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THE WALL STREET JOURNAL.

DOW JONES | News Corp ****** THURSDAY, FEBRUARY 27, 2025 ~ VOL. CCLXXXV NO. 47 WSJ.com ★★★★ $5.00

DJIA 43433.12 ▼ 188.04 0.43% NASDAQ 19075.26 ▲ 0.3% STOXX 600 559.67 ▲ 1.0% 10-YR. TREAS. ▲ 13/32, yield 4.248% OIL $68.62 ▼ $0.31 GOLD $2,916.80 ▲ $12.30 EURO $1.0486 YEN 149.09

What's News

Business & Finance

◆ **Nvidia reported** a nearly 80% rise in sales for its latest quarter that showed spending on its chips continues to soar despite jitters about the outlook for the AI boom. **A1**

◆ **Major U.S. stock indexes** ended mixed, with the Nasdaq and S&P 500 rising 0.3% and less than 0.1%, respectively, and the Dow falling 0.4%. **B10**

◆ **Eli Lilly plans to** build four new manufacturing plants in the U.S., a $27 billion investment the company expects will create 3,000 high-skilled jobs and employ 10,000 construction workers. **B1**

◆ **BP said it would boost** oil-and-gas production and sharply cut investments in clean energy, pivoting back to fossil fuels in a bid to revive its flagging share price. **B1**

◆ **Stellantis expects to** return to profitable growth and positive cash generation this year, but investors were disappointed by the automaker's guidance. **B1**

◆ **Anheuser-Busch InBev's** shares rose after the brewer reported earnings that beat analysts' expectations, boosted by higher prices and improvements in the U.S. **B3**

◆ **Lowe's beat** Wall Street's views for sales and earnings after the home-improvement market reached an inflection point in the latest quarter. **B3**

◆ **Activist investor** Trian plans to push Solventum to further simplify its business after the company's $4.1 billion deal to sell its filtration unit. **B3**

◆ **TJX expects demand** to keep rising this year after a strong quarter for customer transactions as its chains largely resist weak retail trends. **B3**

World-Wide

◆ **Trump said he revoked** a Biden-era license to produce oil in Venezuela, responding to what he said was strongman Nicolás Maduro's failure to assist in deporting migrants from the U.S. **A1**

◆ **Kyiv and Washington** are expected to sign a framework deal over mineral resources Friday whose most contentious element—military support to Ukraine—is yet to be negotiated. **A1**

◆ **Trump officials asked** federal agencies to plan for a significant reduction in staffing, cuts that would swell layoffs of government employees already made or threatened. **A4**

◆ **Chief Justice Roberts** temporarily halted a judge's requirement that the Trump administration resume nearly $2 billion in foreign-aid payments, hours before the deadline. **A3**

◆ **Hamas handed over** what it said were the last four dead hostages included in the first phase of a cease-fire with Israel, mediators said, as they race to extend the truce. **A7**

◆ **An unvaccinated child** who tested positive for measles died in West Texas, the state health department said, amid a wider outbreak. **A3**

◆ **The Justice Department** concluded that Trump's pardons of Jan. 6 defendants should extend to separate conduct uncovered in searches stemming from the Capitol attack. **A3**

◆ **Iran sharply increased** its stockpile of highly enriched uranium in recent weeks as Tehran amasses a critical raw material for nuclear weapons. **A7**

◆ **Died: Michelle Trachtenberg,** 39, millennial-era screen star. **A6**

CONTENTS

Arts in Review..... A13
Business&Finance B2,B5
Business News..... B3
Crossword..... A14
Heard on Street.. B11
Markets..... B10
Markets Digest..... B7
Opinion..... A15-17
Personal Journal A11-12
Sports..... A14
Technology&Media B4
U.S. News..... A2-6
World News..... A7-9

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Musk Gets Thumbs-Up at Cabinet Meeting



ANDREW HARNIK/GETTY IMAGES

ACCORD: President Trump defended Elon Musk, standing in back, at a cabinet meeting Wednesday and raised the possibility that federal workers who didn't respond to an email from Musk asking what they accomplished last week could be fired. **A4**

The Trump 'Special' Staffers Who Get Paid by Private Clients

Katie Miller, a top aide to Elon Musk at the Department of Government Efficiency, spends much of her time on White House grounds, helping Musk plan and communicate his efforts to slash the federal government.

*By **Josh Dawsey**, **C. Ryan Barber** and **Katherine Long***

But she also spends time working for P2 Public Affairs, a major Republican consulting firm in Washington, which pays her full salary. She has continued to work for Fortune 100 clients, including Apple, offering public relations advice, according to people familiar with the matter. Since starting at the White House, Miller has also helped P2's leaders pitch the firm to new clients for lucrative contracts. Her husband is White House Deputy Chief of Staff Stephen Miller, among the most powerful advisers in the administration, controlling all domestic policy.

She's one of a set of influential Trump employees who are working for the administration while simultaneously doing private-sector work.

They carry a three-letter designation that allows them to wear both hats: "SGE," or special government employee. It's a status under federal ethics laws that permits private-sector employees to work inside the government without having to relinquish their outside salaries or investments. Only a sliver of cases must publicly disclose clients or potential conflicts of interest. While the rules limit work to up to 130 days in any given year, it can be extended if the administration desires.

Others with the status include Steve Witkoff, who is handling peace talks between Ukraine and Russia and in the Middle East, Corey Lewandowski, now a top aide at the Department of Homeland Security, and Musk himself. Top officials such as Musk, Miller and Witkoff aren't receiving govern-

Please turn to page A10

Nvidia's Bumper Sales Show AI's Strength

Results and outlook beat expectations, signaling the boom hasn't lost steam

By Asa Fitch

Nvidia reported a nearly 80% rise in sales for its latest quarter that showed spending on its chips continues to soar despite jitters about the outlook for the AI boom.

Nvidia brought in $11 billion of revenue from its new Blackwell AI chips, the company said in its earnings report on Wednesday, making good on a prediction last year that sales would be strong. The new chips made up nearly a third of the revenue in Nvidia's data center division for the quarter.

Underpinning the buying surge, Chief Executive Jensen Huang cited a shift in AI toward "reasoning" models that require more computing power as they use their digital brains to think through their answers. DeepSeek, the Chinese AI developer that spooked Nvidia investors recently with a reasoning model that used fewer of the company's chips, had "ignited global enthusiasm," Huang said in a call with analysts.

Huang called DeepSeek "an excellent innovation," adding that nearly every AI developer was using it or techniques inspired by it. Reasoning models required a hundred times more computing resources, he said, and future ones were destined

Please turn to page A6

Ukraine Minerals Pact Has Unresolved Issues

KYIV, Ukraine—Both the U.S. and Ukraine touted a proposed deal over mineral resources as important, but the most contentious element—military support to Ukraine—and other details have yet to be negotiated.

*By **Jane Lytvynenko**, **Ian Lovett** and **Alan Cullison***

President Volodymyr Zelensky of Ukraine said on Wednesday that the success of the proposed deal depends on his broader conversations with President Trump and Trump's commitment to helping Ukraine.

"This agreement can have a major success or quietly pass by," said Zelensky, signaling that the proposed framework required more work. "And I believe that a major success depends on our conversation with President Trump."

Trump said in his first cabinet meeting Wednesday that he expected the Ukrainian president to come to Washington on Friday to sign the agreement, which he said would share Ukraine's mineral resources. Earlier in the day, Zelensky said he wasn't sure if he would go.

The financial benefits of

Please turn to page A8

◆ **Extracting Ukraine's minerals will be hard..... A8**
◆ **Leaders perfect art of the whisper..... A8**



THE FUTURE OF EVERYTHING

ROBOTS GET TO WORK POWERED BY AI

R1-10

U.S. Hits Venezuela By Pulling Chevron License for Drilling

By Kejal Vyas

President Trump said Wednesday he was revoking a Biden-era license allowing Chevron to produce oil in Venezuela over what he said was strongman Nicolás Maduro's failure to assist in deporting migrants.

The move is a reversal of the Trump administration's monthlong rapprochement with Maduro and appears to be a setback for Chevron, the U.S. oil company that former President Joe Biden granted an exception to U.S. sanctions to pump in Venezuela in 2022. Trump didn't mention Chevron but said on social media that he was canceling a Nov. 26, 2022, license, the same time the company got its concession.

Trump said Chevron's license will be terminated as of March 1, requiring the company to wind down its Venezuelan operations within months.

Trump's announcement came nearly a month after senior White House envoy Richard Grenell met with Maduro in Caracas to strike a deal that would restart deportation flights to the country, a pact

Please turn to page A8

Trump Day? GOP Bills Push Tributes

* * *

Loyalists want to turn adulation into law

By Katy Stech Ferek And Xavier Martinez

WASHINGTON—Congress didn't make George Washington's birthday a federal holiday until 80 years after his death. The Lincoln Memorial was dedicated nearly three score after the Gettysburg Address. Ronald Reagan had been out of office for almost a decade when Congress named National Airport for him.

President Trump's most ardent supporters don't plan to wait for the commemorations to start.

A Florida GOP lawmaker wants Trump's face chiseled

Please turn to page A10

An Innocent Download Upends Worker's Life

By Robert McMillan And Sarah Krouse

The stranger messaging Matthew Van Andel online last July knew a lot about him—including details about his lunch with co-workers at Disney from a few days earlier.

His mind raced; he knew no one outside Disney would have access to that information. How did the person messaging him on chat forum Discord know what he had said in a private workplace Slack channel?

"I have gained access to certain sensitive information related to your personal and professional life," another Discord message said. Van Andel realized he had been hacked.

The next morning, the lunchtime Slack exchange became one of more than 44 million Disney messages from the workplace collaboration tool published online by a cryptic hacking group with murky motivations. The hacker had used Van Andel's login credentials to steal from his employer.

The hack sent Disney's cybersecurity team in motion to assess the damage. Private customer information, employee passport numbers, and theme park and streaming revenue numbers were in the huge data dump.

The breach upended Van Andel's life. The hacker stole his credit-card numbers and racked up bills—and leaked his account login details, including those to financial accounts. The attacker published Van Andel's personal information online, ranging from his Social Security number to login credentials that could be used to access Ring cameras within his home.

"It's impossible to convey the sense of violation," said Van Andel, a 42-year-old father of two boys.

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U.S. NEWS

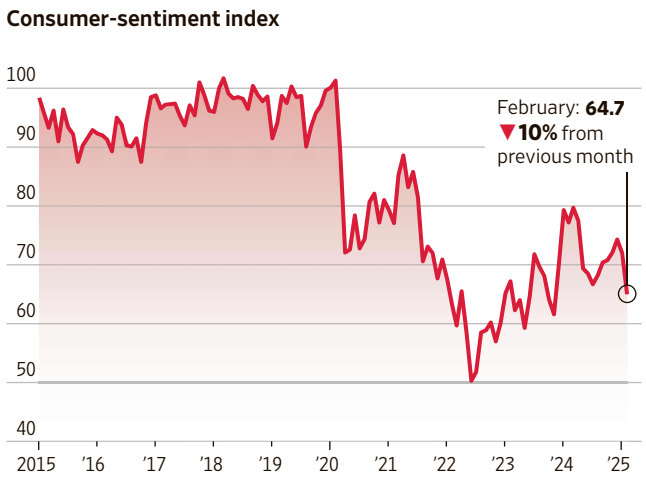


CAPITAL ACCOUNT | By Greg Ip

As the Economy Hums, Gloom Persists

A lot has changed since November's election, but not this: The economy is still pretty solid, and people are still really down on it.

The latest evidence of the disconnect is a Conference Board report Tuesday that consumer confidence plummeted 6.7% in February from January, the largest drop since 2021. The other major confidence survey, by the University of Michigan, also has recorded falling confidence, as have several business surveys.



Source: University of Michigan

The mood might be spilling over to perceptions of President Trump. More respondents to recent polls for both Gallup and Quinnipiac University disapproved than approved of his handling of the economy.

There's very little hard data on how the economy has performed since Jan. 20. But what's available suggests the economy remains pretty solid. Job growth was strong in January, the unemployment rate dropped a tad, and new claims for unemployment insurance have oscillated around the same low level in recent weeks, albeit with increases in Washington, D.C., which is being hit hard by Trump's cuts.

Stock prices dropped earlier this week but are still higher than on Election Day. Bond yields and oil prices have fallen, signaling some concern about growth but also relief on mortgage rates and gasoline prices.

It's way too early to assume that Trump, like his predecessor Joe Biden, will be tormented by a public mood at odds with objective reality. That said, the anxiety that has long permeated the public isn't going away just because the White House changed hands.

Dig a little deeper, and some explanations for weak confidence emerge. First, confidence measures popped following the election, especially among businesses. Some of the recent drop might simply be a return to earth. (In retrospect, perhaps Trump shouldn't have promised to slash prices on Day 1.)

Second, partisanship is at work. Democrats have turned sharply pessimistic, Republicans optimistic, according to the University of Michigan. Independents are little changed.

Third, the anxiety is about the future, not the present. In both the Conference Board and Michigan surveys, consumers' assessments of their current situation are about where they were in October, whereas expectations of the future have slid sharply.

Much of the anxiety is about inflation. It has been stubborn: Consumer price inflation rose more than expected, to 3% in January, the last month on Biden's watch. Still, the measure most closely watched by the Federal Reserve is around 2.5% and likely moving lower.

While no one blames Trump for where inflation has been, some consumers clearly worry about where he will take it, given his plans to hit imports with tariffs. Even there, fear and reality seem at odds. Trump has thus far only raised tariffs on China. (He has scheduled them for aluminum and steel, threatened them on Canada and Mexico, and is studying them for everyone else.) Consumers expect inflation to rise more than do investors or economists.

Expectations can be self fulfilling. Consumers worried about a recession might spend less. Workers sensitized to inflation might demand higher wages, fueling a wage-price spiral.



ALLISON JOYCE/BLOOMBERG NEWS

Hiring signage was displayed at a job fair in Hendersonville, N.C., in November, shortly after the election.

But in practice, sentiment measures are lousy predictors. There is little evidence of any slump in consumption at present that could foreshadow recession. Retail sales fell in January, but economists blamed seasonal distortions. Walmart shares plummeted on a prediction of softer sales growth, not any weakness at the cash register thus far. Meanwhile, Republicans in Congress are planning to extend tax cuts and perhaps add new ones.

Inflation fears, too, might subside. There is a feedback mechanism at work: The more concern about tariffs hurts the stock market and the economy, the less likely Trump is to actually implement them.

The lesson here, though, is that political leaders are vulnerable to a public that is deeply unhappy, not just in the U.S., but around the world. They have punished incumbents at a staggering rate in recent years, and honeymoons of the newly elected have been brief.

If Trump is going to break this pattern, he really does have to make good on his promised "golden age." Silver or bronze won't cut it.


YUKI IWAMURA/BLOOMBERG NEWS

The Bureau of Labor Statistics recently pegged the average price of eggs at $4.95 a dozen, nearly double from a year ago.

U.S. Strategy to Import More Eggs To Stem Price Hikes Shows Cracks

By Kirk Maltais And Roshan Fernandez

Agriculture Secretary Brooke Rollins said the U.S. government will consider increasing imports of eggs to help address soaring prices.

Egg imports are part of a five-point strategy Rollins introduced Wednesday to help bring down record egg prices because of the worst outbreak of avian influenza in U.S. history. About 160 million laying hens have been culled owing to the outbreak since 2022, federal officials have said.

"We will proceed with imports only if the eggs meet stringent U.S. safety standards and if we determine that doing so won't jeopardize American farmers' access to markets in the future," Rollins said.

The Agriculture Department plans to invest as much as $1 billion to address egg costs. That includes $500 million for expanded biosecurity measures at farms, $400 million in financial relief for affected farmers and $100 million for further research into vaccinations for egg-laying chickens.

The U.S. imports eggs and egg products from a relatively small number of countries, including Canada, Taiwan and Lithuania, according to the USDA's Economic Research Service.

The Bureau of Labor Statistics recently pegged the average price at $4.95 a dozen, nearly double from a year ago. Increasing egg imports could help bring down prices, but a lot of what has pushed retail egg prices so high is consumer stockpiling, said Brian Earnest, lead economist for animal protein at agricultural lender CoBank.

Farmers said that they support boosting imports, as long as it remains temporary.

"You've got people to feed, and just because we import now doesn't mean we will next year," said Jeff Hafner, who operates a 1,500-acre farm in Panora, Iowa, where he also produces 200 to 300 eggs a day. He said that his flock has been spared from bird flu.

United Egg Producers, a farmer-owned cooperative that estimates its members are responsible for about 90% of the nation's egg production, has supported temporary egg imports.

The National Chicken Council, a trade group, petitioned the Food and Drug Administration last week to change federal rules that require the broiler industry—which raises chickens for meat—to discard unneeded eggs.

The group said that move would free up almost 400 million breaker eggs annually and could help relieve pressure on the overall egg supply.

The USDA aims to expand biosecurity measures to safeguard farms against avian flu, which has largely been spread by wild birds. Common problems include gaps in fencing or wiring to keep wildlife out, and feed spills that aren't properly cleaned up and attract wild birds.

At 150 facilities that followed new protocols, only one has had an outbreak, the USDA said.

The USDA is also working with states, industry experts and public-health partners to research bird-flu vaccinations, including methods that don't involve injection. They are also researching vaccinations that can protect against multiple virus strains.

Trump Adds to Threat Against EU, Floats 25% Tariffs on Bloc

By Gavin Bade

The U.S. is considering 25% tariffs on the European Union, President Trump said at the White House on Wednesday, adding more detail to the tariff threat he has issued against the 27-nation bloc.

Trump had previously said he would target the EU with tariffs in response to the bloc's own duties, taxes and regulations on American firms, but he hadn't specified a number. During a cabinet meeting on Wednesday, Trump told reporters that the tariffs will be "25%, generally speaking, and that will be on cars and all the things."

Bloc reiterated that it is ready to strike back if the U.S. imposes duties.

Trump didn't specify when the EU tariffs would be imposed, but he said many trade actions would come on April 2, after the completion of a trade policy review he ordered on his first day in office.

An EU spokesperson reiterated that the bloc is ready to strike back if Trump hits it with tariffs.

"As previously stated, the EU will react firmly and immediately against unjustified barriers to free and fair trade, including when tariffs are used to challenge legal and non-discriminatory policies," the spokesperson said.

The eventual tariffs, if imposed on the EU, could be less than Trump's quoted number on Wednesday. In recent weeks, EU officials have opened negotiations with the Trump administration on reducing their own tariffs and trade barriers, particularly on automobiles, and Trump has said publicly that he has been pleased with their engagement—a line he has repeated privately to allies on Capitol Hill.

"I talked to President Trump about the automotive tariffs with Europe and he was very pleased to see them move in our direction," Sen. Bill Hagerty (R., Tenn.) said on Monday, adding that it's something that he and the president have "talked about for years."

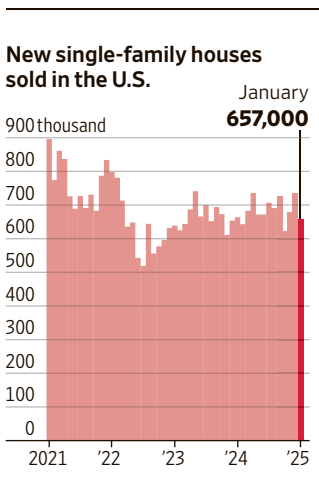
CORRECTIONS & AMPLIFICATIONS

In the photo with U.S. Watch on Wednesday, Odai Alfayoumi, the father of a slain 6-year-old boy, appeared on the right. In some editions, the photo caption incorrectly said he was second from right.

The surname of Lynn Connelly was misspelled as Connolly in an Exchange article on Saturday about real-estate developer Stephen Ross.

Chef Emmanuel Renaut no longer works with Princess Cruises. An Off Duty article on Saturday about star chefs who collaborate with cruise lines incorrectly said his restaurants are on four of Princess' ships.

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



Note: Seasonally adjusted at an annual rate
Source: Commerce Department

New-Homes Sales Fell in January, Weighed Down by Prices and Rates

By Ed Frankl

Sales of new homes sank in January, as high prices and mortgage rates continued to weigh on potential customers, the Commerce Department said Wednesday.

Sales of new single-family homes fell to 657,000, down 10.5% compared with December. Sales had been expected to come in at 671,000, fewer than the upwardly revised 734,000 in December, according to economists polled by The Wall Street Journal.

Monthly data on sales are volatile and tend to be revised. January data came with a 19.9% margin of error.

Compared with January 2024, sales were down 1.1%, according to the Commerce Department.

The estimate for new houses for sale was 495,000, representing supply for nine months at current sales rates, up from eight months in December.

Sales of existing homes fell 4.9% in January, separate data published by the National Association of Realtors said last week, as elevated prices and mortgage rates put off buyers.

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Child Dies of Measles In Texas Outbreak

State says victim wasn't vaccinated in first U.S. death from disease since 2015

By Jennifer Calfas

A child who tested positive for measles died in West Texas, the state health department said, marking the first death in an outbreak that has sickened nearly 140 people.

The school-age child died after being hospitalized in Lubbock and wasn't vaccinated, the Texas Department of State Health Services said. It marked the first measles-related U.S. death since 2015.

In the past month, nearly 140 people in Texas and New Mexico have been sickened with measles. At least 18 people have been hospitalized, and children make up the majority of those infected.

Measles causes a fever, rash and cough, among other symptoms, and can be particularly harmful for babies and young children, according to the Centers for Disease Control and Prevention. Federal officials said measles was eliminated from the U.S. in 2000. But measles outbreaks have risen as vaccination rates have fallen.

"We're now seeing a very serious consequence of what happens when we have measles in our community," said Dr. Amy Thompson, chief executive of Covenant Children's Hospital, where the young patient died. Hospital officials declined to provide more details about the patient.

At least 124 people in Texas have tested positive since January, according to the Texas Department of State Health Services, with residents of rural Gaines County making up nearly two-thirds of the state's cases. All but five of the Texans who tested positive for measles are unvaccinated or have an unknown vaccination status, according to the state health department. An additional nine people, including four children, tested positive for measles across the state line in New Mexico's Lea County.

The measles, mumps and rubella, or MMR, vaccine is required for children to attend school in Texas, but not all schoolchildren are inoculated due to exemptions under state law. A child can get an exemption for reasons of conscience, including religious beliefs.

Vaccination rates for kindergartners across the U.S. have fallen since the Covid-19 pandemic, according to the CDC. In Gaines County, around 18% of kindergartners reported exemptions for any vaccine last school year.

The early spread of the outbreak occurred in the Mennonite community in Gaines County, said Lara Anton, a spokesperson for the state's health department.

This outbreak comes on the heels of the confirmation of Health and Human Services Secretary Robert F. Kennedy Jr., who has criticized vaccine mandates and has made the debunked claim that vaccines cause autism. Kennedy said during his confirmation hearing that he supported the measles and polio vaccines.

During a cabinet meeting at the White House on Wednesday, Kennedy said the department was following the outbreak, and that they weren't unusual. "We have measles outbreaks every year," he said.



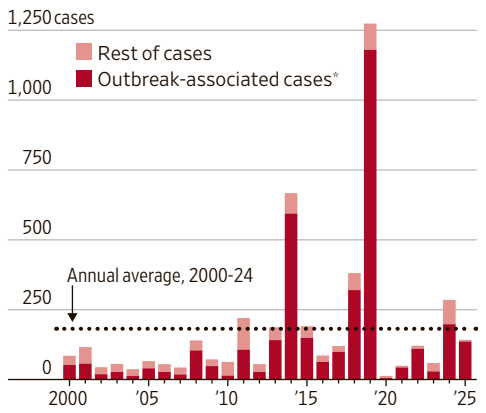
SEBASTIAN ROCANDIO/REUTERS

A sign in Seminole, Texas, which is part of Gaines County, the center of the outbreak.

Counties affected by the current measles outbreak in Texas and New Mexico



Measles cases in the U.S.



*Outbreak defined as three or more related cases.
Note: 2025 data compiled from health departments in Alaska, California, Georgia, New Jersey, New Mexico, New York City, Rhode Island and Texas—the areas the CDC identified as having cases this year—and is the most recent data available as of Feb. 26.
Sources: Centers for Disease Control and Prevention (historical data); health departments (2025)

Chief Justice Lets Trump Halt Foreign Aid for Now

By Jess Bravin

WASHINGTON—Chief Justice John Roberts temporarily halted a judge's requirement that the Trump administration resume nearly $2 billion in foreign-aid payments before midnight, in an order issued hours before the deadline.

Roberts's order doesn't resolve the dispute but gives the Supreme Court time to consider the administration's claim that a lower court overstepped its authority when it ordered the government to quickly pay aid contractors for work completed before Feb. 13. Still, it reflects the first substantive action the Supreme Court has taken in the deluge of litigation that has followed the Trump administration's aggressive actions to remake the federal government.

Roberts gave aid organizations challenging the foreign-assistance freeze until Friday to file their response, suggesting that his order will remain in place at least into next week.

Upon taking office in January, President Trump sought to terminate humanitarian assistance to poorer countries and dismantle the principal organ that dispenses it, the U.S. Agency for International Development.

Nonprofit groups that hold U.S. government contracts to carry out health, sanitation and other projects overseas sued to stop Trump's effort, arguing that the administration couldn't unilaterally nullify appropriations that Congress had approved. On Feb. 13, a federal district court ordered contractors to be paid for work already performed, finding that the blanket freeze on foreign aid likely was unlawful, a temporary measure to protect them from injury while litigation over the dispute proceeds.

The district judge, Amir Ali, cited "evidence detailing the devastating effects on American businesses and nonprofits, which have been forced to shut down programs, to furlough or lay off employees, and in some instances to shutter altogether" by Trump administration actions that likely violated federal law requiring the government to make or alter policy through reasoned and transparent methods.

The administration says it has complied with Ali's temporary restraining order, but the plaintiff groups, including ones that work to contain AIDS and HIV in Africa, returned to the district court arguing that the government has found ways to flout the directive.

Ali had denied a request by aid recipients to hold the administration in contempt but on Tuesday ordered that the government make the payments by Wednesday night.

Justice Department Says Pardons For Jan. 6 Riot Cover Other Crimes

By C. Ryan Barber And Scott Calvert

The Justice Department is taking a broader view of President Trump's pardons of Jan. 6 defendants, concluding that the sweeping clemency should also extend to separate conduct uncovered in searches stemming from the 2021 Capitol attack.

The approach embraces an argument advanced by some pardoned defendants who, while absolved of crimes connected to Capitol riot, have still faced charges or prison terms in other federal cases.

On Tuesday, the Justice Department said Trump's pardon covers the conviction of an Oath Keepers member on charges he unlawfully kept grenades and classified material from his time in the military. The move came at the urging of top Trump White House officials, people familiar with the matter said.

In September 2021, federal agents found two grenades, a sawed-off shotgun and a classified document in an RV as they arrested Jeremy Brown, a retired Army Green Beret, on misdemeanor Jan. 6 charges.

Brown's Jan. 6 charges were pending and then dropped after Trump took office and pardoned nearly all of the roughly 1,500 people charged in the Capitol attack. In Florida, however, a jury had found Brown guilty, and a judge sentenced him to more than seven years in prison, for unlawful possession of weapons and a classified military report.

During his trial, an official from U.S. Central Command testified that, if disclosed, the classified material found in the RV could have led to the arrest, torture and killing of a confidential source discussed in the document, according to a court filing.

Brown's bid for release became a cause célèbre among prominent Trump allies, including Roger Stone, who posted on his website that Brown was "being denied his freedom due to the decision by rogue federal agents to keep him in prison in direct opposition" to Trump's pardon.



CHIP SOMODEVILLA/GETTY IMAGES



SHANNON STAPLETON/REUTERS

Pam Bondi's Justice Department has extended the clemency covered by the Jan. 6 pardons. Jan. 6 charges against Jeremy Brown, above, were dropped after Trump took office.

The federal government agrees the pardon applies to Brown.

"Based on consultation with Department of Justice leadership, it is the position of the United States that the offenses of conviction in this case are intended to be covered by this Pardon," a federal prosecutor in Florida wrote Tuesday.

In recent days, the Justice Department cited Trump's pardon to clear the names of other Jan. 6 defendants who also faced additional prosecutions beyond those directly tied to the Capitol attack.

Federal prosecutors in Florida, for instance, moved to dismiss a firearms charge against Daniel Ball that stemmed from a search connected to alleged Jan. 6 crimes that were pending when Trump pardoned him.

Ball was charged with illegally possessing a gun and ammunition given prior felony convictions, including for domestic-violence battery by strangulation, court records show. His lawyer, Amy Collins, had urged prosecutors to dismiss the firearms charge, saying in an interview it "only came about because of the Jan. 6 case."

As recently as Feb. 14, prosecutors disagreed, with a spokeswoman for the U.S. Attorney's Office in Tampa saying, "the pardon does not apply to Mr. Ball's conduct in the Middle District of Florida."

A week later, though, the office moved to dismiss Ball's indictment. In a motion filed Feb. 20, prosecutors cited the presidential pardon but didn't explain the change of position. The spokeswoman said Monday the office had no further comment. A judge on Tuesday dismissed the case.

Also last week, the Justice Department moved to immediately end the one-year prison term that Elias Costianes received after pleading guilty in Maryland federal court to unlawfully possessing a firearm. The Federal Bureau of Investigation discovered the firearm at issue when it went to arrest Costianes on charges related to the Capitol attack.

"After consulting with the Department of Justice's leadership, the United States has concluded that the President pardoned Mr. Costianes of the offenses in the indictment," an assistant U.S. attorney wrote in a court filing.

Federal prosecutors in Washington also reversed course in the case of Kentucky resident Dan Wilson, telling a judge his pardon does in fact apply to his firearm convictions.

Earlier this month, the government argued otherwise. Its Feb. 6 court filing noted the presidential-pardon certificate said it applied only to "convictions for offenses related to events that occurred at or near" the Capitol on Jan. 6, 2021. Court records show the firearms crimes to which Wilson pleaded guilty took place in Kentucky in 2022.

"Thus, by the plain language of the certificate," a prosecutor wrote, "the pardon does not extend to these convictions."

U.S. District Judge Dabney Friedrich, a Trump appointee, agreed and said Wilson would have to resume serving a five-year prison sentence for the firearms convictions.

In a hearing Wednesday, Friedrich questioned the government about its reversal and later put on hold an order requiring Wilson to report to prison the next day. The Justice Department followed up with a court filing arguing that its expansive interpretation of Trump's pardon "should be accorded deference."

High Court Weighs Reverse-Bias Suits

By Jess Bravin And Erin Mulvaney

WASHINGTON—Amid a MAGA-led backlash to diversity, equity and inclusion policies, the Supreme Court signaled it would rule that white people and members of other majority groups who file reverse-discrimination lawsuits shouldn't face tougher legal scrutiny than Black and other minority employees with bias claims.

Wednesday's case came from Ohio, where Marlean Ames claims the state agency where she works denied her a promotion and then demoted her because she is heterosexual, instead giving both her old job and the one she had sought to gay people. A federal appeals court in Cincinnati threw out Ames's lawsuit, finding that she failed to show the "background circumstances" suggesting the employer was hostile to straight people—a threshold step that wouldn't have been required had a gay employee claimed discrimination.

A woman claims an Ohio agency demoted her because she is heterosexual.

That rule, which stems from a 1981 appeals court opinion, "was apparently based on an intuition about the way in which most employers behave. And maybe it was sound at the time," Justice Samuel Alito said during oral arguments. But maybe "it's no longer sound today," he said.

Justice Brett Kavanaugh suggested that the case could be resolved by "a really short opinion that says discrimination on the basis of sexual orientation, whether it's because you're gay or because you're straight, is prohibited, and the rules are the same whichever way that goes."

"I entirely agree," said Ames's attorney, Xiao Wang.

The issue proved knotty for Ohio's attorney, who was defending a decision the agency won against Ames at the Sixth U.S. Circuit Court of Appeals—but on a legal theory the state's Republican leadership now finds politically toxic because it appears to help racial minorities or LGBT employees more than those who are white or heterosexual.

Ohio Solicitor General T. Elliot Gaiser told the court that the state agrees that the same legal test for discrimination should apply to both majority and minority employees—the same position taken by Ames and the Justice Department under both the Biden and Trump administrations.

He further confounded the court by arguing the Sixth Circuit had not actually imposed a higher burden on Ames because she was straight.

"I don't know exactly what to make of this," said Justice Elena Kagan. "The question presented is whether a majority-group plaintiff has to show something more than a minority-group plaintiff."

The Civil Rights Act of 1964 forbids employment discrimination because of an "individual's race, color, religion, sex, or national origin," protection the Supreme Court in 2020 extended to LGBT workers.

Ames has worked for decades at the Ohio Department of Youth Services, which runs the state's juvenile correctional facilities. She was in charge of the agency's prison-rape prevention program in 2019 when she applied for a promotion. Ames didn't get the job and, according to her suit, a department supervisor suggested she consider retirement. The following month, Ames was stripped of her current post and offered the choice of demotion to a lower-paying position or leaving the department altogether.

A lesbian received the promotion Ames had sought, and administrators gave her old prison-rape prevention job to a 25-year-old gay man. Where Ames alleges discrimination, the state argues she was reassigned due to a reorganization.

A decision is expected by the end of June.

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New York City Marks Anniversary of '93 World Trade Center Bombing





MIKE SEGAR/REUTERS (2)

REMEMBRANCE: A bell tolled at 12:18 p.m. Wednesday at the Trade Center's memorial plaza on the 32nd anniversary of the attack, which killed six people, including a pregnant woman. Islamic extremists attempted to bring down the twin towers with 1,200 pounds of explosives. Six people, including accused ringleader Ramzi Yousef, were later convicted in the bombing.

Trump Backs Musk in First Cabinet Meeting

President suggests some workers who didn't respond to email could be fired

By Natalie Andrews And Annie Linskey

WASHINGTON—President Trump defended billionaire adviser Elon Musk on Wednesday and raised the possibility that some of the more than one million federal workers who didn't respond to an email asking what they accomplished last week could be fired.

"Those people are on the bubble, as they say, maybe they're going to be gone," Trump said at the White House in the first cabinet meeting of his new term. Some of the people who didn't respond may be dead or don't exist, Trump added. One million workers responded to the email, according to the White House, or more than 40% of the federal workforce of roughly 2.3 million.

Musk, who is running the administration's Department of Government Efficiency cost-cutting initiative, said he was confident he could find $1 trillion in savings across the government's roughly $7 trillion in annual spending, or a cut of about 15%.

Trump praised Musk and asked his cabinet if anyone was dissatisfied with the Tesla chief executive's efforts. Members of the cabinet, seated around a long table in the West Wing, laughed and none indicated any dissent. But several senior agency officials instructed federal workers to pause or not respond to Musk's email asking federal workers for a bullet-point list of five things they accomplished last week.

"Some disagree a little bit, but I will tell you, for the most part, I think everyone's not only happy, they're thrilled," Trump said. He added later, addressing his cabinet, "Is anyone unhappy with Elon?"

The president said his ultimate goal was to balance the government's budget, "maybe by next year or the year after." The last time the U.S. government had a budget surplus was 2001.

According to the Congressional Budget Office, the deficit is projected to be $1.7 trillion in fiscal 2027. That figure assumes that Trump's expiring tax cuts get extended and that none of his new tax cut proposals get implemented. Balancing the budget that year without touching Social Security, Medicare or interest costs would require eliminating almost half of all other spending.

Agency leaders across the government are working on plans to reduce the size of their workforce and cut spending.

Trump declined to say whether he would stop China from taking Taiwan by force. "I never comment on that," Trump said, "because I don't want to ever put myself in that position."

As negotiations over an end to the three-year-old war in Ukraine continue, Trump said the country's president, Volodymyr Zelensky, would come to Washington on Friday to sign a mineral resources agreement. Though the details of the deal still need to be worked out, Trump said it would bring money to the U.S. in a bid to recoup some of the billions in aid sent to Ukraine. But Trump stopped short of committing to use American military resources to protect Ukraine.

Trump also appeared to momentarily open the door to a delay on scheduled 25% tariffs on Mexico and Canada, which are set to go into effect on Tuesday if they are not delayed like they were at the beginning of this month.

During the cabinet meeting, Trump told reporters those tariffs would be imposed on April 2.

But Commerce Secretary Howard Lutnick jumped in to say that Mexico and Canada still face a tariff deadline on March 4, unless they can convince Trump they have done enough to curb migration and the fentanyl trade.

After the meeting, a White House official confirmed that Trump still hasn't made a decision about whether to give a further extension of the North American tariffs.

The president asserted that the European Union was formed to "screw the United States." He added that he was considering 25% tariffs on EU automobiles and other products.

The eventual tariffs imposed on the EU could be less than 25%. In recent weeks, European Union officials have opened negotiations with the Trump administration on reducing their own tariffs and trade barriers, particularly on automobiles, and Trump has said publicly that he has been pleased with their engagement.

Watch a Video

Scan this code to watch a video from the Trump cabinet meeting.



RIVETING RIVIERA
YVONNE CANU

Famed artist. Iconic subject. Masterful technique.



The jewel-toned port of Saint-Tropez comes to life in this Post-Impressionist oil by beloved French artist Yvonne Canu. The tranquil harbor scene is infused with dynamic energy and radiant color under Canu's magnificent pointillist brushwork, a style that she perfected over her long career. Oil on canvas. Circa 1950. Signed "Canu" (lower right). Canvas: 23 1/4"h x 28 3/8"w. Frame: 32 1/8"h x 37 1/4"w. #31-8912

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ANNA MONEYMAKER/GETTY IMAGES

Laid-off federal workers visited GOP Sen. Susan Collins's Washington office this week.

Administration Orders More Federal Staff Cuts

The Trump administration on Wednesday asked federal agencies to draw up plans to cut staff, review existing contracts and freeze workers' credit cards, accelerating the president's efforts to drastically reduce the government's scope and spending.

*By **Lindsay Ellis**, **Lindsay Wise** and **Ken Thomas***

President Trump signed an executive order Wednesday that requires federal agencies to review their contracting policies and procedures and where appropriate, "terminate or modify (including through renegotiation)" contracts and grants to improve efficiency and reduce spending.

The order also demands that agencies justify nonessential travel, and orders them to freeze credit cards held by agency employees for 30 days, except for those used for disaster relief or natural disaster response benefits.

Earlier, a memo from the heads of the Office of Management and Budget and the Office of Personnel Management Wednesday asked senior agency leaders to plan for "a significant reduction" in full-time positions. It is seeking to reduce management layers, "non-critical" workers, field offices and outside contractors. Agencies will have about 3½ months to plan for the cuts and notify affected employees.

The reorganization efforts will extend beyond the layoffs of probationary and diversity-focused workers that are already affecting potentially hundreds of thousands of government employees.

Trump made reducing the size of the government a key element of his plan to reduce federal spending. "We're cutting down the size of government," he said during a cabinet meeting on Wednesday. "We have to—we're bloated, we're sloppy. We have a lot of people that aren't doing their job."

Efforts to scrutinize federal spending have been spearheaded by Elon Musk's Department of Government Efficiency. The executive order Wednesday says it is moving to implement the agency's agenda, to spark a "transformation in Federal spending on contracts, grants, and loans."

Federal workers have been under particular scrutiny. The Trump administration this month began pushing out thousands of federal workers who were in their jobs for less than a year. It has also enacted a hiring freeze, ordered workers back to offices and incentivized a resignation plan that tens of thousands of employees accepted.

Government agencies were asked Wednesday to accelerate those efforts, cutting "underperforming employees" and reducing head count by not filling roles when staff leave. In general, the guidance from OPM and OMB says, "no more than one employee should be hired for every four employees that depart."

By mid-March, departments must detail how many full-time employees they plan to cut and how much money those reductions will save.

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U.S. NEWS

Download Upends Career, Life



ADALI SCHELL FOR WSJ

Disney fired Matthew Van Andel after he downloaded software that gave a hacker access to his digital life.

Continued from Page One

A few weeks later, Van Andel, nicknamed Dutch, was also out of a job. After a forensic analysis of his work computer, Disney fired him, telling him it found he had accessed pornographic material on the device. Van Andel denies accessing porn on his work computer.

"Mr. Van Andel's claim that he did not engage in the misconduct that led to his termination is firmly refuted by the company's review of his company-issued device," a Disney spokesman said in a statement.

Disney said in an August regulatory filing that it was investigating the incident and that it wasn't expected to have a material impact on its operations or financial performance.

The company told employees after the hack that it planned to move away from Slack in an effort to streamline its collaboration tools.

Van Andel's experience is a cautionary tale for companies—and individuals—of how vulnerable they are to opportunistic hackers.

During the pandemic, companies quickly made sure workers could access systems from home—and hackers soon realized home computers had become corporate back doors.

Hackers have built a variety of malicious tools, called infostealers, that hide in software that people download from the internet. The hackers swipe their credentials, which are resold online.

Stolen credentials were used in nearly 40% of financially motivated cyber intrusions last year, up from half that rate in 2022, according to Google's Mandiant group, which investigates cyber intrusions.

Sinister software

Van Andel's digital unraveling began last February, when he downloaded free software from popular code-sharing site GitHub while trying out some new artificial intelligence technology on his home computer. The software helped create AI images from text prompts.

It worked, but the AI assistant was actually malware that gave the hacker behind it access to his computer, and his entire digital life.

The hacker gained access to 1Password, a password-manager that Van Andel used to store passwords and other sensitive information, as well as "session cookies," digital files stored on his computer that allowed him to access online resources including Disney's Slack channel.

Van Andel learned he had a problem at lunchtime on Thursday, July 11, when he saw the Discord message from the stranger.

He thought it was a scam and almost deleted it, but read on and saw the reference to his Disney Slack conversation.

Van Andel called Disney's "fire team," a corporate group set up to quickly respond to cyber threats. They confirmed that his Slack account had been breached, but saw nothing suspicious on his corporate laptop and told him to check his personal devices.

Van Andel's antivirus software hadn't turned up anything on his PC, but he installed a second antivirus program that found the malware almost immediately.

The hacker said that he was part of a Russia-based hacktivist group. He had been on Van Andel's computer for five months.

Since the hack, security researchers said that Nullbulge is most likely a single person and an American.

While Van Andel was on the phone with Disney's response team, the hacker sent an email that made it clear he had access to Van Andel's personal email account.

He complained that Van Andel had marked his first message as spam and that he then put the second one into the trash. The hacker warned of a new stage of his campaign.

"Respond, do what we want, or end up on the net," the hacker said.

As far as Van Andel knew, there was only one way the hacker could have gained access to his email: 1Password, the software he had used to secure his digital life.

Assessing damage

The next few days passed in a blur; Van Andel reset the hundreds of credentials stored in his 1Password.

The hacker made good on his threat the next morning and published online every 1Password login credential Van Andel had stored.

His children's Roblox accounts were hijacked. His online social-media accounts were filled with offensive language from strangers who used the leaked credentials.

Many of these accounts, including email, were protected by two-factor authentication. The hacker needed more than a username and password to break into two-factor accounts. People often use a text message or a mobile phone app, but Van Andel's second factor was 1Password.

As he investigated his break-in, Van Andel realized that the key to his kingdom—the 1Password account—wasn't itself protected by a second factor. It required just a username and password by default, and he hadn't taken the extra step of turning on two-factor authentication.

Once someone has a keylogging Trojan program on his or her computer, "an attacker has nearly unrestricted access," a 1Password spokesman said.

A marketplace for stolen credentials has blossomed in recent years, as have the hacking tools designed to steal them, cybersecurity experts say.

Van Andel barely slept or ate, and he has suffered panic attacks. Soon after he filed a police report, the hacker posted his personal information online. Van Andel started getting phone calls from media outlets and he received creepy calls and text messages from strangers.

Eleven days after the ordeal began, a representative from Disney's human-resources department called to say Van Andel was fired in light of the laptop examination's findings. "I'm the one who got hacked," he told the HR representative.

His health insurance was terminated, and he lost about $200,000 in bonuses.

Van Andel is trying to get his life back. He has found contract work to help pay the bills, and his sister set up a GoFundMe campaign to help with expenses.

On Dec. 19, his lawyer sent a demand letter to Disney seeking an eight-figure settlement for lost wages and emotional distress.

Van Andel said he still sees signs online that people are trying to use the stolen credentials Nullbulge published to break into his accounts.

U.S. WATCH



PATRICK T. FALLON/AFP/GETTY IMAGES

LIE-DOWN COMEDIAN: Conan O'Brien, who will be hosting this year's Academy Awards this coming Sunday, lay on the red carpet for the Oscars arrivals area as it was rolled out along Hollywood Boulevard during Wednesday's preparations.

WASHINGTON, D.C.

Greer Confirmed as Top Trade Official

The Senate on Wednesday voted 56-43 to confirm Jamieson Greer in the post of U.S. trade representative, bringing a seasoned trade lawyer and avowed protectionist to President Trump's economic team.

Greer previously served as chief of staff to Trump's first-term trade chief, Robert Lighthizer, helping him implement paradigm-shifting duties on China and U.S. allies alike. Although few question Greer's protectionist commitments, some Republican senators have expressed hope that he will inject some legal and policymaking nuance into a trade agenda that has so far largely featured bellicose tariff threats and blanket duties without exemptions.

Some Republican senators have expressed concerns about the White House's no-exceptions approach to tariffs, potential inflation and retaliation from other countries.

Greer will have to work quickly, with many trade policy reviews and recommendations on Trump's reciprocal trade action due at the start of April.

—Gavin Bade

NEW YORK CITY

Adams Seeks Dismissal of Case

New York City Mayor Eric Adams asked a federal judge to toss out the corruption case against him Wednesday, alleging prosecutorial misconduct, even as the Justice Department seeks dismissal of the charges on the Democrat's behalf.

His lawyers alleged that the misconduct occurred when the government publicly leaked a letter then-U.S. Attorney Danielle Sassoon wrote to Attorney General Pam Bondi explaining why charges should not be dropped. She wrote the letter, offering to resign as she refused to follow acting Deputy Attorney General Emil Bove's directive to drop the charges against the embattled mayor two weeks ago. Bove accepted the resignation.

Adams is accused of accepting more than $100,000 in illegal campaign contributions and travel perks from a Turkish official and others seeking to buy influence while he was Brooklyn borough president.

Adams has pleaded not guilty.

—Associated Press

RELIGION

Christian Decline Slows, Survey Says

The number of Americans who identify as Christian has declined steadily for years, but that drop shows signs of slowing, according to a new survey Wednesday from the Pew Research Center.

The Religious Landscape Study finds 62% of U.S. adults call themselves Christians. While a significant dip from 2007, when 78% of Americans identified as Christian, Pew found the Christian share of the population has remained relatively stable since 2019.

The rapid rise of the religiously unaffiliated—the so-called "nones "—has also reached at least a temporary plateau, according to Pew. Twenty-nine percent of adults identify as religiously unaffiliated, including those who are atheist (5%), agnostic (6%) or "nothing in particular" (19%).

The number of Americans who belong to religions besides Christianity has been increasing, though it is still a small portion of the population (7%). That includes the 2% who are Jewish, and the 1% each who are Muslim, Buddhist or Hindu.

—Associated Press

OBITUARY

Actress Michelle Trachtenberg, 39

Michelle Trachtenberg, a former child star who appeared in the 1996 hit movie "Harriet the Spy" and went on to co-star in two buzzy millennial-era TV shows—"Buffy the Vampire Slayer" and "Gossip Girl"—has died. She was 39 years old.

Police responded to a 911 call Wednesday at an apartment in Manhattan. Paramedics pronounced her dead at the scene. No foul play was suspected, and the New York medical examiner is investigating the cause of death, police said.

Trachtenberg was 8 when she began playing Nona Mecklenberg on Nickelodeon's "The Adventures of Pete & Pete" from 1994 to 1996. In 2000, Trachtenberg joined the cast of "Buffy," playing Dawn Summers.

In 2001, she received a Daytime Emmy nomination for hosting Discovery's "Truth or Scare." Trachtenberg went on to recurring roles on "Six Feet Under," "Weeds" and "Gossip Girl," where she played the gang's scheming nemesis, Georgina Sparks.

—Associated Press

Nvidia Sales Soar as AI Endures

Continued from Page One

to need even more.

Net income rose 80% to $22 billion. Sales and net income came in ahead of Wall Street's expectations in a FactSet survey of analysts.

Nvidia projected around $43 billion of sales for its current quarter, exceeding analysts' expectations of about $42 billion.

Nvidia shares fell slightly in after-hours trading. The stock was down about 2% this year through Wednesday's close, after surging by more than 800% over the preceding two years.

While sales skyrocketed, Nvidia also said profit margins narrowed due to the higher cost of making its newest data center equipment. It is also spending more elsewhere: Operating expenses in the quarter grew by 48%, which Chief Financial Officer Colette Kress attributed largely to bigger pay packages for an expanding workforce.

Nvidia still faces uncertainties, including over how the Trump administration will follow through on Biden-era policies tightening the export of AI technology including Nvidia's chips to China and other foreign countries.

Competition is growing, too, with competitors from disruptive startups to tech giants developing their own chips to complement or replace Nvidia's.

The emergence of DeepSeek touched off the first significant scare for the company since the boom began. Nvidia's shares fell 17% in one trading day late last month, erasing more than $590 billion market value.

Some in the chip industry agree with Huang's assessment that DeepSeek's advances could benefit Nvidia because such models require more resources for "inference" work, something well-suited to Nvidia's most advanced chips. Nvidia said last year that more than 40% of its data-center revenue was coming from inference, quelling fears that its chips wouldn't be used as much for that purpose.

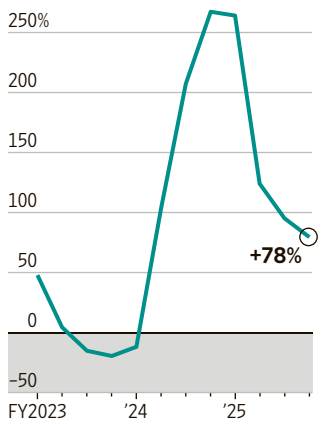
Big tech companies subsequently laid out plans to spend record amounts of money on AI, which eased concerns about chip demand. Nvidia said Wednesday that about half of its data-center revenue came from major cloud-computing customers—a class of tech companies including Microsoft, Amazon.com and Alphabet.

Nvidia's shares have come back since their fall but are still down slightly for the year.

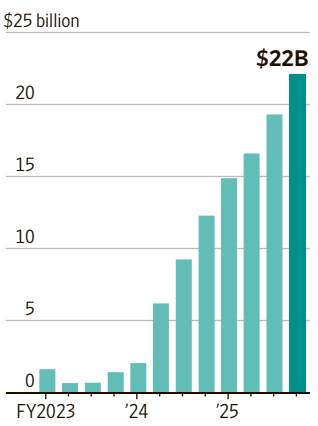
Huang has shepherded Nvidia through an unprecedented climb during the AI boom, sending its valuation above $3 trillion. The boom has also made Huang into an instantly recognizable visionary to many, a tech oracle who wears black leather jackets as he expounds about a future filled with humanoid robots, self-driving cars and genius-level AI chatbots.

As has been the case since the AI boom, the bulk of Nvidia's sales in its latest quarter came from its data-center division. Big tech companies have been racing to buy Nvidia's chips to put in the server farms where AI models are created and operated.

Nvidia's quarterly revenue, change from a year earlier



Quarterly net profit



Note: Latest fiscal quarter ended Jan. 26
Sources: S&P Capital IQ; the company

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WORLD NEWS

Iran Has Capability To Build Six Bombs

Tehran has enriched uranium stockpile in recent weeks, U.N. agency report says

By Laurence Norman

VIENNA—Iran has sharply increased its stockpile of highly enriched uranium in recent weeks, according to a confidential United Nations report, as Tehran builds up a critical raw material for atomic weapons.

The increase in Iran's holdings of uranium enriched to 60%, or nearly weapons grade, gives it enough to produce six nuclear weapons.

Iran is now producing enough fissile material in a month for one nuclear weapon, according to the report, which was reviewed by The Wall Street Journal.

Tehran's strides come as the country has indicated an openness to negotiating with the U.S. on limits to its nuclear ambitions. The Trump administration has said it would return to a maximum-pressure policy on Iran but that it also wants to negotiate a nuclear deal.

Still, there hasn't been significant direct contact between the two sides since President Trump took office. And Iran has said it won't negotiate directly with Washington while under maximum-pressure sanctions.

In an interview on Wednesday, the head of the International Atomic Energy Agency, Rafael Grossi, warned that as Iran's nuclear activities advance, "the problem becomes bigger, not smaller," and urged Tehran and Washington to engage. "It is problematic that we are not moving" on talks, he said. "We believe it is necessary to move to action."

The U.N. report said Tehran had amassed around 275 kilograms, or more than 600 pounds, of 60% highly enriched uranium as of Feb. 8, up from 182 kilograms in late October. The fuel could be converted to 90% weapons-grade material in days.

Iran, which started producing 60%-enriched uranium in 2021, has expanded its production since early December, after facing a censure resolution from Europe and the U.S. at the IAEA.

"The significantly increased production and accumulation of high enriched uranium by Iran, the only nonnuclear weapon state to produce such nuclear material, is of serious concern," the IAEA said in its report.

The head of Iran's atomic agency, Mohammad Eslami, on Wednesday said Iran was cooperating with IAEA inspectors and that the agency should avoid putting pressure on Iran.

Tehran has made large advances on its nuclear work since Trump was last in office—when he pulled the U.S. out of the 2015 Iran nuclear deal, which placed strict but temporary restrictions on Iran's nuclear work in exchange for relief from international sanctions.

In 2019, Iran began revving up its nuclear program and officials from the U.S. and elsewhere now believe Tehran could develop some kind of nuclear weapon within a few months. Iran says its nuclear work is for peaceful civilian purposes.



AGENCE FRANCE-PRESSE/GETTY IMAGES

A replica of the Etemad missile was displayed near the Azadi Tower in Tehran this month.

U.S. intelligence reports in December said Iran hadn't made a decision to build a nuclear weapon but there was a growing risk it might do so. U.S. officials have said Tehran is working on research that could help it build an atomic bomb.

Trump this month said Iran is "too close" to having nuclear weapons. In January, French President Emmanuel Macon said Tehran's program was "close to the point of no return."

The Trump administration has tightened economic pressure on Iran, vowing to slash Tehran's oil sales to China through a stricter implementation of existing sanctions. The Treasury Department this week announced new sanctions on ships and people dealing in Iranian oil.

Iran is at its most vulnerable position in years after its largest regional militia, Hezbollah, was badly damaged in a war with Israel, which in October also took out Tehran's most advanced air-defense systems.

Israel has warned it would take military action if Iran moves toward a bomb. Foreign Minister Gideon Saar told Politico this week that time was running out to pursue a diplomatic path.

