
Adv. volume*	406,344,414	5,078,424
Decl. volume*	676,569,121	12,421,240
Issues traded	2,860	297
Advances	1,118	117
Declines	1,670	170
Unchanged	72	10
New highs	82	7
New lows	132	21
Closing Arms†	1.07	1.43
Block trades*	5,001	203

	Nasdaq	NYSE Arca
Total volume*	8,855,049,058	256,263,127
Adv. volume*	6,118,735,335	113,137,544
Decl. volume*	2,560,264,068	139,606,022
Issues traded	4,504	2,059
Advances	2,231	1,035
Declines	2,129	985
Unchanged	144	39
New highs	215	130
New lows	237	48
Closing Arms†	0.44	1.26
Block trades*	82,987	1,091

* 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	Latest Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	867.84	1.70	0.20	19.4
	MSCI ACWI ex-USA	333.99	−0.71	−0.21	5.5
	MSCI World	3826.99	9.75	0.26	20.8
	MSCI Emerging Markets	1103.21	−3.80	−0.34	7.8
Americas	MSCI AC Americas	2288.96	8.07	0.35	26.2
Canada	S&P/TSX Comp	25147.21	−127.09	−0.50	20.0
Latin Amer.	MSCI EM Latin America	1963.09	−26.54	−1.33	−26.3
Brazil	Bovespa	123560.06	−1052.16	−0.84	−7.9
Chile	S&P IPSA	3664.98	14.14	0.39	5.7
Mexico	S&P/BMV IPC	50849.43	−770.32	−1.49	−11.4
EMEA	STOXX Europe 600	515.83	−0.62	−0.12	7.7
Eurozone	Euro STOXX	510.07	−2.09	−0.41	7.6
Belgium	Bel-20	4267.88	11.43	0.27	15.1
Denmark	OMX Copenhagen 20	2416.43	45.83	1.93	5.8
France	CAC 40	7357.08	−52.49	−0.71	−2.5
Germany	DAX	20313.81	−92.11	−0.45	21.3
Israel	Tel Aviv	2344.42	27.46	1.19	25.7
Italy	FTSE MIB	34740.25	−148.54	−0.43	14.5
Netherlands	AEX	891.48	−2.07	−0.23	13.3
Norway	Oslo Bors All-Share	1638.93	−18.51	−1.12	7.9
South Africa	FTSE/JSE All-Share	87129.65	...	Closed	13.3
Spain	IBEX 35	11778.60	26.50	0.23	16.6
Sweden	OMX Stockholm	974.04	−3.93	−0.40	7.9
Switzerland	Swiss Market	11701.51	7.08	0.06	5.1
Turkey	BIST 100	9997.66	−127.80	−1.26	33.8
U.K.	FTSE 100	8262.05	−38.28	−0.46	6.8
U.K.	FTSE 250	20813.03	−76.12	−0.36	5.7
Asia-Pacific	MSCI AC Asia Pacific	184.72	−0.83	−0.45	9.1
Australia	S&P/ASX 200	8249.50	−46.46	−0.56	8.7
China	Shanghai Composite	3386.33	−5.55	−0.16	13.8
Hong Kong	Hang Seng	19795.49	−175.75	−0.88	16.1
India	BSE Sensex	81748.57	−384.55	−0.47	13.2
Japan	NIKKEI 225	39457.49	−12.95	−0.03	17.9
Singapore	Straits Times	3821.03	10.68	0.28	17.9
South Korea	KOSPI	2488.97	−5.49	−0.22	−6.3
Taiwan	TAIEX	23039.90	19.42	0.08	28.5
Thailand	SET	1419.72	−11.95	−0.83	0.3

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Quantum Computing	QUBT	11.08	4.38	65.25	12.28	0.35	1169.3
WISeKey Intl Hldg ADR	WKEY	12.00	4.16	53.06	14.00	1.56	589.7
D-Wave Quantum	QBTS	7.23	2.23	44.60	7.70	0.68	643.6
Clipper Realty	CLPR	6.11	1.75	40.14	7.12	3.38	15.5
Baozun ADR	BZUN	3.70	0.98	36.03	4.38	1.90	25.9
Procaps Group	PROC	3.25	0.84	34.85	4.95	0.50	12.5
Momentus	MNTS	7.84	1.92	32.43	28.56	4.50	-67.1
Interlink Electronics	LINK	6.59	1.58	31.54	9.33	3.25	-20.3
AgEagle Aerial Systems	UAVS	6.82	1.63	31.41	118.00	1.54	-93.8
Sagimet Biosciences	SGMT	5.73	1.34	30.52	20.71	2.39	-0.3
Quantum	QMCO	23.27	5.30	29.49	33.00	2.22	212.2
Sangamo Therapeutics	SGMO	2.65	0.60	29.02	3.18	0.30	592.0
Creative Global Tech	CGTL	9.15	2.05	28.87	10.59	3.37	...
Red Cat Holdings	RCAT	10.45	2.22	26.97	12.57	0.56	1520.4
Aehr Test Systems	AEHR	14.49	2.96	25.67	30.00	9.83	-48.1

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Tonix Pharmaceuticals	TNXP	1,151,387	3081.4	0.53	120.37	22.14	0.12
WeBuy Global	WBUY	532,814	1392.5	0.23	29.27	0.82	0.11
Sidus Space	SIDU	292,887	48915.9	4.58	220.28	18.85	1.15
NVIDIA	NVDA	232,653	-1.7	132.00	-1.68	152.89	47.32
Rigetti Computing	RGTI	226,667	478.6	8.43	17.74	9.85	0.66
SEALSQ	LAES	200,832	1814.4	2.45	40.00	3.95	0.29
SoundHound AI	SOUN	175,957	317.6	19.69	16.44	19.97	1.62
D-Wave Quantum	QBTS	162,164	713.9	7.23	44.60	7.70	0.68
Palantir Technologies	PLTR	125,151	70.4	75.75	-0.42	80.91	15.66
Canoo	GOEV	124,472	392.8	0.11	-16.52	7.08	0.11

* Volumes of 100,000 shares or more are rounded to the nearest thousand

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
SOBR Safe	SOBR	1.15	-2.42	-67.79	87.95	0.99	-97.8
Zoomcar Holdings	ZCAR	1.75	-3.43	-66.22	1289.00	1.44	-99.8
Alpha Modus Holdings Cl A	AMOD	5.50	-4.00	-42.11	13.49	4.50	-48.6
New Era Helium	NEHC	2.40	-1.01	-29.62	12.29	2.40	-77.4
Global Engine Group Hldg	GLE	1.77	-0.69	-28.05	5.44	1.56	...
Baijiayun Group	RTC	3.57	-1.23	-25.63	40.00	2.48	-55.1
Larimar Therapeutics	LRMR	4.83	-1.34	-21.72	13.68	3.01	16.9
Innate Pharma ADR	IPHA	2.37	-0.65	-21.52	3.51	1.29	-3.3
Gaxos.ai	GXAI	2.75	-0.74	-21.20	19.20	1.01	-28.6
Forte Biosciences	FBRX	18.96	-4.19	-18.10	28.68	4.11	5.9
GrShr 2x Long SMCI Daily	SMCL	18.53	-4.04	-17.90	24.43	16.30	...
Cyngn	CYN	2.70	-0.58	-17.68	31.49	2.65	-83.9
Jayud Global Logistics	JYD	1.79	-0.37	-17.13	2.97	0.42	-37.4
Defiance Dly Target 2X Lg	SMCX	48.35	-9.76	-16.80	412.20	16.80	...
CAMP4 Therapeutics	CAMP	6.36	-1.27	-16.64	12.30	4.06	...

Volume Movers

Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
Direxion Dly AVGO Bear 1X	AVS	1,118	5321	16.98	-10.90	28.64	16.85
WISeKey Intl Hldg ADR	WKEY	51,659	3690	12.00	53.06	14.00	1.56
iSh Climt Conscious	USCL	1,446	3583	73.05	0.38	73.52	55.24
Xtrkrs MSCI USA Climt Act	USCA	2,744	3187	38.42	0.24	38.69	29.04
NYLI Candriam US MC Eq	IQSM	173	2258	34.30	-0.05	35.34	29.12
Leverage 2X Lg TSLA Dly	TSLG	144	2145	18.22	12.20	18.22	15.54
Direxion Dly AVGO Bull 2X	AVL	1,310	2134	41.08	22.37	41.49	17.42
NYLI Candriam Intl Eq ETF	IQSI	396	2015	29.54	-0.09	31.79	27.34
ProShares DJ Brookfield	TOLZ	507	1917	49.90	-0.87	52.70	42.78
Tremblant Global ETF	TOGA	303	1853	31.56	0.05	32.28	24.58

* Common stocks priced at $2 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Mon in US$	Mon per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0010	1021.2211	26.3
Brazil real	.1626	6.1494	26.7
Canada dollar	.7022	1.4242	7.5
Chile peso	.001016	984.07	12.5
Colombia peso	.000232	4319.30	11.5
Ecuador US dollar	1	1	unch
Mexico peso	.0497	20.1350	18.6
Uruguay peso	.02243	44.5750	14.1
Asia-Pacific			
Australia dollar	.6371	1.5696	7.0
China yuan	.1373	7.2835	2.4
Hong Kong dollar	.1286	7.7740	−0.5
India rupee	.01178	84.881	2.0
Indonesia rupiah	.0000623	16045	4.3
Japan yen	.006487	154.15	9.3
Kazakhstan tenge	.001905	524.93	15.3
Macau pataca	.1248	8.0110	−0.5
Malaysia ringgit	.2246	4.4525	−3.1
New Zealand dollar	.5781	1.7298	9.3
Pakistan rupee	.00360	277.940	−1.1
Philippines peso	.0170	58.843	6.2
Singapore dollar	.7409	1.3498	2.3
South Korea won	.0006955	1437.78	11.1
Sri Lanka rupee	.0034415	290.57	−10.3
Taiwan dollar	.03077	32.500	5.9
Thailand baht	.02934	34.080	−0.9

