THE WALL STREET JOURNAL.

DOW JONES | News Corp ★★★★★★ MONDAY, JANUARY 6, 2025 ~ VOL. CCLXXXV NO. 4 WSJ.com ★★★★ $5.00

Last week: DJIA 42732.13 ▼ 260.08 0.60% NASDAQ 19621.68 ▼ 0.5% STOXX 600 508.19 ▲ 0.2% 10-YR. TREASURY ▲ 6/32, yield 4.596% OIL $73.96 ▲ $3.36 EURO $1.0309 YEN 157.30

What's News

Business & Finance

◆ **Investigators found** several Nazi-linked accounts originally discovered by Credit Suisse that the bank never disclosed to a 1990s review of its wartime activities. **A1**

◆ **Centerview's status** as one of the few boutique banks that hasn't gone public or taken outside money might change, co-founder Blair Effron hinted, suggesting the firm was becoming more open to exploring options. **B1**

◆ **The nation's busiest** spaceports are fielding record demand, heralding a potential traffic jam that is spurring new efforts to develop launch sites in landlocked states and even at sea. **B1**

◆ **Amazon.com's** Prime Video streaming service licensed what it said was a documentary about former and future first lady Melania Trump that is expected to be released in the second half. **B3**

◆ **Booz Allen agreed to** a $15.9 million settlement with the Justice Department, resolving allegations the company submitted fraudulent claims to the U.S. under military task orders. **B3**

◆ **Biden overrode** top national-security aides when he decided to quash a Japanese takeover of U.S. Steel and instead align with his domestic advisers to bolster his pro-union legacy. **A2**

◆ **Mines in the developing** world are caught up in tensions over profits, and host countries are increasingly using force or the threat of it to get a bigger share. **B1**

World-Wide

◆ **Iran entered 2025** with a weak hand to confront the incoming Trump administration after experiencing an acute economic crisis at home and unprecedented setbacks in the Middle East. **A1**

◆ **The U.S. Army veteran** who rammed a pickup truck into a crowd in New Orleans twice visited the city in the months leading up to the attack and on one trip recorded video of the area. **A4**

◆ **Republicans are wrestling** over how quickly they can deliver Trump some legislative wins, with House and Senate leaders divided over the speed and scope of action early in his term. **A4**

◆ **Biden named 19** recipients of the Presidential Medal of Freedom, including Hillary Clinton, Earvin 'Magic' Johnson and the late civil-rights pioneer Fannie Lou Hamer. **A3**

◆ **The Biden administration** notified Congress of an $8 billion weapons package for Israel, one of the largest new arms sales since the war in Gaza began in 2023. **A6**

◆ **Plans to ease restrictions** on humanitarian aid for Syria will be announced by the Biden administration, a move to speed delivery of basic supplies without lifting sanctions on other assistance to Damascus. **A6**

◆ **New York state's new toll** for drivers entering the center of Manhattan took effect, meaning that many people will pay $9 for access to the busiest part of the city during peak hours. **A2**

JOURNAL REPORT
Investing Monthly: How to navigate markets this year. **B5-6**

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Big Chill Hits as Storm Sweeps Across the U.S.

JEFF ROBERSON/ASSOCIATED PRESS

HOWLING: A powerful winter storm Sunday unleashed heavy snow, ice and frigid temperatures across a large part of the U.S., including St. Louis, above, snarling travel with a wave of flight cancellations and making roads hazardous. **A3**

China's New Hacking Prowess Poses Geopolitical Threats

By Dustin Volz, Aruna Viswanatha, Sarah Krouse and Drew FitzGerald

The message from President Biden's national security adviser was startling.

Chinese hackers had gained the ability to shut down dozens of U.S. ports, power grids and other infrastructure targets at will, Jake Sullivan told telecommunications and technology executives at a secret meeting at the White House in the fall of 2023, according to people familiar with it. The attack could threaten lives, and the government needed the companies' help to root out the intruders.

What no one at the briefing knew, including Sullivan: China's hackers were already working their way deep inside U.S. telecom networks, too.

The two massive hacking operations have upended the West's understanding of what Beijing wants, while revealing the astonishing skill level and stealth of its keyboard warriors—once seen as the cyber equivalent of clumsy burglars.

China's hackers were previously thought to be interested chiefly in business secrets and private consumer data. But the latest hacks make clear they are now soldiers on the front lines of potential geopolitical conflict between the U.S. and China, in which cyberwarfare tools are expected to be powerful weapons.

U.S. computer networks are a "key battlefield in any future conflict" with China, said Brandon Wales, a former top U.S. cybersecurity official at the Department of Homeland Security, who closely tracked China's hacking operations against American infrastructure. He said the operations "are designed to ensure they prevail by keeping the U.S. from projecting power, and inducing chaos at home."

As China increasingly threatens Taiwan, working toward what Western intelligence officials see as a target of being ready to invade by 2027, the U.S. could be pulled into the fray as the island's most important backer. Other friction between Washington and Beijing has intensified in recent years, with President-elect Donald Trump threaten-

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Credit Suisse Files Show Deeper Nazi Ties

Accounts unearthed by the bank in 1990s weren't disclosed to investigators

By Margot Patrick

Switzerland thought it came to terms with its Nazi-assisting past after harrowing probes in the 1990s led its two largest banks to pay more than $1 billion restitution to Holocaust victims. Documents unearthed in bank archives show it might have been at least in part a whitewash.

A cache of client files stamped "American blacklist," a designation for those financing or trading with Nazis or Axis partners, was recently found by independent investigators probing Credit Suisse, one of Switzerland's biggest banks and now part of UBS.

The investigators, who studied dusty ledgers and pored over microfilm that hadn't been part of earlier reviews into the dark chapter, found something else, too: signs of a coverup.

In the 1990s, two panels studied Swiss banks' World War II-era activities after anger erupted over Holocaust victims' unreleased funds.

But the investigators now taking a fresh look found Credit Suisse withheld crucial information.

They located several Nazi-linked accounts that were discovered by the bank in the 1990s but never disclosed to investigators. They also turned up new details of an operational account controlled

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A Weaker Iran Looks To Tackle Trump 2.0

By Benoit Faucon

Iran faces a tough year of confrontation with the incoming Trump administration while holding a weak hand after 2024 left it with an acute economic crisis at home and setbacks in the Middle East.

The new U.S. administration plans to increase sanctions on Iran as part of an effort to contain its support for militant groups in the Middle East. Tehran's strategy, less potent than it was, still threatens Washington's allies and partners, especially Israel, and is also unpopular among many ordinary Iranians. President-elect Donald Trump's team is also weighing options, including airstrikes, to keep Iran from building a nuclear weapon.

Iran's economy has already been crippled by bad management, corruption and sanctions. Power shortages disrupt offices, schools and manufacturing plants. Iran's military threat has been blunted by Israel's battering of allies Hezbollah in Lebanon, Hamas in Gaza, the now-collapsed Assad regime in Syria and much of Iran's air defenses.

The Islamic Republic's difficulties represent the biggest challenge to its clerical leaders since 2022, when the death of a young woman in police custody after allegedly wearing an improper veil

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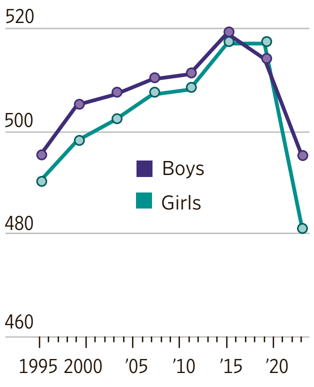
Tests Show Girls Lagging

A WSJ analysis of test scores found girls losing ground in reading, math and science. **A3**

Eighth-grade math scores, U.S. students



Note: Tests are scored on a scale of 0 to 1,000. The international average in 2023 was 478.
Source: Trends in International Mathematics and Science Study

Uber, Lyft Gear Up For the Revolution In Driverless Taxis

By Preetika Rana

Uber Technologies and Lyft gave up on big plans to develop their own driverless taxis years ago. Now, they are revamping their businesses to accommodate competitors that might have figured it out.

The ride-hailing leaders are preparing to bring driverless taxis to your door with new app features that allow customers to open trunks and honk horns. They are building infrastructure to maintain the high-tech taxis and training human support staff to handle riders without drivers.

Both companies will have driverless cars—from Alphabet's Waymo and others—on their apps this year. In the coming months, riders in Atlanta and Austin, Texas, will be able to hail a Waymo through the Uber app. Lyft plans to offer May Mobility's driverless taxis in Atlanta.

Uber and Lyft have agreed to maintain these driverless fleets. They are finding locations to store the cars, equipping them with chargers and

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They Just Want to Have Cheap Tickets

* * *

Concert fans wait out bargains; $9 to see Cyndi Lauper

By Chris Kornelis And Anne Steele

Casey McNerthney has never been a Cyndi Lauper buff. For most of his life, he'd change the radio channel when he heard "Girls Just Want to Have Fun." But he is a huge fan of landing concert tickets for cheap—especially for shows in big arenas, stadiums and amphitheaters, where he gets to experience an artist (and throngs of their devotees) for the first time.

So in December, when he noticed $9 tickets—including fees—to the Seattle stop of Lauper's farewell tour hours

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This Man Dreamed Big: A Perfect Credit Score

By Imani Moise

Steve Michell had one of the best credit scores in the U.S. But he wanted a perfect 850.

So the 52-year-old Texan started tinkering with his 840s score. He followed tips on his banking app, then came to believe they were bunk. He closed credit cards, tweaked balances and adjusted when he paid his bills. He would make a change, then wait a month to see how his score rose or fell. He adjusted again. He waited again.

"I'm an engineer by trade, so everything has to be perfect," he said.

Michell spent five years trying to crack the formula on his credit score. In doing so, he put an exclamation point on the U.S.'s growing obsession with the three-digit grade of financial health.

Like many, Michell felt that the ups and downs in his score defied explanation. Yes, paying bills on time helps and maxing out cards hurts. But financially responsible moves such as closing old accounts can ding your score, while opening more credit cards can boost it. Credit histories vary so much that what helps one person might not help another.

Credit scores are also playing a more influential role in our lives right now. No longer just a tool to help lenders decide whether to approve loans and how much to charge, credit scores are now an all-purpose ranking system. They are used to decide whether you can rent a home, what your insurance premiums should be and even if you can get a date.

Credit bureaus like Equifax, Experian and TransUnion, and scoring companies like FICO and VantageScore

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U.S. NEWS

Biden Overrode Foreign-Policy Aides on Steel Deal

President Biden went against top national-security aides when deciding to tank a Japanese takeover of **U.S. Steel** and instead align with his domestic advisers to bolster his pro-union legacy.

By Alexander Ward, Catherine Lucey and Bob Tita

Staff presented Biden two broad options in recent days, administration officials said: block the $14.1 billion deal entirely, or delay an approval until **Nippon Steel** could allay concerns that its ownership would harm the American manufacturing supply chain.

During closed-door discussions, national security adviser Jake Sullivan and Secretary of State Antony Blinken were among the foreign policy-minded aides pushing for options that could keep the deal alive, not wanting to damage a crucial relationship with an East Asia ally, according to the officials. Steve Ricchetti, counselor to the president, and other domestically focused staff said it was best to side with leaders of the United Steelworkers' union, who had been vocal opponents of the deal, the officials said. Biden has called himself the most pro-union president in American history.

Biden's national-security advisers weren't uniformly supportive of finding a path to approve the deal: U.S. trade representative Katherine Tai, for example, was a proponent of scuttling the takeover.

A senior administration official said that both national security and economic matters "were represented throughout the process and in discussions with the president."

Ultimately, Biden—who for months vowed not to let U.S. Steel fall into foreign hands—ended a year of backroom discussions on Friday by following through on his promise.

"It is my solemn responsibility as president to ensure that, now and long into the future, America has a strong domestically owned and operated steel industry," Biden said in a statement.

Leaders of the Steelworkers union said the sale would put steel-mill jobs at risk if Nippon Steel reduced production. The union predicted Nippon Steel would continue U.S. Steel's strategy of moving production from older mills to a newer, lower-cost plant with a smaller workforce.

The move fit within the administration's approach of protecting crucial industries even if it perturbs friendly nations, such as when the Inflation Reduction Act—a law packed with green-tech subsidies for American companies—led Europeans to decry the U.S. as too protectionist.

Union leaders said a sale of U.S. Steel could put jobs at risk.

The Committee on Foreign Investment in the U.S., the interagency panel known as Cfius, reviewed the national-security ramifications of the takeover for months. Aides representing the Treasury, State and Defense departments, among others, couldn't reach consensus on whether to recommend the deal to the president. The group split over whether Nippon's large size and global scale presented a risk to the domestic steel industry by potentially replacing U.S. Steel's production with imports from its overseas mills.

Biden cited this concern in his statement killing the move: "This acquisition would place one of America's largest steel producers under foreign control and create risk for our national security and our critical supply chains."

President-elect Donald Trump on the campaign trail repeatedly vowed to block the deal. With weeks to go before Trump becomes president, officials said time had effectively run out for the Japanese company to convince the administration it could protect U.S. supply chains.

"Nippon had about a year to address the national-security concerns and failed to do so," even after Cfius gave the company more time following a review-period extension, the senior administration official said. In the end, the official said, that is why Biden decided to reject the deal outright, instead of blocking it with conditions that could eventually have given the company a path toward getting the sale approved.

Nippon Steel complained that Cfius refused to respond to multiple proposals and draft agreements with the federal government that included nearly $3 billion of investments in U.S. Steel's plants, guarantees to produce steel in the U.S. and offers to provide the federal government with oversight of U.S. Steel's operations.

As part of a final offer made to the White House last week, Nippon Steel promised to refrain from closing any of U.S. Steel's production capacity for 10 years without the government's approval.

Lawyers for Nippon Steel and U.S. Steel argued the objections and concerns raised by Cfius often went far beyond a review of national-security issues. The companies in a Dec. 17 letter accused the panel of creating "imaginary risks that have no basis in fact." The companies said the committee's investigation of the transaction reflected "impermissible influence" from the White House.

"If these falsehoods carry the day, the result will taint the legacy of Cfius and all involved in this process, including President Biden," the letter said.

Over the past year, Nippon Steel sought support for the deal from politicians in states with U.S. Steel operations. Some leaders withheld public support to avoid appearing out of step with the union and some constituents. U.S. Steel's chief executive had warned that the company would eventually close its steel plants near Pittsburgh and could move its headquarters out of the city if the deal failed. On Friday, Pennsylvania Gov. Josh Shapiro said he expects U.S. Steel to keep its commitments to workers.

U.S. WATCH

RICH POLK/GG2025/PENSKE MEDIA/GETTY IMAGES

GOLDEN GANG: 'Emilia Pérez' won the Golden Globe for best musical or comedy Sunday, and its star, Karla Sofía Gascón, took best actress for playing a drug lord before and after transitioning to a woman. 'The Brutalist' was best drama.

NEW YORK

New Congestion Pricing Starts

New York's new toll for drivers entering the center of Manhattan debuted Sunday, meaning many people will pay $9 to access the busiest part of the city during peak hours.

The toll, known as congestion pricing, is meant to reduce traffic gridlock in the densely packed city while also raising money to help fix its ailing public transit infrastructure.

"We need to make it easier for people who choose to drive, or who have to drive, to get around the city," said Metropolitan Transportation Authority Chair and CEO Janno Lieber.

The cost to drivers depends on what time of the day it is and if drivers have an E-ZPass, an electronic toll collection system. Most drivers with E-ZPasses will get dinged the $9 fee to enter Manhattan south of Central Park on weekdays between 5 a.m. and 9 p.m. and on weekends between 9 a.m. and 9 p.m. During off hours, the toll will be $2.25.

—Associated Press

SOCIAL SECURITY

Biden Signs Law Lifting Pay for Many

President Biden on Sunday signed into law a measure that boosts Social Security payments for current and former public employees, affecting nearly 3 million people who receive pensions from their time as teachers, firefighters, police officers and in other public-service jobs.

Advocates say the Social Security Fairness Act rights a decades-old disparity, though it will also put strain on Social Security trust funds, which face a looming insolvency crisis.

The bill rescinds two provisions that limit Social Security benefits for recipients if they get retirement payments from other sources, including public retirement programs from a state or local government.

"The bill I'm signing today is about a simple proposition: Americans who have worked hard all their life to earn an honest living should be able to retire with economic security and dignity—that's the entire purpose of the Social Security system," Biden said.

—Associated Press

The Quest For a Perfect Credit Score

Continued from Page One

said they help consumers understand their scores. Meanwhile, tools like Credit Karma and banking apps have made monitoring the score that was once nearly invisible to consumers as easy as checking your phone.

But the algorithms that assign people scores between 300 and 850 are proprietary.

The sense of randomness is especially frustrating for people with spotless credit, like Michell. For over 20 years, he paid his mortgage on time and avoided credit-card debt.

For his first attempt at a perfect score, Michell closed a few retail credit cards he got at store checkouts, thinking that would help. It didn't move the needle much.

The Bank of America app he uses to review his credit offers tips on how to improve his score.

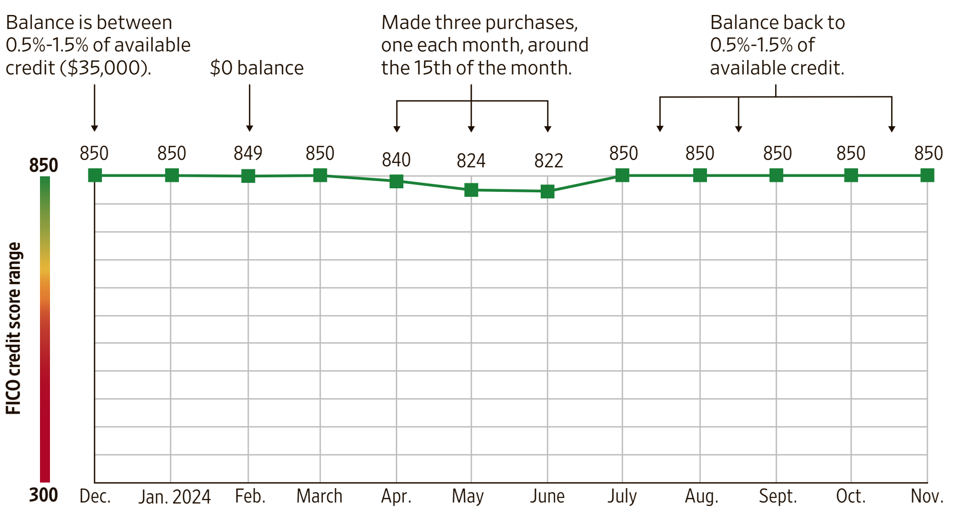
In early 2023, when he was two points shy of 850, the app flagged his "high credit card balances" as an area to improve. At that time, he used about 6% of his $35,000 credit limit. For whatever reason, keeping a $0 balance didn't do the trick either.

'Congratulations'

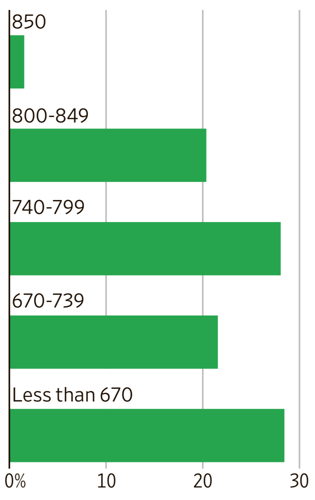
So he started experimenting with carrying different balances each month. He landed on keeping barely more than $0—somewhere between 0.5% and 1.5% of his available credit.

In the summer of 2023, Michell logged into his Bank of America app and saw the message he had been waiting for. "Congratulations!" it said. "You have the highest FICO score possible. You are doing an excellent job managing your credit."

A year in the life of Steve Michell's credit score*



Distribution of FICO scores among U.S. consumers†



*All credit balances as of the 15th of the month. †As of third quarter of 2023

Sources: Steve Michell (credit score); Experian (distribution)

He chuckled.

Problem was, he had no idea how it happened. So how could he keep his credit at 850?

"I was happy because I hit it," he said, "but then it's like, 'Wait a second…' "

Michell decided he wouldn't declare victory until he achieved an 850 three months in a row.

His next idea was to play around with the timing of when he held that meager balance.

Since he only banks with Bank of America, his score only got updated once a month, on the 19th.

He figured that was when the bank reported a snapshot of his financials to the credit bureaus.

But the balances that displayed on his banking app didn't match the balances factored into his score. He thought the bank must report to the credit bureaus just before the 19th. He made sure to keep a balance in his target range on the 18th, then the 17th, then the 16th.

The 15th finally did it.

He has since kept a perfect score of 850 in eight of the last 12 months through November.

"You get your balances just right, so when it gets reported, magic happens," he said.

A representative from FICO declined to comment on specific strategies for improving scores, but said that scores are designed to reflect a consumer's long-term credit behavior, not short-term trends.

Credit scores are playing a more influential role in our lives right now.

Hacking the score

Like Michell, most people could benefit from using about 1% of their available credit, since scoring algorithms consider that the optimal level, said John Ulzheimer, a credit industry veteran who now serves as an expert witness. Still, it is no guarantee of a perfect score.

"No one has figured out how to hack the system," he said.

"The credit scoring system has now trained people to act like lower-risk consumers."

Experian found that the 1.54% of people with perfect scores tend to have lower credit-card balances than the average consumer. They have more credit cards but use a smaller share of available credit.

Pursuing a perfect score can be more time and effort than it is worth.

When it comes to what interest rate people pay on a mortgage or auto loan, there is not much difference between 750 and 850.

Just knowing your credit score makes you more likely to make responsible financial decisions, according to a 2019 study by the National Bureau of Economic Research. Researchers found quarterly emails encouraging people to check their scores significantly reduced late payments and improved FICO scores.

But improving your credit score doesn't always improve your financial health.

Acting on suggestions from credit bureau websites, Sharon Byrne, 50, opened seven new credit cards over three years in an effort to boost her score. It climbed more than 100 points to 720. The Santa Barbara, Calif., resident ended up carrying balances on all seven cards, most with interest rates above 20%.

"That was when the score was at its highest," she said. Her score has dropped to 675 since paying off three of the cards.

Michell is pleased with his 850 credit score, but he isn't sure it was worth the effort. He isn't interested in applying for a new loan, and his insurance costs are still going up quickly. So far, the achievement hasn't unlocked any other special perks.

"My daughter gets the exact same credit-card offers I do," he said. "And she's had a credit history of about four years."

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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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Winter Storm Imperils Travel Across Path Of Central U.S.

Heavy snow and ice hit Midwestern cities and bear down on the Mid-Atlantic region

A stretch limousine sat parked Sunday in Louisville, Ky., above left, while a St. Louis resident cleared snow, above.

FROM LEFT: LUKE SHARRETT/GETTY IMAGES; JEFF ROBERSON/ASSOCIATED PRESS

By Ginger Adams Otis And Alison Sider

A powerful winter storm unleashed heavy snow, ice and frigid temperatures across a large part of the U.S. over the weekend, prompting a wave of flight cancellations and making roads hazardous.

The dangerous weather covering a 1,500-mile stretch across the central part of the country affected millions of people on Sunday and will continue into Monday, according to the National Weather Service.

Airlines over the weekend scrubbed flights in advance and pre-emptively issued travel waivers in an effort to stave off traveler frustrations, allowing people to change tickets without paying fees.

On Sunday, more than 1,500 flights into, within or out of the U.S. were canceled, along with more than 6,000 that were delayed, according to FlightAware. More than 8,000 were delayed on Saturday, according to the flight-tracking website.

Airlines canceled most flights to and from Kansas City International Airport, and the airfield was closed Sunday afternoon, according to a notice posted by the Federal Aviation Administration. Over half of flights to and from St. Louis Lambert International Airport were canceled Sunday.

Southwest Airlines, which had canceled 8% of its Sunday schedule, said it was managing its schedule to match reduced capacity at airports affected by the winter storm. United Airlines said its operations team continued to monitor the weather in the central U.S. and mid-Atlantic.

Flight disruptions were set to continue Monday as the storm moved east, with close to 900 flights canceled as of Sunday afternoon, and with airports near Washington, D.C., and Baltimore heavily affected, according to FlightAware.

The National Weather Service warned of significant icing and whiteout conditions in places, and urged people to stay off roads.

"We're looking at a classic, major, winter storm," said National Weather Service meteorologist Bob Oravec.

The storm brought snow to Kansas and Missouri on Sunday. Totals in some areas were likely to surpass 15 inches—the heaviest in a decade in some places.

Another band of 8 to 14 inches of snow was expected to extend from northeast Missouri through the central Appalachians, with a few inches of sleet likely in southern Illinois and Indiana. Significant disruptions were expected along this path, the weather service said.

Sleet and freezing rain created damaging ice, the weather service said. Tree damage and downed power lines were likely because of ice accumulation, according to the forecast. The hardest-hit areas ran from Southeast Missouri to portions of the Ohio Valley.

The weather covering a 1,500-mile stretch affected millions.

Kentucky Gov. Andy Beshear declared a state of emergency because of the onslaught of snow, freezing rain and icy roads. The storm caused localized power outages, and freezing temperatures will persist throughout the week, making roads treacherous, the governor said.

Virginia, Missouri and other states made similar emergency declarations. About 50,000 households were without power in Missouri and Illinois Sunday night, according to PowerOutage.us.

Stretches of Interstate 64 around Louisville, Ky., had to close due to vehicle crashes, Beshear said Sunday.

"Folks, road conditions are unsafe—please stay home," he wrote on X.

The Missouri State Highway Patrol had a blizzard warning in effect until 3 a.m. Monday.

"Troopers are responding to multiple crashes and slide-offs. Please avoid travel during these blizzard conditions," the agency wrote on X. "Wait until the storm passes and roads improve."

Parts of Tennessee and southwest Louisiana faced a higher risk of dangerous thunderstorms, the weather service said. The hazards associated with the powerful squalls include frequent lightning, whipping wind gusts, hail and a few tornadoes.

In the Great Lakes region, light to moderate lake-effect snow will develop through Tuesday morning. The worst snow—moderate to heavy—will arrive from Lake Ontario through Monday morning, the weather service said.

On the West Coast, several weakening weather fronts were expected to move onshore, bringing coastal rain and higher-elevation snow over parts of the Pacific Northwest and Northern California through Monday.

Watch a Video

Scan this code for a video on the storm and its impact on travel conditions.

Long the Star Pupils, Girls Are Losing Ground to Boys

By Matt Barnum

Girls have lost ground in reading, math and science at a troubling rate, according to a Wall Street Journal analysis of student test scores across the country.

Since 2019, girls' test scores have dropped sharply, often to the lowest point in decades. Boys' scores have also fallen during that time, but the decline among girls has been more severe. Boys now consistently outperform girls in math, after being roughly even or slightly ahead in the years before 2020. Girls still tend to perform better in reading, but their scores have dropped closer to boys.

The findings suggest that pandemic learning loss hit girls particularly hard in ways that haven't been addressed by schools. The most recent test scores show that girls haven't yet recovered. This follows longstanding gains for girls and women in educational attainment.

Teachers, parents and education researchers aren't sure what is driving the gender gap in learning loss, but some suspect the rise in behavior problems during the pandemic years prompted teachers to pay more attention to boys, who tend to act out more in class.

Another factor may be the caregiving and household responsibilities many girls took on during and after the pandemic, sapping their time and energy for school.

Long-term effects

Educators and researchers have recently focused more on the plight of boys, who lag behind on other metrics including high-school graduation and college enrollment. Girls still have an edge there, but the recent decline in test scores might have long-term consequences for women's educational success and job prospects, as well as the overall health of the American economy.

"This not only will hurt girls now—it will change college enrollment, it will change the talent pool that we have," said Harry Patrinos, chair in education policy at the University of Arkansas. Patrinos is co-author of a new study showing the pattern of girls' learning loss is occurring across dozens of other countries, too.

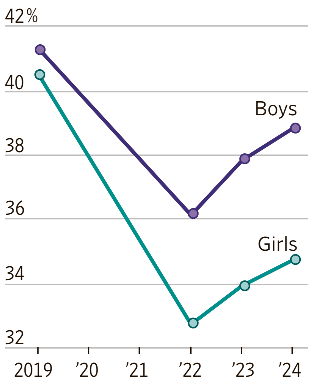
For Ashara Baker of Rochester, N.Y., the pandemic disrupted her daughter's education in ways that still linger. After her daughter wasn't able to get a pre-K spot in fall of 2020, she spent much of the year at home watching videos and trying to entertain herself while Baker worked virtually.

LAUREN MYER

Ashara Baker's daughter, in third grade, writes on a worksheet.

When in-person learning began for kindergarten, her daughter's class was beset with student misbehavior, Baker said. "There are specific students, who are generally boys, who absorbed a lot of energy," she said. The head of the school said it worked to address Baker's daughter's needs and that "no school or community was spared" from learning loss.

Share of California students proficient in math



Note: Includes students in grades three through eight. Testing was canceled in 2020; results from 2021 were excluded because of low participation rates.
Source: Zelma State Assessment Data Repository

The early-grade experience "laid the foundation of her just being dramatically behind," said Baker, who is the New York state director of the National Parents Union, a parent advocacy group.

The Journal reviewed data from 15 nationally representative exams given to students before and after the pandemic. In all cases, the tests—which spanned grades and subjects—indicated that girls logged steeper drops than boys. On some exams, the difference was small, even trivial, but in other instances the gap was substantial. On one round of international tests of eighth-grade math and science, girls in the U.S. had been roughly at parity with boys in 2019, but by 2023 had fallen below them in both subjects.

The same pattern has emerged on state exams, which were compiled by Zelma State Assessment Data Repository. Across the 23 states where data was available, the share of girls proficient in math fell at a faster rate than boys. In all those states, the gap between girls and boys remained larger in 2024 than in 2019. Girls' scores also tended to fall more sharply in reading.

'Still struggling'

Ramona Fittipaldi, who teaches high-school math at the all-girls Young Women's Leadership School of Manhattan, said she has observed the change in her classroom.

"They're still struggling," she said, particularly her ninth-grade and 10th-grade geometry students. "They're really relying on tricks more than fully understanding the way they would have done prepandemic."

Shutting down schools might have hurt girls more because they tend to do better in school generally, said David Figlio, a professor of economics and education at the University of Rochester who has studied gender gaps in education. "Girls have a comparative advantage in school and you take schools away, they'll suffer more," he added.

On some tests, this gender gap in learning loss was larger in later grades and in math, the Journal's analysis found.

Erica Thomas, a mom of three boys and one girl in Charles County, Md., said her third-grade daughter suffered the worst learning loss of her four children. Thomas's daughter, her youngest child, missed pre-K and lost out on early socializing. She also said her daughter is well behaved, making her easier for teachers to overlook. "If my child was wild and throwing desks around the room, somebody would pay attention to them," Thomas said.

Biden Awards Medal of Freedom to Hillary Clinton, Johnson and Others

MANUEL BALCE CENETA/ASSOCIATED PRESS

Retired basketball player Earvin 'Magic' Johnson receives his medal from President Biden.

By Ginger Adams Otis

President Biden named 19 Presidential Medal of Freedom recipients Saturday, awarding the nation's highest civilian honor to political luminaries such as former Democratic presidential nominee Hillary Clinton and the late civil-rights pioneer Fannie Lou Hamer.

Also on the list were actors, athletes and fashion leaders such as editor Anna Wintour and designer Ralph Lauren.

Those chosen for the honor are people "who have made extraordinary contributions to their country and the world," the White House said in a statement. The honor is usually an opportunity for the White House to herald people and values that the president sees as particularly significant.

Former U.S. Attorney General Robert F. Kennedy—the father of Robert F. Kennedy Jr., who President-elect Donald Trump has nominated to be his secretary of Health and Human Services—was posthumously awarded the medal. Philanthropist and Democratic donor George Soros also was among the recipients, as was world-renowned scientist and conservationist Jane Goodall.

Biden also chose U2 frontman Bono, actors Michael J. Fox and Denzel Washington, along with William Nye, better known as "Bill Nye the Science Guy." Soccer superstar Lionel Messi and retired basketball player Earvin "Magic" Johnson also made the list, as did Spanish chef José Andrés, whose World Central Kitchen travels to conflict zones and areas hit by natural disasters to feed local communities.

Other recipients include former Defense Secretary Ashton Carter, as well as George W. Romney, the former Michigan governor and father of recently retired Utah Sen. Mitt Romney. Both were awarded the medal posthumously, along with Hamer, a co-founder of the Mississippi Freedom Democratic Party. Hamer, who died in 1977, helped lay the groundwork for the 1965 Voting Rights Act.

Tim Gill, an entrepreneur and LGBTQ activist; David Rubenstein, the co-founder and co-chairman of Carlyle Group; and George Stevens Jr., founder of the American Film Institute and co-creator of the Kennedy Center Honors, were also awarded the medal.

U.S. NEWS

House, Senate Vary on Pace of Legislation

By Siobhan Hughes And Richard Rubin

WASHINGTON—Republicans are wrestling over how quickly they can deliver President-elect Donald Trump some legislative wins on his agenda, with House and Senate leaders divided over the speed and scope of action early in his term.

House Speaker Mike Johnson (R., La.) on Sunday laid out a plan for combining all of Trump's legislative priorities into a single package that could be brought up for a House vote as soon as the first week in April. But Senate Majority Leader John Thune (R., S.D.) sounded more cautious on the pace of legislation, saying Republicans would "work through" the drafting process.

Trump, who hadn't previously weighed in publicly, said in a social-media post Sunday night that the measure should include border security, energy-policy changes and tax cuts, including extensions of his expiring 2017 tax cuts and the "no tax on tips" pledge from his 2024 campaign. Trump claimed that "it will all be made up with tariffs," not mentioning the spending cuts to programs such as Medicaid and food stamps that congressional Republicans have been considering—and that some may insist on including.

"Republicans must unite, and quickly deliver these Historic Victories for the American People," Trump wrote.

There is no bill yet. Lawmakers still have to agree on the fiscal parameters for the bill to unlock fast-track procedures that can avoid the Senate filibuster, and then they have to write and agree on the bill itself.

In the House, a legislative package would fold in tax cuts, spending cuts, energy measures and funding for border security, as well as an increase in the debt ceiling, Johnson said on Fox News.

"At the end of the day, President Trump is going to prefer, as he likes to say, one big beautiful bill," Johnson said in remarks that intensified a debate with Senate Republicans. The newly reelected speaker went on to say that passing the bill in one fell swoop would help keep Republicans unified, "because no one's going to love every element of a large package like that, but there'll be enough elements in there to pull everyone along."

Theoretically, that strategy can work to unite a disparate coalition that can coalesce behind something that Trump deems important. But some lawmakers might object to pieces that others view as essential. And complicated legislative debates have a tendency to consume time until there is a real deadline—in this case the midyear need to raise the debt limit or the tax-cut expiration looming on Dec. 31.

Republicans wrestle over how quickly they can deliver on an agenda.

Trump hasn't publicly weighed in on the strategy, and lawmakers say they'll take their cues from him. The president-elect plans to host assorted groups of Republicans at his Mar-a-Lago resort next weekend, according to people familiar with the matter.

Congress will hold a joint session Monday to certify Trump's electoral victory.

The aggressive House plans—Johnson proposed a vote as soon as April 3 and projected enactment by May—will pose a major test for the Republican-majority Congress, whose members are divided into factions that don't see eye to eye on top priorities and must separately vote to keep the government open before then. Military hawks, backed by Thune, want to lock in defense-spending increases as part of an initial package that also wraps in border spending.

Spending hawks are focused on cutting deficits and are wary about raising the debt ceiling without significant changes to safety-net programs. Some Republicans have more parochial interests, such as raising the cap on state and local tax deductions that was imposed in the 2017 tax law and that hit residents of high-tax states such as New York.

Senate Republicans balked at some parts of the House plan, which among other things runs counter to their push for a two-bill strategy. That approach would prioritize border spending in a quick bill that could reach Trump's desk shortly after his inauguration and delay legislation that would extend expiring 2017 tax cuts and incorporate at least some of Trump's plans to eliminate taxes on overtime pay, tips and Social Security benefits.

"I'm very worried that if we don't put border first and get it done, it's going to be a nightmare for our national security," Sen. Lindsey Graham (R., S.C.) said on Fox.

Sen. Ron Johnson (R., Wis.), who will have a prime seat in the tax-cut fight as a member of the Senate Finance Committee, also said he supported a two-step process. He sounded a note of caution on increasing the debt ceiling as part of a single, sprawling bill. The U.S. currently has more than $36 trillion in debt outstanding, including obligations under programs such as Social Security. That is up more than $16 trillion since the start of Trump's first presidency, fueled in part by pandemic-related spending under both Trump and President Biden.

"Very few Americans really do specifically understand how out of control government spending is," Johnson said on Fox. He ruled out eliminating the debt ceiling and said that he wanted a plan to return to prepandemic spending levels.

Any hastily written plans could crash down quickly given the narrow GOP House majority and limited maneuvering room in the Senate, where Republicans will hold a 53-47 edge. Republicans are planning to drive through their agenda using a procedural tool that gives them a limited opportunity to circumvent the Senate's filibuster.

Watch a Video

Scan this code to see why Congress may not deliver on Trump's agenda.

ALEX BRANDON/PRESS POOL

Carter's Life of Service Lauded In Last Journey

Consuls general and other mourners viewed the casket of former President Jimmy Carter on Sunday at the Carter Presidential Center in Atlanta. He will lie in repose there until Tuesday morning. National rites for Carter will then continue in Washington and will conclude Thursday with a funeral at the Washington National Cathedral. The nation's 39th president died Dec. 29 at 100 years old.

Attack Puts Trump's Border Emphasis in a New Light

By Vivian Salama And Alexander Ward

President-elect Donald Trump had planned to prioritize operations aimed at protecting the southern border over traditional counterterrorism efforts, a strategy shift that faces fresh scrutiny after a U.S. Army veteran unleashed an attack in New Orleans.

When a Ford pickup truck rammed into a crowd on Bourbon Street in New Orleans, killing 14 people and injuring dozens more, federal officials initially believed that the driver had crossed the southern border shortly before the attack—providing potential fodder for Trump's attacks on the Biden border policy.

On Thursday, even after it was shown that 42-year old Shamsud-Din Jabbar wasn't in the rented truck when it crossed the border, Trump still blamed the current administration.

Yet the attack in New Orleans and the explosion of a Cybertruck in Las Vegas demonstrate the difficulties Trump will face in trying to leverage the terrorism threat at the border amid what could signal a rising wave of domestic terrorism.

Trump has indicated giving priority to fighting Islamist terrorist groups.

While Jabbar appears to have been inspired by Islamic State, authorities believe the men alleged to be behind the incidents—both U.S.-born—acted alone, and neither appears to have had any contact with a foreign group. Matthew Alan Livelsberger, the driver of the Cybertruck that exploded, died of a self-inflicted gunshot wound.