European countries have started a process that by October could lead them to reimpose all international sanctions on Iran that were lifted under the 2015 nuclear deal.

Tehran has said if that happens it will quit the international treaty banning countries from pursuing nuclear weapons. The only country to have done that is North Korea, which subsequently built nuclear weapons.

Iran's Supreme Leader, Ayatollah Ali Khamenei, this month publicly warned against negotiations with the U.S., but Iranian officials have told their European counterparts they are eager for talks.

Israel's Demand to Disarm Tests Syria's Leaders

By Sudarsan Raghavan

Israel's demand for the demilitarization of southern Syria near its border presents a severe challenge for the country's new rulers, who three months ago brought down the Assad family's regime.

Israel launched airstrikes late Tuesday at targets south of Damascus it said contained weapons or command centers, days after Prime Minister Benjamin Netanyahu said the area must be completely disarmed and that Hayat Tahrir al-Sham, the rebel group that took over the government, wouldn't be allowed in.

The demands and airstrikes reflected Israel's new calculus after the Oct. 7, 2023, Hamas-led attacks that left 1,200 dead and shook the Middle East. Some analysts say the country is seeking to create buffer zones along its borders to prevent similar attacks.

Yet they also put Syria's new government in a bind, forcing it to choose between confronting a much stronger Israel or surrendering control of some of its territory. Either option risks destabilizing a transition in which the government must convince other rebel and sectarian groups that it is able to lead the country.



MOSAAB ELSHAMY/ASSOCIATED PRESS

Israel is creating buffer zones to prevent attacks. The Israeli military in January blocked a road leading to Quneitra, Syria.

Tuesday's attacks came hours after Syria's government reacted to Netanyahu's demands by condemning the Israeli army's seizure of territory and demanding its immediate withdrawal.

Israeli Defense Minister Israel Katz said the air force is "vigorously attacking southern Syria as part of the new policy we have defined of demilitarization."

"We will not allow southern Syria to become southern Lebanon," Katz said, voicing a concern that the territory could be used as a staging ground for attacks like those the Lebanese militia Hezbollah has pulled off for decades along Israel's northern border.

Israel sent its troops into southern Syria shortly after the Assad regime fell and conducted an extensive bombing campaign that wiped out much of the former army and navy's equipment and air defenses, but drew only muted reactions from the new government.

Syria's interim president, Ahmed al-Sharaa, has shown no signs of challenging those moves militarily. But a key element of statehood for any government is the ability to protect its borders, and Syria's leadership is highly unlikely to accept Israel's demilitarization demands. They also could make it harder for the new leadership to unify the county.

"Israel's actions are preventing Damascus from consolidating full control over Syria, especially the south, and it is contributing to instability in an already fragile postwar country," said Nanar Hawach, a senior analyst for Syria at International Crisis Group.

The new administration held what it called a national dialogue this week to bring the country's factions together. It is due to begin forming a new, more representative government soon.

Some analysts said more military assaults by Israel could weaken the Syrian leadership's authority across the country.

Hamas Says It Returns Last Bodies in Deal

By Anat Peled And Summer Said

Hamas handed over what it said were the last four dead hostages included in the first phase of a cease-fire agreement with Israel, mediators said, as they race to extend the fragile truce.

The bodies were transferred to the International Committee of the Red Cross under supervision of Egyptian officials early Thursday local time, mediators said. Officials involved in the talks expected the bodies of Ohad Yahalomi, Shlomo Mantzur, Itzik Elgarat, and Tzachi Idan. All four men were kidnapped in the Oct. 7, 2023, Hamas-led attack on Israel that sparked the war in Gaza.

Israel is set to free hundreds of Palestinian prisoners whose release it had held up since last Saturday because it said Hamas was holding humiliating hostage-release ceremonies. The latest bodies were handed over by Hamas without a ceremony.

The bodies were expected to be taken to the National Center of Forensic Medicine in central Israel for forensic examination. The release of the Palestinian prisoners will be conducted in stages, with some prisoners to be released once the identity of the bodies is confirmed by Israel.

The latest exchange would complete both sides' obligations under the first phase of the cease-fire, during which Hamas has returned 33 Israeli hostages, including eight bodies, in exchange for more than 1,700 Palestinian prisoners.



SHIR TOREM/REUTERS

A picture of Shiri Bibas, 32, and her sons Ariel and Kfir was displayed in Tel Aviv on Wednesday, the day of their funeral. The hostages' bodies were turned over last week.

The exchange marks the final swap in the first stage of a truce that began in January and expires this weekend. What comes next is uncertain. The two sides remain deadlocked over the second stage of the multiphase agreement, which is supposed to lead to a permanent end to the war.

Mediators are currently pushing to extend the first phase of the truce, while putting off thornier issues for later. Negotiations are focused on arranging extra swaps of either dead or living Israeli hostages in exchange for additional Palestinian prisoners, mediators said, but no agreements have yet been reached, raising concerns about a return to the fighting.

Israel has reinforced troops around the Gaza border, signaling that it is serious about returning to the fighting if agreements aren't reached. Hamas has also used the period of calm to rebuild its battered forces and map out where to send troops in the case of a restart of the fighting, The Wall Street Journal recently reported.

Before Thursday's release, 62 hostages taken in the Oct. 7 attacks remained in Gaza, more than half of whom Israel says are dead. Hamas is also holding the body of one Israeli soldier killed in the 2014 Gaza war. Many recently returned hostages have spoken about poor conditions in captivity, creating more urgency to free those who remain.



As a Veteran, when someone raises their hand for help, you're often one of the first ones to respond. But it's also okay to get help for yourself. Maybe you want or need assistance with employment, stress, finances, mental health or finding the right resources. No matter what it is, you earned it. And there's no better time than right now to ask for it.
Don't wait. Reach out.

Find resources at **VA.GOV/REACH**

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P2JW058000-5-A00800-1--------XA

Extracting Ukraine's Minerals Will Be Hard

Corruption, shaky infrastructure, old maps hurt mining efforts in the past

By Georgi Kantchev And Ian Lovett



EFREM LUKATSKY/ASSOCIATED PRESS

Ukraine is believed to have deposits of at least 20 of the 50 minerals the U.S. considers critical. A man works at a Ukrainian mine.

Ukraine has agreed to a mineral-rights deal with the U.S. Now comes the hard part: Getting anything out of the ground.

Even before the war—which has left up to 40% of Ukraine's critical mineral deposits under Russian control—the lack of exploration activities for some minerals, infrastructure and even up-to-date maps of the deposits were major obstacles to large new commercial projects, executives and analysts say.

Corruption, red tape, a cumbersome legal system and a history of corporate raiding have long deterred foreign investment in Ukraine's commodities sector.

Just ask Andrii Smolin.

His company, Avellana Gold, was targeted by a fake mining company, which he said used faked claims to try to seize Avellana's gold mine in western Ukraine, resulting in a costly legal journey through Ukraine's complex judicial system.

"In Ukraine, anyone can block your activity, with various means," said Smolin, the head of Avellana's Ukrainian office.

He said judicial corruption, which analysts say is especially prevalent in the lower courts, meant the case was drawn-out and that Avellana incurred losses from not producing during that time. It ultimately won the case at the Ukrainian Supreme Court, which Smolin says remains a fair institution. Avellana proved it owned the license, but not before losing all its initial investors.

Kyiv didn't respond to a request for comment.

The details of the mineral deal, which Trump and Zelensky are expected to sign this week, remain to be worked out.

Ukraine is believed to have deposits of at least 20 of the 50 minerals that the U.S. considers critical. These include lithium, graphite, titanium, uranium and rare earths, a collection of 17 elements that are essential for everything from cellphones to the defense industry. Their collective potential value is estimated to be trillions of dollars, industry analysts say.

Since the dissolution of the Soviet Union, economists say corruption has permeated Ukrainian society, creating a system where judges are often bribed and contractors must promise kickbacks to win bids.

Despite some progress in the past decade, Ukraine ranks 105th out of 180 nations in the Corruption Perception Index, a survey by the Berlin-based advocacy group Transparency International. The survey found 23% of users of public services have paid a bribe in the past year. Russia ranks 154th on the index.

International energy majors Shell and Chevron entered Ukraine more than a decade ago with high hopes of tapping into its shale-gas reserves. Their efforts were stymied by a combination of bureaucratic hurdles, local opposition, corruption and, ultimately, Russia's initial invasion of Ukraine in 2014.

Chevron pulled out of its $10 billion shale-gas deal in 2014 because of delays in government approvals and regulatory challenges. Shell exited its agreement in 2015, citing the conflict in eastern Ukraine and an unfavorable business environment.

Even knowing precisely where and in what quantity Ukraine's mineral resources are located is a challenge. Most of the maps and estimates available are based on outdated Soviet-era studies. To make new mines commercially viable, the owners must conduct new investigations.

UkrLithiumMining is one such company. Since getting a production license from the government in 2017, the company, which is developing Ukraine's first lithium mine, has spent more than $20 million acquiring the license and conducting studies to see exactly what is in the ground.

It also spent about $1 million paying a British company to conduct an environmental-impact report to facilitate investment.

And, before any mining can begin, a further investment of at least $350 million would be required to conduct a "definite visibility study" and build facilities for mining and processing the rock, of which lithium makes up a small part.

"There's an illusion that it's someone taking a shovel and starting to dig money out of the ground," said Denys Aloshyn, chief strategy officer for UkrLithiumMining.

Moreover, the war is never too far away. Titanium producer Velta has faced disruptions to its electricity supply because of Russian missile attacks on energy infrastructure. Last year, the company operated at 50% of its plant's capacity. Logistics costs more than tripled.

U.S. Halts Venezuela Oil Permit

Continued from Page One

that many regional observers believed meant the president would allow the oil to keep flowing. Maduro has long refused to accept deportees after almost eight million Venezuelans left the country during his 12-year tenure because of economic contraction and political repression.

U.S. officials had said the deal included Venezuela taking back members of the Venezuelan gang Tren de Aragua, which has been accused of involvement in several high-profile crimes in the U.S.

"The regime has not been transporting the violent criminals that they sent into our country (the Good Ole' U. S. A) back to Venezuela at the rapid pace that they had agreed to," Trump, a Republican, said on Truth Social.

Vice President Delcy Rodríguez of Venezuela, who doubles as oil minister, said: "The United States has taken a harmful and inexplicable decision." She blamed the government's political rivals for cajoling the U.S. toward taking a hawkish stance against the Venezuelan government.

Grenell didn't respond to requests for comment.

"We are aware of today's announcement and are considering its implications," Chevron spokesman Bill Turenne said. "Chevron conducts its business in Venezuela in compliance with all laws and regulations, including the sanctions framework provided by U.S. government."

Caracas attacked 'a harmful and inexplicable decision.'

Over the past several years, Chevron Chief Executive Mike Wirth has spoken with U.S. officials in the White House and the Treasury and State departments as administrations and restrictions on pumping oil in Venezuela have changed.

Chevron has stated that its presence in Venezuela bolsters global supplies and U.S. energy security, a message it delivered in meetings with Biden administration officials just days after Maduro claimed a disputed election last year. Chevron pumps over 200,000 barrels of oil a day in Venezuela, 6% of its global output of oil and gas.

Wirth, other oil executives and industry lobbyists have enjoyed a friendlier relationship with Trump than they had with the Biden administration, according to people familiar with the matter.

After Trump's election in November, the president's advisers debated how to deal with Venezuela's regime. Some officials advocated focusing on negotiating with Maduro to allow migrants who entered the U.S. illegally to be sent back to Venezuela. Other officials, including then-Sen. Marco Rubio, who is now secretary of state, pushed for a review of the license.

Trump's first administration made attempts to financially and diplomatically isolate Maduro.

Trump's announcement came just as his son, Donald Trump Jr., was recording a podcast with Venezuela's opposition leader, María Corina Machado, who has been in hiding to avoid arrest since leading an effort last year to challenge Maduro's claims of winning re-election. The U.S. and many of its allies say he lost and recognize his rival Edmundo González as the country's rightful president.

"My father just revoked the Biden-era oil licenses funding Maduro's corrupt illegitimate regime," Trump Jr. said.

"Wow, I'm just learning about it," Machado said during the podcast. "This is proof for me that President Trump is on the side of the Venezuelan people, of democracy and prosperity for the U.S. and for Venezuela as well."

Severing the Chevron business in Venezuela will cut a financial lifeline for Maduro, Machado said.

Her comments were in direct response to some American oil executives and debt investors who have been pushing Trump to negotiate with Maduro, arguing that Venezuela could help advance U.S. priorities on migration and energy security. Many of those advocates for rapprochement had been encouraged by the Trump administration's engagement with Venezuela since taking office.

The visit by Grenell—who was seen in photos smiling and shaking hands with Maduro at his presidential palace—had been seen as a tacit recognition of Maduro as the legitimate leader of Venezuela.

Details of Deal Still Unresolved

Continued from Page One

the deal remain up in the air. The text of the deal, which has been viewed by The Wall Street Journal, includes the creation of a fund co-owned by the two countries, with the details of the financial arrangement to be determined down the line.

The agreement lacks explicit security guarantees for Kyiv, which Zelensky had previously said would be necessary for any mineral-rights deal, and nods toward Kyiv's needs for such assurances. One clause of the agreement says the U.S. "supports Ukraine's efforts to obtain security guarantees needed to establish lasting peace."

The high-profile signing of the agreement would be a victory for Kyiv, which feared that Trump, who has been trying to broker a peace deal between Russia and Ukraine, might meet first with President Vladimir Putin of Russia.

Trump praised the financial benefits of the deal. "We've been able to make a deal where we're going to get our money back and we're going to get a lot more money in the future and I think that's appropriate because we have taxpayers footing the bill," he said on Wednesday.

Trump also said that he is focusing on establishing peace in the region, but didn't say what that meant for the future of Ukraine's government or borders. "I'm not going to make security guarantees," Trump said, noting Europeans would place troops in Ukraine, "but we're going to make sure everything goes well."

Zelensky himself proposed a minerals deal in the autumn of 2024, sensing that Trump, who has criticized U.S. support for Kyiv as a zero-sum drain on U.S. resources, would be more amenable to continuing support if he saw some return on U.S. investment. The original idea was to float cooperation with the U.S. on developing $10 trillion to $12 trillion in critical minerals and rare-earths elements, "big numbers that really did capture Trump's attention," said Heidi Crebo-Rediker, a senior fellow at the Council on Foreign Relations.

The Ukrainian proposal also aimed to help the U.S. counter China and Russia's chokehold on the global supply chain of critical minerals and rare-earth elements that are vital to high-tech and weapons industry in the U.S.

While large deposits of titanium, graphite and uranium are well inside Ukraine-controlled territory, many of the rare earths would need to be mined in or near contested or occupied areas of the country, said Crebo-Rediker. So if these deposits are to be developed, the U.S. will need to worry as well about defending and protecting Ukraine's physical security, she said. The U.S. and Ukrainian tech and defense industries, she said, would be joined at the hip.

"Logically, an economic security agreement has no value if the territory is not secure and protected, which is where I think the Trump administration is going with this," she said. "The military support part of the equation should come next in negotiations."

Zelensky's mineral-rights proposal turned into a flashpoint between Kyiv and Washington earlier this month when they began discussing details. Washington drafted its own proposal, and then Trump's Treasury Secretary Scott Bessent traveled to Kyiv to present the U.S. version as a take-it-or-leave it plan that Zelensky needed to sign immediately, the Ukrainians said.

Zelensky said he couldn't sign an agreement that didn't include security guarantees for Ukraine. Officials across Europe also expressed shock at some of the demands the U.S. had made in the offer, including the right to up to $500 billion in revenue from mineral development, which is far more than the U.S. has contributed to aid Ukraine since Russia's invasion began.

After Zelensky refused the initial offer, Trump called him a dictator and falsely accused Ukraine of starting the war. Zelensky said that Trump was living in a disinformation bubble.

Fearing an outright breakdown in relations between Washington and Kyiv, aides and diplomats sought to mediate the conflict. Zelensky said Wednesday the current agreement was an improvement on the original one because it didn't ask Ukraine to pay back aid that the U.S. had already sent. The exact economic arrangement of the co-owned fund will need to be determined in future agreements, Zelensky said. A portion of the proceeds from the fund would be put toward reconstruction efforts in Ukraine, according to the text.

Oil and natural gas, as well as critical minerals, are included in the terms of the agreement, but any resources that are already earning money for the Ukrainian government are excluded.

"Between the first step and the second step, we need to understand where we stand with the United States of America," Zelensky said.

Leaders Perfect Art of the Whisper

By Stacy Meichtry And Max Colchester



TASOS KATOPODIS/GETTY IMAGES

Emmanuel Macron and President Trump met this week.

WASHINGTON—When French President Emmanuel Macron visited Washington this week, President Trump invited him earlier than scheduled into the White House, where the two men talked alone for over an hour.

Macron pressed Trump to provide a U.S. military "backstop" for the thousands of troops that the U.K. and France are willing to deploy in Ukraine if a peace deal is reached, a senior official said. They didn't get into the details, the official said, but Trump was open to the idea and Macron left Washington believing they had an understanding.

"We work very well together," Macron said later.

Trump's drive to negotiate a swift end to the Ukraine war, and his desire for rapprochement with Russia, has European leaders trying their hand at a skill they consider vital to the Continent's security: Trump whispering.

Trump whispering is a practice that takes many forms—flattery, reverse psychology and pomp—but its ultimate aim is to guide him toward your foreign-policy goals. Politicians who pride themselves on Trump whispering say it starts by understanding his transactional instincts.

Framing geopolitical issues in real-estate terms is one technique. So is appealing to Trump's sense of status among world leaders. During Trump's first term, Macron invited him to Bastille Day celebrations, making him the guest of honor at France's annual military parade. The gesture spawned an initial bromance. Disagreements later clouded the relationship.

Mexican President Claudia Sheinbaum has charmed Trump, and temporarily avoided tariffs, by offering 10,000 troops to guard the U.S.-Mexico border. Israeli Prime Minister Benjamin Netanyahu flattered Trump, calling him "the greatest friend Israel has ever had."

A procession of dignitaries has been arriving in Washington on a mission to charm, cajole and ultimately persuade Trump that he is about to commit a historic error in siding with Moscow against the interests of Ukraine and its European allies. It isn't quite clear if whispers are working.

Over the weekend, Andrzej Duda, the Polish president, got 10 minutes of face time with Trump after hustling across the Atlantic for an audience.

Though Macron believes he has an understanding with Trump, a White House official said the peace agreement that Trump is forging won't include a guarantee of future aid for war or any commitments to send U.S. personnel into the region. Much is at stake for Europe. Trump's decision to press for a rapid peace in Ukraine risks playing into Russian President Vladimir Putin's hands and upending 80 years of trans-Atlantic security ties that have been a guarantor of relative peace worldwide.

British Prime Minister Keir Starmer on Thursday is the next person to try to woo Trump. To prepare, the U.K. announced the biggest military-spending rise since the Cold War. Starmer, a low-key former human-rights lawyer turned left-wing politician, is probably Europe's most unlikely Trump whisperer. His aides are hoping that a combination of warm words, promises of more military spending and shared British-American history can help him persuade the U.S. president to adjust his course.

Starmer also will be dangling the prospect of a state visit to the U.K. for Trump with the royal family, whom the president admires.

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U.S. Aid Halt Slows Haul of China Data

Funding freeze hits nonprofit groups tracking increasingly scarce information

By Chun Han Wong

China, the world's second-largest economy, is one of the most impenetrable countries. Now, the Trump administration's move to suspend foreign aid is starting to derail nonprofit efforts to unearth data on business and social trends—which was already hard to track.

Nonprofits cited halts to funding from U.S. institutions including the State Department, the U.S. Agency for International Development and the National Endowment for Democracy.

Activists and nonprofit executives say the shutdown—led by Elon Musk's Department of Government Efficiency—is forcing nongovernment organizations to suspend or stop their research on everything from human-rights abuses to socioeconomic indicators prized by foreign businesses.

One nonprofit has suspended efforts to collect data on public dissent and worker unrest—information that investors and academics have mined for clues on China's economic health and social stability. Some activists say they are cutting research on Chinese supply chains, disrupting work that has helped foreign companies and consumers navigate legal and ethical concerns over the alleged use of forced labor.

Other NGOs are dialing back efforts to track the Communist Party's suppression of speech and religious freedoms, and worry that they may have to cease contact with Chinese activists, independent journalists and whistleblowers who share information that Beijing tries to suppress. Also at risk are think-tank studies on Chinese cyber threats and foreign-influence operations, which have uncovered potentially malicious activities that democratic governments around the world are trying to thwart.

"U.S. government grants often fund research that cannot be conducted easily in China due to Beijing's formidable censorship apparatus," said Neil Thomas, a fellow on Chinese politics at the Asia Society Policy Institute. "Cutting off support for researchers focused on understanding Beijing could raise the risk of strategic misunderstandings that endanger U.S. national security."

Foreign officials, academics and executives have turned to China-focused NGOs, and their local connections, for help parsing signals from a country where the Communist Party has tightened controls on data and suppressed independent analysis of social and economic trends. Many of these NGOs now say they are scrambling to seek new funding or lobby for resumptions to their grants.

Many of these NGOs have received U.S. government grants that were meant to fund research and advocacy projects that support Washington's foreign-policy goals, according to a U.S. government database.

Their findings have informed policy debates in Washington, with citations by the House Select Committee on the Chinese Communist Party, and in reports published by the Congressional-Executive Commission on China, a group of lawmakers and executive-branch officials that tracks human-rights issues in the country.

Some of these NGOs have also provided international institutions such as the United Nations with information on alleged human-rights abuses and forced labor in China, such as the Communist Party's forced-assimilation program targeting Uyghurs and other Muslim ethnic minorities in the frontier region of Xinjiang, activists and nonprofit executives familiar with such work say.

One widely cited data set on social unrest in China came from Freedom House, a Washington-based organization that tracks political freedoms around the world, which said the U.S. aid freeze has forced it to suspend its China Dissent Monitor, a platform that documents protests and other forms of public unrest.

Launched in 2022, China Dissent Monitor documents mainly in-person demonstrations and online dissent by tracking news reports and social-media posts, as well as information from local activists and NGOs. In its most recent quarterly report, the initiative said it tracked 937 instances of dissent from July to September last year, a 27% increase from the same period in 2023, and categorized more than 40% of protests as being led by workers.

"We hope that we will be able to continue work on this important project soon," Freedom House said.

While major nonprofits suspend U.S.-backed research projects on China, smaller organizations say they are struggling to survive, even after furloughing or laying off staff to buy time. Many of these groups are reluctant to speak publicly about their difficulties, since this could make public their reliance on U.S. funding and jeopardize the safety of partners in China, activists said.

"When smaller NGOs are broken, they can't be easily rebuilt," said an Asia-based executive of an American private foundation that has provided funding to China-focused nonprofits. "The functions and capabilities that these NGOs provide would be lost."

China Digital Times, a California-based website that tracks Chinese censorship, said it has slashed management salaries and working hours for regular staff after losing grants from the National Endowment for Democracy, a nonprofit funded by the U.S. Congress.

China Labor Watch, a New York-based advocacy group that monitors workers' rights, said the aid freeze eliminated some 90% of its $1 million budget for this year. The group has suspended investigations into the use of forced labor in Chinese supply chains—work that helped U.S. authorities identify and ban imports from companies that allegedly use Uyghurs and other ethnic minorities as forced labor.

The Atlantic Council, a Washington-based think tank, has paused work on several China-focused projects that were funded by State Department grants, including research on how Beijing tries to use international institutions to advance its interests, and a program to train Latin American journalists on how to monitor Chinese influence operations in that region.

The think tank is working to get the grants restored, according to Romesh Ratnesar, senior vice president of engagement at the Atlantic Council. "These programs are cost-effective investments in U.S. national security," he said. "They allow for independent research and engagement to counter China's strategic ambitions."



PEDRO PARDO/AGENCE FRANCE-PRESSE/GETTY IMAGES

NGOs have detailed alleged human-rights abuses including the Communist Party's forced-assimilation program targeting Uyghurs.

'We're Looking for Alternative Support'

The Australian Strategic Policy Institute, a Canberra-based think tank, said the U.S. funding halt has prompted it to stop work on China-related research and data projects—worth about $1.2 million—that focused on cybersecurity and technology issues. The think tank's China work has often been cited by members of the U.S. Congress.

"Like many NGOs we're waiting to hear whether this work will proceed in the months to come," said Danielle Cave, ASPI's director of strategy and research. "In the meantime, we're looking for alternative support and staff have been moved to other projects where possible."

U.S. government grants have accounted for roughly 10% to 12% of ASPI's funding and financed roughly 70% of its China research since 2019, which included studies on Chinese disinformation and data-harvesting operations, according to the institute.

To help finance its work, ASPI is planning to charge access fees for some of its more popular research, particularly on China-related projects that require significant resources to produce and maintain, Cave said.

Germany's AfD Harnessed Social Media to Win Votes

By Tom Fairless

BERLIN—For Germans browsing social media in recent months, one political party was tough to avoid.

The far-right Alternative for Germany, or AfD, which wants to pull Germany out of the European Union and fly immigrants back to their home countries, dominated online channels in the run-up to Sunday's federal election, according to Unicepta, an independent research firm based in Cologne, Germany.

Social-media users responded to AfD messaging 17.5 million times between Jan. 1 and Feb. 17 on Facebook, Instagram, TikTok and X, the most of any party and more than the center-right Christian Democratic Union and center-left Social Democratic Party combined, according to the firm.

Researchers said this blanket exposure might be one of the reasons for the AfD's stellar performance at the ballot, where it doubled its share of the votes, scored the biggest gains of all parties, and finished first in many socio-economic groups, including taxpayers, voters under 50 and blue-collar workers.

In a country where one-third of people now receive their news via social media, according to the Reuters Institute for the Study of Journalism, parties that can harness these platforms have a huge advantage in shaping public opinion.

"If you make a new TikTok account, you have to scroll through five or six AfD content clips. There is sometimes 400 times more AfD content" than that of the other parties, said Rüdiger Maas, founder of the Institute for Generational Research, a think tank in Augsburg, Germany. Any German spending 90 minutes on social media might be seeing AfD messaging for two-thirds of this time, Maas said.

Blanket exposure helped the far-right party gain at the ballot box.

Slick and combative videos, pushed through an ecosystem of party officials and independent influencers, drove millions more views than any other party, spilling into popular TV talk shows and helping to shape Germany's public debate around immigration and free speech.

The AfD's online campaign leveraged its status as a troublesome upstart, founded in 2013 to oppose the economic policies of former Chancellor Angela Merkel. It has opened up new classes of voters beyond the party's traditional base among working-class East German men.

AfD leaders typically publish extracts from heated debates or speeches, while grassroots influencers focus on emotional diatribes against terrorist attacks in Germany, decry supposed constraints on free speech, or pull polemical stunts, often at the expense of left-wing activists.

"It's a 'breaking out of the Matrix' feeling," said Naomi Seibt, a 24-year-old German living in the U.S. Seibt posts videos skewering Berlin's immigration and German speech laws to hundreds of thousands of followers on X.

"In Germany everything is very traditionalist...very conformist. They don't want to step out of line," Seibt said.

Seibt said she isn't paid by the AfD, and only connected with party leaders after helping to connect them with Elon Musk last year. "The truth is, the AfD is a bit disorganized on social media," she said.

Nevertheless, 55% of young German voters said the AfD does the best job of reaching young voters via social media, with the Green party trailing in second place at 14%, according to a recent study by Maas's Institute.

The AfD tripled its vote share among voters aged 18-24 over the weekend compared with the 2021 election, to 21% from 7%.

It roughly doubled its share among voters aged 25-44, to around 25%, according to Infratest dimap.

A broader voter base sets the party up for further gains at the ballot box.

The AfD's social-media campaign "is very strategic, and you have to say that it works," said Jörg Müller-Lietzkow, a board member and spokesman for cnetz, an association for network policy that is close to the conservative CDU party. "There is no good answer right now from the traditional parties."

WORLD WATCH



POMPEII ARCHAEOLOGICAL PARK/REUTERS

FRIEZE FRAME: A giant fresco uncovered in the Roman city of Pompeii, which was buried by the eruption of Mount Vesuvius in A.D. 79, is displayed in a photo released on Wednesday.

SUDAN

Toll Rises in Crash Of Military Plane

The death toll from the crash of a Sudanese military aircraft in the city of Omdurman rose to at least 46 people, including women and children, officials said on Wednesday.

The Antonov aircraft crashed on Tuesday over a populated district, the government-run Khartoum Media Office reported. Local media reported that the aircraft was on the way to the Red Sea city of Port Sudan, the seat of the military-backed government. Among the dead were senior military officers and the aircraft crew, a military official said.

Meanwhile, the United Nations' food agency said it has paused aid distribution in Sudan's famine-hit Zamzam displacement camp as fighting intensifies between the country's warring sides, and it warned that thousands could starve.

—Associated Press

BOSNIA

Separatist Serb Gets Year in Prison

A court in Bosnia on Wednesday sentenced Milorad Dodik, the pro-Russia Bosnian Serb president, to one year in prison and banned him from politics for six years over his separatist actions as tensions mount in the fragile Balkan state.

The landmark ruling by the court in Sarajevo came after a yearlong trial against Dodik on charges he disobeyed the top international envoy overseeing peace in the Balkan country. The judgment becomes final after the appeal process.

Dodik has said he would disobey any conviction and threatened "radical measures" in response, including eventual secession of the Serb-run entity in Bosnia called Republika Srpska from the rest of the country.

—Associated Press

ROMANIA

Far-Right Populist Faces Charges

Prosecutors launched a criminal investigation on Wednesday against a far-right populist who won the first round in a canceled presidential election last year, accusing him of election campaign funding abuses, supporting fascist groups and other offenses.

Police detained Calin Georgescu in the capital Bucharest and detained him for questioning Wednesday. Prosecutors said they opened criminal proceedings against him for alleged offenses including "incitement to actions against the constitutional order, spreading false information, and false declarations" regarding electoral campaign financing and asset disclosures.

Georgescu has denied wrongdoing and called on supporters to attend a protest on Saturday in Bucharest.

—Associated Press

P2JW058000-0-A01000-1--------XA

GOP Seeks Tributes to Trump Now

Continued from Page One

into Mount Rushmore. A New York Republican wants to make his birthday—June 14, which also falls on Flag Day—a new federal holiday. Another is proposing to rename one of Washington's other main travel hubs Donald J. Trump International Airport.

Lawmakers of both parties often propose "messaging bills" that have little chance of becoming law to score political points with constituents. But Congressional Republicans' message this session is rare for the volume and limited focus of one category of proposals: unabashed adulation for the 47th president and his agenda, even if some of the bills are more performative than realistic.

"It's an opportunity for us to show the country that Congress supports the president," said Rep. Andy Ogles (R., Tenn.).

The groundswell of tributes comes as Trump is pushing executive power to new limits with the backing of longtime MAGA loyalists. With moves to reshape the federal government, tear up trade deals and upend global alliances, he is flexing the power of the presidency in ways not seen in living memory—and facing legal challenges over how far the office's reach extends.

The White House didn't respond to requests for comment on the proposals.

Even as some GOP lawmakers face backlash from voters over Trump's moves, others are aiming not only to burnish his historical legacy, but to keep him around even longer.

Ogles proposed a constitutional amendment that would increase the presidential term limits from two to three, which would enable Trump to run for another four years in office. The bill is written to allow only presidents who have served nonconsecutive terms to seek a third term, meaning Trump would qualify—the late Grover Cleveland would have, too—but Barack Obama, George W. Bush and Bill Clinton would not.

Trump didn't ask Ogles to propose the bill but is "clearly aware of it," said the Tennessean. Ogles has also led or joined efforts related to purchasing Greenland, renaming the Gulf of Mexico and repurchasing the Panama Canal, all issues touted by Trump.

None of the bills have gathered enough signatures to suggest they have momentum to pass the Republican-controlled House any time soon. In the Senate, which has 53 Republicans, it's unlikely that any proposal that clears the House would win the 60 votes needed to pass that chamber.

Rep. Claudia Tenney (R., N.Y.), the lawmaker behind the proposal to make Trump's birthday a holiday, said that doing so would ensure his contributions "are forever enshrined into law." A proposal from Rep. Anna Paulina Luna (R., Fla.), meanwhile, would enshrine Trump's face in Mount Rushmore. "Let's get carving!" she wrote on X.

Throughout both his terms, Trump has repeatedly talked about himself as the second-best president (after the "late, great Abraham Lincoln"), and has toyed with the idea of his image being added in South Dakota granite alongside Lincoln, George Washington, Thomas Jefferson and Theodore Roosevelt.

Other bills honor Trump's vision, if not his visage. After the president said he wanted to take control of Greenland, Rep. Buddy Carter (R., Ga.) introduced legislation that would rename the island "Red, White and Blueland." It would also compel the U.S. to begin negotiating with Danish officials on Greenland's acquisition and require Interior Department officials to oversee the renaming on federal maps within 180 days of passage.

Democrats are snickering at the loyalty exercises—and using them as an opportunity to criticize their GOP colleagues for straying from campaign promises to reduce inflation.

"At this point, House Republicans should stop filing these desperate, pointless bills that do nothing to bring down the cost of rent or groceries, and just rent one of Elon's rockets to write 'Love me Donny' in the sky in front of Mar-a-Lago," said Rep. Jasmine Crockett (D., Texas). "It would be faster."

Republican Rep. Brandon Gill hopes his constituents in North Texas can soon visit Washington via the Donald J. Trump International Airport. Shortly after Trump's inauguration, Gill co-sponsored a bill that would rename Dulles Airport in the president's honor.

Gill said voters across the U.S. "would love to rename their state 'The State of Donald Trump.' " Short of that, the airport's renaming would be "a great way of commemorating all of the incredible work that President Trump has done for this country."

Staff Paid By Private Clients

Continued from Page One

ment pay, and it wasn't known if any SGEs are.

SGEs have been around since the 1960s, when Congress first enabled administrations to bring in experts without requiring them to leave jobs in academia or the private sector. The designation has typically been used to allow subject matter experts to sit on advisory boards or serve in narrow, specialized roles without giving up their jobs, as regular government employees are required to do.

But the Trump administration has used the status in a way never before seen, installing multiple people at top levels who are setting U.S. policy.

Some ethics experts have accused the administration of using the loophole to permit enormously powerful government workers to shield their finances from public scrutiny. They say that presents opportunities for corruption, and threatens to blur the line between private enrichment and public service.

"This is just taking this loophole to an extreme," said Richard Painter, a University of Minnesota law professor who served as a top ethics lawyer for President George W. Bush. "Special government employees hide their finances from the public, so people can't find out about the extent of their potential conflicts of interest."

The special status is more appropriately used for part-time service on government boards and commissions, he said, or for expertise on a narrow subject area. "This is a false use of the SGE status," he said.

The clients of P2, Miller's firm, include some of the world's most powerful technology companies and other businesses, along with LIV Golf, the Saudi Arabia-backed golf league that plays tournaments at Trump courses. Apple CEO Tim Cook recently met with President Trump in the Oval Office, and LIV Golf chairman Yasir Al-Rumayyan called in for a meeting with Trump and the head of the PGA Tour.

Miller is also working for Jeff Miller, who isn't related, another prominent Washington lobbyist who represents a swath of corporate America and was a major fundraiser for Trump's 2024 campaign. He has paid Katie Miller through P2 to handle his publicity, the people said.

Karoline Leavitt, the White House press secretary, said it was "standard practice" to hire SGEs "based on their outside experience, for a limited period of time."

"President Trump's SGE's are highly-talented and well-respected businessmen and women, policy experts and communications professionals who are bringing a depth of experience and knowledge to help the president implement his agenda," Leavitt said, adding that they are "abiding by all applicable federal laws."

Miller declined to comment on her specific clients and work in the Trump administration. P2 declined to comment. Apple and LIV didn't respond to requests for comment.

Key policymakers

A White House official said there are 13 SGE employees working within the White House, along with others across the federal government.

Other SGEs include David Sacks, who advises Trump on cryptocurrency and AI policy and is co-founder and partner of Craft Ventures, a venture-capital firm. Senior digital adviser Ory Rinat has had a wide-ranging career as a digital communications consultant.

The government doesn't release regular data on how many employees are SGEs, but a 2016 Government Accountability Office report found that from 2005 and 2014, the federal government employed an average of around 2,000 SGEs a year, excluding those on federal boards.

Previous administrations have also been criticized for relying on SGEs. Huma Abedin, Hillary Clinton's deputy chief of staff at the State Department, was an SGE for a time while she worked for Teneo, a consulting firm. That arrangement drew the ire of Republican Sen. Chuck Grassley, who said at the time the designation is for "technical outside expertise rather than for a current government employee's convenience or desire for outside employment." Abedin didn't respond to a request for comment.

Anita Dunn, a top aide to President Joe Biden, held the title while keeping her ties to SKDK, a Democratic consulting and lobbying firm. "I entered the Administration on a temporary basis to help with the transition and the beginning of the government. When I returned to the government in May 2022, I did so as a full time employee and not as an SGE," Dunn said.

In the Trump administration, SGEs have extensive ties in the corporate sector and are driving some of the country's most important policies.

Musk embodies the overlap between the administration and the private sector. The world's richest person continues to helm Tesla and SpaceX while simultaneously serving as an SGE advising the president.

As the driving force behind DOGE, he wields unprecedented power to overhaul the executive branch with few restrictions. At the same time, his space company has extensive government contracts, and Trump's policies on electric vehicles could have a significant impact on Tesla's profits. Amid questions about Musk's official role, the White House on Tuesday identified Amy Gleason as acting administrator of DOGE.

Witkoff is negotiating with Russia over the Ukraine war—which could include mineral rights for the U.S. valued at billions of dollars—and is also working on a Middle East plan.

He has kept his vast real-estate portfolio while planning a major summit of real-estate developers at the White House to rebuild Gaza.

Leavitt, the White House spokeswoman, said Witkoff will soon divest from his entire real-estate portfolio.

Lewandowski, who has consulted for an array of private-sector clients, joined Homeland Security last month as an SGE. Lewandowski is personally close to Kristi Noem, the secretary, and has sat in on her hiring interviews and in policy meetings. Lewandowski didn't respond to a request for comment.

The SGE designation is ultimately approved by the White House chief of staff's office, according to people familiar with the matter.

While SGEs aren't generally required to file public financial disclosures, federal law still compels them to privately disclose potential conflicts of interest to the Office of Government Ethics. That office earlier this month issued a legal advisory reminding non-SGE presidential appointees they aren't legally allowed to receive outside compensation. Five days later, Trump fired the ethics director, David Huitema, who had been confirmed last year under Biden for a five-year term.

A White House official said the White House Counsel's Office vetted SGE hires for potential conflicts and said the counsel's office has instructed the employees they can't participate in White House discussions that affect their private business.

Many SGEs are clustered around Musk and his cost-cutters in DOGE. Musk recruited business associates and employees of his own firms, some of whom continue to work for Musk in the private sector as they work for him as government employees.

Steve Davis, a longtime Musk deputy at SpaceX who now serves as the president of Musk's underground tunneling and transportation firm The Boring Company, is leading DOGE's cost-cutting initiatives. Earlier this month, The Boring Company signed an agreement with Dubai's transit authority to begin work on an underground shuttle system in that city. Davis and The Boring Company didn't respond to requests for comment.

Another longtime Musk associate at The Boring Company, Riccardo Biasini, who works as a senior adviser in the Office of Personnel Management, has been copied on emails from his Boring Company colleagues as recently as Feb. 14, according to documents received in response to a Nevada public records request. Biasini didn't respond to a request for comment.

James Burnham, who founded King Street Legal, is a top lawyer at DOGE and an SGE. He has been in charge of vetting DOGE's moves into government agencies and occasionally has told DOGE employees what they can't legally do, according to people familiar with the matter.

Burnham, who served as a top Justice Department official in Trump's first term, has withdrawn from cases while on leave from his law firm, court filings showed.

Tom Krause, the CEO of Cloud Software Group, is working with DOGE as a fiscal assistant secretary in the Treasury Department. Krause has flown across the U.S., meeting with Treasury officials and overseeing cuts, according to people familiar with the meetings.

"I want to share with you that in addition to my duties as CEO of Cloud Software Group, I am advising the US Department of Treasury as a 'special government employee,'" Krause wrote in an email to employees. "I am honored to serve our country. Let me be clear—as CEO of Cloud Software Group, I am committed to our company and you, our employees."

Krause didn't respond to a request for comment. A spokesperson for Cloud said Krause and the company are "committed to upholding the highest ethical standards and are operating consistent with the strict provisions in place for special government employees to ensure there are no conflicts of interest."









CLOCKWISE FROM TOP: ALEX BRANDON/AP; KENT NISHIMURA/GETTY IMAGES; EVELYN HOCKSTEIN/PRESS POOL; EVAN VUCCI/ASSOCIATED PRESS

Clockwise from top: Katie Miller and Elon Musk near the White House this month; Miller with her husband, White House official Stephen Miller; U.S. Middle East envoy Steve Witkoff; Corey Lewandowski and White House Chief of Staff Susie Wiles.

Deep ties

Miller has floated in and out of Trump's orbit since 2017, when her husband became Trump's top immigration guru and speechwriter in the White House. She worked previously as a spokeswoman for Vice President Mike Pence and worked at Homeland Security in the first administration. During the transition, she helped Robert F. Kennedy Jr. in his confirmation process. Trump advisers said she has become a powerful figure in the administration.

When she and Stephen Miller were married at the Trump International Hotel in Washington in March 2020, the president attended the wedding, along with cabinet secretaries and top Trump administration officials.

P2, the firm that Katie Miller works for, is headed by two prominent Republicans, Phil Cox and Generra Peck. The firm touts itself to potential clients as a Republican powerhouse with deep ties in the White House, Congress and elite Washington circles.

The firm's top operatives began working with Musk last year to boost Trump's bid for the presidency. Miller became the main interlocutor between Musk and his team and Trump's campaign, developing a relationship with Musk.

After Trump's win, Miller became a hot commodity in Washington. She had ties to the White House through her husband; to Musk; and also to Kennedy, who would become the Secretary of Health and Human Services. She decided to stay at P2 after discussing jobs with other lobbying firms. The firm's leaders have often touted Miller's work for the firm to clients and potential clients.

When Musk came into the administration, Miller followed. She was with him on Inauguration Day and has frequently been with him since, sitting in the Oval Office and smiling as Musk talked on a recent afternoon about his work, his young son accompanying him.

The firm, people close to its leaders said, is busier than ever.



BRIAN SNYDER/REUTERS

A recently fired USAID staffer outside the agency's Washington office this month.

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A Tax Guide for Parents Seeking To Lower Child-Rearing Costs

Today's tax code offers many ways to save money, including education credits, FSAs and 529s

By Ashlea Ebeling

To counter the high costs of raising children, Congress has sprinkled various breaks for parents throughout the tax code.

But you need to know where to look and to compare benefits. Funding a flexible-spending account for child-care expenses through your employer-benefits program might save you more than claiming the dependent-care tax credit. Education credits for college or job-skills classes are among the most overlooked, according to the IRS. If your child has unearned income, study up on the "kiddie tax."

Child tax credits

The maximum child tax credit for 2024 and 2025 is $2,000 per child under age 17 at year-end. This is a dollar-for-dollar reduction in taxes.

The credit begins to phase out at $400,000 of modified adjusted gross income for married couples filing jointly and $200,000 for single filers. A couple with two children and MAGI of more than $480,000 wouldn't get the credit.

Low and moderate earners may be eligible for a payment of up to $1,700 per child, even if they don't owe income tax.

The credit for dependents who are age 17 and older at year-end, such as an older child or elderly relative, is up to $500. It has a similar income phaseout.

Use Schedule 8812 and its instructions to calculate and report the child tax credit and credit for other dependents. Longstanding rules define who is a dependent, as described in IRS Publication 501.

Various proposals to expand the child tax credit beyond $2,000 are being discussed as Congress considers the fate of the 2017 tax cuts.

Child-care expenses

Flexible-spending accounts for dependent care

Flexible-spending accounts, or FSAs, are employer-sponsored plans that allow workers to set aside pretax dollars to pay certain unreimbursed expenses. Parents can use funds in dependent-care FSAs to reimburse themselves for daycare and child care. This includes after-school programs and summer day camp for children under 13. The contribution limit is usually $5,000 per family, per year.

Workers' contributions to FSAs aren't subject to federal payroll taxes or, in many cases, state taxes.

Child- or dependent-care tax credit

Like dependent-care FSAs, the child- or dependent-care tax credit covers care expenses for children under 13. Both tax breaks can apply to expenses for dependents, such as older children with disabilities incapable of caring for themselves.

The credit is 20% of up to $3,000 of eligible expenses for one dependent, or up to $6,000 for two or more. For very low earners, the credit may be as high as 35%.

For middle- and upper-earning parents with marginal tax rates above 12%, a dependent-care FSA often lowers taxes more than this child-care credit. So these earners should consider maximizing contributions to the dependent-care FSA first.

Parents can claim the tax credit for care expenses that exceed their FSA reimbursements, but no double-dipping is allowed.

IRS Publication 503 explains the tests you must meet to claim the credit, and how to calculate the credit if you also receive dependent-care benefits from your employer.

Saving for education

529 plans

Parents and others can fund 529 college savings plans that allow for tax-free growth of assets for eligible education expenses such as college tuition and room and board. Some states offer state income-tax breaks for contributing.

There is no federal cap on contributions. But a federal gift-tax return may be required on annual contributions larger than $19,000 in 2025.

Withdrawals are generally federal and state tax-free if used for eligible educational expenses.

In recent years, Congress has expanded what is eligible for tax-free withdrawals: up to $10,000 per student, per year, for K-12 tuition; some costs for apprenticeships; repayments of some student loans, with a lifetime limit of $10,000 per borrower. Some states don't allow state tax-free treatment for these distributions.

Savers can transfer 529 funds to 529 ABLE accounts, which are special savings accounts for people with a disability.

A provision of the 2022 retirement law allows 529 account owners to roll over some assets, tax-free, to a Roth IRA owned by the 529 plan's beneficiary. The lifetime rollover limit is $35,000. The 529 account must have been open for at least 15 years, and only funds that have been in the account for at least five years are eligible.

Another type of 529 plan, including the Private College 529 Plan, allows parents to buy prepaid tuition certificates at current prices.

Coverdell education saving accounts

Education savings accounts are another way for parents to save tax-free for their children's educational expenses. The accounts offer more investment options than 529 plans but come with more restrictions. Annual contributions are capped at $2,000 per beneficiary, and income limits apply to those who set up the accounts. See IRS Publication 970 for more details.

More education breaks

The American Opportunity Tax Credit provides a maximum tax reduction of $2,500 per student per year. It is available for the first four years of postsecondary education and applies to tuition and course-related expenses but not room and board.

The Lifetime Learning Credit is typically less generous but applies to a broader range of expenses. The maximum tax reduction is $2,000 per return per year. It can be used for graduate education, continuing education and jobs-skills classes in addition to undergraduate education.

Taxpayers with student-loan interest can typically deduct up to $2,500 of it each year. The limit is per tax return, so single filers and married joint filers get the same amount.

All three benefits are subject to income phase-outs. Again, see IRS Publication 970 for more details.

The 'kiddie tax'

The unearned income of many children under age 24 who are dependents of their parents is taxed at the parents' marginal income-tax rate. This "kiddie tax" is complicated, but it often applies to the child's investment income above $2,600 for 2024.

If your child's only income is from interest, dividends and capital-gain distributions, and totals less than $13,000, you may be able to elect to include that income on your return rather than file a return for your child.

A dependent child must file a tax return if his or her income exceeds any of certain thresholds. These include unearned income of more than $1,300 or earned income of more than $14,600 or self-employment income of more than $400. Note, states have different filing thresholds.

In some cases, a dependent child might file a return to get a refund for taxes withheld. For children who have any W-2 or 1099 income, while they may not be required to file, it is advisable from an identity protection standpoint.

IRS Publication 501 spells out the filing requirements for dependent children. IRS Topic No. 553 has more details on the kiddie tax.

ILLUSTRATION: ELENA SCOTT/WSJ; ISTOCK

Cruise Lines Embrace Galveston as a Port

By Jacob Passy

The cruise-ship industry is embracing a destination that might surprise you: Galveston, Texas.

This island city of 53,000 people on the Gulf Coast may not be synonymous with luxury travel, but Galveston is the fourth-busiest cruise port in the U.S. The city, which served 1.7 million passengers last year, is opening a new cruise terminal later this year that could further build its appeal.

Galveston's proximity to major population centers like Houston and Dallas means it has a large market of potential passengers: Around 50 million people live within a 12-hour drive. That is more than twice as many people as live in Florida, home to the three largest U.S. cruise ports: Miami, Fort Lauderdale's Port Everglades and Brevard County's Port Canaveral.

The two airports in Houston, about an hour's drive away, offer additional access. Jasper Ha, a 44-year-old flight attendant and frequent cruiser from San Diego, says it is usually cheaper to fly to Houston than Florida. He finds good deals for hotels around Galveston, and points to the destinations that Galveston cruises offer.

"You get to go to different ports that are not typically found on a cruise out of Miami or Fort Lauderdale," Ha says, adding that he enjoys taking in Galveston's own attractions, too.

'After the pandemic, people started coming down here in droves.'

Ha isn't the only one who loves the city. One of Carnival's newest ships, the Jubilee, is painted with the Texas Lone Star in a nod to its home port. "We made it clear it's not going anywhere," says Chris Chiames, chief communications officer for Carnival Cruise Line.

Cruises have been sailing out of Galveston since the 1970s. For years, the port was known for serving older, smaller cruise ships that made it an attractive option for passengers seeking discounted sailings.

"We used to have to tell people if you want a new ship, you're going to have to fly to Florida," says Kelley Austin, a franchise owner with travel-agency franchise network Cruise Planners.


Galveston, the only cruise home port in Texas, is opening a fourth cruise terminal this fall.

The port's emergence as a major cruise hub began in earnest when Carnival Cruise Line started sailing out of Galveston in 2000.

Then Royal Caribbean agreed in 2019 to develop a new cruise terminal, says Rodger Rees, Galveston's port director. Rees previously served as Port Canaveral's chief financial officer. A new Royal Caribbean terminal, designed to accommodate the cruise line's largest ships, opened in 2022. This fall, a new terminal that will serve MSC Cruises is set to open. The Disney, Princess and Norwegian cruise lines also sail from Galveston.

"After the pandemic, people started coming down here in droves," Rees says.

Galveston's location presents opportunities and drawbacks alike to cruise lines. Markets like the Bahamas and the Eastern Caribbean are well served by Florida ports, says Lizzie Dove, a Goldman Sachs analyst. Texas is closer to places like Cozumel in Mexico that can take longer to reach from Florida's Atlantic Coast.

At the same time, Galveston's location means it takes longer to get to many destinations, so sailings out of Galveston are typically longer than those out of Miami and Canaveral.

Cruise companies are doing what they can to make that work in their favor. Royal Caribbean chose Mexico for the next iteration of its "Perfect Day" private island concept, which combines the tranquility of a secluded beach with amenities such as bars, restaurants and a sizable water park.

The private destination in Quintana Roo is expected to open in 2027 and will feature similar amenities as Royal's Perfect Day at CocoCay in the Bahamas. It will build out Royal's presence in Mexico, which also includes the forthcoming Royal Beach Club in Cozumel.

Both exclusive options are made for travelers like Ha. "They're unique experiences you can't get anywhere else in the Caribbean," he says.

JOHN MIHOVIL/GALVESTON WHARVES

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Red Light Therapy Draws More Converts

The broader benefits of the treatment are unclear, but some users swear by it: 'The spark that was me has returned'

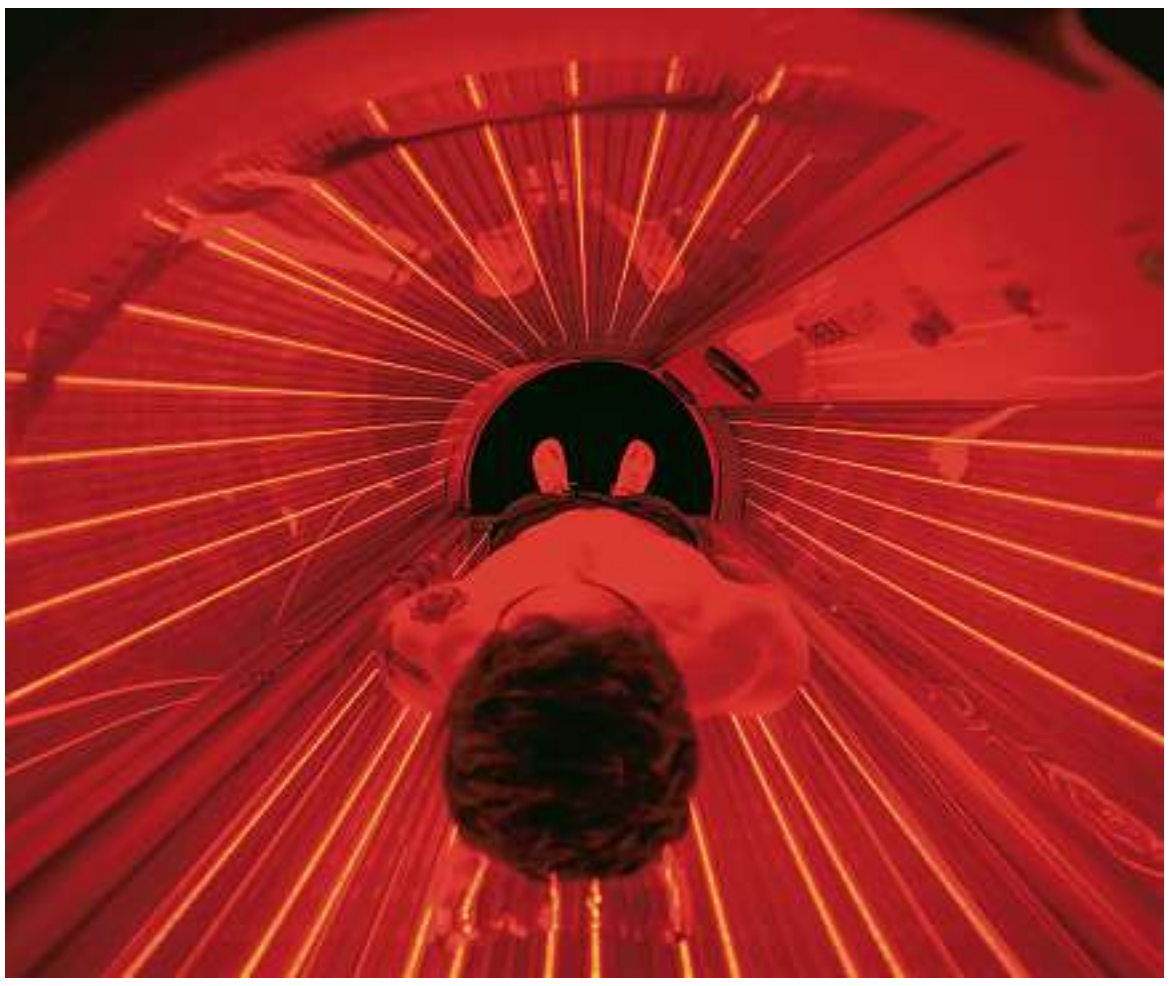
By Alex Janin

Red-light therapy is getting the green light in some health circles, but it's early yet to say whether that's a good thing.