Country/currency	Mon in US$	Mon per US$	US$ vs, YTD chg (%)
Vietnam dong	.00003938	25395	4.6
Europe			
Czech Rep. koruna	.04199	23.812	6.4
Denmark krone	.1409	7.0961	4.7
Euro area euro	1.0514	.9512	5.0
Hungary forint	.002571	388.91	12.0
Iceland krona	.007244	138.04	1.5
Norway krone	.0897	11.1540	9.6
Poland zloty	.2469	4.0499	2.9
Sweden krona	.0919	10.8866	7.8
Switzerland franc	1.1179	.8945	6.3
Turkey lira	.0286	34.9516	18.6
Ukraine hryvnia	.0239	41.8500	9.7
UK pound	1.2685	.7883	0.4
Middle East/Africa			
Bahrain dinar	2.6516	.3771	0.05
Egypt pound	.0197	50.8062	64.3
Israel shekel	.2788	3.5873	−0.4
Kuwait dinar	3.2489	.3078	0.2
Oman sul rial	2.5974	.3850	0.01
Qatar rial	.2743	3.645	0.04
Saudi Arabia riyal	.2661	3.7574	0.2
South Africa rand	.0560	17.8617	−2.4

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	101.18	−0.04	−0.04	5.58

Sources: Tullett Prebon, Dow Jones Market Data

Commodities

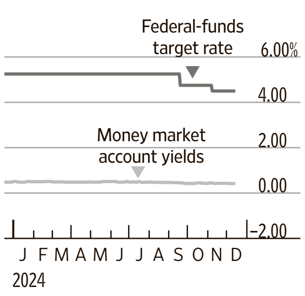
	Monday Close	Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	1010.03	-5.55	-0.55	1079.94	936.12	4.96	5.45
FTSE/CC CRB Index	293.22	-0.74	-0.25	300.23	261.65	10.27	11.14
Crude oil, $ per barrel	70.71	-0.58	-0.81	86.91	65.75	-2.43	-1.31
Natural gas, $/MMBtu	3.214	-0.066	-2.01	3.455	1.575	28.41	27.84
Gold, $ per troy oz.	2651.40	-4.60	-0.17	2788.50	1990.30	30.85	28.56

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

Money Market/Savings Accts

Bankrate.com avg†:	0.42%
EverBank	4.75%
Jacksonville, FL	888-882-EVER
MyBankingDirect	4.75%
Westbury, NY	516-683-4100
Northern Bank Direct	4.75%
Woburn, MA	844-348-8996
Quontic Bank	4.75%
New York, NY	800-908-6600
Vio Bank	4.77%
Oklahoma City, OK	888-999-9170

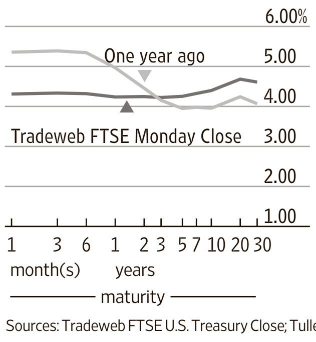
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	4.50-4.75	4.50-4.75	4.50	5.50	4.50
Prime rate*	7.75	7.75	7.75	8.50	4.50
SOFR	4.60	4.60	4.56	5.40	4.55
Money market, annual yield	0.42	0.42	0.41	0.52	0.35
Five-year CD, annual yield	2.86	2.86	2.80	2.89	2.44
30-year mortgage, fixed†	7.21	6.99	6.69	7.72	3.92
15-year mortgage, fixed†	6.54	6.37	6.02	7.11	4.00
Jumbo mortgages, $766,550-plus†	7.30	7.04	6.78	7.79	4.01
Five-year adj mortgage (ARM)†	6.29	6.34	5.88	6.78	3.43
New-car loan, 48-month	7.41	7.41	7.18	7.94	3.84

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

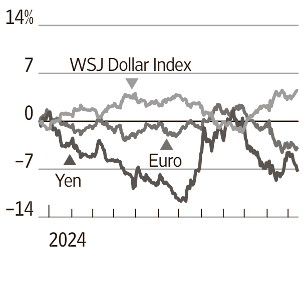
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb FTSE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
U.S. Treasury, Bloomberg	2205.350	4.360	4.200	4.880	3.630	1.747	−2.727
U.S. Treasury Long, Bloomberg	3115.730	4.680	4.470	4.900	3.990	−3.764	−11.304
Aggregate, Bloomberg	2106.620	4.780	4.620	5.310	4.100	2.698	−2.169
Fixed-Rate MBS, Bloomberg	2080.050	5.120	4.920	5.570	4.340	2.964	−1.887
High Yield 100, ICE BofA	3815.672	6.386	6.276	7.871	6.208	8.756	3.445
Muni Master, ICE BofA	598.083	3.332	3.168	3.760	3.038	2.151	−0.211
EMBI Global, J.P. Morgan	908.151	7.402	7.221	8.073	7.084	7.816	−0.416

Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

Contract	Open	High	hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
Dec	4.1325	4.1705		4.1325	**4.1435**	–0.0055	1,370
March'25	4.1965	4.2190		4.1700	**4.1910**	–0.0060	122,100
Gold (CMX)-100 troy oz.; $ per troy oz.							
Dec	2658.30	2663.30		2651.00	**2651.40**	–4.60	1,665
Jan'25	2654.60	2669.70		2648.30	**2657.00**	–5.40	3,643
Feb	2668.00	2683.40		2661.40	**2670.00**	–5.80	356,969
April	2689.90	2704.60		2682.80	**2691.50**	–5.80	54,908
June	2711.00	2726.60		2706.30	**2714.00**	–5.70	35,930
Aug	2732.40	2748.10		2727.60	**2734.90**	–5.60	13,547
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
Dec	991.50	997.00		991.50	**944.80**	–8.30	5
March'25	961.50	967.00		945.00	**951.40**	–10.30	15,122
Platinum (NYM)-50 troy oz.; $ per troy oz.							
Dec	937.00	937.00		936.10	**938.30**	17.00	24
Jan'25	927.90	947.70		920.30	**941.80**	17.50	62,689
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
Dec	30.815	30.815		30.680	**30.697**	0.042	227
March'25	31.005	31.240		30.940	**31.057**	0.029	120,679
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
Jan	71.44	71.44		70.37	**70.71**	–0.58	115,776
Feb	71.00	71.00		69.98	**70.29**	–0.53	313,766
March	70.50	70.50		69.62	**69.88**	–0.51	199,937
April	70.25	70.28		69.38	**69.57**	–0.52	99,057
June	69.66	69.67		68.96	**69.13**	–0.52	166,409
Dec	68.05	68.13		67.56	**67.71**	–0.45	155,466
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
Jan	2.2719	2.2755		2.2506	**2.2640**	–.0060	74,590
Feb	2.2755	2.2779		2.2547	**2.2666**	–.0070	87,133
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
Jan	1.9974	2.0021		1.9706	**1.9757**	–.0261	71,396
Feb	2.0046	2.0091		1.9793	**1.9838**	–.0248	90,432
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
Jan	3.210	3.253		3.145	**3.214**	–.066	127,946
Feb	3.044	3.075		2.989	**3.028**	–.081	169,533
March	2.710	2.727		2.672	**2.702**	–.052	280,644
April	2.746	2.746		2.692	**2.710**	–.056	110,555
May	2.844	2.848		2.802	**2.817**	–.051	106,467
Oct	3.332	3.364		3.313	**3.320**	–.044	104,334

