THE WALL STREET JOURNAL.

DOW JONES | News Corp * * * * * MONDAY, MARCH 10, 2025 ~ VOL. CCLXXXV NO. 56 WSJ.com ★★★★ $5.00

Last week: DJIA 42801.72 ▼ 1039.19 2.37% NASDAQ 18196.22 ▼ 3.5% STOXX 600 553.35 ▼ 0.7% 10-YR. TREASURY ▼ 23/32, yield 4.317% OIL $67.04 ▼ $2.72 EURO $1.0834 YEN 148.03

What's News

Business & Finance

◆ **Rattled by the threat** of trade restrictions and a slowing economy, some investors are turning to dividend-paying stocks in a move to defend portfolio values. **A1**

◆ **Trump's enthusiasm** for tariffs appears to overlook the history of past trade wars, which sometimes outlasted by decades the short-lived duties that sparked them. **A1**

◆ **Trump declined to** rule out that the U.S. economy would enter a recession this year, saying his economic agenda could cause short-term turbulence but would drive future prosperity. **A2**

◆ **European defense** stocks emerged as one of the biggest market winners this year as the Trump administration tries to remake the global security apparatus. **B1**

◆ **Hard-disk-drive makers**, under pressure from faster rivals, hope an innovative laser technology will help to keep them competitive. **B1**

◆ **French shipping magnate** Rodolphe Saadé met Trump at the White House and pledged to invest $20 billion in the U.S. as the administration pushes to revive the American maritime sector. **B3**

◆ **CVS prepared to** open a dozen stores offering full-service pharmacies but limited retail, joining other drugstore chains responding to a stretch of declining retail sales. **B3**

◆ **Apple said it is delaying** an upgrade to Siri that is enhanced by artificial intelligence and expects to roll out the improved features later this year. **B4**

World-Wide

◆ **An accelerating advance** by Russian and North Korean forces threatens Ukraine's toehold in Kursk, the slice of Russian territory that Kyiv had hoped would give it leverage in any peace talks. **A1**

◆ **Republicans are** charging ahead with a proposal that would keep the federal government funded into the fall while reducing spending, setting up a clash with Democrats. **A1**

◆ **The Justice Department** released internal communications among prosecutors involved in the bribery case against Eric Adams that it said supported its decision to drop charges against the New York City mayor. **A3**

◆ **Republicans contending** for Mitch McConnell's Senate seat are distancing themselves from the Kentucky lawmaker as they angle for Trump's endorsement in a changed political environment. **A5**

◆ **Israel halted its** supply of electricity to the Gaza Strip as part of efforts to coerce Hamas into releasing Israeli hostages and giving up its arms, though Israel previously supplied little power to the enclave. **A7**

◆ **Mark Carney won the** leadership of Canada's Liberal Party, putting him in line to succeed Prime Minister Justin Trudeau and call an election that suddenly seems winnable for the country's center left. **A8**

◆ **Utah's governor** said he would sign a bill that bans the use of fluoride in public water systems, rejecting a widely used practice that public-health experts say is a crucial protector against tooth decay. **A3**

JOURNAL REPORT
Investing Monthly: Stocks don't always gain over the long run. **B5-6**

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Escalating Violence Tests Syria's New Leaders

ORHAN QEREMAN/REUTERS

SHOW OF GRIEF: Mourners in Qamishli, Syria, on Sunday attended the funeral of a woman who was killed in Latakia, one of the victims who perished in clashes between loyalists of deposed President Bashar al-Assad and the new Islamist rulers. **A7**

Wary Investors Play Defense In Switch to Dividend Stocks

By Hannah Erin Lang

Rattled by the threat of trade restrictions and a slowing economy, some investors are turning to a classic defensive play: dividend stocks.

Shares of companies that offer relatively hefty cash payouts are beating the broader market this year. Some of the market's largest dividend-focused funds, such as Schwab US Dividend Equity ETF and SPDR S&P Dividend ETF, have risen more than 4% in 2025, even as major indexes slipped into the red.

Some of the largest dividend payers have posted significant gains. The S&P 500 Dividend Aristocrats—an index of companies that have raised dividends in each of the past 25 years—has returned about 3.5% this year, counting price changes and dividend payments as of Thursday's market close. The index constituents Coca-Cola and Johnson & Johnson have both notched double-digit-percentage increases in 2025. Meanwhile, recent stock-market stars including Nvidia and Broadcom have sunk more

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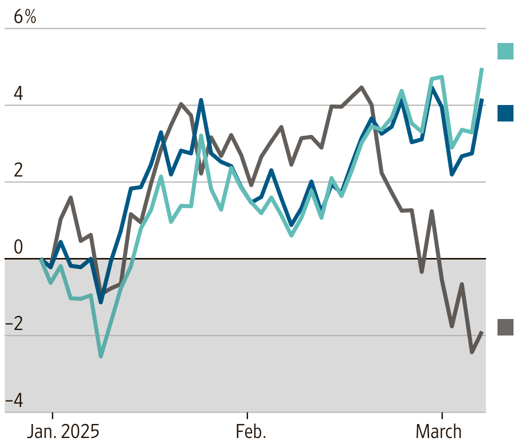
◆ **James Mackintosh: Markets wake up to new reality ... B1**

Index and ETF performance this year



Source: FactSet

Russia Presses Forward In Battle For Kursk

U.S. aid halt to Kyiv fuels advance in bid to retake territory ahead of peace talks

KYIV, Ukraine—An accelerating advance by Russian and North Korean forces is threatening Ukraine's toehold in Kursk, the slice of Russian territory Ukrainian officials had hoped would give them leverage in any peace talks.

By Ievgeniia Sivorka, James Marson and Jane Lytvynenko

Russian and North Korean troops in recent days seized several villages in the Kursk region and used overwhelming drone power to largely cut supply routes to the main Ukrainian force in the city of Sudzha, soldiers in the area and analysts said.

The advance came ahead of talks this week between senior U.S. and Ukrainian officials in Saudi Arabia.

It also followed the U.S. decision to halt intelligence sharing and weapons deliveries to Ukraine. The move immediately reduced Ukraine's ability to carry out long-range strikes, which rely on accurate targeting data, and over time will deprive Ukraine of crucial ammunition and weapons.

Ukraine had since the start of the year stabilized much of the 800-mile front line inside the country, stalling Russian advances and counterattacking around the embattled eastern cities of Toretsk and Pokrovsk, which Russia had been on the verge of seizing.

But the quickening advances

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GOP Pushes to Unite On Funding-Cut Plan Supported by Trump

By Katy Stech Ferek

WASHINGTON—Republicans are charging ahead with a proposal endorsed by President Trump that would keep the government funded into the fall while reducing spending, setting up a clash with Democrats already steaming over sharp cuts to federal jobs and programs.

The proposal, if it clears a vote in the House as soon as Tuesday and then the Senate, would avoid a government shutdown this weekend and keep federal agencies funded through Sept. 30.

The House measure lowers nondefense discretionary spending by $13 billion from the 2024 funding level, or 1.8% less, while increasing defense spending by about $6 billion. It also boosts funding for border enforcement. The military funding is meant to win over defense hawks who have rejected past short-term measures they said have underfunded the military.

Republican leaders have expressed confidence that they

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◆ **GOP infighting hampers tax bill's progress............ A4**

The America-Sized Hole In Ukraine's War Effort

The impact of suspending U.S. weapons and the sharing of intelligence will 'cascade and compound' over time

KYIV, Ukraine—The Russian army was advancing relentlessly in northeastern Ukraine in the summer of 2022 when the U.S. tipped the scales with new weapons and crucial battlefield intelligence.

By James Marson, Alistair MacDonald and Michael R. Gordon

The superior accuracy and greater range of M777 howitzers, supplied by the U.S., hit back against Russia's mostly Soviet-designed artillery. Then U.S. intelligence tipped off Ukraine's generals that Russia had moved several battalions to another front. Accurate U.S.-made rocket artillery struck Russian fuel depots and weapons stores, leaving the Russian army short of supplies ahead of a rapid Ukrainian counteroffensive that retook dozens of towns.

Now, with Russia's military again grinding its way forward, the Trump administration has halted weapons deliveries and intelligence sharing that have been critical to Ukraine's resistance against a three-year invasion by its giant neighbor that has killed tens of thousands and razed dozens of cities.

The impact of the halt—which U.S. officials described as a temporary pause designed to force Ukrainian President Volodymyr Zelensky to negotiate with Russia—will be limited at first, but is likely to grow over time as Ukraine's stocks of U.S. ammu-

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The Problem Hosting 'Love Is Blind' in Minnesota: Everything

* * *

Netflix hit showed the pitfalls of casting in a locale where everyone is connected

By Inti Pacheco

Peter Thibault was at a wedding last fall when someone at his table asked the others if they knew any cast members of the coming season of the Netflix hit "Love Is Blind."

Funny they should ask. Thibault's second cousin, Molly Mullaney, was on it. So was his high school prom date, Sara Carton. Then someone at the table said they had worked with Ben Mezzenga, another cast member. A third person said they were friends with Mezzenga, too.

The exchange foreshadowed what has become an undeniable reality for viewers of the latest season: Minnesota is a terrible place to host a dating show.

"Love Is Blind" tracks singles over the course of six weeks. It starts with a speed-dating round where contestants get engaged without seeing each other and follows them through an accelerated courtship. The show has become so popular that it has spawned legions of internet sleuths who try to pinpoint filming locations and living quarters to unearth the drama long before the world sees it.

No peeking.

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BUSINESS & FINANCE
What went wrong at a futuristic desert metropolis in Saudi Arabia? **B1**

SPORTS
Major League Baseball teams find relief for their starting-pitching needs at a bargain. **A14**

Trade Clashes' Effects Often Outlive the Tariffs

By David Uberti

President George W. Bush's tariffs on steel products were in place for less than two years. Their impact on the economy likely lasted far longer.

Designed to protect the beleaguered but politically influential U.S. steel industry, the 2002 tariffs raised costs for companies that used steel in auto parts, metal stamping and more. Though the tariffs were rescinded the next year, the affected companies became less competitive as they tried to sell their own products abroad, said Lydia Cox, an economics professor at the University of Wisconsin-Madison. Businesses suffered. Jobs disappeared.

"The effects were really widespread," Cox said. Her research suggests they lingered for a half-decade after Bush's tariffs were lifted.

President Trump's start-and-stop expansion of tariffs on major trading partners has no analog in modern history. Yet the past can still be instructive. Previous trade disputes over products from semiconductors to lumber to chickens have sometimes dragged out for decades, rattling international markets and boosting consumer prices.

None of the presidents who pursued those policies staked his agenda on protectionism to the same extent as Trump. His measures cover an array of products: beer from Mexico,

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U.S. NEWS

Lutnick Gives Trump Backup on Tariffs

Howard Lutnick called Doug Ford, the leader of Canada's Ontario province, hours after U.S. tariffs on Canada and Mexico took effect Tuesday with an urgent demand: He wanted Ford to back off his threats to retaliate against the American levies.

By Gavin Bade, Meridith McGraw and Vipal Monga

"I told him where we stand: We will not budge," Ford said.

That wasn't the only tense exchange Lutnick would have with a Canadian leader. Several days later, he was also on the call between President Trump and Canadian Prime Minister Justin Trudeau that descended into yelling and swearing, a person with knowledge of the call said. The Commerce Secretary also earlier had a tense meeting with Mexico Economy Minister Marcelo Ebrard on tariffs that yielded no resolution to the U.S.'s threats.

"I would say that we started a dialogue with very different positions," Ebrard said standing alongside Mexican President Claudia Sheinbaum on Friday, referring to his meetings with Lutnick.

These conversations are the behind-closed-doors work of Trump's new Commerce secretary, who has asserted himself—with Trump's blessing—as the lead negotiator of the president's gyrating trade agenda, as well as its public face. The former CEO of Wall Street firm Cantor Fitzgerald has at times appeared several times a day on different cable news shows to unveil details of tariff moves and partial reversals. He has sometimes gotten ahead of the president, like when he told CNBC on Thursday morning Trump would likely suspend 25% tariffs on Mexico and Canada for a month, reassuring investors who were rattled by the uncertainty.

LEAH MILLIS/REUTERS

Commerce Secretary Lutnick is no stranger to business TV and is a familiar face on Wall Street.

So far, the president has approved of Lutnick's approach, and has privately praised the Commerce secretary's interviews. Officials say Trump trusts Lutnick, an old friend from Manhattan who is frequently in the Oval Office with the president or on Air Force One when Trump flies home to Palm Beach.

Lutnick, no stranger to business TV and a familiar face on Wall Street, is seen by some within the White House as credible in the business community and as someone able to translate Trump's tariff policy, a White House official said.

While Trump moves quickly and deliberately, it is up to senior officials and cabinet members to explain his decision-making to the public. Lutnick hasn't always been the smoothest communicator, an administration official said, pointing to the tariff tug of war over the past week.

Steve Moore, an economist who served as a senior economic adviser in Trump's first term, said that while Lutnick seems to "echo what Trump says," he sometimes "leads Trump on the declarations, so it's hard to figure out whether he's the one driving the policy or articulating it."

White House spokesman Kush Desai said: "Secretary Lutnick is an accomplished business leader who has demonstrated courage and tenacity in the face of tragedy throughout his life," adding:

Lutnick quickly warmed to the tariff issue before and during his time serving as the personnel coordinator on Trump's presidential transition team. In December, shortly after he was nominated to the Commerce post, Lutnick met with Charles Benoit, the lead trade lawyer for the Coalition for a Prosperous America. The organization is a little-known coalition of U.S. companies and labor unions that has become one of the most influential outside groups on the Trump administration's trade agenda.

Benoit was ready to sell Lutnick on an aggressive trade agenda, pushing higher and more broad-based tariffs than in President Trump's first term, as well as using tariff revenue to replace some income taxes.

He found Lutnick required no convincing; he was already on board with every plank of an unabashedly protectionist trade agenda.

Lutnick was "very high energy, very excited," said Benoit, adding that other officials are "coming around" to a protectionist agenda, "but no one had that passion that Trump had except for Lutnick."

Though Lutnick has been a lead on Trump's trade agenda, he also has responsibility over a sprawling federal agency of more than 48,000 people and has been at the forefront of other policy decisions.

Trump appears set on keeping his fellow billionaire at the helm of his trade policy. Lutnick, Trump has said, is a "relationship person," and is "the best at it."

President Declines To Rule Out Recession

By Tim Hanrahan

WASHINGTON—President Trump declined to rule out that the U.S. economy would contract this year and enter a recession, saying that his sweeping economic agenda could cause short-term turbulence that he believed would drive future prosperity.

Asked in a "Sunday Morning Futures" interview on Fox News if he was expecting a recession this year, Trump replied: "I hate to predict things like that. There is a period of transition because what we're doing is very big."

Trump has moved to overhaul the U.S. economy in an agenda focusing on new tariffs, limiting immigration and cutting regulations, government jobs and taxes. He is also looking for spending cuts in a number of federal programs. While many businesses have cheered his broader agenda, the uncertainty over tariffs on close trading partners Mexico and Canada has rattled markets. He has proposed and pulled back tariffs multiple times in just the past few months.

Commerce Secretary Howard Lutnick ruled out an economic contraction in his own television appearance Sunday.

"There's going to be no recession in America," he said on "Meet the Press" on NBC News. The U.S. economy hasn't been in a recession since the beginning of the pandemic in 2020.

Trade Wars' Effects Are Long-Lived

Continued from Page One

Chinese-made toys and Canadian planes.

Economists fear that Trump's approach could unleash forces whose unintended consequences extend far beyond his time in office.

"This is the biggest change to tariff policy that we've seen in recent history," Cox said.

U.S. import taxes have historically had specific goals, said Douglas Irwin, an economics professor at Dartmouth College. Reagan-era tariffs on Japanese semiconductors aimed to shield the U.S. technology sector from a daunting competitor. President Nixon ended short-lived across-the-board tariffs in 1971, soon after the export juggernauts of West Germany and Japan agreed to boost the value of their currencies.

But the Trump White House has offered conflicting rationales for taxing foreign goods now—a sign that the coming trade wars could be open-ended.

"The problem is that it's not clear what the ask is of other countries," Irwin said. "It's a dramatic escalation."

The uncertainty has already damped consumer confidence and boosted inflation expectations, with Boston Fed researchers estimating that Trump's early tariff proposals could add 0.5 to 0.8 percentage point to core inflation, depending on the response of U.S. importers.

On Wall Street, investors who previously viewed Trump's trade rhetoric as a negotiating tactic are now grappling with the possibility that there are limited offramps ahead. The stock market has been thrashed over the past month, and the White House's one-month exemption for many Canadian and Mexican imports on Thursday didn't stanch the bleeding.

At times, Trump has touted 25% tariffs on most goods from those countries, as well as additional 20% tariffs on China, as part of a push to stop the flow of fentanyl and migrants. At other points, administration officials have portrayed import taxes as ways to boost domestic manufacturing and government revenue, objectives that economists say are at odds with each other.

Trump has likened his approach to a 19th-century paradigm that existed before international supply chains and foreign investment ballooned. In an address to Congress on Tuesday, the president described tariffs as a means for protecting American jobs along with "protecting the soul of our country."

"There will be a little disturbance, but we are OK with that," he added. "It won't be much."

Economists generally believe Trump's trade policy during his first term was more bark than bite. Even so, tariffs on commodities and consumer goods ushered in a new era of American protectionism that the Biden administration largely extended.

In 2018, import taxes on aluminum, steel and other products aimed to bring manufacturing back home, sometimes successfully. Tariffs on washing machines created an estimated 1,800 jobs, according to a study in the American Economic Review, but they cost consumers about $1.5 billion annually, or more than $800,000 per job.

The U.S. may be the world's largest economy, but it isn't so big that it can force foreign suppliers to eat the cost of import taxes, said Christine McDaniel, a senior research fellow at the Mercatus Center at George Mason University.

"The U.S. absorbed well over half of those tariffs," she said. "We don't have as much pricing power as you might think."

The Biden administration relaxed some Trump-era tariffs on imports from allied countries. But many China-focused levies remained in place, suggesting that "it is easier to ramp up tariffs than wind them down," said Jack Zhang, a political-science professor who directs the Trade War Lab at the University of Kansas.

"The lesson of protectionism is that you end up with entrenched interest groups," he said, adding that the complexity grows when governments retaliate. In countries on both sides of trade wars, protected industries "will fight like hell to keep tariffs in place."

Some U.S. trade wars have lasted decades. Take the so-called Chicken Tax. After European countries slapped duties on U.S.-grown chickens in the early 1960s, President Lyndon Johnson retaliated with a tariff that included pickup trucks made by the likes of Volkswagen. The measure has since supported domestic manufacturing of the vehicles, some analysts say, but it also limited choices and boosted price tags for car buyers.

Ripple effects can extend beyond U.S. borders. In a dispute over softwood lumber that has lasted more than 40 years, American duties on Canadian supplies at times boosted prices so high that U.S. companies turned to imports from as far away as Chile and Austria, said Daowei Zhang, associate dean of research at Auburn University's College of Forestry, Wildlife and Environment.

"Not only are you paying a higher price, but also the price volatility of lumber dramatically increased," Zhang said, adding that the effects spanned U.S. construction companies, remodeling firms and homeowners. "People can't make a plan."

U.S. Bolsters Its Position as World's Top Arms Exporter

By Alistair MacDonald

American defense companies have increased their dominance of the global arms trade, buoyed by European nations snapping up U.S. jet fighters and missiles.

The U.S. accounted for 43% of global weapons exports over the past five years, up from 35% in the previous five-year period, according to new data from the Stockholm International Peace Research Institute, a think tank.

The Sipri data show how the U.S. arms industry has been the key beneficiary of rising European defense budgets in the wake of Russia's invasion of Ukraine and as President Trump pushes the region to increase military spending.

America's F-35 jet fighter, for instance, has been bought or ordered by 13 different European countries, including Britain, Germany and Italy. European countries have also stocked up on Patriot air-defense systems, Himars rocket systems and other U.S. equipment.

But the Trump administration's decision to cut off deliveries of U.S. weapons, spare parts and intelligence to Ukraine has sparked concern in some European nations that Washington could do the same to them. That might now affect Europe's appetite for U.S. weapons, analysts and some lawmakers say.

"This debate has certainly started," said Sebastian Schäfer, a German lawmaker who sits on a parliamentary defense-spending committee.

Overall arms imports by European members of the North Atlantic Treaty Organization more than doubled in the five years ended in 2024, compared with the five years ended in 2019, Sipri said. Almost two-thirds of those imports came from the U.S., up from just over half in the previous period.

Elsewhere, imports to China fell 64% as it made more of its own weapons, Sipri said. Beijing is becoming more self-sufficient in arms in part to offset reduced exports from Russia, its traditional supplier. Sipri, an authority on arms trade and production, uses multiyear periods because annual figures can be distorted by large deliveries; it bases its figures on a points system that calculates the military value of arms exports.

European spending on defense is likely to keep rising. This month, Germany said it would exempt military spending from its strict fiscal rules. The U.K. and Denmark have also announced plans to spend more on defense, while the European Union has proposed a $158 billion fund to bolster military spending and support Ukraine.

French President Emmanuel Macron has for years called on European nations to buy more weapons locally, in part to ensure sovereign control over them. France is now the world's second-largest arms exporter—having leapfrogged Russia—and accounted for almost 10% of global shipments in the five years ended in 2024, according to Sipri's data.

Buyers of foreign weapons are typically dependent on the seller for spare parts, continued expertise and even the ability to update and run software on their equipment.

"If the U.S. has indeed restricted access to software in military capability already supplied to an ally, it will have profound implications for the future foreign sales," said Philip Dunne, a former British government minister in charge of defense procurement and exports.

BO AMSTRUP/RITZAU SCANPIX/ASSOCIATED PRESS

The F-35 is a generation ahead of European jet fighters.

In a sign of the sensitivities, the U.K.'s Defense Ministry announced a major purchase of drones for Ukraine on Thursday and described their manufacturer, Anduril, as Anglo-American. California-based Anduril, which manufactures in the U.S., describes itself as an American company. The ministry declined to comment.

Some analysts say Europe will likely remain a crucial buyer of U.S. weapons. For a start, there are some military capabilities that Europe can only get from the U.S. The F-35, for example, is a generation ahead of European jet fighters and isn't expected to have a peer for at least a decade.

◆ European defense stocks lift hedge funds................ B1

CORRECTIONS & AMPLIFICATIONS

Cognizant named Ravi Kumar as CEO in January 2023. A Business & Finance article in some editions Saturday incorrectly said he was also the chair.

A World News article on Feb. 27 about extracting minerals in Ukraine misidentified what type of study was needed for a lithium mine in Ukraine. It is a "definitive feasibility study," not a "definite visibility study."

A camera system equipped with artificial intelligence alerted a human-staffed command center in Chico, Calif., on Dec. 4 after the system detected a fire in Orange County. A March 3 U.S. News article about AI bots serving as wildfire lookouts incorrectly said the system alerted a command center at the University of California, San Diego.

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

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Trump Tightens Grip to Remake the FBI

Director Patel, an ally of the president, stays in close contact to enforce agenda

WASHINGTON—Among Kash Patel's first questions as FBI director was one that underscored who was now in charge.

By C. Ryan Barber, Josh Dawsey and Sadie Gurman

What was the best way to call the Oval Office on a secure line from both his office at the Federal Bureau of Investigation and from home, Patel asked officials, according to people familiar with his inquiry.

While every FBI director since J. Edgar Hoover has taken pains to keep the White House at arm's length, the new Trump administration has taken the opposite tack, working to bring the traditionally independent ethos of the FBI and Justice Department firmly within the president's grasp.

Patel's determination to keep in close contact with President Trump himself is an arrangement outside the traditional chain of command in which the FBI director reports to the deputy attorney general, and the president usually talks only to the attorney general.

It is but one example of how on matters big and small administration officials including Patel and senior officials at the Justice Department have deferred to Trump and his deputy chief of staff Stephen Miller since taking office, the people said. Miller has regularly talked to top officials at the Justice Department, including about the FBI, the people said.

Patel had told others he planned to keep a longtime FBI agent and supervisor, Robert Kissane, as his deputy, for example, according to people familiar with the discussions, but let that go for Trump's choice of conservative firebrand Dan Bongino. Miller repeatedly called then-acting deputy attorney general Emil Bove at night to push for the FBI to do more to execute Trump's immigration crackdown, people familiar with the calls said. And Bove is the official who ordered prosecutors to drop the bribery case against New York Mayor Eric Adams, saying the case interfered with the mayor's ability to assist on Trump's priorities of fighting illegal immigration and violent crime.

Taken together, the early moves highlight how Trump isn't just content to name loyalists to top jobs and trust their judgment. In his first term, Trump installed officials he thought were aligned with him in key positions at the department, only to have them resist his most extreme demands. Now, after years of clashing with the Justice Department amid federal investigations into his conduct, Trump has made remaking the institution the centerpiece of his agenda.

"Director Patel is aggressively working to deliver on removing criminals from our streets, restoring law and order, and ensuring agents have the resources they need to perform their duties effectively," FBI spokesman Ben Williamson said. "We have absolutely zero interest in engaging with false leaks or distractions that undermine that mission."

Justice Department spokesman Chad Gilmartin said: "It's no surprise that this Department of Justice is laser-focused on a top national security concern of the American people: ending the invasion of criminal illegal aliens and enforcing our nation's immigration laws."

White House press secretary Karoline Leavitt said: "President Trump has made it clear that Attorney General (Pam) Bondi and the Department of Justice will operate independently from the White House." She added that Miller had served as a "sounding board" to Justice Department officials.

Trump and his allies have argued for years that the Justice Department has unfairly targeted Republicans, although it has prosecuted politicians from both parties.

Soon after Trump's inauguration, the White House installed a 2022 law school graduate, Paul Ingrassia, as its liaison for the Justice Department. Ingrassia vetted candidates for Justice Department roles and stressed loyalty to Trump in the process, people familiar with his work said.

In one discussion, Ingrassia told a top FBI official that the White House wanted to know whether he voted for Trump in the 2024 election, one of the people said. Brian Driscoll, who served as acting FBI director in the early weeks of the Trump administration, declined to answer and said he would never ask such questions of anyone who worked for him, according to people familiar with the exchange.

Bondi, Bove and Todd Blanche, who was confirmed last week as the deputy attorney general, all worked on Trump's legal defense team. Blanche has said he would ensure nothing like the special counsel investigations into Trump ever happens again. Last year, Trump told Blanche that he wants an investigation into the special counsel's investigation into him, according to people familiar with the discussion.

Patel, who worked in various national security roles during Trump's first term and was a campaign surrogate, has long been by Trump's side. Among other things, they share a distrust of the agency Patel now leads. Senior FBI officials can't bring cellphones into their offices given the security risks.

A secure land line already sits on the desks of many top FBI officials that can connect them to the White House switchboard, the CIA, and other national security agencies, but Patel asked how to connect directly with Trump's Oval Office, people familiar with the request said.

EVAN VUCCI/ASSOCIATED PRESS

FBI Director Kash Patel had national security roles in President Trump's first term.

Secure Phone Line to Oval Office Echoes Hoover

The FBI's first director, J. Edgar Hoover, who served for almost 50 years and cultivated close relationships with eight presidents, had a phone line in his home that was meant specifically for conversations with the president, said Beverly Gage, a history professor at Yale who wrote a biography of Hoover.

But directors since then have wanted to keep the FBI and the White House separate, both in public perception and reality.

Louis Freeh, who was director under former President Bill Clinton, irked the president by surrendering his White House access badge during his first week on the job, after learning that Clinton was under investigation for a controversial land deal, which became known as the Whitewater scandal.

James Comey refused to play basketball with former President Barack Obama because he didn't want to appear too chummy with the man who appointed him to head the FBI.

MARIO TAMA/GETTY IMAGES

A U.S. Army Corps of Engineers team clears debris from a home in Altadena, Calif., that was destroyed in the Eaton Fire.

After the Fires, Californians Confront Tough Choices on Housing, Economy

By Konrad Putzier

ALTADENA, Calif.—California's economic future hinges on solving the state's crippling housing shortage. The charred landscape around Los Angeles presents a major test.

January's wildfires turned more than 16,000 buildings in Altadena and Pacific Palisades into toxic ash. These are largely single-family-home enclaves, but the state in recent years changed laws to make it easier to build apartments.

Now, California faces a choice. Will it build the housing it badly needs? Or will it accept economic stagnation as the price for leafy neighborhoods of single-family homes?

Some housing advocates believe the fires created new urgency to add density. Among them, pro-development group Abundant Housing LA is urging the city of Los Angeles to change zoning rules to allow for more apartments in single-family areas throughout the city.

"I absolutely think the wildfires have changed the conversation," said Azeen Khanmalek, the group's executive director.

In Altadena, reconstruction is still months or even years away, but worries about dramatic change are already rising. Handwritten placards reading "Altadena not for sale!!" sprang up soon after the Eaton fire ravaged the Los Angeles County community. Locals reported sightings of suspiciously well-dressed men—real estate speculators, they feared—taking photos of properties. These were rumors, but they ran wild on social media. A columnist at a local newspaper debunked a theory the fire was planned to spur on denser development.

"I don't want to rebuild next to multifamily housing," said Victoria Knapp, chair of the town council in Altadena. The suburban community is about 11 miles northeast of downtown Los Angeles.

Knapp's mid-century modern house burned to the ground and so did many others on her cul-de-sac. "If a developer bought all of those, then all of a sudden I don't live in a single-family neighborhood," the 58-year-old said.

Anti-apartment sentiment is also brewing in Pacific Palisades, a scenic neighborhood on the western edge of Los Angeles. There, Rick Caruso, mall owner and runner-up in the city's last mayoral election, has said he opposes new development that adds density.

California's housing shortage is at the root of its economic problems. Residents are leaving for other states at a rapid clip. Economic expansion lags behind states like Texas and Florida. California's unemployment rate, recently 5.5%, is the second highest in the country and has risen much faster than the national rate. Inflation, driven in large part by housing costs, is eating into renters' living standards.

Businesses struggle to hire when workers can't afford to live nearby.

"California is absolutely strangling itself with this housing shortage," said Scott Wiener, a San Francisco Democratic state senator who is a proponent of development.

California's housing construction is well below levels seen in the 1980s and 2000s, when the state's population was smaller. The typical home in California costs more than twice as much as the national average, according to Zillow data. The extreme costs contribute to California's homelessness crisis as housing prices grow faster than wages.

State and local red tape can drag housing construction projects out for years, if they get approved at all. Gov. Gavin Newsom and state lawmakers have in recent years worked to loosen some restrictions that slow housing construction.

Businesses struggle to hire when workers can't afford to live nearby. Soaring housing costs have made it hard for Los Angeles to find municipal workers, said Nithya Raman, a city council member.

Shortages push housing development to the fringes, where homes sit uneasily next to forests and brushland. That makes them vulnerable to fires, which are becoming more frequent and deadly as the Earth warms. The Eaton and Palisades fires could end up costing anywhere from $40 billion to over $200 billion, according to different estimates.

Rob Orlandini, who lost his Altadena hardware store in the fire, wants to preserve the community's unique small-town feel. He doesn't support big apartment buildings, even if they could mean more customers. "I don't want that," said the 38-year-old, who grew up in Altadena and has spent most of his life there. "I prefer it to stay the same way."

Utah Set to Prohibit Fluoridating Water, First Such State Law

By Victoria Albert

Utah Gov. Spencer Cox said he would sign a bill that bans the use of fluoride in public water systems, rejecting a practice that public-health experts say is a crucial protector against tooth decay.

The Republican governor said half the state already doesn't have fluoride added to the water and that dentists he had spoken to said there haven't been dramatic differences between the different counties.

"It's got to be a really high bar for me if we're going to require people to be medicated by their government," said Cox on ABC4 Utah.

"It's not a bill I felt strongly about; it's not a bill I care that much about, but it's a bill I will sign," he said.

The Utah law is set to take effect in early May. It will be the first state with such a ban.

Most public-health agencies say fluoride should be added to drinking water to prevent cavities and boost oral health. The Centers for Disease Control and Prevention, which has called fluoridation one of the 10 great public-health achievements of the 20th century, said it reduces tooth decay by about 25%.

Critics have said that high fluoride exposure is linked to neurodevelopmental problems—and that given its availability in toothpaste and other dental products, it isn't necessary to require everyone to ingest it through the water supply.

Dr. Richard Valachovic, a professor at NYU's college of dentistry, said there is no reason to be concerned about the small amount of fluoride added to water in the U.S.

Laura Briefer, director of Salt Lake City's Department of Public Utilities—which provides fluoridated water to more than 365,000 people—said defluoridating could be harmful to residents who don't have easy access to healthcare and dental care.

"I just think that we could have addressed this in a more measured and prudent way, so that we don't have unintended consequences," she said.

DOJ Releases Messages By Adams Prosecutors

By Corinne Ramey And James Fanelli

The Justice Department on Friday released internal communications among prosecutors involved in the bribery case against Eric Adams that it said supported its decision to drop charges against the New York City mayor.

In its latest request asking for the case to be dismissed, the Justice Department called the handling of the case by the U.S. Attorney's Office for the Southern District of New York a scandal. It also took a dig at the Manhattan prosecutors who resigned rather than follow instructions from Washington to end the case.

"The SDNY prosecution team's preference for pretextual public spectacle over adhering to the constitutional order and chain of command is not a basis for prolonging these proceedings," wrote Justice Department officials Todd Blanche and Emil Bove, both of whom previously served as President Trump's criminal defense attorneys.

Former acting Manhattan U.S. Attorney Danielle Sassoon and a lead Adams prosecutor, Hagan Scotten, were among the officials who resigned in protest, sending shock waves through the department. Both said dropping the case violated their ethical obligations because the Justice Department had improper political motivations for the dismissal: securing Adams as a Trump ally.

The Friday filing, however, said both Sassoon and Scotten had privately questioned the motives of the official who brought the case: former U.S. Attorney Damian Williams. After he stepped down in December, Williams wrote an op-ed criticizing corruption in New York and created a personal website that some observers believed was part of a bid to launch a political career.

Republicans' Infighting Stalls Tax Bill

Disagreements on spending cuts and other matters slow House-Senate pact

By Richard Rubin

Republican Senate Majority Leader John Thune said the tax bill is making progress but it is going to take some time.

BILL CLARK/CQ ROLL CALL/ZUMA PRESS

WASHINGTON—President Trump's tax-cut plans are grinding through Congress in slow motion. The tax cuts themselves aren't really the reason why.

Republicans, who control the House and Senate, are divided over the size of spending reductions that accompany tax cuts, which budgetary yardstick they use and whether a debt-ceiling increase should be attached. The Senate still hasn't fully blessed the House strategy to pass one bill that would address the fiscal matters along with border security, after months of debate over whether to split Trump's priorities into two or even three party-line bills.

"There's a lot that we're still working through," Sen. John Hoeven (R., N.D.) said.

Until all the questions are formally resolved with an agreement between House and Senate Republicans, Congress can't unlock the door to the fast-track process that circumvents Senate Democrats. And until they unlock that door—which could take weeks or months—Trump's "one big, beautiful bill" is stranded outside in the cold, straining relations between the chambers and testing some lawmakers' patience.

"Clearly, it's not Plan A. They'd like to get this done sooner," said John Gimigliano, a former House GOP aide now at KPMG. "The complexity, the cost, the reality of the politics of the incredibly narrow margins in the House. It's just going to be a very drawn-out, complex negotiation."

The tax piece of the puzzle isn't simple—tax policy rarely is—but a solid Republican consensus has developed around the basics. Lawmakers want to extend the 2017 tax cuts that are scheduled to expire at year-end and prevent a tax increase on most households. Given the stakes of failure, Republicans expect they will ultimately get that done somehow.

They also will try to fulfill Trump's campaign-trail promises, such as ending taxes on tips, overtime pay and Social Security benefits. Other Trump ideas might slide in there, such as full equipment deductions retroactive to Jan. 20, lower corporate taxes on domestic manufacturers and a deduction for car-loan interest.

Republicans expect internal tension over how high they set the cap on the state and local tax deduction to placate blue-state House members. They anticipate disagreement over curtailing Democrats' clean-energy tax incentives because those breaks are tied to investments in GOP districts.

For now, none of that is ripe, because Republicans' plans remain in procedural limbo. House members insist that the Senate largely accept its fiscal framework: one bill, with taxes, border money and spending cuts.

"We need the Senate to not be wasting time," Rep. Jason Smith (R., Mo.), chairman of the House Ways and Means Committee, said.

Senators, however, don't have a clear plan. Lawmakers will spend the week ahead trying to prevent a government shutdown before a March 14 deadline, and they are scheduled to be on recess for three of the six following weeks.

"We're socializing the ideas and we're starting to narrow in and bring into focus what some decision points are, so we're getting there," Senate Majority Leader John Thune (R., S.D.) said late this past week. "It's gonna take some time, but I feel like we're making good headway."

House leaders set a crucial marker in late February, rallying 217 of 218 Republicans behind a fiscal framework that leans heavily into spending cuts demanded by conservatives. That plan calls for \$4.5 trillion in tax cuts over a decade and at least \$1.5 trillion in spending cuts. If the spending cuts don't exceed \$1.5 trillion, the tax cuts shrink to \$4 trillion.

The House plan calls for at least \$880 billion in cuts from the Energy and Commerce Committee. The bulk of the spending overseen by the panel is for Medicaid, the health-insurance program covering more than 70 million low-income people.

Potential Medicaid cuts cause consternation among House GOP moderates, who advanced the fiscal-framework process but haven't committed to backing a future bill. Democrats, meanwhile, are highlighting how Republican plans would simultaneously take money from Medicaid and extend tax cuts for wealthy Americans.

The second obstacle in the Senate is the measuring stick for tax-cut extensions. The House used what is known as a current-law baseline, which assumes tax cuts expire as scheduled and counts extensions as a cost.

Key senators favor the "current-policy baseline," which assumes tax-cut extensions don't cost anything. Some call the approach a gimmick, and it faces procedural challenges and lacks unanimous support. Still, the current-policy baseline is Republicans' easiest path to making tax cuts permanent—a Trump priority. Smith said House members could accept the baseline switch if the Senate didn't water down spending cuts.

GOP Pushes Plan to Cut Funding

Continued from Page One

will be able to pass the measure in the House, despite intraparty fighting that has forced them to rely heavily on Democrats on past funding votes, a regular embarrassment for party chiefs. With House Democrats appearing largely united in opposition, saying the measure cedes too much power over spending to the White House, Republicans will need almost every GOP lawmaker to stay in line, because of their narrow 218-214 majority.

Representatives for House Republican leaders said that they worked closely with Trump in crafting the bill, and House Speaker Mike Johnson (R., La.) said he has enough votes to pass the measure.

Trump urged Republicans to back the proposal, termed a continuing resolution. He said on Truth Social that the GOP has "put together, under the circumstances, a very good funding bill." Later he said he thinks the measure will pass.

Funding for federal agencies runs out on Friday night. With no new legislation, many federal employees would be furloughed, while others would continue to report to work with no pay.

House Minority Leader Hakeem Jeffries (D., N.Y.), who opposes the GOP bill, has said he didn't think that Republicans would be able to come up with enough votes for it to pass.

In a statement Saturday with other House Democratic leaders, he said the measure "does nothing to protect Social Security, Medicare and Medicaid, while exposing the American people to further pain throughout this fiscal year."

More than a dozen House Republicans have never voted to pass a temporary funding bill under Johnson's leadership, largely because of unmet demands for more spending cuts. But many of these GOP holdouts are expected to get on board this time, thanks to the pressure from Trump and ambitions for passing a multitrillion-dollar Republican package pairing tax cuts and spending reductions later this year.

"There's overwhelming support for the bill," Rep. Chip Roy (R., Texas), a member of the conservative House Freedom Caucus, said on Fox News. "There are still a few folks who don't like it."

If House Republicans manage to stay united and pass the proposal over Democratic opposition, it will need at least 60 votes in the Senate, which has only 53 Republican lawmakers, to get to Trump's desk. Senate Democrats will need to decide if they want to support the GOP bill, or risk getting blamed for the first shutdown since early 2019.

Sen. Elissa Slotkin (D., Mich.) said on Sunday on NBC that she will withhold her vote for the proposal until she sees "some assurances that whatever we pass next week is going to ensure that money is spent the way Congress intends."

Sen. Patty Murray (D., Wash.), the top Democrat on the chamber's appropriations committee, said the GOP proposal, which was unveiled on Saturday, would give Trump and Musk the power of the purse that is typically reserved for Congress.

