THE WALL STREET JOURNAL.

DOW JONES | News Corp ★★★★★ MONDAY, DECEMBER 23, 2024 ~ VOL. CCLXXXIV NO. 148 WSJ.com ★★★★ $5.00

Last week: DJIA 42840.26 ▼ 987.80 2.25% NASDAQ 19572.60 ▼ 1.8% STOXX 600 502.19 ▼ 2.8% 10-YR. TREASURY ▼ 31/32, yield 4.522% OIL $69.46 ▼ $1.36 EURO $1.0430 YEN 156.41

What's News

Business & Finance

◆ **The downturn in** U.S. agriculture is depressing farmers' incomes and company profits, with weaker prices for commodities such as soybeans and wheat responsible for some of the pain. **A1**

◆ **Investors pouring money** into MicroStrategy as a leveraged play on bitcoin have demonstrated an allegiance to the company so feverish that at least one participant has called it a cult. **A1**

◆ **Commerce Secretary** Gina Raimondo said efforts to restrict China's access to technology haven't held back its progress, and federal funding for domestic innovation is what will keep the U.S. ahead of Beijing. **A2**

◆ **News Corp and Telstra** agreed to sell their jointly owned pay-TV company, Foxtel, to sports streaming service DAZN in a deal that values Foxtel at around $2.1 billion. **B4**

◆ **Eli Lilly said the** FDA approved Zepbound for moderate-to-severe obstructive sleep apnea in adults with obesity. **B3**

◆ **Activist investor Palliser** doubled down on its call for a review of Rio Tinto's dual listing in London and Sydney. **B3**

◆ **The European** Commission unconditionally approved Nvidia's takeover of Israeli streamlining provider Run:ai. **B4**

◆ **Chevron and Woodside** agreed to an asset swap they said will sharpen their focus on the LNG operations they each run in Western Australia. **B3**

◆ **Aviation-services** company AAR agreed to pay more than $55 million to resolve corruption-related investigations brought by the Justice Department and the SEC. **B3**

World-Wide

◆ **Private prisons and** other companies that provide detention services are preparing to cash in on what Trump has promised will be the largest domestic deportation operation in American history. **A1**

◆ **Trump openly** discussed provocative aspirations for U.S. territorial expansion, warning about taking over the Panama Canal and wresting control of Greenland from Denmark. **A8**

◆ **Two U.S. Navy pilots** ejected from their jet fighter over the Red Sea after being shot down in an apparent case of friendly fire, U.S. Central Command said. **A9**

◆ **More teens are using** dangerously potent cannabis for intense highs and are ending up in emergency rooms after experiencing seizures, nausea and psychosis. **A3**

◆ **Democrats have yet** to land on a clear message or a leading messenger as Trump prepares to reoccupy the White House, leaving the president-elect mostly unchallenged. **A4**

◆ **Lara Trump said** she won't seek a U.S. Senate seat to represent Florida, ending speculation that she could succeed Marco Rubio in that position. **A2**

◆ **North Korea and** Russia are deepening their military cooperation, as Pyongyang increases the supply of arms to Moscow and receives cash and oil from the Kremlin in return. **A9**

◆ **Ukraine is supplementing** its arms procurement with weapons bought on a domestic open market. **A9**

◆ **Died: Rickey Henderson**, 65, base-stealing Hall of Famer. **A14**

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As Germans Mourn, Attack Raises New Questions

FILIP SINGER/SHUTTERSTOCK

TRIBUTES: A man grieved at a memorial outside a church in Magdeburg on Sunday, two days after a driver plowed into a Christmas market, killing five people. Details about the suspect, a Saudi exile and anti-Islam activist, have left many perplexed. **A8**

U.S.'s Agricultural Downturn Hits Farmers, Company Profits

By Patrick Thomas

In northeastern North Dakota, Greg Amundson's 3,000-acre farm this year produced corn, soybeans, canola and rye. It also produced thousands of dollars in losses.

A bag of corn seed cost Amundson roughly $150 a few years ago. Now he has a hard time finding one for less than $230. Earlier this year it took three weeks to fix a mechanical problem on his combine that broke down during harvest, resulting in a four-figure repair bill.

"Everything is so expensive," Amundson said. "It's killing us."

Some farmers anticipate a boost from a multibillion-dollar bailout attached to the federal spending bill that passed in Congress and that President Biden signed over the weekend.

America has long provided subsidies to its farmers, dating back to the 1930s as a way to tackle rural poverty when a quarter of the population lived on farms. Today, subsidies largely come in the form of insurance that enables farmers to secure loans needed to grow crops. Direct cash payments, while at times controversial, have been used to bolster farmers during agricultural downturns.

The U.S. farm sector finds itself in another rough patch. Net farm income declined 4% this year to $141 billion after falling about 20% last year, according to the Agriculture Department. Weaker prices for commodities such as soybeans and wheat have weighed on farmers' earnings after growers in the U.S. and elsewhere reared big crops, swelling supplies. Their costs for essentials such as fertilizer and equipment are also higher.

"The ag industry is continuing to get weaker," Damon Audia, chief financial officer for farm-equipment maker Agco, said at a December investor meeting.

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Private Prisons Foresee A Border Bonanza

Firms line up to aid Trump deportations, and some consider family detentions

By Elizabeth Findell, Tawnell D. Hobbs and Tarini Parti

Private prisons and other companies that provide detention services are getting ready to cash in on what President-elect Donald Trump has billed as "the largest domestic deportation operation in American history." That includes scouring for as many detention beds as possible in their networks of facilities, and scouting sites for new buildings to house migrants.

Some executives are considering whether to take up the controversial work of detaining families or unaccompanied children. Others are preparing to hire new staff and snapping up well-connected lobbyists.

"This is, to us, an unprecedented opportunity," George Zoley, executive chairman of GEO Group, a private prison company, told investors on an earnings call days after the November election.

Pulling off a deportation on the scale Trump has promised would constitute an unprecedented logistical feat for the U.S. government, involving identifying, locating, arresting, detaining, adjudicating and transporting potentially millions of men, women, and children.

The actual scale of Trump's plans remains unclear. While

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Psychosis Patients Find New Hope

A classroom-style treatment teaches patients to live with the voices

By Julie Wernau

LOS ANGELES—Noah Hudnut's family had already spent $150,000 on his psychiatric care when he was hauled in handcuffs by police to the emergency room of UCLA medical center.

On top of the family's past expenses, Hudnut's insurance company was billed at least $1,000 a day for his hospitalizations. Yet, his psychosis persisted. He believed he grew to gigantic proportions and knocked down the Twin Towers on 9/11, even though he had been 6 years old. He also was certain he caused the Covid-19 pandemic.

After Hudnut started driving erratically and throwing away valuables in a delusional state, his family called the police in November 2022, and he was taken to UCLA. While in the hospital,

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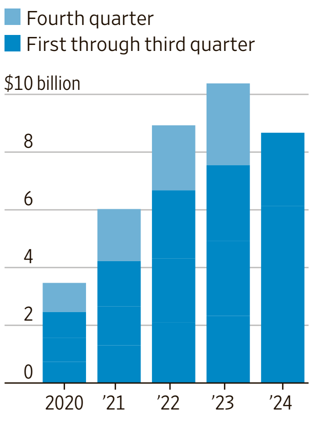
Holiday Fraud Gets AI Boost

Scammers turn to AI for more sophisticated traps. **B4**

Amount U.S. consumers have lost to fraud, by year



Note: Fourth quarter for 2024 not yet available
Source: Federal Trade Commission

Crypto Cult Fuels MicroStrategy Rise

Aiden Perez remixed a house-music track with audio from an interview with **MicroStrategy** co-founder Michael Saylor after the stock began its furious ascent last month.

By Gunjan Banerji, Rachel Louise Ensign and Jasmine Li

"People that use fiat currency...we call them poor," Saylor repeats on the track.

Perez, a 24-year-old software developer in Southern California, is an ardent believer in bitcoin who has dabbled in shares of MicroStrategy, the unprofitable tech company that Saylor morphed into a bitcoin-buying machine.

MicroStrategy's fans hold a feverish allegiance to the company that transcends the attention everyday investors pay to humdrum investments in their portfolios. Some spend their days trading memes of Saylor in groups like "Irresponsibly Long $MSTR" on X or listening to fellow traders chat about the stock on podcasts and YouTube streams.

MicroStrategy is no ordi-

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◆ **Ballmer is 'noninvesting' guru of investing............... B1**

◆ **Heard on the Street: Wild stock-market prices....... B10**

When Christmas Meets Hanukkah, It's a Blessing and a Fire Hazard

* * *

Overlapping holidays, or 'Chrismukkah,' poses challenges for mixed-faith couples

By Sarah E. Needleman

Rarely do Christmas and Hanukkah start on the same day, a phenomenon colloquially known as Chrismukkah. For people in mixed-faith relationships, the blending of the two holidays this year is a blessing and a curse.

"It's nice to get it all done the same day," said Marin Christensen of Duluth, Minn., a 33-year-old insurance-industry professional who took up Judaism about four years ago.

Yet preparing for the dual holidays required some negotiating with her fiancé, who celebrates Christmas. He wanted to put the Christmas tree in the front window, next to where she traditionally places her menorah with its burning candles.

"I had to point out the obvious fire hazard," Christensen said. The tree is now safely nestled in a corner of the dining room.

Christmas and Hanukkah seldom overlap. Though the holidays technically begin on the same date every year, the latter is aligned with the Hebrew calendar, which is lunar-based and so it shifts in relation to the more commonly used solar calendar. The last time Christmas Eve and the beginning of Hanukkah coincided was in 2016, and the last time the first night of Hanukkah fell on Christmas Day—as it will again this year—was back in 2005.

About 63% of U.S. adults

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Letting Personnel Go Gets Impersonal Touch

By Christopher Otts And Chip Cutter

A Detroit-area engineer with more than two decades at General Motors woke up one Friday in November to a predawn text on his work phone.

It carried an ominous message: Check your email.

By the time the engineer logged into his inbox, as the text instructed, his wife had already seen the news on television. The automaker was trimming another 1,000 jobs.

A form letter in the engineer's email informed him that his employment at GM was over, but no one from the company called him. There was no all-hands meeting. No one-on-one chat.

If he felt the need to speak with someone, the email gave a number for a call center.

In the hybrid-work era, some companies no longer feel obligated to deliver bad news face to face, or even over a Zoom call. A pink slip can come via a text message and email.

GM's approach shows that the ways companies dismiss workers are evolving, human-resources specialists say, during another season of end-of-year layoffs. In recent weeks, employers including Boeing, Sotheby's and others have announced job cuts.

The tactics companies use in dismissing workers vary. Boeing said in October that it would cut some 17,000 jobs, or about 10% of its global workforce. Shortly thereafter, Boeing let workers know that most layoff notices would go out in mid-November. Managers generally met with employees one on one, either in person or virtually, to break

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Airline passengers are seeking better ways to catch some Zs while en route. **A12**

JASON GAY

Remembering Rickey Henderson, the base-stealing, run-scoring Hall of Famer. **A14**

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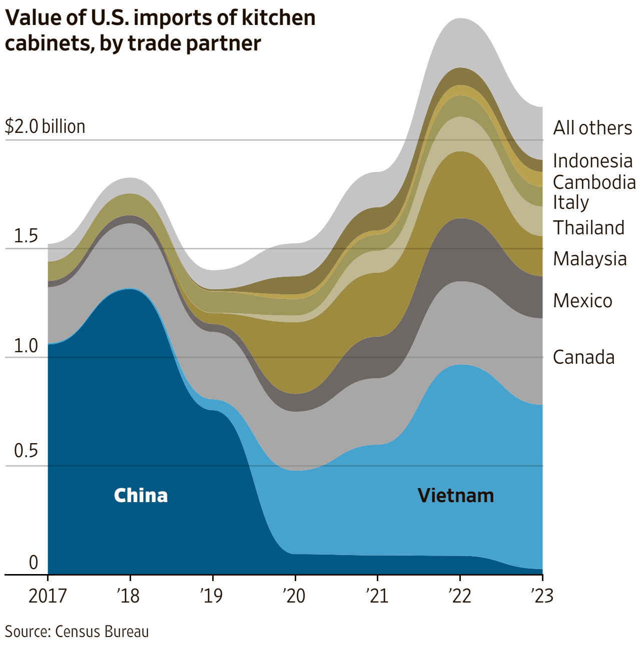
ANGUS MORDANT/BLOOMBERG NEWS

A U.S. probe into alleged tariff evasion has been a divisive issue in the kitchen-cabinet industry.



Source: Census Bureau

Chinese Cabinet Makers Skirt Tariffs

By Inti Pacheco

U.S. agents had to climb over piles of boxes to see inside the warehouse. They had learned about the secret building after finishing their tour of cabinet-production facilities in Penang, Malaysia.

The place was packed with boxes of ready-to-ship wooden cabinets that looked identical. Some were stamped as made in China and others had labels saying they were made in Malaysia, according to a Customs report reviewed by The Wall Street Journal.

U.S. Customs and Border Protection, or CBP, agents were inspecting the site as part of a late 2022 inquiry into allegations that subsidiaries of Chinese company **Qingdao Haiyan Group** were evading tariffs. Haiyan had been accused of sending Chinese-made cabinets to the U.S. by shipping them through Malaysia, masking the origin of the goods—a scheme known as transshipping.

'No one cared'

The investigation has splintered the kitchen-cabinet industry. Haiyan has been a supplier to some of the largest cabinet makers and distributors in the U.S., such as **American Woodmark**. They, in turn, supply retail giants such as Lowe's and Home Depot. One longtime Haiyan customer, **Cabinets To Go**, sparked the probe and has called out larger U.S. rivals for continuing to ignore red flags.

"No one cared," said Cabinets To Go owner Tom Sullivan, who filed a lawsuit against Haiyan and said he alerted the CBP in 2021. "They still allow them to import from those companies."

The Malaysia factory's general manager said he didn't initially tell CBP agents about the finished-goods warehouse because he misunderstood what agents wanted when they asked him to list every building the business owned, the CBP report said.

Haiyan has denied that the products in Malaysia were made in China or that it controlled the day-to-day operations of its Malaysian or U.S. subsidiaries. Lawyers and representatives for Haiyan didn't respond to requests for comment.

American Woodmark said it ensures none of its purchases are transshipped because it has teams in Asia that inspect every shipment. The cabinet maker said that most of its supply chain is sourced in the U.S. and that it canceled all its orders with Haiyan's Malaysian subsidiary upon learning of the allegations.

Imported cabinets make up most of the $37.5 billion U.S. market. In 2018, the Trump administration imposed tariffs on Chinese-made cabinets as part of broader tariffs, rerouting the flow of those goods. In 2020, the Biden administration slapped them with up to 262% in antidumping duties, a penalty imposed on imports judged by the U.S. to be sold for below fair value.

In response, Haiyan and other Chinese companies have moved operations or established new facilities in countries such as Vietnam, Malaysia or Thailand, where they can send raw materials to make goods. Some companies have used these countries as temporary holding places where they can mask the origin of goods, according to CBP investigations.

> Imported cabinets make up most of the $37.5 billion U.S. market.

The problems go beyond cabinets. In recent years, CBP has found transshipment schemes used to obscure the origin of mattresses, solar panels, nails and quartz countertops. In 2023, CBP prevented importers from evading $500 million in duties following investigations, according to an agency report. The agency declined to comment.

"It's kind of a shell game," said Betsy Natz, chief executive of the Kitchen Cabinet Manufacturers Association, or KCMA, a trade group of about 300 manufacturers and suppliers of residential cabinets.

Home Depot said it has systems in place to ensure that products it imports are properly declared and that necessary tariffs are paid. Regarding American Woodmark, it said "we believe all the products we buy from them are made in North America and not subject to transshipment issues." Lowe's didn't respond to requests for comment.

Cabinets To Go told Haiyan in 2019 that it wouldn't place any new orders with the company because it wanted to avoid the U.S. tariffs on Chinese-made cabinets.

Traced to China

Haiyan employees traveled to Lawrenceburg, Tenn., in early 2020 to mend the relationship. They said Haiyan had acquired a mill in Malaysia that complied with its customer's non-China requirements. Cabinets To Go agreed to place monthly orders with Haiyan that averaged $1 million.

Sullivan, the Cabinets To Go owner, said that in July 2021, an inspector that he hired in Malaysia to check on his supplier saw a container full of finished wooden cabinets arriving at the facility. The boxes had labels saying the cabinets had been manufactured in Malaysia but the inspector traced the container and found that it had just arrived from China, Sullivan said.

A month later, a Haiyan employee told Cabinet to Go executives that a shipment of 13 containers that was on its way from Malaysia also had cabinets or components that had been manufactured in China.

Once the shipment arrived, the U.S. retailer had to amend its customs declaration to say the origin of the goods was China. The additional cost to Cabinets To Go under the tariffs was more than $650,000. Cabinets To Go sued Haiyan for breach of contract, seeking damages. Haiyan's lawyers sought to have the case dismissed. The case was settled in 2023.

Natz said domestic companies lose contracts because firms importing Chinese products can offer significantly lower prices, making it hard for domestic producers to compete. "It's a never-ending battle," she said.

Raimondo: U.S. Needs to Invest to Win Chip Race

By Alexander Ward And Asa Fitch

WASHINGTON—Four years after the Biden administration made the race for chip manufacturing a top priority, Commerce Secretary Gina Raimondo says efforts to restrict China's access to technology haven't held back the country's progress, and federal funding for domestic innovation is what will keep the U.S. ahead of Beijing.

"Trying to hold China back is a fool's errand," she said in an interview. The $53 billion CHIPS and Science Act, which incentivizes U.S. firms to invest in semiconductor manufacturing and innovate in the sciences of tomorrow, "matters more than export controls."

President Biden has made industrial policy the cornerstone of the administration's economic revitalization and China competition strategy, and earlier this month boasted that the Chips Act and other related legislation amounted to "the most significant investment in America since the New Deal." The administration has also pushed forward with efforts to block Chinese companies from buying chips from American firms or semiconductor-making components, and urged U.S. allies, including Japan and the Netherlands, to join in the effort to restrict Beijing's access to the technology.

Raimondo, who has responsibility for executing Biden's industrial strategy, has lobbied lawmakers to pass mammoth bills that underwrote the plan, ramped up export control enforcement and pushed to remake the Commerce Department from a plodding bureaucracy to the primary driver of efforts to expand the U.S. chip industry.

Those efforts have led Raimondo to the conclusion that efforts to keep sensitive technologies out of Beijing's hands remain important, but export controls amount to little more than "speed bumps" for China's own push toward global technological dominance. "The only way to beat China is to stay ahead of them," she said. "We have to run faster, out innovate them. That's the way to win."

MORIAH RATNER FOR WSJ

'Trying to hold China back is a fool's errand,' Commerce Secretary Gina Raimondo said.

Raimondo's comments, in her final weeks in the job, come as the incoming Trump administration is expected to change course on at least some aspects of the Chips policy. The first Trump administration also took aggressive steps to limit Beijing's access to Western technology, particularly targeting **Huawei Technologies**, the Chinese telecommunications giant, but the president-elect has signaled he is likely to turn away from Biden's embrace of industrial policy.

"That chip deal is so bad," President-elect Donald Trump said in October. Instead of subsidies, Trump suggests imposing tariffs "so high that they will come and build their chip companies for nothing." Kush Desai, a spokesman for the Trump transition, said the president-elect's plans for a second-term economic strategy include "enacting tariffs, cutting taxes, slashing regulations and unleashing American energy."

Raimondo said she agrees there are regulations hindering American competitiveness, but "giving a blank check to companies to do whatever they want, like you're waving a wand, I think that's a huge mistake."

Still, the Biden administration's rollout of the Chips Act is facing hurdles. Much of the funding intended to boost manufacturing has gone to large chip makers, including **Intel**, which qualified for nearly $8 billion in federal grants. But Intel has been struggling to catch up with foreign manufacturers, and after a series of bad quarterly results, Intel Chief Executive Pat Gelsinger was ousted early this month.

Raimondo says the Commerce Department has built protections into its contract: If Intel doesn't do what it says it will do, the funds will stop flowing. "We believe they'll be successful and we want them to be successful," she said. At the same time, "we're going to hold them accountable."

Some analysts question whether the U.S. focused too much on chip manufacturing and not enough on research and development. "There's some frustration about the R&D ambition being less than the ambition on the incentives side of the house," said Chris Miller, a professor at Tufts University's Fletcher School and author of the book "Chip War."

Meanwhile, China has continued to acquire or locally build machines that make chips despite the export controls placed on many of the country's companies, including 140 new ones earlier this month. Biden administration officials, however, insist Chinese chips perform worse than American-designed ones, leaving the local companies and the U.S. military an edge.

As Raimondo was visiting China last year, Huawei released a splashy new smartphone, an announcement U.S. officials saw as a boast by Beijing that American export controls weren't slowing the country's progress. The Commerce chief had another takeaway: The chips powering the devices weren't as powerful as U.S. semiconductors.

"It's not a very good phone," she said.

◆ Heard on the Street: China chip war will spread...... B10

U.S. WATCH

FLORIDA

Lara Trump Won't Seek Senate Seat

Lara Trump, daughter-in-law of President-elect Donald Trump, said she is removing herself from consideration to be a Florida senator, ending speculation that she could succeed Republican Sen. Marco Rubio, who has been tapped to be the incoming administration's secretary of state.

"After an incredible amount of thought, contemplation, and encouragement from so many, I have decided to remove my name from consideration for the United States Senate," Lara Trump posted on X. She promised a "big announcement to share in January." Saturday's statement came weeks after she said she was stepping down as co-chair of the Republican National Committee.

If Rubio is confirmed as expected, his replacement, who would be chosen by Republican Gov. Ron DeSantis, would serve two years until the next regularly scheduled election in 2026.

Lara Trump was elected RNC co-chair in March. What she does next could shape Republican politics, given her elevated profile and ties to the incoming president.

DeSantis has said Floridians are likely to know their next senator by the beginning of January.

—Associated Press

NEW YORK

Woman on Subway Is Fatally Set on Fire

New York City Police said Sunday they have in custody a "person of interest" in the early morning death of a woman who they believe may have fallen asleep on a stationary subway train before being intentionally set on fire by a man she didn't know.

Transit police apprehended the suspect after receiving a report from three high-school students who had recognized the man. They had seen images of the suspect widely distributed by police.

Police Commissioner Jessica Tisch described the case as "one of the most depraved crimes one person could possibly commit against another human being."

Tisch said the suspect and the woman were riding a subway train to the end of the line in Brooklyn at around 7:30 a.m. After the train came to a stop, surveillance video from the subway car showed the man "calmly" walk up to the victim, who was seated and possibly sleeping, and set her clothing on fire with what appeared to be a lighter. Her clothing "became fully engulfed in a matter of seconds," Tisch said. Emergency medical personnel declared the woman dead at the scene.

Police don't believe the two knew one another.

—Associated Press

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THE WALL STREET JOURNAL

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

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036

Published daily except Sundays and general legal holidays. Periodicals postage paid at New York, N.Y., and other mailing offices.

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

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Potent Form Of Cannabis Ravages Teens

Health officials warn of heated extracts that are ruining lives and gaining popularity

By Liz Essley Whyte And Julie Wernau

RACHEL WOOLF FOR WSJ (3)

Heidi Lawrence's daughter was 14 when she began dabbing—heating and inhaling the fumes from powerful globs of marijuana extract. By 15, the girl couldn't resist the quick, intense highs and was dabbing every half-hour from school bathrooms to her bedroom.

Smoking the potent cannabis concentrates "has almost broken her brain," said Lawrence, of Longmont, Colo.

Dabbing has emerged in recent years as a popular way to consume marijuana, especially among youths. But it is dangerous. Like other new forms of marijuana use that have proliferated in recent years, dabbing involves highly potent concentrates of cannabis.

Health authorities are sounding the alarm, warning that dabbing could addict users and is sending teenagers to emergency rooms with seizures, cyclical vomiting or psychosis. Some users and doctors call a cannabis overdose, with the accompanying sweaty nausea and disorientation, a "green out," a term believed to be a play on "blackout."

"People are consuming extremely high doses of THC," the psychoactive component of cannabis, said Dr. Nora Volkow, director of the National Institute on Drug Abuse. "People can become psychotic."

Now 17 years old, Lawrence's daughter has been hospitalized and sent to inpatient rehabilitation programs several times for cannabis addiction and mental-health problems. She told her mother that dabbing filled her with rage and despair, and intensified her desires to cut or kill herself.

"I just couldn't figure out what was going on," Lawrence said. "It was like someone replaced my daughter with someone else."

Cannabis companies said users must exercise caution.

"People need to be responsible, just as they would with alcohol," said Aaron Smith, chief executive of the National Cannabis Industry Association, a trade group.

Dabbing developed out of the quest—first of cannabis enthusiasts in the 1960s and then medical-marijuana patients in the 1990s—for a quicker and stronger effect. Usually using a bonglike glass rig or a vape pen, users heat up sticky concentrates extracted from marijuana plants.

The heat vaporizes the cannabis concentrates, or dabs, so users can then inhale the drug.

Dabs have much higher levels of tetrahydrocannabinol, or THC, than most joints. Many cannabis concentrates contain between 70% and 90% THC, compared with the 4% that joints had in 1995 and the 16% they had in 2022, according to the National Institute on Drug Abuse.

Since states began legalizing recreational marijuana use, a number of high-potency THC products have gained popularity, from vapes to edibles and concentrate-infused joints. THC-extract products now constitute about half of the U.S. market, up from a fifth a decade ago, said Jonathan Caulkins, who researches cannabis policy at Carnegie Mellon University.

Dabs appeal to youths because the products have little odor, making it easier to consume them in a locker room or bedroom without tipping off an adult.

About 20% of cannabis users between the ages of 12 and 34 reported dabbing in the past month, compared with 10% of those 35 and older, according to National Survey on Drug Use and Health data from 2022.

In Colorado, a state-funded public-relations campaign aims to warn teens and pregnant women away from high-potency cannabis.

Heidi Lawrence and her 17-year-old daughter, who has struggled with addiction. At left, her pill container.

Researchers Race to Grasp the Risks

Dabbing has gained popularity so quickly that researchers are scrambling to understand the health impacts, such as the effects that high-potency THC has on the lungs, heart and memory.

Early research suggests potential harms. A study published in 2019 in Lancet Psychiatry, for example, found that people who used higher-potency THC daily were at higher risk of developing psychotic disorders.

Adolescents who chronically use cannabis are more likely to struggle in school and experience depression, according to studies. At the same time, cannabis use in adolescence is associated with changes in the brain that aren't as prevalent in adult users.

To reduce the risks, Connecticut and Vermont have capped THC levels. In October, an expert panel convened by the California Department of Public Health said the state should establish a limit.

The public "doesn't have a good perspective or a clear understanding of the potential harms of cannabis use," said Gregory Tung, an associate professor at the Colorado School of Public Health who is helping to direct the campaign. "Everybody is playing catch-up. The market has grown and changed so fast."

Lawrence's daughter bought dabs and other drugs from a dealer via Snapchat, and dabbed using vape pens and other devices. For a while, she used a minitorch to heat a specially shaped glass straw known as a nectar collector to inhale the fumes.

Lawrence began to find metal straws and sheets with burn marks on them and realized her daughter was addicted. She sent her to an inpatient rehabilitation program, but the lessons didn't stick.

By age 15, Lawrence's daughter felt that she couldn't eat or sleep well without inhaling cannabis first. She often vomited after waking up in the morning, a side effect that can come from weed known as cannabis hyperemesis syndrome.

She lost interest in ballet, sewing and her other hobbies.

She got angry, punching holes in the walls of her bedroom. One day, when her mother said she couldn't go see a friend, she kicked the door of her bedroom and threw an object at her mirror, breaking it.

Lawrence's daughter was sober over the summer, but recently relapsed. She goes to therapy, and recently got a French bulldog puppy that the family named Wall-E. Lawrence is glad to have honest communication with her daughter about drugs now, but knows her struggles aren't over.

"We're still in the thick of it," she said.

Friends Struggle With Executive's Loss

Friends and colleagues say they are reeling from both the sudden loss of slain United Healthcare CEO Brian Thompson and the lionization of the man accused of killing him.

By Valerie Bauerlein, Scott Calvert and Andrew Tangel

UNITED HEALTH GROUP/ZUMA PRESS

United Healthcare CEO Brian Thompson was killed on Dec. 4.

During Wednesday's trivia night at Scoreboard Bar & Grill, a mile from the company's Minnetonka, Minn., headquarters, bartender Dee Dee Anderson felt the absence of one of her favorite customers. Thompson, or "B.T.," was known as an affable guy who often stopped by with colleagues for nachos at happy hour, preferred frosty mugs for his beer and didn't get irritated when orders backed up in the kitchen, she said.

The next morning in Hollidaysburg, Pa., marked a different remembrance. A handful of people cheered on the very man accused of killing Thompson. Defendant Luigi Mangione was at back-to-back hearings on state charges and his extradition to New York.

A cold dichotomy faces those mourning Thompson. "There's no connection to the fact that he was a person," Anderson said.

With his death on a Midtown Manhattan sidewalk on Dec. 4, Thompson was transformed from a highly paid executive unknown to most Americans into a potent symbol for the frustration many people feel about the cost of healthcare and their access to it.

An Emerson College poll of 1,000 registered voters released Tuesday found that while 68% of people overall called Thompson's assassination unacceptable, 41% of those ages 18 to 29 considered the shooting either somewhat or completely acceptable, and 19% of voters in this age group were "neutral"—a result that dumbfounded one of Thompson's former colleagues. "My perspective is that Brian worked all of his life to make healthcare better," he said.

Heartland success

Thompson, 50, left behind two teenage sons. His wife and other family members declined requests for comment citing the intense public attention the case has attracted.

Thompson was a heartland success story. He'd grown up on a farm in Jewell, Iowa, where his father worked with grain elevators and his mother was a hairdresser. He'd been valedictorian and homecoming king in his high-school class. He went on to graduate with honors from the University of Iowa before ascending the corporate ladder at **UnitedHealth**care, where his total annual compensation over the past three years averaged $9.9 million.

Legal troubles shadowed his recent past. Thompson was one of three company executives named in a lawsuit from a Florida pension fund in May, alleging **UnitedHealth** concealed a Justice Department antitrust investigation from shareholders while insiders sold stock—including $15 million in Thompson's personally held shares.

He was well-regarded by investors and analysts, who credited him with the growth in UnitedHealth's powerful, and lucrative, Medicare business. Thompson, who had an accounting background, was known for having an easygoing approach.

He chewed gum, and while CEO he was called out at least once for it by a colleague during a conversation with employees. He wore quarter-zip pullovers or a sportcoat over a button-down shirt with no tie. He dropped F-bombs.

Health insurers are broadly unpopular and have been for a long time. Many Americans in a moment of need have had to fight for, or been denied, care by insurers whose mandate to maximize profit is an incentive to limit approvals.

Robert Sterling, a 39-year-old mergers-and-acquisitions consultant based in Wichita, Kan., was on a plane on Dec. 11 when he dashed off a post on X lauding Thompson. "This guy—not the person who murdered him in cold blood—was everything that's right and good about America, and the American dream," he wrote.

He was shocked when he checked his X account hours later and found thousands of mostly critical replies, some saying that Hitler and Stalin also came from humble roots.

'The guy stood up'

The vilification of Thompson that proliferated online after his killing "is the exact opposite of what the guy was about," said his former UnitedHealth colleague.

As the Covid-19 pandemic intensified in early 2020, the federal government asked UnitedHealth to help distribute billions in emergency funding to healthcare providers seeking assistance under the Cares Act.

"He immediately told the government we would do that for free. Why? Because we wanted to make sure people had access during Covid," his former associate said. "There's no better example of somebody wanting to do right by healthcare than that."

Thompson was key to making sure 300,000 hospitals and physicians got cash infusions, that by late May 2020 totaled $95 billion, recalled Stephen Parente, a University of Minnesota finance professor who was then chief economist for health policy at the White House. "When it really counted, the guy stood up."

Thompson cherished time with his sons, the former colleague said. They bonded over the Minnesota Timberwolves' strong NBA season last year. Thompson also made a point of being "a dad in the bleachers" at his sons' own games.

Shooting Suspect Sought Solutions for 'Brain Fog'

By Brianna Abbott And Julie Wernau

Luigi Mangione was preoccupied with health problems years before he disappeared.

Mangione posted on social media about back pain, sleeplessness and "brain fog." He sought advice from people experiencing similar symptoms. In the years before he was charged this month with murder in the fatal shooting of UnitedHealthcare Chief Executive Officer Brian Thompson, Mangione wrote about attempts to manage what ailed him through diet and exercise and expressed frustration with healthcare providers.

Mangione's disappearance from social media, friends and family before his arrest has left detectives and amateur internet sleuths working to fill the gaps. One question is whether his health has any connection to the shooting.

Serious mental illness often manifests itself in men during young adulthood. Many symptoms are vague. Agitation and lack of sleep can accompany a number of physical and mental-health conditions. Whether Mangione had any of these conditions isn't clear.

When Mangione was in college at the University of Pennsylvania, he posted about trouble sleeping and brain fog, cognitive symptoms that include difficulty concentrating and mental exhaustion. Mangione attributed his decline to a stretch of heavy drinking and little sleep during his fraternity's hell week.

Brain fog has causes including autoimmune conditions, mental-health conditions, and lack of sleep. Mangione said he had blood tests including for Lyme disease, of which brain fog is a symptom. He had been treated for Lyme as an adolescent, but the later tests were negative, he said.

"The people around you probably won't understand your symptoms—they certainly don't for me," he wrote in July 2018 on a Reddit forum about brain fog.

A few days later, he wrote that he had considered dropping out of college. He had made excuses to friends when his grades started "tanking." He said he experienced visual snow, a rare neurological disorder that affects vision.

The struggle Mangione depicted online didn't match his achievements. In 2020, he completed bachelor's and master's degrees in computer science and was inducted into an academic-honor society. A friend from Penn said he didn't recall him mentioning back pain or brain fog. The friend lost touch with him after college.

Mangione started a remote data-engineering job during the pandemic and joined a coliving community in Hawaii early in 2022. Around that time, he said a surfing injury aggravated his spondylolisthesis, a condition caused by a vertebra slipping out of place.

The injury worsened the pain. Mangione took up yoga and core exercises that strengthened his abdominal muscles. He asked another Reddit user about spinal-fusion surgery, which uses screws and rods to stabilize the spine.

Chronic pain is often connected to mental health and can fray social connections, said Dr. Padma Gulur, a pain-medicine specialist at Duke Health. Mangione had surgery that July, his posts show.

"At day eight I was taking zero pain meds and haven't had a bad day since," Mangione said in October 2023.

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U.S. NEWS

GOP's High Hopes Collide With Reality

Musk's influence and Trump's impulsive style throw party into familiar form of chaos

By Molly Ball


ANDREW HARNIK/GETTY IMAGES

Donald Trump and his party will have a lot to tackle next year. Above, he is pictured with his commerce pick, Howard Lutnick.

ANALYSIS

Until their best-laid plans melted down on Capitol Hill this past week, Republicans had been riding high.

A decisive victory in last month's election had delivered them the presidency, House and Senate. President-elect Donald Trump was holed up at Mar-a-Lago receiving dignitaries and issuing proclamations, occasionally emerging for ceremonial occasions. More often than not, Republicans in Congress swallowed their qualms to hail his unconventional slate of cabinet nominees. Polls showed the public feeling positively about the incoming administration.

All Congress had to do was pass one last government-funding bill to keep the lights on and go home for Christmas. House Speaker Mike Johnson had spent weeks negotiating with Democrats, carefully cobbling together the compromises it would take to secure a majority vote in the narrowly divided chamber. It was a delicate construction, a house of cards, that had already begun to teeter when Elon Musk emerged on Wednesday to stomp all over it. By Friday, the government was spiraling toward a shutdown after a series of failed and aborted votes as Republican members bickered and excoriated each other on social media, on the House floor and in acrimonious closed-door meetings.

Democrats, for their part, watched from the sidelines, alternately rolling their eyes and licking their chops at the spectacle of Musk, the world's richest man, triggering a shutdown with dire consequences for the very working classes that Republicans boasted had delivered their electoral victory. As Trump belatedly chimed in to assert that it was all his idea, Democrats pointed out that Musk's demands could have led to the elimination of funding for programs such as pediatric-cancer research, and that a shutdown would lead to government workers' paychecks being suspended.

At the 11th hour on Saturday, the House and Senate approved legislation to avert a shutdown and provide more than $100 billion in disaster and farm aid. President Biden signed the measure into law Saturday morning.

Rude shock

The near-shutdown experience was nonetheless a rude shock and reality check for the GOP—a reminder of the inherent difficulty of governing that can't be short-circuited by blustery memes or glib campaign slogans. And it presaged the likely chaos to come in the New Year, with Johnson expected to struggle to hold on to his post and the party's narrow congressional majorities headed for further clashes as they try to legislate Trump's agenda.

"To the extent Republicans are outsourcing their legislating authority to Elon Musk, the situation is going to remain completely unpredictable," said Brian Riedl, a senior fellow at the conservative Manhattan Institute and former aide to former GOP Sen. Rob Portman. "There are still Freedom Caucus members who are not going to vote to raise the debt ceiling, even for a Republican president, and those fissures were exposed" in Thursday's failed vote for the Trump-backed "Plan B" legislation that the House cobbled together after scuttling the original bipartisan deal.

The episode laid bare the internal contradictions that are destined to continue to plague Trump's Republicans even after they assume full power over the executive and legislative branches. Musk has become a crusader against what he sees as the bloated federal budget and ballooning national debt, vowing to use his perch at the new effort dubbed the Department of Government Efficiency to take a sledgehammer to regulations and public spending. It was on that basis that he began inveighing against the original deal, a 1,500-page "Christmas tree" larded up with provisions to secure the necessary votes. His criticisms found a receptive audience with House conservatives, such as Republican Rep. Chip Roy of Texas, who have long called for drastic cuts.

Trump had a different focus. He said he wanted to "terminate or substantially extend the debt ceiling "on Biden's watch" so that it wouldn't constitute an impediment to his agenda next year.

Raising the ceiling to authorize already-approved spending is anathema to Roy and his ilk, and Trump targeted Roy specifically, calling him an obstructionist who ought to be opposed in a coming Republican primary. Roy, undeterred, pointed out that the revised legislation Musk and Trump had trumpeted as an improvement, while vastly shorter in length, didn't actually spend any less money than the original deal.

For anyone who lived through Trump's first term, none of this is new. As president his engagement with Congress was inconsistent, whipsawing Republicans with shifting demands. Starting in December 2018, he presided over the longest government shutdown in U.S. history, only to fold 35 days later in January 2019. Importantly, he didn't get the border-wall funding he had sought, securing no concessions from Democrats for agreeing to open government.

During Biden's tenure, GOP divisions forced the party to work with Democrats to keep the government funded, a dynamic that precipitated the ouster last year of former Speaker Kevin McCarthy and has repeatedly put Johnson at odds with his right flank.

Musk factor

Musk's involvement is a new source of uncertainty, and, behind closed doors in the nation's capital, predictions vary as to how long the bromance can last before the perception of being overshadowed and pushed around starts to get under Trump's skin. Democrats gleefully highlighted the role of "President Musk" as the GOP infighting raged.

Trump and his party will have a lot to tackle next year. The new Congress will take office Jan. 3, when Johnson will have few votes to spare in seeking to remain in the speakership. A handful of House Republicans already plan to oppose him.

The Senate will then begin holding hearings and confirming Trump's appointees. And Congress will get to work on the party-line reconciliation legislation that they hope will fund Trump's border and energy priorities, extend his 2017 tax cuts and make further changes to the tax system. Always a contentious process, the tax plan already has congressional Republicans at loggerheads over how to structure it and which priorities to undertake first.

Trump had hoped to sail back into Washington with his party unified behind him at every turn. On Thursday morning, an exuberant Trump wrote on social media, "EVERYBODY WANTS TO BE MY FRIEND!!!"

Be that as it may, in Washington, friendship only gets you so far.

Democrats Are in Limbo Ahead of Trump's Return

Emotional breakdowns in private meetings over the election results. Hand-wringing over whether to attend the inauguration. Clashing over next steps. And a fatigued and frustrated base.

By John McCormick, Catherine Lucey and Siobhan Hughes


JIM LO SCALZO/EPA/SHUTTERSTOCK

Hakeem Jeffries

These are challenging days for Democrats ahead of Donald Trump's return to the White House. Their party has yet to land on a clear message or a leading messenger, leaving the president-elect mostly unchallenged, even as Republicans exposed their own vulnerabilities and divisions when Trump nearly derailed a stopgap funding deal with last-minute demands.

The GOP-triggered crisis, resolved just in time to avert a government shutdown on Saturday, created an opportunity for Democrats, with some in the party closely watching House Minority Leader Hakeem Jeffries (D., N.Y.), an emerging voice who isn't yet well known nationally.

"House Democrats are prepared to stop far-right Republicans in their tracks and deliver for the people," Jeffries wrote in a Saturday email.

A largely muddled response to Trump stands in contrast with eight years ago, when his surprise victory mobilized Democrats to march and fueled massive fundraising, as lawmakers and governors jockeyed to be his most vocal critic. Many in the party now are taking a more cautious approach, acknowledging they will have to work with Trump in some areas.

"There is no leadership now at the highest level," said Tad Devine, a Democratic strategist.

Pete Giangreco, a Democratic strategist who worked on both of Barack Obama's presidential campaigns, said Jeffries will need to shoulder much of the party's 2025 messaging and that the extremely slim GOP control of the House will likely yield fodder for Democratic attacks.

"This is the place where Republicans eat their own," he said of the House, where Speaker Mike Johnson's job security is in question.

Giangreco said the party should await Trump's actions in office, which could sour more Americans on him, and then "pick its spots" to challenge him in his administration's opening days. With a mostly sidelined President Biden and no strong Democratic messenger, the president-elect has been filling the void. He is holding meetings with world leaders and top business executives, while feeding the media a steady stream of news and drama.

Trump's victory has triggered anxiety and second-guessing among Democrats, including whether their party has become too elite and fixated on identity politics to still appeal to the working-class voters long at the center of their voter coalition.

"If you ask 10 Democrats, you're going to get 12 different opinions," said longtime Democratic operative Donna Brazile. "I don't think this is about countering Donald Trump and the Republicans; it's about rebuilding a brand that is durable and reaches people."

Democrats, Devine said, need to find a simplified message centered on economics, while avoiding being drawn into culture wars with Republicans.

Devine said he doesn't see the situation improving much for his party until the 2026 election. The lack of a robust 2024 presidential nominating contest, he said, stunted development of future leaders.

