

What's News

Business & Finance

- ◆ **The unwinding** of some of Wall Street's most popular trades intensified, handing Japanese stocks their worst day since the 1987 market crash and walloping U.S. tech shares. The S&P 500, Nasdaq and Dow shed 3%, 3.4% and 2.6%, respectively. **A1, B1, B11**
- ◆ **A judge ruled** that Google engaged in illegal practices to preserve its search engine monopoly, delivering a major antitrust victory to the Justice Department. **A1**
- ◆ **Fannie and Freddie** are preparing to impose stricter rules for commercial-property lenders and brokers following a regulatory crackdown on fraud in the market. **B1**
- ◆ **The investment firm** that paid \$375 million to Trump's family firm for the rights to its luxury Washington, D.C., hotel lost the property in a foreclosure auction. **B2**
- ◆ **Tyson reported** adjusted profit for its third quarter that beat analyst estimates as the company benefited from a turn up in its chicken business. **B3**
- ◆ **L'Oréal agreed** to buy a minority stake in Swiss skincare company Galderma valued at \$1.85 billion. **B3**
- ◆ **Infineon said** it would cut about 1,400 jobs and again lowered its sales forecasts amid a persistent inventory glut in the semiconductor industry. **B4**
- ◆ **Thrive Capital raised** \$5 billion for its largest-ever pair of venture-capital funds, a sign of how the AI boom is encouraging some startup investors to go big again. **B10**
- ◆ **Woodside Energy** agreed to a roughly \$2.35 billion deal to buy an ammonia plant being built for OCI in Texas. **B10**

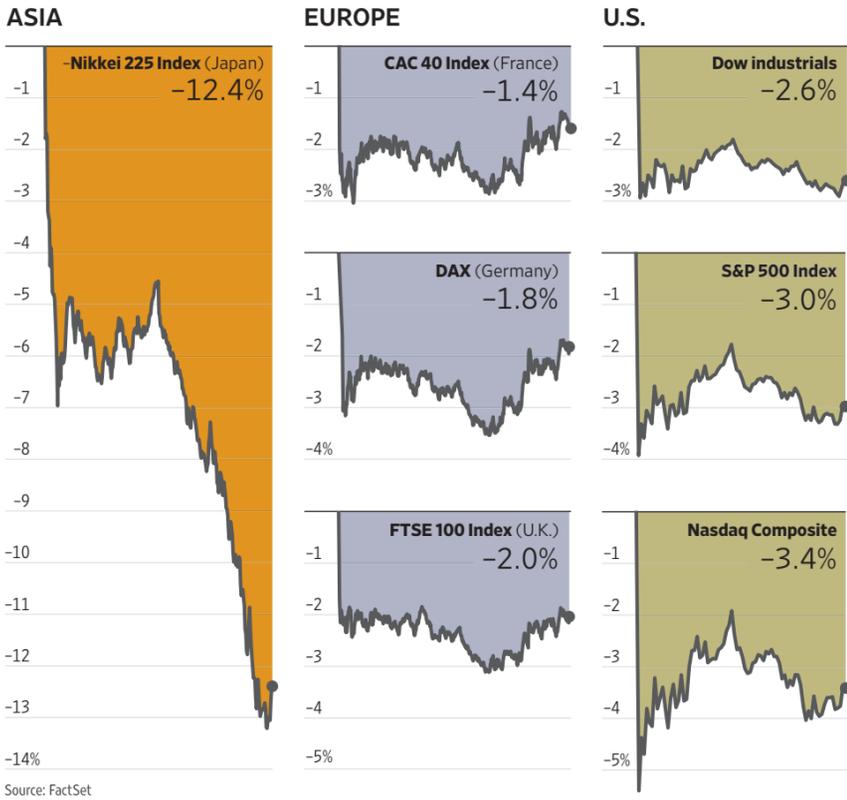
Global Stocks Dive as Trades Unravel

Japan's stock market had its largest one-day percentage decline on Monday since Oct. 20, 1987. Other countries' indexes followed with big tumbles as well, and the VIX volatility index skyrocketed.



Blue chips fall more than 1,000 points; Japan shares log worst day since 1987

fore recovering somewhat after a survey of purchasing managers showed the services sector expanded last month at a slightly higher rate than expected.



By RYAN DEZEMBER

The unwinding of some of Wall Street's most popular trades intensified Monday, sending Japanese stocks to their worst day since the 1987 market crash and walloping U.S. technology shares. U.S. stock indexes opened sharply lower, tracing declines in international markets, be-

The tech-heavy Nasdaq led the way lower, falling 3.4%. Every industry segment in the S&P 500 declined, pushing the broad index down by 3%. All 30 stocks in the Dow Jones Industrial Average ended lower and the blue-chip index shed 1034 points. The Russell 2000 index of small stocks, resurgent in recent weeks, lost 3.3%. Oil, pre-

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Market Selloff Set To Test Fed Strategy

By NICK TIMIRAOS

Monday's market rout increases both the risks of recession and a more harrowing financial-market accident. But for Federal Reserve officials who laid the groundwork last week to cut rates by a quarter-percentage point at their meeting next month, the outlook would likely need to deteriorate further in the coming weeks to compel a bigger response.

Fed officials don't convene again for a policy meeting until Sept. 17-18. There, they could debate whether to kick off their widely anticipated sequence of rate cuts with a larger reduction of a half percentage point.

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- ◆ **James Mackintosh: What's driving the fall**..... **B1**
- ◆ **Outages plague trading platforms**..... **B11**
- ◆ **Heard on the Street: Great reason to sit tight**..... **B12**

'Google Is a Monopolist,' Judge Rules

By JAN WOLFE AND MILES KRUPPA

A federal judge ruled that Google engaged in illegal practices to preserve its search engine monopoly, delivering a major antitrust victory to the Justice Department in its effort to rein in Silicon Valley technology giants.

Google, which performs about 90% of the world's internet searches, exploited its market dominance to stomp out rivals, U.S. District Judge Amit P. Mehta in Washington, D.C., said in the long-awaited ruling. "Google is a monopolist, and it has acted as one to maintain its monopoly," Mehta wrote in his 276-page decision released on Monday, in which he faulted the company for destroying in-

ternal messages that could have been useful in the case. Mehta agreed with the central argument made by the Justice Department and 38 states and territories that Google suppressed competition by paying billions of dollars to operators of web browsers and phone manufacturers to be their default search engine. That allowed

the company to maintain a dominant position in the sponsored text advertising that accompanies search results, Mehta wrote. Kent Walker, president of global affairs at Google parent Alphabet, said the company planned to appeal the ruling. "This decision recognizes that Google offers the best search engine, but concludes

that we shouldn't be allowed to make it easily available," he said in a statement that quoted complimentary passages from Mehta's decision. "As this process continues, we will remain focused on making products that people find helpful and easy to use." Justice Department antitrust chief Jonathan Kanter said the

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World-Wide

- ◆ **Studies being used** to decide whether the U.S. should authorize an ecstasy-based drug for traumatized patients missed serious side effects and were marked by bias. **A1**
- ◆ **Recent economic** turbulence threatens to reinforce voters' view that the U.S. economy is shaky, giving Trump's campaign a chance to shift onto stronger ground in his race against Harris. **A6**
- ◆ **The U.S. and Mexico**, both motivated by presidential elections this year, cooperated to cut the number of illegal crossings at the border, resulting in a stark decline in the past six months. **A4**
- ◆ **Debby was downgraded** to a tropical storm after hitting Florida with heavy rain and leaving four people dead. **A3**
- ◆ **Pope Francis accepted** the resignation of Cardinal Sean O'Malley as archbishop of Boston and named the bishop of Providence, R.I., Richard Henning, to succeed him. **A2**
- ◆ **The Middle East braced** for another round of violence after Secretary of State Blinken said on a call with G-7 foreign ministers that Iran could attack Israel within 24 to 48 hours. **A8**
- ◆ **Nine employees of** the U.N. agency that for decades has assisted Palestinians in Gaza were fired after an investigation found they might have participated in the Oct. 7 Hamas attack on Israel. **A8**
- ◆ **Robert F. Kennedy Jr.**, an independent candidate for the presidency, said he left a dead bear cub in New York's Central Park a decade ago. **A3**
- ◆ **Died: Tsung-Dao Lee**, 97, Nobel laureate in physics. **A2**

Ecstasy Drug Trials Missed Suicidal Thoughts

By LIZ ESSLEY WHYTE

Studies being used to decide whether the U.S. should authorize an ecstasy-based drug for traumatized patients missed serious side effects and were marked by bias. The Food and Drug Administration is expected within days to decide whether to approve the drug, known as MDMA, for treatment of post-traumatic stress disorder. Approval would be a milestone in decades of efforts to decriminalize the use of psychedelics. Three people who were subjects in the studies told The Wall Street Journal that their thoughts of suicide worsened during or after testing, but their downward slides weren't captured in trial data and therefore not reflected in the final results.

The study subjects said they felt pressure to report positive outcomes, because that would lead to a history-making drug approval. They also said they could tell they had taken ecstasy during the studies, though gold-standard drug trials are supposed to mask whether a subject got the drug candidate or a placebo. "I wanted the miracle cure," said Sarah McNamee, one of the subjects. She said the therapists conducting the trial did, too. "My therapists made it really clear that they really really believed in this thing." Lykos Therapeutics, the company sponsoring the studies, recruited researchers conducting the testing from the ranks of the therapists who had given ecstasy illicitly and advocated for the drug's use, ac-

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Bangladesh Leader Resigns



PRESSED OUT: Protesters stormed Prime Minister Sheikh Hasina's residence in Dhaka on Monday, as she resigned and fled the country in the wake of weeks of protests. **A8**

Chipotle Fans Take Burrito 'Skimp' Into Their Own Hands

Restaurant chain struggles to shed scrutiny on portion sizes as diners test them

By HEATHER HADDON

Fans of Chipotle Mexican Grill are seeking an off-menu item to pair with their burrito bowls—a scale. Chipotle is struggling to shed scrutiny on its portion sizes, and whether stores are failing to dish out a full four ounces of meat. A crowd-sourced website "Stop the Skimp!" is tracking locations that serve beefier portions. Some customers are filming workers as they craft meals to try to guarantee more rice and guac. The most extreme are weighing Chipotle orders to determine whether they are getting shorted at certain locations or by ordering online instead of at the counter.

For the pinto-bean police, the saucy stunts help channel their broader rage at food prices and shrinkflation. Zackary Smigel, a 28-year-old YouTube creator from Hermitage, Pa., started filming his Chipotle orders this year, weighing 15 burritos and 15 bowls over 30 days at three different locations in Pennsylvania and Ohio. What he found became fodder for a documentary posted on YouTube—burritos ordered online were skimpier 70% of the time, he says. "Bowls weren't as bad," said Smigel, who has shied from Chipotle since his chow checks. "But burritos themselves, it was horrible."

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Nurse Visits Made Insurers \$15 Billion

Tacking on diagnoses for Medicare patients triggered extra payments

By Anna Wilde Mathews, Christopher Weaver, Tom McGinty and Mark Maremont

Millions of times each year, insurers send nurses into the homes of Medicare recipients to look them over, run tests and ask dozens of questions. The nurses aren't there to treat anyone. They are gathering new diagnoses that entitle private Medicare Advan-

tage insurers to collect extra money from the federal government. A Wall Street Journal investigation of insurer home visits found the companies pushed nurses to run screening tests and add unusual diagnoses, turning the roughly hourlong stops in patients' homes into an extra \$1,818 per visit, on average, from 2019 to 2021. Those payments added up to about \$15 billion during that period, according

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U.S. NEWS

Global Stocks Fall Sharply

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cious metals and bitcoin fell. Wall Street's fear gauge, the CBOE Volatility Index, or VIX, jumped more than 50% during stock-trading hours to its highest level since 2020. The rout began in Asia, where Japan's Nikkei 225 declined 12% amid a surging yen. It was the worst single-day percentage drop for the Nikkei since Oct. 20, 1987.

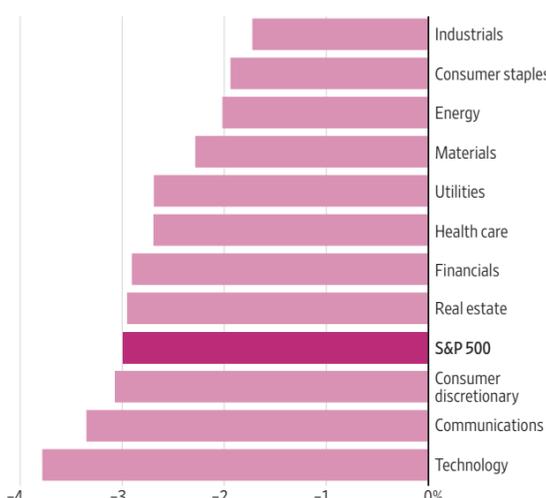
That was the Tuesday after Black Monday in the U.S., when the Dow industrials fell nearly 23%.

The selloff in Tokyo extended last week's rout that followed the Bank of Japan's decision to raise interest rates. That move pushed the yen higher relative to other currencies. Disappointing economic data in the U.S. stoked the selloff, unwinding a popular Wall Street bet known as the carry trade.

For years, investors around the world bought riskier assets, such as U.S. stocks, and funded the trades with the yen, thanks to ultralow interest rates in Japan. Until recently, many hedge funds and money managers expected rates to remain low and the yen weak.

Instead, the strengthening yen has squeezed the carry trade. Investors who borrowed yen to fund their bets have

S&P 500 index and sector performance on Monday



Sources: FactSet (Index and sector performance); Tulliett Prebon (yield)

been forced to buy more of the currency by bankers insisting on additional collateral. That is pushing the yen even higher, prompting more margin calls.

The Japanese market rebounded sharply early Tuesday. At the midway break, the Nikkei was up 9.4%. Elsewhere in Asia, South Korea's Kospi was up 3.5%. Other big moves on Monday also were reversing themselves: The yen, which had strengthened sharply, has fallen back somewhat. The Japanese currency was trading at around 145 to the dollar. Japan's 10-year government bond yield had recovered to 0.87% from 0.75% Monday afternoon.

The losses Monday were an example of the popular trades that are coming unraveled as investors mull weakening U.S.

economic data and tech shares' sky-high valuations while awaiting the Federal Reserve's next move on interest rates.

Investors have been expecting the central bank to cut rates at its September meeting. Now the debate centers on whether the Fed might take the rare steps of making a larger-than-usual half-percentage-point cut or even lowering borrowing costs between meetings.

