

THE WALL STREET JOURNAL.

DOW JONES | News Corp ***** THURSDAY, MARCH 27, 2025 ~ VOL. CCLXXXV NO. 71 WSJ.com ★★★★★ \$5.00

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What's News

Business & Finance

- ◆ **Dollar Tree** agreed to a sale of its Family Dollar business to a consortium of private-equity investors for roughly \$1 billion in an effort to unlock value. **B1**
- ◆ **Phillips 66** was expected to nominate two new directors to its board amid an intensifying proxy fight with activist investor Elliott. **B1**
- ◆ **Major U.S. stock indexes** fell, with the S&P 500, Nasdaq and Dow retreating 1%, 2% and 0.3%, respectively. **B11**
- ◆ **Delaware's governor** signed a law that will make it harder for shareholders to sue companies, in an attempt to quell threats by U.S. corporations to move their legal residences to other states. **B1**
- ◆ **Wall Street bonuses** surged last year on rising markets and a rebound in dealmaking, with the average payout gaining 31% to a record in data going back to 1990. **A1**
- ◆ **Anthropic and Databricks** struck a five-year, \$100 million pact to sell artificial-intelligence tools to businesses, aiming at those who want to build their own AI agents. **B3**
- ◆ **A U.S. court denied** an injunction brought by Universal Music and other record labels to prevent Anthropic from using copyrighted lyrics to train its AI models. **B3**
- ◆ **Imperial Brands** plans to increase its profit over the next few years by investing in the U.S. and its other major tobacco markets. **B3**
- ◆ **Activist investor Starboard** nominated its chief executive and two other people to take seats on the board of software-design maker Autodesk. **B3**

World-Wide

- ◆ **Defense Secretary Pete Hegseth** came under increasing scrutiny after more details emerged showing he posted plans of an imminent military strike against Houthi militants, including the timing and weapon systems, on an unclassified group chat used by senior administration officials. **A1, A4**
- ◆ **Trump said he would** impose 25% tariffs on global automotive imports to the U.S., making good on a pledge to impose duties on cars and trucks from other countries. **A1**
- ◆ **An appeals court** upheld an order that blocked the Trump administration from using a wartime law to deport alleged Venezuelan gang members on the same day Homeland Security Secretary Kristi Noem visited the prison in El Salvador where the migrants are held. **A5**
- ◆ **The Supreme Court** held that federal firearms laws cover so-called ghost guns, weapons assembled from kits that law enforcement says are becoming a preference for armed criminals. **A2**
- ◆ **Brazil's Supreme Court** ordered former President Jair Bolsonaro to go on trial for allegedly plotting a coup, dealing a blow to one of Trump's closest Latin American allies. **A6**
- ◆ **Immigration authorities** detained a Turkish graduate student at Tufts University, adding to the list of international students targeted by the Trump administration. **A5**
- ◆ **The U.S. government** will probably run out of money to pay its bills by August or September, the CBO said, in the first official estimate of when lawmakers will need to raise the debt limit. **A2**

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Deport Ban Upheld as Noem Visits El Salvador Jail



CENTER OF A STORM: Homeland Security Secretary Kristi Noem on Wednesday visited the jail in El Salvador where the U.S. has been sending Venezuelan migrants accused of being in gangs. An appeals court upheld an order blocking the deportations. **A5**

President Sets 25% Tariffs on All Car Imports

Latest policy swing, taking effect April 3, gives no exemption to Canada, Mexico

BY GAVIN BADE AND CHRISTOPHER OTIS

President Trump said he would impose 25% tariffs on global automotive imports to the U.S., making good on a pledge to impose duties on cars and trucks from other nations. "What we're going to be doing is a 25% tariff on all cars not made in the U.S.," Trump said Wednesday in the Oval Office, appearing to dispel any chance of an exemption for countries like Canada and Mexico, which have a free-trade agreement with the U.S.

The U.S. will start collecting the auto tariffs on April 3, Trump said, the day after he is set to announce a broader slate of trade actions. Trump's so-called reciprocal tariffs, slated for that day, were originally planned to equalize U.S. tariffs with those charged by foreign nations, but Trump said Wednesday that the tariffs he plans to implement would likely be lower than that.

Canadian Prime Minister Mark Carney called the tariffs a direct attack on Canadian workers. He said Canadian officials would decide what actions to take, including possible retaliatory tariffs, after seeing the language of Trump's executive order.

"It's clear that this is a violation and he has betrayed our trade agreement," said Carney, who has just begun an election campaign that will culminate in an April 28 vote.

The tariffs will cover finished automobiles and automotive parts, a senior administration official said. *Please turn to page A2*

Hegseth Faces Rising Scrutiny Over Security Breach on Chat

Defense secretary defends himself as some Democrats call for him to resign

WASHINGTON—Defense Secretary Pete Hegseth came under increasing scrutiny after more details emerged Wednesday showing he posted plans of an imminent military strike against Houthi militants, including the timing and weapon systems, on an unclassified

By Michael R. Gordon, Nancy A. Youssef and Lindsay Wise

group chat used by senior administration officials. Several Democrats called for his resignation, saying Hegseth had flouted longstanding security procedures for handling sensitive military information. And the chairman and ranking member of the Senate Armed Services Committee called for the Pentagon inspector general to investigate the chat on an expedited basis.

"The information as published recently appears to me to be of such a sensitive nature that based on my knowledge, I would have wanted it classified," Sen. Roger Wicker (R., Miss.), who leads the committee, said. "If mistakes were made...they should be acknowledged."

The new messages made public by the Atlantic magazine Wednesday showed Hegseth texted details to other senior administration officials about the specific times that F-18s, MQ-9 Reaper drones and Tomahawk cruise missiles would be used in the attack and mentions intelligence that an unnamed target of the strikes was at a "known location." Such information is normally guarded carefully by the Pentagon before imminent strikes to avoid disclosures that could help adversaries. Hegseth said Wednesday in Hawaii at the start of a trip to

the Pacific that the texts were routine updates to other top officials as the strike unfolded. It was the third day in a row that he had insisted he did nothing wrong. He didn't address using Signal to send details about the attack but denied the information was classified.

There are no "war plans. There is no units, no locations, no routes, no flight paths, no sources, no methods, no classified information," Hegseth said, referring to the texts.

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- ◆ **Trump's strategy for war chat fallout is attack.....** A4
- ◆ **An annotated analysis of the group chat.....** A4

INSIDE



PERSONAL JOURNAL
Copycat hotel websites look like chains' pages—but you won't snag a deal on prices. **A9**



BUSINESS & FINANCE
Dollar Tree to sell Family Dollar to private-equity investors for roughly \$1 billion. **B1**

The Ford Executive Who Kept Score of Colleagues' Verbal Flubs

Mike O'Brien kept a log of linguistic breaches; 'too many cooks in the soup'

By MIKE COLIAS

Mike O'Brien emailed a few hundred colleagues last month to announce his retirement after 32 years at Ford Motor. The sales executive's note included the obligatory career reflections and thank yous—but came with a twist. Attached to the email was a spreadsheet detailing a few thousand violations committed by his co-workers over the years. During a 2019 sales meeting to discuss a new vehicle launch, a colleague blurted out: "Let's not reinvent the ocean."

At another meeting, in 2016, someone started a sentence with: "I don't want to

sound like a broken drum here, but..."

For more than a decade, O'Brien kept a meticulous log of mixed metaphors and malaprops uttered in Ford meetings, from companywide gatherings to side conversations. It documents 2,229 linguistic breaches, including the quote, context, name of the perpetrator and color commentary. After one colleague declared: "It's a huge task, but we're trying to get our arms and legs around it," O'Brien quipped: "Adding 'legs' into the mix makes it sound kinda kinky."

There is a leaderboard and a clear GOAT of verbal flubs. The list became so known—*Please turn to page A10*

Corporate Elation Over Trump Gives Way to Distress

CEOs and investors fret over what they see as whipsaw policy changes and complacency about the risks of recession

Rapturous applause and a sea of phones in the air greeted President Trump as he walked on stage and declared, "The golden age of America has officially begun."

By Nick Timiraos, Alex Leary and Chip Cutter

He was barely a month into office when the Saudi-backed investor conference in Miami captured the optimism. "The Nasdaq is up nearly 10% in just a few months," Trump said, ticking through a list of economic indicators.

"The Dow Jones Industrial Average is up 2,200 points." On the same day, Feb. 19, the S&P 500 hit an all-time high.

But as Trump unleashed an on-one-day, off-the-next tariff fight with America's largest trading partners, those gains unraveled.

In just a few weeks, the S&P lost \$4 trillion in value driven by his whipsaw trade policy, receding optimism about an artificial-intelligence boom and souring consumer sentiment caused by threats of higher prices and weaker growth. A measure of consumer sentiment fell in

Please turn to page A8

Wall Street Bonuses Rise 31%, But This Year's Outlook Dims

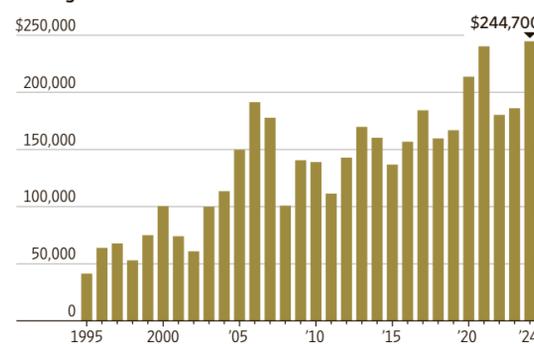
By KRISTAL HUR

Wall Street bonuses surged 31% last year on rising markets and a rebound in dealmaking activity, delivering a boon for the industry's hometown economy. Some are already wondering how long it is going to last.

The average bonus rose to a record \$244,700 last year, up from \$186,100, according to the New York state comptroller's office. Adjusted for inflation, it is the highest figure since 2021, before the Federal Reserve's interest-rate increases began to crimp dealmaking.

Banks, brokers and investment firms paid out bigger bonuses last year as the markets rallied and dealmaking began to recover from a two-year malaise. Optimism for the future also fueled their rise, and finance executives

Average Wall Street bonus



Note: Bonuses reflects cash payments and deferred compensation for which taxes have been withheld. Stock options and other forms of deferred compensation are not included. Source: Office of New York State Comptroller

began to bet that the uptick in activity would continue once President Trump returned to the White House.

There are early signs,

though, that 2025 might not play out as many bankers expected. The market's rally has faded, and signs of continuing *Please turn to page A8*



U.S. NEWS

Laws Apply to Ghost Guns

High court rules 7-2 that such firearms assembled from kits can be regulated

By Jess Bravin

WASHINGTON—The Supreme Court held Wednesday that federal firearms laws cover so-called ghost guns, weapons that are assembled from kits that law enforcement says are becoming the go-to choice for armed criminals.

The gun industry had challenged a Biden-era regulation treating ghost guns like other firearms, with the same licensing, background checks and serial-number requirements. A federal appeals court in New Orleans had set aside the regulation, reasoning that weapons parts aren't weapons and thus weren't covered by the Gun Control Act of 1968.

On Wednesday, a 7-2 Supreme Court disagreed. At least some gun kits fit the definition that Congress set out, Justice Neil Gorsuch wrote for the court and therefore the regulation stands. The court left open the possibility that some kits might be so far from a finished gun as to fall outside the regulation.

The Gun Control Act, passed in the wake of the assassinations of Robert F. Kennedy and Martin Luther King Jr., responded to a wave of violence then wracking the nation. It imposed record-keeping requirements to help police solve gun crimes and used specific language to define what qualifies as a covered weapon, including items "that may readily be converted to expel a projectile by the action of an explosive" and "the frame or receiver of any such weapon."

That expansive definition "has long been understood to reach everything from run-of-the-mill rifles to novelty umbrella guns," Gorsuch wrote. The Bureau of Alcohol, Tobacco, Firearms and Explosives was within the law's scope when in 2022 it determined



The Justice Department said exempting ghost guns from regulation was a windfall for criminals.

that covered weapons included kits that can "readily be completed, assembled, restored, or otherwise converted to expel a projectile by the action of an explosive," he added.

To illustrate the point, the opinion included photos of Polymer80's "Buy Build Shoot" kit, which includes everything needed to assemble a "Glock variant semiautomatic pistol."

"An individual who had never before encountered the kit was able to produce a gun from it in 21 minutes using only 'common' tools and instructions found in publicly available YouTube videos," Gorsuch wrote.

Besides, Gorsuch wrote, it was common to refer to incomplete objects in their finished forms. "A friend might speak of the table he just bought at IKEA, even though hours of assembly remain ahead of him," he said. "In much the same way, an ordinary speaker might well call Polymer80's product a firearm 'frame,' even

though a little work is required to complete it."

That is not to say anything capable of being turned into a weapon would count. "Few would call a pile of unfinished logs a table," Gorsuch wrote.

Wednesday's opinion suggested that Gorsuch and Justice Brett Kavanaugh had overcome their initial skepticism of the government's position. In 2023, they dissented from a decision allowing the ghost-gun regulations to remain in effect while the case was on appeal to the high court.

The Justice Department told the court that exempting the nearly untraceable weapons from regulation had become a windfall for criminals. Police recovered more than 19,000 ghost guns in 2021, a 1,000% increase from 2017, the department said in legal papers.

The Supreme Court has steadily been expanding gun rights since 2008, when it found that the Second Amend-

ment entitles individuals to armed self-defense within the home. But Wednesday's case, *Bondi v. VanDerStok*, focused not on the Constitution but close reading of the 1968 statute.

Justice Clarence Thomas dissented Wednesday, saying the court was inconsistent by "rewriting" statutory text to cover ghost guns when last year it wouldn't do so to permit regulation of bump stocks. He argued that incomplete frames or receivers—such as those that require holes to be drilled to finish the weapon's assembly—weren't covered by the language of the law. Justice Samuel Alito dissented separately.

"This is only one battle in a multi-generational war over the scope of government and pre-existing right to keep and bear arms," said the Firearms Policy Coalition, one of the pro-gun organizations that brought the case.

The Trump administration's Justice Department has reversed some legal positions taken by the Biden administration, but not in this case. A spokesman couldn't immediately be reached for comment.

Summer Deadline Seen For Raising Debt Limit

By Richard Rubin and Lindsay Wise

WASHINGTON—The U.S. government will probably run out of money to pay its bills by August or September, the Congressional Budget Office said Wednesday, providing the first official estimate of the so-called X date that will require lawmakers to raise the federal debt limit.

The outlook contains uncertainty. CBO said if revenue collection is significantly weaker than expected and more borrowing is required, the X date could occur in late May or early June before a mid-June tax-payment deadline.

The CBO projection puts lawmakers on the clock to figure out how and when to raise the debt limit, and the forecast for August or September gives them time to combine it with a major tax-and-spending bill that is still taking shape.

Raising the debt limit can be a painful vote for politicians who don't like to be associated with higher government borrowing, but it is necessary to prevent the U.S. from missing scheduled payments and triggering unpredictable global financial consequences.

The federal government is running deficits of nearly \$2 trillion annually, which means

it must routinely borrow money to pay the bills, including federal workers' salaries, interest to bondholders and Medicare reimbursements to hospitals.

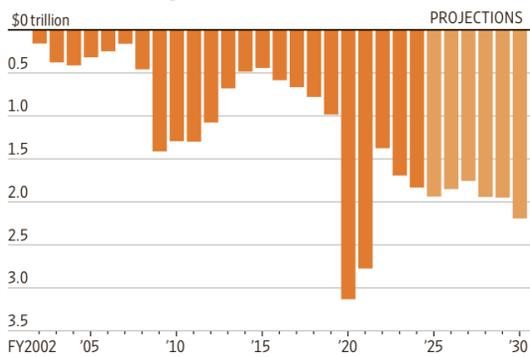
That borrowing is subject to the debt limit, an overall cap that Congress created and raises periodically. Over the past 15 years, Congress has repeatedly run up to the brink and eventually found ways to increase or pause the limit. If the cap isn't raised, the U.S. would start to default on some obligations. Sometimes, past debt-limit deals have been paired with spending cuts, while other times they haven't.

In the most recent deal, Congress and former President Joe Biden suspended the cap through Jan. 1, 2025. Since then, the Treasury Department has been relying on cash reserves, incoming tax receipts and various "extraordinary measures" to pay its bills.

Republicans, who control Congress and the White House, could raise the debt limit without Democratic help by including it in a bill under the budget reconciliation process that sidesteps the Senate's 60-vote filibuster threshold. Those budget talks, however, have been moving slowly for weeks as party leaders debate the size and scope of tax cuts and spending cuts.

Left open was the possibility of some kits falling outside the regulation.

Annual U.S. federal government deficit



Note: Fiscal year ends Sept. 30. FY2025-2030 are projections and assume tax cuts expire as scheduled at the end of this year. Source: Congressional Budget Office

U.S. WATCH



TIPTOE THROUGH: Dutch Ambassador Birgitta Tazelaar hosted Dutch Tulip Days, marking the 80th anniversary of end of World War II, on Wednesday at her residence in Washington.

STUDENT LOANS Payment Failures Hit Credit Scores

More than nine million student-loan borrowers are likely to see their credit scores drop in the first half of this year, according to Federal Reserve Bank of New York estimates published Wednesday. The hits are expected after borrowers failed to resume payments with the end of pandemic-era relief on loans.

Many borrowers saw their scores fall earlier this year after the Education Department resumed reporting delinquent payments to credit reporting firms. The Wall Street Journal reported last month that more than nine million people were at risk of

a credit-score drop, with two million of those on track to fall into subprime status.

Before the pandemic, the share of past due balances had hovered near 14% throughout 2019, according to the New York Fed. The pause on payments helped boost the credit scores of delinquent borrowers.

After payments resumed, the volume of past-due loans returned to prepandemic levels and reached a new high of 15.6% by 2024, with more than \$250 billion in delinquent debt held by 9.7 million borrowers.

Significant credit score drops can mean reduced credit limits and higher interest rates for new loans.

—Oyin Adedoyin

FLORIDA Bill to Ease Curbs On Teen Working

A bill to relax restrictions on working hours for Florida teenagers is moving through the state Legislature.

The bill would permit 16- and 17-year-olds to work overnight on school days and work longer than an eight-hour day before a school day. The Commerce and Tourism Committee approved the bill. It must be approved by two more committees before reaching the Senate floor.

The sponsor, Republican state Sen. Jay Collins, noted that all workers would remain protected by the Fair Labor Standards Act.

—Associated Press

Trump Sets 25% Tariffs On Autos

Continued from Page One
istration official said. The administration had considered exempting auto parts from the tariffs. But parts that are compliant with the U.S.-Mexico-Canada Agreement will remain tariff-free until the Commerce Department "establishes a process to apply tariffs to their non-U.S. content," White House deputy press secretary Harrison Fields wrote online.

The 25% tariff will be added on top of existing duties, including a 2.5% tariff currently imposed by the U.S., as well as existing 25% tariffs on light trucks, known as the "chicken tax," the senior administration official said.

Nearly half of new passenger vehicles sold in the U.S. in 2024 were assembled outside the U.S., according to data from S&P Global Mobility. Mexico is the biggest auto exporter to the U.S., sending pickups from General Motors, Ram and Toyota as well as affordable sedans from Nissan and luxury models from BMW and Audi.

Popular mass-market vehicles such as Toyota's RAV4 and the Honda Civic are also

imported from Canada for sale in the U.S.

GM stock slid 8% after hours on Wednesday, while Ford Motor was down 5% and shares in Jeep and Ram parent company Stellantis fell 5%. Tesla, which builds its domestically sold cars in the U.S., was up about 1%.

Trump's previously implemented, but largely delayed,

tariffs of 25% on Canada and Mexico would add about \$6,000 in costs to vehicles assembled in those countries assuming parts were also included in the levies, Cox Automotive said.

"Bottom line: lower production, tighter supply and higher prices are around the corner," the chief economist of Cox Automotive, Jonathan Smoke, said.

The American Automotive Policy Council, a trade group representing Ford, GM and Stellantis, said tariffs should be implemented without raising prices for consumers or hurting the competitiveness of North American automakers. A group representing foreign automakers with U.S. operations warned tariffs would make cars less affordable.

Trump's team has whipsawed between a maximalist approach to tariffs and offering potential leniency for companies and trading partners. The president originally said that he would impose sector-specific tariffs on industries such as semiconductors, lumber and pharmaceuticals on April 2. But he reiterated on Wednesday that those industry-specific tariffs wouldn't happen on that date, though they could be announced later.

Trump said his reciprocal tariffs would be "less than the tariff [trading partners] have been charging us for decades." Trump also said the reciprocal tariffs will target "all countries," and not just the 15% of nations Treasury Secretary Scott Bessent had said could be made a priority in the April 2 action.

The president, a Republican, reiterated a campaign pledge to juice auto demand, saying that he was working with House Speaker Mike Johnson (R., La.) to pass a measure that would allow consumers to deduct car interest payments from their income taxes for American-made cars.

United Auto Workers President Shawn Fain called the tariffs "a major step in the right direction for auto workers and blue-collar communities across the country." The UAW has said outsourcing to Mexico has decimated U.S. jobs since the original free-trade agreement was signed in 1994.



GM, Ram and Toyota assemble much of their lineup in Mexico. Pickups being imported in January.

CORRECTIONS & AMPLIFICATIONS

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U.S. NEWS

Maryland Remembers Key Bridge Collapse Victims



COMMEMORATION: A year after the collapse of Baltimore's Francis Scott Key Bridge, Maryland leaders on Wednesday honored the six construction workers who were killed when the road they were repairing buckled underneath them. Left, remaining portions of the bridge. Right, family members and friends of the workers attending the Wednesday ceremony in Dundalk.

Tip on Pfizer Vaccine Timing Is Probed

Claim came to the U.S. attorney's office in Manhattan via Pfizer rival GSK

Soon after President Trump won the presidential election in November, British drugmaker GSK brought an unusual claim to federal prosecutors in Manhattan, according to people familiar with the matter.

By Josh Dawsey, Gregory Zuckerman and Jared S. Hopkins

A senior GSK scientist, who formerly worked at rival Pfizer, had told GSK colleagues that Pfizer delayed announcing the success of its Covid vaccine in 2020 until after that year's election.

The scientist disputes that account of what he told colleagues. But prosecutors are taking a closer look at what GSK shared with them, which is potentially politically explosive. Trump for years has claimed Pfizer sat on the positive results of clinical trials, which could have reflected well on his management of the pandemic and reassured voters as they headed to the polls. There has never been evidence to support the accusation and the development of the Covid vaccines is widely

viewed as a medical miracle, coming faster than any other vaccine in history.

The U.S. attorney's office in Manhattan interviewed at least two people in connection with the allegation, including a GSK executive who took notes of a conversation with the former Pfizer scientist, according to one of the people familiar with the matter.

The scientist, Phil Dormitzer, led Pfizer's viral vaccine research and development before moving to GSK in 2021. He has since left GSK, and his attorney is among those who spoke to prosecutors.

Prosecutors asked about what Dormitzer said to GSK executives in late 2024 about what happened at Pfizer in 2020, according to people familiar with the investigation.

In a statement, Dormitzer said Pfizer moved rapidly to get the vaccine approved and he didn't tell his GSK colleagues otherwise. "My Pfizer colleagues and I did everything we could to get the FDA's Emergency Use Authorization at the very first possible moment," he said. "Any other interpretation of my comments about the pace of the vaccine's development would be incorrect."

Dormitzer spent nearly two decades in vaccine research at drug companies after working in academia. He helped de-

velop Pfizer's Covid-19 vaccine and was among company scientists who appeared in the media discussing the shot and the pandemic.

Prosecutors plan to interview a third person in coming days, some of the people familiar with the probe said. Pfizer officials haven't been interviewed.

Pfizer shares closed down 1.3% on Wednesday.

It isn't clear what potential violations could be at issue. The prosecutors' inquiry into GSK's information, related to the oft-repeated Trump accusation, comes as the Justice Department has opened a range of investigations into Trump's perceived detractors in recent months, including a new one into the 2020 election.

Pfizer said it hadn't received any inquiries from prosecutors on the subject. It said the vaccine development was driven by science and guided by the Food and Drug Administration, and that the "tireless work of scientists, regulators, and thousands of clinical trial volunteers" made the vaccine possible. "Pfizer remains ready, willing, and able to explain why

any allegation of impropriety is utter nonsense," it said.

GSK declined to comment on the investigation. It said Dormitzer—who for three years led its vaccine research and development after a six-year stint at Pfizer—left for "reasons unrelated to GSK."

Trump has long been fixated on the timing of the Pfizer vaccine. He was livid when the company unveiled the results of its trial just after he lost the presidential contest in November 2020.

Over the past year, Pfizer executives including Chief Executive Albert Bourla have sought to build a relationship with Trump, attending fundraising dinners and hosting a C-suite retreat to Trump's Mar-a-Lago club in Florida after the 2024 election, as they have in the past.

Trump personally asked Bourla whether the vaccine was delayed, which Bourla denied, according to people familiar with the conversations.

During the development of Pfizer's vaccine, Bourla aggressively pushed his employees to develop the vaccine and initially wanted the vaccine done by October. He gave sim-

ilar timelines publicly, telling the "Today" show that the company would know if it worked by October.

Scientists and executives from Pfizer and other pharmaceutical companies viewed the effort in 2020 to develop Covid vaccines as an all-out race, with prestige attached to being first, along with a likely financial windfall.

The vaccine-development process was unusually public, with Pfizer and others releasing the blueprints of their clinical trials. Pfizer and eight other drug companies, including GSK, showed an unusual level of cooperation, signing a pledge not to seek government approval until the Covid shots in development were proved to be safe and effective.

The review of the Pfizer vaccine's effectiveness and safety was performed by an outside panel of independent experts known as a data-safety monitoring committee, which shared its findings with Pfizer and partner BioNTech. Pfizer filmed and broadcast the moment executives learned the results from Pfizer's senior scientists, on Nov. 8.

By then, Trump had lost the election. Joe Biden was declared the winner of the contest on Nov. 7. Two days later, Pfizer said an early analysis showed its vaccine to work safely in protecting peo-

ple from Covid-19.

Just after midnight on Nov. 10, Trump posted on social media: "As I have long said, @Pfizer and the others would only announce a Vaccine after the Election, because they didn't have the courage to do it before."

Like Pfizer, GSK developed tools to fight and prevent the coronavirus. Its antibody treatment, developed with Vir Biotechnology, was authorized for use in the U.S. for months before the virus evolved and the treatment became less effective, prompting regulators to restrict its use.

GSK has since sued Pfizer over patent rights related to vaccines for Covid-19 and a respiratory virus known as RSV. Pfizer has also sued GSK over RSV vaccine patent rights. Dormitzer, as head of Pfizer's viral vaccine research and development in 2018, helped forge a partnership with Germany's BioNTech to develop shots for influenza using mRNA technology.

In early 2020, when BioNTech's co-founder phoned Dormitzer to say his company hoped to produce a Covid vaccine, Dormitzer was at first skeptical and believed Covid could dissipate but later became a big proponent of the effort. He said in the book, "A Shot to Save the World," "I had the zeal of the converted."

Prosecutors are taking a closer look at what GSK shared with them.



GRAFF

U.S. NEWS

Trump's Strategy for War Chat Fallout Is Attack

White House criticizes news media and plays down security risk

WASHINGTON—The White House is going to war over war plans, dusting off a familiar playbook that President Trump has used for decades to blunt controversies: attack, attack, attack.

By Tarini Parti, Alex Leary and Josh Dawsey

The president, his senior advisers and top cabinet officials launched a campaign to dismiss one of the biggest crises of Trump's second term, as Washington grappled with the news that top administration national-security officials discussed sensitive military operations on a nongovernment message app that included a prominent magazine editor.

Trump has privately expressed frustration about the incident, people familiar with his thinking said, but he has made a strategic decision to paper over his annoyance and cede no ground in public. Instead, he has attacked the credibility of the Atlantic magazine and its editor in chief, Jeffrey Goldberg, long a target of Trump's ire. He has played down concerns from former administration officials, Democrats and some Re-



President Trump spoke to the media in the Oval Office at the White House on Wednesday.

publicans that the episode exposed serious national-security vulnerabilities.

"It's all a witch hunt," Trump told reporters in the Oval Office on Wednesday. "There was no harm done because the attack was unbelievably successful," he added. "And that's the thing that you should be talking about."

The circle-the-wagons strategy is the same one Trump has used in past moments of crisis, dating to his days as a real-estate developer in New York: Keep the fire aimed at the media, deny wrongdoing and raise questions about the validity of the allegations.

Trump has long been confident in his ability to weather controversy, dating to the discovery of an NBC "Access Hollywood" tape late in the 2016 presidential campaign, in which Trump bragged about grabbing women's genitals. He outlasted an investigation into alleged Russia ties to his campaign, two impeachments and numerous other scandals and personnel clashes. His comeback victory last November has given him a renewed self-assuredness and a willingness to test the limits of power, people close to him said—all with a mostly compliant GOP.

The president decided on Monday afternoon not to fire

national security adviser Mike Waltz, who started the Signal chat and inadvertently invited Goldberg, administration officials said. But Trump privately viewed the incident as one of the first setbacks of his administration, according to the officials.

Secretary of State Marco Rubio was particularly frustrated by the incident, a person with direct knowledge of his thinking said, partially because he believes the administration shouldn't have been discussing such sensitive matters on Signal. Rubio was part of the Signal chat, though he stressed to reporters Wednesday he didn't share sensitive

information. "Someone made a big mistake" in adding Goldberg to the chat, Rubio said, comments that appeared to go further than other administration officials. The State Department didn't respond to a request for comment.

But the president and his top advisers have largely been in lockstep in public.

Top administration officials seized on the Atlantic's word choice to dismiss its reporting. The magazine, in its Monday article, said Defense Secretary Pete Hegseth had shared "war plans" in the Signal group. Wednesday's follow-up story described them as "attack" plans.

Goldberg, in an interview with MSNBC on Wednesday, said that the administration was playing a "semantic game." The Atlantic said it decided to publish detailed texts of the chat after the administration said nothing that was discussed was classified—an assertion disputed by outside experts and former national security officials, including defense secretaries and generals.

In a testy exchange with reporters on Wednesday, White House press secretary Karoline Leavitt characterized the Signal messages as a "sensitive policy discussion," but maintained no classified material was disclosed. Trump, she added, has "great trust" in his national-security team.

The National Security Council on Tuesday announced it was conducting a

review of the incident. In past years, such a breach would likely have given rise to a separate and more thorough investigation by the Federal Bureau of Investigation and Justice Department's national-security division to assess the extent of the potential harm and whether any laws were violated. But top Justice Department officials appear not to be mounting such an inquiry.

"We will continue to do our job, while the media does what it does best: peddle hoaxes," Hegseth tweeted Wednesday, using a favorite word of the president, who has dismissed past investigations into him as hoaxes.

Hegseth, who sent sensitive details of the strike in the Signal chat, used a similar strategy to get confirmed as defense secretary, overcoming accusations of sexual assault and drinking and concerns about his lack of experience. The former Fox News host aggressively pushed back against the accusations as politically motivated "anonymous smears." His campaign to defend himself persuaded Trump, who had considered replacing him, to double down on his nomination.