Democratic governors, who gathered this month in Beverly Hills, Calif., also view themselves as empowered to help rebuild the party. During a private discussion at the meeting, some governors said they want more say in the party's direction, given that they have often won tough races in their states.

On Capitol Hill, lawmakers are discussing next steps in private meetings and group chats, with some still processing grief over the results.

Some of Jeffries's colleagues are openly weighing whether to attend Trump's inauguration. Rep. Gregory Meeks (D., N.Y.), the top Democrat on the House Foreign Affairs Committee, said he attended Trump's 2017 inauguration, but the decision now feels harder.

Other Democrats pledged to work with Trump in at least limited ways. Rep. Ro Khanna (D., Calif.) has said he would engage with the future cost-and-regulation cutting effort dubbed the Department of Government Efficiency, and Sen. John Fetterman (D., Pa.) has promised an open mind to Trump's cabinet nominees.

The Democratic Party's debate over its future will be more heated in January as candidates jockey ahead of a Feb. 1 election for the next Democratic National Committee leader.

Ken Martin, a front-runner for the DNC chairmanship, said the next party leader will have a "major role" in pushing back against Trump. He said the party already has a bench of talent, pointing to governors such as Minnesota's Tim Walz, Harris's running mate in the election; Pennsylvania's Josh Shapiro; and Michigan's Gretchen Whitmer. "While we resist, we also have to rebrand," he said.

A Legion of Influencers Enforces Trump's Agenda

CAITLIN O'HARA FOR WSJ

Charlie Kirk addressed the crowd last week as AmericaFest 2024 kicked off in Phoenix.

By Aaron Zitner

PHOENIX—Vani Hari, who campaigns against food additives as the "Food Babe," has 2.1 million followers on Instagram. Patrick Bet-David's news and business commentary draws 6.4 million YouTube subscribers. A million people follow Lance Wallnau's Christian ministry on Facebook, while Michael Knowles brings his social values-inflected podcast to more than two million on YouTube.

They were all here, along with familiar, right-wing lightning rods such as Tucker Carlson and Steve Bannon, to celebrate the return of Donald Trump to the White House—but also their own place in an ascendant, conservative new-media ecosystem that is increasingly reaching over the heads of traditional news outlets to speak to voters.

The online commentators and influencers had come at the invitation of Charlie Kirk, the 31-year-old activist who has earned a spot at the apex of the MAGA movement, and they had a message for the rest of the country: Trump's election showed that conservatives have built a media infrastructure rivaling the mainstream press and TV networks.

Now, they intend to use it to enact Trump's agenda.

"We are the media now, not them. Their power is fading and waning," Kirk said at the outset of the four-day AmericaFest conference sponsored by his group, **Turning Point USA**, which said 21,000 people were attending.

He warned Republicans from red states who block Trump's nominees: "We will primary you and remove you from office immediately."

New media platform

Turning Point has held this annual conference for four years, but this year's edition had an air not only of celebration but also muscle-flexing. Trump's frequent appearances on podcasts, a medium suited to his freewheeling, off-the-cuff banter, wasn't only credited here with drawing young and minority voters to the GOP but also with validating the power of new media platforms.

Speakers such as Carlson delighted in the postelection ratings collapse of TV outlets such as CNN and MSNBC, while 25-year-old Morgonn McMichael, who left college to create online content for Turning Point, boasted, "The legacy media will continue to fold and bend the knee to us, because it's true—we are the media."

Trump spoke to the power of social media when he addressed the conference on Sunday, saying he had drawn many views on TikTok and suggesting he opposed a law that could effectively ban the platform.

Kirk was part of the chorus this month that threatened Sen. Joni Ernst (R., Iowa) with a possible primary challenge over her resistance to former Fox News host Pete Hegseth, Trump's choice for defense secretary. Ernst soon adopted a more supportive posture. Kirk's group helped push Ronna McDaniel from her position as head of the Republican National Committee, making way for Donald Trump's daughter-in-law, Lara Trump.

Big audiences

Many Democrats fret that their election losses show they lag well behind the Republicans in building a communications strategy for the world of fragmented, online media. Republicans started investing in online outlets years ago, in large part because they have felt excluded for decades from traditional media they see as liberal.

Matt Bennett, an executive vice president at Third Way, a centrist Democratic group, said he was troubled less by conservative media that is expressly political than by conservative messages finding a home on outlets that focus on other topics, such as wellness or entertainment.

These outlets can reach voters who spend little time thinking about politics but who this year skewed toward Trump.

"The right has perfected the art of injecting politics into nonpolitical spaces in ways that really, really matter," he said. Some popular health podcasts are "mostly about wellness tips, but they also have a big dose of love for RFK," he said, referring to Robert F. Kennedy Jr. "And if you look at Joe Rogan, who's obviously the most important of these guys, mostly it's not about politics. But when it is about politics, his audience is enormous."

Democrats have "an enormous need" for a similar information ecosystem, Bennett said.

Kirk skipped college to found Turning Point in 2012 with an older partner, with the goal of bringing conservative ideas to college students. He was 18 years old and working out of his parents' home in the Chicago suburbs.

Last year, Turning Point spent $90 million on its activities. The group says it has chapters at more than 1,000 college campuses and, in a newer venture, at about 1,200 high schools.

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U.S. NEWS

Some Stocks Generate Cult Interest

Continued from Page One
nary trade. The stock is a leveraged play on bitcoin—the company ditched its original business model to borrow billions and buy bitcoin. Shares have more than quintupled this year, including a 60% advance since Election Day. The rally has pushed its market value to $89 billion, more than twice the value of the bitcoin it holds.

The dollar value of MicroStrategy shares changing hands at one point in November topped every other U.S. stock and exchange-traded fund, except Nvidia. Trading in bullish options tied to the stock has exploded, and the shares are set to join the Nasdaq-100 on Monday.

Perez sent the track he remixed around to his colleagues, all fellow fans of MicroStrategy. The day after he posted it to SoundCloud, where it has more than 200 plays, the stock gained 25%. He and his colleagues obsessively checked the share price throughout the day.

"Some people couldn't focus on their work," said Perez, who puts a large chunk of each paycheck into bitcoin. He recently sold 20 shares of MicroStrategy and used the proceeds to buy more bitcoin.

"If you sell, you're an investor. If you don't, you're in the cult," he said.

Critics say MicroStrategy's run-up is emblematic of a market mania that is bound to end poorly.

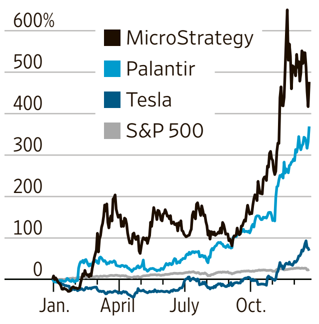
Saylor and MicroStrategy suffered bruising losses in 2022 when bitcoin plunged in the wake of the collapse of crypto exchange FTX. Even bitcoin bulls like Andrew Left, a prominent short seller, and Mike Novogratz, the billionaire CEO of crypto-trading firm Galaxy Digital, have expressed unease about the risks investors face by betting on MicroStrategy.

For now, Saylor's bold bet has padded the wallets of many everyday investors who are confident in his ability to take the bitcoin whale to even greater heights.

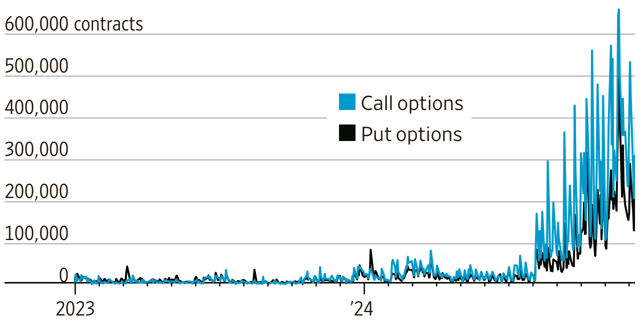
"He's the bitcoin Bruce Wayne," said Clayton Lunce, 44, who says he recently left his job after a run in MicroStrategy shares and bitcoin boosted his portfolio. "He doesn't just speak for the rich, he speaks to the guy like me."

Saylor has embraced that persona. He posted a photo of himself as a gladiator on X in October. More recently, he spoke of "the perils of diversification," eschewing traditional investment advice to spread bets among asset classes to minimize risk and save time.

Performance this year



MicroStrategy options volume, daily



Sources: FactSet (performance); Cboe Global Markets (options)

Saylor belongs to a new class of market influencer on the rise since at least 2020, helping transform the fortunes of companies big and small, while turning traditional investing rules upside down.

Tesla's base helped catapult the electric-vehicle maker's valuation above $1 trillion, defying the bearish predictions of money managers. Many of the company's rabid fans follow its leader, Elon Musk, into other investments including SpaceX and dogecoin while clamoring for him to receive monster pay packages.

Palantir Technologies' avid fans call Alex Karp, its eccentric leader, "Daddy Karp." Followers refer to themselves as Palantarians. Shares have more than quadrupled this year.

A tumultuous stretch for the economy—and markets—after the Covid-19 pandemic swept the country may have contributed to the rise of the new kings of Wall Street.

"During times of uncertainty, you see the popularity of cults," said Peter Atwater, a lecturer at William & Mary in Williamsburg, Va. "Figures who demonstrate a sense of absolute clear control and direction that people just naturally fall behind."

Social media is a fixture of these investing groups, which have mushroomed into a hub of nearly nonstop chatter. In MSTR Den, a chat room on the gaming platform Discord, more than 4,000 members chat about MicroStrategy.

Lunce is one of about 23,000 members in the "Irresponsibly Long $MSTR" group on X.

"I've been told you find your tribe there," he said. "I can't talk about MicroStrategy to anybody. I can't talk about bitcoin without anyone saying it's a Ponzi."

Members of the online community often mock "1x mNAV bears." The term refers to people who think MicroStrategy should be trading at its net asset value, or the value of its bitcoin holdings. Some members direct the abbreviation HFSP—for "have fun staying poor"—toward MicroStrategy skeptics.

Jeff Walton and Ryan McGinnis host a podcast called Quant Bros. In recorded Zoom calls, the "bros" lay out their thesis for investing in MicroStrategy while screen-sharing color-coded spreadsheets.

In a recent episode celebrating MicroStrategy's Nasdaq-100 entry, Walton opens by pouring himself a glass of Bruichladdich Octomore Scotch that retails for almost $300 a bottle and responding to a livestream of commenters.

McGinnis quit his job as a data scientist in June 2023 to manage his personal portfolio, which consists mostly of MicroStrategy shares. He says he has made great friends, including his co-host Walton, through the investment.

"I would like to draw a humble comparison between Warren Buffett and Charlie Munger and myself and Jeff," McGinnis said.

Some professional money managers have criticized the mammoth shift in markets that has led to pockets of extreme speculation.

Cliff Asness, the billionaire co-founder of AQR Capital Management, lambasted the increasingly powerful herd mentality among many investors in a 24-page academic paper in November. He said markets have grown *less* efficient than they have been in the past, and he placed much of the blame on social media.

"Has there ever been a better vehicle for turning a wise, independent crowd into a coordinated clueless, even dangerous, mob than social media?" Asness wrote.

Companies Employ Text, Email For Layoffs

Continued from Page One
the news.

At Sotheby's, which is laying off more than 100 people, some employees found out this month about cuts happening at the auction house after they saw people crying at their desks, The Wall Street Journal reported. The company relied on HR staffers to call colleagues into meetings one by one to offer them severance packages.

HR staffers have long obsessed about how best to conduct layoffs. Some insist that midweek terminations—on a Tuesday or Wednesday, for example—are more humane than a Friday dismissal, since it gives employees time to deal with paperwork during business hours. Chief executives, meanwhile, have attempted to perfect the art of the all-staff layoff memo that gives employees some rationale for cuts without explaining too much.

All layoffs are fraught with anxiety, HR specialists say, one reason the mechanics of the dismissals keep changing.

"This is one of the most difficult messages an employee will ever receive, and that a manager or others will have to deliver," said George Penn, managing vice president in the HR practice of Gartner, where he has advised companies on layoffs and other issues. "How do we take what is the worst scenario for an employee and find a way to help them through that process?"

During the pandemic, many businesses grew accustomed to sending employees emails if their jobs had been eliminated—a practice that largely remains today. When software maker Intuit in July cut 10% of its staff, or roughly 1,800 employees, CEO Sasan Goodarzi told workers that they should look for a specific calendar notification from their managers.

Those being terminated from the TurboTax maker got an invite to a meeting titled, "Leaving Intuit Discussion." Those who didn't receive such an email could "assume they are not impacted and we ask that you support your colleagues as they process this news," Goodarzi wrote in a note to staff at the time.

When Tesla laid off employees this year, the automaker sent emails in the middle of the night. Some people were locked out of their devices and had to suss out the situation on their own with managers and friends to determine what happened. After Elon Musk took over Twitter in 2022, employees also learned they had lost their jobs via email.

The online approaches can backfire. In 2021, online mortgage lender Better.com fired hundreds of workers on a Zoom conference call, which was later posted on TikTok and viewed by millions. The CEO of the company later apologized, saying he "blundered the execution."

Workplace advisers say that, ideally, employees should learn they are losing their jobs from a supervisor, division head or someone they have previously met. Such a personalized approach can avoid angering staffers or making an already difficult situation even tougher, said Stacey Berk, a former HR leader at food-service provider Sodexo, who now runs the advisory firm Expand HR Consulting.

"It's a human being here. They're losing their job," Berk said. "We can take a half-hour out of our day to have these discussions."

At GM, occasional layoffs are a fact of life at the U.S.'s largest automaker. The Nov. 15 action was GM's second round of about 1,000 cuts in four months.

In a statement to the Journal, the company said it was grateful to the workers that were affected. Because the layoffs had an impact on employees globally, GM used email to ensure that workers found out at the same time, a representative said.

"This was just wrong," said John Martin McDonald, a retired communications executive who used to work in the same department at GM with its now-chief executive, Mary Barra, in the early 2000s.

All layoffs are fraught with anxiety, human-resources specialists say.

McDonald, who left GM in 2010, found out about the layoffs from two previous GM colleagues who were let go via email after decades with the company, he said. That prompted McDonald to criticize GM and his former boss in a post on LinkedIn.

"It creates an impression, and rightly so, that 'The company doesn't care about me,' " he said. " 'I'm another number. I'm another cog in the wheel.' "

A former recruiter at GM, charged with finding new hires, said the experience contrasted with the time she was laid off from a different company six years ago.

At her prior employer, she received three separate calls from people at the firm that day to check on her well-being and logistical details like severance and health insurance.

On Nov. 15, the recruiter found herself locked out of her GM computer, and she had to retrieve the hotline number and wait on hold before confirming her suspicion: She, too, had been laid off.

—Sharon Terlep and Becky Peterson contributed to this article.

JOHN MOORE/GETTY IMAGES

Deportees from the U.S. arrived in Guatemala City in 2019. During the Trump presidency there were 935,000 deportations.

Private Prisons See Bonanza

Continued from Page One
he repeatedly promised mass deportations during his first term in office, Immigration and Customs Enforcement deported about 935,000 people under his administration who had been in the U.S. illegally, according to an analysis by the Migration Policy Institute—fewer per year than during the presidency of Barack Obama. The Biden administration, which deported relatively few people in its first year, deported more than 271,000 in fiscal year 2024—the most in 10 years—according to new figures from ICE. The administration deported some 545,000 over its four years.

Trump and his advisers have said in recent weeks that they intend to focus initially on migrants who crossed the border illegally and have a criminal background, causing some allies to worry that Trump may water down his plans. Tom Homan, who was chosen by Trump to run the deportation effort, told CNN recently that ICE will need enough beds to detain a minimum of 100,000 migrants. The agency currently has funding to maintain 41,500 beds.

The American Immigration Council, an immigrant advocacy group, has estimated deporting one million people in one year would cost $88 billion, a figure that includes expenses associated with arrest, detention, legal processing and removal. There were an estimated 11 million undocumented migrants in the U.S. as of 2022.

GEO, which currently houses about 40% of ICE detainees, is looking at a potential doubling of all its services, Zoley said on the call.

Zoley said GEO has enough empty or idle detention beds to quickly spin up the number of migrants it detains from a current 13,500 to more than 31,000. They would bring GEO more than $400 million in annual revenues if reactivated for a mass deportation, CEO Brian Evans said. The company also said it could move hundreds of thousands of people as they boost air and ground transportation.

QUINN GLABICKI/REUTERS

A GEO Group executive spoke of 'unprecedented opportunity.'

Under its subsidiary BI Inc., GEO holds the ICE contract for electronic monitoring of migrants awaiting court dates, which could be increased exponentially from a present 182,500, said Wayne Calabrese, president and chief operating officer.

"We have assured ICE of our capability to rapidly scale up to monitor and oversee several hundreds of thousands, or even several millions, of individuals," he said.

CoreCivic, the other major player in ICE detention centers, had a similar message for investors after the election. The company believes it could quickly bring its detention capacity to 25,000 beds by bringing unused ones online, including at a facility previously used to hold families in Dilley, Texas, CEO Damon Hininger said in an interview. The Biden administration chose to close the site earlier this year, but CoreCivic kept it in "warm status," Hininger said.

CoreCivic has also identified other sites that could be used for detaining entire families, should the Trump administration decide to do so, Hininger said. The company hasn't previously detained unaccompanied children, who are typically housed by nonprofits. A statement on its website says, "We have not, do not and will not operate facilities for the purpose of housing unaccompanied migrant children."

But in an interview, Hininger said he is "very willing to have that conversation."

"We've had those conversations in the past," he said. "We can handle that population, for sure, in a safe and humane way."

Trump transition officials have told CoreCivic that the incoming president is considering emergency orders to allow detention operators to hire staff more quickly, accelerating a background-check process that sometimes can take up to six months, Hininger said. He also expects emergency orders to accelerate the normal competitive bidding process for immigration-related contracts.

In addition to identifying already-existing beds it could open, CoreCivic is also exploring adding new buildings or temporary facilities on land it already owns, Hininger said.

One thing that is different for both CoreCivic and GEO this time around is that they hold less bank debt, said Brian Violino, an analyst for Wedbush Securities who covers both companies, making them less vulnerable to public outrage. During the prior administration, the outcry against immigrant detentions led some banks to withdraw funding from the companies, he said. Now, they don't need that capital to bring new or idle facilities onboard.

Representatives of GEO Group and BI didn't respond to requests for comment. A spokeswoman for private-prison industry group Day 1 Alliance said in a statement that its members offer "healthcare services, recreational amenities, and on-site or online courtrooms, among other features" to detained migrants, and "are subject to multiple layers of oversight and accountability that often exceeds that of their public sector counterparts."

To bolster its ties to the incoming administration, GEO Group recently hired a Trump-connected lobbying firm called Continental Strategy, according to federal lobbying disclosures. The Florida firm is run by Carlos Trujillo, who advised Trump on Latino voters and immigration issues in the campaign. It also employs Katie Wiles, daughter of Trump's new chief of staff Susie Wiles.

Both CoreCivic and GEO—through their executive leadership or political-action committees—contributed heavily to Trump's re-election efforts.

Smaller companies involved in federal immigration detentions are also preparing to ramp up. This month, Asset Protection & Security Services, based in Corpus Christi, Texas, signed an agreement with Reeves County officials to bring a 3,700-bed former prison back online, which it could potentially lease to the federal government for immigrant detention, Asset founder Scott Mandel said.

Mandel said he is also interested in detaining families and children, noting that his company was contracted to house more than 1,000 unaccompanied minors in San Antonio at Lackland Air Force Base in 2021.

"Our subcontractors have been on standby and ready to go," said Gwen Carson, president of Classic Air Charter, a Florida company that has been a main contractor of deportation flights for the federal government.

—Michelle Hackman contributed to this article.

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Inside the White House Effort to Quell Drone Frenzy

WASHINGTON—President Biden's first call to the Pentagon about the drones over New Jersey came on Dec. 12, nearly a month after the initial reports of mysterious flying objects in the night sky, U.S. officials said.

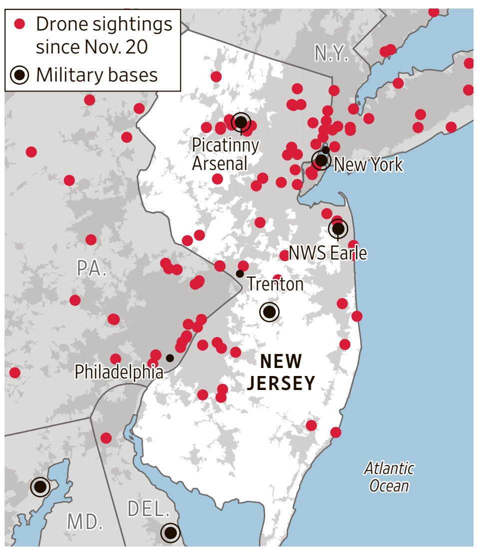
By Lara Seligman, Kristina Peterson and Gordon Lubold

In the days that followed, Biden called Defense Secretary Lloyd Austin again. And again. And again, seeking updates.

By then, the drone frenzy had escalated into a major headache for the White House, fueled by rumors about an Iranian mother ship off the coast, by videos of unknown aircraft hovering over suburban towns—and by little information from Washington except assurances that there was nothing unusual.

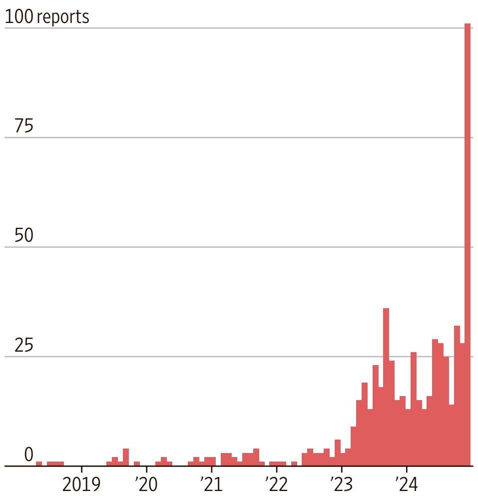
Though the sightings began Nov. 18, the Department of Homeland Security didn't brief New Jersey's congressional delegation on what it knew until Dec. 4, and then not again until weeks later, lawmakers said. The White House didn't address the issue publicly until the same day Biden called Austin, playing down what had become a national fixation.

"There is no known malicious activity occurring," White House spokesman John Kirby told reporters.



*Through Dec. 18

UFO reports submitted in New Jersey, monthly



Source: Enigma Labs

Within days of the first sightings, DHS, the Federal Bureau of Investigation and other agencies were looking for explanations and were in touch regularly with New Jersey law enforcement and officials, a senior Biden administration official said. The FBI opened a tip line on Nov. 25 and ran down "every single one" of the 6,000 tips it received, the official said.

As concern mounted, White House aides at the National Security Council began daily check-ins with the relevant agencies, the official said, never finding any evidence of criminal activity, a national-security threat or a public-safety danger.

Those findings frustrated state and federal lawmakers. "I just didn't see the commensurate type of response by the administration to meet that level of public interest," said Sen. Andy Kim (D., N.J.).

The sightings began the night of Nov. 18, when law-enforcement officers in northern New Jersey began seeing several drones in the sky. Live Storm Chasers, a local weather-tracking group with 1.3 million Facebook followers, posted that "at least five, unknown, large drones have been flying unauthorized for over 2 hours."

The Morris County prosecutor's office said there was no known threat to public safety and urged skepticism about online reports. It didn't work, and the attention might have attracted more drone pilots who made the situation worse, said Rob D'Amico, a former FBI counterdrone chief.

"I grew up in New Jersey. If I was a teen with a drone, I'd be flying over the mayor's house, I'd be flying over the sheriff's house," D'Amico said. "I'm a smartass, and there are a lot of smartasses in New Jersey."

By Dec. 4, the state's elected officials took matters into their own hands. New Jersey Gov. Phil Murphy organized a Zoom call for the delegation with Homeland Security Secretary Alejandro Mayorkas. Rep. Chris Smith (R., N.J.) said he asked why the U.S. government couldn't follow one of the mysterious drones.

"We surely have the capability to follow one. He didn't know," Smith said.

A DHS spokesman disputed Smith's account, saying Mayorkas explained that the department had limited authority to track and take down drones, citing restrictions imposed by Congress.

On Dec. 8, a Coast Guard officer at Island Beach State Park in New Jersey told Smith that one of its 47-foot vessels had been trailed by as many as 30 drones, the lawmaker said.

Rep. Jeff Van Drew (R., N.J.), a member of the House subcommittee on aviation, said in an appearance on Fox News that he had "high sources" telling him the drones were coming from an Iranian "mother ship" in the Atlantic. He had been alerted by three people with links to U.S. intelligence that the vessel had left its port in Iran in November, Van Drew told The Wall Street Journal.

"I have not been presented a single credible, cohesive narrative except for that Iran is controlling these drones from offshore," Van Drew said in a letter sent to Biden on Dec. 11.

Pentagon spokesperson Sabrina Singh soon responded: "There is no Iranian ship off the coast of the United States, and there is no so-called mother ship launching drones toward the United States."

Biden started calling the Pentagon for updates the next day. A few of the drones might have been operating without authorization over New Jersey military bases, Austin told Biden, but most of the objects were regular, manned aircraft or hobbyist drones. None were being flown by a foreign adversary, as far as the Pentagon knew.

Biden finally spoke publicly about the drones on Dec. 17 as he boarded a helicopter on the White House lawn: "Nothing nefarious," he assured reporters, suggesting that the furor was a nonevent, spurred by misinformation and unfounded rumors.

—Michelle Hackman, Andrew Tangel and Alexander Ward contributed to this article.

Farmers Hit Hard by Downturn

Continued from Page One

Those challenges are expected to continue next year. Some of the world's largest grain shippers and pesticide suppliers are girding for a shrinking farm economy by cutting costs or laying off workers. Per-acre losses for corn growers are expected to be steeper in 2025 than the prior two years, according to the National Corn Growers Association, a trade group.

President-elect Donald Trump has also pledged tariffs on Mexico and China, key importers of U.S. crops, and Canada, a major fertilizer producer. Government policies that subsidize biofuel production, which can boost crop prices for farmers, could also be in flux under the new administration, analysts and company executives said.

Agriculture trade groups are circulating lists of requests to lawmakers extending beyond direct payments that could buffer against the current market slump.

Financial pain on the farm comes after one of the ag industry's strongest runs on record. Grain prices soared during the Covid-19 pandemic in 2021 and again in 2022 after Russia invaded Ukraine, one of the world's top breadbaskets. The war pushed up prices for wheat and corn, contributing to rising global food prices. It also pushed net farm income to a record in 2022, the USDA said.

Since then, grain exports have resumed via the Black Sea, and better weather in key growing regions in South America helped bolster global crop supplies, pushing prices down.

In Iowa, the top corn-producing state, farmland values decreased by 3% this year, breaking a five-year streak of rising prices, according to an annual survey by Iowa State University. Farmland value often represents the largest portion of a farmer's assets, making up roughly 80% of their total wealth, according to the USDA.

Financial pain on the farm follows one of ag industry's strongest runs.

Agriculture giant Bayer, maker of the world's most-used weedkiller, Roundup, cut its full-year earnings forecast in November as farmers pulled back spending on some seeds and pesticide products.

Grain traders such as Cargill, Bunge and Archer Daniels Midland have also been under pressure, posting sharply weaker sales or profits. The companies buy and store crops, sell commodities to food makers and governments and run plants that turn corn and soybeans into fuel and cooking oils.

Cargill, one of the world's biggest privately held companies, said this month it is laying off 5% of its global staff, or roughly 8,000 workers. Cargill reported $160 billion in revenue in its most recent fiscal year, compared with $177 billion the prior year.

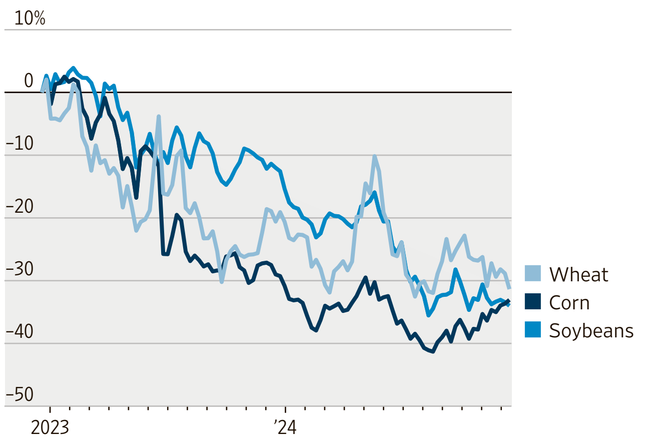
Shares in St. Louis-based Bunge and Chicago-based ADM have both fallen by more than a fifth this year. Bayer's stock, which trades in Germany, is down about 40% over the past year.

In North Dakota, Amundson is holding off purchasing fertilizer for next year's crop, hoping that prices will come down. One thing he isn't concerned about: tariffs in a Trump administration.

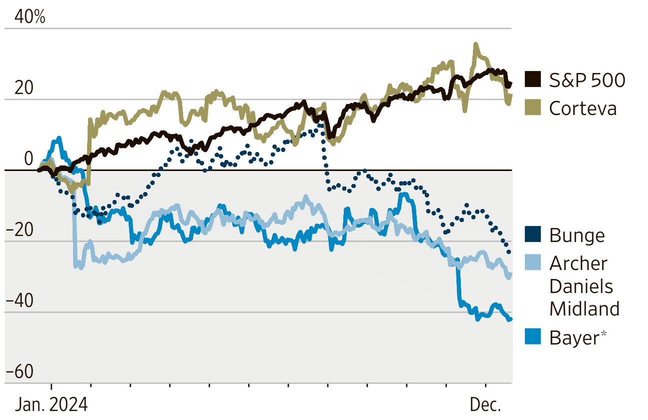
"Everyone hears the word tariff and everyone gets all afraid," he said. "American farmers are getting screwed now because of how lopsided trade is."

Trump's election lifted many farmers' spirits, and some believe that his policies

Futures prices for commodities



Share-price and index performance



*Bayer's shares are listed in Frankfurt.
Source: FactSet

may benefit the agricultural economy, analysts say. In 2018 and 2019, during Trump's first term, about $23 billion in taxpayer money was paid to farmers to offset the impact of trade disruptions.

The latest federal spending bill called for $10 billion of support to farmers. The bill also includes about $21 billion in natural disaster aid for farmers and ranchers affected by drought, wildfires and hurricanes over the past two years. Agricultural groups are also looking for other means of support.

Some companies and industry trade groups are calling on the Trump administration to restrict used cooking oil imports from China and increase the use of U.S.-produced soybean oil in biofuels. Farm groups are also lobbying for expanded use of corn-based ethanol in aviation fuel.

"That could have a pretty big impact on the farm economy," said John Neppl, Bunge's CFO, on a recent investor call.

The farm economy hasn't gone bust for everyone. Profits are booming for poultry processors like Tyson Foods as their biggest expense—grain used to feed chickens—plummets.

Shares in seed and pesticide maker Corteva are up 20% over the past year, helped by the growing popularity of its Enlist-branded crop seeds. Chuck Magro, chief executive of the Indianapolis-based company, said that the farm economy is mixed, with some growers willing to spend more on cutting-edge seeds to boost harvests while prices are low.

Even if Trump's actions spur another trade war, Magro says it is unlikely farmers will cut production.

WORLD NEWS

Trump Threatens to Take Panama Canal

President-elect also says U.S. should control Greenland, after trolling Canada

President-elect Donald Trump is openly discussing provocative aspirations for U.S. territorial expansion as he prepares to return to the White House, warning about taking over the Panama Canal and wresting control of Greenland from Denmark.

By Santiago Pérez, José de Córdoba and Alex Leary

His comments, delivered in public remarks and social-media posts on Sunday, come after he recently trolled Canadian Prime Minister Justin Trudeau by suggesting that Canada should become the 51st state and referring to Trudeau as a governor. During the recent presidential campaign, Trump said he would deploy the U.S. military to impose a naval embargo on Mexican cartels and order the Pentagon to use American special forces to take down cartel leaders.

Taken together, the president-elect's broadsides signal that he will pursue a confrontational foreign policy agenda, leveraging unconventional threats and pointed demands in an attempt to gain advantage over allies and adversaries alike. Trump is often prone to provocation, and it wasn't clear if he would try to follow through on his demands. But if he does, he is likely to face stiff resistance from world leaders.

"We're being ripped off at the Panama Canal like we're being ripped off everywhere else," Trump said at a conservative conference in Phoenix on Sunday, demanding the return of the state-run canal to the U.S. "We will never, never let it fall into the wrong hands."

Trump didn't specify how he would take back control of the canal. His transition team didn't respond to a request for additional comment.

Later Sunday, in a statement announcing his pick for U.S. ambassador to Denmark, Trump signaled his continued interest in taking control of Greenland. "For purposes of National Security and Freedom throughout the World, the United States of America feels that the ownership and control of Greenland is an absolute necessity," Trump said. Denmark controls the self-governing island in the North Atlantic.

Trump discussed purchasing Greenland in his first term. After The Wall Street Journal reported on his private deliberations on the matter, officials in Denmark and Greenland dismissed the idea. "We're open for business, not for sale," Greenland's Ministry of Foreign Affairs said at the time.

Trump's comments about the Panama Canal drew an angry rebuke from Panamanian President José Raúl Mulino.

"Every square meter of the Panama Canal and its adjacent area belongs to Panama and will continue to be so," Mulino responded in a video address Sunday afternoon. "The sovereignty and independence of our country aren't negotiable."

"We'll see about that!" Trump wrote on his Truth Social platform later in the day. He added in another social-media post featuring an image of a waterway and an American flag, "Welcome to the United States Canal!"

Short of an invasion, as the U.S. carried out in 1989 to overthrow then-dictator Manuel Noriega, the U.S. government has no ability to restore control of the canal, which the U.S. built more than a century ago.

The U.S. gradually handed back control of the canal—as well as the U.S.-governed Panama Canal Zone, which ran through the middle of the country—as a result of a 1977 treaty signed by President Jimmy Carter. Panama gained full control of the canal in 2000.

Profile of Suspect in German Attack Sparks Confusion

By Bertrand Benoit And Bojan Pancevski

When a driver rammed a car through a festive Christmas market in the German city of Magdeburg shortly after 7 p.m. on Friday, leaving five dead and more than 200 injured, the country seemed to be facing a repeat of its worst Islamist terrorist attack in recent history.

Yet the suspect's profile paint a surprising portrait—that of a Saudi exile and vocal anti-Islam activist—leaving a perplexed Germany unsure about what lessons should be drawn from the drama.

In 2016, a Tunisian man who had pledged allegiance to Islamic State drove a truck through a Christmas market in Berlin, leaving 13 dead. This year, four people have been killed in two Islamist attacks, and security services warned of a threat from Islamist assaults on Christmas markets.

Hours after the attack, authorities said the suspect, detained on the spot, was 50-year-old Saudi national Taleb Al Abdulmohsen, who had been in Germany since 2006 and worked as a psychiatrist.


FILIP SINGER/SHUTTERSTOCK

Police patrolled next to the Magdeburg Christmas market on Sunday, two days after the attack.

On Saturday night he was brought before a judge, who ordered pretrial detention. Authorities identified the victims of Friday's attack as a 9-year-old boy and four women aged 45, 52, 67 and 75.

The suspect's nationality, age and profession were a poor match for the profile of suspected Islamist attackers in the country in recent years, who were mostly young, recent arrivals from countries such as Syria and Afghanistan, some of them with a history of petty crime. Anis Amri, the 2016 attacker, was a drug dealer who attended a radical mosque in Berlin.

"At this stage, it looks like the background for the act could be some dissatisfaction with the treatment of Saudi refugees in Germany," said Horst Walter Nopens, chief prosecutor in Magdeburg.

The suspect was being questioned and had made a statement about his motives that still needs to be fully assessed, Nopens added. Prosecutors had yet to determine whether to treat the act as a terrorist attack, he said.

Abdulmohsen had fled Saudi Arabia because he rejected Islam, a crime in the kingdom, a security official said.

He was known beyond the small Saudi community in Germany as a vocal anti-Islam activist and campaigner for women's rights.

Abdulmohsen ran a website offering advice for Saudi and other prospective asylum seekers, especially those who wished to distance themselves from Islam.

"I'm the most aggressive critic of Islam in history. If you don't believe me, ask the Arabs," he said in a 2019 interview with the conservative paper Frankfurter Allgemeine Zeitung.

The suspected attacker was an avid social-media poster, retweeting anti-Islam comments by Arab activists and far-right supporters in Europe and the U.S.

His X profile shows that around the time of the attack, Abdulmohsen reposted self-made videos and audio recordings in which he claimed that he was being censored and persecuted by Germany.

Some of his earlier comments were supportive of the anti-immigration AfD party, and he weighed in on U.S. politics, too, criticizing Democrats for allegedly rejecting America's Christian heritage.

The Saudi government warned Germany about the suspect four times, officials said. Saudi authorities claimed he was dangerous. Germany dismissed the warning, the officials said, thinking the Saudis were targeting a dissident who claimed to have abandoned Islam, an act theoretically punishable by death under the kingdom's legal system.

North Korea Boosts Arms Flow to Russia

North Korea and Russia are deepening their military cooperation, as Pyongyang ramps up the supply of arms to Moscow for the war in Ukraine and receives much-needed cash and oil from the Kremlin in return.

By *Dasl Yoon*
in Seoul and
Matthew Luxmoore
in Kyiv, Ukraine

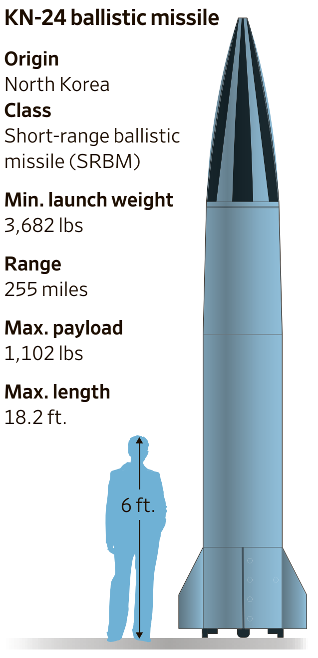
Recent satellite images show that North Korea is shipping more munitions to Russia and is expanding arms production at home to churn out the weapons Moscow needs to feed its voracious war machine. Assistance from North Korea is allowing Russia to press its advantage against exhausted Ukrainian troops and could help it resist pressure from the incoming administration of President-elect Donald Trump to end the conflict.

In turn, Pyongyang is already receiving much-needed cash and oil from Russia. Western officials worry North Korea could also ask for sensitive nuclear technology and material support from Russia in case of a war on the Korean Peninsula.

The deepening alliance between Russia and North Korea is alarming to the U.S. and its allies, making both countries more dangerous to their neighbors and more difficult to contain.

Millions of artillery shells from Pyongyang have allowed Russia to fill an ammunition deficit caused by almost three years of intense fighting. North Korean rockets are bombarding Ukrainian cities while Russia's own missile production has been hobbled by Western sanctions. Military hardware, including multiple launch rocket systems, is flowing into Russia by train, with railroad traffic through the countries' border reaching records.

Andriy Kovalenko, a Ukrainian army officer heading a government unit tasked with countering Russian disinformation, said 60% of the artillery and mortar shells used by Russia in Ukraine now come from Pyongyang. "North Korean ammunition is holding the Russian defenses," he said.



Source: Center for Strategic and International Studies
ANDREW BARNETT/WSJ

North Korea's missiles now make up nearly a third of Russia's ballistic-missile launches at Ukraine this year, Ukrainian officials said.

Manpower has further helped Russia swing the balance. The roughly 12,000 soldiers dispatched from North Korea are now engaged in active combat, U.S. officials said. More than 100 have been killed and around a thousand injured in combat against Ukrainian units occupying parts of Russia's Kursk region, South Korea's spy agency told lawmakers in a closed-door meeting on Thursday.

North Korea has shipped some 20,000 containers of munitions to Russia, officials in Washington and Seoul said, ranging from lower-quality ammunition such as 122mm and 152mm artillery shells to its newer Hwasong-11 class ballistic missiles. Ukrainian officials say the provision has amounted to more than five million artillery shells and dozens of rockets, including more than 100 Hwasong-11 class missiles.

"They can be imprecise, but the range is impressive," a senior Ukrainian intelligence official said of the North Korean missiles provided to Russia. "It's a threat to our cities."

More recently, Pyongyang has sent 170mm self-propelled howitzers and 240mm long-range multiple rocket launchers.

The artillery shells initially supplied by North Korea were decades-old, raising suspicions that the Kim regime was dumping its old ammunition. But now, Pyongyang is supplying newer munitions.

Similarly, North Korea's largest 600mm rocket launchers, or KN-25, were upgraded earlier this year with the support of Russian technicians, according to SI Analytics, a satellite-imagery firm.

More weapons are coming, by ship and train, to resupply Russian troops burning through huge quantities of arms, U.S. and South Korean officials say. Around 200 munitions factories in North Korea are operating at full capacity to produce weapons, and Russia is transferring fuel and equipment to support Pyongyang's arms manufacturing, Seoul officials said.

A missile-manufacturing complex producing the North Korean short-range ballistic missiles fired at Ukraine is expanding as well, according to satellite imagery. North Korea's Hwasong-11 class missiles, dubbed KN-23 and KN-24 in the West, are produced at a plant on North Korea's eastern coast. New construction appeared to be progressing rapidly, including a new building apparently aimed at concealing loading operations of the factory, SI Analytics said. Kim has visited the factory several times.

Neither the Kremlin nor the Russian Defense Ministry responded to requests for comment. In November, North Korea's foreign minister said Pyongyang would stand by Moscow's side "until the day of victory."

Kyiv Is Relying On Free Market To Add Weapons

By Ian Lovett
And Nikita Nikolaienko

KYIV, Ukraine—When Andriy Bondarenko, a tech entrepreneur, began making drones, he had no experience with weapons. Working with a friend, it took him one month to develop a prototype, which they paid for with their own money.

A month later, their first explosive land drones were at the front, crossing muddy terrain to strike Russian trenches. No government contracts or approvals were required.

Just over a year later, Bondarenko's company, Ark Robotics, has raised more than $1 million from investors, released 20 updated versions of its original drone, and is working on a communications system that lets pilots control drones from farther away.

Facing an invasion by an enemy with four times its population and an economy 10 times larger, Ukraine has tried to bolster its weapons production by embracing a hypercapitalist model.

Encouraged by tax cuts, deregulation and government grants, more than 200 new munitions companies have sprung up since the start of the full-scale invasion in 2022, Ukrainian officials said. Though they make everything from ammunition to gunpowder, most, like Ark Robotics, primarily produce drones.