The treatment, a type of light therapy called photobiomodulation that involves exposing the body to low levels of red or near-infrared light, purports to help users lose weight, look younger and balance mood. It's popping up everywhere from hotel spas to European beehives.

While research shows some promise in certain areas like dermatology, it's too soon to say it clearly provides health benefits more broadly—despite the many products being sold that seem to suggest otherwise.

"To sell photobiomodulation now is to put the commercial cart in front of the evidence," says Jonathan Jarry, a science communicator at McGill University's Office for Science and Society.



Red light therapy involves exposing the body to low levels of red or near-infrared light. Below, Paolo Cassano works with a photobiomodulation device. Tom O'Brien, below right, says the therapy has made him feel happier and more energetic.

• Bodies, brains and bees

In a study on cancer patients, researchers at the University at Buffalo found that red and near-infrared light therapies reduced side effects of radiation therapy, including skin damage and inflammation. Dr. Praveen Arany, an associate professor of oral biology who led the research and founded a biotechnology company to develop light-therapy devices, believes there is evidence to suggest the treatment can improve immune response.

In a clinic at Massachusetts General Hospital, patients with mood and cognitive disorders are also testing the treatment. Varying doses to the forehead have helped patients with depression find relief from the common side effects of antidepressants, says Dr. Paolo Cassano, an associate professor of psychiatry at Harvard Medical School and director of the photobiomodulation clinic.

Red light is thought to work by penetrating the skin's surface and boosting brain cells' energy, oxygen and blood flow to help them fire faster, he says.

"It's similar to what you see with physical activity," says Cassano, who also founded a biotech company to develop photobiomodulation devices. "You're pumping more oxygen and more nutrients to the brain."

Glen Jeffery, a professor at University College London's Institute of Ophthalmology whose lab focuses on age-related eye disease, ran a study in patients with normal blood-sugar levels that found red-light therapy on their backs led to reductions in peak blood-sugar levels compared with the control group.

The impact appeared minimal compared with something like exercise, says Minisha Sood, an endocrinologist and obesity-medicine doctor in New York City, who wasn't involved with the study. Still, she said, she might recommend the treatment for patients who are immobile or struggle with physical activity.

In Oslo, Christophe Brod, chief executive of beekeeping technology company Beefutures, who was inspired by some of Jeffery's work, asked him to collaborate on research investigating whether red light could help bees be healthier and more productive in the face of growing stressors, from pesticides to climate change.

The red-light bees lived longer and recovered better from pesticide exposure and extreme weather. They also produced honey of a darker color, suggesting they may have flown further to different crops, says Brod, who is now developing a commercial red-light product that can be inserted into hives.

• Weighing the evidence

Many of the research findings on red-light therapy are in animals, and those don't always translate to people. The studies in people tend to have small sample sizes and lack clear, standardized parameters around factors like treatment duration and dosage, says Jarry, who holds a master's degree in molecular biology. That can make the findings difficult to compare or replicate.





Tom O'Brien, who sustained a traumatic brain injury after a crane collapsed onto a parked car in which he was sitting in 2016, started infrared and near-infrared light therapy with Cassano at Massachusetts General Hospital last year. O'Brien says that while other treatments didn't seem to help, he started feeling happier and more energetic, and the pressure in his head eased, after trying photobiomodulation.

"The LED light therapy lit a fire of recovery in my brain and my body," he says. "The spark that was me has returned."

'This is being used for everything, and that is usually not a good sign.'

Red-light therapy is generally considered safe. Some photobiomodulation devices have been cleared by the Food and Drug Administration.

For many who look at the limited downsides, the question is simply: Why not? The biggest potential cost may be financial: Panels and masks can go for hundreds or thousands of dollars.

• Buyer beware

That said, not all devices are created equal, and there aren't established standards for wavelength, intensity and length of treatment. The most commonly studied wavelength is 660 nanometers, researchers say, making it a good one for consumers to look for.

"It's the wild west out there," says Jeffery. "There are so many companies that are willing to take vast sums of money from you for basically a couple of LEDs in a metal box."

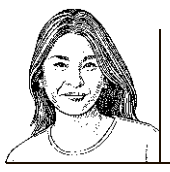
Checking that a product has been cleared by the FDA is a good place to start for safety.

It's also possible the placebo effect contributes to the positive outcomes people report, scientists say. Look out for words like "cure" or assertions that photobiomodulation is some kind of magic bullet for all of your health woes.

"This is being used for everything, and that is usually not a good sign," says Jarry. "If something is claimed to cure everything, it probably cures nothing."

CLOCKWISE FROM TOP: ABBIE PARR/ASSOCIATED PRESS; TOM O'BRIEN; MASSACHUSETTS GENERAL HOSPITAL

Amazon's Alexa+ to Get A Generative-AI Revamp



PERSONAL TECHNOLOGY

NICOLE NGUYEN

New York

ALEXA IS (FINALLY) getting smarter.

Amazon announced the revamped Alexa+ voice assistant, with "more personalized and conversational" generative-artificial-intelligence features, at a live event Wednesday. It starts rolling out to Echo devices with display next month, with a wider release over the subsequent months.

Panos Panay, head of devices and services at Amazon, fired off commands with natural phrasing: "Alexa, what's that song that Bradley Cooper sings and it's like a duet?" A speaker began playing "Shallow."

Panay followed up with: "Alexa, can you jump to the scene in the movie?" A nearby Fire TV opened the film "A Star Is Born," right to the climactic scene.

The company showed demos on the Echo Show 21, its largest smart display, but customers will be able to try Alexa+ on most existing Echo and Fire TV devices as well as a new Alexa.com website and an updated phone app. The service is included with a Prime membership, and will cost $19.99 for nonsubscribers.

A false start

Alexa's evolution has been a sore spot. Amazon first promised a smarter Alexa in late 2023, soon after OpenAI's ChatGPT found the spotlight. But delays stalled Amazon's initial launch.

At first, Alexa felt like a sci-fi gadget come alive, and it made its way to more than 600 million devices worldwide. But now Amazon is playing catch-up in a space it pioneered. Compared with generative-AI bots such as ChatGPT or Anthropic's Claude, Amazon's bot seems limited. And next to natural-sounding, voice-based interfaces from OpenAI, Meta Platforms and Microsoft, Alexa sounds…dumber.

In the home, Amazon might retain an edge, especially against rivals Apple and Alphabet's Google. The initial Apple Intelligence launch was meh, without a significant improvement in the way Siri understands users' voice commands. And Apple hasn't brought any of the incremental updates to its HomePod speakers. Google rolled out Gemini on Nest audio devices to a small subset of paying customers.

Alexa+ will need to rival the conversational mode found on its newest competitors—or risk further disappointment. What makes the AI special, Amazon executives say, is its ability to integrate with smart-home devices and more personalized services.

And as Amazon Chief Executive Andy Jassy noted at the start of the presentation, Amazon's massive cloud business gives it a big advantage in developing and providing generative-AI services to its customers and clients alike.

A big step forward

Here are the new Alexa+ features Amazon showed off Wednesday:

Natural language: You won't have to memorize "Alexa-speak." In the demo, the bot understood, "The Red Sox recently retooled their team in the offseason, is that right?" and responded with the team's new players.

AI agent: After hearing "Book our usual Friday night date spot," Alexa found a reservation on OpenTable. Then the bot texted the babysitter to request availability.

When Amazon Alexa lead Daniel Rausch asked the assistant to look for tickets to a Boston Red Sox game, the results were too pricey. He asked if Alexa could set up a ticket monitor to alert him if prices dropped below $200.

Camera input: The demo's Echo Show 21 has a built-in camera. Panay asked Alexa to look out at the audience. It responded that the attendees have "all eyes on you, laptops at the ready, soaking in every word."

Alexa can also sift through footage captured by Ring security cameras. "Can you see if anybody walked a dog in the last couple of days?" or "Have you seen any packages around the house yesterday?" conjured relevant clips from Panay's own front doorbell.

Memory: Alexa can store preferences to inform future requests. "Can you remember that Mary likes Greek and Indian food and is a vegetarian but doesn't like peanut butter?" When Panay asked for a dinner recommendation, the bot spun up "family-friendly and Mary-approved" recipes.

Document analysis: Alexa+ reviewed a homeowners association agreement and answered questions like, "Am I allowed to install solar panels?"

Alexa+ also answered questions about a handwritten zucchini bread recipe and a kid's next soccer practice schedule. It was able to add future practice dates to a calendar and set night-before reminders.

The caveats

AI is tricky. Amazon will need to prevent the freewheeling Alexa+ from giving misleading or wrong information to millions of customers.

Last month, Apple had to pause a relatively straightforward AI feature that summarized news notifications because the summaries were occasionally misleading or inaccurate. The same feature repeatedly identified my colleague Joanna Stern's son as her husband.

Another concern: How user-friendly will Alexa+ be on devices without a screen? The onstage examples were seamless but they relied on third-party services such as OpenTable and Uber, so additional logins are required. There was also no discussion of using this with popular services such as Google Calendar or Outlook.

After a decade of asking Alexa to set timers and do other basic stuff, I am ready for this old dog to learn new tricks—or even improve its current skill set. I regularly get into shouting matches with my Echo speakers, even for something simple like lowering the volume of my music. Alexa, can your AI upgrade fix that?

We'll have to wait to review the improved assistant in our own homes to see.



Panos Panay, Amazon's head of devices, announced the Alexa+ generative-AI update.

BRENDAN MCDERMID/REUTERS

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ARTS IN REVIEW



ART REVIEW

Dazzling Drawings on Display

The Wadsworth Atheneum spans centuries in its show of stellar works on paper from its holdings

By Lance Esplund

Hartford, Conn.

The Wadsworth Atheneum is a cultural gem. Established in 1842, it's the oldest continuously operating public art museum in the U.S. and boasts a revered, encyclopedic collection. Its pedigree, in great part, is thanks to Arthur Everett "Chick" Austin Jr. (1900-1957), the trailblazing tastemaker-extraordinaire who served as director from 1927 to 1944, and who aimed to turn the Wadsworth into a "place of pilgrimage."

Austin established and redefined what a modern museum—with thematic exhibitions, lectures, performances and galas—could be. Under Austin, who designed its Bauhaus-style Avery Memorial wing, the Wadsworth was the earliest American museum to acquire works by Caravaggio, Piet Mondrian, Joan Miró, Alexander Calder, Joseph Cornell, Salvador Dalí and Balthus. He mounted the first U.S. museum exhibitions of Picasso, Neo-Romanticism, Surrealism and Italian Baroque painting—a period he resurrected. He brought George Balanchine from Russia, intending to establish the School of American Ballet and its theater at the Wadsworth. And he procured the superb Serge Lifar collection of about 300 paintings and drawings, mostly Ballets Russes set and costume designs.

Less well-known, however, is the Wadsworth and Austin's enduring commitment to drawings. Before Austin, the Wadsworth owned 140 sheets. Afterward, 700. Currently, the museum maintains a diverse collection of almost 3,700 drawings—nearly 1,250 of them European, from which 69 were chosen for the dazzling exhibition "Paper, Color, Line: European Master Drawings From the Wadsworth Atheneum." Twenty-five of those drawings were acquired by Austin, and the museum's other directors have generally followed in his discerning footsteps. Austin's immediate successor, Charles Cunningham, added 430 European drawings, 23 of which are included here.

"Paper, Color, Line" isn't your typical in-house drawings show. Selected by Oliver Tostmann, the Wadsworth's curator of European art, its drawings are largely stellar, unusual, historically important or all of the above. Like the rest of the museum's collection, they exude personality, humor, taste, verve. As the mostly chronological show progresses, so too does the Wadsworth's history, and the history and range of European drawing.

Opening the exhibition are Robert Bakewell's large watercolor landscape-frieze, "Panoramic View of New Haven From East Rock" (1844); and the first two drawings to enter the Wadsworth: James Sharples's austere, finely rendered pastel portraits of George and Martha Washington (c. 1798). The portraits were bequeathed by the Washingtons' close friend Jeremiah Wadsworth, father of the museum's founder, Daniel.

The show then steps back in time, to establish the importance and tradition of draftsmanship in Europe. We encounter a rare nude from Rembrandt's workshop; Govaert Flinck's sublime, dusk-colored chalk drawing, "A Standing Woman (Hagar)" (c. 1650s); and Carlo Maratti's influential black-gall-ink sketch, "Study for 'The Academy of Painting'" (before 1682). Inspired by Raphael's "School of Athens," Maratti's bustling, expressionistic allegory of an idealized *atelier* depicts Leonardo, among other artists; the Three Graces, lounging in clouds; and the Greek sculpture "Apollo Belvedere," seemingly conversing with other statues.

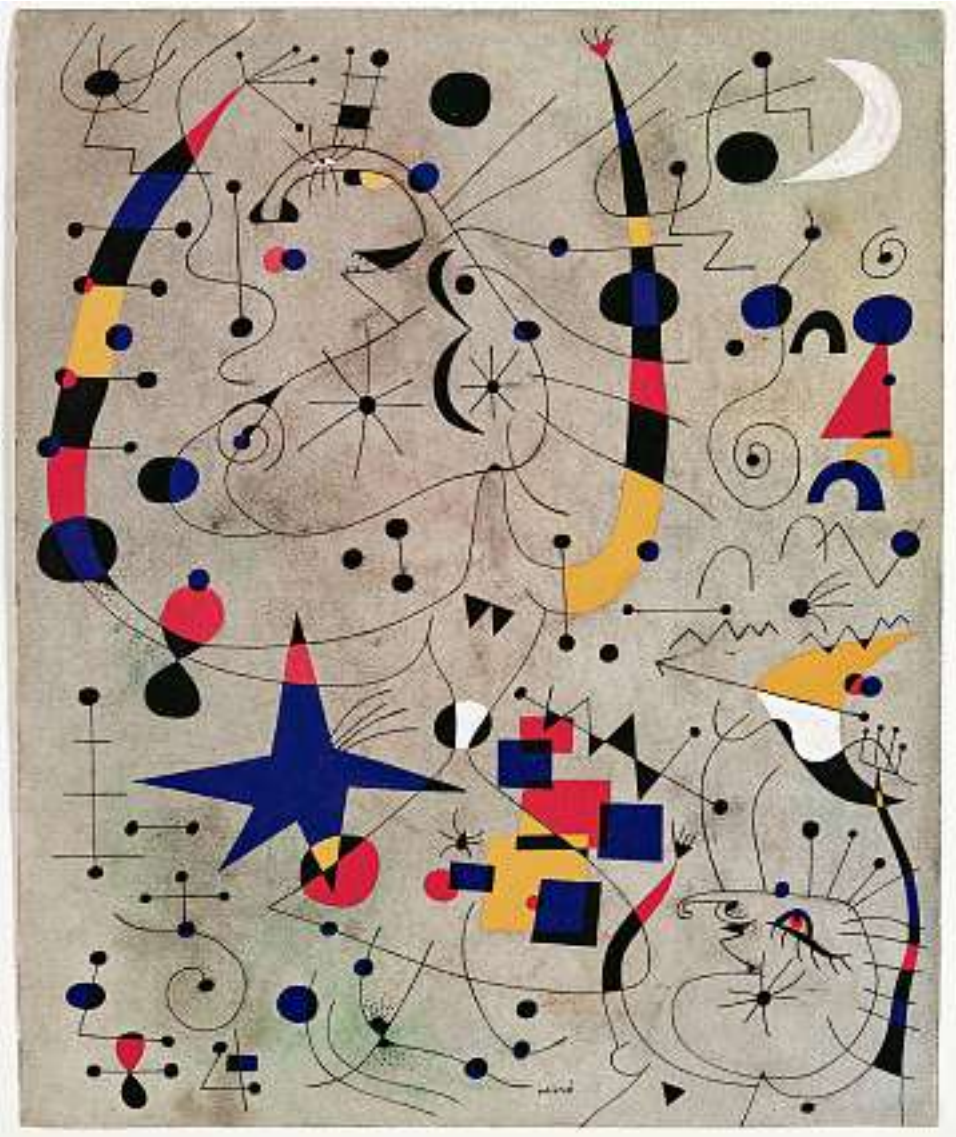
Its main gallery includes two 16th-century pen-and-ink studies by the painter and first art historian Giorgio Vasari, and Amico Aspertini's crowded procession at sea, "Tritons and Nereids" (c. 1510-15), a parade of frolicking nude Nereids, Tritons, sirens, mermaids and satyrs. Other old-master standouts include Salvator Rosa's dynamic "A Warrior on a Falling Horse" (early to mid-1650s), Nicolaes Maes's intimate "A Scholar in His Study" (c. 1655-57), and drawings by Francesco Guardi, Jean-Baptiste Greuze and Ferdinand Bol.

The exhibition highlights the sweep and style of this delicate medium.

In Rosalba Carriera's pastel "Portrait of a Gentleman" (late 1720s), the sitter's roiling, high powdered wig unfurls like volcanic smoke and ash—an extraordinary feat of transformative painterly realism. In Thomas Gainsborough's spare, rustic oil sketch "An Open Landscape With Resting Drovers" (c. 1772), wispy figures and cows conjure apparitions. The show further distinguishes itself with 19th-century French works by Théodore Géricault, Eugène Delacroix, Honoré Daumier, Jean-François Millet and Gustave Moreau.

Jean-Auguste-Dominique Ingres's graphite "Portrait of the Architect Louis-Pierre Haudebourt" (c. 1814-18) is riveting, crystalline. Its softly rendered head, solid as marble, rises, with windswept hair, from out of the architect's well-dressed frame—a flurry of lines expressing youthful exuberance. Beside it, in striking contrast, is Gustave Courbet's robust "Self-Portrait (The Man With a Pipe)" (c. 1847-49)—evocative of blackened, coarsened stone. Nearby is Gustave Doré's visionary, dark watercolor-grisaille, "The Woman of the Apocalypse" (c. 1865).

Featured also are Henri de Toulouse-Lautrec's twinkling, melancholic oil-on-cardboard, "Jane Avril Leaving the Moulin Rouge" (1892); nude bathers by Paul Cezanne and Pierre-Auguste Renoir; and works by Picasso. Impressive too are Miró's jewel-like abstract watercolor, "Acrobatic Dancers" (1940); a humorous, entomological collage by Max Ernst; gruesome, war-inspired scenes by George Grosz and Henry Moore; and Paul Klee's abstract watercolor, "Greeting" (1922)—a taut interplay of opposing arrows, colors, forces and aspirations.







Edgar Degas's 'Dancers With Fans' (c. 1898), top; Gustave Courbet's 'Self-Portrait (The Man With a Pipe)' (c. 1847-49), above; Joan Miró's 'Acrobatic Dancers' (1940), left; and Jean-Auguste-Dominique Ingres's 'Portrait of the Architect Louis-Pierre Haudebourt' (c. 1814-18), right.

Austin's taste and wit are present throughout "Paper, Color, Line." They are felt in his acquisitions such as Giovanni Domenico Tiepolo's irreverent caricature, "The Swing" (late 1790s), whose childish aristocrats—their tongues flailing—swing, dance, flirt and play; in set and costume designs by Léon Bakst, Pavel Tchelitchew, Mikhail Larionov and Fernand Léger; and in Edgar Degas's painterly pastel, "Dancers With Fans" (c. 1898). The ravishing "Dancers," in which four ballerinas' sparkling tutus surge like fireworks, was the last drawing Austin secured for the museum. These and other works in "Paper, Color, Line" sustain the Wadsworth as a "place of pilgrimage."

Paper, Color, Line: European Master Drawings From the Wadsworth Atheneum

Wadsworth Atheneum Museum of Art, through April 27

Mr. Esplund, the author of "The Art of Looking: How to Read Modern and Contemporary Art" (Hachette), writes about art for the Journal.

WADSWORTH ATHENEUM (4)

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SPORTS



Eagles quarterback Jalen Hurts scored on the Tush Push in the Super Bowl.

KIRBY LEE/REUTERS

The Push to Ban Football's Most Unstoppable Play

A new proposal would outlaw the signature quarterback sneak that helped propel the Philadelphia Eagles to a Super Bowl title

By Andrew Beaton

When the Philadelphia Eagles wound up one yard away from the end zone in the first quarter of the Super Bowl earlier this month, there was no question about what was coming next.

It was time for the Tush Push.

The Eagles' near unstoppable sneak play, which involves a group of players lining up behind quarterback Jalen Hurts and propelling him forward, came through once again. Hurts barreled into the end zone for the first touchdown in what would turn into a shocking rout of the defending champion Kansas City Chiefs.

It's been three years since Philadelphia began regularly using the tactic as the NFL's ultimate short-yardage weapon, and in that time the play has proven as polarizing as it has been effective.

For the rest of the NFL, which had tried and failed to stop it on the field, there was only one thing left to do: Push to get the play outlawed from the game.

This is the time of year when the league mulls tweaks to its rulebook, usually to make football safer or the action more compelling. Many of these proposals go nowhere—and even those that do can take years of fine-tuning before they're actually approved and implemented.

But the ban on this widely-copied sneak, first proposed by the Green Bay Packers this week, looks suspiciously like an attempt to get a play eliminated from the rulebook purely because it's too effective behind the guise of health and safety.

"We're not very successful against it, I know that," Packers general manager Brian Gutekunst said. "I think there will be a lot of discussions about it."

It's as though rival teams had tried to disallow the West Coast offense when they couldn't stop Bill Walsh's 49ers or tried to get rid of the Packers sweep play that helped Green Bay dominate pro football in the 1960s.

Anyone who has watched football over the past two decades has seen how rule changes designed to make the game safer can affect the action on the field. Bone-rattling hits that used to be celebrated are now penalized, and even sneezing within a few yards of a quarterback these days seems to draw a flag for roughing the passer.

But when it comes to the Tush Push, there's no evidence that the play poses an outsize risk.

Jeff Miller, the NFL executive vice president who oversees health and safety, says the league hasn't been able to determine whether the relatively new play is more dangerous than others because it hasn't been run often enough to produce significant data.

Still, those within the game maintain that it leads to more guys getting hurt, since the Tush Push often resembles something more commonly seen on a rugby pitch than an NFL field.

"I just feel like the health and safety of our players has to be at the top of our game," said Buffalo Bills coach Sean McDermott. "The techniques that are used with that play, to me, have been potentially contrary to the health and safety of the players."

There's no debate, however, that the Eagles are in a league of their own when it comes to sneak plays. Since the start of 2022, the Eagles have converted 98 quarterback sneaks of two yards or less into first downs or touchdowns. That's more than five times the average of the rest of the league, according to Stats.

The only team that attempted even half as many as Philadelphia was McDermott's Bills, who have become one of its main copycats. They also might know better than anyone else why the play can be so maddening.

Because the play produces a big blob of guys, it can be difficult for officials to determine exactly when and where a player is ultimately down. Which is exactly the problem Buffalo ran into during the AFC Championship against the Chiefs.

In the fourth quarter of that game, quarterback Josh Allen lined up for a push play. The officials ruled that Allen was stopped short of the first-down line, giving Kansas City the ball, even though Bills fans swear he made it.

The call helped the Chiefs advance to the Super Bowl—where they couldn't stop the one play they were certain the Eagles would run.

The WSJ Daily Crossword | Edited by Mike Shenk



MAKE A LONG STORY SHORT | By Gary Larson & Amy Ensz

Across

1 Capital on the Willamette River
6 First carmaker to offer seat belts as a factory option
10 In the thick of
14 First name at Notre Dame
15 Jason Momoa's birthplace
16 Leave behind
17 Like the moon goddess Mama Quilla
18 Baby feature, once the fontanels have closed?
20 Knight wear
21 Pro, e.g.
22 Comic unit
23 Look for one wearing tartan leggings?
25 Some choirboys
26 Save
27 Sound of disdain
28 First name in swing
31 Give a quick crust
34 Simple math
36 "Well, that's obvious!"
37 Fellow who's spent too much time in the pub?
40 Mason product
41 Was attractive
43 Auto maintenance job
44 Safari sight
46 To any extent
48 Word with mud, meat or mince
49 Not out of the running yet
50 Identifying mark for Bo Peep's flock?
56 Buttocks, anatomically
57 "What a shame!"
58 Keep from going adrift
59 Tie for a traditional hula skirt?
61 Break down, in a way
62 Waithe of "Master of None"
63 Bad spots?
64 Prank
65 Polo heading
66 Vintner's sediment
67 "The Fountainhead" protagonist

Down

1 Cut corners
2 Year's record
3 Saint in the Caribbean
4 And elsewhere, in Latin
5 Chaps
6 Finnish telecom giant
7 Record label co-founded by Herb Alpert
8 Starts with fear
9 Hiking sound?
10 Acid neutralizers
11 Women were forbidden from climbing it until 1872
12 Birthplace of the Bee Gees members
13 Secluded valleys
19 Reach across
21 Private instructor, for short
24 Face-off
27 Hindu honorific
28 Do some simple math
29 Green acres
30 Team to "Remember" in a 2000 Denzel Washington film
31 Apt-sounding name for a chef
32 Go back
33 Is for more than one
35 Broadway letters
38 Suffering
39 Chi-Town paper
42 Greets from across the street
45 Baja brother
47 Reduced amount
48 "American Masters" airer
49 A matter of degrees?
50 Jousting need
51 Set apart
52 Shoes and socks, e.g.
53 Sinus of Valsalva locale
54 Emphatic denial
55 Rubbish
60 Penn of "Harold & Kumar" films
61 Norm

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

Previous Puzzle's Solution

P	A	L	L	■	H	E	R	D	■	S	A	D	A	T
A	L	A	I	■	A	M	O	R	■	E	R	O	D	E
C	O	I	F	■	N	C	A	A	■	R	O	N	A	N
S	H	R	E	D	D	E	D	W	H	E	A	T	■	■
■	A	D	V	I	C	E	■	■	U	N	R	E	S	T
■	■	■	E	P	A	■	G	A	G	A	■	R	I	V
A	B	C	S	■	R	O	L	L	E	D	O	A	T	S
F	O	R	T	E	■	D	A	L	■	E	N	S	U	E
T	O	A	S	T	E	D	R	Y	E	■	S	E	P	T
E	N	S	■	E	L	S	E	■	D	O	H	■	■	■
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O	M	A	N	I	■	Y	O	L	O	■	I	N	C	A
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Math Says Only Three Teams Can Win NBA Championship

By Robert O'Connell

THE NBA PLAYOFFS are still almost two months away. When they tip off, 16 teams will do battle for the chance to be called the best basketball team in the world.

According to one time-tested rule of thumb, though, most of them can forget about being crowned champions this season. In fact, the number of teams with a genuine chance to win the title is down to just three.

The "40-20 rule," attributed to legendary Chicago Bulls and Los Angeles Lakers coach Phil Jackson, is a formula for assessing a team's championship bona fides before the postseason has even begun. The test is simple. To be considered a true contender, a team must win 40 games before it loses 20.

In Jackson's case, the rule never failed. All 11 championship teams he coached in Chicago and Los Angeles met the mark. (And the 2004 Lakers, who lost in the Finals in an upset against the Pistons, did not.) Even the 1970s Knicks, with whom Jackson won two titles as a player, passed the test in each case, going 40-11 in the 1969-70 season and 40-12 in 1972-73.

This year, as the calendar approaches the 60-game point, only three teams meet the criteria. They are the defending-champion Boston Celtics, who have shaken off a midseason swoon to win 10 of their last 11 games; the Oklahoma City Thunder, with the NBA's best defense; and the Cleveland Cavaliers, who overhauled their team with new head coach Kenny Atkinson's turbocharged attack.

Casual NBA fans often gripe that the regular season, with an 82-game slate that allows more than half the league's teams into the playoffs, doesn't matter anymore. But looked at through the lens of the "40-20" rule, history suggests something different: that regular-season dominance is the easiest way to forecast playoff success.

Since the league expanded its playoffs to the current 16-team format, in the 1983-84 season, 40 teams have been crowned NBA champions, excluding the lockout-shortened 1998-99 year.

In all, 36 of those—90%—met the "40-20" criteria.

If you're a fan of one of the other 27 teams, don't write off the season just yet, though. Because like any good rule, this one has some exceptions. Among the teams that didn't hit the mark in the regular season and still went on to lift the Larry O'Brien trophy in the summer are the 1995 Houston Rockets and 2004 Detroit Pistons.

Both teams traded for a star player in the middle of the season. In Houston's case, it was a deal for guard Clyde Drexler. In Detroit's case, forward Rasheed Wallace rode to the rescue.

If those scenarios sound a little familiar, it's because there's a team that sits at 35-21 this season and still harbors championship hopes. The Lakers are an altogether different team than the one started the season, having traded this month for superstar guard Luka Doncic. They have won 13 of their last 16 games.

Now they just have one thing left to do: beat history.



NATE BILLINGS/ASSOCIATED PRESS

Thunder guard Shai Gilgeous-Alexander, left, drives against Celtics guard Jaylen Brown.

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OPINION

Trump's Echo of 1829

By Karl Rove

This period in American politics may seem extraordinary. Donald Trump's critics, in particular, portray him as unprecedented.

November's election was a comeback for the ages—a return to power of a man who maintains that his opponent stole the presidency from him four years prior. Washington's cultural and political establishment was aghast at the heartland rabble that flocked to the inauguration.

Accompanied by a fervent army of outsiders, he wasted no time exercising his presidential authority. He promptly attacked the country's elites in politics, media, business and culture. Antiestablishment to his core, he began firing federal employees left and right, justifying his actions with allegations of waste, fraud, abuse and incompetence.

The president's flood of executive actions caused critical media and political opponents to depict him as a would-be king. He antagonized leaders of foreign countries—starting with Denmark—over what he felt the U.S. was due. He further infuriated global opinion by saying a neighboring country should be made a state. On the economic front, he defended high tariffs and picked a fight with the central bank over interest rates.

But the truth is, none of this is new. America has seen it all before, nearly 200 years ago, in the person of Andrew Jackson.

Jackson's election in 1828 was a similar repudiation of his predecessor, who he claimed had beaten him in the last cycle through "a corrupt bargain." In 1824, Jackson won 40.5% in a four-man race, carried 11 of 24 states, and received a plurality of electoral votes. But he was 32 electors short of a majority.

The 47th president mirrors the seventh in many ways. How far will the parallel go?

When the House took up the contest in February 1825, four states flipped that had voted for Jackson in the fall. November's second-place finisher, John Quincy Adams, grabbed 13 of 24 states and the White House. "The people" have "been cheated," Jackson reportedly said. "Corruptions and intrigues . . . defeated the will of the people." He decisively won a rematch four years later with Vice President John Calhoun of South Carolina as his running mate.

During Jackson's inaugural, celebrating supporters clogged the streets, packed the Capitol to shake his hand, then mobbed the White House. One astonished local compared it to "the inundation of the northern barbarians into Rome." You can imagine a K Street suit saying the same of MAGA crowds.

Jackson, like Mr. Trump, castigated the establishment of his time, telling his wife in 1824 he'd "save the nation from the rule of Demagogues." Upon taking power, he immediately had longtime government employees—in his own words—"unceremoniously removed," believing democracy would be refreshed by "rotation in office."

Jackson wanted to increase the presidency's power. His imperious actions and tendency to ignore Congress led opponents to caricature him in 1832 as "King Andrew the First," wearing a crown and robes and brandishing a scepter.

He got into a dispute with Denmark and other European powers over spoliation claims for American ships seized during the Napoleonic Wars. Jackson wanted Texas—part of Mexico before it declared independence in 1836—to become a state. He presided over the "Tariff of Abominations," levies so high that South Carolina threatened secession over them in 1832. He vehemently opposed the Second Bank of America's high interest rates.

Both presidents were self-obsessed personalities, strident partisans and vengeful. But there are notable differences. Jackson was a war hero; Mr. Trump isn't. Jackson was born into poverty, Mr. Trump into wealth. Jackson wanted to prevent corruption; Mr. Trump had no qualms about issuing his own crypto while president-elect. Jackson paid off the national debt; Mr. Trump added massively to it in his first term.

Both men are complicated and imperfect, but Jackson championed democracy and worked for greater economic equality. Will Mr. Trump?

The times are profoundly different and the stakes today far higher. The world is much more economically interdependent and dangerous. A war between European powers in the mid-19th century didn't pose nearly the same threat to America as it does today. Vast oceans no longer guarantee our peace and prosperity.

With these added challenges, will President Trump deliver on his Jacksonian promises? Will his progress on securing the border be matched by an end to inflation and growing affluence for working-class Americans of all backgrounds? Will the U.S. again stand as a strong, respected power or be dismissed as weak and unreliable? Will constitutional guardrails hold?

We've lived for five weeks in a whirlwind of motion and noise. It's early. It'll take time to see how this presidency plays out.

Mr. Rove helped organize the political-action committee American Crossroads and is author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

USDA Chief: My Plan to Lower Egg Prices

By Brooke L. Rollins

Egg prices are skyrocketing, and it isn't simply a matter of inflation. Grocery prices rose by more than 20% on President Biden's watch, but the average price of a dozen eggs went up 237%, from $1.47 in January 2021 to $4.95 last month. This matters for American families because eggs are a healthy, accessible and generally affordable source of protein.

In many cases, families are seeing prices of $6, $7, $10 or more. This is due in part to continuing outbreaks of highly pathogenic avian influenza, which has devastated American poultry farmers and slashed the egg supply over the past two years.

The Biden administration did little to address the repeated outbreaks and high egg prices that followed. By contrast, the Trump administration is taking the issue seriously. To that end, today I am announcing a comprehensive strategy to combat avian influenza. The Agriculture Department will invest up to $1 billion to curb this crisis and make eggs affordable again. We are working with the Department of Government Efficiency to cut hundreds of millions of dollars of wasteful spending. We will repurpose some of those dollars by investing in long-term solutions to avian flu, which has resulted in about 166 million laying hens being culled since 2022.

There's no silver bullet to eradicating avian flu. That's why we have developed a five-pronged strategy. First, we will dedicate up to $500 million to helping U.S. poultry producers implement gold-standard biosecurity measures. This week, I visited an egg-production farm in Texas, where I saw stringent measures to prevent any contamination. Vehicles are hosed down before entering the property; workers must wear protective gear and shower before entering and on leaving. Yet avian flu can still penetrate such a facility; it is transmitted through wild birds that often enter through perimeter gaps that need to be fixed.

USDA has developed a successful pilot program, called Wildlife Biosecurity Assessments, to identify and implement more safety measures. Between January 2023 and January 2025, about 150 sites have undergone assessments, and producers have addressed the risks that USDA inspectors identified. Only one of these sites has subsequently been affected by avian flu. USDA will now provide this consulting service at no cost to all commercial egg-laying chicken farms. We will also pay up to 75% of the cost to repair biosecurity vulnerabilities.

We will take five steps to tackle avian flu and bring down costs for American families.

Second, we will make up to $400 million of increased financial relief available to farmers whose flocks are affected by avian flu, and we will assist them in receiving faster approval to begin safe operations again after an outbreak.

Third, USDA is exploring the use of vaccines and therapeutics for laying chickens. While vaccines aren't a standalone solution, we will provide up to $100 million in research and development of vaccines and therapeutics, to improve their efficacy and efficiency. This should help reduce the need to "depopulate" flocks, which means killing chickens on a farm where there's an outbreak.

USDA hasn't yet authorized the use of a vaccine. Before making a determination, USDA will consult state leaders, poultry and dairy farmers, and public-health professionals. We will also work with our trading partners to minimize potential negative trade effects for U.S. producers and to assess public-health concerns.

Fourth, in addition to tackling avian flu, we will take other actions to lower the price of eggs. For starters, we will remove unnecessary regulatory burdens on egg producers where possible. This will include examining the best way to protect farmers from overly prescriptive state laws, such as California's Proposition 12, which established minimum space requirements for egg-laying hens, increasing production costs and contributing to the Golden State's average price of $9.68 a dozen. We also want to make it easier for families to raise backyard chickens.

Finally, we will consider temporary import options to reduce egg costs in the short term. We will proceed with imports only if the eggs meet stringent U.S. safety standards and if we determine that doing so won't jeopardize American farmers' access to markets in the future.

This five-point strategy won't erase the problem overnight, but we're confident that it will restore stability to the egg market over the next three to six months. This approach will also ensure stability over the next four years and beyond. American farmers need relief, and American consumers need affordable food. To every family struggling to buy eggs: We hear you, we're fighting for you, and help is on the way.

Ms. Rollins is secretary of agriculture.

It's Good to Be a Clean-Shaven Yankee

By Matthew Hennessey

Baseballs are flying again in Florida and Arizona, signaling the imminent return of America's great game. Opening Day can't come soon enough. It's been a long winter.

For fans of the New York Yankees that goes double—maybe triple. The 2024 World Series could have been a return to glory for the Bronx Bombers. Instead it was a disaster. Shohei Ohtani's Los Angeles Dodgers took the Yankees down in five games. Aaron Judge struck out seven times and made an out-of-character fielding error at a crucial moment.

The postseason added insult to injury. Slugger Juan Soto abandoned the team for a 15-year, $765 million contract with the Mets. The Yankees usually win hot-stove battles over marquee free agents. Something went terribly wrong, leaving fans to wonder if owner Hal Steinbrenner and general manager Brian Cashman have lost their edge.

Now comes perhaps the worst news: The Yankees announced last week that the team is abandoning a long-standing policy against beards. Mr. Steinbrenner called it "the appropriate time" to allow players to grow "well-groomed beards." He didn't say why this was the appropriate time, or how grooming disputes will be adjudicated in the clubhouse. He simply jettisoned the policy, he said, after talking to current and former players.

Can you imagine Lou Gehrig with long hair and a hipster beard?

The Athletic reports that closer Devin Williams was the catalyst for the change. This seems odd. Mr. Williams, recently acquired from the Milwaukee Brewers, has never thrown a single pitch for the Yankees. He has only 27 wins and 68 saves in six big-league seasons. Better players have bristled at the facial-hair policy but nevertheless grabbed their razors. Surely Reggie Jackson and David Wells would have preferred to leave their shaving kits home on long swings to the West Coast.

Mr. Steinbrenner's father, the late George Steinbrenner, instituted the beard ban in the mid-1970s, when teams started looking less like Brooks Brothers and more like the Allman Brothers. The policy became part of Yankee lore. If you wanted to wear the pinstripes, you had to cut your hair and shave your beard. The Yankees weren't chasing fashions and fads, they were chasing championships—27 and counting.

Some say baseball is dying, hidebound and boring, that it needs to change to capture the interest of the TikTok generation. The league has adjusted some rules in recent years, mostly to speed things up. Not all these changes have been terrible. I don't mind the pitch clock. But a world where Yankees wear beards is a world where legacy means nothing.

What's next, iPhones in the bullpen? Games are long. Maybe Mr. Williams would like to check his texts.

Tradition is the solution to a problem that has been forgotten, as Canadian writer Donald Kingsbury put it. How does a ball club cultivate a culture of high expectations and performance—and maintain it—when society's standards are slipping? That's the question George Steinbrenner was trying to answer half a century ago when he ordered his players to tidy up. Throw away the solution and the problem comes back.

Over the years, conventional wisdom coalesced around the canard that the no-beard rule was a turnoff to free agents. But kids don't grow up dreaming about slipping on the sleeveless tunic of the Tampa Bay Rays or trotting across the turf at Chase Field in Phoenix. When little leaguers close their eyes they see themselves on the green grass of Yankee Stadium, in the pinstripes worn by Babe Ruth, Joe DiMaggio, Mickey Mantle and Derek Jeter.

Players won't come to New York unless they can look like lumberjacks? Oh, they'll come, Mr. Steinbrenner. They'll most definitely come.

Mr. Hennessey is the Journal's deputy editorial features editor.

BOOKSHELF | By Judge Glock

Distrusting The Process

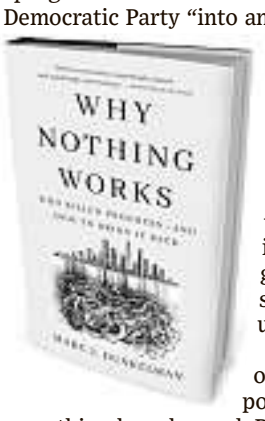
Why Nothing Works

By Marc J. Dunkelman

PublicAffairs, 416 pages, $32.50

Exactly a century ago, the journalist Claude Bowers published "Jefferson and Hamilton: The Struggle for Democracy in America." In Bowers's telling, Thomas Jefferson was at the root of everything democratic and honest in the nation, and Alexander Hamilton was the source of everything elitist and corrupt. A former and future politician named Franklin D. Roosevelt thought the book offered a road map for the Democratic Party. In the only book review he ever wrote, Roosevelt asked, "Is there a Jefferson on the horizon?"

In "Why Nothing Works," Marc J. Dunkelman, a fellow at Brown University's Watson Institute for International and Public Affairs, revives this now shopworn distinction between the two founders as the central conflict of American political history. He argues that the left has become too enamored of Jefferson's popular democracy and too suspicious of Hamilton's centralized power. The problem is that "progressivism's cultural aversion to power" has turned the Democratic Party "into an institution drawn almost instinctively to cut government down."



To those outside the progressive camp, Mr. Dunkelman's claim will sound odd. Did President Biden's record-breaking regulations or progressive governors' efforts to shut down their states for months during the Covid-19 pandemic demonstrate inordinate squeamishness about government? The modern progressive movement has not shown itself untutored in the uses of power.

Yet when Mr. Dunkelman focuses on a particular type of power—the power to build things—it's clear that something has changed. Progressives once considered the Tennessee Valley Authority (TVA), a public corporation that built dams and provided cheap electricity, the crowning achievement of the New Deal. Despite FDR's supposed Jeffersonian inclinations, his big Hamiltonian dams became the model of government building for the common man. The Marshall Plan was sold in part as a TVA for Europe. President Lyndon B. Johnson thought a TVA for the Mekong Delta could help end the Vietnam War.

Beginning in the 1960s, progressives became ever more suspicious of big projects and their threats to individuals and local communities. New York's highway and bridge builder Robert Moses, once hailed as a progressive reformer, became instead an archvillain. Moses argued that the "individual has to yield . . . to the advantages and needs of the majority of people." If self-interested individuals didn't bow to government demands, he said, "we wouldn't build anything!" For many new activist groups on the left, that was fine.

These progressives typically preferred to block projects not by criticizing their aims but by objecting to their procedures. There was always need for more public hearings, public notice, commission oversight, court appeals and, most importantly, detailed study. According to Mr. Dunkelman, by the mid-1970s the federal government and half the states required developers and bureaucrats to study how proposed building projects might affect their surroundings—water tables, wildlife, traffic, air quality, historic properties.

If a procedure had been skipped or a study deemed inadequate, lawsuits could send multibillion-dollar plans back to the drawing board. One of the activist left's crowning achievements was the 1971 Supreme Court case *Citizens to Preserve Overton Park v. Volpe*, which stopped the construction of a highway that would have run through Memphis, Tenn. Justice Thurgood Marshall ruled that the U.S. Transportation Department hadn't followed an obscure legal provision requiring it to study whether there was a "feasible and prudent alternative" to taking a public park. Activists touted the case as a pre-eminent example of the people versus big power, yet the Memphis City Council had voted 4-1 for the road. A similar stalled road in San Antonio, Texas, had won 2 to 1 in a public-bond referendum. Whatever the wisdom of these urban highways, progressive activists were blocking the will of the people.

Beginning in the 1960s, progressives became ever more suspicious of big projects and their threats to individuals and local communities.

The end result of progressives' efforts was that Hamiltonian projects became bogged down by pettifogging procedures. Mr. Dunkelman labels this tendency toward bureaucratic enervation "Jeffersonian": Negotiations over regulations, environmental lawsuits, automated welfare payments—all are Jeffersonian since they hamstring bureaucratic discretion. According to this argument, the proposal to create what became the Public Authorities Control Board to oversee independent bureaucracies in New York is also an example of "Jeffersonian caution." One would be hard-pressed to find examples further afield from Jefferson's small-state vision.

Mr. Dunkelman's book provides a strong case for the pitfalls of excessive procedure. But like many so-called supply-side progressives—leftists who want to unburden government to accomplish their aims—he imagines that the root of our modern ills is "a failure of process." If prospective Hamiltons could rip up the flowcharts, in this view, government could fulfill its destiny.

A more convincing case can be made that modern government's problems come from the concrete demands progressives place on it. After all, they haven't merely required studies; they've demanded union wages, affirmative-action rules, laws requiring domestic production in manufacturing, endangered-species protections, wetlands preservation, emissions regulations, and on and on.

Mr. Dunkelman is happy to attack abstract procedures, but not the unions and other interest groups that have been the drivers of progressivism. Several times Mr. Dunkelman refers to two big projects he wants a re-empowered government to complete: high-speed rail and transmission lines for renewable power. But both are demands from narrow progressive interest groups, rather than popular projects stymied by procedural hurdles.

As for the cultural battle between Jefferson and Hamilton, there is little doubt who won. In recent years state Democratic parties have renamed their venerated Jefferson-Jackson fundraising dinners. The party's two most important founders are now painted as corrupt slaveholders. A Broadway musical has made Hamilton an unlikely hero. Big government has swept all before it, but still nothing works. Our troubles arise from more than a distrust of power.

Mr. Glock is director of research at the Manhattan Institute and author of "The Dead Pledge: The Origins of the Mortgage Market and Federal Bailouts, 1913-1939."

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OPINION

REVIEW & OUTLOOK

Who's Afraid of Medicaid Reform?

As Republicans try to move their budget through Congress, Democrats and their loyal media allies have found what they think is the GOP's Achilles' heel: Medicaid "cuts." The GOP passed their budget resolution Tuesday, but they risk losing in the end because so far they aren't even trying to fight back. Yet the Medicaid program has exploded far beyond its design and is in great need of reform.

States have turned the program for the poor into an entitlement for able-bodied men.

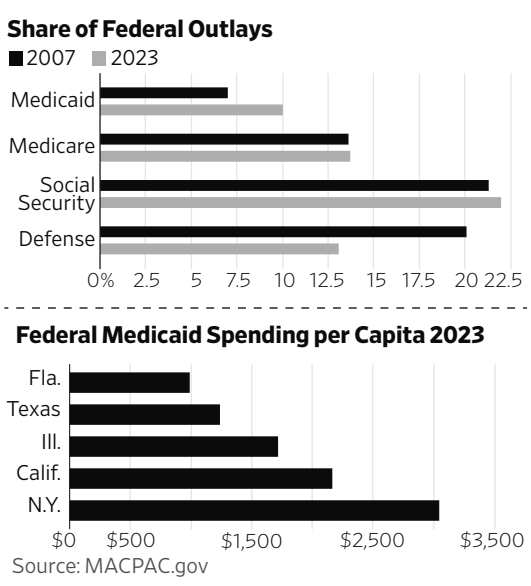
Keep in mind that Medicaid was established to help the needy—poor children, pregnant women, the elderly and disabled. Democrats have since expanded it by degrees into a far broader entitlement for able-bodied, working-age adults with lower incomes.

No surprise, Medicaid spending is out-pacing even Social Security and Medicare. Federal Medicaid outlays have increased 207% since 2008 and 51% since 2019. Medicaid spending as a share of federal outlays rose to 10% from 7% between 2007 and 2023, while the share of Social Security and Medicare remained stable.

* * *

The press claims Republicans want to gut Medicaid. That's false. They're not even proposing a cut. Medicaid outlays are on track to increase by $2.4 trillion through 2035 under the Congressional Budget Office baseline projections. So shaving $880 billion from that baseline would still amount to a $1.5 trillion increase in Medicaid spending. Republicans should long ago have fixed this baseline tyranny that automatically builds in new spending each year, but they've lacked the nerve.

To hit the $880 billion target, Republicans would merely need to slow Medicaid spending growth to about 2% annually. Mind you, this follows the Biden blowout when federal Medicaid spending has grown about 9% a year. One reason is Democratic-run states have figured out how to scam Medicaid to finance their other spending priorities.



One trick is imposing taxes on hospitals and managed care insurance plans, which states then use to spend more on Medicaid to collect more federal dollars. For every dollar states spend on Medicaid, the feds chip in one to three. The match is nine-to-one for the Obamacare expansion population, which gives states an incentive to spend more on the healthy able-bodied than on the vulnerable.

Democrats and Republicans joined in 1991 to impose limits on such tax schemes so Medicaid wouldn't become an open-ended subsidy fund sponsored by Washington. Alas, Congress gave New York a carve-out in 1997 (which Bill Clinton tried to scratch with a line-item veto), and the Biden Administration shrugged as Democratic-run states broke the rules.

This is one reason Democratic-run states receive disproportionately more federal Medicaid dollars. New York received $3,046 for each state resident in 2023 based on the most recent federal data. Federal Medicaid dollars also subsidize California ($2,167 per resident) and Illinois ($1,715) much more than Florida ($991) and Texas ($1,239).

The Biden Administration also gave states waivers to spend federal Medicaid dollars on non-medical purposes, including food, homeless housing, and personal transportation for beneficiaries. Health and Human Services is only supposed to grant such waivers if they don't increase the federal deficit, but the Biden HHS ignored this rule.

Nearly half of the states have received federal permission to spend Medicaid dollars on housing, and a dozen have for food. What are federal low-income housing vouchers and food stamps for again?

Mr. Biden's HHS even blessed California's plan to spend federal Medicaid dollars on "activity stipends" for art and music lessons for children and club sports. Oregon is tapping Medicaid to pay for cooking classes, air conditioners and mini-refrigerators. Some Republican states have joined this all-you-can-spend Medicaid buffet.

Unless Republicans in Congress act, states will continue to milk Medicaid. California's budget this year anticipates getting $119 billion in federal Medicaid spending, which is more than Florida's entire state budget. That's up from $78 billion five years ago. Republicans could get halfway to the $880 billion target merely by reducing California's funding to 2021 levels.

* * *

Some Republicans say they can't touch Medicaid because many MAGA voters now use the insurance. But most people with Medicaid know it provides lousy care. Cancer patients lack access to top hospitals and wait months to see specialists owing to the program's low reimbursement rates.

Tens of thousands of sick elderly patients are on Medicaid waiting lists for nursing or home healthcare. As Kansas Sen. Roger Marshall, a physician, recently noted, Medicaid is "broken" and needs fixing. Republicans should frame their budget exercise as improving the entitlement for the truly vulnerable while putting it on a fiscally sustainable trajectory.

Reforms like state block grants and per-capita caps on spending growth would do this while returning flexibility and political accountability to states for how Medicaid dollars are spent. Why should taxpayers in Allentown and Akron pay for the wasteful spending by Democrats in Albany and Sacramento?

The House GOP Hangs Together

House Republicans are in the mood for champagne after passing a budget outline on Tuesday evening, and give Speaker Mike Johnson credit for managing to corral a narrow majority. Perhaps Republicans are at long last learning that they have to hang together if they want to accomplish anything.

The House's budget resolution passed 217-215, and not without some last-minute drama. But Mr. Johnson and President Trump persuaded the last few grumblers, after weeks of negotiating with competing GOP factions, from moderates to the House Freedom caucus. GOP Rep. Thomas Massie of Kentucky voted no, as he always seems to do to no good purpose.

The budget bill is crucial for unlocking the reconciliation process that will allow a bill to pass the Senate with 51 votes. That's the only route to extending the 2017 tax cuts. No doubt Mr. Johnson will have to work several more Houdini tricks to bridge differences over policy and parochial interests to get a final bill passed.

But a GOP failure would mean a $4.5 trillion tax increase and zero spending restraint. The expanded standard deduction would revert to roughly $16,000 for married couples, from about $30,000 now. The blue-state subsidy spigot known as the state-and-local tax deduction would return in full. The small business deduction would go poof. National defense also wouldn't get a much-needed cash infusion of at least $100 billion. All of that is what Rep. Massie and Democrats endorsed on Tuesday night when they voted no on the budget resolutions.

Democrats under Nancy Pelosi understood that governing with narrow majorities requires unity. Maybe Republicans are starting to absorb that lesson.

The Washington Post's Freedom Turn

These columns don't usually comment on the business decisions of competitors, but Wednesday's news from the Washington Post cuts close to home. To wit, Post owner Jeff Bezos announced that the paper's opinion section is making a turn to stand for, well, what we do.

"I'm writing to let you know about a change coming to our opinion pages," Mr. Bezos wrote on X.com. "We are going to be writing every day in support and defense of two pillars: personal liberties and free markets. We'll cover other topics too of course, but viewpoints opposing those pillars will be left to be published by others." He announced that editor David Shipley had been offered the chance to lead this change, but he declined and will resign.

Good show all around here—to Mr. Shipley for resigning when he couldn't in good conscience follow the owner's direction. And to Mr. Bezos for being forthright in announcing the direction he wants his publication to take.

This will be a notable shift for the Post, which for decades has been a center-left publication. On economics in particular, the venerable George Will is its only clear free-market voice. Like every other major publication—the New York Times, Financial Times, Bloomberg, Politico, Axios—the Post has kicked like the Rockettes in the same ideological direction.

It's especially striking to see that Mr. Bezos's "personal liberties and free markets" focus sounds like our own longstanding motto: "free markets and free people."

We welcome the intellectual company. These days it can be lonely as a rare voice for free speech and economic liberty. Political and media fashion has shifted toward industrial policy and income redistribution, and even the Republican Party has too often come to favor government intervention in economic decisions between consenting adults.

We'll see if Mr. Bezos's turn signals a larger change in the battle of ideas. But it will be good to have a wingman in the fight. As for our discerning readers, our respectful counsel is: Accept no substitutes. Sample the competition but come back for the real thing.

LETTERS TO THE EDITOR

The First Amendment Isn't on Trump's Side

In "Trump vs. the AP: An American Standoff" (op-ed, Feb. 24), James Taranto asserts that the White House's decision to block the Associated Press from press events doesn't violate the First Amendment. Decades of legal precedent suggest otherwise.

President Trump doesn't have to speak to journalists he dislikes in one-on-one interviews. Nor is the White House obligated to hold press events open to multiple reporters. Once it does, however, it can't constitutionally deny access for arbitrary or viewpoint-based reasons. Such is the case here: The AP lost access because Mr. Trump disagrees with its editorial choices.

Despite already barring the AP from press conferences and other large events accessible to the media, the administration now claims it is merely blocking the outlet from the Oval Office, Air Force One and other smaller spaces. This is a distinction without a difference.