While some in the administration viewed Hegseth as responsible for sharing the most sensitive information on the Signal chat, Trump hasn't directed his anger at Hegseth, according to people familiar with the matter. "Hegseth is doing a great job," Trump told reporters on Wednesday.

The Signal Group Chat, An Annotated Analysis

Texts published by the Atlantic magazine revealed Defense Secretary Pete Hegseth posted plans for the timing and weapons to be used in a military strike against Houthi militants. This came after administration officials disputed that any classified information about the military operation had been shared in the chat group. Here is a section of the text chain, with key parts annotated.



Scan the QR code on the left to get the complete text chain.

Pete Hegseth TEAM UPDATE:

TIME NOW (1144et): Weather is FAVORABLE. Just CONFIRMED w/ CENTCOM we are a GO for mission launch.

That means the weather is sufficient for the military to meet its target. For example, it isn't too cloudy for pilots to see. Jets are taking off from the aircraft carrier.

1215et: F-18s LAUNCH (1st strike package)

1345: "Trigger Based" F-18 1st Strike Window Starts (Target Terrorist is @ his Known Location so SHOULD BE ON TIME) — also, Strike Drones Launch (MQ-9s)

That means what the U.S. military wants to hit is where it is supposed to be and the strikes meet civilian casualties mitigation measures. The U.S. military likely determined that with drones. This could mean that the U.S. plan is in waves or that the fighter jets are in place to immediately respond should the Houthis try to launch missiles or some counter response.

1410: More F-18s LAUNCH (2nd strike package)

1415: Strike Drones on Target (THIS IS WHEN THE FIRST BOMBS WILL DEFINITELY DROP, pending earlier "Trigger Based" targets)

This indicates that drones, which are armed, could be participating in the strike.

1536: F-18 2nd Strike Starts — also, first sea-based Tomahawks launched.

MORE TO FOLLOW (per timeline) We are currently clean on OPSEC.

This is supposed to indicate that neither the Houthis nor the media learned about this attack beforehand. Except for the Atlantic—as it turns out.

Godspeed to our Warriors.



A photo released by U.S. Central Command on March 15 shows the launch of an operation against Houthi targets in Yemen.

Hegseth Faces Rising Scrutiny

Continued from Page One

President Trump voiced support for the Pentagon chief in comments at the White House Wednesday. "Hegseth is doing a great job. He had nothing to do with this." He added: "Look, it's all a witch hunt."

The texts in the Signal chat group, which were sent over several days earlier this month, show that Hegseth was an active participant in the debate over whether to use forces against the Houthis who began to attack international shipping after Israeli forces responded to Hamas's October 2023 attack by intervening militarily in Gaza.

Hegseth had never held a senior national security post in the government before taking office in January. His Senate confirmation was opposed by Democrats, who said the former Army National Guard major and Fox News host lacked experience to handle one of the government's most demanding positions.

Sen. Mark Kelly, the Arizona Democrat who flew combat missions in the 1991 Persian Gulf war as a naval aviator, said Hegseth's inexperience accounted for his decision to convey details about an imminent military operation.

"The Signal incident is what happens when you have the most unqualified Secretary of Defense we've ever seen," Kelly wrote on X Wednesday. "We're

lucky it didn't cost any service-members their lives, but for the safety of our military and our country, Secretary Hegseth needs to resign."

Other senior administration officials in the chat have tried to deflect the controversy by saying that they didn't post classified information in the chat and said Hegseth has responsibility to decide what Pentagon information should be shared in an unclassified chat.

"Was it classified information?" Secretary of State Marco Rubio said on a visit to Jamaica Wednesday. "Well, the Pentagon says it wasn't."

The Atlantic had previously released many of the texts after its editor in chief, Jeffrey Goldberg, said he was added to the chat group, apparently inadvertently, days before the initial U.S. strikes on Yemen this month. The magazine said it withheld the most sensitive messages sent before the attack out of concern the information might have been useful to an adversary.

But it released those Wednesday after the White House insisted no classified information was included in the texts and attacked Goldberg's credibility. They showed Hegseth posted multiple specific details of the looming attack on the unclassified Signal chat group established by national security adviser Mike Waltz.

Most Republicans, who have portrayed the text uproar as an unfortunate mistake by the administration but not one that would require criminal investi-

gation or resignations, reacted with more concern after the latest revelations.

"They can't fool America on this," said Rep. Don Bacon (R., Neb.), a military veteran and member of the House Armed Services Committee. "So if they just say, 'I was wrong,' and if you take accountability, then people move on."

Whether the information Hegseth shared was classified at the time he texted it has emerged as a key question.

Several U.S. military officials said the strike information Hegseth included was still classified as secret when he shared it. The officials didn't say if any action was taken after the attack by Hegseth to formally declassify some or all of the details. Nor has Hegseth said if he has ordered such an action.

The texts disclosed Wednesday by the Atlantic include details about the specific times that F-18s, MQ-9 drones and Tomahawk cruise missiles would be used in the attack and mentions intelligence that an unnamed target of the attacks was at a "known location."

In a text entitled "Team Update" on the Signal service, Hegseth wrote that the weather was favorable for the military operation and that "we are a GO for mission launch."

The text was posted at 11:44 a.m. E.T. on March 15, about 30 minutes before the first U.S. F-18s warplanes that carried out the strikes took off from a U.S. aircraft carrier.

The defense secretary added

Hegseth said the texts were routine updates to other top officials.

U.S. NEWS

Administration Loses Appeal of Flight Ban

Decision leaves in place, for now, order blocking expulsions of Venezuelans

An appeals court upheld an order that blocked the Trump administration from using a wartime law to deport alleged Venezuelan gang members on the same day Homeland Security Secretary Kristi Noem visited the prison in El Salvador where the migrants have been detained.

By Jan Wolfe in Washington, Michelle Hackman in San Salvador and Victoria Albert in New York

The U.S. Court of Appeals for the D.C. Circuit's 2-1 decision on Wednesday denied the Justice Department's bid to lift the block while it fights the lawsuit, which challenged Trump's use of the Alien Enemies Act of 1798 to carry out the deportations. The law has been rarely used and is meant to be invoked at times when the nation is at war.

Judge Karen L. Henderson, who was appointed by President George H.W. Bush, said U.S. District Judge James Boasberg's March 15 emergency order temporarily blocking the deportations was entered "for a



Homeland Security's Kristi Noem Wednesday visited the El Salvador prison where the U.S. sent alleged Venezuelan gang members.

quintessentially valid purpose: to protect [the court's] remedial authority long enough to consider the parties' arguments."

She said the administration hadn't, at this early stage, shown it was likely to prevail in the lawsuit.

The decision was a setback

for President Trump in his clash with the judiciary over the limits of his authority. Boasberg has said that the deportees—who were quickly shuttled onto flights just after the president invoked the act—should have been given a chance to argue that they weren't actually

members of Tren de Aragua, a violent Venezuelan gang.

The scores of people deported under the law were taken to El Salvador's Terrorism Confinement Center, a mega-prison opened in 2023 under President Nayib Bukele. It is known as the world's

largest prison and home to the country's most violent gang members.

Noem visited a cell block holding some suspected members of Tren de Aragua during her Wednesday visit. The area was made of concrete with a vaulted ceiling, and was un-

comfortably warm.

Prisoners were held behind bars on racks of metal beds with four beds to each bunk, going up about two stories. They wore white uniforms of T-shirts and thin cotton shorts. All had shaved heads.

The security minister pointed out one of the men to Noem, drawing her attention to a star-shaped tattoo that he said is a marker of Tren de Aragua. Bukele offered use of the prison for U.S. deportees during a visit from U.S. Secretary of State Marco Rubio last month.

Earlier this month, Boasberg had ordered the deportations to stop while he considered the challenge to the administration's use of the centuries-old law to remove dozens of alleged members of Tren de Aragua.

The Justice Department has called that order "an affront to the president's broad constitutional and statutory authority to protect the United States from dangerous aliens who pose grave threats to the American people."

Wednesday's ruling signaled trouble ahead for the Trump administration as it defends that action in court. In her concurring opinion, Henderson rejected the Justice Department's argument that courts couldn't second-guess the lawfulness of Trump's use of the Alien Enemies Act.

Turkish Doctoral Student at Tufts Is Latest to Be Detained

By ALYSSA LUKPAT

Federal immigration authorities detained a Turkish graduate student at Tufts University, adding to the list of international students targeted by the Trump administration.

Rumeysa Ozturk, a Ph.D. student, was taken into custody Tuesday night outside her off-campus apartment building in Somerville, Mass., according to Tufts and court

records. She was on her way to meet friends and break her fast for Ramadan when she was detained, her lawyer said.

The government hasn't filed any charges against Ozturk, who was in the U.S. on a student visa, said the lawyer, Mahsa Khanbabai. Tufts President Sunil Kumar said the university was told the government terminated the student's visa status.

The Trump administration

has singled out students and colleges as part of its campaign to dismantle what it calls extremist leftist ideology. The arrests have raised fears among international students, particularly those involved in the pro-Palestinian demonstrations that overwhelmed campuses last year.

Federal authorities this month detained Columbia University student Mahmoud Khalil, a green-card holder, after

he helped lead pro-Palestinian demonstrations. Georgetown University academic Badar Khan Suri, an Indian national, was arrested this month. Columbia student Ranjani Srinivasan left the country this month after the government revoked her visa. A federal judge ordered immigration authorities on Tuesday to stop their efforts to detain Yunseo Chung, a Columbia junior who participated in campus protests.

It couldn't be determined if Ozturk participated in pro-Palestinian demonstrations at Tufts. Ozturk co-wrote an opinion piece published in 2024 in the Tufts Daily, the school's student newspaper, that calls on the university administration to take a stance on the Israel-Gaza war.

Ozturk's lawyer filed a writ of habeas corpus in Massachusetts federal court after she was arrested, meaning the at-

torney asked the court to evaluate if Ozturk was unlawfully detained. A judge said on Tuesday that immigration officials couldn't move Ozturk out of the district of Massachusetts without giving advance notice.

The Department of Homeland Security and U.S. Immigration and Customs Enforcement didn't respond to requests for comment on Wednesday.

President Toughens Tech Approach to Chinese Firms

By LIZA LIN

The Trump administration demonstrated that it wants tougher limits on China's access to U.S. technology than those introduced by the Biden administration, targeting Chinese companies including a server maker that buys Nvidia chips.

The U.S. added dozens of Chinese companies to a trade blacklist over national-security concerns.

U.S. businesses seeking to sell technology to these companies will need approval from the government.

Among those added were subsidiaries of **Inspur Group**, China's largest server maker and a major customer for U.S. chip makers such as Nvidia, **Intel** and **Advanced Micro Devices**. Companies linked to China's largest supercomputer maker, **Sugon**, were also added.

The move is the clearest signal yet that the Trump administration intends to further limit what kind of U.S. technology Chinese companies can buy, despite complaints from Silicon Valley companies, including Nvidia, that former President Joe Biden, a Democrat, already went too far.

In the Biden administration's final days, it imposed limits on third countries buying cutting-edge U.S. chips, hoping to prevent those chips from making their way to China. U.S. tech executives have asked President Trump to roll back those limits before they take effect in May.

The latest export controls add to friction between the world's two largest economies. Since he took office in January, Trump has imposed cumulative new tariffs on China of 20%, on top of the levies imposed during his first term.

Nearly 80 companies were put on the Commerce Department's blacklist, known as the entity list. The bulk of them are Chinese. The department said it acted to limit China's access to high-performance computing for military appli-



A robot dog at the Nvidia GPU Technology Conference.

cations and stymie the development of its hypersonic weapons program.

"American technology should never be used against the American people," said Jeffrey Kessler, head of the department's Bureau of Industry and Security.

A spokesman for China's Foreign Ministry on Wednesday called the U.S. action "typical hegemonic behavior that severely violates international law."

Until now, the U.S. has in general allowed affiliates of entity-listed Chinese companies to purchase controlled technology provided the affiliates themselves aren't listed.

The Wall Street Journal reported two years ago that a subsidiary of Inspur Group called Inspur Electronic Information Industry could still buy U.S. technology even though the parent was on the entity list.

On Tuesday, six Inspur affiliates including Inspur Electronic were added to the list. The U.S. said the affiliates were contributing to China's development of supercomputers for military end use.

According to business-intelligence firm WireScreen, U.S. server maker Aivres Systems is wholly owned by Inspur Electronic. The latter is one-third owned by Inspur Group, according to corporate records.

Aivres has been assembling high-end artificial-intelligence equipment for Nvidia. The artificial-intelligence chip giant has said Aivres will make servers using Blackwell chips, Nvidia's newest and most powerful processors.

Aivres advertises on its website that it sells servers and infrastructure powered by Blackwell chips, which are banned from sale into China. The Aivres website shows its clients include a U.S. university, a Japanese industrial-camera maker and South Korean AI and internet companies. Aivres says on its site that it complies with export controls.

Nvidia declined to comment on the new U.S. rules or its relationship with Aivres. Inspur didn't respond to a request for comment.

About two months after Inspur Group was added to the trade blacklist in March 2023, California-based Inspur Systems changed its name to Aivres Systems, according to state business records.

Inspur Electronic, the Aivres parent, works with Nvidia in China, assembling and selling AI infrastructure using certain of Nvidia's Hopper chips, according to Inspur Electronic's website. Nvidia tailored those chips for the Chinese market, scaling back their capabilities to comply with U.S. export controls.



DESERT DUEL PIETRE DURE PLAQUE

Precise craftsmanship. Inlaid marble. Dramatic scene.



This exceptional work by Florentine artist Tito Francolini is a masterpiece of pietre dure. Crafted entirely from polished hardstone rather than paint, Francolini's meticulous selection of materials, including onyx and lapis lazuli, creates exceptional depth, showcasing the pinnacle of this fascinating art form. Signed and dated 1900 (en verso). Plaque: 8 3/4" h x 12 5/8" w. Frame: 14 5/8" h x 18 1/4" w. #31-4937



View a key to the hardstones used in this plaque

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WORLD NEWS



Palestinians protested against Hamas on Wednesday, calling for an end to the war, which has devastated the Gaza Strip.

Protests Against Hamas Intensify in the Gaza Strip

Discontent is high enough that some are ready to risk their lives to be heard

Palestinians took to the streets against Hamas in Gaza again on Wednesday, a day after hundreds protested, in a sign of deepening anger at the militant group as frustrations over the destruction of their homes and lives spill into the open.

"Out, out, Hamas out,"

By *Sudarsan Raghavan, Suha Ma'ayeh and Carrie Keller-Lynn*

crowds shouted in the Shujaiya neighborhood of Gaza City, echoing chants from Tuesday's protests, according to a video verified by Storyful.

Some Palestinians appeared defiant despite a possible crackdown by Hamas, which has controlled the enclave of about two million people with

a firm grip and is unlikely to accept widespread dissent. Hamas hasn't publicly commented on the protests.

Hamas tried to suppress Tuesday's protests, and at least one of its fighters was beaten by the crowd, said Abu Tamer, a resident of Beit Lahiya, the epicenter of Tuesday's protests in the northern Gaza Strip. "Hamas did not prevent the protests because they completely disappeared from the streets. They cannot stand up to the population who are against them," he said.

To some extent, the protests—and the outright defiance—reflect the weakened position of Hamas after 17 months of war, analysts said. In 2019, Hamas brutally cracked down on Palestinians protesting against worsening economic conditions, subjecting them to beatings, detentions and torture, human-rights activists documented.

"Hamas has lost many of its senior military leaders and many of its political leaders,"

said Mkhaimar Abusada, a professor of political science at Al-Azhar University-Gaza who fled to Cairo. "They know it would be a mistake to go after protesters in a violent way."

Basem Naim, a senior Hamas spokesman, said on social media Wednesday that all Palestinians had the "right to scream out of pain and raise their voice against the aggression against our people." Then, in a veiled reference to Israel and Palestinian rivals in the West Bank, he accused people with "suspicious political agendas" of exploiting the "tragic humanitarian conditions" in Gaza.

While limited in number and scope, Tuesday's demonstrations were the largest since the beginning of the war. As in 2019, another protest in 2023 largely focused on the poor economy and lack of opportunities in Gaza, which has been governed by Hamas for nearly two decades.

This time, Palestinians called for Hamas to leave Gaza. The demonstrations erupted in

Beit Lahiya on Tuesday and by nightfall spread to Khan Younis, in southern Gaza.

The protests are an indicator that at least some Palestinians are so discontented with Hamas that they are ready to risk their lives to be heard.

You stupid Hamdan," crowds of young men chanted in Al Nuseirat, referring to Osama Hamdan, a top Hamas political leader. "We don't want to die."

The demonstrations, though unusual, weren't entirely a surprise. Palestinian pollsters have found that many in Gaza privately disapprove of Hamas, especially as fighting with Israel drags on, shattering civilian life in the enclave. Israel has sought to take advantage of the protests.

On Wednesday, Israeli Defense Minister Israel Katz in a post on X urged Gazans to "learn from the residents" of Beit Lahiya, and "demand the removal of Hamas from Gaza and the immediate release of all Israeli hostages—this is the only way to stop the war."

One Syrian Father Makes A Journey to Find His Son

"Finding Shadi" follows the story of Suleiman al-Youssef, a father in Damascus, as he searches for his missing son, Shadi, who disappeared into Syria's prison system more than a decade ago.

Shadi was 25 years old when he was arrested at a checkpoint in 2013. His family said he hadn't been politically active, but like many young men during the country's uprising, he was taken by security forces without explanation. For years, Shadi's family attempted to trace his whereabouts in the vast network of secret detention sites maintained by the oppressive Assad regime.

On Dec. 8, 2024, Damascus was liberated and Bashar al-Assad's regime overthrown; the doors of prisons were suddenly opened. Videos of released detainees began circulating online, offering glimpses of hope for families like Suleiman's.

In one of those videos, Suleiman saw a quick glimpse of a gaunt man in a black sweatshirt rushing out of Saydnaya prison.

"When I saw the video, I knew," Suleiman said. "It's my son. Even if he was among millions of people, I'd still be able to recognize him."

Suleiman's story is just one of hundreds of thou-

sands like it in Syria. More than 100,000 Syrians remain forcibly disappeared by the Assad regime, according to the Syrian Network for Human Rights. Saydnaya prison, where Suleiman thinks his son may have been held, became internationally known as one of the most brutal and secretive detention sites in the country.

Since the start of the Syrian war, tens of thousands of detainees are believed to have died in custody from torture, starvation, illness or execution.

As we documented Suleiman's search, our team did our own investigation. We spent months scouring missing-persons groups online, meeting with activists, former detainees and experts on Syria's prison system to find leads that could identify the man in the video and bring answers to Suleiman's family.

Suleiman's personal journey mirrors the experience of so many Syrians trying to trace loved ones in a country long defined by secrecy, trauma and mass incarceration.

What began as a search for one man became an exploration of identity and memory as Syria and its citizens attempt to rebuild.

—Ben C. Solomon and Belle Cushing



BEN C. SOLOMON

Scan this code to watch a video on Syrian father Suleiman al-Youssef's 12-year quest to find his son, Shadi, who disappeared after being stopped at a checkpoint in 2013. The Wall Street Journal documented the search.

Brazil Court Orders Trial for Bolsonaro

By *SAMANTHA PEARSON*

SÃO PAULO—Brazil's Supreme Court ordered former President Jair Bolsonaro to go on trial for allegedly plotting a coup, dealing a blow to one of President Trump's closest Latin American allies.

The justices on Wednesday ruled Bolsonaro should stand trial on five charges over allegations the right-wing leader plotted a military takeover of the country in 2022 to prevent Luiz Inácio Lula da Silva from taking office weeks after the leftist won the presidential election.

Those plans included preparations to assassinate da Silva, who is now in the middle of his four-year presidential term; Vice President Geraldo Alckmin; and Supreme Court Justice Alexandre de Moraes, possibly by poisoning them or blowing them up with grenades, police said after a two-year probe.

The 70-year-old former president was charged with leading an armed criminal organization, attacking the democratic state, plotting a coup, destroying federal property and damaging historic landmarks.

Bolsonaro denied the allegations, and accused da Silva's government and the courts of carrying out a witch hunt to prevent his return to power.

In a post on X as the justices were issuing their ruling, Bolsonaro said, "They want to lock me up before the elections," referring to the October 2026 presidential vote.

A populist who casts himself as a gladiator for the right in Brazil's culture wars, Bolsonaro would narrowly win the presidential election against da Silva, according to a recent poll by Brazil's Paraná Pesquisas polling. Da Silva's job approval dropped to a low of 24% in February, partly on inflation concerns,

according to Datafolha polling.

The trial could take months, and if Bolsonaro is found guilty of all the charges he could face a decade in prison, said Bruno Salles Ribeiro, a São Paulo-based criminal lawyer. In 2023, Brazil's electoral court banned Bolsonaro from running for office until the end of the decade, finding that he undermined confidence in the voting system months before losing the 2022 election.

The Supreme Court on Wednesday also ordered that seven of Bolsonaro's allies—including his former ministers of justice and defense, his former intelligence chief, and high-ranking military officials—go on trial for allegedly plotting a coup. They have denied wrongdoing.

The police said that after some leaders of the armed forces refused to go ahead with the coup, Bolsonaro encouraged his supporters to storm the capital, Brasília, on Jan. 8, 2023, days after da Silva was inaugurated to his third nonconsecutive term. Convinced that da Silva had stolen the election, though voting results showed he had won and other countries recognized his victory, tens of thousands of pro-Bolsonaro demonstrators convened on the Esplanade, where Brazil's three branches of power are located. Hundreds broke into the Congress, the Supreme Court and Presidential Palace.

"We are talking about extreme acts of violence...it was a true pitched battle," de Moraes said on Wednesday of the attacks, showing the court videos of protesters setting fire to vehicles and battering police officers.

There has been no comment from Trump or administration officials about Bolsonaro's troubles or if the U.S. might find a way to help him.

WORLDWATCH



JOHANNES P. CHRISTO/REUTERS

RELIGIOUS TIDE: Balinese Hindus took part in a Melasti purification ceremony in Gianyar, Bali, Indonesia, on Wednesday.

UNITED KINGDOM Slower Economic Growth Is Projected

The U.K. economy will grow slower than previously forecast in 2025, and the government will have to borrow more heavily in coming years, Treasury Chief Rachel Reeves told lawmakers.

The Office for Budget Responsibility lowered its growth forecast for this year to 1% from 2%. The OBR raised its growth forecast for next year to 1.9% from 1.8%. However, it warned that growth could be significantly lower if the U.S. continues to increase its tariffs on imports.

Meanwhile, consumer prices were 2.8% higher in February than a year earlier, compared with 3% in January, said the U.K. statistics agency.

—Paul Hannon and Joshua Kirby

LITHUANIA Four U.S. Soldiers Die During Training

NATO Secretary-General Mark Rutte said four American soldiers who disappeared while training in Lithuania have died, but that he didn't know the details.

A U.S. official said the four soldiers were involved in a training accident.

While visiting Warsaw, Rutte said his thoughts were with their families and with the U.S.

Lithuanian public broadcaster LRT reported that four U.S. soldiers and their vehicle were reported missing Tuesday afternoon during an exercise at the General Silvestras Žukauskas training ground in Pabradė, a town located less than 6 miles from the border with Belarus.

—Associated Press

POLAND President Signs Law Restricting Asylum

President Andrzej Duda on Wednesday signed a law that restricts the rights of people to request asylum as Poland strengthens its border with Belarus, citing what it describes as hybrid war tactics using migration.

Prime Minister Donald Tusk had appealed to Duda to sign the legislation. Duda had expressed concerns that it could make it harder for dissidents in authoritarian Belarus to flee the repressive regime there.

The new legislation introduces temporary restrictions on the right to submit an application for international protection for those who have crossed the border illegally.

Human-rights activists have criticized the bill.

—Associated Press

SUDAN Army Recaptures Khartoum Airport

Sudan's army said it had recaptured Khartoum's international airport and a key base of the rival Rapid Support Forces paramilitary group, bringing it closer to regaining full control of the capital for the first time in nearly two years of war.

Troops also recaptured the RSF's last stronghold in Khartoum, the Teiba al-Hasnab camp, army spokesperson Brig. Gen. Nabil Abdullah Ali said on social media. There was no RSF comment.

Sudan's military on Friday retook the Republican Palace, the seat of the prewar government. The RSF had held the palace, the airport and large parts of the capital since the war began in April 2023.

—Associated Press

WORLD NEWS

Trump: Russia Might Be 'Dragging Its Feet'

The president said he had used similar tactics in real-estate deal negotiations

By ALEXANDER OSIPOVICH

President Trump acknowledged that his rapid drive to end the war in Ukraine had hit a snag, observing that Russia appears to be slow-walking the U.S.-brokered negotiations as it angles for further concessions from the West.

Trump's comments came hours after the White House announced a Black Sea cease-fire deal and Russia promptly demanded more steps from the West on sanctions relief before complying.

Asked about Moscow's procrastination, Trump said the Kremlin might be "dragging its feet," and compared the maneuvering to his own past tactics in real-estate negotiations. "I've done it over the years. You know, I don't want to sign a contract. I want to sort of stay in the game, but maybe I don't want to do it quite—I'm not sure," he told Newsmax.

The Kremlin didn't respond to a request for comment.

Trump, whose first published book was titled "The Art of the Deal," has said his prowess in business negotiations could be extended successfully to the international arena. But in his breakneck effort to end the three-year war between Russia and Ukraine, Trump faces a wily and seasoned opponent: Russian leader Vladimir Putin.

Putin has made it clear that he wants major concessions to end the war—conditions that are unacceptable to Ukraine and its European allies. These include keeping Ukraine out of the North Atlantic Treaty Organization, handing over swaths of Ukrainian territory and ensuring that whatever remains of Ukraine after that can't rearm with Western help.

As the Trump administration has pushed for a more limited truce as an initial step toward peace, Russia has responded by offering baby steps toward a deal, laden with conditions that reflect longstanding Kremlin demands.

"These are absolutely standard Kremlin negotiating tactics," said Laurie Bristow, a former U.K. ambassador to Russia. "What they will always do is try to control the agenda and the timetable. They'll try to get maximum concessions on pretty much everything they possibly can up front, and pay as close to nothing for them as they possibly can."

Last week, Trump spoke with Putin, hoping to win an unconditional 30-day cease-fire. The one narrow condition that Putin agreed to was an end to attacks on energy infrastructure. If such a deal can be made to stick, it would benefit Moscow by ending Ukraine's campaign of long-range drone attacks on refineries and other oil facilities.

So far, the energy truce doesn't appear to have taken hold. Moscow and Kyiv accuse each other of violations.

U.S. and Russian negotiators this week said there was a deal to "eliminate the use of force" in the Black Sea. Ukraine, whose negotiators met separately with the U.S. team, agreed. But then Moscow threw a wrench in the works. "They've got five or six conditions. We're looking at all of them," Trump said.

Truce Offers Little Shift in Ukraine War

When the White House said it had brokered an agreement between Russia and Ukraine to eliminate the use of force in the Black Sea, it looked like a breakthrough.

By Isabel Coles,
Alexander Osipovich
and Laurence Norman

Then Russia listed its conditions, making it unclear what, if anything, would immediately change.

Here is what we know.

What was agreed to?

Not much. The U.S. said it had agreed with Russia to ensure safe navigation, eliminate the use of force and prevent the use of commercial vessels for military purposes in the Black Sea.

That is effectively the status quo in the Black Sea, where Ukraine has largely secured navigation by driving back Moscow's fleet, and has been careful to avoid hitting Russian commercial ships.

Unless the truce protects Ukraine's ports from Russian fire, the deal does little more than codify the situation.

But Moscow said it would comply only after the West lifted sanctions on some of its banks, eased restrictions on Russian companies involved in food and fertilizer exports, and allowed broader port access to Russian ships carrying agricultural cargoes.

Ukrainian President Volodymyr Zelensky said his country wouldn't agree to any ease-



A Russia-Ukraine agreement would eliminate the use of force in the Black Sea.

ing of sanctions under a deal. "This issue was not on the agenda before the meeting," he said.

Some analysts said Moscow's maneuvering seeks to take advantage of the Trump administration's desire to broker peace to extract concessions without giving anything meaningful away.

The two sides reiterated their commitment to a moratorium on strikes on energy infrastructure, which they each accuse the other of violating.

What Putin wants

Russia is eager for an easing of the Western sanctions that have hampered its economy and partially limited its

access to global markets since the start of the war. Moscow also might be seeking to widen the breach between the U.S. and Ukraine's European allies who imposed some of the sanctions at issue.

As President Trump has pushed the idea of a cease-fire, Moscow has used the talks to press for some narrow wish-list items that work to its own advantage, such as a truce on energy infrastructure, which could end Ukrainian drone attacks on Russian oil facilities.

By drawing out the talks, Putin also is buying time to continue clawing away at Ukrainian territory. The Kremlin has shown zero interest in a broader end to the war, ex-

cept on conditions unacceptable to Ukraine and its European allies. Moscow insists that Ukraine remain outside the North Atlantic Treaty Organization, and that it not be able to access Western support to rearm.

What the U.S. says

The Trump administration had hoped to win an immediate monthlong cease-fire but agreed instead, after Trump spoke with Putin, to more scaled-down goals, including the halt to attacks on energy infrastructure and the Black Sea truce. Details on both are still being worked out.

The White House said that as part of the deal it would

help restore Russia's access to the world market for agricultural and fertilizer exports, lower maritime-insurance costs and enhance access to ports and payment systems for such transactions.

Asked whether he had agreed to the Kremlin's demands for easing sanctions as a precondition for the Black Sea truce, Trump told reporters they were being considered. "There are about five or six conditions. We're looking at all of them," he said.

What Ukraine gets

Kyiv appears to gain little from the agreement. Ukrainian sea drones previously drove Russia's Black Sea Fleet away from its prized main port of Sevastopol on the occupied Crimea peninsula, opening the door to seaborne exports of Ukrainian grain.

If confined to strikes on ships, the truce would appear to benefit only Russia by limiting Ukrainian attacks on Russia's Black Sea Fleet.

Ukraine said it agreed to the deal but would defend itself if Russia sent warships into the western Black Sea.

"The Ukrainians have already defeated the Black Sea Fleet, which hasn't really participated in the war for about a year," said George Barros, an analyst at the Institute for the Study of War, a Washington-based think tank.

The cease-fire "wouldn't change anything in the reality of the war, it just protects a few, limited ships the Russians have, he added."

Greenlanders Brace for Unwanted U.S. Visit

A planned visit to Greenland this week to be led by second lady Usha Vance was originally presented as a feel-good event

By Sune Engel
Rasmussen,
Natalie Andrews
and Vera Bergengruen

to celebrate Greenlandic culture. Instead, it is stirring anger and anxiety—and testing already strained relations between the U.S. and European allies. And that was before Vice President JD Vance said he would be joining the trip.

The U.S. has now shifted the visit's focus to national security even as Danish and Greenlandic officials have insisted they see the uninvited trip as a provocation. Instead of taking in a dogsled race as originally scheduled, the Vances will be visiting American soldiers at a U.S. military base, far from any large settlement of civilian Greenlanders, White House officials said on Tuesday.