In one sign that growth is continuing, Treasury yields recovered from sharp early declines following Monday's strong reading of the services sector.

The Institute for Supply Management's survey of service businesses rose to 51.4 in July from 48.8 in June, which was the lowest reading since

10-year U.S. Treasury yield



the depths of the Covid-19 pandemic lockdown in 2020. Readings over 50 indicate expansion.

A similar ISM survey of manufacturing companies last week slipped deeper into contraction, prompting bonds to rally and a selloff in stocks. Monday's services reading suggests that the swath of the U.S. economy that employs the most people might not be in as bad shape as manufacturing.

The yield on the benchmark 10-year Treasury note ended at 3.782%, down from its Friday settlement of 3.795% and well off the 2024 high of 4.706% in late April.

The two-year yield, which often moves with expectations for short-term rates set by the Fed, inched up to 3.88%.

While investors wait, they

are dumping the technology stocks that propelled the market to new highs this year.

Each of the so-called Magnificent Seven technology stocks declined at least 2.5%. Nvidia, the most-own stock of the artificial-intelligence frenzy, lost 6.4%.

Investors have questioned whether those companies' share prices had outrun realistic forecasts for future profits. "The technology sector has come under particular duress in recent weeks amidst fear that companies are overspending on artificial intelligence infrastructure just as economic growth is beginning to slow," said John Belton, portfolio manager at Gabelli Funds.

Warren Buffett's Berkshire Hathaway on Saturday disclosed that it had slashed its position in Apple during the second quarter, selling nearly half of its huge stake in the iPhone maker.

The regulatory disclosure sent a strong signal to the droves of investors who look to the Nebraska-based billionaire, known as the Oracle of Omaha, for signs of shifting market sentiment.

"It's something that people pay attention to due to his historic track record of going against the greed-and-fear rotations of the market," said Brian Burrell, portfolio manager at Thornburg Investment Management in Santa Fe, N.M. "When a contrarian starts to move and everyone is positioned the other way, that's a reason to re-examine their positioning."

—Kosaku Narioka and Rebecca Feng contributed to this article.

U.S. WATCH

MASSACHUSETTS O'Malley Resigns as Boston Archbishop

Pope Francis accepted the resignation of Cardinal Sean O'Malley as archbishop of Boston on Monday and named the bishop of Providence, R.I., Richard Henning, to succeed him as leader of one of the most important Catholic archdioceses in the U.S.

The Vatican announcement didn't mention O'Malley's other main role as the pope's main adviser on fighting clergy sexual abuse as head of the Pontifical Commission for the Protection of Minors, suggesting he would remain in that capacity until a new commission leader is named.

Pope John Paul II had tapped O'Malley to take over in Boston in 2003 at the height of the clergy sexual-abuse scandal that had exploded there following an investigation by the Boston Globe. Revelations of years of abuse and coverups by the church led to the downfall of then-archbishop Cardinal Bernard Law, who resigned in disgrace in December 2002.

"When I arrived, it was a time of great crisis and of great pain because of the terrible scourge of sexual abuse," O'Malley said at a news conference as he reflected on all changes the church has seen during his 40 years as a bishop. "But despite all the challenges we've had, I'm full of hope."

Henning said he was "deeply shocked and surprised" that he was chosen.

"I am very well aware that I have a lot to learn," Henning said. "My first job, really, is just to be listener."

—Associated Press

ARIZONA Trump Ex-Aide Ellis, Prosecutors Set Deal

Former President Donald Trump's campaign attorney Jenna Ellis, who worked closely with Rudy Giuliani, will cooperate with Arizona prosecutors in exchange for charges being dropped against her in a fake electors case, the state attorney general's office announced Monday.

Ellis previously pleaded not guilty to fraud, forgery and conspiracy charges in the Arizona case. Seventeen other people charged in the case have pleaded not guilty to the felony charges—including Giuliani, Trump presidential chief of staff Mark Meadows and 11 Republicans who submitted a document to Congress falsely declaring Trump had won Arizona.

"Her insights are invaluable and will greatly aid the State in proving its case in court," Attorney General Kris Mayes said.

The cooperation agreement signed by Ellis requires her to provide truthful information to the Attorney General's Office and testify honestly in proceedings in any state or federal court.

—Associated Press

OBITUARY Renowned Physicist Tsung-Dao Lee, 97

Chinese-American physicist Tsung-Dao Lee, who in 1957 became the second-youngest scientist to receive a Nobel Prize, died Sunday at his home in San Francisco at age 97.

Lee, whose work advanced the understanding of particle physics, was one of the great masters in the field, according to an obituary released on Monday by the Tsung-Dao Lee Institute at Shanghai Jiao Tong University and the Beijing-based China Center for Advanced Science and Technology.

Robert Oppenheimer, known as the father of the atomic bomb, once praised Lee as one of the most brilliant theoretical physicists of the time, whose work showed "remarkable freshness, versatility and style." In the early 1950s, Lee worked at the Yerkes Observatory in Wisconsin, at the University of California at Berkeley and at the Institute for Advanced Study in Princeton, N.J.

Lee was 31 years old when awarded the Nobel Prize in physics together with Chen-Ning Yang for work exploring the symmetry of subatomic particles as they interact with the force that holds atoms together.

—Associated Press

Selloff Set To Test Fed Strategy

Continued from Page One
centage point, or 50 basis points, if last month's weak-across-the-board employment report is indicative of a new, worrisome trend.

But slashing policy rates before then, in between scheduled policy meetings, would be very unusual. Those moves are generally reserved for notable deteriorations in market functioning that go well beyond an equity-market swoon.

"They have a really high bar for that," said Steven Blitz, chief U.S. economist at GlobalData TS Lombard. "I think what they would rather do is go out and say, 'If things continue the way they are, 50 basis points in September is on the table.'"

At a news conference last week, Fed Chair Jerome Powell suggested officials were on track to lower rates by a quarter-percentage point next month. That was before the Labor Department reported on Friday that U.S. hiring cooled and the unemployment rate rose by more than expected in July, which fueled bets on a supersize half-point cut.

Then on Monday, a stampede to exit popular investment strategies that borrowed cheap Japanese yen to buy stocks accelerated a market downdraft in Asia. That led some panicked investors to speculate about the Fed cutting in between scheduled policy meetings. The unwinding of those so-called carry trades began last month but gathered speed after the Bank of Japan raised interest rates last week.

Still, the Fed won't "want to respond too quickly to something happening over a few days' time, when it could reflect positioning or other developments in markets that could later be unwound," said Matthew Luzzetti, chief U.S. economist at Deutsche Bank.

There are reasons to think the increase in the unemployment rate, which climbed to



A report on service-sector business conditions on Monday calmed nerves about a rapid economic slowdown.

4.3% in July from 4.1% in June, had been driven by less concerning factors, said San Francisco Fed President Mary Daly on Monday. For example, it reflected an increase in temporary as opposed to permanent layoffs.

The Fed "is prepared to do what the economy needs when we are clear what that is, and there's many more pieces of information that come out between now and when we next meet," she said during a question-and-answer session in Hawaii.

The S&P 500 fell 3%, or 160.23 points, the largest one-day decline since September 2022. But bond investors, who at one point bet big on rate cuts, changed their minds later in the day. The policy-sensitive 2-year Treasury yield fell by 0.22 point early Monday and then reversed course, ending the day at 3.880%, virtually flat. (Yields fall when bond prices rise.)

A report on service-sector business conditions on Monday also calmed nerves about a rapid economic slowdown when the Institute for Supply Management reported its index rose 2.6 points to 51.4 in July. A reading above 50 indicates expansion.

The market moves sug-

gested there wasn't a big flight to safety occurring, as often happens when investors grow more worried about deteriorating economic fundamentals, analysts said. Conditions instead suggest more technical drivers of a selloff that deepened late last week, including the unwind of crowded trades in Japanese stocks and large technology companies.

Lofty stock prices and steady income and job growth have been critical engines of an economic expansion whose resilience has baffled economists. A sustained downturn in the stock market could shift the outlook for the U.S. economy if it leads companies to slash investment plans or lay off workers. But it could take days or weeks to judge how any selloff reshapes the outlook.

Even though the Fed doesn't meet for six more weeks, Powell has an opportunity to weigh in on the evolving outlook later this month. Powell has often used a widely

watched speech at the beginning of a Fed conference in late August as a venue to frame the central bank's broad outlook. That conference, in the iconic Grand Teton Mountains of Wyoming, is set to begin on Aug. 23, and economic and market developments over the next three weeks could shape any remarks.

Last week, "the whole Fed committee was working on the assumption that the economy is going to look in September the way it did last week, and you could do the usual slow shuffle" to cut rates, said Blitz. "The markets are speaking to the Fed. They're telling the Fed, 'You're too tight, and no, you can't presume that everything is going to roll along merrily while you take your time to cut.'"

The Fed raised its benchmark federal-funds rate most recently in July 2023 to a range between 5.25% and 5.5% to combat rising prices. Inflation has slowed significantly over the last year.

The latest market reaction

Slashing rates in between scheduled policy meetings would be very unusual.

CORRECTIONS & AMPLIFICATIONS

Ariel Investments is based in Chicago. A Page One article on Saturday about Intel CEO Pat Gelsinger incorrectly said Ariel is based in New York.

A World News article Saturday about Germany's role in a prisoner swap between Russia and Western countries misquoted German Chancellor

Olaf Scholz. He referred to "a murderer convicted," not "a murdered convicted."

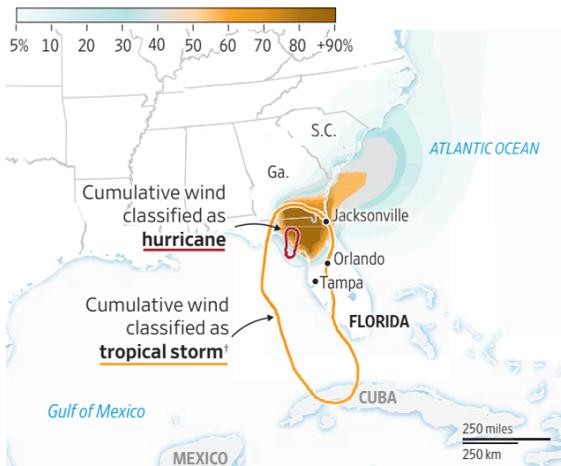
Global deal volume so far this year is up around 15% compared to last year. The volume's direction was omitted from a Business & Finance article in some editions Monday about Mars and Kellanova.

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

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U.S. NEWS

Probability that Debby will have tropical-storm force winds*



CAMILLE BRESSANGE/WSJ

Major Flood Risk as Storm Hits Florida

By NICHOLAS HATCHER

Debby was downgraded to a tropical storm Monday afternoon after hitting Florida with heavy rain and leaving four dead.

The storm was expected to inundate the Southeast with historic rain and catastrophic flooding over the next few days.

After making landfall in the Big Bend region of Florida as a Category 1 hurricane earlier in the day, Debby weakened as the storm's eye moved inland. Gov. Ron DeSantis said three people were killed in traffic accidents and a fourth died as a result of a tree that fell on a roof.

The storm was moving over the northern part of the state Monday afternoon with maximum sustained winds of 65 miles an hour, down from 80 mph, according to the National Hurricane Center.

Storm surge warnings were issued for Florida, Georgia and South Carolina, with officials warning of the dangers of rising waters and flooding.

"This is a life-threatening situation," the National Hurricane Center said Monday.

Heavy rain and powerful winds could create storm surges topping 6 to 10 feet in areas north of Tampa Bay and into the Panhandle region, the center said Sunday.



A Florida National Guard vehicle drove through flooded Cedar Key after Debby brought rain and storm surge Monday. The storm was expected to inundate the Southeast with historic rain and catastrophic flooding over the next few days.

JOE READ/GETTY IMAGES

Debby was expected to produce up to 18 inches of rainfall across parts of central and northern Florida and North Carolina through Wednesday morning, the National Hurricane Center said.

Coastal Georgia and South Carolina could see as much as 30 inches of rain beginning Tuesday, as the storm slows and moves eastward over Florida. It is expected to hover over the southeast Atlantic coast and may produce record-setting rainfall, Michael Brennan, director of the National Hurricane Center, said at a briefing Sunday.

"We are very confident we are going to have a slow-mov-

ing system that's going to result in multiple days of very, very heavy rainfall," Brennan said. Tropical storm conditions are possible along the Georgia and South Carolina coasts through Thursday, according to the forecast.

Catastrophic flooding may occur midweek, said the center, which issued its highest level alert for flash flooding along the low-lying coastal areas between Myrtle Beach, S.C., and Savannah, Ga. Flooding impacts could last through Friday.

DeSantis urged residents on Florida's west coast to prepare for hurricane-like conditions as the storm moved over the

Gulf of Mexico on Sunday.

More than 210,000 customers in Florida were without power as of Monday afternoon, according to data from PowerOutage.us.

Hundreds of flights at airports across the Southeast were canceled or delayed Monday morning, according to FlightAware.

Mandatory evacuation orders were issued in some Gulf Coast counties while others called for voluntary evacuations ahead of what meteorologists said could be "life-threatening storm-surge inundation" in places.

The city of Savannah issued a curfew that was to start

Monday night and last until Tuesday at 6 a.m. in preparation for heavy flooding.

There is a potential for isolated tornadoes across the western and northern parts of Florida through Monday, forecasters said. Debby is the fourth named storm this hurricane season.

—Ginger Adams Otis and Joseph Pisani contributed to this article.

Watch a Video

Scan this code to watch a video about Debby hitting Florida.

As Heat Waves Grow Deadlier, Power Becomes a Must

By PHRED DVORAK

After Hurricane Beryl swept through the Houston area in early July and knocked out power for millions of residents, the temperature started to rise.

Candie York, a 50-year-old with bad knees and a lung disease, called Houston's main utility three times, as she had in the past to press for fast restoration of service. She went to a friend's house and hung out in her air-conditioned car. The next day, York's twin sister, Brandie Childress, scrambled to find a generator, gas and fans. But by that evening, York's core body temperature had risen to 108 degrees, Childress said. She died of hyperthermia—overheating—on July 10.

"It was extremely unexpected," Childress said. "All I want to do is cry."

The heat deaths following Hurricane Beryl—eight certified so far, along with hundreds of heat-related hospital visits—are the latest evidence that summer in the U.S. is get-

ting deadlier, and power for cooling more essential. State officials are becoming increasingly aware that keeping air conditioners and fans running can be vital—even in places where heat historically hasn't been seen as a big issue.