The administration regularly opens these spaces to the White House press pool. Longstanding precedent makes clear that when the government opens areas to the press, First Amendment rules apply. The government can use viewpoint-neutral criteria, such as audience size, to determine access in limited spaces, but it can't exclude an otherwise qualified outlet based on its actual or perceived views.

This week Judge Trevor McFadden denied the outlet's request for an immediate restraining order restoring access. Notably, however, he remarked that existing case law "is uniformly unhelpful to the White House" and that the ban "seems pretty clearly viewpoint discrimination." Mr. Trump isn't the first president to target an outlet for exclusion based on its editorial decisions. The Obama administration tried the same tactic with Fox News. It was wrong then and now.

If the White House's decision is allowed to stand, it will set a dangerous precedent. Other outlets may pull back on accurate reporting that displeases the president for fear of losing access. Future administrations would wield the same judicially sanctioned control over the flow of information, leaving the American public less informed about their government and less able to hold it accountable. The First Amendment doesn't permit that result.

Greg Lukianoff
President and CEO, FIRE
Washington

Evaluating Elites and MAGA Evangelicalism

Barton Swaim's "It's All the Evangelicals' Fault . . . Again" (Houses of Worship, Feb. 21), a review of a new book from Jonathan Rauch, is a welcome rebuke of the predictable and never-ending critique of evangelicals and their support for Donald Trump.

What he neglects, however, are evangelicals' flaws: defects that prevent them from doing what Messrs. Swaim and Rauch both seem to want, namely, the preservation of American institutions and the norms that sustain civil society. From one angle, MAGA evangelicals and Mr. Trump are made for each other. Both exhibit the less savory parts of the nation's identity: its vulgarity, reduction of complexities to simplistic formulas and constant reach for grandiose displays of personal achievement and conviction. The problem with post-1960s liberalism's rejection of religion wasn't merely a failure to see the importance of ordinary Americans' faith or the value of religious institutions. Secular-styled liberals went further and viewed with contempt Americans, like evangelicals, who failed to measure up to elite opinion. Mr. Trump's candidacy and presidency seemed to promise a return to tolerance for bad taste.

Even so, as a populist expression of biblical religion, evangelicalism is poorly equipped to be, as Mr. Rauch writes, "a load-bearing wall" against institutional decay. Mr. Swaim is right to defend evangelicals from Mr. Rauch's critique, but he should fault elitism as much as bias against religion.

D.G. Hart
Hillsdale, Mich.

Musk Could Take a Page From Reagan's Book

Elon Musk has been tasked with eliminating waste and inefficiency in federal government agencies ("Musk Defends Cuts, Calling Federal Workers 'Unelected'," U.S. News, Feb. 12). When Ronald Reagan became governor of California in 1967, he asked businesses to lend him some employees for three weeks for the same purpose with regard to California government agencies.

My employer gave me permission to join the survey group, which was divided into separate teams. Mine, composed of four people, was assigned to examine the California Public Utilities Commission. Our report contained some suggestions for one-time savings and others for recurring permanent savings. Afterward, the survey provided updates to the examining teams for about a year, showing how many suggestions had been adopted and the amount of money that had been saved.

Rather than seeking the causes of waste and inefficiencies, the Musk team seems to be looking at the overall inefficiency of a department and then firing a proportionate number of its employees. Never mind that having too many employees may not be the problem. When Mr. Musk's team believes that a department established by law shouldn't exist, such as the U.S. Agency for International Development, it seeks to fire its employees. To my eye, this is a violation of Article II, Section 3 of the Constitution, which provides that the president "shall take care that the laws be faithfully executed." Mr. Musk's goal partially appears to be to subvert the power of the legislative branch by deciding which laws to enforce.

Stuart Opotowsky
West Palm Beach, Fla.

Poor 'Precedents' for Adams

In their Feb. 19 op-ed "Precedents for the Eric Adams Case," James Copland and Rafael Mangual cite several instances of deferred-prosecution agreements. But their examples aren't parallel to the present case. When the Justice Department opts for such arrangements, it aligns defendants with ways to account for their behavior associated with the charges. Morgan Stanley's alleged financial wrongdoing met with financial remediation and cooperation in its case. After the financial industry's policies caused millions of Americans to lose their homes, it was required to help others with new homes. And so forth. What does Mr. Adams's alleged bribery from Turkish officials have to do with halting illegal migration? Inquiring minds would like to know.

Bruce Young
San Diego

A Solution for Egg Shortages

Regarding Sierra Dawn McClain's Feb. 22 op-ed "Which Came First, the Chicken Slaughter or the Egg Shortage?": Wild birds are the vector of transmission for avian flu. Wind farms kill wild birds. It seems to me that if we place wind farms around poultry farms we have the perfect opportunity to kill two birds with one stone.

Jake Chachkes
Wellington, Fla.

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

A Short Lesson on the Trade Deficit for President Trump

In Gerard Baker's excellent column "Illiberalism Is Suffocating Europe" (Free Expression, Feb. 18), he notes that Europe lags behind the U.S. in the "investment to bolster productivity, raise living standards and revive competitiveness." This is caused in part by capital flight, which is the flip side of the U.S. trade deficit that so worries President Trump and company.

Europeans are spending those dollars not on U.S. goods and services (the trade account) but instead on U.S. financial assets (the capital account). Instead of investing in the stagnant European economy that Mr. Baker describes, they instead are investing in our economy—i.e., raising our productivity, living standards and competitiveness. Mr. Trump should be laughing all the way to the bank.

Woody Eckard
Evergreen, Colo.

Pepper ... And Salt

THE WALL STREET JOURNAL



"We here at the men's dance collective choose to mansplain with interpretive dance."

P2JW058000-0-A01700-1--------XA

OPINION

The Peril of Ignoring Ukrainians

By Casey Michel

The past week has seen a flurry of developments in the American approach to Ukraine and Russia. Much of the hubbub has to do with President Trump's public lurch toward positions that Moscow finds appealing. These include sidelining Ukrainian interlocutors during recent negotiations in Saudi Arabia and describing Volodymyr Zelensky, Ukraine's democratically elected president, as a "dictator."

As in Mr. Trump's first term, the key is distinguishing rhetoric from policy. Most of the president's recent about-faces have been on how the U.S. describes the war rather than on what policy will (or won't) be.

Kyiv has proved several times that it will veto any agreement to put them under Russian control.

Negotiations have only begun—even the Saudi discussion was merely a talk about further talks. Mr. Trump has already walked back some of his maximalist opening demands on Ukraine, with Kyiv and Washington reportedly agreeing on a minerals deal that would keep the U.S. invested in Ukrainian success.

There is still reason for concern, not least about Mr. Trump already "making concessions to Vladimir Putin without anything in return," as this editorial page wrote. But in all likelihood, Mr. Trump and his team are realizing that they can't simply consign Ukraine to Russian designs for the sake of getting a quick peace plan. There is no domestic appetite in America for such a strategy. Ukrainians also won't accept Russian occupation—a lesson Moscow has failed to learn as it has tried for years to strong-arm Ukraine back into its orbit.

Ukrainians have proved with centuries of blood and treasure that they can and will veto any great-power carve-up that puts them under Russian control. For decades, the Kremlin has dismissed this, seeing Ukrainians as mere pawns of brawnier powers muscling across the geopolitical chessboard. Most self-proclaimed realist-school analysts make the same error—dismissing Ukrainians' agency and insisting the country is merely a frontline in a broader conflict.



EVGENIY MALOLETKA/ASSOCIATED PRESS

President Volodymyr Zelensky

History has shown otherwise. In the early 1990s, the Ukrainians vetoed the great powers' dreams of control by voting en masse for independence, despite Moscow's efforts to keep Kyiv close. In the mid-2000s, Ukrainians tossed out a pro-Kremlin government in Kyiv, pushing the country westward. They did so again in 2014, once more overthrowing Kremlin cutout Viktor Yanukovych and confirming Ukrainians' desire to join the West.

Today, with hundreds of thousands dead, Ukrainians seem no closer to accepting any Russian influence over Kyiv. They realize—as many Americans have apparently forgotten—that Ukraine is in a fight for its life. Watching what Russian forces have done in occupied Ukrainian territory, whether abducting children or launching campaigns of effective genocide, has only driven Ukrainians to keep fighting. "In the three years since the full-scale invasion, Ukrainians have overwhelmingly supported the Ukrainian army," Ukrainian journalist Nataliya Gumenyuk recently wrote. "They have done so out of a strong sense of patriotism but also because they know there is little chance of survival under Moscow's rule."

This reality clashes with any grand notions of peace plans, let alone the kind of Yalta-style agreements that the Kremlin desperately wants. As long as Mr. Putin and his revanchist claque are in power in Moscow, Ukrainians won't stop fighting—and any "peace" will be brief.

This isn't the first time Washington has dismissed Ukrainian concerns and dealt directly with Moscow, only to see its plans flop. In the late 1910s, the myopic Woodrow Wilson administration ignored Ukrainian calls for support, letting Moscow run roughshod over Ukrainian separatists—and costing Washington its earliest, best chance to leave the Soviet Union stillborn. In the early 1990s, George H.W. Bush warned Ukrainians against "suicidal nationalism," only to see Ukrainians break free from the Kremlin, leaving the Americans flatfooted.

A few years later, the Clinton administration coerced Ukraine into giving up its nuclear arsenal. When Ukrainian officials raised concerns about Russian irredentism, U.S. officials labeled them "whiners," with Anthony Lake, the White House national security adviser, claiming that the U.S. understood Ukraine's "long-term interest" better than the Ukrainians themselves did.

The Trump administration risks repeating this pattern. If that happens, the U.S. may face the ultimate veto: the return of a nuclear Ukraine. Recent polls show three-quarters of Ukrainians support developing nuclear weapons. It wouldn't take much for Kyiv to jump-start its program, returning to nuclear status in a few months. Mr. Zelensky said this month that nuclear weapons are a "sufficient security guarantee" if Ukraine can't join the North Atlantic Treaty Organization. The Trump administration appears to have ruled out NATO membership.

Mr. Trump may want lasting peace, and Mr. Putin may want full domination. But as Mr. Trump is learning, what Ukrainians want can't simply be ignored. If it is, we may end up with a nuclear-armed Kyiv, regardless of supposed great powers's designs.

Mr. Michel is author of "Foreign Agents: How American Lobbyists and Lawmakers Threaten Democracy Around the World."

Congress Can Repeal the Inflation Tax

By Michael Solon

As the debate heats up about whether and how to extend the 2017 tax cuts, the jury is out on a key question: Did the cuts generate enough economic growth to pay for themselves? The answer is complicated by the effects of inflation, which during the Biden years functioned as a tax increase larger than the 2017 tax cut. The pandemic spending spree pushed up prices, which expanded federal revenue but also sapped consumer purchasing power. What taxpayers lost to inflation is exactly what government gained.

That several major tax thresholds aren't indexed for inflation accounts for the inflation-fueled fiscal windfall. The income thresholds for taxing Social Security benefits aren't indexed. Neither is the child tax credit, the $10,000 cap on the deductibility of state and local taxes, or the investment income threshold above which the ObamaCare surtax is applied. The basis used to measure and tax capital gains has never been indexed. As a result of all this, even if workers and investors saw their earnings rise by enough to offset inflation during the Biden administration, their real, after-tax incomes fell.

The early days of the Reagan administration hold a lesson for today's congressional Republicans. Four decades ago, inflation was a major factor driving federal revenue. From 1973-81, the U.S. endured 9.2% average annual inflation. With an unindexed tax code that contained 33 income-tax brackets, federal revenue swelled as rising nominal income pushed families into higher tax brackets solely due to inflation. This process was called "bracket creep." A Congressional Budget Office report in 1980 described it: "During much of the past decade, many taxpayers have found themselves paying larger fractions of their incomes to the federal government in income taxes."

Good for the Treasury. Not so good for the average working family. As the CBO noted in 1980, if incomes simply matched the 1979 inflation rate of 13.3%, the tax liability for an average family of four "would increase by an average of 23.8%." Instead, real median household income from 1973-80 fell by 3.1%, with after-tax incomes falling by more. Every working family was affected by this bracket creep—even those already in the highest tax bracket, for whom a larger share of the same real income was subject to the top rate. So was anyone who realized taxable nominal capital gains. On Jan. 2, 1973, the S&P 500 closed at 119.1. Nearly nine years later, on Dec. 31, 1981, it closed at 122.3, reflecting a meager 2.9% increase in nominal value. When adjusted for inflation, the value of the original 1973 investment had fallen by 55%. Yet taxpayers who sold an S&P 500 index fund paid capital-gains taxes on the nominal 2.9% gain. This occurred when any asset, including a home or business, was sold.

'Bracket creep' is gone—unless you're on Social Security, have capital gains or pay state taxes.

When the Reagan tax cuts reduced tax rates by 25%, most of that reduction simply offset bracket creep on ordinary income produced by inflation in 1979, after the last tax cut aimed at ameliorating inflation's effect was adopted. The CBO in 1980 had sounded the alarm that "by 1982 . . . the increased tax burden under current law would reach an unprecedented level, constituting a significant fiscal drag on the economy." Yet to this day, critics attack the Reagan tax cuts as irresponsible.

Then as now, debate raged about whether to index major parts of the tax code. Reagan ended the debate when he declared "we must protect the taxpayers from government." His 1981 tax cut adjusted the personal exemption, the standard deduction and the tax brackets for inflation.

President Trump has committed to eliminating federal taxes on Social Security benefits and lifting the cap on the deductibility of state and local taxes. An affordable compromise might be to index both thresholds retroactively back to the beginning of the Biden administration. This would raise the excluded amounts for taxing Social Security for a single person to $30,250 from $25,000 and the SALT deduction to $12,100 from $10,000 and index both prospectively.

Given the recent inflation surge, it is time to consider indexing capital gains for inflation. This would do more than any provision in the 2017 tax cut to create an incentive for investing in America. If the objective of the pending tax cut is to stimulate economic growth, there is a strong argument for indexing the capital-gains tax. If this election had any single defining economic issue, it was repairing the damage done by the Biden inflation.

With the gross federal debt having more than tripled since President Obama was elected, and interest rates having risen by 364%, indexing the tax code is long overdue. It becomes more urgent as the probability of future inflation rises. Most government entitlement programs are indexed to rise with inflation, and the entire federal budget is effectively inflation-adjusted. Only workers, retirees and investors aren't protected from inflation. It is time to treat the people pulling the wagon as well as we treat those who are riding in the wagon.

Mr. Solon served as an assistant to two Republican Senate leaders.

Why Is the U.S. Paying Officers to Leave the Military?

By John James
And Danielle Charette James

If President Trump and Elon Musk are serious about efficiency at the Pentagon, they might start by reforming SkillBridge. The program began as a well-intentioned effort to reduce veteran unemployment but now pays promising officers to leave the military for careers in investment banking and consulting.

The U.S. military is the smallest it's been since World War II. The Defense Department expects active-duty forces to drop below 1.28 million in 2025, nearly 40% smaller than active-duty forces in China's fast-growing military. But the aggregate number of soldiers isn't as vital as the experience and professionalism of the force—which is also shrinking.

In fiscal 2024, nearly 5,400 officers at the O-3 rank—lieutenants in the Navy, captains in the other branches—separated from the service. That's almost double the number of officers at the same rank who left in 2010. The military is struggling to hold on to the leaders it needs to preserve its skill and experience.

There are a variety of reasons junior officers might opt to leave the military after fulfilling their initial four- or five-year service commitment, but the most quantifiable is salary. Private companies are glad to hire veterans with strong leadership records, and a tight post-Covid labor market means former officers can often command large paychecks in the private sector.

Last year the Navy announced officer retention bonuses up to $150,000 for experienced surface warfare officers who commit to additional years of service. The Air Force now offers certain pilots an extra $140,000 to sign up for another four years. The military should do everything it can to retain existing officers. Yet its taxpayer-funded SkillBridge program encourages the opposite outcome.

The Defense Department launched SkillBridge as a pilot program in 2011 to combat a rise in veteran unemployment during the Great Recession. The program allows soon-to-be veterans to spend their last six months of active duty interning for approved private companies while retaining full military pay and benefits. SkillBridge initially focused on junior enlisted personnel, who often enter the military without a college degree or trade, and who may have a harder time making the transition to civilian careers. The Biden administration liked to tout SkillBridge opportunities in commercial trucking, law enforcement and entry-level cybersecurity.

But the program is open to all ranks within the military, and it has expanded well beyond apprenticeships for blue-collar jobs. Ultra-competitive companies such as JP-Morgan and Boston Consulting Group are now authorized SkillBridge organizations.

An officer's path into a SkillBridge internship differs from that of a junior service member in several crucial respects. First, officers hold college degrees, many of which were paid for by taxpayers. Second, the cost of subsidizing internships for officers is considerably higher because officers are paid more. A midlevel officer who earns $140,000 a year will continue to receive his existing salary, plus free healthcare, for up to 180 days after making the leap to corporate America through SkillBridge.

Assuming 4,000 officers participate in SkillBridge each year, that the average length of the SkillBridge internship is four months, and that the average annual compensation of officers using SkillBridge is $140,000, we conservatively estimate that the Defense Department spends nearly $190 million annually paying officers while they intern for private companies and depart the service.

Even more serious than its cost, SkillBridge hurts retention. The military isn't a revolving door, and for good reason. It promotes its leaders from within and rarely makes external hires, meaning the decision to leave is almost always permanent. A Naval Academy graduate who jumps ship for McKinsey will probably never command a carrier, submarine or flight squadron.

By funding competitive, private-sector internships, SkillBridge is draining the services' talent pool.

Plenty of officers join the military intending to leave after their initial service commitment. Others know they want to serve for a full career. But a good portion of them are undecided, and SkillBridge can tip the balance. Junior officers are most likely to separate from the military after five or 10 years, after they have fulfilled their service requirements but before they feel the pull of a generous pension that begins vesting after 20 years. By providing an off-ramp into high-paying corporate jobs during this critical window, SkillBridge gives motivated officers an incentive to leave when they might otherwise have stayed.

Military commands have started pushing back against SkillBridge, and understandably so. The program not only drains their talent pool but penalizes remaining personnel, who sometimes are saddled with additional responsibilities or relocated on short notice to cover the duties of officers departing ahead of schedule.

The Navy announced in 2023 that it will limit senior sailors to three- or four-month SkillBridge internships. Last year the Marine Corps capped SkillBridge internships at three months for officers and four months for junior enlisted members. But the Pentagon should go further. SkillBridge must return to its original mission of helping junior enlisted personnel as they enter civilian life. Officers shouldn't be eligible.

None of this is to criticize individual officers who take advantage of SkillBridge, or to fault the companies that have signed on as partners. Top companies should want to hire and help veterans—just not officers still on active duty.

Talented officers already enjoy plenty of private-sector opportunities. Many take advantage of the GI Bill to enroll in elite M.B.A. programs. Others consult nonprofits like American Corporate Partners or Candorful that match service members with mentors in their desired industries and offer practice interviews. Companies such as Accenture, UBS and Citi boast internship programs for veterans that function similarly to SkillBridge but are paid for by the companies rather than the government.

Excluding officers from SkillBridge would help the military retain the next generation of generals and admirals while reining in costs and reducing administrative churn. There's no reason to subsidize private corporations as they poach the military's best and brightest.

Mr. James is a former naval officer working in finance. Mrs. James is an assistant professor in the School of Civic Life and Leadership at the University of North Carolina-Chapel Hill.

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Lachlan Murdoch
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Rupert Murdoch
Chairman Emeritus, News Corp

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Chief Executive Officer, News Corp

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Paul A. Gigot
Editor of the Editorial Page
Gerard Baker, *Editor at Large*

EDITORIAL AND CORPORATE HEADQUARTERS:
1211 Avenue of the Americas, New York, N.Y., 10036
Telephone 1-800-DOWJONES

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Tariffs Divide Aluminum Industry

Buyers say Trump plan increases costs; makers say imports hold down prices

By Bob Tita



SETH HERALD FOR WSJ

A shrinkage in the number of smelters has hindered production, Scrap aluminum is resmelted.

Tariffs are driving a wedge through the $92 billion aluminum industry.

Aluminum buyers say President Trump's tariff pledges have already raised their costs and few suppliers in the U.S.—where production has been declining for years—can meet their needs. On the other side are U.S. aluminum producers, who say they have had to compete for years against foreign-made aluminum sold at artificially low prices.

Beverage cans, window frames, auto parts and other products with substantial aluminum content are set to become more expensive as domestic aluminum costs increase in response to the higher tariff, analysts said. Whether U.S. aluminum companies will expand U.S. production is less clear.

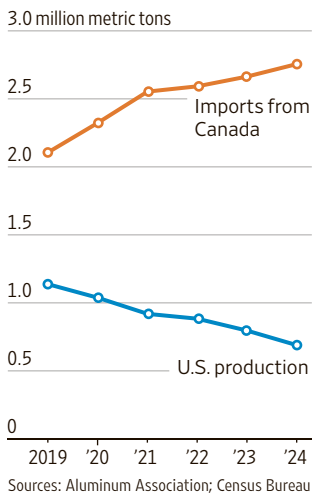
Trump this month announced that duties on imported aluminum would rise to 25% from 10% starting March 12, while expanding the range of aluminum products subject to tariffs. At the same time, Trump repealed exemptions and duty-free quotas that have given major U.S. trading partners a break on tariffs.

Those moves, alongside increasing steel duties first implemented in Trump's earlier presidential term, are part of his broader industrial policy to replace imports with more domestic manufacturing.

Detroit-based **Tompkins Products** makes parts for automotive transmissions, leaning on a handful of U.S. and European suppliers for the specialized aluminum alloy bars it needs. Director of Operations Tracy Skupien said added costs from the expanded tariffs could lead Tompkins to buy more from **Arconic**, its one U.S. supplier.

But prices for U.S.-made aluminum are rising as well. Skupien said giving more orders to one supplier could put Tompkins at risk for supply disruptions if Arconic runs into production problems.

U.S. primary aluminum supply



Sources: Aluminum Association; Census Bureau

"It's going to cost me a lot of money that I don't have," Skupien said.

American aluminum manufacturers say Trump's expanded tariffs will help them restore profits and support domestic production by keeping discounted foreign-made metal out of the market.

Imports accounted for nearly 60% of U.S. aluminum consumption in 2023, according to the Aluminum Association, the industry's trade group. Companies have complained that nearly three-quarters of the imports enter the U.S. duty free, often at prices lower than those of U.S. suppliers.

"Now that there are no tariff exemptions, we have a fighting chance," said Steve Dillett, chief executive of Custom Aluminum Products. The Illinois-based company manufactures extrusions—long, shaped pieces of aluminum used in window and door frames and dozens of other products.

Dillett said the U.S. extrusion industry's sales fell 40% in the past five years under an onslaught of lower-price imports from Mexico and other countries. Under Trump's expanded duties, imported extrusions and other derivative aluminum products would be subject to a tariff for the first time.

60%
Percentage of U.S. consumption accounted for by imports

Trump's higher tariffs will be baked into a delivery charge attached to all aluminum transactions. The per-pound charge has nearly doubled since late November in anticipation of a higher tariff, according to S&P Global Commodity Insights' Platts.

Some market analysts are forecasting the delivery premium, recently 41.45 cents a pound, will eventually reach 50 cents a pound, or $1,100 a metric ton. Aluminum users have complained that paying a higher premium for U.S.-made aluminum amounts to a profit windfall for domestic suppliers.

U.S. aluminum makers' biggest obstacle to expanding production is the continued shrinkage of smelters producing the high-purity aluminum that is often mixed with other metals or used in complex or high-stress products.

Please turn to page B2

Eli Lilly To Spend $27 Billion On U.S. Facilities

By Liz Essley Whyte

Drugmaker **Eli Lilly** plans to build four new manufacturing plants in the U.S., a $27 billion investment that the company expects will create 3,000 high-skilled jobs and employ 10,000 construction workers.

Three of the new sites would produce active pharmaceutical ingredients for its drugs, and the fourth would produce sterile injectable medicines such as diabetes drug Mounjaro, Lilly said Wednesday. The company hasn't picked the locations yet. It expects the plants to be making medicines within five years.

The announcement, by one of the country's biggest drugmakers, is the latest by a company outlining a major capital push in the U.S. while President Trump seeks to revive domestic manufacturing.

It comes as Lilly and other pharmaceutical companies seek warm relations with the new administration and press it to pursue industry objectives, including the extension of corporate tax cuts enacted during the first Trump administration.

"We hadn't built a new site in the U.S. in more than 40 years until the first set of Trump tax cuts, so we need to see those either extended or

Please turn to page B4

New Exchange Targets Minority-Owned Businesses

By Alexander Osipovich



JERMAINE JACKSON JR. FOR WSJ

Joseph J. Cecala, left, is CEO of Dream Exchange, and entrepreneur Dwain J. Kyles serves on the exchange's board of directors.

A startup stock exchange wants to attract smaller and minority-owned businesses to the public markets, arguing that they are neglected by Wall Street.

Dream Exchange—whose name is meant to evoke Martin Luther King Jr.'s 1963 speech—filed an application with the Securities and Exchange Commission this month to become a national securities exchange. The SEC posted the application on its website this week, kicking off a process that could lead to either approval or rejection by the end of this year.

The Chicago-based startup isn't "woke" and won't have special rules favoring companies owned by racial minorities, said Joe Cecala, chief executive and founder of Dream Exchange. But it plans to pitch its listing services to companies from underserved communities, in part through a partnership with the National Black Chamber of Commerce, he said.

"We want every good small company to come to our exchange, whether it's white, Black, whatever," Cecala said.

Dream Exchange had been working on its application since before the election. Its filing comes as the Trump administration has been crusading against diversity, equity and inclusion efforts in the government and beyond. Cecala said he wasn't worried about politics derailing his plans because Dream Exchange is officially race-neutral. Still, the startup plans to become the first minority-controlled stock exchange, and its marketing is draped in appeals to minority entrepreneurs. Dwain J. Kyles, a prominent figure in Chicago's Black business community, serves on Dream Exchange's board and leads an LLC that owns most of its shares. Kyles is the son of a pastor and civil-rights activist who was steps away from Dr. King when he was assassinated in Memphis, Tenn., in 1968.

If it wins SEC approval, Dream Exchange may also be-

Please turn to page B10

BP to Slash Spending On Clean Fuels, Pivot Back to Oil

By Joe Wallace

LONDON—**BP** said it would boost oil-and-gas production and sharply cut investments in clean energy, pivoting back to fossil fuels in a bid to revive its flagging share price.

The struggling British energy company announced the moves Wednesday as part of a much-anticipated strategy update aimed at winning over investors. Those include activist hedge fund **Elliott Management**, which recently took a stake in BP with a view to pushing for significant changes.

"It's a radical shift," Chief Executive Murray Auchincloss said in an interview. BP would focus on pumping more oil in the U.S., where the company is a big offshore producer, and in Middle Eastern countries including Oman, the United Arab Emirates and Iraq, he said.

Auchincloss declined to comment on whether BP had altered its plans to reflect conversations with Elliott.

BP shares closed down about 1.5% in London. Investors may have been disappointed by the size of the company's buyback this quarter, according to analysts at Bernstein. The analysts said BP was right to live within its means given its debt levels, adding that Auchincloss's longer-term plan would bring BP back into line with its major peers strategically.

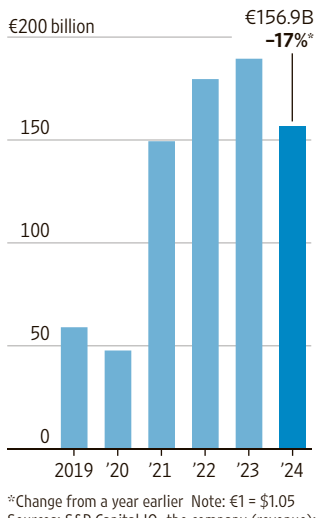
BP's shares have lagged behind those of rivals Shell, Exxon Mobil and Chevron since the company took the most aggressive steps by a major oil company to shift toward lower-carbon sources of energy in 2020. That bet backfired when fossil-fuel consumption roared back after the early days of the pandemic and prices rocketed

Please turn to page B2

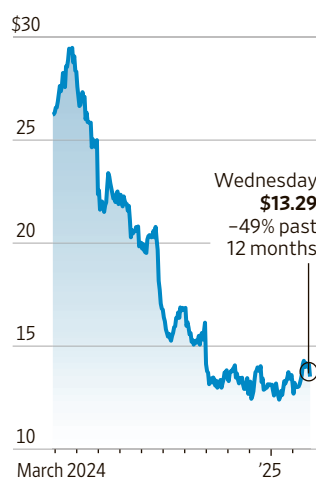
Stellantis's Guidance Disappoints Investors

By Dominic Chopping

Stellantis annual revenue



Share price, past year



*Change from a year earlier Note: €1 = $1.05
Sources: S&P Capital IQ, the company (revenue); FactSet (share price)

Stellantis expects to return to profitable growth and positive cash generation this year, but investors were left disappointed by guidance that fell short of expectations.

The auto maker—which houses brands that include Jeep, Ram and a dozen others—expects an adjusted operating margin this year in the mid-single digits as it moves into the early stages of a commercial recovery, while also noting elevated industry uncertainties.

That comes after it reported an adjusted operating margin of 5.5% in 2024.

The mid-single digit guidance compares with a consensus that was looking for a figure of around 6.4% this year, RBC Capital Markets analyst Tom Narayan said.

"This does appear light, and could put some downward pressure on shares," Narayan said in a note to clients.

U.S.-traded shares in the company fell 5.3% Wednesday. The stock is down 49% in the last 12 months.

The company had a tumultuous 2024 as it dealt with bloated inventories, pricing pressure and product delays. It struggled to shift cars as it maintained high prices in an auto market beset by waning demand and intense competition.

U.S. dealers in particular had long complained that Stellantis cars were less affordable than competitors, driving away buyers and leaving a glut of vehicles sitting on dealer lots.

A plan to balance inventory has been completed, after the company increased incentives for customers and cut the number of cars it shipped to its dealers.

That led total inventories at year-end to fall 18% on the year, equivalent to a drop of 268,000 units and includes a 20% drop in U.S. dealer stock.

The company's problems last year resulted in the departure of a number of high-profile executives, including the chief financial officer and chief operating officer of North America, while Chief Executive Carlos Tavares stepped down more than a year earlier than planned.

The search for a new CEO is continuing and the company reiterated Wednesday that it expects to name a new leader during the first half of the year.

Ahead of the new appointment, the company said its interim leadership has moved quickly to improve performance and profitability by completing the inventory correction, prioritizing critical model launches, and working more closely with U.S. and European dealers to accelerate a return to growth.

"We are firmly focused on gaining market share and improving financial performance as 2025 progresses,"

Please turn to page B2

◆ GM earmarks $6 billion more on buybacks B2

INSIDE



BUSINESS
Lowe's profit and sales topped estimates, lifted by post-hurricane rebuilding. **B3**



CHARLY TRIBALLEAU/AFP/GETTY IMAGES

HEARD ON THE STREET
Musk's DOGE ride leads to knotty issue with Tesla. **B11**

P2JW058000-5-B00200-1--------XA

INDEX TO BUSINESSES

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

A-B
Advanced Flower Capital B5
Allstate B10
Alphabet A6,A12
Amazon.com A6, A12, B4
Anheuser-Busch B3,B10
Apple A12,B5
Arconic B1
Aston Martin B2
AstraZeneca B3
Banco Bilbao Vizcaya B5
BNY Mellon B5
Bloomin' Brands B3,B10
BP B1,B10
Burlington Stores B3

C-D
Carnival A11
Centene B10
Chevron A1,A8
Chubb B10
Community Health B10
Danone B3
Disney A1

E-G
Elevance Health B10
Eli Lilly B1,B10
Elliott Management B1
General Motors B2

H-I
HCA Healthcare B10
IBM B4
Item 9 Labs B5

J-K
Juva Life B5
Klarna Bank B5

L-M
Lemonade B10
Lowe's B3
Malayan Banking B10
Meta Platforms A12
Microsoft A6,A12
Molina Healthcare B10
Morgan Stanley B5
Munich Re B10

N
Nvidia A1,B10

O
ODP B3,B10
OpenAI A12

P
Paramount Global B4
Pelorus Capital Group B5

R
Reata Engineering & Machine Works B2
Ross Stores B3
Royal Caribbean Group A11

S
Salesforce B4
Skydance Media B4
Solventum B3
StateHouse Holdings B5
Stellantis B1,B11
Super Micro Computer B10

T
Tesla B11
Thermo Fisher Scientific B3
3M B3
TJX B3
Tompkins Products B1
Travelers B10
Trian Fund Management B3

V-Z
Vistra B10
Vor Biopharma B4
Workday B10
Zurich Insurance Group B10

INDEX TO PEOPLE

B
Bezos, Jeff B4
Brenner, Michael B10
Brod, Christophe A12

C
Cecala, Joe B1
Colombo, Frank B5
Cope, Grady B2

D
Dillett, Steve B1

E
Elkann, John B2,B11

H
Huang, Jensen A1

J
Jacobson, Paul B2
Jassy, Andy A12
Johnson, Charles B2
Jones, Alex B4

K
Kress, Colette A6
Kyles, Dwain B1

L
Labovitz, Daniel B10
Latona, Rick B4
Lightcap, Brad B5

M
Musk, Elon B11

N
Narayan, Tom B1
Neville, Daniel B5

O
Oplinger, William B2

P
Pattanaik, Sarthak B5
Peltz, Nelson B3

R
Ricks, David B4

S
Shipley, David B4
Skupien, Tracy B1

T
Tavares, Carlos B11

V
Van Andel, Matthew A1

W
Washington, Robin B4

Z
Zubricki, David B5

BUSINESS & FINANCE

Tariffs Split Industry

Continued from page B1

Four smelters operate in the U.S., down from seven in 2020 and 23 in 2000. Last year U.S. production of aluminum from smelters, which is known as primary aluminum, fell to the lowest level since 1950.

Electricity costs to operate power-intensive smelters have been driving them out of business. Producing a ton of primary aluminum typically uses more electricity than a single household consumes in an entire year.

Electricity costs in recent years have increased as much as one-third, and electricity makes up 40% of the cost of operating a smelter.

That has helped shift demand to Canada, where smelters have access to low-cost power from hydroelectric generators. Canada is the largest supplier of primary aluminum to the U.S., accounting for 75% of the total primary aluminum consumed by the U.S., according to the Aluminum Association.

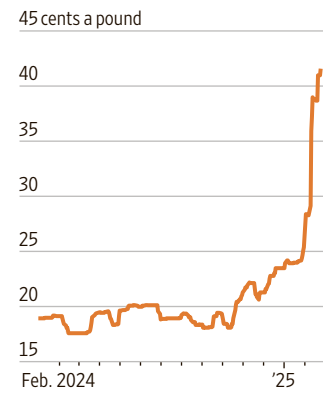
The association said it supports the 25% duty but urged Trump to exempt primary aluminum from Canada because it would take at least a decade to build new smelters and expand the power supply in the U.S.



JACQUES BOISSINOT/THE CANADIAN PRESS/AP

Molten aluminum is seen inside a smelter in Canada.

Transaction charge for a pound of aluminum



*An assessment of the costs of delivering aluminum in the U.S. Midwest
Source: Platts, a part of S&P Global Commodity Insights

"Let's make a deal with Canada until we can get that smelting capacity up and running," said Charles Johnson, the association's president.

Pittsburgh-based **Alcoa**, which produces primary aluminum in the U.S. and Canada, warned Tuesday that the economic burden of the planned tariffs, including a separate duty on aluminum as a critical mineral, could jeopardize 100,000 U.S. jobs.

> **'Now that there are no tariff exemptions, we have a fighting chance.'**

CEO William Oplinger told an investor conference that tariffs would exacerbate the shortage of primary aluminum in the U.S.

Buyers and producers have squared off over tariffs before, including in 2018 when Trump administration tariffs drove up U.S. aluminum costs.

Brewer Molson Coors and others in the beverage industry at the time accused aluminum producers of price gouging through the delivery premium. They argued that beverage cans are mostly made from recycled domestic aluminum that shouldn't be subject to an import tariff.

In 2019, Trump exempted Canada and Mexico from the then-10% tariff, after the countries balked at renegotiating a free-trade agreement with the U.S. unless steel and aluminum duties were lifted. Other countries were also granted exemptions or duty-free quotas by Trump and former President Joe Biden.

For now, aluminum purchasers are girding for higher costs.

Colorado-based **Reata Engineering & Machine Works** manufactures aluminum parts for the medical, aerospace and defense industries.

Grady Cope, the company's owner, said aluminum makes up about 20% of his product expenses, and most of his customers specify countries of origin for quality control, making it hard to shop around.

"I imagine that we'll start hearing about price increases from our suppliers," Cope said.

Stellantis Guidance Disappoints

Continued from page B1

Chairman John Elkann said.

Stellantis will launch 10 new products in 2025.

It said revenue fell 17% to €156.88 billion ($164.95 billion) in 2024 while shipments fell 12%, mainly due to temporary gaps in its product lineup as well as its now-complete inventory-reduction actions.

Adjusted operating income, a closely watched metric for the company, fell to €8.65 billion from €24.34 billion.

Analysts polled by FactSet had expected adjusted operating income of €8.9 billion on revenue of €156.18 billion.

For the year ahead, the company said it expects positive net revenue growth and positive industrial free cash flows.

Stellantis plans to pay a dividend of €0.68 for 2024, down from €1.55 in 2023.



CARLOS OSORIO/REUTERS

The automaker houses Jeep, Ram and a dozen others.

GM Plans to Increase Stock Buybacks

By Christopher Otts

General Motors is looking past tariffs and other looming threats to the auto industry as it plans to hand more cash to stockholders.

GM will spend as much as $6 billion on extra share repurchases while also raising its quarterly dividend by 25%, the company said Wednesday.

Shares closed almost 4% higher Wednesday.

Since late 2023, the U.S.'s largest automaker by sales has returned about $18 billion to shareholders in a series of buybacks. Its shares have risen 64% since the first of those repurchases, but GM executives have expressed frustration over what they view as an undervalued stock price.

Meanwhile, the Detroit company is estimated to be one of the most exposed automakers if President Trump follows through on his pledge to implement 25% tariffs on goods imported from Canada and Mexico as soon as Tuesday.

"We feel confident in our business plan, our balance sheet remains strong, and we will be agile if we need to respond to changes in public policy," GM Chief Financial Officer Paul Jacobson said.

The buybacks have cut GM's shares outstanding by 28% since the end of 2023, Jefferies analysts said this month.

Aston Martin to Shrink Workforce

By Adrià Calatayud

Aston Martin said it plans to reduce its global workforce by 5% as part of a cost-savings program and pushed back the launch of its first fully electric car.

The British luxury sports-car maker is trying to boost profitability and stop bleeding cash to put its finances on a firmer footing, betting that a refreshed car lineup will drive sales higher.

Aston Martin said Wednesday that it is targeting annualized cost savings of £25 million ($31.7 million), half of which will be achieved this year, and that this would result in the departure of 170 employees. The company has issued two profit warnings and raised funds from investors since Adrian Hallmark took the helm in September last year.

Shares in Aston Martin were down 12% in European midday trading.

The company, formally called Aston Martin Lagonda Global Holdings, expects sales volumes to be broadly flat in the first quarter and improve later in the year, helped by the first deliveries of its upcoming Valhalla hybrid model in the second half.

However, Aston Martin delayed the launch of its first electric vehicle to the latter part of the decade. It had previously targeted to launch its first EV in 2026.

Some carmakers are rethinking their EV strategies after a slowdown in sales. Volvo Car in September last year abandoned its target of having a fully electric lineup by the end of the decade, shortly after Ford Motor shrunk its EV rollout plans.

BP Pivots From Green Back to Oil

Continued from page B1

when Russia invaded Ukraine.

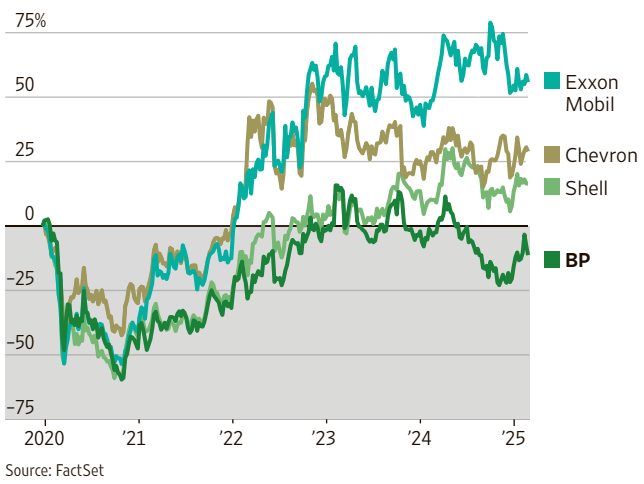
Since taking the helm in the fall of 2023, Auchincloss has dialed back BP's hydrogen and biofuel plans, put its onshore-wind business in the U.S. up for sale and launched a cost-cutting drive. He has also approved several big oil-and-gas investments and secured quick-and-easy access to barrels in Iraq and elsewhere.

But BP has struggled to reduce its debt load and the moves have failed to ignite its share price, leading to speculation among bankers that a rival could swoop in for parts—or the entirety—of the business.

Companies in sectors from oil to autos have struggled to calibrate the pace of the energy transition as governments have wavered in efforts to curb climate change. President Trump began dismantling the Biden administration's climate-focused initiatives soon after taking office in January.

BP began to row back on some of its green commitments two years ago when it said it would produce more oil and gas this decade than previously planned, but the strategy it set out Wednesday went much further.

Share-price performance since the end of 2019



Source: FactSet

BP said it would increase oil-and-gas investment to about $10 billion a year, with the aim of boosting daily output to up to 2.5 million barrels by 2030, from just over 2.3 million last year. Under its previous plans, BP intended to cut output to 2 million barrels a day by the end of the decade. Its earlier Covid-era strategy had initially penciled in production as low as 1.5 million barrels daily. Now, BP says it could keep pumping more oil through to 2035.

Meanwhile, BP will cut planned investments in businesses geared toward the energy transition by more than $5 billion annually, to a maximum of $2 billion.

Auchincloss said BP would focus on a few key businesses, such as biofuels in Brazil, biogas in the U.S. and electric-vehicle charging in China, America and parts of Europe.

In renewable energy, Auchincloss is looking to join with other companies so BP can use wind and solar farms as a source of electricity to trade without deploying big slugs of capital.

Auchincloss said BP recognized global warming. "We're doing an awful lot to help the transition," he said. "We're just doing it smarter."

To reduce its debt pile, the London-listed company said it was targeting $20 billion of asset sales by 2027. The divestments could include BP's lubricants business, Castrol, which the company said it was reviewing with all options on the table.

BP also suggested it may sell a stake in its solar unit, Lightsource.



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Higher Prices Boost AB InBev Earnings

World's largest brewer saw growth in revenue despite a drop in volume

By Michael Susin

Anheuser-Busch InBev's shares rose after the Budweiser brewer reported earnings that beat analysts' expectations, boosted by higher prices and improvements in the U.S. that offset lingering weakness in China.

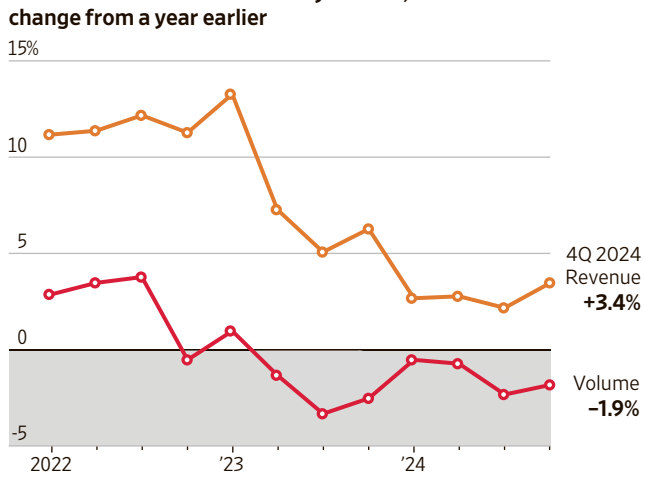
The world's largest brewer—which also makes Stella Artois and Michelob Ultra—on Wednesday posted a 0.8% increase in fourth-quarter revenue in the U.S., driven by sales of pricier products. This helped the group report organic revenue growth that topped analysts' forecasts.

The company said it continued to win market share in the U.S., its largest market, in the final quarter of the year, after sales bounced back in the third quarter following a boycott that hammered them for more than a year. AB InBev said the gains were driven by its Ultra and Busch Light brands as it reinvested cost savings into marketing spending.

The results sent AB InBev's shares in Belgium higher. The stock gained 8.6% in European trading on Wednesday, the biggest one-day percentage gain in since October 2021.

The brewer is trying to turn the page on a damaging U.S. boycott that began in the spring of 2023 after transgender influencer Dylan Mulvaney posted an Instagram video about a personalized beer can the brand had sent her as a gift. The post triggered calls for a boycott and put the group's sales volumes in the U.S. under pressure.

AB InBev's revenue and sales by volume, change from a year earlier



Note: Excludes the impact of acquisitions, divestments and changes in currency
Source: the company

AB InBev said the momentum of its U.S. beer portfolio improved throughout the year.

Group revenue in the fourth quarter rose 3.4% organically to $14.84 billion, beating a company-compiled consensus of 2.4% growth.

This was entirely driven by prices, given that volumes were weaker than expected, analysts at RBC Capital Markets wrote in a note to clients.

Volumes fell 1.9% organically, missing analysts' expectations of a 1.3% drop, according to consensus estimates compiled by the company. The last time AB InBev posted sales volume growth was in the first quarter of 2023.

AB InBev blamed weak performances in China and Argentina for holding back volumes.

The brewer said its Chinese business underperformed in a soft beer market as budget-conscious consumers in the country spent less money in bars and restaurants.

Sales volumes in China fell 19% in the fourth quarter, marking the third consecutive quarter of double-digit declines there.

The company said normalized earnings before interest, taxes, depreciation and amortization for the fourth quarter rose 10% to $5.245 billion, at the top end of AB InBev's outlook and ahead of market expectations of 7.7% growth for the quarter.

Cost reductions contributed to the improvement, it said.

Looking ahead, AB InBev expects 2025 Ebitda to grow in line with its medium-term guidance of between 4% and 8%, but cautioned that the backdrop in certain markets remains challenging. Analysts expect Ebitda growth of 6.7% for 2025.

Lowe's Profit, Sales Top Estimates

By Denny Jacob

Lowe's topped Wall Street views for sales and earnings after the home-improvement market reached an inflection point in the latest quarter.

The company on Wednesday reported a slight decline in overall sales, though not as sharp as feared by some on Wall Street.

Results were boosted by sales in its professionals business, demand during the holidays and rebuilding efforts in the wake of recent hurricanes. But cautious consumer spending has kept many big-ticket renovations on hold.

"With 70% of our revenue coming from the DIY customer, when those big-ticket discretionary categories feel pressure, it disproportionately impacts our business and our revenue," Chief Executive Marvin Ellison said on an earnings call.

Lowe's shares rose 1.9% on Wednesday.

Lowe's, based in Mooresville, N.C., forecast annual sales at



MICHAEL REYNOLDS/EPA/SHUTTERSTOCK

The home-improvement retailer logged a slight decline in overall sales for the latest quarter.

between $83.5 billion and $84.5 billion; consensus estimates sat closer to $84.56 billion. The high end of its forecast for earnings per share came in a few cents below expectations.

In the latest quarter, Lowe's sales edged down to $18.55 billion from $18.6 billion. Analysts polled by FactSet expected $18.28 billion.

Earnings rose to $1.13 billion, or $1.99 a share, for the three months ended Jan. 31, compared with $1.02 billion, or $1.77 a share, in the prior-year period. Stripping out certain one-time items, earnings of $1.93 a share came in ahead of estimates for $1.84 a share in adjusted earnings.

Peltz Pushes Solventum To Split Off More Units

By Ben Glickman

Activist investor **Trian Fund Management** is pushing **Solventum** to separate more of its businesses after the company's $4.1 billion deal to sell its filtration unit, according to people familiar with the matter.

Nelson Peltz's firm has held a roughly 5% stake in Solventum since the middle of last year. Solventum, which sells healthcare products, was spun out from **3M** in April 2024.

Trian believes the company should separate its dental products and software businesses and focus more on its medical and surgical unit, the people said. The firm wants Solventum management to slash costs in its businesses before a potential sale or spinoff.

Solventum had said Tuesday it agreed to sell its purification and filtration unit to **Thermo Fisher Scientific**. Executives have said previously that the company was working on fine-tuning its portfolio, including by getting out of businesses that don't fit its strategy.

Trian on Wednesday released a statement hailing the deal as a step in the right direction. Trian said that the deal appeared to validate its belief that Solventum's costs are too high, weighing on profit. In its release, Thermo Fisher said the deal would result in cost savings from day one.

A Solventum spokesperson noted the company's progress transforming itself and said it would continue to create value for shareholders.

Trian had said in an open letter to Solventum shareholders in January that selling noncore businesses would allow the company to pay down debt and invest in growth.

Trian has pointed out that the company's margins and organic sales growth have stalled after its spinoff from 3M.

T.J. Maxx Owner Expects Growth as It Bucks Retail Slump

By Dean Seal

T.J. Maxx parent company **TJX** expects demand to keep rising this year after a strong quarter for customer transactions as its off-price chains largely buck weak retail trends.

The operator of discount retailers, including Marshalls and Homegoods, is guiding for comparable sales to rise 2% to 3% in fiscal 2026, which started Feb. 2, and for earnings to hit $4.34 to $4.43 a share. The figures were shy of analyst estimates for comparable sales growth of 3.4% and $4.58 a share in earnings, according to FactSet.

Shares ticked up 1.8% to $124.89 on Wednesday as concerns around the cautious outlook were seemingly offset by TJX's latest quarterly report.

For the fourth quarter that ended Feb. 1, the company's profit held steady from a year earlier at $1.4 billion. Earnings were $1.23 a share, above analyst projections for $1.16 a share, according to FactSet.

Sales came in at $16.35 billion, slightly below the year-earlier quarter's top line but ahead of analyst estimates for $16.21 billion.

Comparable sales were up 5%, above the consensus estimate for 3.1% growth, according to FactSet.

TJX attributed the gain to a jump in customer transactions across each of its divisions. Comparable sales at TJX's Canadian and international businesses jumped by 10% and 7%, respectively.

The quarter included the month of January, during which sales across the U.S. retail landscape ticked down nearly 1% from the month before, rather than just 0.2% as economists had expected.

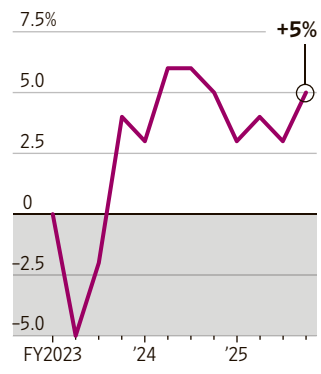
Cold weather likely weighed on the month's results. U.S. consumer confidence also is slipping amid fears that the Trump administration's tariff campaign could raise prices.

While that puts pressure on discretionary spending, TJX and other discounters seem to be coming out ahead as consumers seek more budget-friendly retailers.

Visits to TJX's Marshalls chain were up 6.9% in January while T.J. Maxx recorded an 8.8% jump in traffic, according to data from tracking firm Placer.ai.

Visits to fellow off-pricer **Burlington Stores** were up 9.1%, while the Ross Dress for Less chain, owned by **Ross Stores**, logged a 1.2% gain.

TJX U.S. comparable-store sales, change from a year earlier



Note: Latest fiscal quarter ended Feb. 1
Source: the company

CORPORATE WATCH

DANONE

Sales Growth Beats Expectations

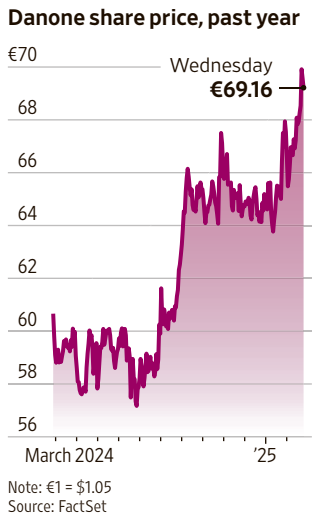
Danone reported fourth-quarter revenue growth beat market expectations amid increasing demand for its products in North America.

The French food company posted sales growth of 4.7% on a like-for-like basis for the fourth quarter. Analysts were expecting growth of 4.2%, according to estimates compiled by the company. Danone said the sales increase was mainly driven by higher volumes, which were up 4.2%, while prices contributed with a 0.6% increase. It said it continued to benefit from strong momentum in North America.

Fourth-quarter organic sales growth accelerated slightly from the 4.2% delivered in the third quarter. Fourth-quarter sales on a reported basis fell to €6.72 billion, or $7.07 billion, from €6.83 billion in the prior year, beating expectations of €6.59 billion. For the year, Danone posted a recurring net profit—which excludes exceptional items—of €2.35 billion compared with €2.28 billion a year earlier. Sales fell to €27.37 billion from €27.62 billion.

—Maitane Sardon

Danone share price, past year



Note: €1 = $1.05
Source: FactSet

ASTRAZENECA

Breast-Cancer Drug Shows Promise

AstraZeneca said its breast-cancer drug candidate showed positive results in a late-stage trial, with improved progression-free survival in patients.

The trial for Camizestrant showed statistically significant and clinically meaningful improvement in progression-free survival compared with the standard-of-care treatment, the U.K. pharma company said. Its trial will continue to further assess key secondary endpoints.

Analysts anticipate a sales potential for the drug of $1.5 billion in 2030.

—Helena Smolak

ODP

OfficeMax Parent's Shares Tumble

Shares of the parent company of Office Depot and OfficeMax slid nearly 22% Wednesday after it said it is pivoting away from its retail business to focus on business-to-business operations.

ODP posted a loss of $3 million, or 10 cents a share, in the 13 weeks ended Dec. 28, compared with a loss of $37 million, or 96 cents a share, the year prior. Stripping out one-time items, adjusted earnings per share were 66 cents, below Wall Street's expectations of 80 cents.

Sales fell about 10% to $1.62 billion.

—Katherine Hamilton

BLOOMIN' BRANDS

Outback Owner's View Disappoints

Shares of Bloomin' Brands fell to their lowest level since the pandemic-driven market rout of 2020 after the Outback Steakhouse owner said sales could decline up to 2% this year.

The stock fell nearly 17% Wednesday.