Agriculture Futures

Contract	Open	High	hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
March	441.25	445.75		441.25	**445.00**	3.00	793,751
May	448.00	452.25		448.00	**451.75**	2.50	272,457
Oats (CBT)-5,000 bu.; cents per bu.							
March	368.50	369.00		364.75	**368.00**	–.75	3,207
May	374.00	374.25		371.50	**373.50**	–.50	253
Soybeans (CBT)-5,000 bu.; cents per bu.							
Jan	987.50	993.50		981.00	**982.00**	–6.25	209,365
March	993.75	999.50		985.00	**986.00**	–9.00	355,760
Soybean Meal (CBT)-100 tons; $ per ton.							
Jan	286.20	291.20		286.10	**286.90**	.70	131,225
March	292.90	297.50		292.90	**293.40**	.30	250,363
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
Jan	42.61	42.68		41.53	**41.72**	–.89	116,129
March	42.99	43.08		41.94	**42.07**	–.92	223,659
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
Jan	15.02	15.03		14.94	**14.95**	–.03	6,293
March	15.11	15.15		15.06	**15.07**	–.04	3,495
Wheat (CBT)-5,000 bu.; cents per bu.							
March	552.25	559.25		548.50	**550.00**	–2.25	247,612
May	562.50	569.25		559.50	**561.00**	–1.25	81,933
Wheat (KC)-5,000 bu.; cents per bu.							
March	557.25	566.00		556.00	**559.25**	2.25	166,913
May	565.25	573.50		564.25	**566.75**	1.50	47,245
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
Jan	257.950	258.900		255.125	**255.550**	–2.100	20,132
March	258.000	259.100		255.925	**256.375**	–1.300	21,940
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
Dec	193.850	194.275	▲	191.900	**192.025**	–1.625	6,537
Feb'25	192.225	193.225		189.750	**189.975**	–2.050	153,302
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
Feb	85.825	86.600		82.675	**83.550**	–2.050	134,458
April	90.025	90.750		87.500	**88.250**	–1.500	83,581
Lumber (CME)-27,500 bd. ft., $ per 1,000 bd. ft.							
Jan	536.00	539.50		530.50	**531.00**	–9.00	3,986
March	579.50	579.50		569.00	**569.00**	–11.50	2,272
Milk (CME)-200,000 lbs., cents per lb.							
Dec	18.75	18.76		18.73	**18.75**	–.01	3,749
Jan'25	19.96	20.31		19.92	**20.30**	.31	5,751
Cocoa (ICE-US)-10 metric tons; $ per ton.							
March	11,300	11,925	▲	11,290	**11,821**	521	54,908
May	10,895	11,490	▲	10,878	**11,393**	526	34,807
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
Dec	328.25	328.25		328.25	**328.75**	7.90	61
March'25	317.00	330.85		317.00	**327.40**	7.90	98,624
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
March	20.77	20.89		20.43	**20.68**	–.04	341,851
May	19.33	19.43		19.03	**19.20**	–.06	205,107
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
March	36.73	36.73		36.73	**36.73**	–.26	3,047
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
March	69.27	69.91		69.02	**69.06**	–.21	133,997
May	70.40	71.02		70.17	**70.22**	–.19	45,138
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
Jan	512.75	532.90		511.45	**532.90**	20.00	4,564
March	496.50	516.35	▲	495.45	**514.80**	18.45	5,996

Interest Rate Futures

Contract	Open	High	hi lo	Low	Settle	Chg	Open interest
Ultra Treasury Bonds (CBT) - $100,000; pts 32nds of 100%							
Dec	122-230	123-000		122-060	**122-160**	5.0	32,066
March'25	122-150	123-010		122-030	**122-150**	5.0	1,765,769
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
Dec	116-090	116-190		115-290	**116-040**	–1.0	11,160
March'25	116-090	116-210		115-290	**116-060**	–2.0	1,857,586
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Dec	109-295	110-010		109-235	**109-260**	–.5	14,311
March'25	109-280	110-035		109-245	**109-275**	–.5	4,488,374
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Dec	106-267	106-305		106-230	**106-237**	–1.5	1,581
March'25	106-275	107-000		106-255	**106-267**	–.7	6,062,918
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
Dec	102-281	102-300		102-281	**102-290**	.5	1,617
March'25	102-279	102-295		102-271	**102-277**	–.5	4,246,133
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
Dec	95.5175	95.5225		95.5175	**95.5200**	.0025	359,437
Jan'25	95.6600	95.6700		95.6550	**95.6650**	.0050	457,353
Three-Month SOFR (CME)-$1,000,000; 100 - daily avg.							
Sept	95.2350	95.2350		95.2325	**95.2325**	.0000	1,217,337
Dec	95.6400	95.6425		95.6350	**95.6350**	–.0075	1,180,238

Currency Futures

Contract	Open	High	hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
Dec	.6512	.6522		.6476	**.6478**	–.0029	65,372
March'25	.6584	.6594		.6545	**.6560**	–.0020	180,002
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
Dec	.7028	.7034	▼	.7007	**.7025**	–.0002	149,205
March'25	.7051	.7059	▼	.7031	**.7049**	–.0003	333,078
British Pound (CME)-£62,500; $ per £							
Dec	1.2617	1.2671		1.2616	**1.2661**	.0045	91,527
March'25	1.2608	1.2693		1.2608	**1.2677**	.0067	184,650
Swiss Franc (CME)-CHF 125,000; $ per CHF							
Dec	1.1195	1.1237		1.1176	**1.1181**	–.0023	44,552
March'25	1.1313	1.1354		1.1291	**1.1294**	–.0025	81,500
Australian Dollar (CME)-AUD 100,000; $ per AUD							
Dec	.6362	.6382		.6346	**.6352**	–.0005	74,537
March'25	.6364	.6385		.6345	**.6370**	.0012	163,224
Mexican Peso (CME)-MXN 500,000; $ per MXN							
Dec	.04968	.04976		.04950	**.04956**	–.00012	41,340
March'25	.04892	.04901		.04873	**.04894**	...	123,216
Euro (CME)-€125,000; $ per €							
Dec	1.0496	1.0525		1.0475	**1.0492**	–.0003	140,135
March'25	1.0541	1.0568		1.0517	**1.0553**	.0015	568,901

Index Futures

Contract	Open	High	hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
Dec	43848	43993		43721	**43768**	–98	66,152
March'25	44316	44485		44207	**44260**	–77	26,044
Mini S&P 500 (CME)-$50 x index							
Dec	6055.50	6090.50		6051.50	**6080.50**	25.00	1,625,312
March'25	6125.50	6163.75		6122.00	**6154.00**	28.25	724,169
Mini S&P Midcap 400 (CME)-$100 x index							
Dec	3282.90	3299.30		3267.20	**3279.50**	–.60	39,759
March'25	3313.90	3336.30		3304.60	**3316.60**	1.00	11,368
Mini Nasdaq 100 (CME)-$20 x index							
Dec	21780.25	22152.50	▲	21762.00	**22110.25**	314.50	238,606
March'25	22062.00	22450.00	▲	22050.50	**22408.00**	326.00	54,390
Mini Russell 2000 (CME)-$50 x index							
Dec	2346.50	2374.60		2341.50	**2363.10**	13.40	400,974
March'25	2372.80	2402.60		2368.90	**2391.40**	15.40	130,510
June	2414.50	2425.00		2394.70	**2414.40**	16.40	16
Mini Russell 1000 (CME)-$50 x index							
Dec	3340.80	3344.70		3325.80	**3338.00**	12.90	2,691
March'25	3377.90	3385.20		3363.50	**3378.60**	15.10	3,669
U.S. Dollar Index (ICE-US)-$1,000 x index							
Dec	106.82	106.82		106.82	**107.03**	.04	15,635
March'25	106.65	106.89		106.46	**106.56**	–.13	38,657

Source: FactSet

Cash Prices | wsj.com/market-data/commodities

Monday, December 16, 2024

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Monday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	75.250
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	14.200
Metals	
Gold, per troy oz	
Engelhard industrial	2661.00
Handy & Harman base	2654.20
Handy & Harman fabricated	2946.16
LBMA Gold Price AM	*2669.55
LBMA Gold Price PM	*2659.05
Krugerrand,wholesale-e	2759.60
Maple Leaf-e	2786.13
American Eagle-e	2786.13
Mexican peso-e	3207.28
Austria crown-e	2603.92
Austria phil-e	2786.13
Silver, troy oz.	
Engelhard industrial	30.7500
Handy & Harman base	30.5950
Handy & Harman fabricated	38.2440
LBMA spot price	*£24.3100
(U.S.$ equivalent)	*30.7350
Coins,wholesale $1,000 face-a	23294
Other metals	
LBMA Platinum Price PM	*927.0
LBMA Palladium Price PM	*965.0
Platinum,Engelhard industrial	945.0
Palladium,Engelhard industrial	975.0
Aluminum, LME, $ per metric ton	*2567.5
Copper,Comex spot	4.1435
Iron Ore, 62% Fe CFR China-s	*104.6
Steel, HRC USA, FOB Midwest Mill-s	*690.0
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.2%-v,w	10500
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	9350
BMI Cobalt sulphate, EXW China, >20.5% -v,w	3623
BMI Nickel Sulphate, EXW China, >22%-v,m	3512
BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m	435
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.8400
Cotton,1 1/16 std lw-mdMphs-u	0.6556
Cotlook 'A' Index-t	*80.25
Hides,hvy native steers piece fob-u	n.a.
Wool,64s,staple,Terr del-u,w	n.a.
Grains and Feeds	
Bran,wheat middlings, KC-u,w	139
Corn,No. 2 yellow,Cent IL-bp,u	4.2000
Corn gluten feed,Midwest-u,w	121.4
Corn gluten meal,Midwest-u,w	471.5
Cottonseed meal-u,w	288
Hominy feed,Cent IL-u,w	108
Meat-bonemeal,50% pro Mnpls-u,w	305
Oats,No.2 milling,Mnpls-u	4.2800
Rice, Long Grain Milled, No. 2 AR-u,w	35.25
Sorghum,(Milo) No.2 Gulf-u	n.a.
SoybeanMeal,Cent IL,rail,ton48%-u,w	307.50
Soybeans,No.1 yllw IL-bp,u	9.6100
Wheat,Spring14%-pro Mnpls-u	8.1500
Wheat,No.2 soft red,St.Louis-u	5.5750
Wheat - Hard - KC (USDA) $ per bu-u	5.5925
Wheat,No.1soft white,Portld,OR-u	5.9750
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	299.89
select 1-3,600-900 lbs.-u	270.65
Broilers, National comp wtd. avg.-u,w	1.3242
Butter,AA Chicago-d	2.5000
Cheddar cheese,bbl,Chicago-d	173.00
Cheddar cheese,blk,Chicago-d	182.25
Milk,Nonfat dry,Chicago lb.-d	137.75
Coffee,Brazilian,Comp-y	3.3454
Coffee,Colombian, NY-y	3.4240
Eggs,large white,Chicago-u	4.4750
Flour,hard winter KC-p	15.50
Hams,17-20 lbs,Mid-US fob-u	n.a.
Hogs,Iowa-So. Minnesota-u	81.98
Pork bellies,12-14 lb MidUS-u	n.a.
Pork loins,13-19 lb MidUS-u	0.9688
Steers,Tex.-Okla. Choice-u	n.a.
Steers,feeder,Okla. City-u,w	296.25
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	n.a.
Grease,choice white,Chicago-h	0.4100
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u,w	0.4342
Tallow,bleach;Chicago-h	0.4350
Tallow,edible,Chicago-u	n.a.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 12/13