Heat kills far more people in the U.S. each year than any other type of severe weather, according to the National Weather Service. Around 700 people a year were dying in the U.S. from heat-related causes in the 15 years through 2018, researchers at the Centers for Disease Control and Prevention found. That number topped 1,700 in 2022 and exceeded 2,300 the following year, the hottest in recorded history, according to provisional CDC figures. Scientists say this year is likely to be even hotter.

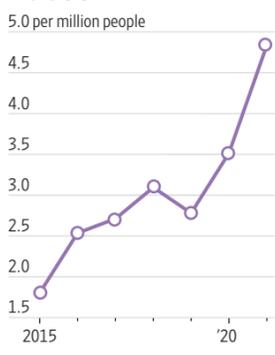
The matter has become more urgent as electric bills rise, consumer advocates say. Last year, 23.7% of households said they couldn't pay their energy bill for at least one month versus 21.6% the year before,

according to a July report from the National Energy Assistance Directors Association and the Center for Energy Poverty and Climate.

As a result, utilities are unplugging customers, and some households are refraining from using air conditioners for fear of soaring costs. Those actions could be deadly during extreme heat. The state of Washington, where a heat dome in 2021 is estimated to have killed more than 150 people, rolled out a law last year that stops utilities from shutting off power during a heat advisory. Virginia lawmakers passed similar measures that went into effect last month.

Utility companies "work closely with their state commissions to establish appropriate billing practices that prioritize their customers' health and safety," said Phil Dion, senior vice president at utilities trade group Edison Electric Institute. They also have programs to help customers pay their bills, he said.

Heat-related deaths in the U.S.



Note: Includes deaths for which heat was listed as either the underlying or the contributing cause of death in May–September
 Source: CDC

Most states prevent utilities from turning off heating during subzero temperatures. Only 19 states and the District of Columbia have equivalent types of protections for summer, according to the July NEADA report. And consumer advocates say they still leave plenty of room for people to

fall through the cracks.

Ofelia Hernandez, a single mother with four children in Fresno, Calif., says she got behind on her electric bills after diverting money to buy a new car. Her power was shut off at the end of May, when the temperature hit 96. California forbids shut-offs when the temperature exceeds 100.

Hernandez took her children to a splash park during the day, as well as her sister's house and a cousin's pool. She packed food from the refrigerator into an icebox, along with insulin for her diabetes. For help with bills, Hernandez tapped into a federal assistance program. She managed to get power back in early June. A few days later, the temperature hit 106.

Philadelphia resident Tashira Brooks hasn't been so fortunate. The 34-year-old liquor-store employee started falling behind on electric payments when her boyfriend had to quit work because of an injury. By early July, her utility

sent a notice that it would cut her off if she didn't pay up.

Pennsylvania forbids utilities from turning off the heat during winter but doesn't have similar protection for extreme heat. A bill in the state legislature to ban such terminations for low-income households hasn't advanced far.

Some customers don't pay their bills until the winter moratorium is lifted in the spring, said Terrance J. Fitzpatrick, head of Pennsylvania's utilities trade association. "If a summer moratorium is imposed, it would effectively take half of the year out of the collections process," he said.

Brooks said she has called assistance programs looking for help paying bills but was told funds weren't available. Her utility told her she made too much money to qualify for their aid program, she said. Now she is trying to get a temporary stay on disconnection available to households that have people, such as her boyfriend, with medical problems.

RFK Jr. Says He Put a Dead Bear Cub in New York's Central Park

By JOSEPH PISANI

Robert F. Kennedy Jr. says he left a dead bear cub in New York's Central Park a decade ago and staged it to look as if it was hit by a cyclist, the latest development in the independent candidate's long-shot campaign for the presidency.

Kennedy made the admission on a video posted on X on Sunday, which showed him telling the story to comedian Roseanne Barr.

He told her he picked up a bear cub hit by another vehicle in Goshen, N.Y., because he wanted to skin it and keep the meat in his refrigerator. He put the bear in his van, he said, but after a dinner at Peter Luger, a famous New York City steakhouse, he realized he needed to go to the airport and couldn't keep the bear in his vehicle.

"I said, 'Let's go put the bear in Central Park and we'll make it look like he got hit by a bike,'" he recalled telling people he was with that day. Kennedy said he had an old bike in his van that he used to make it look like it hit the bear. "We thought it would be amusing for whoever found it."

After Kennedy dumped the



In 2014, authorities in Central Park wrapped the dead cub's body that Robert F. Kennedy Jr. admitted this week he had left there.

cub, news that a dead bear had been found in the Manhattan park made national news.

The tale is the latest from Kennedy's presidential run, which has been marked by his skepticism toward vaccines, theories about transgender people, stories of a brain-eating worm and reports of a dysfunc-

tional campaign.

A spokesman for Barr said she was with Kennedy because he had recorded an episode for her podcast, which will be out Thursday. "He was very open about the follies of his youth and I enjoyed talking to him very much!" Barr said.

In a Wall Street Journal poll

published last week, Kennedy was backed by just 4% of respondents, with Vice President Kamala Harris receiving 45% and former President Donald Trump getting 44%. About 5% were undecided and the ballot test that included Kennedy and other independent and third-party candidates.



Kennedy, 70, said he was talking about the bear incident Sunday because New Yorker magazine planned to include the story in an article about him. The magazine released the article on Monday, which included a photo of Kennedy with his fingers inside the bloody mouth of the young dead bear.

When asked about the incident, Kennedy told the magazine: "Maybe that's where I got my brain worm."

The brain worm is in reference to a May New York Times article that reported Kennedy said in a 2012 deposition during his divorce that a doctor diagnosed him with a brain worm that ate a piece of his brain, causing memory loss.

Kennedy, who has spread conspiracy theories, first ran as a Democrat, but shifted to an independent in October.

The Journal reported in May that some staffers in Kennedy's campaign described it as a dysfunctional, unprofessional atmosphere where aides are more focused on raising their own profiles than helping the candidate.

"You can dig all you want," a Kennedy spokeswoman told the Journal at the time, "but the bottom line is we're a group of intelligent, committed, and successful professionals who have already made history."

Kennedy responded to the article at the time with a message on X: "I offer to eat 5 more brain worms and still beat President Trump and President Biden in a debate."

U.S. NEWS

Illegal Border Crossings Have Plummeted

U.S. executive order and Mexican efforts to reroute migrants prove highly effective

When illegal migration surged across the U.S.-Mexico border last fall, Phoenix's largest migrant shelter was so busy

By Michelle Hackman in Phoenix and Santiago Pérez in Tuxtla Gutiérrez, Mexico

that cots filled the cafeteria and lined the hallways. Today the shelter, housed in a converted elementary school, is empty.

The U.S. has experienced a stark decline in illegal border crossings in the past six months, thanks to a newly sprung security gantlet migrants encounter traveling to the U.S. border through Mexico.

On the Mexican side, security checkpoints dot highways. Mexico's National Guard patrols the southern banks of the Rio Grande, aiming to prevent mass concentrations of migrants. Thousands of asylum seekers caught heading north have been put on buses and sent back to southern Mexico near Guatemala.

Aid organizations liken the busing strategy to the board game Chutes and Ladders, as migrants are moved around the country. The policy aims to discourage them from heading north. Many decide to return to South America, migrants say.

The Americans also have a new tool. An order issued by President Biden in June disqualifies migrants from winning asylum if they enter the U.S. illegally. As a result, many more of them can be deported quickly, and far fewer have been released into the U.S.

The moves mark an unprecedented level of cooperation between the U.S. and Mexico, both motivated by presidential elections this year, to bring down illegal border crossings in hopes of diverting attention away from the issue.

57,000 June crossings

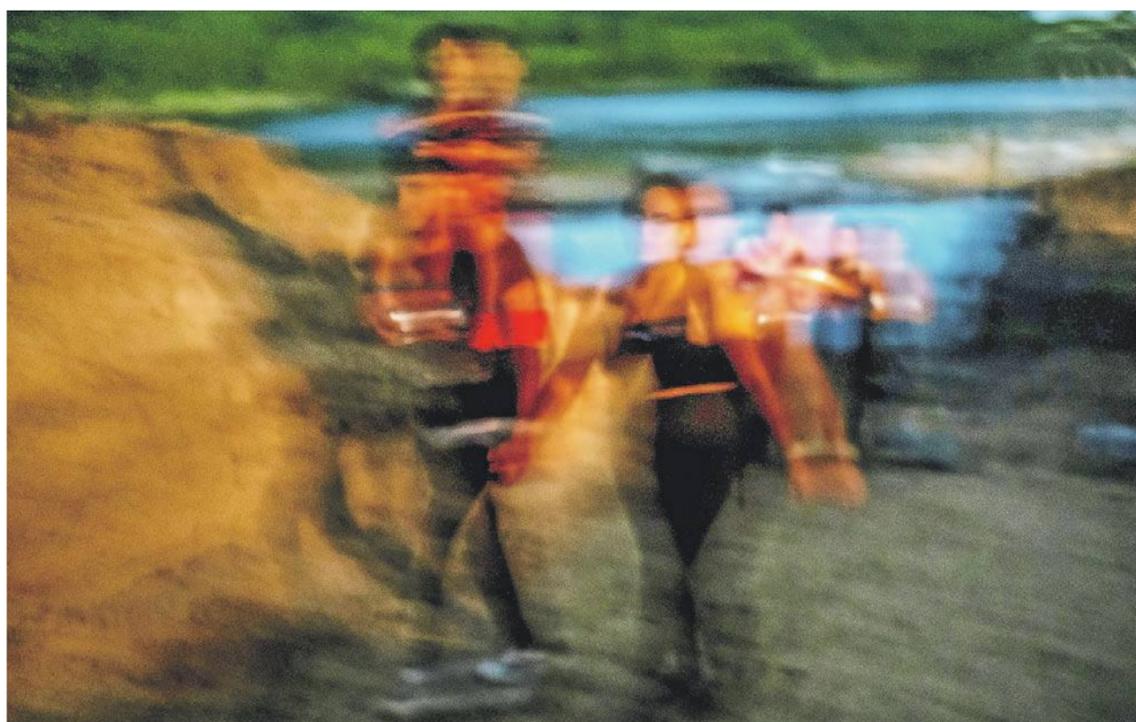
The effort has worked beyond anything the U.S. could have predicted, at least so far. The progress gives Vice President Kamala Harris a potential counter to efforts by former President Donald Trump and his allies, who are painting her as the face of failed U.S. policies on immigration.

The U.S. recorded about 57,000 illegal crossings in July, according to a person familiar with unpublished government data, down from around 250,000 in December, when they reached an all-time high. That is the lowest monthly figure since 2020, when crossings were relatively low because of the Covid-19 pandemic.

"This is just what the administration wanted," said Andrew Selee, president of the Migration Policy Institute, a nonpartisan Washington think tank.

The effort faces a big test. Thousands of migrants continue arriving in Mexico daily, most of them Venezuelans who can't be deported by Mexico or the U.S. because the authoritarian government of President Nicolás Maduro has refused to take them back.

In the U.S., Republicans have quickly shifted to attacking Har-



Above, a group of migrants arriving on the Texas side of the Rio Grande in June 2023. Below, José Amaya and his family last month after they made their way to southern Mexico from Venezuela. The Mexican government has virtually ended a program of granting humanitarian visas for arriving asylum seekers.

ris's role in setting immigration policy, yoking the vice president to Biden's record and referring to her as Biden's "border czar." Republicans have adopted the term to describe the assignment Biden gave Harris in 2021 to address the causes of migration from Central America.

Voters still rank illegal immigration among their top issues of concern in the presidential election. Some big cities including Chicago and New York are grappling with the long-term reality of housing and feeding tens of thousands of migrants living in public shelters.

A recent Wall Street Journal poll, conducted after Biden relinquished his spot on the Democratic presidential ticket, shows voters still favor Trump over Harris on immigration policy, 53% to 40%.

The coordinated effort to stem migration came after border communities including Eagle Pass, Texas, were overwhelmed late last year by the arrival of thousands of migrants who crossed the shallow waters of the Rio Grande, many of them with children in tow. Thousands were arriving in northern Mexico on any given day atop freight trains. Late last year Biden dispatched Secretary of State Antony Blinken and Homeland Security Secretary Alejandro Mayorkas to Mexico City over the Christmas holiday. Mexico vowed to change course, according to people familiar with the discussions.

Barrier and sponge

The Mexican government virtually ended a program of granting humanitarian visas for arriving asylum seekers. Those visas were intended to give them an option to live in Mexico instead of heading to the U.S. Mexican authorities said the visas were often used by migrants to travel to the U.S. border.

It also deployed a fleet of buses to relocate migrants from the U.S.-Mexico border to the country's south. Under its "Chutes and Ladders" program, more than 60,000 migrants have been relocated from northern border states to such cities as Villahermosa in the



southern Tabasco state, according to estimates by the Institute for Women in Migration, a Mexican advocacy group. And it stepped up efforts to bus migrants away from its border with Guatemala to an area farther into Mexico, to avoid mass concentrations.

"Mexico now functions as a barrier and as a sponge," Selee said.

Between 15 and 20 government-run buses arrive each evening in the southern city of Tuxtla Gutiérrez after a 250-mile journey from near the southern border with Guatemala, where there are large groups of arriving migrants.

"We have seen that many families simply decided to leave Tuxtla Gutiérrez on foot," said José Amaya, an upholsterer who left Venezuela with his wife and three children a few weeks ago. In recent days, a caravan of about 2,000 migrants set out on foot from the border with Guatemala. These groups are usually disbanded by immigration authorities in southern Mexico.

Mexican President Andrés Manuel López Obrador has said that the measures aim to protect the U.S.-bound migrants. Many of those who have made it to the U.S. have told shelter managers that they were forced to bribe

Mexico's government has implemented a large program to relocate arriving migrants and prevent mass concentrations along the U.S.-Mexico border.



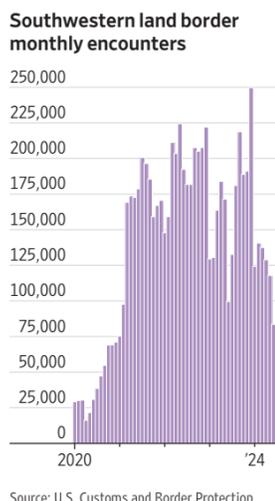
Source: staff reports

Mexican officers to do so.