She said Congress should pass a short-term measure to prevent a shutdown and finish work on bipartisan funding bills to "ensure our constituents have a say in how federal funding is spent." The overall amount of money for federal agencies falls below both the fiscal year 2024 funding level and the level set in 2023 in a compromise between former President Joe Biden and former House Speaker Kevin McCarthy (R., Calif.).

The latest time Congress faced a shutdown, Trump, as president-elect, spoke out against a bipartisan deal that Johnson had negotiated with Democrats in December, prompting the speaker to kill the measure before lawmakers voted on it. They later approved a slimmed-down version that set the March deadline.

Unlike the December measure, the 99-page proposal released on Saturday doesn't contain funding for pet projects requested by individual lawmakers for their hometowns, something Elon Musk, Trump's billionaire cost-cutting czar, had criticized.

Sen. Lindsey Graham (R., S.C.), said he wasn't a fan of the plan, but didn't think the government would shut down. He said he wanted to know how Congress will strengthen defense and border security before voting on the measure.

Annual funding bills for federal agencies, when passed by Congress in previous years, have come with lengthy reports—written jointly by Republicans and Democrats—with specific directives on how agency leaders should spend their allotted amount of federal money. The proposal from Johnson on Saturday contained far less guidance, giving Trump administration officials more power to spend the money as they wish.

Democratic leaders have said they want to extend funding levels by a shorter period, giving lawmakers more time to negotiate a package of funding proposals that contain the bipartisan spending guidance for each agency.

A Profusion of Upheavals Emboldens the President

By Molly Ball

ANALYSIS

As opponents cry chaos and some in his own party grow anxious, President Trump appears not cowed by his critics but emboldened—determined to double down on the disruptions he's set into motion.

From a certain perspective it may feel like the world is falling apart: the federal bureaucracy being dismantled, the trans-Atlantic alliance under strain, the stock market swooning amid seesawing tariff threats, a government shutdown possible in less than a week's time. Yet it is testament to Trump's dominance that upending so many institutions has only marginally dented his popularity so far. And it has created an unusual and tense political dynamic as Republicans and Democrats alike brace for the consequences to play out.

"People like action. They appreciate that he's doing things—the momentum, the velocity," said David Urban, a GOP lobbyist close to the White House. Urban said his friends from his hometown in western Pennsylvania and his classmates from West Point all love what they see: a president with the political courage to finally tackle longstanding problems. "There is short-term disruption, but the American people wanted to see disruption. That's why they sent Trump—they're tired of a government that's so inefficient and feckless."

The dynamic was evident as Trump addressed a joint session of Congress on Tuesday, exhorting Americans to "get ready for an incredible future, because the golden age of America has just begun." Throughout the nearly two-hour address, the Republican side of the House chamber erupted in raucous cheers, while Democrats sat sullenly on the other side of the room, largely refusing to cheer.

To Trump's allies, the speech was a triumph that showcased his decisiveness and strength. "That was a speech by a president who's at the zenith of his power, exuding confidence that everything's going to be all right, this is all going to work out, believe in me," said Urban. Americans, he said, are enthusiastic about the good things they see happening, such as a massive reduction in border crossings and announcements of large foreign investments.

Opponents believe a backlash is building and that Republicans may pay a price in coming elections. "There's a chaos and a disorder that is really disturbing people," said former Republican Congressman Charlie Dent, who represented a swing district in Pennsylvania until 2018 and supported Democrat Kamala Harris last November. Trump, he added, "just seems to be doubling down on everything he's been doing and charging forward, not factoring in the political consequences to his decision-making."

In polls, voters' opinions of the new administration have

President Trump after delivering an address to a joint session of Congress on Tuesday night.

KENT NISHIMURA/BLOOMBERG NEWS

been middling, a reflection of Trump's polarizing nature and the nation's entrenched divisions. Trump is less popular than other modern presidents at the beginning of their terms, and many of his individual actions, such as pardoning Jan. 6, 2021, rioters, are unpopular. Several recent surveys have found that voters see him as insufficiently focused on the economy. Yet the disruptions he has unleashed haven't caused his approval rating to plummet. In a polling average released last week, the political analyst Nate Silver found that Trump's approval and disapproval ratings were evenly matched at 48% apiece.

Some Republican officials are publicly and privately anxious about signs of discontent. Lawmakers' phones in Congress have been ringing off the hook for weeks. Anguished constituents, urged on by liberal groups, have packed representatives' local public meetings, leading GOP leaders to advise members to stop holding in-person town halls.

Many Republicans fear the economy could continue to worsen amid government layoffs and Trump's on-again off-again tariff threats. Friday's jobs report was steady but slightly below expectations as unemployment ticked up. Inflation is up, and consumer confidence is down.

More difficulties lie ahead for Trump's legislative agenda. He has called for all of his 2017 tax cuts to be made permanent and several more—such as the elimination of taxes on tips and Social Security benefits—to be enacted, while insisting that Medicare, Medicaid and Social Security can't be cut. Absent large new tax increases that no Republican has endorsed, experts say Trump's promise to quickly balance the federal budget is impossible, and deficits and debt will continue to balloon. Democrats charge that cuts to popular programs are inevitable. Meanwhile, the federal government is set to shut down on Friday if Congress fails to pass a funding bill, and congressional leaders are currently at a stalemate.

To be sure, many of the big changes Trump boasts about are less than meets the eye. The administration hasn't significantly increased the pace of deportations of illegal immigrants from that achieved by former President Joe Biden. The budget savings claimed by DOGE have frequently turned out to be illusory and add up to barely a rounding error on the federal budget. Some critics wonder if Trump's presidency is essentially theatrical in nature, creating the impression of the major change voters say they want while actually keeping real-life dislocations to a minimum. Trump has used his powerful pulpit to impress the public with the idea that any temporary unpleasantness is merely the price of progress.

Perhaps no moment better captured the current political climate than a little-noticed interaction before Trump's speech on Tuesday night. Rep. Melanie Stansbury, a New Mexico Democrat, stood silently along the center aisle as Trump entered the House chamber, wearing a grave expression and holding a piece of paper on which she had written, "This is NOT Normal."

As Trump brushed past her, mobbed by the ecstatic Republicans on the other side of the aisle, one of them, Rep. Lance Gooden of Texas, reached across behind the president, snatched the sign out of Stansbury's hands, and threw it into the air. As it fluttered to the ground, Gooden resumed applauding, while Trump marched on, oblivious.

Kentucky Senate Hopefuls Run From McConnell Ties

Onetime allies seek Trump endorsement in sign of how GOP politics have shifted

By Olivia Beavers

Daniel Cameron once said there was no political daylight between him and Sen. Mitch McConnell. Now, Kentucky's former attorney general is keeping his distance as he vies to win his longtime mentor's Senate seat, a sign of how diminished the former Senate Republican leader's brand is becoming in President Trump's second term.

Last year, Cameron posted a picture of him with his wife and McConnell and a caption praising McConnell for defending America's values. "I don't have anything I've probably disagreed with him on," Cameron told the Courier Journal in 2019. But in a recent interview with The Wall Street Journal, Cameron emphasized that he is his "own man" who wouldn't be painted into a "particular box."

"My position is I want to bring all the different elements of the party together, and I'm hopeful to be able to do that," he said when asked if he wants McConnell's endorsement.

Adding distance

Cameron is the first big name to plunge into the contest, entering moments after McConnell, 83 years old, said last month he wouldn't run for re-election in 2026. Two other Republicans with past McConnell ties—Rep. Andy Barr and Nate Morris, a businessman—have expressed interest and are already sparring with Cameron and each other.

The contest is turning into a fight defined by how far and fast McConnell's former supporters can distance themselves from him. With the primary more than a year away, they are all angling for Trump's backing, while faulting each other as phonies and hypocrites.

"I am certainly surprised it's gotten this nasty, this quickly," said Jeff Budziak, a Western Kentucky University politics professor.

All three worked for McConnell at some point. Republicans watching the race have said Morris, who is little known by voters but has moved to ingratiate himself with Trump allies, is driving the sprint away from their onetime boss, portraying the race as a referendum on loyalty to McConnell or Trump. McConnell pushed through Trump's tax cuts and Supreme Court picks, but the two clashed over Trump's actions on Jan. 6, 2021, and other issues, and Trump regularly insults him.

'Misfit toys'

Morris, 44, alleges that Cameron and Barr "are both wholly owned subsidiaries of Mitch McConnell and are in meltdown mode because they know the last thing Kentucky wants is another McConnell-controlled pawn in office."

McConnell allies say he has repeatedly won re-election bids with a loyal contingency of voters, making for hazards in running against his legacy. McConnell didn't respond to a question about whether he planned to endorse in the race.

Barr and Cameron dismiss Morris as a fake, saying he is projecting a hard-line MAGA image that he only recently cobbled together. Morris skeptics say he previously embraced initiatives Trump opposes, such as diversity, equity and inclusion.

"He's just made himself up, out of like two months. It's been the craziest thing I've ever seen," said Cameron of Morris. "He was in the land of misfit toys" and then he decided to "become something that sounds good to the Republican primary voter, but it's just like not real."

Morris has made Trump world a priority. He has ties to Vice President JD Vance and posted a picture with Donald Trump Jr. at Mar-a-Lago. Morris also said he is entertaining a bid for governor.

Cameron, 39, served as McConnell's legal counsel and later got help from McConnell allies—including his fundraising apparatus—as he ran for statewide positions. Many Kentucky Republicans credit Cameron's career to McConnell.

While Trump hasn't given any signal on whom he would endorse, he has made it clear he sees Cameron's deep McConnell ties as a drag.

Cameron said he was grateful for Trump's backing in the governor race, in which he went up against popular Democratic incumbent Gov. Andy Beshear. Cameron said he would be honored to get Trump's endorsement again and argued the McConnell litmus test is ironic. "Andy Barr interned for McConnell. Nate Morris interned for McConnell. Everybody has some connective tissue to McConnell. They don't even want to talk about that. I'm an open record," Cameron said.

Barr, 51, who said he is seeking Trump's endorsement, emphasizes his role as Trump's primary campaign chair in the state in the last election. He previously touted that he interned for McConnell. He declined to say if he wants McConnell's endorsement.

Early polling indicates Cameron leads the nascent GOP field. Other possible candidates floated include conservative TV commentator Scott Jennings. Beshear has ruled out a bid for Senate, but Republicans are watching to see if he changes his mind. Such a bid by a popular Democrat could scramble GOP candidates' strategy.

Kentucky Republican Mitch McConnell, 83 years old, said last month that he wouldn't run for re-election in 2026.

U.S. NEWS

U.S. WATCH

NEW YORK

Leader in Columbia Protests Arrested

A Columbia University student who helped lead last year's pro-Palestinian demonstrations has been arrested by federal immigration authorities.

Mahmoud Khalil was detained Saturday night by Department of Homeland Security agents, according to his attorney, Amy Greer. The agents said they were acting on orders from the State Department to revoke his green card, Greer said. Multiple immigration agents took Khalil into custody around 8:30 p.m. after entering his building, his lawyer said. Khalil, who is Palestinian and Syrian, was able to call Greer from the lobby, she said. When the agent told her the State Department had revoked his student visa, Greer said she informed the agent that Khalil is a lawful permanent resident. "And the agent said they revoked that too," said Greer.

—Ginger Adams Otis

LONG ISLAND, N.Y.

Brush Fire Is Knocked Down

Firefighters in New York knocked down a dwindling brush fire in a wooded stretch of Long Island on Sunday as officials warned that high wind gusts could leave the region vulnerable to additional blazes.

Gov. Kathy Hochul declared a state of emergency a day earlier after four separate fires broke out across swaths of Long Island's Pine Barrens region, prompting closures to the highway and evacuations of a military base. As of Sunday, all visible flames had been knocked down, including the last remaining fire burning in the hamlet of Westhampton, according to Suffolk County Fire Coordinator Rudy Sunderman. He said at a Sunday news conference that crews were working on containment lines around the fire to prevent further spread.

—Associated Press

MIKE STEWART/ASSOCIATED PRESS

NOT FORGOTTEN: The 60th anniversary of a fight for voting rights that became known as Bloody Sunday was marked Sunday on the Edmund Pettus Bridge in Selma, Ala. On March 7, 1965, marchers protesting officials' refusal to let Black people in Alabama register to vote were met with violence on the bridge by state troopers, deputies and men on horseback.

Dividend Stocks Lure Investors

Continued from Page One

than 15%.

As President Trump's tariff threats helped drag the S&P 500 on Friday to its worst week since September, some money managers said such time-tested stocks, and their regular cash payments, could shine even brighter in the months ahead.

"There haven't been many risk-averse investors over the last couple of years," said Jared Hoff, a senior portfolio manager at Federated Hermes who manages several dividend-focused funds. "There are a lot of different factors right now shifting attention back in our direction."

Investors will get a look at the health of the economy this week, with fresh data on job openings and wholesale prices as well as a key inflation report on Wednesday.

Dividend payers are just one of the safety plays gaining popularity. Investors have flocked to other havens such as gold and U.S. Treasurys, while fleeing stocks in smaller companies or the financial sector that could be sensitive to an economic slowdown. But many prefer dividend stocks to such alternatives, because holding stocks allows investors to capture the gains if share prices rise, while the regular dividend payments help cushion declines.

Brian Bollinger is president and founder of Simply Safe Dividends, which sells an online tool to help customers track and manage their dividend-focused portfolios. The company—which calls itself "boring and conservative" on its website—hasn't seen sales grow this quickly at the start of the year since 2022, Bollinger said.

"More people are starting to think about safety," he said. "Safety hasn't been sexy since 2022."

The upswing contrasts with a couple of tough years for dividend payers. As interest rates rose, income-focused investors could get more-attractive yields from bonds. Market standouts such as the Magnificent Seven tech stocks soared, powered by optimism about the transformative nature of artificial intelligence. That left many mature, dividend-paying companies in the dust.

But the tech-heavy bets that delivered blockbuster returns in last year's market have faltered so far in 2025. The Roundhill Magnificent Seven ETF has dropped 10% this year.

John Bevis, a full-time trader based in Clemson, S.C., predicted this year that policy uncertainty might lead to market turmoil. He scaled back his position in big tech companies like Tesla and Nvidia in January and February, he said, and picked up shares of Coca-Cola and the household-products provider Procter & Gamble.

"With higher inflation, people aren't going to buy more Teslas," Bevis, 32 years old, said. "With this uncertainty, you've got to stick to the solid companies that have been around for 100 years."

Dividend stocks aren't risk-free. Share prices can still post big swings when markets slide or a given company runs into problems.

In addition, the broader equity markets' rise to record territory before the recent downturn has made high dividend yields from major U.S. companies harder to find.

The S&P 500's dividend yield sat around 1.3% as of Thursday's market close, among the lowest levels in more than 20 years. Some of the largest companies in the market have lately become increasingly focused on using cash to spur growth, instead of distributing it to shareholders.

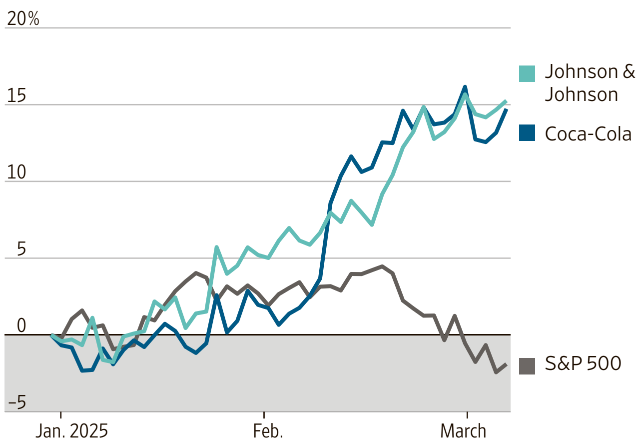
But many of the most well-known dividend stocks—such as Walmart or the healthcare company Abbott Laboratories—are mature, well-established companies in industries that money managers say are less susceptible to market swings.

Quarterly dividends can offer a secure return in a market that is looking increasingly uncertain, said Jacob Kuehl, a supply-chain planning manager based in the Portland, Ore., area who thinks it is a good time to be an income-focused investor.

Though dividend stocks already make up about half of his portfolio, Kuehl said he plans to keep buying up shares of Nike and Exxon Mobil, he said, as well as smaller stocks like Papa John's International and Blue Owl Capital.

"It seems to be a really frothy market—really jittery," he said. "What I'm banking on is that people are going to move to security."

Share-price and index performance this year



Source: FactSet

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WORLD NEWS

Seeking to Pressure Iran, Trump Creates a Power Problem for Iraq

By Jared Malsin

The Trump administration has revoked a sanctions waiver that allowed Iraq to buy gas and electricity from Iran, U.S. officials said this weekend, intensifying an American pressure campaign on Tehran while complicating ties with a key U.S. partner in the region.

The waiver, which had been renewed by presidents Trump and Biden every four months for years, had allowed Iraq to address its immediate electricity needs by buying power and the gas for generating it from its neighbor.

The decision illustrates how the new Trump administration is dispensing with foreign-policy conventions that even it had followed in previous years, at times creating anxieties for American allies while pursuing its geopolitical aims.

"The decision by the United States not to renew the sanctions waiver for electricity imports is regrettable, as it directly affects the Iraqi people," said Farhad Alaadin, foreign-policy adviser to Iraqi Prime Minister Mohammed al-Sudani.

This decision doesn't reflect a broader shift in the relationship, he said.

Trump in February restored what he calls a policy of maximum pressure on Iran, applying crippling economic sanctions in an effort to curb the country's ballistic-missile program, prevent its developing a nuclear weapon and further curtail its influence in the region.

"President Trump has been clear that the Iranian Regime must cease its ambitions for a nuclear weapon or face maximum pressure," White House National Security Council spokesman James Hewitt said when asked about the decision. "We hope the regime will put the interests of its people and the region ahead of its destabilizing policies."

ASAAD NIAZI/AFP/GETTY IMAGES

The U.S. waiver had allowed Iraq to address its electricity needs by buying power and the gas for generating it from Iran.

Iran says its nuclear program is peaceful and that it won't be bullied into negotiations.

For Iraq, the decision comes at a precarious time, with the government in Baghdad navigating the upheaval in the wider Middle East after more than a year of war in which Israel has gone on the offensive against Iran and its militia allies, rolling back Tehran's influence across the region.

> The decision comes at a precarious time for the Baghdad government.

Iraq is also contending with the collapse of the Assad regime in neighboring Syria, which ended more than a decade of civil war but created new concerns about border security as the fragile new government in Damascus works to consolidate control.

The collapse of the Assad regime and the weakening of Iranian-backed militias such as Hezbollah in Lebanon have caused a political realignment in the region, but also renewed fears of insecurity for weak states such as Iraq and Syria, which have wrestled with civil war.

The Iraqi government is also facing the possible withdrawal of U.S. and other forces next year, more than two decades after the American-led invasion that ousted Saddam Hussein.

The U.S. and Iraq last year reached an agreement for most U.S. troops to leave the country by the end of 2026.

The plan, if completed, would allow U.S. forces to gradually withdraw, with some remaining in an advisory capacity and for logistical support for American troops based in Syria under a new bilateral security agreement with Iraq.

In recent years U.S. forces have remained in the country as a part of a coalition fighting Islamic State extremists, who overran much of Iraq and Syria in 2014 before being rolled back by Iraqi and Syrian forces supported by American air power. The fall of the Assad regime in Syria has raised the risk of instability in the network of alliances keeping the group contained.

Days after the Syrian regime fell, Iraqi officials visiting Washington expressed concern about the potential resurgence of Islamic State and asked the U.S. to reassess the recently concluded withdrawal agreement.

Trump in his first term in office decided to withdraw U.S. troops from Syria before reversing that decision.

Iran used the chaos in Iraq after the American invasion to spread its military and political influence, including by arming militias that have attacked U.S. forces.

Oil-rich Iraq has improved its electrical infrastructure in recent years, lessening its dependence on Iranian electricity. In 2023, imports from Iran were only 4% of electricity consumption in Iraq, according to the U.S. Embassy in Baghdad.

The chairman of Iraq's Parliamentary Finance Committee, Atwan Al-Atwani, said on Sunday that Iraq aims to achieve energy self-sufficiency but that completing that task would take some years. After a meeting with the U.S. ambassador in Baghdad, he asked Washington to reconsider its pressure policies on Iran, according to the Iraqi state news agency.

A spokeswoman for the U.S. Embassy in Baghdad said the decision to rescind the electricity waiver was in line with the pressure campaign on Iran.

"It ensures that we do not allow Iran any degree of economic or financial relief," the spokeswoman said of the decision. "We urge the Iraqi government to eliminate its dependence on Iranian sources of energy as soon as possible."

Israel Chokes Gaza Electricity Supply

By Dov Lieber And Summer Said

Israel on Sunday said it was immediately halting its supply of electricity to the Gaza Strip as part of efforts to coerce Hamas into releasing Israeli hostages and giving up its arms, though Israel currently supplies little power to the enclave.

"I have now signed an order to immediately halt electricity to the Gaza Strip," Israeli Energy Minister Eli Cohen wrote on X. "Enough with the talk. It's time for actions!"

An Israeli security official said the only electricity Israel now supplies to Gaza is a direct line to the enclave's desalination plant, and that power can't be shifted elsewhere inside the enclave. Gaza gets most of its electricity currently from generators and solar panels, the official said.

Israel used to supply Gaza with around half of its total electricity before the current war began, but that infrastructure was damaged by Hamas during the group's Oct. 7, 2023, attacks that sparked the current war in Gaza, and Israel hasn't fixed it since, the official said.

Hamas spokesman Hazem Qassem said Israel practically stopped supplying power to Gaza in October 2023 and that Sunday's decision showed a disregard by Israel for international law.

The war has destroyed much of Hamas's fighting force and much of its infrastructure, including facilities for making weapons and tunnels that serve to connect important military sites, but the militant group still marginally runs the enclave.

While Gaza's desalination plant is likely to stop working, the official said Israel still supplies Gaza's population of 2.2 million with water from three pipelines in the enclave's southern, central and northern regions.

That, too, may soon change.

Israel's move on Sunday is part of a series of escalatory steps it has planned to gradually ratchet up pressure on the U.S.-designated terrorist group now that talks to extend a seven-week cease-fire have stalled.

Israel began this pressure by blocking the entry of goods and supplies into Gaza. Bezalel Smotrich, Israel's powerful finance minister, said last week that the measures would include cutting power and water to Gaza.

If those steps fail, Israel could turn to a campaign of airstrikes and tactical raids against Hamas targets, an Israeli security analyst briefed on the plan said. Next, Israel could again displace the hundreds of thousands of Palestinians who have used the cease-fire to return to their homes, the analyst said.

Ultimately, Israel could re-invade Gaza with far more military power than it has deployed so far in the conflict, with an eye to holding ground and effectively occupying territory while it attacks the remnants of Hamas, people familiar with the plan said.

A high-level delegation from Hamas has engaged in cease-fire talks in Cairo with Egyptian mediators in recent days. Hamas officials, however, indicated they would be willing to go for an interim deal to free American hostages held in Gaza in exchange for an extension of the cease-fire, guarantees to start talks for a second phase, and the release of Palestinian prisoners.

"We affirm our readiness to engage in the second-phase negotiations in a way that meets the demands of our people, and we call for intensified efforts to aid the Gaza Strip and lift the blockade on our suffering people," Hamas spokesman Abdel-Latif al-Qanoua said.

MOAWIA ATRASH/DPA/ZUMA PRESS

Military forces head to Syrian coast to fight insurgent supporters of the deposed Assad regime.

Sectarian Killings in Syria Spiral Into Crisis for New Government

By Suha Ma'ayeh And Saleh al-Batati

Reports of a wave of killings in Syria's coastal region sparked an international outcry, including a rebuke from the U.S., and further inflamed sectarian tensions in what has become the most serious crisis yet for the war-torn country's new government.

The violence began ahead of the weekend with a series of deadly ambushes of state security forces by what the government said were insurgents who supported the deposed Assad regime. Reports soon emerged of reprisal killings that residents said were carried out by fighters affiliated with the government.

The region is home to Syria's Alawites, a minority group that included the Assads and which has been associated with the regime—though many Alawites were among its victims.

A number of residents in the area reached by The Wall Street Journal said convoys of armed men arrived over the weekend and began threatening residents, shooting people and looting and burning homes.

"Near our house, there are 15 bodies, and nobody has the courage to remove them since yesterday," said a resident of Al-Qabu, near Homs. Several others spoke of bodies lying in the streets, and one shared photographs of corpses.

The claims and the affiliations of the attackers couldn't be confirmed, though residents blamed the government and foreign fighters who have bolstered its ranks.

"The United States condemns the radical Islamist terrorists, including foreign jihadis, that murdered people in western Syria in recent days," Secretary of State Marco Rubio said Sunday.

"The United States stands with Syria's religious and ethnic minorities, including its Christian, Druze, Alawite, and Kurdish communities," he said. "Syria's interim authorities must hold the perpetrators of these massacres against Syria's minority communities accountable."

The U.K. and France expressed strong concerns about the violence.

Syria's new leader, Ahmed al-Sharaa, said he was setting up an independent committee to investigate the attacks on civilians as well as those against security forces.

"The remnants of the former regime, along with external forces backing them, are attempting to create new strife and drag our country into a civil war with the aim of dividing it and destroying its unity and stability," Sharaa said, according to state news agency SANA, as he pledged to hold the perpetrators accountable.

Government security forces launched what they called an extensive combing operation Friday along Syria's Mediterranean coast, the heartland of the Assads' Alawite religious minority, after gunmen loyal to the old regime launched deadly ambushes on security forces in the town of Jableh.

The battles were among the fiercest since the new government's forces overthrew Bashar al-Assad in December.

The clashes reignited tensions across Syria, with throngs of supporters of the government taking to the streets in cities such as Hama and Homs in support of the security operation. Reinforcements poured in ahead of the weekend.

A 35-year-old Alawite from the Jableh countryside said large convoys arrived over the weekend and killed many people, as he and other men fled into the mountains.

A university student from Homs in western Syria said there hadn't been widespread killing in her area, but said residents had been threatened and insulted by large numbers of armed men.

"They came to intimidate us," the student said. "They pass by every day to scare us. At night, they were using loudspeakers, calling us traitors and backstabbers."

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TOMMASO PROTTI FOR WSJ (2)

Jesus the Good Pastor shelter in Tapachula, Mexico, which was so overwhelmed that migrants slept on the kitchen floor.

U.S.-Bound Migrants in Limbo

By Ryan Dubé

TAPACHULA, Mexico—Migrants from Latin America and as far away as Afghanistan and China once flooded into this sweltering city near Mexico's southern border with Guatemala. An American government app allowed them to make appointments to declare asylum, and then they waited here for their turn to cross the U.S. border.

Now that the Trump administration has all but ended asylum as a pathway into the U.S., the migrants who fill Tapachula's shelters and churches are racing to find alternatives to their dream of reaching America.

Many of the 30,000 migrants in southern Mexico are trying to find work in the country—at least until American policy changes—but they face limited choices. There are few well-paying jobs in Mexico's poorest state of Chiapas. Criminals target migrants for extortion and kidnapping. To leave Chiapas, where Tapachula is located, for another part of Mexico requires migrants to get asylum, which can take the country's overwhelmed refugee agency a year to process, said local migrant advocates.

"There's been a drastic change," said Yuriria Salvador of Fray Matías de Cordova Human Rights Center, a group offering migrants legal representation and help getting healthcare and education. "In Tapachula, the conditions aren't there for people to stay. There's a lack of housing, no jobs and an environment of xenophobia."

Ecuadorean migrant Johana Velez talks of reaching Monterrey in northern Mexico, where she hopes to find a job. She won't return to Ecuador after a violent gang left dead rats and dogs in front of her bar to get her to pay extortion money. "I'll wait however long is necessary, I'm in no rush," she said. "The United States isn't going anywhere."

Trump administration policies have stopped migration across the southern border cold. In a recent 24-hour period, Customs and Border Protection agents encountered 229 migrants at the southwest border, down from a peak of more than 11,000 daily in the Biden administration, border czar Tom Homan said. U.S. border agents recorded fewer than 9,000 arrests in February, President Trump said, the lowest since record keeping began in the 1980s.

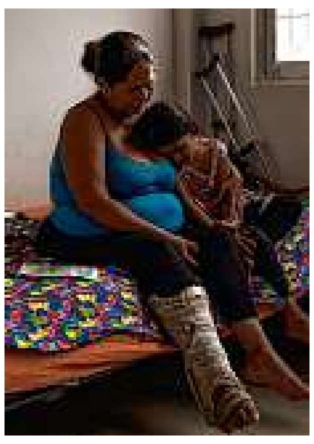
Sugeidi Cabaña, a nurse, fled Venezuela with her two young children in November after strongman leader Nicolás Maduro declared victory in an election that the U.S. said was stolen. She made it to Tapachula after a harrowing journey that included breaking her leg in a viper-infested jungle.

> 'There's a lack of housing, no jobs and an environment of xenophobia.'

Now she is pondering whether to stay in Mexico and see if the Trump administration eventually loosens restrictions. She has a father and brother in Alabama she was considering joining.

She is also wondering if she shouldn't try to stay in Mexico, find a way to get to Canada or go to Chile, which has a large Venezuelan community and where she once lived.

"But not Venezuela," she said. "While Maduro is there, I can't be there."



Sugeidi Cabaña of Venezuela and her daughter are stranded in Mexico. She suffered a broken leg on way to Mexico.

Mexican officials said they would provide humanitarian assistance to migrants stuck in Mexico. And in Tapachula, a government employment program has provided some migrants with jobs, paying about $250 a month to clean the city's streets and paint its curbs yellow.

But most foreign migrants stranded in southern Mexico receive little government assistance, driving them to work under the table and live in dilapidated, overcrowded homes. President Claudia Sheinbaum has offered to assist migrants returning to their home countries.

Benito Llaven, a lawyer in Tapachula, said the influx of migrants has overwhelmed the city. He blames them for leaving piles of garbage on the streets as they wait outside a government refugee agency near his home.

"Trump is defending his country, but he's leaving us the migrants," said Llaven. "And Tapachula doesn't have the capacity to take in so many migrants."

Many migrants are leaving Mexico and making the reverse trek home. More than a few, Mexican government officials said, are expected to head for the U.S. border anyway, seeking more dangerous crossings into the American desert.

And not far from Tapachula along a stretch of the brownish Suchiate River that separates Mexico from Guatemala, migrant crossings have all but stopped, a migrant smuggler said. "There's barely any work right now. What's happening in the U.S. is hurting us a lot," the smuggler said.

There was a rush of migrants into Tapachula ahead of Trump's inauguration—people hoping to reach the U.S. before he overhauled immigration policies.

In February, about 1,700 of them had crammed into the Jesus the Good Pastor shelter, a run-down building that was so overwhelmed that migrants slept on the kitchen floor and the outdoor patio. When news spread that Trump canceled CBP One, the government app that facilitated U.S. asylum appointments, many people broke out in tears.

Michel Barajas, a Venezuelan doctor, isn't sure what she will do. CBP One seemed like a godsend. Most of the Barajas clan got their appointments before Trump took office and got into the U.S. But not Barajas and her 10-year-old son. She is considering trying to make it back to Colombia.

Carney to Lead Canada's Liberals

By Paul Vieira And Vipal Monga

Ottawa—Mark Carney won the leadership of Canada's Liberal Party on Sunday, putting him in line to replace Prime Minister Justin Trudeau and call an election that suddenly seems winnable.

Carney, 59 years old, will officially become Canada's leader in the coming days and take over his country's response to President Trump's trade war. The former central bank chief of both Canada and England is expected to quickly call a general election to take advantage of momentum against the Conservative Party of Canada, which weeks ago seemed on the cusp of a landslide.

The political tide changed when Trump took office in January and targeted Canada with 25% tariffs that threaten the economic model that lifted its growth for decades—duty-free access to the U.S. market.

Trump's remarks about annexing Canada have alarmed Canadian officials, who say they take Trump at his word that he is prepared to crush Canada's economy and force it to give up its sovereignty.

"We have made this the greatest country in the world, and now our neighbor wants to take us," said Carney on Sunday, speaking to Liberal Party members in Ottawa. "No way."

The deeply unpopular Trudeau announced in January that he would resign. Liberal Party members are betting that Carney, a former Goldman Sachs banker, can persuade voters that he can protect Canadian interests.

Nick Masciantonio, a party member from Ottawa, said he believes Carney can "negotiate with force and with an international perspective against Donald Trump." Carney beat three other candidates, including former Finance Minister Chrystia Freeland, whose shock resignation in December triggered Trudeau's downfall.

The Liberal Party had been trailing Canada's right-leaning Conservative Party by roughly 20 points for a year and a half, a reflection of deep disdain for Trudeau and his government's inability to address Canadians' concerns about rising costs.

According to a recent poll by the polling firm Leger, the Conservatives hold a 41% to 33% advantage over a Carney-led Liberal Party. Other polls indicate a much tighter race.

Carney's likely opponent is Conservative leader Pierre Poilievre, who rode public discontent with Trudeau to a big lead in the polls, only to see it vanish with Trump's threats.

Mexican Leader Stages Big Rally in Tariff Fight

By José de Córdoba And Steve Fisher

MEXICO CITY—Mexican President Claudia Sheinbaum celebrated a second month's suspension of U.S. tariffs with a giant fiesta in the capital's central square before a crowd of tens of thousands of supporters bused in from every corner of the country.

Sunday's rally represented a show of unity in defense of Mexico's sovereignty. The popular leftist leader initially planned to use the mass gathering to outline her government's retaliatory measures against unilateral tariffs imposed by the Trump administration. After President Trump decided to put tariffs on hold following a telephone conversation with Sheinbaum last week, the event at the Zocalo turned into a cheerful festival.

Sheinbaum was greeted with shouts of "Presidenta, Presidenta" as she strode across the stage. Dozens of mariachi musicians warmed up the crowd in the monumental square where Mexican leaders have traditionally gone to rally support for historic actions.

Miguel Medina, the leader of a union of Mexican environmental workers, said his union had bused some 3,500 members from six different states, providing them with transport and lunchboxes.

"This is an achievement for everyone," Sheinbaum told the crowd. "Fortunately, dialogue and respect between both nations prevailed," she said of the latest agreement with Trump.

In spite of the triumphal tone, the Sheinbaum administration faces significant headwinds from a slowing economy and deteriorating business confidence, economists say.

Because of Trump's protectionist measures, at least 10% of Mexico's total exports risk facing U.S. tariffs because of lack of compliance with the U.S.-Mexico-Canada Agreement signed in 2018, according to Mexican government estimates. Others say that up to 40% of Mexican exports could be affected.

Mexico's first female president has seen a steady rise in her approval ratings since Trump took office in January.

CHINA

Weak Demand Hits Consumer Prices

China's consumer prices dropped in February, in a sign of stubborn disinflationary pressure, underscoring policymakers' challenge in persuading cautious households to open their wallets as trade tensions intensify.

The consumer-price index was down 0.7% from a year earlier, the National Bureau of Statistics said Sunday, after being up 0.5% in January. Economists polled by The Wall Street Journal had predicted a 0.5% drop.

Economists said the price decline was in part due to a high base from the same period a year earlier, when the weeklong Lunar New Year holiday fell entirely in February versus in late January this year.

Still, economists cautioned that Sunday's downbeat reading indicated that even after a recent stimulus pivot, policymakers have much to do to persuade cautious Chinese households to open their wallets, a daunting task that they said is essential to keeping the tariff-hit economy humming.

With U.S. tariffs coming into effect in February and March, many analysts anticipate the tariff pain will be felt more strongly in the coming months, and Beijing might be forced to deliver another round of easing support.

—Dow Jones

WORLDWATCH

YUICHI YAMAZAKI/AFP/GETTY IMAGES

WALK OF FAITH: To pray for good health and safety, a Buddhist monk took part Sunday in a festival devoted to 'hi-watari'—fire walking—at Takaosan Yakuoin temple in suburban Tokyo.

SOUTH SUDAN

State Department Orders Staff Out

The U.S. State Department on Sunday ordered nonemergency government personnel to leave South Sudan's capital as tension escalates because of fighting in the north. The travel advisory issued on Sunday stated that fighting was ongoing and that "weapons are readily available to the population."

A group clashed with the army Tuesday, leading to the arrests of two government ministers and a deputy army chief allied to the vice president, a former rebel. A 2018 agreement to end a civil war is still being implemented.

On Friday, an attack on a U.N. helicopter that was on an evacuation mission in the north complicated the security situation, and a U.N. rights body said that it was "considered a war crime."

The U.N. Commission on Human Rights in South Sudan on Saturday said that the violence in the north and tension in Juba, the capital, was "threatening to derail" South Sudan's peace agreement.

—Associated Press

TURKEY

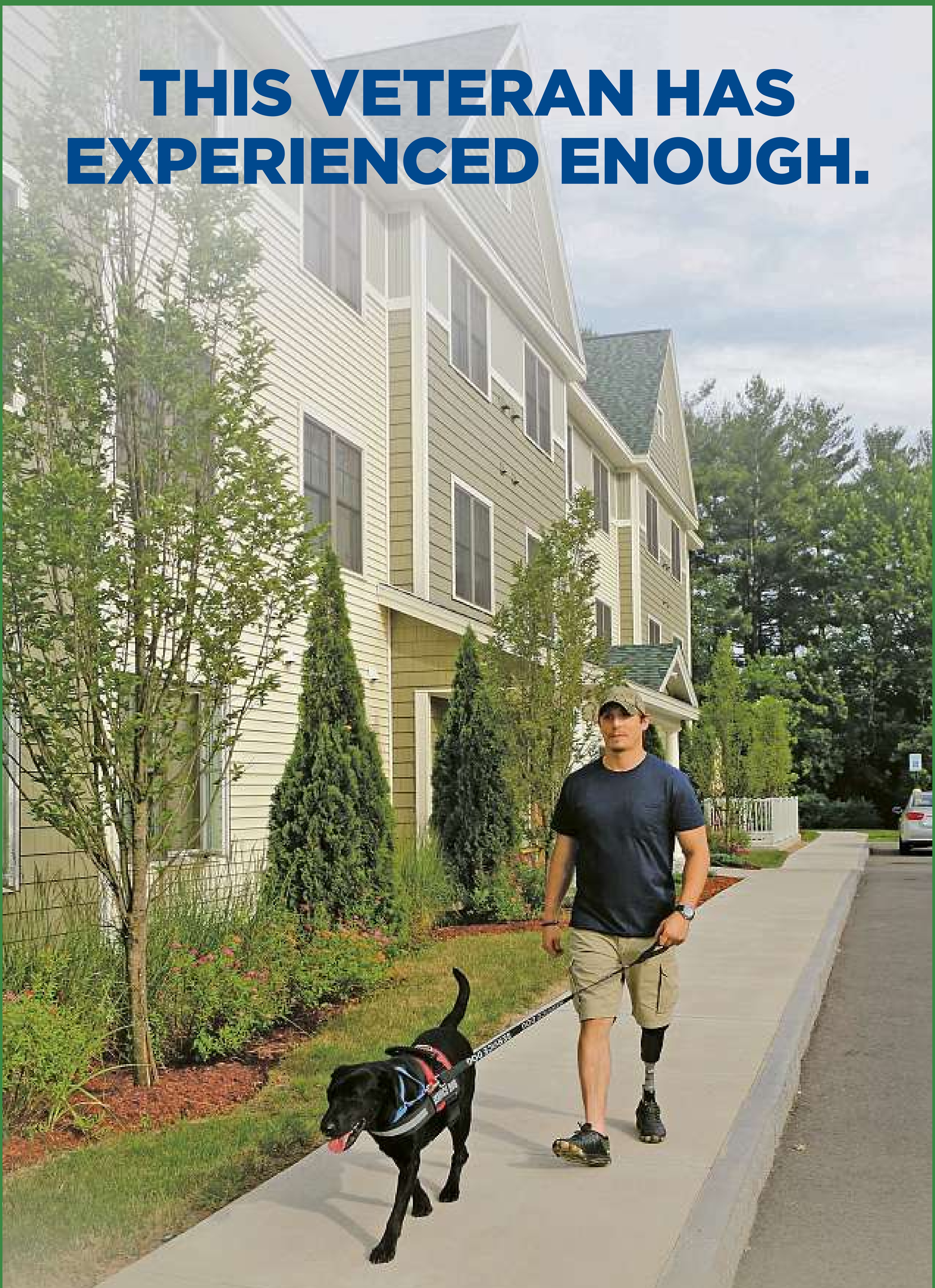
Child's Death Spurs Pledge on Dog Cull

Turkey's interior minister on Sunday pledged to fully apply a law to remove millions of stray dogs from the streets in the wake of the death of a 2-year-old girl.