Greenland has denounced the visit by the delegation, which the White House on Sunday said would include national-security adviser Mike Waltz and Secretary of Energy Chris Wright, as a "highly aggressive" move.

Danish Prime Minister Mette Frederiksen on Tuesday dialed up the rhetoric against Washington, saying the scheduled visit puts "completely unacceptable pressure on Greenland, Greenlandic politicians and the Greenlandic population," as well as on Denmark. "President Trump is serious," she told Danish television. "He wants Greenland."

Vance said Tuesday that he chose to join his wife Friday because of the pushback from the Danish government. The vice president went on to reframe the trip as a "really important" matter for U.S. national security.

Denmark characterized the change in plans as an American retreat, despite the fact that the participation of the



The U.S. trip adds to confusion about what the Trump administration wants from Greenland. Above, the U.S. Consulate in Nuuk

vice president added seniority to the delegation. Foreign Minister Lars Løkke Rasmussen said it was "very positive"

that the delegation wasn't going to visit any Greenlandic settlements.

The U.S. trip adds to confusion in Greenland and Denmark about what the Trump administration actually wants with the self-governing territory of Denmark. Beyond stating that Greenland is important to U.S. national security and poorly protected by Denmark—and indicating that he covets its critical minerals—the only concrete wish Trump has expressed about Greenland is for the U.S. to own it.

That stated desire has unsettled Greenlanders.

Late Sunday, residents of Nuuk, Greenland's capital, watched as two U.S. Hercules military transport planes touched down at the airport,

carrying security personnel and bulletproof vehicles in apparent preparation for the visit.

Greenlandic politicians say the trip amounts to meddling in their domestic affairs as they negotiate the formation of a new government after an election this month. The winner was a party that firmly rejects U.S. advances and advocates slowing the island's push for independence.

"It is disrespectful to do this without an official invitation, while Greenland is in the process of forming a government," said Aaja Chemnitz, one of two Greenlandic members of the Danish Parliament. "Greenland decides its own future, and we will reach out to the U.S. of our own accord, if we want closer cooperation."

Trump on Monday rejected the notion that the coming visit was a provocation.

German Chancellor Olaf

Scholz has suggested increasing the North Atlantic Treaty Organization's troop presence in Greenland to counter Trump's claims that the island isn't protected. French Foreign Minister Jean-Noël Barrot has said it is out of the question that the European Union would let another country attack its borders.

Greenland is a prized asset for its strategic location and deposits of critical minerals—and it has for decades welcomed a significant U.S. presence. It holds a commanding position in the Arctic, as a buffer between North America and Russia. Trump and JD Vance said Denmark was unable to protect the island.

U.S. officials have expressed interest in Greenland's underground wealth. Yet, large-scale exploitation of its minerals remains a distant prospect, not because of resistance from Greenland's government but

because of poor infrastructure, a harsh climate, ice that covers 80% of the island and a reluctance from investors to fund mining operations there.

The recent Greenlandic reactions mark a stark departure from the mood only a few months ago. While polling shows an overwhelming majority of Greenlanders don't want to be American, there is widespread desire on the island for more autonomy to build commercial and political ties with other nations independent of Copenhagen's policies.

Now, Trump has turned some of those hopes into concerns, said Ulrik Pram Gad, senior researcher with the Danish Institute for International Studies. "There was an opening, but he has closed it now," Gad said of Trump. "My impression is that Greenlanders no longer trust his intentions, and are starting to get a little scared."

South Korean Panel Finds Adoption Plan Allowed Fraud, Abuses

By TALI ARBEL

A South Korea commission said the government should issue an official state apology for violating the rights of children adopted overseas, acknowledging that the country over decades allowed fraudulent practices and abuses in what it called a "mass exportation" of children.

The government-estab-

lished Truth and Reconciliation Commission said the government failed to properly oversee the private agencies that facilitated the adoptions overseas, which began after the Korean War. The government used the adoptions of more than 140,000 children as a "cost-effective alternative to strengthening domestic child-welfare policies."

Many children's identities

were faked, the commission said. Not enough efforts were made to find the legal guardians of children who were abandoned before they were put up for adoption. The commission said there were cases of agencies giving children another identity when its biological family was attempting to reclaim them to expedite the adoption process. There wasn't enough screening of

adoptive parents.

The commission's conclusions come from a more-than-two-year investigation. More than 300 adoptees to 11 countries over more than three decades filed a petition saying their identities were changed or documents related to their adoptions were forged.

Children were sent abroad starting in the aftermath of the Korean War as the poor

country rebuilt, the commission said. The adoptions continued through the 2000s.

"This is a shameful part of our history," the commission's chairperson, Sun-young Park, said during a press conference attended by adoptees from Europe, the U.S. and Australia.

The commission said there was "mass exportation" of children abroad by Korean adoption agencies to meet de-

mand from foreign agencies. The commission also said the Korean agencies made "substantial profits" from requiring adoptive parents and foreign agencies to pay fees that exceeded the costs of adoptions.

Among the measures recommended by the commission were remedies for victims whose identities were falsified and a survey on adoptees' citizenship status.

FROM PAGE ONE

Wall Street
Bonuses
Surge 31%

Continued from Page One

inflation and concerns over Trump's tariffs on imports have muddied the outlook for interest rates. And many of Wall Street's biggest players have taken steps to cut staff.

"There is a degree of paralysis at the moment," said Mike Mayo, a banking analyst at Wells Fargo. "If you're the average Wall Street employee, it is no time to run out and buy your Hamptons home." Bonuses account for a big chunk of what many employees earn at financial firms each year.

Wall Street has an outside

impact on New York, accounting for nearly 20% of the city's total economic activity. The higher bonuses will bring in \$600 million more in revenue from state income tax and \$275 million more for the city than a year earlier. Last year's bonus pool among financial firms totaled \$47.5 billion, also a record high.

The uncertain outlook has weakened corporate confidence, the lifeblood of the dealmaking economy. The M&A business is off to its slowest start since 2009, with just 2,066 U.S. deals announced in the U.S. so far in 2025, according to Dealogic data. A group of Goldman Sachs strategists led by David Kostin recently slashed their forecast for completed deals this year, lowering his growth target to 7% from 25%. Mergers, the strategists noted, are a function of U.S. economic growth, chief executives' confidence and fi-



There are early signs that 2025 might not play out as many bankers expected.

ancial conditions. All of those factors could be hindered by the trade war, they wrote.

"Questions over tariffs and

federal funding have increased in some folks' minds the probability of a recession," New York state Comptroller

Thomas DiNapoli, a Democrat, said Wednesday. "We all hope to avoid such an outcome, which couldn't only slow re-

cent growth on Wall Street, but could hurt everyday New Yorkers."

Would-be merger partners are also grappling with the news that the Trump administration has no plans to change the deal guidelines imposed by the Federal Trade Commission, a sign some corporate combinations might not be viewed any more favorably as they were under former President Joe Biden, a Democrat.

JPMorgan Chase, Morgan Stanley and Goldman, each based in New York, have announced mass layoffs in the past year. **Bank of America** cut about 150 junior investment-banking roles this month.

It is too soon to bet against Wall Street's recovery, said Meredith Dennes, managing partner at recruiter Prospect Rock Partners. Banks are still looking to fill positions left by bankers who took other jobs, she said.

Corporate
Distress
Increases

Continued from Page One

March for the fourth straight month to the lowest level since January 2021, the Conference Board said Tuesday.

Markets in the past week have recovered some losses, but on Wednesday, Trump said he would impose 25% tariffs on global automotive imports. And he plans an April 2 "liberation day" suite of reciprocal tariffs he said will be applied on any trading partner that charges tariffs or imposes other trade barriers on U.S. products.

CEOs and lobbyists seeking clarity and fretting over what they see as a haphazard approach have inundated Trump's team with calls, according to people in the administration. Some said the White House has been receptive to hearing from businesses about their concerns but that it's unclear if arguments for a more temperate and targeted approach have persuaded Trump.

Among other factors, investors were caught flat-footed by Trump's animus toward Canada, which wasn't a part of last year's election campaign. Global markets were then roiled by the fallout from the Oval Office meeting between Trump and Ukrainian President Volodymyr Zelensky, which descended into a shouting match.

The spectacle led Germany to approve a once-unimaginable €1 trillion defense-spending deal—with contracts to go to European makers. The package has sent up yields on German sovereign debt and could reduce appetite on the Continent for U.S. Treasuries.

"At the end of last year, the attitude was, 'Full on, this is going to be an exceptionally pro-growth agenda and it will be executed in a clear way.' All of that has gone in reverse," said Ed Al-Hussainy, global interest-rate strategist at Columbia Threadneedle Investments.

On the campaign trail, Trump repeatedly praised the use of tariffs, calling it the "most beautiful word in the dictionary." But Wall Street investors and big businesses believed he would ultimately dial back rhetoric, focusing more on boosting growth and using targeted tariffs against China and to support critical industries—something that would help more closely to his first term.

Now, CEOs who cheered Trump's tax and regulatory cuts have grown increasingly pessimistic, though many remain reticent to speak out because of fears of public criticism from the administration.

Officials at the Federal Reserve, who last year were heartened by a broad-based easing in price pressures, now expect tariffs to push prices up this year while weakening growth.

Even the president, famous for plowing through bad news, has refused to rule out a recession as he describes a transition period in his quest to upend global trade alliances and reinvigorate domestic manufacturing. "Everything could happen," Trump acknowledged last week on Fox News.



Left, President Trump during a cabinet meeting at the White House on Monday. Top right, a steelworker at the ArcelorMittal Dofasco steel plant in Hamilton, Ontario. Below right, an avocado packaging facility in Uruapan, Mexico. Both Canada and Mexico face U.S. tariffs on imports.

cluding a steady unemployment rate and a recent surge in home building.

"The underlying fundamentals of the economy are pretty darn good," said Stephen Miran, chair of the White House Council of Economic Advisers, in an interview last week. He said Trump's policies of tax and regulatory cuts would begin to show dividends, and he maintained tariffs can work. "We are focused on creating the best, strongest economy in American history and the president's golden age. It'll take a little more time to get there."

Accepting pain

The president has already slapped tariffs of 20% on goods from China, 25% on imports from Mexico and Canada that aren't covered by an existing trade agreement, and 25% duties on steel and aluminum. Additional tariffs on copper and lumber are planned.

Trump inherited an economy with steady growth but vulnerabilities from a frozen housing sector, cooling labor market, richly valued stock market and the aftereffects of several years of high prices. Investors began the year indifferent to those faults because they expected the new administration to focus on revving up growth.

The temporary resolution of tariff threats against Canada, Mexico and Colombia in the first days of the new administration reinforced a false sense of security that Trump would threaten tariffs only to extract concessions, said Marc Short, a longtime top adviser to former Vice President Mike Pence.

Stock losses piled up in the days after Trump touted the market in Miami. Walmart warned that its coming profit would miss analysts' expectations, and a reading of U.S. consumer confidence sank.

"The reality is you've got a brew of sticky inflation, slowing growth and austerity in the government. So I'm actually pretty negative for the first time in a while," Steve Cohen, chief executive at Point72 Asset Management, said at a separate conference in Miami two days later.

A market selloff accelerated over the next two weeks as Trump and his advisers sig-

naled they were prepared to accept short-term pain to remake a global trading system that has contributed to steady declines in the prices of consumer goods over the past three decades.

"If you look at China, they have a 100-year perspective," Trump said on Fox News on March 9. By the next day, all of the gains in the three major stock indexes since Trump's election had been erased.

At a Yale event in Washington on March 11 that drew business leaders including JPMorgan's Jamie Dimon, billionaire Michael Dell and Pfizer's Albert Bourla, CEOs assembled in the room responded with a mix of groans and shocked laughter after it was announced that Trump was considering doubling tariffs on steel and aluminum from Canada.

Lofty stock prices and steady income growth have been critical engines of the economic expansion in the past few years. A market rout could make the U.S. economy wheeze if it leads high-income consumers to pull back spending.

Investors shuddered earlier this month when the Trump administration dialed up tariff threats and then signaled complacency about recession risks. "Here's the interesting thing about the stock market: it cannot be indicted, arrested or deported; it cannot be intimidated, threatened or bullied," wrote JPMorgan's Michael Cembalest in a report on March 12 that was forwarded across Wall Street trading desks.

M&A hopes

Dealmakers and finance chieftains were among the most excited for Trump.

Last October, before the election, Marc Rowan, CEO of Apollo Global Management told a crowd in Saudi Arabia the Biden administration had been detrimental to deals. "I think there's an absolute chill on M&A activity as a result of current policy, and I think you will see it freed up if there is a change in regime," Rowan said.



Top right, a steelworker at the ArcelorMittal Dofasco steel plant in Hamilton, Ontario. Below right, an avocado packaging facility in Uruapan, Mexico. Both Canada and Mexico face U.S. tariffs on imports.

Deal volume in the U.S. is down 0.7% this year to March 24 compared with the time period last year, according to data from London Stock Exchange Group, a far cry from the surge in activity anticipated by business leaders. Excluding Google-parent Alphabet's \$32 billion acquisition of cybersecurity startup Wiz, deal volume is down more than 9% from the previous year.

Within private-equity firms, the people who actually do the dealmaking were always less optimistic than their firms' top leaders about a quick return to M&A boom times after Trump's election. A material decline in interest rates would have a much more meaningful effect on deal volume than a lighter regulatory touch, they argued.

Instead, the Fed has shelved interest rate cuts as it waits to assess the effects of Trump's policies.

Fed officials believe they are responsible for keeping inflation low and stable over time, and Chair Jerome Powell at a March 19 news conference suggested the central bank had been close to achieving that task until the tariff developments. He referred five times to "tariff inflation."

The implication: any rise in prices this year would be due to White House policies as opposed to underlying economic conditions.

On Tuesday, Trump said the country was on the right track, though he'd like to see interest rates come down. "You're going to see billions of dollars, even trillions of dollars, coming into our country very soon, in the form of tariffs," he said, when speaking to the press at the White House.

At an investor conference in February, Ford Chief Executive Jim Farley said that "a 25% tariff across the Mexico and Canadian border will blow a hole in the U.S. industry."

Trump tried to reassure the heads of America's three biggest automakers when they were patched through to the Oval Office for a virtual meeting earlier this month by highlighting his plans to pare back regulations

and the electric-vehicle mandate, according to people briefed on the meeting.

That led to an awkward moment when one executive pointed out that none of that would help if tariffs on Mexico and Canada took effect. Tariffs levied on their elaborate cross-border supply chain would cost billions of dollars, obliterating any deregulatory savings.

General Motors Chief Mary Barra recited arguments against tariffs, but also touted GM's investment in U.S. manufacturing. Trump steered the talk away from tariffs and toward boosting investments and jobs, according to the people.

Barra met with Trump in person more recently, according to a person briefed on the meeting, and laid out the company's plans to invest \$60 billion in U.S. operations.

'Helplessness'

Yet businesses more broadly have been reluctant to hire or invest given the increased uncertainty about the economy and policies.

One in three manufacturing firms surveyed by the Philadelphia Fed thought new orders would rise over the coming six months in March, down from two thirds in January. The two-month drop was the largest for any two-month period since the survey began in 1968.

"There's an overriding sense of helplessness" among executives, said Sean West, co-founder of software firm Hence Technologies. "CEOs are feeling stunned, and they're not used to feeling like they don't have good moves."

The chief executive of Lifetime Brands, which makes products such as Swell water bottles and Farberware cutlery, lamented the lack of visibility about tariffs in a conference call with investors. "It may change tomorrow, it may change completely differently the day after," said Rob Kay.

Investors had reason to think Trump's economic team might steer him away from such unpredictability. Treasury Secretary Scott Bessent, a hedge-fund investor, last year cautioned clients to treat Trump's trade bluster as a negotiating stance. "Tariffs are

inflationary and would strengthen the dollar—hardly a good starting point for a U.S. industrial renaissance," he wrote in January 2024.

But his comments have taken a different tone more recently. Bessent brushed aside concerns that tariffs will slam corporate profits and growth. "MAGA doesn't stand for 'Making M&A Great Again,'" he said on CNBC this month. In the same interview, he dismissed jitters about tariffs by suggesting the U.S. economy might need a "detox period" after years of high government spending.

Trump advisers have sometimes made contradictory arguments, alternately saying tariffs aren't likely to raise prices and that inexpensive foreign imports of apparel, toys and electronics have been overrated. Bessent's declaration at a luncheon with Wall Street executives this month that the American dream was about more than "access to cheap goods" drew a rebuke from Pence, who said free trade had lifted Americans' standard of living.

Bessent retorted, "With Vice President Pence, this 'let them eat flat screens economic policy' isn't what people want. They don't want baubles from China," Bessent said in a podcast last week.

Short, Pence's adviser, said Trump's team risked misreading the electorate's frustration with the economy under President Joe Biden as a mandate for sweeping change. Bessent might not "worry about the price of everyday goods, but there are a lot of Americans who do," Short said.

One economist pointed out that the economic damage from tariffs could eventually shift a policy based on the idea that a country can only get rich by exporting more than it imports.

"The president is a true mercantilist and just isn't going to believe forecasts about how bad this can get," said Michael Strain, head of economic-policy studies at the right-leaning American Enterprise Institute. "He needs to put his hand to the hot stove and leave it there until he can't bear it. The question is how long will that take?"

PERSONAL JOURNAL.

How to Avoid Copycat Hotel Website Fees

Third-party sites look like well-known chains, but charge extra that you don't need to pay



CARRY ON
DAWN GILBERTSON

We all want to snag the best hotel deal, whether shopping for a Four Seasons or Fairfield Inn. Here's one way to ensure you won't: Book it through a look-alike third-party website.

Maybe you've seen them: those links that often pop up first when you search for a hotel. They are typically sponsored ads that make you think you're booking directly by including the hotel's name and keywords like reservations in the URL.

But you most definitely aren't booking directly with the hotel.

You are booking through an online reseller that gets rooms from bigger travel agencies. These resellers often sport onerous fees and restrictions you wouldn't find when reserving a room on the hotel's website, or through one of the giant players like Expedia and Booking.com.

The trouble is it's not always easy to tell that you're going to one of these reseller sites—regulators have called some of their practices deceptive. And the added fees, which can be hefty, are easily overlooked by rushed travelers.

Consider a two-night stay at the modest but steps-from-the-beach Grandview Inn in Hermosa Beach, Calif., for Mother's Day weekend.

Book a room on the official-sounding grandviewinn.guestreservations.com link Google serves up and you'll pay \$748.61 all in. The total price for the stay on the hotel's website: \$568.

Same room type. Same nightly room rate. The \$180 difference: Guest Reservations adds \$250 for "tax recovery charges and service fees" to the bill. The hotel adds just \$70 in taxes. There

► Same room type had a big price gap at a third-party site, right, and a hotel's site, far right.

is no breakdown of what the \$250 covers. Guest Reservations, which calls itself an independent travel network, didn't respond to requests for comment.

Zubin Patel manages the 17-room Grandview Inn. The look-alike marketers frustrate him—and his guests. "All they do is basically mark up our prices," he says.

Travelers have shown up at the front desk angry because they are paying more than the current price on the website. They insist they booked direct; they didn't.

"They are totally getting ripped off," he says.

Look-alike fight

The hotel industry and the Federal Trade Commission have been fighting look-alike sites for years. Yet they still pop up everywhere and can snare even the most seasoned travelers.

How can this be? The online ecosystem for booking hotel rooms is surprisingly complex and fragmented. Hotels offer rooms directly, but they need all the eyeballs they can attract to fill rooms in a competitive industry. So they turn to middlemen, typically big travel sites like Expedia, to get wider distribution.

The more shelves the hotel



rooms are on, so to speak, the better chance they have of being sold. So the big sites will often be allowed to offer rooms to other third-party sites.

The end result: Hotels often don't know what sites are offering their rooms and have difficulty tracing a sale back to a particular seller. That opens the door to

questionable fees and behavior.

A friend booked a last-minute stay at a LaQuinta hotel in Arizona in February. She called the hotel immediately to change the date after she realized she booked the wrong night.

They couldn't help her because she unknowingly booked it through Guest Reservations (my friends don't always take my advice to book direct!). It was a prepaid, non-refundable reservation. She was out \$152.81, including \$47 in taxes and service fees. (The hotel told me the taxes on the \$105 room were just \$13.)

"Unfortunately, there's not a lot we can do," says Rosanna Maietta, president and chief executive of the American Hotel and Lodging Association.

With an estimated 60% of hotel bookings online today, the opportunity for consumer error is high. So the key is education.

She encourages travelers to take the time to really check the website they are using, compare the total price on multiple websites and read the fine print before clicking buy. Bigger chain hotels are spending more on ads to capture that top search spot but don't always win. And smaller hotels often can't afford it.

Checking it twice

How to spot the differences if you don't use a travel agent or hotel-chain app? Study the conventions in official hotel-chain websites versus the impostors.

The official website for the Four Seasons in Austin, Texas, for example is fourseasons.com/austin. Guest Reservations lists it as fourseasonsaustin.guestreservations.com. Other websites that try to mimic hotel URLs include Reservation Stays and Reservation Counter. (In late 2017, the latter settled FTC charges that it misled consumers.)

Book direct when possible so you have the most flexibility and earn hotel loyalty points and other perks. Sometimes you don't even have to prepay.

There's not much the hotel can do with third-party bookings of any sort, including those reserved on Expedia et al. Who hasn't been told to contact the booking site for any changes, refunds or travel issues?

But most try to help when they can because their reputation is on the line, Maietta says.

"Even though they are not responsible...a hotel will feel like it's their obligation to make it right because they're in the customer service business. They don't want your experience to be ruined from the jump."

If you feel you've been duped, cancel if that's an option. (It's often not.) Otherwise file a complaint with the FTC online or by calling its consumer response center at 877-382-4357.



CLOCKWISE FROM TOP: GREG CLARKE; GRANDVIEW INN; GUEST RESERVATIONS

Millions Still Need to File Tax Returns

By ASHLEA EBELING

The April 15 tax-filing deadline is three weeks away, and tens of millions of taxpayers have yet to file their taxes.

The Internal Revenue Service had received nearly 70.4 million returns as of March 14, down 1.7% from the same period last year. It had processed 69.6 million returns, meaning the computers are chugging along.

Some tax professionals had worried that layoffs at the agency could gum up tax season, even though the cuts were primarily in the compliance division. But the processed returns figures show that isn't the case, so far, and taxpayers with filing-season questions are getting answers.

"The IRS is answering the phones," said Jim Buttonow, a certified public accountant in Summerfield, N.C.

And refunds are going out. Some filers are seeing refunds hit their bank accounts in less than a week after they file, tax professionals said.

So far, those refunds are bigger than last year. The average so far in 2025 has been \$3,271, up 5% over the same period last year, according to the March 14 IRS data, the latest available. Early filers tend to get refunds, so that amount is likely to



fall as more people file returns.

The slightly lower number of filed returns versus last year means more than half of Americans had yet to send in their taxes as of mid-March. One reason many might be holding off: Millions of people live in disaster areas with later due dates for their 2024 taxes.

Taxpayers in Los Angeles County, devastated earlier this year by wild-

The average refund so far this year is bigger than last year.

fires, have until Oct. 15 to file and pay their taxes. Taxpayers in five states—Alabama, Florida, Georgia, North Carolina and South Carolina—and parts of four others—Alaska, New Mexico, Tennessee and Virginia—have until May 1. Taxpayers in all of Kentucky and parts of West Virginia have until Nov. 3 to file and pay.

For most Americans, those who

don't live in federally declared disaster areas, the due date to file a return or request an extension is April 15. Taxpayers who can't get their return filed by tax day should at least file an extension, which puts the deadline off until Oct. 15.

A big caveat: Such an extension applies to the filing time. It isn't an extension to pay. Payments are due by April 15 even if the return itself won't be filed until later in the year.

For those who owe taxes, failing to file and pay on time means stiff penalties that add up quickly.

There are lots of reasons that drive taxpayers to seek extensions, not just procrastination.

Complexity is hitting more people at younger ages, said Andy Phillips, who heads the Tax Institute at H&R Block. Tax-reporting rules for digital assets are evolving, for example.

As more people take on gig work, they have to navigate paying self-employment taxes, making estimated payments and reporting business income and expenses. These workers will often have a balance due, instead of getting a refund, and put off the pain of filing until the last minute. People need to remember that even if you file in March, you still have until April 15

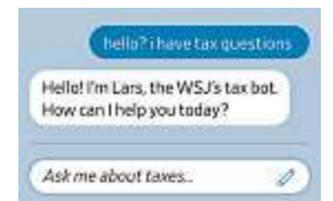
to pay your bill, Phillips said.

More taxpayers are also reporting income from a partnership or business that gets passed through to their individual returns, according to the IRS, and many of them file an extension. They have to wait for K-1 reporting forms.

Any information document, such as a W-2 reporting wages, a K-1 or a 1099 reporting other income, goes to the taxpayer and the IRS. The IRS computers will catch missing documents and mail out notices to taxpayers who fail to file or under-report income.

Meanwhile, some tax professionals said their clients are asking about taking more aggressive positions on their returns, in light of the IRS compliance layoffs. The agency is retreating from some audits, but reassigning auditors on others, and automated collection notices continue to go out.

"Don't get yourself in trouble. The rules still apply," said Phillips.



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DAISY KOPRICKI/WSJ

PERSONAL JOURNAL.

‘White Lotus’ Star Explores Character

The actor on billionaires, why the hotel isn’t fancy enough for the Ratliffs, dry-swallowing pills and prosthetic coverups

BY ELLEN GAMERMAN

This article contains spoilers for “The White Lotus,” season 3, episode 6.

In “The White Lotus,” the British actor Jason Isaacs plays Tim Ratliff, a southern finance executive who is on a family vacation in Thailand when he learns he’s about to be exposed in a money-laundering and bribery scheme. The first sign of trouble is a call from the dogged but ultimately blown-off fictional Wall Street Journal reporter Bart Nixon. (Put your questions in an email, Bart, Tim’s busy.)

The scion of a wealthy dynasty from Durham, N.C., Tim becomes increasingly desperate as he envisions a ruined family name, prison time and worse. Soon he’s dry-swallowing Lorazepam pills he steals from his sedative-addled wife. In Sunday’s episode of the HBO hit from writer-director Mike White, Tim gruesomely imagines turning a stolen gun on himself and his wife and pulling the trigger. After one of his violent visions, he’s so distracted that he calls children Piper and Lochlan, “Pipelin” and “Locker.”

Isaacs, 61 years old, talks about his experience with real hedge-fund billionaires, why the White Lotus resort (actually a Four Seasons) isn’t fancy enough for his character and how he’s processing the internet debate over the au-

▼ ‘The Ratliffs don’t normally go to hotels. We rent villas with staff,’ Jason Isaacs said.



thenticity of his private parts revealed in one surprising scene.

What does Tim think when the Journal reporter calls?

Nothing has ever stuck to him, ever. It’s a lifetime of having enough resources to throw money at the problem. All problems go away. It was something I talked about with Mike, actually, that we calibrated together. How big the threat becomes, how the crack becomes a fissure, becomes an abyss. So at first, this is just an annoying journalist whose career he’s going to have to bring to a screeching halt.

What’s your character’s actual job? It’s running a hedge fund. It’ll be a personal fund, and with other people’s money, too. I’ve been

► ‘Every problem in Tim’s life has always been sorted out by lawyers and his bottomless pit of money,’ said Jason Isaacs of his character in the show.

around some billionaires in my life, and I am always amazed by the air that they breathe being so different from mine, and the way that they interact with the world. Some of them, not all of them. I’ve played golf in those golf clubs. Every problem in Tim’s life has always been sorted out by lawyers and his bottomless pit of money.

How does Tim like the resort? I’ll tell you what I had in my head. The Ratliffs don’t normally go to hotels. We rent villas with staff. I



flew commercial to southeast Asia as a sop to my daughter to save the planet. But we normally fly private. So for me, this whole experience is slightly novel. I’ve got a cocked eyebrow.

What did it take emotionally to bring your character to the brink of violence against himself and his wife in the latest episode?

There’s a misconception, I think, that actors pretend things, which is true to an extent, but the way that you pretend is by trying to feel them and be them as much as possible. And so as far as one can within the realms of imagination, I have to be suicidal and homicidal and look at my family and think that someone will be better off dead because they won’t be able to live with the poverty and the shame. I try to take myself there as much as possible. It stays in your bones for a while.

This season features older men dating younger women. Why hasn’t Tim left his wife?

Because he has a vision of himself.

◀ Jason Isaacs plays Timothy Ratliff, who becomes increasingly desperate after learning he’s about to be exposed in a money laundering scheme.

You know, his grandfather’s a politician. They are the Mount Rushmore of Durham. I think divorcing and getting a trophy wife doesn’t fit his picture of who he is and who he ought to be and how he sees his legacy, even though his wife is a tremendous disappointment to him, obviously. I thought about how lasciviously to eye up the other women, but I think he looks at his wife and sees the young beauty that he married. I think they still have sex.

You’re very good at dry swallowing all those pills. I used to get a lot of headaches as a kid and I got used to it.

When asked if you used a prosthetic in a nude scene, you refused to say and complained of a “double standard” that spares actresses such questions. The internet called your comments

tone deaf. Do you regret making them?

The phrase “double standard” is completely wrong. Women have had a terrible time. Mike is trying to redress the balance of how many times women have been asked to or forced to be naked unnecessarily. So it just came out wrong. I was just wondering why for so many journalists it was very important to know if they’d actually seen my penis, and why they thought that was okay to grill me about it. And what I

thought I could do was sweep that away so that we could talk about the show, and it created far more of a fuss than it needed, and it’s embarrassing all around I think.

On another personal note, let’s talk about your bank account. Are you happy financially?

I’m a natural catastrophist. Whilst I think I’d like to have a buffer against any of the things that life may throw at my children—not me in particular, I’ve had a good run—I don’t pursue it. I don’t do the jobs that would bring me money. I haven’t over the years taken the detective shows that are on forever. So I guess money can’t be that important to me. I read somewhere that if you ask people what the happiest day they’ve ever spent was, they almost always look back at something in nature: the day they were swinging across a river on a rope, or the day they went on a hike. It’s never, “The day I bought my plane.”

This interview has been condensed and edited for clarity.

FABIO LOVINI/HBO ©



The Man Who Logged Every Flub

Continued from Page One

and feared—that one executive cursed O’Brien’s name in a meeting after tripping up on an expression. Violators could appeal their inclusion but success was rare. And nobody was above a grammatical

roasting: Ford CEO Jim Farley twice made the list. O’Brien scribbled the first of these violations on a whiteboard one day in his office in 2014. The 55-year-old Detroit-area native doesn’t recall the first example or why he decided to formally call it out. He’s an avid reader and crossword fan, but no English major or grammarian. A botched expression simply caught his ear one day, and he decided to record it for a laugh.

He had been working in the department that oversees consumer promotions and incentives on Ford models, such as zero-interest loans and cash-back deals. It’s a fast-paced job with long hours and deadline pressure.

The Board Words, as they became known internally, were a way to inject some levity.

“We weren’t being mean,” O’Brien said. “It was just funny.” It took on a world of its own.

Word of the Board Words spread within the company, and O’Brien would get tips from people in other divisions. Outsiders weren’t exempt—a few visiting car dealers made the list.