International organizations estimate that the number of U.S.-bound migrants entering Mexico every day is more than double the close to 1,500 asylum seekers who are legally entering the U.S. with the CBP One app, the main portal to claim asylum in the U.S. Migrant-aid groups say there are as many as 100,000 migrants stranded in Mexico.

The López Obrador administration is trying to avoid becoming a factor in the U.S. election, rather than explicitly elevating the Democrats, Selee said.

Still, a Trump victory would likely be more problematic for Mexico than a win by a Democratic candidate, said Antonio Ocaranza, a former presidential spokesman and a Mexico-based political consultant. Former and



Source: U.S. Customs and Border Protection

current senior Mexican officials fear mass deportations to Mexican soil and a resumption of the expansion of the border wall.

Despite the country's neutrality, López Obrador has occasionally taken direct shots at Republicans. "Some Republicans use the immigration issue for electoral and political purposes," he said at a recent news conference.

The political cooperation has run both ways. When the U.S. government notified Mexico in late April that it planned to ban those crossing the border illegally from qualifying for asylum, López Obrador asked Biden to hold off on issuing the policy until after Mexico's presidential election, according to U.S. officials familiar with the discussions. Biden issued the policy two days after the Mexican vote, which López Obrador's protégé, Claudia Sheinbaum, won.

A spokesman for López Obrador didn't return requests for comment.

Joint strategy

"I think what is really important to understand, in my view, is that this executive order cannot be viewed in isolation," Mayorkas said in an interview. "It needs to be viewed in the context of other actions we have taken, and that our international partners have taken."

"We agreed on a joint strategy" that includes an expansion of areas where asylum seekers can apply for CBP One appointments, Mexican Foreign Minister Alicia Bárcena said Friday, referring to the high-level bilateral meeting late last year.

The Biden administration had been trying and largely failing to suppress illegal border crossings for years before the president's latest executive actions. After the migrant numbers fell, Border Patrol agents had more time to spend on each case, meaning they had time to coordinate quick deportations or transfers to Immigration and Customs Enforcement detention centers.

The area of Arizona south of Tucson was one of the stretches of the border hardest hit by last fall's surge. Churches and migrant shelters across the state were running 24-hour operations to receive migrants. Today they are nearly all empty. Some have closed or shifted operations to serve other vulnerable groups, such as homeless people.

—Ángeles Mariscal and Steve Fisher contributed to this article.

Google Loses Case Over Search

Continued from Page One decision "paves the path for innovation for generations to come and protects access to information for all Americans."

Mehta oversaw a 10-week

non-jury trial in the case last fall, which featured testimony from Alphabet Chief Executive Sundar Pichai and Microsoft CEO Satya Nadella.

Mehta is expected to consider what remedies to impose on Google to restore competition. That process could involve more court hearings over several months.

Mehta criticized Google for automatically erasing chat messages after 24 hours, saying he was "taken aback by the lengths to which Google goes to avoid creating a paper trail for regulators and litigants." The judge said he didn't impose punishments for that behavior requested by the government because "the sanctions Plaintiffs request do not move the needle on the court's assessment of Google's liability."

Google had argued its auto-erase policy was explicitly disclosed to plaintiffs years earlier. Google's appeal could mean it will be years until the case is finally resolved, either via a settlement or a final

judgment by the courts.

Mehta's ruling could force Google to change how it does business at a time when the company is under heightened scrutiny at home and abroad. The European Union's competition regulators recently announced a renewed investigation into Google's app store practices and the company faces a September trial in an antitrust case in which the Justice Department alleges Google illegally monopolizes the market for technology used to broker digital advertising.

"This is a really big moment for that movement to bring big tech under control," said Rebecca Haw Allensworth, an antitrust professor at Vanderbilt University Law School who has written critically about Google and other tech companies.

Allensworth said Mehta would most likely issue an injunction against Google's search deals or require that users affirmatively choose which search engine they use in browsers, rather than auto-

matically use one that paid for its default position.

It is possible the judge could limit when and how Google pays for its search engine to get prime placement on devices like Apple's iPhones. In 2022, Google paid Apple \$20 billion to maintain its default status on Apple devices, court documents show.

Shares in Alphabet closed down nearly 5% on Monday, part of a selloff in tech stocks. The case before Mehta dates back to October 2020, when the Justice Department sued Google during the final months of the Trump administration. A bipartisan group of state attorneys general also sued the company and the two cases were consolidated.

The Google case was the first of several antitrust lawsuits the federal government filed against some of the nation's leading tech companies, following years of criticism that U.S. enforcers have been too timid in providing a check on their growing dominance.

Monday's decision could give a boost to pending government cases alleging anti-competitive conduct by Apple, Amazon.com, and Facebook parent Meta Platforms.

Google is waiting for a California judge to prescribe changes to its mobile app store business after losing a case in December brought by Fortnite maker Epic Games. It plans to appeal.

While the search case dates back to the Trump era, it has been a priority for President Biden's Justice Department, which pledged to be aggressive in policing dominant firms. Kanter has criticized the concentration of power and influence among a handful of tech companies. He brought the department's second sweeping antitrust lawsuit against Google, focused on its ad technology. That case, set for a non-jury trial beginning on Sept. 9 in Virginia, alleges Google has an illegal monopoly on the tools that power the \$250 billion

digital-ad market. The department accuses Google of distorting the auctions used to place ads on websites and of locking customers into using Google's products—claims the company denies.

In March, Kanter accused Apple of using unlawful tactics to lock consumers into its iPhone ecosystem. Apple said the lawsuit is legally and factually wrong.

The Federal Trade Commission, which shares antitrust enforcement authority with the Justice Department, is pressing forward with a lawsuit that seeks to unwind Meta's acquisitions of Instagram and WhatsApp on the grounds that the company sought to foreclose competition by buying up potential rivals. Meta denied the FTC's claims, saying it faces fierce competition and isn't a monopoly. The FTC sued Amazon last year, alleging it wields monopoly power that keeps prices artificially high, a claim the retail giant denies.

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U.S. NEWS

Cracks in Economy Pose Risks to Harris

Trump gets opening to blast vice president; Democrats say it is premature to judge

BY ANNIE LINSKEY
AND ALEX LEARY

WASHINGTON—Recent economic turbulence threatens to reinforce voters' view that the American economy is shaky, giving former President Donald Trump's campaign a chance to shift onto stronger ground in his race against Vice President Kamala Harris.

"TRUMP CASH vs. KAMALA CRASH!" Trump wrote in all caps Monday on his Truth Social platform, as he seized on the turbulence that triggered investor panic in the U.S. "Voters have a choice — Trump prosperity, or the Kamala crash & great depression of 2024."

By midafternoon, Trump had posted at least 10 times on the subject as he sought to raise fears about a downturn in the hopes voters would blame Democrats. His campaign quickly created a video highlighting recent TV news reports on the economic troubles, juxtaposed with clips of Harris touting "Bidenomics."

Trump's posts came after Japan's Nikkei 225 fell more than 12% on Monday, its worst one-day drop since the crash after Black Monday in 1987. It prompted selloffs across Europe and the U.S., as investors dumped riskier assets. The global market uncertainty coincided with a disappointing July jobs report released Friday, with some economists worried that the Federal Reserve was too cautious about cutting interest rates.

"Negative news about the economy is going to weigh

down the Harris campaign," said GOP pollster Micah Roberts. "This could usher in a precipitous end to the honeymoon period she was experiencing."

Despite Harris gaining on Trump since President Biden dropped out of the race, Trump has maintained an advantage on the economy. Compounding the problem for Harris: There is likely little that she or Biden can do in the short term to calm investors. Members of the Fed are appointed by the president but act independently.

The decline in the S&P 500 comes less than three weeks after hitting an all-time high, and its percentage decline to date hasn't even met the 10% threshold commonly defined as a correction. Despite the rise in the unemployment rate, other economic indicators, such as retail sales, payrolls and industrial produc-

tion, are still growing.

Democrats argued that it is premature to draw any broad conclusions about the direction of the economy.

"There are three months of data before now and the election," said Jason Furman, a former top economic adviser to former President Barack Obama who isn't working on Harris's campaign. "Everything about the economy is noisy, rarely does it turn on a dime in a single direction, and I don't think that's happening now."

The Fed could cut interest rates during its September meeting, potentially giving investors a boost of confidence. That meeting is their last regular opportunity to do so before the November election. One final jobs report is expected days before the election.

Concerns about a slowing U.S. economy come after more than a year of the White House

touting reams of positive jobs, wage and inflation data. Biden's advisers had been arguing that voters' sour perception of the economy would catch up to the numbers and eventually buoy Democrats' chances of winning in November.

Trump's team thinks a renewed focus on the economy puts the Republican's campaign on stronger ground. The Harris campaign pushed back on that notion.

"What middle class families need is steady economic stewardship, not chaotic ranting lies," said Ammar Moussa, a Harris campaign spokesman, who said that Trump was president during some of the worst days in the history of the stock market.

The Trump campaign has endured a series of difficult weeks since Biden announced he wouldn't seek re-election and the Democratic Party con-

solidated around Harris. She quickly ate into Trump's advantage in the polls, turning the contest into a closer match as she has excited Democrats and posted massive fundraising.

Still, more than half of respondents in the latest Wall Street Journal poll said that Trump is best able to handle the economy, while just 40% said Harris is best suited to handle it. Among independents, 57% say Trump is best able to handle the economy while 25% of independents think that of Harris.

Harris's team has signaled that she will continue to hammer Trump's record on the economy and plans for another term, including one to add major tariffs to industries including auto manufacturing. Independent economists have said enacting tariffs as large as the ones that Trump has discussed would be inflationary.

Ecstasy Drug Trials Are Faulted

Continued from Page One

ording to people familiar with the matter. Some researchers conducting the trials ran underground therapeutic ecstasy sessions on the side. MDMA is illegal to use outside of certain specific situations, mainly scientific research.

The company said any issues voiced by a small number of study subjects shouldn't undermine the overall study results. Lykos said it planned the trials in collaboration with the FDA, and that boards of independent trial overseers approved the designs. The company said an independent committee of study experts monitored the ethics and safety of the trials.

Lykos also said it didn't recruit therapists or patients from the ecstasy underground and wasn't aware of any therapists who were giving ecstasy illegally while conducting the trials, which were evaluating whether a combination of Lykos's drug and mental-health therapy safely treated PTSD.

"We really feel that they are sound," Lykos Chief Executive Amy Emerson said. "The data is reliable."

FDA staffers have questioned the quality of the study results. Experts advising the agency recommended against approval, saying more safety and effectiveness evidence was needed. The Institute for Clinical and Economic Review, a nonprofit that reviews drugs and their prices, said the evidence was incomplete.

The FDA told its advisers that it is looking into allegations of study misconduct and missing side effects. It told the Journal that it can't comment on investigations until they are final, but its findings will be incorporated into its decision on the Lykos treatment.

Problems with the trials mean the FDA might not be able to assess whether the treatment is safe and effective for everyone, or just some people, said experts advising the agency and bioethicists who spoke to the Journal about its findings.

"We have to be able to rely on the data. That's all we have," said Holly Fernandez Lynch, an associate professor of medical ethics at the University of Pennsylvania. "We can't approve drugs on the basis that people think they work."

Lykos's study of its drug-therapy combination has been troubled. One subject of an early trial alleged in a lawsuit and told FDA advisers that she was sexually assaulted and abused at the hands of married therapists overseeing her participation in the trial.

Videos from her clinical trial sessions showed both her male and female therapists holding her closely while lying together on a bed. The parties agreed to dismiss the lawsuit, but the terms weren't disclosed. Lykos has said that what happened was malpractice and that it cut ties with the therapists.

Helpful Treatment?

MDMA, or midomafetamine, is a synthetic drug that acts as both a psychedelic and a stim-



Sarah McNamee, above, said the drug therapy resurfaced memories from traumatic events in her life. Wade Kodrin, below left, said the therapy helped more than others he'd tried for his PTSD over a decade. The treatment was tested in clinic rooms like this one in New York.



ulant, affecting hormones in the brain. For decades, it has been used illegally, at parties and raves.

Supporters have long theorized the drug could be a helpful treatment for mental-health conditions such as post-traumatic stress disorder. They formed a movement pushing for legalization of psychedelics and have conducted underground therapy sessions or retreats with the drug.

An estimated 13 million Americans, including veterans and victims of sexual assault, suffer from PTSD. The few available medicines approved for treatment don't work in many patients. Groups supporting veterans, who face high levels of suicide, have pressed the FDA to approve the MDMA drug.

To assess whether its drug-therapy combination worked safely, Lykos sponsored a number of trials. Among them were two final-stage studies, enrolling nearly 200 subjects with either severe or moderate PTSD, that the FDA agreed to review to decide whether to approve the treatment.

The studies evaluated subjects for 18 weeks of treatment with drugs—or a placebo—and psychotherapy. Some subjects completed a separate, follow-up study months afterward.

During the 18-week trials, Lykos said, most of the study subjects who received MDMA therapy improved significantly on an assessment of their PTSD symptoms. Some no longer qualified for their original diagnosis. The company said side effects were mostly mild to moderate, and transient.

In the long-term study, the positive effects from the initial MDMA treatments endured, for some patients as long as two years later, the company said.

"It was incredibly healing," said Wade Kodrin, an Army veteran who was in one of the studies. He said the drug therapy helped far more than did

other therapies and treatments he had tried for his PTSD for more than a decade.

Suicidal thoughts

Other patients said the treatments made them feel worse overall. McNamee, from Montreal, said the drug therapy made her feel as if she was "cracked open" and resurfaced memories from various traumatic events in her life. For about a year after, she said, she spent her days trying not to attempt suicide.

To measure how McNamee and other subjects fared during testing, researchers asked a series of standardized questions. The Wall Street Journal reviewed the scores from McNamee's interviews. The scores indicated McNamee got better.

That was partly because the scores measured, under the trial's design, McNamee's symptoms related to one traumatic experience only. Those symptoms, including nightmares related to the trauma, improved. Yet she said she spiraled downward while thinking of other traumatic events.

Pressure to report positive results also played a role, McNamee said. Therapists conducting the studies told her she was helping make history.

"It made me feel like I belonged to something bigger than me, and it also made me feel like I had a serious responsibility to make sure that other people could get access," she said.

Two other study subjects, who declined to be named because talking about their MDMA use in the trials could hurt their employment or relationships, said they had suicidal thoughts after getting the drug therapy as part of the trials. They didn't fully report that to researchers, they said, because they felt pressure to

support the approval.