The legislation was passed by parliament last summer but has been only partially implemented, if at all, by municipal authorities.

Rana El Selci died after being attacked by a pack of stray dogs in Konya on Friday.

—Associated Press


THIS VETERAN HAS
EXPERIENCED ENOUGH.

Russia Advances On Kursk

Continued from Page One
in Kursk threaten a surprise Ukrainian incursion launched in August that quickly overwhelmed unprepared Russian defenses and seized dozens of towns and villages.

One Ukrainian artillery gunner deployed on the Kursk front said he was firing to provide cover for soldiers pulling back from the area.

"I'm covering their withdrawal so that they don't become encircled," the soldier said in a phone message. "Right, f— them up," he said to a colleague.

Ukraine's leadership touted the push into Russia, the first by a foreign army since World War II, as a way to prevent a Russian attack from there, and to capture prisoners for exchange and boost Kyiv's negotiating position in case of peace talks. Critics said it drained resources needed to protect the front elsewhere when Ukrainian troops were already stretched.

Russia threw vast resources into attempting to retake Kursk, suffering large losses. It deployed some of its best units there and, in December, sent more than 10,000 North Korean troops.

The North Korean troops, unprepared for the modern battlefield, were initially eliminated with relative ease. But they are now creating difficulties because, unlike their Russian counterparts, they push forward in waves, exhausting Ukrainian resources, said Roman Pohorily, a co-founder of DeepState, a Ukrainian group that analyses images and videos posted on social media and information from troops to produce an accurate map of the front line.

"All these latest advances, in most cases, are thanks to them," Pohorily said.

Once the North Koreans break through, Russian troops follow them to secure the positions, pushing back Ukrainian defenses.

The Russian army has been preparing the offensive in Kursk since January, Pohorily said. That is when drone operators and artillery units began probing a critical Ukrainian supply route for weaknesses, then bringing in a high number of drone operators to bombard it.

"Everything that's moving to there or from there—95%—is attacked," Pohorily said of Kursk.

Drones are playing a key role in the Russians' push forward, and the strong reconnaissance means Ukrainians have trouble moving unnoticed. Soldiers said Russia was using huge numbers of drones controlled via a thin fiber-optic cable, which prevents Ukrainians from downing them using electronic jammers.

One Ukrainian soldier operating in the area said Russia was at times deploying drone pilots closer to the front line than usual, extending their explosive crafts' ranges.

The air dominance means not only equipment, but also even troop movements don't go unnoticed, soldiers said.

Another soldier said rotating soldiers into front-line positions often required walking 15 miles on foot. "That's why everything is collapsing."

It is as yet unclear whether Ukrainians would deploy reinforcements to try to stabilize this part of the front or will need to pull out from Kursk altogether as heated battles continue. If Ukrainians do pull out, it would bring Russians closer to the Ukrainian region of Sumy, where Kyiv's troops will need to continue their defense.

Withdrawing would create difficulties not only militarily, but also politically, as Ukraine had hoped to trade Russia's Kursk region for a chunk of Ukraine occupied by Moscow's forces. It could also feed into Washington's narrative of Ukraine potentially negotiating from a position of weakness—a perception strengthened by President Trump's decision to withdraw military aid.

Despite the difficulty in Kursk, Ukraine has had success elsewhere at the front. After a grueling battle, it has managed to halt Russia's offensive on the city of Pokrovsk, which looked all but lost only a few months prior. Ukraine also has mounted a successful counteroffensive in the eastern city of Toretsk, where Ukrainian forces gained ground.

Analysts are divided on whether Russians fighting in the east are regrouping or running out of steam amid heavy losses. Even as brutal battles continue, Russia loses more people and materiel than Ukraine on the battlefield.

U.S.-Made Hole Opens In Ukraine

ROMAN CHOP/ASSOCIATED PRESS

Ukrainian servicemen firing an M777 howitzer, designed for the U.S. Army in the 1980s, toward Russian positions near Donetsk.

Continued from Page One
nition run down, and weapons systems cannot be repaired or replaced, officials and analysts said.

The main immediate impact will be felt from the cutoff of intelligence, which will constrain Ukraine's ability to accurately target long-range strikes to knock out Russian troops and equipment before they reach the battlefield. On Friday, Maxar Technologies said that the U.S. has cut off Ukrainian access to the satellite images that the company supplies through an American government program—imagery used by Ukrainian forces to plan and mount operations, particularly using explosive drones.

A lack of fresh arms deliveries will take longer to have an impact but the effect would be broader. A dwindling stock of long-range air-defense missiles would erode Ukraine's ability to intercept Russian ballistic missiles targeting cities. A lack of spares could see its top-performing infantry fighting vehicles and howitzers fall out of use. Although the immediate reaction from front-line soldiers was one of weary resilience, morale is likely to suffer as the withdrawal of support from Ukraine's main backer saps confidence.

"These impacts will cascade and compound," said a U.S. official.

"Russia is using missiles and weapons from all over the world, from North Korea to Iran, to fire from all directions into Ukraine. But we have limited Ukraine in using our weapons to fire back," said retired Air Force Gen. Philip Breedlove, who served as the top NATO commander from 2013 to 2016 and has been a strong supporter of Ukraine.

Top U.S. officials are meeting on Tuesday in Saudi Arabia with their Ukrainian counterparts to set the stage for potential peace talks between Ukraine and Russia, raising the possibility that the pause in assistance could end soon.

Whatever happens, leaders in Kyiv said that Ukraine will keep up the fight. The Biden administration increased supplies of ammunition ahead of Trump's inauguration in anticipation of a potential cutoff. Ukraine makes more than half of its own weaponry, including game-changing drones. European Union members, which along with the U.K. have roughly matched U.S. military support to Ukraine since Russia's 2022 invasion, met Thursday to agree on a surge in military spending that could allow them to offer more support to Ukraine.

"It's no longer 2022," Zelensky said in a video address Tuesday. "Our resilience is higher now. We have the means to defend ourselves."

The Kremlin has welcomed the pause to U.S. deliveries, which came just as Ukraine has significantly slowed Russian advances in recent weeks. Russian President Vladimir Putin is far short of his ultimate goal of subjugating Ukraine and is struggling to achieve his shorter-term objective of occupying Ukraine's two easternmost regions.

Ukraine's defenses have inflicted heavy losses on Russian forces as they have nibbled off small pieces of land along the 800-mile front lines.

Ukraine's defensive strategy relies on eliminating Russian troops and weaponry before they reach Ukrainian front-line trenches, which are manned by increasingly exhausted and thinned-out infantry.

More than half of front-line strikes are carried out by small explosive drones manufactured in Ukraine, which accurately target Russian armored vehicles and infantry.

The use of drones has offset Russia's artillery advantage. Russia has more guns and more shells, bolstered in recent months by supplies from North Korea.

The U.S. accounts for over half of Ukraine's foreign supplies of the important 155mm artillery shells, according to one person familiar with the matter. Even with U.S. shells, Ukraine currently is able to fire one for every three Russia does, that person said.

"We already don't have parity with Russia in weapons and ammunition," said Ukrainian Army Lt. Dmytro Yanok, who commands an M777 battery. "If the U.S. ends ammunition deliveries for good, the situation will become much worse."

Franz-Stefan Gady, a Vienna-based defense analyst, said that could necessitate tactical withdrawals in some areas, although he believes the front can hold in the near term. "Overall it's not catastrophic," he said. "The dependence on the U.S. is much less in 2025 than it would have been in 2022 or 2023."

Ukraine's military relies heavily on the U.S. for rockets and missiles that can strike accurately behind Russian lines.

The U.S. provided High Mobility Artillery Rocket Systems, or Himars, to Ukraine in 2022 that fire Guided Multiple Launch Rocket System rockets, or GMLRS with a range of about 45 miles. GMLRS strikes have destroyed Russian command posts, ammunition dumps, fuel stores and groups of infantry. It is a lack of these rockets which perhaps will affect Ukraine most, followed by artillery shells and air-defense missiles, said a former senior U.S. official involved in supplying Ukraine.

Himars also launch longer-range ATACMS, which can shoot up to 186 miles. These ballistic missiles have been particularly effective at striking Russian airfields, command centers and supply lines in occupied Ukraine, and since November in parts of Russia.

During a rapid operation to seize a chunk of Russia's Kursk province last fall, Ukraine used GMLRS to strike a column of Russian armored vehicles rushing to the battlefield and hit bridges to cut supplies to front-line troops.

Long-range strikes depend on U.S. intelligence, which helps determine targets and provide accurate location data, so the intelligence cutoff will affect strikes even before ammunition is depleted.

Ukraine was already running low on ATACMS at the end of last year.

"We've not seen a single confirmed ATACMS strike into Russia since Donald Trump was inaugurated," said George Barros, an analyst at the Institute for the Study of War, a Washington-based think tank.

The loss of U.S. ammunition would be compounded by the degradation of weapons already supplied if they cannot be repaired or replaced.

The M777, a howitzer designed for the U.S. Army in the 1980s, is Ukrainian artillerists' favorite weapon, said Col. Serhiy Musiyenko, deputy commander of Ukraine's missile and artillery forces.

It can shoot 19 miles, compared with the 15-mile ranges of their Soviet artillery, and its accuracy gives Ukrainian gunners an advantage over the Russians, Musiyenko said.

Ukraine was using Soviet artillery until it received its first 12 M777s near the northeast Ukrainian city Izium in June 2022.

"We immediately felt the advantage," Musiyenko said.

More M777s have been sent to Ukraine, or around 180 pieces, than any other artillery. All but around 10 have come from the U.S.

While the M777 was designed and jointly made in the U.K., it was created for the U.S. Army and so its maker, BAE Systems, needs Washington's approval to sell guns and parts abroad.

European nations later sent howitzers that could hit further and at a faster rate. They were also self-propelled so could escape counter fire faster than the towed M777 once they had fired.

But many Ukrainians still preferred their M777s because they were easy to use, rarely broke down and if damaged were quickly repairable. Among self-propelled artillery, Ukrainians like the U.S.-supplied M109 because its cab provides good protection.

Ukraine's stock of M777s is on average off the battlefield for repairs half the time of the country's more modern self-propelled artillery, according to one Ukrainian official.

A lack of spare parts could also eventually remove many Ukrainians' favorite infantry fighting vehicles from the battlefield. The Bradley, an aging though highly mobile vehicle, can quickly shuttle troops to and from the front lines and protect them from drones and guided missiles.

The U.S. has supplied more than 300 Bradleys, which are no longer in production. Last year, U.S. officials said they aimed to provide three months of spares for equipment sent to Ukraine.

Ukrainian mechanics have already become adept at manufacturing their own spare parts. At one repair depot, around 20% of the parts that Ukrainian mechanics used to fix damaged M777s, including hoses and some gauges, were domestically produced.

That doesn't always work. The M777, for instance, is made of titanium, an ultralight metal that is hard to weld and not readily available. German officials have said Ukrainian attempts to use foreign parts on their tanks and howitzers often ended up further damaging the vehicles.

Even with U.S. supplies, Capt. Oleksandr Shyrshyn from the 47th Brigade hasn't always had enough spares for the Bradleys under his command. The Bradley is the best infantry fighting vehicle he has worked with, and it would be unpleasant if the lack of spares puts them out of action, he said. But there are not enough of them to have a critical impact on Ukraine.

"We have other means," he said.

Alongside more traditional weapons, the U.S. makes some of Ukraine's most sophisticated and new equipment. Europe has supplied much of Ukraine's short- and midrange air defense. But Europe currently has nothing on land that can compare to the U.S. Patriot system's ability to destroy Russian ballistic and hypersonic missiles.

The Patriot's success can be seen in Ukrainian government data. Between October 2023 and last November, Ukraine shot down only 10% of ballistic missiles, according to data from the Ukrainian Air Force. But those fired at Kyiv, where Ukraine has at least one Patriot system, were typically intercepted.

"Everyone wants a Patriot," said Viktor Petryshyn, a Ukrainian air defense commander.

Ukraine has around five Patriot systems, three of which come from the U.S. Ukraine's biggest problem will now be getting U.S.-made missiles.

"It would expose Ukraine's critical national infrastructure even more," said Nick Reynolds, a research fellow at the Royal United Services Institute in London. Ukraine's electricity grid has been targeted through much of the war.

The intelligence cutoff could deprive Ukraine of early warnings about missile strikes that have helped defenders down missiles.

Russia launched a large-scale aerial bombardment of Ukrainian cities early Friday with 67 missiles and 194 attack drones, according to the Ukrainian Air Force. The majority were intercepted, the air force said, but officials reported damage to power and gas facilities. Early Saturday, Russia struck the eastern city of Dobropillya with two ballistic missiles, killing at least 11, Ukrainian officials said.

Ukraine, meanwhile, is relying on innovation of its own. Ukrainian companies are producing drones that fly on autopilot to strike a target selected by an operator, preventing Russian jammers from downing them.

"Technology development dictates the battlefield, not America," said Taras Chmut, head of Come Back Alive, a charity supplying weapons to the Ukrainian army. "America has fallen behind modern warfare. Europe has fallen behind modern warfare. Ukraine is waging the war of the future."

Ukrainian front line

Russian forces in Ukraine

Ukrainian forces in Russia

Note: As of March 5
Source: Institute for the Study of War and AEI's Critical Threats Project

CLODAGH KILCOYNE/REUTERS

A Starlink communication device on the front line in 2023.

◀ Fred Schlissel and his wife, Betty, have been married for more than 70 years.

Couples in Their 90s Adjust To Reality of Aging Differently

Elderly are grappling with how and whether to stay together when one can't care for the other

TURNING POINTS

CLARE ANSBERRY

Fred and Betty Schlissel met on a Halloween blind date, fell in love and got married. The couple bought a house, raised three children and traveled around the world.

More than 70 years later, their love story continues, though not in the way they expected.

Every morning, Fred, 94, wraps a small piece of cake in a napkin, leaves his apartment, and walks over to see his wife. Betty, 93, has dementia and lives in an apartment in the same complex where she receives memory care. No longer able to feed herself, he brings the cake to her lips. When she is done, he reads her an article or something he has written.

"You like it?" he asks one recent morning. She looks at him and nods.

"That fulfills me," says Schlissel.

The Schlissels, like millions of couples, aged in tandem chronologically, but not physically and mentally. With Americans living longer with chronic conditions, those differences are becoming more pronounced.

Dr. Louise Aronson, a geriatrician and author, says aging paths often diverge as people grow older, due to biology and behavior. There are gender-based differences in immune and blood systems, cell structure and brain, as well as genetic traits, habits and, at times, luck. A partner who smoked, loved red meat, didn't exercise and was a stressed workaholic is likely older biologically than a similarly-aged partner with healthier habits, says Aronson.

Differing needs

With more than 1.5 million units for independent living and assisted living, and occupancy rates of close to 90%, this is where the change in how couples age is coming into sharp relief. The Schlissels chose RiverSpring Living, a 32-acre campus in Riverdale, N.Y., that offers independent-living, assisted-living and nursing-care options.

RiverSpring CEO David V. Pomeranz says he sees more couples living apart on the campus and more have expressed interest. He attributes this to extended longevity and more people with dementia. Spouses can't take care of partners but don't want to be far apart.

"They get married, have kids and get old together," he says. "They never thought they might have different needs."

When they do, long-time couples who can no longer care for each other are left to grapple with how and whether they can stay together and what options they can afford.

RiverSpring's independent living and assisted living apartments are largely private-pay. Monthly rent for a one-bedroom unit in independent living ranges from $4,700 to $10,500; a memory care unit in assisted living ranges from $15,496 to $16,848.

The campus also has 35 assisted-living apartments available for those on Medicaid. There's a waiting list.

Pomeranz says such arrangements free the healthier spouse from 24/7 care, and gives them time for themselves.

Emotional benefits

Marcia Miller, 81, lives in an independent-living apartment on the campus. Her husband, Barnett, is in a memory unit. She can't tend to his needs, but sees him daily and knows he is cared for. Marcia can take classes and go to the museum. "We don't age at the same rate. We're individuals," she says.

There are practical but also emotional benefits of living apart but close, says Aronson, the geriatrician. Regardless of age, many older couples remain dedicated to each other and find comfort in being near.

The healthier partner's presence shows the staff that someone cares and is watching. A person with dementia may not recognize the partner, but might know their voice or their face and find that familiar and comforting.

▲ Fred Schlissel shows Betty the photo he took and tells her how beautiful she looks.

The Schlissels married young; Fred was 22, Betty was 20. He spent most of his career as a management consultant and adjunct professor. Betty raised the kids, obtained Master's degrees in education and library science, and worked in libraries. They had an active life, attending the ballet, enjoying the symphony and visiting national parks and ancient ruins.

About 10 years ago, Fred began noticing early signs of dementia in Betty. He, along with his children, realized the couple could no longer manage their five-bedroom home.

They moved into a two-bedroom apartment. Fred, who prides himself on being self-sufficient, cared for Betty as her dementia worsened. After a while, Betty couldn't feed herself, walk or talk.

"I was deathly afraid of falling with her," he says. "I'm a little guy and I'm old."

Staying engaged

The day Betty moved into a memory care apartment last summer, Fred rented a one-bedroom apartment in the same complex. It's an 8-minute walk.

"I had to be with Betty. That was the most important thing," says Fred. He also thinks it alleviates some worry for his children, who were active in their parents' lives and concerned about them both.

His daughter visits twice a week. On Sundays, his sons and his daughter-in-law come to see their mom and then go to dinner and a play with their dad. "My dad needs to still enjoy this life," says his son, Alan Schlissel, noting that his dad is sharp and in good physical health for his age.

Fred keeps active, walking 20 minutes on a treadmill and lifting hand weights. He organized a discussion group to explore Jewish teachings. He reads two newspapers and audits a class in psychology offered by the college next door.

He is fortunate, he says, that he and Betty can afford their arrangement. His one-bedroom apartment is comfortable and comforting. Artwork and woven tapestries from the couple's trips to Nepal, Bhutan and China are on his wall.

Fred sees Betty twice a day, once in the morning and later in the afternoon. He'll tell her what is on his mind, read articles from the Financial Times and passages from essays he has written.

One called "How Old Are You?" recalls the time a panhandler refused Fred's money, saying the couple was too old. Then in their 70s, they laughed. But it made Fred start thinking about perceptions of aging and variations in chronological age and physical age.

Fred reminisces, recalling their Halloween blind date. He was an hour late and dressed as a circus strong man, while she dressed as a farm girl in jeans and a flannel shirt. "Remember that, Betty, how we met?" he asks one morning, looking at her eyes for her subtle response.

He stays with Betty until she falls asleep.

Set Savings Goals By Picturing Future

By Martha C. White

It isn't always easy to save for retirement, in part because for many people it is so far away that there's no sense of urgency.

New research suggests a solution: Make the future feel closer.

"People struggle to save for the future, and part of the reason why is people struggle to connect with the future," says Katherine Christensen, an assistant marketing professor at Indiana University and the study's lead author. "We wondered, based on past research, if people felt more connected to their future selves, would they be more likely to save?"

After conducting and analyzing a series of 20 experiments to test this hypothesis, Christensen says the answer is yes.

The research found that when we think about the future, more than 80% of the time, we actually start off by thinking about the present.

"What we did is essentially flip that," Christensen says. Start the thought process by imagining that future before you turn your thoughts back to the present and the savings goals you need to meet to make it happen.

You're more likely to save for a future that feels imminent.

Saving more

While the difference is subtle, it has been shown to motivate people to save more. In one experiment carried out by the research team with more than 6,700 customers of a Swedish fintech company, people with low-balance savings accounts were 14% more likely to invest in a long-term savings product when they received a notification with language prompting them to think about the future first.

Hal Hershfield, professor of marketing, behavioral decision-making and psychology at the University of California, Los Angeles, and one of the study's authors, says the prompts were designed with deliberately simple verbiage. "[We] had language along the lines of: 'The year is 2034...rewind back to 2024 and consider saving for 2034 you,' " he says.

While the research was tailored to give institutions like banks insights into how to make customers save more, Hershfield says individual savers can apply their findings using similar wording.

"The key here is to start in the future and rewind back," Hershfield says, "rather than the traditional approach of only starting now and zooming ahead to the future."

Short trip home

The authors of the new study based their hypothesis on earlier findings that people perceive trips to unfamiliar locations as lengthier than return trips of identical duration.

In other words, we perceive traveling home as quicker than journeying to an unknown destination.

This cognitive quirk takes place because uncertainty creates mental distance, Christensen says. That is, people perceive the unfamiliar as being further away than the familiar. This "going home effect," as scientists call it, holds true for how we think about years as well as miles—which is where the connection to saving for future events or life stages comes in.

You're more likely to save for a future that feels imminent, Christensen says. "Since the present is more certain than the future, we're reducing the feeling of uncertainty" by anchoring subjects with a mental destination of familiar present-day reality, she says. "In our nudge, you basically move towards certainty."

ON THE CLOCK
CALLUM BORCHERS

Parents in Tech Engineer A Career Switch for Their Kids

Hands-on jobs in the arts that demand creativity are seen as less vulnerable to AI

Parents have been steering their children into science and technology fields for so long that some of those kids are grown with little ones of their own. Their advice? Careers in the humanities, arts or skilled trades might be safer bets for the next generation.

Bots that write software and perform surgical tasks inspire fear that today's glut of STEM majors are in a bubble, kind of like their predecessors who flooded finance programs in the roaring '80s. From 2009 to 2022, the number of bachelor's degrees awarded in computer science nearly tripled, according to the National Center for Education Statistics.

If the people who work on tech's cutting edge think their children should reverse course, then maybe the rest of us ought to reconsider our parental guidance.

Dan Dumont recently did what any responsible engineering director would do: He asked his favorite artificial-intelligence assistant whether his children, ages 2 and 1, should follow in his footsteps.

Maybe not, the bot warned. It recommended fostering creativity and people skills, while stopping short of prescribing specific jobs for the toddlers.

The advice jolted Dumont, 38, who works at a software startup in Greater Boston. He thought back to his time at a vocational school in Massachusetts two decades ago, when he felt confident that enrolling in college and launching a tech career was more promising than the blue-collar paths of most classmates. His professional life has generally reinforced that belief.

Now, as he and his wife mull a home renovation with their third child due this summer, he suspects the odds could be different for his kids. "Maybe they should be contractors or electricians," he says. "Maybe we shouldn't push them into technology."

Hands-on hedge

More parents are coming to the same conclusion, says David Ferreira, spokesman for the Massachusetts Association of Vocational Administrators. He says vocational school was long looked-down-on in a state known as a science and tech hub.

"It was where other people's kids went—kids who learned with their hands and who were not college material," he says of many white-collar parents' thinking.

Not anymore. Ferreira says 1 in 5 Massachusetts high-schoolers is in a vocational program, about 30% more than a decade ago. And trade schools that used to accept virtually everyone now have hundreds of teens on wait lists. Demand is so high that several mainstream public high schools in the state are reviving or expanding shop classes, part of a nationwide trend.

Parents who pictured their children in desk jobs are drawn to vocational education because the schools have upped their academic standards and provide a hands-on hedge against AI, according to Ferreira.

"They see a dual pathway where their kids can go to this kind of school and have options at the end," he says. "They're qualified to go on to college or go directly into the workforce."

▲ Dan Dumont asked an AI assistant whether his children should follow him into engineering. The bot recommended fostering creativity and people skills.

▲ Rajeev Madumba, who did an M.B.A. in information systems, tells his teenage daughter, an aspiring biology major, that teaching dance could be a fallback plan.

CLOCKWISE FROM TOP: JOANNE JOO; RAJEEV MADUMBA; DAN DUMONT

'Rode the wave'

Jeannie Chung deals with constant anxiety about children's career prospects—and she doesn't even have kids yet.

She works in Washington state as an applied AI lead at a large tech company and has become an unofficial counselor to the many parents in her social circle who want inside advice.

"Jobs that require just logical thinking are on the chopping block, to put it bluntly," she says. "I think the pendulum is swinging back to the creative side of things."

Chung, 32, initially wanted to major in English and become a fiction writer. Her parents worried there was little money in the liberal arts, so she studied biomedical engineering and electrical computer engineering instead.

There were 30 students in her introductory computer science class at Duke. The same course had more than 300 students by the time she graduated.

She developed a genuine interest in technology. But Chung also says she and many peers "rode the wave" to careers that appeared lucrative and safe, instead of following their passions.

How ironic, 10 years later, to see the recent spate of tech-sector layoffs. Not that novel writing is a sure ticket to stability, but rapid labor-market changes show the potential folly of trying to predict hot jobs for your kids. If someday Chung has a daughter who wants to be a book author? "I'll be like, 'Work on your style and work on your voice,'" she says. " 'Your creativity is your value.' "

Fallback plan

Technology training has seemed like a golden ticket to Rajeev Madumba since he came to the U.S. from India in the early aughts.

"Coding was not my cup of tea, but it was evident that this was the next frontier, so I did an M.B.A. in information systems and e-commerce," he says.

It served him well. Madumba, 52, leads the global healthcare practice at 22nd Century Technologies in McLean, Va.

Like a lot of parents who watched tech companies hit trillion-dollar market values, he urged his two children to learn Python and other computer programming languages when they were young. He figured it would be a valuable skill in their back pockets.

Now he's not sure whether an entry-level coding job is a reliable fallback plan—or if such a role will even exist in the future.

These days he's encouraging his teenage daughter's musical interests while she looks at colleges and considers majoring in biology. He's noticed the woman who runs their local dance studio appears to earn a nice living—and her job looks relatively bot-proof. "I keep telling my daughter, if nothing else works out, you could still help others learn to sing and dance and you should be OK," he says.

Sorry, It Isn't You, It's Minnesota

Continued from Page One

Keeping the snoops at bay was doable in previous host cities like Chicago and Atlanta. But Minneapolis-St. Paul, where this season is set, is a different world.

The pool of young singles that the show drew from all grew up in the surrounding area and went to college nearby before settling in the Twin Cities, probably close to parents and other extended family.

"Minnesotans love to talk," Thibault said. "Minneapolis isn't small but everyone is connected to each other."

The combination of a nosy fan base and Minnesota's smallness has produced a season like no other, with outsiders inserting themselves into the action and derailing relationships in the process.

Minnesotans say the whole thing was inevitable.

"You date people who know people you dated before," said Dan Kauppi, a 40-year-old lawyer who lives in Minneapolis. "It does seem like your past comes up if you have one."

The show is regularly in Netflix's top 10 charts, and it has been produced in other countries including Japan, Brazil and the U.K.

Creator Chris Coelen has called the show a social experiment. The first phase involves 10 days of contestants sitting in individual rooms called "pods" and communicating by speaker.

Over the seven previous seasons, less than half of the 206 cast members got engaged in the pods and 26 got married. In Minneapolis, four couples will be walking down the aisle as the finale of the show's eighth season premiers on Friday.

Netflix declined to comment. Kinetic Content, the show's production company, didn't respond to requests for comment.

One of the first signs that this season would be different came while the show was being shot last March.

A sleuth who had figured out the identity of the contestants and their Instagram handles leaked the information in a local Facebook group called "Are We Dating The Same Guy?" As the list began to circulate the connections piled up.

A woman who claimed to have dated Mezzenga posted a video in which she criticized the show for casting men who lie.

The video was shared widely enough that in one episode, Mezzenga's fiancé, Sara Carton, sees it while scrolling through her phone and confronts him. Mezzenga tells her that he had seen the video and decided to block the woman. He told Carton he hadn't talked to the woman in over four years and that she was overreacting.

"I just honestly can't remember what happened," Mezzenga told Carton on the show. Their wedding is supposed to feature in Friday's show.

Minnesota's smallness reared up again when cast members David Bettenburg and Lauren O'Brien broke off their engagement.

In the show, Bettenburg reveals that one of his friends told him they knew who she was and who she had dated, and that O'Brien was dating someone until the weekend before going on the show. In one episode the two argue about it, prompting Bettenburg to cancel plans for her to meet his friends.

O'Brien tells him the relationship in question was a "friends with benefits" situation and that it ended a week earlier than his friends claimed.

David Bettenburg heard from friends about Lauren O'Brien's dating history, which was trouble.

NETFLIX

"They have a mutual friend. Very Minnesota," O'Brien said of Bettenburg and her ex during a podcast interview this week.

Much of the information trickled out on Facebook, where groups devoted to the show gather to share tidbits and tip off other fans.

Adriana Holley, who at the time the show was filming was living in the building where the couples were quartered, moderates the "Love is Blind Minneapolis Updates" Facebook group.

Last March she posted an email from her building's management company letting tenants know that a film crew was moving into the building. Then she started compiling a list of the bars and restaurants where filming had already taken place so she could stake out places they hadn't been.

"I wanted to see if I could get in the background of the shot," Holley said. She guessed right about one of the spots but didn't get on the show.

In October, a fan in a different Facebook group shared a marriage certificate for two of the cast members and their photos from social media.

Despite the fan-fueled drama, some viewers say this season is largely devoid of the intrigue that permeated past seasons and have started referring to the show as "Love Is Bland."

Some complained when it took about half the season for the cast to move past the initial pod stage—a dead giveaway that the in-person portion of the show that would follow lacked fireworks.

Locals say that, too, is Minnesota's fault.

Natives, they say, might be too aware that people they know might be watching the show so they're keeping their guard up.

"Leave it to Minnesotans to be too stable and even-tempered to deprive us of the early train wrecks that have been so satisfying in previous seasons," Laura Yuen, a columnist for the Minnesota Star Tribune, wrote last month.

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ARTS IN REVIEW

BRANDON PATOC

▲ Violinist Renaud Capuçon and conductor Marin Alsop with the New York Philharmonic.

MUSIC REVIEW

A Flowing, Finely Textured Premiere

Nico Muhly's Violin Concerto makes an engaging debut in New York

By David Mermelstein

New York

Despite his relative youth, the 43-year-old Nico Muhly has long been among America's most prolific composers. He's also one of the most critically acclaimed—for richly textured, innovatively scored works of generally immediate appeal. Yet even for him, it's been a banner season. In September, a concerto he wrote for the French pianist Alexandre Tharaud was given its premiere by the San Francisco Symphony under Esa-Pekka Salonen. In January, the Los Angeles Philharmonic presented the debut of his Concerto Grosso. And on March 14, a trumpet concerto titled "Doom Painting" will receive its first performance, in Antwerp, Belgium. But let's not get ahead of ourselves: Mr. Muhly's Violin Concerto was unveiled this past Thursday. Commissioned by the New York Philharmonic for the French violinist Renaud Capuçon, it was conducted by Marin Alsop at Lincoln Center's David Geffen Hall on a program repeated Friday and Saturday.

Though Mr. Muhly (pronounced MYOO-lee) said he didn't compose the Violin Concerto with Mr. Capuçon's particular talents in mind, the work, at least based on first hearing, seems tailor-made for him. The violinist is hardly unknown in the U.S., if less famous than his younger brother, the cellist Gautier Capuçon. And he has a fine, focused tone—both less wiry and less plump than the sound of some esteemed peers. That and his innate musical good taste and natural style made hearing him again a joy.

Yet even as Mr. Muhly's latest concerto is enriched by Mr. Capuçon's sensitive and committed reading—to say nothing of his onstage élan—the piece needs no special pleading. Written in three movements without pause and estimated to run 23 minutes (in reality, just 19, at least on opening night), the work grabs a listener from the outset, with the soloist staking high-pitched claims against an initially spare orchestral background—ambivalent oboes (later supplemented by other woodwinds), a pair of shadow violins, eventually a plinking piano.

As the piece progresses, the textures thicken and thin accordingly, with the soloist both a happy fellow traveler and a scorned outsider. And thanks to the pervasive use of suspensions, in which a note from one chord persists in a successive one, the tension never flags. An extensive percussion battery, stretching across the entire back wall of the stage, includes such unexpected items as bottle caps and assorted latchkeys, along with Asian bells, strings of beads, and bowed vibraphone and crotales.

Though the first movement naturally begins amid silence, the second and third flow organically and directly from the material that precedes them. Yet most listeners will know where they are simply by the music's tempo—faster in the outer movements; slower in the middle one. The work's cadenza, in which only the soloist plays, comes, unconventionally, about two-thirds through the second movement, rather than at the conclusion of the first. But its echoes of Bach connect it to musical tradition even if its placement doesn't.

Speaking of tradition, Mr. Muhly's concerto may at various points remind some listeners of other music—which is no criticism, as virtually all creative work builds on what came before. This composer has a long association with Philip Glass, for example, and his influence is not difficult to detect, though to my ears those chugging Minimalist cells and quicksilver figures seemed closer to John Adams. I even felt Samuel Barber's ghost smiling down sometimes. But Mr. Muhly's own voice was always the loudest in the room. And both Mr. Capuçon and Ms. Alsop made sure everyone could hear it.

Preceding the concerto was a stirring, well-modulated account of Beethoven's "Leonore" Overture No. 3, in which Ms. Alsop demonstrated her prowess on the podium through disciplined phrasing and careful terracing of Beethoven's plethora of climaxes. Ray Riccomini's clarion trumpet, played offstage, only enhanced the drama.

After intermission, Ms. Alsop led the symphony in two orchestral bedrocks: Brahms's "Haydn" Variations and Stravinsky's 1919 suite of themes from his "Firebird" ballet. Especially impressive was her ability to achieve well-wrought balances in a refurbished hall whose acoustics few have tamed fully. She also has clearly mastered the art of dynamic nuance, coaxing the orchestra to crescendos that delighted, rather than assaulted, the ear. Her interpretive choices in these warhorses were conventional, and the unjaded, straightforwardly projected performances were all the better for it.

Anything but a showboater on stage, Ms. Alsop, a former music director of the Baltimore Symphony, is a well-traveled American conductor of the no-nonsense school—ironic given her reverence for her old teacher, Leonard Bernstein. Her concerts are all about the music, and so it was heartening to observe not only a very full house coinciding with her guest appearance, but also the intensity of the applause she garnered throughout the evening. Judging quality in relation to audience reaction is a precarious business. But I haven't heard this orchestra sound better in Geffen Hall this season. Here was an exquisitely calibrated program, flawlessly performed. So at the risk of incurring the beadle Mr. Bumble's wrath, please, sir, may we have some more?

Mr. Mermelstein is the Journal's classical music critic.

OPERA REVIEW

'Moby-Dick': Musically Adrift at the Met

By Heidi Waleson

New York

If "operatic" is a synonym for "big," Herman Melville's sprawling novel "Moby-Dick" should be ideal source material for the stage. Jake Heggie's 2010 operatic treatment certainly took up a lot of aural and visual space at its Metropolitan Opera premiere on Monday, but there was an emptiness at its heart.

The composer and his librettist, Gene Scheer, pared down Melville's gargantuan text—with its digressions into whaling lore, cetology, and philosophy—into a conventional narrative tracking Captain Ahab's monomaniacal quest for revenge on the white whale that took his leg. Everything happens aboard the Pequod; there is just one whale hunt before the fatal finale, and one encounter with another ship (there are nine in the novel). Crucial character episodes are included: The friendship of the innocent young narrator (here called Greenhorn instead of Ishmael) and the pagan Polynesian harpooner Queequeg; the resistance of the first mate, Starbuck, to Ahab's madness; the loss and recovery of the cabin boy Pip. They are strung together with big choral numbers as the sailors declare their fealty to Ahab and some orchestral interludes evoking the passage of time at sea.

This adaptation of Melville's classic doesn't plumb the novel's depths.

But Mr. Heggie's tuneful music fails to supply any underlying sense of danger and impending tragedy. Nor does it depict Ahab's madness, even in his lengthy arias, which are set in large part to Melville's own words. Unsurprisingly, the most effective moments are the quietest ones, such as Greenhorn's almost a cappella, unmoored "Human madness is a cunning and most feline thing," as he climbs into Queequeg's coffin near the end of the opera. When Benjamin Britten made an opera out of one of Melville's other great sea tales, "Billy Budd," he captured its essence, not just its surface.

Leonard Foglia's stark production, which was first mounted for the opera's world premiere at the Dallas Opera and has been to numerous companies since, was satisfyingly expanded to fill the Met stage. Robert Brill's set features heavy, dark masts, ropes and sails, along with a curved rear wall that becomes an effective canvas for Elaine J. McCarthy's evocative projections. Her images of the sea and sky, and the lively animated line drawings of the Pequod, depicting it from different vantage points, provide the roiling movement that the music lacks, though the denouement—as Ahab and the ship have their fatal encounter with Moby-Dick—is visually vague. Gavan Swift's lighting supplies some color; Jane Greenwood's historically appropriate costumes do not. Mr. Foglia's direction is largely static, other than a dance that turns into a fight in Act 1.

KAREN ALMOND / MET OPERA

▲ Brandon Jovanovich and company in the work by Jake Heggie and Gene Scheer.

With his forceful tenor, Brandon Jovanovich did the best he could with Ahab's bland music, expressing the captain's madness mostly through glares. Mr. Heggie gave him an opening cry, "Infinity!" that recalled the fervent "Esultate!" of Verdi's Otello, setting us up for disappointment with what followed.

The necessary peg-leg prosthesis did not make Mr. Jovanovich's evening easier. Tenor Stephen Costello, the single holdover from the opera's premiere, brought a wistful gentleness to Greenhorn; Ryan Speedo Green's rolling bass-baritone made Queequeg the most straightforward character on the stage. Peter Mattei, who was to sing Starbuck, was ill; his replacement, baritone Thomas Glass, sounded pretty but callow, missing the complexity and gravitas of this character. As the cabin boy Pip, Janai Brugger's radiant soprano shone in the otherwise all-male texture; she was touching in Pip's demented scene with Captain Gardiner (Brian Major), who fruitlessly begs Ahab for help. As Stubb and Flask, Malcolm McKenzie and William Burden animated the lighthearted scenes with brio, and the Metropolitan Opera Chorus was at its stalwart best. Conductor Karen Kamensek ably sculpted Mr. Heggie's grand orchestral statements, which occasionally disguised the fact that there's little underneath them.

Ms. Waleson writes about opera for the Journal and is the author of "Mad Scenes and Exit Arias: The Death of the New York City Opera and the Future of Opera in America" (Metropolitan).

SPORTS

Pitchers Getting Fresh Start

Teams in need of starting pitchers are discovering relievers that can do the job at a bargain rate

CHARLIE RIEDEL/AP

At age 35, Seth Lugo has unexpectedly developed into one of the most effective starting pitchers in baseball for the Kansas City Royals.

BY JARED DIAMOND

When Seth Lugo reached the major leagues as a reliever for the New York Mets nearly a decade ago, his pitching coach approached him with a piece of unwanted advice.

He would be throwing out of the bullpen now, Dan Warthen told him, so he really should consider working exclusively out of the stretch, like everybody else in his new cohort.

Lugo listened to the suggestion—and promptly declined.

"As a starter," he responded. "I pitch out of the windup."

It would take seven years for a team to let Lugo try to earn a permanent rotation spot. The wait was worth it. At age 35, Lugo has unexpectedly developed into one of the most effective starters in baseball for the Kansas City Royals. He posted a 3.00 ERA last season over 206⅔ innings, finishing second in the voting for the American League Cy Young Award.

Lugo's rise to stardom has put him at the forefront of an unlikely trend sweeping the sport. Savvy organizations in need of quality starting pitchers—perhaps the most valuable commodity in baseball—are finding them at a bargain rate in a surprising place: the bullpen.

Garrett Crochet emerged as an ace for the Chicago White Sox in 2024 despite having not started a game since college. The San Francisco Giants signed former St. Louis Cardinals closer Jordan Hicks last winter to use in their rotation. In December, the Mets inked All-Star reliever Clay Holmes to a $38 million contract with the intention of converting him into a starter.

"Everybody's looking for starters," Padres general manager A.J. Preller said. "You see the scarcity, so you've got to try and maybe be a little bit more open-minded."

Preller and his front-office colleagues have spent years looking for relievers that could handle the switch. They were the ones who granted Lugo's wish to start in 2023. They also got Michael King, primarily a reliever with the New York Yankees, as part of the trade that sent Juan Soto to the Bronx. King was a revelation in San Diego's rotation in 2024, putting up a 2.95 ERA in 173⅔ innings.

Why this has worked is partly because the definition of "starter" has changed. For much of baseball history, starting pitchers were workhorses, expected to go deep into games every time they took the mound.