"This is impossible to ignore," Bruce Hoffman, a terrorism expert at the Council on Foreign Relations, said of the recent incidents. "It will have repercussions that will indeed influence and shape the Trump administration's approach to terrorism. There will be a different approach precisely because this attack occurred on the watch of the previous administration."

Some in government, however, say it is too soon to draw broader conclusions about the violent acts, let alone outline the need for broad policy shifts. Trump has given no indication that last week's events might alter that course, but he may at least be forced to contend with the domestic terrorism threat.

"It's a couple of losers who chose the same day to act up," a Senate staffer said. "They're being looked at as isolated incidents for now."

Rep. Mike Waltz (R., Fla.), Trump's incoming national security adviser, and other future senior aides have received briefings from the Biden administration about the two incidents. Waltz told Fox News on Thursday the events in New Orleans and Las Vegas underscored the need to rapidly confirm Trump's national security nominees.

"That has to be in place day one, guys, because this is a moment in transition of vulnerability," he said.

What those officials will do about domestic terrorism once in office, however, is unclear.

When he arrived at the White House in 2017, Trump took aim at Obama administration programs that funded efforts to counter the threat of white supremacist attacks, shifting the money to focus on Muslims and other minority groups, according to the Brennan Center for Justice, a nonprofit based in New York.

Biden, shortly after taking office in 2021, ordered a review of domestic terrorism threats, saying, "Terrorism from white supremacy is the most lethal threat to the homeland today. Not ISIS, not al Qaeda—white supremacists."

Trump has already indicated he has a different focus, giving priority to fighting Islamist terrorist groups and vowing to designate certain Latin American drug cartels as terrorist organizations, which may grant him authority to use the military on certain counternarcotics operations in Mexico.

He is also likely to keep his focus on crossings at the southern border, though Biden administration officials say they have no evidence of coordinated, planned efforts by terrorist groups to smuggle members into the U.S. through Mexico. In June, federal agents arrested eight Tajik nationals with alleged Islamic State ties, all of whom entered the U.S. via the southern border.

Homeland Security Department data show a total of 26 non-U.S. citizens on a terrorist watchlist showed up at the southwestern border between fiscal years 2017 and 2021.

The number jumped to 98 for fiscal year 2022 alone, and further surged to 169 people in the 2023 period. The agency reported 103 known encounters at the border in fiscal year 2024, a dip that followed Biden strengthening entry restrictions last June.

A senior Customs and Border Protection official said the numbers rose partly because of a rise in the number of people placed on the watchlist.

New Orleans Assailant Scouted City in October, November

The U.S. Army veteran who rammed a pickup truck into a crowd of revelers in New Orleans twice visited the city during the months leading up to the terrorist attack and, on one trip, recorded video of the area with Meta smart glasses, law-enforcement officials said Sunday.

Shamsud-Din Jabbar, 42, wore the glasses as he rode a bicycle through the city's tourist-heavy French Quarter in October, officials said. The Meta glasses, which closely resemble regular eyeglasses, were recovered from Jabbar after he was shot dead in a firefight with New Orleans police on Bourbon Street.

While the glasses are capable of livestreaming video, Jabbar didn't activate that function during the attack, and investigators don't have any indication that he otherwise recorded it, said Lyonel Myrthil, the special agent in charge of the Federal Bureau of Investigation's New Orleans field office.

Myrthil, speaking at a Sunday news briefing, asked for information from anyone who might have seen or interacted with Jabbar during his October trip. Jabbar visited the city again in November.

During the early morning hours on New Year's Day, he plowed through Bourbon Street in a pickup truck flying an Islamic State flag, killing 14 people.

President Biden is scheduled to visit New Orleans on Monday.

Myrthil said investigators were scrutinizing domestic and international trips Jabbar took, including a 2023 visit to Cairo. "Our agents are getting answers as to where he went, who he met with, and how those trips may or may not tie into his actions here in our city of New Orleans," he said.

Investigators were still determining why Jabbar chose New Orleans as his target. He also traveled to the Atlanta and Tampa areas in the lead-up to the attack, Myrthil said.

Officials said they continue to believe Jabbar acted without an accomplice in the U.S., though they are still looking into potential associates.

—C. Ryan Barber

EDUARDO MUNOZ/REUTERS

Law-enforcement officers patrolling New Orleans on Jan. 2, a day after the deadly attack.

Uber, Lyft Gear Up for Robotaxis

Continued from Page One

high-speed internet and training workers to maintain the cameras, lidar and other gadgets that driverless vehicles depend on.

"This level of nitty-gritty, it takes years to build," said Andrew Macdonald, Uber's senior vice president of mobility. "It's not something you can do by flipping a switch."

The ride-hailing giants are reacting to growing signs that driverless technology might finally be ready to spread beyond a few experimental markets.

Waymo, which made its own app available to the general public in San Francisco last year, is challenging Uber's and Lyft's stronghold in parts of the city, according to market-research firm YipitData. And the swift adoption of driverless cars has some gig drivers worried.

Driverless U-turns

Uber and Lyft once invested billions of dollars in developing their own self-driving cars. Uber co-founder Travis Kalanick used to say the company needed to lead the pivot to driverless technology or risk becoming irrelevant.

Both companies gave up on the costly endeavor during the Covid-19 pandemic, selling their self-driving units. Now they are competing to be the platforms on which the robotaxi technology developed by others will operate.

Uber announced more than five U.S. robotaxi partnerships in the past five months, covering Los Angeles, Dallas and other cities.

Uber struck a deal with Waymo that will allow customers in Austin and Atlanta to hail the company's driverless taxis only through the Uber app, a move that will prevent the maker of driverless cars from taking market share in those cities. Waymo will continue to operate its own app in other cities.

Uber and Lyft will get a cut of the driverless-taxi bookings. The robotaxi companies get access to the ride-sharing giants' tens of millions of customers without having to advertise or build the expensive technology needed to efficiently connect cars to customers.

Human-driven cabs aren't going away soon. The future will be a combination of regular taxis and driverless cars. Uber Chief Executive Dara Khosrowshahi has said it might take a decade before half of Uber's U.S. trips are in self-driving cars.

Even then, the technology might not work in densely populated cities like New York or under some weather conditions, said Robert Mollins, analyst at Gordon Haskett Research Advisors.

"No one's saying 'let's go send some of these cars to Boston in the middle of winter,'" he said. "What happens when all of these sensors get covered in snow?"

General Motors recently pulled the plug on developing its Cruise self-driving cars. Tesla plans to start producing its Cybercab before 2027. Amazon.com is testing its Zoox autonomous vehicles.

Riders hail new tech

Still, customers seem to be warming up to the technology. In August, Waymo vehicles picked up close to 500,000 passengers in California, up from fewer than 20,000 a year earlier.

Consumer receipts analyzed by YipitData within Waymo's operating zone in San Francisco found that the company had taken a 22% share in November. Lyft's share in the area fell to 22% the same month, from 34% in August 2023. Uber's share in the area slipped 10 percentage points to 55% over the same period.

Uber and Lyft said they haven't lost riders to Waymo, and their bookings continue to grow in the city.

Lyft CEO David Risher said self-driving cars have expanded the overall ride-hailing market by giving people new reasons to ride.

He said tourists in San Francisco are ordering driverless taxis for their novelty and because Waymo uses high-end Jaguars—a luxury that won't be the norm as automated-vehicle technology gets installed in less-luxurious cars.

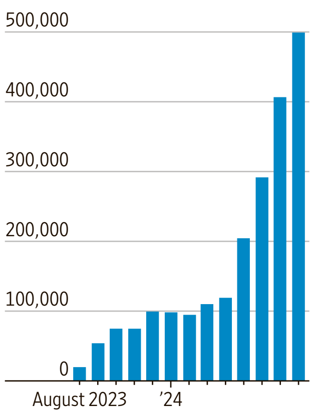
"Tomorrow's AV experience will be quite different," he said on an earnings call.

Daniel Garcia was among a small group of San Franciscans who tested Waymo free of charge from 2023. He loved that he could avoid small talk with another human while controlling the temperature and music. He stopped using Uber and Lyft.

After Waymo started charging and allowing everyone on the app, the wait times started getting longer and fares climbed.

"It really was a dream until it was harder to get it," Garcia said.

Number of Waymo passengers in California



Source: California Public Utilities Commission

UBER

New Uber features on the way.

He has started using Uber and Lyft again, but not as much as he used to because he will still wait for a Waymo when he has time.

Uber declined to say how much it is investing in driverless-taxi infrastructure. It is still a small amount, said Mollins. "All they are doing right now is learning—everything is in test and learn mode."

Uber created a feature on its app that will allow customers to remotely honk the horn of a driverless taxi to help them locate their ride. It is scouting for locations for autonomous-vehicle depots that will store and service the cars in areas that aren't too far from rider traffic.

The company is working with existing fleet partners—the ones that operate the premium Uber Black service—to transform their facilities into hubs for autonomous vehicles. That means equipping them with hundreds of electric charging stations and raising the internet speed to 10 times that of a typical office to handle all the data the driverless taxis need.

Lyft is transforming its Flexdrive car-rental locations into depots for driverless taxis and adding new features to its app. Riders will be able to adjust the temperature inside a driverless car through their phones.

The company has trained artificial intelligence on its app to answer riders' basic questions about unlocking cars and starting rides. It is teaching staff "to do some of the more thornier things" like helping customers retrieve lost items from driverless cars, said Jeremy Bird, an executive vice president at Lyft.

The company also is building technology to let individuals list their personal autonomous vehicles on its app. "You can have your own fleet of 10 AVs, which you can put on our platform and manage," Bird said.

WORLD NEWS

U.S. Plans Big Arms Sale to Israel

Administration tells Congress $8 billion package will include bombs, missiles

The Biden administration notified Congress of an $8 billion weapons package for Israel, including thousands of bombs, missiles and artillery shells, in one of the largest new arms sales since the war in Gaza began in 2023.

By Jared Malsin, Nancy A. Youssef and Carrie Keller-Lynn

The weapons package, which congressional officials received notification of late on Friday afternoon, also includes the planned sale of thousands of bombs, air-to-air missiles and precision munitions, according to U.S. officials familiar with the sale.

The new weapons package includes some items that could draw objections from Democrats who have opposed the transfer of large bombs to Israel amid concerns over the civilian toll of the war in Gaza. The proposed sale includes a set of guidance kits designed to be fitted to large MK-84 2,000-pound bombs, as well as BLU-109 bunker buster bombs, one of the officials said. Also included are AMRAAM and Hellfire missiles and 155mm artillery rounds.

VIOLETA SANTOS MOURA/REUTERS

Israeli soldiers near the border with Gaza fired mortar shells as part of the continuing conflict with Hamas last January.

At least $6.75 billion would fund two different kinds of precision kits, small diameter bombs and 2,000-pound bombs, the officials said.

The planned weapons sale, which comes just weeks before President Biden hands over power to President-elect Donald Trump, is the largest the U.S. government has authorized for Israel since the $20 billion weapons package the administration approved in August. Israel was also informed of the move, said an Israeli official, who said that the country expected the weapons to begin arriving in 2025.

"We will continue to provide the capabilities necessary for Israel's defense," said an administration official familiar with the deal, which still requires congressional approval to move forward. The office of Israeli Prime Minister Benjamin Netanyahu declined to comment.

The new weapons package was reported earlier by Axios.

Arms sales to Israel have been a troublesome issue for the Biden administration, which organized an airlift of bombs and other munitions to Israel in the aftermath of Hamas's Oct. 7, 2023, attack.

The war, which has largely been carried out with U.S.-made weapons, has reduced much of the coastal enclave to ruins while thousands of people have struggled with famine-like conditions, according to Palestinian health officials and a United Nations-backed hunger-monitoring mechanism.

Some leading Democrats have urged Biden to curb weapons sales to Israel to reduce civilian deaths in Gaza and pressure Netanyahu into accepting a cease-fire that would halt the war and free remaining Israeli hostages held in Gaza.

—Summer Said contributed to this article.

Washington To Ease Aid Restrictions On Syria

By Alexander Ward

WASHINGTON—The Biden administration plans to announce Monday it is easing restrictions on humanitarian aid for Syria, a move to speed delivery of basic supplies without lifting sanctions that block other assistance to the new government in Damascus.

The decision underscores the White House's wariness about removing the broad sanctions on Syria until the direction taken by its new leaders, led by a group the U.S. labels a terror organization, becomes clearer.

The limited step approved by the administration over the weekend authorizes the Treasury Department to issue waivers to aid groups and companies providing essential services, such as water, electricity and other humanitarian supplies, officials said.

Available initially for six months, the waiver would free aid suppliers from having to seek case-by-case authorization but it comes with conditions to ensure Syria doesn't misuse the supplies, the officials said.

The U.S. has already dropped a $10 million bounty on Abu Mohammed al-Jawlani, the Islamist leader of Hayat Tahrir al-Sham, the Sunni Islamist group that began as an offshoot of al Qaeda and led the assault that toppled the Assad regime.

The U.S. is withholding a decision on lifting crippling sanctions imposed during Syria's brutal 13-year civil war, seeking assurances Damascus won't renege on promises to protect the rights of women and the country's religious and ethnic minorities.

"Make no mistake, some of the rebel groups that took down Assad have their own grim record of terrorism and human right abuses," President Biden said in December after Syrian leader Bashar al-Assad fled the country. "They are saying the right things now, but as they take on greater responsibility, we will assess not just their words, but their actions."

The Jawlani-led government is seeking recognition from world powers. The group publicly cut ties with al Qaeda years ago and has sought to cast itself as more moderate.

Decisions about sanctions and whether to recognize the new government likely will be left to President-elect Donald Trump.

Midlevel U.S. officials have met in Damascus with Hayat Tahrir al-Sham leaders, and French Foreign Minister Jean-Noël Barrot and German Foreign Minister Annalena Baerbock were in Damascus Friday. After meeting with Jawlani, Baerbock said women and Kurds must be involved in the country's transition, further warning that European funds shouldn't be used for "new Islamist structures."

The German diplomat also signaled that it was too early for European nations to lift sanctions on Syria, but said that "the past few weeks have shown how much hope there is here in Syria that the future will be one of freedom."

—Laurence Norman contributed to this article.

Weaker Iran To Confront Trump 2.0

Continued from Page One

sparked widespread unrest, crushed with brute force. While protests over the worsening economy remain limited, the regime appears more vulnerable to unrest now.

Iran's leadership "is probably experiencing the most profound challenges of its own making" in years, said Sanam Vakil, director of the Middle East and North Africa program at Chatham House in London. That could push Tehran to negotiate a compromise with the West, she added.

President Masoud Pezeshkian was elected in July on a platform of social reforms, economic revival and political opening to the West. But Iranians' hopes of improving their daily lives are unraveling.

Iran's currency, a bellwether of economic sentiment, ended 2024 at a record low against the dollar, down 40% for the year. Gross domestic product per capita has fallen 45% since 2012, when sanctions escalated, the World Bank said.

Merchants in Tehran's main bazaar staged a rare strike on Dec. 29 over high inflation, said Hamidreza Rastegar, head of the Tehran Chamber of Guilds, which represents vendors. Protests over economic issues are becoming more frequent. Nurses and telecommunications workers have protested delayed payments.

The discontent is spreading to the vital oil sector. Workers at the Abadan petrochemical plant, one of the country's biggest, protested over three months of unpaid wages, according to state-run media and Iranian trade unions.

ABEDIN TAHERKENAREH/EPA/SHUTTERSTOCK

President Pezeshkian lauding Qassem Soleimani, a militia commander ordered killed by Trump.

Energy shortages because of years of mismanagement and underinvestment have exacerbated the crisis. Industrial facilities last month were at 41% of capacity because of electricity and natural-gas shortages, the Iranian Chamber of Commerce, Industries, Mines and Agriculture, said on Dec. 18. Lower poultry and meat production threatens food security, the chamber said.

Factories are in the throes of "a deep recession," Mahmoud Najafi Arab, the head of the chamber, which represents some of Iran's biggest companies, said in on the chamber's website. The energy shortage has idled 22 cement plants and slowed pharmaceutical production, according to the semiofficial Iran Labour News Agency. Power issues are also set to hurt this year's harvest by shutting down water pumps and disrupting the supply of natural-gas-dependent fertilizers, Ali Gholi Imani, head of the National Wheat Farmers Association, told business newspaper Tejarat News on Wednesday.

Feeble Economy Feeds Dissent

Iran's sorry economic state worries the country's leadership. The Islamic Revolutionary Guard Corps, the paramilitary force tasked with protecting the Islamic Republic, warned on Dec. 30 of further unrest and criticized "attempts to portray the system as ineffective, and fearmongering within society."

Ali Rabiei, President Masoud Pezeshkian's social-affairs adviser, said younger generations are rejecting the economic isolation and social restrictions of recent years. They are "showing signs of rebellion against the status quo," he wrote in the reformist newspaper Shargh on Dec. 27. "Prolonged sanctions have significantly contributed to the prevailing sense of despair, leaving deep social and political scars."

Pezeshkian's administration has responded by easing some of Tehran's most repressive policies. In late December, it lifted a ban on the WhatsApp messaging service.

The energy crisis has fueled inflation, running at an annual rate of 37% in November, according to the central bank. In the past three years, the price of meat has quintupled and potato prices have more than doubled, Iran's Statistical Center said on Dec. 31. About 32 million Iranians—more than one-third of the population—live below the poverty line, according to the chamber of commerce, compared with 18 million people in 2017.

Even under the most crippling sanctions, Iran could still deter foreign attacks on its soil by leveraging threats from the Axis of Resistance, an informal Tehran-led alliance of Middle East militias.

But those allies have been largely defeated over the past year. The removal in December of Bashar al-Assad of Syria, Iran's main state ally in the Middle East, followed a cascade of events catalyzed by Hamas's deadly attack on Israel on Oct. 7, 2023. Israel has devastated Hamas, Iran's main Palestinian ally, and killed most of the leadership of Hezbollah, Iran's most powerful ally.

The events leave Tehran with far less wiggle room as it prepares for Trump. The past year's setbacks have raised concerns that Iran might accelerate its nuclear program to restore some deterrence against foreign attacks.

Trump, a Republican, has also been eyeing ways to stop Iran from being able to build a nuclear weapon, including possible preventive airstrikes.

Iran's foreign minister, Abbas Araghchi, said Friday that his country was ready to resume nuclear negotiations "without delay" in exchange for lifting the sanctions. But in November, he also said Tehran's advancing nuclear program showed it could cope with any new restrictions.

To reach a deal, both sides will need to move away from acrimony. Trump's approach is likely colored by his knowing Iran tried to assassinate him, former Trump officials have said. Khamenei frequently invokes Qassem Soleimani, the Iranian military commander Trump ordered killed in 2020.

"There is a narrow window where the regime will be eager to negotiate and Trump will have momentum to get what he wants to sell," said Chatham House's Vakil. "But time is not on [Trump's] side. The ideologues in the Trump camp will want compromise from Tehran it may not be ready to accept. So there is a lot more pain ahead for Iran."

WORLD WATCH

SYRIA

Foreign Minister Takes Trip to Qatar

Syria's new foreign minister met with his Qatari counterpart and Qatar's prime minister in Doha on Sunday, as Syria's new de facto authorities under Hayat Tahrir al-Sham, or HTS, establish diplomatic ties with regional and global governments.

Foreign Minister Asaad al-Shibani posted on X that he is also set to visit Jordan and the United Arab Emirates to develop strategic partnerships, and support Syria's security and economic recovery.

HTS led a lightning insurgency that ousted President Bashar al-Assad on Dec. 8. From 2011 until Assad's downfall, Syria's uprising and civil war killed an estimated 500,000 people.

—Associated Press

BRAZIL

Soccer-Loving Nun Now Oldest Person

A soccer-loving 116-year-old Teresian nun from Brazil is believed to have become the world's oldest living person with the death last week of a woman from Japan.

Sister Inah Canabarro, born on June 8, 1908, was so skinny growing up that many didn't think she would survive childhood, said LongeviQuest, an organization that tracks supercentenarians, people at least 110 years old.

The secret to longevity? Her Catholic faith, she says.

"I'm young, pretty and friendly—all very good, positive qualities that you have too," Canabarro tells visitors to her retirement home. She began work as a teacher in 1930, according to LongeviQuest.

—Associated Press

EUROPE

Heavy Snow Brings Outages, Delays

Heavy snow and freezing rain brought widespread disruption across Europe on Sunday, particularly in the U.K. and Germany, with several major airports forced to suspend flights.

With the weather set to stay inclement on Sunday in the U.K., there were concerns that many rural communities could be cut off. The National Grid said it had been working to restore power. Power cuts were reported in the English cities of Birmingham and Bristol, and Cardiff, Wales.

Britain's main weather forecaster said sleet and snow would continue to push north on Sunday and be heaviest in northern England and into southern Scotland.

—Associated Press

ISSEI KATO/REUTERS

FISH STORY: Jointly bidding about $1.3 million at the year's first Tokyo tuna auction, sushi-restaurant operator Onodera and wholesaler Yamayuki bought a 608-pound bluefin on Sunday.

Venezuela Collects More Foreign Hostages

Maduro regime is gathering chips for future prisoner swaps, analysts say

By Kejal Vyas

Venezuelan leader Nicolás Maduro in recent years has secured the freedom of his top financier and two of his relatives in prisoner exchanges with the Biden administration.

Now the regime is stocking up on foreign detainees—including Americans—who analysts say could serve as bargaining chips with the incoming Trump administration and allied governments. More than 50 foreign passport holders have been detained by Venezuela's security forces since the end of July when the regime began its crackdown on opponents who, along with the U.S., say Maduro stole an election. Most of the detainees are being held on allegations of espionage or terrorism.

“The idea of capturing foreigners is to use them later in an effort to force their home countries to accept conditions in negotiations or to trade them,” said Gonzalo Himiob, a human-rights lawyer and director of Penal Forum, whose lawyers represent political prisoners in Venezuela. “What we can see is that the Venezuelan government is preparing for a scenario of high confrontation in the weeks and months ahead.”

The swelling number of detainees in recent months—more than 2,000 Venezuelans were also detained after the July 28 vote—has alarmed the Biden administration and the United Nations office dealing with forced and arbitrary detentions, which have struggled to get information on the prisoners from Venezuelan authorities, according to people familiar with the matter.

The latest foreigner to be nabbed was Nahuel Gallo, 33 years old, a corporal in Argentina's gendarme police assigned to a border crossing with Chile. Arrested traveling to Venezuela on Dec. 8 to spend the holidays with his wife and toddler, Gallo was accused of terrorism in a case that infuriated Argentine President Javier Milei. His administration calls the detention a kidnapping.

“This is no longer just an anti-gringo thing,” said former U.S. diplomat Eric Farnsworth, now at the Council of the Americas policy group in Washington. “Now Venezuela's message to neighbors is, ‘If you upset us, your citizens are also at risk.’”

Maduro, who will be inaugurated for a third, six-year term Friday, denies holding prisoners for political reasons and insists he wants a reset with President-elect Donald Trump, who takes office Jan. 20.

“I'm always ready to turn the page for relations based on respect, dialogue and cooperation,” Maduro said on state TV on Jan. 1.

Maduro's rule over Venezuela since 2013 has been marked by economic calamity, charges of election rigging and the exodus of some eight million migrants, a quarter of the population. He also has increasingly used hostages as leverage with foreign adversaries, much as Venezuela's allies Russia, Cuba and Iran do, Farnsworth noted.

“It's a distressingly common tactic, but people do it because it works,” he said.

A State Department spokeswoman declined to disclose the number of U.S. citizens held in Venezuela, citing privacy and security concerns. The Trump transition team didn't respond to a request for comment but in the past has said the president-elect will “lead our country and restore peace through strength around the world.”

“The Maduro regime does not notify the U.S. government of the detention of U.S. citizens, and the U.S. government is not granted access to those citizens,” the State Department spokeswoman said. The U.S. closed its embassy in Caracas in March 2019, and recommends U.S. citizens not travel to Venezuela due to “high risk of wrongful detentions.”

Himiob of Penal Forum said his organization has been able to confirm 19 foreigners in detention—four Americans along with Ecuadoreans, Colombians, Spaniards, a Ukrainian and a Uruguayan.

Also locked up are 30 Venezuelans who hold citizenship from another country, in most cases either Spain or Italy. A few hundred Venezuelans have recently been freed, and rights groups say some 1,800 people remain jailed.

Penal Forum, which has been advocating on behalf of arbitrarily detained people for nearly 20 years, recently updated its internal manual to account for a new category of political prisoners in the country: hostages.

Many of the detentions follow a similar pattern: Foreign men who travel to Venezuela to meet their significant others or women they connected with online are arrested after crossing the land border from neighboring Colombia. That route is often taken because so few international airlines fly to Venezuela. Once taken in, detainees are rarely granted access to a lawyer and seldom get to face a judge. In almost all the cases, the detainees face accusations of terrorism or espionage, which the regime says supports its claims that U.S.-backed political rivals are plotting a coup, Himiob said.

Citizens from countries with hostile relations with Venezuela are particularly vulnerable, as in the case of the Argentine gendarme. Gallo was arrested when entering Venezuela at the border with Cúcuta, Colombia. He was en route to spend Christmas in eastern Venezuela with his wife, María Gómez, who had arrived from Argentina months earlier with their toddler to take care of her elderly mother.

Previous leftist governments of Argentina had been friendly with Caracas, but the country has turned into a fierce rival of the Venezuelan regime under Milei, a self-described anarcho-capitalist who has forged a close alliance with the incoming Trump administration.

Edmundo González, Maduro's foe in last July's election, met with Milei in Buenos Aires on Saturday on the first stop of a regional tour meant to rally support from Latin American nations whose governments deem Maduro an illegitimate leader and back González as Venezuela's rightful president-elect.

Argentina's government has filed a complaint at the International Criminal Court at The Hague concerning Gallo's forced disappearance. “This act constitutes a serious and flagrant violation of human rights, evidenced by a systematic pattern of crimes against humanity by the Venezuelan Republic,” Argentina's Foreign Ministry said in a statement.

After taking office a year ago, Milei's government angered Maduro by handing a Venezuelan state-owned Boeing 747 to U.S. law enforcement, which had requested the aircraft's seizure for allegedly transporting weapons and members of an Iranian terrorist organization.

Argentina's embassy in Caracas has also granted refuge to several Venezuelan opposition political activists wanted for arrest. In a continuing siege, heavily armed Venezuelan security officers have encircled the diplomatic compound and cut its power and water supply.

Because of the tense relations between their two countries, Gómez had sought to avoid problems. In November she told Venezuela's Foreign Ministry of her husband's travel plans—filing notarized letters, copies of which were seen by The Wall Street Journal.

“We had faith that we had all of the paperwork in order and that something like this was not going to happen,” Gómez said.

Instead, Venezuelan Attorney General Tarek William Saab has characterized Gallo as a sort of Argentine John Rambo on a secret mission for the Milei administration to destabilize Venezuela and meddle in the embassy standoff. He was “hiding his true criminal plan under the guise of a family visit,” Saab said, without providing evidence.

Gómez said that she had planned to return to Argentina with Gallo and their son on Dec. 30, but decided to stay in Venezuela to try to get her husband freed.

“I feel vulnerable, like I'm in the eye of the hurricane and that they can accuse me of anything as well,” she said.

To others thinking of traveling there, Gómez had one message: “It's not the right time to go to Venezuela under these circumstances. Don't risk yourself.”

—Silvina Frydlewsky and Patricia Garip contributed to this article.

MARIA ALEXANDRA GOMEZ

Argentine Nahuel Gallo was arrested on his way to see his wife, María Gómez, and their toddler.

LEONARDO FERNANDEZ VILORIA/REUTERS

JACINTO OLIVEROS/AFP/GETTY IMAGES

Left, Venezuelan President Nicolás Maduro is set to begin a third six-year term on Friday; right, relatives of people detained in a postelection protest stood at the prison fence last month.

Venezuela's No-Detention Pledge Proved Short-Lived

In 2022, Venezuela freed six U.S. citizens and a U.S. resident in exchange for two nephews of President Nicolás Maduro's wife who were serving 18-year sentences in the U.S. for cocaine trafficking. In December 2023, Venezuela exchanged 10 American citizens and a high-profile fugitive wanted by the U.S. in exchange for Alex Saab, a senior regime financier who had been facing money-laundering charges in Miami when President Biden pardoned him.

As part of the swaps, the Venezuelans had assured the U.S. that no more Americans would be arbitrarily detained, the State Department said at the time.

Everything fell apart after the July election. A grass-roots effort by the opposition to gather more than 80% of the tally sheets from voting machines nationwide showed Maduro's opponent, Edmundo González, had won by a two-to-one margin. In the aftermath, the regime locked up more than 2,200 political dissidents and protesters, including some 150 adolescents, and broke relations with several Latin American countries that had called for election transparency. The U.S. reimposed some sanctions and seized Maduro's jet in the Dominican Republic.

By September, the Venezuelan authorities were back to detaining U.S. citizens they alleged were part of a plot to overthrow Maduro. Interior Minister Diosdado Cabello—considered by many diplomats and scholars to be the regime's top enforcer—made public the arrests of at least seven Americans.

Nazi Ties Ran Deeper At Bank

Continued from Page One

by high-ranking Nazi SS officers and a Swiss intermediary that was allegedly used to move and store looted assets.

The findings came to light in a probe overseen by an independent ombudsman, Neil Barofsky. The former U.S. prosecutor, who is a partner at law firm Jenner & Block, was hired by Credit Suisse in 2021 after the Simon Wiesenthal Center found information on possible Nazi clients that hadn't previously been disclosed.

The Senate Budget Committee got involved two years ago, when Credit Suisse fired Barofsky from the probe. Bank executives played down what he had found and felt he had overstepped lines it wanted around the investigation. The committee has jurisdiction over the State Department's Office of the Special Envoy for Holocaust Issues, which seeks to secure compensation for Nazi-era wrongs.

Barofsky was reinstated in late 2023, following UBS's emergency rescue of Credit Suisse. In a December 2024 letter to the Senate, reviewed by The Wall Street Journal, Barofsky said Credit Suisse and new owner UBS have fully opened their archives and have assigned more than 50 people to work on the probe.

“The investigation has identified scores of individuals and legal entities connected to Nazi atrocities whose relationships with Credit Suisse had either been previously unidentified, or for which the relationship had been partially identified but the full nature of the bank's involvement has not yet been reported publicly,” Barofsky wrote in the letter.

“UBS is committed to contributing to a fulsome accounting of Nazi-linked legacy accounts previously held at predecessor banks of Credit Suisse,” a bank spokesperson said.

Sens. Sheldon Whitehouse (D., R.I.) and Chuck Grassley (R., Iowa) spearheaded the effort in the Senate. “Credit Suisse hid additional evidence of Nazi ties for years, and even tried to conceal information from our congressional investigation,” Grassley said.

Recent photos taken by a visitor to one of the bank's archives in Zurich shows the scale of the task: rooms full of pallets of boxes stacked from floor to ceiling, and an array of old ledgers, computers and hard-drive disks all storing client records.

Buried in storage were around 3,600 boxes from the “Inf department” containing information about clients, including ones who were on the U.S. wartime blacklist for furthering the Nazi cause.

In the ’90s, two panels studied Swiss banks’ World War II-era activities.

Barofsky described the Inf department files as akin to “know your customer” details that banks keep on their clients.

A preliminary search against 99 known Nazis and affiliates produced 13 name matches. Numerous files bore the American blacklist stamp, he said, which his team hadn't seen before in other Credit Suisse archives.

Some portions of the Inf department files were included in earlier reviews but were never scanned, indexed or systematically incorporated into those probes, Barofsky said in the letter to Congress. That work is now continuing.

While conducting the new probe, which included interviews with former bank employees who worked on the 1990s research, Barofsky found indications the bank covered up its role by not always sharing what it knew.

Internal comments by bank executives in the 1990s on one of the panel's draft reports said the report was “rather sanitized,” but best left as is.

Credit Suisse's general approach to outside investigations was to share only requested information and not offer additional insights, Barofsky said his team was told.

Key information and relevant accounts weren't shared then with the outside panels, including information about the account controlled by officers of the Nazi SS—Adolf Hitler's elite paramilitary unit—and a Swiss intermediary. The businesses that used the accounts promoted the regime's economic aims, seizing businesses from Jewish owners and relying on forced labor at concentration camps.

A registry card for the SS-linked account was found in the 1990s and was flagged to higher-ups, according to the former employees and documents and emails that were discovered in the new probe. Credit Suisse as recently as April 2023 said bank historians hadn't previously associated the registry card with the account in question, including in the 1990s reviews.

When asked by one of the panels in 2001 about the account, Credit Suisse said it had no documents indicating a business relationship with the SS holding company, leading the panel to conclude documents must have been destroyed.

After outcry in the mid-1990s over Holocaust victims' missing assets, a group overseen by Paul Volcker, the former Federal Reserve chairman, sent auditors deep into the banks' files to find dormant or looted accounts.

A second group, assembled by the Swiss parliament and headed by historian Jean-François Bergier, trawled through bank archives to study Switzerland's Nazi-financing.

The two panels' main findings were that Swiss bankers routinely turned a blind eye to Nazi theft of Jewish assets during the war and often obstructed families' later efforts to reclaim their money. Neither review claimed to encompass all wartime accounts or to give a definitive result.

In the 1990s probes, Credit Suisse identified 14 likely Nazi clients. UBS said it found one account for a former Reichsbank president and another opened by an SS officer's widow decades after the war.

The two banks agreed to pay $1.25 billion to Jewish families who had been denied money in Swiss accounts and to surviving slave laborers or their heirs. Many Jewish organizations supported the settlement at the time.

Barofsky told the Senate his team of investigators expects to issue a final report around early 2026.

BRENDAN SMIALOWSKI/GETTY IMAGES

GABRIEL MONNET/AFP/GETTY IMAGES

Neil Barofsky, above, says Credit Suisse and UBS have fully opened their archives. Above right, a Credit Suisse building in Bern.

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Concert Fans Find Bargains

Continued from Page One
before showtime, he pounced. McNerthney spent the evening showing his true colors in an arena full of fans who knew every song by heart.

He's had a beautiful day seeing U2 for $16 and paid $12 to see a sky full of stars at Coldplay. He's even ducked out of a Major League Baseball game and a cooking class with his wife early to see famous bands on the cheap.

"You can't get a cocktail in Seattle or a full meal at Mickey D's for the price of going" to see a musical great, he said.

McNerthney's bargain hunting involves keeping a close eye on StubHub, SeatGeek, TickPick and Gametime, apps where brokers and fans resell tickets, as well as Ticketmaster, where prices often fall the day of the show. He is among a crop of cheap-ticket junkies who are often bigger fans of the deals they can score than the artists they're paying pennies on the dollar to see.

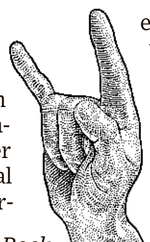
"It doesn't matter who you're going to see at a stadium for less than 15 bucks," he said. "You're going to have a good time if you have the right outlook."

Bargains are often the result of ticket brokers trying to unload inventory at the last minute or fans reselling tickets they can no longer use.

Scalpers make bets on demand for coming shows when scooping up face value tickets en masse, said Randy Nichols, an artist manager who leads the National Independent Talent Organization's ticketing committee. They typically sell some at a steep markup to make a profit. When they overestimate, they risk holding the bag unless they unload unsold tickets.

McNerthney has noticed a cadence: Ticket prices often bottom out two or three days before a show, begin to tick back up until the day of, and then plummet once openers take the stage.

The thrill of nabbing low-cost tickets has grown as prices have increased. The average ticket price for the top 100 tours in North America rose to $136.45 this year, nearly double from a decade ago, according to Pollstar. Prices on resale sites for high-demand shows go much higher, but there can be deals.



Rock-bottom

Tickets to see Bruce Springsteen in Philadelphia sold on SeatGeek for about $8 over the summer, while Santana and Counting Crows fans could see them perform together near Seattle for $4. There were $1 tickets to see The National in New Hampshire in September and $5 tickets to see Vampire Weekend at Madison Square Garden in October.

Krieg Jamieson didn't know the Foo Fighters were playing in Seattle when he woke up on Sunday, Aug. 18, but by 6:30 p.m. he was headed for the show, the owner of a ticket for which he'd paid $13, after fees. The seats were up on the third deck, but he wandered down to the floor and found empty seats.

The hunt can be fraught. Those seeking cheap buys must be willing to miss a show if prices don't come down. And for some shows, bargain is a relative term.

When Taylor Swift performed in Miami Oct. 19, Sophie Serrano headed to the stadium with her mom, ticketless, at 3:30 p.m. Sporting a blue mini dress and matching cowgirl boots, the 28-year-old was betting ticket prices on StubHub—which at the time cost thousands of dollars—would fall.

The mother-daughter duo camped in the parking lot, shaking up espresso martinis at 4:30 p.m. while they waited. An hour-and-a-half later, prices for the worst seats—practically behind the stage—started to drop below $1,000. Around 6:30 p.m., opener Gracie Abrams took the stage, but prices held steady.

At 7:45, a pair of primo floor tickets popped up and Serrano snagged them—for $1,500 each. The transfer from the seller took another 15 minutes, and by the time Serrano and her mother were sprinting into the stadium, Swift had finished her first "era" of songs.

Serrano was elated that her gambit worked, but doesn't plan to join the ticket deal-chasing crowd again any time soon. "Taylor is the only person I would go to those lengths to see," she said.

China's Hacking Prowess

Continued from Page One
ing trade war and China building a tighter alliance with Russia. Top U.S. officials in both parties have warned that China is the greatest danger to American security.

In the infrastructure attacks, which began at least as early as 2019 and are ongoing, hackers connected to China's military embedded themselves in arenas that spies usually ignored, including a water utility in Hawaii, a port in Houston and an oil-and-gas processing facility.

Investigators, both at the Federal Bureau of Investigation and in the private sector, found the hackers lurked, sometimes for years, periodically testing access. At a regional airport, investigators found the hackers had secured access, and then returned every six months to make sure they could still get in.

Hackers spent at least nine months in the network of a water-treatment system, moving into an adjacent server to study operations. At a utility in Los Angeles, the hackers searched for material about how the utility would respond in the event of an emergency. The precise location and other details of the infrastructure victims are closely guarded secrets, and couldn't be fully determined.

American security officials said they believe the infrastructure intrusions—carried out by a group dubbed Volt Typhoon—are at least in part aimed at disrupting Pacific military supply lines and impeding America's ability to respond to a future conflict with China, including over an invasion of Taiwan.

In the separate telecom attacks, which started in mid-2023 or earlier and were first reported by The Wall Street Journal in September, a hacking group known as Salt Typhoon linked to Chinese intelligence burrowed into U.S. wireless networks as well as systems used for court-appointed surveillance.

They were able to access data from over a million users, and snapped up audio from senior government officials, including some calls with Trump. They also targeted people involved in Vice President Kamala Harris's presidential campaign.