Source: Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

December 16, 2024

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Nov. index level	Chg From (%) Oct. '24	Nov. '23
U.S. consumer price index			
All items	**315.493**	–0.05	2.7
Core	**321.947**	0.06	3.3

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	**7.75**	7.75	8.50	7.75
Canada	**5.95**	5.95	7.20	5.95
Japan	**1.625**	1.625	1.625	1.475
Policy Rates				
Euro zone	**3.40**	3.40	4.50	3.40
Switzerland	**1.00**	1.50	2.25	1.00
Britain	**4.75**	4.75	5.25	4.75
Australia	**4.35**	4.35	4.35	4.35
Overnight repurchase				
U.S.	**4.64**	4.64	5.48	4.56

U.S. government rates

	Latest	Week ago	52-Week High	52-Week Low
Discount	**4.75**	4.75	5.50	4.75
Federal funds				
Effective rate	**4.5800**	4.5800	5.3400	4.5800
High	**4.8000**	4.8000	5.6500	4.8000
Low	**4.5500**	4.5500	5.3300	4.5500
Bid	**4.5700**	4.5700	5.3300	4.4700
Offer	**4.5800**	4.5800	5.3600	4.5800
Treasury bill auction				
4 weeks	**4.240**	4.400	5.325	4.240
13 weeks	**4.250**	4.300	5.260	4.250
26 weeks	**4.160**	4.200	5.170	4.160

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Call money	**6.50**	6.50	7.25	6.50
Commercial paper (AA financial)				
90 days	**4.50**	4.47	5.39	4.43
Secured Overnight Financing Rate	**4.60**	4.60	5.40	4.56

	Latest	Value Traded	52-Week High	52-Week Low
DTCC GCF Repo Index				
Treasury	**4.691**	48.250	5.504	4.584
MBS	**4.707**	52.850	5.689	4.606

Weekly survey

	Latest	Week ago	Year ago
Freddie Mac			
30-year fixed	**6.60**	6.69	6.95
15-year fixed	**5.84**	5.96	6.38

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective November 8, 2024. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective November 8, 2024. **Secured Overnight Financing Rate** is as of December 13, 2024. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

	Week Ended Dec 13	Week Ended Dec 6	52-Week High	52-Week Low
Federal funds (effective)	**4.58**	4.58	5.33	4.58
Commercial paper				
Nonfinancial				
1-month	**4.50**	4.57	5.33	4.50
2-month	**4.44**	4.54	5.36	4.44
3-month	**4.41**	4.46	5.36	4.41
Financial				
1-month	**4.53**	4.56	5.36	4.53
2-month	**4.52**	4.54	5.42	4.46
3-month	**4.48**	4.50	5.36	4.47
Discount window primary credit	**4.75**	4.75	5.50	4.75
Treasury yields at constant maturities				
1-month	**4.49**	4.64	5.56	4.49
3-month	**4.38**	4.47	5.52	4.38
6-month	**4.33**	4.39	5.43	4.33
1-year	**4.22**	4.24	5.20	3.91
2-year	**4.17**	4.14	4.96	3.55
3-year	**4.12**	4.10	4.81	3.46
5-year	**4.14**	4.07	4.66	3.45
7-year	**4.21**	4.13	4.66	3.55
10-year	**4.28**	4.19	4.65	3.67
20-year	**4.56**	4.45	4.88	4.05
Treasury yields (secondary market)				
1-month	**4.30**	4.45	5.30	4.30
3-month	**4.26**	4.35	5.26	4.26
6-month	**4.19**	4.25	5.17	4.19
TIPS				
5-year	**1.78**	1.73	2.23	1.47
7-year	**1.88**	1.82	2.23	1.50
10-year	**1.98**	1.92	2.23	1.56
20-year	**2.15**	2.07	2.32	1.75
Long-term avg	**2.23**	2.14	2.41	1.86

Notes on data:
Federal-funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades; **Commercial paper rates** are discounted offer rates interpolated from sales by discounted averages of dealer bid rates on nationally traded certificates of deposit; **Discount window primary credit rate** is charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program; **rate** is average for seven days ended Wednesday; **Inflation-indexed long-term TIPS** average is indexed and is based on the unweighted average bid yields for all TIPS with remaining terms to maturity of 10 years or more;

Sources: Federal Reserve; for additional information on these rate data and their derivation, please see, https://www.federalreserve.gov/datadownload/Build.aspx?rel=H15

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High
Broad Market Bloomberg Fixed Income Indices					
2106.62	2.1	U.S. Aggregate	4.780	4.100	5.310
U.S. Corporate Indexes Bloomberg Fixed Income Indices					
3227.41	3.3	U.S. Corporate	5.170	4.640	5.750
3140.24	4.8	Intermediate	4.960	4.400	5.670
4237.58	0.4	Long term	5.590	5.070	5.930
611.18	1.5	Double-A-rated	4.860	4.260	5.330
878.70	4.1	Triple-B-rated	5.340	4.850	5.950
High Yield Bonds ICE BofA					
572.32	8.8	High Yield Constrained	7.163	6.975	8.322
591.04	16.6	Triple-C-rated	11.183	11.094	13.872
3815.67	7.7	High Yield 100	6.386	6.208	7.871
499.39	9.4	Global High Yield Constrained	6.911	6.808	8.112
376.35	8.8	Europe High Yield Constrained	5.356	5.331	6.710
U.S Agency Bloomberg Fixed Income Indices					
1844.57	3.4	U.S Agency	4.540	3.960	5.190
1634.65	3.6	10-20 years	4.500	3.920	5.190
3479.14	0.8	20-plus years	4.930	4.240	5.270
2820.52	3.4	Yankee	5.000	4.380	5.580
Mortgage-Backed Bloomberg Fixed Income Indices					
2080.05	2.0	Mortgage-Backed	5.120	4.340	5.570
2048.18	1.7	Ginnie Mae (GNMA)	5.180	4.460	5.550
1226.04	2.1	Fannie mae (FNMA)	5.100	4.310	5.580
1889.69	2.3	Freddie Mac (FHLMC)	4.990	4.150	5.510
598.08	1.7	Muni Master	3.332	3.038	3.760
421.20	0.6	7-12 year	3.131	2.721	3.557
485.11	1.9	12-22 year	3.672	3.388	3.982
462.29	3.0	22-plus year	4.178	3.959	4.462
Global Government J.P. Morgan†					
547.64	0.7	Global Government	3.430	2.950	3.640
828.72	3.3	Canada	3.150	2.910	3.870
365.31	2.5	EMU§	2.873	2.669	3.365
660.49	0.03	France	3.060	2.540	3.400
473.23	1.2	Germany	2.270	2.020	2.770
270.41	-3.1	Japan	1.510	0.960	1.530
517.70	1.7	Netherlands	2.470	2.260	2.980
789.04	-2.8	U.K.	4.660	3.790	4.750
908.15	7.0	Emerging Markets **	7.402	7.084	8.073

*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. Treasurys 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 (%)	Country/ Maturity, in years	Yield (%) Latest	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points Latest	Prev	Year ago
4.250	U.S. 2	4.246 ▲	4.238	4.298	4.455			
4.250	10	4.397 ▼	4.398	4.426	3.927			
0.500	Australia 2	3.931 ▲	3.912	4.176	3.888	-32.4	-33.5	-54.6
3.500	10	4.328 ▲	4.297	4.654	4.149	-7.3	-9.9	23.6
2.500	France 2	2.236 ▲	2.225	2.353	3.010	-201.9	-202.2	-142.5
3.000	10	3.047 ▲	3.029	3.089	2.541	-135	-136.7	-137.3
2.000	Germany 2	2.053 ▼	2.080	2.124	2.501	-220.3	-216.7	-193.4
2.600	10	2.249 ▼	2.262	2.355	2.019	-215.2	-213.4	-189.5
3.100	Italy 2	2.456 ▲	2.439	2.613	3.086	-179.9	-180.8	-134.9
3.850	10	3.397 ▲	3.383	3.556	3.719	-100.4	-101.3	-19.5
0.600	Japan 2	0.585 ▲	0.564	0.553	0.089	-367.0	-368.3	-434.6
0.900	10	1.072 ▲	1.041	1.075	0.710	-332.9	-335.6	-320.4
2.800	Spain 2	2.263 ▲	2.250	2.382	2.988	-199.2	-199.8	-144.6
3.450	10	2.923 ▲	2.916	3.044	3.000	-147	-148.1	-91.4
4.125	U.K. 2	4.375 ▲	4.319	4.407	4.297	12.0	7.2	-13.7
4.250	10	4.445 ▲	4.419	4.471	3.689	4.4	2.3	-22.5