Today, teams rely on a committee approach, driven by data that shows starters' performance often declines after facing an opposing lineup twice. In 2024, starters averaged just five innings a start.

"If it was seven or eight innings," White Sox GM Chris Getz said, "perhaps you wouldn't be seeing the trend that we're seeing at this time."

There's also a strong financial incentive at play. In an era where elbow surgeries have become as much a fixture in the game as hot dogs and Cracker Jack, reliable starting pitchers are increasingly rare—and, consequently, wildly expensive.

Just this past offseason, three free-agent pitchers—Max Fried, Corbin Burnes and Blake Snell—signed contracts worth a combined $610 million. Relievers without any starting experience come much cheaper. The Padres paid Lugo just $7.5 million in 2023. After his strong performance, he declined an option in his contract for the same amount and doubled his salary with the Royals.

"Starting pitching," Crochet said, "is king."

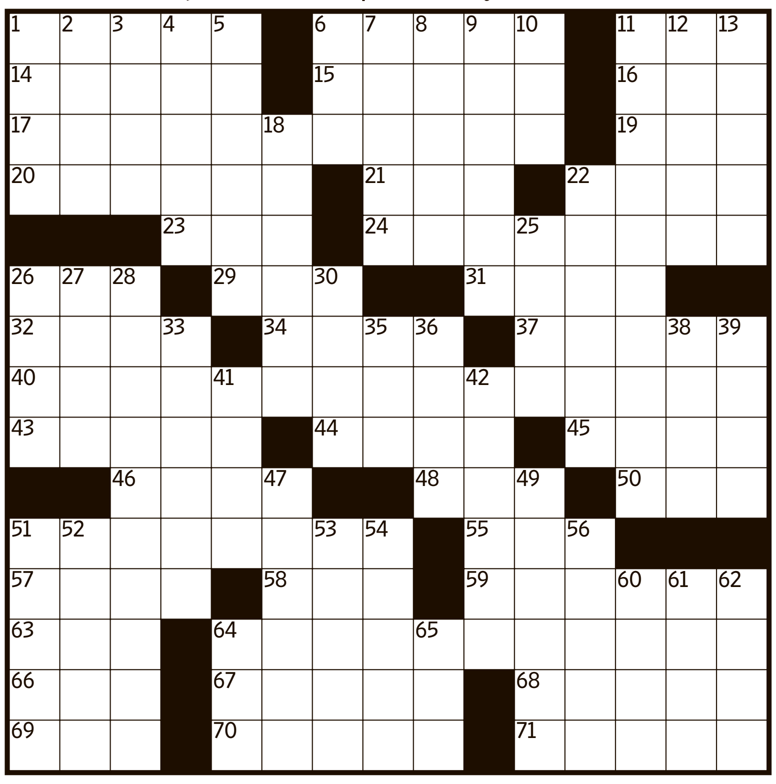
The challenge for teams is tapping the right candidates. Just about every MLB reliever was a starter at some point in their lives. In most cases, they were moved to the bullpen because they lacked the arsenal to survive multiple turns through the lineup. Modern technology has changed that, allowing teams to teach relievers new pitches more easily than ever before. Hicks, for instance, picked up a splitter with the Giants last season—and wound up throwing it 20% of the time.

The last piece of the puzzle is projecting whether certain pitchers can dramatically increase their workloads. For Lugo, that hasn't been a problem—including the postseason, he led MLB in innings last year. Crochet, who was traded to the Boston Red Sox in December, said his body felt better while starting than it ever did as a reliever because he could maintain a more consistent training routine.

Hicks, meanwhile, had more trouble with the transition. He said after about 2½ months, he began experiencing fatigue and wound up injuring his shoulder.

"It's not going to be successful for every guy," Getz said. "But it's certainly a worthwhile effort considering some of the success we've had."

The WSJ Daily Crossword | Edited by Mike Shenk



DECKED OUT | By Kevin Christian & Andrea Carla Michaels

Across

1 Short and to the point
6 "New Attitude" singer LaBelle
11 2016 Olympics city, for short
14 Be helpful to
15 Diagonal spar supporting a sail
16 Finish
17 Chain that claims to have invented the deep-dish
19 Get sum?
20 One of two on a jacket
21 Dreamy sleep state
22 Gooey cheese
23 Patel of "Slumdog Millionaire"
24 Possible result of an international economic dispute
26 Propane, for one
29 ___ de plume
31 Poet Ogden
32 Play divisions
34 "Doctor Zhivago" heroine
37 One who may cry "Uncle!"
40 "Why so worried?" (and a hint to the last words of 17-, 24-, 51- and 64-Across)
43 Olympic gymnast Strug
44 Infamous day in March
45 Fraternal order since 1868
46 Gluttony, greed, et al.
48 Napkin spot
50 Bering or Baltic, e.g.
51 Fireplace utensil
55 Taxing org.
57 Lets a ground ball go through one's legs, say
58 Night before a holiday
59 "That's a doggone lie!"
63 Critical hosp. area
64 Valentine's Day couple
66 Cul-de-___
67 Japanese fencing with bamboo swords
68 Sales pitch
69 "For shame!"
70 Like pretentious gallery visitors
71 Speed for the symphony

Down

1 Reveille's counterpart
2 Like Bond foes
3 Tear down
4 Evaluated, with "up"
5 First two-digit prime
6 Next-to-last letter of the Greek alphabet
7 In two places at once?
8 "___ words were never spoken"
9 One of Dorothy's companions
10 Skater Midori
11 Auto movers in most pre-2000 cars
12 Gandhi's land
13 More peculiar
18 Mutiny
22 Next to
25 "Aw, rats!"
26 Stare stupidly
27 Post-marathon feeling
28 Awed by celebrities
30 Hawaiian food fish, when doubled
33 Gets naked
35 Cranberry color
36 Second son in Genesis
38 Wedding reception dessert
39 "Frozen" sister
41 ___-Tibetan (Asian language family)
42 NBA center Hartenstein
47 Kebab stick
49 Mass producer?
51 Bank robbery
52 Killer whales
53 Important happening
54 Saxophones, oboes, bassoons, etc.
56 Sinister professor at Hogwarts
60 Barbershop offering
61 Dance unit
62 Scandinavian capital
64 Reggae relative
65 Plaything

Previous Puzzle's Solution

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

The contest answer is **ALASKA**. Each theme answer conceals the name of a U.S. state minus its first letter: OC**TAH**EDRON (**U**tah), G**AINE**D ACCESS (**M**aine), N**O WA**LK IN THE PARK (**I**owa), I'L**L ASK A**ROUND (**A**laska), and LE**ANS AS**IDE (**K**ansas). Those first letters spell the Inuit boat UMIAK, suggesting the contest answer.

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

It's Been a Stunning Collapse For Manchester United

BY JOSHUA ROBINSON

ION ALCOBA BEITIA/GETTY IMAGES

Manchester United's Alejandro Garnacho reacts during a round-of-16 Europa League match against Real Sociedad.

There was a time in European soccer when Manchester United was known as one of the smartest spenders in the game.

The club's massive commercial empire allowed it to pay sky-high salaries, outbid rivals for talent, and turn over its squad often enough and cleverly enough to build several different dynasties. The approach was costly, but the club left no doubt that it worked.

These days, United is learning the hard way that losing can be just as expensive.

The crisis at the club runs so deep that it's taking emergency measures everywhere it can to cut costs, despite record investment. It was less than two years ago that British petrochemicals billionaire Jim Ratcliffe paid $1.3 billion for a 25% stake in United, which he has since increased to 29%, on top of a $300 million injection of cash.

Since then, results have only gone backwards. The club has continued a streak of losing money every year since 2019. The squad is so thin that a sudden rash of injuries has left it desperately short of senior players. And United currently languishes in 14th place in the English Premier League after a 1-1 draw against Arsenal on Sunday.

A midseason coaching change cost United around $28 million to pull off, according to the club's accounts. Some $13.5 million went to previous manager Erik ten Hag and his coaching staff in severance, while the cost of bringing in Ruben Amorim and his assistants from Sporting Lisbon hit $14.5 million.

And while money goes out for correcting course on the pitch, the club is trying to find ways to save cash away from it. Last month, United announced around 200 layoffs, beyond the 250 jobs it had already cut in 2024. The club also announced plans to close its staff cafeteria and ended its policy of serving free lunches to non-players at the practice facility.

"This cannot continue," United CEO Omar Berrada said. "These hard choices are necessary to put the club back on a stable financial footing."

The quickest way for a club of United's standing to do that is to qualify for the richest annual event in club soccer, the Champions League. Simply showing up for the tournament this season was worth $20 million, with bonuses paid for each draw or victory. A trip to the quarterfinals adds another $25 million, while the team that wins the whole thing could rake in more than $80 million.

But United is nowhere near a Champions League qualifying berth for next season. Its only path back into the elite would be winning this season's Europa League, which looks far-fetched—the club is currently tied in its round-of-16 matchup against Spain's Real Sociedad.

"If you have a football team that is playing well and are winning games then, in a certain way, it's easier for the fans and for everybody to feel those changes," head coach Ruben Amorim said of the restructuring at United.

The last time United finished outside the top 10 in England's top tier was the 1989-90 season. Back then the creaking club was also racked by injuries and lost more games than it won, but stood by its embattled manager while fans clamored for him to be fired. Only a narrow victory in the FA Cup kept him in place. If it's any consolation to United supporters 35 years later, that manager's name was Alex Ferguson. He went on to turn Manchester United into one of the most successful clubs of the modern era.

These days, however, the club seems farther away from a revival than ever. The club that prided itself on its relentless goal scoring under Ferguson has netted fewer goals than 14 other teams.

"You can't be at 99% every day because then you lose games against the teams that are in the Premier League," United defender Matthijs de Ligt said. "In a lot of games, we haven't been good enough."

OPINION

How's Trump Doing?

INSIDE VIEW
By Andy Kessler

Former New York City mayor Ed Koch famously asked, "How'm I doing?" Donald Trump doesn't ask, he just tells (for 100 minutes). But really, how is he doing? Most view Mr. Trump through either MAGA-hat-red or orange-man-bad tinted glasses. I suggest a trifocal lens. There are really three Donald Trumps: trolling Trump, transactional Trump and transformational Trump.

Mr. Trump is a master troller, pushing buttons, getting under skins, inflaming derangements. It works. I don't pay attention to posts like "LONG LIVE THE KING!" Instead, I listen to him as if I were sitting at a bar with a boasty man-child friend from Queens who doesn't finish his sentences. It's mostly bluster, but some luster.

There's certainly an own-the-libs component to his trolling. If you're upset about the Gulf of America renaming, he got you. He trolled Maine Gov. Janet Mills for continuing to allow boys to compete in girls sports, saying, "enjoy your life after governor because I don't think you'll be in elected politics." That Gaza will be the "Riviera of the Middle East" is pure trolling. So is "Pocahontas." Ignore these meaningless distractions.

So far, most moves by Mr. Trump are transactional, implemented by reversing Joe Biden's equity, border and climate agendas via rapid-fire executive orders. Good. The Oval Office fracas with Ukrainian President Volodymyr Zelensky and later halting all aid is theater to get a mineral deal signed. On-again-off-again tariffs on Mexico, Canada and China are meant to stop immigrants and fentanyl but also, sadly, economic growth. The president suggests tariffs may cause "a little disturbance." The stock market isn't amused.

Mr. Trump has tech billionaires and European leaders bending the knee—I'm embarrassed for all involved. Government employees are another story. Elon Musk is a good fit for the Department of Government Efficiency. The world's richest man, like National Football League player Tyrann Mathieu, is a honey badger—super aggressive and resistant to bites. "Honey Badger Don't Care."

As the fall guy for a chaotic DOGE, Mr. Musk takes the heat. He fired employees securing nuclear warheads as well as the only one with bathroom keys at Yosemite National Park. Couldn't one person do both jobs?

Mr. Trump's cabinet also feels transactional. This is no Lincolnesque Team of Rivals. They're all loyal to a fault. I can't help noticing that the president has a similar "reality distortion field" as Apple founder Steve Jobs, getting others to follow his mandates and balance a ball on their noses.

In reality, the president's cabinet members are human shields—Mr. Trump admitted as much during last week's address to Congress by saying of Marco Rubio that "we know who to blame if anything goes wrong." They're also a magician's sleight-of-hand distraction. If needed, one Robert F. Kennedy Jr. vaccine tirade can change the news cycle.

He's transactional and trolling but so far only aspires to be transformational.

Speaking of transactions, Mr. Trump promised light regulation and a strategic reserve fund for crypto folks. Meanwhile, his pre-inauguration $TRUMP memecoin peaked at $75 and now trades at $11, $MELANIA from $13 to 74 cents—the technical term is "rug pull." Now Bitcoin is tumbling. Less crypto oversight doesn't mean higher prices, it means less protection against fraud.

Where's the transformation? Shrinking government and getting other countries to pay for their own defense is smart. Closing the Education Department is overdue. Close more. But Mr. Trump's America-first agenda is isolationist and means closing the border to goods and people. Will this kick-start economic growth? No. Perversely, each job created by tariffs will destroy multiple others. For every Peter Navarro and Stephen Miller protectionist rationalization, I'll raise you an Adam Smith and David Ricardo.

Mr. Trump isn't yet spending his political capital to slay the real spending-addicted swamp beast. Not touching Social Security or Medicare is self-defeating. DOGE, so far, is pocket change. Deficits are still soaring.

Last week, he said, "Look, I'm a huge fan of Ronald Reagan, but he was bad on trade." Not quite. Reagan campaigned on North American free trade, and his lower taxes and Soviet-bankrupting ushered in globalization. It also transformed Silicon Valley from apricot orchards to an economic powerhouse.

So how's the president doing? The war in Ukraine continues. China remains a threat to Taiwan. Saudi Arabia needs to be in the Abraham Accords. Will Mr. Trump be a transformational Jacksonian? A Wilsonian? Or a forgotten Fillmorean? If a tariff-weakened dollar crashes the stock market, forget about any transactions, let alone transformation. He will be Hooverian.

A Reaganesque tip: Stop the industrial policy of picking winners and losers via tariffs, and allow markets to do the real work of transformation and unfettered economic growth. You'll get the credit for it.

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Trump Boosts the Mexican Left

AMERICAS
By Mary Anastasia O'Grady

Ukraine's President Volodymyr Zelensky got in trouble during his visit to the Oval Office because he pointed out that Vladimir Putin doesn't keep his word. The facts embarrassed Team Trump, which wants to negotiate an end to the war Russia started when it invaded its neighbor three years ago. Mr. Zelensky was kicked out.

I wondered if Mr. Zelensky wasn't surreptitiously suggesting he also mistrusts Mr. Trump. There's a lot of that going around these days. The mercurial U.S. president is telling the world to forget its practice of relying on the Yanks to keep their promises—and not only in war. Trade agreements aren't worth a peso either. The costs to U.S. interests of what many see as a betrayal are growing.

Consider the developments in Mexico since Mr. Trump began threatening a North American trade war. Like Canada's socialist Liberal Party, given up for dead in December and now surging in the polls as a symbol of anti-Trumpism, hard-left Mexican President Claudia Sheinbaum of the Morena party is riding a wave of nationalism. With an approval rating reaching 85%, she too has Mr. Trump to thank.

During Mr. Trump's visit to the Journal shortly before the November presidential election, I asked if he would "commit to protecting" the 2020 U.S.-Mexico-Canada trade agreement, which he negotiated to replace the North American Free Trade Agreement.

"Yeah, 100%," he said. "First of all, it's a good question. The answer is 100% yes, unless Mexico is going to allow these massive factories owned by China to make cars and then go around the horn and sell them through China or some other country where they can avoid the USMCA."

USMCA "rules of origin" require 40% of a duty-free vehicle to be made using labor paid $16 an hour—in other words, to be made in the U.S. The rules also require 70% of steel and aluminum used in the vehicle and 75% of its value to be made in North America.

But under USMCA, passenger vehicles made in Mexico or Canada with only 62.5% regional content qualify for the World Trade Organization "most favored nation" duty of 2.5%—up to an annual quota of 1.6 million vehicles. Up to $108 billion in auto parts with 50% regional value also qualify for the MFN duty. I read Mr. Trump's answer to my question as a warning to China not to try to produce electric cars in Mexico and export them to the U.S. under MFN duties.

"But USMCA is safe?" I asked again.

"It's totally safe," he said. "But we don't want Mexico to do things that are going to be adverse to our country. I believe they won't, because they want to keep it safe too."

China isn't building car factories in Mexico. But never mind. Mr. Trump has come up with a different reason to abrogate USMCA: Unless Mexico stems Americans' use of fentanyl, he says, the U.S. will whack its largest trading partner with high tariffs.

President Sheinbaum reaches 85% job approval in response to U.S. threats.

After more than a half-century of the failed war on drugs, this isn't a serious proposition. But it's convenient for the White House, which believes shouting "crisis" gives the president the power to impose the tariffs under the International Emergency Economic Powers Act of 1977.

Ms. Sheinbaum signaled months ago that she would break with the policy of passivity toward organized crime that her predecessor, President Andrés Manuel López Obrador, put in place. Her public security minister, Omar García Harfuch, has a good record as a crime fighter for Mexico City while Ms. Sheinbaum was governor. He's working with U.S. security agencies to go after criminal groups and synthetic drugs labs using superior American intelligence capabilities. Earlier this month Ms. Sheinbaum circumvented Mexican extradition law and sent 29 accused drug traffickers to the U.S.

These are positive developments, but that doesn't mean Tariff Man will give Mexico a reprieve for good behavior. The Trump endgame is about forcing investors to put their factories in the U.S., not ridding the world of fentanyl. His other favorite argument, which he used in his address to a joint session of Congress last week, is that the tariffs will provide "trillions and trillions of dollars" to the U.S. Treasury. (Note to Treasury: He can't do both.) The U.S. capital-account surplus also bugs Mr. Trump, who says that the corresponding current-account deficit shows the U.S. is being "ripped off."

Mexico needs a vibrant center-right to fight back against Morena's politicization of the judiciary, the biggest threat to the rule of law and competitive democracy. But those voices are drowned out now as Mexicans face the possibility of a deep recession caused by a trade war. That gives them lots of reason to loathe Mr. Trump and rally around Ms. Sheinbaum's one-party state.

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What Trump Meant by 'Illegal Protests'

By Philip Hamburger

When President Trump tweeted on March 4 that "all federal funding will STOP for any College, School, or University that allows illegal protests," he puzzled many academics. Most protests are lawful and constitutionally protected. Even more bewildering, he emphasized "NO MASKS!" Since then, Education Secretary Linda McMahon has begun cutting off some funds. Is this mere bullying, or is it a response to a real legal problem?

After the Civil War, members of the Ku Klux Klan relied on masks to protect their identities when they threatened, assaulted and murdered recently emancipated slaves. The masks liberated Klansmen from any inhibitions and protected them from identification by witnesses to their crimes.

Congress responded by enacting laws against masking, including the Ku Klux Klan Act of 1871. One of its provisions is now Section 1985 of Title 42 of the U.S. Code. It provides for damages when two or more persons "conspire or go in disguise on the highway or on the premises of another, for the purpose of depriving, either directly or indirectly, any person or class of persons of the equal protection of the laws." This statute recognizes masking as an equal-protection problem.

'NO MASKS!' is a reference to the Ku Klux Klan Act of 1871.

The masking question is linked to Title VI of the Civil Rights Act of 1964, which bars discrimination on the basis of race and, by extension, national origin in federally funded programs. Like Klansmen, masked students shield themselves from accountability for disruption and violence. A university, not knowing their identities, can't take disciplinary actions against them, including disciplinary actions required by Title VI. Thus, when a university takes a permissive approach to masking, it facilitates the masked wrongdoers, and it deprives their targets—in this case, mostly Jewish students and faculty—of the equal protection of the laws, including Title VI.

Under the First Amendment, Title VI shouldn't be understood to require the suppression of open debate. But civil-rights laws have long limited masking to preserve equal protection, and on that ground alone, the government has reason to think itself justified in cutting off its largess.

What about law-abiding students who claim a right to wear face coverings, either as a form of symbolic speech or for religious or medical reasons? Universities could accommodate them by requiring all persons on campus to be easily identifiable either by leaving their faces exposed or by displaying university ID on their chests. This approach would have to be supplemented with rules against lending IDs, requiring the prompt reporting of missing IDs, and so forth. It would have the virtue, however, of avoiding the need to carve out exemptions.

The larger point is that universities need to take civil-rights laws seriously. Schools that permit obstructive, bullying, and sometimes violent antisemites to hide their identities are depriving Jews of equal protection in violation of the Ku Klux Klan Act and Title VI.

Mr. Hamburger teaches at Columbia Law School and is CEO of the New Civil Liberties Alliance. He is the author of "Education Is Speech."

BOOKSHELF | By Matthew Rees

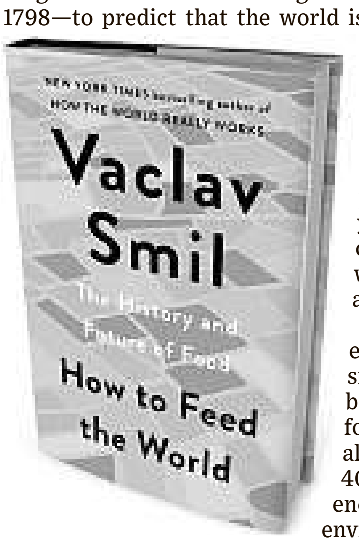
Feast Or Famine

How to Feed the World

By Vaclav Smil
Viking, 272 pages, $30

With Robert F. Kennedy Jr. installed as the Health and Human Services secretary, the U.S. food system is set to face intense scrutiny from policymakers in both parties. Americans today are saddled with high rates of obesity and the chronic diseases it triggers. At the same time, new wonder drugs have become available that have helped millions of Americans shed weight.

Entering the discussion is Vaclav Smil, the author of "How to Feed the World," which provides big-picture perspective on the global food system—covering history, nutrition, economics, agronomy and much else. The book's title might suggest that Mr. Smil is the latest in a long line of thinkers—dating back to Thomas Malthus in 1798—to predict that the world is on the precipice of food shortages. Instead, he cites reams of evidence to show that famine is not imminent. He also points out that Malthus became less pessimistic after a few years and cheekily observes that "Malthus was not a 'Malthusian' after all."



Mr. Smil, a professor emeritus at the University of Manitoba, has been writing about food for five decades. He has also produced more than 40 books about topics encompassing energy, the environment and demographics. He describes "How to Feed the World" as "a focused, strongly quantitative evaluation of the basics" of the global food system and starts out by imagining how humans would function in a world without farming.

One scenario would have humans follow the daily routine of chimpanzees, who spend valuable time and energy searching for different foods, with an emphasis on fruits. If humans had to do this, says Mr. Smil, the consequences would be dire: "It is hard to imagine how an existence centered on fig-picking would eventually lead to writing, the Parthenon, and antibiotics."

The onset of farming about 12,000 years ago, Mr. Smil writes, created a more stable food supply, which in turn curtailed the need for daily foraging and enabled people to converge in areas that eventually became cities. "Today's global civilization," he says, "rests, undoubtedly, on edible grains. Their cultivation was—and remains—our only option."

Moving to the present day, Mr. Smil brings sober analysis to the global food system and suggests "incremental changes" that he thinks can help to meet future challenges. He argues that in much of the world the problem is not too little food but too much, which leads to high rates of food waste.

Mr. Smil proposes that restaurants reduce portion sizes, which in the U.S. have grown sharply over the decades, in part because there's little marginal cost increase associated with larger servings. He also recommends reducing the volume of food produced, which in many countries greatly exceeds what is needed to feed their populations, as well as limiting consumer choice: "There is surely no need for American supermarkets to carry 40,000-50,000 different items of food," he writes.

As these ideas suggest, Mr. Smil doesn't seem to care about the popularity or feasibility of his proposed solutions. And he is skeptical that humans will modify their eating habits—particularly when it comes to vegan or paleo diets. The author claims he is not focused on the kind of innovations we're often told will revolutionize the food system, but he nonetheless spells out why some of them are flawed or destined to fail.

According to Vaclav Smil, the problem in much of the world is not too little food but too much, which leads to high rates of food waste.

He eviscerates organic farming as "the most radical of all unlikely solutions aimed at securing enough food by the mid-century." Synthetic fertilizers are not permitted under organic-farming standards. But banning them, Mr. Smil notes, would mean being unable to feed 40% of humanity. And yields on organic crops tend to be 25% lower than conventional ones, which translates into needing to farm much more land.

Another much-cited accusation against the present food system is that it contributes to climate change. Mr. Smil mostly steers clear of the connection. But he expresses a contrarian view about the rising concentrations of carbon dioxide in the atmosphere. More carbon dioxide, he says, has benefited plants and "resulted in indisputable biospheric greening."

Portions of "How to Feed the World," written in spare and data-heavy prose, are likely to lose the casual reader—there's a dense chapter, for instance, devoted to the complexities of photosynthesis. There are also major omissions, such as any discussion of weight-loss drugs like Ozempic or Wegovy, which are now being taken by up to 12% of American adults. Users of those drugs are eating less and eating healthier, which has the potential to upend the global food system. It would have been enlightening to hear Mr. Smil's thoughts on the topic.

The author also glosses over what is the most pressing issue with the world's food supply and a big, fat target for Mr. Kennedy: the way in which it has contributed to high rates of disease, disability and death. One comprehensive study has found that diet is responsible for nearly 20% of the world's premature mortality. Surely that merits some discussion in a book about the global food system.

Mr. Smil declares: "I am not a pessimist or an optimist, I am a scientist." But he tends toward optimism and believes there's going to be enough food for the global population beyond 2050. And after that? He predicts that a combination of declining population and scientific progress will enable the world's food needs to be met. Malthus would likely agree.

Mr. Rees is the founder of Geonomica, a senior fellow at Dartmouth's Tuck School of Business and the editor of Food and Health Facts.

OPINION

REVIEW & OUTLOOK

Iran Is Weak. Will Trump Be Strong?

Tehran will try to delay and humor Trump as it has other Presidents.

President Trump says he's written to Iran's Ayatollah Ali Khamenei, whose regime insists sanctions relief precede any nuclear talks. But Iran is in no position to dictate preconditions. As Mr. Trump might say, it doesn't have the cards.

Speaking on Thursday to Fox Business, Mr. Trump revealed that he sent a letter Wednesday to Iran's Supreme Leader "saying I hope you're going to negotiate, because if we have to go in militarily, it's going to be a terrible thing for them." On Friday Mr. Trump reiterated that the military option is viable. "I would rather have a peace deal than the other option, but the other option will solve the problem," he said.

"We are down to the final moments. We can't let them have a nuclear weapon," Mr. Trump added. "Something is going to happen very soon." As veteran nuclear expert David Albright wrote last week, "Iran is undertaking the near-final step of breaking out, now converting its 20 percent stock of enriched uranium into 60 percent enriched uranium." That can become weapons-grade in days.

No wonder Iran has been stalling Mr. Trump. President Masoud Pezeshkian says he wants to negotiate but is held back by his boss, Mr. Khamenei, who doesn't. They'd like to play good-cop-bad-cop on another U.S. President, raise the asking price to negotiate, and then talk until America loses the ability to "snap-back" United Nations sanctions in October.

Thanks to Israel, Iran is at its weakest point in decades. But the regime has been weak before and always manages to recover as it strings along the U.S. with negotiations or presentable front men promising peaceful intentions.

It worked on President Obama, who wrote letters to Mr. Khamenei all the way to a bad deal that would have paved Iran's path to a bomb. President Biden stopped enforcing sanctions to appease Iran, whose oil exports soared from 300,000 barrels a day in 2020 to 1.7 million a day in 2024. For his goodwill, Mr. Biden received a seven-front Iranian war on Israel and more Iranian nuclear progress.

Yet military exchanges with Israel have left Iran far weaker, barely able to scratch the "Little Satan" and powerless to stop it. Israel destroyed Iran's best air defenses—long touted as a barrier to a larger strike—leaving the nuclear program exposed. Many of Iran's proxies are also down or out. Hamas is devastated. Hezbollah is rudderless, its arsenal in ruins. Syria's Assad regime is no more.

Iran has 40% inflation and its currency has lost 95% of its value since 2018. Last week Tehran impeached its finance minister, a scapegoat.

All of which means that if the U.S. is going to seek a deal, it is right to press for one "that would be just as good as if you won militarily," as Mr. Trump put it on Fox Business.

The test is whether Iran is willing to abandon its nuclear program, allow on-demand inspections on all suspected nuclear sites and ditch its enriched uranium (and not for storage in Russia). If the regime won't do that, it is because it wants to continue on the path to a bomb and break out when the time is right.

The way to get a deal worth making is through the "maximum pressure" that worked for Mr. Trump the first time. Already Iran's President laments his ships are "stuck, unable to unload their cargo" owing to sanctions. On Saturday the U.S. revoked a $10 billion sanctions waiver on Iran's sale of electricity to Iraq.

Treasury Secretary Scott Bessent expressed confidence Thursday that sanctions on Iran can "collapse its already buckling economy." Now he needs the green light to cut off Iran's oil exports to China. Mr. Trump could also let a few Israeli pilots train on U.S. strategic bombers. That would send a message.

"Iran is on its knees, but not yet on its back," says Mark Dubowitz, CEO of the Foundation for Defense of Democracies. Iran's foreign reserves, which fell to $4 billion in 2020, recovered to $30 billion over the Biden years. The regime's goal is to persuade Mr. Trump to revive it with more sanctions relief.

Iran has shown again and again since 1979 that it wants to spread revolution rather than join and build a prosperous Middle East. It has been waging a war against the U.S. regional alliance—and this time it's losing. If Iran can't fool Mr. Trump, the U.S. and Israel have a rare window to press the advantage.

A Shutdown Test for Republicans

Failing to unite behind a funding bill will empower Democrats.

Funding for the federal government runs out Friday at midnight, and House Speaker Mike Johnson on Saturday unveiled a bill to extend funding through Sept. 30. Republicans will have to unite to pass it, or hand leverage to Democrats who will demand major spending concessions.

The Speaker's bill is a continuing resolution to maintain current funding levels and priorities, with a few modifications. The bill adds some $6 billion for defense above current levels and some more for border security. This and some other increases will be offset by about $13 billion in reductions for domestic accounts. The best news is that the bill omits spending earmarks requested by a long list of Members.

This is overall a lousy way to run a government, especially for the military that needs flexibility to shift accounts to meet new threats. But it may be the best Congress can do to avoid a shutdown that would accomplish little beyond contributing to the narrative of Trump chaos that Democrats are promoting.

House Democratic leaders say they oppose the bill, and few if any House Democrats will vote for it. Their hope is that Mr. Johnson loses enough Republicans so the bill fails and the Speaker will have to seek support from Democratic leader Hakeem Jeffries. The Democratic price is likely to be more spending for their priorities, as well as statutory limits on Elon Musk's Department of Government Efficiency layoffs and spending shifts.

President Trump understands the stakes and this weekend asked House Republicans to pass the measure to avoid a government shutdown. Major policy changes Republicans want can come in the giant budget reconciliation bill for fiscal 2026 that is in the early stages of moving through Congress.

Senate Democrats could also filibuster the bill, but so far they seem wary of taking responsibility for a shutdown. If House Republicans unite to pass the bill as early as Tuesday, and Senate Republicans produce 51 votes in support, Sen. Chuck Schumer's Democrats would be responsible for triggering a shutdown. But Republicans will get the blame if they scuttle the Speaker's bill. To govern is to choose, often from least bad alternatives.

The Fool's Gold of a Crypto Reserve

Government bitcoin and crypto reserves will invite political mischief.

President Trump held a summit on Friday with crypto-currency enthusiasts where he touted his plan to establish national stockpiles for bitcoin and other crypto tokens. What could go wrong?

Mr. Trump's new executive order issued Thursday directs the Treasury Department to take custody and preserve government holdings of bitcoin and other crypto-currencies that agencies seize as part of investigations into wrongdoing. His stated goal is to create a crypto version of Fort Knox, which is where America's gold reserves are stored.

David Sacks, the White House cryptocurrency czar, says the U.S. government has sold about 195,000 bitcoin over the last decade for $366 million, which would be worth about $17 billion today. He estimates that federal agencies now hold some 200,000 bitcoins—worth $16 billion at the current price—but says "there has never been a complete audit."

Mr. Trump's order requires such an audit. Treasury would then manage the government's bitcoin stash as reserve assets, similar to gold and foreign currencies. Treasury would separately determine "responsible stewardship" for other tokens like Ripple and Ethereum.

U.S. dollar reserves provide liquidity and facilitate payments with the rest of the world. Bitcoin doesn't. While Mr. Trump describes bitcoin as "digital gold," many countries don't recognize or accept it as legal tender. While gold has been used as a store of wealth for centuries, bitcoin has been around for all of 16 years.

Its price is also highly volatile. Investors sold off bitcoin last week as they have other risky assets amid growing trade uncertainty. The prices of bitcoin and other tokens on Thursday fell after Mr. Trump issued his executive order, apparently because crypto investors were hoping he'd do more to bolster their speculative crypto bets.

His order directs Treasury and the Commerce Department to "develop strategies" for acquiring more bitcoin that are "budget neutral and do not impose incremental costs on United States taxpayers." This ostensibly means Treasury won't issue debt to buy bitcoin, but the order still invites government mischief.

Assets seized in civil and criminal forfeitures are typically returned to victims or sold with the proceeds remitted to Treasury to reduce the budget deficit. The Trump plan is to keep confiscated tokens as investments, which might later be sold to finance a President's spending prerogatives. Future presidents of both parties could raid the stockpile to bypass Congress on spending.

Establishing national crypto reserves also invites government abuse. The Institute for Justice has chronicled how local law enforcement has abused civil forfeiture laws to seize assets even when there's been no wrongdoing. What's to stop the Justice Department from doing the same with crypto-currencies to bolster Treasury's stockpile? Treasury might even buy tokens backed by the ruling party's political donors to drive up their price.

A government crypto reserve serves no good purpose while creating an opportunity for political bad behavior. Let private investors speculate all they want without the government having a stake in crypto-currency prices.

LETTERS TO THE EDITOR

How Trump Channels Reagan in the Mideast

In his March 6 op-ed "Israel Can't Substitute for the U.S. in the Middle East," Reuel Marc Gerecht implies that President Trump's intention to stabilize the Middle East by relying more on allies won't work. Only the direct application of American military power, he argues, can check the "revisionist entente" of China, Russia and Iran.

Mr. Gerecht forgets that America won the Cold War in the Middle East precisely in the manner that Mr. Trump proposes. The U.S. became the dominant power in the region during the 1956 Suez Crisis, when President Eisenhower halted the attack by Britain, France and Israel on Egypt, which had aligned with Moscow. The era of massive American military deployments began only in 1990, in response to Iraq's invasion of Kuwait.

The 1990 turning point offers us two 35-year periods to compare. Can anyone seriously claim that the post-1990 era, when the U.S. labored to shape the Mideast through military interventions, provides a more attractive example of American statecraft than the Cold War era?

Those who invoke Ronald Reagan's legacy to justify a muscular foreign policy forget that the president who brought down the Soviet Union refrained from promoting democracy in the Middle East and from deploying boots on the ground. In pursuing his anti-Soviet agenda, Reagan worked closely with Turkey, Israel and Saudi Arabia, whose textbooks, disseminated globally, preached vile antisemitism and the destruction of the Jewish state.

Today's friction between Ankara and Jerusalem is as nothing compared with the hostility of yesteryear between Riyadh and Jerusalem. Mr. Gerecht admits that Turks and Israelis have no reason to clash militarily, yet he invokes current Turkish-Israeli tensions to support his claim that, with respect to blocking Iran, only the direct application of American military power will suffice.

This argument also draws the wrong lessons from more recent history. Over the last year, the uncoordinated exertions of Israeli and Turkish power crippled Iran's "axis of resistance," which is now a shadow of its former self.

Iran's diminishment happened while the Biden administration was busy making other plans, fecklessly pursuing accommodation with Tehran. How much more could have been achieved with the power of the Saudis, Israelis and Turks if the Biden team had understood, as Reagan did, that America's role is to be the manager of fractious friends? Mr. Trump is offering us an opportunity to relearn the lost art of Reagan's realpolitik.

Michael Doran
Hudson Institute
Washington

Do Not Give Up on the Media Yet, Mr. Baker

I agree with much of what Gerard Baker has to say about the media and its lack of credibility ("Just When We Need Them, the Media's Credibility Hits Bottom," Free Expression, March 4). I respectfully disagree, however, with his assessment that enhanced machine learning will displace "the cynical musings of a jaded columnist." When a client is on the verge of what I deem to be suboptimal decision-making, I ask him, "Would you like for me to tell you what's in your best interests, or what you want to hear?" There will always be a need for experienced human beings who can deliver reasoned, rational analysis of complex issues.

Scott Kaufmann
Kansas City, Kan.

Mr. Baker claims that U.S. citizens are so bored with the media that if President Trump were reported to have shot someone on New York's Fifth Avenue, it would be met with a collective yawn.

I have read the Journal and various other media outlets almost every day for more than 50 years. Perhaps I have a particularly wide circle of friends who are similarly media savvy, but I assure you that none of us is asleep. Our phone lines are hot with "Did you read . . . ?"

My advice: Cheer up, Mr. Baker. It isn't yet time to stick a fork in the U.S.A.

Adrian Tocklin
St. Petersburg, Fla.

Mr. Baker's lamentation on the media's squandered credibility plays down the biggest weapon it wields, as Rush Limbaugh used to say: its power to ignore stories. Many journalists run in packs, possess a herd mentality and do too little independent reporting. Those who buck the trend are often drummed out of mainstream circles.

Media rehab ought to start with the Pulitzer committee's revoking the 2018 national reporting prize from the New York Times and Washington Post for their "deeply sourced, relentlessly reported coverage in the public interest that dramatically furthered the nation's understanding of Russian interference in the 2016 presidential election and its connections to the Trump campaign, the President-elect's transition team and his eventual administration."

To my eye, the work was deeply biased, unedifying and often inaccurate. Yet the awards remain. The road to recovery starts with setting the record straight.

Bill Apple
New York

Who Cares About 'Diversity' in Math Class?

Jason Riley's assertion that market-oriented reforms would improve "intellectual diversity" misses the mark ("How Trump Plans to Shake Up Higher Education," Upward Mobility, March 5). For most academic disciplines—mathematics, engineering, accounting, nursing—an instructor's political leanings aren't relevant or connected to educational quality. Students learning calculus or biology aren't affected by their professors' voting record. Even in courses where politics are an integral part of the curriculum, the notion that professors are inherently biased to the detriment of students isn't supported by the evidence.

If we want to address higher education's challenges, we should focus on restoring public investment rather than imposing arbitrary market mechanisms on institutions whose primary mission is education, not profit generation. Creative destruction may work for businesses, but education is a public good that deserves thoughtful stewardship, not demolition.

Prof. Nicholas Barry Creel
Georgia College & State University
Milledgeville, Ga.

Ceding Our National Parks To California Is Too Costly

Regarding Robert Showah's "Do National Parks Need the Feds?" (op-ed, Feb. 28): I've been fortunate to have visited 28 of our national parks, and there isn't one that doesn't need improvements, maintenance and a vision for how to handle our growing population. The country recently witnessed the consequences of overzealous activists preventing the proper management of the canyons around Los Angeles. Our parks are American treasures, not simply playthings for various governments to oversee as their budgets allow. Imagine Gov. Gavin Newsom or Kamala Harris managing Yosemite, Sequoia, Redwood, Kings Canyon, Death Valley, Joshua Tree and Lassen. It's a scary thought when you consider where their and other progressives' priorities lie.

Larry Cottingham
Murrieta, Calif.

A Question for Kevin Roberts

Kevin Roberts states about our giving support to Ukraine: "The effect has been to weaken our ability to maintain credible deterrence in the Pacific" ("Why Trump Tilts Toward Peace in Ukraine," Letters, March 1).

How exactly will our abandoning the defense of Ukraine, when we don't have any troops in the battle, enhance Xi Jinping's fear that we will commit our soldiers to the defense of Taiwan?

Ed Holbrook
Lakewood, Colo.