The hackers also swiped from Verizon and AT&T a list of individuals the U.S. government was surveilling in recent months under court order, which included suspected Chinese agents.

Verizon and AT&T both said a small number of high-profile customers were targeted by the threat actor and that affected customers have been notified.

TYRONE SIU/REUTERS

A ceremony in Taipei in October. Analysts say Beijing has started to lay the cyber groundwork for a potential Taiwan invasion.

Shocking exposure

Lawmakers and officials given classified briefings in recent weeks told the Journal they were shocked at the depth of the intrusions and at how hard the hacks may be to resolve.

"We will never know regarding the scope and scale of this," said Anne Neuberger, President Biden's deputy national security adviser for cybersecurity. In some cases hackers erased cybersecurity logs, and in others the victim companies didn't keep adequate logs.

Liu Pengyu, the spokesman for the Chinese embassy in Washington, accused the U.S. of peddling disinformation about threats from Chinese hackers.

"Some in the U.S. seem to be enthusiastic about creating various types of 'typhoons,'" the spokesman said, referring to the names assigned to the hacking groups. "The U.S. needs to stop its own cyberattacks against other countries and refrain from using cybersecurity to smear and slander China."

Several senior lawmakers and U.S. officials have switched to using encrypted apps such as Signal, for fear that China may be listening in. Federal law-enforcement officials have told state and local law enforcement to do the same. (Federal agents already use their own encrypted systems for classified work.)

In late December, in response to the Salt Typhoon campaign, federal officials published new guidance recommending the public use end-to-end encryption for communications, and said text-based multifactor authentication for account logins should be avoided in favor of app-based methods.

U.S. officials have warned for more than a decade about fast-evolving threats in cyberspace, from ransomware hackers demanding payments to state-directed thefts of valuable corporate secrets.

They also raised concerns about the use of Chinese equipment, including from telecom giants Huawei and ZTE, arguing they could open a back door to unfettered spying. In December, the Journal reported that U.S. authorities are investigating whether the popular home-internet routers made by China's TP-Link, which have been linked to cyberattacks, pose a national-security risk.

But Beijing didn't need to leverage Chinese equipment to accomplish most of its goals in the massive infrastructure and telecom attacks, according to U.S. officials and others familiar with the investigation. In both hacks, China exploited a range of aging telecom equipment that U.S. companies have trusted for decades.

In the telecom attacks, the hackers exploited unpatched network devices from security vendor Fortinet and compromised large network routers from Cisco Systems. In at least one case, they took control of a high-level network management account that wasn't protected by multifactor authentication, a basic safeguard.

That granted them access to more than 100,000 routers from which they could further their attack—a serious lapse that may have allowed the hackers to copy traffic back to China and delete their own digital tracks.

The router hijacking took place within AT&T's networks, a person familiar with the matter said. AT&T declined to comment on the router attack. Cisco and Fortinet declined to comment.

In December, Neuberger said the number of U.S. telecom victims had grown to nine, and that there could be more.

This account of the two devastating cyberattacks is based on interviews with around 50 national security, law enforcement and private-sector officials. Many of the details have never been reported.

Port attack

On Aug. 19, 2021, Chinese hackers gained a foothold in the digital underpinnings of one of America's largest ports in just 31 seconds.

At the Port of Houston, an intruder acting like an engineer from one of the port's software vendors entered a server designed to let employees reset their passwords from home. Hackers managed to download an encrypted set of passwords from all the port's staff before the port recognized the threat and cut off the password server from its network.

Afterward, the port's cybersecurity chief, Chris Wolski, called the Coast Guard, which has authority over U.S. ports, to notify it of the attack: "It looks like we have a problem."

The port neutralized the threat, but unfettered access to the passwords could have given hackers the ability to move around in internal networks and find places to hide until they wanted to act.

The attack on the port—which at that time had only recently upgraded from basic antivirus software and from just one IT employee working part time on cybersecurity—was a crucial early tip to U.S. officials that China was going after targets that didn't house corporate or government secrets, and was using novel ways to get in.

The FBI found the intrusion relied on a previously unknown flaw in the password software. A group of Microsoft analysts determined that the same hacking group had used the flaw in the software, which came from another company, to target consulting services and IT companies.

The analysts spotted the hackers targeting networks in Guam, the U.S. territory in the Pacific that is home to a key American naval base, where the intruders had breached a communications provider.

The intruders started showing up in other surprising places, from the Hawaii water utility and a West Coast port, to sectors including manufacturing, education and construction.

Federal agents fanned out across the U.S. to investigate, and throughout 2022 and 2023 heard similar stories at visits to more than a dozen sites.

In previous cases, FBI agents could often trace hackers once they found the servers in the U.S. that they were renting for their attacks. This time, the hackers were getting in via a type of router used by small and home offices, which disguised the intrusions as legitimate U.S. traffic.

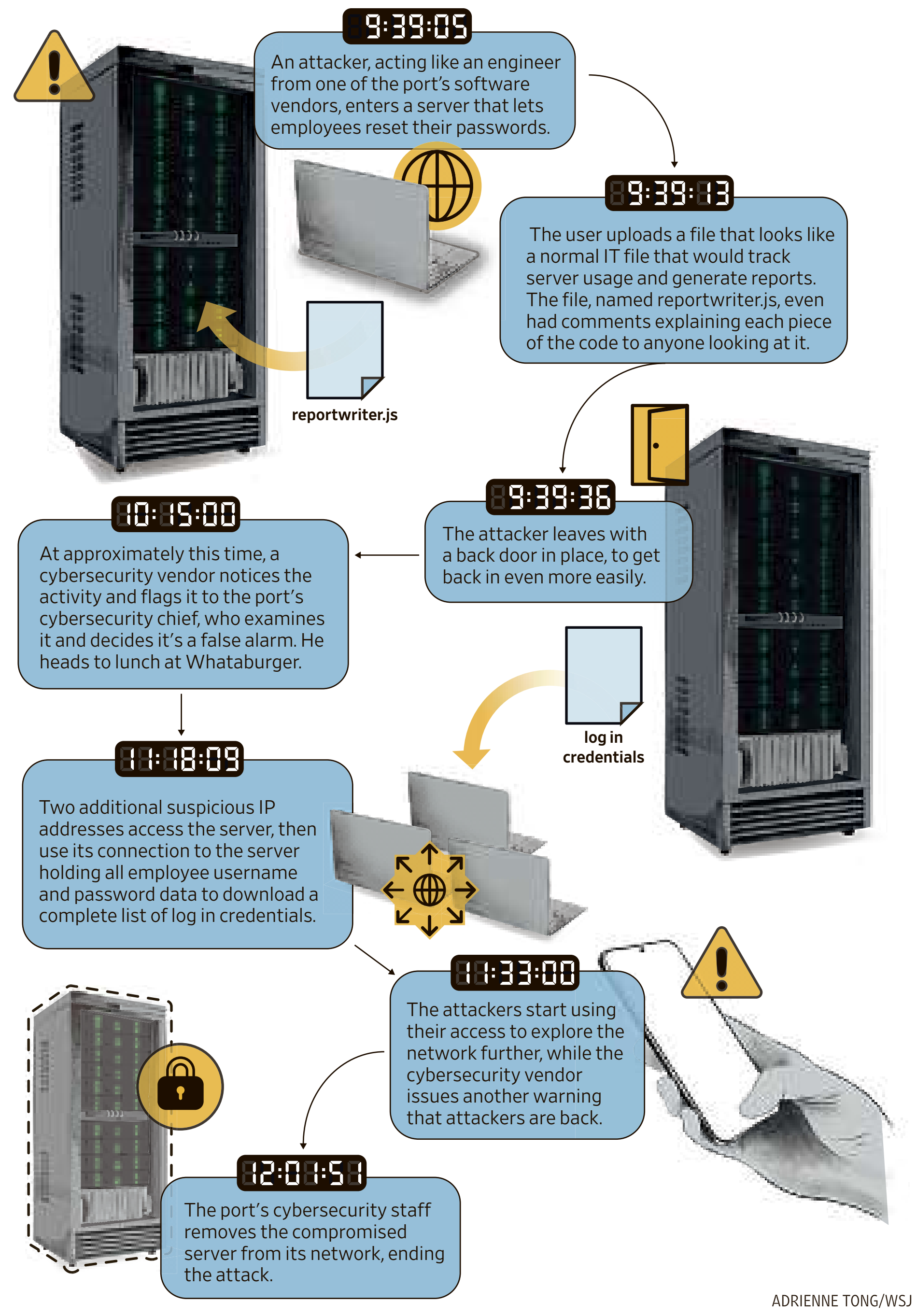
The routers, largely built by Cisco and Netgear, were vulnerable because they were so old they were no longer receiving routine security updates from their manufacturers. Once in the hackers' control, the routers functioned as stepping stones to other victims. Netgear declined to comment.

By the end of 2023, the FBI had amassed enough information to identify hundreds of the small office routers commandeered by the hackers. Prosecutors asked a judge for authorization to go into the routers remotely and issue a command to neutralize the malware—essentially going into the homes of unsuspecting Americans who had bought the routers years ago and had no idea their network was being used as a launchpad for an attack.

In January 2024, a judge approved the request and the FBI carried out the operation.

How Chinese hackers broke into the Port of Houston in just 31 seconds.

A mysterious file launches a global hunt



ADRIENNE TONG/WSJ

Telecom attack

In the summer of 2024, U.S. officials told several companies about a different attack—this time, an all-out assault on U.S. communications systems. A group linked to China's intelligence operations in the Ministry of State Security had crept into their networks.

The intruders exploited pathways that telecom companies use to hand data off to each other through links that often lack multifactor authentication.

The hackers were able to compromise cellphone lines used by scores of senior U.S. national security and policy officials.

Separately, they sought to access wiretap surveillance systems at Verizon and AT&T in an apparent effort to learn how much the FBI and others understood about Beijing's spies operating in the U.S. and internationally, investigators said.

Investigators remain unsure whether Salt Typhoon actors were able to funnel real-time content, such as calls or texts from people under law-enforcement surveillance, from the wiretap breaches back to China.

In the fall, a group of Verizon leaders and cybersecurity experts hunkered down in closed sessions in Texas to spot intruders, study their behavior and determine how to oust them. The carrier has since reviewed each router in its network to check for vulnerabilities.

Investigators learned that the hackers at times lurked, simply observing network traffic, and in other cases swiped it, exfiltrating their haul through elaborate paths around the globe before funneling it to China.

The hackers' focus was in part regional: Phone records of individuals who work in and around Washington, D.C., were a priority. They accessed call event-date records—including date and time stamps, source and destination IP addresses, phone numbers and unique phone identifiers—from over a million users.

"We saw a massive set of data acquired," an FBI official familiar with the investigation said.

Investigators are still determining the full scope and intent of the data haul. They said the data could help hackers establish who different people in the government talk to and better understand their social and professional circles. That intelligence could help facilitate future intrusions or attacks.

—Robert McMillan and Sadie Gurman contributed to this article.

PERSONAL JOURNAL.

Even Rich Retirees Fear Outliving Their Money

Spending below one's means is especially prevalent among older wealthy Americans

BY ANNE TERGESEN

Retirees worry they will live too long to enjoy their money.

Studies show those who spend more report greater satisfaction in retirement, yet older Americans often live below their means. The prospect of a life of 95 or 100 years turns many into penny-pinchers, reluctant to spend their hard-earned savings now with so many years of bills remaining.

Researchers call it the retirement consumption puzzle.

Married 65-year-olds with at least $100,000 in financial assets withdrew an average of 2.1% of their savings annually, according to a forthcoming study that analyzed data from a long-running survey of approximately 20,000 people over age 50.

That is well below the 4% spending rate many advisers recommend, which would have protected retirees from running out of money in every 30-year period since 1926, said co-author David Blanchett, head of retirement research at PGIM DC Solutions, an affiliate of Prudential Financial. The goal is to ensure nest eggs last 30 years in the worst of times, which means they last even longer in better markets.

Spending below one's means is especially prevalent among wealthier retirees. Those in the top 20% of the wealth distribution could safely spend an estimated $773,000 to $1.165 million more over a 30-year retirement, depending on how their money is invested, while still setting aside 40% of their initial wealth for emergencies or bequests, said Michael Finke, a professor at the American College of Financial Services.

Fear is making them miss out. While it is crucial to plan for longevity, it is also important to find pleasure in retirement, when "many people have the time and money and wisdom to enjoy their lives in a way they never could before," said Meir Statman, a finance professor at Santa Clara University in California who has studied later-in-life financial and personal well-being.

Penny-pinching

After retiring in 2019, Jay Myer, 62, said the loss of a paycheck unnerved him so much he started worrying about running out of money.

When Myer realized he and his wife, Anita Myer, were regularly spending about $1,800 more a month than anticipated, he began scrutinizing every purchase, down to the napkins.

But the former software executive said this penny-pinching made him even more anxious. "All it did was scare me," the Cary, N.C., resident said.

So Myer ran a new analysis of their retirement finances incorporating the higher expenses. The results indicated they could afford to spend more.

The couple's priorities include travel and their two young grandchildren, who live nearby. In 2025, they plan to take two cruises, plus a vacation with their son and his family.

They have also started giving some money to their two adult sons in years when their investments perform well. "It feels really good to do that," Myer said. Since their sons are early in their careers, "they need the money more than we do," he said.

◀ Jay and Anita Myer's priorities include travel and their two young grandchildren, who live nearby.

FROM TOP: ELENA SCOTTI/WSJ, ISTOCK (7); KATE MEDLEY FOR WSJ

Spending time

After years putting money into retirement accounts, it can be a struggle to transition to taking money out.

There is so much uncertainty about how long we will live and how well markets will perform that many opt to spend conservatively, Finke said. A common approach is to spend mainly Social Security, pension and investment income and take little from IRAs and 401(k)s until age 73, when the government requires those with traditional accounts to take minimum distributions and pay the taxes due.

Finke said a desire to leave an inheritance might explain some, but not all, of the underspending. Psychological barriers to spending likely play a role.

Pulling money from retirement accounts can feel as painful as watching the balance fall because of a stock market crash, Statman said.

Saving is often seen as a virtue, while spending can feel like irresponsible behavior, said Adam Chapman, a financial adviser who specializes in helping retirees enjoy their wealth.

Those who consider themselves frugal can find the idea of splurging on first-class airfare or a fancy watch hard to reconcile with their identity, Chapman added. "People feel they're becoming a different person. They wonder what the neighbors will think," he said.

Chapman said he coaches clients to identify a handful of things they value and would get pleasure from spending more money on. "If you die with a lot of money, it means you sacrificed too much and lived too small," Chapman said.

Giving permission

Statman said he has always been careful with money. "But at some point, you look at your balance and say, 'What am I doing? There is no way for me to spend this money.'" He had to give himself permission to use the money.

"People who have a hard time spending more have strong self-control, which is why they often end up wealthier than they had imagined," he said. "Breaking this habit is hard. We need to be able to step away from our habits and emotions and analyze our money more objectively."

Blanchett recommends covering essential expenses, such as food and utilities, with lifetime income: Social Security, pensions and immediate annuities, which convert a lump-sum payment into lifelong payouts. Studies show retirees spend far more from lifetime income than from savings—and those with pensions tend to be happier.

Home equity can be earmarked for any long-term-care needs, he said.

That frees a retiree to spend savings and investments on travel and other priorities, said Blanchett. One approach is to divide big accounts into smaller ones, each for a specific purpose.

"If you've got $300,000 set aside for travel, it makes it easier to spend the money," he said. It also makes it easier to spend it earlier in retirement when people often are healthier and better able to enjoy travel.

Marathon Running Sets Milestones

BY RACHEL BACHMAN AND NIKKI WALLER

Running is built on booms. In the 1970s, the original explosion introduced people to something called jogging. In 1994, Oprah Winfrey ran the Marine Corps Marathon, spurring millions of women to flood half-marathons and other races.

In 2024, the marathon boomed. The Paris Marathon in April set a record for the biggest ever with 54,175 finishers. That mark was broken not once, but twice—first in September by Berlin (54,280), then in November by New York (55,646). And hundreds of thousands more people entered lotteries to get into those races, a sign that demand for spots is outstripping supply.

No longer the exclusive domain of super-slim Type As, the 26.2-mile distance has drawn in runners of all sizes and speeds and, notably, younger ones. While the number of marathon finishers remains below the half-million who ran in 2019, new groups of people are taking on the distance. The share of finishers between ages 20 and 24 has grown from about 5% to 8% since 2021, according to leading industry tracker Running USA.

Avery Katz, a 27-year-old airline pilot in Palm Coast, Fla., illustrates the 20-something embrace of distance running. He began training seriously earlier this year for health and weight management, and ran his first marathon Dec. 14 in Jacksonville.

He said that running a Halloween half-marathon a few months earlier, which featured people bounding along in costume, inspired him to tackle the longer distance. Across his range of pursuits, which have included alpine ski racing and skydiving, Katz said running is the most welcoming.

Paris Marathon set a record for the biggest ever with 54,175 finishers.

"People have the most fun with it," he said. He added that he's found supportive runners in groups he's joined on Facebook and other social media.

Gen Z's embrace of long distances is a departure from millennials around the same age. Some drifted away from timed runs a decade ago, opting for boutique exercise classes or yoga.

Gen Z women in particular appear to be embracing marathons. On Strava, a social network where runners and other athletes track workouts, 20% of marathon runners were Gen Z women in 2024, outpacing Gen Z men, who made up 15% of marathoners.

Also spurring marathon sign-ups are run clubs around the country. Some 25% of regular runners on Strava belong to a club, up from 19% since 2019, according to the company.

No longer than 150 people show up for Koreatown Run Club's weekly track workouts and long runs in Los Angeles. A record number of the club's runners finished marathons in 2024, says co-founder Duy Nguyen.

"If they're training with a group of people, they get this high of it, they want to keep going for it," says Nguyen, 35.

Two very different events have provided tailwinds to the current marathon boom. The coronavirus pandemic spurred stir-crazy workers from home to seek out exercise they could do alone and outdoors. Many took up running.

Also, a design overhaul in running shoes has been especially welcoming for first-time runners and people putting in serious miles. Newer, high-tech foam material allowed shoe companies to make models with super-cushioned soles without adding weight. Brands such as Hoka and On have driven, and taken advantage of, the rise of marshmallow-bottomed shoes.

▲ Runners crossing the Verrazzano-Narrows Bridge during the 2024 New York City Marathon.

BRENDAN MCDERMID/REUTERS

Companies also developed "super shoes," often with a springlike carbon-fiber plate embedded in those thick soles. The new category helped runners go measurably faster without expending more energy.

Some races are finding that running influencers on social media are their best advertising. Others mine their own race data to better market their events.

A few years ago, organizers of Grandma's Marathon in Duluth, Minn., discovered that it wasn't just drawing people from the Upper Midwest: 55-70% of participants were first-timers in the event. So in 2022, organizers expanded their marketing, mainly with Facebook and Instagram ads, to running hotbeds such as Boston, Flagstaff, Ariz., Boulder, Colo., and San Francisco.

The 2025 edition of the race, which traces the shore of Lake Superior and takes place in June, sold out in scarcely a month.

"What we're learning is that Grandma's Marathon is a bucket-list race for many people," said Zach Schneider, the event's marketing and public relations director.

The biggest bucket-list race of all, the New York City Marathon, hints at the future of the 26.2-mile distance. While runners aged 20-39 made up about 43% of finishers in 2019, this year they were over 52%. Those young competitors still have years to run.

Here's Your Gateway to Booking a Cruise

The industry is booming and companies don't offer many discounts, but lower prices are there if you know where to look

By Jacob Passy

Looking to save money on a getaway in 2025? You may want to hit the deck.

The beginning of the year is generally the best time to book a cruise vacation, thanks to the promotions different cruise lines offer during what cruise veterans call wave season.

Those deals may be a little less exciting this year—the cruise industry is booming, and companies aren't feeling pressure to discount—but there are still deals to be had.

For the new-to-cruise, choosing the right sailing is no small feat. And the options go well beyond the Caribbean—everywhere from Alaska to the Mediterranean to Tierra del Fuego.

Factors like trip length and the ship's age can make the difference between feeling like you got your money's worth and wasting away at sea.

An ocean of offers

The wave season, roughly between Christmas and early March, is when cruise lines traditionally have marketed the biggest bargains on upcoming voyages.

The post-Covid surge in cruise bookings has shown no signs of abating. Cruises continue to sell out, and people are booking their cabins further in advance, says Tanner Callais, founder of travel website Cruzely.com.

In late December, Carnival Corp. CEO Josh Weinstein said all of the company's brands were already nearly two-thirds booked for 2025.

"Get used to paying more," Callais warns.

Still, wave season is the best time to snag deals, even if they're not as eye-popping as in previous years.

As of Tuesday, Carnival Cruise Line was offering up to 40% off the rates for cruises that include a stop at Celebration Key, its new private destination in the Bahamas.

Royal Caribbean was advertising savings of up to $500 on future cruises, while Norwegian Cruise Line was promoting a New Year's sale featuring up to $1,500 off its cruises, future cruise credits and savings on amenities like drinks packages.

Celebrity Cruises is discounting up to 75% off a second guest for a booking, along with other savings, as part of its semiannual sale.

Another piece of good news when evaluating offers: Recent legislation aimed at eliminating surprise taxes and fees has prompted cruise lines to advertise the total cost of bookings, Callais says.

To maximize the savings, travelers can adopt a few strategies:

◀ Sailing on newer cruise ships like Royal Caribbean's Icon of the Seas comes at a premium.

Follow the demand. Like hotel rooms or airfare, cruises that take place during peak travel periods are more expensive. Saving money, Callais says, can be as simple as sailing when school is in session, especially on cruise lines that cater to families.

Pit travel agents against each other. Yes, it still can pay to use a travel agent. Agencies often have access to special pricing unavailable to the general public via cruise lines' own websites. Some travel agents will proactively reserve blocks of rooms for their customers in advance to lock in lower rates, says Bob Levinstein, chief executive of CruiseCompete.com, a website where travelers can compare vacation deals from different agencies. The best prices are going to be offered directly to a customer by a travel agent rather than advertised publicly, he says.

Lighten up on the frills. If you're not the type who needs fancy meals or unlimited drinks to have a good time, the more all-inclusive packages offered by higher-end cruise lines may not be a good deal. Along those lines, sailing on newer ships chock-full of amenities comes at a premium. The same sailing on an older vessel often costs less. (Type the ship's name along with the phrase "maiden voyage" into a search engine to find its age.)

Things to consider

Cost is just the starting point when choosing which cruise line to book. Two ships that visit the same ports over the same length of time could offer vastly different vacations.

"When it comes to cruising, about 80% of the experience is the same," Callais says. "You're going to have your day at sea where you're hanging out poolside. The drinks are going to be flowing. There's going to be gourmet dining."

But the atmosphere from one ship to another varies widely.

A trip with Virgin Voyages is an adult-only experience, while Disney Cruise Line caters to families and doesn't offer casinos on its ships.

Someone looking for a calmer, more traditional cruising experience will want to skip the megaships that feature waterslides, roller coasters or go-kart tracks, says Justin Wolfson, a personal travel adviser with Chubit Travel.

Even within the same cruise line, a given sailing's vibe can differ depending on the port the ship leaves from. Sailings out of Miami are often considered to have a more raucous atmosphere than those out of smaller ports across the Southeast. Plus, a smaller port may be easier—and cheaper—to reach.

Similar itineraries even within the same region of the world can make for vastly different experiences.

Say the choice is between two cruises to the Bahamas, with one visiting a private island and the other stopping in Nassau.

The private island will be less crowded, and arguably less authentic in terms of experiencing Bahamian culture. The stop in Nassau could allow a family to choose from a wider range of activities, but if multiple ships can dock there in the same day they might find the atmosphere too hectic.

▶ Cruise ships geared toward families, like the Disney Treasure, may not appeal to all travelers.

FROM TOP: DAISY KORPICS/WSJ, ISTOCK, PIXELSQUID; PAOLA CHIOMANTE/REUTERS; FOCKE STRANGMANN/AGENCE FRANCE-PRESSE/GETTY IMAGES

'Squid Game' Star Talks Fake Blood, Jumpsuits

By Ellen Gamerman

Christmas is over. Bring on the blood.

After three years, the second season of the dystopian series "Squid Game" is back with its same star: Player 456. Only this time, he isn't a destitute gambling addict but a billionaire who re-enters the competition in hopes of stopping it for good.

The Netflix drama's first season was a sensation when it launched in 2021, shocking audiences with its mix of children's games and rampant murder by armed guards in hot-pink jumpsuits.

The South Korean show, which returned on Dec. 26, made a star of actor Lee Jung-jae for his portrayal of Seong Gi-hun, who is facelessly known in the game as 456. When last seen, he's won the enormous piggy bank of cash after a multistage bloodbath that seemingly left every one of his 455 fellow competitors dead. In the new seven-episode season, Gi-hun returns with a mission to spare his fellow players and find the sicko behind the game.

Lee, a 52-year-old South Korean actor who won a 2022 leading actor Emmy for his performance as Gi-hun, shot season two and the final season three in chronological order. The show from writer-director Hwang Dong-hyuk features new players, including a drugged-up rapper and a failed cryptocurrency entrepreneur.

Lee spoke with the Journal via an interpreter about the offstage ritual for dead characters, his iconic green tracksuit and what happens when fake blood gets in his mouth.

◀ Lee Jung-jae's character returns for season 2 of 'Squid Game' with a mission to find the mastermind behind the competition.

Was it hard to return to set without any of your season-one scene partners, whose characters were all dead?

When I got back to the set alone, I really missed my co-stars. The main challenge of reprising my role as Gi-hun was that in season one, Gi-hun was a very optimistic soul and he would get along with anybody. I actually had a lot of fun together with the co-stars. But in season 2, he's hardened and he can't trust anyone or get close to people. I had fewer chances to get closer to my co-stars because of that, which is a pity.

How did you process the violence after a long day on set?

It is hard to process that level of violence. But I thought I needed it to accumulate inside of me because at the finale there would be a burst of emotion that I would have to express. I couldn't just let it go every single day because I wanted my emotions to pack up.

Could people who hate violence figure out a way to watch?

I actually had tea with Jodie Foster and she said, "'Squid Game,' I heard that it is so violent, so I can't watch it." When we are promoting "Squid Game," we always say that it might seem violent from the outside, but we try to show violence to give the strong message not to use it.

What's in the fake blood?

Our makeup team made it themselves. They made sure it was edible, they made it out of syrup and stuff, because in a lot of scenes we would have it in our mouths. Sometimes we had to swallow it or spit it.

Were there lessons for actors on dying convincingly?

All the characters had their own reasons for dying and their own tragic back stories. They wished they would survive but if they didn't, I think it gave a more dramatic scene for them. As I was watching them die on set, I could really tell that all of the actors were really immersed in their characters. A fun fact is that whenever someone got eliminated, we would eat out together because that's a wrap for production for them. We would root for them and say, "You did a really good job."

Did the dead person get to decide where you ate?

[Smiles and nods.]

How many versions of your green tracksuit did you have for season 2?

I think I had four sets. Because we were filming in chronological order, there would be blood stains and the tracksuit would become dirtier and more ragged.

Can you compare American and South Korean reactions to the show?

I personally think that the American audience was more passionate about it.

You already shot the series finale. How do you feel about the very last episode?

Even when I was in production for season one, I would keep asking director Hwang if there's going to be a season two and he always said, "No." So when I was shooting season one I thought that was the finale, but that wasn't the case. So I questioned myself if season three would really be the finale this time around. But I really enjoyed the finale of season three. There are a lot of meaningful messages in there.

This interview has been edited and condensed for clarity.

NO JU-HAN/NETFLIX

ARTS IN REVIEW

EXHIBITION REVIEW

A Doll Down the Decades

Celebrating Barbie's 65th anniversary, a show tracks her ever-expanding world from 1959 to today

BY LAURA JACOBS

New York

There's very little text in the exhibition "Barbie: A Cultural Icon," at the Museum of Arts and Design. Born on March 9, 1959—when she had her debut at the New York Toy Fair—Mattel's "Teenage Fashion Model" doll has figured in the cultural conversation ever since. And what a figure! Back in 1994, when she turned 35, there were books, articles and academic studies aplenty that took on the semiotics of bosomy Barbie. They invoked her forerunner, Bild Lilli, a German doll based on a racy comic-book character. They examined her über-model dimensions and bemoaned the ridiculous anatomical ideal she embodied. The conversation was intellectual and political, with undertones of both affection and exasperation. Greta Gerwig's 2023 blockbuster movie, released on the eve of Barbie's 65th year, juggled these very issues.

The exhibition at MAD bypasses such discourse and lets the dolls do the talking. On the fifth floor, it begins in 1959 and travels through the 1970s; on the fourth floor, it picks up in the 1980s and continues through today. In a scrapbook-style montage of opening commentary, we learn that Ruth Handler, the co-founder of Mattel, "wanted to create a doll with adult features so girls could play out their futures." These myriad "futures" are the focus of the show, which was organized by the costume-and-textile curator Karan Feder, in partnership with Mattel Inc.

Installation views of 'Barbie: A Cultural Icon,' above and left; the show is curated by Karan Feder.

It starts with the archetype, the 1959 Barbie. An 11.5-inch totem enshrined in a glass vitrine about the size of a phone booth, she wears her indelible black-and-white-striped strapless swimsuit, hoop earrings and black high heels. This particular doll is a ginger blonde, and her hairstyle—curly bangs, a high ponytail—recalls Debbie Reynolds in 1957's "Tammy and the Bachelor." The innocence ends there. Her eye makeup is heavy for a '50s teen, and, Eve-like, she glances furtively (or is it knowingly?) away. Her skin tone is rather ashen.

For those who remember (and perhaps for those who don't), Barbie's 22 original ensembles, here encased in rows upon the wall, form a matrix of desire. Designed by Charlotte Johnson, complete with tiny, charming accessories, these outfits contain the cultural moment. "Commuter Set" channels Rona Jaffe's novel about young women in the big city, "The Best of Everything," and "Resort Set," Sloan Wilson's "A Summer Place"—both bestsellers of 1958. The lacy white "Plantation Belle" shirtwaist calls up the 1958 hit movie "The Long, Hot Summer," while "Easter Parade" suggests Yves Saint Laurent's first collection for the house of Christian Dior—Spring-Summer 1958, the "Trapeze" line. Barbie really was a fashion doll.

And fashion has pulled her through the decades. On the fifth floor we get all kinds of Barbies—Twist 'n Turn, American Girl, Walk Lively, Hair Fair—wearing all kinds of trends: "Groovy," "Prairie," "International" and "Denim & DIY." Hemlines go up and down and up. On the fourth floor, Barbie embraces fitness apparel and girl-power street style. In the 1980s, Oscar de la Renta designs gowns for Barbie—very Krystle and Alexis in "Dynasty." In 1990, Bob Mackie begins designing special-collection Barbies of fantastical splendor (three are here).

There are more than 250 dolls on view, and what takes your breath away is Mattel's learning curve, which resulted in Barbies (and Kens) of many skin colors and body types, as well as those with disabilities. The shift began in 1968, with the release of the first black Barbie. Her name was Christie and she was a very big deal (see the Shonda Rhimes documentary "Black Barbie," on Netflix). Near the end of the show, when you get to the display titled "The Most Diverse Doll Line," you'll find Barbies bald and blind, with Down syndrome and in wheelchairs.

As for those futures—who knew? When I had a Barbie in the '60s, her career choices were stewardess, nurse, student teacher and astronaut. Oh, and "Busy Gal." Since then, and with each decade, her choices have multiplied. Professions introduced in the new millennium include boxer, farm vet, chef and pop star. Among the pantheon of Barbie Role Model dolls are Naomi Osaka and Tina Turner, Jane Goodall (with chimp) and the American Muslim fencer Ibtihaj Muhammad.

The self-containment of Barbie's world is powerful. Fashion eras are punctuated with her latest doll trunks, and the exhibition appears to take its wall colors from Barbie's cardboard midcentury-modern Dream House, circa 1962—specifically the magenta, dark turquoise and Hermès orange of the window treatments. In fact, throughout the galleries there are Barbie pieces scaled for humans, so viewers can enter her world bodily, posing for pictures in that 1962 living room, or on a bright yellow swing, or in a replica of the 1984 hot-pink Barbie Ultra 'Vette. It's a universe.

Maybe that's why every generation of Barbie has a new astronaut or Mars explorer or Space Discovery doll. I counted seven, dated 1965, 1985, 1994, 2013, 2019, 2020 and 2021. The exhibition's best display places Barbie on the surface of the moon, wearing her best spacesuit: 1965's matte-silver zip-up with brown leather boots and gloves, and a jazzy white plastic helmet that could have been designed by Courrèges. She holds an American flag. She's all alone. She's out of this world.

Barbie: A Cultural Icon
Museum of Arts and Design, through March 16

Ms. Jacobs is the Arts Intel Report editor for the weekly newsletter Air Mail.

Clockwise from right: the 'Women in Space' display; a replica of the 1984 Barbie Ultra 'Vette; and an installation view featuring more of the show's vast collection of dolls.

JENNA BASCOM (6)

SPORTS

Two Black Coaches Have Made History in College Football Playoff

Notre Dame's Marcus Freeman and Penn State's James Franklin will face off in the semifinals

By Rachel Bachman
And Laine Higgins

WSJ; MICHAEL REAVES/GETTY; BARRY

Either Notre Dame's Marcus Freeman, left, or Penn State's James Franklin, right, will become the first Black head coach to contest a national championship game at college football's top level. The semifinal is Thursday.

When Penn State coach James Franklin and Notre Dame's Marcus Freeman square off in Thursday's College Football Playoff semifinal, they won't just be playing for a spot in the title game.

They will also be competing to make college football history.

Either Franklin or Freeman will become the first Black head coach ever to contest a national championship game at the sport's top level. Over more than a century of college football before, through the four-team playoff and all those years when titles were decided by polls, no Black coach has ever won a national title.

"It's a reminder that you are a representation for many others—and many of our players that look the same way I do," Freeman said. "Your color shouldn't matter. The evidence of your work should."

The matchup between Franklin and Freeman comes more than 40 years after John Thompson became the first Black coach to win an NCAA Division-I men's basketball championship. But there are signs that it could represent a wider breakthrough.

While the major-college football coaching ranks have barely changed in more than a decade—Black coaches still make up about 12% of head coaches—recent developments in hiring have created conditions that could lead to big shifts.

The first one: The share of Black position coaches has quietly surged in recent years. In 2009, about 38% of the people responsible for coaching running backs, linebackers, and so on were Black. By 2022, that share had jumped to 57%, according to a new study by professors at the University of Massachusetts and Clemson.

Changes at the coordinator positions, the traditional pathway for promotion to head coach, have been more mixed. Over the same period, the number of Black coaches holding offensive coordinator positions held steady at about 10%, but among defensive coordinators their ranks tripled to 31%, according to the study.

More notable is how the job market has shifted around Black candidates. While getting a head coaching position used to depend on networking to land interviews, two new lanes have emerged for Black coaches that rely on people already knowing them.

Former NFL star Deion Sanders' rapid rise from coach at Jackson State to turnaround phenom at Colorado has created an alternative template. Coach Prime attracted first-rate talent to Boulder and led the Buffaloes, who won one game in 2022, to a 9-4 record this past season.

Since his hiring, other former NFL stars have followed him by launching their head coaching careers at Historically Black Colleges or Universities.

Former Ohio State standout Eddie George took over at Tennessee State in 2021 and led the Tigers to a 9-4 record in 2024. Former Virginia Tech and NFL quarterback Michael Vick recently took the reins at Norfolk State, and former NFL wide receiver DeSean Jackson was hired to lead Delaware State.

None of them had any previous coaching experience. They also haven't yet changed the makeup of top-flight football because HBCUs compete on a level one rung below the Football Bowl Subdivision.

The second route helping Black coaches secure head coaching jobs is by promotion from within. Sherrone Moore, the Michigan offensive coordinator, was earmarked by Jim Harbaugh to lead the Wolverines after Harbaugh left to coach the Los Angeles Chargers. Moore led Michigan through a rocky 2024 season to an 8-5 record including a win over Ohio State.

Freeman landed his job in a similar way. He was the defensive coordinator at Notre Dame when head coach Brian Kelly shockingly bolted for LSU after the 2021 regular season. Three days later, the Irish elevated the then-35-year-old Freeman to the top job.

The lack of minority head coaches has become more glaring as the ranks of players evolve. In 2024, 66% of players in the Power-4 (formerly Power-5) conferences were nonwhite, according to NCAA data. That's up from 58% just over a decade ago.

About 47% of current players identify as Black, and 19% more as "other," including biracial. The share of players identifying as "other" has nearly doubled in a decade, following the increasing number of young people nationwide who identify as being more than one race.

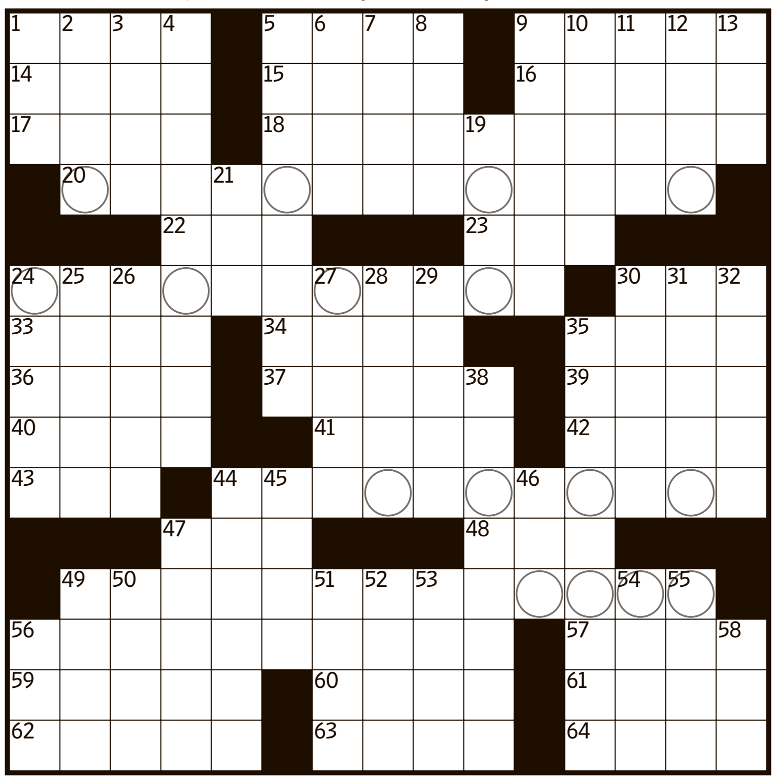
The first appointment of a Black head coach in top-division college football came in 1979, when Wichita State hired Willie Jeffries, who had coached South Carolina State to two black college football national titles. (Citing budget constraints, Wichita State dropped football in 1986.)