Eventually, O’Brien filled six whiteboards with the linguistic flubs, scrawled tightly together in a mishmash of colors. Colleagues would occasionally pop into his office and laugh at the latest. When the Covid-19 pandemic hit and everyone had to clear out for lockdown, O’Brien moved the whiteboards to his garage.

The spreadsheet is the more-detailed repository of the data (not “suppository” of the data, a particularly unfortunate case of word-misuse that made the board. Twice). It breaks out the examples into categories that include:

► Sports/Exercise-related: “We’re really low on money right now...we’re dancing on thin ice,” and, “We need to keep running in our swim lanes.” Also, this mixed metaphor: “I know these are swing-for-the-moon opportunities, but I think we should pursue them.”

► Body parts: “We need to make sure dealers have some skin in the teeth;” and “It’s no skin on our back,” to which O’Brien appended that it sounded like “a horrible medical condition.”

► Food-related: “Too many cooks in the soup.” And: “Read between the tea leaves.”



▲ Mike O’Brien filled six whiteboards with colleagues’ linguistic violations.

► Animals (the largest category, with 80 entries): “I’m not trying to beat a dead horse to death.” Another: “We need to talk about the elephant in the closet,” one person said.

One person had three duck-related violations alone.

That distinction went to Mike Murphy, a longtime marketing manager, who holds the top spot for Board Word offenses with 184 infractions to date. He hit his 100th during a Halloween party. There is a photo of him dressed as Ace Frehley

from rock band Kiss, standing aside O’Brien and a banner commemorating the dubious milestone.

Murphy blames his malaprop proclivity partly on his longevity in the department and working closely with O’Brien.

But he acknowledges that he talks a lot, and “I also butcher the grammar and English language at times.”

“In general, the more you get going and the more you talk, the more likely you are to find your place on the board,” he said.

The risk of getting flagged added to the pressure of presenting at meetings, Murphy said. “All the sudden you’ll hear a pen click, and you’re thinking, ‘What did I say that

wasn’t right?’”

Murphy appreciates O’Brien’s grievance process, where he allows the person to argue their case before the entry is made. Murphy rarely wins the appeal, though, like the time he blurted out: “He’s going to be so happy he’ll be like a canary in a coal mine!”

O’Brien explained that the canary in that particular idiom ends up dead. Murphy, laughing, explained that the canary was probably happy when it first got down there.

There are many repeat violators. O’Brien himself is among them with 110 Board Word offenses, ranking him No. 3 on the list. (Those were all flagged by his peers: there is a rule against self-reporting.)

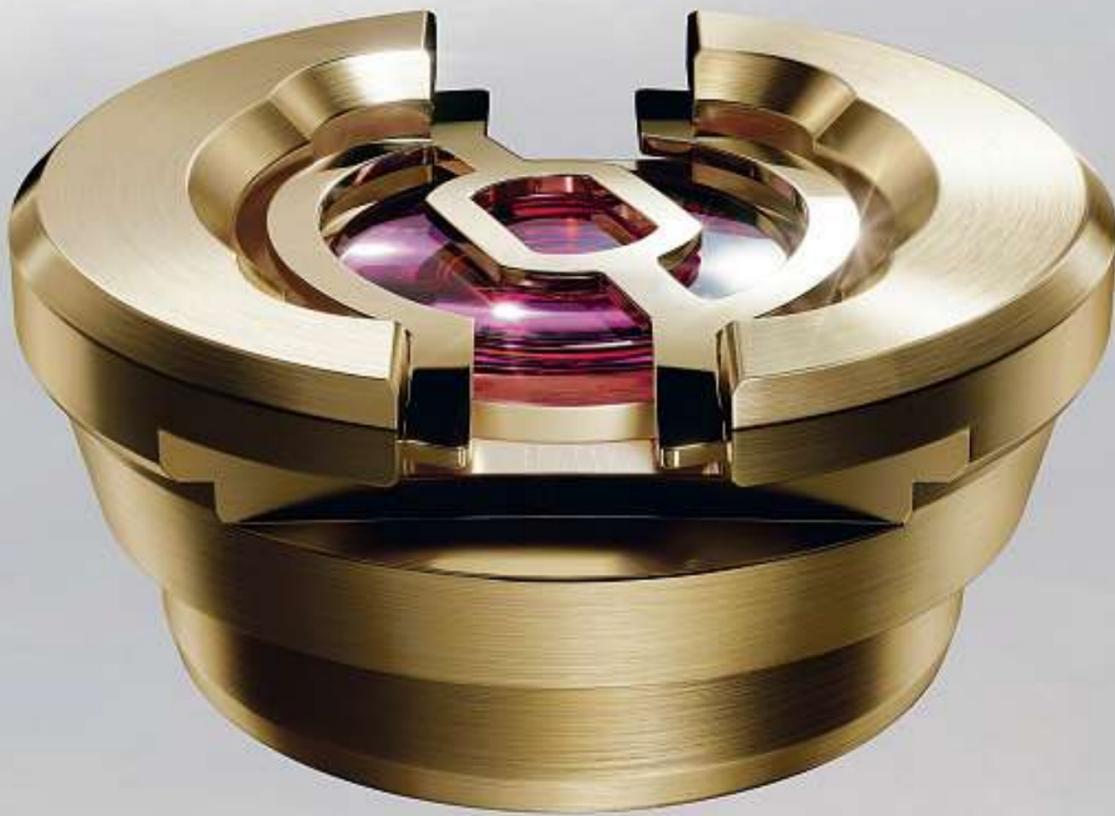
He concedes that not everyone was a good sport. Some of the entries were anonymized.

Recording the phonetic foibles of higher-ups presented a tricky dynamic. Once in a meeting, Ford’s then-head of U.S. sales, Andrew Frick, was making a point about a sales promotion: “We have a better program, but the competition has more foot on the ground,” he said. Sensing the stumble, he looked up at O’Brien, laughing. “Wait, is it ‘feet on the ground’? Dammit, O’Brien!”

A co-worker once admitted to O’Brien that he rarely noticed his own verbal miscues, offering an explanation that earned him another citation.

“I don’t pick up on Board Words as much,” the colleague said. “I’m not the picture of grammar.”

MIKE O'BRIEN



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ARTS IN REVIEW



ART REVIEW

Preparing Perfection

An exhibition presents Michelangelo's drawings for the Sistine Chapel

By Lance Esplund

The overwhelming grandeur, scope and vision of Michelangelo's miraculous Sistine Chapel ceiling and "The Last Judgment" frescoes transcend reason and defy human capability. Comprising more than 600 figures, violent foreshortenings, and confounding, conflicting viewpoints, the paintings deliver such whirlwind frontal force, such sensuality, sublimity and nobility, that they can seem to have arrived fully formed—not from the hand of an artist but from that of a god. Still, we well know that Michelangelo Buonarroti (1475-1564) sweated, cussed and toiled. "Michelangelo: The Genesis of the Sistine," a revelatory research exhibition at William & Mary's

Muscarella Museum of Art, lets us peek behind the artist's curtain. Organized by Muscarelle curator of special projects Adriano Marinazzo, "The Genesis of the Sistine" celebrates the 550th anniversary of Michelangelo's birth and is the first major presentation at the newly expanded museum (its sole venue), which reopened in February after a two-year renovation. But the genesis of "Genesis" goes back to 2012, when Mr. Marinazzo identified the enigmatic sketch on a Michelangelo-autographed sonnet (1506-08) as a diagram for part of the Sistine ceiling—likely the earliest surviving drawing for the chapel. "Genesis" boasts only 38 ob-

jects—predominantly sheets from Florence's Casa Buonarroti, home to the largest collection of Michelangelo's drawings. But aesthetic excellence, daring scholarship and deft showmanship elevate "Genesis" to monumental scale. Michelangelo produced hundreds of preparatory sketches for the Sistine Chapel—most of which he burned, especially during his final days. Fewer than 50 drawings for the ceiling (1508-12) and roughly 15 for "The Last Judgment" (1536-41) are extant.

Twenty-five of those rarely exhibited sheets (studies for the ceiling, "The Last Judgment," and/or the never-realized free-standing "Tomb of Pope Julius II") constitute the heart of this enlightening show. Among its several sublime drawings are Michelangelo's "Study for a Resurrected Christ, Recto" and "Study for a Christ the Judge, Verso" (both c. 1533), created in preparation for "The Last Judgment." But their cinematic flurries of searching lines, elisions and pentimenti, though clearly by the Renaissance titan, evoke modernist, existential drawings by Paul Cezanne and Alberto Giacometti.

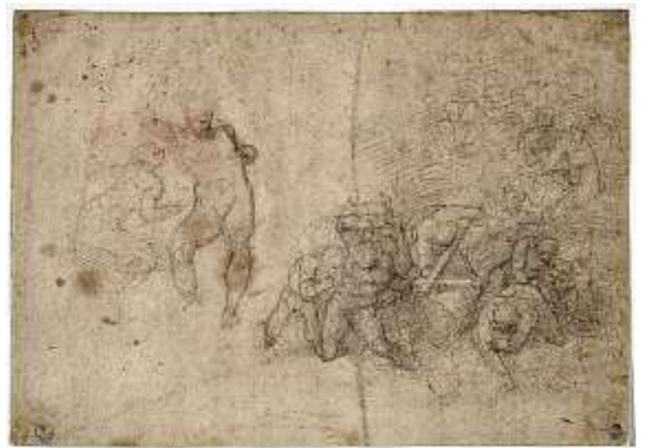
Michelangelo's muscular "Resurrected Christ," his arm raised as if wielding a hammer, seemingly extracts himself from stone. He occupies a mysterious realm between sitting and standing, between restraint and freedom. In the frenetic "Christ the Judge," superimposed heads conjure a Lernaean Hydra. Christ stumbles forward, as if drunk or blind. These

and other astounding studies serve as intimate chronicles of Michelangelo's acts of probing, discovering, revising. But they also illumine the origins of the Sistine Chapel figures, which appear to be making and remaking themselves on the page, working out their own fates.

Mr. Marinazzo has thoroughly mined and reinterpreted Michelangelo's drawing studies, which are tastefully installed in galleries painted a heavenly sky blue or sanguine red. The drawings are augmented by related artworks and artifacts, including Giuliano Bugiardini's oil "Portrait of Michelangelo" (1522); prints by Giorgio Ghisi, Francesco Barbazza and Gustavo Tognetti; and a bronze portrait medal of Pope Julius II, who commissioned Michelangelo to sculpt his tomb and then demanded that the sculptor, instead, paint his Sistine Chapel ceiling.

Celebrated masterworks include Michelangelo's highly articulated black-chalk heads, the wispy "Study for the Prophet Zechariah" (1508) and the sculptural "Study for the Cumaean Sibyl" (1510). But "Genesis" brims with fresh curatorial insights. Reunited for the first time are three separated drawings from the same sheet: two seated Apostles, respectively, for Michelangelo's initial and later abandoned vision of the chapel's ceiling; and a figure-group study for "The Deluge" (1508-09).

Surrounding but not subsuming the artworks are numerous vibrant color reproductions, several life-size, of the frescoes them-



Clockwise from above: 'Self-Portrait in the Act of Painting the Sistine Ceiling With Autograph Sonnet' (c. 1509-10); an installation view of the show; and 'Study of Christ the Judge for the Last Judgment' (c. 1534).

pine—as is often asserted—but while standing on stepped scaffolding.

Other findings, while insightful and compelling, aren't entirely persuasive. "Self-Portrait in the Act of Painting the Sistine Ceiling With Autograph Sonnet" (c. 1509-10), Mr. Marinazzo contends, can be interpreted two ways simultaneously. Vertically, it's Michelangelo standing, while painting a cartoonish figure on the ceiling. Horizontally, it's Michelangelo—flying like Superman—as God the Creator giving life to Adam. Mr. Marinazzo also proposes that Michelangelo symbolically represented Pope

Julius II's tomb on the Sistine ceiling. Though intriguing and perhaps accurate, his animated video installation, "This Is Not My Art"—a 3D digital reconstruction of the chapel's painted fictive ceiling architecture—favors production values over lucidity.

Quibbles aside, "Genesis" is a visually rich, thought-provoking triumph. I doubt, however, that Michelangelo—nicknamed "The Divine One"—would have concurred. Focusing on his drawings (throw-away tools of the trade), it highlights Michelangelo's process, not his perfection. He might have likened it to poring over the marble fragments removed to reveal the "David" or the "Pietà." But, as mere mortals, we're understandably transfixed by anything divine—including what ends up on a god's cutting-room floor.

Michelangelo: The Genesis of the Sistine

Muscarella Museum of Art, through May 28

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

CULTURAL COMMENTARY

Casting Shame On Shakespeare

By Dominic Green

Shakespeare is at the heart of English-speaking civilization. The Bard was born and raised in Stratford-upon-Avon, which is about as far inland as you can get in his "scepter'd isle." Today, Stratford is a center of global tourism. Its shrines of pilgrimage are not the theater where the Royal Shakespeare Company performs his plays, or even Stratford's pubs and tea rooms. They are the homes that Shakespeare knew, and in which his wife, mother and daughter lived. Enter these Elizabethan time capsules and you see Shakespeare in his place.

The houses are immaculately maintained by the Shakespeare Birthplace Trust. The SBT was founded in 1847, to buy Shakespeare's birthplace for the nation before P.T. Barnum could ship its bricks and timbers to the U.S. The SBT holds one of the world's most extensive and important archives of Shakespeareana, much of it donated by Shakespeare enthusiasts. It has turned the site of New Place, the house that Shakespeare bought in 1597 after making good in show business, into a museum about Stratford and its favorite son.

Probably Britain's oldest conservation society, the SBT has now succumbed to the newest vice in

museum management. It has decided it must "decolonize" its holdings. The process began in 2022, when decolonization was all the rage, but the story slept like Bottom in Titania's bower until March 16, when the Daily Telegraph described the now-familiar inanities.

In 2022, the SBT asked Helen Hopkins, a postgraduate researcher at Birmingham City University who had inspected the trust's archives for her doctoral thesis, to draw up the indictment. Ms. Hopkins advised that the trust "recognise the role Shakespeare has been forced to play in establishing and upholding imperialistic narratives of cultural supremacy." The Telegraph cites a research project undertaken by Ms. Hopkins and the trust as saying that to venerate Shakespeare is to support "white, Anglo-centric, Eurocentric, and increasingly 'West-centric' views that continue to do harm in the world today." The idea of Shakespeare's "universal" genius benefits "the ideology of white European supremacy." The "racist, sexist, homophobic or otherwise harmful" material in the SBT's collections commits "epistemic violence," which is academic-speak for rude words. Wait till they read Shakespeare's!

Ms. Hopkins recommended the cure: to "purge" the SBT of "Anglo-centric and colonialist thought," so



▲ The playwright's birthplace, a restored 16th-century home, in Stratford-upon-Avon, England.

that the SBT's programming can fix "societal inequities that are embedded in imperialism and associated with Shakespeare's global cultural status."

When asked for a copy of the plans, a spokesman for the trust sent us a statement responding to the recent press coverage that read in part, "The collections of the Shakespeare Birthplace Trust are a window into what Shakespeare has meant to diverse people across the centuries and around the globe." But he declined to provide a copy of the report. In a similarly retiring vein Ms. Hopkins has requested that her university library not make her doctoral thesis available to outsiders. This is how "public-facing" institutions react when they are caught betraying the public's trust.

"In a false quarrel, there is no true valor," the white supremacist of Avon wrote in "Much Ado About Nothing." To condemn Shakespeare, who was born in 1564, for not thinking like a modern academic is a scene from the theater of the absurd. We might as well prosecute

with the settlers leaving and the island returning to the natives.

Besides, if Shakespeare really did impose "imperialistic narratives of cultural supremacy," someone like Rabindranath Tagore would have noticed. Instead Tagore, the first non-European to win a Nobel Prize in literature and a founder of the Indian independence movement, was a Shakespeare devotee. A plaque in the cottage garden at Shakespeare's birthplace bears the Bengali text of Tagore's 1916

poem "In Honour of William Shakespeare." In Tagore's English translation, he lauds the literary sun who rises from "England's horizon" until, "at the silent beckoning of the Eternal," his work reaches its apogee, and the "palm groves by the Indian sea" raise their "tremulous branches to the sky" and murmur his praise.

The trashing of the SBT is a good example of the bad effects of exporting American culture wars overseas. Shakespeare's work, like all great art, will survive and continue to delight and inspire, except for the bad puns. The collateral victims, however, will be the public who come to Stratford to learn more about Shakespeare and his times. The SBT exists for them, not for ideological ax-grinders.

Shakespeare called "folly and ignorance" the "common curse of mankind." Its rarefied forms are no less foolish or ignorant, and much more destructive.

Mr. Green is a Journal contributor and a fellow of the Royal Historical Society.

OPINION

The First Trump Electoral Tests

By Karl Rove

Republicans will get their first major electoral report card on President Trump's new term next Tuesday. Ten weeks in to his second stint in the Oval Office, voters in Florida and Wisconsin will head to the polls for important elections. In the Sunshine State, they'll fill two U.S. House vacancies; in the Badger State, a state Supreme Court seat.

Republicans should win both House races easily—though things look more competitive than they should be. Florida's First District consists of the Panhandle's four westernmost counties. Last November, Mr. Trump carried it over Vice President Kamala Harris 68% to 31%. And incumbent GOP Rep. Matt Gaetz rolled to a 66% to 34% victory over Democrat Gay Valimont. Mr. Gaetz then resigned in January, killing the release of a highly anticipated House Ethics Committee report on his alleged sordid shenanigans.

Ms. Valimont, a healthcare professional and gun-control activist, is running again. Republicans nominated Florida's chief financial officer, Jimmy Patronis.

While the First District is rock-ribbed Republican and Mr. Patronis had raised a respectable \$2.1 million by mid-March, Ms. Valimont raked in \$6.7 million with more than 200,000 contributions. She's using her financial edge to hammer Mr. Patronis over cuts to the Department of Veterans Affairs proposed by

Elon Musk's Department of Government Efficiency. This is a sensitive issue in a district with more than 89,000 veterans and an economy heavily dependent on the military.

Democratic enthusiasm appears high. As of March 20, 46% of the mail-in ballots had been cast by registered Republicans, 41% by Democrats, and 12% by unaffiliated and minor party registrants. While a 5-point GOP advantage is better than a stick in the eye, Republicans want to do significantly better in a district that voted more than 2 to 1 for Mr. Trump last fall.

It's a similar tale in Florida's Sixth District, on that state's eastern Palm Coast, anchored by Daytona Beach. Mr. Trump carried it 65% to 35% last fall while Rep. Michael Waltz took 67% before resigning in January to become the new president's national security adviser.

The president endorsed state Sen. Randy Fine for the GOP nomination. He now faces Democrat Josh Weil, a schoolteacher and progressive activist. Like Ms. Valimont, Mr. Weil has raised much more than his opponent, pulling in \$9.1 million to Mr. Fine's \$983,000. After using his financial advantage to pummel the Republican hopeful, Mr. Weil entered the final stretch with \$1.3 million cash on hand to Mr. Fine's \$93,000. But money may not be decisive here. As in the First District, there are many more registered Republicans than Democrats.

Still, the Democratic money edge and early-vote numbers

have rattled the GOP, leading a county Republican chairman in the First District to say, "If we don't win decisively, then we have failed." That's an overstatement. A win is a win. But the margin does matter.

A close election would show Democratic enthusiasm can generate higher turnout and lots more money. Both could prove decisive in next

Watch Wisconsin and Florida next week for early indications of how the GOP is doing.

year's midterms in districts and states more closely balanced between Democrats and Republicans than two deeper districts in a red state.

Wisconsin's election Tuesday for an open state Supreme Court seat is officially nonpartisan. But Democrats endorsed Dane County Circuit Court Judge Susan Crawford while Republicans backed Waukesha County Circuit Court Judge Brad Schimel. Judge Crawford was legal counsel for former Democratic Gov. James Doyle. Judge Schimel is a former Republican attorney general and was Waukesha County district attorney. Mr. Trump endorsed him Sunday.

The race will decide whether liberals keep their 4-3 court majority and is expected to cost as much as \$100 million. It's already the most expensive judicial race in American history. Judge

Schimel and his allies have spent \$46 million so far, while Judge Crawford and her supporters have spent \$36 million. Groups affiliated with Elon Musk have supported Judge Schimel with more than \$17 million, and Democrats are making Mr. Musk the campaign's central issue. A March 10 poll by a state business association showed the race tied at 47% each. Early voting is running 48% ahead of the pace in the last Wisconsin Supreme Court election, in 2023.

Wisconsin was the closest state in the 2024 presidential contest, giving Mr. Trump a winning margin of 0.86 percentage point. That he took the state at all, however, shows that off-year elections like these aren't always predictive. In 2023, Wisconsinites chose the Democrat-backed Supreme Court candidate over the Republican-backed hopeful by 11 points.

But races like these still matter. This past Tuesday, Democrats easily held onto a blue House seat in Western Pennsylvania but flipped a GOP held Senate seat in the center of the state. Maybe it was a one-off; these next three races will tell us more. The party that underperforms expectations will need a lot of anticid for the political indigestion that will create.

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

BOOKSHELF | By Meghan Cox Gurdon

Life After Incarceration

Free: My Search for Meaning

By Amanda Knox

Grand Central, 304 pages, \$30

In Buddhism there is a teaching: One's antagonists are the best spiritual teachers because they are so good at providing opportunities to practice patience and kindness. It is an idea that Amanda Knox credits for helping her overcome years of torment, living "in the shadow of the worst thing that I never did."

Ms. Knox is of course famous—notorious, really—for accusations made against her by Italian police and prosecutors. In 2007 she was an exchange student in Italy when one of her three roommates, Meredith Kercher, was found raped and murdered in their flat. Police brought Ms. Knox in as a potential witness—or so she believed. The 20-year-old Seattle native was held for five days without a lawyer. In "Free: My Search for Meaning" she describes being slapped, browbeaten and coerced into implicating the Congolese owner of a local bar where she worked part time.

When her case came to court, the prosecution presented a lurid scenario of sex and violence that sent the tabloids into a swoon. It was alleged that Ms. Knox, a *Volpe Cattiva*, or wicked fox, had manipulated her Italian boyfriend, Raffaele Sollecito, and an Ivorian migrant, Rudy Guede, into violating Kercher and holding her still so that Ms. Knox could "plunge in the knife." There was little to connect Ms. Knox or Mr. Sollecito to the crime, and abundant DNA and fingerprint evidence that Guede had been at the scene. In late 2007 the Italian authorities extradited Guede from Germany, to which he'd fled. In July 2008, Ms. Knox, Mr. Sollecito and Guede were charged with murder.

Ms. Knox's 2013 memoir, "Waiting to Be Heard," recounted the grueling details of her trial and incarceration, written after an Italian appeals court overturned the convictions of Ms. Knox and Mr. Sollecito in 2011 and she returned to the United States. "Free" chronicles the author's emotional and philosophical battle to accept the events that befell her and to recognize, with as much grace and as little rancor possible, the contours of her new reality. For "Foxy Knoxy," as she'd been known on her middle-school soccer team, there was no stepping back into her old, anonymous life. She had joined what she calls the Sisterhood of Ill Repute. She was, and remains, a public figure and a continued object of fascination and revilement. People who hate Amanda Knox—and there are plenty—really, really, hate her. Even now internet trolls harass her. Even now she gets death threats.

"Free" will attract primarily those readers who find the labyrinthine twists of her case compelling; it may also appeal to those who seek to transcend difficult episodes in their own lives. It is an ably written testimony, even soaring at times, though Ms. Knox is a bit too inclined to include expletives and earthy anatomical details for it to be a work of real elegance. Style aside, the author does persuasively convey how appalling her predicament was and how powerless she felt until she began to change herself from the inside. "Everything I held dear, everything I thought belonged to me—my home, my freedom, my future—I thought it had been taken away from me," she writes. In her prison cell, however, she began to see that she "was in the midst of an extraordinary opportunity for personal growth."

After her conviction was overturned and she came home, Amanda Knox realized there was no stepping back into her old, anonymous life.

Ms. Knox explains that, since her exoneration, she has drawn succor from Buddhism and Stoicism. She has found comfort in getting to know others who were falsely accused or thrust into sudden public infamy. At her first meeting with other exonerated people, she felt teary and bewildered. "You don't have to explain a thing, little sister," someone said kindly. "We know."

In the subtitle of her book, she echoes Viktor Frankl, the Nazi-concentration-camp survivor whose 1946 memoir, "Man's Search for Meaning," mapped the psychological shocks of extreme suffering and loss. Ms. Knox tells us that she has also gained perspective from a long friendship with an old Italian priest from her prison days. Don Saulo's patient, faithful witness did not convert her to religion—she's not a believer—but he helped her see that she could create a meaningful future. "I could make my life as beautiful as I wanted," she writes of the moment of recognition. "I could love my reality into being."

It was to Don Saulo that Ms. Knox turned when she chose to perform what many readers may regard as a brave and radical act: to reconcile with Giuliano Mignini—"that monster," to her family—the prosecutor who had locked her behind bars. The two began by exchanging letters (he signed one, a little jarringly, "Merry Christmas from your prosecutor") and began to establish a rapport in 2019. Eventually, Don Saulo agreed to mediate a meeting of the two in his office. Here was an extraordinary opportunity to practice kindness. Mr. Mignini "knew that I had every reason to hate him," Ms. Knox writes of the encounter. "He was deeply moved that I not only didn't hate him but that I would go to such lengths to connect with him."

Ms. Knox could not dislodge Mr. Mignini's belief in the Italian prosecutorial system—or at least she hasn't done so yet. Today she's 37, married with two children and focuses on being an advocate for criminal-justice reform and media ethics. To judge from what she writes in "Free," she has largely made peace with the past, though the past has not necessarily made its peace with her: Last year, Ms. Knox was reconvicted in Italian court of having committed slander against the owner of the bar where she'd worked in Italy when she incriminated him during her interrogation.

Mrs. Gurdon, a Journal contributor, is the author of "The Enchanted Hour: The Miraculous Power of Reading Aloud in the Age of Distraction."

Signal and the Future of National Security

By Jeffrey Rogg

The Trump administration is in damage-control mode after Jeffrey Goldberg, editor of the Atlantic, revealed that he was added to a Signal messenger chat in which several senior U.S. officials discussed plans to attack the Houthis in Yemen.

Worse, President Trump's special envoy, Steve Witkoff, was included in the chat and was in Russia during message exchanges, raising the likelihood that Russians could have targeted his phone. (Mr. Witkoff denies he had his personal phone with him on the trip.) There are calls in government and media circles for some of the officials involved to resign. But behind the uproar lies a deeper problem with how U.S. national-security officials communicate.

Unlike many during the pandemic, America's spies couldn't telework. This should have been a warning to the intelligence community to find new ways of doing business. But that community and the rest of the national-security establishment remained physically trapped due to their need for specially designed buildings or rooms to protect the country's secrets. As the Signal messenger chat has demonstrated, it isn't about the space—it's about the system.

While Signal may not be as secure as government com-

munications systems or protocols, the messenger is a change from the outdated, impractical and widely ridiculed systems in place. Despite the government's best efforts, Russian hackers have managed to compromise some of its most secure departments and agencies. Chinese intelligence was able to co-opt National Security Agency hacking tools and then turn them against U.S. allies and private companies.

Officials will have to find ways to overcome the need for special buildings and rooms.

The Defense Department's communication woes also extend to information sharing with allies and partners, according to a report from the Defense Innovation Board, which found lower-level personnel "are paralyzed by fear of non-compliance and security violations."

Because of valid yet obstructive security concerns, the government can't keep up with the pace of technological change in the private sector. U.S. Special Forces veteran Tom Katis developed Voxer, a walkie-talkie app, after military communications systems failed him during an ambush in Afghanistan. The Army is now approving the use of per-

sonal devices to conduct official business.

This is where the future of national-security communication is headed. Smartphones are changing how wars are planned and executed. Policymakers must constantly process information and make decisions outside of government buildings or classified intelligence briefings. Officials are always reachable, stretching their schedules (and likely their patience). They may not want to have to travel back to the office on nights or weekends or wait for their staff to set up secure video teleconferencing.

The intelligence community was forced to provide President Obama and members of his staff with modified iPads in deference to how the president wanted to receive his daily intelligence briefings. Joe Biden and Mr. Trump also insisted on using cellphones despite the security challenges they present. Is it any surprise that those in the Signal group chat did the same?

It is ironic, however, that Trump administration officials resorted to Signal to communicate. The administration has impeded the progress the government could have made on communications technology by restricting telework and insisting federal employees return to the office—despite evidence that telework improved the performance of

the federal workforce.

Future generations of federal employees and officials will have grown up with smartphones and will want to take advantage of breakthroughs in information technology. They will demand more-flexible work patterns. If they can't find that in the government, they will seek employment elsewhere, worsening governmental brain drain.

The country's secrets are only as secure as the people who handle them. Technology, protocols and secure facilities couldn't protect the government from Edward Snowden, Chelsea Manning or Jack Teixeira. Similarly, the issue with the Signal chat wasn't that it was hacked—it was that someone who shouldn't have been included was somehow added to it, most likely due to human error.

One of the oldest and simplest security principles is to limit access to information on a need-to-know basis. It's an easy, if embarrassing, lesson these officials have now learned—and it should make us all a bit more cautious about who is in our chats and on our phones.

Mr. Rogg is a senior research fellow at the University of South Florida's Global and National Security Institute and author of "The Spy and the State: The History of American Intelligence," forthcoming in June.

The AP's Freedom of Speech—and Yours

By Julie Pace

For anyone who thinks the Associated Press's lawsuit against President Trump's White House is about the name of a body of water, think bigger. It's really about whether the government can control what you say.

The ability to comment on politics and consume news created without interference and intimidation by the government is central to American democracy. So central, in fact, that it is protected by the First Amendment to the Constitution.

This principle is now under threat. On Thursday Judge Trevor N. McFadden of the U.S. District Court for the District of Columbia hears arguments on whether the government can bar AP reporters from covering presidential events. The White House has locked us out simply because we refer to the Gulf of Mexico by the name it has carried for

more than 400 years, while acknowledging that Mr. Trump has chosen to call it the Gulf of America.

The White House claims this is simply a matter of changing which news organizations have access to the president. But it's nothing

A brazen attempt to punish us for using words Trump dislikes.

less than a brazen attempt to punish the AP for using words the president doesn't like. It's also meant to show other media outlets what will happen if they don't fall in line.

No president of either party has been shy about letting us know when he didn't like our coverage. They have the right to criticize us. But no president—including Mr. Trump during his first term—has ever tried to blacklist us

because he didn't like what we wrote.

The White House is shutting out an independent global news agency that provides coverage for thousands of media outlets in more than 100 countries, from local newspapers to major television networks and technology platforms—and everything in between. Four billion people see our stories each day. As the Joplin (Mo.) Globe put it, "Denying the AP coverage is effectively denying access to our readers, too. This is a petty and indefensible attack on the press. It needs to stop."

Our customers choose the AP because they trust us to get the facts right, to be nonpartisan, and to cover the news independently without any outside influence—especially from the government. The AP has reported extensively, fairly and accurately on both Republican and Democratic administrations.