The open market in Ukraine stands in contrast to war production in Russia, where the government has bankrolled mass production of weaponry at state-owned factories. Kyiv can't match Moscow's output and remains heavily dependent on the West for supplies, especially long-range weapons. Once President-elect Donald Trump takes office in January, the flow of weapons from the U.S. could dwindle—which would increase Ukraine's reliance on its defense-technology startups.

"In order to defeat Russia, we can't just do what they do," said Mykhailo Fedorov, the minister of digital transformation, who helped establish Ukraine's drone industry. "They will always have more money. They will be able to build more factories. So we have to rely on entrepreneurs and innovation."

This month, Ukraine's defense minister said, the country has produced some 200,000 drones, more than double as many as a year ago. Ukrainian President Volodymyr Zelensky has said he hopes to produce at least 30,000 long-range drones next year. Kyiv has been using such drones to hit fuel depots and other targets hundreds of miles inside Russia.

With 60 employees, Ark Robotics retains the flexibility of a startup. On a recent morning at one of its Kyiv facilities, engineers were outfitting half a dozen machines—a few land drones, a Canadian-made amphibious drone, and a beat-up Honda Civic—with the company's remote-piloting system.

The old Civic could be used to deliver supplies to the front or evacuate wounded soldiers. Or, it could be loaded with explosives and driven at a Russian position, the company said.

"We have to get creative," said Andriy Udovychenko, an operations lead for Ark.

But while the war has helped smooth the path for developing new weapons systems, it has made mass producing them a nightmare.

The electricity frequently cuts out and running generators adds significant costs. Many landlords don't want to rent to drone companies, afraid they will become a target for Russian attacks. Bondarenko, the Ark CEO, said he would put his employees only into workspaces with bomb shelters large enough to accommodate everyone—something few warehouses have.

The government has waived customs duties for aerial drones, shells, or other ammunition—and this month extended the benefit to land and sea drones, a boon for Bondarenko. Still, he is considering moving production to Poland.

"The government is doing everything they can to keep manufacturing in Ukraine," Bondarenko said. "But there's only so much they can do."

SERHII KOROVAYNY FOR WSJ

Ukraine's Ark Robotics, whose engineers are seen testing land drones, has released 20 updated versions of its original device.

U.S. Navy Strikes Own Plane As Attacks Target Yemen Rebels

By Dov Lieber

Two U.S. Navy pilots ejected from their jet fighter over the Red Sea after being caught in "an apparent case of friendly fire," U.S. Central Command said on Sunday, as American forces conducted a new round of attacks against the Houthi militant group in Yemen overnight.

The military said the two pilots safely ejected from their F/A-18 after it was hit by fire from the guided-missile cruiser USS Gettysburg. The jet fighter had flown off the USS Harry S. Truman aircraft carrier and both ships are part of the same strike group. One of the crew members sustained minor injuries and an investigation is under way, the military said.

The incident came as U.S. Central Command said its forces had conducted airstrikes against a missile storage facility and a command and control facility operated by the Houthis in Yemen. It wasn't immediately clear if the friendly-fire incident and the U.S. attack on Houthi targets are connected.

Friendly-fire incidents have occurred before, including the killing of five U.S. troops in southern Afghanistan in 2014, one of the deadliest of such episodes for U.S. forces in the country. In one of the best-known incidents in Afghanistan, Army Cpl. Pat Tillman, a professional football player turned soldier, was shot to death by fellow troops during an operation in 2004.

Two U.S. pilots ejected after an apparent case of friendly fire over the Red Sea.

The Iranian-backed Houthis control much of northwestern Yemen. They have snarled international trade by attacking cargo ships passing through one of the world's most important trade routes, in what the group describes as a campaign of support for Palestinian militants fighting Israel in Gaza.

Mohamed Ali al-Houthi, a Houthi official, condemned the U.S. strikes. "These American terrorist attacks further confirm the lawlessness and criminal actions being carried out in the region," he said on X. "Such reckless terrorist actions against Yemen will not stop the support for Gaza."

The Houthis, who have stepped up attacks on Israel in recent days, have launched over 200 missiles and 170 drones against Israel since the start of the current war in Gaza, according to Israel's military.

In response, the U.S., Israel and other allied forces have repeatedly targeted the Houthis over the past year.

New Hope In Treating Psychosis

Continued from Page One

Hudnut said, "I came to the conclusion that either I was insane or everyone around me was."

Following Hudnut's release from the hospital, his family enrolled him at California OnTrack, a treatment program offered by Pand Health. His 14 months of treatment cost a fraction of what the family and health insurers had paid for his care over the previous six years. So far, it has worked.

Hudnut, 28 years old, has a job with a company that helps people negotiate overdue taxes with the Internal Revenue Service. His own condition, schizoaffective disorder with bipolar condition, feels like a cancer in remission, he said.

"I don't feel like I'm out of the woods," Hudnut said. "But I feel like if I do everything in my power to prevent it from happening again, I have a good chance."

ALYSSA SCHUKAR FOR WSJ (3)

Jaime Meza, at home this summer in Los Angeles County; one of his drawings that reflect his struggle with schizophrenia.

California OnTrack uses a skills-based therapy program called coordinated specialty care, which is offered through at least 381 programs in all 50 states. The program substantially reduces symptoms of psychosis, as well as hospitalizations and homelessness compared with traditional treatment, according to published studies.

The premise of the treatment is simple: Teach people with psychosis to live with their imagined voices, hallucinations and false memories. With practice, such symptoms can be managed or ignored. The techniques taught in the program, in conjunction with medication, diminish symptoms over time and keep new ones at bay.

People who enroll in the treatment within two years of their first psychotic episode fare the best, studies found. People with longer-term psychosis also improved but to a lesser degree.

"It's not like a switch where all the symptoms subside. It's like a dimmer switch," said Carlos Larrauri, who completed a similar treatment in Florida after being diagnosed with schizophrenia in 2011 at age 24. He has since finished law school, trained as a nurse practitioner, married and now works as a lawyer.

For more than a decade, the federal government and the American Psychiatric Association have identified coordinated specialty care as the gold standard to treat early psychosis. Yet few people know about it, and fewer still have a chance to benefit from it. Three of the largest private insurers only recently began covering the treatment, which has largely been limited to Medicaid patients. California OnTrack is one of the few providers in the U.S. that has secured coverage from private insurance.

Unexplained rise

Researchers can't fully explain the growing epidemic of people suffering from psychosis, particularly younger men. The rate of schizophrenia-related emergency-room visits for men ages 18 to 44 years old is 16% higher so far in 2024 compared with 2018, according to health-analytics company Truveta; men ages 30 to 44 showed a 24% increase.

Americans experiencing first-time psychosis typically have symptoms for more than a year before receiving treatment, studies found. What follows for many with schizophrenia and bipolar disorder is a revolving door of hospitals, jails, psychiatric facilities or homelessness. Treatment options in the U.S., public or private, are relatively scarce for all but the most costly programs.

Research shows that young adults whose lives are unraveled by psychosis have the best chance to recover. The longer mental illnesses go untreated, the more deeply rooted they become. While work is advancing on new drugs, the clock is ticking for the more than an estimated 100,000 Americans who develop psychosis each year.

"If we can intervene at the first episode of psychosis, think of all the tragedy and pain we could eliminate," said Heather O'Donnell, senior vice president of public policy for Thresholds, which runs a coordinated-specialty-care program in Illinois.

Illinois was the first state in the U.S. to require private insurers to cover the treatment, which costs as little as $1,000 a month. The California OnTrack program, which provides three full days of care a week, charges people without insurance about $17,000 a month for adults and $15,000 a month for teenagers. That compares with $15,000 to $60,000 a month for inpatient psychiatric programs.

California OnTrack said that of the 29 patients who have completed at least one month of treatment and participated in six months of follow-up, 19 returned to work or school, two had to be hospitalized and the rest have continued to recover.

"We don't want to feed this endless cycle that creates a small life," said Dr. Eric Wexler, medical director and co-owner of California OnTrack, which opened in August 2022. "You can get better, and you have a role in getting better."

Therapist Kyle Menschel speaks with a co-worker.

Shadows, demons

Jaime Meza was hospitalized eight times when he was 16. He heard voices that told him he was going to hurt people and ordered him to take his own life first. "I was afraid to step outside," he said, because of the anxiety and delusions of schizophrenia.

A social worker at UCLA arranged with Meza's mother to try a new treatment with a radical premise—learning to live with the voices. His mother agreed.

Coordinated specialty care relies on training. Patients learn how to question thoughts and assumptions distorted by psychosis, as well as rebuild memory. They practice speaking in social situations and get support as they look for jobs, organize résumés and make appointments.

When Meza started California OnTrack in February, he couldn't sit through an hour-long group session. He saw shadows and thought they were demons.

After months of three-day-a-week treatment, Meza said he was learning to carry on with his life despite the voices. During a workout class in July at the clinic, the voices grew louder, and the 18-year-old walked out.

The clinic's co-founder Adrian Marroquin intercepted him in the hallway.

"We don't let the voices make decisions for us," Marroquin said. "What skills can we use to get you back in there?"

Meza considered the question and then repeated to himself, "When the voices get louder, I work harder."

He returned to class and got into a plank position alongside his peers, holding his torso inches above the ground.

One by one, his classmates dropped in exhaustion.

They cheered Meza after he outlasted them all.

False beliefs

Noah Hudnut's delusional thoughts began when he was in college, and during his first weeks at California OnTrack, he struggled to sort fact from fiction. "Client expressed a need to move to Jerusalem and herd sheep and suggested he may be in recovery and ready to move on with his life," Hudnut's counselor Kyle Menschel wrote in his notes early in 2023.

"If you're interested in Jerusalem, I'm down with that, but we need a few additional pieces of information," Menschel recalled telling Hudnut.

Rather than arguing or dismissing Hudnut's idea as delusional, Menschel asked questions. People suffering psychosis have difficulty working through the steps required to make plans and decisions, Menschel said, often relying instead on snap judgments clouded by illness.

"A delusion is a fixed false belief. If it wasn't fixed, it wouldn't be a delusion," said Menschel, a trained clinical therapist and social worker. "If you try to argue against it, you will create a mechanism to strengthen it."

The program teaches a fact-checking process to help patients kick the tires on unrealistic thoughts. Menschel asked Hudnut about the logistics of sheepherding in Jerusalem: *Have you done something like this before? Do you speak Hebrew? Do you speak Arabic?"*

After thinking through the many steps required for a sheepherding job in Jerusalem, Hudnut decided he didn't want to go.

Other delusions took longer to dispel, including Hudnut's imagined roles in the Sept. 11, 2001, attacks. "It's like this big ball of yarn that needs to be unraveled," Menschel said of his work. "When you unravel enough, the center falls out."

On a typical Monday, patients arrive at 10:30 a.m. and engage in brain-training exercises, followed by a life-skills class. After lunch, there is music therapy, mind-body training, socializing and a class to help people manage stress and setbacks.

"The more stressed you are, the more psychotic you'll be—and the more psychotic you are, the more stressed you'll be," Menschel said. "It loops and loops and loops."

Hudnut said he was helped by both the guidance of his counselors and the delusions of his peers. "You can't really just jump on board with someone who thinks you're an alien," he said. "You're like, 'If that's not true, maybe what I'm thinking is also not true.'"

In one group activity, patients looked at a photo of a man wearing a red baseball cap. A counselor asked what conclusions they could draw about him and how confident they were in their assessment. Noah said he was 80% sure wearing the cap meant the man was in a gang. One person was 95% sure the man was dead. By the end of their discussion, they all agreed it was difficult to draw a conclusion with any certainty from the photo.

"It was almost like I was able to study what it means to be delusional by being with other people who are delusional," Hudnut said.

As the months passed, Hudnut told Menschel he was learning to recognize when he was having impulsive ideas and to question false memories and beliefs. "He would occasionally have pangs of memories," Menschel said, "but identified them as delusions."

Regarding the child in Guatemala, Hudnut later told Menschel, *Remember when I believed that?*

"You don't have to grab on to every thought that comes your way," Hudnut said. "You can let them pass like the clouds."

He took classes remotely and graduated from Colorado College in Colorado Springs in May. He lives at home, takes medication and is saving up money for his own place.

While at California OnTrack, Hudnut drafted a plan in case he relapsed and gave copies to his family. It spells out conditions for another hospitalization if he starts to isolate, becomes extremely irritable or engages into verbal or physical altercations.

"I've had a great recovery," he said.

Lived on Mars

On a recent day at California OnTrack, a group of men arrived at midmorning and began what looked like videogaming but was an exercise to strengthen memory.

The program's daily routine typically includes group sessions, individual therapy, a lunch break and exercise classes. The program's physical activities improve learning and help prevent weight gain, a common side effect of medications.

Men sat in orange chairs in one room while clinical director Adrian Marroquin wrote on a white board for a lesson aimed at helping people read social cues. He described a situation with two different interpretations.

"That person was staring at me," Marroquin said. "That person was looking in my direction."

The first interpretation, Marroquin said, assigns intention without sufficient evidence. The second is a more neutral view. Many of the cognitive deficits from psychotic disorders cause people to misread faces and intentions, he said, prompting delusional thoughts.

In another group, Menschel talked about false memories. He asked patients to remember random groups of words. Later, some people recalled words that weren't on the list. "Memory is not as reliable as we like to think it is," he said.

For some people, the delusions never disappear. Clients learn to accept them and move forward. People might "truly believe that they are spies for the government and lived on Mars," Menschel said. "But they now know not to bring that up in social situations."

Christmas Meets Hanukkah

Continued from Page One

identified as Christian in a 2021 survey from Pew Research. Jews made up 2.4% of the U.S. population, including children, according to a 2020 study also from Pew.

It's likely that many U.S. households observe both holidays, as interfaith relationships are fairly common. Nearly two in 10 Americans who are either married or living with a partner say their spouse or partner has a different religious affiliation than they do, according to research released in May from the Public Religion Research Institute.

Still, blended celebrations can be confusing for onlookers who are unfamiliar with the concept of Chrismukkah.

Half the exterior of Courtney Harrison-Geese's and Jann Geese's home in Pleasant Ridge, Mich., is adorned with blue and gold lights to represent Hanukkah; the other half has red and green lights to represent Christmas.

"It's a split line," said Harrison-Geese, a 34-year-old kosher pantry worker who is Jewish. Geese, her husband, is a 37-year-old mechanical engineer who was raised Protestant and describes himself as "culturally Christian."

Not everyone in their neighborhood recognized the lighting display as festive, as someone suggested on Instagram that it looked to be symbolic of the war in the Middle East. They quickly bought a Chrismukkah sign on Etsy and hung it on the front door "so there could at least be an explanation," said Harrison-Geese. "It's got dreidels and a Christmas tree with the star of David on top."

Social-media platforms have lately been flooded with mentions of Chrismukkah, many from fans of "The O.C.," a TV series that ran from 2003 to 2007 and helped popularize the term. In one episode of the show, Seth Cohen, the fictional teen son of a Protestant mother and Jewish father, explains his family's holiday-season philosophy to his new foster brother, Ryan.

"Allow me to introduce to you a little something that I like to call—Chrismukkah," Seth said. "It's the new holiday, Ryan, and it's sweeping the nation."

The arrival of the hit Netflix series "Nobody Wants This," a romantic comedy about a single rabbi who falls for an agnostic sex podcaster, is adding to the fused-holiday spirit this year. It stars actor Adam Brody, who incidentally played the part of Seth in "The O.C."

Meanwhile, e-commerce vendors have been hawking Chrismukkah tchotchkes like the Yamaclaus, a combination of the Jewish yarmulke and the kind of head covering Santa Claus wears. Also for sale are holiday crossovers in the form of stockings, candy canes and ugly sweaters.

E-commerce vendors have been hawking tchotchkes like the Yamaclaus.

Some people in interfaith marriages see getting to celebrate Christmas and Hanukkah at the same time as a sort of Chrismukkah miracle. While many schools and workplaces close on Christmas Day, they typically don't for the start of Hanukkah.

Rachel DeBari, an art teacher who is Jewish and whose husband was raised Catholic, said a perk is both holidays essentially get equal billing as far as her schedule is concerned. She usually races through the first night of Hanukkah when the holiday falls by itself on a weekday.

"We can take time now to celebrate however we'd like, rather than just quickly lighting candles after work and school," said DeBari, 40, of Brick, N.J. "I'm able to do themes for each night this year."

One potential risk to blending Christmas and Hanukkah is that it's easy to go overboard eating the many traditional foods associated with both.

Jeffery Lightell, a 48-year-old restaurant worker in Indianapolis, grew up with Jewish and Christian relatives who would celebrate both holidays at once, even if they didn't overlap, with a large and diverse spread. He recalled getting stomach aches from eating potato latkes with honey baked ham, which is also a no-no for Jews because ham is not a kosher meat. (Whether it's acceptable for Jews to eat plant-based ham, however, is up for debate.)

"It wasn't until I became an adult that I discovered it's not normal," said Lightell.

Nowadays, he continues to pay homage to both Christmas and Hanukkah with his wife, who also hails from a mixed-religious family. They put up a Christmas tree in their home with a few Hanukkah-themed ornaments, a move he admits might be as sacrilegious as noshing on a ham and latke sandwich.

"We always joke that that part of the tree is going to catch on fire," he said.

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What the Science Says About Fluoride in Our Water

How much do we need to protect our teeth without risking possible cognitive harm?

YOUR HEALTH
SUMATHI REDDY

Few of us have spent a lot of time thinking about fluoride—until recently. Now it has become a lightning rod of controversy.

Public-health officials are sparring over conflicting studies weighing the benefits and risks of fluoride, especially for young children. Most everyone agrees it is important for our dental health. The question is how much fluoride we need to protect our teeth without risking possible cognitive harm.

Recent analyses suggest some evidence that high levels of fluoride might harm the brains of children and developing fetuses. Other studies have found no such evidence. And there is no indication that fluoride hurts adult cognition.

The fluoride mineral is part of the Earth's crust. It exists in all water and in many foods. In much of the country, extra fluoride gets added to public drinking water. It is also in toothpaste and other dental products.

The decision to add fluoride to drinking water is made by local municipalities. Nearly 20 communities across the U.S. have halted the practice, with more discussing it. Many European countries including France and Germany don't fluoridate drinking water.

You can find the level of fluoride for some communities on the Centers for Disease Control and Prevention website.

Fluoride's benefits

Most U.S. public-health experts and doctors staunchly support adding fluoride to public drinking water to mitigate tooth decay.

Cavities are typically caused by acid that breaks down the enamel of the teeth. Fluoride helps remineralize those areas, making them more resistant to decay.

In Canada, the city of Calgary stopped adding fluoride to its public water in 2011. An April study in the Canadian Journal of Public Health compared Calgary with Edmonton, which continued fluoridation, and found that the rate of general anesthesia for cavity-related treatments was higher in Calgary among more than 2,600 children under age 12 between 2010 and 2019. Children 5 and younger had higher rates than the older children.

"We found that 65% of the children who had general anesthesia lived in nonfluoridated areas," said Maryam Amin, a professor and associate chair of research at the University of Alberta and senior author on the study. Calgary is resuming fluoridation in its public water.

Fluoride applied directly to teeth via toothpaste strengthens tooth enamel and promotes remineralization. Fluoride ingested through water and food gets incorporated into the developing enamel of teeth that haven't emerged yet, which is why it is especially important for children during their tooth-forming years, Amin says.

Other studies have found more cavities and dental decay in both Calgary and Juneau, Alaska, which ended its community water fluoridation program in 2007.

▲ Most U.S. public-health experts and doctors agree that fluoridation of water should continue.

Possible risks

A May study in the journal JAMA Network Open linked higher prenatal fluoride exposure to increased neurobehavioral problems, such as anxiety or emotional problems, when children reached age 3.

The study measured urine fluoride levels in pregnant women in Los Angeles County. It found that women whose levels were at the 75th percentile during pregnancy had children nearly twice as likely to exhibit neurobehavioral problems by age 3 than those at the 25th percentile.

The National Toxicology Program assesses potentially toxic chemicals for the government. In August, it released a study concluding with "moderate confidence" that higher levels of fluoride exposure are associated with lower IQ in children—though that wasn't necessarily the cause. High levels were defined as 1.5 milligrams of fluoride a liter. That equals more than two times the U.S. recommended level of 0.7 milligrams per liter.

The conclusion was based largely on research conducted in other locations—outside of the U.S.—where some pregnant women, infants and children are exposed to higher levels of fluoride.

"There very likely is a level of fluoride much, much higher than what we have in the United States that may cause neurocognitive issues during fetal and early childhood development," says Dr. Charlotte Lewis, a professor of pediatrics at the University of Washington School of Medicine in Seattle. But there is no strong evidence that is happening with the levels of fluoride in public drinking water in the U.S., she says.

What to do

Parents worried about potential risks to children can take a few steps.

Pregnant women who want to limit their fluoride exposure can look for bottled water labeled as deionized, purified, demineralized or distilled, without any fluoride added after purification treatment, says Kyla Taylor, a health scientist at the National Institute of Environmental Health Sciences and co-author of the National Toxicology Program study.

Water filters in refrigerators typically don't filter out fluoride. A filter needs a reverse-osmosis step to remove most fluoride. You can buy reverse-osmosis filtration systems at such places as Home Depot.

The CDC recommends children use fluoride toothpaste starting at age 2. To avoid accidental ingestion, children younger than 6 should use no more than a pea-size amount of toothpaste. For pregnant women, using toothpaste with fluoride should be safe for the fetus, says Ashley J. Malin, an assistant professor in the department of epidemiology at the University of Florida and author of the study linking fluoride to neurobehavioral problems.

Other scientists say concern about fluoridated water in the U.S. is misguided.

Lewis, the University of Washington pediatrics professor, says infants' teeth are mineralizing in the jaw even when they aren't yet visible. So exposure to fluoride affects how the teeth eventually develop, making them stronger and more resistant to cavities.

"Everyone benefits from fluoride at the level that we have in U.S. community water fluoridation," she says. That includes pregnant women and infants.

FROM TOP: WSJ, ISTOCK; E. JASON WAMBSGANS/CHICAGO TRIBUNE/ZUMA PRESS

Baby Boomers Flock To CD-Like Annuities

By Anne Tergesen

The highest interest rate on your cash right now might be coming from an insurance company, not a bank.

Insurers create fixed-rate deferred annuities, which resemble certificates of deposit, but offer higher yields on average thanks to the broad portfolio of investments insurance companies hold. They allow the buyer to defer tax on earnings.

Brokerages, banks and annuity agents sell them. At Fidelity Investments, the average interest rate on a three-year fixed-rate deferred annuity is 4.67%, assuming a purchase of $100,000 or more. That compares with 4.05% for the average three-year CD at Fidelity.

Business in these annuities is booming. Helping drive interest is the Federal Reserve's rate increases beginning in 2022, which lifted the rates on these long-overlooked products, said Bryan Hodgens, senior vice president and head of research at Limra, a research firm funded by the life-insurance industry.

Baby boomers have been among the biggest buyers as they have shifted money into more conservative investments.

The Fed cut rates for the third time this year at its policy meeting Wednesday. But sales, according to Limra, have been strong.

Fixed-rate deferred annuities have been the top-selling category of annuities this year, totaling $124 billion in the first nine months, up 17% over the same period last year, according to Limra.

Like CDs, but different

Fixed-rate deferred annuities, like CDs, pay interest over a specific term that is frequently three, five or seven years. Commissions are typically 1% to 2%, said Stan Haithcock, an independent annuities agent.

Since 2021, Fidelity's fixed-rate deferred annuity sales have risen at a compounded annual growth rate of 34.5%. Fidelity offers maturities between three and 10 years from six insurance carriers, said Stefne Lynch, vice president of annuity product management and client engagement.

These products don't look much like the traditional retirement-income annuities that turn a pot of money into a monthly payout for life. But they do offer some annuity features.

For example, at maturity an investor can roll the money over tax-free into another fixed-rate deferred annuity. The investor can also withdraw the principal and interest and pay income taxes on the gains, or purchase a pensionlike annuity that provides an income for life, said Lynch.

The annuities' higher yields result from the mix of investments insurers generally invest the premiums in, such as government and corporate bonds, stocks, and real estate, Hodgens said.

For durations shorter than three years, CDs have historically offered higher interest rates, Haithcock said.

Sales of fixed-rate deferred annuities have surged in recent years.

Annuities put the onus on the investor to determine whether the insurer that stands behind it is in good financial health. Companies including S&P Global, Moody's and A.M. Best rate insurance companies. Annuities aren't backed by the Federal Deposit Insurance Corp., as are many CDs.

If an insurer becomes insolvent, its annuities would be protected through a state-based, industry-funded system of guarantee associations. The amount of coverage varies by state, said Haithcock, who often divides big purchases between different insurers to keep contract amounts below the state guarantee limits.

When they make sense

As with CDs, fixed-rate deferred annuities make sense for people who can afford to leave the money alone until the contract matures. They impose surrender charges as high as about 7% if the buyer withdraws more than a specified amount before the contract ends. With many, the allowed withdrawal is 10% of the contract value.

Some also adjust any withdrawal of principal to the current market value, which can mean taking a loss if interest rates have risen since the purchase, Hodgens said.

Bank CDs can also have early withdrawal penalties, which often amount to 90 days of interest on maturities less than one year and 180 days for terms of one year and longer, according to Bankrate.com.

The option to defer taxes on the annuity interest might be valuable to those in a high tax bracket who believe they will be in a lower bracket when the annuity matures, said Elliot Dole, an adviser in St. Louis.

Dole said many of his clients living in states with high income-tax rates are better off in Treasury bonds, since the interest income is exempt from state and local taxes.

Minimum purchases at Fidelity range from $5,000 to $50,000, and the average buyer invests $240,000.

PARKER ESHELMAN/WSJ, ISTOCK

How to 'Manifest' Your Own Success

The practice of visualizing desired outcomes, through listing goals and vision boards, has become popular this year

By Ann-Marie Alcántara

Visualizing the success you want to achieve, or manifesting, took off this year.

Go online, and seemingly everyone is making vision boards, writing down their goals repeatedly and saying them aloud like a mantra.

Singer Dua Lipa swore by it to achieve big goals, and Cambridge Dictionary named "manifest" its word of the year. In the first eight months of 2024, there were more than 130,000 searches for it on the dictionary's website. On TikTok, the hashtag #manifesting has 1.6 million posts and #manifestation has 6.5 million.

Some psychologists say its current meaning, which involves visualizations and affirmations to make something happen, can be traced to the bestselling 2006 book "The Secret." Its recent resurgence reflects a desire for people to exert control over their lives, even when the outcome might be largely out of their hands.

"This has moved out of something that has really stayed in a very specific self-help space on social media, to a broader cultural trend," says Wendalyn Nichols, publishing manager of the Cambridge Dictionary.

Manifesting's rise mirrors other popular trends during the past year: people making their own luck, acting "delulu" to take risky leaps in work and relationships, and setting goals in October instead of January.

Successful people have long worked to visualize the outcome they wanted or repeated positive phrases to achieve a goal. But recently, as more people have taken it on, they say they have learned a key lesson: If you don't couple manifesting with action, it can be a waste.

Katrina Ruiz, a 24-year-old marketing and social media strategist, has tried to manifest her success by writing down what she wanted more than a dozen times each morning. She believes she has successfully used manifestation three times in her life.

In one case, she journaled about her goal to save enough money to move away from California for college. After several attempts, Ruiz received seven months of backpay. The money helped her afford her own apartment when she started the 2021 school year at the University of Hawaii at Manoa.

"Manifestation doesn't just happen if you don't take any action behind that," says Ruiz, who lives in Buena Park, Calif.

Pen-to-paper goals

People approach manifesting differently.

Some think it's all about the visualizations—changing how they view themselves to achieve a goal, or simply picturing a different outcome to make a change happen. Techniques like the 369 Method involve writing down what you want over and over. Some people call on ChatGPT for help.

Others combine positive thinking with real-world steps, like making new connections to get closer to their aims.

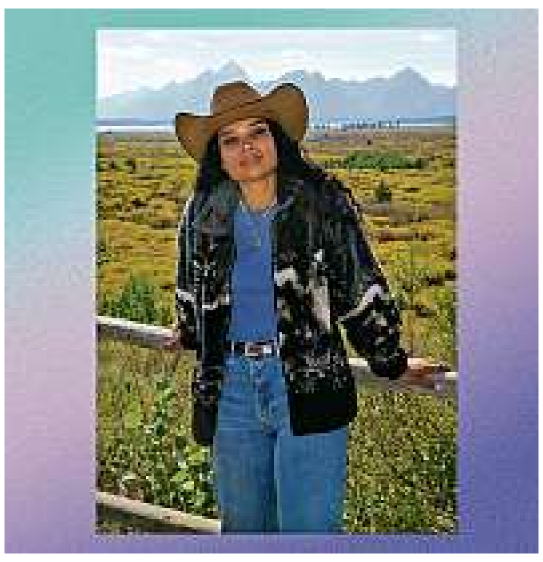
▲ Katrina Ruiz believes she has been able to manifest her goals three times in her life.

It's human nature to imagine a better future, says June Gruber, professor of psychology and neuroscience at the University of Colorado, Boulder. While believing in yourself is key to implementing a goal or resolution, it's just one piece of the puzzle, she says. Any thought needs to be tied to a real plan to make it happen.

"Thoughts are not the same as actions or behaviors, but they can be a good way to set up and begin to think about what we might want to be doing to get to some place or achieve some goal," Gruber says.

Jen Merritt has big dreams for her life, such as writing for "Saturday Night Live" and falling in love. It could take years to accomplish either.

That's why the 27-year-old copywriter and marketing consultant in Philadelphia is manifesting those goals now. She makes vision boards with photos of couples kissing, golden retrievers, the set of SNL, and people accepting trophies. She also creates Spotify playlists with her goals in mind.



▲ Justina Sharp believes manifestation is a way to order her steps toward a goal.

Merritt believes that by "declaring her intentions," she is seeing more rewards. She was invited backstage at a music festival to shoot photos and has gotten work offers that give her connections and expertise "to make the route to SNL smoother."

"Putting together a Pinterest board, making a playlist and thinking about things makes it more likely to happen," Merritt says.

A mindset tool

Ankita Tejwani, a 29-year-old advertising sales executive in New York, is using OpenAI's ChatGPT to help her manifest. She uses the chatbot as a sort of journal, writing down all her thoughts and then asking the artificial intelligence to clarify her goals.

"Given my current circumstances, can you please ask me specific questions to help uncover my subconscious limiting beliefs, give me specific affirmations, visualizations, and exercises to change these beliefs, and give me a practical plan to manifest these goals?" read one prompt.

"It doesn't mean that you're sitting around doing nothing," Tejwani says. "It's all that hard work and dedication and action plus giving yourself that added edge of believing that you can do it, believing that you're not alone and that you're co-creating a reality with something bigger than you."

Justina Sharp, a 27-year-old influencer, put together a vision board on Dec. 30, 2023, to focus less on fashion and weddings and more on her Western roots of rodeos, horse riding and cowboy hats.

After six months and literally falling off a horse during riding lessons, she says she started to see the payoff in brand partnerships and followers. On her vision board, she had three photos of the historic Diamond Cross Ranch in Jackson Hole, Wyo. In September, she was invited to an event at the ranch.

"That's what manifestation is—it's a way to order your steps," says Sharp, who lives in Los Angeles. "It's a mindset tool, not a magic wand."

FROM TOP: ELENA SCOTTI/WSJ, ISTOCK; KATRINA RUIZ; EMMA HAVIGHORST

Fliers Seek Better Ways To Get Sleep On a Plane

By Jacob Passy

It's the holy grail of long-distance economy travel: a pillow that can actually help you get some sleep.

Falling asleep on a plane has long been a tall order for fliers. Lately, it's gotten worse. Ever thinner chairs and cramped confines are a recipe for a restless journey. The end result is fliers buying body pillows, neck pillows, horseshoe pillows and whatever else they heard about from a friend or saw on social media to get some sleep.

Many have come to the same conclusion: The old-school U-shaped pillows found in virtually every airport gift shop across the globe aren't working. It's time to try something—anything—else.

Joe Wood, 63 years old, has racked up close to 1 million frequent-flier miles traveling for work. He says he has tried all sorts of sleep aids. He found microbead-filled neck pillows were bulky to carry and provided little to no support. He then resorted to fashioning his own pillow out of airline-supplied blankets.

He has finally settled on a travel pillow from Cabeau. He likes how the pillow can be compressed to fit in a small carrying case. But he says it isn't a perfect solution.

"It's the best I've had, but it's still only maybe a seven" out of 10, says Wood, who lives in Covington, Ky.

Cabeau plans to offer a new pillow in 2025.

A tired tradition

The first patent in the U.S. for those standard, horseshoe-like neck pillows dates to the 1920s. The design of many of the items on the market today hasn't changed much. One scholar likened the standard neck pillow to "a weirdly sexual caterpillar or a slug that has come to rest on your shoulders."

This design takes a one-size-fits-all approach that isn't necessarily suited to many travelers, says Katie McCullar, a postdoctoral fellow at Massachusetts General Hospital in Boston whose research focuses on sleep. They are often the same thickness throughout, which can push a person's neck forward uncomfortably. The materials used in many cases can retain heat, making for potentially sweaty slumber.

Plus, the lack of support at the front of a person's neck can lead to the dreaded neck bob. "Think about an egg in an egg carton," says David Sternlight, Cabeau's chief executive.

▲ The Ostrichpillow, above, stands out for how much of the user's head it covers.

"If the egg carton is level with the bottom of the egg, it's just going to fall over."

Sternlight was inspired to launch his travel-products company after a torturous trip to Hong Kong. He found himself envious of those around him sleeping. He was also unsatisfied with the classic neck pillow he bought for the trip home.

Cabeau's pillows feature an adjustable strap that sits below the chin to prevent the head from tilting forward. Some models have an additional strap on the back that can attach to a seat's headrest to provide further insurance against a dipping neck.

Sternlight says he chose to stick with the horseshoe configuration for Cabeau's neck-pillow lineup to promote airflow below wearers' chins to keep them cool.

▲ Pluto's Pod pillow, top photo, is among the newer options for fliers looking for support. The Cabeau pillow features an adjustable strap that sits beneath the chin.

Beyond the curve

Other companies have eschewed the U-shape entirely or gained traction by providing the wearer with an escape from the outside world.

Pluto sells the Pod, which combines a cushion that can wrap around the neck like a brace, a hood that can be pulled over the head for privacy and an eye mask that can block out light. Ostrichpillow's Original Napping Pillow almost fully encases the wearer's head like a large cocoon or marshmallow.

Not every traveler is sold on the approach, given how over the top these models can look.

"That's just kind of ridiculous to me," says Dustin Stone, a 43-year-old from Dallas who owns an e-commerce business.

Stone's preferred device is the J Pillow, another design that crosses a standard pillow with a scarflike mechanism.

"It's not ugly," he says. An added bonus: The fleece-like cover doesn't catch on Stone's beard.

Another popular option comes from travel gear company Trtl, which offers a lineup of pillows featuring a support mechanism that almost resembles a neck brace cut in half and is covered by fabric that wraps around the neck like a scarf.

The All-in-One Ultimate Travel Pillow from Travelrest resembles an extended apostrophe. It can hang from a person's shoulder or be worn across the body like a messenger bag, with a wider section for the user's head.

Ultimately, doctors say that for all the innovation out there, a true panacea short of a lie-flat seat for an in-flight slumber may never come.

Erin Peile, a Pilates instructor from Canberra, Australia, says she immediately wakes up if her head drops. She settled on a memory-foam pillow from Snugl after trying several other options, though it has proved far from perfect.

"Honestly, no pillow really allows me to get any deep sleep," she says.

CLOCKWISE FROM TOP: PLUTO PILLOW; OSTRICHPILLOW; CABEAU

ARTS IN REVIEW

THE BEST ART OF 2024

Emphasis on Italy

Many of the standout shows focused on artists from—or inspired by—this sunny strip of Europe

By Karen Wilkin

Clockwise from top: installation view from 'Siena: The Rise of Painting'; Duccio's 'The Temptation of Christ on the Temple' (c. 1308-11); and Guillaume Lethière's 'Brutus Condemning His Sons to Death' (1788).

The most spectacular exhibition of the year is unquestionably **"Siena: The Rise of Painting, 1300-1350,"** at the Metropolitan Museum of Art (through Jan. 26, 2025). Focusing on Siena's pre-eminent painters of the 14th century, Duccio di Buoninsegna, Simone Martini, Pietro Lorenzetti and his brother Ambrogio, the show reassembles and contextualizes long-separated, important works, including panels detached from Duccio's masterpiece, the "Maestá"—an enormous altarpiece with scenes from the life of Christ. We can savor Duccio's originality, noting the tender exchange between Mother and Child in all his Madonnas, and ponder his formation, thanks to a rigid Byzantine icon and a fluid little ivory Madonna, made in France, and brought to Siena by pilgrims. We can feast on biblical stories enacted by agile figures against gold grounds and stylized architecture. (Don't miss Simone's distraught Magdalen, in red, in the reunited sections of his Orsini polyptych.) And much, much more. The never-to-be-repeated assembly of stellar works expands our knowledge of early Renaissance painting and the world in which it was made. Repeat visits required.

Almost equally sumptuous was **"Giorgio Morandi: Time Suspended Part II,"** a pop-up retrospective organized in New York by the Rome-based Mattia De Luca gallery. (Part I was held in Rome in 2022.) Still lifes, landscapes, flower paintings, drawings and etchings began with Cubist-inflected still lifes from 1914 and 1915, when Morandi (1890-1964) was discovering his language. It ended, *crescendo*, with a loosely brushed 1963 painting of rural buildings and a quirky near-monochrome 1964 still life, both teetering on the edge of abstraction. In between, subtle dramas were enacted by close-pressed bottles, boxes and pitchers, deployed like a repertory company. Radiant still lifes from the 1940s and '50s, celebrating pale, unnamable hues, made Morandi's tabletop an entire universe. His Metaphysical paintings and views of the courtyard of his apartment building were absent, but the rest compensated.

At the Gallerie dell'Accademia, Venice, the wonderfully selected **"Willem de Kooning and Italy"** examined his responses to Italian art and to visits to Italy, and allowed comparisons among works made before, during and after a brief stay in 1959, extended sojourns in 1960 and 1969, and a short visit in 1972. Most revealing were the small, improvisatory bronze figures, De Kooning's first sculptures, made when, while visiting Rome, he ran into an old friend who had a small foundry there. The exhibition traced the relationship between the animated little bronzes and De Kooning's sensuous, boisterous bather paintings, as well as their connection to later, larger sculptures. Paintings informed by both Italian and Long Island light, collages made in Rome, and explosive drawings made during the Festival of Two Worlds in the Umbrian hill town Spoleto enlarged the conversation and sharpened our perceptions.

"Matisse and the Sea" at the Saint Louis Art Museum centered on the museum's superb "Bathers With a Turtle" (1907-08), originally painted with a background of the fishing port Collioure, where Matisse and André Derain invented Fauvism. (Last year, an informative exhibition at the Met explored their collaboration.) Representative works documented Matisse's sojourns by the sea, including in Collioure, along with paintings done in his seaside hotel room in Nice. The sinuous seaweed and marine shapes in the late cut-outs were persuasively tied to Matisse's trip to Tahiti. Even more persuasive was the notion that the blue color of the seated bathers in the late cutouts signals that they have become the sea. Matisse, it turns out, was an enthusiastic swimmer and oarsman.

Most fascinating history? **"Guillaume Lethière"** at the Clark Art Institute, Williamstown, Mass. In 1760, a boy was born, enslaved, to a mixed-race enslaved mother and a French planter, in Guadeloupe. Brought to France as a teenager and freed by his father, he became a leading academic painter, survived the Revolution, became a favorite of Napoleon and his family, and head of the French Academy in Rome, and remained admired and successful even after Napoleon's fall. Yet following his death in 1832, his chilly Neo-Classicism was eclipsed by Romanticism. The Clark's excellent survey lacked Lethière's most celebrated, enormous scenes from Roman history—which first cemented his reputation—but studies and smaller versions of those canvases, plus other major works, including portraits, attested to his command of firm structure, elegant drawing, suave surfaces and expressive narrative. Paintings by Lethière's students and colleagues made clear his influence and the esteem in which he was held.

> Exhibitions ranged from the beginnings of the Renaissance to today.

We'll never fully understand how startling the work of Édouard Manet, Claude Monet, Berthe Morisot, Pierre-Auguste Renoir and their colleagues appeared when it was first seen, but **"Paris 1874: The Impressionist Moment,"** at the National Gallery of Art, Washington (through Jan. 19, 2025), helps to intensify our perceptions. The show combines paintings, some now very celebrated, from the first Impressionist exhibition, held in 1874 in the studio of the photographer Nadar, with works shown at the official Salon of that year, which opened a few weeks later. The selection underscores the differences between the Impressionists' energetically painted themes of contemporary life—say, Manet's woman and child seated near a railway line in Paris—and the Academicians' mythological, historical or religious subjects, such as a nude, androgynous, teenage Cupid, life-size, in marzipan colors. There are also surprising inclusions in both categories, works by less adventurous colleagues of the Impressionists and surprisingly convincing Academic paintings, but mainly "Paris 1874" confirms and clarifies our conceptions with some wonderful modernist works—Morisot looks terrific—and some delightfully silly Academic paintings.

Surprise was the foundation of **"Hidden Faces: Covered Portraits of the Renaissance"** at the Metropolitan Museum. Who knew that paintings we knew well, hung flat on the wall, were meant to be seen only on removal of cover panels with allegorical images relating to the sitter, or that they had coats of arms or symbolic conceits on their backs? Few complete portraits and covers have survived, but "Hidden Faces" reunited separated panels and presented compelling reasons for considering now-independent, often enigmatic compositions as once intimately related to portraits. Works in different media, in different sizes, attested to the wide range of the practice. Sometimes, the related image—a ravishingly painted still life of flowers with religious meanings, for example—was more engaging than the actual portrait, but everything rewarded attention. We left knowing we'll never look at certain paintings the same way again.

A different kind of surprise was offered by **"The Anxious Eye: German Expressionism and Its Legacy"** at the National Gallery, Washington. Unfamiliar images, sometimes by unfamiliar artists, drawn largely from the museum's own holdings, made us consider freshly a well-explored moment in the history of modernism. A gallery of contemporary artists—some printmakers, all responding to the mood and affect of the German works on view—spoke to the currency of those concerns.

Ms. Wilkin is an independent curator and critic.

Clockwise from left: Monet's 'Impression, Sunrise' (1872); installation view of 'Hidden Faces: Covered Portraits of the Renaissance'; and Matisse's 'Bathers With a Turtle' (1907-08).