They said they thought their negative symptoms could impede the drug's progress toward legalization, which they felt was important.

Both of the subjects said their mental health worsened after the trial ended and researchers were no longer collecting data.

One of the subjects said she didn't join the long-term study because she felt unable to function, was depressed and had suicidal thoughts.

The other subject, who participated in the long-term study, said she didn't report that she had become more suicidal after the initial trial had ended. The study questions, she said, focused on the previous several months during which she felt better, and not on the full amount of time since the trial when she was at her lowest. Lykos said it asked about the worst suicidal points.

Bioethicists said studies should make sure all serious side effects are reported to determine whether a drug candidate is safe.

Pressuring study subjects to report positive results is "a serious problem to me. That's not how you're supposed to do science," said Jonathan Kimmelman, a bioethicist at McGill University.

Lykos said it monitored suicidal thoughts and actions regularly throughout the trials to check on subjects' safety. It said specially trained professionals, who looked out for subjects playing down or overplaying symptoms, conducted the interviews evaluating the effectiveness of the drug therapy.

Lykos also said it reported any significant increases in suicidality to the FDA and that most of the patients had a history of suicidal thoughts.

"An important thing to remember is that this is a very sick population of people that we're taking care of," said Dr. Alia Lilienstein, senior medical director for Lykos.

Studies of people taking experimental medicines are highly regulated to minimize bias and accurately assess whether a drug works safely. To reduce the risk that either researchers or subjects selectively report results, the FDA usually requires the random assignment of the study drug.

Most subjects could easily tell, given the drug's hallucinogenic effects, whether or not they had received a placebo, according to a Lykos survey of study subjects. The awareness could have affected the study's findings, FDA staffers said in their review of the results: It "can introduce bias in clinical studies."

Therapist advocates

The trials were run by therapists who spoke about the benefits of the MDMA drug, according to people familiar with the studies.

"You want to make sure that the therapists are very, very clear that they should not be implying to people that it's globally important what the results of the trial are and encouraging people to have favorable outcomes," said Dr. David Rind, the Institute for Clinical and Economic Review's chief medical officer.

Lykos said any scientists conducting clinical trials have hope and optimism that their treatment will work, and its scientists had good reason to think the drug would help patients, given its use in therapy in the 1970s before it was made illegal.

Lykos also said the researchers who interviewed subjects didn't know whether a subject took the MDMA drug or a placebo and never interviewed the same subject twice.

"The procedures that we use in our studies went beyond industry standard practices for reducing potential bias—well beyond," Lilienstein said.

Some investigators on the Lykos trials offered "underground" psychedelic sessions while they oversaw the trials, people familiar with the situations said. One person said he hired a therapist on a Lykos trial to guide him in an underground MDMA session while the clinical trials proceeded.

The nonprofit Multidisciplinary Association for Psychedelic Studies, or MAPS, which spun off Lykos in 2014 and is the primary shareholder in the company, referred some callers seeking treatment to underground psychedelic therapy while Lykos sponsored FDA-regulated clinical trials, said ex-employee Ifetayo Harvey.

"It was like, 'Yes, we're doing this aboveboard, but we also know the treatment is effective, so we also have these underground folks doing it,'" said Harvey, an executive assistant at MAPS in 2015.

Bioethicists said companies sponsoring drug trials shouldn't separately direct people to use an illegal product, though it wouldn't necessarily affect the quality of the study results.

A spokeswoman for MAPS said the organization doesn't refer people to treatment.

Rick Doblin, founder of Lykos, and a board member of Lykos, said there was no overlap between the trials and the underground.



Ecstasy pills, top, contain MDMA. The FDA will decide whether to approve MDMA to treat post-traumatic stress disorder.

CLOCKWISE FROM TOP: KIRK USAJ FOR THE WSJ; LYKOS THERAPEUTICS; MATTHEW WADE KODRIN

FROM TOP: U.S. DEA/HANDOUT/REUTERS; ANDREW KELLY/REUTERS

WORLD NEWS

Bangladesh Premier Quits Amid Protests

Longtime leader flees country after broad outcry over brutal crackdown

Bangladesh Prime Minister Sheikh Hasina resigned and fled the country on Monday after a government crackdown on violent student protests sparked a revolt against her rule.

Army Chief Gen. Waker-Uz-

By Shan Li, Krishna Pokharel and Muktaadir Rashid

Zaman said an interim government would be formed soon.

The 76-year-old Hasina ruled the South Asian nation continuously for more than 15 years, but she faced increasing calls to resign after her government sought to quash demonstrations that erupted in July. At least 300 people have been killed, and hundreds more injured.

Hasina fled out of the country on Monday and landed in India, a person familiar with the matter said.

Protesters broke through the gates of the prime minister's official residence and stormed inside. Some left the mansion with chairs, potted plants and a refrigerator. Large crowds gathered elsewhere in the capital chanting victory slogans and waving the national flag.

"It is the people's revolution against a dictator," said Mustafizur Rahman, a 30-year-old college lecturer who joined in the protest outside the residence.

Hasina, who had a first stint as prime minister after winning election in 1996, became the country's longest-



People celebrated the resignation of Prime Minister Sheikh Hasina in Dhaka on Monday.

serving leader after returning to power in 2009. The daughter of Bangladesh independence leader Sheikh Mujibur Rahman, Hasina has often invoked her family history for political legitimacy, including setting up a war-crimes tribunal to pursue offenses linked to Bangladesh's 1971 war of independence against Pakistan.

Political experts and rights groups say her rule has been marked by increasing repression of political opponents, including through the tribunal. "She lost a lot of her legitimacy, in part because of her approaches to governance," said Michael Kugelman, director of

the South Asia Institute at the Wilson Center in Washington. "She ruled with an iron fist."

Protest organizers welcomed Hasina's departure and called for a more representative government to be put in place.

The resignation throws Bangladesh into further disarray after weeks of turmoil that began with students demonstrating against a quota system that earmarked 30% of government jobs for the families of veterans of the independence struggle. The protests reflected deep frustration among young people, who are grappling with inflation and an unemployment rate that has hovered around 16% for years.

Many saw the quota system as favoring Hasina's ruling Awami League party and its followers.

Many Bangladeshis are also disillusioned with the government's lack of commitment to democracy.

"The economic and social grievances have been converted into a political movement," said Sanjay K. Bhardwaj, a professor of South Asian studies at Jawaharlal Nehru University in New Delhi.

Bangladesh has been seen as an economic success story, with growth averaging 6.5% over the past decade, thanks in part to its rise as a garment exporter. Per-capita income is higher than

India, and other indicators such as life expectancy and female literacy also top its neighbor. The poverty rate has dropped to 5% in 2022 from 11.8% in 2010, according to the World Bank.

But millions of young people are struggling to find jobs. The reintroduction of the quota system—which was abolished in 2018 following student protests but reinstated in June by the Bangladesh High Court—angered many students who are facing a tough job market.

The Supreme Court in July ruled that the quota must be slashed to 5%, with 93% of jobs to be filled based on merit.

The other 2% would be allocated for disabled or transgender people, or those belonging to ethnic-minority groups.

The government said it would respect the ruling, but after a brief pause, protesters renewed their demonstrations, this time calling for Hasina to be held accountable for what protesters and rights groups have said was an excessive use of force by authorities.

The police in July enforced a curfew with a "shoot-on-sight" order across the country and shut mobile internet including access to many social-media platforms.

Kaniz Fatema Mithila, who was outside Hasina's residence on Monday, said the prime minister had been ruling without a mandate and "keeping us at gunpoint." The response to the protesters was the last straw. "When we see a peaceful and justified protest come under attack...we can't tolerate it," said Mithila, a 38-year-old activist. "We revolted against a fascist."

The toll from the protests included civilians caught in fire from security forces, according to Bangladeshi news reports. Unicef, the United Nations children's agency, said over 30 children were killed during the protests in July, and many were injured or detained. The government has said it was responding to violence by protesters.

—Rajesh Roy contributed to this article.

Watch a Video

Scan the code for a video on the violent protests in Bangladesh.

Middle East Braces for More Violence As Warnings of Iranian Attack Grow

The Middle East braced for another round of violence on Monday, after Secretary of State Antony Blinken said on a call with Group of Seven for-

By Laurence Norman, Benjamin Katz and Feliz Solomon

eign ministers the day before that Iran could attack Israel within 24 to 48 hours, two diplomats briefed on the call said.

Blinken didn't say what form an attack could take. U.S. officials have been working with their international partners to try to contain tensions in the Middle East amid warnings by Iran and pro-Iranian militias that they will attack Israel following the assassinations last week of Hamas's political leader, Ismail Haniyeh, in Tehran and senior Hezbollah leader Fuad Shukur in Beirut.

On Monday, Iran called a gathering of foreign diplomats in Tehran. In the meeting, acting Foreign Minister Ali Bagheri-Kani attacked what he called the complicity of the U.S. and some European countries in supporting Israel, he said afterward on social media.

"Such aggression cannot go unanswered," he said he told the diplomats. "The Islamic Republic's response will be definitive and decisive." An Arab diplomat said an Iranian official had said on Monday that an attack could occur within



People awaited flights at Beirut International Airport on Monday, as calls grew for foreign nationals to leave Lebanon.

the next 48 hours.

In Washington, President Biden convened his national-security team on Monday afternoon to discuss the crisis in the Middle East, the White House said. He also spoke with Jordan's King Abdullah, whose acting foreign minister made a rare visit to Tehran.

The U.S. military was on alert to help defend against any potential attack on Israel.

Defense Secretary Lloyd Austin on Friday ordered additional firepower to the region ahead of an expected attack, including an F-22 fighter squadron armed with air-to-air weapons capable of shooting down incoming missiles. With the additional F-22 squadron, there are now sev-

eral U.S. Air Force squadrons in the region.

Austin also ordered the aircraft-carrier strike group the USS Abraham Lincoln, which is currently in the Pacific, to replace the USS Theodore Roosevelt to maintain a carrier presence in the region.

Gen. Erik Kurilla, the head of U.S. Central Command, has also flown to the region, as he did in April, and has arrived in Israel, the Israeli military said on Monday.

Two destroyers capable of shooting down cruise and ballistic missiles are currently in the eastern Mediterranean, according to a U.S. official: the USS Bulkeley and the USS Roosevelt. Also in the eastern Mediterranean is the USS

Wasp amphibious ready group, in case there is a need for a noncombatant evacuation. The Theodore Roosevelt and its associated strike group are in the Gulf of Oman.

Several U.S. troops were injured Monday in a suspected rocket attack at a U.S. base in Iraq, Pentagon officials said. The U.S. was assessing how many troops at Al Asad air base were injured, the officials said, amid fears that an Iranian proxy group was behind the attack.

A briefing in the Situation Room "focused on the threats posed by Iran and its proxies to Israel and to U.S. servicemembers in the region," the White House said. Also discussed were the steps the U.S. is "taking to defend our forces and respond to any attack against our personnel."

On Monday morning, Iran issued a notice to pilots and aviation authorities warning of likely disruption to GPS and navigational signals, which are used by pilots for positional data and to follow flight routes, a U.S. official said.

Iran had issued a similar warning on April 13, the day Tehran launched its first-ever direct military attack on Israel.

Iran denied reports it had issued a notice to pilots and aviation authorities regarding flight restrictions or rerouting in its airspace.

Nine U.N. Employees Fired Over Oct. 7 Attack

By GORDON LUBOLD

Nine employees of the United Nations agency that for decades has provided schooling, healthcare and other assistance to Palestinians in Gaza were fired after an investigation found they might have participated in the Oct. 7 Hamas attack on Israel.

A U.N. investigation, ordered after Israel alleged in January that employees of the United Nations Relief and Works Agency participated in the Gaza assault, examined the actions of 19 relief workers in all, the secretary-general's office said Monday.

"For nine people, the evidence was sufficient to conclude that they may have been involved in the seventh of October attacks," deputy spokesperson Farhan Haq said. "The employment of these individuals will be terminated in the interests of the agency."

For one of the other 10 Unrwa workers, the investigation found no evidence of involvement in the attack. The evidence against the rest was insufficient to support their involvement, the statement said. It added, without elaboration, that "appropriate measures would be taken in due course."

The finding that some staff might have been involved in the attack, in which Israeli authorities say 1,200 people were killed and at least 250 taken hostage, is a blow to Unrwa, the main U.N. organization

overseeing aid for more than five million Palestinian refugees in Gaza, the West Bank, Jordan, Syria and Lebanon.

Republicans in the U.S. and Israeli politicians of all stripes have long accused Unrwa of pro-Palestinian bias, and Israel has in the past accused individual staffers of ties to Hamas, considered a terrorist group by the U.S. and Europe, and other militant groups. Most of the agency's roughly 30,000 staff are Palestinian.

In response to the findings, Israel's Ministry of Foreign Affairs said, "It is too little too late, but the truth is starting to come to light." Other workers remain at the agency who were involved in the massacre, the ministry said: "The U.N. must fire them immediately and not sweep the issue under the rug."

Israel has sent the U.N. the names of additional Unrwa employees it said are Hamas operatives, the ministry said. Unrwa didn't respond to requests for comment.

The U.S. State Department welcomed the U.N.'s "prompt action" in launching the investigation, noting that U.S. funding of the agency, which was halted after Israel's initial allegations in January, remains suspended.

"We will continue our work to address the dire humanitarian situation in Gaza through other humanitarian organizations, consistent with U.S. law," it said.

NIGER U.S. Withdraws From Last Base

The U.S. handed over its last military base in Niger—which had been one of its two hubs for counterterrorism operations in the country—to local authorities, the U.S. Department of Defense and Niger's Ministry of Defense announced Monday. U.S. troops had withdrawn earlier from the other hub, a small drone base.

In March, after a coup last year, Niger's ruling junta ended an agreement that allowed U.S. troops to operate in the West African country. Niger had been seen as one of the last nations in the restive Sahel region that Western nations could join with to beat back growing jihadist insurgencies.

—Associated Press

UNITED KINGDOM Starmer Offers Plan To Combat Rioting

British Prime Minister Keir Starmer said Monday that a "standing army" of specialist police would be set up to deal with rioting, and that the justice system would be ramped up to deal with hundreds of arrests after violent disorder rocked cities across the nation over the past week.