Imagine this dispute out-

side the U.S. context. If you discovered that the AP caved to a different government trying to control its speech, would you ever again trust anything the AP reported from that country—or for that matter, from anywhere?

We didn't ask for this fight. We pursued every possible avenue to resolve the issue before taking legal action. But we must stand on principle. No matter how this case ends, the AP remains steadfast in its mission to inform the world with accurate, factual and nonpartisan news—as it has for nearly 180 years.

The AP has no corporate owner and no shareholders. If we don't step up to defend Americans' right to speak freely, who will? Today the U.S. government wants to control the AP's speech. Tomorrow it could be someone else's.

Ms. Pace is the AP's executive editor.

OPINION

REVIEW & OUTLOOK

The Supreme Court, Race and Redistricting

Monday felt like Groundhog Day at the Supreme Court as the Justices heard another redistricting challenge (*Louisiana v. Callais*). If the robed Nine are tired of reviewing state maps, they could declare racial gerrymanders unconstitutional—full stop.

Louisiana like other states is trying to navigate a narrow map-making strait. If states weigh race too heavily, they can run afoul of the Constitution's Equal Protection Clause. But if they ignore race, they can be sued for violating Section 2 of the Voting Rights Act. Louisiana has been hit both ways.

First, progressives challenged the House map that Louisiana Republicans drew after the 2020 Census under Section 2 because it included only one majority-minority district out of six. Blacks make up 30% of Louisiana's voting-age population, and the plaintiffs reasoned that two districts should be majority black.

Section 2 expressly says it doesn't establish a right to proportional representation. But the liberal plaintiffs cited the High Court's muddled *Gingles* (1986) test for proving vote dilution. That test requires minority populations to be large, compact and politically cohesive to constitute a majority-minority district, and that whites vote "sufficiently as a group" to defeat a minority's preferred candidate.

During the 1990s, Louisiana's Legislature twice tried to enact maps with two majority-black districts and both times was blocked by a lower court. Yet a district court in 2022 ordered the Legislature to draw a second majority-minority district.

To avoid a court-imposed map that pushed either Speaker Mike Johnson or Rep. Julia Letlow out of their seats—as the plaintiffs' preferred map would have done—the Legislature drew a 250-mile second majority-minority district that snakes from the state's northwest to east Baton Rouge to capture as many black voters, and as few white ones, as possible.

White voters then challenged that new map as an unconstitutional racial gerrymander, and a different lower court ruled in their favor. The question before the Justices on Monday was whether the first court's order to draw a second

majority-minority district was a sufficient legal defense against the second lawsuit's equal protection claims.

Louisiana argued it was, but Solicitor General Benjamin Aguiñaga also told the Justices "we would rather not be caught between two parties with diametrically opposed visions of what our Congressional map should look like. But this has become life as usual for the states under this Court's voting cases. And our fundamental question today is: How do we get out of this predicament?" Excellent question.

One way, as Justice Brett Kavanaugh suggested, is to reverse *Gingles* and hold that Section 2 prohibits any consideration of race. "The Court's long said that race-based remedial action must have a logical end point," he told the attorney representing the original liberal plaintiffs. He later said the same to the white plaintiffs' lawyer: "The authority of a state to engage in race-based redistricting must have an end point."

This is promising because in 2023 Justice Kavanaugh and Chief Justice John Roberts sided with the three liberals in upholding a lower-court order that Alabama had to create another majority-minority district based on *Gingles*. The other four Justices said in dissent that courts should "apply a race-neutral benchmark in assessing any claim that a districting plan unlawfully dilutes a racial minority's voting strength" (*Allen v. Milligan*). They're right.

Gingles is a vestige of a different era in race relations, much like the Voting Rights Act's Section 4 pre-clearance formula that the Court overturned in 2013. Voter turnout among blacks and whites in Louisiana was roughly the same in 2022. Some majority-black parishes voted for Mr. Trump last November while some majority-non-black parishes backed Kamala Harris.

The Roberts Court has gradually moved to return to the Constitution's race-neutral principles as expressed in the Civil War-era amendments. Overturning *Gingles* is consistent with that project. It would free states from their confusing predicament and liberate the Justices from constant intervention in the inherently political task of redistricting.

The Justices have a chance to stop racial gerrymanders.

LETTERS TO THE EDITOR

How the Disabilities Act Handicaps Students

Jillian Lederman's piece on required accommodation for learning disabilities was an interesting exposé of a common ritual in higher education ("Disabilities Act Becomes a License to Cheat," op-ed, March 21). The process occurs at the beginning of each semester, with students presenting letters from a campus office defining required accommodation. As a professor, I've gotten many of these letters—and most of the accommodations were minor and fair.

But Ms. Lederman is correct about some students gaming the system. I once was presented a letter that required the student to have 1½ times the normal examination time. Yet in that particular course I knew the room remained empty for the next class period, and so I always gave any student who wanted it extra time. I explained to the student that I couldn't accommodate him as the examination time was unlimited. He claimed that was grossly unfair and that I was required to limit the rest of the class to a single period and give him the extra time.

I refused, and he turned me in for breaking the accommodation rules. I guess I was right as I never heard another peep about it.

EM. PROF. THOMAS J. STRAKA
Clemson University
Clemson, S.C.

As a child and adolescent psychiatrist, I've seen the sharp rise in test-accommodation requests. I've advocated for patients with legitimate needs, but there's no denying that extra time offers a major advantage, especially on speed-focused exams. Today's students know this, and the old stigma around accommodations has largely faded among young people.

One issue Ms. Lederman doesn't mention: The SAT effectively allows

high schools to "port" accommodations, meaning if a student gets them at school, the College Board approves most of them without much scrutiny. This creates pressure on schools and guidance counselors to grant accommodations without full evaluations, unlike, in my experience, with the ACT, which requires more documentation. In my view, this is how students are more likely to get extra time for "test anxiety" as opposed to ADHD or dyslexia.

Rather than disclosing who received extra time—which would likely violate the Americans With Disabilities Act—testing agencies should level the field by lengthening exams for all students. If every student has 50% extra time, they'll be able to demonstrate their knowledge more fully. Those with greater needs could still request additional time.

PROF. SANJAY PATEL, M.D.
NYU School of Medicine
New York

"Extra time" isn't merely a "license to cheat." It is also a setup for failure. A student who receives an A after being allotted 50% more time on an exam isn't demonstrating the same performance as the A student who completed the exam within the allotted time. When both of them enter a workplace with nonnegotiable deadlines, guess which student succeeds?

It is much kinder to grant no such accommodations. Let these students get lower grades, succeed in less difficult classes and eventually find more suitable jobs with less time pressure. Granting them "extra time" in school enables false success on their educational paths and leads to real failure in the workplace.

DAVID BENDORY
Livingston, N.J.

Turn to the Military's Old Haunts for Housing

Kudos to Scott Turner and Doug Burgum for combining their departments' efforts to address our U.S. housing crises by considering federal lands ("Federal Land Can Be Home Sweet Home," op-ed, March 17).

They should start by looking at the decommissioned military bases across our country. In most cases, infrastructure is already in place, which would save on development costs. Such a decision would also invite less push back from environmental groups, which wouldn't be able to beam development on pristine, untouched land.

California is known to have the biggest housing issue in the nation. It also reportedly has several decommissioned naval, army and air-force bases. Some have been turned into historical sites, such as Fort Point, and others have been made into trusts, such as the Presidio in San Francisco. Some appear to have been almost abandoned.

Going after the low hanging fruit first would make sense to any private

entity and also reduce the amount of time it takes to get permitting and approvals.

MARK HANLEY
Larkspur, Calif.

The secretaries claim that the Department of Housing and Urban Development has "expertise in housing policy and community development." The situation in the downtown areas of Chicago, New York, Cleveland—and even Sunbelt cities like Houston or Raleigh, N.C.—belies this claim of expertise. They are dystopian cesspools of crime, where such products as laundry detergent are behind lock and key. Many office workers avoid such public spaces after sunset.

If Secretary Burgum has his wits about him, he will jettison HUD from this project and hire consultants to assist in developing federal lands. The private-sector real-estate community has expertise honed by market forces. My advice to him: "Run, baby, run."

DOUGLAS DARCH
Englewood, Fla.

The U.N. Should Leave Turtle Bay for Lagos

Regarding Eugene Kontorovich's "The U.N. Is Ripping America Off in New York" (Cross Country, March 15): Rather than evict the United Nations, why not make a new deal? Send its headquarters to Lagos, Nigeria. That city is closer to most of the world's countries (environmentalists will like that), the Nigerians will see a huge boost to their economy (foreign-aid proponents will like that), and the U.S. will be spared the preaching from the pulpit of an anti-U.S. platform on our soil. Talk about a win-win.

RICK GREENLEY
San Mateo, Calif.

Contrary to Mr. Kontorovich, the U.N. headquarters agreement wasn't the "worst real estate deal of all time." It is clearly topped by the leg-

end of Peter Minuit's purchase of Manhattan Island for 60 guilders' worth of trade in 1626, or reportedly little more than \$1,000 today.

We owe it to the world to attempt to have a sacred spot to navigate world peace for that price.

LIZ LAWHUN
Berkeley, Calif.

How Carney Can Call a Bluff

Philip Cross writes that the best strategy for Canada would be "to call Mr. Trump's bluff and dare him to impose and maintain higher tariffs" ("Canada Can Beat Trump's Tariffs by Waiting Them Out," op-ed, March 20). Another strategy: Test whether President Trump is really seeking "reciprocal tariffs." Ottawa can simply propose zero tariffs on U.S. exports to Canada in return for zero tariffs on Canadian exports to the U.S.

MICHAEL J. GALASSI
Hurst, Texas

Pepper ... And Salt

THE WALL STREET JOURNAL



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

A Shock to the GOP From MAGA Country

Democrats have been lost in the wilderness since Donald Trump's victory, but if Tuesday's special election shocker in Pennsylvania is any harbinger, the MAGA Republican ascendancy is perishable. In Lancaster County, which went for Mr. Trump last year by 16 points, Democrats flipped a state Senate seat that the GOP had occupied for decades.

With about 150 provisional and overseas ballots outstanding, the Democratic nominee, East Petersburg Mayor James Malone, is leading by 482 votes. The GOP candidate, county commission Chairman Josh Parsons, conceded Wednesday. Most of the district's voters are Republicans, and Mr. Parsons raised more money, the local press says. So what happened?

Democrats are crowing that the outcome is a reaction to what's happening down the road in Washington. "Tonight in Lancaster County, Pennsylvanians rejected a candidate who embraced the extremism and division coming out of DC," wrote Gov. Josh Shapiro.

The party's new national chair, Ken Martin, said Democrats "continue to overperform as voters join us in fighting back against the Trump-Musk agenda." Left unsaid is what Democrats think their new Pennsylvania state Senator is

supposed to do about Elon Musk, exactly.

Yet nationalizing relatively sleepy local races can be politically effective, and Democrats hope to do the same thing next week in Wisconsin's state Supreme Court election, and in two special elections for open U.S. House seats in Florida.

Voter turnout in such races can be considerably smaller than in November, so the results aren't always predictive. About 54,000 people in the Lancaster district voted this time around, compared with 92,000 who showed up and supported the previous GOP Senator when he ran unopposed in 2022.

Still, Republicans might want to take this surprise loss in MAGA country as a warning. Mr. Trump's tariff threats are whipsawing financial markets and the broader economy. The Conference Board said Tuesday that its survey of consumer confidence showed a drop in March, for the fourth consecutive month. Even voters who like the GOP's policy agenda could be jolted by the impression of chaos in Washington, plus Mr. Trump's recent focus on retribution.

Democrats got pummeled last year because they followed out-of-touch leaders down ideological rabbit holes. Republicans will suffer if they do the same thing in reverse.

A county that went for Trump by 16 points swings to Democrats.

The White House Protests on Signal

The White House won't let bad enough alone when it comes to the Signal app fiasco. This includes blaming the press and trying to suggest that nothing sensitive was on the chat that unintentionally included a journalist from the Atlantic. These columns even get a cameo.

Steve Witkoff, President Trump's special envoy to the world's bad actors, beat us up on Wednesday for noting in an editorial that he was in Moscow amid the now infamous group chat about the Houthis. We wrote about press reports that he was receiving the Houthi chat messages on Signal while in Moscow. We suggested this was a security risk given his central role in negotiations over the future of Ukraine.

Mr. Witkoff said on X.com he was "incredulous" because he didn't have his personal phone with him in Moscow, and that's the phone that has the Signal app. In an interview on Wednesday afternoon, Mr. Witkoff told us that on his trips to Russia he uses a government-issued burner phone that doesn't have the commercial app. He also explained in great detail the security protocols he follows when traveling to Russia, including faraday bags. "No one in their right mind would go into Russia without secured burner phones," he said.

We're happy to hear Mr. Witkoff's explanation, which means we were off the mark in suggesting he might have posed a security risk in Russia. But we're less reassured by his admission that the Houthi chat messages were still being sent on Signal to his personal phone, given that

it might still travel with him on diplomatic missions outside of Russia. It isn't Mr. Witkoff's fault he was on the chat, and his contribution appears to have been emojis.

But why did he even need to be in the Houthi strike chats when he admits that's not his portfolio? If the White House feels it must use a commercial app on personal phones for national-security conversations, access ought to be on a need-to-know basis.

Which brings us to the Administration's defensive insistence that the chat didn't disclose any "war plans," which is a weak attempt at obfuscation. Here is one of the messages that the Atlantic's Jeffrey Goldberg released on Wednesday, from Defense Secretary Pete Hegseth: "1215et: F-18s LAUNCH (1st strike package)." Later: "1536: F-18 2nd Strike Starts — also, first sea-based Tomahawks launched."

This is obviously sensitive information about a pending attack, and in the wrong hands it could have compromised the mission. It didn't, and the Houthi strikes were a success and represent the best of Mr. Trump's instincts on restoring deterrence. But Mr. Hegseth on X.com on Wednesday was dismissing the episode as the media peddling "hoaxes."

The White House is allowing its mistake to dominate the news for days and devolve into a larger question of competence. The Administration seems to think it can bully its way through anything by shouting Fake News and attacking the press. Sometimes it needs to admit a mistake, take the loss and move on, which we are happy to do.

Steve Witkoff explains his security protocols while in Russia.

OPINION

Ukrainians in Kherson Resist Surrender

By Jillian Kay Melchior

Vladimir Putin wants Ukraine to surrender the southern region of Kherson, along with the regions of Donetsk, Luhansk and Zaporizhzhia. The regions' status is "the central issue in the conflict," U.S. special envoy Steve Witkoff told Tucker Carlson last week. In his efforts to broker a peace in Ukraine, Mr. Witkoff should hear from Kherson's residents, who have endured life both under Russian occupation and on the front line of the war.

Mr. Witkoff told Mr. Carlson that "the Russians are de facto in control," but in 2022 the Ukrainian army liberated nearly one-fourth of the Kherson region, which remains proudly free but under constant attack. The Russians are just across the Dnipro River in the occupied portion of the region. Its capital, also called Kherson, is within range of drones and artillery.

Since January 2024 the Russians have fired 30 missiles, some 17,000 drones and nearly 1,200 glide bombs across Kherson region, according to Ukrainian statistics. Some glide bombs are big enough to destroy a five-story residential building and send shrapnel flying for several city

Steve Witkoff's suggestion to let Russia have four regions is a nonstarter for battle-weary residents.

blocks. The Russians flooded nearly 70% of the region when they blew up the Kakhovka Dam in June 2023, then shelled evacuation centers where civilians sought safety. Since the partial liberation of Kherson, the Russians have killed some 780 civilians, including at least 12 children, and wounded more than 4,300.

Nevertheless, about one-fourth of the residents of the city of Kherson have remained. "I'm so proud of our



Ukrainians discovered this woman's body after liberating Kherson in November 2022.

people," says Oleksandr Prokudin, the governor of Kherson region. "After everything they have been through, they don't just hold on—they keep living, working and helping each other." Mr. Prokudin says that even after "the hell that the Russians have brought them through, I've heard Kherson residents say many times it's better to live under the constant shelling than under the occupation."

His spokesperson, Viktoriia Maryshchuk, agrees. She spent much of the occupation hiding at home but occasionally ventured out with her mother for food. The Russians "were everywhere," she says. She read the news whenever she could get a cell-phone signal, so she knew that the Russians had executed and tortured civilians in the Kyiv suburbs of Bucha and Irpin before their liberation in late March 2022.

The Russians came in August 2022 for Kherson native Oleksiy Sivak, af-

ter his neighbor confessed under torture to exchanging messages on his phone with Mr. Sivak that included images of the Ukrainian flag. The Russians held Mr. Sivak for 57 days in a crowded cell at a holding facility in the city of Kherson and beat him. "I experienced sexual violence," said Mr. Sivak, now 42, "but it is better to describe it as torture of sexual nature. They were trying to destroy us Ukrainians as much as possible, not just physically."

Mr. Witkoff told Mr. Carlson that in Donetsk, Luhansk, Zaporizhzhia and Kherson "there have been referendums where the overwhelming majority of the people have indicated that they want to be under Russian rule." But during that fall 2022 referendum, Ms. Maryshchuk, 22, says she and her family hid at home because they feared being dragged to the polls and forced to support the Russians. Mr. Sivak sent me photographs of the scars on his back inflicted by

his Russian captors as they forced him to vote in favor of annexation.

In 2021 only 21% of Kherson residents described their attitude toward Russia as warm, according to a survey by the International Republican Institute, an American nonprofit. And that was before the killing started.

Kristina Berdinskykh, a Kyiv-based freelance journalist, visited her hometown of Kherson immediately after the Ukrainians took it back. "After the liberation, euphoria reigned in the city," she said. "People came to the city center every day with Ukrainian flags and celebrated." They took photos with the Ukrainian soldiers, who "were like stars to them."

Mr. Witkoff told Mr. Carlson he is skeptical that the Russians want to "absorb Ukraine" or march into European territory, and he'd better be right if he means to pressure the Ukrainians into giving up Kherson. The Russians have struggled to cross the Dnipro River since Ukraine liber-

ated territory there. But if a peace deal allows them to cross to the river's west bank, "we're in a whole other world," says Fred Kagan of the American Enterprise Institute.

In the early days of the invasion, the Russians pushed past Kherson and deep into Mykolaiv region before being driven back. Just west of Mykolaiv is Odesa, and if the Russians can take that city they will control the ports and the Black Sea. A little further west is the nation of Moldova, where the Russians already control the eastern region of Transnistria. Kremlin officials talk about Moldova much like they talked about Ukraine before the full-scale invasion. Peace would give the Russians a chance to restore their military, so surrendering Kherson would be a huge gamble that Mr. Putin would keep his word.

Ihor Lapin, 54, was among the Kherson residents who volunteered to resist the Russians when the invasion began. Weapons ran low, and the local territorial defense could offer him only a gun and a single grenade. The commander gave Mr. Lapin and his comrades a chance to opt out of the lopsided fight, but he went anyway, and soon found himself under heavy fire in Kherson.

The first enemy shot knocked out one eye, he said, and the bullet lodged in his head near the other eye. A second shot hit him in the leg, and a third hit him in the buttocks. Locals rescued him and brought him to the hospital. But until liberation, he had to hide from the Russians.

Surrendering Kherson to secure peace in Ukraine is inconceivable, Mr. Lapin says: "This is our land, we were born there, and we live there, and we will stand there to the end." Mr. Sivak adds that Russian "occupation itself is a prison and a concentration camp." If Ukraine is forced to surrender these four territories, "what will happen there" is "not to be described in words."

Ms. Melchior is a London-based member of the Journal's editorial board.

Trump and Musk Share the Founder's Mindset

By Arthur Herman

For the past two months, Americans have watched as two extraordinary and polarizing figures—Donald Trump and Elon Musk—have worked as a team to reduce the size and reach of the federal bureaucracy.

Behind all the criticism, praise and blame heaped on the Department of Government Efficiency, a question lurks: How is it possible that these two men, who barely knew each other before the presidential campaign and who are separated by a quarter-century in age, are able to get along and agree on what to do and how to do it?

The answer is that both men are business founders, with a founder's mindset and style. This sets them apart from their political counterparts, including many past Republican presidents. It also makes it easier for them to work with other founders, from Silicon Valley tech leaders to cryptocurrency entrepreneurs to venture capitalists.

A founder's approach to business sharply contrasts with the manager mentality that often overtakes com-

panies as they grow in size and complexity. In their book "The Founder's Mentality," Chris Zook and James Allen describe founders as driven by "bold mission," "bias for action," "aversion to bureaucracy" and "relentless experimentation."

A founder is famously, even notoriously, hands-on. He wants to know everything about his corporation from top to bottom. He insists that every aspect of the business reflect his original big vision—one of "limitless horizons," according to Messrs. Zook and Allen—and is impatient with anyone or anything that stands in the way of that vision.

Founders are biased toward decisive, even disruptive, action. Mr. Musk's biographer sums up the Musk business philosophy as: "Take risks. Learn by blowing things up. Revise. Repeat." For the typical founder, problem-solving is a priority. He must constantly look for ways to innovate to lower costs and beat the competition. This means a founder is generally risk-tolerant rather than risk-averse, and he doesn't like to back down when facing pressure.

Founders also hate to delegate,

just as they hate unnecessary costs. They prefer to work through small, trusted teams—hence the importance of loyalty—and are continually asking subordinates and colleagues, "What have you done for us lately?" In other words, how are you advancing our vision? If you lose a founder's trust, it can be hard to win it back.

Most modern presidents take a managerial approach to the job, which is no way to bring radical change.

Managers define leadership differently. They like to build consensus and oversee incremental change instead of pushing what President George H.W. Bush called "the vision thing." They pride themselves in delegating and see managing a "team of rivals" in their cabinet or boardroom as necessary to their job. Mr. Trump's Republican predecessors, even Ronald Reagan, generally operated in this "manager" mode—even as the federal government and the

power of the administrative state continued to grow on their watches.

Mr. Trump's career reflects his founder mentality. He broke out from his father's real-estate business in Brooklyn and Queens to build a skyscraper empire in Manhattan. He relied on a small team of trusted subordinates to carry out his big vision.

In his first term, Mr. Trump brought his founder mentality to the White House but became frustrated when he ran into delays while trying to work with people governed by the manager mindset. In his second term, he found a suitable ally in Elon Musk, who built both SpaceX and Tesla.

Every startup founder asks: "Why are we doing this?" That's a question very few politicians, Republican or Democrat, have asked about our federal government. But it's the question Messrs. Trump and Musk have been asking, and acting on, since Inauguration Day. The result is a serious rethinking of how the federal government should operate.

Amid the radical changes they've wrought—not only through DOGE-initiated agency reform but also in crypto and artificial-intelligence pol-

icy—they've found natural allies among other founder types, including David Sacks, Peter Thiel, Alex Karp, Marc Andreessen, Jeff Bezos and Mark Zuckerberg.

It's fair to say we've arrived at a kind of founders revolution, a time when leaders are applying entrepreneurial principles to government. Whether Messrs. Trump and Musk achieve their aims will depend on many factors, including many outside their control.

Whether they succeed or fail, their approach—like that of other founders in history, including America's Founding Fathers—will inevitably inspire as well as alienate. As Thomas Jefferson once wrote to James Madison, "I hold it that a little rebellion now and then is a good thing, and is as necessary in the political world as storms in the physical." That's the same spirit we're seeing from Messrs. Trump and Musk as they press ahead with their vision.

Mr. Herman is a senior fellow at the Hudson Institute and author of "Freedom's Forge: How American Business Produced Victory in World War II."

Tariffs Won't Bring a Boom in American Manufacturing

By Jared Bernstein
And Dean Baker

It isn't easy to pin down the purpose of the Trump administration's sweeping tariff agenda. Sometimes the president uses tariff threats to intimidate and gain leverage with trading partners. Other times it seems his main motivation is to bring in new tax revenue to pay for tax cuts and other priorities.

But the goal most commonly cited by Trump administration officials is bringing manufacturing jobs back to America—reindustrializing the nation. As Vice President JD Vance put it during a speech in Michigan earlier this month, "If you want to be re-

warded, build in America. If you want to be penalized, build outside of America. It's as simple as that."

That the tariffs have been widely unpopular hasn't dissuaded the administration from this pursuit. Stock investors are clearly spooked: The markets plummet every time Mr. Trump proposes a new or higher tariff and rise when he delays or cancels them. Consumer economic sentiment recently hit a 29-year low, and consumers' expectations about future conditions fell 15% this month, the largest decline since the pandemic. A February survey of small-business owners showed the largest decline in plans to expand since April 2020.

Commerce Secretary Howard Lut-

nick has said that the tariffs will be "worth it" even if they trigger a recession, because on the other side of any potential pain, great gains await us. Doubtful. Our analysis suggests that large-scale reindustrialization is highly unlikely to occur. Even countries with large trade surpluses have experienced declining shares of factory jobs. There is good reason to expect the re'd be no different.

The reindustrialists in the Trump administration appear to believe, against all evidence, in the power of two basic mechanisms: first, that the tariffs will lead to more-balanced trade, and second, that more-balanced trade will reverse the long-term decline in the share of manufacturing jobs.

The problem with the first belief is that trade wars don't reduce trade deficits. While tariffs may lower imports, retaliation by trading partners—which is already well under way—lowers exports. Tariffs also tend to raise the value of the dollar relative to our trading partners' currencies and make our exports less competitive. That's why during the trade war in the first Trump term, the trade deficit as a share of the economy stayed around 3%, about where it is now.

Second, we see declining shares of factory jobs in advanced economies around the world, including in Germany, a country with large and persistent trade surpluses. Between 2000 and 2024, Germany's trade balance as a share of its gross do-

mestic product grew from a deficit of 1.5% to a surplus of 5.8%. During this same period, the country's share of factory jobs fell from 20% to 16%. A 2021 study found that the decline in manufacturing job shares was similar in both U.S. and German industries despite the stark differences in national trade balances.

But tax credits, subsidized loans and grants could boost U.S. production of energy and some products.

It's also important to recognize that about 45% of U.S. imports are inputs that go into our own manufacturing production. An import tax on these inputs hurts domestic manufacturing. Why have American car manufacturers pleaded with the administration not to impose tariffs on steel? And why has Alcoa, the largest U.S. aluminum producer, sought a waiver from tariffs?

Even if U.S.-manufactured exports increased enough to close the trade deficit—an extremely unlikely event—and if employment grew proportionately, our manufacturing-workforce share would climb only from 8% to 9%. Not exactly transformational.

We see no credible path toward full-scale American reindustrialization that Mr. Trump envisions, but we enthusiastically support measures to en-

courage domestic production—especially of renewable energy and clean-energy products, from grid-scale batteries to store intermittent clean energy to electric vehicles, heat pumps and wind turbines. For strategic and national-security reasons, domestic semiconductor production is also important. Because of the uncertainty of near-term returns, private markets have historically underinvested in these energy sources and products.

The historical record is clear about two things. First, spurring domestic investments of the types we've just described isn't only possible; it's already happening, supported by tax credits, subsidized loans and grants from the Inflation Reduction Act, the CHIPS Act and the Bipartisan Infrastructure Construction Law. Factory construction more than doubled from 2019 to 2024 after adjusting for inflation.

Second, we know of no example in the history of advanced economies of sweeping tariffs having the positive effects the Trump team believes are waiting for us on the other side of this tariff push. It's still early enough for Trump officials to recognize their mistakes. But if they fail to do so and continue to double down on their unpopular agenda, we may find ourselves testing Mr. Lutnick's assertion that a recession will be worth it.

Mr. Bernstein served as chairman of the U.S. Council of Economic Advisors, 2023-25. Mr. Baker is a co-founder of the Center for Economic and Policy Research.

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BUSINESS & FINANCE

Dollar Tree to Sell Family Dollar

Pair of private-equity firms is set to buy the discount chain for about \$1 billion

BY LAUREN THOMAS AND DENNY JACOB

Dollar Tree agreed to a sale of its Family Dollar business to a consortium of private-equity investors for roughly \$1 billion in a bid to unlock value and continue on its turnaround plans under fresh leadership.

Family Dollar is set to be acquired by Brigade Capital Management and Macellum Capital Management, the company said Wednesday, confirming an earlier report from The Wall Street Journal.

The Journal reported last summer that Dollar Tree, in the midst of a broader turnaround, had tapped bankers to conduct a strategic review of its Family Dollar division.

Additionally, Dollar Tree on Wednesday said more customers across incomes shopped at its stores in the latest quarter, a sign that concerns about the economy are giving the discount retailer a boost. The discount retailer also offered an upbeat outlook.

Though the Dollar Tree and Family Dollar sound familiar and are known for selling cut-rate merchandise, they serve different consumers. Dollar Tree stores are mostly in suburban locations and cater to middle-income households seeking party supplies, crafts or other knickknacks. Dollar Tree historically sold most items at \$1, though recently it has

boosted some prices. Family Dollar locations are more concentrated in urban areas, and sell groceries, cleaning products and other essential items at various price points.

Dollar Tree outbid its rival Dollar General to acquire the Family Dollar chain in 2015 for roughly \$9 billion.

Dollar Tree shares were down about 8% this year through Wednesday, giving it a market value of a little less than \$15 billion. The stock rose 3.1% on Wednesday.

Since the deal, the Family Dollar business has struggled to grow and been a heavy investment lift.

Dollar Tree had already started down the path of slimming it down. In early 2024, it said it would close roughly 1,000 Family Dollar locations as the business battled inflation and store theft, among other industry challenges.

In December, Dollar Tree raised its full-year sales guidance in light of strong third-quarter results. The company also appointed Michael

Creedon as its permanent chief executive officer and recently named a new chief financial officer to take over at the end of this month.

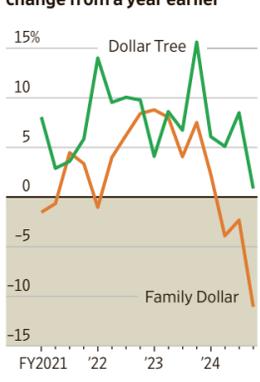
Selling Family Dollar should allow Dollar Tree to invest for more growth and keep making bets, research analysts have said. For instance, it last year acquired leases for a group of 99 Cents Only Stores.

"With the financial support of Brigade and Macellum, Family Dollar will be well-positioned for growth as a private company," Creedon said.