CLOCKWISE FROM TOP: EILEEN TRAVELL/THE MET; FOTO STUDIO LENSINI SIENA; EILEEN TRAVELL/THE MET; SUCCESSION H. MATISSE/ARS, NY; CLARK ART INSTITUTE; NATIONAL GALLERY OF ART

SPORTS

JASON GAY

Rickey Henderson: Hail to the Thief

Remembering baseball's base-stealing, run-scoring, myth-making Hall of Famer, who died Friday at age 65

By Jason Gay

ERIC RISBERG/AP

Rickey Henderson finished his major-league career with 3,055 hits, an on-base percentage of .401 and 1,406 stolen bases.

It's likely no one loved playing baseball as much as Rickey Henderson did—at age 46, he stole 16 bases and drew 73 walks for the San Diego Surf Dawgs, helping them to a Golden Baseball League divisional title, because why not? Rickey didn't need the money. Goodness knows he didn't care about the attention. Rickey just wanted to play ball. Apparently he thought he could still get out there and swipe a few bags at age 55. Maybe 60. Nobody could do that, that's silly. But Rickey?

Henderson, who died Friday at age 65, was an undersized man who lived a big life as a baseball icon, ironman and entire, magical vibe. The wraparound Terminator shades; the comical third-person self-referencing; the impossible strike zone that tormented pitchers for decades—"smaller than Hitler's heart," is how sage Jim Murray once described Rickey's strike zone, even if it might have been a tad smaller than that.

Who of a certain age didn't try to imitate Rickey's hunched-over batting stance at one point, maybe hoping to draw a walk against a Little League fireballer, crouching lower and lower, until their elbows poked at their upper thighs? *This* was a batting stance from which Henderson got 3,055 major league hits? How did he even do it?

Same for the way Henderson snared a fly ball, slicing over the top of it like a swordsman, as if taunting it to fall out of the mitt. Henderson claimed he invented the style when he was catching the last out of a teammate's no-hitter, because Rickey was Rickey, adding flair for a friend. (He caught it, of course.)

He is the permanent answer to an important question: When assembling the greatest baseball team of all time, who bats leadoff? It is Rickey, no questions asked. He made the case with his astonishing ability to get on base, and—this is important—do something while there. Henderson finished his 25-season major-league career with an impressive on-base percentage of .401—and as the sport's all-time leader in unintentional walks (2,129) and stolen bases (1,406).

If you're not into numbers, let me articulate it in another way: Rickey was an offensive nightmare. You couldn't help but put him on, and once he was on, he was going, going, gone. You knew he was going, and it didn't matter. He wore out pitchers and catchers mentally as much as physically. He was a Michelangelo of making something out of nothing. Rickey once stole five bases and scored four runs in a game in which he went 0-0, because he walked four times. (Try that.)

But oh yeah, he could hit, too, and for power. He wound up with 297 career home runs—81 of them leading off the game, which is an absurd stat. He was a firework from the first pitch.

I'll try not to sound like an ancient whiner here but it's just the truth: this is when baseball asked more from its superstars. Analytics and swing techniques have shrunk today's game to specific outcomes, chiefly strikeouts and home runs, with little action in between. Rickey lived in the "in between." The sport actually had to change its rules to entice players to run: MLB pitchers are now limited in pickoff attempts, and they have made the bases bigger, and therefore, closer together.

I can't imagine how many bases Henderson could have stolen under these relaxed terms, wearing one of those ridiculous oven mitts players now use to protect their fingers. I don't want to imagine Rickey in an oven mitt.

He played everywhere, for nearly everybody. He was an Oakland Athletic four separate times. He was a Yankee. He was a Blue Jay, a Padre, a Met, an Angel, a Mariner, a Red Sox, a Dodger. Did you know Rickey scored on Joe Carter's legendary home run to win the 1993 World Series for Toronto? Did you know Rickey hit home runs in four different decades? Did you know he was hit by a pitch in his final major-league plate appearance? (He scored, of course.)

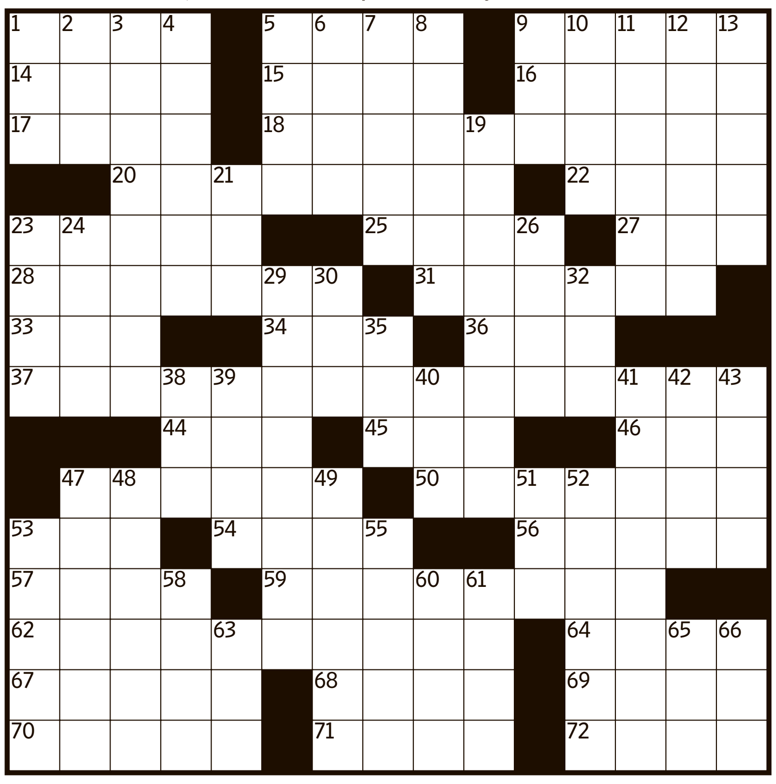
For most of us, he's indelible as an A—nobody ever looked better in green, gold, and white, with clean white spikes, because everyone knows white spikes are faster. He was an Oakland kid playing for his hometown team, and that's where his greatest glories happened—his first World Series ring, the record-breaking single season steals record, and bettering Lou Brock's all-time record in the now shamefully abandoned, subterranean Coliseum.

Henderson took a bunch of grief for proclaiming himself "the greatest of all time," that day, with Lou Brock right there, even if Lou was his buddy and was OK with it, because Rickey was indeed now the greatest. Rickey wasn't starved for self-admiration, but you cannot play the game as well as he did, for as long as he did, without humility. Baseball enforces humility: even the greatest ones fail far more than they succeed.

Through spectacular skill, speed and longevity, Rickey Henderson found a way to tilt the odds closer in his favor, probably closer than any player ever had. Nobody led a more impactful career, with more charming mythology, but when they honored him at the Hall of Fame in Cooperstown, Henderson left the audience with this: "When you think of me, I would like you to remember that kid from the inner city that played the game with all his heart and never took the game for granted."

Don't worry, Rickey. You never did.

The WSJ Daily Crossword | Edited by Mike Shenk



BIG DEAL | By Desirée Penner & Jeff Sinnock

Across

1 Washington newspaper
5 What tillers till
9 Sailor's "Stop!"
14 Choral voice
15 German automaker
16 Islam's holiest city
17 Notorious Roman emperor
18 Rink enjoyers
20 Capital of the United Arab Emirates
22 Drench
23 Early Mexicans
25 Cain and Abel were the first
27 Good times
28 Nostalgic times
31 FBI workers
33 ___ Paulo, Brazil
34 Feel unwell
36 Co. leader
37 Tiebreaker rule in poker, represented visually by the starred answers
44 Abbr. after an attorney's name
45 Double-helix substance
46 Long of "The Best Man Holiday"
47 Hide from view
50 Kidnaps
53 Inventor Whitney
54 Neptune rules them
56 Hog hangouts
57 ___ California (Mexican peninsula)
59 Joined the ranks
62 Digressing from the subject
64 Earn, as profit
67 Rank above Maj.
68 Musical Horne
69 Edit menu command
70 Sign at an information desk
71 Crafty website
72 Dele undoer

Down

1 Skillet
2 Bullring cheer
3 Alley wanderer
4 "Better luck next time"
5 Remarked
6 Punch line?
7 Bits of creativity
8 Portugal's capital, to the Portuguese
9 Doctors' org.
10 November 11 honorees
11 *Beat, as the competition
12 Fido's fare, maybe
13 Jobs for a gofer
19 *Alaskan crustacean
21 Mex. neighbor
23 Dance in a concert pit
24 Jai ___
26 Plant-to-be
29 *"You go, girl!"
30 Take a load off
32 Right away
35 TV screen choice
38 "On ___ Majesty's Secret Service"
39 Those, in Tijuana
40 "Knives Out" star de Armas
41 Occurrence
42 Evening, in ads
43 Cheeky attitude
47 Is inclined
48 *Commandeer, in a way
49 Hang loosely
51 "Spring ahead" hrs.
52 Womb
53 Virus named for a Congo tributary
55 Cold shower?
58 Molecule part
60 Getaway places
61 Command to Fido
63 Pub pour
65 End for lemon or Gator
66 What may be at stake as a result of the ruling at 37-Across

Previous Puzzle's Solution

S	I	D	E	S	■	V	E	T	O	■	S	T	I	R
E	B	E	R	T	■	I	M	U	P	■	T	A	R	A
W	E	A	R	A	S	M	I	L	E	■	U	P	O	N
S	T	R	I	D	E	■	R	I	N	G	N	E	C	K
■	■	■	N	I	N	A	■	P	E	A	T	■	■	■
P	E	N	G	U	I	N	■	■	R	E	C	E	N	T
A	N	O	■	M	O	N	A	E	■	L	A	M	I	A
N	E	T	S	■	R	E	A	L	M	■	R	O	L	L
A	M	E	N	S	■	S	A	L	E	M	■	J	L	O
M	Y	S	E	L	F	■	■	I	T	A	L	I	A	N
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S	C	O	R	P	I	U	S	■	I	M	B	I	B	E
T	A	N	S	■	D	R	U	G	C	A	R	T	E	L
E	N	Y	A	■	G	E	R	E	■	L	E	O	N	S
T	E	X	T	■	E	D	E	N	■	S	A	N	T	A

The contest answer is **SURPRISE**. As suggested by the Secret Santa reference in the last Across clue, eight clues contain the consecutive letters SANTA (like "What those who are parti**san ta**ke" at 1-Across). The first letters of the answers to those clues spell the contest answer.

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

Flat Start for 12-Team Playoff

By Laine Higgins

AARON E. MARTINEZ/USA TODAY NETWORK/REUTERS

Texas running back Jaydon Blue rushed for 146 yards and two touchdowns in the Longhorns' 38-24 win over Clemson.

Ever since college football introduced a four-team playoff a decade ago, analysts and armchair quarterbacks had salivated over the prospect of adding more teams to the mix.

When the sport announced an expanded postseason bracket for this season—with first-round games held on snowy campuses in December—fans were positively drooling.

With each passing week of the 2024 season, as the field came into view, the hype cranked up. And then, the first games of the inaugural 12-team playoff finally arrived this weekend—and landed with all the fanfare of a pigskin with a puncture.

It wasn't just that the four first-round games produced exactly zero upsets. It's that every one of them also degenerated into a one-sided blowout. Not one of the visiting teams managed to get within 10 points of their higher-ranked opponents. The average margin of victory was a whopping 19 points.

Forget about a 12-team playoff. This parade of snoozers was enough to leave fans pining for the days of the BCS Championship. The carnage started on Friday night in South Bend, Ind., where Notre Dame cruised to a 27-17 victory over Indiana that was far more dominant than the score indicates—the Hoosiers scored two fourth quarter touchdowns.

Then on a snowy Saturday afternoon in State College, Pa., SMU looked every bit like a Cinderella stuffed into shoulder pads and a helmet. Quarterback Kevin Jennings threw three first-half picks, two of which Penn State ran back for touchdowns to build a 28-0 lead at the break. The Nittany Lions would go on to punch their ticket to the Fiesta Bowl against Boise State with a 38-10 win.

The game that looked like it would be the most uneven on paper, No. 12 Clemson at No. 5 Texas, ended up being the closest contest of the first round—and even it wasn't particularly close. The Tigers briefly made things interesting in the fourth quarter when they narrowed a 21-point deficit to trail by seven. But then Longhorns' running back Jaydon Blue broke off a 77-yard run to the end zone to ice Texas' 38-24 victory.

It was more of the same in Ohio State's nightcap against Tennessee. The Buckeyes jumped out to a 21 point lead in the first quarter and never looked back. By the end, Ohio State's fourth-string quarterback was taking snaps in the 42-17 win.

The slew of lopsided results raises questions about the format, seeding and selection criteria of the expanded playoff. As it currently stands the four highest-ranked conference champions receive byes to the quarterfinals regardless of where they fall in the overall rankings.

This explains why Boise State, ranked ninth in the Selection Committee's final poll, and Arizona State, ranked 12th, were idle this weekend. It also explains how Texas, the third best team in the country according to the committee, ended up playing the 16th ranked team on Saturday.

Texas coach Steve Sarkisian has suggested that football should look to basketball for a fix. In college hoops, teams can earn a bid to the NCAA tournament by winning their conference's tournament but nothing more.

"Nowhere in there does it say that if you win your conference championship, you get an automatic one seed," Sarkisian said earlier this month.

Oddly enough, Texas might be the biggest beneficiary of the playoff's wonky seeding criteria. Sarkisian's team faced the worst team in the field in the first round and will face Arizona State, the lowest-ranked team with a bye, on New Year's Day. Meanwhile, No. 1 Oregon will have to open its national championship bid with a rematch against Ohio State, the sixth ranked team in the country but the No. 8 seed in the playoff.

Ole Miss coach Lane Kiffin, who missed out on the 12-team playoff, was understandably nonplussed by Saturday's blowouts. While Penn State was steamrolling the Mustangs, he posted his thoughts on social media. "Way to keep us on the edge of our seats Committee," Kiffin wrote. "Riveting."

OPINION

Division Isn't So Bad

INSIDE VIEW
By Andy Kessler

American culture is built on division. Left vs. Right, Coke vs. Pepsi, Ohio State vs. flag-planting Michigan, Classico vs. Rao's, Red Sox vs. Yankees. Kanye West vs. Taylor Swift. Maybe you're tired of it, but you can't get rid of division.

Donald Trump has said, "The discord and division in our society must be healed." Good luck with that. Then again, Joe Biden said we have to choose "between unity and division." It never happened because it isn't in any politician's interest to heal divides. So we get "the vast right-wing conspiracy" and "own the libs." Division is here to stay. The rest of us need to learn how to deal with it.

The Biden years encouraged division by identity for the pursuit of power. It ended up costing Democrats the election. The Trump 2.0 years will probably be about division by nativism—we were here first. Or we made stuff here first. Yes, "decentering whiteness" vs. tariffs. Voters chose. Hey, you can't have it all.

Sadly, anxiety often wins out. Former comedian Ellen DeGeneres, perhaps stressed by Trump trauma, moved to London. Cheerio. Others have reportedly threatened, including America Ferrera, Sharon Stone, Cher and Sophie Turner (isn't she British?). Fine, they can read daily New York Times tantrums on their iPads from Saskatchewan. I hear it's nice this time of year.

Others have retreated to comfortable echo chambers. Former Elon Musk fanboys—now haters—have debarked for Bluesky, a Twitter alternative, which almost advertises in its name: No red rhetoric here. Some simply unplug. CNN and MSNBC audiences are plummeting. Many will play Wordle for four years.

But it's better if everyone stays engaged. Despite, or maybe because of, our differences, America is still the greatest country and pulling away. We're so free we can argue about our differences without the threat of being arrested. Our envious stock market has left the rest of the world in the dust. China seems to be languishing. In the European outdoor museum, few work. They sit at cafes and caffeinate all day.

The U.S. sets the tone for the rest of the world. Not only by paying for the North Atlantic Treaty Organization and the United Nations but culturally. Even spiritually. On a visit to Kraków, Poland, my wife and I used the very American Airbnb to book a food tour. Highly recommend. Our guide was an engaging and overcaffeinated 20-something who couldn't let go of her designed-in-California iPhone.

Plus, sprinkled throughout her dialogue were familiar expressions: "Bada boom." "What were you thinking?" "Could I be any more hungry?" It took a few minutes before I realized her words and mannerisms were straight from the American TV show "Friends." It's the new "Sesame Street" for learning English.

When disagreeing, learn to move on from the argument and think 'let them.'

Yes, the world devours our culture and incorporates it into their own. Same for the internet. Detractors like to call this "digital colonialism." (Of course they do—anything to have America as an oppressor.) But no one forced our guide to speak "Friends."

This country is strong precisely because we don't all think the same way. New ideas come from new ways of thinking. When you vote, you get some of what you want but not everything. Life is about compromises. The extremes of the left and right make the most noise, but we're still governed from the center. Our political divisions today might seem like the Grand Canyon, but pre-1989 Berlin was about real and quite literal divides. Ours are wafer thin in comparison.

For those who don't like Donald Trump: Get over it. Stop threatening to leave. Many didn't like the Obama years. I cringed with every utterance of the socialist concept of equity during the Biden years. People dealt and moved on.

You can too. Think of saying to yourself, "Let it be." Yes, words of wisdom. Or as billion-view podcaster Mel Robbins suggests, say "Let them." She describes it as a "life-changing mindset hack." Hey, who doesn't want that? I watched (briefly), and her theory is best summed as "stop trying to force other people to do what you want them to do, and so much more peace will come into your life." Peace out.

When disagreeing, the impulse is to say something else besides "let" before "them." But as long as you're not threatened, not competing on a woman's swim team or being told what to do, let them talk. Let them use up their hot air. Let them wallow in their own BS. If you're right (of course you are) it will only take time for your brilliance to be exposed. Then you always have the age-old "Toldja!" in your back pocket. You'll be itching to use it, but don't. It's less divisive and way more effective if left unspoken.

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What's Behind the Meltdown in Brazil

AMERICAS
By Mary Anastasia O'Grady

Investors piled out of Brazil last week, sending its currency, the real, to historically low levels and country risk soaring. Brazilian stocks plummeted. The panic came after months of deterioration in the outlook for the Brazilian fisc. Reuters reported on Wednesday evening that the dollar-denominated MSCI Brazil index had "fallen more than 30% since the start of the year."

The trigger for the most recent round of selling in the world's ninth-largest economy was a watered-down tax and spending package that fell far short of what's needed to close a gaping hole in the budget. With a nominal deficit of 9.5% of gross domestic product, more than double what it was when President Luiz Inácio "Lula" da Silva took office two years ago, and no credible plan to right-size it, Brazil faces a deep fiscal crisis.

It's not the only thing for Brazil investors to worry about. Poor management of government accounts and the economy, in a democracy, normally suggests that the ruling party is in for a thrashing in the next election. See Joe Biden. But that assumes credible institutions and the rule of law, and both are on the rocks in Brazil.

The central bank hiked the overnight lending rate 100 basis points to 12.25% on Dec. 11 and sold dollars a couple of days later in an effort to shore up the real. But when the "reform" delivered too little last week, investors again headed for the exits. By Wednesday the Brazilian currency was down more than 20% against the dollar for 2024. It strengthened Friday after the central bank spent billions of dollars more trying to prop it up, but the forecast remains negative with further interest rate hikes expected in 2025.

The economy grew 3% this year, not enough in a developing economy to pull people out of poverty. Worse, that growth was tied to unsustainable fiscal stimulus. On Thursday Goldman Sachs said "authorities are rapidly losing degrees of freedom to manage the macroeconomy and fears of a 'fiscal dominance' trap are rising." Which is to say that Brazil risks becoming a country where the central bank is pressured to set policies in response to government largess rather than aimed at sound money.

The next presidential election is October 2026, so Lula has time to right the ship. But it isn't clear that a stable real and spending restraint are foremost on his mind. He's a left-wing populist whose only recipe for winning competitive elections calls for pork. Now that the budget is depleted, he and his party can be expected to make greater use of their control of the Supreme Court, electoral authorities, prosecutors and federal police.

Lula's influence with the high court is apparent. In 2021 it nullified his conviction for corruption, which had been twice upheld by lower courts. It used a technicality only after the statute of limitations had expired and he couldn't be tried again. This allowed him to run for president in 2022.

A fiscal reform disappoints investors while the courts take sides in politics.

The federal police, equivalent to the U.S. Federal Bureau of Investigation, has alleged that former President Jair Bolsonaro is part of a criminal group that tried to keep him in office even after he lost to Lula in 2022. Prosecutors have yet to charge Mr. Bolsonaro and he maintains his innocence. But the effort to convict him in the court of public opinion is unmistakable. An electoral tribunal has banned him from running for office until 2030.

Federal police are going after other opposition figures. One victim is congressman Marcel Van Hattem, an outspoken critic of the Supreme Court's overreach and now the subject of an investigation for his exercise of free speech on the floor of the legislature. Mr. Van Hattem denounced the illegal detention of Filipe Martins, a Bolsonaro insider who was held 183 days on the pretext that he was a flight risk. If Tom Homan, Donald Trump's border czar, wants to clean up the U.S. immigration bureaucracy, he could start with an investigation into who falsified an entry document in Orlando, Fla., that Brazil used to claim Mr. Martins had left the country illegally in 2022.

In August, Ronaldo Caiado, governor of the Brazilian state of Goiás, announced that he might throw his hat in the ring for the presidency in 2026. The 75-year-old is a seasoned politician with strong backing from agricultural interests. He could be an even more popular conservative candidate than Mr. Bolsonaro. It isn't surprising then that on Dec. 11 a regional electoral body accused him of abuse of authority and banned him from running for office for eight years.

If enemies of freedom successfully convert Brazil into a one-party state, Brazilians may be trapped. But until Brasília goes back to capital controls, investors have a way out and are likely to take it.

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A Visit From St. Elon and Donald

LIFE SCIENCE
By Allysia Finley

'Twas the week before Christmas, when chaos roiled the House
"No big budget bill!" Trump heard Elon Musk grouse;
The bill had been stuffed with pork and welfare,
In hopes that no voters would notice or care;
Democrats were nestled, all smug in their beds;
While visions of shutting down danced in their heads;
And Nancy in her 'kerchief, and Chuck his claptrap,
Smiled when they heard of Republicans' mishap,
When out on the House floor arose such a clatter,
Mike Johnson sprang forth to see what was the matter.
Back to the Capitol, he flew in a flash,
Sat down with his members to clean up Trump's hash.
But then Donald and Elon dealt him a new blow,
A debt-limit hike they said was a no-go,
When what to their wandering eyes should appear,
But a miniature bill to get past the New Year.
But the bill dropped in the House like a brick,
As members rejected it, firmly and quick.
More rapid attacks on Republicans came,
And Trump bristled, and shouted, and threatened them by name:
"Now, Chip Roy! Now, Bob Good! Beware a primary
On Mace! On Massie! On Posey and Perry!
To the floor of the House for another roll call!
Now vote my way! Vote my way! Vote my way, all!"
As Elon delivered decrees from on high,
The speaker did groan and let out a loud sigh.
So back to the House, the Republicans flew
To hash out a budget deal that could get through.
And then, in a twinkling, another deal went poof,
When Donald Trump Jr. made known his reproof.
Then Johnson, head in his hand, turned and frowned,
Down the hall, he heard Democrats laughing all 'round.
"What a fiasco Donald and Elon have wrought!
By making demands without giving a thought."
A narrow majority gave him little slack,
And more power to Democrats to make demands back.
Chuck's eyes—how they twinkled as he looked on with merry!
And taunted Mike Johnson, a strong adversary!
Chuck's big smiling mouth was drawn up like a bow,
As he rubbed his hands at the GOP's woe.
With a shutdown looming, Johnson gritted his teeth,
As Trump raged away like King Lear on the heath.
Breathing fire at Republicans deep from his belly,
He shook when he howled, like a bowl full of jelly.
But Johnson persisted, a right jolly old elf,
And Trump backed away, in spite of himself.
A wink of Musk's eye and a twist of Trump's head
Soon gave Republicans to know they had nothing to dread.
With midnight approaching, they went straight to work,
And passed a new bill, plus a public worker Social Security perk,
Despite the kerfuffle, the vote wasn't tight,
They wanted to skip town and called it a night.
They prayed Trump wouldn't tweet another rogue missile,
And away they all flew like the down of a thistle.
But they heard him exclaim, as they faded from sight—
"Happy Christmas to all, and to all a good fight!"

BOOKSHELF | By Allan Massie

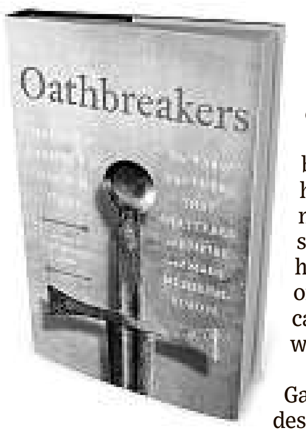
The Grandsons Didn't Get Along

Oathbreakers

By Matthew Gabriele and David M. Perry
Harper, 304 pages, $32

Charlemagne is known as "the father of Europe," and little wonder. The Frankish king and conqueror was crowned emperor by the pope on Christmas Day in 800, and thus the Holy Roman Empire came into being. It would persist, in various forms, for a millennium, an institution critical to the continent's political and religious self-definition.

Such persistence, though, was not foreordained. When Charlemagne died in 814, a question arose: Who would inherit his title and, not least, his lands? The Franks, speaking what is now called Old High German, occupied much of what had been the Roman Empire in the West: that is to say, modern France and much of Germany, extending to what is now the Czech Republic, as well as northern Italy and parts of modern Spain. It was a vast territory and an unwieldy one, given that the great Roman roads were, at this point, in poor condition.



Charlemagne's authority had been such that the empire had held together, though even he met with rebellion. His eldest surviving son, Louis the Pious, had a harder time—a harbinger of the even bigger trouble that came in the next generation, with Charlemagne's grandsons.

In "Oathbreakers," Matthew Gabriele and David Perry describe a civil war that erupted only briefly in early medieval Europe but that had substantial and lasting effects. As prelude, the authors, both medieval historians, give an overview of Charlemagne's reign and a chronicle of Louis the Pious's ruling ordeals.

The generational saga is fascinating and well worth tracking to its fateful conclusion. It should be said that, through no fault of the authors, it isn't always easy to follow—not only was the empire extensive but many of the first of its chroniclers wrote long after the events they relate. Most of the Frankish lords were illiterate. Charlemagne learned to write in later life, but he was the exception. Nearly 300 years after him, Henry I of England, the youngest son of William the Conqueror, was known as "Beauclerc" because he could at least write his name.

It is not surprising that Louis the Pious, a man who lacked his father's authority and military prowess, had trouble maintaining order in the lands he governed. It didn't help that his wife was thought by some to be a witch. The most mettlesome aspect of his reign came from his sons once they had become adults and began to have ambitions of their own. Louis was in fact compelled by his eldest son, Lothar, to abdicate and do penance, confessing his faults. He soon recovered his primacy, though, because his younger sons, Louis the German and Charles the Bald, preferred his rule to their elder brother's.

When Louis died in 840, Lothar succeeded him as emperor, but the empire itself was, in effect, divided up. Lothar's direct control was restricted to Italy and to the two capitals—Aachen, in present-day Germany, and, nominally, Rome—as well as to a long strip extending from one to the other. Louis the German governed the imperial territories north and east of the Rhine, and Charles the Bald, by some way the youngest of the three, held most of what is now France.

Who would inherit Charlemagne's vast imperial lands? Trying to decide led to quarreling and warfare—and the emergence of nationalities.

Not surprisingly, this tripartite arrangement didn't suit Lothar, who at the very least wished to have superior authority as eldest heir to their father and emperor. So he marched an army north to compel his brothers to recognize their subsidiary status.

This move may sound aggressively militant, but it was not obviously so at first. As Messrs. Gabriele and Perry make clear, it was not unusual for Frankish armies to come together. Though war might be threatened, it rarely broke out. Accommodations would be offered. Tranquility would be restored, for the time being anyway.

But not this time. A battle was fought at Fontenoy, in Burgundy, in June 841. It was a horrific and bloody encounter in which Emperor Lothar was defeated by his brothers. We don't know how many combatants were involved. A figure of 40,000 on either side was given by one chronicler, but the number is surely an exaggeration. Getting that many men (and horses) into the field and supplying them after days of marching was beyond the capacities of medieval armies.

What we do have is a poem composed (in Latin) by one Angelbert, apparently a nobleman, perhaps from Aquitaine, who served in the emperor's army. He writes: "Let not that accursed day be counted in the calendar of the year, / rather let it be erased from all memory. . . . No slaughter was ever worse on any field of war."

The Battle of Fontenoy didn't lead to a prolonged conflict. Perhaps the horror of Franks fighting Franks in so terrible an encounter was too alarming. It did, for a time, stiffen the opposition to Lothar. Louis the German and Charles the Bald took now-fabled oaths of alliance at Strasbourg in 842—believing that Lothar had himself broken earlier oaths of family loyalty.

In any case, peace was made among the brothers at Verdun a year later. The original division of the empire was reaffirmed, and Lothar retained the title of emperor. But Charlemagne's vast imperial lands would never recoalesce, and the separate parts would have ever widening trajectories. The Frankish kings, heirs of Charles the Bald, would soon be speaking French. Louis the German's subjects already spoke early German.

The significance of Fontenoy was recognized in the 19th century—in the so-called Age of Nationalism—by the great historian of the French Revolution, Michelet, and by the German historian Leopold von Ranke. Messrs. Gabriele and Perry quote Ranke noting that it was remarkable that the battle took place at all and arguing that it decided a "great question" concerning "the relationship between the empire and the hereditary powers." The question was decided "in favor of the latter." The oaths taken at Strasbourg, Ranke felt, were an emblem of "emerging nationalities."

It could be said that much of the history of early medieval Europe can be traced to this dramatic—if too little known—episode. In "Oathbreakers," Messrs. Gabriele and Perry give it an erudite and readable presentation.

Mr. Massie is the author of "The Royal Stuarts: A History of the Family That Shaped Britain."

OPINION

REVIEW & OUTLOOK

The Sanctuary State Migrant Boom

Are Democrats in self-declared sanctuary states trying to attract illegal migrants to compensate for growing domestic flight to other states? It's a fair question as the Census Bureau's latest report on state population shows that New York, California and Illinois have reversed a years-long trend of declining population—but only thanks to foreign migration.

Illegal migrants offset population losses from domestic flight.

* * *

The U.S. added a record 2.8 million immigrants between 2023 and 2024, nearly five times as many as in 2019 and on top of the four million who arrived from 2021 to 2023. Most recent immigrants are fleeing poverty in their home countries and are using asylum law loopholes to stay and work in the U.S.

While many migrants moved to Texas (319,569) and Florida (411,322), masses also flocked to California (361,057), New York (207,161), Illinois (112,955) and New Jersey (130,692). In the latter sanctuary states, foreign migration more than offset domestic out-migration: California (-239,575), New York (-120,917), Illinois (-56,235) and New Jersey (-35,554).

As a result, these and other Democratic-run states gained population, though relatively less than states with lower taxes and cost of living. The fastest growing states were Florida (2%), Texas and Utah (both 1.8%), South Carolina and Nevada (both 1.7%), and Idaho, North Carolina, Delaware and Arizona (all 1.5%).

Overall interstate migration declined between 2023 and 2024, perhaps in part because higher mortgage rates and housing prices made moving more expensive. But Sun Belt states—including Texas (85,267), North Carolina (82,288), South Carolina (68,043), Florida (64,017) and Tennessee (48,476)—again ranked as the most popular destinations.

Some Sun Belt migrants are snowbirds, but many are young people seeking safer neighborhoods and better economic opportunities. Note that Texas, Florida and Tennessee have no income tax, versus 14.8% in New York City, 13.3% in California and 10.75% in New Jersey. Steeply progressive rates punish small businesses that file under the individual tax code.

Illinois has a flat and relatively low income tax (4.95%), but its property taxes are among the highest in the country. Springfield Democrats also keep threatening to impose a progressive income tax to pay for their soaring government worker pension bills, which account for 20% of the state's general fund budget. Higher taxes are inevitable as long as public unions run Springfield.

Punitive taxes and regulation are increasingly driving entrepreneurs to states with friendlier business environments. Hence unemployment rates in California (5.4%), Illinois (5.3%), New Jersey (4.6%) and New York (4.4%) exceed the national rate (4.2%). Unemployment is 2.4% in Miami, versus 5.4% in Chicago and New York City, and 6% in Los Angeles.

Democratic-run states, on the other hand, are attracting migrants with generous welfare and vows not to cooperate with federal immigration enforcement. California is spending $6.5 billion a year on Medicaid for undocumented immigrants.

Democrats in Sacramento and Albany receive more money from Washington when their population of low-income households increases. But they could face a fiscal reckoning if Elon Musk's Department of Government Efficiency takes a closer look at all the federal money flowing to states. California gets roughly $100 billion a year from the feds for Medicaid.

Despite the Biden migrant surge, most Democratic states are still growing much more slowly than the nation as a whole. As a result, they will almost certainly lose seats in the House and votes in the Electoral College after the 2030 Census and next Congressional reapportionment. Their loss may be Republicans' gain.

If current population trends continue, California would lose four seats and New York two. Illinois, Oregon, Minnesota, Wisconsin, Minnesota, Pennsylvania and Rhode Island would lose one each. Texas and Florida would each add four, while North Carolina, Arizona, Utah and Idaho would gain one.

Democrats have entrenched their power in statehouses by gerrymandering maps, which has led them to ignore voter concerns about crime and quality-of-life issues. Is it any surprise that their frustrated citizens are fleeing to better-governed states?

Putin Sends Trump a Ukraine Message

Donald Trump wants to end the war in Ukraine, and who doesn't? Apparently Vladimir Putin, who used his annual end-of-year news conference last week to send the President-elect a message about his peace terms.

The Russian's price for peace is Kyiv's defeat and U.S. humiliation.

"Now, regarding the conditions for starting negotiations: We have no preconditions," Mr. Putin said before outlining sweeping preconditions. Talks would be "based on" 2022 negotiations in Istanbul and "proceeding from the current realities on the ground," he said.

Russia's 2022 Istanbul proposal called for Ukraine to abandon aspirations to join NATO, become a permanently neutral state, and drastically shrink its armed forces. This would ratify Russia's territorial gains and render Ukraine defenseless against inevitable future Russian aggression.

When the Kremlin floated that plan, Russian troops were in Bucha and Irpin—about as close to the center of Kyiv as JFK airport is to midtown Manhattan. Ukraine has since driven the Russians out of Kyiv and the regions of Kherson and Kharkiv, broken Russia's Black Sea naval blockade, and taken the fight to Russian territory in the Kursk region. But Russia is making gains in Ukraine's east with the help of China's technology and North Korean manpower and artillery, albeit at the cost of enormous casualties.

Mr. Putin also referred to his speech last June when he demanded that the West drop all sanctions on Russia and that Ukraine withdraw from the regions of Donetsk, Luhansk, Kherson and Zaporizhzhia.

Asked if he could return to February 2022, the Russian dictator expressed no regrets about his invasion but said "the decision that was made at the beginning of 2022 should have been made earlier." That could have been during Mr. Trump's first term in office.

Mr. Putin said he's "ready to talk any time" with Mr. Trump, and some will dismiss his tough talk as merely the opening bid in what will be an inevitable deal. But it's a mistake to think the Kremlin boss has given up his designs to turn Ukraine into a vassal state like Belarus. Letting Russia prevail in Ukraine on anything close to Mr. Putin's terms would send a message of appeasement that would surely mean a larger war in the future. Mr. Trump can't let Ukraine become his Afghanistan.

A Chicago Machine Meltdown

Chicago's machine politics is legendary, but the power play now on display in the Windy City would make the late Richard Daley blush. On Friday Mayor Brandon Johnson's handpicked school board voted 6-0 to fire Chicago Public Schools CEO Pedro Martinez without cause to jam through a new contract for the Chicago Teachers Union (CTU).

Mayor Johnson sacks the school's chief for his teachers union funders.

The city is in revolt over the move. Chicago City Council members and school principals oppose the mayor's putsch. Alderman Andre Vasquez called the mayor's leadership "dysfunctional." Alderman Silvana Tabares told the school board "there is still a difference between right and wrong, and you know this is wrong." By following the orders of the mayor who will "personally benefit from a costly union contract," she continued, "you're intentionally clearing a way to saddle taxpayers with billions of costs." All true.

Mr. Johnson has been desperate to oust Mr. Martinez because the schools chief has blocked the mayor's desire to pay off his benefactors at the CTU. The union wants big raises and more benefits, but the district, with a budget gap of more than $500 million for the current fiscal year, can't afford it.

Mr. Johnson proposed the district take a $300 million short-term loan to help cover the gap. Mr. Martinez and the original school board refused on grounds it would add to the city's already unsustainable debt. (Standard & Poor's has warned the city it could face a credit downgrade.) When the mayor pressured the board to fire Mr. Martinez, they resigned en masse.

Nearly 700 Chicago school principals and assistant principals also supported Mr. Martinez in a letter to the Board of Education. Twenty-one Chicago aldermen signed a letter to the school board saying they "ardently" believed Mr. Martinez is the "logical choice to guide CPS through these troubled times."

Mr. Martinez was fired without cause so his contract ensures he will stay in his job for another six months, but CTU President Stacy Davis Gates wants a contract before the new board members take office on Jan. 15. Mr. Johnson is now proposing to appoint a "co-CEO" who would serve alongside Mr. Martinez to end-run the chief and approve the CTU contract.

Mr. Martinez filed a pre-emptive lawsuit before Friday's firing seeking a temporary restraining order and a preliminary and permanent injunction. Discovery could follow, and school board members could also be sued personally. The board's insurance policy excludes coverage for "dishonest, fraudulent, criminal and intentional misconduct."

The corrupt bargain between the union and the mayor is now in plain sight. Mr. Johnson and Ms. Davis Gates want a blowout contract that funds the union political machine that funds the mayor. Only 17 cents of every dollar of union money is spent on teacher representation: your big-city Democratic rulers at work.

LETTERS TO THE EDITOR

Don't Succumb to Fatalism—or Mercantilism

Greg Jensen concludes that "we are all mercantilists now, and the implications are profound and unavoidable" ("We Are All Mercantilists Now," op-ed, Dec. 13). The implications of the world-wide turn to mercantilism truly are profound, but if enough people resist the fatalism that seems to afflict Mr. Jensen, this turn isn't unavoidable.

A good start is to recognize that many of the facts on which mercantilists today rest their case are, in reality, false. For example, mercantilist sympathies in the U.S. today cannot, contrary to Mr. Jensen's claim, be explained by "lost domestic manufacturing jobs" as a result of the rise of China's economy. As a share of total nonfarm employment, manufacturing jobs peaked during World War II and have fallen steadily ever since. Since China joined the World Trade Organization in December 2001, the average monthly decline in U.S. manufacturing jobs as a share of nonfarm employment has been slightly lower than was this monthly decline from the end of World War II until China's membership in the WTO.

While it's true that "each time another country adopted mercantilist policies, it pushed others to react similarly," nothing is inevitable about such reactions. They are chosen, and they're unequivocally foolish. If more people understood that mercantilist policies damage all economies that adopt them, each government would be less inclined to inflict economic harm on its own citizens simply because foreign governments inflict economic harm on their citizens.

People of good sense will warn of the dangers of mercantilism rather than succumb to Mr. Jensen's fatalism.

Prof. Donald J. Boudreaux
George Mason U., Mercatus Center
Fairfax, Va.

Much like the dinosaurs in the op-ed's cover art, mercantilism is an idea best left in the past. Mercantilists would have us believe that what makes us wealthy is the amount of money we have. But this can't be the case. Tom Hanks's character in "Cast Away" would have fared worse, not better, if a crate of money had washed up on shore instead of a volleyball.

Mercantilists have the relationship between imports and wealth backward: Imports are the benefit of production, not a cost to it. Mr. Jensen understands this perfectly fine in other contexts. He exports investment advice to his clients each day. In return, he imports food from the grocery store, electricity from the power plant and internet from the cable company. It isn't the exporting that makes him wealthy; it is the ability of his household to import goods and services that makes him so.

If we want to see Americans continue to flourish, we need to increase their access to goods and services, not hinder it. To do this, we must lower barriers to trade, not erect new ones.

David Hebert
American Inst. for Economic Research
Grand Rapids, Mich.

Who Will Come to the Good Samaritan's Aid?

Daniel Penny's civil trial will be a travesty if it happens ("Daniel Penny, Round Two" by William McGurn, Main Street, Dec. 17). Many times in the past handful of years, I've seen similar things play out in the greater Atlanta area: an absentee father railing against the injustice of his son's early demise.

Where were these "fathers" when their deceased were arrested a dozen or more times and spent several stints in prison? They were AWOL, disconnected and, for all we know, unconcerned. But when it comes time to go to the bank, they are front and center, howling at press conferences.

Terry Dempsey
Grayson, Ga.

A young man was fatally shot in the Bronx early evening last Sunday trying to stop a robbery. There will be no merry Christmas for him or his family. Unlike Mr. Penny ("Merry Christmas, Daniel Penny" by William McGurn, Main Street, Dec. 10), who survived his experience as a Good Samaritan, the young man in the Bronx paid for his attempted good deed with his life. It also could have gone the other way for Mr. Penny, especially had Jordan Neely, whom he subdued, had a gun or knife. Being a Good Samaritan has significant risks.

One wonders: If the young man had managed to wrestle away the robber's gun, and in the scuffle shot and killed him, would he have been subjected to the same criminal prosecution as Mr. Penny, or a subsequent civil suit for damages?

But he didn't, and sadly his death was mostly unreported. Just another Good Samaritan killed in the city.

Joseph P. Petito
Bethesda, Md.

Let NED Spend a Night in the DOGE House

In "Save a Reagan Initiative From the DOGE" (Politics & Ideas, Dec. 11), William Galston champions the National Endowment for Democracy, or NED, as a vital force for spreading democracy. He responds to an article in the New Criterion by James Piereson but sidesteps Mr. Piereson's key criticisms that the NED views open debate as "undesirable" and "conceals its operations" with opaque reporting.

The NED's execution, not its mission, draws ire. Under the guise of promoting liberal democratic institutions, it meddles in foreign elections, labeling administrations "undemocratic" and censoring "misinformation." Operating via a guerrilla firmament of NGOs, these efforts breed autocracy and anti-American sentiment. The NED's actions in Egypt fueled backlash to the Arab Spring, while Rodrigo Duterte bolstered his support in the Philippines by equating the NED's support of opposition groups with espionage. Its criticism of judicial reforms in Israel even irritated an American ally.