The restaurant operator, which also owns Bonefish Grill and Carrabba's Italian Grill, said full-year earnings are targeted at $1.08 to $1.28 a share while adjusted earnings are seen at $1.20 to $1.40 a share. Analysts surveyed by FactSet had been projecting $1.77 a share in adjusted earnings. *—Dean Seal*

LEGAL NOTICE

ALL INDIVIDUALS WHO PURCHASED OR ACQUIRED IMPACT THEORY FOUNDER'S KEYS BETWEEN OCTOBER 13, 2021, AND DECEMBER 6, 2021

NOTICE OF FAIR FUND DISTRIBUTION PLAN
In the Matter of Impact Theory, Inc.
Administrative Proceeding File No. 3-21585

The United States Securities and Exchange Commission ("SEC") has settled administrative proceedings (the "Order") against Impact Theory (the "Respondent"). In the Order, the SEC found that from October 13, 2021, to December 6, 2021, Impact Theory violated Sections 5(a) and 5(c) of the Securities Act by offering and selling crypto asset securities known as Founder's Keys without having a registered statement filed or in effect with the SEC, or qualifying for an exemption from registration.

The SEC ordered the Respondent to pay $5,120,718.27 in disgorgement, $483,195.90 in prejudgment interest, and a $500,000.00 civil money penalty, for a total of $6,103,914.17, to the SEC. The SEC also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty collected, along with the disgorgement and interest collected, could be distributed to harmed investors (the "Fair Fund").

The Fair Fund will be paid out according to the Plan of Distribution ("Plan").

A summary of the eligibility criteria and claims process is below. Full details are available at **www.ImpactTheoryFairFund.com.** You may also request a copy of the Plan from the Fund Administrator via email at *info@ImpactTheoryFairFund.com* or by calling 833-285-3401

Who is eligible to receive a payment from the Fair Fund? To receive a payment, you must have:
(1) purchased or acquired Founder's Keys between October 13, 2021, and December 6, 2021;
(2) submitted a timely Claim Form;
(3) suffered a Recognized Loss as calculated under the Plan; and
(4) not been an Excluded Pary under the Plan.

How do I submit a Claim? The easiest way to submit a claim is online at the Impact Theory Fair Fund website: www.ImpactTheoryFairFund.com. **Claim Forms completed online must be submitted on or before 11:59 p.m. Eastern Standard Time on August 15, 2025.**

If you are unable to submit a Claim Form online and/or you have lost relevant credentials associated with wallets and/or exchanges required as part of an online claim, you may request a copy of the paper Claim Form from the Fund Administrator via email at *info@ImpactTheoryFairFund.com* or by calling 833-285-3401. You may also download a copy of the Claim Form to print at: www.ImpactTheoryFairFund.com. **Claim Forms submitted via mail must be sent to the address provided on the Claim Form and postmarked (or if not sent by U.S. Mail, then received) by August 15, 2025.**

The Fund Administrator will send a Determination Notice advising each claimant who timely submitted a Claim Form of their eligibility determination and will provide a calculation of Recognized Loss to those determined to be Eligible Claimants. The Fund Administrator may consider disputes of an Eligible Claimant's Recognized Loss calculation if timely submitted in accordance with the Plan.

This notice is a summary. For more information, visit *www.ImpactTheoryFairFund.com*

833-285-3401 **www.ImpactTheoryFairFund.com**

P2JW058000-0-B00400-1--------XA

Bidders Circle Infowars After Failed Sale

Platform attracted new interest after bankruptcy auction was called off

By Akiko Matsuda

Alex Jones's Infowars has drawn fresh interest despite a court ruling blocking previous sale attempts and roughly $1 billion in judgments against the company.

Puerto Rico-based artificial-intelligence entertainment company WOW.AI. said in a court filing Wednesday that it submitted a bid to the trustee overseeing Jones's bankruptcy for the assets of Free Speech Systems, which owns the conspiracy website. WOW.AI said it is seeking to acquire the assets through a court-mandated sale process.

"As a bidder interested in the FSS assets, WOW supports a transparent and straightforward sale process pursuant to established protocols," the company said in the filing.

Judge Christopher Lopez with the U.S. Bankruptcy Court in Houston in December rejected a bid by First United American, a business entity associated with Jones's online shop, calling off the sale process after finding that the trustee failed to maximize the value and left a "lot of money on the table."

First United said in its court filing last week that it "continues to be ready, willing and able to acquire the assets" of FSS, noting it has since submitted a new cash bid of $8 million, more than doubling its previous offer of $3.5 million.

WOW.AI CEO Rick Latona said in an interview that his company's bid includes $3.5 million in cash, along with 51% of the total supply of $WARS meme coin, which will be held in a trustee-controlled wallet.

WOW.AI launched the meme coin to make the bid for Infowars. If the bid is successful, WOW intends to let token holders decide the future of the website, said Latona, who also owns a domain-brokerage firm, giantpanda.com. He said he chose the initial cash amount in the bid based on First Union's previous bid "so I'm not treated by the court as someone who is not serious."

Earlier this month, Judge Lopez said in a court hearing that he wouldn't allow another bankruptcy auction for the Infowars assets, although he may be open to selling Jones's equity in FSS.

First United said in its filing that it "seeks to reinitiate and conclude bid procedures" that took place in December. It also said it reviewed the possibility of buying equity alone but concluded "acquiring the equity of FSS simply is not feasible" because of mounting obstacles, including more than $1 billion of judgments in favor of families of Sandy Hook victims who sued Jones and FSS for falsely calling the school shooting a government hoax.

In the December auction, Global Tetrahedron, the parent company of the satirical news outlet The Onion, was designated as the winning bid. It is unclear whether The Onion owner is still interested in the assets.

Cyber Spending Requires a Tricky Balance

By Oliver Staley

Every company needs a cybersecurity strategy but getting the money to enact it can be complicated.

Benchmarks that compare cyber spending across companies relative to their revenues, overall tech budget or head count can validate funding choices, but they aren't useful in establishing the security needs of an organization, chief information security officers say.

"That tactic never worked for me," said Selim Aissi, a cybersecurity consultant who has held executive cyber roles at companies including Intel, Visa and Blackhawk Network Holdings, which sells gift cards.

"The CEO, the CFO will shut you down immediately and say, 'Who cares? We're not [company] XYZ.'"

Cybersecurity is a necessary expense: Attackers exploit new vulnerabilities within days of discovery and malware multiplies by the day. It takes just 48 minutes, on average, for a hacker to move through a corporate network after getting in, according to cyber company ReliaQuest.



DAVID PAUL MORRIS/BLOOMBERG NEWS

Benchmarks that compare cyber spending aren't useful in establishing security needs. A 2023 San Francisco security event.

International Business Machines found the average cost of a data breach in the U.S. was $4.9 million last year. But companies are wary of paying for more protection than they need, and it falls on CISOs to justify the expense.

Understanding the costs of disruption is a useful way to allocate spending, said Mike Anderson, chief digital and information officer of cyber company Netskope. Some business functions are more critical than others, or will take more resources to fix if they are disrupted, he said.

"You can't treat everything exactly the same," Anderson said. "I align the investments to the criticality."

At **Vor Biopharma**, a biotech company in Cambridge, Mass., the chief executive and board are well aware of the risk of a breach, said Kevin McEvoy, vice president for information technology.

While the company's most-valuable assets are its intellectual property—which McEvoy says may be coveted by malign actors overseas—the bigger threat is more mundane phishing scams targeting the company's bank accounts. Vor Biopharma employees routinely get emails and texts seeking access to its finances, he said.

> **'There is no... amount that you can invest that will eliminate every threat...'**

McEvoy conducts benchmarking studies and talks to peers at other companies, but says his security budget is worked out in consultation with the company's leadership, based on its needs. So far, he said, the CEO and board are comfortable with his spending.

A return-on-investment formula, he said, isn't part of the discussion. "We really haven't worried about the ROI on this," he said. "We wanted to make sure we had all the basics in place and we feel like we're there." Vor Biopharma spends about 8% of its IT budget on cybersecurity, McEvoy said, which includes contracts with external vendors such as Arctic Wolf, a threat-detection service.

Ultimately, spending on cybersecurity comes down to trade-offs and making sure senior management understands the risks, said Netskope's Anderson. Spending too much takes resources from other necessary operations and finding the right balance isn't a precise science, he said.

"There is no dollar amount that you can invest that will eliminate every threat 100% of the time," he said.

For Aissi, arriving at a reasonable cyber budget starts with spending 30 to 60 days assessing a company's needs. He then puts together a three-year road map to present to the chief financial officer. Software typically accounts for most of the costs associated with cybersecurity, although hiring engineers to manage it is also a big part of the expense, he said.

Aissi has learned over his 30-year career that CFOs prefer spending spread over time, not piled into year one. "They want to see a nice, steady growth because if you tell them, 'I'm going to hire 200 people next year,' they will say, 'You're an idiot. Nobody can hire that many people and make them operational in one year.'"

He walks senior leaders through the company's vulnerabilities, inside and outside its walls, he said. That includes identifying all of the sensitive data that needs protection as well as any technology provided by third parties.

Measuring the business risk from potential hacks shows where to spend, he said. "I highlight the areas that need growth and maturity, and that's how I explain it."

While there is plenty of data about the escalation of hacking and the costs of recovery that could scare corporate boards into spending, Aissi said that isn't his preferred strategy. "I try to be very methodical and scientific," he said.

Bezos Sets The Post's Opinion as Pro-'Free Markets'

By Alexandra Bruell

Jeff Bezos has offered his clearest vision yet for the Washington Post's future, saying Wednesday that the paper's opinion page would focus on the support and defense of "personal liberties and free markets."

"There was a time when a newspaper, especially one that was a local monopoly, might have seen it as a service to bring to the reader's doorstep every morning a broad-based opinion section that sought to cover all views. Today, the internet does that job," Bezos wrote in a post on X and memo to staff.

The opinion page change is a pivot from the current objective to cover a wide range of views—the historical approach of local newspapers. The move prompted the resignation of the Post's opinion editor, David Shipley.

Bezos said he offered Shipley the opportunity to continue to oversee the opinion coverage, but he decided to leave. The company will look for a new opinion editor.

"We'll cover other topics too of course, but viewpoints opposing those pillars will be left to be published by others," said Bezos.

The position espoused by Bezos is similar to that of The Wall Street Journal's editorial page, which has long held a defined intellectual and political worldview under the banner "free markets, free people."

Bezos' change follows another decision just before the election not to back a presidential candidate, which resulted in the loss of hundreds of thousands of subscribers. At the time, he penned an op-ed in the Post saying that endorsements "create a perception of bias."

Critics speculated that he was motivated by business and other interests, as founder of Blue Origin and **Amazon.com**. Bezos at the time defended his record of integrity as the paper's owner, despite the appearance of conflict.

He has tapped a handful of Journal leaders, including former publisher William Lewis and top editor Matt Murray.

"This is not about siding with any political party," Lewis, the Post's chief executive and publisher, wrote in a staff email. "This is about being crystal clear about what we stand for as a newspaper."

Eli Lilly To Build U.S. Plants

Continued from page B1

improved to support this," Lilly Chief Executive David Ricks said in an interview.

Director of the National Economic Council Kevin Hassett, Secretary of Commerce Howard Lutnick and Sen. Todd Young (R., Ind.) attended a press conference in Washington at which Lilly announced the plans.

"We need steel mills, we need precursor medicines. these are the fundamental underpinnings of America that we need to reshore," Lutnick said.

Many medicines are made in the U.S., according to Morgan Stanley analysts, though a good portion are made in countries like Ireland and Switzerland. The industry relies on countries such as China for active pharmaceutical ingredients, and Indian firms make many lower-price generic drugs.

Trump has threatened to impose tariffs on pharmaceutical imports. Industry representatives have expressed concerns about potential levies. Analysts said they wouldn't have much of a financial impact on companies because of the high margins on medicines.

Lilly said it is negotiating with several states on where to build the new manufacturing plants and welcomes interest from more states until mid-March.

The Indianapolis-based company said the new outlays would follow $23 billion it had invested in U.S. operations from 2020 to 2024, including new manufacturing sites in Wisconsin and North Carolina and expansions in its home state of Indiana



PAULO NUNES DOS SANTOS/BLOOMBERG NEWS

CEO David Ricks at the company's plant in Kinsale, Ireland. Eli Lilly plans to invest $27 billion in new facilities in the U.S.

Watch a Video: Resy CEO on How Amex's Acquisitions Are Transforming Dining



NIKKI WALKER/WSJ

Since American Express acquired Resy, dining has become an even bigger part of the Amex strategy. Scan this code for a video with Pablo Rivero, Resy CEO and head of American Express Global Dining.

TECH & MEDIA WATCH

PARAMOUNT GLOBAL

Streaming Unit Shows Momentum

Paramount Global reported continuing momentum in its streaming operation and a boost in filmed entertainment in the fourth quarter as it prepares to merge with David Ellison's Skydance Media.

The company's Paramount+ streaming service added 5.6 million new subscribers during the quarter, bringing its total to 77.5 million and increasing revenue for the service by 16%.

Overall revenue rose 4.5%, to $7.99 billion. The company swung to a loss of $224 million because of restructuring and other costs.

Paramount, which is also home to CBS, Comedy Central, Nickelodeon and its namesake studio, said it expects to close its deal with Skydance in the first half of the year.

Filmed entertainment revenue increased to $1.1 billion in the fourth quarter, up 67% from the same period a year earlier.

The company said the growth was driven by the releases of "Gladiator II" and "Sonic the Hedgehog 3."

TV media revenue fell by 4% from the year prior, to just under $5 billion, which the company attributed to declines in the ad market, affiliate and subscription revenue declines and fewer sporting events on CBS.

—Isabella Simonetti

SALESFORCE

Revenue Forecast Misses Estimates

Salesforce on Wednesday offered a revenue outlook that fell short of Wall Street's expectations.

For the current year, Salesforce said it expects revenue of $40.5 billion to $40.9 billion, compared with analysts' expectations of $41.37 billion, according to FactSet. Its revenue range of $9.71 billion to $9.76 billion for the first quarter also missed analyst expectations of $9.91 billion.

The outlook came as the customer-relationship management company posted a higher profit and revenue for the fourth quarter.

The company on Wednesday posted a profit of $1.71 billion, or $1.75 a share, in the three months ended Jan. 31, compared with $1.45 billion, or $1.47 a share, a year earlier.

Stripping out certain one-time items, adjusted per-share earnings were $2.78, ahead of the $2.61 forecast by analysts, according to FactSet.

Revenue rose 7.6% to $9.99 billion. Analysts surveyed by FactSet forecast revenue of $10.04 billion.

This month, Salesforce said Robin Washington, former Gilead Sciences chief financial officer, is set to take over as CFO in March.

—Katherine Hamilton

P2JW058000-0-B00500-1--------XE

Cannabis Buzz Wearing Off For Sector's Private Lenders

Operators turn to direct loans as equity investors wait on sidelines

By Becky Yerak



EVA MARIE UZCATEGUI/BLOOMBERG NEWS

U.S. cannabis cultivators and operators are facing a coming wall of debt maturities at a time of slowing growth.

The investment that flowed into the cannabis industry as dozens of states legalized the drug in recent years has slowed to a trickle, pressuring some private lenders that have become the primary source of its financing.

U.S. cannabis cultivators and operators are facing an approaching wall of debt maturities at a time of slowing growth and little movement by the federal government in reclassifying cannabis as a less-dangerous drug. As private-equity and venture-capital firms have stepped back from marijuana that is legal at the state level, pot cultivators and retailers have turned to debt financing, which accounted for 92% of the roughly $1.2 billion in capital raised last year, said Frank Colombo, managing director for cannabis investment bank Viridian Capital Advisors.

Filling a gap

Because federally insured banks are reluctant to finance cannabis operations that are illegal under federal law, private credit has stepped in to fill the gap. U.S. pot companies now owe more than $2.5 billion in debt that comes due before the end of 2026, said David Zubricki, managing director for investment bank Ducera Partners. Unless federal regulations loosen substantially, he doesn't expect an infusion of new capital to help manage debt they took on when investor optimism was higher.

Some direct loans are already souring as heavy taxes, regulatory costs and a production glut combine to push prices down and hit profits.

"We're not lending to **Apple** and Google here," said Daniel Neville, chief executive of **Advanced Flower Capital**. The West Palm Beach, Fla.-based company, through both private credit and a publicly traded commercial mortgage real-estate investment trust, has made nearly $800 million in cannabis-related loans.

Another private lender, **Pelorus Capital Group**, shows how some direct loans in the cannabis space have deteriorated. Since 2018, Pelorus has made more than $545 million in real-estate loans in 73 deals with state-legal marijuana companies. In September, it sued **StateHouse Holdings** over $116 million in loan defaults, after which the company was placed into receivership and its assets put up for sale.

Pelorus also filed a lawsuit last year over $19 million in defaulted construction loans made to publicly traded **Item 9** to develop sites in Arizona and Nevada. Last year, publicly traded **Juva Life**, to which Pelorus lent $11.8 million to buy a California facility, defaulted on its debt, which led to Juva being put into receivership. Pelorus declined to comment.

Equity dries up

Back when equity financing accounted for a significant majority of cannabis operators' capital, lenders had the peace of mind of knowing that shareholders were inherently subordinate to them in the capital cushion if a business went up in smoke. But with equity investments in cannabis drying up to absorb those initial financial hits, lenders are more selective and are doing stricter due diligence, Neville said.

"For the last two years when we've been underwriting, we've been assuming that the company is never able to raise another dollar of equity," Neville said. Advanced Flower also has tried to strengthen its underwriting by focusing on lending to more-creditworthy borrowers, tightening covenants and charging slightly higher rates, he said.

Marijuana-industry research firm Whitney Economics said in a survey released last year that roughly 27% of cannabis businesses are profitable, down from 42% in 2022. Nearly one-third are unprofitable, with the rest breaking even. Whitney estimates next year's debt maturity at roughly $6 billion, based on both public and private multistate operators.

Cannabis operators still vie for consumer dollars with illegal dealers who avoid taxes and regulatory costs. Competing products derived from hemp rather than marijuana and sold in convenience stores and gas stations fall into a legal gray area but also affect legal operators' bottom line. Some states that have legalized marijuana don't cap the number of licenses and have reduced criminal penalties for black-market players, contributing to oversaturation.

The U.S. Cannabis Spot Index, which tracks wholesale prices in 22 states, sits at $955 a pound after reaching a record low in early January of $888. That is down from its peak of $2,133 in September 2015, a few months after the index was launched by a team of former Standard & Poor's commodities trackers.

Equity investors have noticed the glut. Cannabis investments by private-equity and venture-capital firms are at their lowest levels in years in both dollar values and deal counts. Last year, U.S. private-equity deals in the sector totaled $260 million, compared with $1.3 billion for all of 2018, deal tracker PitchBook said. Venture-capital deals were $410 million, compared with roughly $3.06 billion in 2019.

"In a lot of instances, with where we're at in this cycle in cannabis, there ain't any equity financing,' said Seth Yakatan, partner at consulting firm Katan Associates.

BNY, Oldest Bank In the U.S., Signs Deal With OpenAI

By Isabelle Bousquette

Bank of New York Mellon Corp., also known as BNY, unveiled a multiyear relationship with artificial-intelligence heavyweight OpenAI.

Under the deal, the U.S.'s oldest bank will gain access to cutting-edge OpenAI tools such as Deep Research and its most-advanced reasoning models, supercharging the bank's internal AI platform, Eliza.

In return, OpenAI said it hopes to gain insight into how well its models work for complex tasks in the real world. Terms of the deal weren't disclosed.

"We feel AI has transformational power and will be part of every product and service," said Sarthak Pattanaik, head of BNY's AI hub.

BNY will get access to OpenAI's cutting-edge Deep Research.

Banks are emerging as early leaders in AI adoption and as top-filers in AI patents, as well as top tech-talent recruiters plucking researchers from academic institutions.

OpenAI Chief Operating Officer Brad Lightcap attributes that to the industry taking advantage of stark opportunities to simplify complex workflows. OpenAI boasts existing deals with companies such as **Morgan Stanley**, Spanish bank **BBVA** and Swedish fintech **Klarna**.

"We've felt a lot of pull and a lot of demand there. I don't suspect that's going to let up," he said, adding the BNY collaboration also is an opportunity to jump in with a company advanced on the AI maturity curve. BNY launched its Eliza platform last year.

Eliza functions as both a chatbot trained on BNY knowledge and a platform where employees can select from a range of publicly available models to build AI tools and agents for specific use cases. All 52,000 employees have access, and over 50% of them actively use Eliza. They have built tools like a lead generation app for salespeople.

Through the deal, BNY also will gain access to ChatGPT Enterprise, OpenAI's plan aimed at large companies.

ChatGPT Enterprise has some overlapping capabilities with Eliza, but BNY will lean on complementary ones, giving licenses to a select number of users, including developers, product owners, and business leaders who will use it to explore cutting-edge features from OpenAI.

The features include Deep Research, an agent that can take in large amounts of online information to complete multistep research tasks, and Operator, which can access the internet through its own browser and click, scroll and type as a person would. Operator is in early research preview, but will be available for ChatGPT Enterprise at some point.

The major value of the collaboration will be BNY's access to OpenAI's application programming interfaces, or APIs, which will give Eliza access to OpenAI's most-advanced reasoning models, Lightcap said. And as capabilities like Deep Research and Operator become available via APIs in the future, BNY will be able to integrate them directly into Eliza as well.



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COMMERCIAL REAL ESTATE

UCC Public Sale Notice

Please take notice that Eastdil Secured, L.L.C., on behalf of DWF VI 1 LINCOLN LENDER, LLC, a Delaware limited liability company (together with its successor and assigns, "Secured Party") offers for sale at public auction on April 3, 2025 at 2 p.m. (prevailing Eastern Time) at the offices of Gibson, Dunn & Crutcher LLP, located at 200 Park Avenue, New York, New York 10166, and also being broadcast for remote participation via a virtual videoconference, in connection with a Uniform Commercial Code sale, 100% of the limited liability company membership interests in LINCOLN STREET PROPERTY OWNER, LLC, a Delaware limited liability company (the "Pledged Entity"), and all other collateral pledged by LINCOLN STREET MEZZ, LLC, a Delaware limited liability company ("Debtor") under that certain Pledge and Security Agreement, dated as of September 14, 2022 (as amended, supplemented or otherwise modified from time to time, the "Security Agreement") made by Debtor in favor of Secured Party (collectively, the "Collateral"). Debtor directly owns the Pledged Entity, which directly owns certain real property commonly known as One Lincoln Street, located at 1 Lincoln Street, Boston, Massachusetts (the "Premises").

Pursuant to that certain Mezzanine Loan Agreement, dated as of September 14, 2022 (as amended, restated, supplemented or otherwise modified from time to time, the "Mezzanine Loan Agreement"), by and between Debtor and Secured Party, Secured Party made a loan to Debtor in the original principal amount of up to $145,000,000.00 (the "Mezzanine Loan"). In connection with the Mezzanine Loan, Debtor granted to Secured Party a first priority lien on the Collateral pursuant to the Security Agreement. Secured Party is offering the Collateral for sale in connection with the foreclosure on the pledge of such Collateral. The Pledged Entity is a borrower under a loan in the original aggregate principal amount of $763,000,000.00 (the "Senior Loan"), which is secured by, among other things, a mortgage encumbering the Premises. Secured Party may, prior to the sale described herein, assign all of its right, title and interest in and to the Mezzanine Loan. In the case of such assignment, the assignee shall be considered the "Secured Party" for all purposes hereunder.

The sale of the Collateral will be subject to all applicable third-party consents and regulatory and other governmental approvals, if any, as well as the terms of sale prepared by Secured Party. Without limitation to the foregoing, please take notice that there are specific requirements for any prospective bidder in connection with bidding on the Collateral. The Collateral is being offered as a single lot, "as-is, where-is", with no express or implied warranties, representations, statements or conditions of any kind made by Secured Party or any person acting for or on behalf of Secured Party, without any recourse whatsoever to Secured Party, Secured Party's affiliates, direct and indirect holders of equity in Secured Party, directors, officers, agents, or employees of Secured Party or its affiliates or equity holders, or any other person acting for or on behalf of Secured Party of Secured Party or its affiliates or equity holders. Each bidder must make its own inquiry regarding the Collateral. The winning bidder shall be responsible for the payment of all transfer taxes, stamp duties, and similar taxes incurred in connection with the purchase of the Collateral.

Secured Party reserves the right to (i) credit bid, (ii) reject any bid if Secured Party determines, in its sole and absolute discretion, that such bid was made by a participant that is not a Qualified Bidder (as defined in the Terms of Sale), (iii) accept a lower bid if the bid is on terms that Secured Party determines is more favorable to Secured Party or is from a bidder that, in Secured Party's determination, offers a more certain likelihood of execution, (iv) adjourn the sale to another date and time, and (v) impose any other commercially reasonable conditions upon the sale of the Collateral as Secured Party may deem proper.

Each prospective bidder (other than Secured Party or its affiliates) will further be required to represent in writing to Secured Party, among other things, that such bidder (a) is acquiring the Collateral for investment purposes, solely for the purchaser's own account and not with a view to distribution or resale of the Collateral; (b) is an accredited investor within the meaning of the applicable securities laws; (c) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of investment and has sufficient financial means to afford the risk of investment in the Collateral; (d) will not resell or otherwise hypothecate the Collateral without a valid registration under applicable federal or state laws, including, without limitation, the Securities Act of 1933, as amended (the "Securities Act"), or an available exemption therefrom; provided that Secured Party reserves the right to verify that each certificate for the limited liability company interests to be sold bears a legend substantially to the effect that such interests have not been registered under the Securities Act and to impose such other limitations or conditions in connection with the sale of the Collateral as Secured Party deems necessary or advisable in order to comply with the Securities Act or any other applicable law; (e) is not an Embargoed Person (as defined in the Terms of Sale); (f) is not capitalized with a Crowd Funding Structure; and (g) will purchase the Collateral in compliance with all applicable federal and state laws. **Meeting any requirements of the foregoing shall be at the sole responsibility, risk, cost, and expense of a prospective bidder.**

All bids (other than credit bids of Secured Party) must be for cash with no financing or other conditions, and the successful bidder must be prepared to deliver immediately available good funds as required by the Terms of Sale and otherwise comply with the bidding requirements and the Terms of Sale. The selected bidder must (i) deposit with a title company or other agent designated by Secured Party 10% of the selected bidder's final bid within twenty-four (24) hours of completion of the auction, (ii) pay the full amount of its bid as the purchase price for the Collateral, after deduction of the selected bidder's deposits, by wire transfer of immediately available federal funds, no later than 2:00 p.m. prevailing Eastern Time on April 14, 2025, as set forth in, and subject to the terms of, the Terms of Sale, and (iii) otherwise comply with the bidding requirements and the Terms of Sale.

Further information concerning the Collateral, the requirements for obtaining information and bidding on the interests and the Terms of Sale can be obtained by contacting Sarah Lagosh, Managing Director, Eastdil Secured, L.L.C., by telephone at (617) 784-3978 or by email at slagosh@eastdilsecured.com.

FORM OF PUBLIC NOTICE

PLEASE TAKE NOTICE THAT on March 11, 2025, at the hour of 3:30 p.m. Eastern Time, or as soon thereafter as practicable, AC 37 LLC and/or its successors and assigns ("Secured Party") will hold a public foreclosure sale in person at the offices of Cole Schotz P.C., 1325 Avenue of the Americas, 19th Floor, New York, New York 10019 and virtually via online video conference, pursuant to Section 9-610 of the Uniform Commercial Code as enacted in the State of New York, to sell to the highest qualified bidder all of the right, title and interest of Bryan Bowers and Michael B, Licata (collectively, "Pledgor") in the following collateral (collectively, the "Collateral"): (a) 100% of the Membership interest in Downtown Utica Development, LLC ("Utica Borrower") pledged to Secured Party by Pledgor (the "Utica Interests"); (b) 100% of the membership interest in Radisson Development Company, LLC ("Radisson Borrower") pledged to Secured Party by Pledgor (the "Radisson Interests"); (c) 100% of the membership interest in Bowers Business Park, LLC ("BBP Borrower") pledged to Secured Party by Pledgor (the "BBP Interests"). Utica Borrower, Radisson Borrower, and BBP Borrower are collectively, "Borrower." Each of the Utica Interests, the Radisson Interests, and the BBP Interest are a "Pledged Interest" and collectively are the "Pledged Interests;" (d) All rights to any distribution of property (including cash) (regardless of whether from cash flow, capital transactions, or otherwise) on account of a Pledged Interest, or any other distribution or payment on or in respect of any membership interest or the redemption or repurchase thereof, or other payments arising therefrom or relating thereto, and all options, rights, instruments, and other property or proceeds from time to time received, receivable, or otherwise distributable in respect of or in exchange for any or all of the Pledged Interests; (e) All rights to receive all income, gain, profit, loss, or other items allocated, allocable, distributed, or distributable to Pledgor under the Organizational Documents of Borrower, and all general intangibles, accounts, investment property, payment intangibles, supporting obligations, other contract rights or rights to the payment of money, and all proceeds, as each of the foregoing terms is defined in the UCC, arising out of, or in connection with, the membership interest in Utica Borrower; (f) All of Pledgor's ownership interest in any capital accounts in Borrower; (g) Any additional ownership interests of, and any ownership interests exchangeable for or convertible into and warrants, options, and other rights to purchase or otherwise acquire shares of ownership interests of, Borrower, or entity which is the successor of Borrower, from time to time acquired by Pledgor in any manner (all of which interests shall be deemed to be part of the Pledged Interests), and any certificates or other instruments representing such additional interests, warrants, options, and other rights, and all Distributions and other property or proceeds from time to time received, receivable, or otherwise distributed or distributable in respect of or in exchange for any or all of such additional shares, warrants, options, or other rights; and (h) All proceeds of any or all of the foregoing Collateral.

The Collateral is pledged to secure the amount due under the Utica Note with an aggregate unpaid balance amount of $2,538,348.57 as of January 31, 2025, with interest and fees continuing to accrue from that date, and the amount due under the Radisson Note with an aggregate unpaid balance amount of $8,505,285.96 as of January 31, 2025, with interest and fees continuing to accrue from that date.

The sales are being held to enforce the rights of Secured Party under that certain: Promissory Note, dated March 2, 2022, in the principal amount of $2,256,000.00 (the "Utica Note"), given by Downtown Utica Development, LLC ("Utica Borrower") in favor of Sachem Capital Corp. ("Prior Lender"); (b) Ownership Interest Pledge and Security Agreement, dated March 2, 2022, (the "Bowers Pledge") between Bryan Bowers ("Bowers") and Prior Lender; (c) Ownership Interest Pledge and Security Agreement, dated March 2, 2022, (the "Licata Pledge") between Michael B. Licata ("Licata" and together with Bowers collectively, "Pledgor") and Prior Lender; (d) Note Modification Agreement, dated June 28, 2023, (the "Utica Note Modification") between Utica Borrower and Prior Lender; (e) Amended and Restated Commercial Promissory Note, dated August 2, 2023, in the principal amount of $7,000,374.00 (the "Radisson Note") given by Radisson Development Company, LLC ("Radisson") and Bowers Business Park, LLC ("BBP" and together with Radisson, collectively, "Radisson Borrower") in favor of Prior Lender; (f) Pledge and Security Agreement, dated August 2, 2023, (the " Radisson Pledge") between Bowers and Licata and Prior Lender. The Utica Note, Bowers Pledge, Licata Pledge, Utica Note Modification, Radisson Note, Raddison Pledge, and other documents memorializing the indebtedness of the Utica Borrower and Radisson Bower (collectively, the "Loan Documents") were assigned to Secured Party pursuant to an Assignment and Assumption Agreement, dated December 23, 2024, (the "Assignment") between Prior Lender and Secured Party. The Utica Note and Radisson Note have matured by their terms. Borrower owns certain real property located within New York State.

The sales will be held on a "where is, as is" basis, with reserve, and without any representations or warranties of any kind, whether express or implied. There is no warranty relating to title, possession, quiet enjoyment or the like in these dispositions. Secured Party reserves the right to sell the Collateral separately, or to sell all (or any combination) of the Collateral collectively and as an entirety in its sole and absolute discretion. Secured Party reserves the right to establish bidding procedures, to require potential bidders to tender a minimum bid deposit, to approve or reject any bids in its sole discretion, and to have potential bidders demonstrate their ability to perform and close to the satisfaction of Secured Party. Secured Party reserves the right to credit bid at the auction, to assign its bid, and to credit the purchase price against the expenses of the sales and the secured obligations. Secured Party reserves the right to adjourn, continue, or cancel the auction without further notice. The sales shall be held in accordance with the "Terms of Public Sale," which set forth (among other things) the sale procedures, the bidding deposit requirements, and the timing of settlement.

The public sale shall be conducted by Mannion Auctions, LLC, by Matthew D. Mannion, Auctioneer, NYC DCA License No. 1434494-DCA, or other such licensed auctioneer(s) as may be selected by the Secured Party, without further publication or notice.

Any parties interested in further information about the Collateral, the exact location of the sales and/or link to the sales, the requirements to be a "qualified bidder" and/or the Terms of Public Sale should contact Jim Barr Coleman (+1 (212) 584-6173; email: jimbarr@wmcapitalpartners.com).

NOTICE OF SALE

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF MARYLAND (Baltimore Division)

In re Diamond Comic Distributors, Inc., *et al.*, Debtors. | Case No. 25-10308 (DER) Chapter 11 (Jointly Administered)

NOTICE OF PROPOSED SALE OF SUBSTANTIALLY ALL OF DEBTORS' ASSETS, FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES, AND SALE HEARING

PLEASE TAKE NOTICE that, on January 14, 2025, Diamond Comic Distributors, Inc., Comic Holdings, Inc., Comic Exporters, Inc., and Diamond Select Toys & Collectibles, LLC (collectively, the "Debtors"), filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the above-captioned Bankruptcy Court. On February 11, 2025, the Bankruptcy Court entered an order (the "Bid Procedures Order") establishing procedures by which the Debtors may sell substantially all their assets, **free and clear of all liens, claims, and encumbrances**. On February 21, 2025, the Debtors filed a motion seeking approval of such sale(s). The chart below describes the Debtors' assets being marketed for sale.

	Business	Description
1	Diamond Comic Distributors	Division of Debtor Diamond Comic Distributors, Inc., that distributes comic books, graphic novels, toys, games, and other pop culture-related merchandise.
2	Diamond Book Distributors	Division of Debtor Diamond Comic Distributors, Inc., that distributes English-language graphic novels, manga, games, and merchandise.
3	Alliance Game Distributors	Division of Debtor Diamond Comic Distributors, Inc., that distributes board games, card games, role-playing games, miniatures, and other gaming products.
4	Collectible Grading Authority (CGA)	Division of Debtor Diamond Comic Distributors, Inc., that provides professional evaluation, authentication and grading services of vintage and modern toys, video games and other related collectible assets.
5	FandomWorld	Division of Debtor Diamond Comic Distributors, Inc., that operates a direct-to-consumer e-commerce platform offering a range of collectible merchandise for sale.
6	FreeComicBookDay.com	Division of Debtor Diamond Comic Distributors, Inc., that operates an annual promotional event where participating comic bookstores give away free comic books to drive product awareness and attract new customers.
7	Diamond Select Toys & Collectibles, LLC	Manufactures collectible toys and animated style statues based on licensed intellectual property.
8	Gentle Giant Ltd.	Division of Debtor Diamond Select Toys & Collectibles, LLC, that manufactures collectible toys and statues based on licensed intellectual property.
9	Ironguard Supplies	Division of Debtor Diamond Select Toys & Collectibles, LLC, that manufactures card supplies, comic supplies, and displays, including card binders, card sleeves, magna-armor, backer boards, and comic bags.
10	Comic Exporters, Inc.	Holding company that owns 50% of non-debtor Diamond Comic Distributors UK, a distributor of comic books, collectibles, and related merchandise in the United Kingdom.
11	Comic Holdings, Inc.	Holding company that owns 50% of non-debtor Diamond Comic Distributors UK, a distributor of comic books, collectibles, and related merchandise in the United Kingdom.
12	Diamond Comic Distributors UK	Distributes comic books, collectibles, and related merchandise in the United Kingdom.

The deadline to submit bids is **March 19, 2025**. The Bid Procedures Order provides the details for the submission of a bid. Any objections to the sale(s) must (i) be made in writing; (ii) state with particularity the grounds for the response or objection; (iii) conform to the Bankruptcy Rules and the Local Bankruptcy Rules; (iv) be filed with the Court on or before **March 14, 2025**; and (v) be served on the following parties: (a) proposed counsel to the Debtors, Saul Ewing LLP, 1500 Market Street, 38th Floor, Philadelphia, Pennsylvania 19102, Attn: Jeffrey C. Hampton (jeffrey.hampton@saul.com) and Adam H. Isenberg (adam.isenberg@saul.com), and 1201 N. Market Street, Suite 2300, Wilmington, Delaware 19801, Attn: Paige N. Topper (paige.topper@saul.com); (b) counsel to the DIP Lender, Troutman Pepper Locke LLP, 111 Huntington Avenue, 9th Floor, Boston, Massachusetts 02199, Attn: Jonathan W. Young (jonathan.young@troutman.com) and David Ruediger (david.ruediger@troutman.com); (c) the Office of the United States Trustee for the District of Maryland, Attn: Gerard R. Vetter (gerard.r.vetter@usdoj.gov); (d) proposed counsel to the Committee, (i) Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, New York 10020, Attn: Bruce S. Nathan (bnathan@lowenstein.com) and Gianfranco Finizio (gfinizio@lowenstein.com), and (ii) Tydings & Rosenberg LLP, One E. Pratt St., Suite 901, Baltimore, Maryland 21202, Attn: Stephen B. Gerald (sgerald@tydings.com) and Dennis J. Shaffer (dshaffer@tydings.com); and (e) counsel to the Stalking Horse Bidder, Whiteford, Taylor & Preston LLP, 8830 Stanford Blvd., Suite 400, Columbia, Maryland 21045, Attn: Brent C. Strickland (bstrickland@whitefordlaw.com).

The hearing to consider approval of the sale is scheduled for **March 27, 2025, at 10:00 a.m. (EST)** at the United States Bankruptcy Court for the District of Maryland, 101 W. Lombard St., Courtroom 9-D, Baltimore, Maryland 21201. Copies of documents related to the sale as well as other documents filed in the Debtors' chapter 11 cases are available free of charge on the Debtors' case information website, located at https://cases.omniagentsolutions.com/home?clientId=3721, or can be requested by calling the Debtors' claims and noticing agent, Omni Agent Solutions, at 866-771-0556.

ANY PARTY WHO FAILS TO OBJECT TO THE SALE ON OR BEFORE THE OBJECTION DEADLINE MAY BE FOREVER BARRED FROM ASSERTING ANY OBJECTION, INCLUDING WITH RESPECT TO THE SALE OF THE ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, AND ENCUMBRANCES.

THE WALL STREET JOURNAL.

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BANKRUPTCIES

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re: EPIC! CREATIONS, INC., *et al.*,[1] Debtors. | Chapter 11 Case No. 24-11161 (BLS) (Jointly Administered)

NOTICE OF BAR DATES FOR FILING PROOFS OF CLAIM

THE CLAIMS BAR DATE IS MARCH 26, 2025, AT 4:00 P.M. (ET) PLEASE TAKE NOTICE OF THE FOLLOWING:

Entry of the Bar Date Order. On February 21, 2025, the United States Bankruptcy Court for the District of Delaware entered *Order (I) Establishing Bar Dates for Filing Proofs of Claim, Including Claims Under 11 U.S.C. §§ 507(a)(3) through (a)(10) and 503(b)(9), (II) Approving the Form and Manner for Filing Proofs of Claim, (III) Approving Notice Thereof, and (IV) Granting Related Relief* [D.I. 530] (the "Bar Date Order") establishing certain deadlines for the filing of Proofs of Claim in the Chapter 11 Cases of the above-captioned debtors (collectively, the "Debtors").

EXCEPT AS TO CERTAIN EXCEPTIONS EXPLICITLY SET FORTH IN THE BAR DATE ORDER, ANY PERSON OR ENTITY WHO FAILS TO FILE A PROOF OF CLAIM ON OR BEFORE THE CLAIMS BAR DATE SHALL BE: (1) BARRED FROM RECEIVING ANY DISTRIBUTION IN THESE CHAPTER 11 CASES OR (2) BARRED FROM VOTING IN THESE CHAPTER 11 CASES ON ACCOUNT OF THAT CLAIM.

Who Must File a Proof of Claim. Pursuant to the Bar Date Order, all persons and entities, including individuals, partnerships, estates, trusts, and governmental units who have a claim or potential claim against the Debtors that arose on or before June 4, 2024, no matter how remote or contingent such right to payment or equitable remedy may be, **including holders of claims allowable under sections 507(a)(3) through (a)(10) and 503(b)(9) of the Bankruptcy Code, MUST FILE A PROOF OF CLAIM** on or before **4:00 p.m. (ET), on March 26, 2025** (the "Claims Bar Date").

Filing a Proof of Claim. Each original Proof of Claim, including supporting documentation, must be filed so as to be **actually received** by the Trustee's notice and claims agent, Verita Global ("Verita") on or before the Claims Bar Date (or, where applicable, on or before any other Bar Date set forth in the Bar Date Order) (i) via the electronic filing interface available at https://www.veritaglobal.net/EpicCreations, or (ii) by United States mail or other hand delivery system at the following address: Epic! Creations, Inc. Claims Processing Center, c/o Verita Global, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245. **Proofs of Claim submitted by facsimile or electronic mail will not be accepted.**

Contents of Proofs of Claim. Subject to the Bar Date Order, each Proof of Claim must: (a) be legible and in English, (b) include a claim amount denominated in United States dollars using, if applicable, the exchange rate as of 5:00 p.m. (ET), on June 4, 2024, (and to the extent such claim is converted to United States dollars, state the rate used in such conversion), (c) set forth with specificity the legal and factual basis for the alleged claim, (d) conform substantially with the Proof of Claim Form provided by the Trustee, and (e) be signed by the Claimant or by an authorized agent or legal representative of the Claimant on behalf of the Claimant, whether such signature is an electronic signature or is ink.

Additional Information. If you have any questions regarding the claims process and/or if you wish to obtain a copy of the Bar Date Order (which contains a more detailed description of the requirements for filing Proofs of Claim), a Proof of Claim Form, or related documents, you may do so by: (a) visiting the website of the Trustee's notice and claims agent, Verita at: https://www.veritaglobal.net/EpicCreations, (b) calling Verita at (888) 249-2716 (U.S./Canada) or (310) 751-2603 (International) or (c) inquiring via email at epiccreationsinfo@veritaglobal.com. Please note that Verita **cannot** advise you on how to file, or whether you should file, a proof of claim.

Dated: February 24, 2025, Wilmington, Delaware, **PASHMAN STEIN WALDER HAYDEN, P.C.,** */s/ Joseph C. Barsalona II* Henry J. Jaffe (No. 2987), Joseph C. Barsalona II (No. 6102), Alexis R. Gambale (No. 7150), 824 N. Market Street, Suite 800, Wilmington, DE 19801, Telephone: (302) 592-6496, Email: hjaffe@pashmanstein.com, jbarsalona@pashmanstein.com, agambale@pashmanstein.com -and- **JENNER & BLOCK LLP,** Catherine Steege (admitted *pro hac vice*), Melissa Root (admitted *pro hac vice*), William A. Williams (admitted *pro hac vice*), 353 N. Clark Street, Chicago, Illinois 60654, Telephone: (312) 923-2952, Email: csteege@jenner.com, mroot@jenner.com, wwilliams@jenner.com, *Co-counsel to the Trustee*

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: Epic! Creations, Inc. (9113); Neuron Fuel, Inc. (8758); and Tangible Play, Inc. (9331).

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NEW HIGHS AND LOWS

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **%** **CHG**-Daily percentage change from the previous trading session.

Wednesday, February 26, 2025

Highs

Stock	Sym	52-Wk Hi/Lo	% Chg
AcresCmclRlty	ACR	21.18	0.9
AGNC InvtPfdF	AGNCP	25.28	0.1
Agora	API	6.99	10.2
AimeiHlthTechRt	AFJKR	0.33	5.1
AirTransportSvcs	ATSG	22.38	...
AlgonquinNt2079	AQNB	26.00	0.7
AnbioBiotechnology	NNNN	6.40	4.1
AnnalyCap	NLY	22.05	1.0
AnnalyCapPfdF	NLYpF	26.34	-0.2
Aon	AON	400.22	0.4
ArtiusIIAcqn	AACBU	10.04	...
ADP	ADP	315.29	-0.6
Avista	AVA	40.17	4.6
B.RileyNts2025	RILYM	25.13	0.1
B.RileyNts2026	RILYK	22.75	4.6
BBVA	BBVA	13.59	1.4
BancoSantander	SAN	6.50	1.7
Barclays	BCS	15.92	2.1
BeiGene	ONC	268.45	-0.3
BoldEagleAcqn	BEAGU	10.35	0.4
BoldEagleAcqnA	BEAG	10.57	0.1
Brown&Brown	BRO	115.34	...
CBIZ	CBZ	90.13	-5.2
CEVA	CEVA	38.92	18.3
CadrenalTherap	CVKD	22.90	2.3
CenterPointEner	CNP	34.49	-0.5
CollectiveMining	CNL	6.85	-0.6
ColumbiaSportswr	COLM	92.88	-0.9
CerveceriasUnid	CCU	13.93	5.5
ContextLogic	LOGC	9.34	3.2
DeutscheBank	DB	21.96	1.4
dMYSquaredTechA	DMYY	11.90	6.6
dMYSquaredWt	DMYY.WS	0.90	499.4
EPR Prop	EPR	51.37	1.0
EPR PropPfdC	EPRpC	23.05	1.1
eBay	EBAY	71.61	-2.5
EmbotellAndinaB	AKO.B	20.85	0.8
EnelChile	ENIC	3.50	-0.6
Evergy	EVRG	69.58	0.4
Exelixis	EXEL	37.64	1.7
Exelon	EXC	44.26	...
FARO Tech	FARO	33.13	2.3
FlagstarFinlPfdA	FLGpA	23.12	0.6
FoxB	FOX	54.58	0.1
Gallagher	AJG	333.03	-1.1
GenerationInWt	GIPRW	0.80	67.0
GlobalLightsAcqn	GLACU	11.00	0.6
HCM Acqn Wt	MRNOW	0.42	33.9
HSBC	HSBC	58.34	0.8
HuronConsulting	HURN	153.77	18.2
ICE	ICE	172.63	...
IntlGeneralIns	IGIC	27.76	0.8
Intra-Cellular	ITCI	129.00	-0.1
IturanLocation	ITRN	45.24	9.3
JBT Marel	JBTM	139.05	...
JazzPharm	JAZZ	148.06	3.2
KeenVisionAcqn	KVAC	11.15	0.1
LloydsBanking	LYG	3.70	3.1
MadrigalPharm	MDGL	377.46	15.0
MagyarBancorp	MGYR	14.75	0.2
MarblegateAcqnWt	GATEW	0.13	...
Masimo	MASI	191.10	12.3
Metlife pfA	METpA	25.43	-0.4
MoneyLionWt	ML.WS	0.24	-3.0
MotorcarParts	MPAA	11.89	5.9
MountainLakeA	MLAC	10.00	0.2
Nathan's	NATH	104.96	3.9
NationalFuelGas	NFG	74.70	-0.4
NatlPrestoInds	NPK	103.93	0.1
NatWest	NWG	12.08	2.0
OGE Energy	OGE	45.69	0.4
OakWoodsAcqnRt	OAKUR	0.30	59.4
OhioValleyBanc	OVBC	29.28	4.6
OnfolioWt	ONFOW	0.33	8.6
OxbridgeReWt	OXBRW	0.90	-10.8
PennyMacNts2030	PMTV	25.65	0.4
PhilipMorris	PM	158.39	-1.7
PlumAcqnIVWt	PLMKW	0.17	3.1
Porch Group	PRCH	6.92	74.1
Progressive	PGR	280.25	-1.8
RangeCapAcqnRt	RANGR	0.29	14.6
SAIHEAT Wt	SAIHW	0.32	50.0
STAK	STAK	4.53	-6.8
SenecaFoods B	SENEB	83.75	3.4
SiyataMobileWt	SYTAW	0.20	36.8
Sony	SONY	25.64	1.6
SparkIAcqnWt	SPKLW	0.36	26.1
Spire	SR	76.80	1.0
Stantec	STN	90.24	6.7
TrinityCapital	TRIN	16.82	5.1
TruBridge	TBRG	30.04	1.3
UtdCmtyBksPfdI	UCBpI	25.33	0.2
Ventas	VTR	68.98	0.2
VeriSign	VRSN	239.84	-0.5
Vicor	VICR	65.70	7.1
WheatonPrecMtls	WPM	70.80	1.9
WillisTowers	WTW	338.46	1.1
XPeng	XPEV	22.26	15.0
Yum!Brands	YUM	155.18	-1.7

Lows

Stock	Sym	52-Wk Hi/Lo	% Chg
AeonBiopharma	AEON	1.36	-70.8
AGM	AGMH	0.46	-8.0
AXT	AXTI	1.29	0.8
Abpro	ABP	0.65	-3.0
Aclarion	ACON	3.03	2.2
AcumenPharm	ABOS	1.27	-3.0
AdverumBiotech	ADVM	3.52	-0.5
AgEagleAerial	UAVS	1.43	1.3
AlphaMetal	AMR	146.85	-1.0
Alumis	ALMS	4.46	-5.8
AmerEagle	AEO	13.16	0.6
AmericanRebel	AREB	0.61	3.1
Annexon	ANNX	2.53	0.8
AnnovisBio	ANVS	1.72	-3.3
ApogeeEnt	APOG	47.36	-1.9
ApogeeTherap	APGE	30.64	-6.0
AptoseBiosci	APTO	3.11	9.9
ArcBest	ARCB	80.12	-3.5
ArcusBiosci	RCUS	9.92	-1.0
ArdmoreShipping	ASC	9.65	-0.6
Armlogi	BTOC	2.30	0.4
AspenAerogels	ASPN	7.37	-1.1
AspireBiopharma	ASBP	1.41	5.5
AstriaTherap	ATXS	6.24	-0.6
AstroNova	ALOT	10.29	1.4
AvanosMedical	AVNS	14.40	0.4
AvidXchange	AVDX	6.96	-20.7
BRP	DOOO	40.13	-1.3
BaselMedical	BMGL	4.00	-6.8
BaytexEnergy	BTE	2.19	-0.4
BetaBionics	BBNX	18.67	4.3
Big5SportingGds	BGFV	1.18	-12.4
bioAffinityTech	BIAF	0.52	-11.1
BioAtla	BCAB	0.33	0.4
BiomeaFusion	BMEA	2.78	...
Biote	BTMD	4.22	-1.8
BitOrigin	BTOG	0.22	-23.9
BitcoinDepot	BTM	1.02	-8.0
Blackbaud	BLKB	65.76	-1.4
Bloomin'Brands	BLMN	9.57	-16.8
BoltBiotherap	BOLT	0.46	-2.9
BorrDrilling	BORR	2.64	-3.6
C4 Therap	CCCC	2.62	-5.0
CableOne	CABO	261.09	-3.3
Caesarstone	CSTE	3.69	-0.8
CanadianNatRscs	CNQ	28.37	-0.7
CanopyGrowth	CGC	1.47	...
CaribouBio	CRBU	1.17	-3.2
Carter's	CRI	41.94	-3.1
CastorMaritime	CTRM	2.45	-0.4
Celcuity	CELC	9.59	-3.5
CelldexTherap	CLDX	20.35	-0.8
Cenntro	CENN	0.76	-3.7
CenturyTherap	IPSC	0.67	-1.2
CheerHolding	CHR	2.10	-4.9
ChinaLiberalEduc	CLEU	0.07	-3.5
Cimpress	CMPR	46.06	-4.0
CivitasRscs	CIVI	38.60	-1.4
ClarosMtg	CMTG	2.43	-3.1
CleanEnergyTechs	CETY	0.42	2.2
CleanSpark	CLSK	7.70	-3.3
ClearChannelOutdr	CCO	1.27	-2.3
ClimbBio	CLYM	1.30	6.5
Co-Diagnostics	CODX	0.49	-10.4
CollegiumPharm	COLL	28.31	-1.6
CriticalMetals	CRML	2.16	3.9
CrownCrafts	CRWS	4.06	...
CytomXTherap	CTMX	0.67	-1.6
DIH US	DHAI	0.40	-5.8
DLH Holdings	DLHC	5.12	-4.3
Damon	DMN	0.19	-9.9
Dave&Buster's	PLAY	22.15	-1.9
DayOneBiopharm	DAWN	9.77	-16.5
DelekUS	DK	15.09	-7.8
Deluxe	DLX	16.18	-1.8
DesignerBrands	DBI	4.10	-6.6
DiamondbkEner	FANG	151.00	0.3
DineBrands	DIN	25.06	-1.2
DorianLPG	LPG	20.43	-2.7
EbangIntl	EBON	4.52	-8.7
EducDev	EDUC	1.41	-3.7
ElongPower	ELPW	0.88	-7.9
EvaxionBiotech	EVAX	2.13	4.1
EvolentHealth	EVH	9.40	-9.7
Expion360	XPON	1.27	-5.2
EyePointPharm	EYPT	5.78	-1.0
Fathom	FTHM	0.97	-1.0
Flywire	FLYW	8.62	-37.4
FootLocker	FL	17.38	-1.4
FordMotor6.5%Nts	FpD	24.10	-0.5
FullerHB	FUL	56.80	-1.8
GalmedPharm	GLMD	2.20	-11.9
GencorInds	GENC	11.95	-2.1
GenerationBio	GBIO	0.56	-4.3
GeospaceTech	GEOS	8.00	-0.2
Geron	GERN	1.46	-32.1
GranTierraEner	GTE	4.59	-1.9
GreenPlains	GPRE	5.80	-1.0
GreenidgeGen	GREE	0.93	-0.1
Greenlane	GNLN	0.67	0.6
GreenPowerMotor	GP	0.59	-2.8
GroceryOutlet	GO	10.26	-30.2
GrowGeneration	GRWG	1.19	-0.8
Guess?	GES	10.97	-0.5
HF Foods	HFFG	1.95	-3.0
HiveDigitalTech	HIVE	2.03	-5.0
Hookipa	HOOK	1.49	-7.7
Hafnia	HAFN	4.84	0.6
HarvardBioSci	HBIO	0.86	2.1
HealthyChoice	HCWC	0.61	-5.2
HighestPerf	HPH	0.19	-3.1
Hovnanian	HOV	103.40	-2.3
HyperscaleDataPfd	GPUSpD	9.40	-10.4
INLIF	INLF	1.96	-2.0
IPG Photonics	IP

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MARKETS DIGEST

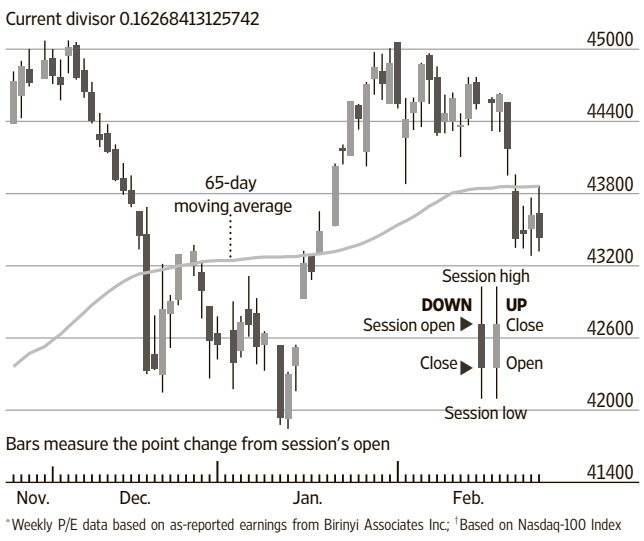
EQUITIES

Dow Jones Industrial Average

43433.12 ▼188.04, or 0.43%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	26.09	27.30
P/E estimate *	20.42	18.62
Dividend yield	1.86	1.80
All-time high	45014.04, 12/04/24	

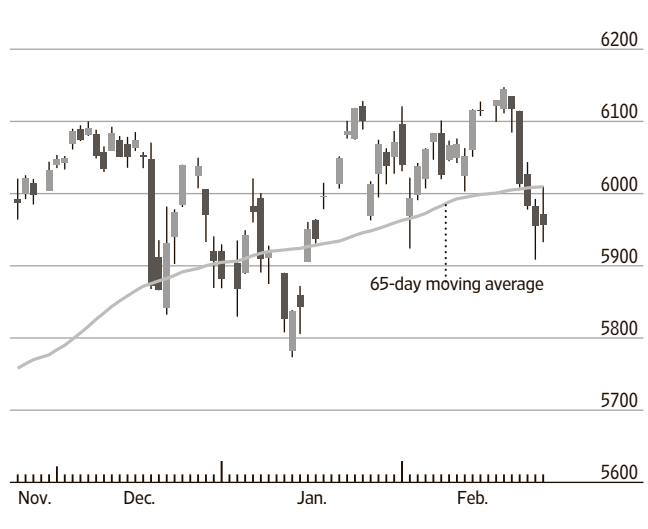


S&P 500 Index

5956.06 ▲0.81, or 0.01%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	25.82	22.85
P/E estimate *	22.57	21.25
Dividend yield *	1.25	1.49
All-time high	6144.15, 02/19/25	

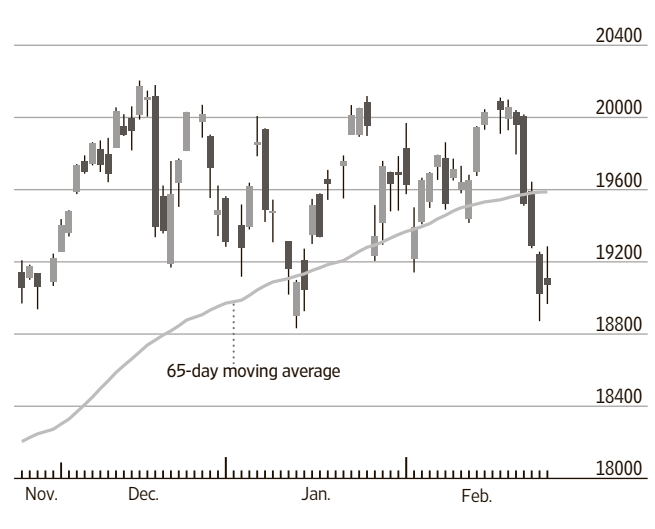


Nasdaq Composite Index

19075.26 ▲ 48.88, or 0.26%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *†	34.12	34.12
P/E estimate *†	28.05	30.65
Dividend yield *†	0.71	0.81
All-time high:	20173.89, 12/16/24	



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc, †Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	52-Week % chg	YTD % chg	3-yr. ann. % chg
Dow Jones										
Industrial Average	43866.50	43318.93	**43433.12**	-188.04	**-0.43**	45014.04	37735.11	**11.5**	2.1	**8.4**
Transportation Avg	16127.07	15845.12	**15861.07**	-48.52	**-0.30**	17754.38	14781.56	**1.0**	-0.2	**1.4**
Utility Average	1022.59	1009.25	**1015.39**	3.56	**0.35**	1079.88	833.04	**20.7**	3.3	**2.7**
Total Stock Market	59502.94	58739.98	**58963.44**	32.55	**0.06**	61024.05	49376.46	**16.6**	1.0	**9.8**
Barron's 400	1263.48	1247.76	**1251.30**	3.13	**0.25**	1356.99	1092.05	**12.6**	-0.05	**7.3**
Nasdaq Stock Market										
Nasdaq Composite	19286.02	18966.45	**19075.26**	48.88	**0.26**	20173.89	15282.01	**19.6**	-1.2	**11.7**
Nasdaq-100	21350.52	21012.62	**21132.92**	45.67	**0.22**	22175.60	17037.65	**18.2**	0.6	**14.2**
S&P										
500 Index	6009.82	5932.69	**5956.06**	0.81	**0.01**	6144.15	4967.23	**17.5**	1.3	**10.7**
MidCap 400	3133.72	3095.17	**3101.69**	5.05	**0.16**	3390.26	2825.94	**8.2**	-0.6	**5.2**
SmallCap 600	1389.99	1367.91	**1371.68**	-2.76	**-0.20**	1544.66	1241.62	**5.8**	-2.6	**1.5**
Other Indexes										
Russell 2000	2199.92	2166.86	**2174.17**	4.09	**0.19**	2442.03	1942.96	**6.6**	-2.5	**2.1**
NYSE Composite	20080.90	19889.24	**19932.85**	8.80	**0.04**	20272.04	17388.09	**13.4**	4.4	**6.7**
Value Line	613.93	606.76	**607.77**	-0.64	**-0.11**	656.04	568.94	**2.7**	-0.5	**-1.2**
NYSE Arca Biotech	6159.22	6070.56	**6092.75**	-27.83	**-0.45**	6318.63	4861.76	**16.4**	6.0	**7.0**
NYSE Arca Pharma	1030.87	1020.99	**1024.47**	-5.19	**-0.50**	1140.17	912.71	**1.1**	9.6	**9.0**
KBW Bank	134.17	132.29	**132.59**	0.57	**0.43**	140.59	95.91	**38.3**	4.0	**-0.8**
PHLX§ Gold/Silver	161.54	156.18	**160.49**	3.03	**1.92**	175.74	102.94	**55.9**	17.0	**3.9**
PHLX§ Oil Service	70.09	68.79	**69.19**	-0.37	**-0.53**	95.25	68.88	**-13.9**	-4.7	**0.8**
PHLX§ Semiconductor	5032.64	4935.33	**4990.82**	101.94	**2.09**	5904.54	4306.87	**8.4**	0.2	**13.1**
Cboe Volatility	20.06	17.83	**19.10**	-0.33	**-1.70**	38.57	11.86	**38.0**	10.1	**-11.5**

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of $2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	After Hours Last	After Hours Net chg	After Hours % chg	After Hours High	After Hours Low
NVIDIA	NVDA	39,504.0	133.51	2.23	**1.70**	136.60	124.68
Kinross Gold	KGC	6,290.2	11.08	...	**unch.**	11.08	11.01
Super Micro Computer	SMCI	5,234.0	50.08	-1.03	**-2.02**	53.20	48.88
GrShr 2x Long NVDA Dly	NVDL	5,183.4	59.31	1.67	**2.90**	62.00	52.50
Direxion Dly SCOND 3 BL	SOXL	4,911.2	26.83	0.54	**2.05**	27.10	25.90
Apple	AAPL	4,888.8	240.20	-0.16	**-0.07**	240.50	224.18
Direxion TSLA Bull 2X	TSLL	4,677.5	13.36	0.07	**0.49**	14.11	13.04
SPDR S&P 500 ETF Trust	SPY	4,348.5	595.83	1.29	**0.22**	600.01	555.01

Percentage gainers...