Source: Tullett Prebon, Tradeweb FTSE U.S. Treasury Close

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Spread*, in basis points Current	One-day change	Last week
National Bank of Canada	...	4.500	4.78	Oct. 10, '29	53	–20	71
CVS Health	CVS	6.250	5.00	June 1, '27	78	–13	81
State Street Bank and Trust	...	4.782	4.61	Nov. 23, '29	35	–12	49
Caterpillar Financial Services	...	4.700	4.56	Nov. 15, '29	34	–6	41
Athene Global Funding	...	2.717	5.14	Jan. 7, '29	90	–5	n.a.
Protective Life Global Funding*	...	4.772	4.83	Dec. 9, '29	58	–5	66
Verizon Communications	VZ	4.125	4.49	March 16, '27	27	–4	35

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
ConocoPhillips	COP	6.950	4.67	April 15, '29	42	28	n.a.
Merck	MRK	6.500	4.88	Dec. 1, '33	48	14	n.a.
Societe Generale	...	4.000	5.09	Jan. 12, '27	88	7	99
Nationwide Building Society*	...	5.127	4.98	July 29, '29	72	5	71
PulteGroup	PHM	6.375	5.32	May 15, '33	96	5	92
Wells Fargo	WFC	4.750	5.82	Dec. 7, '46	115	5	117
Indiana Michigan Power	...	6.050	5.55	March 15, '37	115	4	116
Citigroup	C	4.450	4.89	Sept. 29, '27	68	4	72

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week
DISH DBS	...	7.750	19.93	July 1, '26	84.500	0.50	84.500
Rakuten	...	9.750	7.03	April 15, '29	110.000	0.26	110.285
Transocean	RIG	6.800	9.17	March 15, '38	82.030	0.17	82.900
Verde Purchaser	...	10.500	8.79	Nov. 30, '30	107.776	0.03	107.480

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Current	One-day change	Last week
Macy's Retail Holdings	...	6.375	7.57	March 15, '37	90.532	–0.97	n.a.
Bath & Body Works	BBWI	6.875	6.22	Nov. 1, '35	105.110	–0.36	105.300
Telecom Italia Capital	...	7.200	6.71	July 18, '36	103.870	–0.33	103.938
Paramount Global	PARA	4.375	6.77	March 15, '43	75.125	–0.31	77.136
VF	VFC	6.000	6.22	Oct. 15, '33	98.500	–0.25	99.520
Sealed Air	SEE	6.875	5.87	July 15, '33	106.691	–0.20	107.375
Teva Pharmaceutical Finance Netherlands III	...	3.150	5.68	Oct. 1, '26	95.750	–0.16	96.250
Mauser Packaging Solutions Holding	...	7.875	6.75	April 15, '27	102.375	–0.13	102.944

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.
Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

Dividend Changes

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
Abbott Laboratories	ABT	2.1	.59 / .55	Q	Feb14 / Jan15
AGNC Invt Pfd. E	AGNCO	9.9	.6326 / .40625	Q	Jan15 / Jan01
Alexander & Baldwin	ALEX	4.7	.225 / .2225	Q	Jan08 / Dec20
Andersons	ANDE	1.8	.195 / .19	Q	Jan23 / Jan02
Bristol Myers Squibb	BMY	4.4	.62 / .60	Q	Feb03 / Jan03
Edison International	EIX	4.1	.8275 / .78	Q	Jan31 / Jan07
Ensign Group	ENSG	0.2	.0625 / .06	Q	Jan31 / Dec31
Erie Indemnity Cl A	ERIE	1.3	1.365 / 1.275	Q	Jan22 / Jan07
Invitation Homes	INVH	3.5	.29 / .28	Q	Jan17 / Dec26
Nucor	NUE	1.8	.55 / .54	Q	Feb11 / Dec31
Redwood Trust	RWT	9.4	.18 / .17	Q	Dec30 / Dec23
W. P. Carey Inc.	WPC	6.2	.88 / .875	Q	Jan15 / Dec31
Reduced					
AGNC Invt Pfd. D	AGNCM	7.6	.5904 / .6312	Q	Jan15 / Jan01
Cherry Hill Mtg Pfd. B	CHMIpB	9.3	.6739 / .6986	Q	Jan15 / Dec31
NGL Energy Ptrs Pfd. B	NGLpB	13.2	.7542 / .8004	Q	Jan15 / Jan01
NGL Energy Ptrs Pfd. C	NGLpC	13.4	.7486 / .7947	Q	Jan15 / Jan01
Stocks					
22nd Century Group	XXII		1:135		/Dec17
MMTec	MTC		1:8		/Dec18
Foreign					
Ambev ADR	ABEV	6.1	.0715	A	Jan09 / Dec23
Ambev ADR	ABEV	6.1	.03519		Jan09 / Dec23
Banco Bradesco Ord ADR	BBDO	10.8	.00292	M	Feb10 / Jan06
Banco Bradesco Pref ADR	BBD	5.9	.00321	M	Feb10 / Jan06
Opera ADR	OPRA	3.9	.40	SA	Jan13 / Jan06
Ryanair Holdings ADR	RYAAY	4.2	.46768		Mar10 / Jan17
Tecnoglass	TGLS	0.7	.15	Q	Jan31 / Dec31
West Fraser Timber	WFG	1.5	.32	Q	Jan14 / Dec27
Special					
Farmland Partners	FPI	1.9	1.15		Jan08 / Dec23
Host Hotels & Resorts	HST	4.3	.10		Jan15 / Dec31
Lument Finance Trust	LFT	11.6	.09		Jan15 / Dec31
Old Republic Intl	ORI	2.8	2.00		Jan15 / Jan03

Note: Dividend yields as of 3:30 p.m. ET

Sources: FactSet; Dow Jones Market Data

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
i-New 52-week high; ↓-New 52-week low; **dd**-Indicates loss in the most recent four quarters.

Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.

Monday, December 16, 2024

A B C

Stock	Sym	Close	Net Chg
AAON	AAON	134.66	3.34
AECOM	ACM	110.69	-0.82
AES	AES	13.15	-0.20
Aflac	AFL	103.81	-0.71
AGNC Invt	AGNC	9.65	0.07
Aramark	ARMK	39.64	-0.53
ArcelorMittal	MT	24.53	-0.18
ArchCapital	ACGL	91.34	-2.08
ADM	ADM	51.69	-0.71
AresMgmt	ARES	183.70	1.25
i argenx	ARGX	632.64	25.43
i AristaNetworks	ANET	116.53	4.16
Arm	ARM	145.00	-6.91
AspenTech	AZPN	251.24	2.44
Assurant	AIZ	217.33	-0.50
i AsteraLabs	ALAB	130.48	-1.66
AstraZeneca	AZN	66.23	-0.35
Atlassian	TEAM	278.09	-0.56
AtmosEnergy	ATO	140.45	-0.13
i **AuroraInnov**	**AUR**	**7.99**	**1.02**
Autodesk	ADSK	304.89	1.12
CACI Intl	CACI	416.95	7.04
CAVA	CAVA	126.79	2.74
CBRE Group	CBRE	137.93	0.63
CDW	CDW	177.79	1.73
CF Industries	CF	86.68	-2.82
CGI A	GIB	110.21	-2.40
CH Robinson	CHRW	110.11	-1.27
CME Group	CME	235.92	-1.27
CMS Energy	CMS	66.70	-0.62
CNA Fin	CNA	48.65	-0.20
CNH Indl	CNH	11.59	-0.23
CRH	CRH	98.20	0.28
CSX	CSX	32.94	-0.30
↓ **CVS Health**	**CVS**	**46.60**	**-2.77**
CadenceDesign	CDNS	313.49	6.74
CamdenProperty	CPT	120.36	0.19
Corpay	CPAY	357.72	0.65
Corteva	CTVA	58.95	-0.54
CoStar	CSGP	75.22	0.15
i Costco	COST	992.87	3.52
CoterraEnergy	CTRA	24.73	-0.60
Coupang	CPNG	23.60	-0.29
Crane	CR	164.41	-0.56
Credicorp	BAP	184.60	-5.04

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **% CHG**-Daily percentage change from the previous trading session.