Opaque and censorial NGOs justifiably draw suspicions of propaganda, particularly the NED's affiliates. Democratic development requires a delicateness that alien powers may never directly bestow. To quote Shashi Tharoor, an Indian parliamentarian: "It's the country that tells a better story that prevails." Soft power vested in the merit of American ideas with open debate, such as that of the Hoover Institution, effectively and delicately furthers the NED's mission without its disadvantages.

I call upon Elon Musk, Vivek Ramaswamy and my fellow citizens who give a fig for stability, transparency and free elections: Gut the NED.

Vikrant Sharma
Portland, Ore.

Best Practices Are the Worst

Holman Jenkins, Jr. asks, "Do providers not have an incentive to overtreat and overcharge?" ("Healthcare Stupefies the U.S.," Business World, Dec. 18). For most primary-care doctors, the answer is no. We spend our days trying to establish the clear diagnoses our patients deserve, and are often thwarted by insurance industry denials of needed CT scans and MRIs.

The insurance industry's perfidy also extends to treatment. Every busy primary-care doctor has had to deal with distraught patients whose brand of asthma medicine, which has worked successfully for years, is no longer the low bid—a scheme that Mr. Jenkins and the insurance industry refer to as "best practices."

John N. Huyette, M.D.
Aldan, Pa.

Leave the Socialists at Home

Edward Conard hit the nail on the head with "Why the U.S. Is Trouncing Europe" (op-ed, Dec. 17). I think of the great migration from Europe to the U.S. during the 19th and 20th centuries. These people had to be formidable risk-takers to travel on leaky ships to an unknown land with an unknown future. They formed our value system based on hard work and meritocracy. I'm thinking of my father and father-in-law, both immigrants, who were successful small-business entrepreneurs and reaped the benefits of our democratic, capitalist society. I guess all the socialists remained in Europe.

Melvin Green
Sarasota, Fla.

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

Pepper ... And Salt

THE WALL STREET JOURNAL

"We need two workers, Mr. Olsen. Congratulations. You are they."

OPINION

Trump and the Fake Debt Limit

By David Malpass

President-elect Trump was right last week when he raised a red flag over the debt limit. The outgoing government is leaving a tailor-made debt crisis for Mr. Trump that complicates his work to implement his mandate, cut taxes quickly and rebuild U.S. strength.

Lawmakers during the Biden administration spent wildly, so they are responsible for inflation and should have to vote for the debt increase. That's the way it used to work. Before World War I, each deficit spending bill had to be accompanied by a vote on more debt. Voting for both at the same time provided a check to protect the public from government profligacy.

Rather than a restraint, it serves as an incentive for more spending. The time is ripe for lasting reforms.

The current debt limit is fake. It was invented in 1917 for the explicit purpose of getting politicians to approve more wartime spending by separating the spending vote from the debt vote. It pretends to limit debt, but only after the money has already been approved by Congress and spent.

Last week's minicrisis provides an opportunity to enact a strong new debt-limit law that protects the public from big government and encourages private-sector growth. The new Republican administration and Congress will have roughly six months until funds run out under the existing debt limit. They should use the time to negotiate, publicize and pass a debt-limit law that repeals the fake one and forces spending restraint without threatening default.

The current law doesn't work and is actively harmful in three ways. First, it promotes the fiction that there's a debt limit protecting the public. As history shows, there isn't. The current debt limit's only concrete enforcement mechanism is a dangerous game of chicken over whether to default on Treasury debt, a step that would be monumentally damaging.

Second, financial markets are harmed by the repeated risk of a missed debt payment. Credit markets charge more for U.S. government debt when the deadline gets close. The economic consequences worsen with each cycle.

Third, many of the congressional votes to increase the debt ceiling come only after lawmakers trade their votes for pork and favors such as invitations to state dinners and support for their reelection. This vote-buying was the bane of Ronald Reagan's presidency. Like Mr. Trump, Reagan was deeply opposed to wasteful spending but had to cajole both parties to vote for debt to avoid default. The grand bargain was that Democrats would provide some of their votes for more debt in return for increases in domestic spending and a fixed quota of Republican votes that gave Democrats political cover for their profligacy. Little has changed.

One way out is to abolish the debt limit or suspend it indefinitely. But Mr. Trump is uniquely qualified to negotiate meaningful new checks and balances on the size of government that would spur economic growth. He won the election by opposing socialism and failed government. Unlimited growth in government blocks his goals of establishing peace through strength and making America great again.

KENT NISHIMURA/GETTY IMAGES

The dome of the U.S. Capitol in Washington, Dec. 20.

Since Mr. Trump's victory, public support has grown for his platform of faster growth, deregulation, border security, tax cuts, dollar stability and more energy and manufacturing. Serious efforts toward a permanent system to limit the sprawl of federal government would win instant acclaim from the public and financial markets.

The new law should consider two procedural principles. First, rather than default, there should be incremental consequences painful to Washington when it violates the ceiling. Second, the limit on spending or debt should be a percentage of gross domestic product rather than a dollar amount. That way, future increases to the limit would be rare or nonexistent.

Washington's entrenched lobbyists wouldn't like this. They are specialists in extracting pork and campaign contributions from frequent debt limit increases. The windfall in their incomes helps explain the Washington area's astounding wealth.

These principles should guide many strong spending restraints. One could be a fast-track process to implement the Department of Government Efficiency's recommendations. Another part of the new law could be expanded rescission and impoundment authority allowing the president and Congress to reduce spending rationally.

To hold future presidents accountable, there could be limits on executive-branch spending and pay whenever the government is above the debt limit. To add accountability, the executive branch could be required to propose spending cuts when spending or debt is over the limit.

The only way to stop Washington from spending excessively is to make it so painful for the participants that they help uproot the entrenched tax-and-spend culture. The more public the penalties on Washington, the better. One example: no new construction of monuments or government buildings in the Washington area until debt is brought below the limit.

Political leaders need the tools to shoulder the burden and sort the spending options, and they need penalties that hold them accountable to voters. The new debt limit could also include incentives for government officials, such as bonuses for spending cuts and below-target debt levels.

The new law should make clear that there will be no defaults ever. No one expects Washington to restrain itself, so the financial market reaction would be an instantaneous reduction in interest on the national debt, providing a down payment on the deficit.

Making such a big change in governance requires public support. Mr. Trump and Elon Musk started that process last week by bringing scrutiny to the massive waste in the spending bill. The new administration, lawmakers and the public should pay equal attention to the failure and harm of the current debt-limit law and the options for improvement. The earlier and more public the debate, the better.

Mr. Malpass is a distinguished fellow in international finance at Purdue's Mitch Daniels School of Business. He served as president of the World Bank, 2019-23, and an undersecretary of the U.S. Treasury, 2017-19.

End the Houthis' Threat to Global Trade

By Eugene Kontorovich

Yemen's Iran-backed Houthi militia last week fired two ballistic missiles at Israel. One hit an empty school; the other wounded more than a dozen people in Tel Aviv. But the Houthis haven't been focused on Israel: Earlier this month, they launched a drone attack on three commercial vessels in the Gulf of Aden, south of Yemen. The Houthis pose a greater threat to international shipping than to the Jewish state—a problem the Biden administration has allowed to fester.

The group has raised prices on goods by disrupting international trade. The cost to ship a container from China to the West Coast has more than doubled over the past year, partially because of the Houthis' attacks.

With Iran's axis of resistance reeling from defeats in Gaza, Lebanon and Syria, the Trump administration will be well positioned to deal forcefully with the Houthis—putting pressure on Tehran, restoring American credibility, and lowering prices on imported goods.

The Houthis' attacks on shipping began on Nov. 19, 2023, when they hijacked a British-owned vessel. The 25 crew members are still hostages.

Since then, the Houthis have launched hundreds of attacks in and around the straits off Yemen. They have greatly disrupted shipping in the Red Sea, a maritime highway through which 15% of the world's shipping passes. They have sunk at least two vessels and killed four crewmen while wounding others.

The Houthis claim their attacks are part of the Oct. 7 war against Israel. Most of the ships they've attacked have no direct link to Israel. It's more likely that their goal is to assert Iranian control over world trade.

The economic effects have been significant. Red Sea shipping has declined by more than 50% over the past year. Major shipping companies including Maersk have opted to sail around Africa rather than risk Houthi fire. War risk insurance costs have more than doubled. All this translates into higher costs for American consumers. JPMorgan predicted that the attacks could "add 0.7 percentage points to global core goods inflation."

The world confronted a similar problem during the surge in Somali pirates' attacks on vessels in the Gulf of Aden beginning in 2007. The international community rallied with a unified response. Many countries sent naval vessels on antipiracy patrols. The United Nations Security Council passed a resolution authorizing the use of force not only on the high seas but within Somalia's territorial waters. The U.S., France and other nations launched commando raids on land-based pirate lairs. Countries captured and tried Somali pirates, incarcerating hundreds. The response was widely celebrated as a victory of international law and global cooperation.

The Trump administration will be well-positioned to stop Iran's proxy attacks on international shipping.

The Houthi threat to global trade is greater but has been met with a weaker response. While the Somali pirates were armed with rifles and rocket-propelled grenades, the Houthis have missiles and drones. Somali pirates generally sought to hijack a vessel to ransom its crew; the Houthis seek to damage or sink the vessel.

The U.S. has tried to organize an international flotilla to deter Houthi attacks—but other than the U.S., only the U.K., Sri Lanka, Greece, Denmark and the Netherlands contributed vessels. The European Union put together a Red Sea force but with a narrow defensive mandate and only four ships.

It's likely that countries pushed harder against Somali pirates precisely because they were a smaller, easier problem. The pirates weren't backed by any state power and weren't part of a broader ideological struggle. The Houthis, by contrast, are an extension of Iran. States that take on the Houthis would risk Iranian retaliation.

As the world's largest importer, only the U.S. has sufficient interest and ability to deter threats to shipping. But aside from a few limited airstrikes, which don't seem to have altered Houthi behavior—including one over the weekend—the Biden administration has done little.

Ending the Houthis' attacks should unite U.S. officials across foreign-policy camps. The Houthis' actions cost American consumers, and the U.S. can't afford to have its trade subject to attacks by a group that chants "Death to America." The U.S. has stood up to bullies on the sea before: President Thomas Jefferson in 1801 sent the U.S. Navy to fight the Barbary Pirates, a group of North African naval raiders.

The Trump administration should begin by redesignating the Houthis as a terror group. The U.S. should seek a significant expansion of attacks against Houthi targets. In this, America need not put more of its service members in harm's way. It can rely on its ally Israel, which this month executed extensive airstrikes on Houthi ports. Israel could do more with sufficient munitions. But only the U.S. can provide the naval assets, and the pressure on Iran, needed to remove the Houthi threat.

Mr. Kontorovich is a professor at George Mason University Scalia Law School and a scholar at the Kohelet Policy Forum, a Jerusalem think tank.

The SEC Needs to Hold Chinese Companies Accountable

By William P. Barr And Fletcher W. Strong

The U.S. is the lead source of funding for companies worldwide. The ability to trade on the New York Stock Exchange, Nasdaq and other exchanges hugely benefits any company seeking to raise capital. The statutory trade-off is that publicly traded companies must open their financial records to U.S. regulators to deter fraud and harm to the American investing public. Chinese companies are refusing to play by these rules, and the Biden administration has been slow to enforce them. Soon, Paul Atkins—whom President-elect Trump tapped to be chairman of the Securities and Exchange Commission—can finally give teeth to the rules already on the books and start delisting noncompliant Chinese companies.

The harm posed by noncompliant Chinese companies to U.S. investors isn't merely hypothetical. In 2020 it was discovered that Luckin Coffee, which is based in Xiamen, intentionally fabricated more than $300 million in 2019 sales, leading to its shares plunging 75% overnight. At TAL Education Group of Beijing, more than $85 million in net revenue overstatements arising from "phony contracts" led to the company acknowledging material weaknesses in its internal controls and the SEC imposing sanctions on the company in September 2023 for multiple violations of the Exchange Act. A 2017 article published by the Federal Reserve questioned generally whether economic data on Chinese companies were accurate or "just smoke and mirrors."

To be listed on an exchange, U.S. companies must comply with financial disclosure rules. An appropriate level of regulatory oversight also is needed for foreign companies trading in the U.S. Nevertheless, the Chinese Communist Party has balked at any foreign oversight. In March 2020, China passed Article 177 of its Securities Law, which prohibited Chinese companies from sharing financial information with U.S. regulators absent exemptions from the China Securities Regulatory Commission.

The Biden administration has lagged in enforcing disclosure rules. Paul Atkins can change that.

In 2020, during Mr. Trump's first administration, Congress took action to address the problem by passing the Holding Foreign Companies Accountable Act. That act requires the SEC and Public Company Accounting Oversight Board—the entity that oversees audits of publicly traded companies—to identify publicly listed foreign companies that regulators have been unable to inspect or investigate. Foreign companies identified as violating the act's requirements are listed on a dedicated SEC website. If a company is flagged by the PCAOB for three consecutive years, the act requires that the SEC "shall" prohibit the securities of the issuer from being traded on any U.S. exchange. In December 2022, Congress amended the act to reduce the three-year period to two years.

Chinese companies have failed to comply with these new requirements, claiming that Chinese authorities prohibited them from turning over audit information to U.S. regulators. The SEC's response has been to warn that unless China changes tack, "about 250 Chinese companies" would have to suspend trading here, "potentially as early as 2024."

To hold the SEC at bay, China offered a fig leaf. In April 2022, the China Securities Regulatory Commission issued draft rules purporting to allow financial disclosures of Chinese companies in certain circumstances. As a result, U.S. regulators gained limited access to the audit papers of eight Chinese companies at risk of being delisted, including Alibaba and Yum China. Yet far from alleviating U.S. concerns, the PCAOB announced in May 2023 that the Chinese auditors engaged in "unacceptable rates" of deficiencies. According to the board, these were "deficiencies of such significance that PCAOB staff believe the audit firm failed to obtain sufficient appropriate audit evidence to support its work on the public company's financial statements or internal control over financial reporting."

Since that time, any attempt at enforcing the Holding Foreign Companies Accountable Act against Chinese companies trading in the U.S. has effectively stopped. Chinese companies continue to enjoy access to American capital without making the necessary financial disclosures. There doesn't appear to be the political will at the SEC or the accounting-oversight board to enforce the laws. That needs to change.

Mr. Trump's new administration under Mr. Atkins should act to require Chinese companies to either open up their financials to U.S. regulators or leave.

Mr. Barr is a distinguished fellow at the Hudson Institute. He served as U.S. Attorney General from 1991-93 and 2019-20. Mr. Strong is a partner at the law firm of Wollmuth Maher & Deutsch LLP in New York.

Notable & Quotable: Loeb

Daniel Loeb, CEO of the hedge fund Third Point, speaking to Yeshiva University's Hanukkah dinner, Dec. 15:

YU serves as safe haven for Jewish campus life which has become intolerable on many of our most elite college campuses. Jew hatred at schools like my alma mater Columbia have continued unabated with the publishing of the Daily Intifada, the punching out of a Jewish student last week, and a vigil held for "the martyr [Yahya] Sinwar on the college lawn on the anniversary of Oct. 7. Much of this hatred is stoked by virulently antisemitic professors, and even some Jewish students have participated. One Reformed rabbi lamented loudly, "We gave you Tikkun Olam and you put on kaffiyehs—this is not what we meant!" . . .

On that note, I had been a donor to Columbia for many years but stopped. But as I write these words, I realize that Margaret and my commitment to Yeshiva University of $250,000 is not nearly enough, and we would like to increase that to $1 million, replacing the money would we would otherwise have given them.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

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WORLD NEWS

New Threats Plague Herders in Tanzania

Government to evict tens of thousands to facilitate safaris and carbon-credit projects

By Nicholas Bariyo

KANG-CHUN CHENG FOR WSJ

Maasai villagers accuse the government of giving priority to revenue from foreign tourists, investors and conservation groups.

ARUSHA, Tanzania—The Maasai once herded their cattle across the plains of what is now southern Kenya and northern Tanzania. The British colonial government split off a 2-million-acre tract for them to roam undisturbed when it created Tanzania's Serengeti National Park in the 1950s, laying the foundation for the country's modern-day tourism industry.

Now, Tanzania's government says the Maasai are a problem.

Specifically, it says the seminomadic cattle farmers are a threat to the savannas and watering holes in an area that sustains safari resorts and hunting reserves and, more recently, a swath of new carbon-credit projects.

To protect these areas, President Samia Suluhu Hassan's government has outlawed human settlement there and begun evicting some of the more than 110,000 Maasai from the Ngorongoro Conservation Area—the vast zone of grass-, wood- and wetlands adjacent to the Serengeti that the Maasai have used for herding and tourism for the past 65 years.

The area includes the famous Ngorongoro Crater, the world's largest, fully intact caldera and home of one of Africa's densest populations of zebras, gazelles and other large mammals.

More than a million wildebeest pass through the crater during their annual migration, a stunning natural phenomenon that has featured in countless nature documentaries and attracts tens of thousands of wildlife watchers every year.

The government argues that the number of Maasai living in Ngorongoro has expanded from just 8,000 in 1959, outpacing Tanzania's overall population growth.

The herders, along with their cattle, are overwhelming the area's fragile ecosystem, it says.

Similar warnings have been issued by the United Nations Educational, Scientific and Cultural Organization, or Unesco, which declared the Ngorongoro Conservation Area a World Heritage site in 1979.

But for the Maasai, the evictions are endangering a centuries-old way of life they say is much closer to nature than the rest of rapidly urbanizing Tanzania.

They accuse the government of giving priority to revenue from foreign tourists, investors and conservation groups over the lives and livelihoods of some of its citizens.

"The government is doing everything possible to suffocate local communities in order to earn more money from tourism and trophy-hunting," said Moloimet Olemoko, a Maasai herder from Ngorongoro. "They are not bothered about the livelihoods of the Maasai."

Olemoko and other members of his extended family received government notices in August telling them to move to a district some 300 miles away.

But he and his relatives have resisted leaving Ngorongoro, citing accounts from friends and relatives who have made the move that their animals have died from lack of fresh water in the relocation areas.

A Tanzanian government spokesman said the government is building additional water dams in the relocation area to address shortages and denied it was unsuitable for cattle herding.

Still, Olemoko joined tens of thousands of Maasai shortly after the relocation order, clad in their red shawls and colorful beaded necklaces and earrings, and blocked the Ngorongoro-Serengeti highway, stranding hundreds of safari Land Cruisers and tourists in a mileslong traffic jam.

Experts and activists focused on the rights of indigenous people say the Maasai are the latest group caught in the murky intersection of tourism, biodiversity protection and global climate goals.

Similar conservation-related evictions have also targeted indigenous communities in the Brazilian Amazon and the Nouabalé-Ndoki rainforest in the Republic of Congo.

"These so-called conservation plans are mainly driven by foreign interests, with little regard to the rights of the people," said Rob Williams, chair of the Indigenous People's Law and Policy Program at the University of Arizona.

Tanzania was one of the first countries to adopt a 2022 U.N. pact on biodiversity, under which governments pledged to conserve at least 30% of the planet's land by 2030.

It has since passed regulations and guidelines on conservation and carbon credits that now attract more than $1 billion in foreign investments annually.

Revenue from tourism jumped 40% to $3.5 billion in 2023, about 17% of Tanzania's gross domestic product, and according to government projections could reach $6 billion by 2025.

The government has set aside swaths of land around the Ngorongoro Crater previously reserved for the Maasai for the construction of a China-funded geological park, where tourists and researchers can explore fossils, rock paintings and other archaeological artifacts dating as far back as four million years ago.

To the south of the Ngorongoro Conservation Area, a local company called Carbon Tanzania is selling carbon credits linked to about 273,000 acres of land that the Maasai and other pastoralist communities have also used for grazing and limited cultivation.

The project restricts the cutting down of trees as well as cultivation.

Carbon Tanzania said it respects the rights of indigenous people and that revenue from its projects have improved local education, health services and infrastructure.

To the north, local authorities in February signed a $120,000 deal with a Tanzanian company, Kilombero North Safaris, to run a carbon-credit project covering three forests where Maasai communities have grazed their herds, according to documents seen by The Wall Street Journal.

Kilombero didn't respond to a request for comment.

A More Tactical Approach Follows Earlier Clashes

One of the most violent standoffs between the Maasai and Tanzanian authorities took place in mid-2022 in the grassy plains of Loliondo, about 100 miles west of Serengeti. Heavily armed police and rangers stormed Maasai villages, fired tear gas and live rounds, and bulldozed hundreds of houses as they sought to seize some 37,000 acres of land for a new game reserve.

One police officer was killed by an arrow shot by the Maasai, authorities said. Many Maasai were wounded in the clashes, and thousands fled into neighboring Kenya to seek medical treatment. Dozens of others were arrested.

"The rangers had rage in their eyes, they were very furious," said Timin Leitura, a Maasai herder whose shoulder was injured by a tear-gas canister during the evictions.

After the mayhem in Loliondo, authorities appeared to have opted for a more tactical approach in neighboring Ngorongoro, closing down schools, water sources and hospitals to force residents out of homes, Maasai activists say.

Seki Loolenja says Ngorongoro rangers told him in January to relocate to a government-designated resettlement village where no one would bother his family and cattle herd. Weeks later, the government cut off supplies of vital drugs to a nearby hospital, hobbling vaccinations of children and treatment of diseases such as diabetes.

This month, President Samia Suluhu Hassan met Maasai elders in Arusha and announced the appointment of panels to investigate the allegations of abuse and issues around the relocations from Ngorongoro.

Loolenja says he now works as a security guard in Arusha, where he can access medication for a chronic kidney infection.

"I was worried I would die, because I was no longer getting medicine," he said in a recent interview near the city's main bus terminal. "Looking after cows has always been my life."

Spain's Christmas 'El Gordo' Lottery Spreads Around $2.8 Billion in Riches

BERNAT ARMANGUE/ASSOCIATED PRESS

For weeks, Spaniards had anticipated the arrival of "El Gordo" or "The Fat One."

But unlike Santa Claus, El Gordo arrived three days before Christmas, before noon on Sunday.

El Gordo is the first prize of Spain's hugely popular national Christmas lottery, which is said to be the world's largest based on the total prize money involved, even though other lotteries have larger single prizes. This year's draw will spread riches totaling 2.7 billion euros, or around $2.8 billion, much of it in small winnings.

Several ticket holders with the number 72480 won the top prize, worth €400,000 before taxes. The winning tickets were sold in Logroño, a city in northern Spain's La Rioja region.

Multiple tickets with the same number can be sold to different groups and full tickets are divisible into 10 parts. Buying and sharing these fractions, known in Spanish as "décimos," or tenths, is a popular tradition in the run-up to Christmas. Families, friends, and co-workers often take part, usually spending €20 each.

On Sunday, young students from Madrid's San Ildefonso school selected the numbers from two revolving orbs in the capital's Teatro Real opera house and sang them out in turn for nearly five hours. After "El Gordo" was announced, audience members—some dressed in costume as Don Quijote, Christmas elves, Biblical wise men and the lottery itself (photo, left)—began streaming out of the venue, from which the event was televised nationally.

María Ángeles, a teacher from the southwestern province of Badajoz, said, "The point of coming to see the lottery is the hope."

She reckoned no one in her group won more than €140.

—Associated Press

WORLDWATCH

NIGERIA

Stampedes for Food Kill 32 More People

The death toll from stampedes during two Christmas charity events in Nigeria has increased to 32 from 13, including at least four children, police said Sunday. They were killed in surges of hungry crowds as the country suffers its worst cost-of-living crisis in a generation.

The dead included 22 people Saturday in southeastern Anambra state's Okija town, where a philanthropist had organized the distribution of food, local police said. Ten others died in the capital, Abuja, where a church had organized a similar event. Police said they were investigating the two incidents, which came only days after another stampede killed 35 children.

Witnesses of the Abuja stampede told the Associated Press dozens of people tried to enter the premises at around 4 a.m. Some had waited overnight to get food.

The stampedes prompted growing calls for authorities to enforce safety measures at such events.

—Associated Press

SERBIA

Protesters Rally Against President

Tens of thousands of people streamed into central Belgrade's Slavija Square on Sunday to rally against populist President Aleksandar Vucic and his government, whose tight grip on power has been challenged by weeks of street protests led by university students.

Called by students and farmers unions, the rally, one of the largest in recent years, was part of a movement demanding accountability over the Nov. 1 collapse of a canopy at a railway station in the country's north that killed 15 people. Many in Serbia blame the collapse on corruption and sloppy work on the station, twice renovated in recent years as part of mega projects involving Chinese state companies.

Vucic said he wouldn't budge to opposition demands, and accused his opponents of using students to try to seize power.

"They don't know what to do but to use someone's children," he said.

—Associated Press

RUSSIA

Premier of Slovakia Meets With Putin

Russian President Vladimir Putin on Sunday hosted Slovakia's prime minister, Robert Fico, in a rare visit by an EU leader since Moscow's all-out invasion of Ukraine in February 2022. The talks were expected to focus on "the international situation" and Russian natural-gas deliveries, the Kremlin said.

Russian natural gas still flows to some European countries, including Slovakia, through Ukraine under a five-year agreement due to expire at the end of 2024. Ukrainian President Volodymyr Zelensky told EU leaders Thursday that Kyiv has no intention of renewing the deal. Fico said that will harm his country's interests. Slovakia has signed deals to buy gas from Azerbaijan and the U.S.

Fico's views on Russia's war on Ukraine differ sharply from most European leaders'. He told Russian state TV in October that the West has prolonged it by backing Ukraine, and that he was ready to negotiate with Putin.

—Associated Press

BUSINESS & FINANCE

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Last Week: **S&P** 5930.85 ▼1.99% **S&P FIN** ▼2.00% **S&P IT** ▼0.73% **DJ TRANS** ▼4.90% **WSJ $ IDX** ▲0.85% **2-YR. TREAS.** yield 4.311% **NIKKEI** 38701.90 ▼1.95% **See more at WSJ.com/Markets**

Paramount's Heiress Bows Out

An $8 billion sale of media empire caps Shari Redstone's eventful leadership

By Jessica Toonkel

Paramount Global boss Shari Redstone took a winding path to sell her family's media empire. Along the way, a CEO was dethroned, multiple board members resigned and investors lashed out.

Now, the 70-year-old media heiress is preparing to hand the reins to a new owner in 2025—but she promises not to go away entirely, and neither will Paramount's problems.

Redstone earlier this year struck an $8 billion deal with Hollywood production company **Skydance Media** that will reshape the entertainment landscape. She is selling **National Amusements**, the family company that owns movie theaters and through which she controls Paramount.

As part of the transaction, Skydance, backed by investors including **RedBird Capital Partners**, will merge with Paramount, gaining control of a collection of assets that include the iconic studio behind "The Godfather" and "Titanic," CBS and cable networks like MTV.

Skydance Chief Executive Officer David Ellison will face a formidable task: Paramount shares are down about 26% this year as a growing Paramount+ streaming business hasn't been enough to offset the accelerating decline of the company's cable business, which took a $6 billion write-down in August.

The landscape is shifting as more people abandon traditional TV; **Comcast** is spinning off nearly all its cable channels in 2025.

Ellison and his top lieutenant, former NBCUniversal CEO Jeff Shell, have explored how to catapult Paramount's position in streaming. They are looking at integrating the company's free, ad-supported Pluto service into Paramount+, people familiar with the situation said.

Paramount's current management had explored streaming partnerships with a number of companies including **Amazon.com**, YouTube, **Warner Bros. Discovery** and **Netflix**, though nothing has come to fruition. One main sticking point with Warner has been which company would have control of any joint venture, according to people involved in the discussions. Ellison and Shell are seeking over $2 billion in cost cuts.

Redstone, daughter of the late media titan Sumner Redstone, was a reluctant seller,

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Struggling Nissan Counts On A Honda Lifeline

By Sean McLain

Nissan, once a symbol of Japan's carmaking prowess, spent the past five years trying to regain its footing after the arrest of longtime leader Carlos Ghosn, only to find itself in a precarious spot again.

The carmaker has been slashing jobs, cutting vehicle production and reporting lower profit. Nissan has been slower than rivals in refreshing its lineup, and it has fallen behind in the electric-vehicle race it once led.

Now, it is looking to **Honda** for a lifeline.

The two carmakers said they were in talks over a merger that would be poised to create the world's third-largest automaker by sales. The idea of two of Japan's biggest rival brands cohabiting under the same roof would once have been considered absurd, but the companies have grown closer as Nissan weakens, announcing this year plans to share costs and work together on electric vehicles.

Nissan shares rose more than 30% in the two trading days after the announcement about merger talks, while Honda shares declined almost 5% in the same period.

The combination could help fortify the carmakers against global threats including a wave of new competitors coming from China that have taken a lead in the electric-vehicle race.

For Honda, a merger with Nissan offers the promise of sharing the high cost of developing new technologies. The Japanese government, which is worried about the auto industry's competitiveness versus China and is subsidizing technology research, has suggested it would welcome the combination.

Nissan also is the largest shareholder in **Mitsubishi Motors** and collaborates with it on technology, a relationship that would likely carry over into a merged Honda-Nissan company. Together, Honda, Nissan and Mitsubishi sell more than eight million vehicles annually.

But Honda and Nissan have hurdles to overcome before they can make their deal final. The two companies have different cultures. They sell the same types of sport-utility vehicles and sedans for the mass market in the U.S. and elsewhere.

Nissan, which has a 25-year-old alliance with French carmaker **Renault**, has yet to

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Kid Safety On Apple's App Store Is Too Lax, Study Says

By Aaron Tilley

Stacy Ann Sipes thought she had her daughter's phone locked down.

For her daughter's first iPhone, at age 14, Sipes used **Apple** parental-control settings to block Instagram and Snapchat.

After a terrifying ordeal in which her daughter developed an eating disorder, Sipes discovered a gaming app on her daughter's phone in which the main character was focused on losing weight. Players could send the character to the gym or purchase a waist-training corset using digital coins. It was rated in the App Store for ages 12 and above.

"I turned to Apple's safety features, but these weren't keeping her safe," Sipes said. "The way Apple rates these apps doesn't protect kids."

New research provided to The Wall Street Journal shows that her experience isn't unusual. Over a period of 24 hours, researchers found about 200 apps with inappropriate content that were rated for children. Those included apps for dieting, circumventing banned sites, beauty filters, violent or sexual games, and anonymous chat, according to a report by the child safety advocacy nonprofits Heat Initiative and ParentsTogether Action.

Those apps amounted to about one-quarter of the total reviewed by the groups in the 24-hour period. The findings suggest that many apps including objectionable content for children are rated as safe.

While Apple leaves it to app developers to determine the appropriate age rating for their apps, the company said it reviews and regularly rejects

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H&M recently hosted a Charli XCX show in New York's Times Square. It is tying its brand to her and pop music more generally.

JESSICA FOLEY FOR WSJ

H&M Is Banking on Pop-Star Chic To Make Its Brand Cool Once More

By Trefor Moss And Owen Tucker-Smith

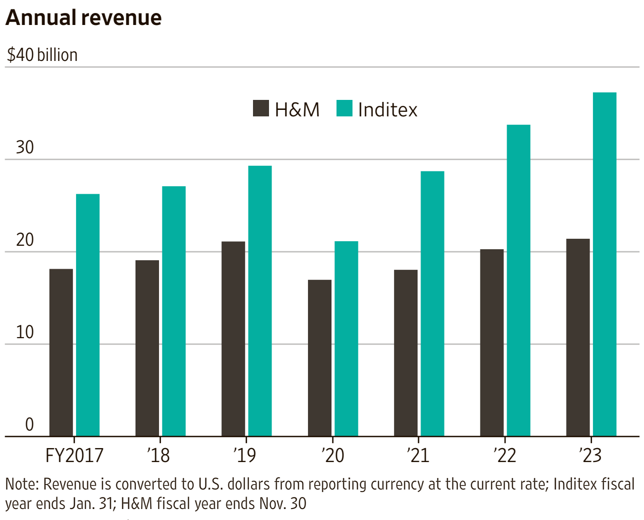
H&M has a unique problem for a mass retailer: It has gone too mainstream.

Or to paraphrase this summer's chart-topper—and star H&M collaborator—Charli XCX, the brand isn't nearly brat enough.

For decades, H&M enjoyed a sweet spot in which it offered shoppers affordable but fashionable clothes, with collections from designers including Karl Lagerfeld and Stella McCartney alongside the brand's own $20 hoodies and $40 dresses.

Now it is being undercut by lower-cost, faster-moving online brands such as **Shein**, while its collections haven't always connected with younger consumers in recent years, analysts say.

In a growing and increasingly competitive fashion industry, H&M's sales have stagnated, while rivals like Shein and the more upmarket Zara have thrived. H&M's 2023 revenues of around $21 billion were barely higher than its 2017 total, whereas Zara owner **Inditex**'s sales rose 42% over the same period. In the first nine months of this year, H&M's sales fell 1%, compared with a 7% increase for Inditex.



Note: Revenue is converted to U.S. dollars from reporting currency at the current rate; Inditex fiscal year ends Jan. 31; H&M fiscal year ends Nov. 30

Source: S&P Capital IQ

To regain its edge, H&M appointed Daniel Ervér as its new chief executive in January. Under the 43-year-old former intern, the Swedish company has lowered prices, modernized stores and spent more on marketing.

More specifically, H&M is making a play to regain cachet with young shoppers by tying the brand to Charli XCX and pop music more broadly, a campaign that included a series of live events in cities around the world this fall.

The priority is "regaining the brand heat, regaining that excitement," Ervér said. The idea is to use music to forge a stronger identity that "resonates really well with the customer we want to reach," he said.

Hundreds of Charli XCX's fans recently descended on

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Bitcoin Faces Threat From Quantum Hacks

By Alexander Osipovich

Bitcoin's rally faces a risk that isn't on the radar of most crypto investors: quantum computing.

The nascent technology, which drew attention this month after Google claimed a breakthrough with its new Willow quantum-computing chip, could one day enable hackers to break the encryption that keeps bitcoin secure. Such a hack could torpedo bitcoin's price, by allowing thieves to swipe coins out of supposedly secure digital wallets.

Researchers say a quantum device powerful enough to crack bitcoin is likely a decade or more away. Still, advances in the technology pose a long-term risk, unless bitcoin's fractious community of developers beefs up its technology in a time-consuming upgrade.

A quantum-powered attack on bitcoin could have harmful spillover effects on traditional financial markets, analysts warn.

"What you've got here is a time bomb waiting to explode, if and when someone gets that ability to develop quantum-computer hacking and decides to use that to target cryptocurrencies," said Arthur Herman, senior fellow at the Hudson Institute, a think tank based in Washington, D.C.

A 2022 Hudson Institute study estimated that a quantum hack of bitcoin would cause more than $3 trillion in losses across crypto and other markets and trigger a deep recession. Herman said the likely costs of a quantum hack have swelled since the study came out, as bitcoin has climbed to nearly $100,000 and grown into an increasingly mainstream investment asset.

President-elect Donald Trump has pledged to create a strategic reserve for the government's bitcoin holdings, a sort of digital Fort Knox.

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INSIDE

BUSINESS NEWS
FDA clears Eli Lilly's Zepbound to treat some sleep apnea patients. **B3**

COMMODITIES
Climate change stands to keep cocoa and some other crops expensive. **B5**

Ballmer Is the 'Noninvesting,' Undiversified Guru of Investing

By Juliet Chung And Ben Cohen

The ultrawealthy tend to follow a time-honored model of investing: diversifying.

Much like universities and pensions, the richest people on earth spread their money across stocks, bonds and a cadre of alternatives, such as private equity, hedge funds and real estate.

Or at least most of them do. There is one very glaring exception: Steve Ballmer.

The former **Microsoft** chief executive has put nearly all his eggs in one basket and kept them there for years. Ballmer has virtually no exposure to alternative investments. Instead, he keeps more than 80% of his portfolio in Microsoft stock and the rest in stock index funds.

As the stock market has climbed to new heights and Microsoft has transformed into one of the best-performing stocks of the past decade, Ballmer's investment strategy has proven incredibly effective.

"Microsoft's outperformed just about every other asset I could have owned," said Ballmer, Microsoft's top individual shareholder, in a recent interview with The Wall Street Journal. "It's a little hard to say that it hasn't worked out."

Ballmer, 68 years old, served as CEO from 2000 until stepping down in 2014, after coming under pressure for not moving fast enough to com-

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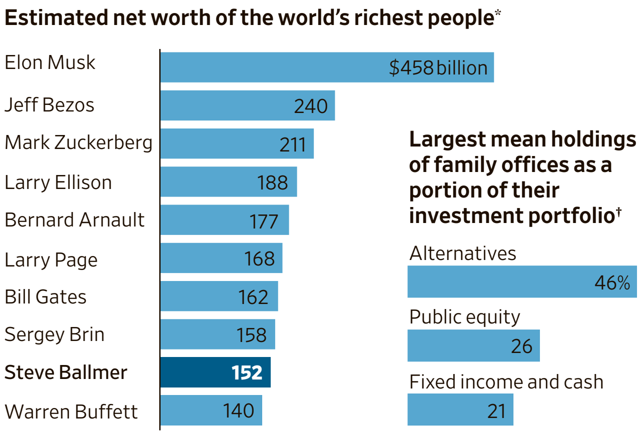

*As of Dec. 18 †Data from family offices surveyed by JPMorgan Chase in its 2024 Global Family Office Report. The family offices surveyed had an average family net worth of $1.4 billion.

Sources: Bloomberg Billionaires Index (net worth); JPMorgan Chase's private bank (holdings)

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INDEX TO BUSINESSES

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INDEX TO PEOPLE

'Sonic the Hedgehog' Tops the Charts

PARAMOUNT/EVERETT COLLECTION

Jim Carrey with Sonic, who is voiced by Ben Schwartz.

Estimated Box-Office Figures, Through Sunday

	Film	Distributor	Sales, In Millions: Weekend*	Cumulative	% Change
1.	**Sonic the Hedgehog 3**	Paramount	$62	$62	--
2.	**Mufasa: The Lion King**	Disney	$35	$35	--
3.	**Wicked**	Universal	$13.5	$383.9	-40%
4.	**Moana 2**	Disney	$13.1	$359.1	-51%
5.	**Homestead**	Angel Studios	$6.1	$6.1	--

*Friday, Saturday and Sunday in North American theaters

Source: Comscore

BUSINESS & FINANCE

Paramount Heiress Takes Bow

Continued from page B1

and shortly after the deal was signed, she was already tearfully telling associates that she had regrets about relinquishing her family's business.

Redstone's relationship with Donald Trump may also come in handy as the next administration evaluates the Paramount-Skydance deal. The president-elect's nominee for Federal Communications Commission chairman, Brendan Carr, has said the agency could scrutinize whether CBS's handling of a "60 Minutes" interview with Kamala Harris—which critics said was edited in misleading ways—violated standards that require broadcasters to act in the public interest. Trump filed a $10 billion lawsuit against CBS, which has denied wrongdoing.

Redstone has told people close to her that she understands Trump's frustration with CBS, even though she doesn't support the lawsuit. She has gotten along well with Trump for years. He was supportive in the court battles that helped her gain control of Paramount several years ago, people familiar with the matter said, and the two still talk on occasion.

Larry Ellison, the billionaire co-founder of **Oracle** and father of David Ellison, also has a longstanding relationship with Trump.

The final deal came after a will-they, won't-they corporate drama for the ages. The negotiations stopped and restarted multiple times.

Exclusive talks with Skydance started on April 3. Some Paramount investors balked at initial proposals that they said gave Redstone a sweeter deal than ordinary shareholders.

Meanwhile, Redstone and the Paramount board were losing faith in CEO Bob Bakish, who had voiced concerns about the Skydance deal and sought out alternatives. Some directors felt the long-range plans Bakish had presented to the board recently didn't include enough cost-cutting and had overly optimistic growth projections, according to people familiar with the situation.

Certain board members approached George Cheeks, then the head of CBS, and two other top executives, studio chief Brian Robbins and cable networks chief Chris McCarthy, to get a sense of what the executives would do if they were running the company.

STEPHEN LOVEKIN/EPA/SHUTTERSTOCK FOR AWNEWYORK

Paramount's Shari Redstone.

Later in April, Cheeks was getting off a plane in Las Vegas to see comedian Cedric the Entertainer perform when Redstone called to say Bakish was out. Meanwhile, merger talks with Skydance Media were stalling.

The Wall Street Journal first reported on Bakish's fate on April 26. The company announced his exit days later, and named Cheeks, Robbins and McCarthy as co-CEOs.

Skydance agreed to provide $4.5 billion that Paramount can use for an offer to buy out about 50% of nonvoting shares. Redstone got $1.75 billion for National Amusements.

Skydance's Shell and Ellison are building out Paramount's management team as they prepare to take control of the company. Former Netflix executive Cindy Holland is expected to oversee streaming, reporting to Ellison. Cheeks is expected to be head of TV, according to people familiar with the situation. Dana Goldberg, chief creative officer at Skydance, is expected to oversee the combined studio, and Robbins, one of the co-CEOs, is expected to depart. Bloomberg earlier reported some of the expected management changes.

Under the deal's terms, Redstone and her son Tyler Korff could join the board of the combined company, but both have decided against it, according to people familiar with the situation. Despite that, Redstone made it clear that even though she was selling the company, she wasn't planning to go away completely.

"One thing I promised everybody in the company is I will never disappear in terms of being your advocate and in terms of helping you be who you need to be, who you want to be in this company," Redstone said at Advertising Week New York in October, when addressing a controversy at CBS News.

—Lauren Thomas contributed to this article.

H&M Tries To Regain Its Coolness

Continued from page B1

New York's Times Square for a show starring the singer and hosted by H&M. But it isn't clear how much of the stardust is rubbing off onto the brand.

"I like what she's doing with the shop," said Alyssa Migliarini, a 21-year-old college student who attended the gig. "But I wouldn't shop there."

H&M also is experiencing the perils of trying to piggyback on pop culture.

In a recent interview with Rolling Stone magazine, another of the summer's breakout stars, Chappell Roan, clapped back at efforts by brands trying to attach themselves to her. "F— H&M," she said, questioning the relevance of H&M and other brands to her "world." The remark caused a brief flare-up between camps of the two singers, with Charli fans interpreting Roan's attack on H&M as criticism of her collaboration with the brand.

A spokesperson for Charli XCX declined to comment on her partnership with H&M or on Roan's remarks. A representative of Roan didn't respond to a request for comment.

H&M says the music push is central to its plan to sharpen its identity.

"Music is more fashion than fashion," said Jörgen Andersson, H&M's creative director, observing that young people are usually more invested emotionally in their favorite musicians than in their preferred fashion brands.

H&M has sought to link music with its clothes by making Charli XCX the face of its autumn-winter collection. A leopard-print coat the singer wore for the campaign sold out within minutes, according to the company. It also is putting more emphasis on music in its stores, where songs being played are carefully chosen to reflect young consumer tastes, said Andersson.