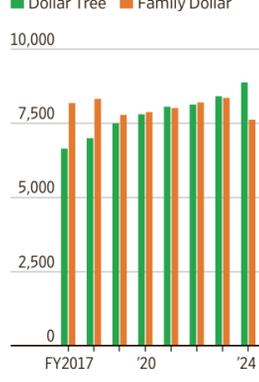
Dollar Tree said same-store sales in the latest quarter

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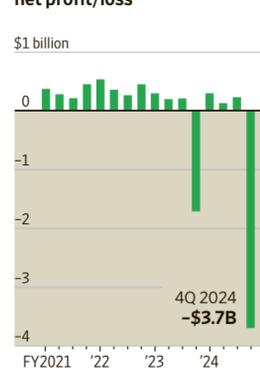
Quarterly segment revenue, change from a year earlier



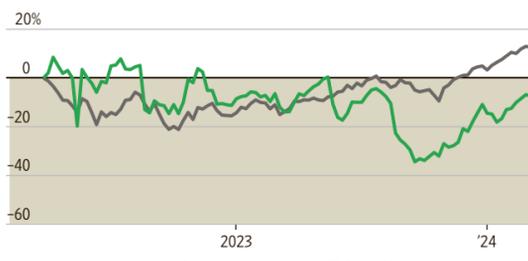
Annual store count



Dollar Tree quarterly net profit/loss



Share-price and index performance, past three years



Note: Latest fiscal quarter ended Feb. 1. Sources: S&P Capital IQ (revenue, net profit/loss); the company (store count); FactSet (performance)

10%
Decline in Dollar Tree's shares this year through Tuesday

Phillips 66 To Add Directors, Countering Activist

BY LAUREN THOMAS AND COLLIN EATON

Phillips 66 is expected to nominate two new directors to its board amid an intensifying proxy fight with activist Elliott Investment Management, according to people familiar with the matter.

The oil refiner is set to disclose four nominees, including the two new ones, in its proxy materials Wednesday, the people said. They will be up against Elliott's slate of picks once that is finalized.

Phillips 66 has a classified board, which means only a handful of seats are to be voted on at the company's annual meeting in May.

On Tuesday, Elliott had filed a lawsuit against Phillips 66 and its board to require four board seats be up for election, arguing the company hadn't given enough information about how many seats would be up for a vote and was violating its rights as a shareholder.

Elliott said it would pull the lawsuit if Phillips 66 would confirm that at least four director seats would be up for grabs.

Phillips 66's nominees, according to people familiar with the matter, are: Nigel Hearne, chief operating officer of Harbour Energy and a former leader at Chevron; Howard I. Ungerleider, former president and chief financial officer at Dow, helped oversee the merger of Dow Chemical and DuPont followed by the spinout of Dow in 2019; John E. Lowe, a current board member and Robert W. Pease, a current board member who joined in 2024 in an agreement with Elliott.

The oil refiner is also expected to ask shareholders to approve declassifying its board—something Phillips 66 has proposed numerous times over the past decade, the people said.

Phillips 66 on Wednesday will also advocate for keeping its current strategy, the people familiar with the matter said.

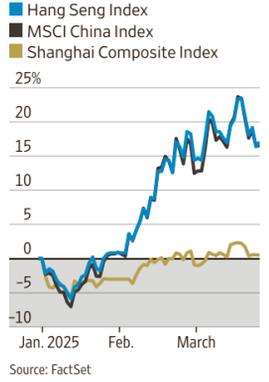
Elliott has been pushing for the company to sell or spin off its midstream business, which transports energy. Elliott believes that business could be worth more than \$40 billion.

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Selling Family Dollar should allow Dollar Tree to invest for more growth.

Index performance, year to date



Source: FactSet

Chinese Stocks Lure Back Investors

BY JIAHUI HUANG

Chinese equities have been out of favor among many investors for the past few years. However, the tide appears to be turning, driven by strong corporate profits, enthusiasm over artificial intelligence and an apparent easing of regulatory pressure from Beijing.

"China is back on the radar, at least in terms of investor interest," Goldman Sachs strategists wrote in a note.

Investor interest and engagement in Chinese equities are "arguably at the highest" since the market's historic peak in early 2021, they said.

Hong Kong's benchmark Hang Seng Index, home to many Chinese firms, has risen 17% so far this year, outperforming most major emerging markets. In contrast, onshore indexes have lagged, with the benchmark Shanghai Composite Index up just 0.5%. Analysts attribute this to

foreign investors favoring offshore Chinese shares, though they see potential for A-shares to catch up. The MSCI China Index, which tracks large- and midcap stocks across A- and H-share markets, has gained 16% so far in 2025.

One major catalyst has been the emergence of homegrown AI startup DeepSeek, which has impressed the tech industry with a large language model it claims rivals OpenAI's ChatGPT while using

less advanced chips.

"DeepSeek has been a game-changer on many fronts," said Pruksa Iamthongthong, deputy head of Asia-Pacific equities at Aberdeen Investments. The company's cost-efficient model has galvanized China's tech and internet sectors, fueling investment and new product releases, she added.

China's improving economic outlook has also bolstered

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Robinhood Moves to Keep Its Now Aging Customers

BY HANNAH LANG

Robinhood, the digital brokerage that channeled the meme-stock and crypto craze, is angling to keep its youthful clientele as they graduate from YOLO investing to estate planning.

The company said Wednesday it plans to roll out a slew of new services, from wealth-management tools and bespoke investment portfolios to bank accounts. All of them cater to Americans as they age, earn more money and navigate more-complicated financial lives. Robinhood customers' median age has climbed to 35 years old from 31 over the past five years.

As it did with its brokerage, Robinhood is leaning into the ubiquitous presence mobile phones play in the lives of consumers. Some of its new offerings are more likely to appeal to a younger crowd;

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New 'Yellowstone' spinoffs stoke feud between Paramount and NBCUniversal. **B4**



MARKETS
Tesla and Nvidia both lose more than 5% as the major stock indexes decline. **B11**

Delaware Aims to Avert Corporate Relocations

BY CORRIE DRIEBUSCH

Delaware is fighting to maintain its status as the country's corporate capital.

Delaware Gov. Matt Meyer has signed a law that will make it harder for shareholders to sue companies, an attempt to quell threats by U.S. corporations to move their legal residences to other

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Bankrupt 23andMe's CEO Just Can't Walk Away From Business

BY ROLFE WINKLER

Anne Wojcicki isn't ready to let go.

The company she co-founded, 23andMe, has burned through more than \$1 billion and laid off more than half its staff. A board of directors Wojcicki stocked with her friends resigned en masse in September because they couldn't get on board with her strategy for the maker of at-home DNA tests.

On Sunday night, the company filed for bankruptcy protection, its survival uncertain. Wojcicki immediately vowed to buy it back.

Can-do optimism helped Wojcicki bring the DNA test to millions. It also led her to pursue expensive, and ultimately failed, strategies to use 23andMe's trove of medical data to develop drugs and provide healthcare.

The odds are no longer tilted in her favor. In bankruptcy court, her supervoting shares, which previously enabled her to block other bidders, have been wiped out. And her earlier bids for the company, which she once joked would be bigger than Google, were rejected by two boards of



Anne Wojcicki's supervoting shares, which previously enabled her to block other bidders, have been wiped out.

directors. Wojcicki said in a statement that it is difficult to innovate in healthcare. "23andMe pioneered something radically different, to put the individual in direct control of important information about themselves, empowering them to think about their genetic identity and personalized preventive care in a whole new way."

Wojcicki grew up at the center of Silicon Valley. Her sister, Susan Wojcicki, rented her Menlo Park garage to a pair of

engineers starting a company called Google. Wojcicki met Google co-founder Sergey Brin, who introduced her to Linda Avey, the founder of a yet-to-be-named genetics startup.

Anne Wojcicki became a co-founder of what turned into 23andMe.

23andMe initially struggled to excite people about genetic testing, which cost \$399 in 2008. The price came down, but in 2013 the Food and Drug Administration told 23andMe

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Board nominees Nigel Hearne, left, and Howard Ungerleider.

Phillips 66 Nominates Directors

Continued from page B1

Phillips 66 has a market value of around \$51 billion. Elliott in February disclosed a stake in Phillips 66 valued at more than \$2.5 billion as it pushed the oil refiner to consider operational changes to boost its stock price. Elliott had first sought strategic improvements at the

company in late 2023 after disclosing a roughly \$1 billion investment. Earlier this month, Elliott nominated seven directors, including Elliott partner John Pike. In a filing late last week, Elliott said it narrowed its list down to four director candidates and three alternative candidates, with Pike in the latter group. The activist has said it could withdraw some of its nominees or make some changes since there might not be enough seats to be voted on. Phillips 66 in February said that two board members wouldn't stand for re-election. Shares of Phillips 66 rose 0.9% to \$126.57 on Wednesday.

Rivian Spins Out Micromobility Unit

By KATHERINE HAMILTON

Rivian Automotive is spinning out its micromobility business into a new startup called Also Inc. The Irvine, Calif., electric-vehicle maker said Wednesday it plans to keep a substantial minority shareholding in Also. The new company will focus on small, lightweight vehicles, which includes electric scooters and bicycles. In connection with the spinoff, Also secured a \$105 million investment from venture-capital fund Eclipse Ventures, which plans to support the company's next stage of growth, Rivian said. Rivian started a stealth program focused on micromobility several years ago, it

said, with the aim of addressing the transition to more-sustainable forms of transportation. The goal of the effort was to see whether Rivian's software, electronics and electric propulsion capabilities could create something that could compete with currently available offerings. Rivian's founder and chief executive, RJ Scaringe, plans to serve as chairman of Also's board of directors. Also could use some of Rivian's retail footprint in the future, the company said. Rivian said it is continuing to focus on its core business and has made progress toward launching R2, a midsize electric SUV. It expects to begin customer deliveries of the product in the first half of 2026, it said.



Rivian also said it has made progress toward launching the R2 electric SUV, with customer deliveries to begin in 2026.

Banking Startup Hits \$3.5 Billion Valuation

By ANGEL AU-YEUNG

Fintech banking startup Mercury says it has more than doubled its valuation to \$3.5 billion after raising \$300 million in its latest funding round. A portion of the funding raised will go toward a tender offer for employees, the company says. The round was led by Sequoia Capital, which will get a board seat. Returning investors for this round included Coate Management. Mercury helps early-stage

startups manage their finances. Though it isn't a bank, Mercury quickly opens business accounts for clients through its network of FDIC-insured partner banks. After Silicon Valley Bank collapsed in 2023, many of its startup and tech clients put their money in big banks such as JPMorgan Chase. For others that didn't have a prior relationship with another bank and needed an account immediately, Mercury was among the limited options. Mercury can generally open business

accounts more quickly than traditional banks. Mercury saw an influx of \$2 billion in client deposits after SVB collapsed, Mercury Chief Executive Immad Akhund said in an interview. The startup has retained 95% of those deposits, he said. How the startup handled the SVB collapse was part of the reason why Sequoia decided to invest, said Sonya Huang, a partner at the venture firm who will also join Mercury's board. Tim Mayopoulos, a former

Fannie Mae chief who was tapped by the FDIC to lead SVB after its failure, also will join Mercury's board of directors. Mercury's partner banks include Choice Financial Group, Column and Patriot Bank. It previously also worked with Evolve Bank, which is at the center of a case with another fintech company involving nearly \$100 million in missing customer funds. Earlier this month, Mercury said it would end its relationship with Evolve.

Delaware Targets Defections

Continued from page B1 over Elon Musk's multibillion-dollar pay package as CEO of Tesla last year. Executives of public companies have expressed frustration with the Delaware Court of Chancery, often following legal rulings that didn't go their way. Officials elsewhere are taking note. Texas introduced a new court system for corporate matters last year. Musk is in the process of reincorporating Tesla to the Lone Star State from Delaware. Meta Platforms is considering moving its incorporation to Texas. Hedge-fund manager Bill Ackman tweeted that his Pershing Square is looking to leave Delaware and incor-

porate in Nevada or Texas. "It's no secret that some of the largest companies are expressing dissatisfaction with the Chancery Court," Meyer said in an interview earlier this year. "We're putting our heads together figuring out how we can refine Delaware [laws]." Delaware has long reigned supreme as a home for companies' legal residence, or where they incorporate their businesses. More than two-thirds of Fortune 500 companies are incorporated in the state. Texas politicians recognize what they are up against and are working to tip the scales. In February, Republicans in the Texas Senate proposed bills that would make it more difficult to sue board directors at companies incorporated in Texas. That would make it more challenging for shareholders to file stockholder proposals against companies. Eric Talley, a professor at Columbia Law School who

specializes in corporate law, said he is watching the moves in Texas. He notes Delaware previously had an edge: There was an "entire nation's worth of lawyers" who knew corporate law in Delaware. The state's new law upends some Chancery Court precedents, he said. "It's a big gamble in which Delaware has decided we're going to skew that balance more toward controlling shareholders and directors and hope that doesn't cause the state to lose corporations to Texas. But you have to raise money from outside investors," he said. Greg Samuel, a partner in the capital markets practice at law firm Haynes Boone, said he is speaking with multiple clients about whether to list shares and incorporate in

Texas versus states like Delaware. "It reflects the political divide in our country these days," said Samuel. Even if companies move to incorporate and list stock in Texas, the benefits to the state beyond bragging rights are less clear. Moving a company's incorporation isn't the same as moving its headquarters; in practical terms it means the business rents a P.O. box in the state, not an office building. A century ago, New Jersey was the incorporation capital of the country. The state lost the title, and Meyer said he doesn't want Delaware facing a similar fate because of complacency. "Any company that's left Delaware, I'm determined to win them back," he said.

State is home address for more than two-thirds of Fortune 500 companies.

Ad Forecaster Reduces 2025 Growth Projection for the U.S.

By MEGAN GRAHAM

A major ad industry forecaster has downgraded its U.S. growth projection for 2025 because of a lack of economic visibility and a decline in consumer confidence that it said could be a drag on marketing and advertising budgets in the short term. Magna, a research unit that is part of Interpublic Group's IPG Mediabrands, said Wednesday that it expects U.S. ad sales to reach \$397 billion this year, an increase of 4.3% from 2024 when factoring in cyclical events such as last

year's election season. The company in December released a forecast predicting growth of 4.9% in 2025. The updated forecast, like the earlier one, anticipates a slowdown from U.S. advertising sales in 2024, which reached \$380 billion and marked a 12.4% increase from the previous year, boosted by political campaigns and spending around the Olympics. Excluding cyclical events, Magna says U.S. ad spending rose 9.9% last year. It now forecasts that U.S. ad revenue will grow 6.7% in 2025, trim-

ming its previous estimate that noncyclical ad revenue would rise 7.3%. "Confidence plays a crucial role in marketing and advertising investment decisions," Vincent Létang, executive vice president of global market intelligence at Magna, said in the report. "The current—hopefully temporary—dip in confidence has already dampened the dynamics of the ad market, prompting us to revise our growth forecast for 2025." Magna also said that the lack of visibility and the risk of a trade war could cause marketing and ad budgets to see freezes or cuts in industries that are vulnerable to global trade, supply-chain disruptions and consumer confidence issues. Those could include quick-service restaurants and the consumer packaged goods, food, drinks, personal-care and automotive sectors, which are exposed to international supply chains and global prices. Still, Magna said some factors will help the advertising business this year. "Despite the challenges posed by economic uncertainty, organic growth factors—such as media innovation, AI, retail media and ad-supported streaming—will continue to enhance the effectiveness and efficiency of advertising formats, encouraging advertisers to maintain or expand their budgets," the report said.



The Family Dollar business has struggled to grow and been a heavy investment lift.

Dollar Tree To Sell Business

Continued from page B1

grew 2%, driven by a 0.7% increase in traffic and a 1.3% increase in average purchase ticket. Creedon on an earnings call said the average purchase ticket grew faster than traffic for the first time since the fourth quarter of 2022. For the quarter ended Feb. 1, the retailer's loss widened to around \$3.7 billion, or \$17.17 a share, from \$1.71 billion, or \$7.83 a share, in the year-ago period.

Stripping out certain one-time items, earnings came in at \$2.29 a share. Analysts polled by FactSet expected \$2.20 a share. Revenue climbed to around \$5 billion from \$4.96 billion. Analysts expected \$8.24 billion. Dollar Tree guided for first-quarter sales from continuing operations to be between \$4.5 billion and \$4.6 billion based on comparable-store sales growth in the range of 3% and 5%. Adjusted earnings per-share are expected to be between \$1.10 and \$1.25. For its current fiscal year, the Chesapeake, Va., company forecast sales from continuing operations between \$18.5 billion and \$19.1 billion based on comparable-store sales growth

in the range of 3% and 5%. Adjusted earnings per-share from continuing operations is forecast to be in the range of \$5 and \$5.50. Continuing operations reflect the Dollar Tree segment as the company has moved the performance of Family Dollar under discontinued operations. Dollar Tree said that it worked to mitigate potential costs from tariffs, adding that the expected effect of the 10% tariff on China announced in February would have been between \$15 million and \$20 million a month. The company said it has offset these costs by more than 90%, which is reflected in its full-year outlook. Dollar Tree's guidance doesn't reflect the impact from the second round of tariffs, however.



Magna downgraded its growth forecast to 4.3% from 4.9%.

BUSINESS NEWS

Anthropic, Databricks Team Up in AI Venture

The companies are aiming to help large businesses build their own agents

By BELLE LIN

Anthropic and Databricks struck a five-year, \$100 million pact to sell artificial-intelligence tools to businesses, targeting those seeking to build their own AI agents.

Both Anthropic and Databricks are under pressure to generate revenue from AI that can justify their sky-high valuations, as they go up against some of the tech industry's biggest players, including Amazon.com, Microsoft, Alphabet's Google and OpenAI.

Based on the deal structure, Anthropic and Databricks expect to jointly generate \$100 million in revenue over a five-year period, they said. The companies' sales teams will sell each other's products, according to Anthropic.

The companies declined to share additional financial details behind the commercial and engineering partnership.

The deal brings two of the largest players in the AI and enterprise-data space together around AI agents—a technology that has claimed the better part of the industry's attention even as its value to businesses remains uncertain.

Anthropic's flagship Claude models will be directly available to businesses that store and analyze their corporate data in Databricks' platform, allowing them to build AI agents—the technology that can take on tasks on behalf of humans—using their own data, according to Ali Ghodsi, a Databricks co-founder and its chief executive.



Databricks CEO Ali Ghodsi says the company is eyeing an IPO next year at the earliest.

Executives at the two companies said the partnership's goal is to better sell their technologies to large businesses, giving Anthropic and Databricks the opportunity to target the bigger revenues those customers typically bring in.

"Databricks has built up that trust with 10,000 customers," said Kate Jensen, Anthropic's head of sales and partnerships. "Anthropic is still relatively new, but continuing to grow extremely quickly."

Still, for enterprise software vendors and the enterprises themselves, the value of AI agents is an open question. There is a lot of hype around the technology, Ghodsi said, but the biggest problem with agents so far is their lack of reliability or accuracy.

When an AI agent is asked to do something for a business, it can't be right only 50% or 70% of the time, Ghodsi said, adding that the Databricks research team is

focused on helping customers get their agent accuracy rates to over 95%. "That's on par with a human worker," he said.

Other software vendors, including OpenAI, Salesforce, Amazon and Google, similarly sell tools for businesses to use or build their own AI agents.

Databricks and Anthropic say that joint customers have asked for a more seamless integration between the two technologies.

Block, the parent of payments platform company Square, uses Databricks combined with Anthropic's Claude model, among others, to power its general-purpose AI agent. Thousands of Block employees are using Claude through Databricks for tasks like coding, said Jackie Brosamer, Block's vice president of data and AI platform engineering.

San Francisco-based Databricks makes money by renting out analytics, AI and other cloud-based software

that taps AI-ready data for companies to build their enterprise technology tools. It raised an additional \$10 billion funding round in recent months, valuing it at \$62 billion, the company said.

Databricks, which was founded in 2013, bought AI startup MosaicML in 2023 for roughly \$1.3 billion and is expanding the acquired company's services—partly through its deal with Anthropic—to get a piece of corporate AI deals.

Ghodsi said the company is eyeing an initial public offering at the earliest next year.

Anthropic recently completed a \$3.5 billion funding round that values the AI startup at \$61.5 billion. The San Francisco-based startup, which has emphasized its focus on the safety of its AI models, has been building up its name among large businesses seeking to use AI. It said about half the company's sales team focuses on selling to enterprises.

Judge Rules Against Universal in AI Dispute

By MAURO ORRU

Anthropic scored a win this week after a U.S. court denied an injunction that **Universal Music Group** and other record labels had sought to prevent the artificial-intelligence company from using copyrighted lyrics to train its AI models.

Concord, ABKCO Music & Records, Universal Music and several subsidiaries sued Anthropic in October 2023, saying the company was harming them by using copyrighted material to train its AI chatbot, Claude. The record labels said that Claude's responses to user queries contained verbatim or near-verbatim copies of their works.

The music companies, which represent a large cohort of artists ranging from Taylor Swift and Ariana Grande to the Rolling Stones, said Anthropic infringed copyrighted lyrics from at least 500 songs and sought a preliminary injunction that would prohibit the company from using the works to train its AI models.

A judge in California on Tuesday denied a motion for that injunction, saying the record labels hadn't demonstrated how using the material to train Claude caused reputational or market-related harm, according to court records seen by The Wall Street Journal.

An Anthropic spokeswoman said the company welcomed the ruling.

"As the case continues, we look forward to explaining why use of copyrighted material for training large language models aligns with fair use principles under copyright law," she said.

Earlier this year, Anthropic struck an agreement with the record labels to apply guard-

rails that would prevent current and future AI models from generating responses that might infringe copyright. The judge said the deal effectively resolved one aspect of the case, but didn't prevent Anthropic from using songs to train its models.

"Despite the court's narrow ruling, we remain very confident in our case against Anthropic more broadly," a representative for the music companies said. "This case remains vital to protecting creators from the wholesale theft of their copyrighted works by Anthropic and other AI companies. We expect that, as we proceed with this case and develop a full discovery record, our claims will be validated."

The case is the latest in a string of disputes between AI companies and publishers on whether and how content like music or news can be used to train AI models. Publishers are moving to shield themselves from what they see as violations of their work from AI startups.

Last year, The Wall Street Journal parent Dow Jones and the New York Post sued generative AI search-engine **Perplexity** for alleged copyright infringement, saying the company had used copyrighted news to generate responses to users' queries, siphoning away traffic that would otherwise go to publishers' websites.

The **New York Times** is suing **Microsoft** and ChatGPT maker **OpenAI** for alleged copyright infringement, arguing that the companies used its content without permission to train their AI products.

News Corp., owner of Dow Jones Newswires and The Wall Street Journal, has a content-licensing partnership with OpenAI.

Music companies said Anthropic infringed copyrighted lyrics.

Imperial Brands to Focus On Core Tobacco Markets

By MICHAEL SUSIN

Imperial Brands plans to grow profit over the next few years by investing in the U.S. and its other major tobacco markets, and aims to launch a share buyback every year.

The U.K.-listed tobacco manufacturer's new five-year strategy includes a continued focus on the U.S., Germany, U.K., Spain and Australia for sustained growth and cash delivery. Together, these markets account for around 70% of adjusted operating profit.

These markets are among the countries where selling cigarettes is most profitable, and the regulatory costs are more predictable, Chief Strategy and Development Officer Murray McGowan said Wednesday.

The tobacco company, whose brands include Davidoff, Gauloises and JPS, said it would look for growth opportunities for its next-generation products, such as vapes, but keep investment disciplined and consider market-entry criteria.

The midterm strategy is expected to increase adjusted operating profit—the company's preferred metric, which strips out exceptional and



Imperial said it would look for growth for next-generation products, such as vapes, but keep investment disciplined.

other one-off items—by around 3% to 5% annually.

The tobacco group kept its capital-allocation framework and pledged a share buyback every year, along with progressive dividends. It expects to generate free cash flow of between £2.2 billion and £3 billion, or between \$2.85 billion and \$3.88 billion, a year under the new plan.

Efficiency initiatives are expected to bring in around £320 million in savings by end 2030. Most of this will be reinvested, Imperial Brands said.

"By applying this same performance-driven, consumer-led approach to our wider portfolio of tobacco markets, we expect them to make a greater contribution to our overall performance over the next five years," it said.

The group confirmed its guidance for fiscal 2025 ending Sept. 30. It targets low-single-digit revenue growth for the tobacco segment and a double-digit rise for its next-generation products. Adjusted operating profit is expected to grow by a mid-single-digit percentage.

Activist Nominates Autodesk Directors

By DEAN SEAL

Activist investor **Starboard Value** has nominated its chief executive and two others to take seats on the board of **Autodesk** and find ways to boost the software-design maker's share price.

Starboard said in a letter Wednesday that it nominated CEO Jeff Smith for election to the Autodesk board at the next annual shareholder meeting. It also has nominated Geoff Ribar, former chief financial officer of Cadence Design Systems, and Christie Simons, a senior partner at

Deloitte & Touche and board member of **Micron Technology**.

The investor said earlier this month that it has a stake of more than \$500 million in Autodesk and that the company has been underperforming financially. Autodesk shares have underperformed as well, Starboard said.

Autodesk said it has taken decisive actions to drive growth and that its shareholder returns have outperformed those of its peers.

In its latest letter, Starboard blamed the underperformance on a lack of account-

ability and criticized Autodesk for dismissing its concerns.

"There are myriad issues with the company's response, the most important of which is that it is simply not true," Starboard said. "Autodesk does not have a record of [total shareholder return] out-performance, and the company has not accomplished its Investor Day margin targets ahead of plan."

The Wall Street Journal reported in the summer that Starboard had taken a stake in Autodesk and would push for margin expansion and changes to the board.



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TECHNOLOGY & MEDIA

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Giants Duel Over 'Yellowstone' Spinoffs

Paramount's plan for new shows faces challenge from rights holder NBCUniversal

By JESSICA TOONKEL

Forget the Dutton Ranch. The real drama on "Yellowstone" is behind the scenes between Paramount Global, the entertainment company that makes the show, and rival NBCUniversal, which has the right to stream it.

Paramount is planning two spinoffs of the blockbuster Western that it aims to keep for its own networks and streaming service. The planned new series could further inflame a yearslong fight with NBCUniversal, which has the exclusive rights to stream "Yellowstone" on its Peacock service and wants to retain as much related content as possible, according to people familiar with the matter.

"Yellowstone," created by writer Taylor Sheridan, has grown into one of Hollywood's most successful television franchises by appealing to viewers across the U.S. For all of its popularity, however, it



'Yellowstone' co-stars Cole Hauser and Kelly Reilly are set to appear in a new show.

has never appeared in the U.S. on Paramount's own streaming service, Paramount+.

Under the terms of its licensing deal with NBCUniversal, episodes air first on Paramount Network and then stream exclusively on Peacock. That deal, which Paramount executives have long regretted, is set to end in 2029, five years after the

actual series finale, according to some of the people.

Comcast-owned NBCUniversal has told Paramount that it believes any spinoffs similar to the original—featuring the same actors and characters—should fall under that deal, some of the people said.

The original "Yellowstone" series tells the story of the

Dutton family of ranchers as they protect their Montana land. One of Paramount's planned new shows will feature actors Kelly Reilly and Cole Hauser, who played "Yellowstone" characters Beth Dutton and Rip Wheeler, in those same roles. Another spinoff set for Paramount's CBS network will feature actor Luke Grimes

as another main "Yellowstone" character, working as a member of the Montana U.S. Marshals Special Operations Group, according to people familiar with the matter.

Paramount executives say that the deal with Peacock only extends to "Yellowstone" and now that the main character, John Dutton, is dead, that story has ended, according to a person familiar with the situation.

NBCUniversal sent a letter to Paramount executives when reports of the first spinoff surfaced in May 2023, warning that any such show would be in violation of their agreement, said one of the people. Since then, NBCUniversal executives have discussed legal options over potential spinoffs with their lawyers, said some of the people close to the situation.

Paramount has launched related shows by Sheridan, such as "1923" and "1883," which also both focus on the Dutton family but in different eras, with different characters. Those shows stream on Paramount+.

In recent weeks, the studio has approached streamers including Netflix and Amazon about potentially licensing Sheridan's "Mayor of Kings-

town" and "1883" after they appear on Paramount+ as part of a library of movies and TV shows it is shopping. It hasn't approached NBCUniversal about that deal, some of the people familiar with the matter said. Paramount executives told NBCUniversal that they wanted a global deal, and Peacock is only in the U.S.

Paramount and NBCUniversal previously tussled over the fifth and final season of "Yellowstone." Paramount broke the season into two parts, releasing the second part in December 2024, a year after the first. Under Paramount's deal with NBCUniversal, "Yellowstone" can air on Peacock 90 days after a season ends.

Critics of the move at NBCUniversal said that by splitting the season into two parts, Paramount could delay its appearance on Peacock. People close to Paramount say the company was contending with scheduling and creative conflicts with star Kevin Costner.

Paramount has approached NBCUniversal several times since the initial deal was signed, trying to reclaim the streaming rights for "Yellowstone," but discussions never advanced, those people said.

Firm Seeks To Retain Customers

Continued from page B1

the perks planned for bank account holders include discounted helicopter rides and home deliveries of cash that are as easy as ordering a meal on DoorDash.

The world is "moving from people who grew up needing stockbrokers and visits to bank branches to the type of people...who are growing up with the tools to independently manage their finances

from home," Vlad Tenev, Robinhood's chief executive, told investors at an event late last year. "We're uniquely positioned at the epicenter of this massive cultural and financial shift."

Robinhood's engaging mobile app had helped draw in millions of users in the aftermath of the pandemic, when a market rally and zero-commission trades captivated a new generation of traders. The company has since experienced its fair share of growing pains: Its platform was at times strained under a rush of trading activity in 2021, and its own share price tumbled after its IPO that same year. The stock pared those losses in February.

The new services are the

clearest sign yet that the company is moving beyond the retail-investing renaissance of the early 2020s to set its sights on businesses dominated by a bevy of incumbent powerhouses, including Charles Schwab, Fidelity Investments and Bank of America's Merrill Lynch.

The digitization of finance, which powered Robinhood's success, also has pressured money-management firms of all stripes to slash the fees they charge customers. It has led the industry to turn toward more high-touch financial services, including wealth management, that remain more insulated from that pressure.

Some of Robinhood's new offerings are only available

through the company's Robinhood Gold membership. A Gold subscription costs \$5 a month, and also includes benefits like higher interest on uninvested brokerage cash and bigger matches on retirement account contributions.

For Gold members, Robinhood will charge 0.25% on managed individual and retirement accounts up to \$100,000, then won't charge management fees on balances greater than that amount—capping the maximum annual fee at \$250 a year for subscribers.

The company's new accounts aim to find the middle ground between robo advisers, where customers interact solely with a software algorithm, and the in-person visits that traditional wealth managers have long offered, said Steph Guild, Robinhood's senior director of investment strategy and president of its asset-management division.

The feature, called Robinhood Strategies, is available for Gold subscribers starting Wednesday, and will roll out to all customers next month.

Coming later this year is Robinhood Banking, with checking and saving accounts that executives said are designed to simulate the "lux-

ury" experience of private banking services, typically reserved for high-net-worth clients.

Users will be able to book a private jet or helicopter ride at a discount, and buy tickets to exclusive events like the Oscars or the Met Gala. That is in addition to more-traditional benefits like estate planning, tax advice and an in-app feature that tracks your net worth.

Robinhood also is launching a new artificial-intelligence investment tool later this year called Robinhood Cortex. The tool can offer explanations for a particular stock's rise or fall and suggest options trades based on a user's expectations for a stock price.

Tenev has long signaled his plans to offer a wider array of financial services at Robinhood, beginning in 2023 when the brokerage started providing retirement accounts.

Last year, the brokerage launched its first credit card, offering 3% cash back on all purchases. More than 100,000

customers have the card now, the company said, and nearly three million more are on a waiting list.