AtlasClear Holdings	ATCH	438.8	3.43	0.61	**21.63**	3.43	2.82
Root Cl A	ROOT	101.3	116.00	17.29	**17.52**	119.00	96.50
Red Robin Gourmet Burgers	RRGB	145.1	5.15	0.63	**13.94**	5.31	4.51
Nutanix Cl A	NTNX	510.5	78.61	9.26	**13.35**	82.00	69.35
Marqeta	MQ	394.1	3.92	0.41	**11.68**	4.10	3.45

...And losers

Ibotta	IBTA	82.9	40.60	-22.49	**-35.65**	63.09	39.75
Tandem Diabetes Care	TNDM	265.3	28.02	-5.57	**-16.58**	34.77	28.00
Teladoc Health	TDOC	1,680.1	9.57	-1.42	**-12.92**	11.00	9.45
Sweetgreen	SG	803.1	20.70	-2.44	**-10.54**	23.50	18.44
IonQ	IONQ	4,288.7	26.92	-3.01	**-10.06**	30.00	23.90

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	1,043,952,859	14,461,359
Adv. volume*	521,312,191	11,330,888
Decl. volume*	495,328,817	2,985,587
Issues traded	2,842	293
Advances	1,361	171
Declines	1,377	107
Unchanged	104	15
New highs	45	3
New lows	76	1
Closing Arms†	0.77	0.40
Block trades*	5,567	150

	Nasdaq	NYSE Arca
Total volume*	7,034,459,358	302,344,758
Adv. volume*	4,212,800,412	203,999,524
Decl. volume*	2,760,004,434	96,113,322
Issues traded	4,543	2,124
Advances	2,484	1,318
Declines	1,899	765
Unchanged	160	41
New highs	69	47
New lows	208	24
Closing Arms†	0.86	0.69
Block trades*	36,225	1,585

*Primary market NYSE, NYSE American NYSE Arca only. †(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	Latest % chg	YTD % chg
World	**MSCI ACWI**	**869.11**	2.37	**0.27**	3.3
	MSCI ACWI ex-USA	**350.06**	2.56	**0.74**	7.4
	MSCI World	**3821.04**	6.69	**0.18**	3.1
	MSCI Emerging Markets	**1135.41**	13.03	**1.16**	5.6
Americas	**MSCI AC Americas**	**2242.50**	0.64	**0.03**	1.4
Canada	**S&P/TSX Comp**	**25328.36**	124.38	**0.49**	2.4
Latin Amer.	**MSCI EM Latin America**	**2038.40**	-8.52	**-0.42**	10.0
Brazil	**Bovespa**	**124768.71**	-1210.79	**-0.96**	3.7
Chile	**S&P IPSA**	**3942.57**	18.80	**0.48**	9.1
Mexico	**S&P/BMV IPC**	**53296.71**	246.38	**0.46**	7.6
EMEA	**STOXX Europe 600**	**559.67**	5.47	**0.99**	10.3
Eurozone	**Euro STOXX**	**565.44**	7.82	**1.40**	11.9
Belgium	**Bel-20**	**4476.06**	77.26	**1.76**	5.0
Denmark	**OMX Copenhagen 20**	**2182.12**	-21.13	**-0.96**	3.8
France	**CAC 40**	**8143.92**	92.85	**1.15**	10.3
Germany	**DAX**	**22794.11**	383.84	**1.71**	14.5
Israel	**Tel Aviv**	**2471.97**	11.06	**0.45**	3.2
Italy	**FTSE MIB**	**39224.71**	510.19	**1.32**	14.7
Netherlands	**AEX**	**932.09**	2.31	**0.25**	6.1
Norway	**Oslo Bors All-Share**	**1718.82**	7.82	**0.46**	4.5
South Africa	**FTSE/JSE All-Share**	**88321.76**	567.97	**0.65**	5.0
Spain	**IBEX 35**	**13332.00**	215.20	**1.64**	15.0
Sweden	**OMX Stockholm**	**1048.08**	11.77	**1.14**	9.8
Switzerland	**Swiss Market**	**13042.51**	17.50	**0.13**	12.4
Turkey	**BIST 100**	**9573.21**	121.63	**1.29**	-2.6
U.K.	**FTSE 100**	**8731.46**	62.79	**0.72**	6.8
U.K.	**FTSE 250**	**20595.90**	147.62	**0.72**	-0.1
Asia-Pacific	**MSCI AC Asia Pacific**	**188.94**	1.20	**0.64**	4.0
Australia	**S&P/ASX 200**	**8240.70**	-11.21	**-0.14**	1.0
China	**Shanghai Composite**	**3380.21**	34.17	**1.02**	0.8
Hong Kong	**Hang Seng**	**23787.93**	753.91	**3.27**	18.6
India	**BSE Sensex**	**74602.12**	...	**Closed**	-4.5
Japan	**NIKKEI 225**	**38142.37**	-95.42	**-0.25**	-4.4
Singapore	**Straits Times**	**3908.05**	-7.83	**-0.20**	3.2
South Korea	**KOSPI**	**2641.09**	10.80	**0.41**	10.1
Taiwan	**TAIEX**	**23402.55**	116.83	**0.50**	1.6
Thailand	**SET**	**1231.14**	24.75	**2.05**	-12.1

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Latest Session Net chg	Latest Session % chg	52-Week High	52-Week Low	52-Week % chg
QVC Group Series B	QVCGB	9.72	4.64	**91.34**	18.74	2.00	**73.6**
Porch Group	PRCH	6.60	2.81	**74.14**	6.92	1.05	**115.7**
Mullen Automotive	MULN	4.04	1.68	**71.19**	47100.00	2.29	**-99.9**
Thumzup Media	TZUP	3.17	0.88	**38.43**	7.89	2.02	**-41.3**
PicoCELA ADR	PCLA	8.38	2.20	**35.60**	9.80	2.21	**...**
B. Riley Financial	RILY	5.64	1.48	**35.58**	40.09	2.73	**-70.4**
Aureus Greenway Holdings	AGH	4.95	1.26	**34.15**	7.22	2.30	**...**
Gaotu Techedu ADR	GOTU	3.32	0.79	**31.23**	8.44	1.87	**-56.5**
Avalon GloboCare	ALBT	8.33	1.84	**28.35**	21.60	2.11	**33.7**
Nukkleus	NUKK	13.29	2.93	**28.28**	78.32	1.30	**71.5**
CommScope Holding	COMM	6.17	1.28	**26.18**	7.19	0.86	**233.5**
GrShr 2x Long SMCI Daily	SMCL	31.53	6.15	**24.23**	54.67	9.50	**...**
SoundThinking	SSTI	16.91	3.23	**23.61**	18.39	9.33	**-3.4**
Defiance Dly Target 2X Lg	SMCX	85.54	16.32	**23.58**	412.20	16.80	**...**
ZoomInfo Technologies	ZI	11.73	2.20	**23.08**	17.14	7.65	**-30.2**

Percentage Losers

Company	Symbol	Latest Session Close	Latest Session Net chg	Latest Session % chg	52-Week High	52-Week Low	52-Week % chg
AEON Biopharma	AEON	1.42	-3.44	**-70.78**	1236.24	1.36	**-99.8**
Flywire	FLYW	11.05	-6.59	**-37.36**	31.54	8.62	**-61.7**
Geron	GERN	1.61	-0.76	**-32.07**	5.34	1.46	**-17.4**
Grocery Outlet Holding	GO	10.99	-4.75	**-30.18**	29.19	10.26	**-58.0**
Zevia PBC	ZVIA	2.29	-0.97	**-29.75**	4.99	0.62	**42.2**
SAG Holdings	SAG	1.92	-0.81	**-29.67**	8.27	1.86	**...**
AtlasClear Holdings	ATCH	2.82	-1.00	**-26.18**	124.20	1.73	**-97.6**
OraSure Technologies	OSUR	3.06	-0.94	**-23.50**	8.04	2.69	**-60.4**
TransCode Therapeutics	RNAZ	3.35	-0.94	**-21.91**	66.33	2.66	**-85.5**
ODP	ODP	15.02	-4.17	**-21.73**	58.13	13.44	**-72.7**
VTEX	VTEX	4.71	-1.28	**-21.37**	9.59	4.64	**-44.0**
AvidXchange	AVDX	7.26	-1.90	**-20.71**	13.56	6.96	**-42.8**
SiNtx Technologies	SINT	4.38	-1.07	**-19.63**	45.60	2.01	**-84.0**
Allot	ALLT	6.32	-1.41	**-18.24**	9.44	1.92	**203.8**
Freightos	CRGO	2.98	-0.65	**-17.91**	4.42	1.27	**1.4**

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	Latest Session % chg	52-Week High	52-Week Low
NVIDIA	NVDA	**296,298**	22.5	131.28	**3.67**	153.13	75.61
Lucid Group	LCID	**159,641**	82.0	2.26	**-13.60**	4.43	1.93
Interactive Strength	TRNR	**158,264**	6563.4	1.25	**31.62**	2840.00	0.86
Super Micro Computer	SMCI	**139,815**	72.3	51.11	**12.23**	122.90	17.25
Enveric Biosciences	ENVB	**134,718**	43931.3	2.30	**94.92**	43.80	1.13
NIO ADR	NIO	**120,695**	146.5	4.72	**10.54**	7.71	3.61
Direxion TSLA Bull 2X	TSLL	**113,669**	69.5	13.29	**-7.77**	41.50	4.94
Heramba Electric	PITA	**100,275**	31145.4	0.69	**86.59**	15.00	0.34
Tesla	TSLA	**98,652**	22.5	290.80	**-3.96**	488.54	138.80
Aditxt	ADTX	**95,880**	54.0	0.08	**5.40**	218.00	0.07

*Volumes of 100,000 shares or more are rounded to the nearest thousand

Volume Movers

Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	Latest Session % chg	52-Week High	52-Week Low
BlackRock World xUS Carb	LCTD	1,261	**14340**	46.85	**-0.26**	50.97	42.96
Sprott Lithium Miners ETF	LITP	1,170	**12209**	6.33	**0.64**	11.18	6.11
QVC Group Series B	QVCGB	5,473	**8961**	9.72	**91.34**	18.74	2.00
US Treasury 20 Year Bd	UTWY	250	**4653**	45.15	**0.44**	48.80	42.32
BlackRock US Carbon	LCTU	882	**2205**	64.78	**0.05**	67.15	54.08
Flywire	FLYW	25,420	**1750**	11.05	**-37.36**	31.54	8.62
Gotham Sh Strategies ETF	SHRT	165	**1495**	7.85	**0.00**	8.79	7.48
VanEck AA-BB CLO ETF	CLOB	254	**1338**	51.01	**0.04**	51.10	50.05
WisdomTree Europe Hgd SC	EUSC	175	**1295**	42.19	**0.17**	42.43	35.84
John Hancock Multi EM	JHEM	1,475	**1277**	27.21	**0.82**	29.24	24.99

*Common stocks priced at $2 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

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CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Wed in US$	Wed per US$	US$ vs. YTD chg (%)
Americas			
Argentina peso	.0009	1061.0947	**2.9**
Brazil real	.1723	5.8037	**-6.2**
Canada dollar	.6974	1.4339	**-0.3**
Chile peso	.001061	942.44	**-5.2**
Colombia peso	.000244	4104.83	**-6.8**
Ecuador US dollar	1	1	**unch**
Mexico peso	.0490	20.4243	**-1.9**
Uruguay peso	.02346	42.6250	**-2.4**
Asia-Pacific			
Australia dollar	.6304	1.5863	**-1.8**
China yuan	.1377	7.2600	**-0.5**
Hong Kong dollar	.1286	7.7742	**0.1**
India rupee	.01147	87.189	**1.9**
Indonesia rupiah	.0000611	16373	**0.7**
Japan yen	.006707	149.09	**-5.2**
Kazakhstan tenge	.001996	501.10	**-4.5**
Macau pataca	.1248	8.0130	**0.1**
Malaysia ringgit	.2258	4.4290	**-1.0**
New Zealand dollar	.5695	1.7559	**-1.8**
Pakistan rupee	.00358	279.625	**0.4**
Philippines peso	.0173	57.892	**-0.3**
Singapore dollar	.7469	1.3389	**-1.9**
South Korea won	.0006967	1435.41	**-2.9**
Sri Lanka rupee	.0033819	295.69	**0.9**
Taiwan dollar	.03051	32.776	**-0.1**
Thailand baht	.02962	33.760	**-1.7**
Vietnam dong	.00003915	25545	**0.2**
Europe			
Czech Rep. koruna	.04205	23.779	**-2.3**
Denmark krone	.1406	7.1138	**-1.2**
Euro area euro	1.0486	.9537	**-1.2**
Hungary forint	.002624	381.11	**-4.1**
Iceland krona	.007205	138.79	**-0.1**
Norway krone	.0897	11.1495	**-2.1**
Poland zloty	.2533	3.9477	**-4.5**
Sweden krona	.0939	10.6505	**-3.8**
Switzerland franc	1.1179	.8945	**-1.4**
Turkey lira	.0274	36.4617	**3.1**
Ukraine hryvnia	.0240	41.6500	**-1.0**
UK pound	1.2676	.7889	**-1.3**
Middle East/Africa			
Bahrain dinar	2.6533	.3769	**-0.1**
Egypt pound	.0198	50.5907	**-0.5**
Israel shekel	.2812	3.5568	**-2.3**
Kuwait dinar	3.2423	.3084	**0.04**
Oman sul rial	2.5974	.3850	**...**
Qatar rial	.2746	3.641	**-0.1**
Saudi Arabia riyal	.2666	3.7504	**-0.2**
South Africa rand	.0543	18.4045	**-2.5**

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	100.80	0.18	0.18	**-1.91**

Sources: Tullett Prebon, Dow Jones Market Data

Commodities

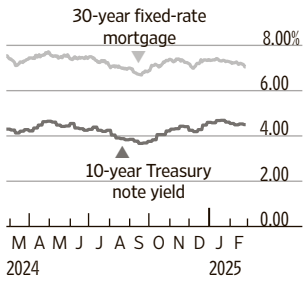
	Close	Wednesday Net chg	Wednesday % Chg	52-Week High	52-Week Low	52-Week % Chg	YTD % chg
DJ Commodity	**1062.19**	-4.52	**-0.42**	1095.84	942.52	**12.13**	3.89
FTSE/CC CRB Index	**305.18**	-1.31	**-0.43**	316.63	265.48	**10.87**	2.85
Crude oil, $ per barrel	**68.62**	-0.31	**-0.45**	86.91	65.75	**-12.63**	-4.32
Natural gas, $/MMBtu	**3.906**	-0.268	**-6.42**	4.280	1.575	**107.21**	7.51
Gold, $ per troy oz.	**2916.80**	12.30	**0.42**	2947.90	2033.00	**43.47**	10.94

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

30-year mortgage, Rate

Bankrate.com avg†:	**7.05%**
Bonvenu Bank	**5.50%**
Bossier City, LA	888-861-0515
Atlanta Postal Credit Union	**5.88%**
Atlanta, GA	800-849-8431
Chemung Canal Trust Company	**6.13%**
Elmira, NY	607-737-3711
City Bank	**6.13%**
Lubbock, TX	806-792-7101
Delta Community Credit Union	**6.25%**
Atlanta, GA	800-544-DECU

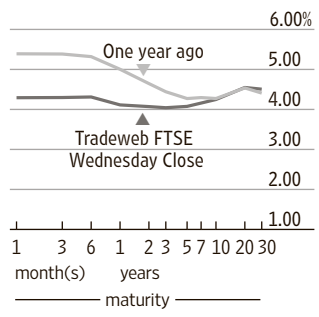
Interest rate	Yield/Rate (%) Last	Yield/Rate (%) Week ago	52-Week Range (%) Low	52-Week Range (%) High	3-yr chg (pct pts)
Federal-funds rate target	4.25-4.50	4.25-4.50	4.25	5.50	**4.25**
Prime rate*	**7.50**	7.50	7.50	8.50	**4.25**
SOFR	**4.33**	4.37	4.27	5.40	**4.28**
Money market, annual yield	**0.41**	0.42	0.40	0.51	**0.34**
Five-year CD, annual yield	**2.85**	2.85	2.80	2.89	**2.42**
30-year mortgage, fixed†	**7.05**	7.21	6.69	7.72	**2.82**
15-year mortgage, fixed†	**6.46**	6.59	6.02	7.11	**3.01**
Jumbo mortgages, $806,500-plus†	**7.11**	7.23	6.78	7.79	**2.87**
Five-year adj mortgage (ARM)†	**6.26**	6.30	5.88	6.78	**3.33**
New-car loan, 48-month	**7.45**	7.45	7.18	7.94	**3.90**

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks. † Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

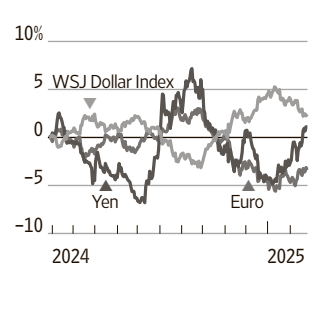
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb FTSE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Yield (%) Week ago	52-Week High	52-Week Low	Total Return (%) 52-wk	Total Return (%) 3-yr
U.S. Treasury, Bloomberg	2243.790	**4.210**	4.450	4.880	3.630	**4.882**	-1.008
U.S. Treasury Long, Bloomberg	3197.210	**4.570**	4.820	5.050	3.990	**3.415**	-8.144
Aggregate, Bloomberg	2143.110	**4.630**	4.870	5.310	4.100	**5.767**	-0.264
Fixed-Rate MBS, Bloomberg	2121.690	**4.900**	5.160	5.570	4.340	**6.477**	-0.241
High Yield 100, ICE BofA	3872.083	**6.413**	6.555	7.871	6.208	**9.328**	4.957
Muni Master, ICE BofA	601.907	**3.294**	3.424	3.760	3.074	**2.703**	1.027
EMBI Global, J.P. Morgan	921.900	**7.310**	7.470	8.073	7.084	**9.424**	2.451

Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

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COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
Feb	4.5055	4.5550		4.4860	**4.5420**	0.0560	612
May	4.7075	4.7495		4.5635	**4.5865**	0.0590	120,778
Gold (CMX)-100 troy oz.; $ per troy oz.							
Feb	2913.50	2917.00		2913.00	**2916.80**	12.30	1,253
March	2915.60	2928.10		2891.00	**2917.80**	11.80	13,085
April	2929.00	2942.00		2903.30	**2930.60**	11.80	370,643
May	2939.60	2947.00	▲	2919.90	**2944.90**	11.70	97
June	2957.80	2969.30		2932.50	**2958.90**	12.10	81,374
July	2954.40	2971.40	▲	2953.00	**2971.70**	12.20	12
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
Feb	1009.00	1009.00		1009.00	**920.50**	...	5
June	937.50	951.50		925.00	**928.90**	-1.10	17,038
Platinum (NYM)-50 troy oz.; $ per troy oz.							
Feb	1033.20	1033.20		1033.20	**967.80**	7.20	22
April	978.10	995.90		971.60	**976.60**	7.20	72,883
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
Feb	32.125	32.440		32.125	**32.253**	0.452	195
May	32.355	32.610		32.090	**32.575**	0.450	107,544
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
April	69.11	69.28	▼	68.36	**68.62**	-0.31	306,313
May	68.88	69.03	▼	68.10	**68.30**	-0.39	179,183
June	68.52	68.72	▼	67.81	**67.95**	-0.44	185,904
Sept	67.39	67.53	▼	66.64	**66.70**	-0.53	103,242
Dec	66.33	66.46	▼	65.59	**65.61**	-0.56	185,620
June'26	65.13	65.28	▼	64.44	**64.46**	-0.51	96,541
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
March	2.3886	2.3945		2.3102	**2.3443**	-.0460	18,674
April	2.3342	2.3396		2.2641	**2.2920**	-.0422	95,229
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
March	1.9691	1.9729	▼	1.9287	**1.9489**	-.0184	20,351
April	2.2182	2.2240	▼	2.1823	**2.1922**	-.0232	119,301
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
March	4.130	4.212		3.860	**3.906**	-.268	1,021
April	4.129	4.175		3.944	**3.959**	-.171	222,603
May	4.171	4.222		4.008	**4.019**	-.157	214,072
Sept	4.463	4.517		4.339	**4.352**	-.118	101,238
Oct	4.501	4.546		4.373	**4.387**	-.113	130,567
Jan'26	5.210	5.244		5.114	**5.131**	-.082	122,833

Agriculture Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
March	480.25	485.00		477.00	**478.25**	-1.50	77,419
May	495.00	500.00		492.25	**493.50**	-.75	814,449
Oats (CBT)-5,000 bu.; cents per bu.							
March	371.25	373.75		362.00	**362.25**	-11.75	112
May	379.00	381.25	▲	370.00	**372.50**	-6.50	3,188
Soybeans (CBT)-5,000 bu.; cents per bu.							
March	1030.00	1032.75		1021.25	**1024.50**	-6.75	52,654
May	1048.00	1050.00		1037.75	**1041.25**	-7.50	376,565
Soybean Meal (CBT)-100 tons; $ per ton.							
March	293.70	295.60		291.50	**293.40**	-.40	28,268
May	302.90	305.10		300.70	**302.50**	-.50	244,114
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
March	45.37	45.56		44.54	**44.97**	-.47	17,412
May	45.98	46.19		45.15	**45.59**	-.46	238,126
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
March	13.38	13.50	▼	13.20	**13.22**	-.23	2,241
May	13.72	13.80		13.57	**13.58**	-.21	9,868
Wheat (CBT)-5,000 bu.; cents per bu.							
March	574.25	577.25		563.75	**566.00**	-6.75	17,009
May	588.75	592.75		577.50	**579.75**	-8.00	209,227
Wheat (KC)-5,000 bu.; cents per bu.							
March	591.75	596.00		581.25	**585.00**	-6.75	10,344
May	605.00	611.00		595.25	**598.50**	-7.00	117,849
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
March	274.350	275.350		273.075	**274.375**	.150	16,339
April	273.875	274.750		272.425	**273.525**	-.275	25,432
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
Feb	199.400	199.600		198.350	**198.825**	-.675	1,713
April	195.575	195.950		194.300	**194.625**	-1.100	150,899
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
April	86.725	88.600		86.575	**88.300**	1.725	110,280
June	99.400	101.100		99.050	**100.875**	1.775	60,588
Lumber (CME)-27,500 bd. ft., $ per 1,000 bd. ft.							
March	638.00	646.50	▲	590.00	**625.50**	-15.00	2,574
May	668.00	674.50	▲	613.00	**656.50**	-11.50	2,967
Milk (CME)-200,000 lbs., cents per lb.							
Feb	20.20	20.24		20.20	**20.20**	...	3,673
March	18.63	18.95	▼	18.57	**18.82**	.12	5,333
Cocoa (ICE-US)-10 metric tons; $ per ton.							
March	9,100	9,100		9,100	**9,100**	425	809
May	8,780	9,309		8,731	**9,230**	425	49,264
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
March	377.05	381.10		374.55	**379.45**	-1.05	349
May	372.80	377.55		366.30	**375.20**	-.70	82,186
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
March	21.41	21.43		20.54	**20.64**	-.82	62,932
May	19.90	19.97		19.51	**19.59**	-.38	370,940
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
May	38.00	38.00		38.00	**38.00**	-.49	1,063
Sept	38.05	38.05	▲	38.05	**38.05**	...	1,834
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
March	65.95	65.95		65.95	**65.37**	-.59	188
May	67.50	67.50		66.80	**66.87**	-.50	147,125
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
March	294.75	307.15		292.80	**296.85**	4.70	442
May	294.90	309.70		292.95	**299.65**	4.95	7,732

Interest Rate Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Ultra Treasury Bonds (CBT) - $100,000; pts 32nds of 100%							
March	123-160	124-190		122-270	**124-160**	31.0	323,046
June	123-110	124-150		122-220	**124-120**	31.0	1,642,527
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
March	117-200	118-100		117-050	**118-090**	20.0	549,407
June	117-110	118-040		116-280	**118-020**	21.0	1,655,219
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
March	110-165	110-280		110-080	**110-270**	10.5	872,346
June	110-175	110-295		110-080	**110-285**	11.0	4,339,613
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
March	107-110	107-172		107-050	**107-167**	5.7	1,333,487
June	107-157	107-230		107-095	**107-225**	6.7	5,352,694
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
March	103-019	103-034		102-316	**103-030**	1.1	704,518
June	103-092	103-115		103-067	**103-111**	2.0	3,528,012
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
Feb	95.6700	95.6725	▼	95.6700	**95.6700**		503,574
May	95.7250	95.7350		95.7150	**95.7300**		360,361
Three-Month SOFR (CME)-$1,000,000; 100 - daily avg.							
Dec	95.6375	95.6375	▼	95.6350	**95.6375**		1,034,591
March'25	95.7025	95.7025		95.6900	**95.7025**	-.0025	1,278,807

Currency Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
March	.6721	.6743		.6686	**.6734**	.0011	295,755
June	.6789	.6813		.6756	**.6804**	.0011	31,368
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
March	.6993	.7002		.6966	**.6983**	-.0015	308,309
June	.7024	.7031		.6995	**.7012**	-.0016	8,926
British Pound (CME)-£62,500; $ per £							
March	1.2666	1.2715	▲	1.2634	**1.2684**	.0015	191,502
June	1.2668	1.2712	▲	1.2634	**1.2683**	.0016	7,943
Swiss Franc (CME)-CHF 125,000; $ per CHF							
March	1.1228	1.1239		1.1178	**1.1213**	-.0015	96,845
June	1.1350	1.1358		1.1299	**1.1332**	-.0015	286
Australian Dollar (CME)-AUD 100,000; $ per AUD							
March	.6349	.6355		.6297	**.6309**	-.0034	182,778
June	.6354	.6360		.6301	**.6314**	-.0034	2,306
Mexican Peso (CME)-MXN 500,000; $ per MXN							
March	.04871	.04916		.04851	**.04881**	.00006	149,220
June	.04798	.04854		.04794	**.04821**	.00005	1,288
Euro (CME)-€125,000; $ per €							
March	1.0525	1.0539		1.0485	**1.0502**	-.0019	617,491
June	1.0583	1.0591		1.0538	**1.0554**	-.0020	33,815

Index Futures

	Open	Contract High	hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
March	43735	43932		43329	**43506**	-184	77,469
June	44157	44305		43705	**43876**	-186	1,813
Mini S&P 500 (CME)-$50 x index							
March	5982.00	6023.75		5945.50	**5970.75**	0.75	2,089,877
June	6039.75	6080.75		6002.50	**6027.25**	0.75	33,140
Mini S&P Midcap 400 (CME)-$100 x index							
March	3107.40	3139.20		3098.70	**3107.80**	6.50	42,571
June	3128.00	3158.80		3126.20	**3130.90**	5.10	1
Mini Nasdaq 100 (CME)-$20 x index							
March	21230.50	21409.25		21048.75	**21187.00**	38.00	281,369
June	21452.75	21641.00		21295.50	**21417.75**	37.50	4,645
Mini Russell 2000 (CME)-$50 x index							
March	2183.50	2206.20		2169.80	**2178.20**	1.90	418,729
June	2199.30	2226.00		2189.60	**2197.50**	1.80	3,631
Sept	2327.20	2228.40		2214.70	**2217.40**	2.80	12
Mini Russell 1000 (CME)-$50 x index							
March	3294.80	3296.10		3254.90	**3266.00**	-.70	6,124
U.S. Dollar Index (ICE-US)-$1,000 x index							
March	106.12	106.58		106.07	**106.33**	.10	36,688
June	105.77	106.18		105.71	**105.95**	.10	1,361

Source: FactSet

Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended February 21. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

Inventories, 000s barrels

	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and petroleum prod	1,209,833	...	1,212	1,228	1,211	1,236
Crude oil excluding SPR	430,161	1,700	432	447	429	458
Gasoline	248,271	...	248	244	249	240
Finished gasoline	16,977	-600	18	17	18	20
Reformulated	27	...	0	0	0	0
Conventional	16,950	...	18	17	18	20
Blend. components	231,294	...	230	227	231	220
Natural gas (bcf)	2,101	...	2	2	2	2
Kerosene-type jet fuel	44,614	...	44	40	44	40
Distillates	120,472	-2,000	117	121	119	124
Heating oil	5,870	...	6	7	6	8
Diesel	114,602	...	111	114	113	58
Residual fuel oil	24,157	...	23	29	24	30
Other oils	263,041	...	266	269	265	270
Net crude, petroleum products, incl. SPR	1,605,146	...	1,607	1,589	1,606	1,752

Imports, 000s barrels per day

	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and petroleum prod	7,564	...	7,512	7,751	7,867	8,492
Crude oil excluding SPR	5,919	...	5,820	6,385	6,241	6,376
Gasoline	462	...	346	384	430	616
Finished gasoline	35	...	10	36	26	132
Reformulated	0	...	0	0	0	0
Conventional	35	...	10	36	26	132
Blend. components	426	...	335	349	404	484
Natural gas (bcf)	...	...	...	...	...	...
Kerosene-type jet fuel	121	...	120	115	138	153
Distillates	370	...	267	112	260	278
Heating oil	0	...	0	1	0	3
Diesel	370	...	267	110	260	275
Residual fuel oil	97	...	193	72	119	137
Other oils	462	...	634	559	529	780
Net crude, petroleum products, incl. SPR	-1,980	...	-3,865	-2,989	-2,610	-399

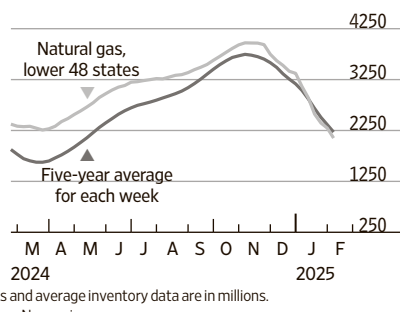
Weekly Demand, 000s barrels per day

	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Total petroleum product	20,842	...	19,653	19,529	20,299	20,220
Finished motor gasoline	8,454	...	8,239	8,467	8,399	8,942
Kerosene-type jet fuel	1,531	...	1,460	1,604	1,565	1,411
Distillates	4,097	...	4,364	3,536	4,186	4,212
Residual fuel oil	173	...	334	76	287	163
Propane/propylene	1,918	...	1,322	1,436	1,509	...
Other oils	4,670	...	3,935	4,411	4,353	...

Note: Expected changes are provided by Dow Jones Newswires' survey of analysts. Previous and average inventory data are in millions.
Sources: FactSet; Dow Jones Market Data; U.S. Energy Information Administration; Dow Jones Newswires

Natural gas storage

Billions of cubic feet; weekly totals



Exchange-Traded Portfolios | wsj.com/market-data/mutualfunds-etfs

Largest 100 exchange-traded funds. Preliminary close data as of 4:30 p.m. ET

Wednesday, February 26, 2025

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CommSvsSPDR	XLC	101.51	-0.18	4.9
CnsmrDiscSel	XLY	215.54	-0.41	-3.9
DimenUSCoreEq2	DFAC	34.99	-0.03	1.2
EnSelSectorSPDR	XLE	89.13	-0.57	4.1
FidWiseBTC	FBTC	73.62	-4.23	-9.8
FinSelSectorSPDR	XLF	50.85	-0.22	5.2
GrayscaleBitcoin	GBTC	66.71	-4.18	-9.9
HealthCrSelSect	XLV	147.82	-0.72	7.5
IndSelSectorSPDR	XLI	135.00	0.06	2.5
InvscNasd100	QQQM	211.88	0.24	0.7
InvscQQQI	QQQ	514.56	0.24	0.7
InvscS&P500EW	RSP	179.77	-0.21	2.6
iShBitcoin	IBIT	47.96	-4.14	-9.6
iShCoreDivGrowth	DGRO	63.60	-0.45	3.7
iShCoreMSCIEAFE	IEFA	76.27	0.05	8.5
iShCoreMSCIEM	IEMG	55.24	0.88	5.8
iShCoreMSCITotInt	IXUS	70.80	0.33	7.0
iShCoreS&P500	IVV	597.28	0.03	1.5
iShCoreS&P MC	IJH	62.01	0.18	-0.5
iShCoreS&P SC	IJR	112.42	-0.20	-2.4
iShCoreS&PTotUS	ITOT	130.06	0.07	1.1
iShCoreS&PUSGrw	IUSG	139.74	0.55	0.3
iShCoreS&PUSVal	IUSV	94.81	-0.65	2.4
iShCoreTotUSDBd	IUSB	46.11	0.15	2.0
iShCoreUSAggBd	AGG	98.96	0.16	2.1
iShEdgeMSCIMinUSA	USMV	93.38	-0.74	5.2
iShEdgeMSCIUSAQual	QUAL	181.54	-0.16	1.9
iShGoldTr	IAU	55.04	0.13	11.2
iShiBoxx$IGCpBd	LQD	109.59	0.21	2.6
iShMBS	MBB	93.80	0.28	2.3
iShMSCI EAFE	EFA	82.34	0.13	8.9
iShMSCIEAFEValue	EFV	57.84	0.12	10.2
iShNatlMuniBd	MUB	107.60	0.13	1.0
iShS&P500Grw	IVW	102.01	0.72	0.5
iShS&P500Value	IVE	195.49	-0.71	2.4
iShSelectDiv	DVY	136.89	-0.13	4.3
iShSTCorpBd	IGSB	52.24	0.06	1.0
iSh1-3YTreaBd	SHY	82.44	0.04	0.6
iShRussMC	IWR	89.41	...	1.1
iShRuss1000	IWB	326.40	-0.02	1.3
iShRuss1000Grw	IWF	398.17	0.37	-0.8
iShRuss1000Val	IWD	192.41	-0.36	3.9
iShRuss2000	IWM	215.68	0.13	-2.4
iShSTTreasuryBd	GOVT	22.92	0.24	-0.3
iSh0-3MTreaBd	SGOV	100.60	...	0.3
JPMNasdEqPrem	JEPQ	56.55	0.28	0.3
JPM EqPrem	JEPI	59.09	-0.25	2.7
JPM UltShIncm	JPST	50.60	0.04	0.5
PacerUSCashCows	COWZ	57.50	-0.69	1.8
ProShUltPrQQQ	TQQQ	78.12	0.64	-1.3
SPDRBbg1-3MTB	BIL	91.69	0.02	0.3
SPDR DJIA Tr	DIA	434.34	-0.41	2.1
SPDR Gold	GLD	269.03	0.15	11.1
SPDRPtfDevxUS	SPDW	36.85	0.03	8.0
SPDRS&P500Value	SPYV	52.40	-0.64	2.5
SPDRPtfS&P500	SPLG	69.92	0.01	1.4
SPDRS&P500Growth	SPYG	88.31	0.71	0.5
SPDR S&P 500	SPY	594.54	0.05	1.4
SchwabIntEquity	SCHF	20.02	0.15	8.2
SchwabUS BrdMkt	SCHB	22.96	0.13	1.1
SchwabUS Div	SCHD	28.15	-1.05	3.0
SchwabUS LC	SCHX	23.51	0.04	1.4
SchwabUS LC Grw	SCHG	27.50	0.40	-1.3
SPDR S&PMdCpTr	MDY	566.84	0.23	-0.5
SPDR S&P Div	SDY	136.76	-0.81	3.5
TechSelectSector	XLK	231.00	1.09	-0.7
VanEckSemicon	SMH	243.82	2.34	0.7
VangdSC Val	VBR	197.94	-0.05	-0.1
VangdExtMkt	VXF	188.20	0.36	-0.9
VangdSC Grwth	VBK	275.90	0.50	-1.5
VangdDivApp	VIG	201.58	-0.28	2.9
VangdFTSEAWxUS	VEU	61.58	0.34	7.3
VangdFTSEDevMk	VEA	51.64	0.16	8.0
VangdFTSE EM	VWO	46.11	0.96	4.7
VangdGrowth	VUG	408.87	0.38	-0.4
VangdHiDiv	VYM	132.91	-0.21	4.2
VangdInfoTech	VGT	610.47	0.75	-1.8
VangdIntermBd	BIV	76.34	0.18	2.2
VangdIntrCorpBd	VCIT	81.91	0.15	2.0
VangdIntermTrea	VGIT	59.04	0.19	1.8
VangdLC	VV	273.55	-0.01	1.4
VangdMegaGrwth	MGK	341.51	0.38	-0.6
VangdMC	VO	269.46	-0.00	2.0
VangdRealEst	VNQ	92.74	-0.42	4.1
VangdRuss1000Grw	VONG	102.51	0.44	-0.8
VangdS&P500ETF	VOO	546.75	0.06	1.5
VangdST Bond	BSV	77.95	0.04	0.9
VangdSTCpBd	VCSH	78.78	0.05	1.0
VangdShortTrea	VGSH	58.52	0.07	0.6
VangdSC	VB	238.61	0.18	-0.7
VangdTaxExemptBd	VTEB	50.61	0.14	1.0
VangdTotalBd	BND	73.44	0.15	2.1
VangdTotIntlBd	BNDX	49.38	0.20	0.7
VangdTotIntlStk	VXUS	63.06	0.30	7.0
VangdTotalStk	VTI	293.05	0.03	1.1
VangdTotWrldStk	VT	121.35	0.15	3.3
VangdValue	VTV	176.28	-0.37	4.1

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High
Broad Market Bloomberg Fixed Income Indices					
2143.11	2.5	U.S. Aggregate	4.630	4.100	5.310
U.S. Corporate Indexes Bloomberg Fixed Income Indices					
3273.65	2.6	U.S. Corporate	5.100	4.640	5.750
3183.85	1.9	Intermediate	4.870	4.400	5.670
4302.21	4.0	Long term	5.560	5.070	6.010
620.87	2.6	Double-A-rated	4.780	4.260	5.330
892.78	2.6	Triple-B-rated	5.270	4.850	5.950
High Yield Bonds ICE BofA					
580.45	2.0	High Yield Constrained	7.081	6.975	8.322
601.07	1.8	Triple-C-rated	11.125	11.050	13.872
3872.08	2.2	High Yield 100	6.413	6.208	7.871
506.95	2.0	Global High Yield Constrained	6.820	6.808	8.112
381.74	1.6	Europe High Yield Constrained	5.246	5.240	6.710
U.S Agency Bloomberg Fixed Income Indices					
1871.10	1.6	U.S Agency	4.390	3.960	5.190
1656.66	1.3	10-20 years	4.350	3.920	5.190
3563.37	4.2	20-plus years	4.820	4.240	5.300
2864.09	2.3	Yankee	4.890	4.380	5.580
Mortgage-Backed Bloomberg Fixed Income Indices					
2121.69	2.7	Mortgage-Backed	4.900	4.340	5.570
2089.62	2.7	Ginnie Mae (GNMA)	4.900	4.460	5.580
1251.27	2.7	Fannie mae (FNMA)	4.910	4.310	5.580
1929.45	2.7	Freddie Mac (FHLMC)	4.780	4.150	5.510
601.91	1.3	Muni Master	3.294	3.074	3.760
425.48	1.6	7-12 year	3.047	2.837	3.557
487.39	1.3	12-22 year	3.711	3.469	4.032
462.61	0.9	22-plus year	4.275	3.959	4.533
Global Government J.P. Morgan†					
550.92	1.2	Global Government	3.470	3.010	3.740
842.61	1.7	Canada	2.980	2.910	3.870
363.99	0.4	EMU§	3.011	2.726	3.365
660.28	0.7	France	3.160	2.870	3.460
469.54	-0.1	Germany	2.450	2.080	2.770
266.47	-1.4	Japan	1.710	1.090	1.750
512.95	-0.1	Netherlands	2.650	2.290	2.980
792.69	1.3	U.K.	4.710	4.030	5.070
921.90	2.8	Emerging Markets **	7.310	7.084	8.073

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds † In local currency § Euro-zone bonds
** EMBI Global Index
Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P.Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

Coupon (%)	Country/ Maturity, in years	Yield (%) Latest(●) 0 1 2 3 4 5 6	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points Latest	Prev	Year ago
4.125	U.S. 2	4.071 ▼	4.097	4.271	4.738			
4.625	10	4.248 ▼	4.297	4.624	4.298			
4.750	Australia 2	3.801 ▼	3.808	3.920	3.824	-27.7	-28.8	-90.5
3.500	10	4.373 ▼	4.410	4.489	4.113	12.2	10.9	-16.9
2.500	France 2	2.183 ▲	2.181	2.421	2.929	-189.5	-191.5	-180.0
3.000	10	3.120 ▼	3.151	3.308	2.903	-113.1	-115.1	-138.0
2.200	Germany 2	2.074 ▲	2.069	2.299	2.942	-200.4	-202.7	-178.7
2.500	10	2.436 ▼	2.461	2.577	2.447	-181.5	-184.0	-183.5
2.950	Italy 2	2.356 ▼	2.366	2.613	3.463	-172.2	-173.1	-126.6
3.850	10	3.548 ▲	3.530	3.662	3.885	-70.3	-77.1	-39.8
0.700	Japan 2	0.791 ▲	0.786	0.720	0.160	-328.7	-331.0	-456.9
1.200	10	1.367 ▼	1.376	1.235	0.691	-288.4	-292.5	-359.2
2.500	Spain 2	2.268 ▼	2.293	2.524	3.094	-181.0	-180.3	-163.5
3.450	10	3.052 ▼	3.092	3.191	3.313	-119	-120.9	-97.0
4.125	U.K. 2	4.184 ▲	4.182	4.329	4.595	10.6	8.6	-13.5
4.250	10	4.506 ▼	4.514	4.641	4.094	25.5	21.3	-18.8

Source: Tullett Prebon, Tradeweb FTSE U.S. Treasury Close

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Spread*, in basis points Current	One-day change	Last week
Caterpillar Financial Services	...	1.100	4.28	Sept. 14, '27	14	-11	n.a.
Whirlpool	WHR	5.150	6.51	March 1, '43	195	-11	n.a.
Medtronic	MDT	5.550	5.35	March 15, '40	110	-7	n.a.
New York Life Global Funding	...	4.600	4.56	Dec. 5, '29	45	-6	39
Cooperatieve Rabobank	...	4.494	4.59	Oct. 17, '29	44	-6	43
Protective Life Global Funding*	...	5.432	5.06	Jan. 14, '32	85	-5	86
Corebridge Global Funding	...	4.650	4.57	Aug. 20, '27	49	-4	n.a.
Telefonica Emisiones*	...	4.103	4.66	March 8, '27	52	-4	54

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Spread*, in basis points Current	One-day change	Last week
UBS	...	5.000	4.54	July 9, '27	41	22	n.a.
Lincoln Financial Global Funding	...	5.300	4.82

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BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
↓-New 52-week high; ↑-New 52-week low; **dd**-Indicates loss in the most recent four quarters.

Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.