The retailer has set up a public Spotify playlist, "The Sound of H&M," which has been saved by the music platform's users over 125,000 times. It is updated every week with the latest in-store tracks, which represent "the vibe and sound of the brand," Andersson said.

H&M worked with a Swedish music agency called Ohlogy, which specializes in pairing brands with suitable artists, to hone the lineup for its shows and campaigns.

With Charli XCX, H&M got lucky: It had an existing relationship with her from previous marketing efforts and was able to capitalize when the success of her "Brat" album catapulted the musician to superstardom over the summer.

The company has dipped into the music world before. In 2007, it flew Kylie Minogue to Shanghai for a concert marking the opening of its first Chinese store. Around the same time, it launched a collection designed by Madonna. But the one-offs had only a limited impact, encouraging the company to pursue a deeper program of events this time round, Andersson said.

H&M has put on a series of music events since September, including another Charli XCX show in London and a block party in New York's SoHo hosted by model Amelia Gray. The audiences are typically a mix of VIPs, members of the brand's loyalty program and the public.

It plans a second series of shows next year to sustain its push into music.

Apple's App Store Is Faulted

Continued from page B1

apps for including content and features that don't align with the rating. Apple guidelines for different age categories—including 4 and above, 9 and above, and 12 and above—restrict apps from featuring violence, language and other suggestive content.

SARAH RICE FOR WSJ

Parent Stacy Ann Sipes.

The company said it has rejected more than 100,000 app submissions in the past five years for violating guidelines related to age ratings. "At Apple, we work hard to protect user privacy and security and provide a safe experience for children," a spokesman said, adding that it gives parents a range of capabilities to protect children, including restricting access to apps and flagging problematic content.

Since its launch in 2023, the Heat Initiative has focused its child-safety advocacy on Apple. The group has taken out TV ads accusing Apple of not taking down child-abuse material on its cloud backup service. The group recently backed a lawsuit against Apple for allegedly hosting child sexual abuse material on iCloud.

Heat Initiative's biggest backers are the Children's Investment Fund Foundation and the Oak Foundation, two philanthropic organizations focusing on childhood-health and social-justice issues. Sipes said she joined ParentsTogether as a member after her experience.

The new research from the groups found that an app called FaceMax: Face Rating, Looksmax, rated 4 and above, takes a user's photo and claims to rate the attractiveness level using artificial intelligence. Body Tune – Photo Editor, rated for ages 9 and up, lets users alter their bodies' appearance with a focus on thinness: "make your body slim and skinny." Apps that facilitate chats with strangers are widely available for ages 12 and above, including Spin the Bottle: maybe you?, which advertises to users: "Sit at any table to meet new people, flirt and chat."

FaceMax and Body Tune didn't respond to requests for comment sent to email addresses listed for the app developers. FaceMax can no longer be found in the App Store after the Journal reached out for comment. The Spin the Bottle: maybe you? developer, Cyboma, said it would be changing its age rating to 17+. The app is currently no longer available in the App Store.

The App Store is big business for Apple. The company takes a cut on transactions occurring on many third-party apps—up to 30% but lowered to 15% for smaller apps and subscription services over time.

Apple said it needs to take such large cuts because of the investments it makes in keeping the App Store safe and calls it "a safe place for kids." The company employs an App Store review team, which is composed of several hundred reviewers who work long hours and struggle to keep up with the large numbers of apps coming in everyday, according to former employees of the team. Apple expects its review team to move quickly through a certain number of apps a day, making it difficult to spot potential problems, the former employees said.

An increasing number of digital-safety advocates and parents are arguing that Apple's app-review process, including how it handles age ratings, is inadequate.

"Apple has touted the App Store as a Fort Knox, and yet we have these gross inconsistencies," said Chris McKenna, founder of the advocacy group Protect Young Eyes, who wasn't involved in the report. McKenna has directly advised Apple on digital-safety issues for children.

One recommendation the report from the Heat Initiative and ParentsTogether makes is that Apple should apply an independent expert review and verification process for the age ratings of App Store apps, similar to how movies and videogames are rated based on age appropriateness.

The research isn't the first time problems have been alleged with child safety in the App Store. The National Center on Sexual Exploitation, a nonprofit that has urged improved child-safety protections online and has sought to restrict access to pornography, found several so-called nudifying apps that use artificial intelligence to create pornographic images of people. Some were rated appropriate for ages 4 and above in Apple's App Store, the organization said earlier this year.

FINANCE NEWS

FDA Clears Lilly's Zepbound For Some Sleep Apnea Cases

Company said the prescription drug is only one for treating condition in adults

By Stephen Nakrosis

Eli Lilly said the Food and Drug Administration approved Zepbound for moderate-to-severe obstructive sleep apnea in adults with obesity.

The company said Zepbound, or tirzepatide, is the first and only prescription medicine for adults suffering from this condition. The drug was launched in the U.S. for the treatment of adults with obesity or who are overweight with weight-related comorbidities in November 2023.

Obstructive sleep apnea is a sleep-related breathing disorder which can cause complete or partial collapses of the upper airway during sleep. This can lead to apnea or hyponea, Lilly said.

Adults taking Zepbound averaged weight loss of up to 20%, and had at least 25 fewer breathing interruptions each hour as they slept, the company said. Up to 50% of adults taking Zepbound no longer had symptoms associated with OSA after one year, according to the company.

Earlier this month, Lilly said it planned to invest $3 billion in a Wisconsin manufacturing facility to meet growing demand for its diabetes and weight-loss medicines. The decision followed months of shortages for the company's weight-loss treatments.

On Thursday, the FDA said a shortage of Lilly's Zepbound and diabetes medicine Mounjaro was officially over. In October, Lilly said wholesale-channel inventory decreases hurt Zepbound's third-quarter U.S. sales of $1.26 billion.

On Friday, shares of **Novo Nordisk** slid 17%, following news that an experimental antiobesity treatment missed the company's expectations. The Danish company also markets the antiobesity treatment Wegovy.


SHELBY KNOWLES/BLOOMBERG NEWS

The popular antiobesity drug Zepbound was launched in the U.S. last year.

Activist Widens Call On Rio Tinto Listing

By Adam Whittaker

Activist investor Palliser Capital doubled down on its call for a review of **Rio Tinto**'s dual listing in London and Sydney, adding that it now has the backing of more than 100 shareholders.

The U.K.-based hedge fund on Thursday said it plans to move a resolution at the miner's next annual general meeting that would direct the board to conduct an independent review into whether unification of Rio Tinto's structure is in the best interests of its shareholders, and to share the review with the market.

In a letter to the board, Palliser said it doubts Rio Tinto's commitment to exploring listing unification with the importance it deserves after it failed to reply with substantive feedback to a previous letter, sent Dec. 4, by the requested date.

Palliser said Rio Tinto's dual-listed structure has been an unmitigated failure for shareholders and requires urgent unification into a single Australian-domiciled holding company.

Rio Tinto didn't respond to requests to comment.

Calls for a unified listing increased after Australian peer **BHP** dropped its own primary listing in London in 2022 to unify its corporate structure in Australia.

However, in July, Rio Tinto said it would retain its dual listing in Sydney and London after concluding that the move would destroy value for shareholders.

At the mining giant's capital-markets day this month, Chief Executive Jakob Stausholm said the current structure remains the best for the company and that he doesn't believe consolidating its listing in Australia would make economic sense.

Palliser said it is unsustainable for Rio Tinto to continue operating with an inefficient structure that limits stock-based merger and acquisition activity while peers undertake consolidation.

Rio Tinto's AGM is scheduled to take place on April 3.

Woodside, Chevron Set Asset Swap

By Rhiannon Hoyle

Chevron and **Woodside Energy** agreed to an asset swap that the companies said will sharpen their focus on the liquefied-natural-gas operations they each run in Western Australia.

For Chevron, the second-largest U.S. oil company, the deal boosts its ownership in the Wheatstone project, which it operates and which is a major supplier of supercooled natural gas to Asia.

Global oil giants project a sharp rise in demand for LNG as China and other countries seek to cut carbon emissions by switching to gas from coal.

As part of the asset swap, Woodside will hand Chevron its 13% interest in Wheatstone. Chevron today owns a little over 64% of the operation, one of Australia's largest resource developments. Woodside will transfer to Chevron its 65%-operated interest in the nearby Julimar-Brunello project.

"This transaction will enable us to consolidate our focus and resources on key assets we operate in Western Australia, in this case our Wheatstone project," Chevron Australia Managing Director Mark Hatfield said.

In exchange, Woodside will acquire Chevron's nearly 17% interests in the North West Shelf liquefied natural gas and oil projects, which Woodside operates. It will also get Chevron's 20% interest in the proposed Angel carbon capture and storage project in northwest Australia.

The deal includes a cash sweetener, with Chevron to pay Woodside up to $400 million. Woodside said it expects the deal to close in 2026.

Woodside said the deal will boost near-term cash flow to support investor returns and continuing investments. "This portfolio, improving our focus transaction simplifies our and efficiency by consolidating our position in our operated LNG assets," said Woodside Chief Executive Meg O'Neill.

Estée Lauder Details Restructuring Costs

By Katherine Hamilton

Estée Lauder said Friday it has incurred $366 million in costs so far related to its two-year restructuring plan out of the total $500 million to $700 million it plans to incur overall.

The beauty brand conglomerate spent that money primarily on costs related to employees and assets, it said in a filing with the Securities and Exchange Commission.

Estée Lauder launched a broader effort in November 2023 to build profit margins in 2025 and 2026 by focusing on rebuilding profitability, lowering costs and accelerating sales growth.

As part of that effort, the company said in February it would restructure over the course of two years, which it expects will cost between $500 million and $700 million before tax.

In October, Estée Lauder approved four initiatives for the plan, all of which are to result in a net reduction in workforce and associated employee severance, the company said in the filing.

AAR Resolves U.S. Investigations

By Sabela Ojea

AAR agreed to pay over $55 million to resolve corruption-related investigations brought by the Justice Department and the Securities and Exchange Commission.

The aviation-services company allegedly participated in schemes to pay bribes to government officials in Nepal and South Africa to obtain business with state-owned airlines, violating the Foreign Corrupt Practices Act.

A former AAR subsidiary executive previously pleaded guilty for his role in the Nepal scheme, and a third-party agent of AAR previously pleaded guilty for his role in the South Africa scheme, the Justice Department said on Thursday.

AAR, which obtained profits of nearly $24 million as a result of the 2015-to-2020 schemes, entered into an 18-month nonprosecution agreement with the Justice Department.

The company agreed to keep cooperating with the criminal division's fraud section and the U.S. Attorney's Office for the District of Columbia in any continuing or future criminal investigations arising during the term of the NPA.

"Companies competing on a fair and level playing field is a core value that we expect any U.S. company or anyone doing business in the United States to embrace," said Matthew Graves, U.S. attorney for the District of Columbia.

Some of the remedial measures AAR has taken include conducting an enterprise-wide review of all existing high-risk third-party representatives and reducing its use of international sales agents.

Sibanye-Stillwater In Deal to Supply Gold

By Adrià Calatayud

Sibanye-Stillwater said it entered into a $500 million agreement with mining royalty company **Franco-Nevada** for the long-term supply of gold and platinum from three of its mines in South Africa.

South African mining company Sibanye-Stillwater said Thursday that it will mainly supply gold, a minor component of the basket of metals produced from its South Africa platinum-group-metals operations, and a marginal amount of platinum. The metals will be produced from the company's Marikana, Kroondal, and Rustenburg operations.

Sibanye-Stillwater will deliver gold and platinum to Franco-Nevada based on its production from the mines. Platinum deliveries are capped at 294,000 ounces. The upfront payment of $500 million from Franco-Nevada strengthens Sibanye-Stillwater's balance sheet and reduces its debt ratio, the company said.

Franco-Nevada said the deal is immediately cash flowing and, with other recent deals, is expected to allow meaningful medium- and long-term growth.

Scammers Turn to AI for Holidays

Fake licenses and passports are being made to fraudulently verify identities

By Angel Au-Yeung

The holidays are a bonanza for scammers preying on people eager for deals. Now artificial intelligence is creating more-sophisticated traps and targeting vastly more victims.

Visa said the number of charges on its credit-card network blocked for potential fraud on Black Friday and Cyber Monday surged 200% globally from last year. The increase was driven by scammers using AI. **Mastercard** said it blocked nine times the amount of fraud attempts between Thanksgiving and Cyber Monday from a year ago.

"It is absolutely a golden age for fraud and fraudsters," said Michael Jabbara, global head of fraud services at Visa.

U.S. shoppers have lost $8.7 billion to fraud overall through this year's third quarter, a 14.5% increase from the same period a year ago, according to the Federal Trade Commission.

Fraudsters are deploying AI to more efficiently perform a variety of tasks, according to Katalin Parti, a cybercrime researcher at Virginia Tech. That includes blasting out text messages to bait victims and writing programming to test huge volumes of stolen credit card information, she said.

AI also is helping scammers generate more fake online ads and shopping sites that entice people to share credit-card information. Michael Maestranzi was duped by such a scam after clicking on an ad for an advent calendar based on a children's game his 10-year-old son loves.

"It's Christmastime so I'm constantly thinking about my three kids and what to get them," said Maestranzi, a 46-year-old resident of Nutley, N.J.

The ad took him to what looked like a **Macy's** webpage, where the calender was listed for half its normal price at $39.97. A countdown showed they were rapidly selling out. It was only after his second attempt at the purchase went through that he realized he was never asked for an email address for shipping confirmation. "Then I knew I got scammed," he said.

Scammers also are using AI to impersonate account holders. The technology was used in 25% of cases of scammers trying to falsely verify identities and gain access to accounts, according to Plaid, a fintech startup that lets customers give companies permission to connect with their banking accounts.

AI is being used to generate fake driver's licenses or passports—or even deepfake videos in cases when account holders are asked to send selfie videos to verify identities, according to Plaid. Companies that use the so-called liveness checks include crypto exchange **Coinbase** and trading platform **Robinhood**.

Banks have ramped up efforts to educate consumers on spotting scams. **JPMorgan Chase** also has started using AI to validate payments and prevent fraud. Visa said in 2022 it had invested $500 million in AI and other technology for fraud detection over the past five years. But people are still falling victim.

"The biggest thing I've heard from financial institutions over and over again is that the current tools that they have for fraud prevention are not matching the tools that fraudsters are able to bring," said John Pitts, head of policy at Plaid.

EU Clears Nvidia's Takeover Of Run:ai

By Edith Hancock

BRUSSELS—The European Commission approved artificial-intelligence behemoth **Nvidia**'s takeover of Israeli streamlining provider **Run:ai** Friday, clearing a key regulatory hurdle for the deal.

The Commission cleared the deal without conditions, saying it didn't raise competition concerns. Nvidia wouldn't have the ability or incentive to hamper the compatibility of its coveted graphic processing units with rivals' software, it said.

The European Union's merger watchdog had set a Dec. 20 deadline to decide whether to give the companies a green light or launch a full investigation.

Chip maker Nvidia has come under increased scrutiny this year from antitrust enforcers worldwide that are eager to prevent a handful of incumbent tech giants dominating the nascent technology and squeezing out future rivals.

The EU regulator said it looked into whether the deal would have an impact on the supply of so-called discrete GPUs used in data centers and the market for GPU orchestration software. It said Run:ai doesn't currently have a significant position in orchestration software. Customers can still have access to the company's competitors that provide similar services, it said, or could build their own software in-house.

Nvidia's Run:ai deal, announced in April, came onto the EU's radar after Italian regulators referred it to the commission under a legal tool that European regulators are using to look at so-called killer acquisitions that fall below typical merger probe thresholds. The commission's use of that tool, so-called Article 22, has faced criticism from lawyers and company executives in the past who say it adds to regulatory uncertainty. The watchdog also lost a high-profile court battle over its decision to investigate—and later veto—biotech firm **Illumina**'s reacquisition of startup **Grail** in September this year by using the provision.

Nvidia said on Friday that it looks forward to welcoming the Run:ai team to the fold.

Liberty Media's MotoGP Bid Faces In-Depth EU Probe

HASAN BRATIC/DEFODI/ZUMA PRESS

The EU's antitrust enforcer is concerned that the $3.6 billion deal for Dorna Sports could hurt competition in broadcasting and streaming markets. Above, a MotoGP race.

By Edith Hancock

Formula One owner **Liberty Media**'s planned bid for **Dorna Sports** faces an in-depth investigation by the European Commission over concerns the $3.6 billion deal could hurt competition in broadcasting and streaming markets.

The European Union's antitrust enforcer said Thursday that the deal, which would see U.S.-headquartered Liberty Media take 86% ownership of Madrid-based Dorna Sports, the parent company of worldwide motorcycle racing league MotoGP, could lead to higher prices for the licensing of broadcasting rights for motor sports events.

It said it would look into whether Liberty Media's largest shareholder, John Malone, can exert decisive influence over both companies, saying it is concerned that Liberty Media might have the ability and incentive to foreclose rival broadcasters where its parent company Liberty Global is active.

The commission said Formula One and MotoGP compete closely and that the transaction raises concerns because it might remove important competitive constraints between both parties for the licensing of broadcasting rights for sports content. The EU merger regulator set a deadline of May 14 to end its investigation.

"By acquiring Dorna Sports, Liberty Media would hold the commercial rights to two of the most popular motor sports in Europe: Formula One and MotoGP," Teresa Ribera, the commission's new head of competition enforcement, said Thursday. The probe marks the first time the EU executive has escalated a merger review under Ribera, who succeeded former competition chief Margrethe Vestager earlier this month.

"We need to more carefully assess whether this acquisition could negatively affect European broadcasters, for example in terms of increased license fees, and ultimately European consumers and motor sports fans through higher prices," she said. The regulator also will consider substantiated arguments from the companies about potential benefits for consumers if the deal is allowed to go ahead, Ribera said.

Companies can offer the commission remedies to ease competition concerns and end an in-depth probe, which typically takes about 90 days but can last longer if the regulator needs more time to look at evidence. That can lead to companies scrapping their plans due to the increased uncertainty.

Liberty Media agreed to acquire Dorna Sports in April in a deal valued at roughly €3.5 billion, or $3.62 billion, including a termination agreement that would see it pay 126 million euros if it walks away.

The U.S. company now expects the deal to close at the end of June to account for the commission's probe, it said Thursday.

News Corp Sheds Australia Pay-TV Unit in Sale to DAZN

By Jeffrey A. Trachtenberg And Rhiannon Hoyle

News Corp and Australian telecom company **Telstra** agreed to sell jointly owned Foxtel to sports streaming service **DAZN Group**, a deal that values the pay-television company at more than $2.1 billion.

News Corp on Sunday evening said the sale of Foxtel, in which it holds a 65% stake, will allow the company to narrow its focus on key growth areas—digital real-estate services, book publishing and Dow Jones, publisher of The Wall Street Journal.

As part of the deal, News Corp will receive a 6% minority equity stake in DAZN, and a seat on its board. In addition, $362 million in shareholder loans owed to News Corp will be repaid in full; Foxtel's current debt will be refinanced when the deal closes and transfer with the company.

No cash, other than the loan repayment, is changing hands.

Some investors in recent years have argued that News Corp needs to do more to maximize shareholder value.

The Journal reported in 2023 that activist investor firm Starboard Value had built a stake in the company and planned to push for strategic and governance changes. News Corp investors in November rejected an effort to end the company's dual-class share structure that had been backed by Starboard.

News Corp Class A shares are up 13.5% in 2024.

"DAZN is the right owner to take the business to the next level with their technological capabilities, global footprint and compelling sports rights," News Corp Chief Executive Robert Thomson said.

Climate Change Keeps Some Crops Pricey

Extreme weather boosted prices of cocoa, coffee and orange juice in 2024

By Kirk Maltais

Raw materials like cocoa rose to records in 2024—outpacing other, more-glamorous assets and showing signs of going even higher in 2025.

Most-active cocoa futures trading on the Intercontinental Exchange have been the best-performing asset this year so far, with an record closing high of $12,565 a metric ton last week according to data from FactSet, almost triple where it started the year. Instrumental behind that rise was unprecedented extreme weather, which shows no signs of mellowing in the new year and instead looks to wreak even more havoc on commodities markets.

"With adverse weather, we've seen subpar harvests," said Oran van Dort, a commodities analyst with Rabobank.

Weather-hampered production boosted cocoa, coffee and orange-juice futures on the ICE all year, pushing them to record levels in 2024. Coffee rose 73%, to peak at $3.34 a pound—the highest level since 1977.

Orange juice gained 69% in 2024, spiking at a record of $5.48 a pound on Thursday. These three soft commodities outperformed the majority of more typically headline-grabbing commodities, such as gold and crude oil.

Cocoa even outperformed bitcoin, which had its own surge after President-elect Donald Trump's victory in November's election, leaving it more than doubled in the year to date.

A continuation of weather issues that have been problematic for years is lifting these commodities and consumers will continue to feel higher prices for chocolate, coffee and orange juice in the new year.

A farmer attends to cocoa pods ahead of the harvest in Kwabeng, Ghana, above; roasting coffee beans at Red Whale Coffee in San Rafael, Calif., at right.

FROM TOP: PAUL NINSON/BLOOMBERG NEWS; JUSTIN SULLIVAN/GETTY IMAGES

For cocoa, excessive rainfall in West Africa in October created a delay in farmers harvesting their beans and fermenting them to give cocoa its characteristic flavor. It also created a mold problem for any cocoa arriving at Ivory Coast ports in the past month, van Dort said.

Additionally, persistent issues with cacao swollen shoot virus—an incurable disease transmitted between trees by mealybugs that eventually kills cocoa-growing trees within three to four years of exposure—threatens to keep the world cocoa market at a deficit for a fourth consecutive year.

"Our ending stocks have depleted, and our stocks-to-use ratio has plummeted," van Dort said.

Excess rain has appeared to stop in the Ivory Coast and Ghana, where roughly 50% of the world's cocoa is produced. But the typical dry season looks to have started early in West Africa, which may produce new drought-related challenges for cocoa.

Other major global weather irregularities include drought conditions in Brazil, which are affecting a host of crops, including coffee. Production of arabica beans may fall nearly 11% next year, according to a forecast from StoneX Group.

A direct hit by Hurricane Milton to central Florida in October highlighted an unusually active hurricane season, eviscerating orange groves and again setting back a recovery from disease issues and damage done to trees during Hurricane Ian in 2022.

As a result, the Agriculture Department forecasts Florida orange production to dip to a mere 12 million boxes. That would be the lowest production since 1930, according to USDA data.

These weather irregularities can be attributed to climate change, analysts and traders say. "The impact of climate change is absolutely real," said Scott Bauer, a trader and head of the Chicago-based Prosper Trading Academy.

Bauer said that he expects higher commodity prices across the board in 2025 as climate change introduces increased difficulties to production, whether it be oppressive heat and dryness or excessive rain and wind.

This isn't limited to agricultural commodities, Bauer adds, forecasting higher prices for metals such as iron and lithium. Higher demand and Covid-19-era supply-chain issues helped push those prices up in recent years, but what may raise them further is a lack of availability of fresh water amid exceptional droughts in countries like Australia, which makes it a challenge to keep workers at mines in these countries hydrated, Bauer said.

This year has been the hottest on record, the World Meteorological Organization said this month. Average global temperatures through September were over 1.5 degrees Celsius hotter than what is called the preindustrial average: the temperature of the earth before industry began pouring greenhouse gases into the atmosphere. The cooling effects of a La Niña climate system have been anticipated for this winter, but that has yet to materialize, according to the WMO.

The agency leaves a 55% chance for a weak La Niña to develop in early 2025.

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: LSEG

Friday, December 20, 2024

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Adams Diversified Eq Inc **ADX**	22.82	20.28	-11.1	29.8
Central Secs **CET**	55.08	45.53	-17.3	29.8
CohenStrsCEOppFd **FOF**	11.94	12.42	+4.0	22.4
EVTxAdvDivIncm **EVT**	NA	23.94	NA	17.4
GabelliDiv&IncTr **GDV**	27.71	24.17	-12.8	19.2
Gabelli Equity Tr **GAB**	5.27	5.50	+4.4	19.7
GeneralAmer **GAM**	58.25	51.42	-11.7	40.4
JHancockTaxAdvDiv **HTD**	23.99	21.80	-9.1	25.6
Liberty All-Star Equity **USA**	7.00	6.96	-0.6	21.0
Liberty All-Star Growth **ASG**	6.19	5.70	-7.9	16.9
Royce Micro-Cap Tr **RMT**	10.94	9.65	-11.8	12.8
Royce Value Trust **RVT**	17.05	15.73	-7.7	17.4
Source Capital **SOR**	46.19	45.31	-1.9	19.6
Special Opportunities **SPE**	NA	14.61	NA	35.1
Sprott Focus Trust **FUND**	8.34	7.25	-13.1	-1.6
SRH Total Return **STEW**	20.57	16.00	-22.2	20.0
Tri-Continental **TY**	35.76	31.42	-12.1	27.8
Specialized Equity Funds				
abrdn Glb Prem Prop **AWP**	3.91	3.91	0.0	14.6
abrdn Global Infra Inc **ASGI**	19.26	17.71	-8.0	10.9
Adams Natural Resources **PEO**	23.82	21.07	-11.5	8.3
ASA Gold & Prec Met Ltd **ASA**	22.68	20.00	-11.8	26.2
BR Enh C&I **CII**	21.28	19.84	-6.8	12.0
BlackRock Energy & Res **BGR**	13.42	12.65	-5.7	7.1
BlackRock Eq Enh Div **BDJ**	9.01	8.23	-8.7	14.0
BlackRock Enh Glbl Div **BOE**	12.05	10.80	-10.4	15.4
BlackRock Enh Intl Div **BGY**	5.93	5.32	-10.3	7.6
BlackRock ESG Cap All T **ECAT**	17.63	16.75	-5.0	21.0
BlackRock Hlth Sci Term **BMEZ**	16.47	14.74	-10.5	11.6
BlackRock Hlth Sciences **BME**	40.83	37.44	-8.3	1.3
BlackRock Innov&Gro Term **BIGZ**	8.51	7.58	-10.9	13.1
BlackRock Res & Comm **BCX**	9.50	8.56	-9.9	1.5
BlackRock Sci&Tech Term **BSTZ**	23.44	21.01	-10.4	37.3
BlackRock Sci&Tech Trust **BST**	39.98	36.46	-8.8	15.5
BlackRock Utl Inf & Pwr **BUI**	22.69	22.58	-0.5	12.9
CLEARBRIDGE ENGY MDS OPP **EMO**	NA	45.00	NA	46.2
ChnStrInfr **UTF**	23.67	23.41	-1.1	19.2
Cohen&SteersQualInc **RQI**	12.75	12.18	-4.5	11.0
CohenStrs Real Est and I **RLTY**	15.88	14.83	-6.6	16.4
Cohen&Steers TotRet **RFI**	11.57	11.69	+1.0	9.8
CohenStrsREITPrefInc **RNP**	20.99	20.97	-0.1	14.8
Columbia Sel Prm Tech Gr **STK**	32.23	31.62	-1.9	18.3
DNP Select Income **DNP**	8.72	9.01	+3.3	16.3
Duff&Ph Uti&Infra Inc Fd **DPG**	NA	11.45	NA	35.4
EtnVncEqtyInc **EOI**	NA	20.98	NA	38.5
EtnVncEqtyIncoII **EOS**	NA	23.81	NA	37.3
EVRskMnDvsEqInc **ETJ**	NA	9.32	NA	29.5
ETnVncTxMgdBuyWrtInc **ETB**	NA	14.95	NA	24.5
EtnVncTxMgdBuyWrtOpp **ETV**	NA	14.31	NA	25.3
EvTxMnDvsEqInc **ETY**	NA	14.94	NA	35.1
EtnVncTxMgdGlbB **ETW**	NA	8.46	NA	18.3
EVTxMnGblDvEqInc **EXG**	NA	8.23	NA	15.8
First Tr Enhanced Eq **FFA**	21.27	20.25	-4.8	19.8
Gabelli Healthcare **GRX**	11.03	9.65	-12.5	10.9
Gab Utility **GUT**	3.08	5.27	+71.1	13.0
GAMCOGlGold&NatRes **GGN**	3.84	3.84	0.0	10.5
J Han Finl Opptys **BTO**	35.10	34.92	-0.5	27.1
Neuberger Brmn Enrgy I&I **NML**	9.47	8.39	-11.4	35.3
Neuberger Nxt Gen Conn **NBXG**	14.84	12.75	-14.1	27.4
NubrgrRlEstSec **NRO**	3.58	3.41	-4.7	19.7
Nuv Dow 30 Dyn Overwrite **DIAX**	16.81	14.88	-11.5	15.4
NuvCorEqAlpha **JCE**	15.60	15.49	-0.7	27.3
Nuveen Nasdaq 100 Dyn Ov **QQQX**	NA	26.41	NA	24.8
Nuv Real Est **JRS**	8.99	8.31	-7.6	17.8
NuvS&P500DynOvFd **SPXX**	18.53	17.17	-7.3	24.2
NuvSP500BuyIncFd **BXMX**	15.26	13.68	-10.4	16.2
ReavesUtilityIncome **UTG**	31.86	31.25	-1.9	28.6
Tortoise Enrgy Infra Crp **TYG**	NA	42.11	NA	59.8
Ecofin S&S Impact Term **TEAF**	NA	11.98	NA	11.0

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
VDivInt&PremStr **NFJ**	NA	12.30	NA	8.8
V Art Int&Tech Opps **AIO**	NA	23.71	NA	47.5
Income & Preferred Stock Funds				
Dividend and Income **BXSY**	19.62	NA	NA	NA
CalamosStratTot **CSQ**	18.27	17.86	-2.2	29.3
CohenStrsLtdDurPref&Inc **LDP**	21.90	20.42	-6.8	18.0
CohenStrsSelPref&Income **PSF**	21.55	19.66	-8.8	10.2
CohenStrsTaxAvPreSecs&I **PTA**	20.86	19.25	-7.7	14.4
FirstTrIntDurPref&Inc **FPF**	19.42	17.99	-7.4	21.1
JHanPrefInc **HPI**	16.38	16.50	+0.7	16.0
JHPrefIncII **HPF**	16.23	16.29	+0.4	12.1
HnckJPfdInco III **HPS**	14.60	14.94	+2.3	17.0
J Han Prm **PDT**	13.16	12.25	-6.9	25.4
LMP CapInco **SCD**	NA	16.71	NA	29.6
Nuveen Pref & Inc Opp **JPC**	7.98	7.90	-1.0	29.1
Nuveen Pref Sec & Inc Op **JPI**	19.89	19.72	-0.9	16.5
Nuveen Var Rate P&I **NPFD**	NA	18.54	NA	24.8
TCW Strat Income **TSI**	NA	5.00	NA	8.7
Convertible Sec's. Funds				
AdvntCnvrtbl&IncFd **AVK**	12.26	11.86	-3.3	18.4
CalamosConvHi **CHY**	10.70	12.14	+13.5	14.3
CalmosConvOp **CHI**	10.11	12.00	+18.7	26.9
HiIncBd **PCF**	7.10	6.36	-10.4	12.2
V Conv & Inc **NCV**	NA	3.52	NA	16.8
V Conv & Inc II **NCZ**	NA	3.15	NA	19.1
V Div Inc & Conv **ACV**	NA	21.99	NA	19.7
V Eqty & Conv Inc **NIE**	NA	23.84	NA	24.0
World Equity Funds				
abrdn Emg Mkts Eq Inc **AEF**	6.11	5.35	-12.4	14.3
abrdn Glbl Dyn Div **AGD**	10.93	9.87	-9.7	15.9
abrdn Tot Dyn Div **AOD**	9.47	8.48	-10.5	16.5
Allspring Gl Div Oppty **EOD**	5.49	4.81	-12.4	21.7
BlackRock Cap Alloc Term **BCAT**	16.38	15.25	-6.9	20.0
Calamos GloDynInc **CHW**	7.66	6.87	-10.3	29.2
EV TxAdvGlbDivInc **ETG**	NA	18.28	NA	14.9
EtnVncTxAdvOpp **ETO**	NA	25.33	NA	15.7
Highland Global Alloc **HGLB**	12.01	7.26	-39.6	2.5
India Fund **IFN**	18.59	16.19	-12.9	2.0
Japan Smaller Cap **JOF**	9.26	7.53	-18.7	5.9
LazardGlbTotRetInc **LGI**	17.77	16.01	-9.9	15.4
Mexico **MXF**	17.47	13.82	-20.9	-23.7
MS ChinaShrFd **CAF**	15.28	12.45	-18.5	4.9
MS India **IIF**	30.63	25.65	-16.3	44.5
Nuveen Multi-Asset Inc **NMAI**	NA	11.86	NA	11.4
Nuveen Rl Asst Inc & Gro **JRI**	13.13	12.06	-8.1	15.2
NYLI CBRE Glbl Inf Meg T **MEGI**	14.17	12.21	-13.8	3.5
Templeton Dragon **TDF**	10.33	8.61	-16.7	9.6
Templeton Em Mkt **EMF**	14.28	11.97	-16.2	11.9

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
BlckRk Income **BKT**	11.76	11.51	-2.1	8.7
Investment Grade Bond Funds				
Angel Oak FS Inc Trm **FINS**	14.03	12.78	-8.9	10.2
BlRck Core Bond **BHK**	10.29	10.56	+2.6	7.9
BR Credit Alloc Inc **BTZ**	11.24	10.48	-6.8	9.1
Insight Select Income **INSI**	17.40	16.59	-4.7	4.5
InvescoBond **VBF**	16.18	15.53	-4.0	5.4
J Han Income **JHS**	11.92	11.19	-6.1	4.0
MFS Intmdt **MIN**	2.77	2.64	-4.7	0.0
Westn Asst IG Def Opp Tr **IGI**	NA	16.64	NA	5.0
Loan Participation Funds				
BR Debt Strategy **DSU**	10.60	10.81	+2.0	10.9
BR F/R Inc Str **FRA**	12.87	14.00	+8.8	10.6
BlackRock Floatng Rt Inc **BGT**	12.54	12.77	+1.8	11.0
Blackstone Lng-Sh Cr Inc **BGX**	13.39	12.77	-4.6	9.6
BS SFR 2027 T **BSL**	14.88	14.51	-2.5	9.3
BS St Cr 2027 Tm **BGB**	NA	12.29	NA	9.1
Eagle Point Credit **ECC**	NA	8.79	NA	18.4
Eagle Point Income **EIC**	NA	15.37	NA	15.3
EtnVncFltRteInc **EFT**	NA	13.35	NA	10.5
EV SenFlRtTr **EFR**	NA	12.93	NA	10.6
FT/Sr Fltg Rte Inc 2 **FCT**	10.84	10.29	-5.1	11.1
Highland Oppty & Income **HFRO**	12.79	5.33	-58.3	8.5
InvDYCrOpp:AX **VTA**	10.93	NA	NA	NA
InvSnrIncTr **VVR**	3.91	3.84	-1.8	13.0
Nuveen Credit Strat Inc **JQC**	5.87	5.75	-2.0	11.0
NuvFloatRateIncFd **JFR**	9.20	8.83	-4.0	11.1
High Yield Bond Funds				
abrdn Inc Credit Str **ACP**	6.44	5.94	-7.8	18.6
AllianceBernGlHiIncm **AWF**	11.32	10.58	-6.5	7.3
Allspring Income Oppty **EAD**	7.35	6.84	-6.9	8.8
Barings Glb SD HY Bd **BGH**	15.87	15.30	-3.6	9.3
BR Corporate HY **HYT**	9.64	9.72	+0.8	9.4
BlackRock Ltd Dur Inc **BLW**	13.99	14.05	+0.4	9.2
BNY Mellon Hi Yield Str **DHF**	2.75	2.56	-6.9	7.6
Brookfield Real Asst Inc **RA**	14.67	13.23	-9.8	9.8
CrSuisHighYld **DHY**	2.19	2.15	-1.8	8.4
DoubleLine Inc Sol **DSL**	12.46	12.47	+0.1	10.3
DoubleLine Yld Opps **DLY**	16.00	15.86	-0.9	8.9
First Trust HY Opp:2027 **FTHY**	15.25	14.65	-3.9	10.4
Franklin Univ **FT**	8.09	7.26	-10.3	6.5
KKR Income Opportunities **KIO**	NA	13.03	NA	10.8
NeubHgYldStrt **NHS**	7.73	7.53	-2.6	13.8
New Amer Hi Inc **HYB**	8.28	8.14	-1.7	5.8
Nuveen Global High Inc **JGH**	13.83	12.74	-7.9	9.3
PGIM Global High Yield **GHY**	NA	12.55	NA	9.9
PGIM High Yield Bond **ISD**	NA	13.73	NA	9.0
PGIM Sh Dur Hi Yld Opp **SDHY**	NA	16.22	NA	7.7
PioneerHiIncm **PHT**	8.26	7.72	-6.5	8.3
WstAstHIF II **HIX**	NA	4.27	NA	13.2
Western Asset Hi Inc Opp **HIO**	NA	3.94	NA	10.7
Western Asset Hi Yld D O **HYI**	NA	12.00	NA	9.3
Other Domestic Taxable Bond Funds				
Allspring Multi-Sector **ERC**	9.80	8.88	-9.4	8.6
Ares Dynamic Crdt Alloc **ARDC**	NA	14.94	NA	9.1
BlackRock Mlt-Sctr Inc **BIT**	14.45	14.32	-0.9	10.1
BlackRock Tax Muni Bd **BBN**	17.20	15.88	-7.7	6.5
DoubleLine:Oppor Crdt Fd **DBL**	15.34	15.36	+0.1	8.5
EVLmtDurIncm **EVV**	NA	9.89	NA	9.3
Franklin Ltd Dur Income **FTF**	6.93	6.44	-7.1	11.0
FS Credit Opportunities **FSCO**	NA	NA	NA	10.4
J Han Investors **JHI**	14.62	13.74	-6.0	7.0
MFS Charter **MCR**	6.74	6.19	-8.2	0.0
NuvCorePlusImpact **NPCT**	11.67	10.62	-9.0	10.9
Nuveen Taxable Muni Inc **NBB**	16.17	15.44	-4.5	6.2
PIMCO Corp & Inc Oppty **PTY**	NA	14.32	NA	9.6
PIMCO Corp & Inc Strat **PCN**	NA	13.43	NA	9.6
PIMCOHiInco **PHK**	NA	4.88	NA	11.4
PIMCO IncmStrFd **PFL**	NA	8.33	NA	11.4
PIMCO IncmStrFd II **PFN**	NA	7.36	NA	11.4
Putnam Mas Int **PIM**	3.43	3.26	-5.0	8.0
Putnam Prem Inc **PPT**	3.79	3.55	-6.3	8.7
Western Asset Dvsfd Inc **WDI**	NA	14.44	NA	11.7
Western Asset Inf-Lk Inc **WIA**	NA	8.06	NA	7.2
Western Asset Inf-Lk O&I **WIW**	NA	8.37	NA	8.3
World Income Funds				
abrdn AP IncFd **FAX**	17.04	15.24	-10.6	12.4
MS EmMktDomDebt **EDD**	4.98	4.41	-11.4	9.6
PIMCO Access Income **PAXS**	NA	15.50	NA	10.6
PIMCO Dynamic Inc Strat **PDX**	NA	25.49	NA	5.1
PIMCO Dynamic Income **PDI**	NA	18.37	NA	13.8
PIMCO Dynamic Inc Opp **PDO**	NA	13.12	NA	11.2
PIMCO Stratg Inc **RCS**	NA	7.43	NA	7.8
Templtn Glbl Inc **SABA**	NA	8.89	NA	NE
Templeton Em Inc **TEI**	5.70	5.21	-8.6	10.6
WstAstEmergDebt **EMD**	NA	9.88	NA	10.1
Western Asset Gl Cr D Op **GDO**	NA	11.16	NA	11.5
National Muni Bond Funds				
AllBerNatlMunInc **AFB**	12.38	10.97	-11.4	3.5
BlckRk Inv Q Mun **BKN**	12.59	11.28	-10.4	5.5
BlackRock Muni 2030 Tgt **BTT**	23.76	20.49	-13.8	2.6
BlackRock Muni **BFK**	11.12	9.84	-11.5	5.7
BlackRock Muni II **BLE**	11.74	10.48	-10.7	5.6
BlckRk Muni Inc Qly **BYM**	12.26	10.86	-11.4	5.4
BR MuniAssets Fd **MUA**	11.53	11.00	-4.6	5.4
BR MH Qly 2 **MUE**	11.28	10.05	-10.9	5.1
BR MuniHoldngs **MHD**	13.15	11.75	-10.6	5.1
BR MuniVest Fd **MVF**	7.80	7.06	-9.5	4.9
BR MuniVest 2 **MVT**	12.01	10.43	-13.2	5.4
BR MuniYield Fd **MYD**	11.73	10.40	-11.3	5.5
BR MuniYield Qlty **MQY**	12.75	11.80	-7.5	5.4
BR MuniYld Qlty2 **MQT**	11.24	9.97	-11.3	5.5
BR MuniYld Qly 3 **MYI**	12.14	10.96	-9.7	5.7
BNY Mellon Muni Bd Infra **DMB**	11.91	10.34	-13.2	3.2
BNY Mellon Str Muni Bond **DSM**	6.64	5.79	-12.8	3.5
BNY Mellon Strat Muni **LEO**	6.96	6.01	-13.6	3.5
DWS Muni Inc **KTF**	9.90	9.47	-4.3	6.0
EVMuniBd **EIM**	NA	10.41	NA	5.3
EVMuniIncm **EVN**	NA	9.93	NA	5.2
EVNatMuniOpp **EOT**	NA	16.59	NA	4.4
InvAdvMuIncTrII **VKI**	9.49	8.67	-8.6	5.8
Invesco MuniOp **OIA**	6.31	5.95	-5.7	5.1
InvescoMuOppTr **VMO**	10.60	9.50	-10.4	5.8
InvescoMuTr **VKQ**	10.64	9.55	-10.2	5.8
InvescoQual Inc **IQI**	10.69	9.64	-9.8	5.9
InvTrInvGrMu **VGM**	10.96	9.89	-9.8	5.8
InvescoValMunInc **IIM**	13.06	11.81	-9.6	5.9
NeubrgrBrm **NBH**	11.73	10.34	-11.8	4.9
Nuveen AMT-Fr Mu Val **NUW**	15.06	13.37	-11.2	3.7
Nuveen AMT-Fr Qlty Mun I **NEA**	12.17	11.18	-8.1	6.0
Nuveen AMT-Fr Mu CI **NVG**	13.32	12.15	-8.8	6.0
Nuveen Dyn Muni Opp **NDMO**	10.89	9.95	-8.6	6.8
Nuveen Mu Crdt Opps **NMCO**	11.57	10.48	-9.4	6.1
Nuv Muni Credit Income **NZF**	13.26	12.27	-7.5	6.1
NuvMuniHiIncOpp **NMZ**	10.98	10.80	-1.6	5.7
Nuveen Muni Val **NUV**	NA	8.51	NA	3.9
Nuveen Quality Muni Inc **NAD**	12.64	11.48	-9.2	6.0
Nuveen Sel TF **NXP**	14.40	14.45	+0.3	4.0
NYLI MacKay DT Muni Opp **MMD**	16.60	14.89	-10.3	4.4
PIMCO MuniInc **PMF**	9.13	8.98	-1.6	5.2
PIMCOMuniIncII **PML**	8.50	8.02	-5.6	5.3
Pimco Muni III **PMX**	7.82	7.27	-7.0	4.9
PioneerHiIncAdv **MAV**	9.11	8.47	-7.0	4.2
PionrMuniHiIncOppty **MIO**	12.76	11.88	-6.9	4.6
PioneerMunHiIcm **MHI**	9.97	9.36	-6.1	4.1
Putnam Mgd Inc **PMM**	6.74	6.05	-10.2	4.4
Putnam Muni Opp **PMO**	11.35	10.22	-10.0	3.8
RiverNorth Flx Mu Inc II **RFMZ**	15.22	13.35	-12.3	7.3
RiverNorth Mgd Dur Mun I **RMM**	16.04	14.59	-9.0	6.9
Western Asset Mgd Muni **MMU**	NA	10.18	NA	5.7
Single State Muni Bond				
BlackRock CA Mun **BFZ**	12.52	11.32	-9.6	5.6
BR MH CA Qly Fd Inc **MUC**	12.21	10.60	-13.2	5.2
BR MH NJ Qly **MUJ**	12.71	11.08	-12.8	5.0
BR MH NY Qly **MHN**	11.66	10.28	-11.8	4.9
BR MuniYld MI Qly **MIY**	12.66	11.36	-10.3	4.7
BR MuniYld NY Qly **MYN**	11.29	10.06	-10.9	5.1
BR MuniYld PA Qly **MPA**	12.72	11.43	-10.1	5.5
BlackRock NY Mun **BNY**	11.62	10.24	-11.9	4.9
EVCAMuniBd **EVM**	NA	9.17	NA	4.9
Eaton Vance NY Muni Bd **ENX**	NA	9.53	NA	4.8
InvCaValMuIncTr **VCV**	10.95	10.50	-4.1	5.6
InvPAValMuIncTr **VPV**	11.44	10.25	-10.4	5.1
InvTrInvGrNYMu **VTN**	11.59	10.62	-8.4	5.4
Nuveen CA AMT-F Qual MI **NKX**	12.77	12.31	-3.6	5.7
Nuveen CA Val **NCA**	9.27	8.42	-9.2	3.9
NuveenCAQtyMuInc **NAC**	12.27	11.12	-9.4	6.1
NuvNJ Qual Muni Inc **NXJ**	13.12	11.87	-9.5	5.6
Nuveen NY AMT/Fr Qual MI **NRK**	11.51	10.32	-10.3	6.1
Nuveen NY Val **NNY**	8.92	8.05	-9.8	4.0
Nuveen NY Qual Muni Inc **NAN**	12.04	11.12	-7.6	6.0
Nuveen PA Qual Muni Inc **NQP**	12.76	11.21	-12.1	5.8
Nuveen VA Qlty Mun Inc **NPV**	12.02	12.96	+7.8	5.0
PIMCO CA **PCQ**	10.23	9.08	-11.2	4.4
PIMCOCAMuniII **PCK**	6.53	5.64	-13.6	4.3
Pimco CA Muni III **PZC**	7.55	6.75	-10.6	4.9