At the same time, Robinhood has waded into edgier parts of the trading world: Robinhood recently unveiled a new prediction markets hub that will allow users to trade event contracts on the Federal Reserve's coming interest rate move and the outcome of this month's college basketball tournaments.

Sports contracts in particular have attracted scrutiny from regulators and others in the industry, with critics arguing the product blurs the line between investing and

Robinhood is moving beyond the investing renaissance of the early 2020s.

gambling. Tenev also has emphasized that Robinhood is pursuing a multipronged growth strategy: to be both the top platform among active traders and the No. 1 financial-services provider for the next generations of investors.

The ultimate goal, the chief executive has said, is becoming the world's best financial ecosystem.

23andMe CEO Won't Walk Away

Continued from page B1 to stop marketing its health test after it said the company failed to provide data and get clearance for it.

Wojcicki, by now running the company solo, pressed on. Her friend and former FDA Commissioner David Kessler recalled in an interview telling her to take the agency's warning seriously, and she did, ultimately securing clearance for a consumer genetic test.

With FDA support and a \$99 price tag, the tests had mass-market appeal. As stories filtered out about people discovering lost siblings or parents, 23andMe went viral.

From the beginning, the company faced a challenge: People only need to take, and pay for, one DNA test. So Wojcicki looked for new ways to profit from 23andMe's repository of genetic data.

She raised more cash and plowed it into a new drug discovery business, aiming to use 23andMe's data to make new medicines. It can take years and hundreds of millions of dollars to get a new drug to market.

She walked the Met Gala red carpet with then-boyfriend and baseball star Alex Rodriguez, carrying a clutch decorated with DNA test chips, and regularly attended Vanity Fair's Oscars party with her sister. Wojcicki leased a new Sunnyvale office building with enough space to double staff.

The company went public in 2021 and was briefly valued



With a \$99 price tag, the tests had mass-market appeal.

just above \$6 billion. It had secured even more capital, but was still struggling to generate recurring revenue.

Wojcicki bought struggling telehealth company Lemonaid Health for \$400 million, hoping it could use genetic reports to provide better patient care. The plan didn't work, and Lemonaid's revenue halved.

In 2020 Wojcicki launched 23andMe+, joining the stampede of companies offering subscription content offerings. 23andMe had told investors millions of customers would sign up. Only a few hundred thousand did.

With cash dwindling, the company staged multiple rounds of layoffs in 2023. And by April 2024, its stock languished below a dollar, Wojcicki said she would take the company private. With 49% voting control, she said she would block any other bidder.

In August, 23andMe directors rejected her first bid for the company, writing her a letter saying they were "disappointed." At the time, Wojcicki was tending to her sister Susan, who was in the hospital with terminal cancer and who had lost her son—Wojcicki's nephew—six months earlier. Susan Wojcicki died a week later.

The board waited a month and then resigned as a group, saying they disagreed with Wojcicki over the company's strategic direction.

After the resignation of the first board, Wojcicki appointed a new one in October, paying three new directors \$800,000 upfront, two weeks before 23andMe laid off 40% of its staff.

Five months later they rejected her bid of 41 cents a share. Shares fell 60% to 73 cents on Monday, the day after the bankruptcy filing. The Sunnyvale office now sits mostly empty. Its lease is likely to be discharged in bankruptcy.

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BUSINESS & FINANCE

Gold Road CEO Says Price Stopped Deal

Gold Fields' rejected offer for Australian miner comes as the yellow metal surges

By RHIANNON HOYLE

The primary sticking point in talks about a potential acquisition of Australian miner Gold Road Resources by South Africa's Gold Fields was the price, according to Gold Road's chief executive.

Gold Road on Monday said it had rejected a roughly \$2.1 billion takeover proposal this month from Gold Fields, its joint-venture partner in the Gruyere gold mine in Western Australia's northeastern gold-fields region. It called the offer highly opportunistic.

In an interview Wednesday, Gold Road CEO Duncan Gibbs said the company remains open to further talks with Gold Fields but noted that based on conversations with investors, most of its shareholders don't support a takeover at the price its partner proposed.

Gold Fields offered to buy Gold Road for 3.05 Australian dollars a share, equivalent to \$1.92 each, representing a 21% premium to its average price over the previous month.

"All of the correspondence and communications has been around value," Gibbs said. "I think that really places it back to Gold Fields to consider the value that they put on the table."

Gibbs said Gold Road made a counterproposal to acquire Gold Fields' interest in the Gruyere joint venture, valuing it at 2.3 billion Australian dollars, equivalent to \$1.4 billion—in line with the valuation implied in its partner's offer.

Gold Fields rejected that proposal. "In fact, they've rejected any engagement in selling Gruyere at any price," he said.

The Australian miner made its counteroffer to highlight that Gold Fields' proposed price for Gold Road was too low, said Gibbs. If Gold Road



Gold Road this month rebuffed a \$2.1 billion offer from Gold Fields but remains open to talks. The two jointly own the Gruyere gold mine in Western Australia.

were to pursue the acquisition of Gold Fields' 50% stake in Gruyere, it would likely need a new partner, he said.

"We've had some inbound inquiries given the public situation here, and we will consider that as a strategy," Gibbs said. However, he noted that the company must weigh the potential benefits of such a move against the value shareholders could receive from a takeover.

Gold Fields' all-cash proposal comes against a backdrop of surging gold prices, which recently surpassed \$3,000 a troy ounce for the first time, as economic uncertainty fuels demand for the metal perceived as a safe haven.

When announcing its takeover bid, Gold Fields argued the Gruyere operation would

be better off under its sole ownership, eliminating inefficiencies associated with the current joint-ownership.

Mike Fraser, Gold Fields' CEO, said the miner was disappointed that Gold Road's directors had rejected its proposal and would continue to seek talks on a potential takeover.

He defended Gold Fields' offer, stating that it provided Gold Road shareholders with "an attractive and certain cash price for their investment."

A spokesman for Gold Fields declined to comment further on Wednesday.

According to Gibbs, the companies haven't spoken about the proposal since it was made public.

Gold Fields hadn't previously approached Gold Road

about its interest in acquiring the Gruyere mine before emailing the nonbinding indicative offer on March 7, Gibbs said. Gold Road rejected the proposal a week later.

Gibbs said the companies had extensive discussions about the proposal, including multiple phone calls and meetings in Perth, where Gold Road is based.

"The narrative that we haven't engaged is not true," he said.

While Gold Road raised several concerns regarding the risks and conditions of the proposal, the key issue was price, Gibbs said.

One reason Gold Road believes the bid undervalues its assets is continuing studies into a potential underground expansion of the Gruyere

mine, which could meaningfully extend the mine's lifespan, he said.

Gold Fields has to date put forward only one proposed price, said Gibbs.

"There's been no to and fro here in terms of a price discussion: It's take it or leave it," he said. "And then that's gone straight into a public arena and what investment bankers would generally call a bear-hug strategy."

A so-called bear hug is a deal-making tactic in which a company publicizes its offer in hopes that shareholders will pressure the target company to accept or negotiate.

Gibbs was in a routine investor meeting on Monday when Gold Fields unexpectedly published the details of its proposal. That same day, Gold Road's new head of in-

vestor relations, Brian Massey, started his role.

"The fact that they went from conversations that occurred in the previous week to that really aggressive approach effectively immediately ... I think it's probably fair to say we were not expecting that," he said.

Gold Road sold a 50% interest in Gruyere—then just a project—to Gold Fields in 2016.

Gold Fields, the mine's operator, proposed acquiring its partner through a scheme of arrangement, meaning it would require board approval, an assessment by an independent expert and a shareholder vote, said Gibbs.

"We don't believe they're there yet," he said. But "everybody's got everybody's contact details here."



One major catalyst has been the emergence of homegrown AI startup DeepSeek, which has impressed the tech industry.

Chinese Stocks Lure Investors

Continued from page B1

The prolonged property market slump and disappointment over policy response has long dampened investor confidence. However, recent data suggests some green shoots in the economy, prompting financial institutions such as HSBC and Morgan Stanley to upgrade their growth forecasts.

A perception of a more business-friendly Beijing is another positive factor.

The absence of major regulatory crackdowns—like those that rippled across the tech sector in 2021—and a recent meeting between President Xi met and top business leaders have been interpreted as signals of a more relaxed regulatory environment.

Strong corporate results

have further supported the cautiously brighter mood. Major companies, including Tencent, Xiaomi and Alibaba, have posted robust fourth-quarter earnings growth.

Morgan Stanley strategists have raised their targets for Chinese indexes, citing stronger earnings and other positive upsides. The brokerage increased its year-end target for the Hang Seng Index to 25800 and for the blue-chip CSI 300 Index to 4220, implying potential gains of 9% and 8%, respectively, from current levels.

Despite the optimism, concerns remain about the sustainability of this turnaround. Trade tensions with the Trump administration, fears of deflation in China as well as still-subdued domestic consumption could sour sentiment again.

Morgan Stanley strategists led by Laura Wang believe China's equity market will be less affected by the reciprocal tariffs than the broader economy, which is better positioned to weather the impact. However, they cautioned that unexpected escalations in U.S.-

China tensions—particularly related to investment restrictions—could trigger a significant market setback.

Citing earnings indicators, Goldman Sachs strategists say most investors seem to share their view that the recovery is likely to have more staying

power than previous rebounds.

That said, they expect "the bull market to slow and profit-taking pressures to build as the U.S.-China policy and geopolitical calendar turns active once again in the coming weeks."

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Rex Geveden, BWXT
Matt Brown, CAIS
Charles Emond, Caisse de dépôt et placement du Québec
Michael Weening, Calix
Andrew Novotny, Calpine Corporation
David Druley, Cambridge Associates
Victor Dodig, Canadian Imperial Bank of Commerce
Aiman Ezzat, Capgemini
Colin Browne, Cascale
Jesse Gary, Century Aluminum
Kurt Miscinski, Cerity Partners
Shane Caiazzo, CFGI
Jonathan Levin, Chainalysis Inc.
Christ Celtruda, Chromalloy
William C. Carstansen, Churchill Downs Incorporated
Scott Leary, CLA
Scott Wells, Clear Channel Outdoor
Dan Gardner, Code and Theory
Xavier Durand, Coface
Sudhir Singh, CoForge
Robert Willett, Cognex Corporation
Frank Adell, Cognos Therapeutics Inc
Curt Farmer, Comerica Bank
Dirk Hoerig, commercetools
Damon T. Hinger, CoreCivic
Patrick Dodd, CoreLogic
Louis Tétu, Coveo
Faiza J. Saeed, Cravath, Swaine & Moore LLP
Joe Hinrichs, CSX
Robert Blum, Cytokinetics, Inc.
Ken Keller, Daiichi Sankyo, Inc.
Dennis Rodenbaugh, Dairy Farmers of America
Rick Cardenas, Darden Restaurants
Jill Popelka, Darktrace
Chet Kapoor, DataStax
Hal Yoh, Day & Zimmermann
Joe Ueuzoglu, Deloitte
Jason Girzadas, Deloitte US
Barry McCarthy, Deluxe
Maruf Ahmed, Dexian LLC
Brian Stafford, Diligent
Bill Morrow, DIRECTV
Jerry Inzerillo, Diriyah Company

Frank Ryan, DLA Piper
Jussi Tolvanen, DNA Plc
Allan Thygesen, DocuSign
Scott Park, Doosan Bobcat
Jim Fitterling, Dow
Almar Latour, Dow Jones: The Wall Street Journal
Alan Murray, Dow Jones: WSJ Leadership Institute
Robert Lee, Dragos, Inc
Tarang Amin, e.l.f. Beauty
Jim Continenza, Eastman Kodak Company
Richard Edelman, Edelman
Michael Ensser, Egon Zehnder
Edmund F. Murphy III, Empower
Ashish Masih, Encore Capital Group
Börje Ekholm, Ericsson
Shyam Kambeyanda, ESAB Corporation
Vinod Kumar, EverYondr
Rohit Kapoor, EXL
Janet Truncale, EY
François Locoh-Donou, F5
Philip Snow, FactSet Research Systems, Inc.
Daniel L. Florness, Fastenal
Winnie Lerner, FGS Global
Ritesh Idnani, Firstsource Group USA
Damian Ormani, Fisher Investments
Revathi Advaiti, Flex
Oren Zaslansky, Flock Freight
Blythe Masters, FNZ
Nicholas Fink, Fortune Brands Innovations
Janet Dell, Freeman
Helen Giza, Fresenius Medical Care
Peng Xiaoy, G42
Tony Bates, Genesys
Tom J. McInerney, Genworth Financial, Inc.
Subhash Makhija, GEP
Jason Peterson, GoDigital Media Group
Gaurav Pandey, Godrej Properties Limited
Steven Tananbaum, GoldenTree Asset Management
Hayes Barnard, GoodLeap
Steven C. Preston, Goodwill Industries International Inc
Peter Mintzberg, Grayscale Investments
Mike Xu, GrubMarket Inc.
Dame Emma Walmsley, GSK
Pat Geraghty, GuideWell
Robert C. Garrett, Hackensack Meridian Health
Wendy Davidson, Hain Celestial Group
John Bianchini, Hatch
C. Vijayakumar, HCLTech
Darlene Nicosia, Heartside Foods
Tom Monahan, Heidrick & Struggles
Ramakarthikeyan Srikrishna, Hexaware Technologies

Laura Hines-Pierce, Hines
Jeff Hines, Hines
Cid Wilson, Hispanic Association on Corporate Responsibility (HACR)
Gajen Kandiah, Hitachi Digital Services
Sheila Rohra, Hitachi Vantara
Miguel Zaldivar, Hogan Lovells
Vimal Kapur, Honeywell
Seth Sternberg, Honor Technology
Gary D. St Hilaire, Horizon BCBSNJ
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Lawrence Calciano, iCapital
Elie Maalouf, IHG® Hotels & Resorts
Ricardo Amper, Incode Technologies
Chris Hyams, Indeed
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Amit Walia, Informatica
Salil Parekh, Infosys
Raj Sardana, Innova Solutions
Joyce Mullen, Insight Enterprises
Tim Adams, Institute of International Finance
Andrés Rubio, Intrum
Mohammed Alardhi, Investcorp
Rashmy Chatterjee, ISTAR
Paolo Gallo, Italgas
Maggie Fanari, J. Rothschild Capital Management Limited
Bob Willen, Kearney
Tom Nolan, Kendra Scott
Renae Lattey, King & Wood Mallesons
Jon Ballis, Kirkland & Ellis LLP
Karel Komárek, KKCG
John Ganem, Kloekner Metals Corporation
Ian Bailey, Kmart Group
Paul Knopp, KPMG LLP
Peter Orszag, Lazard
Bejul Somaia, Lightspeed Venture Partners
Sirisha Voruganti, Lloyds Technology Center
David Schwimmer, LSEG
Kate Johnson, Lumen Technologies
Ross Rosenberg, Magic Leap
Michael Mansfield, Mansfield Energy
Fred Thiel, MARA
Ikdeep Singh, Mars Pet Nutrition
John Q. Doyle, Marsh McLennan
Dr. Anne Klibanski, Mass General Brigham
Katherine Ryder, Maven Clinic
Dr. Gianrico Farrugia, Mayo Clinic
Michael McKelvy, McDermott International, Inc
Bob Sternfels, McKinsey & Company
Dr. David Callender, Memorial Hermann Health System
Satya Nadella, Microsoft Corporation
Andi Owen, MillerKnoll
Dan Cane, ModMed
George Strobel, Monarch Private Capital
Jami McKeon, Morgan Lewis
Jeffrey Rinker, Motiva
Sunil Mittal, Moveate
Nitin Rakesh, Mphasis Ltd.
Andrew Clyde, Murphy USA
Adena Friedman, Nasdaq
Dr. Angel B. Perez, National Association for College Admission Counseling
Adam Johnson, NetJets Inc.
Robert Thomson, News Corp
Rupert Murdoch, News Corp
Lachlan Murdoch, News Corp
John Ketchum, NextEra Energy
Michael J. Dowling, Northwell Health
Tim Gerend, Northwestern Mutual
Francesca Cornelli, Northwestern University, Kellogg School of Management
Dan Pathomvanich, NR Instant Produce Public Company Limited
William Huffman, Nuveen

Lynn Martin, NYSE
Chakri Gottemukkala, o9 Solutions
Mostafa Terrab, OCP Group
John Romeo, Oliver Wyman Forum
Sean Duffy, Omada Health
Mark Barrenechea, OpenText
Kevin Lynch, Optiv Security
Mark Bertolini, Oscar Health
Dr. Sándor Csányi, OTP Bank Plc
Tarek Rabah, Otsuka America Pharmaceuticals
Dr. Jeremy Levin, Ovid Therapeutics
Sam Gutmann, Own Company
Christian Norris, PA Consulting
Savneet Singh, PAR Technology
Andy Hendricks, Patterson-UTI
Bruce F. Lowthers, Paysafe
Alan Trefler, Pegasystems Inc.
James Schenck, PenFed Credit Union
Oleg Rogynskyy, People.ai
Dr. Albert Bourla, Pfizer
Jeffrey Boutelle, Pharmavite
Jacek Olezak, Philip Morris International (PMI)
Steve Ubl, PhRMA
Bill Ready, Pinterest
Chris Abbott, Pivot Bio
Razat Gaurav, Planview, Inc.
Anthony Pratt, Pratt Industries
Mostafa Kamal, Prime Therapeutics LLC
Jennifer A. Prosek, Prosek Partners
Massimo Battaini, Prysmian
Nigel Vaz, Publicis Sapient
Shaista Asif, PureHealth
Paul Griggs, PwC US
Joel Quadracci, Quad
Brad Jacobs, QXO, Inc
Michael Martin, RapidSOS
Dennis E. Abboud, Readerlink, LLC
Kris Licht, Reckitt Plc
Jay L. Geldmacher, Resideo Technologies, Inc.
David Waterfield, Reynolds American
Chris Peel, Rheem Manufacturing Company
Steve Rigby, Rigby Group
Manoj Menda, RMZ Corp
Richard Davis, Rochester Regional Health
Gregory J. Fleming, Rockefeller Capital Management
Daniel J. Moore, Rockefeller Group
Brian Becker, RSM US LLP
Bipul Sinha, Rubrik
Dr. Kathy Bloomgarden, Ruder Finn
Zach Buchwald, Russell Investments
Constantine Alexandrakis, Russell Reynolds Associates
Andrew Wilkerson, RXO
Frederick Holzgrefe, Saia
Marc Benioff, Salesforce
Caroline Winn, San Diego Gas & Electric
Mitchell Rudin, Savills
Ron Dunford, Schreiber Foods, Inc.
Jim Hagedorn, Scott's Miracle-Gro
Michael Arbour, Sedgwick
Bill McDermott, ServiceNow
Luca Salvi, Sheppard, Mullin, Richter & Hampton, LLP
Tony Lefebvre, Signature Aviation
Stuart A. Haire, Skipton Group
Mark Mader, Smartsheet
Dr. Deepak Nath, Smith+Nephew
Sridhar Ramaswamy, Snowflake Computing
Anthony Hucker, Southeastern Grocers
Dr. James Downing, St. Jude Children's Research Hospital
Dr. Udo Lange, Stolt-Nielsen M.S.Ltd
Maria Pacheco, Storyful
Claude Letourneau, Svante
Brian Doubles, Synchrony
Jeff Rowe, Syngenta
Andrew Davies, Syniverse
Kevin P. Hourican, Sysco

Tiago Paiva, Talkdesk
Amit Bajaj, Tata Consultancy Services
Jeffrey M. Solomon, TD Cowen
Mohit Joshi, Tech Mahindra
Paul Keary, Teneo
Rob Holmes, Texas Capital Bank
Mark T. Smucker, The J.M. Smucker Company
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Jane Sun, Trip.com
Angela F. Williams, United Way Worldwide
Anand Eswaran, Veeam
Kaan Terzioglu, VEON Group
Hans Vestberg, Verizon
Somnayanarayan Sampath, Verizon Consumer Group
Dylan Taylor, Voyager Space
Robert J. Pagano, Jr., Watts Water Technologies, Inc.
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Jim O'Leary, Weber Shandwick
Charles Scharf, Wells Fargo
Oscar Brown, Western Midstream Partners, LP
Melissa Smith, WEX Inc.
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MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

42454.79 ▼132.71, or 0.31%
 High, low, open and close for each trading day of the past three months.

Last Year ago
 Trailing P/E ratio 25.46 27.67
 P/E estimate * 19.25 19.16
 Dividend yield 1.92 1.81
 All-time high 45014.04, 12/04/24



S&P 500 Index

5712.20 ▼64.45, or 1.12%
 High, low, open and close for each trading day of the past three months.

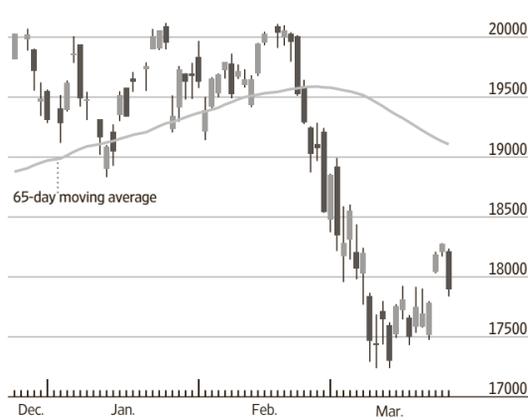
Last Year ago
 Trailing P/E ratio * 22.98 23.83
 P/E estimate * 20.95 21.58
 Dividend yield * 1.37 1.44
 All-time high 6144.15, 02/19/25



Nasdaq Composite Index

17899.01 ▼372.84, or 2.04%
 High, low, open and close for each trading day of the past three months.

Last Year ago
 Trailing P/E ratio ** 29.11 31.15
 P/E estimate ** 1.25 0.85
 Dividend yield ** 0.80 0.81
 All-time high: 20173.89, 12/16/24



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	Low	% chg	YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	42821.83	42326.67	42454.79	-132.71	-0.31	45014.04	37735.11	6.8	-0.2	6.8
Transportation Avg	14909.14	14806.12	14891.98	85.35	0.58	17754.38	14397.68	-7.1	-6.3	-3.1
Utility Average	1002.00	992.16	999.60	6.74	0.68	1079.88	835.53	14.3	1.7	-0.6
Total Stock Market	57226.89	56316.39	56493.54	-655.62	-1.15	61024.05	49376.46	8.0	-3.3	7.1
Barron's 400	1232.36	1214.22	1217.48	-10.74	-0.87	1356.99	1092.05	4.9	-2.7	5.5
Nasdaq Stock Market										
Nasdaq Composite	18236.55	17837.26	17899.01	-372.84	-2.04	20173.89	15282.01	9.1	-7.3	8.1
Nasdaq-100	20270.19	19848.49	19916.99	-370.84	-1.83	22175.60	17037.65	9.0	-5.2	10.5
S&P										
500 Index	5783.62	5694.41	5712.20	-64.45	-1.12	6144.15	4967.23	8.8	-2.9	7.9
MidCap 400	3026.72	2983.50	2991.10	-18.48	-0.61	3390.26	2825.94	-1.4	-4.2	3.3
SmallCap 600	1320.35	1299.42	1305.26	-6.96	-0.53	1544.66	1241.62	-2.4	-7.3	-0.6
Other Indexes										
Russell 2000	2103.71	2066.30	2073.83	-21.55	-1.03	2442.03	1942.96	-1.9	-7.0	-0.1
NYSE Composite	19741.66	19529.37	19585.83	-92.61	-0.47	20272.04	17388.09	7.3	2.6	5.3
Value Line	588.37	580.91	582.74	-3.48	-0.59	656.04	560.48	-4.9	-4.6	-3.0
NYSE Arca Biotech	5832.96	5741.92	5756.73	-74.71	-1.28	6318.63	4861.76	8.3	0.2	4.6
NYSE Arca Pharma	984.48	972.18	973.48	-11.00	-1.12	1140.17	912.71	-5.0	4.2	5.3
KBW Bank	128.38	125.36	125.80	-1.04	-0.82	140.59	96.78	21.0	-1.3	-1.4
PHLX ^S Gold/Silver	178.05	174.77	175.24	-1.87	-1.06	177.11	123.73	41.6	27.7	2.9
PHLX ^S Oil Service	69.57	68.17	68.35	0.17	0.25	95.25	62.70	-24.7	-5.9	-6.1
PHLX ^S Semiconductor	4649.54	4467.71	4508.74	-152.60	-3.27	5904.54	4306.87	-8.0	-9.5	8.5
Cboe Volatility	19.07	16.97	18.33	1.18	6.88	38.57	11.86	43.4	5.6	-4.1

^SNasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Lucid Group	LCID	16,260.3	2.36	0.005	0.20	2.37	2.35
Cisco Systems	CSCO	8,540.7	61.71	-0.09	-0.15	61.80	61.71
NVIDIA	NVDA	7,391.1	113.39	-0.37	-0.33	120.38	106.34
Tesla	TSLA	6,622.3	271.98	-0.08	-0.03	283.36	255.04
SPDR S&P 500 ETF Trust	SPY	6,388.4	567.93	-0.66	-0.12	604.53	531.31
Comcast Cl A	CMCSA	5,903.0	37.32	-0.05	-0.13	37.74	37.30
Direxion TSLA Bull 2X	TSLX	5,456.7	10.53	-0.02	-0.19	10.65	10.19
SPDR Portfolio HY Bd	SPHY	5,223.4	23.48	-0.01	-0.04	23.59	23.48

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Impact BioMedical	IBO	244.3	2.43	0.23	10.45	3.20	2.20
Concentrix	CNXC	62.4	50.30	4.62	10.11	51.37	45.17
Petco Health & Wellness	WOOF	2,124.5	2.68	0.24	9.84	3.00	2.44
Steelcase	SCS	103.3	11.59	0.99	9.34	12.00	10.60
Immunovant	IMVT	137.4	18.85	0.96	5.37	18.85	17.61

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Verint Systems	VRNT	210.0	19.36	-2.26	-10.45	21.98	19.00
GameStop Cl A	GME	3,891.6	26.49	-1.87	-6.59	28.54	25.20
3D Systems	DDD	119.0	2.57	-0.15	-5.51	2.75	2.50
General Motors	GM	3,371.3	48.45	-2.50	-4.91	51.20	48.25
Jefferies Financial Group	JEF	98.5	57.69	-2.60	-4.31	60.98	56.10

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	969,664,792	12,159,350
Adv. volume*	400,567,702	2,957,020
Decl. volume*	569,097,090	9,178,706
Issues traded	2,831	293
Advances	988	88
Declines	1,774	194
Unchanged	69	11
New highs	47	2
New lows	68	1
Closing Arms ¹	0.92	1.78
Block trades ¹	4,750	156
	Nasdaq	NYSE Arca
Total volume*	9,091,513,636	253,519,039
Adv. volume*	4,958,900,125	66,978,941
Decl. volume*	4,022,946,294	186,540,098
Issues traded	4,522	2,141
Advances	1,384	392
Declines	2,984	1,728
Unchanged	154	21
New highs	55	10
New lows	221	37
Closing Arms ¹	0.38	0.53
Block trades ¹	94,354	1,295

*Primary market NYSE American NYSE Arca only.
¹(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	845.96	-7.53	-0.88	0.6
	MSCI ACWI ex-USA	350.79	-1.16	-0.33	7.6
	MSCI World	3709.19	-37.68	-1.01	0.04
	MSCI Emerging Markets	1131.54	2.13	0.19	5.2
Americas	MSCI AC Americas	2153.95	-25.10	-1.15	-2.6
Canada	S&P/TSX Comp	25161.06	-178.45	-0.70	1.8
Latin Amer.	MSCI EM Latin America	2108.71	-22.71	-1.07	13.8
Brazil	Bovespa	132519.63	451.94	0.34	10.2
Chile	S&P IPSA	4034.52	-7.08	-0.18	11.6
Mexico	S&P/BMV IPC	52806.89	-396.37	-0.75	6.7
EMEA	STOXX Europe 600	548.73	-3.86	-0.70	8.1
Eurozone	Euro STOXX	559.21	-5.40	-0.96	10.7
Belgium	Bel-20	4434.15	-48.05	-1.07	4.0
Denmark	OMX Copenhagen 20	1850.31	-28.38	-1.51	-12.0
France	CAC 40	8030.68	-77.91	-0.96	8.8
Germany	DAX	22839.03	-270.76	-1.17	14.7
Israel	Tel Aviv	2439.62	-30.46	-1.23	1.9
Italy	FTSE MIB	39058.10	-326.85	-0.83	14.3
Netherlands	AEX	917.09	-3.91	-0.42	4.4
Norway	Oslo Bors All-Share	1776.32	13.67	0.78	8.0
South Africa	FTSE/JSE All-Share	89926.53	213.49	0.24	6.9
Spain	IBEX 35	13432.20	-52.10	-0.39	15.8
Sweden	OMX Stockholm	981.48	-14.67	-1.47	2.8
Switzerland	Swiss Market	12953.80	-59.35	-0.46	11.7
Turkey	BIST 100	9649.53	-66.05	-0.68	-1.8
U.K.	FTSE 100	8689.59	25.79	0.30	6.3
U.K.	FTSE 250	20039.20	57.99	0.29	-2.8
Asia-Pacific	MSCI AC Asia Pacific	188.75	0.39	0.21	3.9
Australia	S&P/ASX 200	7999.00	56.54	0.71	-2.0
China	Shanghai Composite	3368.70	-1.28	-0.04	0.5
Hong Kong	Hang Seng	23483.32	139.07	0.60	17.1
India	BSE Sensex	77288.50	-728.68	-0.93	-1.1
Japan	NIKKEI 225	38027.29	246.75	0.65	-4.7
Singapore	Straits Times	3963.71	9.18	0.23	4.6
South Korea	KOSPI	2643.94	28.13	1.08	10.2
Taiwan	TAIEX	22260.29	-12.90	-0.06	-3.4
Thailand	SET	1190.36	5.43	0.46	-15.0

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	Latest Session % chg	52-Week High	52-Week Low	% chg
VivoPower International	VVPR	4.18	1.92	84.96	9.90	0.62	194.4	
Lixiang Education ADR	LXEH	18.21	7.81	75.10	21.99	1.95	310.1	
Edible Garden	EDBL	3.84	0.95	32.70	311.75	1.81	-97.6	
LZ Technology Holdings	LZMH	9.99	2.33	30.42	17.73	4.40	...	
Urgently	ULY	4.84	0.93	23.79	32.04	2.99	-79.0	
Worthington Enterprises	WOR	51.52	9.89	23.76	62.86	37.88	-16.8	
Alumis	ALMS	4.92	0.92	23.00	13.53	3.18	...	
Lichen International	LICN	4.60	0.80	21.05	488.00	3.70	-98.0	
Epsilon Enterprise	EPSM	4.82	0.82	20.50	5.38	4.00	...	
Playtika Holding	PLTK	5.30	0.90	20.45	9.16	3.97	-24.2	
BranchOut Food	BOF	2						

COMMODITIES

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Futures Contracts

Metal & Petroleum Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Copper-High (CMX), Gold (CMX), Palladium (NYM), Platinum (NYM), Silver (COMX), Crude Oil, Light Sweet (NYM), NY Harbor ULSD (NYM), Gasoline-NY RB0B (NYM), Natural Gas (NYM), Corn (CBT), Oats (CBT), Soybeans (CBT), Soybean Meal (CBT), Soybean Oil (CBT), Rough Rice (CBT), Wheat (CBT), Wheat (KC), Cattle-Feeder (CME), Cattle-Live (CME), Hogs-Lean (CME), Lumber (CME), Milk (CME), Cocoa (ICE-US).