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

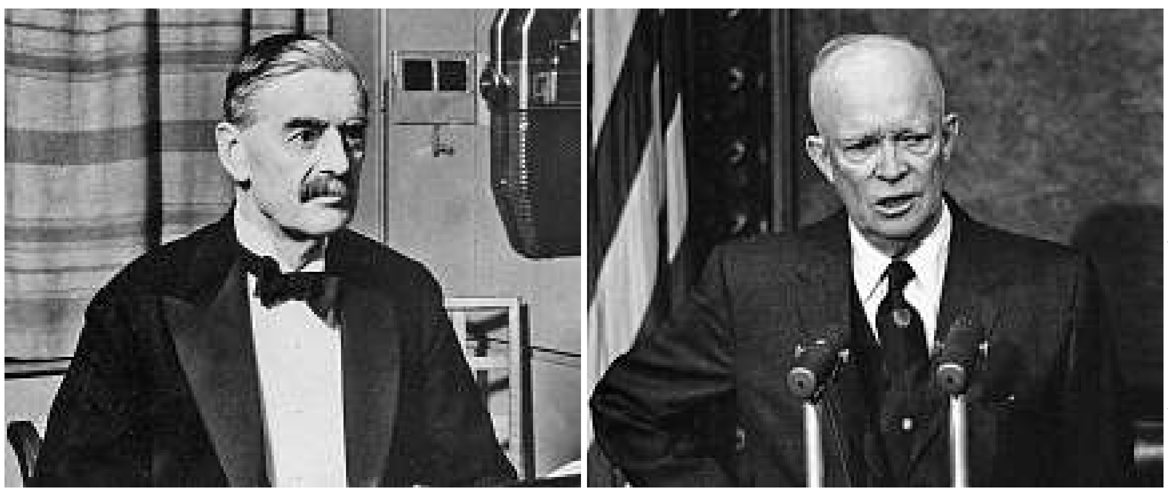
Pepper ... And Salt

THE WALL STREET JOURNAL

"Guess the salmon run isn't good this year."

Trump in Ukraine: Chamberlain or Eisenhower?

By Paul Wolfowitz



Neville Chamberlain and Dwight Eisenhower.

FOX PHOTOS/GETTY IMAGES; BILL ALLEN/ASSOCIATED PRESS

Mark Twain supposedly said history doesn't repeat itself, but sometimes it rhymes. My colleague Stephen Kotkin, an eminent historian of Russia, puts it this way: "history doesn't repeat itself, but it does have recognizable patterns."

Secretary of State Marco Rubio, national security adviser Mike Waltz and anyone else in President Trump's circle with a sense of 20th-century history should remind him of two contrasting patterns for ending or preventing a brutal war. One leads to lasting peace; the other, to disaster. For shorthand, they might be called Eisenhower 1953 and Chamberlain 1938.

President Dwight Eisenhower's pattern was effective diplomacy backed by the credible threat of force, followed by a strong deterrence posture. In 1953, as the Korean War dragged on, Eisenhower signaled that the U.S. was willing to escalate militarily if necessary. This, combined with a change in the attitude of the Soviet Union following Stalin's death, produced an armistice that ended the bloodbath and has held for more than 70 years. Although the North Korean regime remains hostile and oppressive, the peace has endured.

To avoid another Munich, follow the example of the 1953 armistice that resolved the Korean War.

British Prime Minister Neville Chamberlain's pattern was the opposite. The September 1938 Munich Agreement forced Czech Prime Minister Edvard Beneš to cede his country's most defensible territory—the westernmost Sudetenland—in exchange for empty German promises to Chamberlain and his French counterpart, Édouard Daladier. After a meeting with Hitler and Mussolini from which Czechoslovakia was excluded, Chamberlain returned to London waving a piece of paper he called "peace for our time."

"Our time" passed in the blink of an eye. Within six months, Hitler seized the rest of Czechoslovakia. Within a year, he had occupied Poland, followed by Denmark, Norway, the Netherlands, Belgium, Luxembourg, France, Yugoslavia and Greece. After the French collapsed, Britain barely escaped total disaster at Dunkirk.

Chamberlain wasn't wrong to fear a war so terrible that British citizens would "be digging trenches and trying on gas masks" because of what he called "a quarrel in a faraway country between people of whom we know nothing." But appeasement didn't prevent war—it invited it. Chamberlain's misplaced trust in Hitler failed to prevent the war that he feared and made it much costlier than a defense of Czechoslovakia would have been.

History never repeats exactly—Ukraine today is different from Czechoslovakia in 1938, and Chamberlain was trying to prevent a war, whereas Ike was trying to stop one. But the Chamberlain pattern remains relevant. Mr. Trump isn't wrong to want to stop seemingly endless bloodshed. And Ukraine's Volodymyr Zelensky isn't wrong to warn against paper agreements with a tyrant who has a record of breaking them. The question is whether Mr. Trump chooses the path of Eisenhower or Chamberlain.

There's much anxiety, particularly in Ukraine and elsewhere in Europe, about the conspicuous failure of diplomacy at the recent Oval Office meeting. Yet one must be careful about drawing too many conclusions from individual indications, particularly when a lot may be going on behind the scenes. For instance, although negotiating with Vladimir Putin without the Ukrainians present follows the disturbing Chamberlain pattern, this week's planned summit in Saudi Arabia between the U.S. and Ukraine could be a positive sign of a different direction.

Eisenhower faced significant challenges in dealing with South Korean President Syngman Rhee, who faced domestic pressure to pursue total victory. Mr. Zelensky faces comparable pressure. He will likely need to compromise on the open-ended promise, often voiced by the Biden administration, to fight for "as long as it takes." Convincing the Ukrainian people to accept a compromise armistice that leaves Russia occupying significant portions of eastern Ukraine won't be easy. But it will likely be necessary to achieve an enduring end to the war, since there is little chance that Mr. Putin will agree to full restoration of the Ukrainian sovereignty and territorial integrity, which Russia promised to respect when it signed the Clinton administration's 1994 Budapest Memorandum.

To gain public support for an unpopular compromise, Mr. Zelensky will need firm assurances of continued arms supplies to deter Russian aggression, along with a European military presence on the ground, backed by the U.S. In addition, Ukraine will require massive financial assistance for reconstruction, particularly from wealthy nations in Europe that have the greatest stake in the outcome. The American people need to see that the burden of preserving peace is being shared.

Ultimately, Ukrainians should envision victory not in terms of regaining lost territory but as rebuilding and strengthening western Ukraine as a free, sovereign, independent and flourishing nation like South Korea. Even though Koreans north of the armistice line suffer terribly under one of the world's most tyrannical dictatorships, South Korea can fairly claim that it won that war by stopping when it did and saving uncountable thousands of lives.

From the outside, we can't know whether Mr. Trump is following the Chamberlain pattern. If he is, he has time to change course. He still has the opportunity to follow the example of Eisenhower, the bold but prudent leader who knew when and how to stop a bloody and costly war.

Mr. Wolfowitz is a distinguished visiting fellow at the Hoover Institution. He served as U.S. ambassador to Indonesia (1986-89) and deputy defense secretary (2001-05).

What's Behind the Rise in Autism Diagnoses

LIFE SCIENCE
By Allysia Finley

Left-wing environmentalists have long exploited parents' anxieties by stoking fears about "environmental toxins" harming their kids. Now President Trump is taking up their cause.

"Our goal is to get toxins out of our environment, poisons out of our food supply, and keep our children healthy and strong," he said in his speech to Congress last week. "As an example, not long ago, and you can't even believe these numbers, 1 in 10,000 children have autism. One in 10,000. And now it's 1 in 36. There's something wrong. One in 36."

Something is wrong, and it's the information that has been fed to him by "radical left lunatics" like Robert F. Kennedy Jr.—the label Mr. Trump applied less than a year ago to the man who is now his health and human services secretary.

The Centers for Disease Control and Prevention reportedly plans to conduct a study of vaccines and autism despite countless failed attempts to find a causal link. Many toddlers show traits associated with autism spectrum disorder, such as repetitive behaviors or sensitivity to noise, around the same age as they get vaccinated. This doesn't mean vaccines cause autism, any more than higher CO2 emissions cause Category 5 hurricanes.

The main causes of increasing autism rates are heightened public attention and broader diagnostic criteria, which have encouraged more diagnoses of children and young adults who wouldn't have been labeled autistic decades ago. Bill Gates notes in his new memoir, "Source Code," that if he were a kid today he would likely be diagnosed on the autism spectrum because he was hyperfocused and struggled to read social cues. Kids may get diagnosed as on the spectrum if they are late to start talking or insist on following routines like sticking to a set bedtime. Suggesting that autism is a result of "toxins" stigmatizes people who happen to be wired differently.

The 1-in-10,000 statistic the president cited derives from a 1970 review of Wisconsin kids in the 1960s. In those days, only those who struggled to function were diagnosed. Most needed special education and accommodations, which they often didn't get in public schools because it was expensive.

In 1973 Congress passed a law requiring schools that receive federal funds to make special accommodations for students diagnosed with disabilities, including autism.

Perverse incentives for education funding are a much stronger explanation than exposure to 'toxins.'

Two years later, Congress required states to identify such kids proactively and gave schools more money for each student who was diagnosed as disabled.

The predictable result: a sharp uptick in autism diagnoses during the 1980s and 1990s as schools chased federal dollars. Some of these students needed special education, but many didn't. Congress changed the funding formula in the late 1990s because many schools were diagnosing unimpaired children with cognitive disabilities to get more federal money.

Many states also give schools more money when their students are diagnosed on the spectrum. A 2022 study found states that do so had more diagnoses. According to government data, nearly 1 in 6 public-school students in 2022 were diagnosed as having a disability. But do they really?

A study last autumn found that prevalence of autism more than tripled among children and young adults between 2011 and 2022. Don't blame vaccines. Autism diagnoses increased most sharply in 2021 and 2022 even as MMR vaccination rates among kids fell.

One reason behind the increase may be viral videos on social media, such as "Signs You May Be Autistic," have encouraged more people to seek out diagnoses. Another contributor may be federal laws that entitle children and adults diagnosed with autism to special accommodations at school and work, including more testing time and "therapy pets."

Students diagnosed with autism, ADHD and learning disabilities typically get 50% more time to complete the ACT test. Some students may legitimately need such accommodations, but many are gaming the system.

An autism diagnosis can also yield more government benefits, including Supplemental Security Income. One study found that the prevalence of autism among young adults on Medicaid increased by about 50% between 2008 and 2012, which coincided with the economic downturn that left many out of work.

Increases in autism may not be due entirely to more diagnoses. But there's no credible evidence that environmental toxins or vaccines are responsible. Most evidence indicates that the condition is genetic. Scientists have linked hundreds of genes to autistic traits.

Jay Bhattacharya, Mr. Trump's nominee to lead the National Institutes of Health, last week told the Senate that he was convinced that vaccines don't cause autism, but that he would nonetheless "support a broad scientific agenda based on data to get an answer" to what does. By all means, study the genetic underpinnings. But please, Mr. President, don't fuel public alarm.

This Is No Way to Run a Trade War

By Peter E. Harrell

Thousands of U.S. companies opened for business on Friday with no idea whether they had to pay tariffs. This was due to President Trump's chaotic North American trade war, which he kicked off Tuesday by imposing tariffs on Canada and Mexico, only to announce two days later that he would exempt for one month products that complied with the 2020 U.S.-Mexico-Canada trade agreement. But it wasn't clear which products qualified for exemptions, and American, Mexican and Canadian officials gave conflicting guidance. Markets hated the trade war, dropping to levels not seen since before Mr. Trump's election in November.

Mr. Trump is right about the need to overhaul the global trading order. The U.S. must account for China's position as a strategic competitor hostile to American interests. He is also right that a more balanced international trading system would foster a stronger American economy. But last week's trade war was neither lawful nor designed to serve America's strategic interests.

In imposing the tariffs, Mr. Trump misused the 1977 International Emergency Economic Powers Act. Congress passed IEEPA to give presidents tools to respond quickly to emergencies like wars or terrorist attacks, with actions such as freezing the assets of enemies or preventing foreign militaries from buying critical inputs. IEEPA has never been used for tariffs, and courts should rule that it can't be. Last week's chaos illustrates why. Presidents shouldn't be able to upend the economy at the stroke of a pen. Trade statutes, on the other hand, require detailed studies into why a country or product should be subject to tariffs, and the proposed tariffs must be subject to public comment.

Using lawful trade statutes would require the Trump administration to follow the basic rules of trade wars: Express clear objectives and a strategy for achieving them. Mr. Trump's executive orders attributed the new tariffs to the role of Canada and Mexico in America's fentanyl crisis, which he designated a national emergency. But when he defends his tariffs on Canada, Mr. Trump cites America's trade deficit and claims revenue from the tariffs will pay for tax cuts.

U.S. trade laws require the president to identify and investigate specific trade practices that harm the U.S. and then propose remedies, such as tariffs or negotiations. A president may impose tariffs on specific goods if fact-finding determines that imports threaten U.S. national security. Mr. Trump's reasons for imposing tariffs on Canada don't appear to satisfy these standards. If the president has goals not covered by existing statutes, such as raising revenue or mitigating trade deficits, he should ask Congress to give him the authority to pursue such goals through tariffs.

Mr. Trump also needs a negotiating strategy that isn't predicated on constant chaos. Faced with Mr. Trump's tariff threats, Canadian, Mexican and European officials have indicated that they are open to collective action against China, the world's biggest exporter and a major source of U.S. trade deficits. This would help U.S. industries: American car companies, metal producers and other manufacturers struggle to compete in markets flooded with cheap Chinese goods.

Europe may also be willing to address American concerns about European tech regulations that threaten free speech and burden U.S. companies with fines—especially given Europe's dawning recognition that it needs a more dynamic tech sector. European countries' new defense and fiscal stimulus packages—one welcome result of Mr. Trump's pressure to become more self-reliant—could create a stronger market for U.S. goods.

Trump is misusing a statute to impose tariffs on Canada and Mexico that hurt American interests.

But foreign governments are less likely to cooperate with the U.S. if it foments chaos and issues conflicting trade demands. During Mr. Trump's first term he was unable to resolve a long-standing trade dispute between the U.S. and the European Union over aircraft subsidies, which involved tariffs and countertariffs between the two sides. They agreed to a five-year truce in June 2021 under President Biden. Mr. Trump's new trade war may create a similar dynamic, but on a vastly larger scale. This isn't a recipe for American success.

Economists estimate that a global trade war could cost the U.S. 1% or more of gross domestic product, with price increases across a range of consumer products. Companies like Target and Best Buy warn they may have to raise prices amid Mr. Trump's tariffs.

And that's before foreigners make things more painful. Mr. Trump looks at America's appetite for goods and sees leverage: The U.S. can tariff foreigners more than they can tariff the U.S. But what if America's trading partners turn its import dependencies to their advantage? Europe holds a dominant position in creating advanced semiconductor manufacturing tools. It could cut off its supply to the U.S., destroying America's hopes of developing leading-edge chips. Beijing wins in that world.

Mr. Trump has a chance to correct course in April, when his administration releases reports on U.S. trade policy that he commissioned the day he took office. If these reports set up a disciplined and lawful trade process and serve as the launching pad for skilled negotiations, Mr. Trump and his team have a chance to establish a new global trading order that advances America's interests, much like American policymakers in the late 1940s set up an economic order that promoted U.S. economic growth and helped win the Cold War.

If the next few months resemble the past week, however, the Trump administration risks being remembered alongside Sen. Reed Smoot (R., Utah) and Rep. Willis C. Hawley (R., Ore.), whose 1930 Smoot-Hawley Act imposed massive tariffs on more than 20,000 imported products, provoked retaliatory tariffs, exacerbated the Great Depression and gave "tariff" a bad name.

Mr. Harrell is a nonresident fellow at the Carnegie Endowment for International Peace, an attorney and host of the "Security Economics" podcast. He served at the White House as senior director for international economics, 2021-22.

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Data-Storage Firms Vie to Innovate

A breakthrough stands to keep hard disk drives as the dominant medium

By John Keilman

The fate of an industry is riding on a laser smaller than a grain of salt.

Data-storage company **Seagate** developed this diminutive heat source to help it encode information in evergreater quantities on the spinning magnetic platters of hard disk drives. Stacked by the thousands in data centers, the drives hold everything from home movies to medical records to factory log files.

Seagate's innovation, heat-assisted magnetic recording, is critical to the future of the globe-spanning manufacturer. Its hard drives are competing against newer and faster technology in the business of storing the world's information, and to survive, their capacity must continue to increase.

The company has started shipping a paperback-size drive that holds 36 terabytes of data—the equivalent of 1,400 Blu-ray movies. It has achieved nearly twice that in the lab, and its executives think far more is possible.

"We've always believed that hard drives had legs," said Seagate Chief Executive Dave Mosley. "We've proven that by continuing to invest in them and see the returns."

The new products arrive as artificial intelligence is fueling a surge in demand for data storage. Data centers last year spent an estimated $40 billion on storage devices, according to the consulting firm IDC, and that is expected to grow by 31% over the next two years.

Wall Street analysts predict that Seagate's sales from fiscal 2024 to 2026 will increase by 55%, to $10 billion, while its earnings per share will grow by more than 650%.

IBM invented the hard disk drive in the 1950s, and the storage device has endured while other media such as punch cards, floppy disks and CD-ROMs fell into obscurity.

Please turn to page B2

YASMIN YASSIN FOR WSJ

Hard-drive components that record information are made in vast clean rooms at Seagate's suburban Minneapolis factory.

STREETWISE | By James Mackintosh

Markets Wake Up to New Reality

After President Trump was elected, investors got very excited about all the nice things he'd promised and forgot about stuff that would be bad for stocks. Now they are very anxious about all the stuff that is bad for stocks and have forgotten about the nice things. Has the selloff gone too far?

Regular readers might think me capricious for even asking the question. I took the other side, concerned about the threat of tariffs, an immigration clampdown and frothy markets when investors were focused on tax cuts and deregulation. But prices have moved, and prices matter.

The case for thinking the selloff is overdone is that markets have broadly dropped back to where they were at the election. Some falls are extraordinary: **Tesla** is down 45% from its high in mid-December. Since its IPO Tesla has fallen more in such a short period only in 2022, when the Federal Reserve was aggressively raising rates.

The Nasdaq-100, dominated by big tech firms, and the Russell 2000 index of smaller companies were both briefly down more than 10% from their postelection highs on Friday, before Federal Reserve Chairman Jerome Powell's reassuring words on the economy prompted a rebound. Both are lower than on Election Day. The S&P 500 didn't go up so much and hasn't fallen so much, but is below where it stood on Nov. 5. This isn't just about the Magnificent Seven big tech stocks: The equal-weighted version of the S&P is also down.

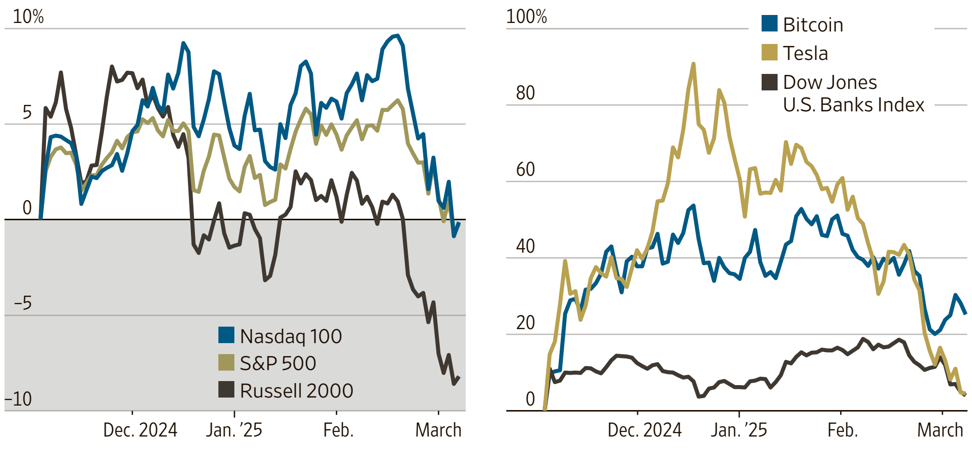
The dollar has dropped sharply but remains slightly above where it stood before the election result, while the Mexican peso is stronger than on Election Day.

For anyone who thought Trump's talk of deregulation and lower taxes would boost economic growth, this should be a great opportunity. The rest of the market has given up on the "American exceptionalism" trade.

I have trouble turning

Please turn to page B2

Performance since election day



Sources: FactSet (stocks, indexes); CoinDesk (bitcoin)

What Went Wrong at a Futuristic Desert Metropolis

By Eliot Brown And Rory Jones

It was supposed to be a launch party for the new Saudi Arabia.

Will Smith, Tom Brady and other celebrities gathered on a sandy island in the Red Sea packed with luxury hotels. Superyachts floated nearby while Alicia Keys played for business executives who had flown in from London and New York. Spotlights blared into the night sky.

The October event was the lavish opening of the first part of Neom, a planned metropolis defined by cutting-edge technology and psychedelic architecture, a cornerstone of the country's plan to pivot its economy away from oil.

The truth for the project was less glamorous.

The relatively simple, low-rise development, known as Sindalah, was over three years late and on track to cost nearly $4 billion, three times its initial budget. Hotels were unfinished, high winds disrupted ferries and golf, and much of the site was still under construction.

Saudi Crown Prince Mohammed bin Salman, Neom's mastermind, was a surprise no-show. Neom board documents say the party cost at least $45 million. Many Neom staff viewed his absence as a sign of disapproval.

Weeks later, Neom's boss of six years, a former crown prince favorite, left the project and a new crew of executives was installed to turn Neom around.

After spending more than $50 billion, the crown prince's sci-fi-inspired dreams—an arid-mountain ski resort, a floating business district, and the Line, the 106-mile-long pair of Empire State Building-height skyscrapers that is Neom's centerpiece—collided with reality.

Costs soared, delays are ubiquitous and a decision last year to reduce Neom's first phase threatens to deprive the desert city of the critical mass of inhabitants needed to make it a modern business hub.

Behind Neom's problems: a dance of mutual delusion in which the crown prince pushed for fantastical plans and executives shielded him from the full scope of challenges and costs, according to former employees and a more than 100-page internal audit of the project presented to members of Neom's board last spring and reviewed by The

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SEBASTIEN NOGIER/EPA/SHUTTERSTOCK

A model of the planned Trojena ski resort at an event in Cannes, France, last year.

European Defense Stocks Lift Hedge Funds

By Caitlin McCabe

Hedge-fund honchos entered this year betting big on America, expecting President Trump's promised tax cuts and deregulation would lift everything from U.S. stocks to the dollar.

Turns out, an old-school industry in Europe was really the place to be.

European defense has emerged as one of the biggest winners in global markets this year, outpacing buzzier bets such as artificial intelligence. Companies including Germany's **Rheinmetall**, Italy's **Leonardo** and France's **Thales** have gained 67% or more, far ahead of any S&P 500 stock.

The rally is enriching a clutch of hedge-fund managers who bet on these stocks before the Trump administration started remaking the global security landscape. That includes such firms as New York-based **Sachem Head Capital Management** and Chris Hohn's London-based **TCI Fund Management**, one of the largest hedge-fund firms in the world.

Deem Global, a London-based firm that oversees nearly $600 million, also made money on the sector, owing to its "longstanding thesis of geopolitical reordering" and a "structural megatrend" of increased military spending, the firm wrote in an investor letter seen by The Wall Street Journal.

Its main fund returned 9.6% in February, the letter said, helped by options tied to European defense stocks. A more-concentrated version of the fund gained 40%.

That reordering is unfolding rapidly. Since taking office in January, Trump has pushed for a swift end of the war in Ukraine, embracing Russia in the process and clashing publicly with Ukrainian President Volodymyr Zelensky. Last week, he ordered pauses to all military aid and intelligence sharing with the embattled country, denying Kyiv the resources it needs to fight Russian forces.

At the same time, Trump pressed for Europe's rearmament, suggesting the U.S. might not defend North Atlantic Treaty Organization allies if they don't increase outlays on arms, troops and equipment.

The issue took on new ur-

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INSIDE

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INDEX TO PEOPLE

BUSINESS & FINANCE

Storage Firms Vie To Innovate

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The drives' capacity grew as their price dropped, and today a one-terabyte consumer model, which can hold tens of thousands of high-resolution photos, costs less than $70.

But in the 1990s, hard drives' most-formidable challenger emerged. Solid-state drives store data as electrons, allowing them to read and write faster than hard drives.

Solid-state drives are more expensive than hard drives on a per-terabyte basis, but the disparity has steadily declined. They have become the default in personal computers, and some in the industry say it won't be long until they take over data centers, too.

John Colgrove, founder and chief visionary officer of **Pure Storage**, a company that designs storage systems, said it is now shipping 150-terabyte solid-state drives called DirectFlash.

Their capacity will quadruple in the next two years, he said, and that growth, coupled with what he called solid state's lower demand for power, will quickly erode hard drives' cost advantage.

"The debate isn't will hard drives go away—it's when will they go away," Colgrove said.

Hard drives write by flipping the magnetic orientation of tiny "bits" up or down. That action denotes them as a one or a zero, the binary code that makes up the digital language.

Seagate and other manufacturers have managed to make those bits smaller and smaller, but in conventional hard drives, they are approaching a limit beyond which they would become too unstable to control.

Enter heat-assisted magnetic recording, or HAMR, a technology Seagate has been developing for more than 20 years. The new drives use a laser to apply a nanosecond of heat to bits smaller than any used before, allowing them to be magnetically manipulated.

The read-write heads that record information are made in vast clean rooms in Seagate's suburban Minneapolis factory. On a recent morning, workers in masks, gloves and hooded coveralls operated machines that deposited or etched away layers of material atop 8-inch-wide ceramic wafers. The room was bathed in yellow light that wouldn't interfere with photosensitive chemicals used in the process.

Each wafer, which workers carried from station to station in lunchbox-size cases, held 100,000 heads. Once complete, the wafers would be flown to Thailand, where other staffers would attach the lasers and assemble the drives.

Seagate said two large cloud-computing customers have each ordered one exabyte's worth of HAMR storage, which works out to tens of thousands of hard drives.

Irving Tan, CEO of **Western Digital**, Seagate's main competitor in hard drive manufacturing, said HAMR drives could eventually hit 100 terabytes, and after that, a technology that is still in the R&D phase might take over. Known as heat dot magnetic recording, it aims to write on even smaller particles.

IDC says hard drives account for more than 80% of data-center storage, but solid-state drives have been nibbling away at that dominance.

Some data centers give priority to solid state, saying their customers demand high-speed performance.

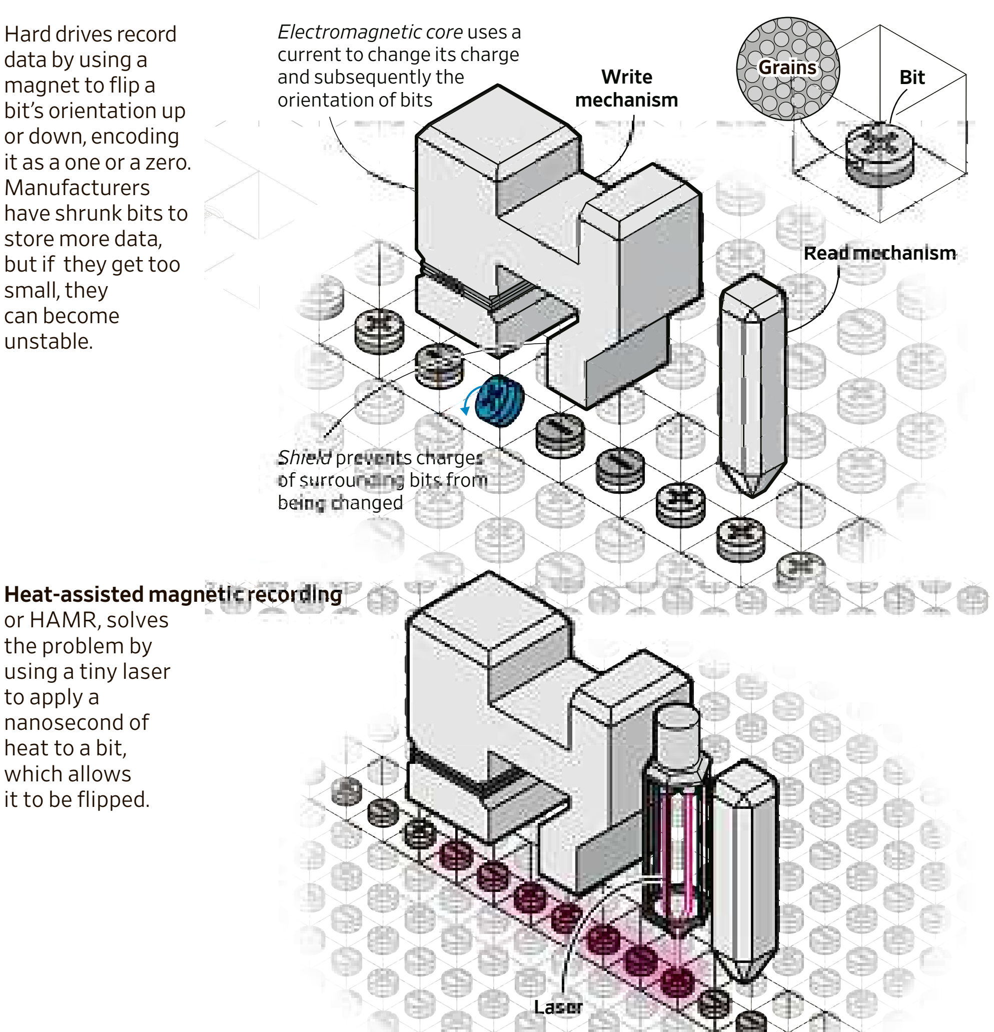
Others continue to see the utility of hard drives, including Tampa, Fla.-based **Hivelocity**. Chief Operations Officer Jason Burnett said not all operations require data to be available with the speed of solid state.

"There are certain functions, whether archival or backups or something like that, that I don't care how fast I can access the data—I just need to be able to store a lot of it," he said.

IDC predicts that by 2028, hard drives will still be one-fifth the cost of their solid state equivalents.

It expects data-center spending on hard drives to reach $22 billion that year, a 69% increase over 2024 but less than the $32 billion forecast for solid state.

Brian Beeler, chief analyst of the testing website StorageReview.com, said there currently isn't enough solid-state-manufacturing capacity to replace hard drives. That reality alone means hard drives will stick around for a while. "They're not fast, they're not that big, they're not powerful, they're not anything, but they can hold stuff for a long time really well at an effective cost per terabyte," he said.



Source: Seagate
ADRIENNE TONG/WSJ

Market Wakes Up To Reality

Continued from page B1

bullish for the long run, because I fear the new world order Trump is ushering in won't end well for investors. But in the short term, this feels like a very rapid selloff that at the least undoes much of my concern about the excess in markets. Investors have shifted from being super-positive to focus instead on the dangers. When sentiment turns sour, it is often a good time to pick up bargains. The risks to this view are threefold.

First, prices haven't moved *that* much. U.S. stocks weren't cheap on Nov. 5, and aren't cheap now. Stocks are above 21 times estimated earnings for the next 12 months (their dot-com-era high 25 years ago was 25 times). It remains true that much of this high valuation is due to the heavy weight in the S&P of the Magnificent Seven: **Amazon.com**, **Alphabet**, **Apple**, **Meta Platform,s**, **Microsoft**, **Nvidia** and Tesla. But if they plunge back to lower valuations, they are so big they drag down the index as a whole.

The markets have started to prepare for a slower economy.

Second, the bad parts of Trump's agenda, tariffs in particular, are paralyzing business and scaring consumers. Economic data has weakened and come in below expectations, prompting the most-recent leg down in stocks. If hiring and expansion plans are put on hold because of uncertainty about trade, weakness could spread. I don't know how to forecast this; we don't have experience of heavy tariffs on our closest trade partners being imposed, modified, then largely deferred, then new tariffs threatened, all within a week. But I do know that confidence matters, and this isn't a good way of boosting animal spirits.

The slowdown could just be the return to a reasonable, lower level of growth after the economy ran at an unsustainably fast pace last year. But if confidence suffers, it could be the start of something much worse.

The markets have started to prepare for a slower economy. Expectations for Fed rate cuts this year have risen, and the 10-year Treasury yield has dropped fast. In stocks my equal-weight index of defensive sectors least sensitive to the economy is slightly up since the latest selloff began in mid-February, while cyclicals exposed to economic growth are down 8%.

Third, the good bits of Trump's agenda are in question. Investors hoped that as well as extending the 2017 tax cuts, a flurry of other tax cuts on tips, overtime and Social Security payments would transfer money from government to shareholders and stimulate the economy. Congress is working out how to extend the tax cuts, but the proposal from Republicans in the House includes $2 trillion of spending cuts, almost halving the stimulatory effect from the $4.5 trillion tax extension. Exactly what will emerge from the reconciliation process remains unclear.

Deregulation is being done with an ax rather than a scalpel. Trump attempted to dismantle entire government agencies, leading to legal setbacks. Elon Musk's Department of Government Efficiency has focused on mass layoffs, rather than productivity. Companies might see the benefits eventually, but for now they get headlines about fired workers being rehired.

Hopes for deregulation are alive in cryptocurrencies, where some of Trump's earliest directives have taken effect, and banking, where the Treasury has discussed cutting capital requirements. But both reversed big parts of their postelection gains as markets fell, with bitcoin down 18% from its December high and bank stocks now up 4% from the election, having risen as much as 19%.

Investors who think the economy is merely going through a soft patch, that tax cuts will be big and that the administration will manage worthwhile deregulation should be thinking about buying. I'm glad the froth has been blown off, but I'm in wait-and-see mode—also known as paralyzed by uncertainty.

Hedge Funds Find A Winner

Continued from page B1

gency following Trump's and Zelensky's Feb. 28 Oval Office blowup, which triggered a scramble by the U.K. and France to broker a compromise.

Germany upped the ante days later, exempting military spending from its strict fiscal rules, and European Union leaders convened in Brussels to discuss a defense plan for the continent. Europe faces a "clear and present danger," said European Commission President Ursula von der Leyen.

"The defense paradigm has shifted materially," said Andrzej Szczepaniak, senior European economist at Nomura. "Obviously, if you want to become security-independent, you have to rely more on your own production. And from that perspective, that underscores why we've seen such a rally in European defense stocks."

Until recently, European defense stocks were unloved for a simple reason: The continent wasn't spending heavily on security.

When the Cold War ended, governments slashed military budgets in favor of social programs.

While Europe's military spending has risen in recent years, it remains lower than that of the U.S. It equated to 1.9% of the EU's economic output last year, according to the European Defense Agency, while military spending equaled 2.3% of U.K. gross domestic product. The U.S. outlay was equivalent to nearly 3.4% of its GDP, NATO estimates show.

The sector also was dented by the environmental, social and corporate-governance investing movement, which spurred some investors to dump shares of companies tied to war and weaponry, and other industries considered not socially responsible. Sentiment toward the sector began to change in 2022, when Russia launched its full-scale invasion of Ukraine.

In general, betting on European defense hasn't historically been popular with hedge funds, according to bankers and others familiar with firms' positioning. But that has started to change. Hedge-fund clients of **JPMorgan Chase** bought a higher-than-average amount of European defense stocks on a net basis last week, said Eloise Goulder, head of the data assets and alpha group at the bank.

Deem, the firm whose main fund surged last month, was founded in 2022 by 32-year-old Asfy Nadeem, an alum of the macroeconomic-trading giant **Brevan Howard**. His firm's bread and butter is trading on major thematic shifts through interest rates, stocks and other assets classes.

Last year, the firm began accumulating options positions in European defense stocks, said a person familiar with the matter, reasoning that the longstanding alliance between Europe and America could shift if Trump were to win the November election.

Other hedge-fund firms have held positions in European defense stocks for even longer. Hohn's TCI has been a major investor for more than a decade in **Safran**, a French aerospace-industry supplier, and **Airbus**.

TCI unveiled a stake in Safran in 2012. Five years later, the hedge-fund firm ran a fierce campaign against Safran's purchase of another aerospace company, arguing that Safran was overpaying significantly. Eventually, Safran lowered its offer, and the deal went through. TCI remains a major shareholder, owning over 5% of the company.

Sachem Head, the New York activist hedge-fund firm, also was early to the sector. In early 2023, it scooped up shares of Leonardo, the Italian aerospace and defense manufacturer, betting that the company and the broader industry was poised for growth, according to a person familiar with the firm's thinking.

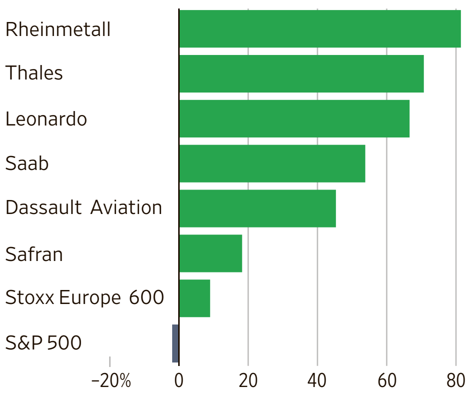
Back then, Sachem Head believed Leonardo's true value was obscured by a money-losing segment of the business that manufactures aircraft components. It also thought broader military spending would need to increase in Europe after decades of underinvestment.

Leonardo's shares traded around €10 when Sachem Head bought in. They closed Friday above €43. It remains one of the firm's largest positions, the person said.

Performance of the Stoxx Europe aerospace and defense index, past 10 years*

*Index is euro denominated.

European defense-stock and index performance, this year



Source: FactSet

NATHAN LAINE/BLOOMBERG NEWS

Shares of Italy's Leonardo have surged with peers this year.

P2JW069000-0-B00300-1--------XA

BUSINESS NEWS

MICHELLE GUSTAFSON FOR WSJ

The new stores will have missing from their aisles an array of consumer items that have been staples at CVS for decades.

CVS's New Small Stores Go All In on Pharmacy Services

Twelve locations will largely center on health items and skip everything else

By Kate King

CVS Health is preparing to open a dozen stores offering full-service pharmacies but very limited retail, the latest example of a national drugstore chain responding to a long stretch of declining retail sales.

The new stores will be on average less than 5,000 square feet, or not even half the size of a typical CVS location, the company said. The 12 new stores are expected to open over the next year in cities and towns throughout the U.S.

These shrunken CVS stores will still stock health-related products such as over-the-counter cough and pain medications and first-aid care, a CVS spokeswoman said.

But missing from their aisles will be the vast array of consumer items, such as greeting cards, groceries and nail polish, that for decades have been staples at CVS and other national drugstore chains.

These chains have struggled in recent years to address both competition from discount retailers and a surge in theft. The challenges are leading to cost-cutting, widespread store closures and other dramatic changes at these companies.

CVS is undergoing a significant downsizing of its footprint. The chain, which announced plans in 2021 to reduce its store density, plans to close 270 locations in 2025 after 800 net closures over the prior three years.

A spokeswoman said CVS is making closure decisions based on a number of factors, including population shifts and consumer buying patterns.

Walgreens Boots Alliance also is closing locations and last week reached a deal with an equity value of about $10 billion with investment firm **Sycamore Partners**, which is taking the chain private in one of the largest leveraged buyouts in 10 years. **Rite Aid**, meanwhile, emerged from Chapter 11 last fall as a private company and has closed hundreds of stores since the start of the pandemic.

Julie Utterback, senior equity analyst for Morningstar, said CVS's new store format is surprising, given the company's broader downsizing plans. Focusing its real-estate usage on prescriptions makes sense, however, since more than 80% of sales last year came from the pharmacy department.

"That is where most of the value is generated," Utterback said. "The front of their store operations has been in question for a while."

CVS and other drugstore chains for years built their business around convenience. Customers walking through the store to pick up their prescriptions would buy shampoo or pretzels—often at a large markup—on their way to the cash register.

And through acquisitions and aggressive real-estate expansion, drugstore chains became ubiquitous across American streets and shopping centers.

But pharmacies have been losing market share for years to online and discount competitors that offer the same products at lower prices, in many cases delivered to customers' doorsteps. The spread of beauty stores such as Sephora further siphoned customers from drugstore aisles.

Retail theft has further cut into margins by forcing stores to hire more security staff and lock up large quantities of items, measures that have inconvenienced and annoyed many customers.

CVS is in the very early stages of rolling out its new small stores, and plans to have the first few locations operating by the end of the year, the spokeswoman said.

The company is focusing on areas where residents already may be buying their household items from **Walmart** or dollar stores but don't have a place nearby to fill their prescriptions and get immunizations.

"This work is really focused on introducing or adding pharmacy access in communities that are lacking," said Amy Thibault, spokeswoman for CVS.