The rioting followed a stabbing rampage at a dance class that left three girls dead and many more wounded. False online rumors that the suspect was a Muslim and an asylum-seeker led to attacks on immigrants and Muslims. Dozens of police officers have been hospitalized for injuries in the past six days after being struck with bricks, bottles and wooden posts.

—Associated Press

AUSTRALIA Terror-Alert Level Raised to 'Probable'

Prime Minister Anthony Albanese raised the terror-alert level to the third-highest of five Monday, meaning authorities see a greater than 50% chance of an attack or planned attack over the next 12 months. He cited young people's turning to racially or religiously inspired violence with little or no warning.

The raised level doesn't mean authorities have intelligence about a specific attack, said Mike Burgess, director-general of security at the domestic spy agency. But he highlighted that there were eight attacks or disrupted attacks over the past four months that authorities deem terrorism or were investigated as potential terrorist acts.

—David Winning

WORLD WATCH



GREATEST OF ALL TIME: A passerby captured a shot of a mural purportedly by Banksy—the elusive street artist shared a picture of it on his Instagram account—in London on Monday.

WORLD NEWS

China's Manufacturing Subsidies Lead World

BY JASON DOUGLAS
AND CLARENCE LEONG

SINGAPORE—Countries around the world are throwing tens of billions of dollars at manufacturing in a race to dominate clean energy, computer chips and other technologies of tomorrow.

But when it comes to lavishing support on its favored industries, China is in a league of its own. Beijing easily outspends the U.S., the European Union and even other Asian export powerhouses in the support it grants its factories. By one estimate, China shovels a sum equivalent to almost 5% of its annual national income toward its industries, six times the level of support ex-

tended by the second-biggest spender, South Korea.

The immensity of China's financial support for manufacturing is at the heart of the growing global backlash against a rising tide of Chinese exports pouring onto global markets. Western businesses are being outgunned and outclassed in everything from electric cars to solar panels and batteries. Home-grown industries in emerging markets can't compete with the onslaught of cheap Chinese competition. Trade barriers to Chinese imports are going up around the world.

What is unusual about China, researchers say, isn't just the scale of industrial support but also its breadth, assis-

tance that has become more urgent as Chinese growth fizzles. Ninety-nine percent of publicly listed Chinese companies disclose some form of subsidy, according to the Kiel Institute, a German think tank.

Publicly listed firms declaring bumper subsidies include oil and gas majors, telecommunications providers, logistics firms and consumer-electronics makers, according to data provider Wind.

In addition to state handouts, Chinese firms also have access to a huge apparatus of state support that Western governments and competitors say gives them a leg up in global markets.

They get cheap loans from China's state-run banking sys-

tem and a plethora of tax breaks. They also get cheap land from local authorities to set up factories, cheap steel from state-owned mills and cheap energy from state-owned utility companies. Government-backed investment funds channel billions of dollars in equity financing to firms that need capital.

"They are serious about this in a way which no one else is," said Thomas Gatley, China analyst at Gavekal Dragonomics, a research firm.

The West still has many advantages it hopes will keep its industries at the technological edge: deep capital markets, world-class research universities, robust intellectual-property laws and, in places such

as Silicon Valley, a culture that rewards innovation.

Nonetheless, after decades of free-market orthodoxy, state support for manufacturing is again on the rise worldwide. Advanced economies are leading the charge, embracing a muscular industrial policy focused on sectors such as green energy and cutting-edge computer chips.

The Biden administration earmarked \$53 billion to revive chipmaking in the U.S., and its Inflation Reduction Act is expected to provide tax breaks and subsidies worth hundreds of billions of dollars in the coming years to support the shift to greener forms of energy and transport. The EU and Japan have rolled out

similar programs.

China is in a different league. A paper by the Center for Strategic and International Studies, a Washington think tank, found Chinese spending on industrial policy amounted to around \$250 billion in 2019, or around 1.7% of the country's gross domestic product. That was twice as much as a share of its economy as second-place spender South Korea spent, and far in excess of the U.S. at 0.4% of GDP, Japan at 0.5% and France at 0.6%.

China says its industrial policies comply with international rules and that Western countries are embracing protectionism because their domestic industries are being outcompeted by Chinese rivals.

FROM PAGE ONE

Nurse Visits Paid Off For Insurers

Continued from Page One to a Journal analysis of Medicare data.

Nurse practitioner Shelley Manke, who used to work for the HouseCalls unit of UnitedHealth Group, was part of that small army making home visits. She made a half-dozen or so visits a day, she said in a recent interview.

Part of her routine, she said, was to warm the big toes of her patients and use a portable testing device to measure how well blood was flowing to their extremities. The insurers were checking for cases of peripheral artery disease, a narrowing of blood vessels. Each new case entitled them to collect an extra \$2,500 or so a year at that time.

But Manke didn't trust the device. She had tried it on herself and had gotten an array of results. When she and other nurses raised concerns with managers, she said, they were told the company believed that data supported the tests and that they needed to keep using the device.

"It made me cringe," said Manke, who stopped working for HouseCalls in 2022. "I didn't think the diagnosis should come from us, period, because I didn't feel we had an adequate test."

Other nurses interviewed by the Journal said many of the diagnoses that home-visit companies encouraged them to make wouldn't otherwise have occurred to them, and in many cases were unwarranted.

Last month, the Journal reported that insurers received nearly \$50 billion in payments from 2019 to 2021 due to diagnoses they added themselves for conditions that no doctor or hospital treated. Many of the insurer-driven diagnoses were outright wrong or highly questionable, the Journal found.

The diagnoses added after home visits accounted for about 30% of that total. More than 700,000 peripheral artery disease cases diagnosed only during home visits added \$1.8 billion in payments during that period.

In the Medicare Advantage system—conceived as a lower-cost alternative to traditional Medicare—private insurers get paid a lump sum to provide health benefits to about half of the 67 million seniors and disabled people in the federal program. The payments go up when people have certain diseases, giving insurers an incentive to diagnose those conditions.

To find out how insurers use home visits to add diagnoses, the Journal interviewed nurses, patients, home-visit managers and industry executives and reviewed hundreds of pages of internal documents from home-visit companies. They described a system that used nurses, software and audits to generate diagnoses.

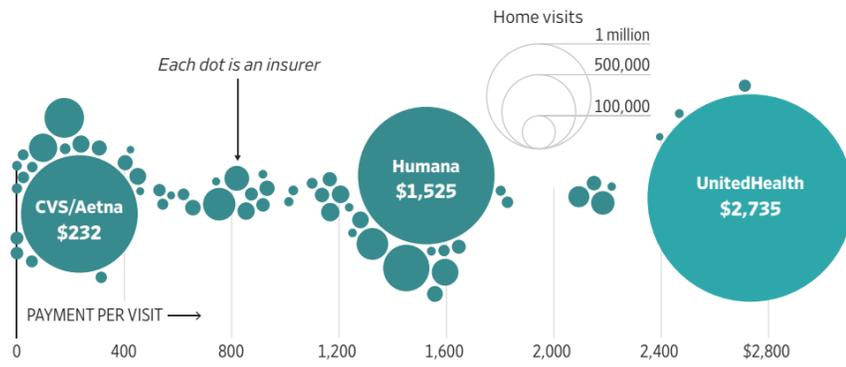
"They do the job with a purpose, and it pays off for the Medicare Advantage plans," said Francois de Brantes, a former executive at Signify Health, a company that does home visits for insurers. "Identifying the diagnoses, that's the job."

Insurers, including UnitedHealth and CVS Health, owner of both Signify and Aetna, said the house calls help patients



Shelley Manke, a nurse practitioner who worked for UnitedHealth, visited many Medicare Advantage recipients in their homes.

Average payments for home-visit diagnoses, per visit, 2019–21*



*Limited to insurers with 5,000 or more home visits. †Figures may not total due to rounding. Source: WSJ analysis of Medicare data.

by, among other things, catching diseases early and making sure people are taking their medicine properly. The insurers said they relay home-visit findings to primary-care doctors.

Nurses who made visits said they felt they were helping some patients with advice about medications, performing needed tests and sometimes reporting health emergencies.

For UnitedHealth, the parent company of the largest Medicare insurer, each home visit was worth about \$2,735 in extra Medicare payments during the three years covered by the data, the Journal analysis found. That's nearly three times the average for all other Medicare Advantage insurers.

UnitedHealth's chief physician, Dr. Wyatt Decker, attributed the disparity to what he said was UnitedHealth's sicker patient population and its nurse practitioners being so effective at their jobs.

New revenue

Sixty percent of UnitedHealth home visits generated at least one new revenue-producing diagnosis of a condition no doctor was treating, the analysis showed. Home visits by Humana, the No. 2 Medicare insurer, did so 39% of the time.

The Journal reviewed Medicare data covering the home visits under a research agreement with the federal government. The data doesn't include patients' names, but covers details of doctor visits, hospital stays, prescriptions and other care.

The home-visit industry has grown in recent years. UnitedHealth's HouseCalls sent nurse practitioners to the homes of more than 2.7 million people last year. CVS's Signify performed about 2.6 million home visits in 2023.

Step one is getting Medicare Advantage recipients to agree

to a visit, especially patients whom insurers deem most likely to have undiagnosed conditions that would garner extra payments.

Two former managers who oversaw home visits for Humana, and a third who worked for both Humana and Signify, said insurers used an internal scoring system to identify prospects. Under the Medicare Advantage system, diagnoses have to be documented every year to trigger the extra payments, so people who had an earlier home visit that produced extra payments were particularly valued, the managers said.

Insurers also considered other factors, including how likely patients were to agree to a visit, some home-visit executives said.

Call centers bombard Medicare recipients with offers of home visits—in the case of Humana, autodialing them as many as 10 times, according to the former managers.

A Humana spokesman said the company is committed to accurately identifying patients' health conditions, and that its home-visit vendors don't use software to suggest diagnoses

for its patients.

When patients agree to a visit, home-visit companies send nurse practitioners or, less frequently, doctors or physician assistants. Some are full-time employees, others contractors who get paid around \$100 or more per visit.

At each home, the nurses run through a series of questions covering medical history and medications, as well as doing a physical assessment and some basic testing.

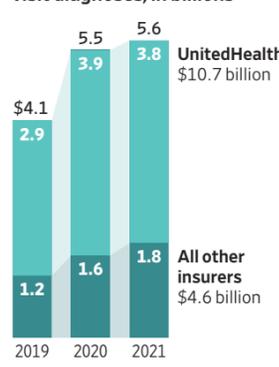
In the HouseCalls system, nurses feed information into a laptop or tablet, and the software suggests diagnoses. They automatically appear in a "diagnosis cart" on the side of the screen, according to training documents from last year that were viewed by the Journal.

Kristen Bell, a nurse practitioner who left HouseCalls in May after doing home visits for seven years, said the prompts were one way to prod nurses to add diagnoses. They also got regular training about conditions they could record, she said. She characterized the message from management as: "I'm not going to beat you up about this, but I want you to go in this direction."



Signify Health and a subsidiary of UnitedHealth made more than five million home visits combined in 2023.

Total payment from home-visit diagnoses, in billions†



ANDREW MOLLICA/WSJ

to UnitedHealth patients in the period analyzed by the Journal, adding up to nearly \$1.4 billion in additional payments.

UnitedHealth's Decker said the company expected clinicians to use their judgment in making peripheral artery disease diagnoses. A spokesman for Signify-owner CVS said medical providers decide when the test is appropriate on a case-by-case basis, and that the 2020 email was "not clearly worded" and didn't reflect company policy.

Renae Cormier, chief financial officer of QuantaFlo maker Semler Scientific, said the device assesses risk for the disease.

False diagnosis

Dr. Amy Chappell, a 73-year-old neurologist in Naples, Fla., was surprised when a nurse sent to her house earlier this year by UnitedHealth pulled out a QuantaFlo device. "She had no reason to think I had peripheral artery disease," said Chappell, who says she has had no symptoms of the condition and is an avid runner and tennis player.

Chappell tested positive, although the nurse didn't do any other standard exam to check for symptoms of the disease, Chappell said. Her primary-care doctor, Dr. Rebekah Bernard, said in an email that the diagnosis was inaccurate.

"From what I do know of the case, it's an example of where we could have done better, and we need to own that," said UnitedHealth's Decker. The company later confirmed the diagnosis was a mistake and said it corrects such errors.

A spokeswoman for the Centers for Medicare and Medicaid Services, said the agency recently ramped up audits to verify diagnoses. The agency also is eliminating some diagnoses from those that qualify for extra payments, including peripheral artery disease.

Nathanael Lacaria, a nurse practitioner who did home visits in Colorado for CVS's Signify unit in 2019 and 2020, said he didn't feel it was appropriate to make definitive diagnoses based on one visit.

He said he didn't realize insurers were submitting some of his tentative diagnoses to Medicare for billing purposes until a woman he had visited called the company to complain. "What's this depression diagnosis in my chart?" she asked, according to Lacaria.

When he visited the woman, whose husband had died, Lacaria said, he recorded her answers to a standard depression screening tool, but he hadn't actually diagnosed depression. "These visits were definitely used to jump to conclusions I wouldn't have arrived at," he said.

The CVS spokesman said Signify's clinicians independently determine which conditions a patient has.

Methodology

The Journal identified insurer home visits based on an approach used by Medicare's inspector general. The Journal excluded patients with more than two insurer home visits or assessments by doctors in a calendar year. Insurers often add diagnoses based on audits that follow home visits, and the analysis included those, too.

The Journal determined diagnoses triggering extra payments were based only on home visits. Insurers sometimes add diagnoses without indicating a source, and when such diagnoses weren't clearly linked to home visits, the Journal assumed they stemmed from other services.

The Journal calculated payments using an approach described in a previously published methodology. The analysis excluded certain beneficiaries, such as those who changed plans during a year and ones with end-stage kidney disease.

Nurses diagnosed the condition after 568,000 home visits



FAMILY & TECH
JULIE JARGON

We have our 9 a.m. to 5 p.m. jobs. Then we have our 5 p.m. to 9 p.m. shifts of cooking, cleaning and child care. Oh, and don't forget the endless to-do lists in our heads.

It can feel like our brains never stop spinning. Meal-planning, appointment-scheduling and task-delegating are part of what's known as mental load. It's the cognitive burden of keeping our lives humming along—and it's getting harder to manage.

A recent study of more than 2,000 parents commissioned by Skylight, the maker of a touch-screen calendar used by more than 1.2 million people every month, found that parents devote an average of 30 hours a week to managing family schedules and household tasks. Two-thirds of the time is spent just thinking about those tasks.