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Coffee (ICE-US), Sugar-World (ICE-US), Sugar-Domestic (ICE-US), Cotton (ICE-US), Orange Juice (ICE-US).

Interest Rate Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Ultra Treasury Bonds (CBT), Treasury Bonds (CBT), Treasury Notes (CBT), 5 Yr. Treasury Notes (CBT), 2 Yr. Treasury Notes (CBT), 30 Day Federal Funds (CBT), Three-Month SOFR (CME).

Currency Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Japanese Yen (CME), Canadian Dollar (CME), British Pound (CME), Swiss Franc (CME), Australian Dollar (CME), Mexican Peso (CME), Euro (CME).

Index Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Mini DJ Industrial Average (CBT), Mini S&P 500 (CME), Mini S&P Midcap 400 (CME), Mini Nasdaq 100 (CME), Mini Russell 2000 (CME), Mini Russell 1000 (CME), U.S. Dollar Index (ICE-US).

Cash Prices

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.

Table with columns: Wednesday, Wednesday, Wednesday. Rows include Energy (Copper, Iron Ore, Steel), Battery/EV metals (BMI Lithium Carbonate, BMI Lithium Hydroxide), Metals (Gold, per troy oz; Engelhart industrial), Fibers and Textiles (Burlap, Cotton), Grains and Feeds (Bran, wheat middlings), Silver, tray oz; (Engelhart industrial), Other metals (LBMA Platinum Price PM).

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=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Gotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 3/25

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Table with columns: Total return close, YTD total return (%), Index, Yield (%), Latest, High. Rows include Broad Market Bloomberg Fixed Income Indices, Mortgage-Backed Bloomberg Fixed Income Indices, U.S. Corporate Indexes Bloomberg Fixed Income Indices, High Yield Bonds ICE BofA, U.S. Agency Bloomberg Fixed Income Indices.

Macro & Market Economics

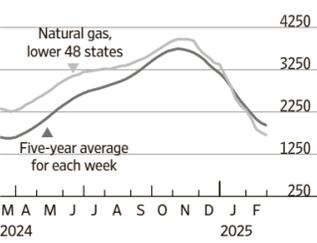
Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended March 21. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

Table with columns: Current, Expected change, Previous week, Year ago, 4-week avg, 5-year avg. Rows include Inventories, 000s barrels; Imports, 000s barrels per day; Weekly Demand, 000s barrels per day.

Natural gas storage

Billions of cubic feet; weekly totals



Exchange-Traded Portfolios | wsj.com/market-data/mutualfunds-etfs

Table with columns: Symbol, Closing Price, Chg, YTD (%). Rows include Largest 100 exchange-traded funds, Wednesday, March 26, 2025, ETF, Symbol, Closing Price, Chg, YTD (%).

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, in basis points. Rows include UnitedHealth, American Honda Finance, ING Groep, WPP Finance 2010, CNO Global Funding*, Walt Disney, Sumitomo Mitsui Financial, Toronto-Dominion Bank*.

...And spreads that widened the most

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, in basis points. Rows include State Street Bank and Trust, Verizon Communications, Credit Agricole, Mercedes-Benz Finance North America, Travelers, Wells Fargo, American National Global Funding, Southern California Edison.

High-yield issues with the biggest price increases...

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value. Rows include Verde Purchaser, Embarq, Hughes Satellite Systems, Nissan Motor Acceptance, Navient, Rakuten, ZF North America Capital.

...And with the biggest price decreases

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value. Rows include Xerox, Hughes Satellite Systems, Bausch Health, Navient, ADT Security, Advance Auto Parts, Prime Security Services Borrower.

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-nut Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

MARKETS

Nvidia, Tesla Drop More Than 5%, As Nasdaq, S&P, Dow All Decline

The tech selloff returned as tariff talk drove investors to duck and cover.

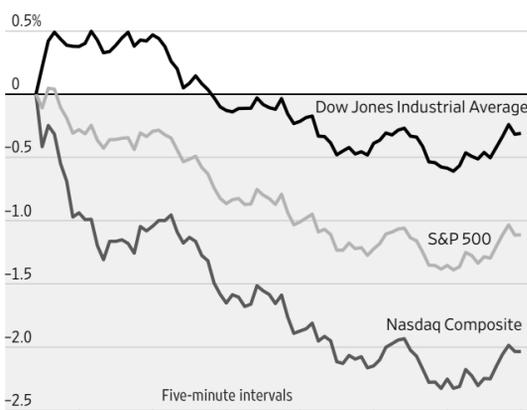
Concerns about potential levies on everything from cars to microchips weighed down bellwether stocks like **Nvidia**, **Tesla** and **Broadcom** at the open. The expected announcement of new automotive-industry tariffs fueled further selling, and the Nasdaq Composite closed down 2%. The S&P 500 gave up 1% and the Dow Jones Industrial Average fell 0.3%, or 132.71 points, to 42454.79.

Technology shares had bounced back recently, with the Magnificent Seven rising 6.2% in the previous three sessions, their strongest performance since November, according to Deutsche Bank. But an exchange-traded fund tracking the Mag 7 pulled back about 3% Wednesday. Tesla and Nvidia both lost over 5%.

"Last Friday [President Trump] said tariffs might not be as broad and then he says he might add copper and autos," said Sam Stovall, chief investment officer at CFRA Research. "Now we're right back into defensive mode."

General Motors fell about 3%, and Ford finished almost unchanged. Signs that the Trump administration had been narrowing its plans for tariffs had boosted markets.

Index performance on Wednesday



Source: FactSet

However, investors remain on edge ahead of April 2, when the White House is expected to announce new levies. Investors and consumers continue to be whiplashed by the near daily twists in trade policy.

Consumer and business sentiment has also been dented by the White House's rapidly evolving tariff threats, survey data show, though other indicators suggest the U.S. economy remains on strong footing. Durable-goods orders rose 0.9% in February, new data showed Wednesday, blowing past expectations for a 1% decline.

Nevertheless, stock investors dumped growth stocks

and sought shelter in industries that perform better during recessions like consumer staples and utilities. **Hormel Foods** and **Tyson Foods** gained nearly 3%.

GameStop jumped 12% after the videogame retailer and onetime meme stock reported results and said it would start investing in bitcoin. **Dollar Tree** gained 3.1% after it struck a \$1 billion deal to sell its Family Dollar business.

The yield on the benchmark 10-year Treasury note closed at 4.34%, up from 4.307% Tuesday.

New York-traded copper futures hit a record \$5.216 a pound, a 0.6% rise on the day

and a 3% gain over the last two sessions. The White House has threatened tariffs on copper imports.

Amazon.com, **Alphabet** and **Meta Platforms** all slipped more than 2%. Server manufacturer **Super Micro Computer** fell 8.9%.

Overseas, stocks were mixed. Indexes fell across Europe, while a rally in **Nintendo** shares helped drive the Nikkei 225 higher in Tokyo.

—Matt Wirz and Chelsey Dulaney

AUCTION RESULTS

Here are the results of Wednesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

17-WEEK BILLS	
Applications	\$166,769,925,200
Accepted bids	\$60,205,145,200
* noncompetitively	\$541,714,100
* foreign noncompetitively	\$0
Auction price (rate)	98.611667 (4.200%)
Coupon equivalent	4.318%
Bids at clearing yield accepted	24.94%
Cusip number	9127979Q4
The bills, dated April 1, 2025, mature on July 29, 2025.	

FIVE-YEAR NOTES	
Applications	\$164,843,294,400
Accepted bids	\$72,067,530,900
* noncompetitively	\$134,936,500
* foreign noncompetitively	\$100,000,000
Auction price (rate)	99.552043 (4.100%)
Interest rate	4.000%
Bids at clearing yield accepted	62.95%
Cusip number	91282CMU2
The notes, dated March 31, 2025, mature on March 31, 2030.	

ONE-YEAR, 10-MONTH FRNS	
Applications	\$80,246,036,300
Accepted bids	\$26,000,006,300
* noncompetitively	\$14,886,300
Spread	0.098%
Bids at clearing yield accepted	36.33%
Cusip number	91282CMJ7
The floating-rate notes, dated March 28, 2025, mature on Jan. 31, 2027.	

STOCK SPOTLIGHT

Dollar Tree
The discount chain reported results and said it will sell its Family Dollar business to a private-equity consortium for roughly \$1 billion. Shares gained 3.1%.

GameStop
The videogame retailer said it plans to start investing in bitcoin, and reported a rise in profit for the latest quarter. Shares rallied 12%.

Super Micro Computer
The server maker's stock dropped 8.9% after Goldman Sachs changed its recommendation on the shares to sell, citing increased competition in the artificial-intelligence-server industry.

Tesla
Shares of the electric-vehicle manufacturer declined 5.6%, extending a recent volatile streak. On Tuesday, data showed the company's sales in the European Union plunged for the second consecutive month in February.

Phillips 66
The oil refiner is nominating two new directors to its board amid an intensifying proxy fight with activist Elliott Investment Management. The company's shares increased 0.9%.

Pfizer
The stock dropped 1.3% after The Wall Street Journal reported on an inquiry looking into the suggestion that the pharmaceutical giant

delayed announcing a successful Covid-19 vaccine until after the 2020 election.

Nintendo
U.S.-listed shares rose 3% after media reports said the Japanese company will soon release a new version of its popular Switch console.

Chewy
Shares traded 1.1% lower, despite the online pet store reporting quarterly sales and adjusted earnings per share that topped consensus estimates.

Imperial Brands
The tobacco manufacturer's new five-year strategy includes plans to grow profit over the next few years by investing in the U.S. and its other major tobacco markets, and to launch a share buyback every year. The company's U.S.-listed shares declined 0.2%.

Cintas
Shares gained 5.8% after the supplier of uniforms, mops, restroom supplies and safety products raised its earnings guidance for the fiscal year.

THURSDAY'S EVENTS:
◆ Revised fourth-quarter gross-domestic product data are expected, as are weekly jobless claims.

EARNINGS EXPECTED:
Lululemon Athletica
TD Synnex

Bond Yields in Japan Hit Highest Since 2008

Japan's 10-year government bond yield



Source: Tullett Prebon

Benchmark borrowing costs in Japan notched a multiyear high Wednesday, after the head of the country's central bank bolstered expectations for further monetary policy tightening. The 10-year yield settled at 1.587%, the highest since October 2008, according to Dow Jones Market Data.

Meat Company JBS Nears A 2025 U.S. Share Listing

By Patrick Thomas

The world's largest meat company is getting closer to listing its shares in the U.S.

Brazil-based **JBS** is planning to complete a New York listing by the end of this year, Chief Financial Officer Guilherme Cavalcanti said.

The company said in the summer of 2023 that it planned to go public on the New York Stock Exchange.

A listing would come as the U.S. cattle supply remains tight, driving up how much meatpackers like JBS—the larg-

est processor of U.S. beef by sales—pay to secure livestock for their slaughter plants.

Pork giant **Smithfield Foods**, backed by Hong Kong-based **WH Group**, returned to U.S. markets earlier this year.

JBS's beef-processing operations in Brazil and Australia, and ownership of chicken supplier Pilgrim's Pride, have helped offset a tough market for American slaughterhouses. Those operations also mitigate potential tariff risks against countries such as Mexico and Canada, company executives told analysts on Wednesday.

Olympus Partners Raises \$3.5 Billion For Fund After Record Distributions

By Luis Garcia

Olympus Partners raised \$3.5 billion for its latest private-equity fund after returning nearly the same amount to its investors last year, as overall distributions by buyout firms plunged to record lows.

The Stamford, Conn.-based firm has wrapped up Olympus Growth Fund VIII with 15% more capital than the \$3.04 billion it raised for a predecessor vehicle that closed in late 2017, making the new fund the firm's largest to date.

More than 50 investors backed the fund, most of which also invested in Olympus's previous funds, said Chief Executive Rob Morris, who also serves as the firm's chairman.

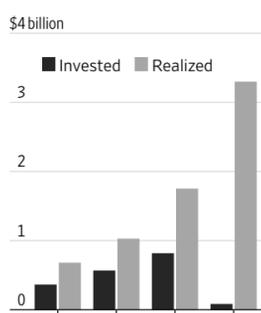
Including the new fund, Olympus has raised a total of more than \$12 billion since it was founded in 1988.

The firm, which makes both buyout and growth investments, has backed two businesses through the new fund so far.

In January, it acquired Miami-based Acceleration, a provider of design and installation services for data-center operators, marking Olympus's first foray in the fast-expanding data-center sector. In February, Olympus bought PAI Pharma in Parsippany, N.J. The pharmaceutical company specializes in the development of generic oral liquid medicines.

Buying two companies in quick succession contrasts with some prior periods in the firm's history in which it re-

Olympus Partners fund investments and distributions



Source: Olympus Partners

frained from backing new businesses because markets were too frothy, Morris said. During those periods, Olympus concentrated on selling portfolio companies to take advantage of high asset prices, he said.

Olympus invested only \$83.9 million last year, but returned \$3.3 billion to its fund investors through exits and dividend payments, an annual record for the firm. The firm's \$2.53 billion sale of Soliant Health in 2024 generated more than seven times its investment in the staffing company.

Overall, Olympus has distributed \$6.76 billion in fund proceeds from more than 10 portfolio companies since the start of 2021, Morris said.

Olympus has a history of doubling investors' money in its funds, said Robert Coke, head of buyout investments at Wellcome Trust. The roughly \$50 billion charity endowment



CEO Rob Morris said more than 50 investors backed the fund.

in the U.K. has been an investor in Olympus funds for decades. Only one of Olympus's previous six funds generated a return of less than 1.9 times after management fees, Morris said.

"They produce lots of two-times-your-money funds and that's really what we're looking for," Coke said of Olympus.

Olympus's record distributions come as many other private-equity firms struggle to return money to investors after a sharp increase in interest rates about three years ago interrupted a booming period of both dealmaking and fundraising.

Buyout-fund distributions worldwide as a proportion of net asset value dropped to 11% last year, their lowest level in at least 11 years, according to consulting firm Bain & Co.

Morris said well-performing businesses can attract buyers regardless of market conditions.

"If you've demonstrated you've grown revenue, you've grown margins, you've grown earnings and you've made the management team broader and better, there is going to be an audience to buy those companies at a decent price in almost any market," Morris said.

He added that uncertainty about factors such as interest rates and economic growth—as well as, more recently, tariffs and inflation—could usher in a new period of high investment activity, and fewer exits, for the firm.

"If you can buy companies when markets are somewhat troubled, you are usually able to buy at lower prices and off lower earnings, which gives you the upside on two things," he said.

"Earnings will rise if you do good things to the companies and as the world gets better, [price] multiples could also rise," he added.

Mutual Funds

Data provided by LSEG

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.		Wednesday, March 26, 2025		Wednesday, March 26, 2025		Wednesday, March 26, 2025		Wednesday, March 26, 2025		Wednesday, March 26, 2025		Wednesday, March 26, 2025		Wednesday, March 26, 2025		Wednesday, March 26, 2025		Wednesday, March 26, 2025		Wednesday, March 26, 2025																											
Fund	NAV	YTD Chg %	Ret	Fund	NAV	YTD Chg %	Ret	Fund	NAV	YTD Chg %	Ret	Fund	NAV	YTD Chg %	Ret	Fund	NAV	YTD Chg %	Ret	Fund	NAV	YTD Chg %	Ret	Fund	NAV	YTD Chg %	Ret	Fund	NAV	YTD Chg %	Ret																
FIDZRoLgCap	20.35	-0.24	-2.7	S&P500	37.98	-0.43	-2.6	CorePlusBd	7.22	-0.02	2.2	PutLargCap	35.43	-0.07	3.1	MuHyAdml	10.50	-0.06	-0.6	TgtRe2060	51.76	-0.51	1.0	PutLargCap	35.43	-0.07	3.1	MuHyAdml	10.50	-0.06	-0.6	TgtRe2060	51.76	-0.51	1.0												
GrowthCompX6	27.71	-0.75	-8.9	S&P500	37.98	-0.43	-2.6	LordAbbett I	19.44	-0.15	6.1	1000 Inv r	122.45	-1.42	-2.7	MuLAdml	13.44	-0.07	-0.2	TgtRe2055	56.16	-0.55	1.0	1000 Inv r	122.45	-1.42	-2.7	MuLAdml	13.44	-0.07	-0.2	TgtRe2055	56.16	-0.55	1.0												
IntllDxInstPrm	52.18	-0.60	-9.8	S&P500	37.98	-0.43	-2.6	S&P Sel	87.94	-1.00	-2.6	Metropoltn West	10.85	-0.01	0.8	MuStAdml	10.85	-0.01	0.8	Welltn	42.22	-0.35	-0.9	S&P Sel	87.94	-1.00	-2.6	Metropoltn West	10.85	-0.01	0.8	MuStAdml	10.85	-0.01	0.8	Welltn	42.22	-0.35	-0.9								
LgCapWld InstPr	36.38	-0.79	-7.2	S&P500	37.98	-0.43	-2.6	TotRetBd	18.15	-0.28	4.1	TSM Sel r	96.15	-1.12	-3.0	MuStAdml	15.78	-0.01	0.9	Wndsrll	44.68	-0.24	0.9	TSM Sel r	96.15	-1.12	-3.0	MuStAdml	15.78	-0.01	0.9	Wndsrll	44.68	-0.24	0.9												
LgCapWldInstPrm	18.65	...	2.8	S&P500	37.98	-0.43	-2.6	MFS Funds	...	...	...	Strategic Adviser	...	...	...	PmcpAdml r	168.12	-2.12	1.1	VANGUARD INDEX FDS	...	...	...	Strategic Adviser	...	...	...	PmcpAdml r	168.12	-2.12	1.1	VANGUARD INDEX FDS	...	...	...									
MidCapVlndInstPr	33.24	-0.20	-1.6	S&P500	37.98	-0.43	-2.6	MFS Funds Class I	36.67	-0.35	8.4	RealEstatAdml	127.73	+0.60	2.2	ExtndstPI	334.44	-4.63	-5.6	VANGUARD INSTL FDS	...	...	...	RealEstatAdml	127.73	+0.60	2.2	ExtndstPI	334.44	-4.63	-5.6	VANGUARD INSTL FDS	...	...	...									
SeriesOvrses	14.60	-0.19	8.6	S&P500	37.98	-0.43	-2.6	MFS Funds Class I	36.67	-0.35	8.4	StratAdCorinFnd	9.10	-0.02	2.1	SmCapAdml	109.43	-0.87	-5.0	IdxlntI	20.25	-0.19	7.2	SeriesOvrses	14.60	-0.19	8.6	S&P500	37.98	-0.43	-2.6	MFS Funds Class I	36.67	-0.35	8.4	StratAdCorinFnd	9.10	-0.02	2.1	SmCapAdml	109.43	-0.87	-5.0	IdxlntI	20.25	-0.19	7.2
SerLTREBdX	5.42	-0.23	2.9	S&P500	37.98	-0.43	-2.6	MFS Funds Class I	36.67	-0.35	8.4	StratAdFidEmr	12.76	-0.09	5.3	SmGthAdml	91.78	-0.38	-6.0	MidCpGrAdml	108.02	-1.47	-1.1	SerLTREBdX	5.42	-0.23	2.9	S&P500	37.98	-0.43	-2.6	MFS Funds Class I	36.67	-0.35	8.4	StratAdFidEmr	12.76	-0.09	5.3	SmGthAdml	91.78	-0.38	-6.0	MidCpGrAdml	108.02	-1.47	-1.1
SmCapVlndInstPr	25.82	-0.27	-6.7	S&P500	37.98	-0.43	-2.6	MFS Funds Class I	36.67	-0.35	8.4	StratAdFidUS	16.91	-0.20	2.5	STIBondAdml	10.21	...	1.7	MidCpVlAdml	84.27	+0.09	0.6	SmCapVlndInstPr	25.82	-0.27	-6.7	S&P500	37.98	-0.43	-2.6	MFS Funds Class I	36.67	-0.35	8.4	StratAdFidUS	16.91	-0.20	2.5	STIBondAdml	10.21	...	1.7	MidCpVlAdml	84.27	+0.09	0.6
TotalMarketIndex	19.77	-0.23	-2.9	S&P500	37.98	-0.43	-2.6	MFS Funds Class I	36.67	-0.35	8.4	StratAdIntFnd	NA	...	NA	STIGradeAdml	10.37	-0.01	1.6	SmVlAdml	82.09	-0.23	-3.6	TotalMarketIndex	19.77	-0.23	-2.9	S&P500	37.98	-0.43	-2.6	MFS Funds Class I	36.67	-0.35	8.4	StratAdIntFnd	NA	...	NA	STIGradeAdml	10.37	-0.01	1.6	SmVlAdml	82.09	-0.23	-3.6
TtIntllDxInstPr	14.43	-0.13	7.4	S&P500	37.98	-0.43	-2.6	MFS Funds Class I	36.67	-0.35	8.4	StratAdMunBond	NA	...	NA	STIPSlxAdml	24.88	...	2.5	TotBdG2	9.46	-0.03	2.0	TtIntllDxInstPr	14.43	-0.13	7.4	S&P500	37.98	-0.43	-2.6	MFS Funds Class I	36.67	-0.35	8.4	StratAdMunBond	NA	...	NA	STIPSlxAdml	24.88	...	2.5	TotBdG2	9.46	-0.03	2.0
USBlldgInstPrm	10.34	-0.02	2.0	S&P500	37.98	-0.43	-2.6	MFS Funds Class I	36.67	-0.35	8.4	TIAA/CRF Funds	12.97	-0.16	9.7	TotBdAdml	9.59	-0.02	2.1	TotIntllInstDx r	135.48	-1.26	7.2	USBlldgInstPrm	10.34	-0.02	2.0	S&P500	37.98	-0.43	-2.6	MFS Funds Class I	36.67	-0.35	8.4	TIAA/CRF Funds	12.97	-0.16	9.7	TotBdAdml	9.59	-0.02	2.1	TotIntllInstDx r			

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

CoreWeave IPO Is a Huge Bet on AI

Artificial-intelligence cloud provider's blistering growth comes at a high cost as even Nvidia struggles to win back investor favor

CoreWeave has shown a definite knack for being in the right place at the right time. Its initial public offering could test the limits of that ability.

The provider of specialized cloud-computing services for artificial intelligence is expected to price its IPO late Thursday and make its trading debut on the Nasdaq on Friday morning. The offering could raise CoreWeave as much as \$3 billion at the high end of the proposed price range. It also would mark the latest stage of a very rapid ascendance for a company that started life as a cryptocurrency miner and then—when the bottom fell out of that market—pivoted its fleet of **Nvidia** chips toward AI computing.

It was a smart move, and a lucrative one. CoreWeave's revenue surged more than eightfold in 2024 alone to hit \$1.9 billion. The company had \$15.1 billion in "remaining performance obligations" at the end of last year and said a

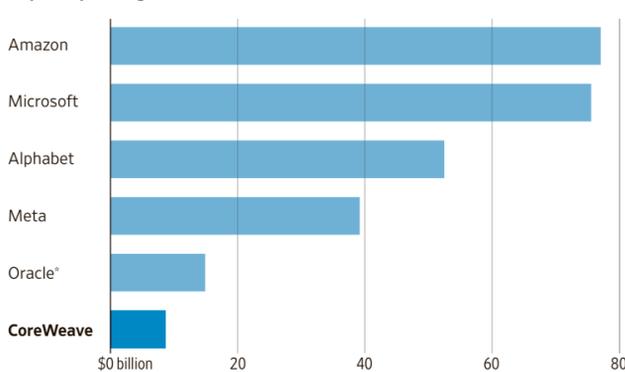
little over half of that will be recognized as revenue by the end of 2026. That doesn't include a "master services deal" with **OpenAI** unveiled this month that carried a contract value of \$11.9 billion running through October 2030.

But serving that kind of growth doesn't come cheap. CoreWeave burned nearly \$6 billion of cash last year and \$1.1 billion the previous year because of the heavy capital expenditures to build out its AI infrastructure.

It is carrying nearly \$8 billion in total debt on its balance sheet, which is primarily backed by the Nvidia graphics processing units it has amassed to power AI workloads for its customers. That is a novel approach to be sure, especially considering that those chips lose value relatively quickly. Huge technology companies like Google, **Microsoft** and **Amazon.com** depreciate data-center gear such as chips and servers over a period of five to six years.

\$3B
What the offering could raise at the high end of the proposed price range

Capital spending for 2024



*Oracle's 12-month period ended Feb. 28. Source: company data

CoreWeave's relationship with Nvidia, which has a 6% ownership stake, has helped it compete effectively with much bigger companies in securing supply of the most advanced GPUs.

But that doesn't free CoreWeave from having to keep pace with those rivals to secure chips in a spending race that is only getting bigger. Microsoft, Amazon, **Meta Platforms** and Google parent **Al-**

phabet will drop nearly \$340 billion combined on capital spending this year—a 39% increase from 2024. Wall Street's projections have all four increasing their spending every year through 2029, according to consensus estimates from Visible Alpha. Microsoft is a major customer—accounting for 62% of CoreWeave's revenue last year.

CoreWeave spent more than

four times its revenue on capex last year and still managed only a fraction of what those bigger companies spent. And the money it raises in the IPO won't go a long way toward closing that distance, especially because the company has already earmarked \$1 billion of it to pay down debt.

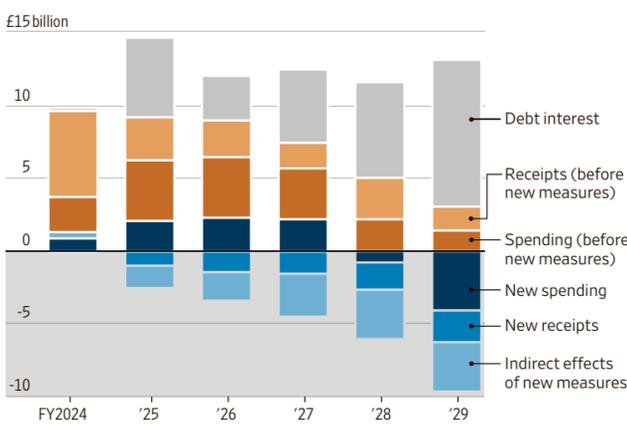
"We believe this structure may continue to work as long as demand for AI continues to grow exponentially," Gil Luria of D.A. Davidson wrote in a report Monday, in which he set a neutral rating on CoreWeave's shares.

Exponential growth for AI is one concept investors seem to have gotten a lot more skeptical about of late.

The market's turbulence this year has been especially brutal for AI names. Nvidia's stock shed 15% so far this year while most of the tech giants dumping billions into its chips are down as well—and exceeding the S&P 500's 2.9% loss. A dearth of high-profile tech IPOs so far this year could give CoreWeave some appeal. But companies writing huge checks to Nvidia are no longer getting a blank check from investors.

—Dan Gallagher

U.K. public-sector net borrowing, changes since October



Note: £1=\$1.29. Source: U.K. Office for Budget Responsibility

In Britain, Balancing Austerity and Growth Isn't Working

Whether you are a fiscal hawk or dove, you probably won't like where the U.K. economy is going.

Under Britain's most-recent fiscal rules, officials have committed themselves to balance the current budget and reduce public debt as a percentage of gross domestic

product, even at the risk of damaging economic growth.

Yet these numbers apply only to projections for the economy in five years' time, which are made by an independent watchdog called the Office for Budget Responsibility. That system allows



Britain's Chancellor of the Exchequer Rachel Reeves departs Downing Street on Wednesday.

the government to keep moving the goal posts.

Such contradictions were on display Wednesday, as U.K. Treasury chief Rachel Reeves—of the ruling Labour Party—unveiled a spring budget. She had to make good on her election promise to simultaneously adhere to fiscal rectitude, leave major tax rates untouched and turbocharge growth.

She is now projected to borrow more and balance the current budget in the 2029-30 fiscal year with only £9.9 billion, or \$12.8 billion,

of headroom. This is the exact same figure that the OBR forecast in October, despite Reeves confirming that she will slash welfare benefits and unleash residential-planning reforms that are supposed to boost productivity.

The reason is that the worsening outlook for the U.K. economy has created an offsetting, £14 billion drag. GDP is expected to expand only 1% this year, the OBR said, half as much as in October. Meanwhile, inflation is seen rising to 3.2%, rather than 2.6%.

Also, there is a risk that households and businesses expect tax increases despite the government's promises to the contrary, further weighing on spending.

U.K. 10-year sovereign-bond yields zigzagged Wednesday, likely reflecting investors weighing extra borrowing against weaker growth.

Britain needs to pick a lane, perhaps by scrapping the debt-to-GDP target to at least gain fiscal room to invest. The middle road is leading nowhere.

—Jon Sindreu

GameStop's Rapid Shrinkage Is Paying Off

GameStop is finally making do with less—a lot less.

The videogame retailer's financial results late Tuesday showed

another sharp decline in sales, with revenue plunging nearly 29% from a year earlier in the quarter ending Feb. 1.

That brought GameStop's full-year revenue to about \$3.8 billion—its lowest since 2006. Sales have been on a mostly steady de-

cline for the past several years as gamers shift more of their buying to digital downloads and subscription-based services.

But GameStop also helped its bottom line by significantly shrinking its retail footprint. The company had slightly over 3,200 stores as of its fiscal year-end, down by nearly a quarter in a year. That helped lift gross margin for the year to 29%: a four-point improvement from the previous year.

GameStop stock jumped 12% on Wednesday—likely helped by the

decision to add bitcoin as a Treasury asset. That move strongly suggests GameStop won't use its \$4.8 billion cash hoard to figure out new ways to sell games in stores.

Indeed, GameStop's latest annual report now says its top strategic priority is to use its cash and other financial firepower to "maximize shareholder value," including through potential investments or acquisitions.

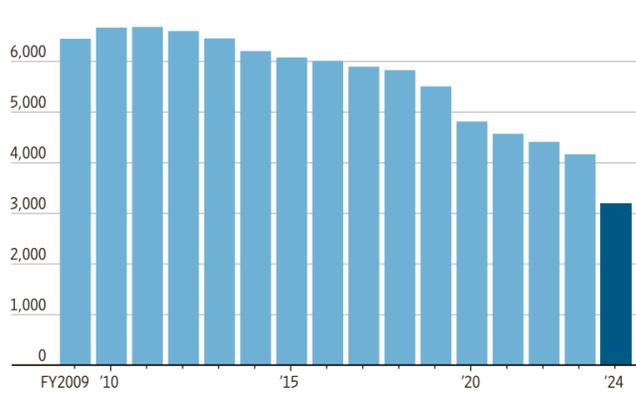
Selling games could soon become a side hustle.

—Dan Gallagher



GameStop helped its bottom line by significantly shrinking its retail footprint.

GameStop's store count, yearly



Note: Counts as of fiscal year-end. Latest fiscal year ended February 1. Source: the company