The chain also is opening about 30 of its traditional stores this year, including new pharmacies within discount chain **Target**. "We have a lot of different footprints, and this is just one more to add," Thibault said.

French Ship CEO Vows to Help U.S. Firms

By Paul Berger

French shipping magnate Rodolphe Saadé met President Trump at the White House on Thursday and pledged to invest $20 billion in the U.S. over the next four years as the administration pushes to revive the American maritime sector.

Saadé, the billionaire chairman and chief executive of Marseille's **CMA CGM**, intends to triple the size of the container line's U.S.-flagged fleet, upgrade its U.S. port facilities and create a Chicago air-freight hub, among other moves.

The investments will create 10,000 direct new jobs, Saadé said in an interview, adding most of the announced investment is new money that is being found or reallocated from other areas. It includes $8 billion for containerships, $7 billion for logistics, $4 billion for ports and $1 billion for air cargo, he said.

"We're talking about a massive investment of a shipping company and a logistics provider in a given country," Saadé said. "$20 billion over four years is very strong as a commitment to the U.S."

The commitment comes as Trump presses to resurrect commercial and military shipbuilding in America and to challenge China's dominance of the global maritime industry in ways that threaten profits at the world's largest ocean carriers.

Trump, in a video from the White House posted on X, told Saadé that the U.S. maritime industry had lost its way and that in the coming weeks he will announce "a massive program for building the largest ships in the world."

AL DRAGO/PRESS POOL

CMA CGM Chief Executive Officer Rodolphe Saadé spoke in the Oval Office on Thursday.

Saadé told Trump: "You will have more ships with the U.S. flag as we move forward, and you can count on us to do as much as we can."

Trump told Congress this week he would create a new Office of Shipbuilding in the White House. Administration officials are also considering an executive order to boost the domestic shipbuilding industry. Measures include charging fees on Chinese-built ships calling at U.S. ports to raise revenue for the maritime sector, according to a draft summary of the order reviewed by The Wall Street Journal.

That idea, which is subject to change, draws on recent proposals under consideration by the U.S. Trade Representative's office. The fees of up to $1.5 million per port call are opposed by U.S. trade and agriculture groups as well as by the container line industry.

Saadé said the fees would "harm business and global trade."

China dominates global shipbuilding. Almost 36% of CMA CGM's container fleet, measured by capacity, is made in China, according to data firm Linerlytica. More than 64% of the company's new order capacity is being built at Chinese shipyards.

The company operates a U.S.-flagged fleet of 10 containerships under its APL subsidiary. Because the ships are U.S.-flagged, they are crewed by U.S. sailors and are a preferred carrier for U.S. government and military cargo.

Saadé said CMA CGM will add 20 new ships to its U.S.-flagged fleet, most likely from South Korean shipyards. He said the company is talking to U.S. shipyards about whether they can make ships for the fleet and what size those ships might be.

CMA CGM routinely orders vessels from South Korea and China capable of carrying the equivalent of about 18,000 containers.

U.S. shipyards build smaller containerships. APL's U.S.-flagged fleet ranges in size from ships capable of carrying the equivalent of between 1,600 and 6,000 containers.

Saadé said the U.S. accounts for a quarter of CMA CGM's total revenue. The world's third-largest carrier by capacity, earned $5.71 billion in net profit in 2024 on revenue of $55.5 billion.

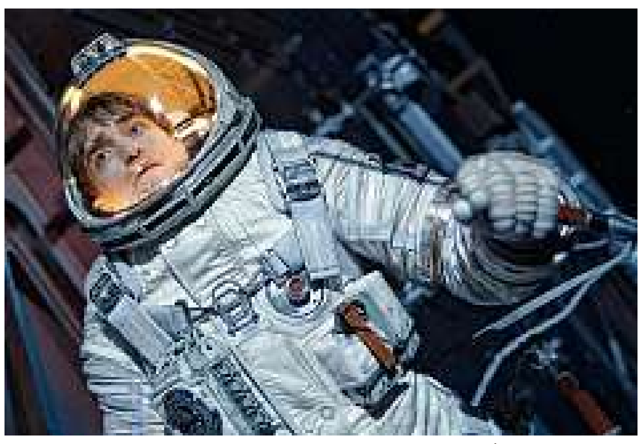
The company has spent billions of dollars in recent years building out its global logistics offerings. It purchased logistics specialist CEVA Logistics for $1.67 billion in 2019 and two years later launched its own airfreight service. It has also spent billions of dollars in the U.S. purchasing cargo-handling terminals at the two busiest West Coast and East Coast ports, at Los Angeles and at New York-New Jersey.

CMA CGM was already planning to spend hundreds of millions of dollars upgrading those and other port facilities to move more containers more quickly through congested gateways.

The company and its logistics subsidiaries employ about 15,000 U.S. workers.

Saadé said the company plans to double and modernize its network of about 200 U.S. warehouses and to open a research-and-development hub in the Boston area. He said the new Chicago air hub would be served by five Boeing 777 freighters carrying cargo between the U.S. and Asia.

'Mickey 17' Takes Top Spot


WARNER BROS/EVERETT COLLECTION

Robert Pattinson stars in the film that earned $19.1 million.

Estimated Box-Office Figures, Through Sunday

Film	Distributor	Sales, In Millions: Weekend*	Cumulative	% Change
1. Mickey 17	Warner Bros.	$19.1	$19.1	—
2. Captain America: Brave New World	Disney	$8.5	$176.6	-43
3. Last Breath	Focus Features	$4.2	$14.7	-47
4. The Monkey	Neon Rated	$3.9	$31.0	-39
5. Paddington in Peru	Sony	$3.9	$37.0	-15

*Friday, Saturday and Sunday in North American theaters

Source: Comscore

AI Will Soon Dominate Buying Advertising

Tech giants want marketers to let go of some control and trust the algorithms

By Patrick Coffee

Advertisers are grappling with trade-offs of artificial-intelligence-powered ad planning and buying tools for automating nearly every step in digital ad campaigns.

The tools work by asking buyers for parameters for campaigns, such as budget limits and sales goals, then allow algorithms to decide where ads will run, who they target and, in some cases, how ads appear.

Buyers often can't find out exactly what decisions the artificial intelligence implements, but they can essentially press a button for campaigns to run on their own.

AI tools can make a campaign more efficient, according to their developers, which include pioneers Google and **Meta Platforms**.

TikTok, **Amazon.com** and **Pinterest** also have released their own such tools over the past year.

The tools also can help developers sell advertising more effectively to small and midsize businesses that provide a majority of their ad revenue and that can't develop complex campaigns on their own, said Karsten Weide, an advertising technology consultant.

For many advertisers, however, the lack of control is disconcerting.

"It's almost like a necessary evil," said Nicole Fisch, senior vice president of marketing at baby-products brand **Lalo**, which uses Google's AI-fueled Performance Max campaigns to run ads online. "You see the numbers and it does drive sales, but...at what cost?"

Reports from Google sometimes show higher returns for Performance Max campaigns than non-AI efforts. But Lalo's team can't tell if their ads reached the company's core audience of design-focused parents, nor can they actively target specific websites and apps those people may frequently visit, according to Fisch.

Many marketers—Lalo included—are using the tools nonetheless.

"AI buying agents are going to be directing upwards of 80% of digital media buys by 2030," said Ben Hovaness, chief media officer at ad buying firm OMD, part of ad giant **Omnicom**.

Marketers have for years responded to the proliferation of platforms and media formats by demanding greater control and transparency in allocating budgets. The tech giants dominating digital advertising now appear headed in the opposite direction.

The particulars vary. Meta's Advantage+ places ads only within Meta apps such as Instagram and Facebook, for example, while Google's Performance Max campaigns run on Google properties and elsewhere.

JOHN G MABANGLO/EPA/SHUTTERSTOCK

Meta's Advantage+ had overwhelmingly positive feedback.

Some marketers now call Google's and Meta's AI tools "black boxes" because, depending on the platform, they may not be able to control key factors such as the consumers they are targeting, the platforms and webpages that run their ads, and whether the final ads look like they want.

In many cases, marketers may have limited visibility into how well specific campaigns performed and why.

"The idea is to relinquish control and trust the algorithm," said Zach Thompson, director of ad operations at digital planning and buying firm **Arm Candy**.

Arm Candy initially spent around 45% of some clients' e-commerce ad budgets on AI tools but now advises using them only in special cases, Thompson said. The tools improved outcomes such as clickthrough rates and costs per click, but in the agency's experience didn't increase sales, and clients lost a certain level of control, he said.

Online event marketplace **Event Tickets Center** has seen its images and text appear in other brands' ads when buying through Advantage+, said Chief Marketing Officer Ben Kruger.

Some OMD clients have shied away from AI buying altogether due to a lack of control over audiences and inventory, according to Hovaness.

Marketers considering AI-driven campaigns aren't confident ads for restricted products such as alcohol will appear only in appropriate places, Hovaness said. Other brands can't accept not being able to select where their ads may run online, he added.

Despite such complaints, many marketers have embraced the "black boxes."

Event Tickets Center found Performance Max campaigns deliver higher traffic numbers than traditional search ad buys, which is more important for the ticket seller than transparency, according to Kruger. "As long as it's delivering profitable sales to us, I don't really care where it's running and what it's doing," he said.

The company now spends around 10% of its roughly $100 million annual Google budget through Performance Max, Kruger said.

Advantage+ has reduced the time **Saxx** spends identifying leads and setting up campaigns, said Kevin Meikle, director of digital marketing. That gives the underwear brand's marketing team more time to test other marketing channels and work on creative strategy, Meikle said.

Saxx currently spends 20% to 30% of its Meta budget on Advantage+, but that share has run as high as 50% to 60%, depending on fluctuations in ad prices, Meikle said.

Google and Meta have gradually updated their AI products. Performance Max advertisers since March 2024, for example, have been able to block their campaigns from running on up to 20,000 sites or apps.

Many marketers, however, would prefer to choose where ads run rather than where they won't, because even a list of 20,000 sites, pages and apps accounts for only a fraction of the billions of places where digital ads may appear.

No matter how marketers feel about "black boxes," the approach appears to work for tech companies offering them.

Meta Chief Financial Officer Susan Li said on the company's most-recent earnings call that adoption of its Advantage+ shopping tool, which automates ad campaigns tied to online sales, increased 70% year over year. Li also said the product could bring in $20 billion annually.

Meta has received overwhelmingly positive feedback about Advantage+ and is testing a new campaign setup that will turn AI tools on by default for certain kinds of campaigns to simplify the process for buyers, according to a spokeswoman.

Google will continue to develop AI tools for creating and buying ads, Philipp Schindler, chief business officer and senior vice president at Google parent **Alphabet**, said on the company's most-recent earnings call.

"When advertisers succeed, we succeed, and so we have very common interests," Brendon Kraham, vice president of global search ads and commerce, business and product strategy at Google, said in an interview.

As AI takes up larger shares of brands' budgets, the ad industry must push tech platforms to ensure AI tools keep those interests aligned, said Hovaness.

Apple Says Some AI-Powered Enhancements to Siri to Be Delayed

By Sabela Ojea

Apple said it is delaying an upgrade to Siri that is enhanced by artificial intelligence.

The company, which has faced slumping iPhone sales in recent months, on Friday said that it would take it longer than expected to make Siri more personalized and to enable it to take action for the user within and across apps.

"It's going to take us longer than we thought to deliver on these features and we anticipate rolling them out in the coming year," the company said.

The delay follows recent efforts from Apple to make Siri more conversational, and an integration with **OpenAI**'s ChatGPT, the company said.

In September, Apple unveiled a new generation of iPhones that put AI at the forefront in order to attract consumers through new AI features.

These tools, called "Apple Intelligence," were set to include an improved Siri voice assistant and a variety of text-generation and photo-editing capabilities.

The Cupertino, Calif., company most recently reported that iPhone sales for the key December quarter were down nearly 1% from the prior year, to $69.1 billion, a miss from the $70.7 billion analysts were projecting, according to FactSet.

Apple shares rose 1.7% on Friday.

ALEX NABAUM

The SALT Deduction Cap Is Set To Expire. Start Planning Now.

Whether the limit is raised, eliminated or extended, there are steps taxpayers can take to prepare

By Debbie Carlson

As Congress debates tax policy this year, the state and local tax-deduction cap is in the crosshairs.

The SALT deduction cap is set to expire at year's end, along with a host of other tax-policy changes enacted as part of the Tax Cuts and Jobs Act of 2017. Currently, households that itemize may deduct up to $10,000 of property, sales or income taxes paid to state and local governments.

Before 2017, there was no limit to how much in state and local taxes taxpayers could deduct from their federally taxable income. This limit hit high-income people who live in states with high state and local tax rates, such as New York, California and Connecticut. To partially offset capping the state and local tax deduction, Congress doubled the standard deduction (currently $29,200 for married filing jointly)—causing many people who previously itemized and took the SALT deduction to use the elevated standard deduction.

President Trump on the campaign trail called for restoring the tax break. And several lawmakers on both sides of the aisle, primarily from high-tax states where residents are affected by the deduction cap, have proposed modifications, including doubling the current cap, increasing it to $20,000 for married filing jointly, or eliminating it.

It isn't clear how the SALT deduction cap will play out this year, but one of three scenarios will occur: it's modified, allowed to expire, or is made permanent. Whatever happens, here is how financial professionals say taxpayers can prepare.

1. Cap is modified

A modified cap may be the likeliest outcome, financial pros say, but how much it is adjusted matters.

For taxpayers in the highest tax bracket—currently 37%—who itemize their deductions, the SALT cap of $10,000 means a decrease of $3,700 on a tax bill. Some lawmakers suggest doubling the deduction to $20,000. That would decrease the taxpayer's bill by $7,400, says Jason Katz, wealth adviser and certified public accountant at Bartlett Wealth Management in Cincinnati.

While not insignificant, a $3,700 or $7,400 tax break may not make much of a difference for high-income earners. If the cap is lifted to $100,000 for single filers, which is one proposal, the tax cut is $37,000, or $33,300 more compared with current law, Katz says; the same proposal would increase the cap to $200,000 for married couples filing jointly, doubling the tax cut to $74,000. A higher cap could allow more people to itemize and make a bigger difference for high-income earners.

Once policy is made final, this may be the year that people who use tax preparers to file their annual taxes should schedule a fourth-quarter meeting to review how the new laws will affect them. If the policy is settled early enough, there are opportunities to maximize deductions by making moves such as postponing income or expenses for the following year, says Miklos Ringbauer, founder of MiklosCPA, in Southern California.

It's also a chance to do tax planning around major life events such as getting married, moving, or retiring now or in the next few years. Tax preparers can run scenarios that show different tax implications of these events and offer guidance to potentially reduce tax burdens.

2. Cap expires

If the SALT cap expires, state and local income taxes would be fully deductible again on Internal Revenue Service form Schedule A, where taxpayers itemize deductions.

Kat Grier, wealth adviser and CPA at Merit Financial Advisors

Please turn to page B6

Stocks Always Rise in the Long Run, Right? Well, Not Necessarily

By Meir Statman

There is a common belief that while U.S. stocks can inflict losses in the short term, they are sure to deliver gains if you hold them for 10 years. And if not in 10 years, definitely in 20 years.

Unfortunately, this perception is a misperception.

This isn't to say that stocks are bad investments. But investors need to understand that while buying and holding stocks for long periods usually pays off, it isn't guaranteed. Stocks can be risky investments, even if they are held for decades.

Edward McQuarrie, a Santa Clara University professor, recently extended the data on U.S. stock returns all the way back to 1792. He used prices and dividends found in newly digitized newspapers to compute the returns. McQuarrie found that while 10-year losses in U.S. stocks occur infrequently, they do occur, including in the 120 months ended in February 2009 when they lost a total of 37.4%.

Other 10-year periods of U.S. stock losses occurred in the 120 months ended in September 1974, August 1939, June 1921, October 1857 and April 1842. The losses in those periods ranged from 23% to 37.3%. These are losses in real terms, adjusted for inflation.

McQuarrie identified several periods of 20-year losses, as well. Those periods included a 13.9% loss in the 240 months ended in June 1932, an 8.8% loss in the 240 months ended in October 1857 and a 4.7% loss in the 240 months ended in June 1921.

International stocks

Still, those investing exclusively in U.S. stocks during the centuries since 1792 have been relatively fortunate. When McQuarrie looked at international stock markets, in some cases he found losses over long holding periods of even greater magnitude than those he had identified in the U.S.

Italian stocks, for example, lost 78.2% in the 20 years ended in 1979, Japanese stocks lost 64.3% in the 20 years ended in 2009 and Norwegian stocks lost 74.1% during the 30 years ended in 1978. German stocks lost 21.5% in the 20 years ended in 1980 and Swiss stocks lost 20.9% during the 30 years ended in 1991.

Why do these international returns matter? First, many American investors hold international stocks for diversification purposes, so returns in overseas markets affect them directly. But second, and more important, U.S. stocks aren't immune to the forces that hammered Italian, Japanese and German stocks, meaning declines of even greater magnitude are possible in the U.S. in the future.

ROSE WONG

Compound losses

When thinking about long-term returns, investors usually think about the magic of compounding, as time compounds small, short-run gains into large, long-run gains. But the long run can also compound losses.

Consider the following example: You begin with a $1,000 investment facing 50-50 odds of a 20% gain in the coming year, boosting your $1,000 to $1,200, or a 10% loss, diminishing it to $900.

Now think of the second year. If your accumulation at the end of the first year was $1,200, you now have a 50-50 chance that it would compound to $1,440, or diminish to $1,080. If your accumulation at the end of the first year was $900, you now have a 50-50 chance that it would compound to $1,080 or diminish to $810. The average of these four possible outcomes—$1,440, $1,080, $1,080, and $810—is $1,102.50, a $102.50 gain relative to your initial $1,000 investment. You made $50 on your initial $1,000 by the end of the first year, and an extra $52.50 by the end of the second year. This is the magic of compounding.

Here comes the loss-compounding part. If you were unlucky in the first year, you have lost $100, from $1,000 to $900. But if you were also unlucky in the second year, you have lost more, $190, from $1,000 to $810. The long run can compound losses as surely as it compounds gains.

Diversification matters

It is also important to know that McQuarrie performed his analysis of long-run returns under the assumption that you are holding the broadest diversified stock indexes. If you aren't, you could lose money over long holding periods even when stock indexes overall deliver gains.

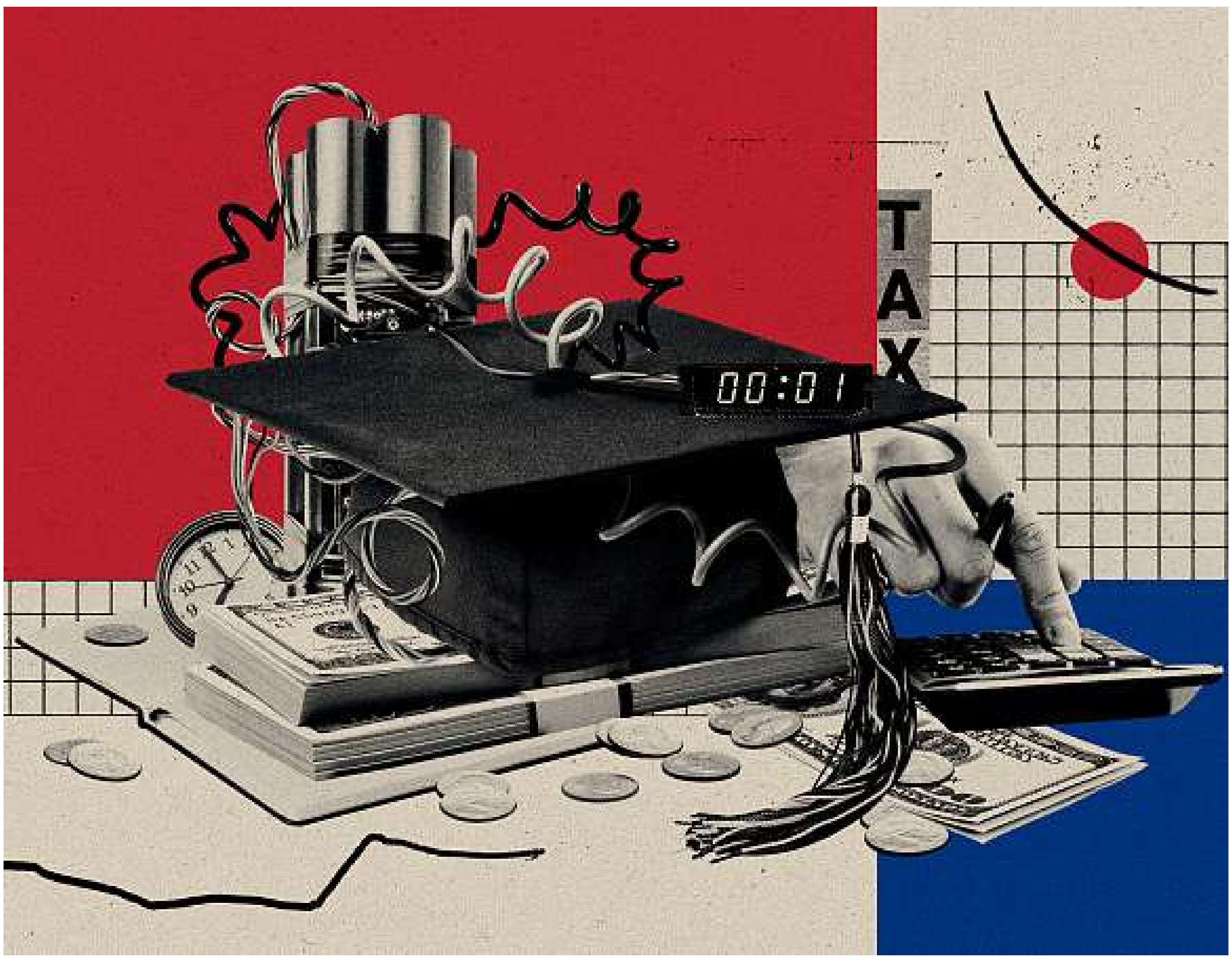
Consider research from Hendrik Bessembinder of Arizona State University, who found that almost 52% of individual U.S. stocks had negative cumulative returns during the periods of their existence within the 1925-2023 period. The other stocks delivered mostly modest gains, while a handful delivered spectacular gains.

Investors who hold undiversified portfolios that don't include the big winners could suffer losses even during long periods when stock indexes overall deliver gains.

Another factor favoring diversification: U.S. stock index funds are cheap. Annual fees of total U.S. index funds are as low as 0.03%, consuming small portions of index returns, even when accumulated over 20 years. By contrast, annual fees for other types of U.S. stock funds can exceed 1%, and most of these are undiversified. Investors in these funds can suffer substantial losses in the long run that can become even more substantial if investors trade frequently, buying high and selling low.

In short, stocks don't cease to be risky investments once they are held for decades. But investors can mitigate their losses by investing in the most broadly diversified low-fee index funds and refraining from trading.

*Meir Statman is a professor of finance at Santa Clara University's Leavey School of Business and author of "A Wealth of Well-Being: A Holistic Approach to Behavioral Finance." Email: **reports@wsj.com.***



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Student-Loan Forgiveness Carries A Potential Tax Hit in Many States

Canceled or reduced loans are tax-free at the federal level for now, but state rules vary

By Lori Ioannou

If you are among the borrowers who had your student loans canceled or reduced under the Biden administration during 2024, one thing is certain: You need to start planning to avoid a potential tax bomb in the months ahead.

That's because while you don't have to pay federal income taxes on the forgiveness of any federal or private student loans through Dec. 31, 2025, thanks to the American Rescue Plan Act of 2021, state taxes may apply. And if you receive student-loan forgiveness after this tax exclusion expires, you might face a large tax bill.

"Having your student loans forgiven is not manna from heaven," says Tom O'Saben, director of tax content and government relations at the National Association of Tax Professionals. "There can be tax consequences."

Since states' tax rules are often changing, it's important to get updates on how your state treats student-loan forgiveness when filing your taxes this year and beyond. Here is what tax professionals say you should know.

Who may have a tax hit?

According to student-loan specialist Robert Farrington, founder and chief executive of the College Investor website, there are 11 states with no state income tax and 20 states that automatically conform with federal tax rules, so loan forgiveness is tax-free.

Then there are five states—Arkansas, Indiana, Mississippi, North Carolina and Wisconsin—that currently impose taxes on student-loan forgiveness.

And there are 14 states where there is a risk that student-loan forgiveness may not be tax-free depending on when and why the loan was forgiven. They are: Alabama, Arizona, California, Georgia, Hawaii, Idaho, Kentucky, Maine, Minnesota, New Jersey, Pennsylvania, South Carolina, Virginia and West Virginia.

Borrowers most at risk are those who use income-driven repayment, or IDR, plans that aren't tax-free, tax experts say. These repayment plans, which are based on an individual's income and family size, last 10, 20 or 25 years, and if you don't pay off your loan during that term your remaining balance is forgiven but taxed as ordinary income.

Low- and middle-income borrowers who use an IDR plan under the Saving on a Valuable Education, or SAVE, program may also face a tax hit. But the Biden-era program, which aimed to sharply lower monthly payments for borrowers, is mired in lawsuits and borrowers are in forbearance until the courts decide if it will be implemented. In February, the Eighth U.S. Circuit Court of Appeals issued an injunction blocking the SAVE program, and the Trump administration shut down applications for all IDR plans.

Still, for those who have already had loans forgiven, how much of a tax hit you could face depends on the amount forgiven as well as your financial situation. For example, if you paid off \$20,000 of a \$50,000 loan in an IDR plan and the \$30,000 balance was forgiven in the 2024 tax year, that economic benefit would represent taxable income and could bring a hefty bill in states that don't allow for tax-free forgiveness.

What's more, the forgiven student loan could push you into a higher tax bracket in some instances. Here's how: If you are married and file jointly and your taxable income was \$100,000 and you claimed the standard deduction of \$29,200 for 2024, but then you had \$50,000 of student loans forgiven, your tax bracket could move to 22% from 12% and your tax bill would rise to \$15,349 from \$4,684—a \$10,665 difference.

Who is excluded?

According to tax experts, there are a number of situations where borrowers are generally excluded from taxes on student-loan forgiveness:

- Individuals who are insolvent or bankrupt the day before debt forgiveness. But there are nuances under Internal Revenue Service tax rules to be aware of. As O'Saben explains, a borrower is considered insolvent if his or her total debt (not just student debt) exceeds the value of his or her assets.
- People who become permanently disabled or die.
- Borrowers who received Public Service Loan Forgiveness or Teacher Loan Forgiveness because they work for a qualifying nonprofit, teaching or government job. (One notable exception is Mississippi, where it is taxable.) Under these programs a borrower's student-loan balance is typically erased after the individual made 10 years of monthly payments while working.
- Students who got loans discharged because of fraud or school closure during enrollment under the Borrower Defense to Repayment program won't be taxed on this amount at the federal level. However, a few states may still tax loan forgiveness under this program under certain circumstances, so it's important to check your state's tax regulations.

What should you do?

The first step should be to log into your loan account on your lender's website and on studentaid.gov and look at the status of your loan and payment history. Save what balances you have and any other key information since the Education Department is in transition under the Trump administration, says Mark Kantrowitz, a financial-aid expert.

He also recommends that you save a copy of the master promissory note you signed. It includes all the terms and conditions of your loan, including forgiveness, as well as discharge options and repayment plans.

"Make sure your loan on record shows if it has been canceled and the main consumer credit bureaus—**Equifax**, **Experian** and **TransUnion**—all have the same information," adds Alison Flores, manager of the Tax Institute at **H&R Block**. Student-loan accounts might still appear on your credit reports after cancellation and can have an impact on your credit score.

After gathering all your information, experts say it is best to work with a tax preparer to determine whether you must pay state income taxes this year and what your tax bill could be in 2026.

"You want to have a savings strategy in place to pay taxes when due and avoid any fallout," Farrington says.

Keep in mind that if you are excluding part of your debt forgiveness from federal taxes you need to include IRS Form 982 with your return for the year you received the 1099-C form for the cancellation of debt. Otherwise, the IRS will assume you are taxable. Also note that the IRS offers payment plans that should be set up as soon as possible to avoid late fees.

Lori Ioannou is a writer in New York. She can be reached at reports@wsj.com.

5
Number of states where you will face taxes on student-loan forgiveness

14
Number of states where student-loan forgiveness may or may not be tax-free

11
Number of states with no income tax—on forgiven student loans or otherwise

20
Number of states that conform with federal tax rules, meaning loan forgiveness is tax-free

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The SALT Deduction Cap Is Set to Expire. How to Plan For What's Next.

Continued from page B5

in Atlanta, says taxpayers should watch the policy effective date, since state, local and property taxes are deducted in the year paid, which may differ from the year when they were assessed.

If policy reverts to pre-2017 levels on Jan. 1, 2026, for example, taxpayers should defer paying as much of their state income taxes as possible until January, says Bill Smith, national director of tax technical services at CBIZ's national tax office, in Washington, D.C. Taxpayers who opt for this strategy should keep in mind that there may be a penalty for underpayment of the 2025 state estimated tax payments; however, if the cap is eliminated, the penalty may be offset by a larger federal deduction in 2026.

Grier added that, if possible, people who directly pay their property taxes to their municipality instead of their mortgage company should also defer until January to capture the deduction. If the law is made to be retroactive to December, deferring payments won't matter, she adds.

Grier warns that eliminating the SALT cap won't be all good news if the income threshold for the alternative minimum tax—which was designed to reduce a taxpayer's ability to avoid taxes by using deductions or other tax benefits—reverts to previous levels. The current AMT income threshold is about \$1.15 million for a married couple filing jointly, but pre-2017 the income threshold was \$160,900. If the AMT income threshold reverts to previous levels, high-income taxpayers may see little benefit from SALT deductions.

3. Cap is made permanent

For formally employed, high-income people paid through a W-2 tax form who take the standard deduction, there are a few strategic ways to get over the threshold to start itemizing, Grier says. A common tactic is for taxpayers to increase their charitable deductions so that the combined deductions of mortgage interest, and state income and real-estate taxes gets them over the minimum to itemize.

A less common strategy is to look at unreimbursed medical and dental expenses to get over the threshold. If those unreimbursed costs are greater than 7.5% of a taxpayer's adjusted gross income, these can be deducted for taxpayers who itemize.

Business owners who are treated as partnerships for federal tax purposes, or are S corporations, may be able to use a pass-through entity, known as a PTET, to get a tax deduction, says Ringbauer. More than 30 states allow these tax elections, and they have state-specific rules.

Pass-through entities, which began as a workaround to the SALT cap, allow businesses the option to pay the state income tax on behalf of the business's owners and it is applied against the business's income and it becomes a business deductible expense. The taxpayer then can recognize the tax payment/credit on a state personal income tax return, which bypasses the Schedule A tax payments/SALT limitation calculation. States usually credit the owner's share of the tax paid by the business, giving the owners a way to deduct their state income taxes without the SALT cap restriction.

This deduction is only on income related to the profits from the business itself, so if a married couple has both W-2 income and flow-through business income on their state tax return, they can deduct only the business income on their state returns, Grier says. Setting up a PTET is complex, so it is best done by a tax professional.

Debbie Carlson is a writer in Chicago. She can be reached at reports@wsj.com.

MARKETS DIGEST

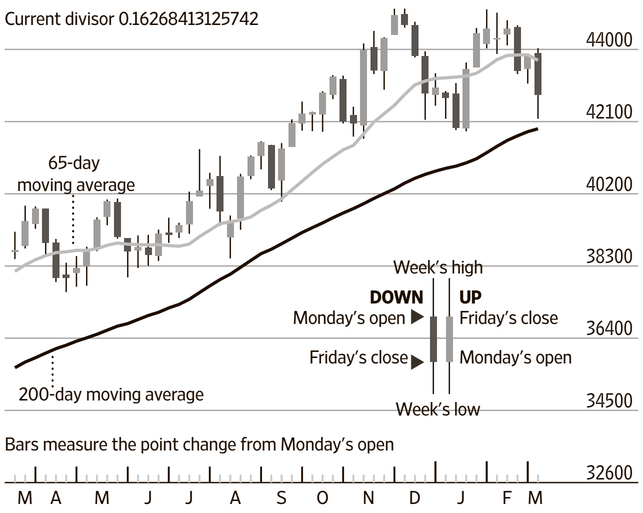
Dow Jones Industrial Average

42801.72 ▼1039.19, or 2.37% last week

High, low, open and close for each of the past 52 weeks

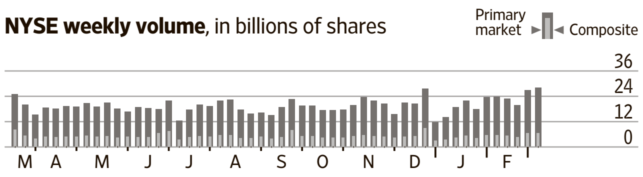
	Last	Year ago
Trailing P/E ratio	25.64	26.94
P/E estimate *	19.62	18.68
Dividend yield	1.87	1.90
All-time high	45014.04, 12/04/24	

Current divisor 0.16268413125742



Bars measure the point change from Monday's open

NYSE weekly volume, in billions of shares



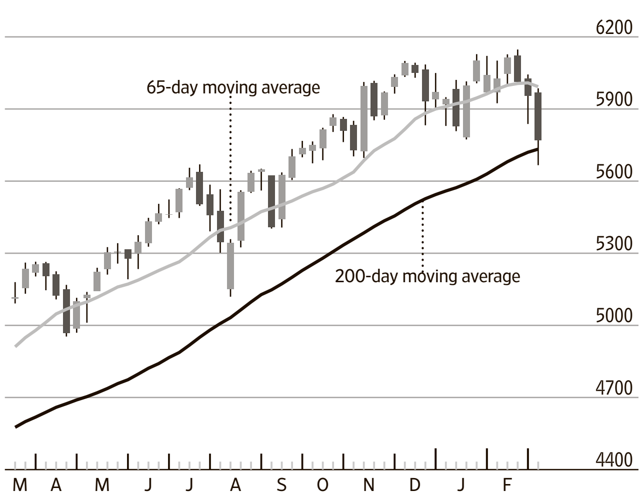
*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

S&P 500 Index

5770.20 ▼184.30, or 3.10% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio *	23.37	23.83
P/E estimate *	21.15	21.10
Dividend yield *	1.33	1.44
All-time high	6144.15, 02/19/25	



Major U.S. Stock-Market Indexes

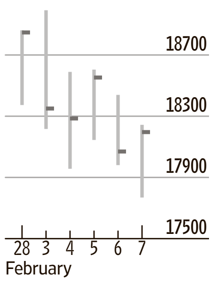
	Latest Week High	Latest Week Low	Latest Week Close	Latest Week Net chg	Latest Week % chg	52-Week Low	52-Week High	52-Week % chg	% chg YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	44033.78	42175.62	**42801.72**	-1039.19	**-2.37**	37735.11	45014.04	**10.5**	0.6	**9.3**
Transportation Avg	16137.07	15248.62	**15610.42**	-376.07	**-2.35**	14781.56	17754.38	**-0.7**	-1.8	**1.8**
Utility Average	1014.85	967.18	**991.49**	-13.96	**-1.39**	835.53	1079.88	**15.9**	0.9	**-0.2**
Total Stock Market	59268.40	55909.80	**56988.37**	-1950.63	**-3.31**	49376.46	61024.05	**11.5**	-2.4	**10.3**
Barron's 400	1257.77	1178.74	**1205.48**	-44.48	**-3.56**	1092.05	1356.99	**6.3**	-3.7	**7.8**
Nasdaq Stock Market										
Nasdaq Composite	18992.30	17768.59	**18196.22**	-651.06	**-3.45**	15282.01	20173.89	**13.1**	-5.8	**12.4**
Nasdaq-100	21073.80	19736.81	**20201.37**	-683.04	**-3.27**	17037.65	22175.6	**12.1**	-3.9	**14.9**
S&P										
500 Index	5986.09	5666.29	**5770.20**	-184.30	**-3.10**	4967.23	6144.15	**12.6**	-1.9	**11.2**
MidCap 400	3111.45	2919.79	**2987.09**	-108.06	**-3.49**	2825.94	3390.26	**1.2**	-4.3	**5.9**
SmallCap 600	1371.65	1288.68	**1315.05**	-48.68	**-3.57**	1241.62	1544.66	**0.3**	-6.6	**1.2**
Other Indexes										
Russell 2000	2173.57	2033.69	**2075.48**	-87.59	**-4.05**	1942.96	2442.03	**-0.3**	-6.9	**2.1**
NYSE Composite	20161.90	19291.71	**19573.06**	-455.13	**-2.27**	17388.09	20272.04	**9.4**	2.5	**7.6**
Value Line	607.44	576.63	**587.70**	-16.12	**-2.67**	568.94	656.04	**-2.3**	-3.806	**-0.6**
NYSE Arca Biotech	6091.14	5895.73	**6024.34**	-46.91	**-0.77**	4861.76	6318.63	**13.1**	4.9	**7.7**
NYSE Arca Pharma	1050.44	1033.89	**1036.93**	0.62	**0.06**	912.71	1140.17	**1.4**	11.0	**9.8**
KBW Bank	136.57	120.41	**123.41**	-11.92	**-8.81**	96.78	140.59	**24.4**	-3.2	**1.0**
PHLX§ Gold/Silver	164.85	152.48	**161.59**	6.27	**4.03**	116.83	175.74	**37.7**	17.8	**0.8**
PHLX§ Oil Service	69.21	62.07	**65.33**	-3.322	**-4.84**	63.26	95.25	**-21.7**	-10.0	**-6.4**
PHLX§ Semiconductor	4827.57	4455.76	**4629.59**	-137.16	**-2.88**	4306.87	5904.54	**-6.6**	-7.0	**14.3**
Cboe Volatility	26.56	19.25	**23.37**	3.74	**19.05**	11.86	38.57	**58.5**	34.7	**-13.8**

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

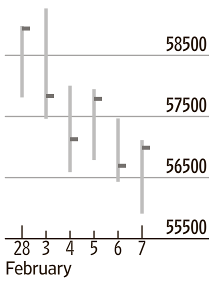
Nasdaq Composite

▼ 651.06, or -3.45% last week



DJ US TSM

▼ 1950.63, or -3.31% last week



International Stock Indexes

Region/Country	Index	Latest Week Close	Latest Week % chg	52-Week Range Low	52-Week Range High	YTD % chg
World	**MSCI ACWI**	852.10	**–1.26**	743.28	887.72	1.3
	MSCI ACWI ex-USA	351.72	**2.54**	313.52	357.36	7.9
	MSCI World	3740.37	**–1.71**	3255.62	3910.71	0.9
	MSCI Emerging Markets	1128.55	**2.85**	1004.17	1187.97	4.9
Americas	**MSCI AC Americas**	2171.23	**–3.14**	1877.61	2316.90	–1.8
Canada	**S&P/TSX Comp**	24758.76	**–2.50**	21516.90	25808.25	0.1
Latin Amer.	**MSCI EM Latin America**	2034.81	**2.77**	1842.59	2585.40	9.8
Brazil	**Bovespa**	125034.63	**1.82**	118532.68	137343.96	4.0
Chile	**S&P IPSA**	3956.53	**0.61**	3306.43	3964.98	9.5
Mexico	**S&P/BMV IPC**	52839.63	**0.98**	48837.72	58092.44	6.7
EMEA	**STOXX Europe 600**	553.35	**–0.69**	487.05	563.13	9.0
	STOXX Europe 50	4694.75	**–1.40**	4234.93	4809.98	9.0
Eurozone	**Euro STOXX**	563.41	**0.68**	472.81	568.52	11.5
	Euro STOXX 50	5468.41	**0.09**	4571.60	5540.69	11.7
Austria	**ATX**	4290.81	**3.44**	3353.14	4329.90	17.1
Belgium	**Bel-20**	4469.34	**1.10**	3673.19	4476.06	4.8
France	**CAC 40**	8120.80	**0.11**	7130.04	8239.99	10.0
Germany	**DAX**	23008.94	**2.03**	17339.00	23419.48	15.6
Greece	**Athex Composite**	1627.36	**1.22**	1341.23	1630.35	10.7
Israel	**Tel Aviv**	2467.04	**–0.10**	1884.16	2552.30	3.0
Italy	**FTSE MIB**	38592.81	**–0.16**	31107	39225	12.9
Netherlands	**AEX**	911.34	**–1.15**	851.78	948.54	3.7
Norway	**Oslo Bors All-Share**	1704.82	**–0.10**	1469.11	1741.01	3.6
Portugal	**PSI 20**	6820.82	**0.30**	6055.53	6988.33	7.0
South Africa	**FTSE/JSE All-Share**	88570.16	**3.06**	71868.07	89061.67	5.3
Spain	**IBEX 35**	13257.10	**–0.68**	10305.7	13373.1	14.3
Sweden	**OMX Stockholm**	1020.36	**–1.21**	927.58	1057.57	6.9
Switzerland	**Swiss Market**	13076.68	**0.56**	11196.67	13166.68	12.7
U.K.	**FTSE 100**	8679.88	**–1.47**	7659.74	8871.31	6.2
Asia-Pacific	**MSCI AC Asia Pacific**	187.96	**2.50**	166.07	197.3	3.5
Australia	**S&P/ASX 200**	7948.20	**–2.74**	7567.3	8555.8	–2.6
China	**Shanghai Composite**	3372.55	**1.56**	2704.09	3489.78	0.6
Hong Kong	**Hang Seng**	24231.30	**5.62**	16224.14	24369.71	20.8
India	**BSE Sensex**	74332.58	**1.55**	72012.05	85836.12	–4.9
Japan	**NIKKEI 225**	36887.17	**–0.72**	31458.42	42224.02	–7.5
Malaysia	**FTSE Bursa Malaysia KLCI**	1547.27	**–1.74**	1530.60	1678.80	–5.8
Singapore	**Straits Times**	3914.48	**0.48**	3138.42	3934.04	3.3
South Korea	**KOSPI**	2563.48	**1.21**	2360.58	2891.35	6.8
Taiwan	**TAIEX**	22576.07	**–2.07**	19411.22	24390.03	–2.0