The coaches in Thursday's game took very different routes to get there. The nearly 53-year-old Franklin took a traditional approach, playing quarterback at Division II East Stroudsburg (Penn.), then climbing the coaching ladder. He's in his 14th season as a head coach, including three at Vanderbilt.

Freeman, who turns 39 on Friday, was born on an Ohio Air Force base to a Black father and South Korean mother. He played linebacker at Ohio State and in the NFL and then spent a decade in assistant coaching before being promoted to head coach three years ago—to an eruption of whoops and cheers from Notre Dame players.

Since then, as Freeman has led the Irish to a 32-9 record and the brink of a first national-title appearance in 12 years, the cheers have barely let up.

The WSJ Daily Crossword | Edited by Mike Shenk



CLINCHER | By Mike Shenk

Across

1 Alda with Emmys
5 Bed size smaller than full
9 Printer's machine
14 Big name in the pineapple business
15 "___ Rock" (Simon & Garfunkel song)
16 Cowboy competition
17 Allure
18 Trying to scale
20 Carrier of "Big City Greens" and "Hamster & Gretel"
22 In favor of
23 Like an unfriendly reception
24 Medieval fortification on England's southeast coast
30 ___ de plume
33 Port of Pennsylvania
34 Nevada neighbor
35 Turner of film
36 Tie tightly
37 Dyeing technique that uses wax
39 "Yeah, right!"
40 Output of Santa's workshop
41 Painter Magritte
42 Defensive ditch
43 NBC variety show, familiarly
44 Setting for a card game
47 Brazilian city, for short
48 Capture
49 Has successful negotiations, and, in a way, what this puzzle does
56 Shoos
57 Be adjacent to
59 Like a dunce cap
60 Donate
61 Pleasant
62 Wasn't frugal
63 Grew older
64 River of the underworld

Down

1 Do some simple math
2 Lady's husband
3 Jai ___
4 Updated streams on social media sites
5 Striped youngster
6 On one's guard
7 Desktop computer from Apple
8 Poet Ogden
9 "Purple Rain" singer
10 Chieng of "The Daily Show"
11 Border
12 Barking animal
13 Bar habitué
19 Bucket
21 Neither's partner
24 Red-ink items
25 Hunter with a belt
26 LPs, e.g.
27 Pong producer
28 Happily full
29 Object
30 Big shot
31 Ryan of "Love Story"
32 Not glossy
35 Half of succotash
38 Extremely observant
44 Cut in half
45 Some Eurasian deer
46 Small amount
47 Violinist's stuff
49 Pork serving
50 Highway division
51 Long tale
52 Nest piece, perhaps
53 Possess
54 Slightly
55 TV mother of Little Ricky
56 Includes in an email
58 Country singer Ritter

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

Previous Puzzle's Solution

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

The contest answer is **RUSSELL CROWE**. Each of the starred answers is the last name of a man whose first name is a homophone for the first word of another clue: Jim/gym (**R**EPS); Hugh/hue (**U**MBER); Pete/peat (**S**PHAGNUM); Rex/wrecks (**T**OTALS); Phil/fill (**L**ADE); Cy/sigh (**E**XHALE). The first letters of the answers to those clues spell RUSTLE, a homophone of the first name of the contest answer.

The Liverpool Goal Machine Tearing Up English Soccer

By Joshua Robinson

ADAM VAUGHAN/EPA/SHUTTERSTOCK

Mohamed Salah leads the league in both goals and assists.

Mohamed Salah has grown accustomed to being called washed up.

It might seem strange in retrospect—now that Salah is the deadliest striker in the English Premier League—but before he was a Liverpool superstar, he was a serial bust.

A decade ago, when the Egyptian forward was at Chelsea, his days in English soccer seemed finished right as they began. Salah was so ineffective that the club loaned him out to Italian teams twice in two seasons. Then, once he moved to Roma permanently, he was viewed as a good-but-not-great winger who wasted as many scoring chances as he converted. By the time Liverpool signed Salah for more than $50 million in 2017, the club's American co-owner, John W. Henry, couldn't quite believe how much he was paying for him.

"It seemed like a lot of euros at the time!" Henry said in a 2018 interview with The Wall Street Journal.

Even last season, despite years of wild success in the Premier League, Salah had fans asking whether he was past his prime. He posted his lowest goal tally since joining Liverpool. He often looked visibly frustrated. And with the club preparing for life under a new head coach, Liverpool appeared ready to do the unthinkable: Ship Mo Salah out the door.

But when no acceptable deal materialized, the 32-year-old reported back to Merseyside for at least one more season. It's turning out to be the greatest season of his career.

"We didn't know Salah could get any better," first-year Liverpool coach Arne Slot said, " but somehow he has."

Salah leads the league in both goals and assists and it's no surprise that his club currently holds a six-point lead over Arsenal in the standings.

These two facts are inextricably linked. Salah has either scored or assisted 30 times in 19 league games, meaning he's been involved in a staggering 64% of Liverpool's Premier League goals halfway through the season. His latest strike came from the penalty spot on Sunday in a 2-2 draw against Manchester United.

"Mo's in an incredible place in a very good team that gives him opportunities at the moment," Slot said this month. "And he's able to do special things...His finishing is so clinical."

In fact, it's more clinical than ever. Salah is posting numbers that he hasn't managed since his first explosive campaign in English soccer seven years ago. He is converting 24.3% of his shots, according to Opta Sports, a full six points better than Manchester City's leading striker Erling Haaland.

Precisely what changed about his game is difficult to pinpoint, but what's clear is that Salah has found unparalleled levels of efficiency since Slot took over.

Seven years under manager Jürgen Klopp had proven to be long enough for Liverpool's style to sharpen, win a Premier League title, and ultimately begin to go stale. And Salah freely admits that he was ready to play for a new boss.

"We all needed fresh air," he told French broadcaster Canal+.

Though he's averaging fewer total touches per game than he did under Klopp, Salah is running riot from the right flank of Liverpool's attack and changing the course of matches.

Anything he has lost in pure pace he has made up for with even more judicious runs into the opposing box, where defenders struggle to work out whether he's about to pass or shoot.

The only awkward part about Salah's charmed season is that it's shaping up to be his last on Merseyside. His contract is due to expire next summer and Salah says that he has yet to receive an offer to extend.

Still, he insists that the lingering doubt over his future isn't taking his mind off the task at hand. Liverpool remains in the hunt for all four major trophies—and Salah is making the point that he's far from finished.

"Do you want to look back and say, 'I was concerned about the contract or stressed?'" he asked himself in an interview with Sky Sports. "Or do you want to just say, 'OK, I had an unbelievable season.'"

OPINION

Dylan, Musk and the Edge of Chaos

INSIDE VIEW
By Andy Kessler

With the release of the film "A Complete Unknown," the world has been reintroduced to Bob Dylan's all-electric set at the 1965 Newport Folk Festival. The singer, formerly Robert Allen Zimmerman, brazenly played a solid-body electric Fender Stratocaster on "Like a Rolling Stone" and two other songs, shocking the crowd that expected snooze-inducing acoustic folk. Some booed. One critic said the singer "electrified one half of his audience and electrocuted the other."

In 2025 we're at a similar inflection point. It's what happens when nonconformists seize the moment, leaving a trail of old and tired in their wake. It's a story as old as time, and today it's the story of Silicon Valley. The "edge of chaos," an expression coined by physicist Norman Packard in 1988, is where creativity and innovation happen. On one side is staid order—the status quo. On the other side is total havoc. Stuff happens in the turbulence where they meet, where change in pressure spits off cyclones and twisters. Silicon Valley is the source of many of these. Sure, plenty of ideas fail, but enough drive long-term change for the better.

Creativity benefits from chaos. Music—from Elvis Presley to Shaboozey—often shocks before becoming mainstream. Same for film and fashion. Not everything that shocks turns into Bach. Especially art. I have finally learned how to enjoy the nonsensical dog's breakfast of dreck in modern-art museums. I artfully remark to anyone within earshot, "This piece signifies an indictment of societal norms." Or, to mix it up, I might say, "This is clearly about social struggles against the establishment." Try it sometime. Every head will nod in agreement.

More important, the chaos of innovation changes history, but it is often hated—at first anyway. When Elon Musk took over Tesla, he gave rides and pitched the electric-car company to scores of venture capitalists. Almost all declined. SpaceX launching private rockets? It'll never happen. Brian Chesky and Airbnb's idea of renting out your couch or spare bedroom? Ick.

What I love most about these stories are the entrepreneurs themselves—the freaks and the geeks. They are nonconformist in how they think, talk, dress and socialize. Many are self-taught to write code. None were going to be hired by the short-sleeve-white-shirt-with-a-pocket-protector-wearing IBM, let alone the white-shoe Wall Street or a corporate hierarchy like Procter & Gamble. Mr. Musk as an investment banker? Funny thought. If any of these nonconformists were actually hired, they were relegated to backrooms to work in anonymity.

The misfits got the last laugh. Jeff Bezos, Mark Zuckerberg, Larry Page, Sergey Brin and the hundreds of uber-wealthy they enabled are now the power elite. Mr. Musk and friends are presi-

Silicon Valley tech nonconformists will upend the status quo. Let it happen.

dent-makers, and some fear they'll soon be running the show.

After the tizzy over H-1B immigration visas, former Trump strategist Steve Bannon remarked: "We haven't fought all these wars . . . to give it over to a bunch of geeks that are all reacting to being stuffed in a locker in high school." Jealous much, Steve? Yes, the H-1B visa program is in desperate need of reform, but the U.S. needs to be a magnet for as many smart people, often nonconformists, we can attract.

Many hate to admit it, but Donald Trump is one of those nonconformist cyclones as well, ravaging the hopefully short-lived progressive power pack. No one agrees with all his ideas, and his latest about buying Greenland and annexing Canada as our 51st state are certainly bizarre. But think about them a little, and they're not completely awful. Let's face it, all great ideas are met with skepticism. Much like self-driving cars—until you ride in one.

Those held back from power end up driving change. Many groups in 19th-century England weren't allowed in government or to own private land because of their religious beliefs. Instead, they explored science and engineering and created the Industrial Revolution of steam engines and jennies and looms.

Clearly today's version of Mr. Dylan's Fender Stratocaster are large language models and generative artificial intelligence. The techies driving AI will soon upend most industries, jobs and governments. Be ready because the status quo will fight them tooth and nail.

It's always a mistake when change is discouraged. Silicon Valley is one of the free market's few meritocracies. The other is the self-correcting money-management business. Especially hedge funds. Both live on the edge of chaos. In both, if you underperform, you're out. New ideas from those who live at the edge are fresh shots of energy to technology and really every industry. They should be encouraged even if, or maybe especially if, their ideas sound as bizarre as electric guitars at a folk music festival.

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A Crack Appears in Cuba's Dictatorship

AMERICAS
By Mary Anastasia O'Grady

Bank accounts belonging to a company owned by Cuba's armed forces are bulging with billions of dollars, the Miami Herald reported last week. But that's hardly news. The communist military dictatorship has long fattened its inner circle at the expense of ordinary Cubans while blaming the U.S. for the island's poverty. Repression doesn't come cheap, but Cuba always seems to have what it needs to keep the lid on popular discontent.

What's really newsworthy about the Herald's report is where it came from: a leak.

According to Herald journalist Nora Gámez Torres, the military's huge conglomerate, Grupo de Administración Empresarial S.A. or GAESA, keeps its "financial information secret and even guards its accounts from government comptrollers." But thanks to a "rare leak" of "internal financial records" to the Herald, we now know that hundreds of millions of dollars earned by companies on the island that should go to public services end up in the accounts of GAESA or its subsidiaries.

The leak to the Herald suggests there are cracks inside the system. It may be that there are players who don't think they're getting a big enough piece of the action. More likely, the Cuban status quo, in which dire privation dominates daily life, has become too foul even for some members of the ruling elite. There's also this: The military may own GAESA on paper, but the Castro family and its allies are widely believed to be the company's beneficiaries. Greedy rich Cubans treat GAESA as their property. Until his death in 2022, Raúl Castro's former son-in-law, Luis Alberto López-Calleja, ran GAESA. When a three-star army general asked for an audit of GAESA in April 2021, he was arrested.

Does someone on the inside want to bring down the police state? It would certainly seem so. At a minimum, the records that the Herald says it has seen destroy Cuba's favorite propaganda pitch. "In a recent report to the United Nations, the Cuban Foreign Ministry blamed the U.S. embargo for depriving the government of the $250 million it needs each year to maintain the electrical grid and the $129 million it needs to provide medical supplies annually to its hospitals," Ms. Gámez Torres writes.

Yet one of GAESA's companies, Gaviota, which is in the hotel business, "is sitting on about $4.3 billion in its bank accounts," according the documents. In other words, the "Cuban military has more than enough money on hand to cover both dire needs." Instead it has "diverted the country's badly needed hard currency to its enterprises."

Exposing this reality has long been the work of Cuban exile Emilio Morales, who once was employed by the regime. He's the owner of Miami-based Havana Consulting Group and one of the founders of the nonprofit Miami think tank, Cuba Siglo 21. For at least five years, Mr. Morales has been mapping the gradual takeover by GAESA of what he calls "most lucrative"

A regime leak to the Miami Herald reveals that the Havana elite is hoarding billions.

parts of the Cuban economy, including the import-export, tourism and banking company CIMEX, hotel group Habaguanex, the special development zone at the Port of Mariel and a good part of Cuba's telecom monopoly. According to Mr. Morales, by 2022 the conglomerate controlled 70% of the economy, up from less than 23% in 2016.

But Mr. Morales says it was Raúl Castro's 2016 decision to give Cuba's Banco Financiero Internacional to GAESA that allowed the company, by 2022, to take "control of 95% of the country's finances," which it has used to pursue "a silent strategy to take over the country's wealth."

Banking has given GAESA control over dollars and euros that enter the country through official channels. Emigration has been a boon. At one point during the Biden presidency, the regime was charging $5,000 for a two-hour charter flight to Nicaragua—where Cubans don't need a visa and could move north toward the U.S. border. An estimated one million people left the island in recent years through various routes, and that means higher dollar remittances, which Banco Financiero Internacional exchanges for devalued local digital currency. As Ms. Gámez Torres explains, the documents prove that the company "has been holding on to hundreds of millions of dollars that enter the island yearly."

There are also questions about the whereabouts of the income that the government accumulates by trafficking doctors and nurses abroad. Havana collects a contract fee from host governments for its medical "missions" but pays the healthcare workers only a fraction, pocketing the rest. Using Cuban government data Mr. Morales has shown that the after-cost return to Cuba since 2009 is nearly $70 billion.

GAESA keeps "its money separate from government coffers," Ms. Gámez Torres writes, while it has "effectively stripped other ministries of the resources to pay for healthcare, education, garbage collection, and even repairing the country's creaking electrical grid." *Viva la revolucíon.*

Write to O'Grady@wsj.com.

Ditch the Green-Card Lottery

By Christopher Richardson

Elon Musk and Vivek Ramaswamy have called for an increase in visas for skilled immigrants, angering some of President-elect Trump's supporters. According to the two entrepreneurs, the U.S. has too few skilled workers, and our outdated immigration system is to blame. Democrats have mostly sat on the sidelines during this debate, but they shouldn't. They should take a page out of Mr. Trump's "The Art of the Deal" and make an offer of their own: Ditch the green-card lottery and increase the number of employment-based visas granted every year.

The lottery, formally known as the Diversity Immigrant Visa program, provides up to 55,000 immigrant visas annually. It aims to attract applicants from countries with otherwise low immigration rates to the U.S. Unlike most visa programs, it requires no job offer or familial tie for entry. Two years of work experience or a high-school diploma suffices, and the winners are chosen at random.

When the diversity visa was created in 1980, it wasn't for altruistic reasons. It was more of a political boondoggle. Hundreds of thousands of Irish

Reallocate 55,000 visas to employment-based programs.

immigrants were flocking to the U.S. Many didn't qualify for amnesty or employment green cards. Irish-American congressmen offered a solution: the diversity green card.

In its early stages about 40% of the lottery winners were Irish. In Ireland and the U.S., community leaders organized application parties where attendees filled out applications, sometimes creating hundreds of forms for a single applicant. The Irish government even chartered planes to deliver applications to Washington.

Today, no country dominates the selection process, but fraud still abounds. Meanwhile, the U.S. is suffering from a backlog of employment-based green-card cases. Some 1.8 million skilled foreigners with job offers are waiting to receive visas, and only 140,000 are granted each year.

Reallocating all 55,000 diversity visas to the employment-based program would reduce this backlog. Doing so wouldn't totally solve the problem, but it would open a conversation about the type of larger reform necessary to get those 1.8 million workers here faster.

This reform will require bipartisan agreement. Fortunately, Democrats are well-positioned to begin the conversation. In 2013 a bipartisan group of senators—dubbed the Gang of Eight—proposed a comprehensive immigration bill that would have done away with the green-card lottery. In the years that followed, this was a popular position among Democrats and Republicans alike. It was only during a period of reflexive opposition to Mr. Trump that many Democrats changed their views on the lottery.

Members of the Congressional Black Caucus support the lottery as a path for Africans to gain citizenship. But Nigeria, the most populous African country, hasn't qualified for it in over a decade. If Democrats again become willing to ditch the green-card lottery, real reform to the legal immigration system can happen.

Close to a billion people would immigrate to the U.S. every year, if they could. As Justice Louis Brandeis once said, "The only title in our democracy superior to that of president is the title of citizen." Why do we treat this privilege as if it were a prize in a raffle?

Mr. Richardson is an immigration lawyer and a former foreign service officer.

BOOKSHELF | By Roger Lowenstein

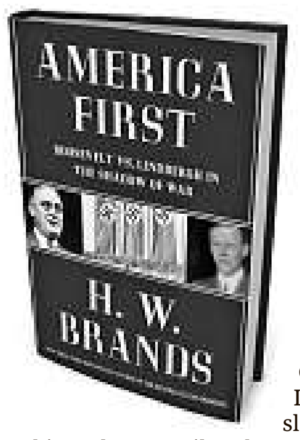
The President And the Pilot

America First

By H.W. Brands
Doubleday, 464 pages, $35

U.S. participation in World War II is generally seen as morally righteous. H.W. Brands, a prolific writer of popular histories, argues in "America First" that the country was "cemented" into this view only after the discovery of the Nazi death camps, and he is keen to remind us that, before Pearl Harbor, Charles Lindbergh's isolationist movement had a large following. Given that Donald Trump's slogans have "echoed" those of Lindbergh's era—and that the world is again menaced by aggressors—Mr. Brands believes the time is ripe for reappraising the original America First.

Mr. Brands goes about this project—really a revisionist study—by offering twin profiles of Lindbergh and Franklin D. Roosevelt, the president who, he says, practiced a "deceptive incrementalism" to lure America into the fight. He aims to show that FDR "knew" the country was headed for war and that Lindbergh's point—that America was perfectly safe as long as Germany and Japan remained outside North America—was technically and militarily accurate.



Lindbergh, the son of a Minnesota congressman who had opposed U.S. entry into World War I, was 25 when, in 1927, he flew solo to Paris and became a hero. Mr. Brands begins five years later, when the 20-month-old son of Charles and Anne Morrow Lindbergh was kidnapped and slain. The devastated couple were subjected to merciless hounding by photographers as well as physical threats. The family fled to England, returning in the late 1930s as Roosevelt was turning his attention to rising militarism overseas.

Lindbergh parlayed his fame to become a sort of roving consultant on war preparedness. He was invited to tour air forces across Europe; he chatted with heads of state; the U.S. ambassador to Britain, Joseph P. Kennedy, received as gospel the pilot's awestruck admiration of German strength.

Meanwhile, Roosevelt was cajoling Congress to remove a series of restrictions on arms supplies to allies and to beef up American forces. He was also preparing the public to play a part. Lindbergh countered with radio addresses and speeches against the president, whom he likened to a dictator.

As foreign policy became a hot domestic issue, Lindbergh was courted by Roosevelt's enemies in Congress and by wizened isolationists such as Henry Ford. Lindbergh told them war in 1939 was unlikely; when he was proved wrong and after England had endured the Blitz, he said it was "obvious" that England was losing. Bringing his defeatism home, he argued that deploying U.S. forces to Europe wouldn't make a difference. The America First Committee was formed in 1940, and Lindbergh became its marquee voice.

Mr. Brands portrays both Roosevelt and Lindbergh in their own words. But he uncritically reports Lindbergh's not-small misstatements, including his claim, in his House testimony on Lend-Lease in January 1941 and elsewhere, that England was just as responsible as Nazi Germany for the war and that it was "the interventionist in America" who gives "comfort to the enemy." (Actually, the German foreign ministry responded "Hats off!" to Lindbergh's avowal of neutrality.) Mr. Brands is similarly silent on the aviator's misjudgments, such as his expression of confidence in the "sanity" of Nazi leadership soon after the Kristallnacht terror against German

Lindbergh said war was unlikely. When he was proved wrong, he argued that deploying U.S. forces to Europe wouldn't make a difference.

Jews. At points, Mr. Brands's sympathies lead him to ahistorical conclusions. He credits Lindbergh for predicting that "communism was a more abiding danger than fascism"—which ignores the fact that, had Roosevelt heeded Lindbergh, the fascist powers might be abiding still.

In contrast to his forgiving treatment of Lindbergh, Mr. Brands repeatedly calls out Roosevelt for disguising his aims and manipulating publicity to accentuate the German threat. It is hardly news that Roosevelt was a master dissembler. But in 1937—four years before Pearl Harbor—Roosevelt said: "Let no one imagine that America will escape . . . that this Western hemisphere will not be attacked." On Independence Day, 1941, he warned that America could not remain an "oasis" among hostile dictators; in October, responding to critics who made points similar to the author's, Roosevelt said: "Every school child knows what our foreign policy is . . . destruction of the Hitler menace."

Mr. Brands observes a symmetry in their life trajectories, early success interrupted by tragedy. But he misses a crucial distinction. Roosevelt's paralysis tested his courage and opened a vein of empathy. Lindbergh, after his awful ordeal, came to distrust the disorderly clamor of democratic societies. Harold Nicolson, a contemporary writer whom the author quotes at length, says Lindbergh began to "loathe democracy." The journalist Dorothy Thompson saw in Lindbergh "a passion for mechanics and a tendency to judge the world and society purely from a technical and mechanical standpoint," as well as "the utmost contempt for physical weakness," a prejudice that enamored him to the Nazi cult of virility.

Lindbergh ruined his reputation before Pearl Harbor by attacking American Jews as war mongers. He was widely condemned as antisemitic. The author defends him: "Lindbergh's enemies weren't looking for evidence. They wanted a weapon to beat him with." He gave them one, repeatedly condemning alleged Jewish control of the media and Jews for exercising undue influence over ordinary Americans. As even a rival antiwar group noted after a rant in Des Moines, Iowa, Lindbergh plainly judged American Jews "a separate group, apart from the rest of the American people."

Mr. Brands is so intent on discrediting FDR that he blames him even for Hitler's declaration of war on the U.S. following Pearl Harbor. As if the Führer were the reasonable one, the author says: "Likely Hitler had concluded that Roosevelt wouldn't rest until he got the war he wanted." Readers are more likely to be impressed with Roosevelt's early recognition of the threat to democracy and independence at home as well as abroad.

Mr. Lowenstein is the author of "Ways and Means: Lincoln and His Cabinet and the Financing of the Civil War."

OPINION

REVIEW & OUTLOOK

Trump's Pardon Promise for Jan. 6ers

President Trump can't change what happened four years ago on Jan. 6, when a mob of his supporters stormed the U.S. Capitol in an impossible effort to undo his 2020 election loss. Soon, though, Mr. Trump will get the power to extricate the riot's participants from the legal consequences of their actions. How far will he go? "A vast majority should not be in jail," he said recently.

Does it include the ex-meth trafficker who brought a metal baton and swung it at police?

Scanning the latest case activity, what jumps out isn't sympathetic characters. On Dec. 20 a prison sentence of 48 months was given to 31-year-old Joshua Lee Atwood, who pleaded guilty to assaulting law enforcement. He emptied a can of pepper spray at police, beat them with a pole, and pelted them with objects such as a "metal scaffolding pipe." He yelled that the cops were "pieces of s—" and "betraying your country." The prosecution's sentencing memo says his criminal history includes a pending felony case for an alleged 2023 stabbing.

On Dec. 17 a 60-month sentence was given to Michael Bradley, 50, who apparently went to the Capitol on Jan. 6 with his own metal baton in a hip holster. He swung it at police more than once, though video at his trial couldn't conclusively prove whether he made contact. The government also says he lied to the FBI and at trial. He claimed it was really a flashlight holster on his hip, but the one he brought to court didn't match the footage. His list of priors includes a 2002 conviction for meth trafficking.

Also in December: A 24-year-old man got nine months for having thrown an "equipment container lid" that beaned a cop, causing momentary loss of consciousness and a suspected concussion. A 41-year-old man, who wore body armor on Jan. 6, pleaded guilty to scuffling with police, including trying to seize an officer's baton while shouting, "Come out here b—." Other active cases include accusations of ramming the police line, punching cops, and walloping riot shields with a baseball bat.

* * *

This was the brutal reality of the Capitol riot that many want to forget. At times Mr. Trump suggests his pardons for Jan. 6 defendants won't extend so far, and at times he's less clear. He was pressed last month by an NBC host, who said that many of them "have pleaded guilty to assaulting police." Mr. Trump's reply was that a tough federal justice system gave them "no choice" but to plead out. Well, if they were innocent, they could have told a jury.

Pardoning such crimes would contradict Mr. Trump's support for law and order, and it would send an awful message about his view of the acceptability of political violence done on his behalf. That's what Jan. 6 was, make no mistake. Though the GOP had valid complaints about the loosening of voting procedures amid Covid, Mr. Trump lost in 2020 by three states and tens of thousands of votes. His advisers repeatedly told him there was no evidence of massive ballot fraud. Yet he insisted the election was stolen and that Vice President Mike Pence could halt the count on Jan. 6. That's why he sent his supporters toward the Capitol.

The size of swirling crowds is tricky to estimate, but the acting head of the U.S. Capitol Police testified the month after Jan. 6 that the number converging on the building was "well in excess of 10,000." The U.S. Attorney's office in D.C. "generally has not charged" those whose only crime was trespass on restricted grounds, declining "hundreds" of cases, the FBI recently said. Press reports have suggested prosecutors believe that up to 2,500 people entered the Capitol.

The feds have charged about 1,600, including at least 590 accused of "assaulting or impeding law enforcement." The alleged conduct varies widely, as do the sentences, which run from probation and fines to years in prison. As of early November, 1,028 cases had been fully adjudicated, with 645 resulting in incarceration and 143 home detention. The volume and range of cases make it difficult to generalize, and each individual court file tells a story.

As is typical, defendants who admit wrongdoing and take a plea deal can get less punishment than those who lack remorse, lie to a jury, and get convicted. Some Jan. 6 rioters were organized with the Proud Boys or other groups. Some were in the vanguard of breaching the building. Some reveled at the violence and intimated more to come. Rap sheets differ. Even if Mr. Trump restricts his clemency to nonviolent offenses, he'd do well to examine the details.

* * *

On Dec. 6 a prison sentence of 12 months was given to Philip Sean Grillo, 50, for a jury conviction of four misdemeanors. He isn't accused of specific violence, but he was at the Capitol early with a bullhorn, yelling, "Charge!" He climbed into the building through a broken window and was part of a group that pushed past police to open doors for others. He smoked marijuana inside. He was no lost tourist. "I'm here to stop the steal," he said. Later: "We f— did it, baby, you understand? We stormed the Capitol!"

Sentencing him was Judge Royce Lamberth, a Reagan appointee. "Having read dozens of indictments related to January 6," he wrote, "I can say confidently: nobody has been prosecuted for protected First Amendment activity. Nobody is being held hostage. Nobody has been made a prisoner of conscience. Every rioter is in the situation he or she is in because he or she broke the law, and for no other reason."

As Mr. Grillo was preparing to be led off by U.S. Marshals, CNN reports he shouted a final word: "Trump's gonna pardon me anyways."

Sheldon Whitehouse Loses Again

In American politics, the accusation gets attention but not so much the vindication. A case in point is the letter from the Judicial Conference of the United States rejecting Sen. Sheldon Whitehouse's latest attempt to punish Supreme Court Justices he dislikes.

In 2023 Mr. Whitehouse, the Javert of the Senate, requested that the Judicial Conference refer Justice Clarence Thomas to the Attorney General for violations of disclosure rules. Mr. Whitehouse wanted the headline and presumably an unprecedented political prosecution of a sitting Justice.

In a Jan. 2 letter to Mr. Whitehouse, Judicial Conference Secretary Robert Conrad Jr. explains why it won't pursue a referral. Mr. Conrad says the violations alleged by Mr. Whitehouse and his media allies at ProPublica took place before the Judicial Conference changed its rules on disclosing certain transactions of gifts. Justice Thomas has since amended his statements accordingly, and "has agreed to follow the relevant guidance issued to other federal judges," Mr. Conrad writes.

The letter says in any case that "the Judicial Conference does not superintend the Justices of the Supreme Court." It does so only for lower courts. A political ally of Mr. Whitehouse sat on a committee of the Judicial Conference that attempted to issue a revised code of conduct that would have barred judges from belonging to the Federalist Society. That attempt failed after we wrote about it.

Mr. Whitehouse and Senate Democrats are using every lever they can dig up to harm the Court's reputation and limit its independence. Good for the Judicial Conference for refusing to accede to this political intimidation.

A Tax-Cutting New Year

Republicans in Congress may struggle this year to extend the expiring 2017 national tax rates, but states run by Republicans are way ahead of them. Tax changes that took effect on Jan. 1 are widening the tax divide between these states and high-tax progressive states.

After Jan. 1 changes, 22 states now have a flat or zero income-tax rate.

Start with New Hampshire, which eliminated its 5% tax on dividends and interest income, thanks to Gov. Chris Sununu and the GOP Legislature. The Live Free or Die State already had no income tax on wages. The lack of a levy on investment income will make the state even more of tax refuge in the Northeast. Look for more migration from Massachusetts, which abandoned its flat tax in 2022 to enact a 9% top income-tax rate and is Taxachusetts again.

Dozens of other state tax changes took effect in the New Year, including new flat rates on income. Iowa enacted a 3.8% income-tax rate for all—the culmination of Gov. Kim Reynolds's six-year campaign to cut the top rate from 8.98%. First-term Louisiana Gov. Jeff Landry signed a flat tax last month, dropping that state's income-tax rate to 3% from 4.25%.

Some states that already had flat taxes are lowering them in 2025. That includes Mississippi, which dropped its rate to 4.4% from 4.7%, and North Carolina, which cut to 4.25% from 4.5%. The Tar Heel State, which has boomed since cutting taxes in 2014, will further reduce the income rate to 3.99% in 2026.

These moves mean 14 states now have a flat tax, up from nine in 2021. Each of these states encourages work by declining to take a larger share as residents climb the income scale. It also helps enforce spending discipline. Applying a single rate to everyone raises the political cost of increasing taxes in the future, which is why public unions favor progressive rates.

The trend is more encouraging if you include the eight states that don't tax income at all: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Wyoming. Washington state still doesn't tax wage income, but Democrats passed a 7% tax on capital gains in 2021, and soon to be ex-Gov. Jay Inslee wants the state to impose a tax on wealth.

The no-income-tax and flat-tax states now add up to nearly half the states. Left behind are most of the Northeast and West Coast, where public unions dominate state government and drive an ever-higher tax ratchet.

On Sunday and despite widespread public opposition, New York—with a top income-tax rate in New York City of 14.8%—imposed a new "congestion tax" on vehicles entering Manhattan's business district. The revenue grab will supposedly improve the city's declining mass transit system, but look for it to pad transit union wages and benefits instead. The progressive tax ratchet never ends.

LETTERS TO THE EDITOR

Immigration Needs Reform, but What Kind?

Your editorial on intelligent nationalism and the need for talent ("Trump Is Right on H-1B Visas," Dec. 30) is correct. I came to the U.S. legally on a student visa after completing a bachelor's degree in China at no cost to U.S. taxpayers. After earning two master's degrees in the U.S. and navigating a rigorous interview process, I was offered a job at Citibank under the H-1B visa program. But that was only the beginning of a challenging process.

My employment hinged on the Labor Department's approval through a certification process, which required Citibank to provide detailed job description, my qualifications and the proof that my wage met or exceeded the prevailing rate for similar positions. Citibank also had to advertise the position it had already offered me for three more months, allowing for objections or applications from Americans. I eventually secured the role only because I was the best candidate. I didn't "steal" a job from a fellow American, and I wasn't "cheap" foreign labor either.

Today, I am a proud U.S. citizen. America's strength lies in its meritocratic system, which allows well-educated people to contribute to its prosperity through skilled immigration. Reforming the legal-immigration system is necessary. But eliminating skilled-immigration programs won't make America great again. It will severely undermine the nation's long-term economic growth.

Helen Raleigh
Durango, Colo.

Ms. Raleigh is author of "Backlash: How China's Aggression Has Backfired" and other books.

I am an engineering graduate of one of America's so-called elite engineering universities, and at times I found myself competing with foreigners on H-1B visas. In my view, the H-1B program is a ruse that allows employers to hire personnel at reduced rates.

Those workers brought to our American land of opportunity under the H-1B program are treated as indentured immigrants. I have personally witnessed engineers on the program treated poorly, paid less and at times not paid at all.

Could it be that President-elect Trump is against imported steel because that position brings him union votes, but he is for H-1B or H-2B visa because they improve his bottom line? These programs shouldn't allow applicants to jump the immigration line. In truth, we have ample talent within our borders.

Joseph Fleckenstein
Clearwater, Fla.

More Reflections on President Carter's Legacy

Regarding Stuart Eizenstat's "Jimmy Carter's Unappreciated Legacy" (Dec. 30, op-ed): My memory of President Carter is the gut-punch feeling I got when he gave an unconditional pardon to those who dodged the draft during the Vietnam War. I didn't want to believe that he would really follow through on his campaign pledge. After all, he wasn't only president but commander in chief of our armed forces.

For those of us who were drafted, obeyed the law, went to Vietnam and fulfilled our obligation—plus the 58,000 who died, making the ultimate sacrifice—it was a slap in the face. His pitch was to heal the nation, but he didn't heal me.

Tom Guerrero
Plano, Texas

Mr. Carter's legacy as president should center on two economic policy decisions that changed the course of world history. First, ending decades of chronic U.S. inflation by hiring Paul Volcker as Federal Reserve chairman. Second, establishing the foundation for a free-market financial system by signing into law the Depository Institutions Deregulation and Monetary Control Act of 1980. These two forward-looking policy changes make Carter rank among the best presidents in history.

In appointing Volcker, a disciplined monetarist, Carter knew that the Fed was going to raise interest rates dramatically to slow money-supply growth and finally stamp out inflation. He also was aware that high, deregulated interest rates would lead to a recession. Unlike most presidents, however, Carter made the difficult choice to support the U.S. economy's long-term success at the expense of his own administration's future.

With Carter's disciplined monetary policy and a deregulated financial system in place, four decades of strong U.S. economic growth with low inflation followed. This was the force that brought down the Soviet Union and firmly established the U.S. as the world's dominant economic power.

Benjamin Bystrom
University of Hawaii at Manoa

Not to detract from the validity of Mr. Eizenstat's main point, but some of Carter's accomplishments had lasting negative outcomes. One was his refusal to accept the Internal Settlement in Zimbabwe-Rhodesia that had been put in place by Ian Smith and two moderate black leaders, Abel Muzorewa and Ndabaningi Sithole, and affirmed in the country's historic majority-rule 1979 election.

Margaret Thatcher was inclined to accept the settlement as the last chance for a moderate outcome to that country's traumatic transition from white to black rule. Carter had other ideas. As Mr. Eizenstat writes, "he took personal pride in ignoring the political consequences of decisions he regarded as principled."

Carter called the Internal Settlement "unviable" unless it were to be broadened to include Robert Mugabe's Marxist-affiliated Zanu-PF party and insisted that Mugabe's Chinese-trained guerilla army (Zanla) would replace the highly professional Rhodesian army. The consequence has been that, with Zanla as the principal instrument of perpetuating party power, no other party has ruled Zimbabwe since the transition in 1980. The economy was ruinously managed by Mugabe, and Zimbabwe has been made into a semi-stagnant Chinese vassal rather than a flourishing member of the community of nations.

Ian Hume
Millsboro, Del.

When It Comes to Enforcing The Law, USPS Mails It In

Gerard Leval is absolutely correct to call attention to the failure of the U.S. Postal Service and local police to put a stop to theft of checks from the mail ("The Authorities Shrug at Bank Fraud," op-ed, Dec. 30). The Postal Service should be embarrassed to have notices put on mailboxes cautioning patrons to place mail in them only immediately before a pickup time, lest they be stolen by the time the pickup truck arrives.

The kind of theft and check-washing Mr. Leval describes is relatively easy to track, and it's beyond the time when arrests of the ringleaders of these rackets should have taken place. Every so often, an individual thief is taken down, but the criminal enterprises persist. If the Postal Service can't do better for its customers, the Federal Bureau of Investigation needs to get the job done.

Donald L. Horowitz
Chevy Chase, Md.

Give Dean Phillips His Due

Peggy Noonan's "The President Who Wasn't There" (Declarations, Dec. 28) highlights critical failures in leadership and accountability but misses a key point. Rep. Dean Phillips (D., Minn.) bravely questioned President Biden's fitness for office as early as July 2022, echoing what many Democrats had acknowledged privately. Instead of addressing this reality, his party dismissed him, and the media largely overlooked his warnings.

Mary Jackley
Wayzata, Minn.

Suit Does Not Make the Man

What's past is prologue. I see Ahmed al-Sharaa in his suit ("Syria's Rebel Leader Is No Moderate," by David Adesnik and Bill Roggio, op-ed, Dec. 30) and I think of Fidel Castro: "I am not a communist." We know how that turned out.

Howard Curlett
Buffalo, N.Y.