Monday, December 16, 2024

Highs

Stock	Sym	52-Wk Hi/Lo	% Chg
AAMissionAcqnA	AAM	10.09	-0.1
A10Networks	ATEN	19.37	2.8
AbacusLifeNts2028	ABLLL	27.98	-0.1
Adeia	ADEA	14.75	1.6
AdvEnergyInds	AEIS	124.02	4.7
AffirmA	AFRM	73.34	3.1
Agric&NatSolnsA	ANSC	10.48	0.4
AldelFinl II	ALDFU	10.08	...
AleAnnaWt	ANNAW	0.25	17.6
AleAnnaA	ANNA	18.70	1.0
ArcutisBiotherap	ARQT	13.60	6.9
argenx	ARGX	643.63	4.2
AristaNetworks	ANET	116.94	3.7
Asana	ASAN	27.77	14.0
AsteraLabs	ALAB	136.39	-1.3
AuroraInnov	AUR	8.14	14.6
BM Tech Wt	BMTX.WS	0.59	7.3
BV Financial	BVFL	18.19	1.6
BancoBBVA	BBAR	19.90	11.6
BancoMacro	BMA	107.98	14.9
BelFuse B	BELFB	87.87	2.1
BelpointePrep	OZ	80.07	2.1
BiglariA	BH.A	1200.00	2.9
BiglariB	BH	244.27	2.3
BitdeerTech	BTDR	25.51	10.6
BlackSkyTechWt	BKSY.WS	0.11	18.9
BoeingPfdA	BApA	60.97	1.5
BoldEagleAcqn	BEAGU	10.10	0.1
Broadcom	AVGO	251.88	11.2
BurTechAcqnWt	BRKHW	0.32	7.7
ByrnaTech	BYRN	26.41	6.1
CEVA	CEVA	33.34	1.9
CPI Card	PMTS	34.90	-0.9
Cal-MaineFoods	CALM	114.06	3.8
Cango	CANG	5.69	23.1
ChengheAcqnIA	LATG	11.81	0.3
Ciena	CIEN	91.82	1.6
CoastalFinl	CCB	86.04	3.6
CognyteSoftware	CGNT	9.50	8.6
CohenCircleI A	CCIR	10.26	-0.2
CompoSecure	CMPO	17.03	-0.5
CompoSecureWt	CMPOW	5.85	-3.2
CorpAmAirports	CAAP	20.79	1.7
Costco	COST	1008.25	0.4
CreativeGlblTech	CGTL	10.59	28.9
CredoTech	CRDO	78.97	1.7
D-WaveQuantumWt	QBTS.WS	4.00	55.9
D-WaveQuantum	QBTS	7.70	44.6
Dave	DAVE	103.95	11.3
DeckersOutdoor	DECK	213.03	2.2
DelcathSystems	DCTH	13.30	0.9
DouglasEmmett	DEI	20.38	1.6
DynamixA	DYNX	10.48	-0.2
DynamixWt	DYNXW	0.32	20.0
DynexCapPfdC	DXpC	25.60	0.8
EQVVenturesA	EQV	9.98	-0.2
ElbitSystems	ESLT	266.35	4.8
Electro-Sensors	ELSE	4.98	7.1
EmpresaDisCom	EDN	51.69	-0.1
Endeavor	EDR	31.07	1.2
GRAIL	GRAL	23.78	2.6
GSRIIIAcqn	GSRTU	10.01	...
G Willi-Food	WILC	16.91	2.3
Global-EOnline	GLBE	57.67	1.1
GoDaddy	GDDY	211.11	1.1
GolarLNG	GLNG	44.08	-1.8
GorillaTechWt	GRRRW	0.51	54.5
Graham	GHM	46.14	2.9
Grindr	GRND	17.33	7.5
GrindrWt	GRND.WS	6.18	15.4
GpoFinGalicia	GGAL	69.29	8.7
GpoSupervielle	SUPV	15.70	16.5

Exchange-Traded Portfolios | wsj.com/market-data/mutualfunds-etfs

Largest 100 exchange-traded funds. Preliminary close data as of 4:30 p.m. ET

Monday, December 16, 2024

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CommSvsSPDR	XLC	101.33	0.39	39.5
CnsmrDiscSel	XLY	238.68	1.35	33.5
DimenUSCoreEq2	DFAC	35.89	...	22.8
EnSelSectorSPDR	XLE	87.26	–2.20	4.1
FinSelSectorSPDR	XLF	49.45	–0.18	31.5
GrayscaleBitcoin	GBTC	84.02	4.02	172.2
HealthCrSelSect	XLV	139.31	–1.19	2.1
IndSelSectorSPDR	XLI	137.55	0.09	20.7
InvscNasd100	QQQM	221.51	1.42	31.4
InvscQQQI	QQQ	538.17	1.44	31.4
InvscS&P500EW	RSP	181.56	–0.33	15.1
iShBitcoin	IBIT	60.22	3.99	...
iShBrdUSDHYCpBd	USHY	37.23	0.13	2.4
iShCoreDivGrowth	DGRO	63.23	–0.24	17.5
iShCoreMSCIEAFE	IEFA	73.20	–0.35	4.1
iShCoreMSCIEM	IEMG	54.87	–0.42	8.5
iShCoreMSCITotInt	IXUS	68.97	–0.38	6.2
iShCoreS&P500	IVV	609.83	0.43	27.7
iShCoreS&P MC	IJH	65.62	–0.02	18.4
iShCoreS&P SC	IJR	123.27	0.36	13.9
iShCoreS&PTotUS	ITOT	133.69	0.45	27.0
iShCoreS&PUSGrw	IUSG	144.97	1.07	39.3
iShCoreS&PUSVal	IUSV	95.69	–0.51	13.5
iShCoreTotUSDBd	IUSB	45.71	0.11	–0.8
iShCoreUSAggBd	AGG	98.01	0.09	–1.2
iShEdgeMSCIMinUSA	USMV	91.29	–0.40	17.0
iShEdgeMSCIUSAQual	QUAL	183.91	–0.03	25.0
iShGoldTr	IAU	50.06	0.16	28.3

Mutual Funds

Data provided by LSEG

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Ex-distribution. **f**-Previous day's quotation. **g**-Footnotes x and s apply. **j**-Footnotes e and s apply. **k**-Recalculated by LSEG, using updated data. **p**-Distribution costs apply, 12b-1. **r**-Redemption charge may apply. **s**-Stock split or dividend. **t**-Footnotes p and r apply. **v**-Footnotes x and e apply. **x**-Ex-dividend. **z**-Footnote x, e and s apply. **NA**-Not available due to incomplete price, performance or cost data. **NE**-Not released by LSEG; data under review. **NN**-Fund not tracked. **NS**-Fund didn't exist at start of period.

Monday, December 16, 2024

Fund	NAV	Net Chg	YTD %Ret
AB Funds			
MunilncmShares	11.29	...	5.8
AB Funds - ADV			
SmCpA	70.89	-0.03	7.0
TxExA	12.49	...	2.9
WshA	66.30	+0.35	22.5
Dimensional Fds			
EmgMktVa	30.63	-0.13	8.7
EmMktCorEq	23.90	-0.08	10.2

Continued on Page B9

MARKETS

Nasdaq Surges 1.2% to New Record, But Dow Industrials Extend Slump

Technology stocks get lift as chip maker Broadcom's shares gain 11%

MONDAY'S MARKETS

Shares of tech and other fast-growing companies extended a year-end rally Monday, while sleepier sectors struggled to keep up.

Highlighting the divergence: The tech-heavy Nasdaq Composite surged 1.2% to a record, even as the Dow Jones Industrial Average fell for the eighth straight session, its longest streak of declines since 2018.

The Dow edged down 0.3% Monday and has dropped 2.9% over its losing streak. The S&P 500 rose 0.4% after falling last week.

Momentum for tech stocks accelerated last week when chip and software maker Broadcom reported a big jump in revenue, raised its dividend and presented an encouraging outlook for its artificial-intelligence business.

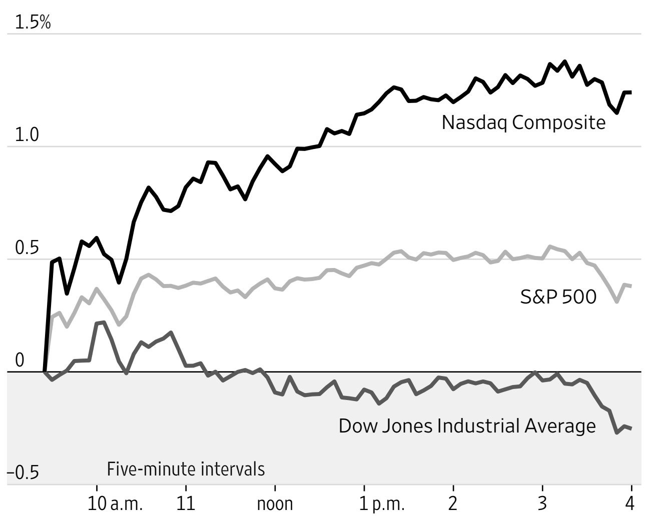
Broadcom rose 11% Monday, after leaping 24% Friday. Fellow chip maker Micron Technology was another standout, jumping 5.6% ahead of its own earnings report Wednesday.

A rebound in Treasury yields has helped drag down stocks that are more sensitive to the near-term economic outlook, such as those of smaller companies as well as banks and manufacturers.

Although the Federal Reserve is expected to cut interest rates later this week, many expect it to signal a slower pace of cuts going forward.

The possibility that the Fed may soon take a break from cutting rates is "a little bit less supportive for small-caps and another reason to kind of go back up to the mega-cap, cash-rich kind of names," said Liz Ann Sonders, chief investment strategist at Charles Schwab.

Index performance on Monday



Source: FactSet

Elsewhere:

◆ **Bitcoin climbed to a record above $107,000.**

◆ **Treasury yields were little changed after a surprisingly intense bond selloff sent yields sharply higher last week. The yield on the 10-year note settled at 4.397%.**

◆ **Oil prices slipped, with U.S. crude futures falling 0.8% to $70.71 a barrel.**

◆ **Global markets were broadly lower.**

◆ **Chinese stocks fell after data from China showed an unexpectedly sharp slowdown in retail-sales growth. Disappointing economic data also dragged down stocks in Europe.**

—Sam Goldfarb and Joe Wallace

TUESDAY'S EVENTS:
The Federal Reserve's policy-making committee begins a two-day meeting.

EARNINGS EXPECTED:
Autozone before the bell.
GameStop after the close.

AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	$212,594,946,600	$236,947,339,000
Accepted bids	$81,317,656,200	$72,282,382,200
" noncomp	$2,103,685,800	$1,913,864,300
" foreign noncomp	$0	$75,000,000
Auction price (rate)	98.925694	97.885333
	(4.250%)	(4.160%)
	4.356%	4.309%
Bids at clearing yield accepted	15.16%	65.04%
	912797KJ5	912797NV5

Both issues are dated Dec. 19, 2024. The 13-week bills mature on March 20, 2025; the 26-week bills mature on June 20, 2025.