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Alternative Strategies:I	14.74	NA	NA	-1.2
Specialized Equity Funds				
Accordant ODCE Index;A	9.34	NA	NA	-3.0
Accordant ODCE Index;I	9.37	NA	NA	-2.8
Accordant ODCE Index;Y	9.37	NA	NA	-2.8
ARK Venture	29.87	NA	NA	12.9
ArrowMark Financial Corp **BANX**	NA	20.70	NA	NA
CASCADE PRIVATE CAP;I	17.19	NA	NA	NA
CBRE GlbRlEst **IGR**	5.04	4.97	-1.4	-7.1
CIM RA&C A	21.74	NA	NA	-1.0
CIM RA&C C	21.00	NA	NA	-1.8
CIM RA&C I	21.99	NA	NA	-0.8
CIM RA&C L	21.48	NA	NA	-1.3
Connetic Venture CA;I	10.06	NA	NA	NS
Forum RE Income;Founders	9.74	NA	NA	13.4
Forum RE Income;I	9.74	NA	NA	13.3
Forum RE Income;K	9.72	NA	NA	NS
HMLTN LN PRIV INFRA;I	NA	NA	NA	NS
HMLTN LN PRIV INFRA;R	NA	NA	NA	NS
HMLTN LN PRIV INFRA;Y	NA	NA	NA	NS
JACKSON REAL ASSETS;I	10.36	NA	NA	NS
MEKETA INFRSTRCTR;I	26.45	NA	NA	NS
MEKETA INFRSTRCTR;III	26.45	NA	NA	NS
NexPointRlEstStrat;A	16.20	NA	NA	1.1
NexPointRlEstStrat;C	16.41	NA	NA	0.4
NexPointRlEstStrat;Z	16.43	NA	NA	1.4
PENDER REAL ESTATE CR;A	10.07	NA	NA	NS
PENDER REAL ESTATE CR;I1	10.08	NA	NA	8.3
PENDER REAL ESTATE CR;I2	10.08	NA	NA	8.4
PIMCO FLEXIBLE REI;F	10.49	NA	NA	NS
PIMCO Flexible REI;Inst	10.49	NA	NA	8.9
Principal Real Asst A	25.77	NA	NA	3.2
Principal Real Asst Ins	25.92	NA	NA	3.5
Principal Real Asst Y	26.22	NA	NA	3.7
Redwood Rl Est;I	25.16	NA	NA	8.0
The Private Shares;A	41.77	NA	NA	9.8
The Private Shares;I	42.55	NA	NA	10.1
The Private Shares;L	41.03	NA	NA	9.5
Thirdline Real EstateI	10.07	NA	NA	5.4
USQ Core Real Estate:I	22.14	NA	NA	-5.8
USQ Core Real Estate:L	22.23	NA	NA	-5.8
Versus Cap RE:I	24.57	NA	NA	-0.9
Versus Capital Real Asst	27.84	NA	NA	3.1
Wildermuth:I	3.80	NA	NA	-56.4
Income & Preferred Stock Funds				
ALPHA ALT ASST;A	6.33	NA	NA	5.5
Alpha Alternative Assets	6.40	NA	NA	5.7
Calamos L/S Eqty and DI **CPZ**	17.11	15.27	-10.8	7.7
Denali Strctr Rtrn Strat	NA	NA	NA	NS
Flat Rock Opportunity	19.23	NA	NA	16.6
Lord Abbett Spec Sit I:A	9.34	NA	NA	10.5
Lord Abbett Spec Sit I:I	9.34	NA	NA	11.3
Variant Altrntv Inc:Inst	27.67	NA	NA	4.9
Variant Impact;Instl	28.41	NA	NA	6.5
Versus Capital Infra Inc	10.08	NA	NA	NS
Convertible Sec's. Funds				
Calmos Dyn Conv and Inc **CCD**	19.42	24.65	+26.9	11.3
World Equity Funds				
BEACON POINTE MLT-ALT;I	NA	NA	NA	NS
CalamosGlbTotRet **CGO**	11.71	11.66	-0.5	25.0
Cantor Fitzgerald SI:A	12.05	NA	NA	18.4
Cantor Fitzgerald SI:C	11.88	NA	NA	17.5
Cantor Fitzgerald SI:I	12.09	NA	NA	18.8
CANTOR FITZGERALD INFR;S	12.16	NA	NA	NS
Sweater Cashmere	22.51	NA	NA	6.2
Primark Priv Eq Inv:I	14.37	NA	NA	18.2
Thornburg Inc Bldr Opps **TBLD**	18.32	16.22	-11.5	8.9
VirtusTotalRetFd **ZTR**	NA	5.85	NA	NA

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
Arca US Treasury	NA	NA	NA	0.0
CATALYST STRAT INC OPPS	10.06	NA	NA	NS
Ellington Inc Opp:A	9.26	NA	NA	11.7
Ellington Inc Opp:M	9.12	NA	NA	12.3
Loan Participation Funds				
1WS Credit Income;A2	NA	NA	NA	8.3
1WS Credit Income;Inst	NA	NA	NA	8.1
Apollo Diversified Cd:A	NA	NA	NA	8.7
Apollo Diversified Cd:C	NA	NA	NA	8.0
Apollo Diversified Cd:F	NA	NA	NA	10.8
Apollo Diversified Cd:I	NA	NA	NA	9.0
Apollo Diversified Cd:L	NA	NA	NA	8.5
Apollo Diversified Cd:M	NA	NA	NA	8.3
Axonic Alternative I;A	20.22	NA	NA	8.9
Axonic Alternative I Ins	20.37	NA	NA	8.9
Bluerock HI Inst Crd:A	23.78	NA	NA	15.7
Bluerock HI Inst Crd:C	23.78	NA	NA	15.7
Bluerock HI Inst Crd:F	23.77	NA	NA	15.7
Bluerock HI Inst Crd:I	23.79	NA	NA	15.7
BNYM Alcntr Glb MS Cr Fd	95.78	NA	NA	NA
CliffwaterClFd;I	10.89	NA	NA	11.0
CliffwaterElFd;I	11.12	NA	NA	10.9
CNR Strategic Credit	7.19	NA	NA	22.9
Floating-Rate Opps;A	NA	NA	NA	NS
Floating-Rate Opps;I	NA	NA	NA	10.1
Floating-Rate Opps;U	NA	NA	NA	NS
Equalize Community Dev	9.40	NA	NA	3.7
FedProj&TrFinanceTendr	10.18	NA	NA	6.9
Flat Rock Core Income	20.54	NA	NA	9.95
Flat Rock Enhanced Inc	21.64	NA	NA	11.4
InvDYCrOpp:A	10.94	NA	NA	11.0
InvDYCrOpp:R6	10.94	NA	NA	11.4
InvDYCrOpp:Y	10.94	NA	NA	11.3
Invesco Sr Loan A	5.72	NA	NA	9.4
Invesco Sr Loan C	5.74	NA	NA	8.6
Invesco Sr Loan IB	5.72	NA	NA	9.6
Invesco Sr Loan IC	5.72	NA	NA	9.5
Invesco Sr Loan Y	5.72	NA	NA	9.6
Lord Abbett FR Hi Inc:A	10.08	NA	NA	9.9
Lord Abbett FR Hi Inc:I	10.08	NA	NA	10.4
Monachil Credit Income:I	10.03	NA	NA	9.9
Nomura Alt Inc;I	10.02	NA	NA	10.8
Octagon XAI CLO Inc;A	25.27	NA	NA	NS
Octagon XAI CLO Inc;I	25.28	NA	NA	NS
OFS Credit Company **OCCI**	NA	7.09	NA	NA
PC PCAAM AI;I	10.00	NA	NA	NS
PRINCIPAL PRIVATE CR I;A	10.35	NA	NA	NS
PRINCIPAL PRIVATE CR I;Y	10.39	NA	NA	NS
PRINCIPAL PRVT CR I;INS	10.37	NA	NA	NS
SEI Alternative Income:F	10.33	NA	NA	7.8
SEI Alternative Income:Y	10.33	NA	NA	8.1
Voya Enhanced Sec Inc:A	10.14	NA	NA	NS
Voya Enhanced Sec Inc:C	10.14	NA	NA	NS
Voya Enhanced Sec Inc:I	10.14	NA	NA	NS
Yieldstreet Alt Inc	NA	NA	NA	7.9
High Yield Bond Funds				
AB CarVal Credit Opp;Adv	9.90	NA	NA	NS
AB CarVal Credit Opp;A	9.90	NA	NA	NS
AB CarVal Credit Opp;C	9.90	NA	NA	NS
AB CarVal Credit Opp;U	9.90	NA	NA	NS
Opprtnstc Crdt Intrvl;I	NA	NA	NA	9.4
PIMCO Flexible Cr I;A-1	NA	NA	NA	10.3
PIMCO Flexible Cr I;A-2	NA	NA	NA	10.3
PIMCO Flexible Cr I;A-3	NA	NA	NA	10.1
PIMCO Flexible Cr I;A-4	NA	NA	NA	10.1
PIMCO Flexible Cr I;Inst	NA	NA	NA	10.8
Polen Credit Opps;Inst	9.80	NA	NA	9.8
Other Domestic Taxable Bond Funds				
AFA Private Credit;Fndr	9.72	NA	NA	7.6
AFA Private Credit;Inst	9.73	NA	NA	7.6
Alternative Credit Inc:A	NA	NA	NA	7.1
Alternative Credit Inc:C	NA	NA	NA	6.4
Alternative Credit Inc:I	NA	NA	NA	7.4
Alternative Credit Inc:L	NA	NA	NA	6.9
Alternative Credit Inc:W	NA	NA	NA	7.2
AMG Pantheon Crdt Soln;I	10.71	NA	NA	NS
AMG Pantheon Crdt Soln;S	10.81	NA	NA	NS
Angel Oak Str Crdt:FI	21.40	NA	NA	7.3
Angel Oak Str Crdt:Inst	21.39	NA	NA	7.3
BR Credit Strat;A	8.57	NA	NA	8.5
BR Credit Strat;Inst	8.54	NA	NA	9.2
BR Credit Strat;J	8.55	NA	NA	NS
BR Credit Strat;U	8.56	NA	NA	8.5
BR Credit Strat;W	8.57	NA	NA	8.5
CION Ares Dvsfd Crdt;A	NA	NA	NA	8.9
CION Ares Dvsfd Crdt;C	NA	NA	NA	8.1
CION Ares Dvsfd Crdt;I	NA	NA	NA	9.1
CION Ares Dvsfd Crdt;L	NA	NA	NA	8.6
CION Ares Dvsfd Crdt;U	NA	NA	NA	8.4
CION Ares Dvsfd Crdt;U2	NA	NA	NA	8.4
CION Ares Dvsfd Crdt;W	NA	NA	NA	8.6
CNR Select Strategies	15.98	NA	NA	0.0
Diamond Hill Sec Cr;R	10.09	NA	NA	NS
First Eagle Crdt Opps A	23.11	NA	NA	10.6
First Eagle Crdt Opps A2	23.07	NA	NA	10.4
First Eagle Crdt Opps I	22.97	NA	NA	11.2
First Trust Private Cr;A	NA	NA	NA	9.7
First Trust Private Cr;I	NA	NA	NA	10.1
Franklin BSP Pvt Cr:A	NA	NA	NA	8.3
Franklin BSP Pvt Cr:Adv	NA	NA	NA	8.8
FS Credit Income;A	12.33	NA	NA	7.9
FS Credit Income;I	12.37	NA	NA	8.1
FS Credit Income;T	12.35	NA	NA	7.6
FS Credit Income;U	12.31	NA	NA	7.4
FS Credit Income;U-2	12.41	NA	NA	7.4
KKR CREDIT OPPTY;D	NA	NA	NA	9.2
KKR CREDIT OPPTY;I	NA	NA	NA	9.5
KKR CREDIT OPPTY;T	NA	NA	NA	8.7
KKR CREDIT OPPTY;U	NA	NA	NA	8.7
MA SPECIALTY CREDIT IN;S	25.21	NA	NA	NS
NIAGARA INCOME OPPORTNTS	NA	NA	NA	NS
Palmer Square Opp Inc	18.27	NA	NA	8.9
World Income Funds				
BlueBay Destra Itl E:A	23.17	NA	NA	7.3
BlueBay Destra Itl E:I	23.20	NA	NA	7.5
BlueBay Destra Itl E:L	23.14	NA	NA	7.0
BlueBay Destra Itl E:T	23.01	NA	NA	6.8
BOOSTER INCOME OPPTYS	10.04	NA	NA	NS
Calamos-Aksia ACI:A	10.76	NA	NA	8.4
Calamos-Aksia ACI:C	10.75	NA	NA	7.6
Calamos-Aksia ACI:I	10.77	NA	NA	8.6
Calamos-Aksia ACI:M	10.76	NA	NA	7.9
Carlyle Tact Pvt Cred:A	NA	NA	NA	9.4
Carlyle Tact Pvt Cred:I	NA	NA	NA	9.8
Carlyle Tact Pvt Cred:L	NA	NA	NA	9.2
Carlyle Tact Pvt Cred:M	NA	NA	NA	9.2
Carlyle Tact Pvt Cred:N	NA	NA	NA	9.95
Carlyle Tact Pvt Cred:U	NA	NA	NA	9.2
Carlyle Tact Pvt Cred:Y	NA	NA	NA	9.3
Fid MS Cr;A	NA	NA	NA	6.0
Fid MS Cr;C	NA	NA	NA	5.3
Fid MS Cr;I	NA	NA	NA	6.2
Fid MS Cr;L	NA	NA	NA	5.7
Jackson Credit Opps:I	10.33	NA	NA	NS
Lord Abbett Cred Opps Fd	8.93	NA	NA	9.1
Lord Abbett Cred Opps Fd	8.93	NA	NA	9.8
Lord Abbett Crd Op:U	8.93	NA	NA	9.1
Oaktree Dvsfd Income;D	9.33	NA	NA	8.5
PIMCO Flexible EM I;Inst	NA	NA	NA	8.3
National Muni Bond Funds				
Ecofin Tax-Exempt Prv Cr	8.44	NA	NA	2.5
Lind Cap Pt Mun Cred Inc	8.83	NA	NA	6.6
Lord Abbett Muni Opps:A	10.04	NA	NA	NS
Lord Abbett Muni Opps:I	10.04	NA	NA	NS
Nuveen En HY Muni Bd:A1	7.70	NA	NA	4.9
Nuveen En HY Muni Bd:A2	7.72	NA	NA	5.1
Nuveen En HY Muni Bd:I	7.70	NA	NA	5.5
NYLI MacKay Mu IO;A1	10.07	NA	NA	NS
NYLI MacKay Mu IO;A2	10.07	NA	NA	NS
NYLI MacKay Mu IO;A3	10.06	NA	NA	NS
NYLI MacKay Mu IO;I	10.07	NA	NA	NS
PIMCO Flex Mun Inc;A-3	NA	NA	NA	3.5
PIMCO Flex Mun Inc:A1	NA	NA	NA	3.7
PIMCO Flex Mun Inc;A2	NA	NA	NA	3.7
PIMCO Flex Mun Inc;Inst	NA	NA	NA	4.2
ROCKEFELLER MUNI OPPS;I	19.89	NA	NA	NS
Single State Muni Bond				
PIMCO CA FMI;A-1	NA	NA	NA	2.7
PIMCO CA FMI;Inst	NA	NA	NA	3.2

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by LSEG Data and Analytics on December 20, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range ($) in transaction	$ Value (000s)	Close ($)	Ytd (%)
Buyers									
Dec. 16-17	TKO Group Holdings	TKO	A. Emanuel	CEOI	526	143.35-148.97	77,403	143.54	75.9
Dec. 16-17			P. Whitesell	BI	526	143.35-148.97	77,403		
Dec. 11-13			A. Emanuel	CEOI	337	141.98-143.95	48,133		
Dec. 11-13			P. Whitesell	BI	337	141.98-143.95	48,133		
Dec. 13-16	Nerdy	NRDY	C. Cohn	CEOI	5,000	1.70-1.99	9,080	1.71	-50.1
Dec. 13-17	Mach Natural Resources	MNR	W. Mcmullen	AFI	563	15.28-15.62	8,713	15.67	-5.0
Dec. 16	Candel Therapeutics	CADL	P. Manning	DI	1,250	6.00	7,500	8.75	495.2
Dec. 11	United Homes Group	UHG	M. Nieri	H	900*	5.00	4,500	4.18	-50.4
Dec. 13	Tidewater	TDW	Q. Kneen	CEO	42	48.06	2,000	49.00	-32.0
Dec. 13-16			R. Robotti	DI	21	47.47-47.70	1,006		
Dec. 17-19	TXO Partners	TXO	K. Hutton	DO	120	15.64-16.04	1,905	16.67	-8.3
Dec. 16-18	Sunrise Realty Trust	SUNS	L. Tannenbaum	H	103	13.39-13.47	1,376	13.59	n.a.
Dec. 12	Dow	DOW	J. Fitterling	CEO	26*	41.45-41.52	1,062	39.94	-27.2
Dec. 17	ConocoPhillips	COP	R. Walker	D	10	97.80	1,017	95.12	-18.0
Dec. 18	Centene	CNC	T. Greco	D	17	59.75	1,016	59.58	-19.7
Dec. 11-12	Terex	TEX	D. Sachs	DI	20	50.16-51.30	1,015	45.07	-21.6
Dec. 13	Globalstar	GSAT	J. Monroe	DOI	530	1.90	1,006	1.95	0.5
Dec. 18			J. Monroe	DOI	500	2.00	998		
Sellers									
Dec. 16	NVIDIA	NVDA	T. Coxe	DI	1,000	131.03-132.64	131,264	134.70	172.0
Dec. 11	Nuvalent	NUVL	A. Hack	DI	1,250	88.00	110,000	84.22	14.4
Dec. 11-13	Palantir Technologies	PLTR	S. Cohen	P	1,316	68.83-75.85	95,838	80.55	369.1
Dec. 12	Loar Holdings	LOAR	D. Abrams	DOI	1,006	81.18	81,699	72.83	n.a.
Dec. 12			R. Bobbili	DOI	987	81.18	80,140		
Dec. 12			A. Bomberg	DOI	987	81.18	80,140		
Dec. 12			A. Carpenito	DOI	987	81.18	80,140		
Dec. 13	Rubrik	RBRK	B. Sinha	CEO	1,158	70.25	81,355	66.12	n.a.
Dec. 11-12	nCino	NCNO	J. Horing	DI	1,878	36.65-36.69	68,885	35.22	4.7
Dec. 11	Duolingo	DUOL	S. Hacker	CT	189	321.29-352.72	64,139	342.12	50.8
Dec. 13-16			A. Von	CEO	145	334.51-350.49	50,067		
Dec. 6	GigaCloud Technology	GCT	F. Lin	BI	2,663	21.80	58,055	17.93	-2.0
Dec. 12	TransDigm Group	TDG	R. Small	DI	38	1246.81-1250.99	47,520	1276.15	26.2
Dec. 10-12	AppLovin	APP	H. Chen	D	125*	316.48-353.25	41,907	340.99	755.7
Dec. 16-17	DoorDash	DASH	T. Xu	CEO	210	176.19-181.34	37,658	171.00	72.9
Dec. 12	Vertex	VERX	J. Westphal	UTI	575	53.01	30,481	53.53	98.7
Dec. 16	Warner Bros Discovery	WBD	D. Zaslav	CEO	2,564	11.73	30,076	10.69	-6.1
Dec. 17	Airbnb	ABNB	J. Gebbia	DOI	214	130.94-132.29	28,260	134.21	-1.4

* Half the transactions were indirect ** Two day transaction
p - Pink Sheets

Insider Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	4,144,067	2,680,952	**Finance**	5,502,512	123,516,067
Capital Goods	3,750,677	85,280,953	**Health care**	14,379,270	229,115,214
Consumer durables	4,799,452	76,928,960	**Public Utilities**	0	1,688,495
Consumer non-durables	326,132	16,206,478	**Technology**	1,507,694	564,932,769
Consumer services	8,008,765	180,423,052	**Transportation**	236,669	6,228,750
Energy	8,834,155	34,042,923			

Sources: LSEG Data and Analytics; Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

December 20, 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	Low
Prime rates				
U.S.	7.50	7.75	8.50	7.50
Canada	5.45	5.95	7.20	5.45
Japan	1.625	1.625	1.625	1.475
Policy Rates				
Euro zone	3.15	3.40	4.50	3.15
Switzerland	1.00	1.00	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.	4.37	4.69	5.48	4.37

U.S. government rates

	Latest	Week ago	High	Low
Discount	4.50	4.75	5.50	4.50

	Latest	Week ago	—52-WEEK— High	Low
Federal funds				
Effective rate	4.3300	4.5800	5.3400	4.3300
High	4.5500	4.8000	5.6500	4.5500
Low	4.3000	4.5500	5.3300	4.3000
Bid	4.3200	4.5700	5.3300	4.3200
Offer	4.3300	4.5800	5.3600	4.3300
Treasury bill auction				
4 weeks	4.230	4.240	5.325	4.230
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	low
Call money	6.25	6.50	7.25	6.25

	Latest	Week ago	—52-WEEK— High	Low
Commercial paper (AA financial)				
90 days	4.39	n.a.	5.39	4.39
Secured Overnight Financing Rate	4.30	4.62	5.40	4.30

	Latest	Value Traded	—52-Week— High	Low
DTCC GCF Repo Index				
Treasury	4.346	62.750	5.504	4.346
MBS	4.353	45.170	5.689	4.353

Weekly survey

	Latest	Week ago	Year ago
Freddie Mac			
30-year fixed	6.72	6.60	6.67
15-year fixed	5.92	5.84	5.95

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 December 19, 2024. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective December 19, 2024. **Secured Overnight Financing Rate** is as of December 19, 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.

Cash Prices | wsj.com/market-data/commodities

Friday, December 20, 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.

	Friday
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	2616.00
Handy & Harman base	2616.45
Handy & Harman fabricated	2904.26
LBMA Gold Price AM	*2621.30
LBMA Gold Price PM	*2592.45
Krugerrand,wholesale-e	2732.98
Maple Leaf-e	2759.26
American Eagle-e	2759.26
Mexican peso-e	3176.42
Austria crown-e	2578.84
Austria phil-e	2759.26
Silver, troy oz.	
Engelhard industrial	29.4500
Handy & Harman base	29.4350
Handy & Harman fabricated	36.7940
LBMA spot price	*£23.4100
(U.S.$ equivalent)	*29.4900
Coins,wholesale $1,000 face-a	22750
Other metals	
LBMA Platinum Price PM	*929.0
LBMA Palladium Price PM	*909.0
Platinum,Engelhard industrial	936.0
Palladium,Engelhard industrial	932.0
Aluminum, LME, $ per metric ton	*2470.0

	Friday
Copper,Comex spot	4.0410
Iron Ore, 62% Fe CFR China-s	*102.1
Steel, HRC USA, FOB Midwest Mill-s	*690.0
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.2%-v,w	10475
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	9375
BMI Cobalt sulphate, EXW China, >20.5% -v,w	3528
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	0.8500
Cotton,1 1/16 std lw-mdMphs-u	0.6506
Cotlook 'A' Index-t	*78.35
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	149
Corn,No. 2 yellow,Cent IL-bp,u	4.2000
Corn gluten feed,Midwest-u,w	122.6
Corn gluten meal,Midwest-u,w	475.2
Cottonseed meal-u,w	n.a.
Hominy feed,Cent IL-u,w	108
Meat-bonemeal,50% pro Mnpls-u,w	305
Oats,No.2 milling,Mnpls-u	4.1125
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	302.10
Soybeans,No.1 yllw IL-bp,u	9.5200
Wheat,Spring14%-pro Mnpls-u	8.0525

	Friday
Wheat,No.2 soft red,St.Louis-u	5.4400
Wheat - Hard - KC (USDA) $ per bu-u	5.4475
Wheat,No.1soft white,Portld,OR-u	5.9750
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	299.91
select 1-3,600-900 lbs.-u	269.61
Broilers, National comp wtd. avg.-u,w	1.3261
Butter,AA Chicago-d	2.5550
Cheddar cheese,bbl,Chicago-d	176.00
Cheddar cheese,blk,Chicago-d	185.25
Milk,Nonfat dry,Chicago lb.-d	139.25
Coffee,Brazilian,Comp-y	3.2721
Coffee,Colombian, NY-y	3.3910
Eggs,large white,Chicago-u	4.4750
Flour,hard winter KC-p	14.85
Hams,17-20 lbs,Mid-US fob-u	1.11
Hogs,Iowa-So. Minnesota-u	83.44
Pork bellies,12-14 lb MidUS-u	1.3766
Pork loins,13-19 lb MidUS-u	0.9280
Steers,Tex.-Okla. Choice-u	191.00
Steers,feeder,Okla. City-u,w	309.88
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	n.a.
Grease,choice white,Chicago-h	0.4000
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u,w	0.4051
Tallow,bleach;Chicago-h	0.4275
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 12/19

Source: Dow Jones Market Data

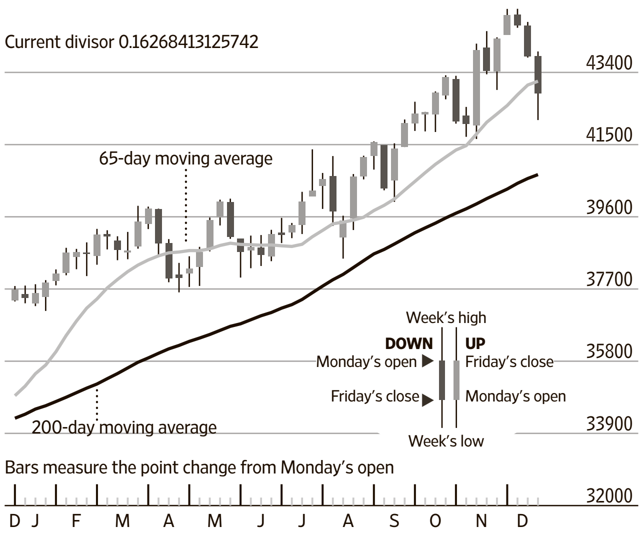
MARKETS DIGEST

Dow Jones Industrial Average

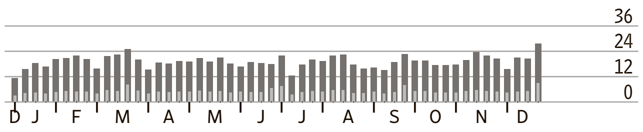
42840.26 ▼987.80, or 2.25% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio	26.93	27.04
P/E estimate *	21.69	20.70
Dividend yield	1.90	1.97
All-time high	45014.04, 12/04/24	



NYSE weekly volume, in billions of shares



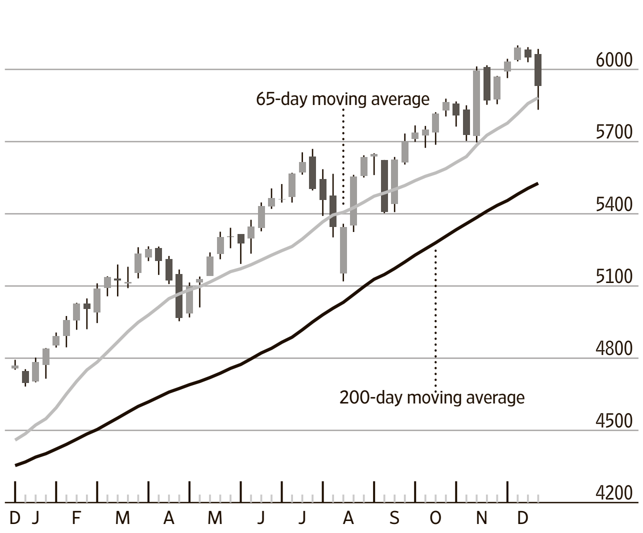
*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

S&P 500 Index

5930.85 ▼120.24, or 1.99% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio *	24.45	21.78
P/E estimate *	21.96	21.37
Dividend yield *	1.30	1.57
All-time high	6090.27, 12/06/24	



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Major U.S. Stock-Market Indexes

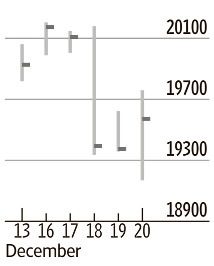
	Latest Week High	Low	Close	Net chg	% chg	52-Week Low	Close (●)	High	% chg	% chg YTD	3-yr. ann.
Dow Jones											
Industrial Average	43951.58	42146.33	42840.26	-987.80	-2.25	37266.67		45014.04	14.6	13.7	7.0
Transportation Avg	16704.05	15677.38	15891.99	-819.44	-4.90	14781.56		17754.38	-1.1	-0.0	0.7
Utility Average	1006.99	964.59	986.32	-17.33	-1.73	829.38		1079.88	13.0	11.9	1.2
Total Stock Market	60643.97	57917.95	58920.26	-1362.64	-2.26	46849.48		60836.59	23.6	23.3	8.1
Barron's 400	1315.61	1237.51	1259.82	-50.24	-3.83	1039.19		1356.99	17.2	17.5	6.5
Nasdaq Stock Market											
Nasdaq Composite	20204.58	19168.38	19572.60	-354.13	-1.78	14510.30		20173.89	30.5	30.4	9.3
Nasdaq-100	22133.22	20913.72	21289.15	-491.10	-2.25	16282.01		22096.66	26.9	26.5	10.9
S&P											
500 Index	6085.19	5832.30	5930.85	-120.24	-1.99	4688.68		6090.27	24.7	24.3	9.1
MidCap 400	3293.80	3088.19	3124.28	-152.92	-4.67	2691.79		3390.26	12.1	12.3	5.2
SmallCap 600	1499.78	1393.60	1416.89	-71.74	-4.82	1241.62		1544.66	7.4	7.5	2.3
Other Indexes											
Russell 2000	2370.43	2194.90	2242.37	-104.52	-4.45	1913.17		2442.03	10.2	10.6	1.6
NYSE Composite	19773.05	18860.61	19119.44	-609.93	-3.09	16522.83		20272.04	14.0	13.4	5.2
Value Line	641.02	603.87	613.29	-25.32	-3.96	566.64		656.04	3.3	3.3	-1.3
NYSE Arca Biotech	5953.77	5636.22	5728.01	-147.87	-2.52	4861.76		6154.34	6.7	5.7	0.8
NYSE Arca Pharma	967.60	925.21	928.89	-32.12	-3.34	899.26		1140.17	3.3	2.1	4.8
KBW Bank	132.46	124.30	127.21	-4.54	-3.45	91.80		138.78	33.5	32.5	0.1
PHLX§ Gold/Silver	147.86	136.98	139.22	-8.70	-5.88	102.94		175.74	8.8	10.8	3.3
PHLX§ Oil Service	75.11	68.49	68.88	-5.834	-7.81	68.88		95.25	-19.0	-17.9	11.1
PHLX§ Semiconductor	5280.79	4853.20	4964.91	-184.87	-3.59	3908.85		5904.54	20.1	18.9	10.0
Cboe Volatility	28.32	13.99	18.36	4.55	32.95	11.86		38.57	40.9	47.5	-7.1

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

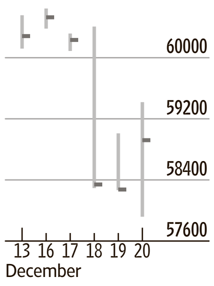
Nasdaq Composite

▼ 354.13, or -1.78% last week



DJ US TSM

▼ 1362.64, or -2.26% last week



International Stock Indexes

Region/Country	Index	Latest Week Close	% chg	52-Week Range Low	Close	High	YTD % chg
World	MSCI ACWI	844.23	-2.53	712.11		873.73	16.1
	MSCI ACWI ex-USA	323.15	-3.45	303.36		357.36	2.1
	MSCI World	3723.22	-2.46	3114.12		3855.07	17.5
	MSCI Emerging Markets	1072.25	-3.14	958.39		1187.97	4.7
Americas	MSCI AC Americas	2231.97	-2.14	1780.25		2299.62	23.1
Canada	S&P/TSX Comp	24599.48	-2.67	20584.97		25691.80	17.4
Latin Amer.	MSCI EM Latin America	1909.88	-4.01	1881.72		2675.33	-28.3
Brazil	Bovespa	122102.15	-2.01	119137.86		137343.96	-9.0
Chile	S&P IPSA	3612.07	-1.06	3265.99		3714.61	4.2
Mexico	S&P/BMV IPC	49586.21	-3.94	49254.47		58711.87	-13.6
EMEA	STOXX Europe 600	502.19	-2.76	467.71		528.08	4.8
	STOXX Europe 50	4250.95	-3.22	4033.40		4577.60	3.8
Eurozone	Euro STOXX	501.18	-2.14	462.34		527.81	5.7
	Euro STOXX 50	4862.28	-2.13	4403.08		5100.90	7.5
Austria	ATX	3589.54	-1.60	3327.04		3775.49	4.5
Belgium	Bel-20	4214.22	-0.99	3552.84		4333.65	13.7
France	CAC 40	7274.48	-1.82	7130.04		8239.99	-3.6
Germany	DAX	19884.75	-2.55	16431.69		20426.27	18.7
Greece	Athex Composite	1452.50	-1.14	1285.65		1502.79	12.3
Israel	Tel Aviv	2364.37	1.24	1805.50		2383.74	26.8
Italy	FTSE MIB	33766.29	-3.22	30077		35410	11.3
Netherlands	AEX	875.44	-2.03	771.43		944.91	11.3
Norway	Oslo Bors All-Share	1609.62	-2.89	1440.55		1690.58	5.9
Portugal	PSI 20	6276.75	-1.22	6055.53		6971.10	-1.9
South Africa	FTSE/JSE All-Share	84603.29	-2.90	71693.09		87643.65	10.0
Spain	IBEX 35	11467.30	-2.42	9858.3		12118.7	13.5
Sweden	OMX Stockholm	950.36	-2.82	859.65		1019.81	5.3
Switzerland	Swiss Market	11384.92	-2.65	11057.55		12451.48	2.2
U.K.	FTSE 100	8084.61	-2.60	7446.29		8445.80	4.5
Asia-Pacific	MSCI AC Asia Pacific	179.22	-3.41	161.74		197.3	5.8
Australia	S&P/ASX 200	8067.00	-2.76	7346.5		8495.2	6.3
China	Shanghai Composite	3368.07	-0.70	2702.19		3489.78	13.2
Hong Kong	Hang Seng	19720.70	-1.25	14961.18		23099.78	15.7
India	BSE Sensex	78041.59	-4.98	70370.55		85836.12	8.0
Japan	NIKKEI 225	38701.90	-1.95	31458.42		42224.02	15.7
Malaysia	FTSE Bursa Malaysia KLCI	1591.41	-1.08	1450.78		1678.80	9.4
Singapore	Straits Times	3719.93	-2.37	3107.10		3822.68	14.8
South Korea	KOSPI	2404.15	-3.62	2360.58		2891.35	-9.5
Taiwan	TAIEX	22510.25	-2.22	17161.79		24390.03	25.5

Source: FactSet; Dow Jones Market Data

Commodities and Currencies

	Last Week Close	Net chg	%Chg	YTD % chg
DJ Commodity	1005.54	-10.04	-0.99	4.98
FTSE/CC CRB Index	292.20	-1.76	-0.60	10.76
Crude oil, $ per barrel	69.46	-1.36	-1.92	-3.06
Natural gas, $/MMBtu	3.748	0.468	14.27	49.09
Gold, $ per troy oz.	2628.70	-27.30	-1.03	27.46
U.S. Dollar Index	107.82	0.81	0.76	6.35
WSJ Dollar Index	102.08	0.86	0.85	6.52
Euro, per dollar	0.9588	0.007	0.70	5.83
Yen, per dollar	156.41	2.71	1.76	10.91
U.K. pound, in dollars	1.26	-0.0044	-0.35	-1.28

	52-Week Low	Close(●)	High	%Chg
DJ Commodity	936.12		1079.94	4.14
FTSE/CC CRB Index	261.65		300.23	9.61
Crude oil, $ per barrel	65.75		86.91	-5.57
Natural gas, $/MMBtu	1.575		3.748	43.60
Gold, $ per troy oz.	1990.30		2788.50	27.79
U.S. Dollar Index	100.38		108.41	6.00
WSJ Dollar Index	95.31		102.56	6.07
Euro, per dollar	0.8934		0.9657	5.60
Yen, per dollar	140.61		161.70	9.80
U.K. pound, in dollars	1.23		1.34	-1.01

New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

None expected this week

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date		Symbol	Offer price($)	Offer amt ($ mil.)	Through Friday (%)	Lockup provision
Dec. 23	June 27, '24	Webtoon Entertainment	WBTN	21.00	343.8	-37.9	180 days
Dec. 24	June 28, '24	Alumis	ALMS	16.00	210.0	-44.9	180 days
	June 28, '24	Lakeside Holding	LSH	4.50	6.8	-43.6	180 days
	June 28, '24	LandBridge	LB	17.00	283.5	242.9	180 days
Dec. 28	July 2, '24	Eshallgo	EHGO	4.00	5.0	-16.8	180 days

Sources: LSEG Data and Analytics; Dow Jones Market Data

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL IPO date/Offer price	Friday's close ($)	% Chg From Offer price	1st-day close	Company SYMBOL IPO date/Offer price	Friday's close ($)	% Chg From Offer price	1st-day close
Range Capital Acquisition **RANGU** Dec. 20/$10.00	10.00	...	...	Jackson Acquisition II **JACS.UT** Dec. 10/$10.00	10.03	0.3	0.1
Youxin Technology **YAAS** Dec. 20/$4.50	3.95	-12.2	...	Linkers Industries **LNKS** Dec. 5/$4.00	8.04	101.0	85.7
Leishen Energy Holding **LSE** Dec. 19/$4.00	4.98	24.5	14.5	Shepherd Ave Capital Acquisition **SPHAU** Dec. 5/$10.00	10.01	0.1	0.2
New Century Logistics **NCEW** Dec. 18/$4.00	2.50	-37.5	-1.6	zSpace **ZSPC** Dec. 5/$5.00	8.60	72.0	-60.9
YSX **YSXT** Dec. 18/$4.00	4.50	12.5	4.4	Tavia Acquisition **TAVIU** Dec. 4/$10.00	10.03	0.3	0.4
Anteris Tech Global **AVR** Dec. 13/$6.00	5.58	-7.0	-0.4	Jupiter Neurosciences **JUNS** Dec. 3/$4.00	9.73	143.3	77.2
Moutain Lake Acquisition **MLACU** Dec. 13/$10.00	10.02	0.2	0.2	Brazil Potash **GRO** Nov. 27/$15.00	8.75	-41.7	-35.2
NetClass Technology **NTCL** Dec. 13/$5.00	5.38	7.6	7.6	BrilliA **BRIA** Nov. 27/$4.00	4.01	0.2	0.2
Roman DBDR Acquisition II **DRDBU** Dec. 13/$10.00	9.96	-0.4	0.1	Pony AI **PONY** Nov. 27/$13.00	13.16	1.2	9.7
ServiceTitan **TTAN** Dec. 12/$71.00	103.56	45.9	2.5	Venu Hldgs **VENU** Nov. 27/$10.00	9.01	-9.9	-11.0

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasurys

Monday, December 23

Auction of 13, 26 and 52 week bills;
announced on December 19; settles on December 26

Auction of 2 year note;
announced on December 19; settles on December 31

Tuesday, December 24

Auction of 5 year note;
announced on December 19; settles on December 31

Thursday, December 26

Auction of 7 year note;
announced on December 19; settles on December 31

Auction of 4, 8 and 17 week bills;
announced on December 24; settles on December 31

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 987.80 points, or 2.25%, on the week. A $1 change in the price of any DJIA stock = 6.15-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $37,417, or a gain of 24.72%, on the $30,000 investment, including reinvested dividends.