Wednesday, February 26, 2025

Stock	Sym	Close	Net Chg
A B C			
AAON	AAON	102.02	1.73
AECOM	ACM	98.39	0.87
Aflac	AFL	105.81	-0.92
AGNC Invt	AGNC	10.51	-0.01
Ansys	ANSS	332.32	1.92
APA	APA	22.01	-0.37
ASE Tech	ASX	10.84	0.21
ASML	ASML	746.93	16.74
AT&T	T	26.57	-0.08
AbbottLabs	ABT	135.96	0.14
AbbVie	ABBV	203.01	-1.13
Accenture	ACN	358.35	-4.60
AcuityBrands	AYI	309.93	2.07
Adobe	ADBE	441.50	-1.91
AdvDrainageSys	WMS	113.88	-2.13
AdvMicroDevices	AMD	104.74	0.78
Aegon	AEG	6.27	0.06
AerCap	AER	102.34	0.84
AffirmA	AFRM	64.54	0.58
AgilentTechs	A	134.47	0.29
AgnicoEagleMines	AEM	98.36	1.51
AirProducts	APD	313.85	-3.51
Airbnb	ABNB	144.03	2.48
AkamaiTech	AKAM	79.58	1.53
AlamosGold	AGI	23.57	0.44
AlaskaAir	ALK	72.16	0.76
Albemarle	ALB	77.53	-0.89
Albertsons	ACI	20.69	0.04
Alcoa	AA	33.67	-0.70
Alcon	ALC	93.31	2.20
AlexandriaRlEst	ARE	99.08	-1.85
Alibaba	BABA	139.08	5.07
AlignTech	ALGN	191.21	4.59
Allegion	ALLE	129.42	-0.47
AlliantEnergy	LNT	63.98	0.23
AllisonTransm	ALSN	100.45	1.05
Allstate	ALL	188.43	-2.05
AllyFinancial	ALLY	36.89	0.42
AlnylamPharm	ALNY	243.86	-1.34
Alphabet A	GOOGL	172.73	-2.69
Alphabet C	GOOG	174.70	-2.67
AltairEngg	ALTR	111.60	0.03
Altria	MO	54.85	-1.15
Amazon.com	AMZN	214.35	1.55
Ambev	ABEV	1.99	0.10
Amcor	AMCR	10.09	-0.10
Amdocs	DOX	87.92	-1.02
AmerSports	AS	**30.31**	**1.48**
Ameren	AEE	99.33	-0.08
AmericaMovil	AMX	14.58	0.06
AmerAirlines	AAL	15.18	0.05
AEP	AEP	106.89	-0.75
AmerExpress	AXP	296.10	2.76
AmericanFin	AFG	122.99	0.57
AmHomes4Rent	AMH	34.80	-0.54
AIG	AIG	78.17	-0.85
AmerTowerREIT	AMT	200.73	-3.02
AmerWaterWorks	AWK	135.06	-2.19
Ameriprise	AMP	525.27	3.27
Ametek	AME	188.18	1.23
Amgen	AMGN	306.38	-9.25
Amphenol	APH	66.23	1.22
AnalogDevices	ADI	233.73	-1.57
AngloGoldAsh	AU	31.04	0.24
AB InBev	BUD	**58.72**	**3.95**
AnnalyCap	NLY	21.88	0.22
AnteroResources	AR	37.04	-0.31
Aon	AON	399.23	1.66
APi Group	APG	40.00	-0.12
ApolloGlbMgmt	APO	147.65	2.35
Apple	AAPL	240.36	-6.68
AppliedIndlTechs	AIT	245.08	-2.51
ApplMaterials	AMAT	168.51	2.97
AppLovin	APP	**331.00**	**-46.06**
Aptargroup	ATR	146.64	-1.07
Aptiv	APTV	66.22	-0.43
Aramark	ARMK	36.74	-0.14
ArcelorMittal	MT	28.98	1.07
ArchCapital	ACGL	89.57	-0.78
ADM	ADM	46.98	-1.78
AresMgmt	ARES	168.97	1.61
argenx	ARGX	623.02	-1.92
AristaNetworks	ANET	96.38	3.50
Arm	ARM	138.97	2.27
AscendisPharma	ASND	152.61	1.08
AspenTech	AZPN	263.59	-0.16
Assurant	AIZ	206.28	-0.52
AsteraLabs	ALAB	**83.00**	**5.26**
AstraZeneca	AZN	75.52	0.12
Atlassian	TEAM	288.76	4.50
AtmosEnergy	ATO	149.99	-0.40
AuroraInnov	AUR	7.02	...
Autodesk	ADSK	285.67	1.95
ADP	ADP	311.38	-1.99
AutoZone	AZO	3392.97	-32.63
Avalonbay	AVB	221.58	-2.04
Avantor	AVTR	17.22	-0.34
AveryDennison	AVY	185.75	-0.63
AxonEnterprise	AXON	**572.40**	**75.75**
BCE	BCE	23.36	-0.55
BHP Group	BHP	50.22	-0.48
BJ'sWholesale	BJ	100.32	-4.87
BP	BP	32.68	-0.55
BWX Tech	BWXT	106.64	2.57
BXP	BXP	69.99	0.09
Baidu	BIDU	89.16	0.14
BakerHughes	BKR	43.51	-0.53
Ball	BALL	51.99	0.40
BBVA	BBVA	13.42	0.18
BancoBradesco	BBDO	1.93	-0.01
BancodeChile	BCH	26.49	-0.28
BancSanBrasil	BSBR	4.64	-0.01
BcoSantChile	BSAC	22.22	0.22
BancoSantander	SAN	6.43	0.11
BanColombia	CIB	43.25	-0.15
BankofAmerica	BAC	43.94	...
BankMontreal	BMO	103.94	-0.20
BankNY Mellon	BK	86.34	-0.41
BankNovaScotia	BNS	50.37	0.51
Barclays	BCS	15.78	0.33
BarrickGold	GOLD	18.45	0.38
Bath&BodyWks	BBWI	41.08	0.45
BaxterIntl	BAX	35.26	-0.68
BectonDicknsn	BDX	227.59	-2.46
BeiGene	ONC	259.00	-0.70
BellRing	BRBR	71.50	-0.72
BentleySystems	BSY	44.62	-1.06
Berkley	WRB	61.39	-1.43
BerkHathwy A	BRK.A	740998	-9042.50
BerkHathwy B	BRK.B	494.10	-5.72
BerryGlobal	BERY	71.96	-0.60
BestBuy	BBY	90.41	0.32
Bilibili	BILI	21.18	-0.12
Bio-Techne	TECH	64.15	-0.07
Biogen	BIIB	140.49	-2.97
BioMarinPharm	BMRN	68.81	-2.36
BioNTech	BNTX	114.00	3.03
Birkenstock	BIRK	50.74	-0.11
BlackRock	BLK	953.77	-4.24
Blackstone	BX	159.46	2.23
Block	XYZ	65.29	2.45
BlueOwlCapital	OWL	21.76	0.50
Boeing	BA	173.04	-5.23
Booking	BKNG	5034.55	0.72
BoozAllen	BAH	113.49	-1.16
BostonSci	BSX	101.56	0.84
BristolMyers	BMY	57.38	-0.83
BritishAmTob	BTI	38.86	0.30
BrixmorProp	BRX	27.40	-0.09
Broadcom	AVGO	**212.94**	**10.40**
BroadridgeFinl	BR	236.34	-0.46
BrookfieldAsset	BAM	57.43	0.53
Brookfield	BN	57.70	0.05
BrookfieldInfr	BIP	32.10	-0.30
BrookfieldRenew	BEPC	28.61	0.19
BrookWealth	BNT	57.61	-0.08
Brown&Brown	BRO	114.79	0.02
Brown-Forman A	BF.A	33.08	0.03
Brown-Forman B	BF.B	32.96	-0.27
BuildersFirst	BLDR	142.08	1.30
BungeGlobal	BG	73.26	-1.01
BurlingtonStrs	BURL	**249.22**	**12.98**
CAVA	CAVA	98.96	-0.34
CBRE Group	CBRE	140.68	1.98
CDW	CDW	180.23	-2.35
CF Industries	CF	77.78	-0.63
CGI A	GIB	111.98	-1.27
CH Robinson	CHRW	98.18	-0.59
CME Group	CME	247.99	-2.83
CMS Energy	CMS	73.20	0.12
CNA Fin	CNA	47.97	-0.72
CNH Indl	CNH	12.73	-0.06
CRH	CRH	102.33	2.04
CSX	CSX	31.98	-0.11
CVS Health	CVS	63.86	0.20
CadenceDesign	CDNS	253.94	5.04
CamdenProperty	CPT	121.10	-0.94
Cameco	CCJ	44.72	1.13
Campbell's	CPB	40.04	-1.62
CIBC	CM	60.46	0.21
CanNtlRlwy	CNI	100.47	-0.18
CanadianNatRscs	CNQ	28.64	-0.21
CdnPacKC	CP	77.72	0.23
CapitalOne	COF	196.77	2.86
CardinalHealth	CAH	127.18	-0.63
Carlisle	CSL	338.45	-0.85
Carlyle	CG	49.61	0.72
CarMax	KMX	82.52	-0.44
Carnival	CCL	24.12	0.38
Carnival	CUK	21.78	0.29
CarpenterTech	CRS	199.18	-0.44
CarrierGlobal	CARR	66.10	-1.10
Carvana	CVNA	232.63	10.95
CaseysGenStores	CASY	416.00	-6.74
Caterpillar	CAT	342.58	0.22
Celestica	CLS	**111.68**	**5.57**
Cemex	CX	6.46	0.02
Cencora	COR	250.65	0.12
CenovusEnergy	CVE	13.92	-0.14
Centene	CNC	**56.90**	**-4.43**
CenterPointEner	CNP	34.04	-0.18
CentrailsElBras	EBR	6.46	-0.11
CharlesRiverLabs	CRL	167.96	0.86
CharterComms	CHTR	353.48	-5.25
CheckPoint	CHKP	220.92	2.29
Chemed	CHE	545.79	-4.91
CheniereEnergy	LNG	218.99	2.95
CheniereEnerPtrs	CQP	65.55	1.98
Chevron	CVX	155.14	-1.28
Chewy	CHWY	35.82	1.27
Chipotle	CMG	53.42	0.95
Chubb	CB	273.66	-3.79
ChunghwaTel	CHT	38.82	0.04
Church&Dwight	CHD	108.59	-1.98
ChurchillDowns	CHDN	114.70	0.42
Ciena	CIEN	80.77	2.48
Cigna	CI	305.34	-8.56
CincinnatiFinl	CINF	140.18	0.24
Cintas	CTAS	204.31	-1.51
CiscoSystems	CSCO	64.08	-0.19
Citigroup	C	79.07	0.93
CitizensFin	CFG	44.99	0.58
CleanHarbors	CLH	213.59	-0.63
Clorox	CLX	153.30	-3.72
Cloudflare	NET	144.92	1.78
Coca-Cola	KO	70.80	-0.69
CocaColaCon	COKE	1370.73	-22.51
CocaColaEuropac	CCEP	86.08	-1.47
CognizantTech	CTSH	84.15	-0.69
Coherent	COHR	78.40	2.27
CoinbaseGlbl	COIN	212.96	0.47
ColgatePalm	CL	90.17	-2.12
Comcast A	CMCSA	35.10	-0.75
Comerica	CMA	63.70	-0.55
ComfortSystems	FIX	374.80	7.21
CommerceBcshrs	CBSH	64.28	0.04
SABESP	SBS	16.54	-0.38
ConagraBrands	CAG	25.36	-0.74
Confluent	CFLT	30.79	0.35
ConocoPhillips	COP	96.13	-0.95
ConEd	ED	99.96	-1.01
ConstBrands A	STZ	178.35	0.33
ConstellationEner	CEG	270.14	5.83
Cooper	COO	90.99	0.73
Copart	CPRT	56.27	-0.50
Core&Main	CNM	50.76	1.10
CorebridgeFin	CRBG	32.92	0.40
Corning	GLW	50.01	0.34
Corpay	CPAY	371.83	1.30
Corteva	CTVA	62.80	-0.18
CoStar	CSGP	76.92	-0.68
Costco	COST	1031.97	-23.69
CoterraEnergy	CTRA	26.87	-0.51
Coupang	CPNG	25.01	0.84
Crane	CR	163.02	1.52
Credicorp	BAP	183.89	2.60
CredoTech	CRDO	**61.29**	**4.32**
CrowdStrike	CRWD	394.56	14.81
CrownCastle	CCI	91.63	-1.70
Crown Holdings	CCK	88.06	0.22
CubeSmart	CUBE	42.31	-0.92
Cullen/Frost	CFR	135.72	-0.94
Cummins	CMI	366.72	5.67
Curtiss-Wright	CW	319.17	4.76
CyberArkSoftware	CYBR	364.18	-6.00
D E F			
DTE Energy	DTE	132.65	-0.74
DT Midstream	DTM	94.91	-0.89
Danaher	DHR	209.44	-0.97
Darden	DRI	194.04	-3.65
Datadog	DDOG	113.37	-1.61
DaVita	DVA	145.95	2.97
Dayforce	DAY	62.60	-0.36
DeckersOutdoor	DECK	144.97	2.18
Deere	DE	478.52	-9.07
DellTechC	DELL	115.65	5.00
DeltaAir	DAL	61.70	-0.09
DescartesSystems	DSGX	112.00	0.87
DeutscheBank	DB	21.70	0.31
DevonEnergy	DVN	35.46	-0.42
DexCom	DXCM	89.91	1.59
Diageo	DEO	110.49	0.59
DiamondbkEner	FANG	152.43	0.51
Dick's	DKS	226.90	6.99
DigitalRealty	DLR	159.38	1.22
DiscoverFinSvcs	DFS	190.22	2.49
Disney	DIS	111.83	1.30
DocuSign	DOCU	82.28	0.62
DollarGeneral	DG	**74.19**	**-4.39**
DollarTree	DLTR	74.14	-2.08
DominionEner	D	57.11	-0.32
Domino's	DPZ	479.11	8.97
Donaldson	DCI	69.25	-0.26
DoorDash	DASH	198.60	7.33
Dover	DOV	197.68	-0.68
Dow	DOW	38.85	-0.38
Doximity	DOCS	72.90	1.19
DrReddy'sLab	RDY	13.04	-0.07
DraftKings	DKNG	43.36	0.85
DukeEnergy	DUK	116.31	-0.98
Duolingo	DUOL	386.56	0.75
DuPont	DD	81.45	-0.43
DutchBros	BROS	75.40	2.26
Dynatrace	DT	58.79	0.37
EMCOR	EME	**420.88**	**22.85**
ENI	E	29.91	0.27
EOG Rscs	EOG	129.84	-1.48
EPAM Systems	EPAM	213.23	2.73
EQT	EQT	48.79	-0.05
EastWestBncp	EWBC	93.71	0.35
EastGroup	EGP	178.87	-3.02
EastmanChem	EMN	98.19	-0.74
Eaton	ETN	297.35	9.80
eBay	EBAY	69.14	-1.79
Ecolab	ECL	266.47	0.78
Ecopetrol	EC	10.12	-0.14
EdisonIntl	EIX	52.61	0.45
EdwardsLife	EW	71.96	0.51
Elastic	ESTC	103.52	0.65
ElbitSystems	ESLT	303.13	3.99
ElectronicArts	EA	131.19	-0.35
ElevanceHealth	ELV	386.13	-15.80
EmersonElec	EMR	119.86	0.14
Enbridge	ENB	41.75	0.10
EncompassHealth	EHC	99.22	-1.41
Endeavor	EDR	30.81	-0.07
EnergyTransfer	ET	19.16	0.24
EnphaseEnergy	ENPH	63.71	-1.12
Entegris	ENTG	103.52	2.26
Entergy	ETR	86.15	0.71
EnterpriseProd	EPD	33.14	-0.13
Equifax	EFX	243.62	-1.77
Equinix	EQIX	910.28	8.31
Equinor	EQNR	22.63	-0.18
Equitable	EQH	54.08	0.70
EquityLife	ELS	67.28	-1.31
EquityResidntl	EQR	72.82	-0.16
ErieIndemnity	ERIE	399.67	2.98
EssentialUtil	WTRG	37.51	-0.50
EssexProp	ESS	301.55	0.31
EsteeLauder	EL	73.28	-1.50
EvercoreA	EVR	246.13	5.60
Everest	EG	343.58	0.38
Evergy	EVRG	69.10	0.29
EversourceEner	ES	63.46	-0.34
ExactSciences	EXAS	48.50	-1.68
Exelixis	EXEL	37.53	0.61
Exelon	EXC	44.06	0.02
ExpandEnergy	EXE	102.43	-0.46
Expedia	EXPE	199.54	-0.22
ExpeditorsIntl	EXPD	117.40	-1.08
ExtraSpaceSt	EXR	153.91	-7.37
ExxonMobil	XOM	109.46	-0.27
F5	FFIV	294.82	1.84
FTAI Aviation	FTAI	**140.32**	**7.37**
FactSet	FDS	453.68	-9.26
Fairlsaac	FICO	1869.97	53.21
Fastenal	FAST	73.89	-0.71
FederalRealty	FRT	105.04	-0.57
FedEx	FDX	256.12	-0.36
FergusonEnts	FERG	176.00	1.59
Ferrari	RACE	480.00	-24.50
Ferrovial	FER	45.35	0.74
FidNatlFinl	FNF	61.51	0.58
FidNatlInfo	FIS	68.91	-0.40
FifthThirdBncp	FITB	42.83	-0.18
FirstCitizBcshA	FCNCA	2024.41	30.67
FirstHorizon	FHN	20.95	0.28
FirstSolar	FSLR	**156.84**	**9.38**
FirstEnergy	FE	43.05	-0.45
FirstService	FSV	176.75	-0.24
Fiserv	FI	229.71	-2.67
Flex	FLEX	39.76	1.18
Floor&Decor	FND	102.41	2.12
FlutterEnt	FLUT	273.22	12.73
FomentoEconMex	FMX	89.47	0.47
FordMotor	F	9.47	0.05
Fortinet	FTNT	109.02	0.96
Fortis	FTS	43.92	-0.25
Fortive	FTV	79.91	0.31
FortuneBrands	FBIN	65.84	-0.44
FoxB	FOX	53.31	0.03
FoxA	FOXA	56.84	-0.07
Franco-Nevada	FNV	140.82	1.83
FranklinRscs	BEN	19.93	-0.30
FreedomHolding	FRHC	149.33	3.92
FreeportMcM	FCX	37.95	1.19
FreseniusMedCare	FMS	23.56	0.11
FrontierComms	FYBR	35.93	0.07
FullTruck	YMM	11.59	0.11
G H I			
GDS Holdings	GDS	40.09	0.74
GE Aerospace	GE	201.61	2.34
GE HealthCare	GEHC	90.71	-0.10
GE Vernova	GEV	**335.24**	**17.55**
GFLEnvironmental	GFL	44.36	0.38
GSK	GSK	37.40	-0.96
Gallagher	AJG	328.33	-3.50
GameStop	GME	24.61	0.19
Gaming&Leisure	GLPI	49.80	0.31
Gap	GAP	23.29	0.82
Garmin	GRMN	226.92	0.88
Gartner	IT	498.17	-4.90
GenDigital	GEN	27.49	-0.06
Generac	GNRC	139.14	0.36
GeneralDynamics	GD	249.24	-0.67
GeneralMills	GIS	59.29	-2.30
GeneralMotors	GM	48.46	1.75
Genmab	GMAB	22.61	-0.35
Genpact	G	52.88	0.48
GenuineParts	GPC	122.10	-1.03
Gildan	GIL	54.68	0.21
GileadSciences	GILD	110.46	-1.07
GitLab	GTLB	61.00	0.20
GlobalPayments	GPN	101.52	-1.91
GlobalFoundries	GFS	40.61	-0.03
GlobeLife	GL	121.93	-1.55
GlobusMedical	GMED	80.01	0.43
GoDaddy	GDDY	176.96	0.31
GoldFields	GFI	19.12	0.34
GoldmanSachs	GS	617.77	2.86
Grab	GRAB	**4.87**	**0.31**
Graco	GGG	85.84	-0.99
Grainger	GWW	1008.08	4.52
GraphicPkg	GPK	27.01	-0.16
GpoAeroportuar	PAC	194.43	4.24
GpoAeroportSur	ASR	273.87	3.98
GpoFinGalicia	GGAL	59.10	1.45
Guidewire	GWRE	200.72	1.16
HCA Healthcare	HCA	319.91	-13.16
HDFC Bank	HDB	59.97	-0.19
HP	HPQ	33.83	-0.27
HSBC	HSBC	58.24	0.47
H World	HTHT	36.99	1.33
Haleon	HLN	10.20	0.05
Halliburton	HAL	25.92	-0.31
HamiltonLane	HLNE	153.78	-0.20
HartfordIns	HIG	115.58	-0.83
Hasbro	HAS	68.02	-0.53
HealthEquity	HQY	105.61	-1.84
HealthpeakProp	DOC	20.02	-0.19
Heico	HEI	227.45	-0.42
HeicoA	HEI.A	184.52	0.46
HenrySchein	HSIC	72.55	-3.27
Hershey	HSY	171.29	-7.36
Hess	HES	145.47	-1.48
HessMidstream	HESM	40.48	0.44
HewlettPackard	HPE	20.37	0.08
Hilton	HLT	259.96	2.01
Hims&HersHealth	HIMS	**41.89**	**2.03**
Hologic	HOLX	64.36	-0.87
HomeDepot	HD	390.48	-2.81
HondaMotor	HMC	27.89	0.25
Honeywell	HON	211.33	-0.67
HormelFoods	HRL	28.73	-0.69
DR Horton	DHI	128.54	-3.57
HostHotels	HST	16.01	-0.01
HoulihanLokey	HLI	170.74	3.27
HowmetAerospace	HWM	131.98	1.75
Hubbell	HUBB	377.39	5.18
HubSpot	HUBS	724.37	4.27
Humana	HUM	255.07	-4.20
JBHunt	JBHT	160.32	-0.37
HuntingtonBcshs	HBAN	16.06	0.25
HyattHotels	H	139.82	1.25
ICICI Bank	IBN	28.07	-0.12
ICL Group	ICL	**5.98**	**-0.47**
IdexxLab	IDXX	457.81	-2.05
ING Groep	ING	17.64	0.15
IQVIA	IQV	190.95	-0.02
ITT	ITT	142.62	1.61
IcahnEnterprises	IEP	10.03	-0.23
Icon	ICLR	196.20	-1.30
IDEX	IEX	195.80	-0.64
IllinoisToolWks	ITW	261.41	-3.12
Illumina	ILMN	94.05	-1.71
ImperialOil	IMO	68.12	-0.28
Incyte	INCY	74.30	-0.10
Infosys	INFY	20.77	...
IngersollRand	IR	83.36	-0.03
Ingredion	INGR	130.57	-1.91
Insmed	INSM	78.10	0.60
Insulet	PODD	270.64	3.96
Intel	INTC	23.52	0.53
InteractiveBrkrs	IBKR	206.66	5.72
ICE	ICE	171.17	-0.04
InterContHtls	IHG	125.31	0.93
IBM	IBM	255.84	-1.91
IntlFlavors	IFF	80.57	0.29
IntlPaper	IP	55.73	0.43
Interpublic	IPG	27.66	-0.12
Intra-Cellular	ITCI	128.46	-0.12
Intuit	INTU	**625.51**	**69.88**
IntuitiveSurgical	ISRG	580.93	7.19
InvitatHomes	INVH	31.57	-0.53
IronMountain	IRM	93.08	0.68
ItauUnibanco	ITUB	5.64	-0.07
J K L			
JD.com	JD	**42.53**	**2.46**
JPMorganChase	JPM	258.79	1.39
Jabil	JBL	158.75	1.24
JackHenry	JKHY	171.76	-2.29
JacobsSolns	J	126.40	-0.75
JamesHardie	JHX	32.23	0.89
JazzPharm	JAZZ	144.17	4.50
JefferiesFinl	JEF	65.77	0.97
J&J	JNJ	163.08	-3.01
JohnsonControls	JCI	84.91	1.01
JonesLang	JLL	270.94	5.37
JuniperNetworks	JNPR	35.99	-0.04
KB Financial	KB	57.40	0.55
KE Holdings	BEKE	**22.87**	**1.62**
KKR	KKR	132.68	3.09
KLA	KLAC	738.52	13.55
KT	KT	17.68	-0.12
Kaspi.kz	KSPI	103.33	0.20
Kellanova	K	82.62	-0.07
Kenvue	KVUE	23.22	-0.15
KeurigDrPepper	KDP	33.74	-1.20
KeyCorp	KEY	16.86	0.19
KeysightTech	KEYS	**160.36**	**-11.81**
KimberlyClark	KMB	139.16	-2.14
KimcoRealty	KIM	21.68	-0.17
KinderMorgan	KMI	26.17	0.07
Kinetik	KNTK	58.43	1.57
KinrossGold	KGC	11.08	0.28
KinsaleCapital	KNSL	416.84	-6.48
Klaviyo	KVYO	40.50	-0.03
Knight-Swift	KNX	49.84	-0.36
Philips	PHG	26.84	0.11
KoreaElecPwr	KEP	8.18	0.11
KraftHeinz	KHC	30.62	-1.11
Kroger	KR	63.80	-1.67
Kyndryl	KD	38.47	1.43
LatamAirlines	LTM	32.47	0.01
LKQ	LKQ	41.76	0.22
LPL Financial	LPLA	362.20	4.84
L3HarrisTech	LHX	202.33	-1.64
Labcorp	LH	252.07	-0.80
LamResearch	LRCX	81.30	1.01
LamarAdv	LAMR	122.59	-2.84
LasVegasSands	LVS	43.73	-0.63
LatticeSemi	LSCC	64.38	-0.96
Leidos	LDOS	129.59	-1.15
Lennar A	LEN	121.52	-2.80
Lennar B	LEN.B	117.13	-2.77
LennoxIntl	LII	622.97	4.21
LiAuto	LI	**32.92**	**3.08**
LibertyBroadbandC	LBRDK	79.49	-0.99
LibertyBroadbandA	LBRDA	78.75	-0.91
LibertyLiveA	LLYVA	72.24	-1.42
LibertyFormOne C	FWONK	94.94	0.67
LibertyLiveC	LLYVK	74.11	-1.35
LibertyFormOne A	FWONA	88.00	0.66
Light&Wonder	LNW	**108.62**	**6.99**
EliLilly	LLY	915.01	13.21
LincolnElectric	LECO	207.77	-0.03
Linde	LIN	461.55	-5.94
Lineage	LINE	57.13	1.27
LithiaMotors	LAD	345.25	-0.92
LiveNationEnt	LYV	142.16	-2.30
LloydsBanking	LYG	3.66	0.11
LockheedMartin	LMT	441.50	-6.96
Loews	L	84.20	-0.73
LogitechIntl	LOGI	104.84	0.42
Lowe's	LOW	247.07	4.68
lululemon	LULU	366.03	-0.69
LyondellBasell	LYB	76.20	-1.43
M N			
Macom Tech	MTSI	118.70	2.39
M&T Bank	MTB	189.70	-0.91
MGM Resorts	MGM	35.17	-0.35
MPLX	MPLX	52.86	...
MSCI	MSCI	579.44	-5.10
MagnaIntl	MGA	38.21	...
MakeMyTrip	MMYT	93.33	0.53
ManhattanAssoc	MANH	177.61	-0.47
ManulifeFinl	MFC	30.80	0.08
Maplebear	CART	**42.80**	**-5.98**
MarathonPetrol	MPC	146.30	-4.29
Markel	MKL	1887.14	-0.62
Marriott	MAR	282.16	4.70
Marsh&McLen	MMC	231.56	-2.64
MartinMarietta	MLM	491.13	0.84
MarvellTech	MRVL	94.90	1.90
Masco	MAS	76.03	-0.06
Masimo	MASI	**190.47**	**20.93**
MasTec	MTZ	132.53	4.17
Mastercard	MA	561.27	-2.76
MatchGroup	MTCH	32.60	0.12
McCormickVtg	MKCV	79.85	-2.59
McCormick	MKC	80.16	-2.64
McDonald's	MCD	304.27	-6.45
McKesson	MCK	623.62	-3.46
Medpace	MEDP	339.48	-1.44
Medtronic	MDT	90.58	0.10
MercadoLibre	MELI	2197.64	29.04
Merck	MRK	89.38	-2.05
MetaPlatforms	META	673.70	16.20
MetLife	MET	82.54	0.34
Mettler-Toledo	MTD	1289.52	-19.37
MicrochipTech	MCHP	59.77	-0.40
MicronTech	MU	97.71	4.49
Microsoft	MSFT	399.73	1.83
MicroStrategy	MSTR	**263.27**	**12.76**
MidAmApt	MAA	164.22	-0.50
Middleby	MIDD	165.36	-3.89
MitsubishiUFJ	MUFG	12.83	-0.04
MizuhoFin	MFG	5.62	-0.05
Mobileye	MBLY	16.42	0.34
Moderna	MRNA	33.58	0.30
MolinaHealthcare	MOH	**284.71**	**-21.26**
MolsonCoorsB	TAP	62.06	1.24
monday.com	MNDY	306.04	8.72
Mondelez	MDLZ	63.45	-2.43
MongoDB	MDB	268.30	8.59
MonolithicPower	MPWR	671.58	20.26
MonsterBev	MNST	51.65	-0.48
Moody's	MCO	498.34	-3.56
MorganStanley	MS	131.05	1.45
Morningstar	MORN	319.96	-3.25
Mosaic	MOS	25

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Stocks Finish Mixed Amid Tariff Talk

Nasdaq, S&P 500 snap four-day losing streak, while Dow industrials slip

WEDNESDAY'S MARKETS

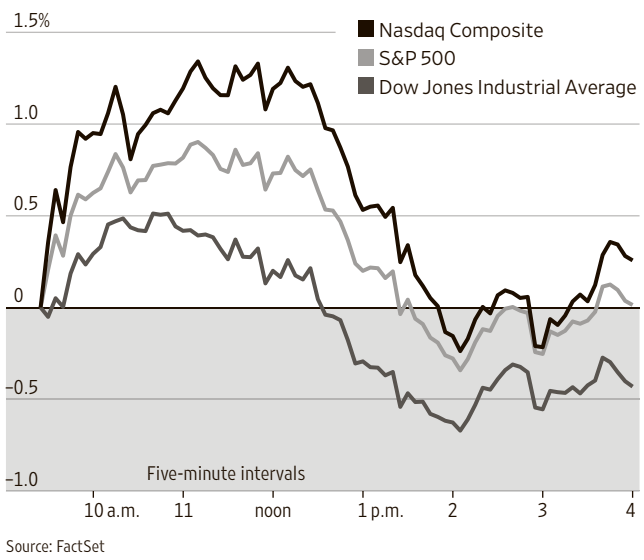
The S&P 500 and Nasdaq Composite shook off a four-day slump, even after optimism in morning trading was overshadowed by fresh tariff threats in the afternoon. Treasury yields logged a sixth straight day of declines. Bitcoin prices sank, with the cryptocurrency on pace for its worst monthly performance since June 2022.

Stocks were rising early but walked back gains after President Trump said the U.S. is considering 25% tariffs on the European Union.

"I think folks woke up feeling a little bit better about AI and a little bit better about risk," said Michael Brenner, senior research analyst and asset allocation strategist at FBB Capital Partners. "Then I think the broader macro [environment] and the threat of tariffs tempered that."

The Nasdaq and S&P 500 each edged higher to snap a four-day losing streak, rising 0.3% and less than 0.1% respectively, while the Dow Jones Industrial Average lost about 188 points, or 0.4%, to 43433.

Index performance on Wednesday



Source: FactSet

Investors weighed a slew of data and headlines out of Washington in recent trading sessions, leading some to reconsider pricey tech shares and other riskier assets.

But artificial-intelligence trades like **Super Micro Computer** and **Vistra** regained some ground, ahead of **Nvidia**'s earnings. While investors got the big growth they expected to see from Nvidia's revenue and profits, shares of the chip maker wavered in off-hours trading.

Nvidia's results have become a major event, with the chipmaker's stock moving 6% or more the day after reporting in three of the last four quarters. Given Nvidia's size, many investors expect the report could help direct markets in coming sessions.

Elsewhere:

◆ The 10-year Treasury fell Wednesday to 4.248%, logging six days of declines.

◆ Bitcoin prices sank below $85,000. The cryptocurrency is down 17.1% this month so far.

◆ Tesla shares slid 4%. The stock is on pace for its worst month in more than two years.

◆ Super Micro Computer rose after the server maker filed overdue financial statements.

◆ The Stoxx Europe 600 rose nearly 1% to a record, bolstered by earnings from companies including Anheuser-Busch InBev.

—Hannah Erin Lang and Caitlin McCabe

THURSDAY'S EVENTS:

Weekly jobless claims, data on durable goods and a revised estimate of last quarter's gross domestic product are all due at 8:30 a.m. In late January, a first GDP estimate pegged growth at an annualized 2.3% in the fourth quarter.

EARNINGS EXPECTED:

Before the opening bell:
Hormel Foods
J.M. Smucker
Warner Bros. Discovery

After the close:
Dell
HP

STOCK SPOTLIGHT

Workday
The software provider logged higher quarterly subscription revenue and guided for growth ahead. Its quarterly sales and earnings beat forecasts. Shares jumped 6.2%.

Lemonade
The technology-powered insurer said the L.A. wildfires would lead to about $45 million of gross losses this quarter. Shares fell 1.6%.

BP
The company said it would boost oil-and-gas production and sharply cut clean-energy investment, pivoting back to fossil fuels in a bid to revive its share price. Shares dropped 1.4% in London.

Eli Lilly
The drugmaker plans to build four U.S. manufacturing plants, a $27 billion investment that it expects will create thousands of jobs. Shares rose 1.5%.

Lucid Group
The EV startup announced the departure of its chief executive Tuesday, and said it expects to more than double its vehicle production this year. Shares lost 14%.

ODP
Shares of the parent of Office Depot and OfficeMax plunged 22% after it said it is pivoting away from its retail business to focus on business-to-business operations.

Bloomin' Brands
Shares declined 17% after the Outback Steakhouse owner said sales could fall as much as 2% this year.

Worries About Medicaid Cuts Hit Health Insurer and Hospital Stocks

A GOP budget plan that requires deep cuts to Medicaid spending battered shares of health insurers and hospitals that do big business in the government funded health program.

Shares of Centene, the biggest manager of state Medicaid programs, fell 7.2% on Wednesday. Molina Healthcare, which derives about 80% of its revenue from Medicaid, declined 7%. Another big Medicaid player, Elevance Health, dropped 3.9%.

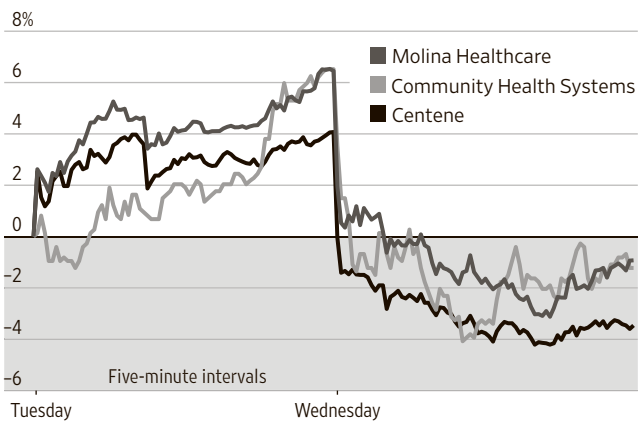
Hospital stocks also fell on fears of pressured reimbursement for the Medicaid patients they care for. Community Health Systems declined 7.1% and HCA Healthcare was down 4%.

House Republicans are looking to pass a budget that cuts total government spending by up to $2 trillion over a decade and implement tax cuts of up to $4.5 trillion. Some in the party, including President Trump, have cautioned against cutting the program.

Medicaid is jointly funded by states and the federal government, and provides health insurance to nearly 80 million low-income people.

—Joseph Walker

Share-price performance, past two sessions



Source: FactSet

AUCTION RESULTS

Here are the results of Wednesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

17-WEEK BILLS

Applications	$166,949,190,400
Accepted bids	$60,198,566,400
" noncompetitively	$613,762,100
" foreign noncompetitively	$0
Auction price (rate)	98.611667 (4.200%)
Coupon equivalent	4.318%
Bids at clearing yield accepted	31.52%
Cusip number	912797PU5

The bills, dated March 4, 2025, mature on July 1, 2025.

SEVEN-YEAR NOTES

Applications	$120,506,946,500
Accepted bids	$48,434,776,000
" noncompetitively	$84,584,700
" foreign noncompetitively	$0
Auction price (rate)	99.585172 (4.194%)
Interest rate	4.125%
Bids at clearing yield accepted	5.81%
Cusip number	91282CMR9

The notes, dated Feb. 28, 2025, mature on Feb. 29, 2032.

ONE-YEAR, 11-MONTH FRNs

Applications	$79,120,808,600
Accepted bids	$30,822,172,600
" noncompetitively	$26,179,100
Spread	0.098%
Bids at clearing yield accepted	15.16%
Cusip number	91282CMJ7

The floating-rate notes, dated Feb. 28, 2025, mature on Jan. 31, 2027.

Maybank Profit Rises on Noninterest Income

By Ying Xian Wong

Malayan Banking reported better-than-expected net profit for the fourth quarter, supported by higher noninterest income thanks to strength in regional economies.

Malaysia's largest lender by market capitalization said Wednesday that net profit climbed 6.1% from a year earlier to 2.53 billion ringgit, equivalent to $571.8 million, boosted by income from wealth management, investment banking, global markets and insurance. That compared with the 2.45 billion ringgit estimate of analysts polled by Visible Alpha.

For the full year, net profit was 7.9% higher at 10.09 billion ringgit. Analysts surveyed by Visible Alpha were expecting an annual figure of 10.12 billion ringgit.

Quarterly net interest income was 3.35 billion ringgit, up from 3.18 billion ringgit a year ago, the bank said.

For 2024, Maybank said its net operating income rose 8.1% to 29.57 billion ringgit, supported by a 23% increase in noninterest income amid higher fees from wealth management and investment banking, as well as income from global markets and insurance.

Maybank said it is well-positioned to support investment growth amid strong economic prospects in its home markets, focusing on customer expansion, digital modernization and key growth areas like wealth management and bancassurance.

For 2025, it aims to maintain strong liquidity and asset quality while targeting a more than 11.3% return on equity, it said.

The results come as Maybank is facing corporate-governance concerns. The lender said last week that its finance chief was stepping down following an internal inquiry.

While the bank has clarified that the abrupt departure was an isolated incident, wouldn't result in financial losses and wasn't prompted by law enforcement, it could tarnish the lender's reputation and hurt investors' confidence, TA Securities analyst Li Hsia Wong said in a note.

The departure comes on the heels of recent regulatory fines for prolonged service disruptions, she said.

More broadly, however, analysts are largely positive on the outlook for Malaysia's banking sector, thanks to the country's sound economic fundamentals.

TA Securities has an overweight rating on the sector.

The outlook for Malaysia's banking industry remains robust, with lenders, especially the top three listed, positioned to benefit from improvements in domestic spending, solid economic prospects, strong investments and increased capital activity, Wong said in a separate note.

Maybank, with its established presence in Singapore and Johor state, is also well placed to benefit from growth opportunities amid the establishment of the Johor-Singapore Special Economic Zone, she said.

The lender's American depositary shares declined 5.6% on Wednesday.

Munich Re Estimates $1.26 Billion Hit In Claims From California Wildfires

By Elena Vardon

Munich Re estimates that devastating wildfires that struck Southern California in January will result in €1.2 billion, or $1.26 billion, in claims for the company, the German group said as it reported fourth-quarter results.

"They were clearly the most-substantial wildfire losses in the history of the insurance industry," it said.

The company said the estimated burden for its property-casualty reinsurance and its Global Specialty Insurance division is subject to a high degree of uncertainty due to the complexity of the losses.

Losses from the fires are the most expensive in U.S. history and are set to cut into companies' first-quarter profits.

Early estimates of pretax losses include $1.7 billion from **Travelers**, $500 million from American International Group, $1.1 billion from **Allstate** and $1.5 billion from **Chubb**, as well as a $200 million hit for peer **Zurich Insurance**.

"Given estimates elsewhere in the sector feels reasonable but clearly [first quarter] major losses will be above the budget for the company in our view," analysts at JPMorgan said in a note to clients.

Jefferies writes that the loss burden should be manageable in the context of the year.

Munich Re shared its estimate alongside its fourth-quarter results on Wednesday, in which it backed its guidance for 2025 after beating its 2024 profit target. This was despite a slightly worse-than-expected result in the final quarter, which saw losses from Hurricane Milton's landfall in Florida.



BRANDON BELL/GETTY IMAGES

Losses from the Southern California fires are the most-expensive in U.S. history.

Its net profit for the three months ended Dec. 31 was €991 million, a touch lower than the €1 billion it made in the same period in 2023 and a €1.02 billion estimate taken from a company-compiled consensus.

For 2024, Munich Re reported a net profit of €5.67 billion, roughly in line with expectations and more than its €5 billion target.

Insurance revenue from contracts issued for the fourth quarter was €15.32 billion, which represented 2.3% year-over-year growth but missed consensus of €15.7 billion.

Its investment result came in at €1.47 billion with a 2.5% return on investment.

Solvency II ratio—a measure of capital strength—stood at 287% at the end of the year, against consensus of 284%.

"We'll remain ambitious as we seek to boost our annual profit to €6 billion this year. Our confidence here reflects our successful renewals as at Jan. 1, 2025, among other factors," Chair Joachim Wenning said, confirming the outlook it outlined in December.

The group had to accept a slight decline in prices and in volumes at the contract renewals at the start of the year but noted the market environment remains positive for the coming renewal rounds.

"It is worth emphasizing that recent claims attributable to natural disasters are clearly impeding a softening of prices," the company added.

Munich Re also expects to increase its group insurance revenue in 2025 to around €64 billion—from €60.83 billion last year—with a return on investment of more than 3% this year.

The group is planning to reward shareholders with a share-buyback program of up to €2 billion and raised its dividend by one-third to €20 a share, it said late Tuesday.

The company's shares closed 4.8% higher in European trading on Wednesday.

Startup Exchange to Target Niche

Continued from page B1

come the first exchange with an anthem: "Dream Again," an upbeat R&B song created by Mike Phillips, a jazz saxophonist who has performed with Stevie Wonder and Prince.

Dream Exchange joins an increasingly crowded space of aspiring stock exchanges seeking to serve various niches of the capital markets.

Texas companies that want to flaunt their state pride may eventually list on the Texas Stock Exchange, which filed paperwork to become a national securities exchange in January after raising some $160 million from such investors as Citadel Securities and BlackRock. Companies that want to demonstrate their environmental bona fides might like Green Impact Exchange, a New York-based startup that filed its own exchange application last year.

Some industry observers voiced skepticism that the upstart exchanges would succeed. New entrants in the exchange business tend to suffer from "bike-shop syndrome," said Jim Angel, a finance professor at Georgetown University.

"There are lots of bike shops run by bicycle enthusiasts that don't have an MBA-type business model," Angel said. "They go into business because they have a mission, not because of the profit motive."

One startup, the Long-Term Stock Exchange, made its debut in 2020 with the aim of attracting listings from companies focused on long-term, strategic goals rather than quarterly earnings targets. LTSE has raised more than $190 million, backed by Silicon Valley investors and an heir to the Walmart fortune. But four years after launch, LTSE has only two listed companies and handles just 0.1% of U.S. equities trading volume, Cboe Global Markets data show.

Green Impact Exchange, or GIX, aims to win listings from companies that adhere to a set of environmental principles. Like LTSE, it would allow dual listings, so a Nasdaq-listed company that wanted to prove its commitment to sustainability could get a secondary listing on GIX. Effectively, GIX would act as a seal of approval for green-minded companies.

A group of New York Stock Exchange veterans founded GIX in 2022, a time of significant interest in environmental, social and corporate-governance investing. Since then, the ESG craze has faded, but Daniel Labovitz, the startup exchange's CEO and co-founder, said there is still demand for listing on GIX.

"We've spoken to hundreds of companies who remain committed to sustainability...regardless of how the political wind blows," he said in an emailed statement.

Dream Exchange dates to 2016. Besides cultivating a niche for minority-owned businesses, the startup is hoping that Congress will pass long-simmering legislation to allow "venture exchanges"—essentially stock exchanges for tiny companies. A bill to allow venture exchanges passed the House in 2018 but died in the Senate.

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HEARD ON THE STREET
FINANCIAL ANALYSIS & COMMENTARY

Musk's DOGE Ride Leads to Knotty Tesla Issue

Disclosure rules mean the EV maker could have to designate the U.S. government as a related party

How much influence does Elon Musk have over the U.S. government? Enough that **Tesla** will need to make a judgment call on a disclosure issue that once would have been unthinkable for a U.S. private-sector company to contemplate.

Here is the question at hand: Are Tesla and the government "related parties" for purposes of generally accepted accounting principles?

The answer would appear to be yes, as wild as that might seem. As the functional leader of the Trump administration's Department of Government Efficiency, or DOGE, Musk rapidly amassed enormous power over vast portions of the U.S. government, nearly wiping out agencies and targeting others for elimination, while directing mass layoffs. Officially, Musk was designated a "special government employee." He is synonymous with Tesla, where he is chief executive, the largest shareholder and the face of the company.

The related-party designation would mean Tesla, in its disclosures to investors, could have to start reporting transactions it has with the government if they are significant. It would underscore how powerful Musk has become. U.S. accounting standards say the reason for requiring such disclosures is that "transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist."

Other public companies have named the U.S. government as a related party before in their disclosures, including American International Group, General Motors, Fannie Mae and Freddie Mac. But that was because the government bailed them out and took large stakes during the 2008 financial crisis. If Tesla were to start identifying the government as a related party in its reports to investors, it would be because of the amount of control Musk wields over the government, not the other way around.

Under U.S. accounting standards, Tesla and the government would be considered related parties if one of them "can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests."

Jack Ciesielski, founder of the asset manager R.G. Associates in Towson, Md., and a member of the Financial Accounting Standards Board's Emerging Issues Task Force, said Tesla and the government fit that description. "Tesla and Musk have significant influence over the U.S. government," he said. "I don't think there's any definition you can come up with that says they're not related parties."

The same analysis would apply in principle to Musk's other companies, including SpaceX, which has billions of dollars of federal contracts, and the social-media company X. However, unlike Tesla, those other companies aren't publicly held, so they don't file their financial statements with securities regulators.

Tesla mentioned DOGE only once in its last annual report, filed Jan. 30.

Tesla in its latest annual report identified several of Musk's other companies as related parties, including SpaceX and X. It said its transactions with those companies didn't have a material impact on its financial statements. Tesla didn't say how much of its $98 billion of revenue last year came from the government. The company didn't respond to requests for comment.

Tesla's dealings with the government were the focus of a Feb. 13 letter to Secretary of State Marco Rubio by U.S. Sen. Richard Blumenthal (D., Conn.), who expressed concern about news reports that the State Department planned to buy $400 million of armored Tesla Cybertrucks. Before his letter, the agency had said it put the process on hold and didn't plan to move forward with it. In a Feb. 13 post on X, Musk said: "I'm pretty sure Tesla isn't getting $400M. No one mentioned it to me, at least."

Blumenthal said Musk's dual roles as Tesla's CEO and head of DOGE "pose conflicts of interest so obvious that they hardly require explanation."

The importance of Tesla's relationship with the government goes beyond commercial transactions. Tesla customers can receive as much as $7,500 in federal tax credits for the purchase of electric vehicles, under current law. Tesla also has been the subject of numerous government investigations, including by the National Highway Traffic Safety Administration, where DOGE has been directing layoffs.

Tesla mentioned DOGE only once in its last annual report, filed Jan. 30. In a risk-factor disclosure, Tesla said it is highly dependent on Musk's services and "he does not devote his full time and attention to Tesla," noting he holds management positions at five other companies and is involved with other ventures, as well as DOGE.

Listing the U.S. government as a related party might not trigger any other immediate changes to Tesla's books and it shouldn't be a problem for Tesla shareholders. If the government and Tesla do significant amounts of business together, the related-party designation would help provide transparency into the extent of those dealings. Investors would be the intended beneficiaries of the disclosure. Taxpayers, too, could benefit from some additional sunlight.

—Jonathan Weil

This Is the Year for Jeep's Owner to Justify Its Own Existence

Regardless of who next leads **Stellantis**, the owner of Jeep has a tough mission ahead: justifying its own existence.

On Wednesday, Stellantis said fourth-quarter vehicle shipments fell 9% from a year earlier, capping a bad 2024. Troubles were worst in the key North American market, where it ran down bloated inventories, cut prices and delayed models such as the all-electric Ram pickup truck.

As a result, the adjusted operating margin came in at 5.5% for 2024, below Wall Street forecasts. The company also disappointed investors by saying this year's margin will likely remain in the mid-single digits.

Shares of the automaker, which also owns Chrysler, Fiat and Peugeot, fell more than 5%.

To be fair, executives did say that numbers will be healthier in the second half. They underscored that Stellantis is better placed to withstand potential U.S. tariffs than European and Japanese rivals—that is, unless levies are slapped on Mexico—because nearly all the cars it sells to the U.S. are made in North America.

What ultimately holds back Stellantis's stock, however, is a more existential question: What is it for? When it was created by merging Fiat Chrysler Automobiles and PSA Group in 2021, governments were pushing hard for electrification. Automakers were desperate to pool development resources and reduce complexity by making platforms that could accommodate multiple powertrains—be those electric, hybrid or gas.

The conglomerate successfully focused on generating efficiencies across its brands, even if that meant losing market share in many geographies.

Four years later, the world has changed: Growth in sales of electric cars has slowed, officials are de-emphasizing green commitments and Chinese vehicles are a much larger threat.

Meanwhile, Stellantis is searching for new leadership after the departure in December of Chief Executive Carlos Tavares. He was blamed for allowing the product lineup of brands such as Jeep to grow stale while overpricing the cars.

"2025 is a year where we need to get to our potential," Chairman John Elkann told analysts Wednesday. "We are on the trajectory of making sure that we get back to growth."

Stellantis's bet on scale was good for cutting costs. What investors need to see is that it also serves to actually sell cars.

—Jon Sindreu



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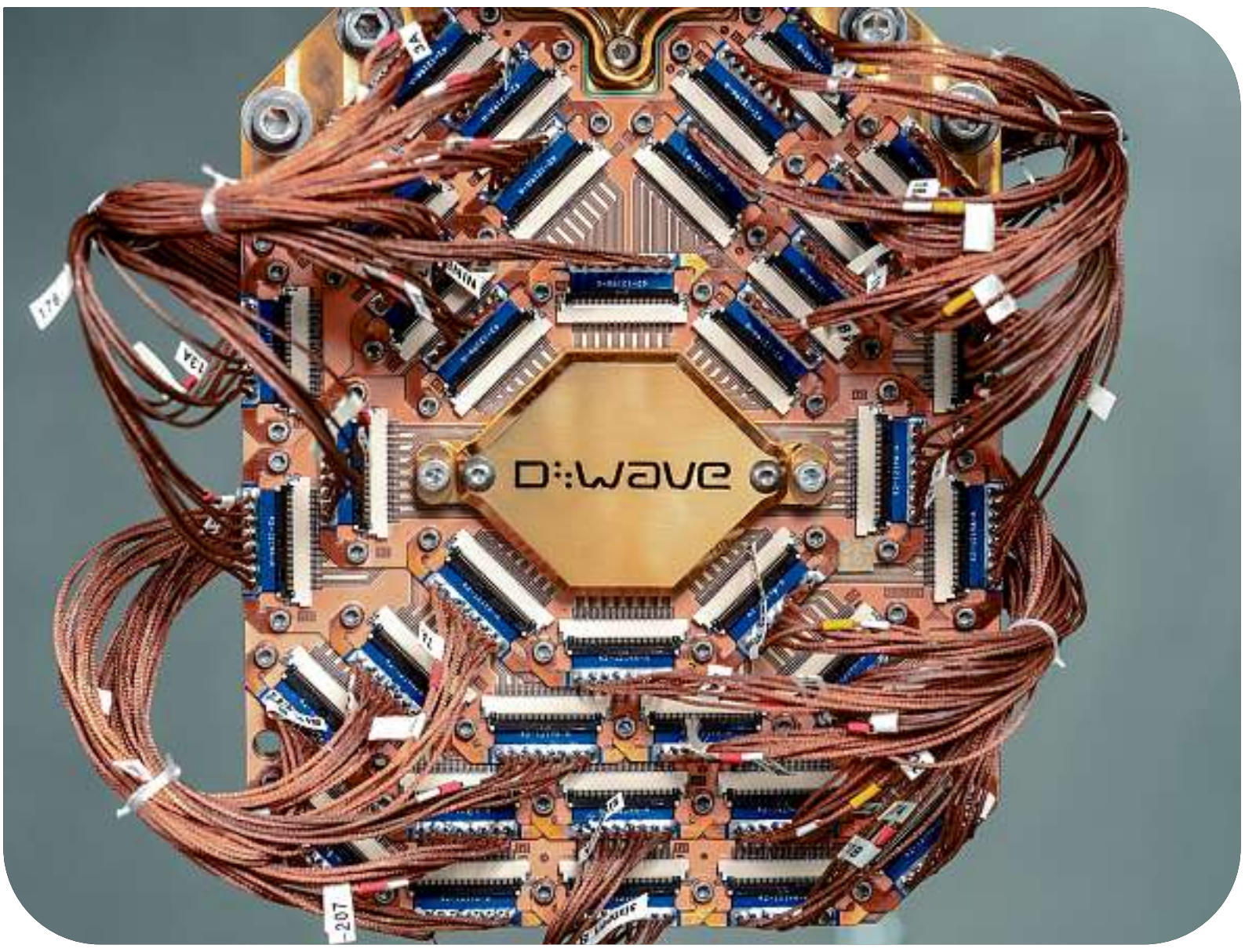
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THE FUTURE OF EVERYTHING

A LOOK AHEAD FROM THE WALL STREET JOURNAL.

THE ARTIFICIAL INTELLIGENCE ISSUE



C.J. BURTON

Taking AI To the Bank

A top executive at JPMorgan outlines the company's plans R4

Self-Driving Style

Porsche and others program their cars with signature moves R8

Robots Get to Work

Humanoid machines are finally on the rise, powered by new AI brains R6

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FROM TOP: SHUTTERSTOCK; NORTH.IO (RENDERING)

HOW AI CAN PROTECT PIPELINES AND CABLES DEEP IN THE OCEAN

Militaries and startups are tackling the challenge of surveilling the seabed, using new mapping technologies and autonomous underwater vehicles. **By William Boston**

Deep under the sea, pipelines and cables carrying fuel, power and communications are strewn on the ocean floor like a central nervous system for the global economy.

Huge stretches of these critical connectors lie unprotected in the murky depths—and vulnerable to attacks such as the 2022 sabotage of the Nord Stream pipelines that carry Russian natural gas to Europe under the Baltic Sea.

Now, in the way that the use of drones has changed the conduct of land wars, artificial intelligence is about to change everything about how the deep sea is navigated and how critical underwater infrastructure is protected in wartime and against threats of terrorism.

It's hard to get a look at this undersea world in order to protect it. Data is fragmented and comes from systems ranging from sonar to satellites. Analyzing it often takes weeks. What's needed is a sort of Google Maps of the sea that not only accurately replicates the oceans and their terrain but also provides timely alerts on potential threats. That's where AI's ability to sift through vast amounts of data comes in.

AI-empowered underwater systems are already changing seabed warfare and defense. Drones and anti-mine robots, working together with ships on the surface, underwater sensors and satellites, are being deployed by the military and governments. These systems to navigate, map, and provide underwater defense are increasingly using AI to analyze and synthesize diverse sources of data.

In the next few years, industry and military users expect these systems to make huge advances.

Armed with a map of the objects in the ocean and high-resolution data, autonomous systems will identify the things that don't belong, says Jann Wendt, chief executive of German startup North.io, which is working to create systems to protect undersea technology. Determining whether an object encroaching on a group of offshore wind turbines is a threat or just a pod of dolphins, or whether an object near a critical undersea cable is a rock or a mine, is crucial, he says. Wind turbines are vulnerable because they are buried in the seabed and are connected to the power grid on land with undersea cables.

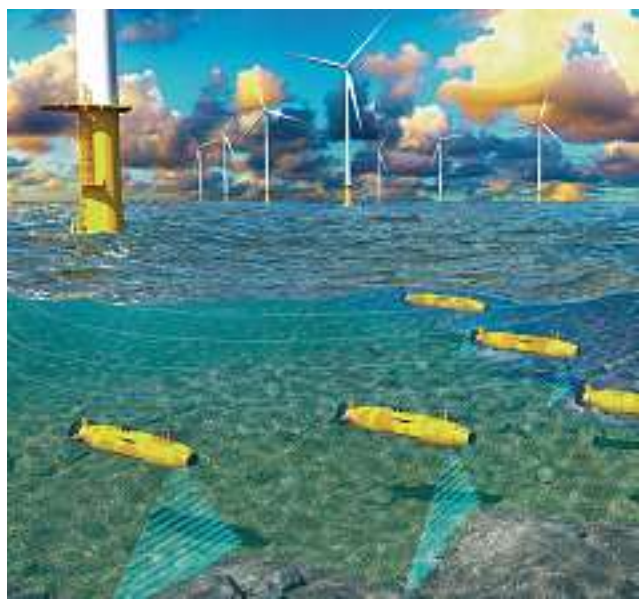
The ultimate goal is to make the sea essentially transparent as technology monitors thousands of miles of cable and other installations in real time.

After the Nord Stream incident, the North Atlantic Treaty Organization created a team to find ways to protect underwater infrastructure in the territories of the alliance. Responding to suspected attacks by Russian-linked ships on underwater cables, NATO in January launched the Baltic Sentry operation, which includes a small fleet of underwater drones. Russia has denied any wrongdoing.

AI is central to NATO's effort, says Lt. Col. Rene Heise, a staff officer in this group, known as the Critical Undersea Infrastructure Coordination Cell. "In the future, unmanned maritime systems in the air and underwater are going to be active," he says. "AI will help us develop the systems that will enable us to identify and combat suspicious behavior underwater."

Based in the northern German city of Kiel, North.io is working with technology from U.S. tech giants including Nvidia and International Business Machines. The German government is financing a North.io project called Argus, aimed at analyzing data to detect threats, at a total cost of 3.5 million euros, equivalent to $3.7 million.

North.io, which has about 70 employees, acts as a kind of warehouse that collects data from a wide variety of sources and trains its AI to make sense of it, to show what is happening in the ocean at any time—hoping eventually to do so in real time.



Top, construction of the Nord Stream 2 pipeline, one of many critical installations under the sea. Above, a rendering shows how autonomous underwater vehicles could map the ocean floor.