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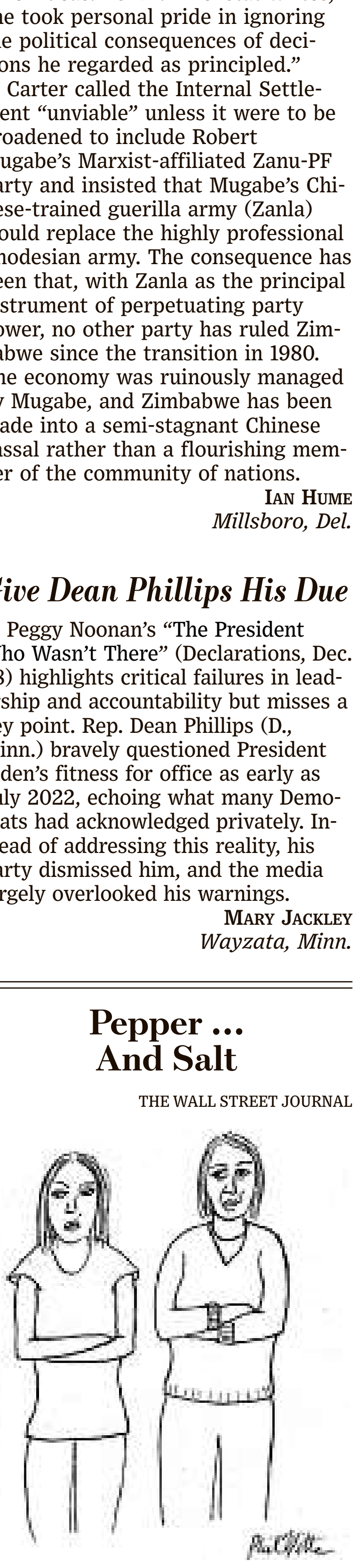
Pepper ... And Salt

THE WALL STREET JOURNAL



"I never asked to be cloned."

OPINION

Critical Race Theory Is an Inversion of History

By John Ellis

It's a tribute of sorts to critical race theory's success that the Trump administration will make its eradication a priority. The Biden administration had quietly implemented policies throughout the federal government based on this theory, and it is being taught in colleges and schools throughout the country. It has overrun much of the corporate world, and it has even secured a place in the training of many professions. The accusations made in closed training sessions are astonishingly venomous: Arrogant white supremacy is ubiquitous; white rage results when that supremacy is challenged; whites hold money and power because they stole it from other races; systemic racism and capitalism keep the injustices going.

Tribalism and racism were universal until Britons and Americans developed a new way of thinking.

All of this is based on categorically false assumptions about the past. We need only look at how the modern idea of our common humanity originated and developed to see that critical race theory has everything backward. A realistic history tells us that the thinkers and engineers of the Anglosphere, principally England and the U.S., are the heroes, not the villains, of this story, while the rest were laggards, not leaders.

For most of recorded history, neighboring peoples regarded each other with apprehension if not outright fear and loathing. Tribal and racial attitudes were universal. That's a long way from the orthodoxy of our own time, which holds that we are all one human family. Before that consensus arose, a charge of racism made no sense. By today's standards, everyone was racist.

It's not hard to understand why tribalism once reigned everywhere. Without modern transportation and communication, most people knew nothing about other societies. What contact there was between different peoples often involved warfare, and that made everyone fear strangers. The insecurity of life in earlier times added to this anxiety. Protections we now enjoy didn't exist: policing, banking, competent medical care, social safety nets. The supply of food was uncertain before trucks and refrigeration. In a dangerous world people clung to their own kind for safety, and that was a natural and even necessary attitude.

RISCHGITZ/GETTY IMAGES

King John of England signed the Magna Carta at Runnymede in 1215.

How did we get from this mindset to the idea of a common humanity? The practical impediments to the world's peoples getting to know and eventually respect each other were largely removed by British and American engineers. They invented the steam engine, then used it to develop the first railways. They followed this by inventing and mass-producing cars, trucks and finally airplanes. They pioneered radio, television, films, newspapers and the internet. The result was that ignorance of other peoples was turned around.

But in the 18th century the British did something even more important: They began to develop our modern outlook on race.

Why Britain? Liberalizing political developments beginning with the Magna Carta and the first representative Parliament, called by Simon de Montfort, fostered greater liberty for the British subject. Liberty led to increasing prosperity, and prosperity to a rapid increase in literacy. Widespread literacy created the first large reading public: By the beginning of the 18th century, dozens of newspapers and periodicals were being published in Britain. An extensive reading public allowed public opinion to become a powerful force, and that set the stage for manifestos and petitions, even campaigns about matters that offended the public's conscience.

A series of British writers began to promote ideas about the conduct of life and the role of government. Among the most important was John Locke, who argued that every human life had its own rationale, none being created for the use of another. Another was David Hume, who wrote that all men are nearly equal "in their mental power and faculties, till cultivated by education." These and many others were launching what would become the modern consensus that we are all one human family. The idea gained ground so quickly that in Britain, and there alone, a powerful campaign to abolish slavery arose. By the end of the 18th century that campaign was leading to prohibitions in many parts of the Anglosphere, while Africa and Asia remained as tribalist and racist as ever.

As this idea took hold it made the British see their empire differently. Like other European countries, Britain had initially sought empire to strengthen its position in the world—others would add territory if Britain didn't, and Britain would be weakened. But if the peoples of the British Empire were one human family, how could some be subordinate to others? The British began to consider themselves responsible for the welfare and development of their subject peoples, and for giving them competent administration before they had learned to provide it themselves. That change inevitably led to the dissolution of empire, and to a consensus that the time for empires (of which there had been hundreds) was over. The world's most influential anti-imperialists were British.

The idea of a common humanity spread across the globe as the power and influence of the Anglosphere grew. First, this new ideology spread throughout the quarter of the globe's peoples that were in the British Empire, where different races were learning to live and work together. Next, the Anglosphere's cultural influence went worldwide as Britain's industrial revolution set off a culture of innovation that resulted in a universal civilization—that is, modernity. As that way of life spread throughout the world, it carried with it the idea of a common humanity.

There's a simple explanation for what critical race theory calls "white privilege." Because the Anglosphere developed prosperous modernity and gave it to the world, English-speakers were naturally the first to enjoy it. People initially outside that culture of innovation are still catching up. Asians and Asian-Americans have done this with great success, but critical race theory impedes the progress of other groups by persuading them to demonize the people who created the modern values they have adopted. It betrays those values by stoking racial hatred. Critical race theory tells us that all was racial harmony until racist Europeans disturbed it, but the truth is rather that all was tribal hostility until the Anglosphere rescued us.

Mr. Ellis is a professor emeritus of German literature at the University of California, Santa Cruz, and author, most recently, of "A Short History of Relations Between Peoples: How the World Began to Move Beyond Tribalism."

No, Moderate Drinking Won't Give You Cancer

LIFE SCIENCE
By Allysia Finley

Surgeon General Vivek Murthy has done more to politicize science and erode trust in public-health leaders than anyone other than Anthony Fauci. Dr. Murthy was at it again on Friday with a headline-grabbing report that recommends alcohol be distributed with cancer warnings.

The report warns that, for some cancers, "evidence shows that this risk may start to increase around one or fewer drinks per day." Note the operative word, *may*. The link between heavy drinking and throat and mouth cancer is well-established—but not for moderate consumption.

Two weeks earlier the National Academies of Sciences, Engineering and Medicine released a congressionally mandated review of the recent evidence on the health effects of moderate drinking, or up to one drink a day for women and two for men. Its more than 200 pages of findings run counter to Dr. Murthy's 22-page report, though they got scant attention in the press.

The academies found insufficient evidence to support a link between moderate drinking and oral, pharyngeal, esophageal, laryngeal and other cancers. It did find a slightly higher risk of breast cancer with moderate drinking but also a lower risk of death generally and from cardiovascular disease specifically compared with never drinking.

No matter. Dr. Murthy claims that "alcohol use," not only abuse, is a "leading preventable cause of cancer in the United States, contributing to nearly 100,000 cancer cases and about 20,000 cancer deaths each year." This estimate is based on models of associations from cherry-picked observational studies. But even the report partially attributes only 17% of these estimated deaths to moderate drinking. Of the 609,820 cancer deaths in 2023, this would mean moderate drinking *contributed* to 3,400, or about 0.6%. Dr. Murthy's claims about alcohol's cancer risks are misleading but typical of his reports, which are intended to drive a political agenda.

Let's review the roll. His first advisory, in 2021, declared "health misinformation" a "serious threat." It warned that "misinformation has caused confusion and led people to decline COVID-19 vaccines, reject public health measures such as masking and physical distancing, and use unproven treatments."

The surgeon general urged tech companies to "strengthen the monitoring of misinformation," "prioritize early detection of misinformation 'super-spreaders' and repeat offenders" and "redesign recommendation algorithms to avoid amplifying misinformation." In other words: Censor Covid views that he and Dr. Fauci didn't like.

As with his other work, the surgeon general's report is light on facts, heavy on expanding government.

Covid contrarians later sued Dr. Murthy and other public-health officials for violating their speech rights. While the Supreme Court ruled last year in *Murthy v. Missouri* that there was insufficient evidence to prove tech platforms censored the plaintiffs in direct response to government pressure, the link was far clearer than the one between moderate drinking and cancer.

Next came Dr. Murthy's 2022 report on "workplace mental health," which was informed "by the voices of many workers and unions." The report claimed that jobs are a key cause of mental illness and chronic stress "as more and more workers are worried about making ends meet." Blame the latter on inflation fueled by Democratic spending.

Dr. Murthy's solution? Require employers to provide paid family leave and "an equitable, stable, and predictable living wage before overtime, tips, and commission." He also advocated increasing the minimum wage as a way to reduce the suicide rate, as well as "mitigating harmful impacts in the work environment" with "Diversity, Equity, Inclusion, and Accessibility" policies.

Dr. Murthy prescribed similar left-wing antidotes in his 2023 advisory on "our epidemic of loneliness and isolation," which it says "came to the forefront of public consciousness" during the pandemic. Never mind that Dr. Murthy's promotion of lockdowns exacerbated the problem. To improve "social connection," he advised "increased access to public transit." Has he ever ridden the New York subway?

Next the surgeon general issued an advisory on "Firearm Violence: A Public Health Crisis in America." The report's recommendations included a ban on ill-defined "assault weapons," restrictions on concealed- and open-carry permits and increasing criminal liability for shooting a firearm after being attacked if you could have instead "safely retreated."

Another health hazard: children. Dr. Murthy last autumn issued a report detailing the stresses of raising kids, which he recommended mitigating with government child-care subsidies, tax credits, universal preschool and early childhood-education programs.

More government is Dr. Murthy's prescription for every social and public-health ailment. Given this record, why would anyone take his latest warning about alcohol and cancer seriously?

He might have done some good had he drawn attention to actual public-health problems like teenage marijuana use or post-traumatic stress disorder among veterans. But such advisories wouldn't get headlines or advance the left's goal of expanding government control over Americans. So instead he used his government pulpit to promote himself and progressive policies. Good riddance to him and his fellow health czars in the Biden administration.

Why Jihadists Wage War on Christmas (and Other Holidays)

By Daniel Pipes

Few things foster a sense of common humanity as much as the adherents of one religion offering warm holiday wishes to members of another. Yet some people reject this geniality on principle. Islamists—Muslims intent on returning to a medieval law code—despise any holiday not sanctioned by Islam. This archaic and bigoted attitude provides context for the New Year's Day massacre in New Orleans that left 14 dead and dozens injured.

Islamic theologians of the Middle Ages set out the general approach. Ibn Taymiya (1263-1328) argued that joining non-Muslims in their festivals is equivalent to "agreeing to infidelity." His student Ibn al-Qayyim (1292-1350) specified that congratulating non-Muslims on their holidays "is a greater sin than congratulating them for drinking wine, having illegal sexual intercourse, and so on."

Of all infidel holidays, Islamic authorities most detest Christmas, when Christians believe God became man. As historian Raymond Ibrahim has noted, these theologians, who believe that polytheism is the ultimate sin in Islam, consider Christmas "the biggest crime ever committed by humanity."

Modern authorities echo those medieval interpretations. Yousuf al-Qaradhawi, a spiritual leader for the Muslim Brotherhood, called celebrating Christmas tantamount to the nation of Islam "abandoning its Muslim identity." Saudi professor Fawzan al-Fawzan called the Dec. 26, 2004, Indian Ocean tsunami "Allah's punishment." He reflected: "It happened at Christmas, when fornicators and corrupt people from all over the world come to commit fornication and sexual perversion."

They despise celebrations not sanctioned by Islam and see Christmas as a crime against Allah.

A former senior manager of Qatar Charity, which describes itself as "one of the largest humanitarian and development organizations in the world," informed Muslims in 2019 that Christmas and New Year's both "contravene Allah's Sharia." He added that "one must not participate in them or cooperate with people who celebrate them," for "partaking in their celebrations is tantamount to taking part in a crime and in aggression against our religion."

Islamist leaders in the West regurgitate these pronouncements. French imam Younes Laaboudi Laghzawi deems it "forbidden to celebrate Christmas or New Year's Eve." Canadian imam Younus Kathrada holds that a person who charges interest, lies, engages in adultery or murders has done "nothing compared to the sin of congratulating and greeting non-Muslims on their false festivals."

In the aggregate, these leaders have legitimated Islamist violence against non-Muslims on their holidays. This can be symbolic. A group of Islamists in Turkey in 2016 put a gun to the head of a man dressed as Santa Claus, explaining that they wanted to encourage "people to go back to their roots." Yet the violence can be real too. Consider the past 11 years:

- A Christmas market attack in Nantes, France, on Dec. 22, 2014, killed one and wounded 9.
- A Christmas party attack in San Bernardino, Calif., on Dec. 2, 2015, killed 14 and wounded 22.
- A Bastille Day attack in Nice, France, on July 14, 2016, killed 86 and wounded 434.
- A Christmas market attack in Berlin on Dec. 19, 2016, killed 12 and wounded 48.
- A New Year's Eve attack in Istanbul on Jan. 1, 2017, killed 39 and wounded 69.
- A Halloween attack in New York City, on Oct. 31, 2017, killed 8 and wounded 13.
- A Christmas market attack in Strasbourg, France, on Dec. 11, 2018, killed five and wounded 11.
- A Christmas market attack in Magdeburg, Germany, on Dec. 20, 2024, killed five and wounded more than 200.
- A Christmas celebration attack in Lahore, Pakistan, on Dec. 25, 2024, wounded three—a week before yet more violence in New Orleans.

There are at least three observations to make about this squalid history.

First, in my understanding, each perpetrator of this holiday-related violence exhibited sudden jihad syndrome—that is, they were normal-seeming Muslims who abruptly became violent. This makes preventing such attacks nearly impossible through police work. Only the systematic exclusion and repatriation of Islamist immigrants, including imams, can begin to address this menace.

Second, given the foreign background of most perpetrators, Western governments stand culpable of not simply failing to stop illegal migration but also irresponsibly opening the floodgates to legal Islamist immigration.

Finally, Westerners tend to worry about Islamism in the immediate aftermath of jihadist violence—only to ignore it until the next spasm of violence. Can't we keep this civilizational threat in mind even when the knives, guns and bombs aren't in use? Doing so is essential to taking consistent, effective action against today's most dynamic totalitarian ideology.

Mr. Pipes is president of the Middle East Forum and author, most recently, of "Israel Victory: How Zionists Win Acceptance and Palestinians Get Liberated."

THE WALL STREET JOURNAL.
PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

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Centerview Considers Stake Deal

Boutique bank, long seen as a holdout, is more open to exploring its options

By Lauren Thomas

Centerview Partners has long been seen as a holdout on Wall Street as one of the few boutique banks that hasn't gone public or taken outside money.

That could finally change.

The firm is becoming more open to exploring its options, Centerview co-founder Blair Effron suggested in a recent interview. Those could include selling a stake in the firm to an outside investor or going public.

Centerview has recently received interest from big investors, people familiar with the matter said.

This comes after Centerview booked record revenue in 2024. The stocks of its publicly traded rivals including **Evercore** and **PJT** have surged in the past few years and jumped further on the expectation dealmaking will rebound under President-elect Donald Trump.

A transaction could assuage Centerview's roughly 80 partners, including a handful who are near or past the age of 60 and would likely welcome an opportunity to sell shares.

Centerview booked roughly $1.9 billion of revenue in 2024, up from $1.5 billion the prior year. The company's revenue has increased every year except one since its 2006 founding.

Centerview is best known for its dominant healthcare deals franchise and its founders' long track records advising clients in the consumer-goods sector. The firm also punches above its weight in other areas, such as industrials and media and entertainment. Close to 30% of the firm's revenue today comes from general advisory, rather than deals.

"I never wanted to think about anything around monetization until the firm was broad enough to be stable enough, irrespective of the en-

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Launchpad Shortage Worries U.S. Space Companies

By Roshan Fernandez And Micah Maidenberg

A traffic jam is forming at U.S. rocket-launch sites.

Elon Musk's **SpaceX** and other rocket companies are planning to increase flights in the years ahead as they ferry their own satellites or payloads for other customers to space.

The problem is that only three sites in Florida and California handle most U.S. rocket launches, and those locations are expected to become increasingly congested as companies and regulators schedule more missions.

Last year marked a record in U.S. spaceflight with 145 launches reaching orbit, or five times as many as in 2017, according to data from astrophysicist Jonathan McDowell, who closely tracks space activities. SpaceX—the world's top rocket launcher—conducted 134 of that total.

Government officials and industry executives fear that backed-up launch sites would restrict payloads from getting to space in a timely manner.

A significant weather event or an accident could put one of the major spaceports out of commission for months or even years, said George Nield, the former top space official at the Federal Aviation Administration.

"We're so dependent on space, to put all your eggs in one basket is a risky strategy," he said.

Operators of smaller and nascent spaceports, including those in landlocked states and at sea, are jockeying for new business, but face their own set of expansion hurdles.

For decades, rocket launches were relatively rare and there was little appetite for creating new sites. The most-prominent locations then and currently are tied to military bases and the National Aeronautics and Space Administration's Kennedy Space Center.

Several spaceport operators are now trying to take advantage of the crunch forming at the main sites. The Pacific Spaceport Complex, located on Alaska's Kodiak Island, has never seen more than three rocket launches in a year.

Still, it is seeking federal clearance to launch up to 25 times annually, and its forecast for flights five years out is already starting to fill up, said John Oberst, the chief executive of **Alaska Aerospace** Corp., which oversees the Kodiak spaceport. The facility is looking to coax smaller rocket companies affected by congestion to its launchpads, Oberst

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Factories Shift From Forklifts in Safety Push

By John Keilman

Whirlpool's factory in Clyde, Ohio, eliminated forklifts from its production area. Conveyor belts do some of the work.

Some of America's biggest manufacturers are backing away from forklifts.

The vehicles have been integral to factories and warehouses for more than a century, but now companies are aspiring to go "forklift-free" to improve productivity and safety. Federal statistics show that each year around 7,500 workers are injured in forklift-related collisions, tip-overs and other mishaps, while nearly 100 are killed.

Retail orders for forklifts dropped 28% in 2023, the biggest annual decline in 14 years. Industry participants described the decline as a normalization of sales following the pandemic's warehouse construction boom.

Plastic-pipe manufacturer **Ipex** designed its new factory in North Carolina to minimize the use of forklifts, relying instead on overhead cranes and hand-pushed electric pallet jacks. That made the plant, which opened in 2023, a safer, quieter and less stressful workplace, said Johnny Drummond, the company's director of manufacturing.

"Employees feel like they can walk anywhere within the interior shop floor and not have to look out for forklifts," Drummond said.

Mercedes-Benz has been trying to reduce forklifts in its U.S. plants since 2018, replacing some with autonomous vehicles. **Tesla** is making a similar effort, using push carts and trailer-hauling "tuggers" inside its factories to cut down on traffic and injuries, a person familiar with the matter said.

Manufacturing safety consultant Larry Pearlman said that few clients a decade ago were looking for substitutes for forklifts, also known as lift trucks. Today, roughly 10% are, and he expects that portion to grow as robotic material carriers become more widespread.

"The occasional lift truck might be kept in the spare room or something, but definitely, if I'm a futurist, I see it going away," said Pearlman, founder of Safety and Consulting Associates.

Forklift manufacturer Clark takes credit for inventing the vehicles in the early 20th century, and in the decades that followed, they became a factory staple. Forklifts can carry loads that weigh thousands of pounds and lift pallets high onto warehouse shelves, allowing workers to move large amounts of material quickly.

The vehicles come with well-known risks. Documents from state and federal regulators detail the deaths of workers in forklift-related incidents, including three that happened in 2023 over the span of 21 days.

One worker was killed when he was struck by a forklift driver whose view was obstructed by the totes the vehicle carried. Another operator plunged to his death when his forklift fell from the truck he was loading. A third died when he was crushed by a forklift's lifting mechanism in an incident a police investigator labeled "horseplay."

Injuries can be severe. Former warehouse worker Adelaida Anderson sued forklift manufacturer **Raymond** after she said she fell from one of the company's stand-up mod-

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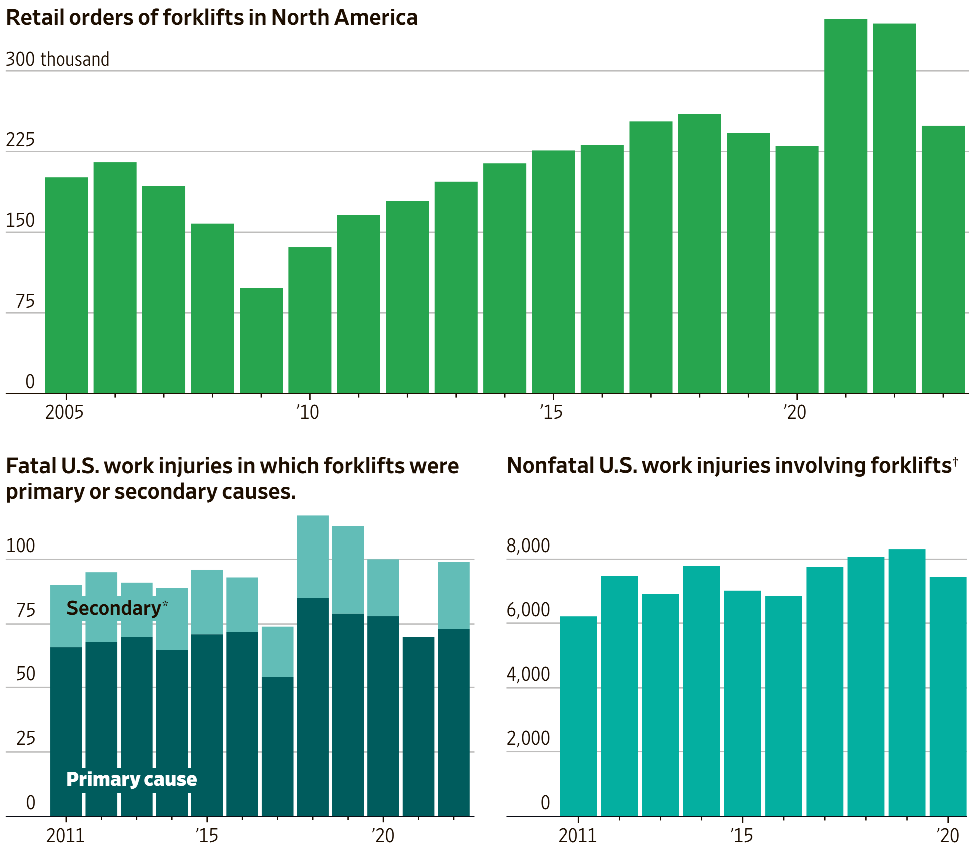

*Initiated or exacerbated the chain of events leading to fatality. †Requiring days away from work.
Sources: Industrial Truck Association (orders); Bureau of Labor Statistics (injuries)

Open-Air Retail Is A Real-Estate Winner

By Carol Ryan

HEARD ON THE STREET

When homebuilders downed tools after the 2008-09 global financial crisis, they planted the seeds of a housing shortage that is boosting the wealth of existing homeowners and investors to this day. The same thing is about to happen in retail, or at least in one corner of it.

Open-air neighborhood shopping centers are now one of the hardest types of commercial real estate in which to find space. They have been fuller than America's e-commerce warehouses for almost two years, according to data from CBRE, partly because there has been a flood of new industrial warehouse construction and practically none for retail.

Rising occupancy rates in these retail centers have caught the eye of institutional investors. In November, **Blackstone** spent $4 billion on shopping-center owner Retail Opportunity Investments. **Bain Capital** also was interested in buying the company, according to news reports. The deal was Blackstone's biggest bet on U.S. retail since 2011.

The best open-air shopping centers have a grocery store as the main tenant on a long-term lease. Footfall to grocery stores was 12% higher in the third quarter of 2024 than it was during the same period of 2019, based on data from real-estate research firm Placer.ai. Street. To fill in the space around the grocery store, landlords are leasing to small businesses that are hard or

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BUSINESS NEWS
Booz Allen Hamilton to pay $15.9 million in false-claims settlement. **B3**

Guns, Hostages, Arrests Become A Dangerous Reality in Mining

By Julie Steinberg And Rhiannon Hoyle

Neil Warburton was finishing up his breakfast of porridge and local honey when the armed soldiers converged.

The Australian veteran mining executive had flown to southern Ethiopia in 2023 to check on progress at his lithium mine. One of the largest in the world, it was supposed to start production in late 2024, selling spodumene concentrate that would end up in batteries for electric vehicles and other products.

That plan has gone seriously—and perhaps irreversibly—awry.

The mine, with about $2 billion at stake, is among a number of projects around the world caught in a tense geopolitical struggle for valuable metals and minerals. Two world superpowers—the U.S. and China—are bankrolling much of the investment to power their economies, which in turn is leading developing countries where the mines are located to push for a greater

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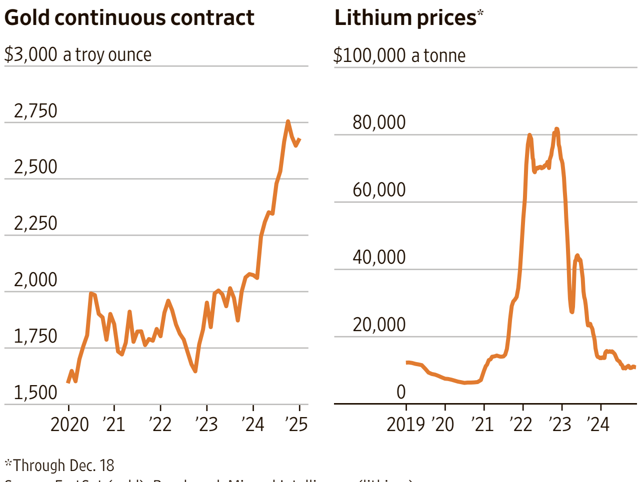
Strong gold prices embolden governments to extract more cash from miners. Lithium prices, meanwhile, have sunk after an eye-watering rally, though demand is expected to surge.



*Through Dec. 18
Source: FactSet (gold); Benchmark Mineral Intelligence (lithium)

BUSINESS & FINANCE

Centerview Open to a Stake Deal

Continued from page B1

vironment," Effron said from the firm's Midtown Manhattan headquarters. "I feel comfortable that that is no longer a concern."

Still, Effron and his co-founder, Robert Pruzan, cautioned that the newfound stance doesn't guarantee the firm will do a deal soon, especially given that the firm is doing well as is.

"It's going to be a high bar," Pruzan said.

Effron, 62 years old, and Pruzan, 61, jointly control the firm. In spring 2023, Centerview elevated Eric Tokat, a rainmaker in biotech dealmaking, and Tony Kim, who has advised on many of the firm's biggest deals, as co-presidents. The move clarified the firm's succession plans and laid the groundwork for changes ahead.

Centerview's boutique-bank peers were handsomely rewarded in the public market last year, partly because their focus on advisory work makes them a straightforward way to invest in an anticipated dealmaking uptick.

Shares of **Perella** rallied over 90% in 2024, Evercore shares rose more than 60% and PJT shares rose about 55%. (The run-up in PJT's shares made its founder, Paul Taubman, a billionaire, the Financial Times reported.) Shares of **Lazard**, **Houlihan Lokey** and **Moelis** also surged.

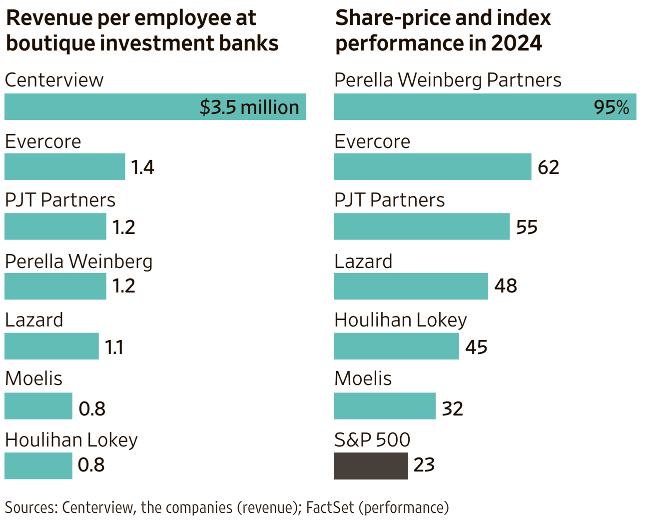
Centerview ranked fourth among banks for U.S. M&A revenue in 2024.

If Centerview traded at a multiple similar to its rivals, it could command a valuation of as much as $10 billion.

Boutiques have been taking a bigger slice of Wall Street's fee pool, too, raking in the second-highest share of M&A advisory fees in the U.S. in 2024 after 2020, according to data from LSEG. As a group, they took 38% of M&A advisory fees in 2024. And Centerview had the largest share of the U.S. boutiques, with 5.35% of M&A advisory fees.

DIA DIPASUPIL/GETTY IMAGES; NOAM GALAI/GETTY IMAGES

Centerview co-founders Blair Effron and Robert Pruzan.



Sources: Centerview, the companies (revenue); FactSet (performance)

Centerview ranked fourth among all the banks for U.S. M&A revenue in 2024, trailing JPMorgan, Goldman Sachs and Morgan Stanley, according to Dealogic.

The bank also says it is the most productive, with the highest revenue per employee of its peer set.

One criticism of the firm—and a factor that could complicate any plan to go public—has been its heavy reliance on healthcare, which accounts for a disproportionate share of the firm's revenue. Centerview's healthcare team, spearheaded by Alan Hartman, Mark Robinson and Tokat, rarely misses a major deal in the sector.

The firm also has some notable areas for improvement, including the all-important tech sector.

Pruzan said the business isn't overly reliant on any one industry. He emphasized its work on corporate restructurings, counseling special committees, as well as a recent string of media-and-telecom deals, which included advising Paramount Global's special committee on its merger with David Ellison's production company Skydance.

Centerview also advised Capital One on its more than $35 billion acquisition of Discover Financial Services, 2024's largest deal, and worked on some of the biggest activist situations, including at Disney, Starbucks and Honeywell.

Both Effron and Pruzan are expecting another banner year for the business in 2025. "There's a level of optimism that I see everywhere and I really think it's justified," Effron said.

'Nosferatu' Is No. 3 for the Weekend

FOCUS FEATURES/EVERETT COLLECTION

The R-rated gothic tale earned $13.2 million.

Estimated Box-Office Figures, Through Sunday

Sales, In Millions

	Film	Distributor	Weekend*	Cumulative	% Change
1.	**Mufasa: The Lion King**	Disney	$23.8	$168.6	-35
2.	**Sonic The Hedgehog 3**	Paramount	$21.2	$187.5	-43
3.	**Nosferatu**	Focus Features	$13.2	$69.4	-39
4.	**Moana 2**	Disney	$12.4	$425.2	-34
5.	**Wicked**	Universal	$10.2	$450.8	-48

*Friday, Saturday and Sunday in North American theaters

Source: Comscore

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These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

INDEX TO PEOPLE

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BUSINESS NEWS

Amazon Acquires Melania Trump Film

The project is expected to be released in the second half of 2025

By Joe Flint
And Ginger Adams Otis

Amazon.com's Prime Video streaming service has licensed what it said was a documentary about former and future first lady Melania Trump.

The film is being done with her cooperation, and she will have an executive producer credit on the movie, Amazon said Sunday.

Filming of the "behind-the-scenes" look at her life began in December, a month after President-elect Donald Trump's election victory. The project is expected to be released in the second half of 2025. Amazon said it has both theatrical and streaming rights to the film.

Amazon's announcement of the film acquisition comes after the Jeff Bezos-founded company planned a $1 million donation to Trump's inaugural fund, according to people familiar with the matter, The Wall Street Journal previously reported.

The acquisition of the film by Amazon, where Bezos is still executive chairman, might raise eyebrows about perceptions that he and the retail and entertainment giant are cozying up to the incoming administration.

Bezos also owns the Washington Post, and recent decisions, including not endorsing a presidential candidate, led to anger among some staff members who saw it as an effort to not upset Donald Trump.

Bezos took the unusual step of penning his own op-ed on the newspaper's website defending the move, saying endorsements can create a "perception of bias."

Many corporate executives, including Bezos, have been visiting Mar-a-Lago, Trump's Florida resort, after the November election to meet with the president-elect and his team.

Trump has met with the chief executives of Facebook parent Meta Platforms, Google, Pfizer, Eli Lilly and others in recent weeks.

The film will be directed by Brett Ratner, a longtime Hollywood producer whose credits include the "Rush Hour" franchise and "Red Dragon." Ratner is no stranger to controversy. In 2011, he had to resign from co-producing an Oscar telecast after making a homophobic comment during an interview.

Factories Shift From Forklifts

Continued from page B1

els when it hit a crack in the floor. The forklift's steer wheel crushed Anderson's left leg, which had to be amputated below the knee.

Anderson claimed the forklift was defective because it didn't have a door that would have kept her from being ejected. Raymond said federal standards mandate open compartments so operators can escape during an emergency.

After years of litigation, a federal jury in 2024 awarded Anderson $13 million. Raymond, which declined to comment, is appealing the judgment.

Forklift makers say they added numerous safety features to their vehicles. These include high-visibility seat belts that make it easy to see whether an operator is wearing it, lighting that warns pedestrians a forklift is coming and sensors that slow the vehicle before a collision takes place.

Manufacturers also preach adherence to training rules. Federal regulations require workers to undergo instruction before they can operate a forklift, and to be re-evaluated every three years.

The Occupational Safety and Health Administration issues roughly 2,000 citations a year to companies whose training programs are deemed inadequate.

Forklift manufacturers say there is high turnover among drivers and lament what they call the glorification of unsafe operation. Dozens of TikTok and YouTube accounts feature videos showing drivers skidding, crashing and dropping oversize loads that smash across warehouse floors.

Brian Feehan, president of the Industrial Truck Association, a trade group for forklift makers, said that despite the postpandemic sales drop, he doesn't expect "a big diminishment" in the business. Some companies that make the vehicles say demand is shifting as customers seek autonomous versions.

Whirlpool's washing-machine factory in Clyde, Ohio, eliminated forklifts from its production area, and uses robotic tuggers to deliver parts to assembly-line workers. Other company plants are following suit, said Kristin Day, Whirlpool's vice president of U.S. manufacturing operations.

She said the tuggers have reduced injuries and near misses in the factories. They also have improved efficiency by delivering "right-sized" loads of parts that don't need to be portioned into smaller containers.

Brett Wood, chief executive of Toyota Material Handling North America, a branch of the world's biggest forklift maker, said the industry could see transformational changes in the next five to 10 years, particularly if boxes replace pallets as the preferred storage platform.

"I can picture an order picker someday without a person on it, and it's got an arm and it's going up and it's picking a box automatically and coming down with it," he said.

Hyster-Yale Materials Handling, which makes forklifts under the Hyster and Yale brands, replaced some of the vehicles with autonomous tuggers in its own factories, a move it considers an upgrade. But CEO Tony Salgado said not every manufacturer is ready or able to make such a switch.

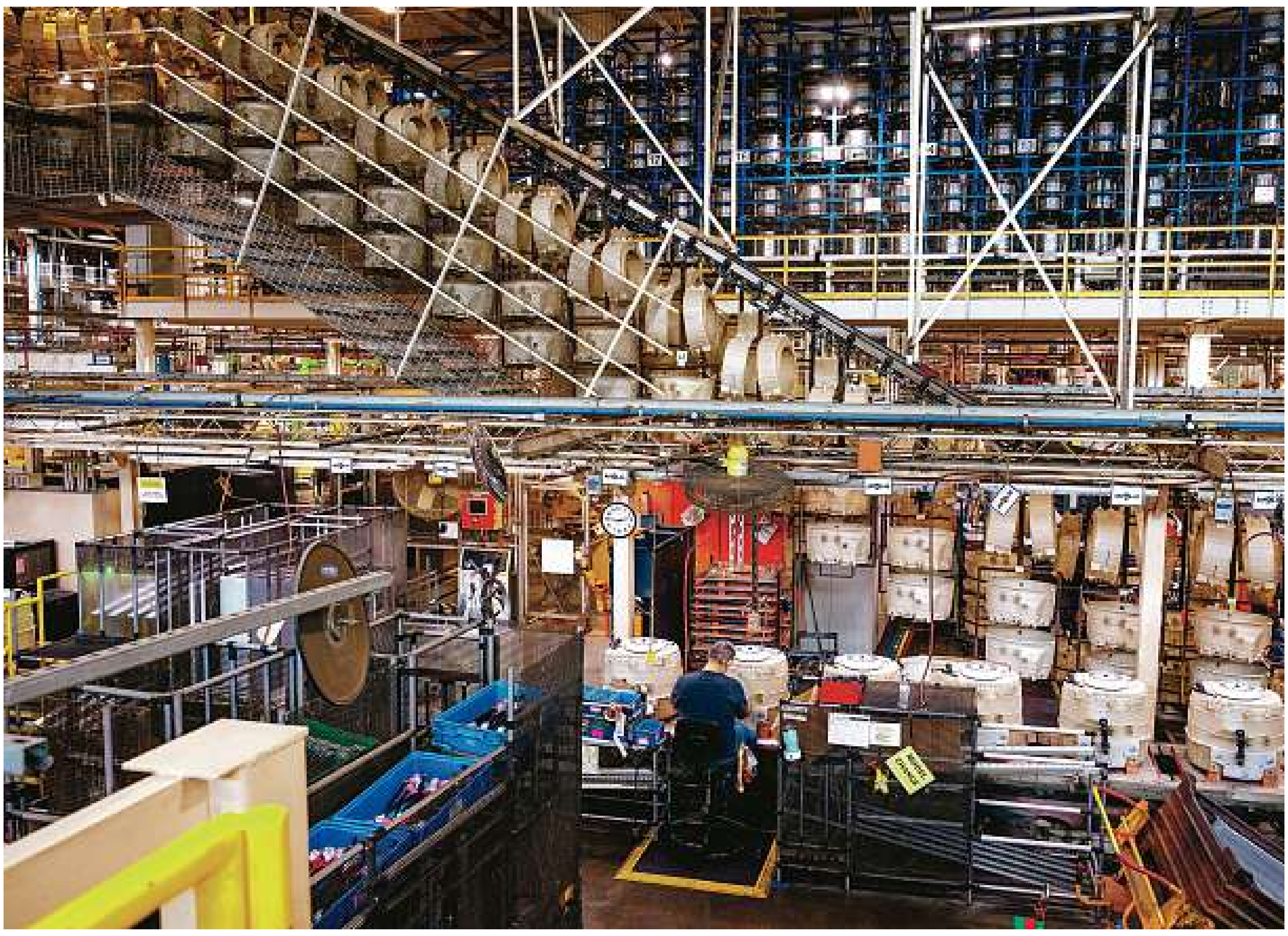
"For the foreseeable future, manual lift trucks will be in high demand," he said.