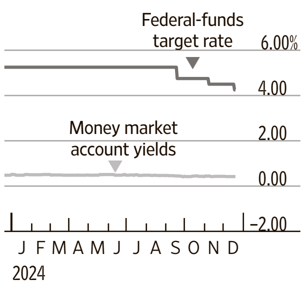
The Week's Action Pct chg (%)	Stock price change	Point chg in average*	Company	Symbol	Close	$1,000 Invested (year-end '23)
4.54	7.70	47.33	Boeing	BA	$177.35	$680
2.56	6.36	39.09	Apple	AAPL	254.49	1,328
0.94	2.97	18.26	Visa	V	317.71	1,230
0.34	0.45	2.77	NVIDIA	NVDA	134.70	2,721
0.31	0.70	4.30	Honeywell	HON	228.32	1,112
-0.17	-0.10	-0.61	Cisco	CSCO	58.52	1,196
-0.40	-0.31	-1.91	NIKE	NKE	76.94	721
-0.49	-0.64	-3.93	3M	MMM	129.28	1,463
-0.90	-0.57	-3.50	Coca-Cola	KO	62.55	1,094
-0.98	-2.34	-14.38	JPMorgan Chase	JPM	237.60	1,430
-1.12	-2.54	-15.61	Amazon.com	AMZN	224.92	1,480
-1.16	-3.49	-21.45	American Express	AXP	298.65	1,613
-1.16	-1.31	-8.05	Walt Disney	DIS	112.03	1,252
-1.32	-3.92	-24.10	McDonald's	MCD	292.68	1,011
-1.47	-2.15	-13.22	Johnson & Johnson	JNJ	144.47	951
-1.75	-3.00	-18.44	Procter & Gamble	PG	168.06	1,175
-2.13	-2.01	-12.36	Walmart	WMT	92.24	1,776
-2.25	-5.54	-34.05	Travelers	TRV	240.76	1,287
-2.39	-10.67	-65.59	Microsoft	MSFT	436.60	1,170
-2.68	-7.24	-44.50	Amgen	AMGN	263.38	942
-3.01	-10.66	-65.53	Salesforce	CRM	343.65	1,313
-3.23	-7.46	-45.86	IBM	IBM	223.36	1,415
-3.31	-19.38	-119.13	Goldman Sachs	GS	566.10	1,503
-3.80	-14.47	-88.95	Caterpillar	CAT	366.04	1,258
-3.87	-3.95	-24.28	Merck & Co	MRK	98.05	924
-3.91	-20.35	-125.09	UnitedHealth Group	UNH	500.13	965
-5.22	-19.03	-116.98	Sherwin-Williams	SHW	345.47	1,117
-5.56	-2.35	-14.45	Verizon	VZ	39.93	1,130
-5.85	-24.38	-149.86	Home Depot	HD	392.60	1,161
-7.16	-11.02	-67.74	Chevron	CVX	142.85	998

*Based on Composite price. DJIA is calculated on primary-market price.
Source: Dow Jones Market Data; FactSet.

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%**
Vio Bank	**4.66%**
Oklahoma City, OK	888-999-9170
Primis Bank	**4.70%**
Tappahannock, VA	833-477-4647
Northern Bank Direct	**4.75%**
Woburn, MA	844-348-8996
Quontic Bank	**4.75%**
New York, NY	800-908-6600
BrioDirect	**4.85%**
Montebello, NY	877-369-2746

Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	0 2 4 6 8	High	3-yr chg (pct pts)
Federal-funds rate target	4.25-4.50	4.50-4.75	4.25		5.50	4.25
Prime rate*	7.50	7.75	7.50		8.50	4.25
SOFR	4.30	4.62	4.30		5.40	4.25
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	2.43
30-year mortgage, fixed†	7.37	7.17	6.69		7.72	4.09
15-year mortgage, fixed†	6.62	6.44	6.02		7.11	4.08
Jumbo mortgages, $766,550-plus†	7.44	7.25	6.78		7.79	4.14
Five-year adj mortgage (ARM)†	6.45	6.29	5.88		6.78	3.59
New-car loan, 48-month	7.27	7.41	7.18		7.94	3.70

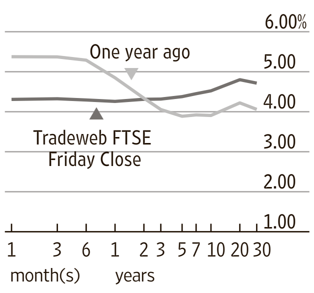
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Benchmark Yields and Rates

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	Yield (%) Last	Wk ago	Spread +/- Treasurys, in basis pts, 52-wk Range Last	Low	High	Total Return 52-wk	3-yr
U.S. Treasury, Bloomberg	4.460	4.360				0.75	-2.98
U.S. Treasury Long, Bloomberg	4.810	4.690				-5.97	-11.96
Aggregate, Bloomberg	4.900	4.790	33	32	45	1.62	-2.43
Fixed-Rate MBS, Bloomberg	5.250	5.140	43	37	56	1.85	-2.14
High Yield 100, ICE BofA	6.691	6.397	223	191	319	7.18	3.24
Muni Master, ICE BofA	3.509	3.335	-1	-6	9	0.90	-0.55
EMBI Global, J.P. Morgan	7.598	7.373	301	270	379	6.10	-0.63

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0010	1022.1423	26.4
Brazil real	.1643	6.0865	25.4
Canada dollar	.6955	1.4378	8.5
Chile peso	.001011	989.15	13.0
Colombia peso	.000228	4390.00	13.3
Ecuador US dollar	1	1	unch
Mexico peso	.0498	20.0745	18.3
Uruguay peso	.02235	44.7450	14.6
Asia-Pacific			
Australia dollar	.6252	1.5995	9.0
China yuan	.1371	7.2963	2.6
Hong Kong dollar	.1286	7.7779	-0.4
India rupee	.01177	84.952	2.1
Indonesia rupiah	.0000618	16181	5.1
Japan yen	.006393	156.41	10.9
Kazakhstan tenge	.001905	524.90	15.3
Macau pataca	.1248	8.0100	-0.5
Malaysia ringgit	.2218	4.5080	-1.9
New Zealand dollar	.5655	1.7683	11.7
Pakistan rupee	.00359	278.272	-1.0
Philippines peso	.0170	58.754	6.1
Singapore dollar	.7378	1.3553	2.7
South Korea won	.0006913	1446.57	11.7
Sri Lanka rupee	.0034069	293.52	-9.4
Taiwan dollar	.03066	32.612	6.2
Thailand baht	.02916	34.290	-0.3
Vietnam dong	.00003929	25455	4.9
Europe			
Czech Rep. koruna	.04151	24.092	7.7
Denmark krone	.1398	7.1515	5.5
Euro area euro	1.0430	.9588	5.8
Hungary forint	.002520	396.81	14.3
Iceland krona	.007188	139.13	2.3
Norway krone	.0883	11.3197	11.3
Poland zloty	.2446	4.0877	3.8
Sweden krona	.0907	11.0310	9.2
Switzerland franc	1.1197	.8931	6.1
Turkey lira	.0284	35.1998	19.4
Ukraine hryvnia	.0238	41.9500	10.0
UK pound	1.2570	.7955	1.3
Middle East/Africa			
Bahrain dinar	2.6511	.3772	0.1
Egypt pound	.0196	50.8960	64.6
Israel shekel	.2738	3.6525	1.4
Kuwait dinar	3.2470	.3080	0.2
Oman sul rial	2.5974	.3850	...
Qatar rial	.2743	3.646	0.1
Saudi Arabia riyal	.2662	3.7564	0.2
South Africa rand	.0546	18.3097	0.1

	Close	Net Chg	% Chg	YTD% Chg
WSJ Dollar Index	102.08	-0.48	-0.47	6.52

Sources: Tullett Prebon, Dow Jones Market Data

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Former eBay Executive Is Named Expedia CFO

By Katherine Hamilton

Expedia Group appointed Scott Schenkel as chief financial officer.

Schenkel, 56 years old, is expected to succeed Julie Whalen on Dec. 30. Whalen’s departure was announced in November.

Schenkel was interim CEO of **eBay** until Jamie Iannone was hired for that role in 2020. He served as eBay’s finance chief before that.

Expedia said it plans to pay Schenkel an annual base salary of $1 million and a signing bonus of $3 million on his start date. They expect to pay him another $2.2 million on Dec. 15, 2025, as long as he still holds the position at that time.

Whalen received total compensation of $6.6 million in 2023 and $16.4 million in 2022, according to company filings.

Once employed, Schenkel would be eligible for an initial equity grant of 87,163 shares. In 2025, he would be eligible to receive additional equity awards with a target value of $10 million.

Rumble Receives Investment Of $775 Million From Tether

By Katherine Hamilton

Rumble said Friday it entered an agreement for a $775 million investment from the cryptocurrency company **Tether**.

Tether agreed to purchase about 103.3 million shares of Rumble at $7.50, totaling $775 million.

The video platform said it anticipates using $250 million to support growth initiatives. It plans to use the remaining proceeds for a self-tender offer for up to 70 million of its Class A common stock at $7.50 a share.

Once the planned transaction is completed, Chief Executive Chris Pavlovski would retain his controlling stake in the company. Pavlovski has committed to tender and doesn’t intend to sell more than 10 million shares in the offer, Rumble said.

The investment and tender offer are expected to close in the first quarter of 2025.

Rumble shares rose 41% to $10.17 in after-hours trading Friday following the announcement.


DAVID PAUL MORRIS/BLOOMBERG NEWS

Data on new-home sales is expected on Tuesday.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday

Consumer Confidence

Nov., previous	111.7
Dec., expected	113

Tuesday

U.S. stock market closes early at 1 p.m. and bond market closes at 2 p.m. EST

Short-selling reports

Ratio, days of trading volume of current position, at Nov. 29

NYSE	4
Nasdaq	2.1

New-home sales

Oct., previous	610,000
Nov., expected	675,000

Wednesday

U.S. markets are closed for Christmas

Thursday

EIA status report

Previous change in stocks in millions of barrels

Crude oil	down 0.9
Gasoline	up 2.3
Distillates	down 3.2

EIA report: natural gas

Previous change in stocks in billions of cubic feet

down 125

Initial jobless claims

Previous	220,000
Expected	225,000

Mort. bankers indexes

Purch., previous	up 1.0%
Refinan., prev.	down 3.0%

Freddie Mac mortgage survey

Previous weekly averages

30-year fixed	6.72%
15-year fixed	5.92%

Friday

No major events are scheduled for the day

* FactSet Estimates earnings-per-share estimates don’t include extraordinary items (Losses in parentheses) ◆ Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists


RICHARD A. BROOKS/AFP/GETTY IMAGES

Nissan has been cutting jobs and production and posting lower profit—and has been slower than rivals in refreshing its lineup.

Nissan Eyes Honda For Lifeline

Continued from page B1

fully recover from the arrest of Ghosn, its then-chairman, in late 2018. Stripped of his position and charged with financial crimes that he denied, Ghosn fled Japan a year later hidden inside a box on a private jet.

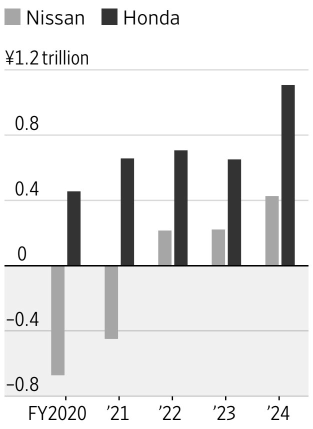
After his abrupt dethroning, Nissan reversed Ghosn’s growth plans, announcing mass layoffs and factory closures in 2019 and cycling through top executives and managers. The company’s global sales tumbled to 3.4 million vehicles last year from more than 5.6 million in 2018.

Renault and Nissan resolved their long-running tensions last year by agreeing that Nissan would regain its independence. Renault is gradually reducing its stake in Nissan to 15% from around 43%.

Freedom wasn’t as liberating as Nissan hoped. The company has struggled to fund its current business of selling mostly gasoline-powered vehicles such as the Rogue SUV and the Altima sedan while also investing in next-generation technologies. Its latest cost-cutting plan, released in November by CEO Makoto Uchida, calls for billions of dollars in savings and 9,000 job reductions.

Pooling resources could help Honda and Nissan, No. 2 and No. 3 in global sales among Japan automakers, approach the scale of No. 1 **Toyota**—which spends around $7.5 billion a year on research and development, and sells similar vehicles in many of the same markets.

Annual net profit/loss



Note: Fiscal years end March 31; ¥1 trillion = $6.4 billion
Source: S&P Capital IQ

Nissan said it was maintaining strong investments in R&D despite cost-cutting efforts. “We will also continue to leverage smart partnerships” to get the benefits of scale, said a Nissan spokesman.

Any partnership may need the blessing of Renault, but analysts say the deal is largely positive for the French carmaker because a struggling Nissan has been a weight on earnings.

The biggest fix-it job for a combined company would be in the U.S., where Nissan’s sales plummeted by one-third between 2019 and 2023.

Nissan and Honda have said they were in talks over a merger.

Dealers say Nissan historically has been slow to refresh its lineup, and they have had to give steep discounts to unload dated-looking vehicles. That reputation has eroded the appeal of Nissan, and today buyers of the company’s vehicles tend to be people with poorer credit histories or those looking for a deal, dealers say. As a result, Nissan’s customer base has been harder hit by rising interest rates that have pushed up monthly payments.

Nissan’s replacement rate for its models—an indicator of how new its lineup is—has dropped to among the worst in the U.S. auto industry while Honda is above average, according to Bank of America’s annual “Car Wars” report.

Nissan says its sales decline over the past five years was the result of eliminating several models, such as the Maxima sedan, as well as selling fewer vehicles to rental-car companies. A company spokesman said Nissan wanted to roll out models more quickly and refresh them more often.

“Honda is a better-run company than Nissan, and I’m keeping my fingers crossed that it will rub off on Nissan,” said Adam Lee, chairman of Lee Auto Malls in Maine. His dealership group has two Nissan dealerships and one Honda store.

A survey of 600 auto retailers by Kerrigan Advisors, a buy-sell firm for dealerships, found that more than half of the respondents had no trust in Nissan. Founder Erin Kerrigan said many Nissan dealers were losing money and, if they wanted to sell their dealerships, couldn’t easily find a buyer.

On EVs, Nissan has gone from early mover to laggard. Its Nissan Leaf was one of the first fully battery-powered cars to hit the market in 2010, but Leaf sales have never taken off. Executives, wary of high development costs, have moved more slowly than rivals to expand Nissan’s EV lineup and production.

At a time when hybrid sales are taking off, Nissan doesn’t have one to sell in the U.S. It plans to sell a plug-in hybrid version of its Rogue in 2026. Honda, meanwhile, offers several hybrid models and a new all-electric SUV called the Prologue.

A merged Honda-Nissan would have to meld two distinctive cultures. Honda CEOs, starting with founder Soichiro Honda, have usually been engineers. Nissan historically favored graduates of the prestigious University of Tokyo, and its top jobs often went to sales leaders.

The history of the auto industry is littered with mergers and partnerships that didn’t work out.

Stephanie Brinley, an analyst at S&P Global Mobility, said it takes a long time for merged companies to cut costs and get more productive by combining manufacturing and product development—but Nissan needs help right now for its flailing U.S. business.

“A merger does not address the competitive issues holding Nissan’s sales back,” she said.

Quantum Hacks Are Bitcoin Risk

Continued from page B1

Quantum computing could allow thieves to raid that Fort Knox. Unlike standard computers, in which all data is fundamentally represented in either zeros or ones, quantum computers use the quirky properties of subatomic particles to represent data in “qubits,” which can exist in a continuum of states that are mixtures of zeros and ones.

That allows quantum computers to race through tasks that would take standard computers far longer than a human lifetime to solve. Such tasks could include discovering new medicines, forecasting weather—or cracking the encryption used to protect sensitive data.

For instance, one common encryption method involves very large numbers called public keys, which are multiples of two big prime numbers. The two primes can be combined to generate what is known as the private key. Data can be encoded with the public key, and decoded with the private key. As the names suggest, users keep their private keys secret, but public keys might be shared.

The strength of this method is that it takes a vast amount of time for a standard computer to derive the private key from the public key, because of the difficulty of factoring—figuring out the primes that can be multiplied to yield the public key.

Quantum computing makes factoring far easier. An algorithm devised by a U.S. mathematician in 1994 makes it possible to factor huge numbers in minutes—given a sufficiently powerful quantum computer.

Such a breakthrough would threaten not just bitcoin, but traditional finance, because many online banking systems use variants of public-key cryptography. But bitcoin could be a particularly tempting target for quantum thieves, security experts warn.

“Bitcoin is going to get targeted like crazy,” said Skip Sanzeri, co-founder of QuSecure, a startup specializing in quantum-safe cybersecurity. “Banks have some regulation, some defense mechanisms and the ability to cover their clients, whereas bitcoin is the Wild West. Your wallet’s not going to reimburse you if your bitcoin gets stolen.”

While hackers have stolen bitcoin before, their attacks generally involved gaining unauthorized access to crypto exchanges. A quantum attack would be more insidious, because it would cast doubt on the security of the entire bitcoin network, not just on a few crypto exchanges with poor security.

Some troves of bitcoin are particularly susceptible to quantum thievery. In bitcoin’s early days, it was held in addresses with exposed public keys, including the roughly 1 million coins believed to belong to Satoshi Nakamoto, bitcoin’s mysterious creator. Some 1.72 million bitcoins—valued at more than $160 billion at current prices—are held in such addresses, which were later phased out, according to Galaxy Digital.

Ultimately, all bitcoins are at risk once quantum computers become powerful enough. That is because hackers could steal coins being moved from one address to another during the 10-minute window that it takes for the bitcoin network to confirm such transfers.

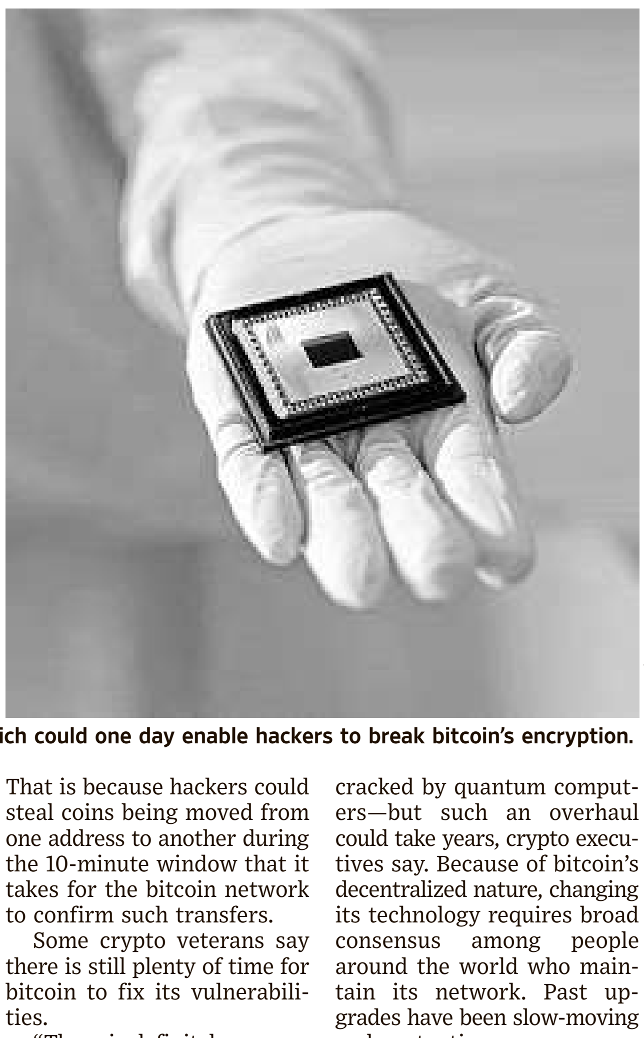
Some crypto veterans say there is still plenty of time for bitcoin to fix its vulnerabilities.

“There is definitely a quantum apocalypse on the horizon at some point in the future, but that point is a sufficiently long time away that there is no need for panic,” said Emin Gün Sirer, founder of the Avalanche cryptocurrency.

Bitcoin could be secured by adopting newer forms of encryption that can’t easily be cracked by quantum computers—but such an overhaul could take years, crypto executives say. Because of bitcoin’s decentralized nature, changing its technology requires broad consensus among people around the world who maintain its network. Past upgrades have been slow-moving and contentious.

Even after the community agrees how to quantum-proof bitcoin, there is another hurdle: Existing bitcoins would need to be moved into quantum-resistant addresses. Each individual or business holding bitcoins would need to execute such a transfer, or risk losing coins to quantum thieves.

MARK HUMPHREY/AP


GOOGLE/REUTERS

Left, a July bitcoin event in Nashville, Tenn. Right, Google’s Willow quantum-computing chip, which could one day enable hackers to break bitcoin’s encryption.

Ballmer's Investing Model

Continued from page B1

pete with **Apple** and Google in key consumer markets. During his tenure at Microsoft's helm, the company's stock price fell by about one-third. When he left the company, Microsoft's market capitalization was around $300 billion.

These days, powered by its cloud business and the company's prescient bets on artificial intelligence, it is more than $3 trillion.

To put it another way, Microsoft has gained an average 28.8% annually, including dividends, over that rough time span. In that same time, the S&P 500 returned an average 12.9% a year, including dividends. Endowments of more than $1 billion gained an average 7.8% a year, according to Wilshire Trust Universe Comparison Service.

Few have benefited more than Ballmer, who calls himself "a noninvestor investor." He now ranks ninth on the Bloomberg Billionaires Index list of the world's richest people, above even Warren Buffett, with an estimated net worth of more than $150 billion. This summer, he briefly surpassed his former boss Bill Gates, who gives regularly to his foundation in a mix of cash, Microsoft stock and other securities.

As simple as his investment philosophy is, it took Ballmer decades to implement. In the 1980s, he bet on individual stocks such as **Colgate-Palmolive** on the advice of CNBC's Jim Cramer, a college buddy who was Ballmer's financial adviser at Goldman Sachs. He then tried diversifying but, in part, found it difficult to identify money managers who consistently outperform. So he dumped most of his alternative investments.

His fortune now is parked almost exclusively in stock index funds—and Microsoft. (He declined to say how big his stake is.)

Connecting via Microsoft Teams from his office in Bellevue, Wash., Ballmer spoke with the Journal about how he manages his money.

WSJ: Can you walk us through your investment strategy?

BALLMER: I own an index fund. We moved it back to be just the U.S. and Europe. Keep it simple. Maybe we own Japan too. We're mostly dialing out of private equity, but you can't get out of that overnight. The only stock I really study still is Microsoft, because that's still overwhelmingly, overwhelmingly, overwhelmingly the No. 1 thing that I own.

I like it. It's simple. We've been very blessed financially. What I seek in this instance is not to have to spend a lot of time, anxiety, brain power in an area where we're blessed enough if we make 7% because that's the standard return on the S&P over the long run.

[My approach] partly was shaped by Warren Buffett, who argues most people should just buy an S&P index fund. At least for us [Ballmer and his wife, Connie], making an extra 0.7% compounded isn't going to change our lives. At the end of the day, we'll be able to give our kids all that we want to give them, whatever that winds up being. I make no comment on that. Everything else we do is just a balance between how much goes to philanthropy and how much goes to the government.

WSJ: I feel like I would be tempted to check Microsoft's stock price every day. Do you do that?

BALLMER: Oh, I check it, you know, not infrequently. But not because it matters financially. The stock market is two things to people. One is—how am I doing financially? And the other is a little bit like studying the box score—did my team win yesterday?

GARRETT ELLWOOD/NBAE/GETTY IMAGES

Steve Ballmer speaks before an LA Clippers-Phoenix Suns game in October in Los Angeles.

WSJ: You mentioned the S&P 500. Is that literally the index you own? Or do you have a more bespoke bucket of products of different indexes?

BALLMER: If it's not the S&P, it's the Russell 2000 or some broad mirror of the market. We do a little bit of tax harvesting. You could read about that, if you like, on ProPublica. They have my tax return and wrote it up.

[ProPublica reported last year, based on a trove of leaked Internal Revenue Service data, that Ballmer and other billionaires use tax-loss harvesting strategies to reduce the taxes they pay. It estimated Ballmer benefited from at least $138 million in tax savings between 2014 and 2018 via trades Goldman Sachs made for him that violated the spirit, if not the letter, of a law prohibiting so-called wash sales.

The inquiries from ProPublica prompted Goldman to halt such trades, and the bank said at the time it had conducted a review and found a small percentage of tax-efficient trades it makes for clients were "inadvertently made in a manner inconsistent with our strategy." Goldman also said it tries to provide investment advice "consistent with both the letter and the spirit" of relevant laws and regulations.

A Ballmer spokeswoman said in a statement, "Steve takes his responsibility to pay taxes very seriously and has always paid what he owes."]

We did decide to not own oil-and-gas stocks anymore. That's a decision we made in the last year or so as we've gotten more involved in climate. It's not going to change the world of valuations for those stocks, but it feels more value consistent. So those would be the perturbations in what we do.

WSJ: Do you ever discuss your investment philosophy and strategy with other very wealthy people? Do your friends think you're crazy?

BALLMER: Well, no, not at all, because it's a little hard to say that it hasn't worked out. I don't know how anybody else has done, because everybody's got their strategy, and it's hard to peek inside their curtains.

In terms of a non-Microsoft piece, the indexes have done pretty well. And people say I've done well on my Clippers investment.

[Ballmer bought the NBA's Los Angeles Clippers in 2014, after he stepped down from Microsoft.]

WSJ: You paid $2 billion for the Clippers. There are rankings that put the value of the team now around $4 billion or $5 billion.

BALLMER: Look, if it's a double in 10 years, it's basically an index fund. And oh, by the way, it's really underperformed Microsoft. I'm not saying it's a bad investment—don't get me wrong. But again, compared to Microsoft—I mean, honestly, almost any investment compared to Microsoft just pales.

WSJ: Do you think there's anything applicable in your investment strategy to an everyday investor?

BALLMER: I would say, 'Keep it simple'—unless you're really going to become an expert.

I always like to talk about [how] in business, you have what I'll call zero-trick ponies, one-trick ponies and two-trick ponies. A zero-trick pony is a business that never gets to incredible scale. A one-trick pony is what you do when you get to scale one big idea—you milk it, you milk it, you milk it. Most tech companies are one-trick ponies. **Cisco**, great company, one-trick pony. Even Google, I might argue, is still a one-trick pony centered around advertising. **Amazon**, two-trick pony. Apple, two-trick pony. Microsoft, two-trick pony.

If you put that back in the investment context, you can't necessarily believe that an investor who did one trick super well will necessarily do the next investment trick super well, at least by my mental model. I haven't studied every investor in the world, and maybe there's people who consistently are doing great. But as in operating businesses, finding multiple-trick ponies is really hard. Why should somebody who's a casual investor believe they're necessarily going to find the people who can do these amazing tricks?

WSJ: Do you think there's any luck in how well you've done owning Microsoft stock and holding it?

BALLMER: If there's anybody that will tell you all their success is because they were a genius, I'd say they should go look for the luck.

Look, we had luck in Microsoft's success. Forget the stock price. I had luck, essentially, in getting to listen to the right people. But I also had luck in terms of my loyalty to the company and not wanting to be a seller as a leader of the business. It turned out to be a great investment thing, too.

This interview has been edited and condensed for clarity.

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

The Wildest Stock-Market Prices Ever

Why pay $1 when you can pay $2 or $12 for the same thing? Here is a tour through the most entertaining anomalies in history

Seasoned investors have a chuckle when the investing masses pay two bucks for a dollar in the market, and sometimes they even hop onto the crazy train briefly themselves if they think it can temporarily go to three dollars. But pricing anomalies can be a sign of froth for the broader market.

In the latest high-profile example, **MicroStrategy**'s share price implies a value for its main asset—a huge stash of bitcoins—that is more than double the price of bitcoin on the open market.

Even more extreme, a closed-end investment fund called the Destiny Tech100 recently was trading for 11 times as much as the fund's net asset value, or NAV, as of Sept. 30, down from as high as 21 times earlier this year. Investors have been clamoring to buy shares of the fund, best known by its ticker symbol, DXYZ, because it owns shares of Elon Musk's SpaceX and other closely held tech companies. Individuals have few other ways to gain exposure to them.

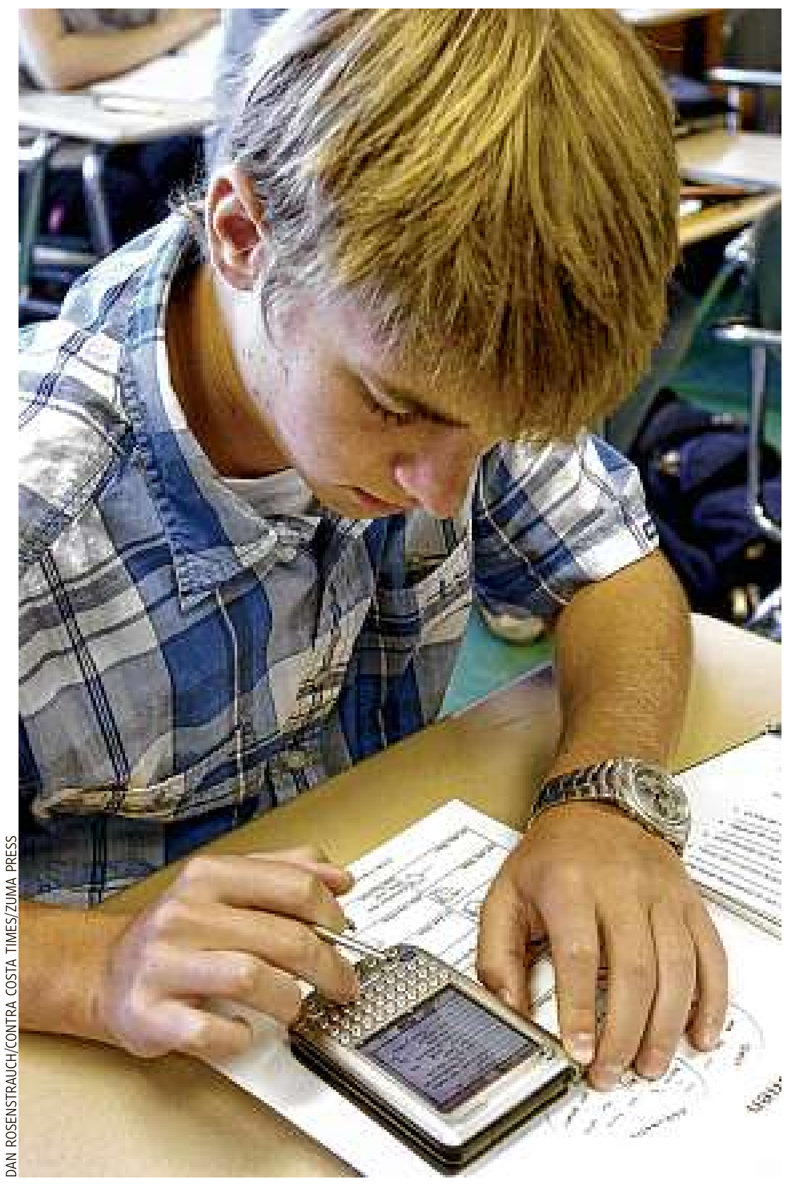
A new phenomenon? Not at all. There are no new stories, only new investors, as the saying goes. Nonetheless, situations such as these are strange and worthy of a good gawking.

They violate the principle known as the law of one price, which holds that identical goods should have identical prices.

They also can be a symptom of speculative euphoria in the stock market, although it is impossible to know how long the mood might last or whether it will intensify.

"Weird things can happen without bubbles, but bubbles can't happen without weird things," says Owen Lamont, a portfolio manager at Acadian Asset Management who has studied such anomalies for decades, dating back to his days as a Yale finance professor. "When there are optimistic retail investors, they will overpay in crazy ways, and you can't always tell that they're overpaying. But you can tell when there's a substitute that they're ignoring."

There is a long history of such aberrations in the stock market. Eventually they go away, or should. But it can be risky in the short term to try capitalizing on the price inefficiencies by, say, selling the overvalued asset short and buying the undervalued one. Wild anomalies can get even wilder and stay that way for a long time.



DAN ROSENSTRAUCH/CONTRA COSTA TIMES/ZUMA PRESS

Around the turn of the century, a big disconnect emerged between the share prices of PalmPilot maker Palm and its majority owner 3Com.

Sometimes there is no practical way to take advantage of the diverging prices through arbitrage, which might help explain how the anomaly is possible. You can't buy shares of SpaceX on a public stock exchange, for instance, because it isn't traded.

Here are some famous and not-so-famous historical examples.

1923: Short GM, long DuPont

Benjamin Graham—who taught Warren Buffett how to analyze securities—in his memoirs told the story of an investment firm he started in 1923 and its first trade: buying **DuPont** and shorting **General Motors**, in which DuPont (then known as "Du Pont") owned a large stake.

"The first thing I did was to buy some shares of Du Pont and to sell seven times as many shares of General Motors short against it," he wrote. "At that time, Du Pont common was selling for no more than the value of its holdings of GM, so that the market was really placing no value on its whole chemical business and assets. So Du Pont was greatly undervalued by comparison with the market price of General Motors." The pairs trade worked, and he made a profit.

1929: Closed-end funds

A surge in the issuance of closed-end funds was a hallmark of the 1929 bull market before the stock-market crash in October of that year.

The highest documented premium to NAV for a closed-end fund was 1,235% at a fund called Capital Administration Co., according to a 1991 article by Bradford DeLong and Andrei Shleifer, both then Harvard economics professors.

At a 1940 Senate hearing on new legislation for investment companies and trusts, the chief counsel of the Securities and Exchange Commission said he asked Goldman Sachs senior partner Sidney Weinberg about the closed-end funds it had formed and, specifically, "Why do you form them so rapidly?" He said Weinberg replied, "Well, the people want them."

Late 1980s: Single-country funds

This mania was among the loopiest ever. Investors piled into so-called single-country funds listed on the New York Stock Exchange, with names such as the Germany Fund and the Spain Fund.

They fetched enormous premiums to NAV even though the securities they owned in the respective countries were easily accessible to foreign investors. In 1989, the average single-country fund's share price rose 102%, more than twice the advance recorded by its underlying NAV, according to a Barron's article the following year.

A confluence of events helped feed the surge. The Berlin Wall fell that year, just as the Japanese asset-price bubble was peaking. A Wall Street Journal article in September 1989 reported that the Spain Fund gained 45% in a single day, "the biggest rise for any stock on any exchange" that day, "fueled by continued strong buying by Japanese investors." Its premium then stood at 165% of NAV, which consisted of Spanish stocks, and the frenzy spilled over into other single-country funds.

A hot trade for a while was to sell the single-country funds short and buy the stocks they owned, aiming to profit when the values converged. They eventually did.

3Com/Palm: The mother of all pairs trades

The PalmPilot during the 1990s and early 2000s was a hand-held device and personal assistant that came with a touch-screen display and a stylus.

Palm was the biggest maker of handheld computer devices, with 70% market share, and it held its initial public offering in March 2000, about a week before the Nasdaq Composite Index's peak during the dot-com bubble.

Palm's shares jumped 150% on their first day of trading, giving Palm a stock-market value of about $53 billion.

Palm was still 94% owned by parent 3Com at the time. Yet on Palm's first day of trading, 3Com's shares fell 21%.

The funny part: According to the stock market, 3Com was worth about $23 billion less than the value of the Palm shares that 3Com owned. This made no sense, yet the valuations remained out of whack for months. In time, both stocks came down to earth, sanity prevailed and the world eventually moved on to smartphones.

Planet of the Apes

In August 2022, **AMC Entertainment**, which skyrocketed in value during the pandemic as part of an epic short squeeze, said it would give owners one share of newly issued preferred stock, with the ticker symbol APE, for each AMC common share. (AMC's retail fans called themselves apes).

The preferred shares didn't pay a dividend, and economically they were almost identical to the common shares. As the Journal reported at the time, many investors figured that the reason AMC did this was that it had failed to get shareholder permission to sell more common shares.

Notwithstanding their virtual sameness, the two stocks had different prices. An October 2022 Journal column noted that AMC fetched $6.97, and APE just $2.71.

Although there were borrowing costs involved, an arbitrager should have been able to short AMC shares (by borrowing and selling the stock) and buy an equivalent number of APE units, profiting when they converged—which they finally did.

To be sure, anyone doing the trade would have needed an iron stomach. The APE units ceased trading in August 2023 when the company converted them into AMC shares.

—Jonathan Weil

America's Chip War With China Will Spread

In the continuing chip war between Washington and Beijing, the U.S. has the clear upper hand on the most cutting-edge technology. But on a more mundane front of the battle, China might be gaining an advantage.

Even as U.S. export restrictions have stymied China's progress in advanced chips, Beijing has been aggressively expanding production of more mature, so-called legacy chips. These aren't as sexy as the higher-end ones—such as artificial-intelligence chips from **Nvidia**—but they are needed for such essentials as automobiles and household appliances. In fact, disrupted supply of these chips caused havoc in the car market during the pandemic.

China spent $41 billion on wafer fabrication equipment in 2024, a 29% year-over-year rise, according to Morgan Stanley. That is roughly 40% of the global total, and compares with $24 billion in 2021.

Part of that was Chinese companies trying to stockpile tools they could still get their hands on before restrictions tightened further. But much also comes from Chinese companies such as **Semiconductor Manufacturing International**, or SMIC, and **Hua Hong Semiconductor** for making legacy chips. SMIC, China's largest chip foundry, spent $7.5 billion on capital investment in 2023, compared with around $2 billion a year before the pandemic.

The overall strategy has echoes of similar Chinese successes in sectors such as solar panels: massive state support, aggressive pricing and a willingness to play the long game that other players might not be willing to.

They haven't reached that level of dominance quite yet, though Chinese companies are certainly making inroads: Chinese foundries have increased their global market share in mature nodes from 14% in 2017 to 18% in 2023, according to Bernstein.

Chinese customers, in particular, have helped as they sourced 53% of their mature chip supply from Chinese foundries in 2023, a rise from 48% in 2017.

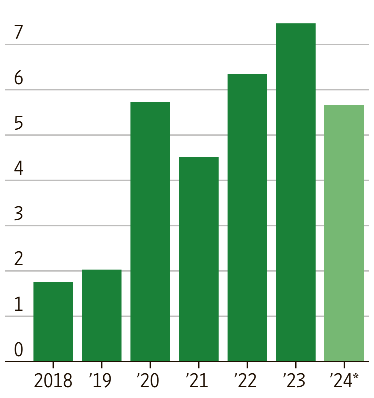
Intensifying geopolitical tensions will further push Chinese customers to find suppliers at home.

Chinese legacy chips aren't yet flooding the world, but this is a clear risk, especially to U.S. players—including **Texas Instruments** and **GlobalFoundries**—competing in these chips. That, in turn, could pose a headache for Washington and its goal of maintaining resilience in the chip supply chain.

It might not be practical to extend restrictions to lower-end chips, but companies producing those chips might need state aid to compete with China.

The U.S. has described its strategy on tech controls as a "small yard, high fence" approach with severe restrictions on a limited number of advanced technologies.

SMIC's annual capital expenditure



*First three quarters
Source: exchange filings

But limiting the conflict in this way might not be so easy. In the global chip war, as in any conflict, clashes tend to spread.

—Jacky Wong

BUSINESS & FINANCE

Antin Infrastructure Exceeds $10 Billion for New Fund

BY CHRIS CUMMING

Antin Infrastructure Partners has closed its largest fund yet—the largest infrastructure vehicle to reach the finish line so far this year.

Closing at €10.2 billion, or about $10.7 billion, Antin Infrastructure's fifth main infrastructure fund exceeded a €10 billion target, the Paris-based manager said Thursday. The new fund is more than 50% larger than a predecessor vehicle, which closed with €6.5 billion in 2020.

The sum places Antin Infrastructure atop this year's fundraising rankings, according to information from PitchBook, a firm that tracks private-markets data. Before this closing, the largest infrastructure vehicle that closed this year was KKR Asia Pacific Infrastructure Investors II, with $6.4 billion, according to PitchBook. Global Infrastructure Partners and KKR are still in the market with infrastructure funds seeking $25 billion and $20 billion, respectively.

Closing the fund "is a big source of satisfaction," for Antin Infrastructure, although the current market "is very painful for everybody, and we are no exception," said Alain Rauscher, the firm's chief executive and chairman. He said the lack of exits has made it challenging to raise new vehicles.

More than 90% of investors in the prior Antin Infrastructure fund committed to the new one, and it also gathered more than 120 new investors, the firm said. Evercore Private Funds Group was placement agent and Kirkland & Ellis legal counsel.

Antin Infrastructures manages about €32 billion and makes value-added investments in Europe and North America across four sectors: energy and the environment, digital, transport and social infrastructure, the firm says.

"Our strategy has been completely unchanged since the first fund," Rauscher said.

Areas in which the firm is currently active include fiber optics, data centers and rail transport. The new fund is approximately 40% invested and has closed five deals, including renewable-energy company Blue Elephant Energy and safety-infrastructure company Consilium Safety.

Despite the slow pace of dealmaking overall, there is currently excellent availability of infrastructure opportunities, Rauscher said. He said the firm tries to stay disciplined, since factors such as government budget cuts could put parts of the infrastructure sector under pressure.

Antin Infrastructure also has a midcap strategy and one focused on clean-energy opportunities.

Much like private equity, infrastructure fundraising has been depressed for more than two years, with investors short of cash to commit to new funds. This year through Sept. 30, infrastructure funds gathered $61.2 billion globally, less than half the full-year sum for the 2021 peak, when such funds collected nearly $133 billion, according to PitchBook.

But many investors are bullish on the long-term prospects of infrastructure investment because of its important role in areas such as the transition to renewable-energy sources and the development of data-intensive technologies such as artificial intelligence.