Source: FactSet; Dow Jones Market Data

Commodities and Currencies

	Last Week Close	Last Week Net chg	Last Week % Chg	YTD % chg
DJ Commodity	**1058.00**	10.17	**0.97**	3.48
FTSE/CC CRB Index	**303.04**	1.22	**0.40**	2.13
Crude oil, $ per barrel	**67.04**	-2.72	**-3.90**	-6.53
Natural gas, $/MMBtu	**4.399**	0.565	**14.74**	21.08
Gold, $ per troy oz.	**2904.70**	67.90	**2.39**	10.48
U.S. Dollar Index	**103.91**	-3.71	**-3.45**	-4.22
WSJ Dollar Index	**99.34**	-2.40	**-2.36**	-3.32
Euro, per dollar	**0.9231**	-0.041	**-4.21**	-4.41
Yen, per dollar	**148.03**	-2.59	**-1.72**	-5.84
U.K. pound, in dollars	**1.29**	0.0344	**2.73**	3.27

	52-Week Low	52-Week High	% Chg
DJ Commodity	942.52	1095.84	**9.75**
FTSE/CC CRB Index	265.48	316.63	**9.56**
Crude oil, $ per barrel	65.75	86.91	**-14.06**
Natural gas, $/MMBtu	1.575	4.450	**143.71**
Gold, $ per troy oz.	2156.30	2947.90	**33.33**
U.S. Dollar Index	100.38	109.96	**1.16**
WSJ Dollar Index	95.31	103.61	**2.00**
Euro, per dollar	0.8934	0.9760	**0.99**
Yen, per dollar	140.61	161.70	**0.65**
U.K. pound, in dollars	1.22	1.34	**0.50**

New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol/ primary exchange	Shares (mil.)	Pricing Range($) Low/High	Bookrunner(s)
3/10	11/4 2024	OMS Energy Technologies Oil Related Services and Equipment	**OMSE** Nq	**5.6**	8.00/ 10.00	Roth Capital Partners

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date		Symbol	Offer price($)	Offer amt ($ mil.)	Through Friday (%)	Lockup provision
March 10	Sept. 12, '24	Galaxy Payroll Group	**GLXG**	4.00	8.1	**–79.3**	180 days
March 11	Sept. 13, '24	Bicara Therapeutics	**BCAX**	18.00	362.3	**–8.1**	180 days
	Sept. 13, '24	Zenas BioPharma	**ZBIO**	17.00	258.7	**–56.2**	180 days
	Sept. 13, '24	MBX Biosciences	**MBX**	16.00	187.7	**–38.2**	180 days
March 15	Sept. 16, '24	Healthy Choice Wellness	**HCWC**	10.00	4.0	**–94.5**	180 days
	Sept. 16, '24	Impact BioMedical	**IBO**	3.00	4.5	**–69.0**	180 days
	Sept. 16, '24	Kairos Pharma	**KAPA**	4.00	6.2	**–74.5**	180 days

Sources: LSEG Data and Analytics; Dow Jones Market Data

IPO Scorecard

Performance of IPOs, most-recent listed first

Company **SYMBOL** IPO date/Offer price	Friday's close ($)	% Chg From Offer price	% Chg From 1st-day close
Micropolis Holding **MCRP** March 7/$4.00	3.55	**–11.3**	...
Sagtec Global **SAGT** March 7/$4.00	3.60	**–10.0**	...
Advanced Biomed **ADVB** March 6/$4.00	3.65	**–8.8**	...
Kestra Med Tech **KMTS** March 6/$17.00	20.99	**23.5**	–3.9
Skycorp Solar Grp **PN** March 4/$4.00	3.79	**–5.3**	–6.0
Fifth Era Acquisition I **FERAU** Feb. 28/$10.00	10.02	**0.2**	...
Live Oak Acquisition V **LOKVU** Feb. 28/$10.00	10.04	**0.4**	0.2
NewHold Investment III **NHICU** Feb. 28/$10.00	10.03	**0.3**	0.1
Luda Technology **LUD** Feb. 27/$4.00	4.13	**3.3**	3.3
LZ Technology **LZMH** Feb. 27/$4.00	12.04	**201.0**	140.8
Rithm Acquisition **RAC.UT** Feb. 27/$10.00	10.04	**0.4**	–0.1
Webus Intl **WETO** Feb. 27/$4.00	3.65	**–8.8**	1.4
Basel Med Grp **BMGL** Feb. 25/$4.00	4.02	**0.5**	–2.9
Wellgistics Health **WGRX** Feb. 21/$4.50	2.87	**–36.2**	–24.7
Anbio Biotechnology **NNNN** Feb. 19/$5.00	6.93	**38.6**	20.1
Northpointe Bancshares **NPB** Feb. 14/$14.50	14.01	**–3.4**	–3.4
Aardvark Thera **AARD** Feb. 13/$16.00	10.13	**–36.7**	–29.2
Artius II Acquisiton **AACBU** Feb. 13/$10.00	10.04	**0.4**	0.4
Karman Hldgs **KRMN** Feb. 13/$22.00	28.78	**30.8**	–4.2
Maywood Acquisition **MAYAU** Feb. 13/$10.00	10.12	**1.2**	0.9

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasurys

Monday, March 10

Auction of 13 and 26 week bills; announced on March 6; settles on March 13

Tuesday, March 11

Auction of 6 week bill; announced on March 6; settles on March 13

Auction of 3 year note; announced on March 6; settles on March 17

Wednesday, March 12

Auction of 17 week bill; announced on March 11; settles on March 18

Thursday, March 13

Auction of 4 and 8 week bills; announced on March 11; settles on March 18

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 1,039.19 points, or 2.37%, on the week. A $1 change in the price of any DJIA stock = 6.15-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $30,762, or a gain of 2.54%, on the $30,000 investment, including reinvested dividends.

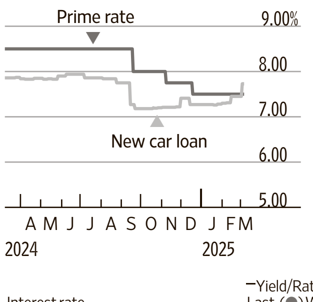
The Week's Action: Pct chg (%)	Stock price change	Point chg in average*	Company	Symbol	Close	$1,000 Invested (year-end '24)
6.87	2.96	18.19	**Verizon**	VZ	$46.06	**$1,172**
5.45	16.80	103.27	**Amgen**	AMGN	324.86	**1,257**
4.20	12.96	79.66	**McDonald's**	MCD	321.29	**1,115**
3.90	18.52	113.84	**UnitedHealth Group**	UNH	493.48	**976**
3.60	9.10	55.94	**IBM**	IBM	261.54	**1,198**
2.60	2.40	14.75	**Merck & Co**	MRK	94.65	**951**
1.85	6.35	39.03	**Caterpillar**	CAT	350.30	**969**
1.21	2.11	12.97	**Procter & Gamble**	PG	175.95	**1,056**
1.01	1.67	10.27	**Johnson & Johnson**	JNJ	166.69	**1,162**
0.77	1.63	10.02	**Honeywell**	HON	214.52	**955**
0.37	1.35	8.30	**Sherwin-Williams**	SHW	363.62	**1,072**
0.31	0.22	1.35	**Coca-Cola**	KO	71.43	**1,147**
–0.27	–0.17	–1.04	**Cisco**	CSCO	63.94	**1,087**
–0.31	–0.79	–4.86	**Travelers**	TRV	257.70	**1,070**
–0.93	–3.68	–22.62	**Microsoft**	MSFT	393.31	**935**
–1.06	–0.84	–5.16	**NIKE**	NKE	78.59	**1,044**
–1.15	–2.77	–17.03	**Apple**	AAPL	239.07	**956**
–1.44	–2.28	–14.01	**Chevron**	CVX	156.34	**1,091**
–4.79	–17.39	–106.89	**Visa**	V	345.32	**1,094**
–4.99	–19.80	–121.71	**Home Depot**	HD	376.80	**969**
–5.02	–14.96	–91.96	**Salesforce**	CRM	282.89	**846**
–5.69	–8.82	–54.22	**3M**	MMM	146.30	**1,139**
–6.14	–13.03	–80.09	**Amazon.com**	AMZN	199.25	**908**
–6.99	–6.89	–42.35	**Walmart**	WMT	91.72	**1,015**
–7.28	–8.29	–50.96	**Walt Disney**	DIS	105.51	**948**
–8.45	–22.37	–137.51	**JPMorgan Chase**	JPM	242.28	**1,016**
–9.22	–27.75	–170.58	**American Express**	AXP	273.21	**923**
–9.79	–12.23	–75.18	**NVIDIA**	NVDA	112.69	**839**
–10.06	–62.62	–384.92	**Goldman Sachs**	GS	559.67	**982**
–11.71	–20.45	–125.70	**Boeing**	BA	154.18	**871**

*Based on Composite price. DJIA is calculated on primary-market price. Source: Dow Jones Market Data; FactSet.

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

New car loan

Bankrate.com avg†:	7.73%
First Command Bank	**5.24%**
Fort Worth, TX	888-763-7600
PNC Bank, NA	**6.52%**
Washington, DC	888-PNC-BANK
Cambridge Savings Bank	**6.56%**
Cambridge, MA	888-418-5626
Firstrust Bank	**6.74%**
Philadelphia, PA	800-220-2265
Wilmington Savings Fund Society, FSB	**6.99%**
Wilmington, DE	888-973-7226

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	**4.35**	4.36	4.27	5.40	**4.30**
Money market, annual yield	**0.41**	0.41	0.33	0.51	**0.33**
Five-year CD, annual yield	**2.82**	2.85	1.69	2.89	**2.32**
30-year mortgage, fixed†	**7.08**	7.05	6.69	7.72	**2.96**
15-year mortgage, fixed†	**6.45**	6.44	6.02	7.11	**3.05**
Jumbo mortgages, $806,500-plus†	**7.17**	7.11	6.78	7.79	**3.05**
Five-year adj mortgage (ARM)†	**6.18**	6.24	5.88	6.78	**3.25**
New-car loan, 48-month	**7.73**	7.45	7.18	7.94	**4.15**

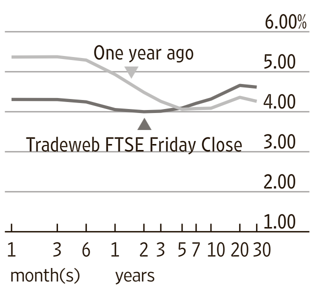
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Benchmark Yields and Rates

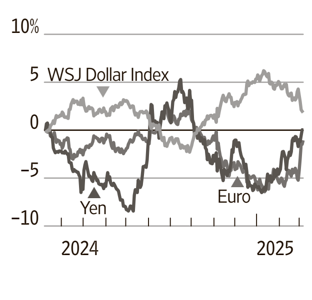
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb FTSE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Yield (%) Last	Yield (%) Wk ago	Spread +/- Treasurys, in basis pts, 52-wk Range Last	Low	High	Total Return 52-wk	Total Return 3-yr
U.S. Treasury, Bloomberg	**4.210**	4.140				3.37	-1.37
U.S. Treasury Long, Bloomberg	**4.670**	4.530				-0.75	-9.16
Aggregate, Bloomberg	**4.670**	4.580	32	30	43	4.08	-0.54
Fixed-Rate MBS, Bloomberg	**4.970**	4.850	33	31	56	4.55	-0.49
High Yield 100, ICE BofA	**6.546**	6.409	227	191	319	8.13	5.19
Muni Master, ICE BofA	**3.407**	3.319	1	-6	6	1.69	0.89
EMBI Global, J.P. Morgan	**7.349**	7.291	297	270	379	7.80	3.84

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0009	1064.8625	**3.3**
Brazil real	.1728	5.7875	**-6.4**
Canada dollar	.6957	1.4375	**-0.1**
Chile peso	.001076	929.57	**-6.5**
Colombia peso	.000242	4134.00	**-6.2**
Ecuador US dollar	1	1	**unch**
Mexico peso	.0493	20.2835	**-2.6**
Uruguay peso	.02358	42.4050	**-2.9**
Asia-Pacific			
Australia dollar	.6307	1.5855	**-1.9**
China yuan	.1382	7.2343	**-0.9**
Hong Kong dollar	.1287	7.7705	**0.02**
India rupee	.01147	87.149	**1.8**
Indonesia rupiah	.0000613	16300	**0.2**
Japan yen	.006755	148.03	**-5.8**
Kazakhstan tenge	.002038	490.75	**-6.5**
Macau pataca	.1249	8.0071	**0.04**
Malaysia ringgit	.2265	4.4145	**-1.3**
New Zealand dollar	.5709	1.7516	**-2.0**
Pakistan rupee	.00357	280.050	**0.6**
Philippines peso	.0174	57.402	**-1.2**
Singapore dollar	.7515	1.3307	**-2.5**
South Korea won	.0006908	1447.67	**-2.1**
Sri Lanka rupee	.0033829	295.60	**0.8**
Taiwan dollar	.03045	32.842	**0.1**
Thailand baht	.02966	33.720	**-1.8**
Vietnam dong	.00003921	25505	**0.1**
Europe			
Czech Rep. koruna	.04343	23.026	**-5.4**
Denmark krone	.1453	6.8845	**-4.4**
Euro area euro	1.0834	.9231	**-4.4**
Hungary forint	.002722	367.33	**-7.6**
Iceland krona	.007365	135.77	**-2.3**
Norway krone	.0921	10.8613	**-4.6**
Poland zloty	.2597	3.8506	**-6.8**
Sweden krona	.0991	10.0915	**-8.8**
Switzerland franc	1.1365	.8799	**-3.0**
Turkey lira	.0274	36.4911	**3.2**
Ukraine hryvnia	.0242	41.2500	**-1.9**
UK pound	1.2923	.7738	**-3.2**
Middle East/Africa			
Bahrain dinar	2.6529	.3769	**-0.04**
Egypt pound	.0197	50.6728	**-0.3**
Israel shekel	.2758	3.6260	**-0.4**
Kuwait dinar	3.2454	.3081	**-0.1**
Oman sul rial	2.5974	.3850	**unch**
Qatar rial	.2747	3.640	**-0.1**
Saudi Arabia riyal	.2666	3.7516	**-0.1**
South Africa rand	.0548	18.2520	**-3.3**

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	99.34	–0.13	–0.13	**-3.32**

Sources: Tullett Prebon, Dow Jones Market Data

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: LSEG

Friday, March 7, 2025

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Adams Diversified Eq Inc **ADX**	21.86	19.40	-11.3	16.3
BlackRock En Lg Cap Cr **CII**	20.60	19.20	-6.8	5.1
Central Secs **CET**	NA	45.60	NA	24.6
CohenStrsCEOppFd **FOF**	11.93	12.11	+1.5	15.1
EVTxAdvDivIncm **EVT**	NA	23.47	NA	11.0
GabelliDiv&IncTr **GDV**	NA	24.14	NA	14.0
Gabelli Equity Tr **GAB**	NA	5.60	NA	11.7
GeneralAmer **GAM**	58.85	50.50	-14.2	23.4
JHancockTaxAdvDiv **HTD**	24.73	23.10	-6.6	27.9
Liberty All-Star Equity **USA**	6.82	6.67	-2.2	8.4
Liberty All-Star Growth **ASG**	5.43	5.01	-7.7	0.0
Royce Micro-Cap Tr **RMT**	10.05	8.89	-11.5	1.6
Royce Value Trust **RVT**	16.08	14.72	-8.5	7.9
Source Capital **SOR**	44.56	42.31	-5.0	12.3
Special Opportunities **SPE**	16.76	15.19	-9.4	33.1
Sprott Focus Trust **FUND**	8.45	7.48	-11.5	3.1
SRH Total Return **STEW**	21.28	16.34	-23.2	15.3
Tri-Continental **TY**	35.50	31.41	-11.5	15.4
Specialized Equity Funds				
abrdn Glb Prem Prop **AWP**	3.85	3.84	-0.3	12.4
abrdn Global Infra Inc **ASGI**	19.72	18.09	-8.3	15.9
Adams Natural Resources **PEO**	24.29	21.64	-10.9	9.0
ASA Gold & Prec Met Ltd **ASA**	28.63	25.79	-9.9	72.2
BlackRock Energy & Res **BGR**	13.66	13.00	-4.8	10.6
BlackRock Eq Enh Div **BDJ**	9.23	8.76	-5.1	16.2
BlackRock Enh Glbl Div **BOE**	12.18	11.12	-8.7	16.0
BlackRock Enh Intl Div **BGY**	6.20	5.74	-7.4	13.0
BlackRock ESG Cap All T **ECAT**	16.93	16.54	-2.3	16.4
BlackRock Hlth Sci Term **BMEZ**	16.01	15.60	-2.6	6.2
BlackRock Hlth Sciences **BME**	42.96	39.63	-7.8	-0.3
BlackRock Res & Comm **BCX**	9.97	9.07	-9.0	12.3
BlackRock Sci&Tech Term **BSTZ**	20.65	18.90	-8.5	10.2
BlackRock Sci&Tech Trust **BST**	36.16	34.67	-4.1	0.9
BlackRock Utl Inf & Pwr **BUI**	22.12	22.49	+1.7	12.8
CLEARBRIDGE ENGY MDS OPP **EMO**	NA	47.03	NA	32.1
ChnStrInfr **UTF**	NA	24.77	NA	19.5
Cohen&SteersQualInc **RQI**	NA	12.87	NA	14.9
CohenStrs Real Est and I **RLTY**	NA	15.50	NA	18.0
Cohen&Steers TotRet **RFI**	11.91	12.06	+1.3	8.4
CohenStrsREITPrefInc **RNP**	NA	21.72	NA	11.0
Columbia Sel Prm Tech Gr **STK**	29.66	29.51	-0.5	4.9
DNP Select Income **DNP**	NA	9.47	NA	16.9
Duff&Ph Uti&Infra Inc Fd **DPG**	NA	11.62	NA	35.3
EtnVncEqtyInc **EOI**	NA	19.60	NA	14.8
EtnVncEqtyIncoII **EOS**	NA	22.55	NA	20.2
EVRskMnDvsEqInc **ETJ**	NA	8.77	NA	13.9
ETnVncTxMgdBuyWrtInc **ETB**	NA	14.15	NA	13.7
EtnVncTxMgdBuyWrtOpp **ETV**	NA	13.73	NA	14.6
EvTxMnDvsEqInc **ETY**	NA	14.84	NA	22.6
EtnVncTxMgdGlbB **ETW**	NA	8.48	NA	14.6
EVTxMnGblDvEqInc **EXG**	NA	8.36	NA	13.7
First Tr Enhanced Eq **FFA**	21.11	20.01	-5.2	14.8
Gabelli Healthcare **GRX**	NA	10.14	NA	7.3
Gab Utility **GUT**	NA	5.25	NA	15.3
GAMCOGlGold&NatRes **GGN**	NA	4.12	NA	18.5
J Han Finl Opptys **BTO**	33.72	33.64	-0.2	22.3
Neuberger Brmn Enrgy I&I **NML**	9.37	8.50	-9.3	30.5
Neuberger Nxt Gen Conn **NBXG**	14.39	12.63	-12.2	14.6
NubrgrRlEstSec **NRO**	3.54	3.28	-7.3	11.2
Nuv Dow 30 Dyn Overwrite **DIAX**	16.93	14.82	-12.5	10.9
NuvCorEqAlpha **JCE**	15.25	15.14	-0.7	17.6
Nuveen Nasdaq 100 Dyn Ov **QQQX**	28.02	25.15	-10.2	12.7
Nuv Real Est **JRS**	9.16	8.55	-6.7	17.2
NuvS&P500DynOvFd **SPXX**	18.12	17.68	-2.4	22.3
NuvSP500BuyIncFd **BXMX**	15.05	13.52	-10.2	9.0
NXG Cushing Mdstrm Enrgy **SRV**	39.87	41.85	+5.0	20.6
NXG NextGen Infras Inc **NXG**	41.96	45.46	+8.3	39.1
ReavesUtilityIncome **UTG**	31.45	31.53	+0.3	26.7
Tortoise Enrgy Infra Crp **TYG**	NA	41.11	NA	51.9
Ecofin S&S Impact Term **TEAF**	NA	11.78	NA	12.4
VDivInt&PremStr **NFJ**	NA	12.62	NA	9.7
V Art Int&Tech Opps **AIO**	NA	22.32	NA	21.6
Income & Preferred Stock Funds				
Dividend and Income **BXSY**	19.77	NA	NA	NA
CalamosStratTot **CSQ**	17.24	16.76	-2.8	12.6
CohenStrsLtdDurPref&Inc **LDP**	NA	20.66	NA	10.0
CohenStrsSelPref&Income **PSF**	NA	20.04	NA	9.0
CohenStrsTaxAvPreSecs&I **PTA**	NA	19.91	NA	11.3
FirstTrIntDurPref&Inc **FPF**	19.22	18.31	-4.7	13.8
JHanPrefInc **HPI**	16.16	16.82	+4.1	11.2
JHPrefIncII **HPF**	16.01	16.56	+3.4	9.6
HnckJPfdIncoIII **HPS**	14.40	14.92	+3.6	5.6
J Han Prm **PDT**	13.50	12.61	-6.6	15.8
LMP CapInco **SCD**	NA	16.01	NA	19.2
Nuveen Pref & Inc Opp **JPC**	8.02	8.00	-0.2	22.1
Nuveen Pref Sec & Inc Op **JPI**	20.01	19.80	-1.0	13.2
Nuveen Var Rate P&I **NPFD**	NA	18.94	NA	19.8
TCW Strat Income **TSI**	NA	4.87	NA	11.9
Convertible Sec's. Funds				
AdvntCnvrtbl&IncFd **AVK**	12.09	11.68	-3.4	9.4
CalamosConvHi **CHY**	10.15	10.69	+5.3	-0.7
CalmosConvOp **CHI**	9.60	10.23	+6.6	2.4
HiIncBd **PCF**	7.09	6.72	-5.2	11.5
V Conv & Inc **NCV**	NA	13.24	NA	12.6
V Conv & Inc II **NCZ**	NA	11.94	NA	13.4
V Div Inc & Conv **ACV**	NA	20.83	NA	-0.8
V Eqty & Conv Inc **NIE**	NA	23.21	NA	13.9
World Equity Funds				
abrdn Emg Mkts Ex-China **AEF**	6.00	5.12	-14.7	6.4
abrdn Glbl Dyn Div **AGD**	11.09	10.19	-8.1	19.2
abrdn Tot Dyn Div **AOD**	9.60	8.67	-9.7	18.6
Allspring Gl Div Oppty **EOD**	5.77	5.08	-12.0	20.5
BlackRock Cap Alloc Term **BCAT**	15.93	15.19	-4.6	15.3
Calamos GloDynInc **CHW**	7.50	6.81	-9.2	16.8
EV TxAdvGlbDivInc **ETG**	NA	18.70	NA	12.5
EtnVncTxAdvOpp **ETO**	NA	25.29	NA	10.5
Highland Global Alloc **HGLB**	12.43	8.09	-34.9	20.1
India Fund **IFN**	15.85	14.88	-6.1	-18.9
Japan Smaller Cap **JOF**	9.94	8.21	-17.4	7.6
LazardGlbTotRetInc **LGI**	17.79	16.14	-9.3	10.4
Mexico **MXF**	18.08	14.38	-20.5	-16.2
MS ChinaShrFd **CAF**	15.50	12.89	-16.8	8.2
MS India **IIF**	27.02	23.48	-13.1	20.8
Nuveen Multi-Asset Inc **NMAI**	13.68	12.39	-9.4	13.4
Nuveen Rl Asst Inc & Gro **JRI**	13.28	12.75	-4.0	24.0
NYLI CBRE Glbl Inf Meg T **MEGI**	14.23	12.51	-12.1	10.3
Templeton Dragon **TDF**	11.63	9.80	-15.7	28.3
Templeton Em Mkt **EMF**	15.28	13.10	-14.3	14.7

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
BlckRk Income **BKT**	11.96	11.78	-1.5	8.9
Investment Grade Bond Funds				
Angel Oak FS Inc Trm **FINS**	14.01	13.43	-4.1	9.7
BlRck Core Bond **BHK**	10.43	10.67	+2.3	8.3
BR Credit Alloc Inc **BTZ**	11.32	10.72	-5.3	9.2
InvescoBond **VBF**	16.34	15.34	-6.1	5.5
J Han Income **JHS**	12.20	11.27	-7.6	4.7
MFS Intmdt **MIN**	2.78	2.71	-2.7	0.0
Loan Participation Funds				
BR Debt Strategy **DSU**	10.50	10.62	+1.1	11.0
BR F/R Inc Str **FRA**	12.71	13.01	+2.4	11.4
BlackRock Floatng Rt Inc **BGT**	12.40	12.61	+1.7	11.4
Blackstone Lng-Sh Cr Inc **BGX**	NA	12.51	NA	9.7
BS SFR 2027 T **BSL**	NA	14.15	NA	9.5
BS St Cr 2027 Tm **BGB**	NA	12.15	NA	9.1
EtnVncFltRteInc **EFT**	NA	12.98	NA	10.0
EV SenFlRtTr **EFR**	NA	12.70	NA	10.2
FT/Sr Fltg Rte Inc 2 **FCT**	10.62	10.22	-3.8	11.2
Highland Oppty & Income **HFRO**	12.01	5.32	-55.7	7.9
InvDYCrOpp:AX **VTA**	10.88	NA	NA	NA
InvSnrIncTr **VVR**	3.85	4.12	+7.0	12.1
Nuveen Credit Strat Inc **JQC**	5.81	5.59	-3.8	11.6
NuvFloatRateIncFd **JFR**	8.93	8.52	-4.6	11.9
High Yield Bond Funds				
abrdn Inc Credit Str **ACP**	6.30	6.06	-3.8	18.7
AllianceBernGlHiIncm **AWF**	11.33	10.82	-4.5	7.2
Allspring Income Oppty **EAD**	7.40	6.89	-6.9	8.9
Barings Glb SD HY Bd **BGH**	15.97	15.31	-4.1	9.6
BR Corporate HY **HYT**	9.67	9.84	+1.8	9.4
BlackRock Ltd Dur Inc **BLW**	14.02	14.20	+1.3	9.3
BNY Mellon Hi Yield Str **DHF**	2.76	2.57	-6.9	8.0
Brookfield Real Asst Inc **RA**	14.68	13.29	-9.5	8.1
CrSuisHighYld **DHY**	NA	2.16	NA	8.6
CSAM Income Fd **CIK**	NA	2.92	NA	9.1
DoubleLine Inc Sol **DSL**	12.55	12.70	+1.2	10.2
DoubleLine Yld Opps **DLY**	16.11	16.23	+0.7	8.9
First Trust HY Opp:2027 **FTHY**	15.07	14.50	-3.8	10.4
Franklin Univ **FT**	8.18	7.53	-7.9	6.6
KKR Income Opportunities **KIO**	NA	12.34	NA	11.7
NeubHgYldStrt **NHS**	7.70	7.93	+3.0	13.8
New Amer Hi Inc **HYB**	NA	NA	NA	5.2
Nuveen Global High Inc **JGH**	13.80	13.04	-5.5	9.2
PGIM Global High Yield **GHY**	NA	13.16	NA	9.4
PGIM High Yield Bond **ISD**	NA	14.09	NA	8.7
PGIM Sh Dur Hi Yld Opp **SDHY**	NA	16.47	NA	7.7
PioneerHiIncm **PHT**	NA	7.77	NA	8.3
WstAstHIF II **HIX**	NA	4.35	NA	13.3
Western Asset Hi Inc Opp **HIO**	NA	4.13	NA	10.5
Western Asset Hi Yld D O **HYI**	NA	12.00	NA	9.4
Other Domestic Taxable Bond Funds				
Allspring Multi-Sector **ERC**	9.93	9.26	-6.8	8.7
Ares Dynamic Crdt Alloc **ARDC**	NA	14.22	NA	9.6
BlackRock Mlt-Sctr Inc **BIT**	14.50	14.65	+1.0	10.1
BlackRock Tax Muni Bd **BBN**	17.49	16.60	-5.1	6.5
DoubleLine:Oppor Crdt Fd **DBL**	15.50	15.65	+1.0	8.3
EVLmtDurIncm **EVV**	NA	10.13	NA	9.1
Franklin Ltd Dur Income **FTF**	6.90	6.56	-4.9	11.2
FS Credit Opportunities **FSCO**	NA	6.99	NA	10.4
J Han Investors **JHI**	14.84	13.88	-6.5	7.7
MFS Charter **MCR**	6.75	6.28	-7.0	0.0
NuvCorePlusImpact **NPCT**	11.72	10.84	-7.5	12.1
Nuveen Taxable Muni Inc **NBB**	16.49	15.94	-3.3	6.6
PIMCO Corp & Inc Oppty **PTY**	NA	14.62	NA	9.6
PIMCO Corp & Inc Strat **PCN**	NA	13.60	NA	9.8
PIMCOHiInco **PHK**	NA	4.90	NA	11.7
PIMCO IncmStrFd **PFL**	NA	8.56	NA	11.4
PIMCO IncmStrFd II **PFN**	NA	7.57	NA	11.3
Putnam Mas Int **PIM**	3.44	3.30	-4.1	7.9
Putnam Prem Inc **PPT**	3.80	3.57	-6.1	8.6
Western Asset Dvsfd Inc **WDI**	NA	14.54	NA	11.7
Western Asset Inf-Lk Inc **WIA**	NA	8.20	NA	7.2
Western Asset Inf-Lk O&I **WIW**	NA	8.69	NA	8.3
World Income Funds				
abrdn AP IncFd **FAX**	16.97	15.83	-6.7	12.7
MS EmMktDomDebt **EDD**	5.29	4.77	-9.8	10.8
PIMCO Access Income **PAXS**	NA	16.06	NA	11.0
PIMCO Dynamic Inc Strat **PDX**	NA	23.23	NA	6.0
PIMCO Dynamic Income **PDI**	NA	20.05	NA	13.2
PIMCO Dynamic Inc Opp **PDO**	NA	14.05	NA	10.9
PIMCO Stratg Inc **RCS**	NA	6.42	NA	9.5
Templtn Glbl Inc **SABA**	NA	8.80	NA	NE
Templeton Em Inc **TEI**	5.82	5.44	-6.5	10.6
WstAstEmergDebt **EMD**	NA	9.85	NA	10.4
National Muni Bond Funds				
AllBerNatlMunInc **AFB**	12.35	11.00	-10.9	3.8
BlackRock 2037 Muni Trg **BMN**	25.91	25.53	-1.5	4.4
BlckRk Inv Q Mun **BKN**	12.62	11.48	-9.0	5.8
BlackRock Muni 2030 Tgt **BTT**	24.14	21.41	-11.3	2.5
BlackRock Muni **BFK**	11.14	10.02	-10.1	5.8
BlackRock Muni II **BLE**	11.76	10.63	-9.6	5.8
BlckRk Muni Inc Qly **BYM**	12.26	11.00	-10.3	5.7
BR MuniAssets Fd **MUA**	11.69	10.84	-7.3	5.9
BR MH Qly 2 **MUE**	11.30	10.20	-9.7	5.4
BR MuniHoldngs **MHD**	13.17	11.86	-9.9	5.5
BR MuniVest Fd **MVF**	7.80	7.16	-8.2	5.3
BR MuniVest 2 **MVT**	12.03	10.68	-11.2	5.6
BR MuniYield Fd **MYD**	11.76	10.65	-9.4	5.8
BR MuniYield Qlty **MQY**	12.77	11.91	-6.7	5.7
BR MuniYld Qlty2 **MQT**	11.25	10.21	-9.2	5.7
BR MuniYld Qly 3 **MYI**	12.17	11.10	-8.8	5.9
BNY Mellon Muni Bd Infra **DMB**	11.94	10.70	-10.4	3.3
BNY Mellon Muni Income **DMF**	7.53	7.07	-6.1	3.0
BNY Mellon Str Muni Bond **DSM**	6.62	5.91	-10.7	3.5
BNY Mellon Strat Muni **LEO**	6.97	6.21	-10.9	3.6
DWS Muni Inc **KTF**	9.82	9.47	-3.6	7.2
EVMuniBd **EIM**	NA	10.13	NA	5.7
EVMuniIncm **EVN**	NA	10.68	NA	5.5
EVNatMuniOpp **EOT**	NA	16.93	NA	4.6
InvAdvMuIncTrII **VKI**	9.45	8.82	-6.7	6.7
Invesco MuniOp **OIA**	6.36	6.07	-4.6	5.6
InvescoMuOppTr **VMO**	10.56	9.74	-7.8	6.8
InvescoMuTr **VKQ**	10.60	9.89	-6.7	6.7
InvescoQual Inc **IQI**	10.66	9.93	-6.8	6.8
InvTrInvGrMu **VGM**	10.92	10.14	-7.1	6.8
InvescoValMunInc **IIM**	13.03	12.31	-5.5	6.7
NeubrgrBrm **NBH**	11.74	10.48	-10.7	5.4
Nuveen AMT-Fr Mu Val **NUW**	15.10	13.87	-8.1	3.8
Nuveen AMT-Fr Qlty Mun I **NEA**	12.13	11.46	-5.5	6.9
Nuveen AMT-Fr Mu CI **NVG**	13.40	12.64	-5.7	6.8
Nuveen Dyn Muni Opp **NDMO**	10.99	10.45	-4.9	7.0
Nuveen Mu Crdt Opps **NMCO**	11.76	11.09	-5.7	6.8
Nuv Muni Credit Income **NZF**	13.26	12.43	-6.3	7.0
NuvMuniHiIncOpp **NMZ**	11.09	11.18	+0.8	6.5
Nuveen Muni Val **NUV**	9.26	8.79	-5.1	4.1
Nuveen Quality Muni Inc **NAD**	12.61	11.83	-6.2	6.9
Nuveen Sel TF **NXP**	14.44	14.49	+0.3	4.1
NYLI MacKay DT Muni Opp **MMD**	16.56	15.30	-7.6	4.6
PIMCO MuniInc **PMF**	9.10	9.15	+0.5	5.4
PIMCOMuniIncII **PML**	8.48	8.41	-0.8	5.5
Pimco Muni III **PMX**	7.81	7.34	-6.0	5.2
PioneerHiIncAdv **MAV**	NA	8.62	NA	4.4
PionrMuniHiIncOppty **MIO**	NA	12.10	NA	4.9
PioneerMunHiIcm **MHI**	NA	9.40	NA	4.4
Putnam Mgd Inc **PMM**	6.80	6.21	-8.7	4.5
Putnam Muni Opp **PMO**	11.42	10.43	-8.7	3.9
RiverNorth Flx Mu Inc II **RFMZ**	15.12	13.94	-7.8	7.3
RiverNorth Mgd Dur Mun I **RMM**	NA	14.74	NA	7.2
Western Asset Mgd Muni **MMU**	NA	10.33	NA	6.2
Single State Muni Bond				
BlackRock CA Mun **BFZ**	12.49	11.21	-10.2	5.9
BR MH CA Qly Fd Inc **MUC**	12.21	10.92	-10.6	5.4
BR MH NJ Qly **MUJ**	12.79	11.49	-10.2	5.2
BR MH NY Qly **MHN**	11.64	10.47	-10.1	5.3
BR MuniYld MI Qly **MIY**	12.73	11.57	-9.1	5.1
BR MuniYld NY Qly **MYN**	11.26	10.15	-9.9	5.5
BR MuniYld PA Qly **MPA**	12.74	11.57	-9.2	6.2
BlackRock NY Mun **BNY**	11.56	10.52	-9.0	5.2
EVCAMuniBd **EVM**	NA	9.30	NA	5.1
Eaton Vance NY Muni Bd **ENX**	NA	9.80	NA	4.9
InvCaValMuIncTr **VCV**	10.90	10.87	-0.3	6.2
InvPAValMuIncTr **VPV**	11.46	10.46	-8.7	6.5
InvTrInvGrNYMu **VTN**	11.50	10.51	-8.6	6.8
Nuveen CA AMT-F Qual MI **NKX**	12.68	12.64	-0.3	6.5
Nuveen CA Val **NCA**	9.28	8.64	-6.9	4.0
NuveenCAQtyMuInc **NAC**	12.19	11.46	-6.0	6.9
NuvNJ Qual Muni Inc **NXJ**	13.14	12.05	-8.3	6.8
Nuveen NY AMT/Fr Qual MI **NRK**	11.45	10.51	-8.2	7.0
Nuveen NY Val **NNY**	8.91	8.32	-6.6	4.1
Nuveen NY Qual Muni Inc **NAN**	11.94	11.64	-2.5	6.7
Nuveen PA Qual Muni Inc **NQP**	12.81	11.46	-10.5	7.0
Nuveen VA Qlty Mun Inc **NPV**	12.05	12.45	+3.3	6.2
PIMCO CA **PCQ**	10.25	9.11	-11.1	4.6
PIMCOCAMuniII **PCK**	6.56	5.83	-11.1	4.3
Pimco CA Muni III **PZC**	7.57	6.76	-10.7	5.1