At great depths in the ocean there is little light, so the data needed for navigation or observation is mainly acoustic. The information—collected by academic research institutes, wind-farm operators and other sea-based commercial operations—comes from sonar systems that locate objects in the ocean, seismic recording devices that register earthquakes, and satellites.

North.io's innovation has been to create a way to manage the huge amount of data and standardize it to make it accessible on a variety of cloud-based systems. Its main product is the TrueOcean data-management system, with users that include the military, research institutes and companies in the offshore wind industry.

"We are creating a digital twin of the ocean," Wendt says. "This wasn't possible a few years ago."

The growing capabilities of AI are also fueling a trend toward unmanned defense systems in the military. Underwater drones were originally developed to scan the ocean and collect data for industry and research. But over the past few years, navies and governments have increasingly begun using these autonomous underwater vehicles, or AUVs, to enhance defense. Many of the big defense competitors in the U.S. and elsewhere are building underwater drones, including BAE Systems, Northrop Grumman, Boeing and upstart Anduril.

The U.S. Navy and the Pentagon's Defense Innovation Unit—created in 2015 to accelerate the military's adoption of cutting-edge technology that is commercially available—in January purchased an autonomous underwater vehicle called Hugin from the Norwegian manufacturer Kongsberg Discovery. It will be tested by the Navy's advanced undersea warfare unit, says Daniel Redmon, a DIU official involved in acquiring the vehicle.

Kongsberg developed Hugin for dual civilian and military use, says Rich Patterson, U.S.-based vice president of sales for Kongsberg's unmanned systems. The AUV, which looks like a mini submarine and plumbs depths of as much as 6,000 meters (3.7 miles), can carry an array of advanced sonar sensors—including a type of sonar that can map beneath the seabed—as well as cameras, lasers and more.

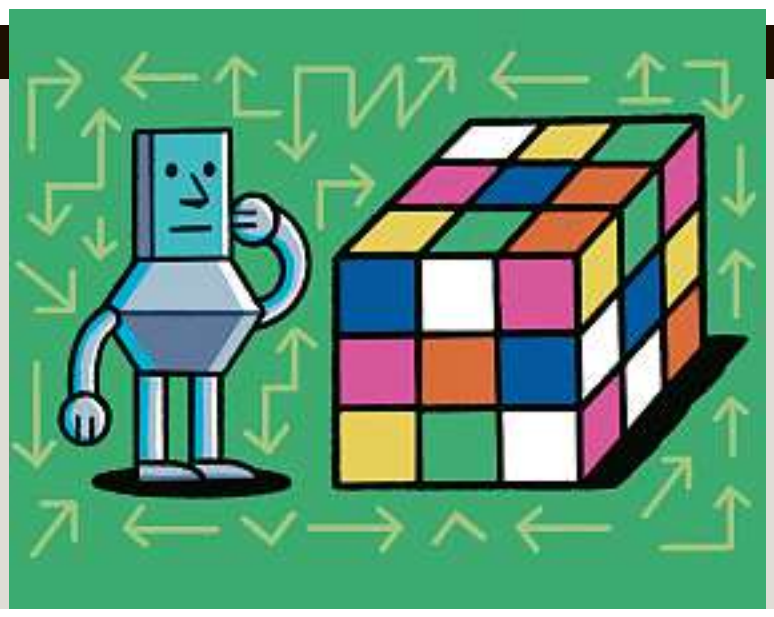
Still, a number of obstacles remain for creating the kind of precise, real-time map of the ocean and objects that would be required for complete undersea autonomy. For instance, today's underwater vehicles used to clear mines typically can identify only objects they already know. So if the threatening object isn't in the AI's catalog, it might not be recognized as a threat.

"It's going to require a lot more undersea infrastructure being built," says Redmon of the DIU. "We're going to require things like charging stations, spots where we can offload data, and we've only mapped around 10% of the ocean at this point."

FORWARD LOOKING

Our Guide to AI's Latest Buzzwords

To keep up with fast-moving artificial intelligence, learn the terms researchers and insiders are throwing around.



ALLAN SANDERS

'REASONING'

Reasoning is a catchall term for the mental work required to solve a multistep problem. Human beings often zip through the steps and call it common sense. Other problems require more sustained focus over time and might even require backtracking and starting over.

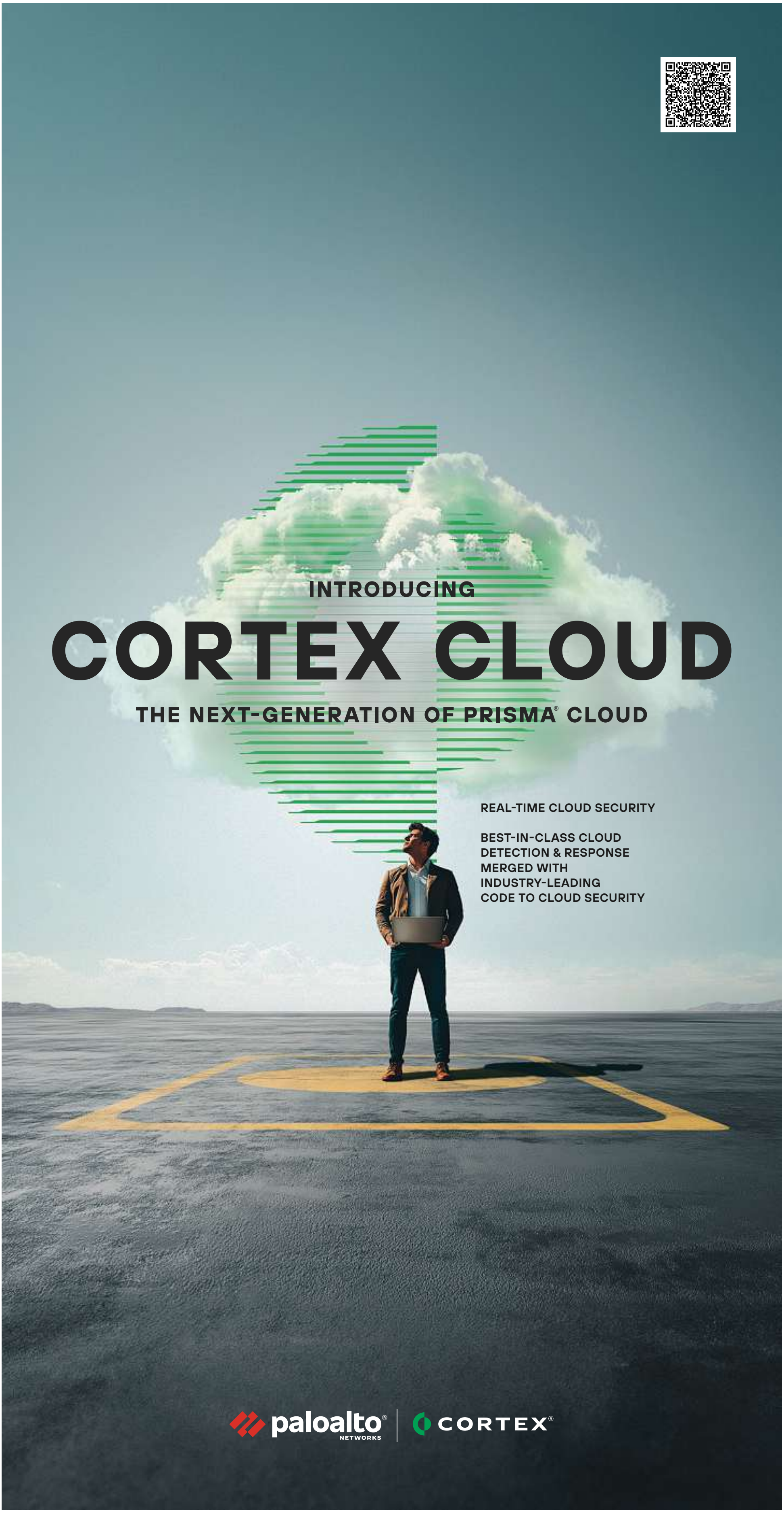
"Reasoning is something we do all the time and sometimes it's pretty trivial and sometimes it's pretty complicated," says Melanie Mitchell, a professor at the Santa Fe Institute.

Such skills have eluded AI models. But now that's changing. OpenAI has introduced two new reasoning models called o1 and o3 that are now available in ChatGPT. DeepSeek's model, called R1, is also a reasoning model. They can take a minute or longer to answer a question. But they can solve complex problems and show you the steps they took along the way.

"Whether it's going to result in human-level intelligence that is going to be economically valuable, I think, is still an open question," Mitchell says. —*Deepa Seetharaman*

Continues ▶▶

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THE AI STRATEGY ON THE RISE AT JPMORGAN

Teresa Heitsenrether, who is overseeing the AI rollout at America's largest bank, on what it means for thousands of employees and millions of Chase Bank customers.

By Alexander Saeedy



ELIZABETH COETZEE/WSJ

America's banks have been using artificial intelligence to spot fraud for years. JPMorgan Chase, the country's biggest bank, is now making a bigger bet on AI, working to put it at the center of how its 300,000 employees work.

In the past year, JPMorgan rolled out a tool it calls LLM Suite for most of its employees that allows them to use generative artificial intelligence from OpenAI and others. It's also adding generative AI in call centers for agents that deal with Chase Bank customers.

Teresa Heitsenrether, JPMorgan's chief data & analytics officer, was tapped to oversee the firm's AI strategy in 2023. She isn't a software engineer or a technologist. But after more than 20 years running key businesses at JPMorgan, she was able to identify where the firm can best use technology to boost productivity—and had earned the trust of the company's leaders.

"When the generative AI wave started to really take off, we wanted to make sure that there was somebody really focused on this as a full-time job at [CEO] Jamie Dimon's table because of the strategic importance that we see for the future of the firm," she says.

Heitsenrether talked about where she sees AI going at JPMorgan in the next few years.

How often are employees using the LLM Suite?

We now have 200,000 people in the firm who have the tool on their desk. Half of them use it pretty actively every day, and we estimate people use it on average for one to two hours a week.

How do you think generative AI will transform work at JPMorgan?

Think about anyplace in the bank where people are preparing to go and talk to their clients. Today, you have armies of people running around, pulling briefing memos together and making sure that everybody's prepped. This is a great way of being able to pull those things together more quickly. We see it in legal, in any place where you've got lots of documents, lots of information to sift through. It's a real time saver there. And in the call centers, too.

What are you seeing in the call centers?

They've been using AI for a while to help answer customers' questions. But when you couple what we already used with the new large language models, they're great. Think about a consumer calling. It might be about your car loan, your mortgage, your deposit account, your credit card. The person on the other end of the phone has to be able to traverse all those different products. The models let the call-center agent find information faster and answer the questions faster and more accurately.

'There aren't a lot of job functions that can't be augmented with this tool.'

Is there any thought about developing your own large language models?

Probably not. You look at the scale of these things and what they're trained on, and the cost. There are a number of them that you can work with, and they're all pretty darn impressive. Building our own model isn't how we differentiate ourselves. The secret sauce for us is how you use them with our information.

Are you seeing tangible productivity gains across the bank from AI?

It's very early innings. First we want to put the tool in people's hands, and let them be able to ask questions and get answers. That already starts to spawn ideas, innovation, some productivity.

The second phase is where you take the models and start to plug them into JPMorgan: our policies, our procedures, what we know about clients. Now you can have the model working on knowledge that's specific to us.

The third horizon, and we're not there yet, is for the models to be able to do more reasoning. What happens is they get a chance to think, OK, based on the complexity of the problem that you're asking me, let me think in the same way a human being would approach it. It lets the model find the resources it needs. Maybe it's going to go to the internet or some system outside JPMorgan's databases. You can effectively take the workflow of somebody who's an investment-banking analyst or client-service person and teach the models the steps they would take to get their jobs done.

We will always have a human in the loop to check the models' work. I don't think we would, certainly not at this juncture, let these things be autonomous.

How do you think about the impact of AI on the structure of the workforce?

It's too early to tell where the impacts are going to be. I think there will be impacts. I don't think that this is the death knell or elimination of loads and loads of people. Unlike a lot of prior waves of technology that have been all about automating tasks—and they tend to be more clerical repetitive tasks—this is applicability across the board. There aren't a lot of job functions that can't be augmented with this tool. So we see it as a combination of humans and [AI] models, being able to do more.

What innovations in your technology do you think will have the most impact?

The models are all trained on all the data that's publicly available, right? What the models don't have access to is the data that's specific to the enterprise. That then becomes the differentiator in terms of how much value JPMorgan gets versus somebody else in financial services. A lot of the focus we have is on how do you safely and effectively leverage the knowledge and the insights that we have in the firm.

Have you started to connect the models to JPMorgan's proprietary data?

We are starting. It's a work in progress. We're obviously doing that very carefully and thoughtfully. Data privacy is our first and foremost priority.

How do you make sure that your AI isn't running amok?

We have controls around everything we've done with AI that have been long established. Every time we develop a use case, it goes through a rigorous process. Some models we've designed are very constrained. You can see everything it's doing. So that might be something you would use in a credit decision.

Then there are the large language models. They are more of a black box. You're never going to use that for that purpose. You might use it to create a travel itinerary for somebody from the Chase Travel side, because there's not a high-risk scenario. So it's a question of having the right tool in the first place and then having the right controls.

How are JPMorgan clients able to access the bank's AI tools for themselves?

AI does give you the ability to scale and provide more personalization. Most of us, I think, would prefer if you can just go online to a digital channel and get the answer fast. The AI can help to discern your question and get you an answer in a digital channel more quickly.

Is there any specific area where you're already seeing good returns on your AI investment?

I would turn it around. I can't think of a business where that's not true.

Interview has been condensed and edited.

'SYNTHETIC DATA'

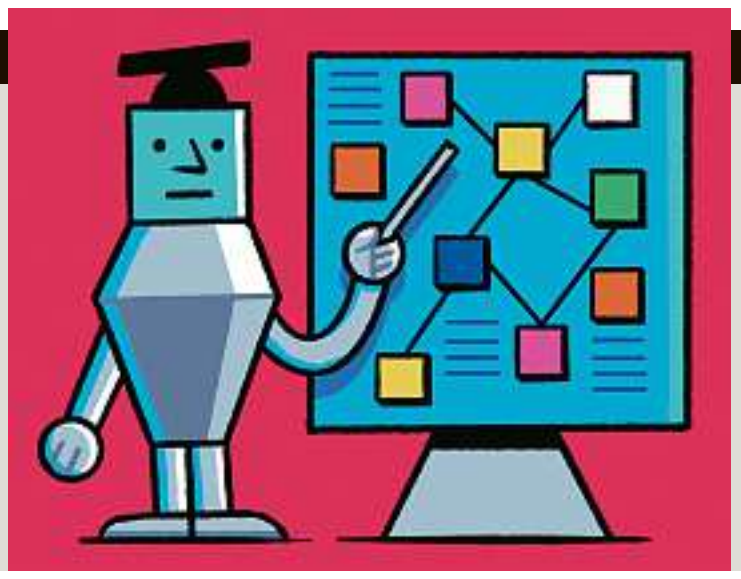
During the development phase known as "training," AI models analyze massive amounts of data to learn everything they know.

They typically ingest data created by humans, such as webpages and academic papers. Most advanced models have already consumed every bit of freely available data on the internet, plus whatever proprietary data their developers have access to. To keep getting smarter, they need more. Many researchers are now turning to so-called synthetic data—that is, data created by one AI model for another.

AI researchers create synthetic data by instructing a "teacher" large language model to put out data on a topic that a "student" model can use. Researchers can also use teachers to teach the student new concepts by feeding it pairs of documents and asking it to explain connections between them.

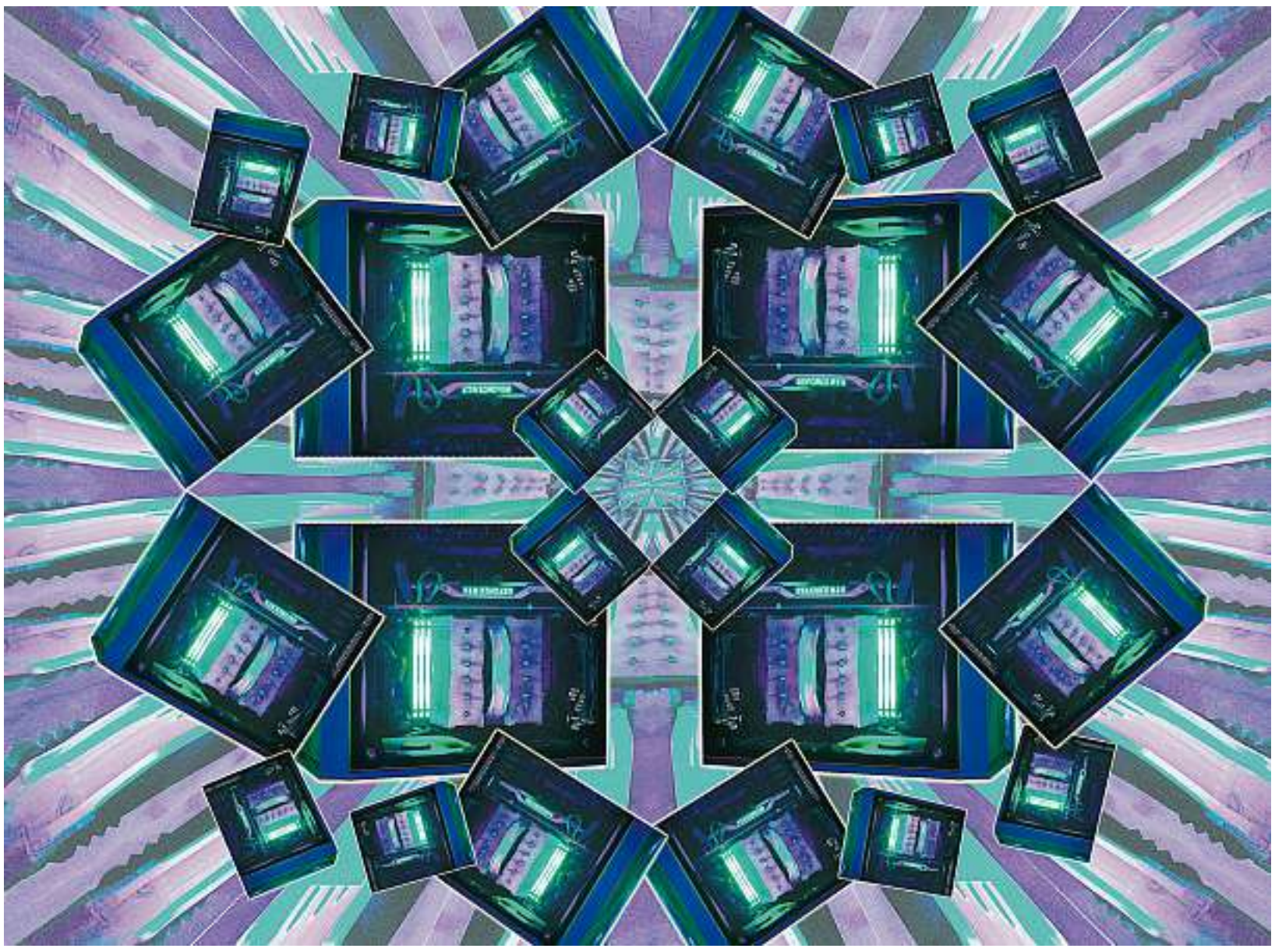
The propensity of large language models to make mistakes or "hallucinate" means humans must carefully monitor the outputs. Inaccurate information from a teacher would mean the student is getting dumber, not smarter.

DeepSeek used synthetic data from one of its models to train another, according to the Chinese company. OpenAI said it is reviewing indications that DeepSeek trained its new chatbot by repeatedly querying the U.S. company's AI models—forbidden under OpenAI's terms of service. *—Tom Dotan* ▶▶



ALLAN SANDERS

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BUILDING A VIRTUAL DATA CENTER WITH LINKED GAMING PCS

Underused GPU chips in homes and offices inspire startups to create 'distributed' networks to more cheaply train AI models. **By Deepa Seetharaman**

In the fierce competition to build the best artificial-intelligence systems, the most precious resource isn't data, researchers or cash. It's an expensive chip called a graphics processing unit.

Tech CEOs including Elon Musk, Mark Zuckerberg and Sam Altman think that the difference between dominance and defeat in AI comes down to amassing as many GPUs as possible and networking them together in massive data centers that cost billions of dollars each. If AI requires building at this scale, Silicon Valley's leaders think, then only giants like Microsoft, Meta Platforms, Alphabet's Google and Amazon, or startups with deep-pocketed investors like OpenAI, can afford to do it.

People like Alex Cheema think there's another way.

Cheema, co-founder of EXO Labs, is among a burgeoning group of founders who say they believe success in AI lies in finding pockets of underused GPUs around the world and stitching them together in virtual "distributed" networks over the internet. These chips can be anywhere—in a university lab or a hedge fund's office or a gaming PC in a teenager's bedroom.

If it works, the setup would allow AI developers to bypass the largest tech companies and compete against OpenAI or Google at far lower cost. That approach, coupled with engineering techniques popularized by Chinese AI startup DeepSeek and other open-source models, could make AI cheaper to develop.

"The fundamental constraint with AI is compute," Cheema says, using the industry term for GPUs. "If you don't have the compute, you can't compete. But if you create this distributed network, maybe we can."

▲ Alex Cheema, co-founder of EXO Labs



◀ Jared Quincy Davis, founder and CEO of Foundry

Most advanced GPUs are made by Nvidia. One of its top-of-the-line HGX H100 GPU systems weighs 70 pounds, contains 35,000 parts and starts at a price of a quarter-million dollars. But smaller, less-expensive ones have long been used for other purposes like making videogames come to life and mining cryptocurrencies.

Distributed AI networks would take advantage of the times when these chips aren't rendering "Call of Duty" or mining bitcoins and connect them online to work together to develop AI systems.

The operators of these networks could pay the GPU owners or ask them to donate their chips' time if the AI was being developed for charitable purposes.

Jared Quincy Davis says that while he was a researcher at Google-owned DeepMind, the company was starting to spend more on computing resources than on people. He left in 2022 and created the company Foundry, a platform where customers can look for spare GPUs and rent out their own that aren't being regularly used.

Entrepreneurs are finding these stranded resources in unexpected places. Cheema was recently introduced to a Canadian law firm that is setting up a GPU cluster. "While they're asleep, these GPUs aren't doing anything," he says.

The recently founded EXO Labs, which describes its mission as democratizing access to AI, is at the early stages of finding spare GPUs to put together a network.

Thousands of organizations have somewhere between 10 and 100 GPUs that frequently aren't being used, Cheema estimates. "In aggregate, they have more than x.AI," he says, referencing Musk's AI startup, which last year built a 100,000 GPU cluster at a data center in Tennessee.

So far, nobody has built a virtual network of GPUs at scale. Some of those that exist have just hundreds of GPUs. And there are plenty of hurdles to overcome.

Foremost is speed. A distributed network is only as fast as its slowest internet connection, whereas chips in the same data center experience virtually no latency. It also isn't clear if a federated network of GPUs is secure enough to ensure that someone's private information doesn't seep out. And how do you find the people and companies with spare chips in the first place?

Another problem: Building AI models is an expensive endeavor, and the people financing these projects are generally averse to added risks.

Vipul Prakash, chief executive of Together.AI, initially founded the company to build a decentralized GPU network and then pivoted to working inside data centers for this reason. "Someone who is going to invest a billion in training a model tends to be conservative," he says. "They're spending a lot of money and they're already taking a lot of other types of risks, and they don't want to take infrastructure risks."

The founders pursuing the decentralized path acknowledge those challenges but argue that it is bad for the economy and entrepreneurs to concentrate computational resources in the hands of a few huge tech companies.

The setup could allow AI developers to compete against large tech companies at far lower cost.

They also say they don't need access to a lot of compute to help new AI companies blossom, as evidenced by the success of DeepSeek.

Paul Hainsworth, CEO of decentralized AI company Berkeley Compute, says he has one customer looking to build a cutting-edge AI model larger than the biggest one operated by Meta, which plans to end this year with 1.3 million GPUs. Hainsworth's startup, founded last year, has about 900 GPUs collectively, in two data centers—one in Wyoming and the other in California. It is also developing a way to let people own GPUs as a financial asset that they can rent out, like a vacation home.

"I'm making a big bet that the big tech companies are wrong that all of the value will be accreted to a centralized place," Hainsworth says.

FROM TOP: MICHAEL BUCHER/WSJ; ELIZABETH COETZEE/WSJ; ALEX CHEEMA; SEQUOIA CAPITAL

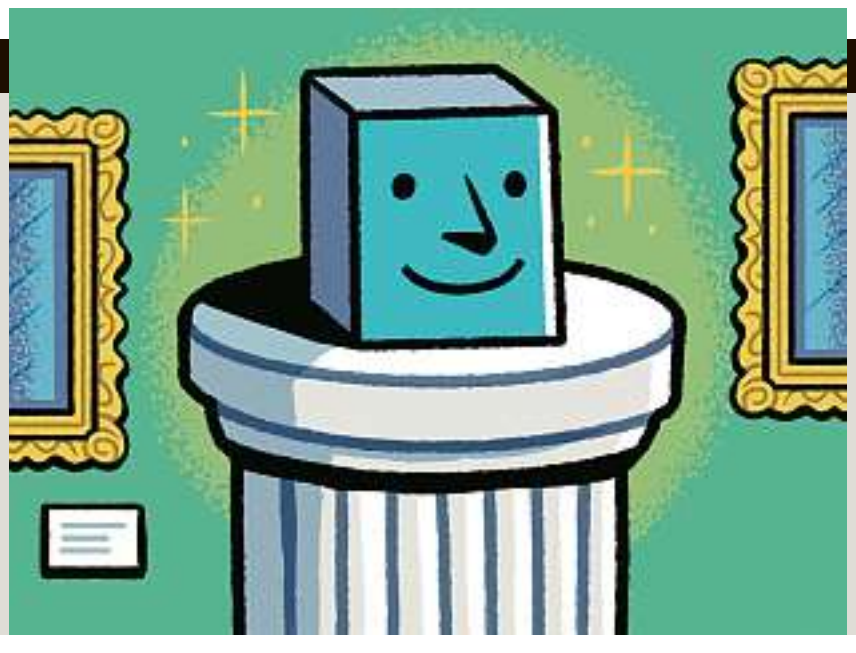
'VIBES'

Tech industry insiders are increasingly relying on intuition, rather than hard data, to judge which AI chatbots are best.

Are a chatbot's responses concise or overwrought? Pandering or confrontational? Researchers call this a "vibe check," and to many, it's just as important as academic benchmarks that measure the ability of AI to answer multiple-choice questions or perform complex tasks.

"Vibe checks are great evals," OpenAI President Greg Brockman recently wrote on X, using the industry shorthand for evaluations.

A University of California, Berkeley, project named Chatbot Arena has made it simple to perform vibe checks. It gives users answers from two anonymous AI models randomly selected from hundreds submitted by developers. The user inputs a prompt and gets responses from two models side-by-side. The user then votes on which answer it likes better. The site, which has received more than two million votes since its 2023 launch, uses those votes to tabulate its rankings, which are closely watched in Silicon Valley.



Researchers are also trying to quantify these vibes. One computer program, dubbed VibeCheck, ranks chatbots along different so-called vibe continuums, such as serious versus humorous and formal versus informal. "These qualitative properties have a measurable impact on how people judge models," the VibeCheck researchers wrote in a paper. *—Miles Kruppa* ▶▶

ALLAN SANDERS

P2JW058000-0-R00600-1--------XA

HUMANOID ROBOTS FINALLY GET REAL JOBS

Newly powered by AI brains, these creatures of science fiction are moving toward a practical reality, stacking, sorting and lifting. **By Christopher Mims**

In a large, brightly-lit warehouse in Flowery Branch, Ga., a pair of human-shaped robots made by Agility Robotics tiptoe across polished concrete floors, their gait oddly mincing. Their legs end in narrow, hoof-like feet sheathed in custom nonslip shoes. They stoop to retrieve bins full of Spanx shapewear, then carry them to a nearby conveyor belt.

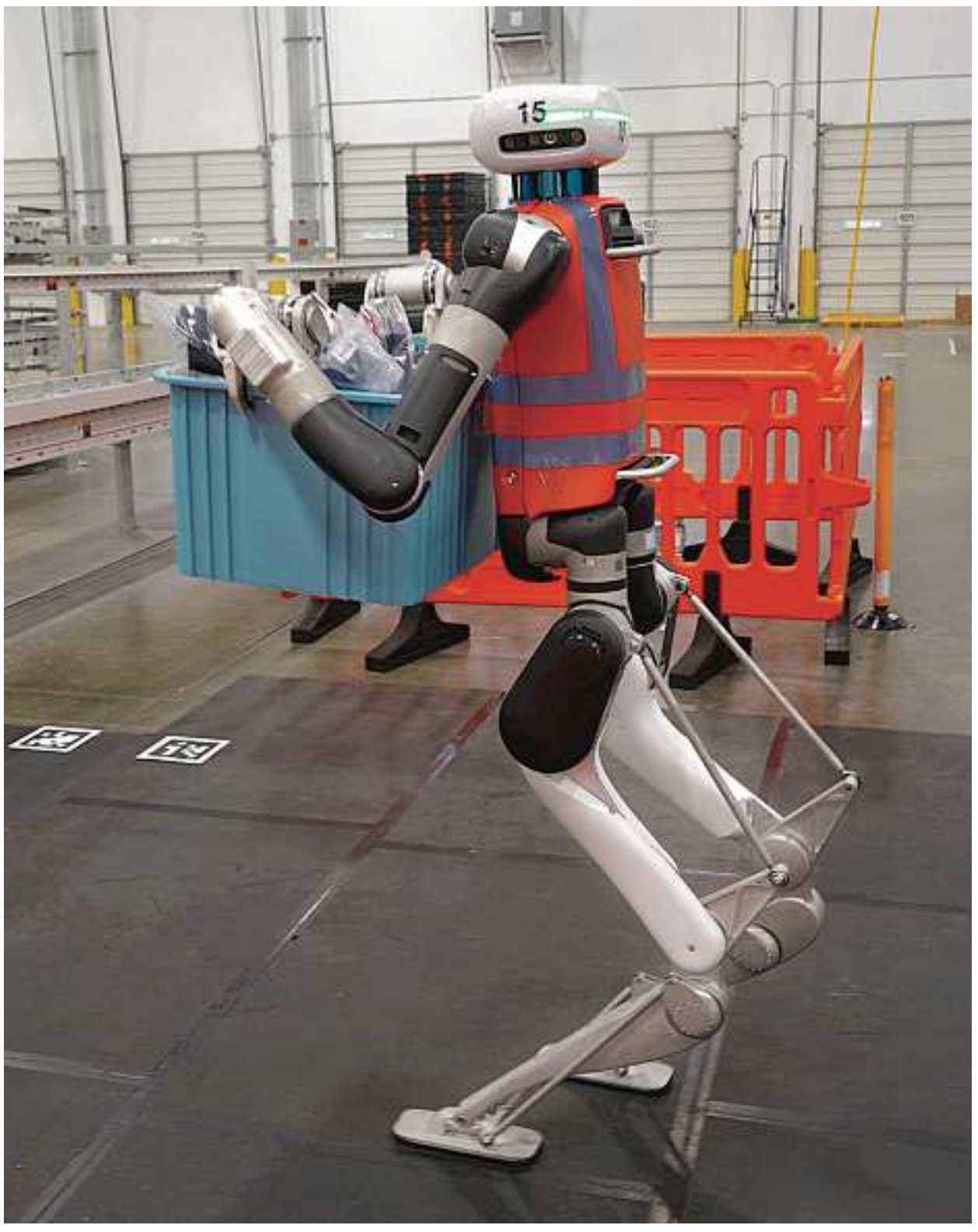
While their jobs may be straightforward and menial, these "Digit" robots are a direct replacement for the humans who would otherwise be doing this work. They are also a flexible bridge between the other less versatile automated machines common in warehouses and factories. In this way, a humanoid robot like Digit represents the next step—in an evolution that stretches back to the invention of the assembly line—in the speed-up and automation of processes essential to e-commerce, manufacturing, agriculture and every other part of our physical and built environment.

Science fiction has long been full of robots that look, move, and even think like we do. In the real world humanoid forms have, until very recently, been a nonstarter. Hard to build, expensive, slow and lumbering, they have never made sense compared with the countless other varieties of purpose-built—and vastly more affordable—robots that have multiplied rapidly in the past decade.

That's changing. As global demand for new kinds of robots has shot up, mass manufacturing and falling costs for components are making them cheaper to produce. Just as important, new kinds of AI—some close kin to the kind that has upended the priorities of tech companies and governments since the debut of ChatGPT—are animating robot bodies in ways that simply weren't possible even a few years ago.

While purpose-built robots continue to proliferate, be they wheeled conveyances or dog-shaped machines carrying guns, the advantages of a body plan like ours are beginning to carve out a niche for humanoid robots. The world, after all, is built for things that look and move like we do. It's full of stairs, gangways, shelves at shoulder height and sightlines at eye level, so hewing to the humanoid form makes it easier to slot robots into existing roles. Then there are the more subtle advantages of the human form—we can pick up heavy loads by cantilevering them over bent legs. By contrast, a robot with wheels and arms would have to have a much wider and heavier base to keep from tipping over.

More than a dozen startups worldwide are now offering humanoid robots. All have grand projections of a science-fiction future of limitless human assistance from our mechanical serfs; several already have their bots undergoing testing in real-world factories and warehouses.



Lift and Carry: Above, a Digit robot from Agility Robotics moves bins of Spanx at a warehouse in Georgia.

Move and Sort: Below left, the Atlas robot from Boston Dynamics transfers engine covers. Below right, Apptronik's Apollo packs goods.

A key advantage that makers tout: Unlike most current automation, humanoid robots can do more than one thing.

"Humanoid robots are the first category of robots that can be doing completely different tasks based on the needs of the business or the time of the shift," says Adrian Stoch, chief automation officer of GXO Logistics, which owns and operates the distribution center for Spanx where Agility's Digit robots now roam. "In the future, we could have Digit unloading a trailer in the morning, picking goods in the afternoon, and loading trucks in the evening."

For makers of next-generation humanoid robots, the reasoning goes, their potential flexibility helps justify their cost by making them usable for more hours out of every year. None of the companies that offer humanoid robots currently discloses their cost; all will say that over time the cost will fall, and that this will be key to their adoption.

"The challenge for robotics has always been the economics," says Jeff Cardenas, chief executive of Austin-based Apptronik, which is starting trials with its own humanoid robots at a different GXO warehouse. That's why his company, since its spinout from a University of Texas robotics lab nearly a decade ago, has been working on making robots as affordable as possible.

But even the most inexpensive and reliable robot body is nothing without a brain.

This is where some of the world's most valuable companies, and some of the best-known startups, come into the picture, including chip maker Nvidia and ChatGPT developer OpenAI. Many of their biggest bets—on multibillion-dollar data centers and on multimillion-dollar salaries for star engineers—are at least in part about robotics.

"We believe the enabling technology for autonomous robots is the same technology that's behind all the things we're doing with AI and with large language models," says Rev Lebaredian, head of Nvidia's efforts to enable simulation of real-world environments, a key to building robot brains.

Some believe that just as chatbots are soon to attain a level of ability that could allow them to perform tasks with little or no human supervision, robots will be next.

"The ChatGPT moment for general robotics is just around the corner," Nvidia Chief Executive Jensen Huang recently said in a speech at an electronics trade show.

Already, the latest wave of artificial-intelligence tech—both hardware and software—is enabling robots, and in particular humanoid robots, to behave in ways that were beyond the state of the art even a few years ago. "We have evolved such that the robot brains are much more powerful—that I'm extremely confident about," says Ayanna Howard, a roboticist who has been working on humanoid robots for decades, and dean of the college of engineering at Ohio State University.

Boston Dynamics, a company famous for filling the internet with videos of increasingly capable robots for more than 20 years, embodies this trend.

When Boston Dynamics was spun out from MIT in 1992, control systems for robots—in other words, their brains—were primeval by today's standards. Since then, AI, which essentially is about teaching computers rather than programming them, has been steadily introduced into more and more parts of the software that directs the Boston Dynamics robots, says Aaron Saunders, chief technology officer of the company.

The latest AI is enabling robots to behave in new ways.

Robotics is a field in which seeing is believing. The success or failure of its creations is easy for anyone to evaluate. In that spirit, Melonee Wise, chief technology officer of Agility, is quick to point out that her company was the first in the U.S. to have humanoid robots doing real work in an actual production environment.

Yet, whatever the pace of the takeover of manual labor by humanoid robots, their capabilities are for now quite limited—as are their number. Inside the Spanx warehouse, there are still just two Digit robots on staff, says Stoch of GXO. For robots to really rise in his industry, in which thousands of subtasks still need to be automated, many different kinds of humanoid robots may be required, he adds.

Howard of Ohio State, who has more experience working with humanoid robots than almost anyone, agrees that the future is likely to be an ever growing bestiary of robot body types, no matter how smart they become. And Cardenas of Apptronik believes that the most versatile robots will be torsos with arms and heads that can be placed on top of almost any platform—from wheels to four legs. The future of general purpose robots, in other words, might be humanoid only in the sense that we'll expect them to think like us—whatever their body plan.





CLOCKWISE FROM TOP: AGILITY ROBOTICS; APPTRONIK; BOSTON DYNAMICS

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AUTOMAKERS INJECT UNIQUE DRIVING STYLES INTO SELF-DRIVING CARS

Porsche, Volvo and Rivian use software and AI to make their vehicles feel more distinctive. **By Brett Berk**

A Porsche programmed with aggressive, sporty moves; a Volvo tuned to a more cautious pace; an autonomous Rivian that takes the scenic route, on-road or off.

In the future, cars will not only drive autonomously: Using software and artificial intelligence, their makers will give them distinct driving styles.

Already, chip maker Nvidia is developing AI-based tech to help automakers create personalized driving systems that reflect their brands, says Ali Kani, Nvidia vice president and general manager of automotive.

To function most effectively and distinctively, these self-driving cars will need to take in not just the behavior of vehicles around them, but elements like geolocation, weather, traffic, and road type and condition. These new self-driving systems must also operate with utmost certainty. "When ChatGPT gets things wrong, we laugh," Kani says. "If this is done wrong, someone could die."

Unlike today's advanced driver-assistance systems, which generally disengage when a driver intervenes, the cars of tomorrow will ideally be collaborative, working alongside occupants. "So far, car companies have given us systems that make us safer," says Alex Roy, an autonomous-vehicle expert and partner at New Industry Venture Capital, a venture capital and private-equity firm**.** "But none has given us the systems that help make us better drivers, to amplify the driver's will behind the wheel."

Here's how three automakers are reimagining self-driving vehicles:



PORSCHE

Porsche wants owners of its future self-driving cars to feel the thrill of the racetrack—without the risk. To make this possible, the German sports car manufacturer says it first must perfect how these vehicles react on the road.

The brand is testing a fleet of prototypes—aided by virtual models that simulate millions of hours of driving on tracks—to figure out how sharply fully autonomous vehicles could accelerate, brake, turn and shift lanes in the years to come. This could allow Porsche's future hardware and software to make on-road transitions more aggressively, more precisely and closer to its vehicle's limits, than other carmakers' autonomous vehicles.

If the programming is too restrictive and won't let the car approach its limits—squealing its tires or flirting with the edge of the road—that "eliminates the point of owning that car," says Roy of New Industry Venture Capital. For a Porsche owner, "what's primary is fun," he says.

Still, such driver-assistance systems will include functions that automatically brake to prevent collisions, warn of objects in blind spots, and keep even sporty cars in their lane to ensure safety for all on the road, according to Porsche. Vehicles that can steer and brake better are intrinsically superior at avoiding obstacles.

The automaker has a long way to go to reach full autonomy, but it is already piloting driver-assistance systems that safely enhance performance with its adaptive cruise control known as InnoDrive. The system allows vehicles to automatically accelerate or decelerate to a set speed—all while maintaining a fixed distance from the car ahead, remaining in its lane, and even coming to a complete stop if needed.

Depending on what drive mode it is set in—Normal, Sport or Sport Plus—InnoDrive can change how aggressively it changes speed to match the car in front of you, or how much gravitational force it will allow occupants to feel going into a turn, like a freeway on-ramp, according to Porsche spokesman Calvin Kim.

Porsche can even adapt InnoDrive to be model-specific, allowing distinct vehicle lines to behave differently from each other. For example, the 911 sports coupe could be tuned to behave more aggressively than the Macan compact SUV.

"What's a dream sports car?" Roy asks. "It is a car that you can drive as fast as you want, that won't let you crash."

VOLVO

The nearly century-old Swedish automaker pioneered the use of three-point seat belts, rear-facing child seats and side impact protection systems, among other lifesaving innovations.

As it hones its self-driving cars, it says safety will remain top priority.

Volvo will use data collected by its Accident Research Team, which has visited tens of thousands of crash sites in the past six decades, to train its autonomous vehicles. Data on road type and condition, driver behavior and response of vehicle safety systems will help its vehicles prepare for and avoid accidents. "We see data as a new safety belt," says Alwin Bakkenes, head of software engineering at the company.

In the lead-up to full autonomy, Volvo's systems will work in conjunction with drivers, inviting them to steer and make adjustments on their own, says Bakkenes. "This provides a better customer experience and enhances safety because we keep our drivers in the loop."

Additionally, Volvo's AI will be able to decipher natural language commands. "An owner could say, 'Could you please overtake this car?' Or, 'Could you hold back a bit more because I feel uncomfortable with how that car in front is driving,' " Bakkenes says.



◀ Porsche's InnoDrive can tune its 911 sports coupe to drive more aggressively than other models.



▶ In the future, Rivians could be programmed to drop off passengers at the start of a bike trail and pick them up at the end.



▶ Volvo will use data collected by its Accident Research Team to train its autonomous vehicles.

Volvo is also developing means for its autonomous cars to communicate clearly with other road users, to ensure their safety. This includes signaling—with lights, sounds, text or other means—to people at a crosswalk that they have been detected and when it is safe to cross.

RIVIAN

Electric, all-wheel-drive startup Rivian wants to inject more adventure into its future autonomous vehicles by inspiring people to go places.

That means "automating the boring stuff" like highway driving or commutes, and making exciting experiences "more fun or accessible," says Wassym Bensaid, chief software officer at Rivian.

When off-roading, this could include using cameras, radar and online mapping data to detect the type and passability of terrain. The systems could then automatically select the proper drive modes and display—on the vehicle's screens or windshield-projected displays—instructions on how to traverse the trail, according to Bensaid. It could even help explore trails or roadways that are inadequately or incorrectly mapped, and update existing cartography, he says.

When hauling a mountain bike or kayak, instead of passengers needing to find a loop route, or a ride back to the vehicle, the Rivian could drop passengers off at one end, then drive autonomously to the other end and wait to pick them up.

The vehicle could also suggest scenic, off-the-beaten-path routes, and then use its suite of exterior cameras, onboard Wi-Fi signal and augmented-reality displays to project "a rich in-cabin experience that blends with the environment," Bensaid says. This could include showing occupants layers of historical imagery, geological data or pathway options as they traverse the landscape.

"It could even record scenes and landmarks around the car, edit them into a video, and post them to your social," he says.

CARL GODFREY, ISTOCK (4), GETTY IMAGES; RIVIAN; VOLVO; PORSCHE

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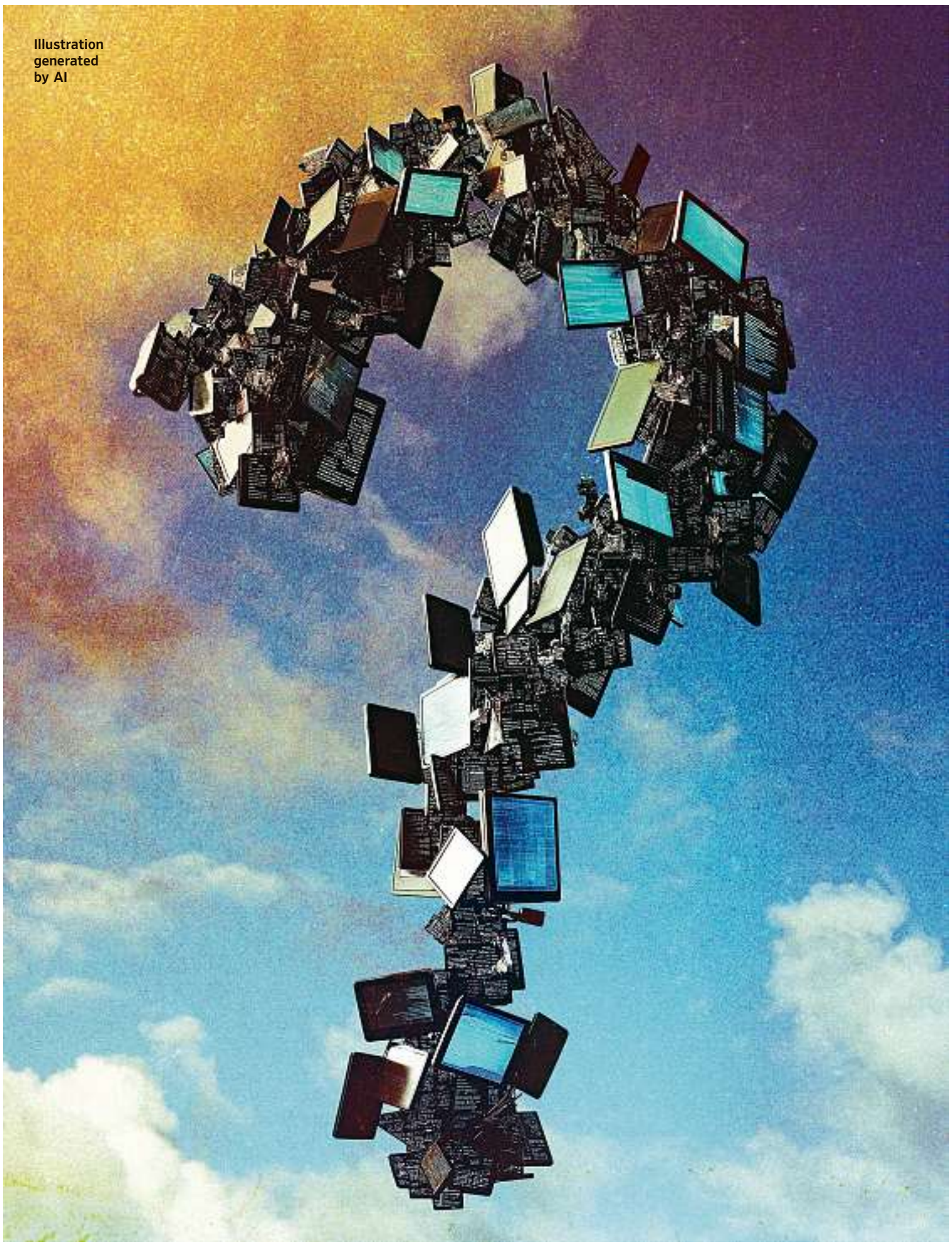


Illustration generated by AI

TEACHING AI TO STOP HALLUCINATING AND SAY 'I DON'T KNOW'

It's one of the hottest problems in artificial intelligence: When answering users' questions, chatbots regularly get basic facts wrong. **By Ben Fritz**

Who is the journalist Ben Fritz married to?"

It's a simple question with a difficult-to-find answer, as there's virtually no information on the internet about my marriage. When I recently asked several of the world's most advanced artificial-intelligence chatbots, I got some bizarre responses: a writer I've never met; a woman in Iowa I've never heard of; a tennis influencer.

Despite their ability to solve some of the world's most complex math problems and convincingly simulate human relationships, AI chatbots regularly get basic facts wrong. They invent legal cases, jumble the facts from famous movies and books, and, yes, make up spouses.

These wrong answers are known as hallucinations because AI apps like ChatGPT and Gemini express them with total confidence. As AI is integrated into our workplaces, schools and personal lives, they pose increasing risks for the people who use the technology. Researchers who once dismissed hallucinations as a relatively minor problem are now working on numerous potential fixes.

"It's one of the hottest fields for researchers," says Roi Cohen, an AI doctoral candidate at Germany's Hasso Plattner Institut who has interned at IBM and Microsoft.



Anthropic staffer Amanda Askell helps train the chatbot Claude

AI models are designed to guess what word, or portion of a word, is most likely to come next in an answer. The whole process is, in a sense, highly educated guesswork. AIs are generally trained to give the best answer they can without betraying any doubt, much like students taking multiple-choice tests or guests blustering a response at a cocktail party.

"The original reason why they hallucinate is because if you don't guess anything, you don't have any chance of succeeding," says José Hernández-Orallo, a professor at Spain's Valencian Research Institute for Artificial Intelligence.

One solution researchers are trying, called retrieval augmented generation, searches the web or a library of documents to augment what an AI model already knows with freshly retrieved information. This ensures the AI has the best information on hand for the answer it generates. It's like looking through your library of photos from the past year before writing a holiday letter, rather than writing the whole thing from memory.

At NeurIPs, an annual conference in December for AI researchers in Vancouver, Cohen and Konstantin Dobler, a fellow doctoral student at the Hasso Plattner Institut, presented their own seemingly simple but novel idea: To root out the problem at a deeper level by teaching AI models to say three words they seem to hate: "I don't know."

AI models are created by having them ingest and analyze massive amounts of information, which these days typically means the entire public internet and whatever privately held materials a company can get its hands on. Very little of that information is about not knowing things, so the models don't inherently learn the value of politely throwing up their hands.

Giving AI more modesty could be part of the solution.

Cohen and Dobler designed a way to intervene during the earliest stages of developing an AI model, known as pretraining, to teach it about uncertainty. Their method increased the precision of answers an AI model gives by teaching it to say "I don't know" at least some of the time it would have confidently hallucinated.

Finding the perfect balance remains elusive, though. Some of the time when the AI said "I don't know," the correct answer actually was in the model's training data.

But for people who are looking to use AI in areas where accuracy matters, the trade-off would likely be worth it. "It's about having useful systems to deploy, even if they're not superintelligent," Dobler says.

Anthropic, the AI company behind the chatbot Claude, is already thinking along these lines. (Perhaps not coincidentally, Claude was also the only chatbot I tested that admitted it couldn't say who I'm married to.)

Rather than intervening when an AI is developed, as Cohen and Dobler proposed, Anthropic addresses the problem with its "system prompt," a set of behind-the-scenes instructions that shape the final steps of giving an answer. Claude's system prompt instructs the model that when people ask about niche information that would likely be difficult to find on the internet, it should warn them its answer might be a hallucination.

"Insofar as you can take that knowledge about its own limitations and try to get it to convey that, that to me looks like the best solution," says Amanda Askell, an Anthropic staffer who helps train Claude's personality.

Even as AI has gotten more powerful, Americans' faith in it has been decreasing. In 2023, 52% of people were more concerned than excited about AI, according to a Pew Research Center survey, compared with 37% in 2021.

Giving AI more modesty could be part of the solution.

"When you ask someone a difficult question and they say 'I cannot answer,' I think that builds trust," the professor Hernández-Orallo observes. "We are not following that commonsense advice when we build AI."

EYÜL EZIK, MIDJOURNEY; ANTHROPIC

'EVALS'

Artificial intelligence developers are racing to develop tools that surpass human abilities and can work autonomously on behalf of users. But how can we be sure these latest models won't do harm?

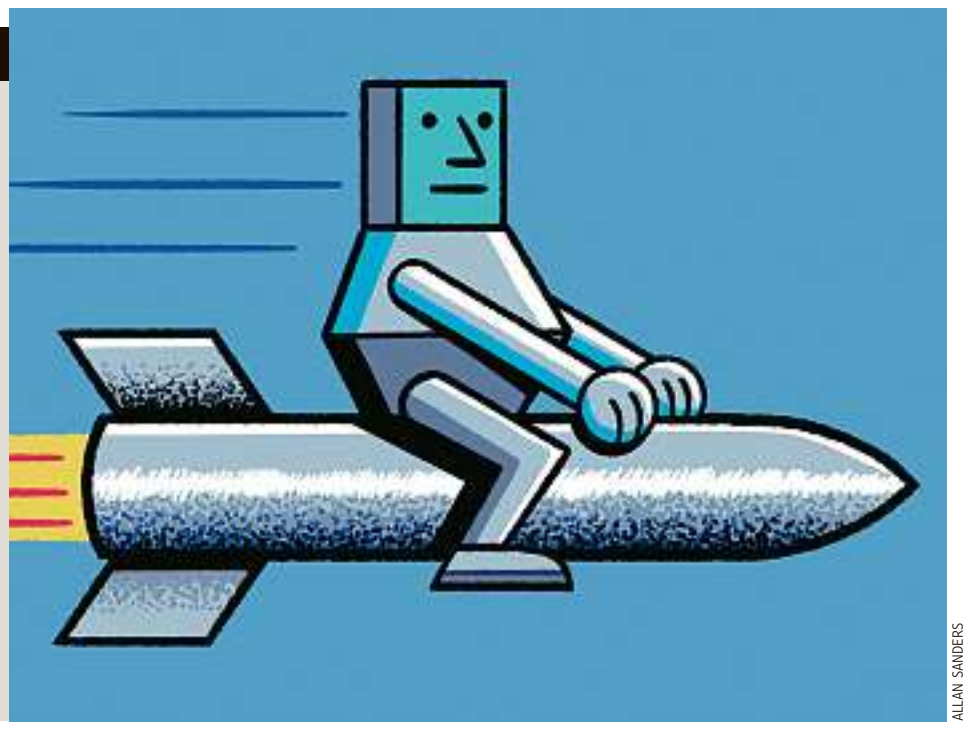
The answer, say AI developers and the governments attempting to oversee them, starts with "evals"—the industry shorthand for evaluations of the kind of AI technology that underlies apps such as the AI chatbot ChatGPT.

Evals are a battery of automated tests that aim to figure out just how capable the latest large AI models are at dangerous tasks such as hacking into a computer network or providing instructions to weaponize anthrax. The logic is that if the models fail the tests, then they're safe to deploy. If they pass, more needs to be done to make the models safe.

Most big AI companies conduct evals and promise to limit dangerous capabilities they discover before releasing their models. Third-party labs and governments are increasingly doing evals, too. The tests often entail a battery of questions about, say, biology-lab techniques, or putting an AI in a virtual environment and asking it to hack a computer or website.

"We're trying to put in place early tripwires ahead of more advanced capabilities," says Jade Leung, chief technology officer at the U.K.'s AI Safety Institute, a government body that has run evals on the latest models from companies like OpenAI and Anthropic.

For now, evals are entirely voluntary and reliant on companies wanting to show their tools are safe. That worries some people who think developers have no incentive to give themselves a failing grade when warranted. —*Sam Schechner*



ALLAN SANDERS

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