For now, even companies aspiring to forklift-free status still rely on the vehicles. Whirlpool uses them in parts of its Clyde factory where large, bulky items are transported.

Older plants run by Ipex, the pipe maker, have floor layouts and production procedures for which forklifts are necessary.

"It's kind of a big challenge to eliminate them," Drummond said. "We take it one bite at a time."

—Becky Peterson contributed to this article.



FROM TOP: NICK HAGEN FOR WSJ; IPEX

Eliminating forklifts reduced injuries in Whirlpool's factories. Below, Ipex designed its new factory to rely on overhead cranes and hand-pushed pallet jacks.

Booz Allen Settles With the DOJ

By Connor Hart

Booz Allen Hamilton Holding agreed to a $15.9 million settlement with the Justice Department, resolving allegations the company submitted fraudulent claims to the U.S. under military task orders.

The department alleged Booz Allen Hamilton Engineering Services—a subsidiary of the McLean, Va., company—knowingly engaged in deceptive conduct in connection with a task order to supply computer military training simulators and systems to Defense Department agencies.

A Booz Allen representative said the conduct described in the settlement largely occurred before Booz Allen Hamilton Engineering Services was acquired by the company.

"The individuals involved in this matter admitted to taking deliberate steps to hide their conduct from the company," the representative said. "We categorically deny that the company violated the False Claims Act and are pleased to move beyond this decade-old matter."

John Hancock and Karen Paulsen, who were program managers at Booz Allen, worked with Keith Seguin, a civilian Air Force employee and contracting official, and David Bolduc Jr., manager of a Booz Allen subcontractor, to win 129 task orders for training simulators between 2013 and 2018, the Justice Department alleged. Booz Allen awarded 37 of these task orders to the subcontractor managed by Bolduc, according to the department. Seguin divulged confidential information to Hancock and Paulsen, who used the information to influence the awarding of task orders, the department alleged.

Hancock, Paulsen, Seguin and Bolduc previously resolved criminal charges related to this conduct, according to the department.

Traffic Jam At Rocket Launchpads

Continued from page B1
said.

Launches can't just occur anywhere. Rockets are typically sent up from coastal areas, where vehicles soar over water and avoid the risks of flying above populated areas.

Developing new launch facilities along coastal areas is difficult, as locals often worry about disruptions and noise. A proposal to develop a new launch site along the coast in southeast Georgia unraveled a couple of years ago amid public opposition.

Nearly two decades ago, a spaceport in Oklahoma became the first inland site to receive an FAA license for plane-based spaceflights, where an aircraft would ferry a rocket to a high altitude before the rocket detaches to fly to space. The site has yet to conduct a launch. Officials at the spaceport have commissioned a study to determine how to safely launch rockets over land.

"There has to be a first mover, and we're ready to move," said Bailey J. Siegfried, vice chair of the Oklahoma Space Industry Development Authority's board of directors.

Launch at sea

Tom Marotta founded **Spaceport** in 2022 to swallow up rising launch demand.

His idea: launches from boats in the ocean.

The Boeing Sea Launch System, an international collaboration that launched a couple dozen times from an old floating oil rig, provided a blueprint, he said.

Using a 180-foot-long former Navy ship, Marotta's company loads the rocket at a dock in Mississippi, does dress rehearsals on land and sails into the Gulf of Mexico once seas are calm enough to launch.

In Michigan and Maine, where proposals are in the early stages, the "build it and they will come" model is no longer viable, directors said. Instead, they aim to build a space ecosystem that is financially sound without having to rely on rocket launches.

Maine's proposal for a complex includes a data and analytics center, a research-and-development hub and, eventually, a launch site.

"We have maybe less than 10 years to make this happen, because of where the industry is going," said Terry Shehata, executive director of the Maine Space Corp. "We don't want to get locked out."

Handling demand

Government officials are trying to get ahead of the launch congestion. The FAA is leading a group of government agencies to develop a national spaceport strategy, with a report on the matter expected to be released this year, a spokeswoman said.

The Space Force is carrying out projects aimed at boosting capacity at the Cape Canaveral Space Force Station in Florida and Vandenberg Space Force Base near Santa Barbara, Calif.

That work ranges from identifying more land to develop at those facilities to reducing the effect of clear areas during major rocket operations, when other activities have to shut down, Brig. Gen. Kristin Panzenhagen said at a conference last month.

Companies have tussled over control of pads at busy spaceports.

SpaceX has conducted its launch ramp-up largely from Florida, and is working to bring Starship—the name of the powerful vehicle it is developing—to the Kennedy Space Center and open pad within the Space Force's Cape Canaveral base.

Rivals have raised concerns about those plans, including potential congestion the huge rocket might cause. SpaceX didn't respond to a request for comment.

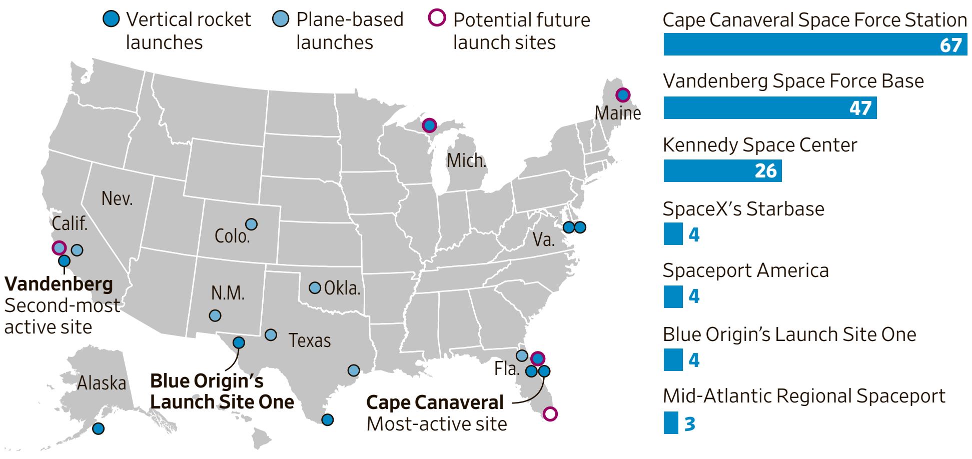
Early last year, the Space Force began a review of SpaceX potentially launching Starship from its open pad. In November, the military branch sought more information from the industry about that site, saying it wanted a rocket company to use a Super Heavy vehicle with certain capabilities on it.

Jeff Bezos' space company, **Blue Origin**, responded to the military's request for information, a spokesman said.

CHARLES BRIGGS/ZUMA PRESS

A SpaceX Falcon 9 rocket carrying Starlink satellites lifting off at Cape Canaveral, Fla., in November.

Selected launch sites and planned facilities **Total launches or flights, 2024**



Note: Map excludes certain facilities where rockets or missiles may reach space. Not all sites have hosted an operational launch or flight.
Sources: BryceTech, Federal Aviation Administration, SpaceX, Blue Origin, Jonathan McDowell

BRONWYN BARNES

Indiana Resources's Bronwyn Barnes, far right, in Guinea.

Mining's Dangerous New Reality

Continued from page B1
slice of the profits.

At about 7:30 a.m. on Oct. 16, 2023, Warburton was dining with the mine-site manager and geologists when an army colonel arrived and ordered all expats off the site, citing a security issue.

Warburton spied machine guns in soldiers' arms and mounted on white pickup trucks. Dozens of soldiers flanked the dozen or so expats, then drove them away from the mine to a nearby town.

A unit of the **Abyssinian Group** had been exploring the area since 2021 in a joint venture with a state government-backed mining company. Under the terms of the agreement, the Abyssinian Group would bear the costs of the exploration and get 51% of the project's profits, with the rest going to its local partner.

But now the government was asking for cash outside the bounds of the agreement.

Payment offer

Abyssinian offered to pay tens of millions of dollars to resolve the spat if the government satisfied certain conditions, but its exploration license was revoked in August. In October, its country director, Ali Hussein Mohammed, was summoned by the government to Addis Ababa, Ethiopia's capital, ostensibly to continue the discussions. Instead, he was taken to a detention center, where he remains.

The government says Mohammed mined lithium and exported it without proper authorization, a claim his lawyer and the Abyssinian Group deny. His lawyer says the detention is unlawful as no formal charges have been brought against him.

"This situation is extremely frustrating," said Stephen Miller, an Abyssinian Group executive, who added that the company was invited to deploy its money and expertise in Ethiopia in part to benefit the country. "We're now being pushed to one side."

The Abyssinian Group's experience is just one of many examples of resource nationalism that have cropped up around the world, from Mexico to Mongolia to parts of Africa. While host governments and miners have sometimes been at odds in recent decades, lawyers and executives say they have never seen arrests and nationalist actions at this level.

Investors worry about pouring big sums of cash into mines that can cost billions of dollars to build, only for governments to later shift the goal posts, said John Ciampaglia, senior managing partner of precious metals and critical materials-focused **Sprott**. Toronto-based Sprott manages roughly $33 billion in assets.

It is common for governments to try to wring more from miners when commodity prices rocket and fatten company profits. And it is now generally understood that a larger percentage of benefits should flow to local communities.

Strapped for cash

These days, many governments are strapped for cash and are looking for ways to replenish their coffers.

In addition, "host countries are seeing just how important these minerals are to the U.S. and China," said Jeffery Commission, a director at Burford Capital, a legal finance company that has funded companies involved in mining disputes.

Yet industry participants say there is a difference between bilaterally rejiggering mining rights and a government using intimidation to wrest more control.

The tactics being used are different than in the past and are "borderline criminal at this stage," said Damien Nyer, an international disputes partner at law firm White & Case. "People getting arrested and held as hostages, as bargaining chips—it's something I haven't seen in my career."

More cautious

Sprott's Ciampaglia said his team has become much more cautious backing companies in some places, particularly in West Africa.

Miners are turning to international arbitration to get compensation for the seizure of their mines or licenses. Since the pandemic, mining cases have exploded at a division of the World Bank that oversees investment disputes. The Abyssinian Group and Barrick are submitting cases to that body.

Abyssinian will petition for a multibillion-dollar claim, corresponding to the value it places on its lithium reserve, people familiar with the situation said.

Miners have been heartened by outcomes in some recent cases. Bronwyn Barnes, executive chair of Australian exploration company **Indiana Resources**, filed a case in 2020 after Tanzania changed its mining code, yanked her company's operating license and seized the spot where a potential nickel mine would go. The company was awarded more than $100 million to cover its sunk costs on the project. Tanzania and Indiana Resources last year agreed to a settlement of $90 million.

Government officials in Ethiopia, Mali and Tanzania didn't return requests for comment.

WARWICK BULLEN

Soldiers escort miners off a site in southern Ethiopia, in an image provided by Abyssinian.

KERSTEN ESSENPREIS

2025 Investor Outlook

How to Navigate the Stock and Bond Markets in the Next Year

We asked 10 investing and economic experts for their recommendations as Donald Trump returns to power. Here's what they said.

By Lawrence Strauss

THE BEGINNING of every new year always poses challenges to investors as they take the opportunity to reassess their strategies and portfolios.

But 2025 is especially challenging. As Donald Trump gets set to return to the White House on Jan. 20, investors anticipate a host of policy changes. Among them: tougher restrictions on immigration, fewer regulations for businesses, an extension of the 2017 tax cuts and more tariffs.

What's more, the Federal Reserve is expected to continue to cut short-term rates, and stock valuations are looking stretched, especially in faster-growing sectors like technology and communication services.

In short, there is a lot for investors to keep track of. For some perspective on this and guidance for investors, we asked 10 financial professionals to weigh in on their outlook for markets and the economy, and their recommendations for investors.

1. Beyond the magnificent

David Kostin, chief U.S. equity strategist at Goldman Sachs, expects the market gainers to broaden in 2025 after several years of dominance by the Magnificent Seven stocks—Google parent **Alphabet**, **Amazon.com**, **Apple**, Facebook parent **Meta Platforms**, **Microsoft**, **Nvidia** and **Tesla**.

The Magnificent Seven's performance in 2024 surpassed that of the rest of the S&P 500 by 34 percentage points, but Kostin is forecasting a much smaller difference of 7 points in 2025. The gap in earnings growth between the Magnificent Seven and the rest of the market is "compressing dramatically," he says.

While investors should still allocate some money to the Magnificent Seven stocks, Kostin says, they should be taking a look at other parts of the stock market, notably midcaps.

Midcap stocks, whose market capitalizations range from $5 billion to $20 billion, should benefit from further rate cuts, he says, given that roughly 25% of their debt is floating rate.

He also suggests owning stocks that are mergers-and-acquisitions candidates as Goldman expects dealmaking to pick up in 2025. Among the companies he mentions as possible beneficiaries: small-caps **Agios Pharmaceuticals**, **CG Oncology** and **Kosmos Energy**.

Kostin also says that artificial intelligence is evolving from the initial infrastructure build-out—which benefited semiconductor companies, data-center real-estate investment trusts and security-software firms, among others—to a phase involving "companies whose revenues will be enhanced by a widespread adoption of AI."

Those in that phase include Apple, **Adobe**, **Salesforce**, **ServiceNow** and **Snowflake**, according to Kostin. They are among the 30 companies in a Goldman Sachs basket of stocks that are expected to benefit as AI becomes entrenched.

2. Stick to large-cap growth

Ankur Crawford, executive vice president and portfolio manager at Alger, continues to be all-in on large-cap growth stocks, particularly those tied to AI. She maintains that the innovation and seismic influence of these companies won't be deterred by factors such as policy changes imposed by the Trump administration.

"You want exposure to the most innovative companies that are driving forward this AI paradigm, which is truly kind of a generational shift for our society," Crawford says.

What about the concern that these stocks are expensive?

She doesn't buy that, asserting that having exposure to AI-related stocks "is going to be essential to outperform over the next five years."

Crawford points out that Meta Platforms, for example, recently traded at roughly a 10% premium to the S&P 500 based on forward earnings, a reasonable valuation in her view given the company's strong growth prospects. That is only slightly above the stock's 7% average premium over the past five years.

3. Don't expect 20%+ again

Saira Malik, chief investment officer, head of equities and fixed income at Nuveen, is more cautious about stock returns after two straight years of 20%-plus gains for the S&P 500. Her 2025 year-end target for the S&P 500 is 6400, about 9% above where the index traded in late December.

"There's a lot of positivity out there about tax cuts and deregulation and all of that, but one question for investors to ask themselves is: How much of this is already priced in?" Malik says.

Still, Malik does see some opportunities in stocks and bonds. One place for the former is real estate, which she and her colleagues think is primed to do better in 2025 after a relatively weak year. A popular way for individual investors to get exposure to the sector is through REITs, which throw off a lot of income.

Small-cap stocks also make sense to Malik, partly because they are cheaper relative to larger-cap names and because of the expected tailwinds of extending tax cuts and rolling back regulations under the second Trump administration.

Small-caps Malik points to include **Addus HomeCare**, a home-care and medical-staffing firm; **Lumentum Holdings**, which makes lasers; and **Enpro**, which makes industrial products for semiconductor makers, aerospace companies, life-sciences firms and others.

As for bonds, Malik favors securities that include stronger-quality high-yield bonds, mortgage-backed securities and senior loans, which look increasingly attractive given that it looks like rates will stay higher for longer. Those loans reset regularly based on prevailing interest rate levels.

4. Not so fast on large-caps

David Kelly, chief global strategist at J.P. Morgan Asset Management, says investors should be wary of pricey stock valuations, especially among large-cap issues.

"There is a certain amount of risk in the S&P 500 overall, and it's particularly concentrated in large-cap growth stocks," he says. "The problem is that for a lot of investors, they are now overweight in that very sector."

If a hypothetical investor had 60% in the S&P 500 and 40% in the Bloomberg U.S. Aggregate Bond Index at the start of 2019 and hasn't rebalanced since then, that asset mix was recently 79% stocks and 21% bonds, Kelly says.

Besides being overweight large-cap growth stocks, that leaves many investors underweight bonds, which can help smooth a portfolio's volatility. Some investors, he says, might not be aware of how much risk they are taking and should consider rebalancing.

Kelly is also keeping a close eye on inflation, fearing a resurgence thanks to the policies of incoming President Trump. "If you tighten immigration significantly, and if you raise tariffs significantly in 2025, it gives you more inflation," he says.

5. Prepare for bumpy road

Chris Senyek, chief investment strategist at Wolfe Research, sees considerable policy uncertainty as 2025 kicks off. "The market has taken a very rosy view of Trumpenomics, but it's going to be a bit more of a bumpy road," he says.

As such, he favors starting 2025 with a position in the Magnificent Seven stocks, communication services and other large-cap tech stocks that can weather most storms thanks to their strong and reliable earnings growth.

"The tech fundamentals are already really strong with AI spending and everything else," he says. "They don't need a policy jolt to keep the fundamentals strong."

Ultimately, Senyek envisions the stock market going through three phases in 2025:

- The first, which began on the heels of the presidential election in November, saw stocks rally "over the enthusiasm for positive policy changes" in the new Trump administration.
- The next act, which will begin in early 2025, is the implementation phase "where we hear more details on specific policies such as tariffs, tax cuts or deregulation."
- Finally, the market will have to digest these policies, leading to the third market phase later in the year.

Until this last phase, Senyek believes it is best for investors to stick with the tried and true and wait for a clearer picture of President Trump's policies and what they will mean for other sectors and industries.

6. It's time for value

John Rogers, founder of Ariel Investments and portfolio manager, who is a longtime value-stock-focused manager, enters 2025 with a lot of conviction, even though value stocks have been an afterthought for much of the past two decades.

"Large-cap growth stocks have gotten extraordinarily expensive versus small-cap value," says Rogers. "So the theme I have is: Buy smaller companies and buy value companies within the small-cap universe."

The Russell 1000 Growth Index had returned 35% in 2024, more than double the 14% result for the corresponding value index.

Rogers also says he expects the new administration's rollback of regulations for businesses offers an opportunity for some companies. "Boardrooms and many people have delayed deals, scuttled deals or didn't get involved with deals because of the regulatory environment," he says. "The biggest change is going to be less regulation."

If those themes dovetail as Rogers expects, he says that should help smaller-cap financial firms such as **Lazard** and private-equity firm **Carlyle Group**. "Private equity is going to do really well in this environment," Rogers says. "You're already seeing it in the number of deals that are being talked about."

7. Bonds over stocks

Mike Cudzil, senior bond portfolio manager at Pimco, says he believes bonds will be attractive relative to stocks in 2025.

If the Fed cuts rates further this year, as expected, that would give bondholders a boost in price. Bond yields and prices move inversely. Yet if rates do climb, Cudzil says there is still a cushion to have a positive return as yields are high enough to offset a modest decline in price.

Among the types of bonds he says he is overweighting are asset-backed securities, including credit cards and auto loans; agency mortgages; triple-A-rated commercial mortgage-backed securities; and triple-A-rated collateralized loan obligations.

8. Expect more volatility

Yung-Yu Ma, chief investment officer at BMO Wealth Management, says investors should brace for more volatility in the stock market this year as the Trump administration rolls out its trade policies.

"That's just going to be more disruptive than people imagine right now," Ma says, adding that he doesn't expect the U.S. economy to be derailed by trade issues. "We're still overall favorable on staying invested in U.S. stocks, but we also think that it behooves investors to prepare for pullbacks," he says.

He recommends focusing on a broad portfolio of U.S. stocks, including a sprinkling of small-cap issues—not just the megacap tech stocks that worked in 2024. "We expect more spreading out of the economic and technological benefits to other companies in the economy," he says.

9. Watch out for inflation

Jason De Sena Trennert, chairman and CEO of Strategas, says that although markets will benefit from Trump administration policies such as less regulation, he is wary of a pickup in inflation amid pent-up demand for wage increases, heavy deficit spending and deglobalization. He's also concerned that mass deportations could pressure prices.

At the same time, Trennert sees investment opportunities, including in investment-grade corporate debt with maturities of up to five years as shorter-term bonds are less vulnerable to factors such as additional government debt due to more tax cuts.

As for stocks, he doesn't expect a third straight year of 20%-plus returns as market valuations are elevated and not sustainable "without the earnings growth to support it."

"I think the bull market continues, but the pace of the ascent is going to slow," says Trennert, who says he has had discussions about serving in the new administration.

Among the themes investors should consider are securities linked to AI, AI infrastructure such as data centers and the companies that supply the power for the AI revolution.

"Your average CEO is more likely to be fired by not spending enough on artificial intelligence, rather than too much," he says. "If you're going to make those investments, you need massive amounts of power."

10. Interest-rate uncertainty

Aditya Bhave, senior U.S. economist at BofA Global Research, says interest rates could stay higher than what was considered normal in previous economic cycles.

One scenario where that could happen: The Fed can't get inflation back down to its long-term target of 2%. "The higher rate environment is probably likely to last, and that is something that investors need to factor in," Bhave says.

The upshot is that higher rates, combined with more tax cuts, could push up government deficits and long-term bond yields.

Still, he expects the incoming administration to be business-friendly from a regulatory and tax perspective—a favorable backdrop for investors overall.

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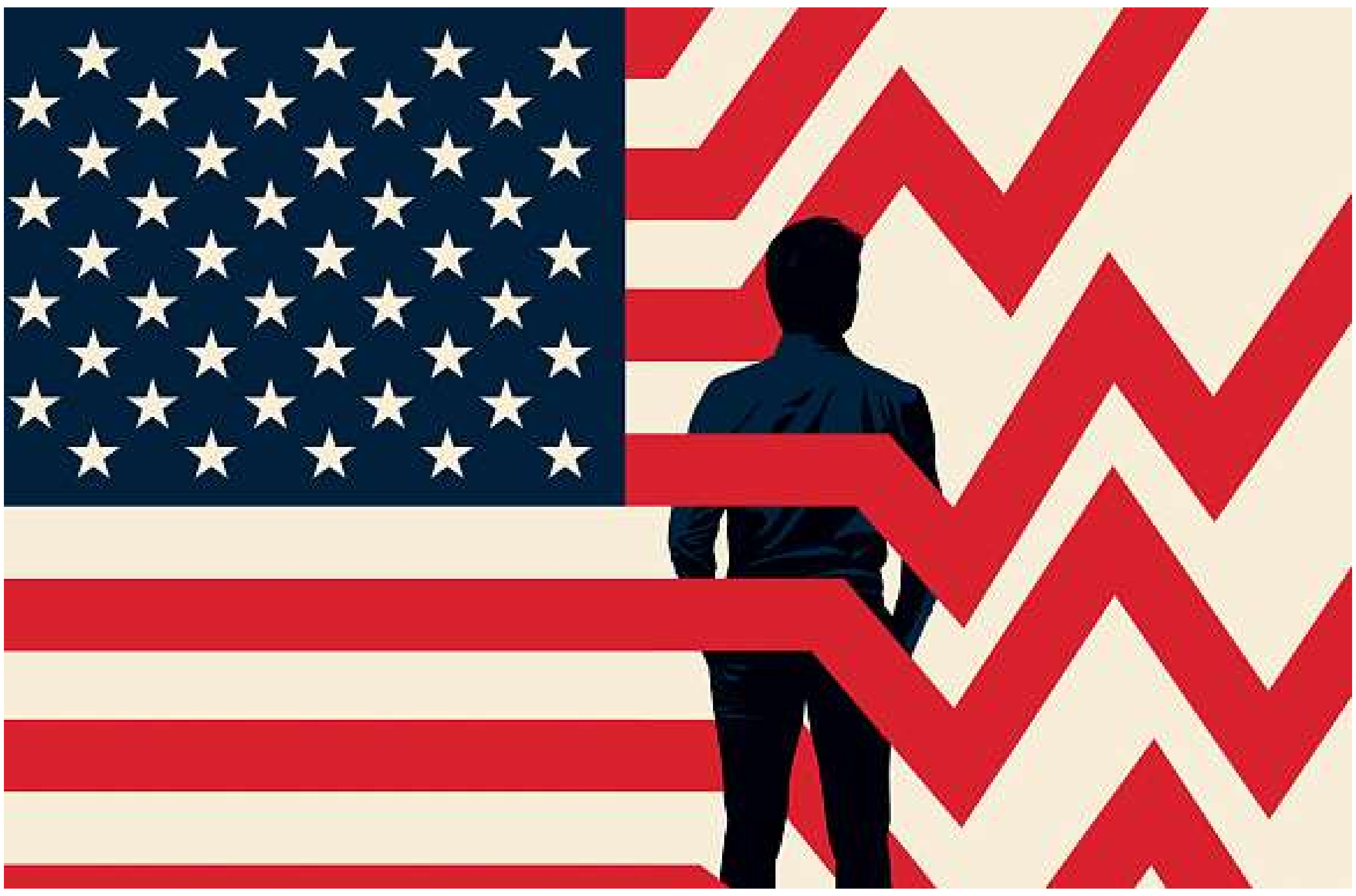

ROB DOBI

In Times of Economic-Policy Uncertainty, It May Be Best to Avoid the Stock Market

Research suggests that stocks outperform bonds when uncertainty falls. But bonds are the place to be when it flares, as it has recently.

BY DEREK HORSTMEYER

WITH THE start of any new presidential administration, there comes uncertainty surrounding economic policy. That is as true as ever, even with Republicans controlling both the White House and Congress.

But how does this uncertainty affect investors' portfolios?

We decided to test this question by looking back at 40 years of returns in stock and fixed-income mutual funds and comparing against the Economic Policy Uncertainty Index, a measure used by the Federal Reserve that counts the number of newspaper articles containing the terms "economy," "policy" and "uncertainty."

Broadly, stocks perform better when economic policy uncertainty falls and bonds do better when it rises. But within those tendencies, we find some segments of the market perform worse than others—particularly when uncertainty emerges, as it did around the presidential election.

Our methodology

To conduct our study, my research assistants (Abigia Abebe and Thomas Kang) and I first pulled mutual-fund return data across various asset classes: U.S. large-cap, U.S. growth, U.S. value, U.S. small-cap, international stocks, U.S. fixed income, short-term debt, high-yield debt, international bonds, emerging-market debt and commodities.

We then partitioned returns in these various classes by the level of uncertainty—when uncertainty is high (at the 75th percentile or higher), and when uncertainty is low (at the 25th percentile or lower).

Were are we at this moment? Not surprisingly, high economic-policy uncertainty.

What we found

Our first finding is that in general when uncertainty is high, it is a bad time to be in stocks. For instance, when uncertainty is at the 75th percentile or higher, the median monthly return for U.S. large-caps is 1.42%. When uncertainty is at the 25th percentile or lower, the median monthly return for U.S. large-caps is 1.52%. This difference of 0.10 percentage point a month might seem low, but that is a return difference of 1.2 percentage points a year.

When we look at other riskier stock classes, we see much bigger divergence. For instance, when uncertainty is at the 75th percentile or higher, the median monthly return for U.S. small-caps is 1.52%. When uncertainty is at the 25th percentile or lower, the median monthly return is 1.83%. This yields a difference of 0.31 percentage point a month, or nearly 4 percentage points a year.

Sharp moves

Next and more relevant to our current situation as the White House changes hands, we decided to look at returns in these asset classes when policy uncertainty jumps a considerable amount or when it falls a considerable amount. Here we see even bigger differences in results.

When uncertainty jumps (or rises by one standard deviation in a given month) the median return for U.S. large-caps is negative 2.01%. When uncertainty falls in a given month (a one standard deviation decrease) the median return for U.S. large-caps is 1.85%. This yields a difference of 3.86 percentage points a month.

These results are even more extreme for riskier stocks. When uncertainty jumps, the median return for U.S. small-caps is negative 1.95% a month. When uncertainty falls in a given month, the median return for U.S. small-caps is 3.56%. This yields a difference of 5.51 percentage points a month.

Turning toward fixed-income funds, we see the opposite set of results—indicating that investors are turning to bonds as a haven when uncertainty jumps. For instance, for U.S. fixed-income funds, the median return when uncertainty spikes is 0.63% a month. When uncertainty falls, the median monthly return is 0.18%. This yields a difference of 0.45 percentage point a month.

The key takeaway: If uncertainty stays where it is now, it may be smart to avoid stocks in favor of short-term bonds. But if uncertainty decreases over the next few months, it is best to be in stocks, especially small-caps.

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Young Money • Cordilia James

The Secret to Staying on Budget: Set Aside Money for Splurging

I spend frugally throughout the year. But for my birthday, I focus on what I want.

I WAS AFRAID to ask for things I wanted growing up because I knew the answer would always be "No." Wants were things you could live without, according to my Nigerian immigrant parents, so you might as well live without them.

When I brought this up to my dad recently, he doubled down, eagerly listing the kinds of things he *wouldn't* have gotten me even if I'd found the courage to ask. Nail polish? Trendy sneakers? Forget about it!

That message has stuck with me into young adulthood. Except for one day a year—my birthday. That's the time when I allow myself to let loose financially.

When you're trying to meet basic economic needs like rent, car payments and student loans, it can be hard to make room in the budget for things you don't need and yet make you happy. But amid the frugal lifestyle I learned from my parents, I've also come to believe in the importance of having a cheat day—a birthday, anniversary or some other event.

A day of indulgence

Treating myself on my birthday started a few years ago, when I joked with friends about taking a trip to Mexico to celebrate. They took me seriously—and it didn't take long for me to come around. We rode Jet Skis and had a birthday dinner that began with fireworks over the Caribbean. I saw it as my reward for saying "No" to myself throughout the year. Forgoing small, frivolous purchases for a few opportunities that were more memorable seemed a pretty good trade-off.

Since then, I've made it a habit of going big on my birthday—including reserving a Brooklyn bar for 75 of my friends and a private studio for makeovers.

If you're looking to splurge on something that will maximize happiness, experiences with others are a great way to do it, says Wendy De La Rosa, assistant professor at the University of Pennsylvania's Wharton School who focuses on behavioral science to improve consumers' financial well-being. Whether it's a grand excursion or an intimate dining experience with a friend, moments like these stick in our memory and give us more lasting joy than material things.

For people not used to spending money on themselves, it isn't always easy to make the adjustment.

Before the Mexico trip, it was hard for me to justify putting large sums of money toward my interests. There was this feeling that any leftover money I had should go toward something "responsible." Spending it on an experience felt frivolous, and would inevitably lead to regret. At one point, I considered sticking to a canned goods-only diet so I could pay off my student loans in a fraction of the expected time.

To be sure, such feelings of guilt aren't always a bad thing. If you're spending impulsively, racking up credit-card debt or missing your savings goals, you should take it as a sign that something needs to change. And if the No. 1 priority is to pay off my student loans, maybe eating those canned goods isn't all that bad.

But you can take this mindset too far. If you can afford it, putting some of that money toward things you want can be good for your well-being. My thinking started to shift after hearing friends describe some of their favorite memories and the lessons and skills that came with them.

During a recent conversation with my dad, he was still extolling the importance of "delayed gratification." But when I asked him, "To what end?" he stumbled. In the past 15 years, he could count on one hand how many times he had treated himself to a vacation, despite having a deep love for travel and the money to do so.

So I now give myself permission to *not* feel guilty for spending on my day of indulgence. I ask myself what experience would make me happy, then I get creative. For last year's birthday, for instance, I wanted to share my love of drag with my friends, so I told 40 of them to put on a wig and head to a private studio in Brooklyn. There were drag-queen makeovers. Runway walks. A lip-sync performance choreographed by yours truly.

It was a night to remember—and the happiest I had felt all year. Several guests reached out to me after to tell me how empowered they felt, with it being a memory they hoped to long cherish.

A spending plan

I've learned that my limited-indulgence strategy works best when you set reasonable expectations and have a spending plan. That way, I know what trade-offs are available to me—and I can make spending decisions rationally.

When I was first starting to save for my day of indulgence, I worried about also spending money on smaller things, such as an Uber ride home on a rainy day. I didn't know how much it would undo all of the sacrifices I had been making to fulfill my goal. Or if all of my rigorous saving was even enough to finance my day of indulgence.

"If you don't have a plan for your money, any dollar in theory could go to the really responsible stuff," says Dani Pascarella, founder and CEO at OneEleven Financial Wellness, a mobile app for employees. "By default, you're putting yourself in a position where you're going to feel guilty."

Experts I spoke with say that breaking up disposable income into buckets—rather than leaving it up for grabs—can help you feel more organized and alleviate some of that guilt. One common option is the 50-30-20 rule, where you put 50% of your income toward your needs, 30% toward your wants, and 20% toward your savings or debt repayment.

Getting more specific about the goals you want to hit in the "wants" bucket also can help you stay focused. "If you're spreading your money around to too many different goals, it sometimes feels like, 'Oh I'm not making enough progress,' especially if funds are limited," Pascarella says. She suggests working your way up to saving for multiple goals at once.

That's the part I now have to work on. Even though I carefully saved up for my birthday shindig, there were some other pricey opportunities last year that I didn't want to miss, including a family trip to Nigeria and a friend's birthday trip to Puerto Rico. (Two trips that will have me living even more frugally for the next few months.)

As for my dad, he has told me about his hopes to visit Tokyo and Venice, but hasn't booked the trips yet. Meanwhile, he recently bought an expensive electric toothbrush though he usually buys cheaper ones. It's a good start.