STOCK SPOTLIGHT

MicroStrategy
The software company turned crypto-buying machine will join the Nasdaq-100 next week as part of an index overhaul. In the meantime, MicroStrategy said on Monday that it had bought another $1.5 billion of bitcoin last week. Its shares crept down 0.04%.

Super Micro Computer
The AI server company, whose stock tanked when its auditor resigned this fall, will drop out of the Nasdaq-100. Its shares declined 8.3%.

Coinbase
MARA Holdings
Other crypto-linked stocks also rallied. Coinbase rose 1.5%, while MARA Holdings jumped 8%. Shares of online brokerage Robinhood Markets gained 7.5%.

Honeywell
The industrial conglomerate said it was considering selling its aerospace business, about a month after an activist investor called for Honeywell to break itself up. Shares rose 3.7%.

Berkshire Hills Bancorp
Brookline Bancorp
The Boston-based regional banks announced that they would merge, confirming an earlier Wall Street Journal report. Berkshire Hills stock fell 1.1%, while Brookline edged down 0.6%.

Broadcom
The chip-and-software company's stock extended Friday's surge, which came after it reported a big jump in revenue and raised its dividend. It shot up 11.2%. Other semiconductor stocks were mixed: Micron Technology climbed 5.6%, while Nvidia slipped 1.7%.

Nike
Shares of the sports-apparel maker, which is set to post quarterly results Thursday, edged higher during the day but then ended down 0.1%.

CVS Health
UnitedHealth
Cigna
Shares of CVS, which owns insurer Aetna, UnitedHealth and Cigna, sank as President-elect Donald Trump again singled out pharmacy-benefit managers for criticism. CVS Health was down 5.6%, UnitedHealth dropped 4.2% and Cigna declined 3%. The three insurance companies own the country's three largest PBMs and collectively manage roughly 80% of U.S. prescriptions.

Vivendi
The entertainment conglomerate decided this fall to split in four. Shares of the three companies it spun off started trading Monday. Vivendi stock shot up in Paris and publisher Louis Hachette's shares also rose. Ad company Havas advanced in Amsterdam. But TV division Canal+, the company behind the Paddington Bear films, sank in London.

Allianz Withdraws Offer to Acquire Income Insurance

By Amanda Lee

German insurer **Allianz** has ended a bid to acquire a majority stake in Singapore-based Income Insurance after the city-state's government opposed the deal.

Allianz said Monday that it is withdrawing a preconditional offer made in July for a 51% stake in the insurer, adding that it respects a decision by the Singapore government against the transaction.

"We regret having to make this decision," said Renate Wagner, an Allianz board member. "We still believe the combination of Allianz and Income Insurance would result in two strong businesses being brought together for the benefit of Income Insurance's policyholders and a growing portion of Singapore's customers."

Allianz had offered 2.2 billion Singapore dollars, equivalent to $1.63 billion, for a controlling stake in Income Insurance as part of plans to expand in the region.

Singapore government officials raised concerns about whether Income Insurance, set up decades ago as a social enterprise to provide accessible and inclusive insurance to Singaporeans, would continue fulfilling its social mission under Allianz's control. They effectively blocked the deal by amending an insurance law to require financial regulators to obtain ministerial approval for deals involving insurers linked to cooperatives.

Income Insurance said separately on Monday that the business is operating as usual and policyholders will face no impact from the decision.

It said it would work with officials to address concerns to facilitate any future transaction, and it will continue to address the demand for liquidity options from shareholders that it said had intensified since the company's corporatization in 2022. "Understandably," it said, "minority shareholders may be disappointed that the offer has been withdrawn."

Controlling shareholder NTUC Enterprise Co-operative said it would study how to address the government's concerns.

U.K., Belgian Insurance Firms Agree to a $186 Million Deal

By Elena Vardon

Saga agreed to sell its insurance underwriting business to **Ageas** and to establish a 20-year partnership with the Belgian insurer in a deal valued at the equivalent of $186.1 million.

Saga, a U.K. provider of specialized vacations and financial services for consumers over the age of 50, said Monday that the exclusive negotiations which were announced in October had concluded.

The companies agreed that Saga's Acromas Insurance would be bought by Ageas for £67.5 million, the equivalent of $85.6 million, in a deal that is expected to be completed in the second quarter of 2025, subject to approvals.

They will also form a partnership—set to go live in the fourth quarter of 2025—under which Ageas's U.K. subsidiaries will operate Saga's motor and home insurance products, selling new policies and renewing existing ones in the country.

Saga will get £80 million upfront from the Belgian group for the partnership and could get up to an additional £60 million in 2026 and in 2032 if certain policy volumes and profitability targets are met. The U.K. company will also get a commission based on the percentage of gross written premiums generated over the partnership's term, it said.

"This agreement is in line with our stated partnership strategy. It demonstrates clear progress as we move to pay down debt and target long-term sustainable growth—for the benefit of all our stakeholders," Saga's chief executive, Mike Hazell, said.

Ageas's CEO Hans De Cuyper said that the transaction aligns with its strategy to leverage its European presence in nonlife insurance. "We anticipate advancing our partnership to benefit both companies and the customer," he said.

Shadow Banks Are Gaining on Actual Banks

By Margot Patrick

A record 36% of lending last year was extended by shadow banks, according to a new report from the Financial Stability Board, as asset growth far outpaced that at traditional lenders.

The annual breakdown by the FSB, an international body that monitors global finance, illustrates the rapid rise of nonbank lenders such as insurers, hedge funds and private credit funds.

Shadow banking shifts risks away from regular banks, who can be more prone to sudden runs and crises of confidence. But regulators are eager to ensure the risks and linkages of nonbanks are well understood.

The FSB's report showed asset growth at nonbanks that provide credit was close to 10% last year, versus just 3.3% at banks.

Nonbank activity of all types, not just credit creation, accounts for nearly half of the world's $486.4 trillion in financial assets, the FSB estimates.

A big driver of growth in 2023 was money pouring into money-market funds during the banking wobble early last year.

The FSB considers nonbanks to include any financial entity that isn't a central bank, a bank or a public financial institution. A narrower measure for credit intermediation includes investment funds, finance companies, broker-dealers, and credit-insurance and securitization vehicles. It covers about $70.2 trillion in assets.