So what can we do about it? Technology, which often contributes to the racing in our brains, might be the key. It can help lighten the load—so long as managing the tech doesn't become a burden.

The stakes are high for getting our mental loads under control. Becoming overwhelmed from all of the household management can cause resentment between partners and lead to a short fuse with the kids. Research has shown that stress caused by an unequal division of labor can result in marital strain and even lead to less sex.

Working together

The mental calculus takes a toll, especially on women. A study of mothers of young children, published last month in the Archives of Women's Mental Health, found that an unequal division of labor for cognitive tasks hurts women more than unequally performing those tasks. Carrying the bulk of the mental load, the study found, was associated with depression and stress for women.

"There's now quantitative data that shows what I've been saying for 10 years, which is that anyone can buy mustard, but who's the one noticing that the mustard is running low?" says Eve Rodsky, author of the book "Fair Play" and the developer of a game-based system for achieving domestic equality. She co-wrote the study of mothers, along with research-



Managing Household Tasks Doesn't Have to Be a Second Job

Technology can help, as long as it doesn't become yet another chore

ers at the University of Southern California.

Skylight recently added a mental load calculator to its website to help people assess their own cognitive labor. Skylight said the average parent would earn \$60,000 a year if they were paid for all of their mental labor, an estimate based on the U.S. median hourly household income.

I decided to see what my unpaid mental labor was worth and found that it amounts to nearly \$170,000 annually. As a full-time journalist and mom of three kids, I shouldn't be surprised that my mental tasks add up to another full-time job. No wonder I'm tired all the time!

Sharing the load

To take back control, consider all-in-one apps and devices that I've

written about before, such as Maple, Cozi and Skylight. These help families coordinate schedules, manage chores and create shopping lists.

It also helps to know how much time you're spending on to-do lists and to carve up a plan where both partners carry the burden.

"It is important that the work of researching and choosing an app, updating the app and reminding the other parties involved to check the app does not fall on one person," says Cara Goodwin, a licensed psychologist and mother of four in Charlottesville, Va.

For people who already share calendars and don't need a holistic solution, here are three apps, recommended by other busy professionals and tested by me, that help address some of the biggest pain points in mental planning.

To-do's:

Todoist: This task-management app allows you to type in any duty, which gets added to a list to be completed that day or at a future date. You can delegate tasks to other people, break chores into smaller steps and set reminders. **Cost:** There's a free version of the app. Additional features such as an AI assistant and task reminders require a subscription, which is \$4 a month if billed annually.

Meal planning:

Plan to Eat: This meal-planning app allows you to import recipes from websites, cookbooks or recipe cards and add them to a calendar so you know what's for dinner each night (you can also sync it with your Google and Apple calendars). The app generates a shopping list for the ingredients.

Cost: After a 14-day free trial, you can subscribe for \$5.95 a month, or for \$49 a year.

Chores:

Sweepy: The mental load isn't just something to be shared between romantic partners. Children old enough to help out can do their part. But assigning chores can be a chore in itself. Sweepy allows parents to assign specific tasks for kids for each room of the house.

The app is best for younger kids, who aren't yet ready to handle their own debit cards and are motivated by the coins they earn. The coins allow them to "buy" items to furnish virtual rooms in the app. For older kids, there are several allowance apps tied to debit cards.

Cost: After a free, three-day trial, the app costs \$3.99 a month.

Colleges Race to Add Courses Offering AI

By MILLA SURJADI

College students are desperate to add a new skill to their résumés: artificial intelligence.

The rise of generative AI in the workplace and students' demands for more hireable talents are driving schools to revamp courses and add specialized degrees at speeds rarely seen in higher education. Schools are even going so far as to emphasize that all undergraduates get a taste of the tech, teaching them how to use AI in a given field—as well as its failings and unethical applications.

The schools are eager to prove their relevance as a path to well-paying jobs as more Americans question the value of a college degree. The students believe the AI skills could make the difference between getting a job and not.

Jake Golden, a rising junior at Emory University's Goizueta Business School in Atlanta, avoided ChatGPT after OpenAI launched it in 2022. He watched classmates use it to write essays, and he grew concerned about its potential to sap creativity.

At a marketing internship the following summer, however, his boss asked him to use ChatGPT to draft crowdfunding pitches and mimic previous campaigns.

"If I don't learn AI, it's going to take over everything around me and I'm going to have no idea what's happening," he recalled thinking.

When Golden returned to campus in fall 2023, Emory launched its AI minor, which covers applications in areas such as psychology, economics and English.



◀ **Catalina Vaca hopes her AI skills help her stand out to employers.**

He immediately enrolled in the introductory courses and added the program to his business degree.

Employer demand

On Handshake, a job-search platform for college students, the share of job descriptions that mention ChatGPT and other generative-AI tools has tripled in the past year. While about one-quarter of those roles are tech-related, 16% are in marketing and 12% are in art and media.

"There's a frantic call for anybody who has these skills," said David Reed, associate provost for strategic initiatives at the University of Florida.

The state school ramped up its AI program starting in 2020, spurred in part by a \$70 million gift from alum Chris Malachowsky, who co-founded the AI-focused chip giant Nvidia. It now offers around 200 AI classes reaching nearly 12,000 students each semester. It has a three-course certificate program giving priority to real-world use of AI.

"I knew that I would stand out a little more to employers with these different AI tools," said Catalina Vaca, a rising junior business management major at UF.

It is too early to tell if this has been helping students clinch jobs they otherwise wouldn't. "We've just been running at full speed," Reed



◀ **Jake Golden decided to study AI after a boss at a summer internship asked him to use ChatGPT.**

said. "We've not had time to evaluate yet."

'Not a choice'

Students now expect professors to teach them how to incorporate generative AI into their careers. Cornell University, for example, is designing an AI and Society minor, which faculty anticipate will prepare students to fill the AI talent gap in both the public and private sectors.

The University of Southern California rolled out its AI for Business major last year, a joint degree between the business and engineering schools. In its first year, the major received 713 applications from incoming freshmen for fewer than 50 spots. This year, more than 1,000 students applied.

"Students and parents see that this is going to change the labor market in unprecedented ways," said Kimon Drakopoulos, an associate professor of data sciences and operations and the program's inaugural director. "So it's more of an existential issue to adapt to this and be able to cater. It's not a choice."

▲ Emory University launched a minor in AI in 2023.

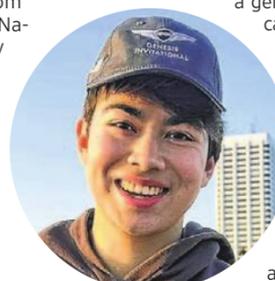
Educators say their main concern is being able to keep up with the technology's breakneck growth. At most schools, it can take years for committees to approve new academic programs.

"Take a two-week vacation and you might be behind," said Kavita Bala, dean of Cornell's College of Computing and Information Science.

The Stevens Institute of Technology in New Jersey will require all students, regardless of their major, to take three semester-long Frontiers of Technology courses. They can pick from five options: AI and machine learning, data science and analytics, biotechnology, sustainability and quantum technology.

"Do universities have a responsibility to teach these skills that are in vogue today but may be out of fashion 10 years from now?" said President Nariman Farvardin. "They do not." Instead, colleges have a "responsibility to teach students to learn for life," he said.

▶ **Preston Doll made sure his résumé highlighted his AI coursework.**



Needed skill set

AI literacy is the modern equivalent of typing in the 1970s and '80s, a universal requirement for all students going into all fields of work, said Joseph Fuller, a professor of management practice at Harvard Business School who researches the future of work. Job seekers should demonstrate that they can interact with a tool like ChatGPT and get the most accurate and thorough results, he said. And students should also be able to identify when AI is wrong.

Valerie Capers Workman, chief talent engagement officer at Handshake, said generative AI is the new Microsoft Office. "The skill set will be ubiquitous 10 years from now, but in the next two to five years, it's going to be a major asset in getting recruited," she said.

She said some employers have started administering prompt-engineering assessments, which evaluate how well you can instruct generative-AI models to complete a task, during the hiring process.

When Preston Doll, a rising senior at USC studying business and minoring in AI, applied to investment banking internships this past year, he made sure his résumé highlighted his AI coursework.

Doll isn't sure if the AI experience helped him land his summer analyst position, but it is coming in handy: His company uses CreditAI, a generative-AI tool that can answer queries about companies' credit analytics.

"Wherever my career takes me, I'll be using AI to leverage my work, my speed, my accuracy," Doll said. "Just anything to get better at the job."

VIRGINIA GABRIELLI

CLOCKWISE FROM TOP: EMORY UNIVERSITY; PRESTON DOLL; JOANNA BAROUSE; MICHAEL CHAN

PERSONAL JOURNAL.

Olympians Who Go Into Debt for a Gold

Athletes often face financial strain while training, putting their careers on hold and charging expenses to credit cards

By JOE PINSKER AND CALLUM BORCHERS

In Paris, Anita Alvarez is twisting, diving and kicking in the pool as part of the U.S. artistic swimming team. What judges and viewers won't see are the acrobatics it took to keep her finances afloat on the way to the Olympics.

The 27-year-old's \$2,000 monthly stipend from the U.S. Olympic and Paralympic Committee isn't enough to cover living expenses in Los Angeles, where she trains 6 a.m. to 3 p.m., six days a week.

She has sustained her decade-long Olympic career by performing routines for weddings and music videos, coaching youth teams and working at a Dick's Sporting Goods store. She said she made about \$10,000 doing underwater stunts in the 2022 movie "Black Panther: Wakanda Forever."

"There are definitely times when I'm feeling that pressure, which isn't great while you're training at the highest level," Alvarez said. The financial strain is worth it, she said, when her goal is to make it to the Olympics.

Team USA's millionaire basketball players and endorsement magnets like gymnast Simone Biles are the outliers. To get to the pinnacle of their sport, Olympians make financial sacrifices, put careers on hold and cobble together a living around their training schedules. Some accumulate thousands in debt.

A report commissioned by Congress and released in March identified significant financial barriers for Olympic hopefuls. In a survey of about 1,000 American athletes in the Olympic and Paralympic pipelines, 26.5% reported individual incomes under \$15,000 a year.

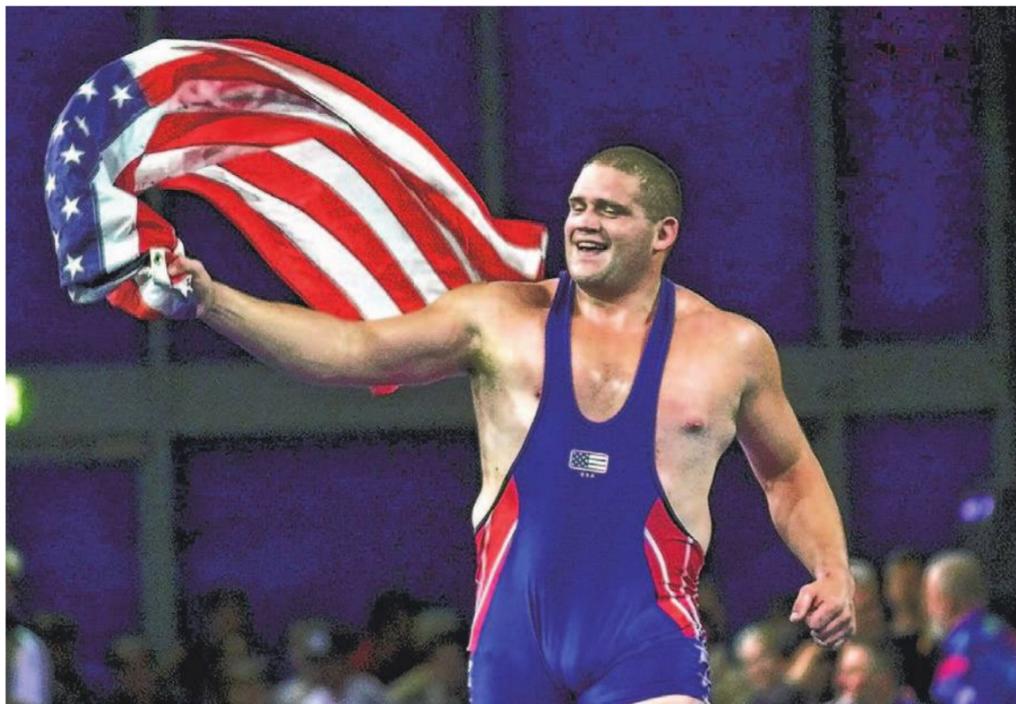
"Some of the most talented competitors under our flag go to sleep at night under the roof of a car or without sufficient food or adequate health insurance," the Commission on the State of U.S. Olympics and Paralympics wrote.

Cautionary tale

Rulon Gardner's "miracle on the mat" victory in a gold-medal Greco-Roman wrestling match in 2000 made him an Olympic legend. He's a fixture of TV montages during the Games and signed autographs at a celebration of Salt Lake City's successful bid to host the 2034 Olympics last week.

To fellow athletes, he's a cautionary tale. He took on \$70,000 of debt while training and didn't plan for his financial future after sports. "I put so many travel and training expenses on credit cards," Gardner said. "You're not thinking about it at the time, but you're throwing all your eggs in one basket."

His gold medal came with a



◀ Rulon Gardner, who went \$70,000 in debt before winning the wrestling gold in 2000, became a cautionary tale for aspiring Olympians.

Atherley said the winnings from "one good meet" could wipe out a large portion of her debt. "It sounds like I'm gambling my life away, but that is kind of how it works," she said.

The 28-year-old said she remains committed to her sport. She is on track to make \$20,000 this year from prize winnings and coaching high-school track, walking dogs and babysitting.

Some 71% of Olympians, Paralympians and hopefuls reported having a paid job outside of sports in a 2024 survey by Global Athlete, an advocacy group focused on athletes' welfare.

Funding the dream

Paralympic table tennis champion Ian Seidenfeld, 23 years old, works from 9 a.m. to 5 p.m. as an ETF specialist in Allianz's Minneapolis office. Then it's time for cardio and table tennis practice until 10 p.m.

Seidenfeld, the reigning gold medalist, has financial support—about \$20,000 a year from the USOPC and USA Table Tennis combined. His salary at Allianz is about \$80,000. The financial-services company also gave him paid leave to compete in Paris.

A finance major while at the University of Minnesota, he said he never considered delaying his career to train full-time. Plus, his mom encouraged him to get a job.

"I want to build a brighter future for my finances with sounder investments than betting on my body," Seidenfeld said.