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KANITHARIN THAILAMTONG

ONLINE *More stories, plus funds-performance tables, at* ***WSJ.com/investingmonthly***

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, January 3, 2025

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Adams Diversified Eq Inc **ADX**	22.92	20.46	-10.7	32.9
Central Secs **CET**	54.74	45.58	-16.7	31.9
CohenStrsCEOppFd **FOF**	12.10	12.74	+5.3	25.1
EVTxAdvDivIncm **EVT**	NA	23.98	NA	17.5
GabelliDiv&IncTr **GDV**	27.86	24.32	-12.7	22.1
Gabelli Equity Tr **GAB**	5.26	5.42	+3.0	21.8
GeneralAmer **GAM**	58.15	51.06	-12.2	42.5
JHancockTaxAdvDiv **HTD**	24.31	22.70	-6.6	25.6
Liberty All-Star Equity **USA**	7.00	7.06	+0.9	23.7
Liberty All-Star Growth **ASG**	6.20	5.71	-7.9	21.7
Royce Micro-Cap Tr **RMT**	11.19	9.90	-11.5	19.7
Royce Value Trust **RVT**	17.22	15.84	-8.0	22.6
Source Capital **SOR**	43.60	42.59	-2.3	20.4
Special Opportunities **SPE**	NA	14.84	NA	35.3
Sprott Focus Trust **FUND**	8.43	7.42	-12.0	2.8
SRH Total Return **STEW**	20.71	16.00	-22.7	18.9
Tri-Continental **TY**	35.85	31.61	-11.8	30.7
Specialized Equity Funds				
abrdn Glb Prem Prop **AWP**	3.92	3.86	-1.5	14.0
abrdn Global Infra Inc **ASGI**	19.32	17.44	-9.7	9.9
Adams Natural Resources **PEO**	24.54	22.21	-9.5	13.1
ASA Gold & Prec Met Ltd **ASA**	23.33	20.80	-10.8	38.9
BlackRock En Lg Cap Cr **CII**	21.74	20.30	-6.6	16.2
BlackRock Energy & Res **BGR**	14.07	12.97	-7.8	9.8
BlackRock Eq Enh Div **BDJ**	9.07	8.35	-7.9	15.3
BlackRock Enh Glbl Div **BOE**	12.12	10.92	-9.9	18.6
BlackRock Enh Intl Div **BGY**	5.92	5.35	-9.6	9.6
BlackRock ESG Cap All T **ECAT**	17.68	16.64	-5.9	21.0
BlackRock Hlth Sci Term **BMEZ**	16.69	15.00	-10.1	13.2
BlackRock Hlth Sciences **BME**	41.66	38.30	-8.1	-2.0
BlackRock Innov&Gro Term **BIGZ**	8.53	7.63	-10.6	20.0
BlackRock Res & Comm **BCX**	9.67	8.75	-9.5	5.0
BlackRock Sci&Tech Term **BSTZ**	23.79	21.16	-11.1	41.9
BlackRock Sci&Tech Trust **BST**	40.37	37.33	-7.5	22.2
BlackRock Utl Inf & Pwr **BUI**	23.13	23.20	+0.3	12.4
CLEARBRIDGE ENGY MDS OPP **EMO**	NA	46.75	NA	45.9
ChnStrInfr **UTF**	24.01	24.42	+1.7	21.5
Cohen&SteersQualInc **RQI**	12.91	12.28	-4.9	8.6
CohenStrs Real Est and I **RLTY**	16.07	14.97	-6.8	16.9
Cohen&Steers TotRet **RFI**	11.68	11.69	+0.1	8.2
CohenStrsREITPrefInc **RNP**	21.17	20.95	-1.0	10.7
Columbia Sel Prm Tech Gr **STK**	32.61	32.57	-0.1	29.2
DNP Select Income **DNP**	8.76	9.23	+5.4	14.6
Duff&Ph Uti&Infra Inc Fd **DPG**	12.82	11.73	-8.5	33.6
EtnVncEqtyInc **EOI**	NA	20.77	NA	40.2
EtnVncEqtyIncoII **EOS**	NA	24.04	NA	43.2
EVRskMnDvsEqInc **ETJ**	NA	9.27	NA	30.7
ETnVncTxMgdBuyWrtInc **ETB**	NA	14.99	NA	28.5
EtnVncTxMgdBuyWrtOpp **ETV**	NA	14.24	NA	27.1
EvTxMnDvsEqInc **ETY**	NA	15.12	NA	38.4
EtnVncTxMgdGlbB **ETW**	NA	8.45	NA	20.3
EVTxMnGblDvEqInc **EXG**	NA	8.26	NA	18.0
First Tr Enhanced Eq **FFA**	21.33	20.51	-3.8	24.4
Gabelli Healthcare **GRX**	11.06	9.76	-11.8	8.9
Gab Utility **GUT**	3.11	5.29	+70.1	17.6
GAMCOGlGold&NatRes **GGN**	3.94	3.92	-0.5	13.2
J Han Finl Opptys **BTO**	35.01	35.40	+1.1	25.8
Neuberger Brmn Engry I&I **NML**	9.84	8.91	-9.5	40.8
Neuberger Nxt Gen Conn **NBXG**	14.98	13.08	-12.7	34.2
NubrgrRlEstSec **NRO**	3.64	3.59	-1.4	24.1
Nuv Dow 30 Dyn Overwrite **DIAX**	16.80	15.03	-10.5	14.8
NuvCorEqAlpha **JCE**	15.66	15.57	-0.6	29.0
Nuveen Nasdaq 100 Dyn Ov **QQQX**	NA	27.03	NA	29.4
Nuv Real Est **JRS**	9.15	8.62	-5.8	22.7
NuvS&P500DynOvFd **SPXX**	18.62	17.58	-5.6	28.3
NuvSP500BuyIncFd **BXMX**	15.30	13.93	-9.0	17.6
ReavesUtilityIncome **UTG**	32.70	32.62	-0.2	29.2
Tortoise Enrgy Infra Crp **TYG**	48.37	43.08	-10.9	60.3
Ecofin S&S Impact Term **TEAF**	14.14	12.15	-14.1	13.1
VDivInt&PremStr **NFJ**	14.13	12.67	-10.3	11.4
V Art Int&Tech Opps **AIO**	NA	24.27	NA	52.3
Income & Preferred Stock Funds				
Dividend and Income **BXSY**	19.85	NA	NA	NA
CalamosStratTot **CSQ**	18.21	17.79	-2.3	31.0
CohenStrsLtdDurPref&Inc **LDP**	21.93	20.61	-6.0	18.7
CohenStrsSelPref&Income **PSF**	21.64	20.13	-7.0	12.4
CohenStrsTaxAvPreSecs&I **PTA**	20.97	19.70	-6.1	15.2
FirstTrIntDurPref&Inc **FPF**	19.33	18.24	-5.6	18.9
JHanPrefInc **HPI**	16.43	16.79	+2.2	17.1
JHPrefIncII **HPF**	16.40	16.67	+1.6	14.0
HnckJPfdIncoIII **HPS**	14.75	15.18	+2.9	16.1
J Han Prm **PDT**	13.34	12.81	-4.0	27.4
LMP CapInco **SCD**	NA	16.99	NA	33.8
Nuveen Pref & Inc Opp **JPC**	8.00	8.03	+0.4	28.8
Nuveen Pref Sec & Inc Op **JPI**	19.97	19.90	-0.4	16.9
Nuveen Var Rate P&I **NPFD**	NA	18.81	NA	25.8
TCW Strat Income **TSI**	NA	4.79	NA	11.9
Convertible Sec's. Funds				
AdvntCnvrtbl&IncFd **AVK**	12.35	11.96	-3.2	18.3
CalamosConvHi **CHY**	10.60	11.92	+12.5	19.2
CalmosConvOp **CHI**	10.01	11.81	+18.0	29.3
HiIncBd **PCF**	7.15	6.59	-7.8	14.8
V Conv & Inc **NCV**	NA	3.55	NA	19.5
V Conv & Inc II **NCZ**	NA	3.15	NA	19.9
V Div Inc & Conv **ACV**	NA	22.39	NA	17.1
V Eqty & Conv Inc **NIE**	25.87	24.15	-6.6	27.6
World Equity Funds				
abrdn Emg Mkts Eq Inc **AEF**	6.00	5.25	-12.6	13.9
abrdn Glbl Dyn Div **AGD**	10.88	9.85	-9.5	18.2
abrdn Tot Dyn Div **AOD**	9.41	8.50	-9.7	18.7
Allspring Gl Div Oppty **EOD**	5.59	4.85	-13.2	24.2
BlackRock Cap Alloc Term **BCAT**	16.50	15.45	-6.4	22.7
Calamos GloDynInc **CHW**	7.65	6.80	-11.1	29.8
EV TxAdvGlbDivInc **ETG**	NA	18.32	NA	17.5
EtnVncTxAdvOpp **ETO**	NA	25.62	NA	18.9
Highland Global Alloc **HGLB**	13.21	7.35	-44.4	11.3
India Fund **IFN**	18.49	16.16	-12.6	-1.2
Japan Smaller Cap **JOF**	9.46	7.79	-17.7	8.0
LazardGlbTotRetInc **LGI**	17.62	16.10	-8.6	18.5
Mexico **MXF**	16.73	13.23	-20.9	-26.0
MS ChinaShrFd **CAF**	15.22	12.25	-19.5	-0.4
MS India **IIF**	30.90	25.60	-17.2	41.3
Nuveen Multi-Asset Inc **NMAI**	NA	12.18	NA	12.9
Nuveen Rl Asst Inc & Gro **JRI**	13.32	12.42	-6.8	17.4
NYLI CBRE Glbl Inf Meg T **MEGI**	14.25	12.66	-11.2	5.8
Templeton Dragon **TDF**	10.23	8.43	-17.6	8.6
Templeton Em Mkt **EMF**	14.21	12.09	-14.9	11.4

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
BlckRk Income **BKT**	11.80	11.62	-1.5	9.1
Investment Grade Bond Funds				
Angel Oak FS Inc Trm **FINS**	14.09	12.91	-8.4	10.3
BlRck Core Bond **BHK**	10.29	10.44	+1.5	8.5
BR Credit Alloc Inc **BTZ**	11.28	10.58	-6.2	9.6
Insight Select Income **INSI**	NA	17.15	NA	4.6
InvescoBond **VBF**	16.17	15.48	-4.3	5.5
J Han Income **JHS**	11.90	11.27	-5.3	4.8
MFS Intmdt **MIN**	2.77	2.68	-3.4	0.0
Westn Asst IG Def Opp Tr **IGI**	NA	16.40	NA	5.1
Loan Participation Funds				
BR Debt Strategy **DSU**	10.65	10.85	+1.9	11.0
BR F/R Inc Str **FRA**	12.92	13.46	+4.2	10.8
BlackRock Floatng Rt Inc **BGT**	12.60	12.85	+2.0	11.2
Blackstone Lng-Sh Cr Inc **BGX**	13.24	12.61	-4.8	9.8
BS SFR 2027 T **BSL**	NA	14.36	NA	9.4
BS St Cr 2027 Tm **BGB**	NA	12.18	NA	9.2
Eagle Point Credit **ECC**	NA	9.14	NA	18.9
Eagle Point Income **EIC**	NA	15.99	NA	15.4
EtnVncFltRteInc **EFT**	NA	13.12	NA	10.5
EV SenFlRtTr **EFR**	NA	12.92	NA	9.7
FT/Sr Fltg Rte Inc 2 **FCT**	10.77	10.32	-4.2	11.2
Highland Oppty & Income **HFRO**	12.90	5.45	-57.8	8.9
InvDYCrOpp:AX **VTA**	11.04	NA	NA	NA
InvSnrIncTr **VVR**	3.95	4.00	+1.3	13.0
Nuveen Credit Strat Inc **JQC**	5.89	5.75	-2.4	11.3
NuvFloatRateIncFd **JFR**	9.23	9.05	-2.0	11.4
High Yield Bond Funds				
abrdn Inc Credit Str **ACP**	6.39	5.97	-6.6	19.7
AllianceBernGlHiIncm **AWF**	11.31	10.76	-4.9	7.4
Allspring Income Oppty **EAD**	7.40	6.98	-5.7	9.0
Barings Glb SD HY Bd **BGH**	15.96	15.80	-1.0	9.7
BR Corporate HY **HYT**	9.71	9.80	+0.9	9.5
BlackRock Ltd Dur Inc **BLW**	14.08	14.25	+1.2	9.3
BNY Mellon Hi Yield Str **DHF**	2.74	2.59	-5.5	8.1
Brookfield Real Asst Inc **RA**	14.75	13.42	-9.0	10.6
CrSuisHighYld **DHY**	2.20	2.18	-0.9	8.6
DoubleLine Inc Sol **DSL**	12.49	12.63	+1.1	10.5
DoubleLine Yld Opps **DLY**	16.04	15.90	-0.9	9.2
First Trust HY Opp:2027 **FTHY**	15.19	14.47	-4.7	10.7
Franklin Univ **FT**	8.14	7.34	-9.8	6.9
KKR Income Opportunities **KIO**	NA	13.44	NA	10.9
NeubHgYldStrt **NHS**	7.77	7.64	-1.7	14.5
New Amer Hi Inc **HYB**	NA	8.22	NA	5.3
Nuveen Global High Inc **JGH**	13.91	12.93	-7.0	9.6
PGIM Global High Yield **GHY**	13.09	12.64	-3.4	10.2
PGIM High Yield Bond **ISD**	13.90	13.75	-1.1	9.2
PGIM Sh Dur Hi Yld Opp **SDHY**	17.55	16.24	-7.5	8.0
PioneerHiIncm **PHT**	8.32	7.81	-6.1	8.5
WstAstHIF II **HIX**	NA	4.27	NA	13.9
Western Asset Hi Inc Opp **HIO**	NA	3.96	NA	10.8
Western Asset Hi Yld D O **HYI**	NA	11.94	NA	9.6
Other Domestic Taxable Bond Funds				
Allspring Multi-Sector **ERC**	9.81	9.08	-7.4	8.6
Ares Dynamic Crdt Alloc **ARDC**	NA	15.19	NA	9.3
BlackRock Mlt-Sctr Inc **BIT**	14.54	14.62	+0.6	10.1
BlackRock Tax Muni Bd **BBN**	17.12	16.18	-5.5	6.9
DoubleLine:Oppor Crdt Fd **DBL**	15.39	15.51	+0.8	8.5
EVLmtDurIncm **EVV**	NA	9.96	NA	9.7
Franklin Ltd Dur Income **FTF**	NA	6.59	NA	11.1
FS Credit Opportunities **FSCO**	NA	NA	NA	10.4
J Han Investors **JHI**	14.66	13.87	-5.4	7.9
MFS Charter **MCR**	6.76	6.36	-5.9	0.0
NuvCorePlusImpact **NPCT**	11.66	10.66	-8.6	12.2
Nuveen Taxable Muni Inc **NBB**	16.07	15.12	-5.9	6.9
PIMCO Corp & Inc Oppty **PTY**	NA	14.41	NA	9.9
PIMCO Corp & Inc Strat **PCN**	11.89	13.58	+14.2	10.0
PIMCOHiInco **PHK**	4.72	4.93	+4.4	11.8
PIMCO IncmStrFd **PFL**	8.13	8.48	+4.3	11.6
PIMCO IncmStrFd II **PFN**	7.21	7.50	+4.0	11.5
Putnam Mas Int **PIM**	3.42	3.27	-4.4	8.1
Putnam Prem Inc **PPT**	3.78	3.59	-5.0	8.7
Western Asset Dvsfd Inc **WDI**	NA	14.50	NA	12.3
Western Asset Inf-Lk Inc **WIA**	NA	8.02	NA	7.5
Western Asset Inf-Lk O&I **WIW**	NA	8.28	NA	8.7
World Income Funds				
abrdn AP IncFd **FAX**	16.80	14.88	-11.4	13.4
MS EmMktDomDebt **EDD**	NA	4.48	NA	11.4
PIMCO Access Income **PAXS**	15.32	15.82	+3.3	11.7
PIMCO Dynamic Inc Strat **PDX**	26.43	26.29	-0.5	4.8
PIMCO Dynamic Income **PDI**	NA	18.68	NA	14.4
PIMCO Dynamic Inc Opp **PDO**	NA	13.68	NA	11.2
PIMCO Stratg Inc **RCS**	4.44	5.74	+29.3	8.0
Templtn Glbl Inc **SABA**	NA	9.17	NA	NE
Templeton Em Inc **TEI**	5.71	5.20	-8.9	11.1
WstAstEmergDebt **EMD**	NA	9.81	NA	10.5
Western Asset Gl Cr D Op **GDO**	NA	11.21	NA	12.0
National Muni Bond Funds				
AllBerNatlMunInc **AFB**	12.47	10.91	-12.5	3.8
BlckRk Inv Q Mun **BKN**	12.73	11.37	-10.7	6.1
BlackRock Muni 2030 Tgt **BTT**	23.87	20.76	-13.0	2.7
BlackRock Muni **BFK**	11.23	10.00	-11.0	6.0
BlackRock Muni II **BLE**	11.88	10.63	-10.5	5.9
BlckRk Muni Inc Qly **BYM**	12.40	11.00	-11.3	5.8
BR MuniAssets Fd **MUA**	11.64	11.22	-3.6	6.0
BR MH Qly 2 **MUE**	11.42	10.18	-10.9	5.5
BR MuniHoldngs **MHD**	13.32	11.90	-10.7	5.5
BR MuniVest Fd **MVF**	7.90	7.24	-8.4	5.3
BR MuniVest 2 **MVT**	12.16	10.71	-11.9	5.8
BR MuniYield Fd **MYD**	11.87	10.59	-10.8	6.1
BR MuniYield Qlty **MQY**	12.91	11.79	-8.7	6.0
BR MuniYld Qlty2 **MQT**	11.36	10.01	-11.9	6.0
BR MuniYld Qly 3 **MYI**	12.26	11.17	-8.9	6.0
BNY Mellon Muni Bd Infra **DMB**	12.02	10.46	-13.0	3.4
BNY Mellon Str Muni Bond **DSM**	6.70	5.86	-12.5	3.7
BNY Mellon Strat Muni **LEO**	7.03	6.17	-12.2	3.7
DWS Muni Inc **KTF**	9.98	9.58	-4.0	6.7
EVMuniBd **EIM**	NA	10.46	NA	5.6
EVMuniIncm **EVN**	NA	10.19	NA	5.7
EVNatMuniOpp **EOT**	NA	16.71	NA	4.7
InvAdvMuIncTrII **VKI**	9.57	8.82	-7.8	6.4
Invesco MuniOp **OIA**	6.37	6.05	-5.1	5.8
InvescoMuOppTr **VMO**	10.69	9.76	-8.7	6.4
InvescoMuTr **VKQ**	10.73	9.88	-7.9	6.4
InvescoQual Inc **IQI**	10.78	9.91	-8.1	6.4
InvTrInvGrMu **VGM**	11.05	10.14	-8.2	6.3
InvescoValMunInc **IIM**	13.17	12.15	-7.7	6.5
NeubrgrBrm **NBH**	11.79	10.40	-11.8	5.3
Nuveen AMT-Fr Mu Val **NUW**	15.15	13.66	-9.8	3.8
Nuveen AMT-Fr Qlty Mun I **NEA**	12.28	11.45	-6.8	6.6
Nuveen AMT-Fr Mu CI **NVG**	13.46	12.49	-7.2	6.7
Nuveen Dyn Muni Opp **NDMO**	10.97	10.16	-7.4	7.4
Nuveen Mu Crdt Opps **NMCO**	11.70	10.76	-8.0	6.7
Nuv Muni Credit Income **NZF**	13.37	12.42	-7.1	6.8
NuvMuniHiIncOpp **NMZ**	11.09	10.99	-0.9	6.3
Nuveen Muni Val **NUV**	9.29	8.70	-6.4	4.1
Nuveen Quality Muni Inc **NAD**	12.74	11.86	-6.9	6.6
Nuveen Sel TF **NXP**	14.50	14.93	+3.0	4.0
NYLI MacKay DT Muni Opp **MMD**	16.72	15.17	-9.3	4.8
PIMCO MuniInc **PMF**	9.22	9.04	-2.0	5.6
PIMCOMuniIncII **PML**	8.58	8.24	-4.0	5.8
Pimco Muni III **PMX**	7.90	7.44	-5.8	5.3
PioneerHiIncAdv **MAV**	9.15	8.53	-6.8	4.4
PionrMuniHiIncOppty **MIO**	12.83	12.00	-6.5	4.9
PioneerMunHiIcm **MHI**	10.03	9.37	-6.6	4.3
Putnam Mgd Inc **PMM**	6.78	6.06	-10.6	4.7
Putnam Muni Opp **PMO**	11.43	10.21	-10.7	4.1
RiverNorth Flx Mu Inc II **RFMZ**	15.49	13.70	-11.6	7.7
RiverNorth Mgd Dur Mun I **RMM**	16.32	14.76	-9.6	7.6
Western Asset Mgd Muni **MMU**	NA	10.34	NA	6.1
Single State Muni Bond				
BlackRock CA Mun **BFZ**	12.61	11.36	-9.9	5.9
BR MH CA Qly Fd Inc **MUC**	12.33	10.76	-12.7	5.6
BR MH NJ Qly **MUJ**	12.83	11.29	-12.0	5.5
BR MH NY Qly **MHN**	11.81	10.51	-11.0	5.2
BR MuniYld MI Qly **MIY**	12.80	11.36	-11.2	5.2
BR MuniYld NY Qly **MYN**	11.44	10.16	-11.2	5.4
BR MuniYld PA Qly **MPA**	12.86	11.91	-7.4	6.0
BlackRock NY Mun **BNY**	11.76	10.34	-12.1	5.3
EVCAMuniBd **EVM**	NA	9.39	NA	5.2
Eaton Vance NY Muni Bd **ENX**	NA	9.76	NA	5.1
InvCaValMuIncTr **VCV**	11.06	11.15	+0.8	5.7
InvPAValMuIncTr **VPV**	11.53	10.44	-9.5	6.0
InvTrInvGrNYMu **VTN**	11.68	10.63	-9.0	6.3
Nuveen CA AMT-F Qual MI **NKX**	12.88	12.88	0.0	6.1
Nuveen CA Val **NCA**	9.32	8.49	-8.9	4.1
NuveenCAQtyMuInc **NAC**	12.39	11.45	-7.6	6.6
NuvNJ Qual Muni Inc **NXJ**	13.25	12.18	-8.1	6.2
Nuveen NY AMT/Fr Qual MI **NRK**	11.63	10.56	-9.2	6.7
Nuveen NY Val **NNY**	8.97	8.17	-8.9	4.2
Nuveen NY Qual Muni Inc **NAN**	12.14	11.47	-5.5	6.4
Nuveen PA Qual Muni Inc **NQP**	12.90	11.40	-11.6	6.6
Nuveen VA Qlty Mun Inc **NPV**	12.18	12.66	+3.9	5.6
PIMCO CA **PCQ**	10.35	9.21	-11.0	4.7
PIMCOCAMuniII **PCK**	6.61	5.77	-12.7	4.5
Pimco CA Muni III **PZC**	7.64	6.89	-9.8	5.1

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Alternative Strategies:I	14.99	NA	NA	2.4
First Trust Hdg Strat;A	11.06	NA	NA	10.1
First Trust Hdg Str;I	11.11	NA	NA	10.9
Specialized Equity Funds				
Accordant ODCE Index;A	9.26	NA	NA	-2.0
Accordant ODCE Index;I	9.29	NA	NA	-1.9
Accordant ODCE Index;Y	9.29	NA	NA	-1.9
ARK Venture	30.06	NA	NA	10.1
ArrowMark Financial Corp **BANX**	NA	21.21	NA	NA
CASCADE PRIVATE CAP;I	16.93	NA	NA	NA
CBRE GlbREst **IGR**	5.12	4.94	-3.5	-4.1
CIM RA&C A	22.23	NA	NA	0.7
CIM RA&C C	21.46	NA	NA	0.0
CIM RA&C I	22.48	NA	NA	0.9
CIM RA&C L	21.95	NA	NA	0.4
Connetic Venture CA;I	NA	NA	NA	NS
First Tr Real Assets;A	NA	NA	NA	NS
Forum RE Income;Founders	9.63	NA	NA	12.9
Forum RE Income;I	9.63	NA	NA	12.8
Forum RE Income;K	9.62	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	10.37	NA	NA	NS
MEKETA INFRSTRCTR;I	26.37	NA	NA	NS
MEKETA INFRSTRCTR;III	26.37	NA	NA	NS
NexPointRlEstStrat;A	16.09	NA	NA	0.9
NexPointRlEstStrat;C	16.31	NA	NA	0.2
NexPointRlEstStrat;Z	16.32	NA	NA	1.2
PENDER REAL ESTATE CR;A	10.03	NA	NA	NS
PENDER REAL ESTATE CR;I1	10.04	NA	NA	8.3
PENDER REAL ESTATE CR;I2	10.04	NA	NA	8.5
PIMCO FLEXIBLE REI;F	10.48	NA	NA	NS
PIMCO Flexible REI;Inst	10.48	NA	NA	8.5
Principal Real Asst A	25.52	NA	NA	3.5
Principal Real Asst Ins	25.65	NA	NA	3.8
Principal Real Asst Y	25.96	NA	NA	4.0
Redwood Rl Est;I	25.09	NA	NA	8.0
The Private Shares;A	42.22	NA	NA	10.7
The Private Shares;I	43.01	NA	NA	11.0
The Private Shares;L	41.46	NA	NA	10.5
Thirdline Real EstateI	9.94	NA	NA	5.6
USQ Core Real Estate:I	22.18	NA	NA	-3.9
USQ Core Real Estate:L	22.27	NA	NA	-3.9
Versus Cap RE:I	24.56	NA	NA	-0.5
Versus Capital Real Asst	27.96	NA	NA	3.6
Wildermuth:I	3.52	NA	NA	-59.4
Income & Preferred Stock Funds				
ALPHA ALT ASST;A	6.29	NA	NA	5.4
Alpha Alternative Assets	6.36	NA	NA	5.8
Calamos L/S Eqty and DI **CPZ**	16.79	15.20	-9.5	6.8
Denali Strctr Rtrn Strat	NA	NA	NA	NS
Lord Abbett Spec Sit I:A	9.36	NA	NA	11.2
Lord Abbett Spec Sit I:I	9.36	NA	NA	12.0
ONEASCENT CAP OPPTYS	10.17	NA	NA	NS
Variant Altrntv Inc:Inst	26.93	NA	NA	4.8
Variant Impact;Instl	27.49	NA	NA	6.4
Versus Capital Infra Inc	10.13	NA	NA	NS
Convertible Sec's. Funds				
Calmos Dyn Conv and Inc **CCD**	19.19	24.31	+26.7	14.4
World Equity Funds				
BEACON POINTE MLT-ALT;I	NA	NA	NA	NS
CalamosGlbTotRet **CGO**	11.69	11.40	-2.5	26.6
Cantor Fitzgerald SI:A	12.31	NA	NA	20.7
Cantor Fitzgerald SI:C	12.13	NA	NA	19.8
Cantor Fitzgerald SI:I	12.35	NA	NA	21.1
CANTOR FITZGERALD INFR;S	12.43	NA	NA	NS
Sweater Cashmere	22.47	NA	NA	6.1
Primark Priv Eq Inv:I	14.38	NA	NA	18.5
Thornburg Inc Bldr Opps **TBLD**	18.39	16.38	-10.9	9.4
VirtusTotalRetFd **ZTR**	6.52	5.95	-8.7	11.1

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
Arca US Treasury	NA	NA	NA	1.1
CATALYST STRAT INC OPPS	NA	NA	NA	NS
Ellington Inc Opp:A	NA	NA	NA	14.7
Ellington Inc Opp:M	NA	NA	NA	15.3
Loan Participation Funds				
1WS Credit Income;A2	NA	NA	NA	8.5
1WS Credit Income;Inst	NA	NA	NA	8.2
Apollo Diversified Cd:A	NA	NA	NA	8.7
Apollo Diversified Cd:C	NA	NA	NA	7.9
Apollo Diversified Cd:F	NA	NA	NA	10.7
Apollo Diversified Cd:I	NA	NA	NA	8.9
Apollo Diversified Cd:L	NA	NA	NA	8.4
Apollo Diversified Cd:M	NA	NA	NA	8.2
Axonic Alternative I;A	NA	NA	NA	8.9
Axonic Alternative I Ins	NA	NA	NA	8.9
Bluerock HI Inst Crd:A	23.72	NA	NA	12.1
Bluerock HI Inst Crd:C	23.72	NA	NA	12.1
Bluerock HI Inst Crd:F	23.71	NA	NA	12.1
Bluerock HI Inst Crd:I	23.74	NA	NA	12.1
BNYM Alcntr Glb MS Cr Fd	88.36	NA	NA	NA
CliffwaterClFd;I	10.63	NA	NA	11.2
CliffwaterElFd;I	10.85	NA	NA	11.2
CNR Strategic Credit	6.78	NA	NA	24.0
Floating-Rate Opps;A	10.24	NA	NA	9.8
Floating-Rate Opps;I	10.23	NA	NA	10.0
Floating-Rate Opps;U	10.24	NA	NA	9.3
Equalize Community Dev	9.35	NA	NA	3.4
FedProj&TrFinanceTendr	10.02	NA	NA	6.7
Flat Rock Core Income	NA	NA	NA	10.0
Flat Rock Enhanced Inc	NA	NA	NA	11.6
InvDYCrOpp:A	11.04	NA	NA	10.9
InvDYCrOpp:R6	11.05	NA	NA	11.3
InvDYCrOpp:Y	11.06	NA	NA	11.2
Invesco Sr Loan A	5.75	NA	NA	9.2
Invesco Sr Loan C	5.76	NA	NA	8.5
Invesco Sr Loan IB	5.75	NA	NA	9.5
Invesco Sr Loan IC	5.75	NA	NA	9.3
Invesco Sr Loan Y	5.75	NA	NA	9.5
Lord Abbett FR Hi Inc:A	10.09	NA	NA	10.2
Lord Abbett FR Hi Inc:I	10.09	NA	NA	10.7
Monachil Credit Income:I	9.96	NA	NA	9.5
Nomura Alt Inc;I	9.91	NA	NA	8.9
Octagon XAI CLO Inc;A	25.38	NA	NA	NS
Octagon XAI CLO Inc;I	25.39	NA	NA	NS
OFS Credit Company **OCCI**	NA	7.19	NA	NA
PC PCAAM AI;I	10.05	NA	NA	NS
PRINCIPAL PRIVATE CR I;A	NA	NA	NA	NS
PRINCIPAL PRIVATE CR I;Y	NA	NA	NA	NS
PRINCIPAL PRVT CR I;INS	NA	NA	NA	NS
SEI Alternative Income:F	10.30	NA	NA	7.2
SEI Alternative Income:Y	10.30	NA	NA	7.5
Voya Enhanced Sec Inc:A	10.12	NA	NA	NS
Voya Enhanced Sec Inc:C	10.12	NA	NA	NS
Voya Enhanced Sec Inc:I	10.12	NA	NA	NS
Yieldstreet Alt Inc	NA	NA	NA	7.4
High Yield Bond Funds				
AB CarVal Credit Opp;Adv	9.95	NA	NA	NS
AB CarVal Credit Opp;A	9.95	NA	NA	NS
AB CarVal Credit Opp;C	9.94	NA	NA	NS
AB CarVal Credit Opp;U	9.95	NA	NA	NS
Opprtnstc Crdt Intrvl;I	11.48	NA	NA	9.1
PIMCO Flexible Cr I;A-1	NA	NA	NA	8.9
PIMCO Flexible Cr I;A-2	NA	NA	NA	8.9
PIMCO Flexible Cr I;A-3	NA	NA	NA	8.6
PIMCO Flexible Cr I;A-4	NA	NA	NA	8.6
PIMCO Flexible Cr I;Inst	NA	NA	NA	9.4
Polen Credit Opps;Inst	9.80	NA	NA	9.5
Other Domestic Taxable Bond Funds				
AFA Private Credit;Fndr	9.17	NA	NA	11.1
AFA Private Credit;Inst	9.18	NA	NA	11.0
Alternative Credit Inc:A	NA	NA	NA	9.0
Alternative Credit Inc:C	NA	NA	NA	8.0
Alternative Credit Inc:I	NA	NA	NA	9.4
Alternative Credit Inc:L	NA	NA	NA	8.7
Alternative Credit Inc:W	NA	NA	NA	9.1
AMG Pantheon Crdt Soln;I	10.62	NA	NA	NS
AMG Pantheon Crdt Soln;S	10.71	NA	NA	NS
Angel Oak Str Crdt:FI	21.05	NA	NA	8.7
Angel Oak Str Crdt:Inst	21.04	NA	NA	8.7
BR Credit Strat;A	8.50	NA	NA	8.7
BR Credit Strat;Inst	8.47	NA	NA	9.4
BR Credit Strat;J	8.48	NA	NA	NS
BR Credit Strat;U	8.49	NA	NA	8.7
BR Credit Strat;W	8.50	NA	NA	8.6
CION Ares Dvsfd Crdt;A	NA	NA	NA	8.9
CION Ares Dvsfd Crdt;C	NA	NA	NA	8.2
CION Ares Dvsfd Crdt;I	NA	NA	NA	9.2
CION Ares Dvsfd Crdt;L	NA	NA	NA	8.7
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	8.7
CNR Select Strategies	15.53	NA	NA	0.0
Diamond Hill Sec Cr;R	10.04	NA	NA	NS
First Eagle Crdt Opps A	23.05	NA	NA	10.4
First Eagle Crdt Opps A2	23.01	NA	NA	9.9
First Eagle Crdt Opps I	22.91	NA	NA	10.7
First Trust Private Cr;A	NA	NA	NA	10.7
First Trust Private Cr;I	NA	NA	NA	10.4
Franklin BSP Pvt Cr:A	NA	NA	NA	8.4
Franklin BSP Pvt Cr:Adv	NA	NA	NA	8.8
FS Credit Income;A	12.35	NA	NA	8.0
FS Credit Income;I	12.39	NA	NA	8.2
FS Credit Income;T	12.38	NA	NA	7.8
FS Credit Income;U	12.33	NA	NA	7.5
FS Credit Income;U-2	12.44	NA	NA	7.5
KKR CREDIT OPPTY;D	NA	NA	NA	9.3
KKR CREDIT OPPTY;I	NA	NA	NA	9.6
KKR CREDIT OPPTY;T	NA	NA	NA	8.8
KKR CREDIT OPPTY;U	NA	NA	NA	8.8
MA SPECIALTY CREDIT IN;S	24.96	NA	NA	NS
NIAGARA INCOME OPPORTNTS	NA	NA	NA	9.96
Palmer Square Opp Inc	17.87	NA	NA	8.6
World Income Funds				
BlueBay Destra Itl E:A	21.93	NA	NA	10.6
BlueBay Destra Itl E:I	21.95	NA	NA	10.9
BlueBay Destra Itl E:L	21.92	NA	NA	10.3
BlueBay Destra Itl E:T	21.80	NA	NA	10.2
BOOSTER INCOME OPPTYS	10.00	NA	NA	NS
Calamos-Aksia ACI:A	10.67	NA	NA	7.8
Calamos-Aksia ACI:C	10.65	NA	NA	7.2
Calamos-Aksia ACI:I	10.67	NA	NA	8.0
Calamos-Aksia ACI:M	10.67	NA	NA	7.3
Carlyle Tact Pvt Cred:A	NA	NA	NA	9.6
Carlyle Tact Pvt Cred:I	NA	NA	NA	10.0
Carlyle Tact Pvt Cred:L	NA	NA	NA	9.4
Carlyle Tact Pvt Cred:M	NA	NA	NA	9.3
Carlyle Tact Pvt Cred:N	NA	NA	NA	10.1
Carlyle Tact Pvt Cred:U	NA	NA	NA	9.4
Carlyle Tact Pvt Cred:Y	NA	NA	NA	9.5
Fid MS Cr;A	NA	NA	NA	6.3
Fid MS Cr;C	NA	NA	NA	5.6
Fid MS Cr;I	NA	NA	NA	6.6
Fid MS Cr;L	NA	NA	NA	6.1
Jackson Credit Opps:I	10.34	NA	NA	7.6
Lord Abbett Cred Opps Fd	8.97	NA	NA	9.0
Lord Abbett Cred Opps Fd	8.98	NA	NA	9.8
Lord Abbett Crd Op:U	8.98	NA	NA	9.1
Oaktree Dvsfd Income;D	9.16	NA	NA	8.4
PIMCO Flexible EM I;Inst	8.44	NA	NA	8.4
National Muni Bond Funds				
Ecofin Tax-Exempt Prv Cr	8.44	NA	NA	2.2
Lind Cap Pt Mun Cred Inc	8.87	NA	NA	5.3
Lord Abbett Muni Opps:A	10.13	NA	NA	NS
Lord Abbett Muni Opps:I	10.13	NA	NA	NS
Nuveen En HY Muni Bd:A1	7.76	NA	NA	5.0
Nuveen En HY Muni Bd:A2	7.77	NA	NA	5.2
Nuveen En HY Muni Bd:I	7.76	NA	NA	5.7
NYLI MacKay Mu IO;A1	10.14	NA	NA	NS
NYLI MacKay Mu IO;A2	10.14	NA	NA	NS
NYLI MacKay Mu IO;A3	10.14	NA	NA	NS
NYLI MacKay Mu IO;I	10.14	NA	NA	NS
PIMCO Flex Mun Inc;A-3	NA	NA	NA	3.5
PIMCO Flex Mun Inc:A1	NA	NA	NA	3.8
PIMCO Flex Mun Inc;A2	NA	NA	NA	3.8
PIMCO Flex Mun Inc;Inst	NA	NA	NA	4.3
ROCKEFELLER MUNI OPPS;I	19.94	NA	NA	NS
Single State Muni Bond				
PIMCO CA FMI;A-1	10.20	NA	NA	2.7
PIMCO CA FMI;Inst	10.20	NA	NA	3.3

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 January 3, 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. 26-27	Globalstar	GSAT	J. Monroe	DOI	1,500	2.10-2.13	3,177	2.20	6.3
Dec. 30	Biohaven	BHVN	J. Childs	DI	29	35.94	1,042	38.64	3.5
Dec. 23-26	CVR Partners	UAN	C. Icahn	BI	7	74.36-74.92	536	76.97	1.3
Dec. 27-30			C. Icahn	BI	5	74.74-74.88	339		
Dec. 30-Jan. 2	RE/MAX Holdings	RMAX	A. Peterson	BI	29	10.30-10.45	297	10.61	-0.6
Dec. 19	OneWater Marine	ONEW	P. Singleton	CEOI	13	18.60	242	17.05	-1.9
Dec. 30	TXO Partners	TXO	W. Adams	AF	14	16.93	237	16.93	0.5
Dec. 26	Oncocyte	OCX	P. Smith	BI	90	2.13	192	2.37	-0.4
Dec. 27	Nike	NKE	J. Rogers	D	3	76.65	192	73.31	-3.1
Dec. 23	Oklo	OKLO	R. Kinzley	D	5	19.95	100	27.25	28.4
Dec. 26	Opus Genetics	IRD	G. Magrath	CEO	100	.98	98	1.35	13.4
Dec. 27	GigaCloud Technology	GCT	M. Bernes	ODI	5	17.50	88	19.59	5.8
Dec. 30	Chemed	CHE	B. Judkins	O	0.1	519.50	75	535.00	1.0
Dec. 26	Greif	GEF.B	L. Hilsheimer	CFO	1	69.14	74	66.75	-1.6
Dec. 23	Lakeland Industries	LAKE	N. Hamblin	D	2	23.08	51	25.89	1.3
Dec. 30			J. Jenkins	CEOI	1	25.35	25		
Dec. 30	Assembly Biosciences	ASMB	M. Houghton	DI	3	15.61	50	17.49	10.8
Dec. 26	Quipt Home Medical	QIPT	P. Gamble	O	17	2.42-2.47	42	3.05	unch.
Sellers									
Dec. 30-31	Intuit	INTU	S. Goodarzi	CEOI	75	627.29-633.96	47,447	630.23	0.3
Dec. 30			S. Goodarzi	CEOI	75	623.76-633.97	47,122		
Dec. 26-27	GitLab	GTLB	M. Jacobson	DI	548	59.18-59.72	32,715	59.76	6.1
Dec. 24	Meta Platforms	META	M. Zuckerberg	CEOI	36	600.51-607.60	21,713	604.63	3.3
Dec. 26			M. Zuckerberg	CBI	36	600.59-606.17	21,666		
Dec. 23			M. Zuckerberg	CEOI	36	600.52-601.02	21,572		
Dec. 26	DraftKings	DKNG	P. Liberman	ODI	532	38.30	20,379	37.45	0.7
Dec. 26	Chewy	CHWY	S. Singh	CEO	572	34.44-35.10	19,739	35.96	7.4
Dec. 30	Snowflake	SNOW	F. Slootman	D	100	155.00	15,500	162.22	5.1
Dec. 30	Workday	WDAY	D. Duffield	BI	56	259.95-264.12	14,658	252.84	-2.0
Dec. 27	Quantum-Si	QSI	J. Rothberg	DOI	3,506	3.30-4.10	11,717	4.29	58.9
Dec. 23	Robinhood Markets	HOOD	D. Gallagher	O	300	37.51	11,252	41.35	11.0
Dec. 24	Broadcom	AVGO	H. Tan	CEO	45	239.96	10,798	232.55	0.3
Dec. 23-26	Roivant Sciences	ROIV	M. Sukhatme	P	886	12.00-12.01	10,642	11.69	-1.2
Dec. 24-26	Nexstar Media Group	NXST	P. Sook	CEO	53	160.02-160.14	8,455	160.83	1.8
Dec. 23	Investcorp Europe Acquisition	IVCBF	B. Mcgregor-Smith	D	604	11.59	6,997	10.51	-4.6
Dec. 30	Credo Technology Group Holding	CRDO	Y. Lam	COI	100	67.84-70.65	6,952	72.39	7.7
Dec. 30	Intuitive Machines	LUNR	K. Ghaffarian	DOI	378	17.96-18.79	6,936	21.89	20.5

* 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	909,165	1,658,569	Finance	342,789	27,248,265
Capital Goods	0	13,252,802	Health care	1,553,802	71,845,298
Consumer durables	241,800	5,271,859	Public Utilities	99,750	0
Consumer non-durables	272,878	5,312,308	Technology	87,500	160,138,670
Consumer services	1,546	41,064,558	Transportation	0	1,763,512
Energy	238,613	2,950,076			

Sources: LSEG Data and Analytics; Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

January 3, 2025

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	7.50	8.50	7.50
Canada	5.45	5.45	7.20	5.45
Japan	1.625	1.625	1.625	1.475
Policy Rates				
Euro zone	3.15	3.15	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.	4.33	4.30	5.45	4.00

U.S. government rates

	Latest	Week ago	52-Week High	Low
Discount	4.50	4.50	5.50	4.50
Federal funds				
Effective rate	4.3300	4.3300	5.3400	4.3300
High	4.5500	4.5500	5.6500	4.5500
Low	4.3000	4.3100	5.3300	4.3000
Bid	4.3200	4.3200	5.3300	4.3200
Offer	4.3300	4.3700	5.3600	4.3300
Treasury bill auction				
4 weeks	4.265	4.260	5.290	4.230
13 weeks	4.230	4.240	5.255	4.230
26 weeks	4.135	4.170	5.170	4.135

Other short-term rates

	Latest	Week ago	52-Week high	low
Call money	6.25	6.25	7.25	6.25
Commercial paper (AA financial)				
90 days	4.40	4.37	5.39	4.37
Secured Overnight Financing Rate	4.40	4.53	5.40	4.30

	Latest	Value Traded	52-Week High	Low
DTCC GCF Repo Index				
Treasury	4.346	47.400	5.471	4.346
MBS	4.377	44.950	5.526	4.353

Weekly survey

	Latest	Week ago	Year ago
Freddie Mac			
30-year fixed	6.91	6.85	6.62
15-year fixed	6.13	6.00	5.89

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 January 2, 2025. **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, January 3, 2025