New Highs and Lows

Continued From Page B8

Stock	Sym	52-Wk Hi/Lo	% Chg
NextCure	NXTC	0.98	-6.5
NextEraEnDebN	NEEpN	23.74	-0.3
Nikola	NKLA	1.16	-17.5
Noble	NE	30.25	-0.1
Nocera	NCRA	0.70	-22.2
NorthernTrPfdE	NTRSO	20.28	-1.1
Nucor	NUE	123.01	-0.9
NuvveHolding	NVVE	3.06	-6.5
Nvni	NVNI	0.33	-14.4
OaktreeSpec	OCSL	15.24	-0.8
ObsidianEnergy	OBE	5.08	-5.0
OccidentalPetrol	OXY	46.41	-2.2
OccidentalPetrolWt	OXY.WS	24.63	-4.3
OceanPal	OP	1.27	-6.3
Olin	OLN	35.27	-5.3
OnKureTherap	OKUR	9.08	-7.9
Ontrak	OTRK	1.55	-4.3
PBF Energy	PBF	27.68	-4.9
PS Intl	PSIG	0.41	-5.4
P3HealthPartnersWt	PIIIW	0.01	-15.5
PagSeguroDig	PAGS	6.68	-4.8
PangaeaLogistics	PANL	5.22	-2.1
PepGen	PEPG	2.90	-3.6
Phillips66	PSX	116.07	-5.2
PineappleFinl	PAPL	0.41	-5.8
Polaris	PII	60.69	-3.1
PolyPid	PYPD	2.37	-6.9
PortmanRidge	PTMN	16.40	-0.7
Precigen	PGEN	0.65	-0.3
PrecisionBio	DTIL	4.70	-12.9
PreludeTherap	PRLD	0.80	12.0
Primega	PGHL	1.03	-3.8
ProfoundMed	PROF	6.88	-2.7
Prothena	PRTA	12.44	-1.4
PrudentialNts2060	PFH	18.28	-0.8
PublicStoragePfG	PSApG	21.87	-0.2
PublicStoragePfF	PSApF	22.02	-0.9
PublicStoragePfH	PSApH	23.78	-0.7
PublicStoragePfI	PSApI	20.89	-0.8
PublicStoragePfP	PSApP	16.96	-0.8
PublicStoragePfdR	PSApR	16.93	-1.2
PyxisTankers	PXS	3.55	-1.1
Q32Bio	QTTB	3.35	-5.4
Quanterix	QTRX	10.29	6.8
QurateRetailB	QRTEB	2.71	-9.9
RaptTherap	RAPT	0.88	-3.2
REGENXBIO	RGNX	8.06	3.1
RadiopharmTher	RADX	4.38	-15.3
RaniTherap	RANI	1.58	-4.2
RegenPharm	REGN	722.23	-0.9
RepareTherap	RPTX	1.55	-9.6
ReShapeLife	RSLS	4.36	-5.1
RiverNorthPfdA	OPPpA	17.87	0.5
RocketPharm	RCKT	11.74	-2.2
RogersComm B	RCI	31.89	-4.5
RoyaltyPharma	RPRX	24.70	0.6
RydeGroup	RYDE	0.36	-5.3
SCYNEXIS	SCYX	1.07	-5.3
SOBR Safe	SOBR	0.99	-67.8
SachemCapital	SACH	1.22	-3.1
SachemNts2027	SCCF	19.35	-2.1
SachemNts2027	SCCE	19.05	-2.7
SachemNts2027	SCCG	20.30	-2.1
SacksParenteGolf	SPGC	0.26	-11.0
SafeBulkers	SB	3.63	-1.4
SamfineCreation	SFHG	0.80	-30.8
Sasol	SSL	4.88	-3.0
SaverOne2014	SVRE	0.89	-5.9
SeaStarMedical	ICU	1.81	-7.5
SendasDistrib	ASAI	4.45	-7.5
SensataTech	ST	29.94	-0.4
ServiceProperties	SVC	2.33	-1.6
SharpsTechWt	STSSW	0.02	-32.2
ShuttlePharm	SHPH	0.66	-0.7
SolidBiosci	SLDB	4.60	-6.3
Solowin	SWIN	1.96	-5.7
SotherlyHtlsPfd	SOHON	16.82	1.3
St.Joe	JOE	46.25	1.5
StaarSurgical	STAA	23.72	-3.7
StarBulkCarriers	SBLK	14.71	-1.0
StarEquity	STRR	2.41	-5.6
Star	STHO	10.06	0.5
StealthGas	GASS	4.89	-3.7
StoneCo	STNE	8.70	-3.4
StryveFoods	SNAX	0.67	-4.3
SUNationEnergy	SUNE	2.58	-5.1
SutroBioph	STRO	2.05	-2.4
System1	SST	0.82	6.9
Telus	TU	14.33	-1.2
Ternium	TX	29.88	-2.6
TH Intl	THCH	0.56	-3.2
TIM	TIMB	12.37	-1.8
TOP Ships	TOPS	5.77	-1.3
TXO Partners	TXO	16.00	-2.9
TamboranRscs	TBN	15.75	1.0
TechTarget	TTGT	19.90	-5.3
TeekayTankers	TNK	36.90	-2.3
Teleflex	TFX	176.65	-1.6
TelefonicaBras	VIV	8.00	-1.8
TempestTherap	TPST	0.79	...
Terex	TEX	47.92	-2.8
374Water	SCWO	0.80	-5.0
TopBuild	BLD	335.28	-1.3
Torm	TRMD	18.47	-4.4
TotalEnergies	TTE	54.12	-3.1
TransCodeTherap	RNAZ	6.57	-9.3
Transocean	RIG	3.70	-3.4
TrioPetroleum	TPET	0.86	-5.4
TruistFinlPfdO	TFCpO	21.45	-0.9
TsakosEnergy	TEN	16.20	-3.4
22ndCentury	XXII	0.04	-15.5
UltraparPart	UGP	2.69	-3.9
UnitedMaritime	USEA	1.72	-3.7
UnityBiotech	UBX	1.07	-3.6
UniversePharm	UPC	0.67	-11.9
urban-gro	UGRO	1.11	-2.5
UtahMedProducts	UTMD	62.62	0.6
Vale	VALE	9.09	-1.7
Valneva	VALN	3.75	-3.1
VastaPlatform	VSTA	1.83	-6.8
VeraBradley	VRA	3.95	-6.4
Veren	VRN	4.66	-3.9
VerricaPharm	VRCA	0.68	-5.6
VigilNeurosci	VIGL	1.85	-6.0
W&T Offshore	WTI	1.53	-7.6
Wallbox	WBX	0.48	-5.9
WeatherfordIntl	WFRD	73.55	-3.1
Westlake	WLK	117.11	-1.4
WestportFuelSys	WPRT	3.77	-8.7
WheelerREIT	WHLR	4.23	-3.6
WillametteValley	WVVI	3.17	-1.9
WoodsideEnergy	WDS	14.96	-1.8
X3	XTKG	0.69	-15.3
XcelBrands	XELB	0.54	-12.8
XtantMedical	XTNT	0.33	-4.0
XtrkRreefGlbNat	NRES	24.50	-1.4
Zedge	ZDGE	2.06	-15.8
ZenasBioPharma	ZBIO	8.60	-1.7
ZionsBncpPfdG	ZIONO	24.70	0.1
Zoomcar	ZCAR	1.44	-66.2

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Cruise Lines Bask in Holiday Cheer

This 'wave season' is shaping up to be not only the strongest since the pandemic but also the best yet

ENEA LEBRUN/REUTERS

Shares of Royal Caribbean Group and its peers Norwegian Cruise Line Holdings and Carnival are up 53% in the year to date, on average.

It is the most wonderful time of the year for cruise fans. The industry has plenty to be pleased about, too.

"Wave season," which traditionally runs from around Christmas through the following March, is the top booking period of the year for cruise lines and when the most promotions are available, even for voyages that could be hundreds of days away. Marketing materials from Celebrity Cruises, a subsidiary of **Royal Caribbean Group**, describe wave season as "Black Friday, Cyber Monday and Presidents Day all rolled into one."

Well, maybe not this year. Cruise lines have been doing a better job of selling tickets months in advance, which gives them less incentive to offer steep discounts. Instead, the goodies might be drink packages, dining upgrades, onboard Wi-Fi, excursions or a free second guest. Analysts at Truist estimated earlier this month that voyages in 2025 were by then booked some 10% to 15% ahead of historical levels. By contrast, the number of available berths has increased by only around 5%.

When cruises resumed after shutting down completely because of the Covid-19 pandemic, last-minute deals were plentiful and decks were uncrowded. But by last year, the pendulum had swung in the opposite direction in terms of the number of days ahead that people were paying for cruises, according to Michael Erstad, a senior analyst covering the consumer sector at research firm M Science.

"We're still seeing that elevated booking window," he said.

Combined with greater success in preselling onboard extras, that trend has given a hefty financial cushion to cruise lines that are still repairing their balance sheets from the pandemic. For example, **Carnival** said that customer deposits had reached a record $6.8 billion at the end of the third quarter, which is almost 40% more than what it held in the same period five years ago, shortly before the industry entered its crisis.

10%

Voyages in 2025 are booked at least this much ahead of historical levels

Even when these trends seemed obvious and cruise executives were reaching for superlatives to describe last year's wave season, cruise lines' shares were oddly cheap.

They have since responded, with shares of the big three oceangoing companies, Carnival, Royal Caribbean Group and **Norwegian Cruise Line Holdings**, up by 53% in the year to date, on average.

Is there more where that came from? It is a question of what is priced in, but there still seems to be upside for Carnival and Norwegian, the two relative laggards. Even after their furious rallies, they fetch modest discounts to their average multiple of forward enterprise value to earnings before interest, taxes, depreciation and amortization in the decade before the pandemic.

Royal Caribbean, which has most deftly navigated the pandemic, now trades at a healthy premium, but even it could enjoy further gains given expectations of an imminent upgrade of its debt to investment grade. In October, despite a hit from a hurricane, the company predicted that its net yield, an industry measure of revenue less commissions and other costs per available cruise day, would be 10.8% to 11.3% higher in 2024 versus last year—a chunky gain. It announced last Wednesday that it is raising its dividend by 38%.

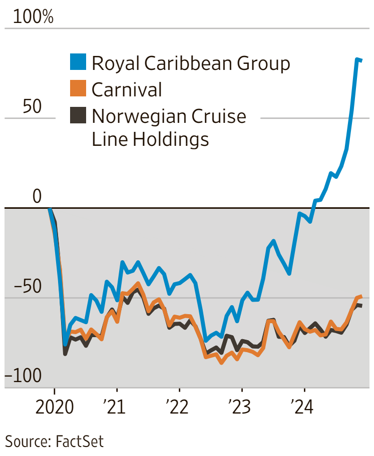
The industry's pricing power looks strong. At a time of inflation in the cost of vacationing and stretched middle-class household budgets, cruise lines have become more competitive.

In the third quarter of 2019, for example, Truist calculates that Carnival had the lowest major cruise company ticket price per passenger cruise day, at $174. A Caribbean hotel night averaged $150 that quarter. Fast forward five years and Carnival's cost has risen by just 7.1% to $186 a night while the average Caribbean hotel is 48% more expensive at $223.

Some domestic options have become a good deal pricier, too. While detailed data isn't available for the cost of hotels and meals in the area, one measure of Disney World ticket prices, a five-day "Park Hopper," is up more than 100% in a decade, according to tracker MickeyVisit.

Another factor that is difficult to glean from headline ticket prices is that cruises, which are more likely to be sold through travel agents than other vacations, increasingly are being booked directly with the cruise line itself these days, according to some analysts.

Cruise line share-price performance since pandemic began, monthly



Source: FactSet

Those forgone commissions can boost profitability considerably. So can the advent of private island destinations—investments that all cruise lines sailing to the Caribbean have pursued. They save cruise lines money on fuel and logistics because they often are a shorter sail from their ports than some traditional destinations, which have become crowded. And onshore spending accrues to the cruise line instead of local merchants.

Of course, the main competition for a cruise is another cruise, and that is where the news is especially good—for now at least.

There has been a flurry of shiny, sometimes enormous ships ordered. **Walt Disney**, for example, said it would "turbocharge" its experiences unit, with special emphasis on expanding its still fairly small cruise line. But because of the considerable lag time in ordering and outfitting a new vessel in one of the handful of shipyards that specialize in cruise ships, the next few years will continue to have modest growth in supply. Truist estimates it will be 2% a year between 2026 and 2028.

Even if the economy softens next year, cruise lines shares should remain buoyant.

—Spencer Jakab