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Alternative Strategies:I	14.14	NA	NA	-2.1
Specialized Equity Funds				
ARK Venture	30.34	NA	NA	10.1
ArrowMark Financial Corp **BANX**	NA	21.21	NA	NA
CASCADE PRIVATE CAP;I	17.30	NA	NA	NA
CBRE GlbRlEst **IGR**	5.17	5.29	+2.3	1.7
CIM RA&C A	22.37	NA	NA	3.3
CIM RA&C C	21.57	NA	NA	2.5
CIM RA&C I	22.62	NA	NA	3.5
CIM RA&C L	22.08	NA	NA	3.0
CION Grosvenor Infras;D	NA	NA	NA	NS
CION Grosvenor Infras;I	NA	NA	NA	NS
CION Grosvenor Infras;S	NA	NA	NA	NS
CION Grosvenor Infras;U	NA	NA	NA	NS
CION Grosvenor Infras;U2	NA	NA	NA	NS
Connetic Venture CA;I	10.14	NA	NA	NS
First Tr Real Assets;A	NA	NA	NA	NS
Forum RE Income;Founders	9.69	NA	NA	11.5
Forum RE Income;I	9.69	NA	NA	11.4
Forum RE Income;K	9.68	NA	NA	NS
JACKSON REAL ASSETS;I	10.56	NA	NA	NS
MEKETA INFRSTRCTR;I	26.73	NA	NA	5.2
MEKETA INFRSTRCTR;III	26.73	NA	NA	5.3
NexPointRlEstStrat;A	15.96	NA	NA	2.3
NexPointRlEstStrat;C	16.18	NA	NA	1.5
NexPointRlEstStrat;Z	16.19	NA	NA	2.5
PENDER REAL ESTATE CR;A	10.05	NA	NA	NS
PENDER REAL ESTATE CR;I1	10.05	NA	NA	8.1
PENDER REAL ESTATE CR;I2	10.05	NA	NA	8.4
PIMCO Flexible REI;A-3	10.52	NA	NA	NS
PIMCO Flexible REI;A-4	10.53	NA	NA	NS
PIMCO FLEXIBLE REI;F	10.52	NA	NA	NS
PIMCO Flexible REI;Inst	10.52	NA	NA	7.6
Principal Real Asst A	25.67	NA	NA	3.5
Principal Real Asst Ins	25.82	NA	NA	3.8
Principal Real Asst Y	26.14	NA	NA	4.0
Redwood Rl Est;I	25.11	NA	NA	8.1
The Private Shares;A	41.80	NA	NA	6.1
The Private Shares;I	42.60	NA	NA	6.3
The Private Shares;L	41.03	NA	NA	5.8
Thirdline Real EstateI	10.03	NA	NA	6.0
USQ Core Real Estate:I	21.98	NA	NA	-1.6
USQ Core Real Estate:L	22.07	NA	NA	-1.7
Versus Cap RE:I	24.56	NA	NA	1.6
Versus Capital Real Asst	28.03	NA	NA	4.4
Wildermuth:I	3.34	NA	NA	-55.2
WILSHIRE PRIV ASST;INST	12.65	NA	NA	NA
Income & Preferred Stock Funds				
Calamos L/S Eqty and DI **CPZ**	17.18	15.31	-10.9	8.6
Denali Strctr Rtrn Strat	NA	NA	NA	NS
Lord Abbett Corp Opps:A	9.29	NA	NA	9.1
Lord Abbett Corp Opps:I	9.30	NA	NA	10.1
ONEASCENT CAP OPPTYS	NA	NA	NA	NS
Variant Altrntv Inc:Inst	27.23	NA	NA	4.5
Variant Impact;Instl	27.78	NA	NA	6.5
Versus Capital Infra Inc	10.05	NA	NA	NS
Convertible Sec's. Funds				
Calmos Dyn Conv and Inc **CCD**	18.08	22.67	+25.4	3.7
World Equity Funds				
BEACON POINTE MLT-ALT;I	NA	NA	NA	NS
CalamosGlbTotRet **CGO**	11.37	10.80	-5.1	10.0
Cantor Fitzgerald SI:A	12.11	NA	NA	16.3
Cantor Fitzgerald SI:C	11.92	NA	NA	15.4
Cantor Fitzgerald SI:I	12.15	NA	NA	16.6
CANTOR FITZGERALD IN;S X	12.26	NA	NA	NS
Sweater Cashmere	24.00	NA	NA	14.3
Primark Priv Eq Inv:I	13.94	NA	NA	9.4
Thornburg Inc Bldr Opps **TBLD**	19.52	17.61	-9.8	13.7
VirtusTotalRetFd **ZTR**	NA	5.84	NA	NA

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
Arca US Treasury	NA	NA	NA	1.1
CATALYST STRAT INC OPPS	10.07	NA	NA	NS
Ellington Inc Opp:A	NA	NA	NA	14.4
Ellington Inc Opp:M	NA	NA	NA	14.9
Loan Participation Funds				
1WS Credit Income;A2	NA	NA	NA	8.3
1WS Credit Income;Inst	NA	NA	NA	8.1
Apollo Diversified Cd:A	NA	NA	NA	8.4
Apollo Diversified Cd:C	NA	NA	NA	7.6
Apollo Diversified Cd:F	NA	NA	NA	10.4
Apollo Diversified Cd:I	NA	NA	NA	8.6
Apollo Diversified Cd:L	NA	NA	NA	8.1
Apollo Diversified Cd:M	NA	NA	NA	8.0
Axonic Alternative I;A	NA	NA	NA	8.9
Axonic Alternative I Ins	NA	NA	NA	8.9
Bluerock HI Inst Crd:A	NA	NA	NA	11.8
Bluerock HI Inst Crd:C	NA	NA	NA	11.7
Bluerock HI Inst Crd:F	NA	NA	NA	12.0
Bluerock HI Inst Crd:I	NA	NA	NA	11.9
BNYM Alcntr Glb MS Cr Fd	89.84	NA	NA	NA
CliffwaterClFd;I	10.81	NA	NA	11.0
CliffwaterElFd;I	NA	NA	NA	11.1
CNR Strategic Credit	6.95	NA	NA	23.4
Floating-Rate Opps;A	10.19	NA	NA	9.6
Floating-Rate Opps;I	10.18	NA	NA	9.96
Floating-Rate Opps;U	10.19	NA	NA	9.1
Equalize Community Dev	9.44	NA	NA	3.4
FedProj&TrFinanceTendr	10.13	NA	NA	6.7
Flat Rock Core Income	NA	NA	NA	10.1
Flat Rock Enhanced Inc	NA	NA	NA	11.4
InvDYCrOpp:A	10.89	NA	NA	11.1
InvDYCrOpp:R6	10.89	NA	NA	11.5
InvDYCrOpp:Y	10.90	NA	NA	11.3
Invesco Sr Loan A	5.65	NA	NA	9.2
Invesco Sr Loan C	5.67	NA	NA	8.4
Invesco Sr Loan IB	5.65	NA	NA	9.5
Invesco Sr Loan IC	5.65	NA	NA	9.3
Invesco Sr Loan Y	5.66	NA	NA	9.5
Lord Abbett FR Hi Inc:A	10.02	NA	NA	9.99
Lord Abbett FR Hi Inc:I	10.02	NA	NA	10.4
Monachil Credit Income:I	10.07	NA	NA	10.5
Nomura Alt Inc;I	9.91	NA	NA	9.8
Nuveen Enh CLO Inc:A1	NA	NA	NA	NS
Nuveen Enh CLO Inc:A2	NA	NA	NA	NS
Nuveen Enh CLO Inc:I	NA	NA	NA	NS
Octagon XAI CLO Inc;A	25.34	NA	NA	NS
Octagon XAI CLO Inc;I	25.37	NA	NA	NS
OFS Credit Company **OCCI**	NA	7.09	NA	NA
PC PCAAM AI;I	10.16	NA	NA	NS
PRINCIPAL PRVT CR I;A	10.34	NA	NA	NS
PRINCIPAL PRVT CR I;INS	10.36	NA	NA	NS
PRINCIPAL PRVT CR I;Y	10.37	NA	NA	NS
SEI Alternative Income:F	10.36	NA	NA	7.6
SEI Alternative Income:Y	10.36	NA	NA	7.8
Voya Enhanced Sec Inc:A	10.12	NA	NA	NS
Voya Enhanced Sec Inc:C	10.13	NA	NA	NS
Voya Enhanced Sec Inc:I	10.13	NA	NA	NS
Yieldstreet Alt Inc	NA	NA	NA	8.7
High Yield Bond Funds				
AB CarVal Credit Opp;Adv	9.89	NA	NA	7.0
AB CarVal Credit Opp;A	9.89	NA	NA	NS
AB CarVal Credit Opp;C	9.89	NA	NA	NS
AB CarVal Credit Opp;U	9.89	NA	NA	NS
Opprtnstc Crdt Intrvl;I	NA	NA	NA	9.0
PIMCO Flexible Cr I;A-1	NA	NA	NA	8.9
PIMCO Flexible Cr I;A-2	NA	NA	NA	8.9
PIMCO Flexible Cr I;A-3	NA	NA	NA	8.7
PIMCO Flexible Cr I;A-4	NA	NA	NA	8.7
PIMCO Flexible Cr I;Inst	NA	NA	NA	9.4
Polen Credit Opps;Inst	9.67	NA	NA	9.5
Other Domestic Taxable Bond Funds				
AFA Private Credit;Fndr	NA	NA	NA	10.9
AFA Private Credit;Inst	NA	NA	NA	10.9
Alternative Credit Inc:A	NA	NA	NA	9.1
Alternative Credit Inc:C	NA	NA	NA	8.1
Alternative Credit Inc:I	NA	NA	NA	9.5
Alternative Credit Inc:L	NA	NA	NA	8.8
Alternative Credit Inc:W	NA	NA	NA	9.1
AMG Pantheon Crdt Soln;I	10.77	NA	NA	NS
AMG Pantheon Crdt Soln;M	10.78	NA	NA	NS
AMG Pantheon Crdt Soln;S	10.88	NA	NA	NS
Angel Oak Str Crdt:FI	21.28	NA	NA	8.8
Angel Oak Str Crdt:Inst	21.26	NA	NA	8.9
BR Credit Strat;A	8.47	NA	NA	8.7
BR Credit Strat;Inst	8.44	NA	NA	9.4
BR Credit Strat;J	8.45	NA	NA	NS
BR Credit Strat;U	8.45	NA	NA	8.7
BR Credit Strat;W	8.47	NA	NA	8.7
CION Ares Dvsfd Crdt;A	NA	NA	NA	8.8
CION Ares Dvsfd Crdt;C	NA	NA	NA	8.0
CION Ares Dvsfd Crdt;I	NA	NA	NA	9.0
CION Ares Dvsfd Crdt;L	NA	NA	NA	8.5
CION Ares Dvsfd Crdt;U	NA	NA	NA	8.3
CION Ares Dvsfd Crdt:U2	NA	NA	NA	8.3
CION Ares Dvsfd Crdt;W	NA	NA	NA	8.5
CNR Select Strategies	15.53	NA	NA	0.0
Diamond Hill Sec Cr;I	10.34	NA	NA	NS
Diamond Hill Sec Cr;R	10.33	NA	NA	NS
First Eagle Crdt Opps A	22.82	NA	NA	10.1
First Eagle Crdt Opps A2	22.80	NA	NA	9.6
First Eagle Crdt Opps I	22.68	NA	NA	10.5
First Trust Private Cr;A	NA	NA	NA	10.6
First Trust Private Cr;I	NA	NA	NA	10.3
Franklin BSP Pvt Cr:A	NA	NA	NA	8.6
Franklin BSP Pvt Cr:Adv	NA	NA	NA	9.0
FS Credit Income;A	NA	NA	NA	8.4
FS Credit Income;I	NA	NA	NA	8.6
FS Credit Income;T	NA	NA	NA	8.2
FS Credit Income;U	NA	NA	NA	7.9
FS Credit Income;U-2	NA	NA	NA	7.8
J HANCOCK CQS ASSETBS;A	20.15	NA	NA	NS
J HANCOCK CQS ASSETBS;I	20.16	NA	NA	NS
J HANCOCK CQS ASSETBS;U	20.14	NA	NA	NS
KKR CREDIT OPPTY;D	NA	NA	NA	9.3
KKR CREDIT OPPTY;I	NA	NA	NA	9.5
KKR CREDIT OPPTY;T	NA	NA	NA	8.7
KKR CREDIT OPPTY;U	NA	NA	NA	8.7
MA SPECIALTY CREDIT IN;S	24.98	NA	NA	NS
NIAGARA INCOME OPPORTNTS	NA	NA	NA	9.8
Palmer Square Opp Inc	18.10	NA	NA	8.4
World Income Funds				
BlueBay Destra Itl E:A	NA	NA	NA	10.4
BlueBay Destra Itl E:I	NA	NA	NA	10.6
BlueBay Destra Itl E:L	NA	NA	NA	10.1
BlueBay Destra Itl E:T	NA	NA	NA	9.9
BOOSTER INCOME OPPTYS	10.05	NA	NA	NS
Calamos-Aksia ACI:A	10.67	NA	NA	9.0
Calamos-Aksia ACI:C	10.65	NA	NA	8.3
Calamos-Aksia ACI:I	10.68	NA	NA	9.3
Calamos-Aksia ACI:M	10.68	NA	NA	8.5
Carlyle Tact Pvt Cred:A	NA	NA	NA	9.5
Carlyle Tact Pvt Cred:I	NA	NA	NA	10.0
Carlyle Tact Pvt Cred:L	NA	NA	NA	9.4
Carlyle Tact Pvt Cred:M	NA	NA	NA	9.3
Carlyle Tact Pvt Cred:N	NA	NA	NA	10.0
Carlyle Tact Pvt Cred:U	NA	NA	NA	9.3
Carlyle Tact Pvt Cred:Y	NA	NA	NA	9.5
Fid MS Cr;A	NA	NA	NA	6.6
Fid MS Cr;C	NA	NA	NA	5.9
Fid MS Cr;I	NA	NA	NA	6.9
Fid MS Cr;L	NA	NA	NA	6.4
Jackson Credit Opps:I	10.34	NA	NA	8.1
Lord Abbett Cred Opps Fd	8.90	NA	NA	8.7
Lord Abbett Cred Opps Fd	8.91	NA	NA	9.4
Lord Abbett Crd Op:U	8.91	NA	NA	8.7
Oaktree Dvsfd Income;D	9.30	NA	NA	8.3
PIMCO Flexible EM I;Inst	NA	NA	NA	8.2
National Muni Bond Funds				
Ecofin Tax-Exempt Prv Cr	7.80	NA	NA	10.0
Lind Cap Pt Mun Cred Inc	8.84	NA	NA	5.3
Lord Abbett Muni Opps:A	NA	NA	NA	NS
Lord Abbett Muni Opps:I	NA	NA	NA	NS
Nuveen En HY Muni Bd:A1	7.82	NA	NA	4.9
Nuveen En HY Muni Bd:A2	7.83	NA	NA	5.1
Nuveen En HY Muni Bd:I	7.82	NA	NA	5.6
NYLI MacKay Mu IO;A1	10.10	NA	NA	NS
NYLI MacKay Mu IO;A2	10.10	NA	NA	NS
NYLI MacKay Mu IO;A3	10.10	NA	NA	NS
NYLI MacKay Mu IO;I	10.10	NA	NA	NS
PIMCO Flex Mun Inc;A-3	NA	NA	NA	3.4
PIMCO Flex Mun Inc:A1	NA	NA	NA	3.7
PIMCO Flex Mun Inc;A2	NA	NA	NA	3.7
PIMCO Flex Mun Inc;Inst	NA	NA	NA	4.2
ROCKEFELLER MUNI OPPS;I	20.14	NA	NA	NS
Single State Muni Bond				
PIMCO CA FMI;A-1	10.20	NA	NA	2.8
PIMCO CA FMI;Inst	10.20	NA	NA	3.4

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by LSEG Data and Analytics on March 7, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range ($) in transaction	$ Value (000s)	Close ($)	Ytd (%)
Buyers									
Feb. 28-Mar. 4	**Aurinia Pharmaceuticals**	**AUPH**	K. Tang	**DI**	1,600	7.85-8.09	**12,713**	8.15	-9.2
Mar. 3-4	**Permian Resources**	**PR**	W. Quinn	**DI**	750	12.34-13.07	**9,622**	12.67	-11.9
Feb. 28-Mar. 4	**CVR Energy**	**CVI**	C. Icahn	**BI**	377	17.79-18.24	**6,750**	18.06	-3.6
Mar. 3	**Moderna**	**MRNA**	S. Bancel	**CEOI**	160	31.04-31.53	**5,004**	35.61	-14.4
Feb. 26	**ProFrac Holding**	**ACDC**	F. Wilks	**BI**	339	6.93	**2,348**	7.05	-9.1
Mar. 4-5	**TriMas**	**TRS**	S. Sedaghat	**DOI**	97	21.72-21.83	**2,112**	24.25	-1.4
Feb. 28	**Grocery Outlet Holding**	**GO**	E. Ragatz	**DI**	165	12.25	**2,021**	13.10	-16.1
Mar. 4	**International Flavors & Fragrances**	**IFF**	J. Fyrwald	**CEO**	25	80.24	**2,006**	82.52	-2.4
Mar. 4	**Franklin Resources**	**BEN**	C. Johnson	**B**	100	19.57	**1,957**	20.32	0.1
Mar. 4	**FMC**	**FMC**	P. Brondeau	**CEO**	54	35.90	**1,938**	41.29	-15.1
Mar. 5	**Fulgent Genetics**	**FLGT**	P. Kim	**CFO**	100	15.96	**1,596**	18.59	0.6
Mar. 6	**Walker & Dunlop**	**WD**	W. Walker	**CEO**	18	86.14-86.80	**1,509**	87.64	-9.8
Feb. 28	**Lineage**	**LINE**	A. Forste	**H**	24	60.43-60.93	**1,471**	61.26	4.6
Feb. 26-28	**Adverum Biotechnologies**	**ADVM**	B. Leonard	**BI**	337	4.01-4.60	**1,439**	4.58	-1.9
Mar. 5	**Encore Capital Group**	**ECPG**	A. Gupta	**D**	40	35.10	**1,404**	35.74	-25.2
Mar. 4-6	**Ameresco**	**AMRC**	G. Sakellaris	**CEO**	125	9.27-9.96	**1,217**	11.09	-52.8
Mar. 4	**Northern Oil & Gas**	**NOG**	B. Akradi	**D**	40	28.03	**1,121**	27.49	-26.0
Mar. 3	**SunRun**	**RUN**	E. Fenster	**D**	150	6.80	**1,021**	7.16	-22.6
Sellers									
Mar. 3	**CCC Intelligent Solutions Holdings**	**CCCS**	C. Egan	**DI**	42,000	10.33	**433,650**	9.29	-20.8
Mar. 3			E. Wei	**DI**	42,000	10.33	**433,650**		
Mar. 3			L. Young	**DI**	42,000	10.33	**433,650**		
Mar. 4	**Nutanix**	**NTNX**	M. De Groen	**DI**	5,500	74.51	**409,805**	70.41	15.1
Mar. 4			D. Humphrey	**DI**	5,500	74.51	**409,805**		
Mar. 3	**Life Time Group Holdings**	**LTH**	J. Danhakl	**DOI**	9,872	30.13	**297,434**	29.12	31.6
Mar. 3			J. Galashan	**DOI**	9,872	30.13	**297,434**		
Feb. 27			B. Akradi	**CEO**	5,000	30.13	**150,650**		
Mar. 5	**AXIS Capital Holdings**	**AXS**	C. Davis	**DI**	2,139	93.50	**200,000**	91.94	3.7
Mar. 3-4	**Palo Alto Networks**	**PANW**	N. Arora	**CEO**	718	179.56-193.46	**132,772**	180.93	-0.6
Feb. 28	**AppLovin**	**APP**	H. Chen	**D**	200	319.12-330.92	**64,930**	270.48	-16.5
Feb. 27	**SiriusPoint**	**SPNT**	D. Loeb	**DI**	4,107	13.71	**56,302**	14.29	-12.8
Mar. 3	**DoorDash**	**DASH**	W. Tang	**D**	263*	196.91-204.79	**52,909**	178.08	6.2
Feb. 27	**Intuit**	**INTU**	S. Cook	**ODI**	75	600.61-625.38	**45,865**	609.61	-3.0
Mar. 3	**Tesla**	**TSLA**	R. Denholm	**D**	112	292.75-303.59	**33,673**	262.67	-35.0
Mar. 3	**Netflix**	**NFLX**	R. Hastings	**OD**	30	966.09-994.09	**29,934**	891.11	-0.02
Feb. 28	**Goosehead Insurance**	**GSHD**	T. Mcconnon	**DI**	205	121.05-123.21	**24,876**	117.24	9.3
Mar. 3	**BeiGene**	**ONC**	J. Oyler	**CEO**	101	240.53-249.25	**24,675**	247.07	33.8

* Half the transactions were indirect ** Two day transaction
p - Pink Sheets

Insider Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	9,342,892	11,247,908	**Finance**	14,371,679	203,804,287
Capital Goods	2,976,483	133,494,757	**Health care**	12,962,175	241,401,802
Consumer durables	284,558	46,099,326	**Public Utilities**	177,991	26,873,076
Consumer non-durables	2,970,240	48,270,940	**Technology**	6,399,102	351,688,703
Consumer services	9,591,857	147,665,532	**Transportation**	432,260	4,267,282
Energy	25,181,836	13,521,322			

Sources: LSEG Data and Analytics; Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

March 7, 2025

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Jan. Index level	Chg From (%) Dec. '24	Chg From (%) Jan. '24
U.S. consumer price index			
All items	**317.671**	0.65	3.0
Core	**323.842**	0.57	3.3

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	**7.50**	7.50	8.50	7.50
Canada	**5.20**	5.20	7.20	5.20
Japan	**1.625**	1.625	1.625	1.475
Policy Rates				
Euro zone	**2.90**	2.90	4.50	2.90
Switzerland	**1.00**	1.00	2.25	1.00
Britain	**4.50**	4.50	5.25	4.50
Australia	**4.10**	4.10	4.35	4.10
Overnight repurchase				
U.S.	**4.37**	4.38	5.45	4.00

U.S. government rates

	Latest	Week ago	52-Week High	52-Week Low
Discount				
	4.50	4.50	5.50	4.50
Federal funds				
Effective rate	**4.3300**	4.3300	5.3400	4.3300
High	**4.5500**	4.5500	5.6500	4.4700
Low	**4.3200**	4.3200	5.3300	4.3000
Bid	**4.3200**	4.3200	5.3300	4.3200
Offer	**4.3300**	4.3300	5.3600	4.3300
Treasury bill auction				
4 weeks	**4.230**	4.235	5.285	4.230
13 weeks	**4.210**	4.195	5.255	4.195
26 weeks	**4.135**	4.180	5.170	4.110

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Call money				
	6.25	6.25	7.25	6.25
Commercial paper (AA financial)				
90 days	**4.27**	4.30	5.37	4.26
Secured Overnight Financing Rate				
	4.35	4.36	5.40	4.27

	Latest	Value Traded	52-Week High	52-Week Low
DTCC GCF Repo Index				
Treasury	**4.370**	37.500	5.471	4.286
MBS	**4.395**	70.494	5.526	4.294

Weekly survey

	Latest	Week ago	Year ago
Freddie Mac			
30-year fixed	**6.63**	6.76	6.88
15-year fixed	**5.79**	5.94	6.22

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective December 19, 2024. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective December 19, 2024. **Secured Overnight Financing Rate** is as of March 6, 2025. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Cash Prices | wsj.com/market-data/commodities

Friday, March 7, 2025

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Friday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	**76.000**
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	**14.200**
Metals	
Gold, per troy oz	
Engelhard industrial	**2913.00**
Handy & Harman base	**2931.15**
Handy & Harman fabricated	**3253.58**
LBMA Gold Price AM	***2901.65**
LBMA Gold Price PM	***2922.20**
Krugerrand,wholesale-e	**3026.55**
Maple Leaf-e	**3055.65**
American Eagle-e	**3055.65**
Mexican peso-e	**3516.76**
Austria crown-e	**2855.52**
Austria phil-e	**3055.65**
Silver, troy oz.	
Engelhard industrial	**32.3000**
Handy & Harman base	**32.2210**
Handy & Harman fabricated	**40.2760**
LBMA spot price	***£25.1900**
(U.S.$ equivalent)	***32.4300**
Coins,wholesale $1,000 face-a	**24902**
Other metals	
LBMA Platinum Price PM	***972.0**
LBMA Palladium Price PM	***947.0**
Platinum,Engelhard industrial	**970.0**
Palladium,Engelhard industrial	**960.0**
Aluminum, LME, $ per metric ton	***2709.0**
Copper,Comex spot	**4.6830**
Iron Ore, 62% Fe CFR China-s	***101.3**
Steel, HRC USA, FOB Midwest Mill-s	***940.0**
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.5%-v,w	**10525**
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	**9550**
BMI Cobalt sulphate, EXW China, >20.5% -v,w	**4554**
BMI Nickel Sulphate, EXW China, >22%-v,k	**3538**
BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m	**435**
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	**0.8700**
Cotton,1 1/16 std lw-mdMphs-u	**0.6407**
Cotlook 'A' Index-t	***75.45**
Hides,hvy native steers piece fob-u	**n.a.**
Wool,64s,staple,Terr del-u,w	**n.a.**
Grains and Feeds	
Bran,wheat middlings, KC-u,w	**98**
Corn,No. 2 yellow,Cent IL-bp,u	**4.3300**
Corn gluten feed,Midwest-u,w	**124.3**
Corn gluten meal,Midwest-u,w	**449.8**
Cottonseed meal-u,w	**265**
Hominy feed,Cent IL-u,w	**115**
Meat-bonemeal,50% pro Mnpls-u,w	**275**
Oats,No.2 milling,Mnpls-u	**4.1150**
Rice, Long Grain Milled, No. 2 AR-u,w	**35.25**
Sorghum,(Milo) No.2 Gulf-u	**n.a.**
SoybeanMeal,Cent IL,rail,ton48%-u,w	**304.50**
Soybeans,No.1 yllw IL-bp,u	**9.8000**
Wheat,Spring14%-pro Mnpls-u	**7.7025**
Wheat,No.2 soft red,St.Louis-u	**5.4525**
Wheat - Hard - KC (USDA) $ per bu-u	**5.6975**
Wheat,No.1soft white,Portld,OR-u	**6.1500**
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	**299.76**
select 1-3,600-900 lbs.-u	**288.58**
Broilers, National comp wtd. avg.-u,w	**1.2850**
Butter,AA Chicago-d	**2.3100**
Cheddar cheese,bbl,Chicago-d	**163.00**
Cheddar cheese,blk,Chicago-d	**162.25**
Milk,Nonfat dry,Chicago lb.-d	**115.50**
Coffee,Brazilian,Comp-y	**3.9282**
Coffee,Colombian, NY-y	**4.0645**
Eggs,large white,Chicago-u,w	**7.4650**
Flour,hard winter KC-p	**15.95**
Hams,17-20 lbs,Mid-US fob-u	**0.92**
Hogs,Iowa-So. Minnesota-u	**85.78**
Pork bellies,12-14 lb MidUS-u	**1.8889**
Pork loins,13-19 lb MidUS-u	**0.9944**
Steers,Tex.-Okla. Choice-u	**196.51**
Steers,feeder,Okla. City-u,w	**332.50**
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	**n.a.**
Grease,choice white,Chicago-h	**0.4900**
Lard,Chicago-u	**n.a.**
Soybean oil,crude;Centl IL-u,w	**0.4190**
Tallow,bleach;Chicago-h	**0.5275**
Tallow,edible,Chicago-u	**n.a.**

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 3/6

Source: Dow Jones Market Data


BLONDET ELIOT/ABACA/ZUMA PRESS

COUST LAURENT/ABACA/ZUMA PRESS

Above, an exhibition of the Line project displayed in Riyadh, Saudi Arabia, in 2022. At right, displays promote the project in Cannes, France, last March.

What Went Wrong in The Desert

Continued from page B1

Wall Street Journal.

The audit report, labeled "final draft," found that executives, at times aided by the project's longtime consultants, **McKinsey & Co.**, plugged unrealistically rosy assumptions into Neom's business plan to justify rising cost estimates. The audit found "evidence of deliberate manipulation" of finances by "certain members of management."

In a sign of the ambitions of the project, a draft board presentation from last summer pegged the capital expenditure required to build Neom to its "end-state" by 2080 at $8.8 trillion—more than 25 times the annual Saudi budget—and $370 billion for its first phase by 2035. The Saudi state is funding the lion's share of Neom's initial costs, although officials hope private investors will eventually share the burden.

A Neom spokeswoman said the Journal was "incorrectly interpreting" and misrepresenting the figures. She declined to provide additional detail.

Neom "champions excellence, professionalism, diversity and ethical conduct," she said, and has policies requiring staff to uphold those values. The project's "priorities are intact and the project remains on track, demonstrating tangible progress," she said, adding that schedule and cost adjustments are common practice for large projects.

The Saudi government didn't respond to questions about Neom or the crown prince's involvement in the project.

A McKinsey spokesman said the firm ensures "compliance with the rules that govern international commerce." He said any claim that it "has been involved in the manipulation of financial reporting is false."

Saudi officials have begun referring to Neom as a generational investment that will bear fruit in decades to come—dropping descriptions that cast it as an economic engine starting in 2030. The country has long said its economic plan, Vision 2030, was filled with highly ambitious targets. Even accomplishing a portion would be a success, officials have said.

Other parts of the crown prince's economic plan have transformed the country. Millions of women have joined the labor force. The private sector has grown to contribute nearly half of Saudi's gross domestic product, according to the International Monetary Fund, and smaller megaprojects in Riyadh have made faster and more visible progress.

Neom, however, was meant to be the anchor. Launched in 2017, the concept was to build from scratch an international hub with fewer social and legal strictures than the rest of Saudi Arabia.

The crown prince compared the project to Egypt's pyramids. He said it would mark a "civilizational revolution" and hold nine million people by 2045.

The crown prince chairs the boards of Neom and subboards of all of the projects within it, and his approval is frequently needed for architectural choices. A fan of videogames and sci-fi movies, the crown prince pushed the idea of "zero gravity" architecture that looks like it defies physics, some of the former employees said.

A feature known as the chandelier—essentially an empty glass building more than 30 stories tall—is planned to hang upside down from a giant steel bridge in the Line. It was designed by Marvel film designer Olivier Pron, who was brought in because staff knew the prince liked his movies, some of the former employees said.

Neom executives made plans to build 10 miles of the Line by 2030. This meant constructing the equivalent of all the office buildings in Midtown Manhattan three times over in a decade. It would require significant portions of the world's available steel and window glass.

Costs would be a challenge. The remote construction site had virtually no labor, no sizable port, few roads and insufficient electricity. The design involved an amusement park built 1,000 feet up and theaters suspended in the air between the parallel towers.

They made the numbers work on paper by saying the Line would cost less a square foot than tall skyscrapers in Riyadh, some of the former employees said. Planners assumed economies of scale would bring prices down.

> **$8.8T**
> An estimate of capital expenditure required to build Neom's 'end-state' by 2080

Former managers and executives within Neom said they routinely considered projections completely unrealistic. Some refused to sign documents attesting to aggressive schedules and targets. Plans were pushed ahead regardless.

The original architect of the Line, Thom Mayne of Los Angeles-based firm Morphosis, wanted to express concerns to the crown prince about the Line's high costs. Neom executives rejected his requests, according to one of the former employees.

Bids on early work from contractors ran high. One way executives hid rising costs was to beef up profit assumptions, according to the internal audit and some of the former employees.

The crown prince encouraged Neom to use a commonly used investment metric known as the internal rate of return, essentially the percentage of an investment that comes back in annual profit. If a hotel costs $1 million to build, and is worth $1.1 million a year later, it would have an IRR of 10%.

At Trojena, the planned ski resort, a fall 2023 review found that costs had surged by over $10 billion, according to an internal presentation reviewed by the Journal. That caused the IRR to fall to 7%, below the project's target of around 9%.

To cover the gap, estimates for the rate at an "inventive glamping" site were readjusted to $704 a night, up from $216, according to the presentation. A "boutique hiking hotel" room was pegged at $1,866 a night, up from $489. The changes helped to push the IRR up to 9.3%.

The audit said Antoni Vives, who oversaw the broad vision at Neom and then ran Sindalah, justified rising costs with higher assumptions on revenue, rather than reassessing them as too expensive. He told colleagues and McKinsey consultants in an email before a key meeting that "we must not proactively mention cost at all."

Dissent was also quashed. A Sindalah project manager was "removed after they challenged cost estimates," the internal audit report found.

An attorney for Vives said that work at Neom "was done with total honesty and with the ambition that the project demands, in addition to absolute loyalty to the leadership of the country."

McKinsey helped to create "models to help improve the IRR calculation," the audit said. The firm validated financial projections for Sindalah after a separate adviser refused to do so, according to the audit.

The auditors recommended further investigation into potential conflicts of interest because McKinsey served both in planning and in validating the projects.

McKinsey's fees at Neom have topped $130 million in a single year, according to people familiar with the fees.

The McKinsey spokesman said the firm has "strict protocols to prevent conflicts of interest in our engagements." The spokesman added McKinsey was "not responsible for Sindalah's integrated financial reporting."

The Neom spokeswoman said the organization has "improved its internal controls and governance, particularly around procurement and managing third parties."

A key driver of costs has been the Line's 1,640-foot height. Engineering and construction challenges make it hard to build profitable supertall towers anywhere, let alone in the remote desert. Neom staff repeatedly urged executives to reduce the height to around 1,000 feet to save on costs.

At a Neom board meeting last spring, the crown prince "clarified the inappropriateness of reducing the height" of the tower, board minutes show. Cost savings should be found elsewhere, he said.

The head of the country's wealth fund, Yasir Al-Rumayyan, suggested instead to use "new technologies to reduce the labor force."

Officials mothballed the portion of a rail line that involved digging an 18-mile tunnel through a mountain. They delayed the first piece of the Line, which had already been reduced to 1½ miles from 10 miles planned earlier.

The current aim is to open the first half-mile chunk—topped by a stadium to host World Cup matches—by 2034.

"We'll start to go vertical—hopefully—at the end of this year," Denis Hickey, who oversees the development of the Line, said at the World Economic Forum in Davos, Switzerland, in January.

At Sindalah, the island resort remains unfinished. Restaurant workers have been reading books to pass the time without guests to serve, people who worked at the resort say. The golf course and hotels, four months after the party, still aren't open to the public.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday

Earnings expected

	Estimate/Year Ago
Asana	(0.01)/(0.04)
Franco-Nevada	0.90/0.90
Oracle	1.49/1.41
Vail Resorts	6.29/5.76

Tuesday

Ratio, days of trading volume of current position, at Feb 14

NYSE	3.7
Nasdaq	1.9

Earnings expected

	Estimate/Year Ago
Casey's General Stores	1.95/2.33
Ciena	0.41/0.66
Dick's Sporting Goods	3.52/3.85
Kohl's	0.73/1.67

Wednesday

Consumer price index

All items, Jan.	up 0.5%
Feb., expected	up 0.3%
Core, Jan.	up 0.4%
Feb., expected	up 0.3%

EIA status report

Previous change in stocks in millions of barrels

Crude-oil stocks	up 3.6
Gasoline stocks	down 1.4
Distillates	down 1.3

Mort. bankers indexes

Purch., previous	up 9%
Refinan., prev.	up 37%

Treasury budget

Feb., '24	$296 bil. Deficit
Feb.,'25, exp	$275 bil. Deficit

Earnings expected

	Estimate/Year Ago
Adobe	4.97/4.48
American Eagle Outfitters	0.50/0.61
Crown Castle	0.43/0.83
SentinelOne	0.01/(0.02)
UiPath	0.20/0.22

Thursday

EIA report: natural-gas

Previous change in stocks in billions of cubic feet

down 80

Initial jobless claims

Previous	221000
Expected	220000

Freddie Mac Mortgage Survey

Previous weekly averages

30-year fixed	6.63
15-year fixed	5.79

Producer price index

All items, Jan.	up 0.4%
Feb., expected	up 0.3%
Core, Jan.	up 0.3%
Feb., expected	up 0.3%

Earnings expected

	Estimate/Year Ago
DocuSign	0.85/0.76
Dollar General	1.50/1.83
Rubrik	(0.39)/(1.52)
ServiceTitan	0.03/n.a.
Ulta Beauty	7.11/8.08
Wheaton Precious Metals	0.43/0.36

Friday

U.Mich. consumer index

Feb., final	65.7
Mar., prelim	64

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ◆ Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists

SETH WENIG/AP

Kohl's is expected to post per-share earnings of 73 cents on Tuesday.

HEARD ON THE STREET
FINANCIAL ANALYSIS & COMMENTARY

Tariffs Inflict Pain on Home Builders

Trade levies could add an extra $10,000 to the cost of building a home, likely coming out of companies' margins

Home builders warmed to President Trump's return initially, especially promises to gut regulations that push up construction costs. But six weeks into his second term things aren't going to plan for the industry, or the U.S.'s squeezed home buyers.

Tariffs on Mexican and Canadian imports that came into force this week will make it more expensive to build housing.

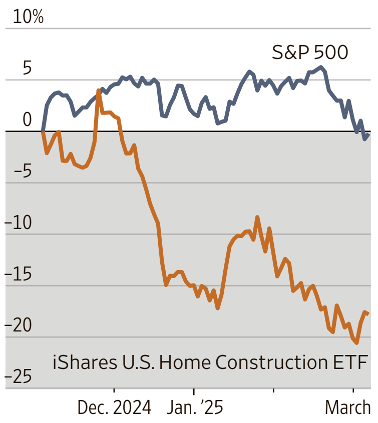
Around 8% of the materials used to construct a new home are imported from outside the U.S., the National Association of Home Builders estimates. This includes everything from Canadian softwood lumber used for door frames and decking, to refrigerators from Mexico.

Some materials, such as lumber, qualify for the one-month delay announced Thursday. Based on initial conversations with builders, NAHB Chief Economist Robert Dietz estimates the tariffs, once fully phased in, will add anywhere from $7,500 to $10,000 to the cost of building the average American family home.

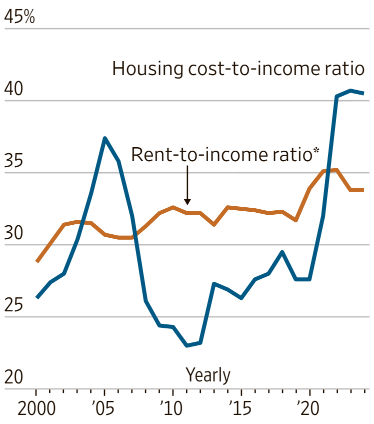
In a more normal housing market, this would be passed on to consumers. But now is a bad time to ask buyers to pay more. Both home prices and mortgage rates are high, so affordability is stretched.

The lead into the crucial spring home buying season has been weak, with January sales of new single-family homes down 10.5% compared with December, on a seasonally adjusted annual rate. Proxies for future demand, such as the number of people actively viewing properties, are soft too, according to Rick Palacios, director of research at John Burns Research and Consulting. Buyers look tapped out even before the impact of tariffs is felt.

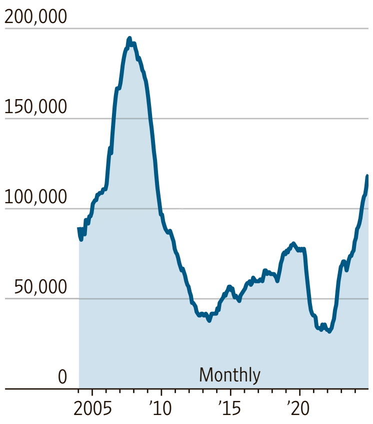
Performance since President Trump's election win



Home ownership costs vs. renting



Home builders' inventories of unsold, completed new homes



*Single family homes

Sources: FactSet (performance); John Burns Research & Consulting (cost vs. renting); National Association of Home Builders (inventories)

Based on the recent severe underperformance of the iShares U.S. Home Construction ETF, investors expect builders to swallow the higher costs of doing business and suffer lower profit margins as a result. Shares in the fund rallied 6% in the three weeks after the election, but are down 21% since then, compared with a 4% drop for the S&P 500 over the same period.

There may be more pain on the way from the administration's immigration policies. Construction sites look ripe for immigration-enforcement raids as home builders rely heavily on unauthorized workers. Half of ceiling-tile installers and 37% of roofers are undocumented, according to John Burns estimates. A crackdown that shrinks the pool of workers could push up construction pay, which is already rising faster than wages in the wider economy.

Aggressive tariff announcements, followed by jarring U-turns on their implementation date, are a nightmare for the industry.

ANGUS MORDANT/BLOOMBERG NEWS

About 8% of the materials used to build a new home are imported.

Builders need to be sure about policies when they make investment decisions, and the timespan between buying land to completing a housing development can be three years or more.

Seasonally adjusted annual new housing starts fell 10% in January compared with December, data from the Census Bureau shows.

Home builders are being cautious as they already have a glut of finished inventory they are struggling to sell. Tariffs will give them another reason to hit the brakes. This is a bad sign for the U.S. housing market, which needs more supply to bring prices back down to more affordable levels.

The one relief for home hunters is that mortgage rates have fallen slightly in recent weeks. The rate on a 30-year mortgage dropped to 6.63% this week from 7.04% in mid-January, according to Freddie Mac. However, this probably reflects worries about how the U.S. economy will respond to more protectionist trade policies that have pushed down the 10-year Treasury yield. A weak economy won't help housing affordability if it means lower incomes for buyers.

Policy upheaval could hit renters, too. Rent growth has been anemic over the past year because of a glut of newly built apartments. If tariffs discourage construction, landlords could regain the upper hand as supply tightens. They think there is scope to push rents higher as tenants currently spend a lower share of their incomes on housing costs than homeowners.

"The real story on tariffs and immigration is less supply, which is favorable for rent growth," says Cedrik Lachance, director of research at real estate analytics firm Green Street.

The Trump administration could eventually remove some of the pain caused by tariffs by cutting red tape for builders. For now, the direction of travel is disappointing. The White House's new occupant is raising rather than lowering costs in America's troubled housing market.

—*Carol Ryan*