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	2649.00
Handy & Harman base	2646.80
Handy & Harman fabricated	2937.95
LBMA Gold Price AM	*2644.60
LBMA Gold Price PM	*2646.30
Krugerrand,wholesale-e	2746.95
Maple Leaf-e	2773.37
American Eagle-e	2773.37
Mexican peso-e	3192.62
Austria crown-e	2592.00
Austria phil-e	2773.37
Silver, troy oz.	
Engelhard industrial	29.9000
Handy & Harman base	29.7130
Handy & Harman fabricated	37.1410
LBMA spot price	*£23.6100
(U.S.$ equivalent)	*29.4050
Coins,wholesale $1,000 face-a	22633
Other metals	
LBMA Platinum Price PM	*921.0
LBMA Palladium Price PM	*921.0
Platinum,Engelhard industrial	945.0
Palladium,Engelhard industrial	945.0
Aluminum, LME, $ per metric ton	*2536.0
Copper,Comex spot	4.0395
Iron Ore, 62% Fe CFR China-s	*101.1
Steel, HRC USA, FOB Midwest Mill-s	*690.0
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.5%-v,w	10325
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	9425
BMI Cobalt sulphate, EXW China, >20.5% -v,w	3528
BMI Nickel Sulphate, EXW China, >22%-v,m	3520
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	0.6516
Cotlook 'A' Index-t	*78.90
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	146
Corn,No. 2 yellow,Cent IL-bp,u	4.2600
Corn gluten feed,Midwest-u,w	123.9
Corn gluten meal,Midwest-u,w	465.4
Cottonseed meal-u,w	n.a.
Hominy feed,Cent IL-u,w	110
Meat-bonemeal,50% pro Mnpls-u,w	300
Oats,No.2 milling,Mnpls-u	3.9725
Rice, Long Grain Milled, No. 2 AR-u,w	n.a.
Sorghum,(Milo) No.2 Gulf-u	n.a.
SoybeanMeal,Cent IL,rail,ton48%-u,w	328.90
Soybeans,No.1 yllw IL-bp,u	9.6100
Wheat,Spring14%-pro Mnpls-u	7.8525
Wheat,No.2 soft red,St.Louis-u	5.4925
Wheat - Hard - KC (USDA) $ per bu-u	5.4100
Wheat,No.1soft white,Portld,OR-u	6.0500
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	305.24
select 1-3,600-900 lbs.-u	275.64
Broilers, National comp wtd. avg.-u,w	1.3530
Butter,AA Chicago-d	2.5525
Cheddar cheese,bbl,Chicago-d	183.00
Cheddar cheese,blk,Chicago-d	192.00
Milk,Nonfat dry,Chicago lb.-d	136.75
Coffee,Brazilian,Comp-y	3.3762
Coffee,Colombian, NY-y	3.4544
Eggs,large white,Chicago-u	5.7450
Flour,hard winter KC-p	14.00
Hams,17-20 lbs,Mid-US fob-u	n.a.
Hogs,Iowa-So. Minnesota-u	81.10
Pork bellies,12-14 lb MidUS-u	n.a.
Pork loins,13-19 lb MidUS-u	0.9591
Steers,Tex.-Okla. Choice-u	195.69
Steers,feeder,Okla. City-u,w	n.a.
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	n.a.
Grease,choice white,Chicago-h	n.a.
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u,w	0.4022
Tallow,bleach;Chicago-h	n.a.
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 1/2

Source: Dow Jones Market Data

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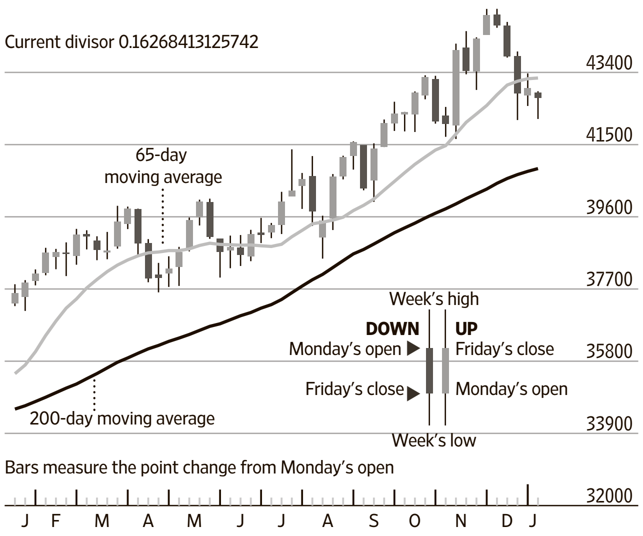
MARKETS DIGEST

Dow Jones Industrial Average

42732.13 ▼260.08, or 0.60% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio	26.86	26.56
P/E estimate *	21.78	20.67
Dividend yield	1.90	1.99
All-time high	45014.04, 12/04/24	

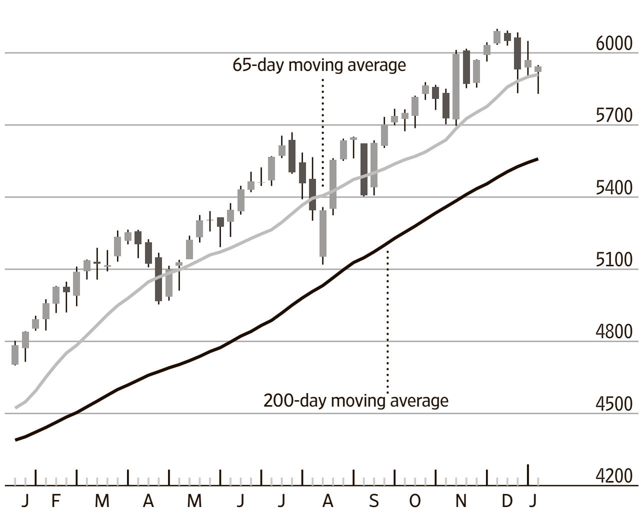


S&P 500 Index

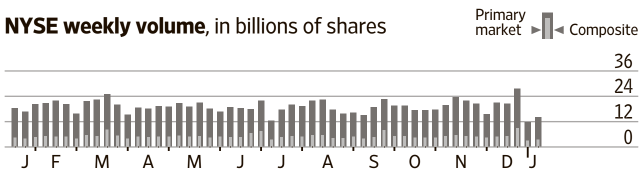
5942.47 ▼28.37, or 0.48% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio *	24.68	22.33
P/E estimate *	21.42	21.24
Dividend yield *	1.26	1.51
All-time high	6090.27, 12/06/24	



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

Major U.S. Stock-Market Indexes

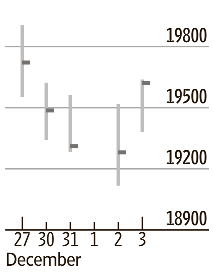
	Latest Week High	Low	Close	Net chg	% chg	52-Week Low	Close (●)	High	% chg	% chg YTD	3-yr. ann.
Dow Jones											
Industrial Average	42905.09	42174.80	**42732.13**	-260.08	**-0.60**	37266.67		45014.04	**14.1**	0.4	**5.3**
Transportation Avg	16042.77	15732.21	**16007.02**	-23.64	**-0.15**	14781.56		17754.38	**3.2**	0.7	**-0.6**
Utility Average	1007.54	973.75	**1002.25**	14.99	**1.52**	829.38		1079.88	**11.5**	2.0	**1.0**
Total Stock Market	59137.20	57926.84	**59080.86**	-176.88	**-0.30**	46929.95		60836.59	**25.9**	1.2	**6.5**
Barron's 400	1268.96	1241.84	**1268.96**	6.55	**0.52**	1039.19		1356.99	**20.8**	1.4	**4.7**
Nasdaq Stock Market											
Nasdaq Composite	19638.66	19117.59	**19621.68**	-100.35	**-0.51**	14524.07		20173.89	**35.1**	1.6	**7.4**
Nasdaq-100	21359.63	20800.50	**21326.16**	-146.85	**-0.68**	16305.98		22096.66	**30.8**	1.5	**8.9**
S&P											
500 Index	5949.34	5829.53	**5942.47**	-28.37	**-0.48**	4697.24		6090.27	**26.5**	1.0	**7.4**
MidCap 400	3155.05	3088.29	**3152.14**	13.53	**0.43**	2691.79		3390.26	**16.2**	1.0	**3.4**
SmallCap 600	1427.45	1390.93	**1422.22**	5.68	**0.40**	1241.62		1544.66	**11.9**	1.0	**0.1**
Other Indexes											
Russell 2000	2269.05	2202.67	**2268.47**	23.88	**1.06**	1913.17		2442.03	**16.3**	1.7	**-0.1**
NYSE Composite	19276.70	18953.55	**19254.29**	15.81	**0.08**	16522.83		20272.04	**14.9**	0.8	**3.8**
Value Line	617.89	604.44	**616.92**	1.88	**0.31**	566.64		656.04	**6.9**	1.0	**-3.0**
NYSE Arca Biotech	5847.05	5682.68	**5820.34**	31.67	**0.55**	4861.76		6154.34	**7.6**	1.3	**1.5**
NYSE Arca Pharma	946.30	928.42	**940.73**	-2.43	**-0.26**	928.89		1140.17	**-0.6**	0.7	**4.7**
KBW Bank	129.11	126.31	**128.85**	0.39	**0.30**	91.80		138.78	**32.6**	1.1	**-1.7**
PHLX§ Gold/Silver	143.43	135.26	**141.46**	2.64	**1.91**	102.94		175.74	**17.6**	3.1	**2.9**
PHLX§ Oil Service	75.14	69.93	**74.74**	4.202	**5.96**	68.88		95.25	**-9.8**	2.9	**9.9**
PHLX§ Semiconductor	5173.39	4962.42	**5163.65**	40.68	**0.79**	3933.49		5904.54	**31.3**	3.7	**8.6**
Cboe Volatility	19.50	16.11	**16.13**	0.18	**1.13**	11.86		38.57	**20.8**	-7.0	**-1.0**

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

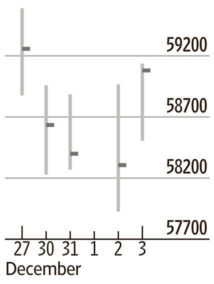
Nasdaq Composite

▼ 100.35, or -0.51% last week



DJ US TSM

▼ 176.88, or -0.30% last week



International Stock Indexes

Region/Country	Index	Latest Week Close	% chg	52-Week Range Low	Close	High	YTD % chg
World	**MSCI ACWI**	847.22	–0.52	712.11		873.73	0.7
	MSCI ACWI ex-USA	325.29	–0.76	303.36		357.36	–0.2
	MSCI World	3737.50	–0.48	3120.44		3855.07	0.8
	MSCI Emerging Markets	1073.21	–0.89	958.39		1187.97	–0.2
Americas	**MSCI AC Americas**	2236.65	–0.36	1784.09		2299.62	1.1
Canada	**S&P/TSX Comp**	25073.54	1.12	20584.97		25691.80	1.4
Latin Amer.	**MSCI EM Latin America**	1842.59	–1.09	1842.59		2623.68	–0.5
Brazil	**Bovespa**	118532.68	–1.44	118532.68		137343.96	–1.5
Chile	**S&P IPSA**	3608.27	–0.08	3265.99		3714.61	–0.2
Mexico	**S&P/BMV IPC**	48957.24	–0.68	48837.72		58711.87	–1.1
EMEA	**STOXX Europe 600**	508.19	0.20	467.71		528.08	0.1
	STOXX Europe 50	4316.04	0.24	4033.40		4577.60	0.2
Eurozone	**Euro STOXX**	503.32	–0.35	462.34		527.81	–0.4
	Euro STOXX 50	4871.45	–0.56	4403.08		5100.90	–0.5
Austria	**ATX**	3650.85	0.56	3327.04		3775.49	–0.3
Belgium	**Bel-20**	4259.13	–0.12	3552.84		4333.65	–0.1
France	**CAC 40**	7282.22	–0.99	7130.04		8239.99	–1.3
Germany	**DAX**	19906.08	–0.39	16431.69		20426.27	–0.0
Greece	**Athex Composite**	1486.83	2.02	1311.67		1502.79	1.2
Israel	**Tel Aviv**	2414.64	1.47	1805.50		2414.64	0.8
Italy	**FTSE MIB**	34127.62	–0.10	30077		35410	–0.2
Netherlands	**AEX**	884.59	0.56	771.43		944.91	0.7
Norway	**Oslo Bors All-Share**	1693.14	3.08	1440.55		1693.14	2.9
Portugal	**PSI 20**	6444.69	1.12	6055.53		6971.10	1.1
South Africa	**FTSE/JSE All-Share**	84711.80	–0.03	71693.09		87643.65	0.7
Spain	**IBEX 35**	11651.60	1.04	9858.3		12118.7	0.5
Sweden	**OMX Stockholm**	964.58	0.77	859.65		1019.81	1.0
Switzerland	**Swiss Market**	11624.02	0.30	11091.58		12451.48	0.2
U.K.	**FTSE 100**	8223.98	0.91	7446.29		8445.80	0.6
Asia-Pacific	**MSCI AC Asia Pacific**	181.37	–0.87	161.74		197.3	–0.1
Australia	**S&P/ASX 200**	8250.50	–0.14	7346.5		8495.2	1.1
China	**Shanghai Composite**	3211.43	–5.55	2702.19		3489.78	–4.2
Hong Kong	**Hang Seng**	19760.27	–1.64	14961.18		23099.78	–1.5
India	**BSE Sensex**	79223.11	0.67	70370.55		85836.12	1.4
Japan	**NIKKEI 225**	39894.54	–0.96	31458.42		42224.02	19.2
Malaysia	**FTSE Bursa Malaysia KLCI**	1629.46	0.08	1479.18		1678.80	–0.8
Singapore	**Straits Times**	3801.83	0.80	3107.10		3822.68	0.4
South Korea	**KOSPI**	2441.92	1.54	2360.58		2891.35	1.8
Taiwan	**TAIEX**	22908.30	–1.58	17161.79		24390.03	–0.6

Source: FactSet; Dow Jones Market Data

Commodities and Currencies

	Last Week Close	Net chg	% Chg	YTD % chg
DJ Commodity	**1019.95**	8.36	**0.83**	-0.24
FTSE/CC CRB Index	**296.77**	5.25	**1.80**	0.02
Crude oil, $ per barrel	**73.96**	3.36	**4.76**	3.12
Natural gas, $/MMBtu	**3.354**	-0.029	**-0.86**	-7.68
Gold, $ per troy oz.	**2645.00**	26.60	**1.02**	0.60
U.S. Dollar Index	**108.92**	0.92	**0.86**	0.41
WSJ Dollar Index	**102.99**	0.55	**0.54**	0.23
Euro, per dollar	**0.9701**	0.0111	**1.15**	0.46
Yen, per dollar	**157.30**	-0.54	**-0.34**	0.06
U.K. pound, in dollars	**1.24**	-0.0153	**-1.22**	-0.73

	52-Week Low	Close (●)	High	% Chg
DJ Commodity	936.12		1079.94	**6.24**
FTSE/CC CRB Index	261.65		300.23	**11.60**
Crude oil, $ per barrel	65.75		86.91	**0.20**
Natural gas, $/MMBtu	1.575		3.946	**15.94**
Gold, $ per troy oz.	1990.30		2788.50	**29.50**
U.S. Dollar Index	100.38		109.39	**6.36**
WSJ Dollar Index	95.31		103.18	**6.35**
Euro, per dollar	0.8934		0.9740	**6.12**
Yen, per dollar	140.61		161.70	**8.77**
U.K. pound, in dollars	1.23		1.34	**-2.32**

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
Jan. 8	July 12, '24	Icon Energy	**ICON**	4.00	5.0	**–45.0**	180

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
INLIF **INLF** Jan. 2/$4.00	5.10	**27.5**	14.6
OneConstruction Grp **ONEG** Dec. 31/$4.00	3.24	**–19.0**	8.0
Park Ha Biological Technology **PHH** Dec. 27/$4.00	4.40	**10.0**	8.1
Health in **HIT** Dec. 23/$4.00	5.34	**33.5**	4.7
Range Capital Acquisition **RANGU** Dec. 20/$10.00	10.05	**0.5**	0.5
Youxin Technology **YAAS** Dec. 20/$4.50	3.87	**–14.0**	–2.0
Leishen Energy Holding **LSE** Dec. 19/$4.00	5.01	**25.3**	15.2
New Century Logistics **NCEW** Dec. 18/$4.00	2.27	**–43.3**	–10.6
YSX **YSXT** Dec. 18/$4.00	3.50	**–12.5**	–18.8
Anteris Tech Global **AVR** Dec. 13/$6.00	5.59	**–6.8**	–0.2
Moutain Lake Acquisition **MLACU** Dec. 13/$10.00	10.04	**0.4**	0.4
NetClass Technology **NTCL** Dec. 13/$5.00	5.80	**16.0**	16.0
Roman DBDR Acquisition II **DRDBU** Dec. 13/$10.00	9.97	**–0.3**	0.2
ServiceTitan **TTAN** Dec. 12/$71.00	105.79	**49.0**	4.7
Jackson Acquisition II **JACS.UT** Dec. 10/$10.00	10.05	**0.5**	0.3
Linkers Industries **LNKS** Dec. 5/$4.00	1.64	**–59.0**	–62.1
Shepherd Ave Capital Acquisition **SPHAU** Dec. 5/$10.00	10.03	**0.3**	0.4
zSpace **ZSPC** Dec. 5/$5.00	11.67	**133.4**	–47.0
Tavia Acquisition **TAVIU** Dec. 4/$10.00	10.02	**0.2**	0.3
Jupiter Neurosciences **JUNS** Dec. 3/$4.00	8.50	**112.5**	54.8

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasurys

Wednesday, January 8

Auction of 17 week bill;

announced on January 7; settles on January 14

Thursday, January 9

Auction of 4 and 8 week bill;

announced on January 7; settles on January 14

Monday, January 6

Auction of 13 and 26 week bills;

announced on January 2; settles on January 9

Auction of 3 year note;

announced on January 2; settles on January 15

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 260.08 points, or 0.60%, 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 $30,102, or a gain of 0.34%, on the $30,000 investment, including reinvested dividends.

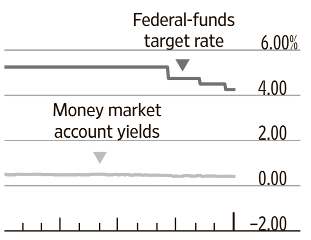
The Week's Action Pct chg (%)	Stock price change	Point chg in average*	Company	Symbol	Close	$1,000 Invested (year-end '24)
5.44	7.46	45.86	**NVIDIA**	NVDA	$144.47	**$1,076**
2.67	3.85	23.67	**Chevron**	CVX	147.85	**1,021**
0.87	2.11	12.97	**JPMorgan Chase**	JPM	243.28	**1,015**
0.85	0.34	2.09	**Verizon**	VZ	40.26	**1,007**
0.69	3.95	24.28	**Goldman Sachs**	GS	580.13	**1,013**
0.67	2.03	12.48	**American Express**	AXP	303.08	**1,024**
0.59	3.01	18.50	**UnitedHealth Group**	UNH	513.00	**1,014**
0.40	1.16	7.13	**McDonald's**	MCD	294.78	**1,017**
0.36	0.88	5.41	**Travelers**	TRV	242.29	**1,006**
0.20	0.44	2.70	**Amazon.com**	AMZN	224.19	**1,022**
–0.06	–0.13	–0.80	**IBM**	IBM	222.65	**1,013**
–0.24	–0.31	–1.91	**3M**	MMM	129.87	**1,006**
–0.29	–1.07	–6.58	**Caterpillar**	CAT	363.79	**1,003**
–0.35	–0.39	–2.40	**Walt Disney**	DIS	111.16	**998**
–0.54	–1.43	–8.79	**Amgen**	AMGN	261.22	**1,002**
–0.56	–0.56	–3.44	**Merck & Co**	MRK	99.14	**997**
–0.59	–0.86	–5.29	**Johnson & Johnson**	JNJ	144.19	**997**
–0.94	–3.68	–22.62	**Home Depot**	HD	389.18	**1,000**
–0.96	–0.88	–5.41	**Walmart**	WMT	90.78	**1,005**
–1.12	–0.70	–4.30	**Coca-Cola**	KO	61.75	**992**
–1.18	–3.75	–23.05	**Visa**	V	314.91	**996**
–1.26	–0.75	–4.61	**Cisco**	CSCO	58.86	**1,001**
–1.30	–2.99	–18.38	**Honeywell**	HON	226.52	**1,003**
–1.64	–5.55	–34.12	**Salesforce**	CRM	332.90	**996**
–1.67	–7.18	–44.13	**Microsoft**	MSFT	423.35	**1,004**
–1.97	–6.75	–41.49	**Sherwin-Williams**	SHW	336.54	**990**
–2.60	–4.40	–27.05	**Procter & Gamble**	PG	165.13	**985**
–4.07	–3.11	–19.12	**NIKE**	NKE	73.31	**969**
–4.79	–12.23	–75.18	**Apple**	AAPL	243.36	**972**
–5.99	–10.82	–66.51	**Boeing**	BA	169.90	**960**

*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†:	**0.41%**
Popular Direct	**4.60%**
Miami Lakes, FL	800-274-5696
Primis Bank	**4.70%**
Tappahannock, VA	833-477-4647
BrioDirect	**4.75%**
Montebello, NY	877-369-2746
Northern Bank Direct	**4.75%**
Woburn, MA	844-348-8996
Quontic Bank	**4.75%**
New York, NY	800-908-6600

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**	4.25-4.50	4.25		5.50	**4.25**
Prime rate*	**7.50**	7.50	7.50		8.50	**4.25**
SOFR	**4.40**	4.53	4.30		5.40	**4.35**
Money market, annual yield	**0.41**	0.42	0.41		0.51	**0.34**
Five-year CD, annual yield	**2.85**	2.85	2.80		2.89	**2.43**
30-year mortgage, fixed†	**7.33**	7.36	6.69		7.72	**4.04**
15-year mortgage, fixed†	**6.69**	6.72	6.02		7.11	**4.12**
Jumbo mortgages, $806,500-plus†	**7.38**	7.40	6.78		7.79	**4.08**
Five-year adj mortgage (ARM)†	**6.51**	6.48	5.88		6.78	**3.66**
New-car loan, 48-month	**7.27**	7.27	7.18		7.94	**3.86**

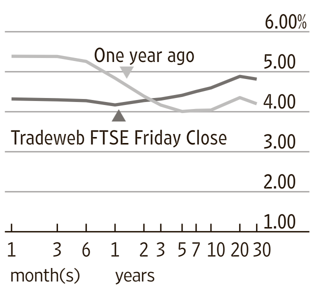
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Benchmark Yields and Rates

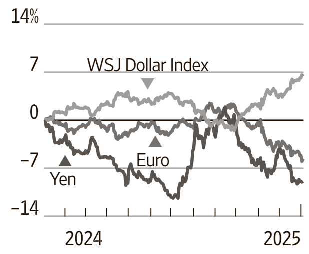
Treasury yield curve

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	**4.480**	4.520				0.72	-2.62
U.S. Treasury Long, Bloomberg	**4.890**	4.900				-6.28	-11.24
Aggregate, Bloomberg	**4.930**	4.960	33	32	43	1.56	-2.19
Fixed-Rate MBS, Bloomberg	**5.300**	5.320	43	37	56	1.52	-2.05
High Yield 100, ICE BofA	**6.783**	6.742	232	191	319	8.72	3.11
Muni Master, ICE BofA	**3.442**	3.507	n.a.	-6	9	1.26	-0.38
EMBI Global, J.P. Morgan	**7.573**	7.644	292	270	379	8.02	-0.67

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	1032.5152	**0.1**
Brazil real	.1618	6.1799	**-0.1**
Canada dollar	.6921	1.4449	**0.4**
Chile peso	.000989	1010.88	**1.7**
Colombia peso	.000230	4353.90	**-1.2**
Ecuador US dollar	1	1	**unch**
Mexico peso	.0485	20.6309	**-0.9**
Uruguay peso	.02277	43.9150	**0.5**
Asia-Pacific			
Australia dollar	.6217	1.6085	**-0.5**
China yuan	.1366	7.3206	**0.3**
Hong Kong dollar	.1286	7.7758	**0.1**
India rupee	.01166	85.766	**0.2**
Indonesia rupiah	.0000617	16200	**-0.4**
Japan yen	.006357	157.30	**0.1**
Kazakhstan tenge	.001905	524.93	**...**
Macau pataca	.1247	8.0180	**0.2**
Malaysia ringgit	.2222	4.5000	**0.6**
New Zealand dollar	.5612	1.7819	**-0.3**
Pakistan rupee	.00359	278.562	**0.1**
Philippines peso	.0172	58.077	**-0.02**
Singapore dollar	.7298	1.3702	**0.4**
South Korea won	.0006816	1467.20	**-0.7**
Sri Lanka rupee	.0034034	293.82	**0.2**
Taiwan dollar	.03037	32.927	**0.4**
Thailand baht	.02900	34.480	**0.4**
Vietnam dong	.00003933	25425	**-0.2**
Europe			
Czech Rep. koruna	.04097	24.407	**0.2**
Denmark krone	.1382	7.2350	**0.4**
Euro area euro	1.0309	.9701	**0.5**
Hungary forint	.002480	403.30	**1.5**
Iceland krona	.007154	139.79	**0.6**
Norway krone	.0880	11.3652	**-0.2**
Poland zloty	.2414	4.1426	**0.3**
Sweden krona	.0900	11.1090	**0.4**
Switzerland franc	1.1008	.9084	**0.1**
Turkey lira	.0283	35.3723	**0.1**
Ukraine hryvnia	.0237	42.2500	**0.5**
UK pound	1.2423	.8050	**0.7**
Middle East/Africa			
Bahrain dinar	2.6529	.3769	**-0.04**
Egypt pound	.0197	50.7663	**-0.2**
Israel shekel	.2741	3.6483	**0.2**
Kuwait dinar	3.2406	.3086	**0.1**
Oman sul rial	2.5975	.3850	**...**
Qatar rial	.2743	3.646	**0.01**
Saudi Arabia riyal	.2663	3.7556	**-0.02**
South Africa rand	.0534	18.7137	**-0.8**

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	102.99	–0.18	–0.18	**0.23**

Sources: Tullett Prebon, Dow Jones Market Data

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

'Rule of 40' Is in Fashion for Software

The financial threshold is held up as a mark of success in the sector, but it often means less than it appears

Like hemlines and haircuts, stocks go in and out of fashion. So do the ways companies communicate their performance to investors. Whatever numbers investors want to see, management will supply them, especially if they can be easily tailored to look flattering.

For so-called SaaS companies, selling software as a service, a favorite metric nowadays is something called the "Rule of 40." The first thing to know is it isn't a rule, because there is no standard definition for what it means. For some companies it has become a big deal to claim membership in the "Rule of 40 club" nonetheless.

In general, the rule holds that a company's revenue growth plus its profit margin should be 40% or greater. So if a company has 20% revenue growth and a 20% margin, it gets to be in the club. Same for 40% growth and no margin, or 30% growth and a 10% margin.

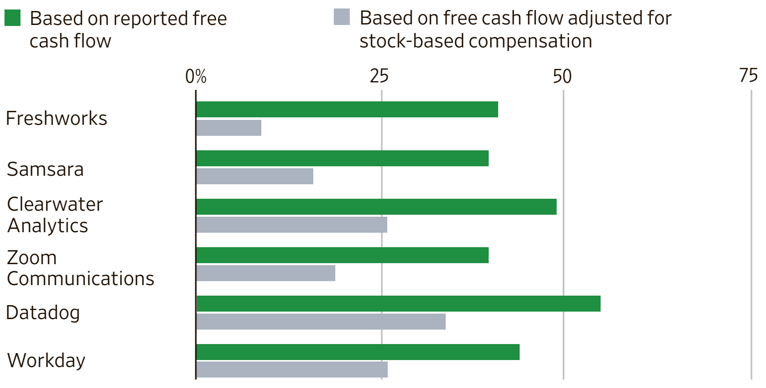
Brad Feld, a venture-capital investor, popularized this notion with a blog post back in 2015 called "The Rule of 40% For a Healthy SaaS Company." The term's first appearance in a company's Securities and Exchange Commission filing was in 2017, going by the results of a database search on the SEC's website. A 2021 study by McKinsey, the consulting giant, is credited for helping spread its usage and showed that the market rewarded companies with higher valuations if they are at or above the Rule of 40.

Here is where it starts to fall apart: While revenue has a standard meaning, there is no consensus on which measure of profit companies should use to calculate the margin component. Should it be operating income? Net income? Cash flow? Maybe some nonstandard version of earnings or cash flow? The numbers that companies are showing lack comparability because they aren't apples-to-apples, and the companies often don't show their math.

But say everyone could agree on a particular margin metric to use for the calculation. The traditional one that McKinsey recommended was free cash flow. This typically is defined as operating cash flow, which has a standard definition, minus capital expenditures. Even then, the metric's usefulness starts to crumble. Done this way, the rule favors companies that rely heavily on stock-based compensation to pay their employees, while punishing those that don't and instead pay more heavily in cash. That is because free cash flow, like operating cash flow, excludes stock-based pay, which is a real cost that counts in companies' reported profits.

David Zion, founder of Zion Research Group and a longtime accounting and tax analyst, in a December research note did his own Rule of 40 calculations for North

Revenue growth plus free cash flow margin, change from a year earlier



Note: Based on third quarter 2024. Reported free cash flow equals cash flow from operations minus capital expenditures.
Source: Zion Research Group

American application-software companies with stock-market values of greater than $1 billion. For this exercise, he took the sum of revenue growth plus free-cash-flow margin using the latest reported four quarters. Of the 98 companies in the group, 33 of them met or beat the Rule of 40. However, when he adjusted free cash flow to treat stock-based pay as an expense, only 11 companies still met or beat the Rule of 40 under both methods. They included **Palantir Technologies** and **Constellation Software**.

At **Freshworks**, for instance, during the company's recent earnings call, Chief Executive Dennis Woodside said, "adding our revenue growth and free-cash-flow margin for Q3, we exceeded the Rule of 40 in the quarter." Indeed, Zion calculated that its Rule of 40 number was 41%, which put Freshworks at No. 29 on his ranking out of the 98 companies. Revenue growth was just over 20%, and so was free-cash-flow margin.

But when Zion adjusted Freshworks' margin figure to treat stock-based pay as an expense, its Rule of 40 number fell to 9% and its ranking dropped to No. 76. The reason: Its stock-based pay exceeded its free cash flow. In other words, if that compensation had been paid in cash instead of stock, Freshworks' free cash flow would have been negative, and its free-cash-flow margin would have been negative 11%.

Similarly, **Workday**'s chief executive, Carl Eschenbach, at an investor conference last May said "we're a Rule of 40 company." Using free-cash-flow margin for the calculation, Zion showed its Rule of 40 number was 44% for the previous four quarters, but it was 26% if stock-based compensation was treated as an expense.

The reason that any of this matters, Zion says, is that the market has been rewarding companies with higher valuation multiples if they are at or above 40%, as McKinsey found in its study. However, it appears the market may not be distinguishing consistently between higher-quality and lower-quality Rule of 40 numbers.

"A big drop in the rankings for a company indicates to us that its Rule of 40 ranking is driven more by financial engineering (how employee compensation is financed) than its peers," Zion wrote in his note. Thus a big question for investors, he said, is "How much are you willing to pay for a Rule of 40 company that is primarily there because of how they've decided to finance their employees' compensation?"

Better yet, until there is some consensus on how to do this number, just 86 the rule.

—Jonathan Weil

Open-Air Malls Draw Investors

Continued from page B1

impossible for online players to compete with, such as nail salons, coffee shops, yoga studios and medical centers.

Flexible work schedules are driving more traffic to neighborhood retail centers. White-collar workers who used to spend five days a week at a downtown office are now likely to work a day or two from home and can visit the grocery store at lunchtime.

"This is where America shops now," says James Corl, head of private real estate at **Cohen & Steers**, a firm that has been bullish on open-air retail since 2023.

At least $10 billion worth of U.S. open-air retail portfolios are expected to change hands in 2025, based on what real-estate firm CBRE sees in the pipeline. This includes the Blackstone deal, which is scheduled to close in the first quarter. And in recent weeks, lending conditions have improved for the first time in years.

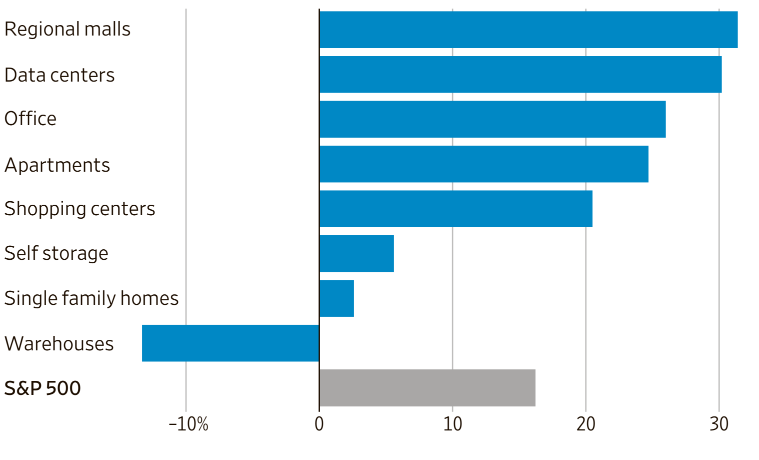
"There are many open-air retail deals occurring with five to six banks actively bidding for the financing," says Chris Decouflé, CBRE's managing director of U.S. retail capital markets. "Six months ago, there were zero banks playing unless deposits and guarantees were on the table."

Retail has been quietly on the mend for a while. The pandemic cleared out old-school brands such as Brooks Brothers, Century 21 Stores and J.C. Penney that were barely surviving after years of cutthroat competition from online rivals. E-commerce now accounts for 16.2% of all U.S. retail sales, up 5 percentage points since late 2019.

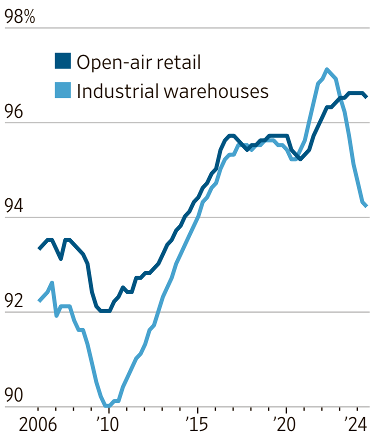
SMITH COLLECTION/GADO/GETTY IMAGES

Rising occupancy rates in open-air retail centers have caught the eye of institutional investors.

Performance of listed real estate stocks in 2024



Occupancy rates



Sources: UBS (performance); CBRE Econometric Advisors (rates)

Stronger retailers invested heavily in their e-commerce supply chains and are now better able to compete. They also have figured out how to use physical stores to their advantage. Retailers offer curbside pickup so shoppers can retrieve their online orders in person, and they incentivize customers to physically hand in online returns. This keeps retailers' home-delivery costs down and drives traffic to their stores.

Normally, high occupancy rates and rising rents would trigger new construction. However, there won't be a gusher of retail supply soon. For most of the 2000s, the U.S. was adding around 2.5% to its existing shopping-center space each year through new construction, according to Green Street. But this slowed to about 0.5% for more than a decade, despite population growth.

Building costs have risen much faster than retail rents in recent years, so it is cheaper to buy an existing neighborhood shopping center than to build one from scratch. This bodes well for current landlords who will enjoy pricing power for the first time in years. According to Green Street, shopping-center rents in the top 50 U.S. markets would need to rise around 65% for fresh construction to be profitable.

Retail isn't about to turn into the next stellar property bet, though. Strip-center rents are expected to rise by 3% to 4% annually over the next few years, which is more modest than the growth investors have grown used to at warehouses and data centers in some parts of the country. But retail leases are long compared with other types of property, so landlords will enjoy steady annual rent bumps even in an economic downturn.

Institutional investors aren't comfortable owning other types of retail such as enclosed malls yet. The discretionary products sold at shopping malls like clothing and electronics remain vulnerable to online competition. And malls are more expensive to run than open-air retail, as they need to be air-conditioned and tenants still have leverage to demand costly incentives to sign new leases.

However, malls also will become more attractive to private real-estate investors if vacancy rates continue to fall. Mall real-estate investment trusts were among the best-performing real-estate stocks of 2024, according to Michael Goldsmith, an analyst at UBS. It is a sign that landlords at top quality malls are getting some power back in negotiations with tenants.

For now, property hunters will stick close to home. Investors who want to dip a toe back into retail for the first time in years are most likely to show up in a modest neighborhood shopping center.

THE TICKER

MIKE BLAKE/REUTERS

KB Home is expected to post per-share earnings of $2.45.

MARKET EVENTS COMING THIS WEEK

Monday

Factory orders
Oct., previous up 0.2%
Nov., expected down 0.3%

Earnings expected

	Estimate/Year Ago
Commercial Metals	0.79/1.63

Tuesday

Int'l trade deficit in billions
Oct., previous $73.84
Nov., expected $78.40

Earnings expected

	Estimate/Year Ago
RPM International	1.34/1.22

Wednesday

Consumer Credit
Oct., previous up $19.2 bil.
Nov., expected up $10.6 bil.

EIA status report
Previous change in stocks in millions of barrels
Crude-oil stocks down 1.2
Gasoline stocks up 7.7
Distillates up 6.4

EIA report: natural-gas
Previous change in stocks in billions of cubic feet
down 116

Mort. bankers indexes
Purch., previous down 13.0%
Refinan., prev. down 36.0%

Initial jobless claims
Previous 211,000
Expected n.a.

Earnings expected

	Estimate/Year Ago
Acuity Brands	3.90/3.72
Albertsons	0.66/0.79
Helen of Troy	2.60/2.79
Jefferies Financial Group	0.97/0.29

Thursday

U.S. stock markets are closed and bond markets close early at 2 p.m. EST for National Day of Mourning for President Carter

Freddie Mac mortgage survey
Previous weekly averages
30-year fixed 6.91%
15-year fixed 6.13%

Wholesale inventories
Oct., previous up 0.2%
Nov., expected down 0.2%

Earnings expected

	Estimate/Year Ago
KB Home	2.45/1.85
ServiceTitan	(0.02)/n.a.

Friday

Nonfarm payrolls
Nov., previous 227,000
Dec., expected 155,000

Unemployment rate
Nov., previous 4.2%
Dec., expected 4.2%

U.Mich. consumer index
Dec., final 74
Jan., prelim 74

Short-selling reports
Ratio, days of trading volume of current position, at Dec 13
NYSE 4
Nasdaq 2.1

Earnings expected

	Estimate/Year Ago
Constellation Brands	3.33/3.19
Delta Air Lines	1.76/1.28
TD Synnex	3.05/3.13
Walgreens Boots Alliance	0.38/0.66

* 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