Gold-medalist sprinter Lauryn Williams, who became a financial planner after retiring from competition, has worked with dozens of Team USA athletes. She said about 20% of those clients took on debt.

Crowdfunding is popular as well. In the past two years, aspiring Olympians raised more than \$2 million on the platform GoFundMe.

The aftermath

Dan Walsh won a bronze medal in 2008 as a member of the U.S. eight-man rowing team. While training, he worked in the Home Depot lawn-and-garden department and late nights as a hotel security guard. It wasn't enough to cover expenses like rent, medical bills and groceries to fuel his 10,000-calorie diet.

He trained with the national team ahead of the 2012 Olympics but didn't make the final roster. He was "sleeping on a leaky air mattress and tens of thousands of dollars in credit-card debt," he said.

Walsh, now a sales manager for the Connecticut office of Hudson Boat Works, said he's rooting for Team USA's rowers in Paris. He has his own reason to celebrate this summer. More than a decade after his athletic career ended, he finished paying down his \$60,000 debt in June.



\$12,000 a year after accounting for travel, entry fees and other expenses.

"One of the things that a lot of athletes are really good at is compartmentalizing, and that can be really helpful when you have to perform as an athlete while also dealing with financial struggles," said Han Xiao, a co-chair of the commission.

Xiao played on the American table-tennis team from 2004 to 2008. He and his parents paid for most of his coaching and competition costs. He retired from international play after college, partly because he didn't see a financial future in it. He now works as a software engineer.

It pays to win. The U.S. Olympic and Paralympic Committee, or USOPC, awards \$37,500 for a gold medal, \$22,500 for silver and \$15,000 for bronze.

The USOPC and individual sports' national governing bodies also offer athletes stipends and health insurance. Often, though, only top-ranked athletes are eligible for assistance. Many pay training and competition expenses out of pocket. The USOPC awards almost \$2.5 million in annual funding for costs such as education, training and travel.

Michelle Atherley, who competes in the seven-event heptathlon, has been training six days a week for the past three years. She often pays for expenses like gear, travel and medical specialists, and has accumulated about \$12,000 in credit-card debt.

On the high jump, she was 3 centimeters short of a trip to the Paris Olympics.

\$30,000 prize and earnings from speaking engagements and sponsorships, enough to clear his debts. But Gardner, who wrestled at 286 pounds, said he had been a flyweight in the financial-literacy department. He lost hundreds of thousands of dollars on bad real-estate investments and a failed gym venture, and filed for bankruptcy in 2012.

The 52-year-old, who lives in Utah, has coached wrestling and driven forklifts. Today, he sells insurance and real estate and said he's financially stable.

"People recognize me as an

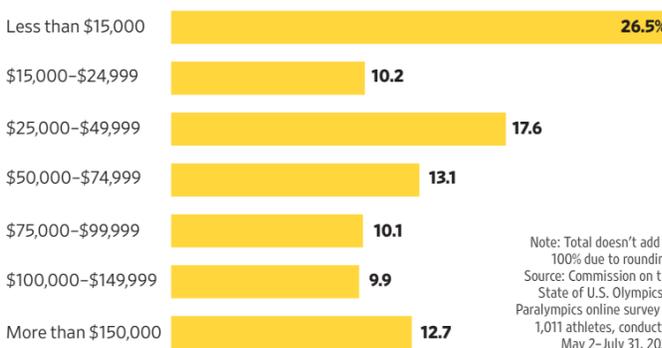
▲ Judges and viewers won't see what it took to keep Anita Alvarez's finances afloat on the way to the Olympics. Han Xiao was on the U.S. table tennis team from 2004 to 2008.

Olympian, and I'm like, 'Yeah, but I want to be your insurance agent,'" he said.

Medal math

This year's report on elite American athletes found they were, on average, poorer for having competed, paying a net cost of about

Self-reported annual income of elite U.S. athletes



Chipotle Fans Weigh In On Burritos

Continued from Page One

Chipotle regular Peter Coleman started getting curious about discrepancies in burrito size. Last year the Minneapolis, Minn., software salesman began a nine-month odyssey of calculating his Chipotle eating in a spreadsheet.

"I decided to follow the scientific method," said Coleman, 30, who invested in a digital scale and plotted the heft of the same burrito purchased from a single location in kilograms. Coleman then crunched numbers to determine the mean difference. He found the in-person orders were 16.48% bigger.

"I also did a T-Test to determine whether the results were statistically significant, which they were," he said.

All this eating in the name of scientific discovery can be expensive, and a lot to digest.

Zachary Fadem, a restaurant analyst at Wells Fargo, in June ordered 75 burrito bowls with white rice, black beans, chicken, tomato salsa, cheese and lettuce from eight New York City locations. Fadem found variations in sizes. He paid around \$10 to \$11 a bowl. He also didn't eat alone. "Folks on the floor were

happy to eat them. And I don't think there were any leftovers," he said.

Chipotle has said it isn't skimping on portions. But last month, the company said it had investigated more thoroughly, and it had a beef with around 10% of restaurants in their allotting beef. The company is working on training, telling workers to err on the side of generosity.

Chipotle has gotten granular in the quest for perfect portions, dissecting how workers hold scoops and spoons. The wrong level can cause chunks of chicken to fall back on the bar and not in a customer's bowl, Chipotle chief financial officer Jack Hartung said in an interview. The company is also tinkering with serving utensils with measuring lines, but past experiments haven't wowed. "They're a little clumsy," Hartung said. "We're still looking if there's another spoon that is a little bit bigger or a little bit rounded."

Still, the portion debate rages, with some suggesting workers use measuring cups to dole out toppings. Others contend meals should be sold by weight, or want to call local weights and measures authorities to investigate.

"Yah I agree they should have a scale like the deli, it would make it so simple," wrote Alex Potter, a 34-year-old Jacksonville, Fla. resident, on a Reddit thread this year titled "Protein should officially be 4oz and a public weight should be visible when ordering." The thread amassed nearly 400 comments.

Americans, increasingly angstridden about food inflation, are tak-



▲ Zachary Smigel started filming his Chipotle orders earlier this year.

ing action. Some Oreo fans, convinced the cookies no longer have as much cream in the middle, are making videos of twisting them open. Cookie Monster has decried shrinkflation, writing on X earlier this year: "Me cookies are getting smaller." Mondelez International, Oreo's maker, has said it hasn't toyed with the amount of filling.

Chipotle built its reputation on big portions, once running burrito billboards boasting "Open Wide. No, Open Wider." Founder Steve Ells, who stepped away from the chain in

end J.J. Watt wrote in X in December 2022. "We want big burritos back."

In May, TikTok food critic Keith Lee spent \$40.59 to test three dishes and filmed the results. Lee, who last year collaborated with Chipotle on a "Keithadilla" quesadilla, dug the tacos, but was underwhelmed by the amount of chicken in his al pastor bowl. "Where the chicken at?" asked Lee, digging through the vegetables, rice and cheese.

So far, the controversy hasn't hurt the company's performance, with Chipotle posting eye-popping sales in its latest quarter.

Chris Mulder, a Chipotle devotee since 1999, has long taken his family to the chain. The 45-year-old Alexandria, Va., military officer thinks the flack against Chipotle has been unfair, and sticks with his methods: choose extra rice or beans while ordering online, and nudge the worker in that direction when in person.

"Obviously you have to be comfortable engaging with the burrito-making specialist," he said.

David Hayes, a 43-year-old wine importer from Pelham, N.Y., is a frequent Chipotle customer since his 12-year-old is eating a burrito a day, seeking to bulk up for football.

"The portions absolutely vary to a significant degree. His reactions range from 'hey, I feel shored' to 'whoa, this thing is exploding,'" Hayes said about his son, Lincoln.

In some ways, that's part of the charm, Hayes said. "It feels less fast-foody than a McDonald's burger that basically came off a robotic assembly line."

ARTS IN REVIEW

CULTURAL COMMENTARY

A Symphonic Storyteller

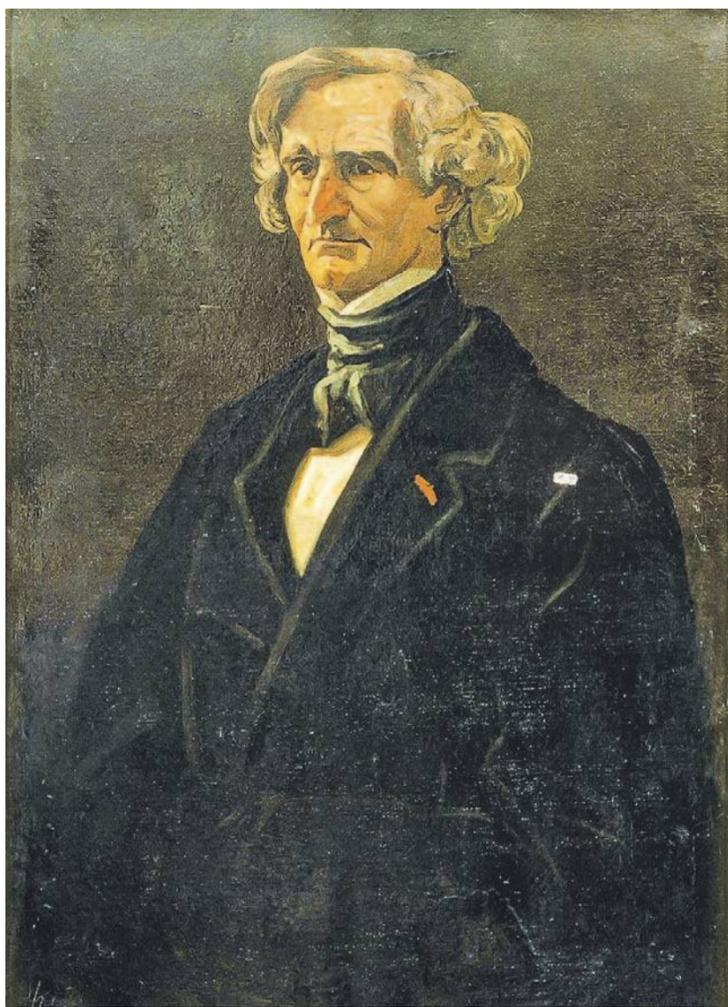
This month's Bard Music Festival celebrates the work of 19th-century composer Hector Berlioz

By BARRYMORE LAURENCE SCHERER

During his lifetime, composer Hector Berlioz (1803-69) was the great outsider of French music. Though as composer and conductor he achieved popularity in Germany, England and even Russia, his music was rarely performed in his native France and often misunderstood when it was—Debussy called him “a prodigious humbug”; Ravel repudiated him. Even such a long-standard reference work as the 1954 Grove Dictionary of Music and Musicians dismissively opined that Berlioz’s “boundless artistic ambition was nourished by no more than a melodic gift of no great amplitude, clumsy harmonic procedures and a pen without pliancy.”

Thanks to pioneering reappraisal starting in the 1950s by scholars including Jacques Barzun and David Cairns, and to the championing by the conductor Colin Davis, that withering opinion has long since been overturned. Berlioz’s greatness is unquestioned. We now recognize his originality as a melodist and his bold disregard of what he deemed outmoded rules of harmony. Most important, although he numbered Beethoven among his musical gods, Berlioz was not content to follow him and compose abstract symphonic music. Instead, beginning with the apparitional “Symphonie fantastique” (1830) he composed narrative programmatic symphonic works, whose poetic vividness inspired composers like Liszt (who gladly acknowledged the debt), Dvorak, Tchaikovsky and Richard Strauss. Most fundamentally, Berlioz is the acknowledged architect of the modern post-Beethovenian symphony orchestra, whose size and instrumental variety remain the bedrock of orchestral writing to this day.

Over two weekends, Aug. 9–11 and Aug. 15–18, Bard Music Festival audiences will have the opportunity to enjoy “Berlioz and His



World” and consider the legacy of 19th-century France’s prophetic musical innovator.

Handsomeness, dignified, with a prominent Roman nose and splendid shock of wavy hair that proved irresistible to caricaturists, Hector Berlioz was a genuine visionary for whom the emotive sound of music and the sonic possibilities of massed musical instruments were fundamental to his passionate dra-

▲ André Gill’s portrait of Berlioz, whose works include ‘Symphonie fantastique’ and ‘Les Troyens.’

matic expression. Effectively an aural muralist, he deployed harmony, melody and a vast palette of striking instrumental timbres to produce gripping narrative imagery.

Moreover, apart from his taking orchestration to new levels of am-

plitude, color and expressive subtlety (his 1844 “Treatise on Instrumentation” remains important reading today), Berlioz was possibly the most literary composer of his time, counting Shakespeare, Virgil, Goethe, Sir Walter Scott and James Fenimore Cooper among his favorite authors. Thus literature and drama were the foundation of Berlioz’s musical inspiration. Even when the violinist Niccolò Paganini commissioned him to write a viola concerto, Berlioz composed “Harold en Italie” inspired by Lord Byron’s poem “Childe Harold’s Pilgrimage,” in which the viola represents the hero of a symphonic travelogue full of descriptive effects rather than conventional virtuosity.

Beyond composition and conducting, Berlioz was also a superb writer. Though he loathed the journalism that financial need obliged him to practice for much of his career, he was a consummate stylist whose sparkling wit and razor-sharp sense of satire make his criticism as enjoyable to read as that of George Bernard Shaw.

“Always exploring how Modernity could make art accessible, Berlioz reinvented concert music as a democratic public theatrical experience,” observed Bard Music Festival founder, co-artistic director and conductor Leon Botstein in a telephone interview. “He shattered the old aristocratic pretension that to enjoy music required knowledge of musical technique. Instead, Berlioz is the first composer in modern times to embrace an audience, saying you don’t have to know anything about music to enjoy it.”

Yet Berlioz the modernist was a devoted classicist whose reverence for Virgil’s “Aeneid” yielded his greatest opera, “Les Troyens,” tragically never staged in full dur-

ing the composer’s lifetime.

Bard Music Festival programs will feature excerpts from this massive work as well as familiar and unfamiliar Berlioz, including the “Symphonie fantastique” coupled with its rarely performed sequel, “Lélio, or The Return to Life.” Performances will also include Berlioz’s majestic Te Deum, the early “Waverley Overture” inspired by Walter Scott, and “La damnation de Faust,” his epic treatment of Goethe’s masterpiece. Showcasing Berlioz’s more intimate side will be his song cycle “Les nuits d’été” (Summer Nights), as well as songs from his cycle “Irelande,” to French translations of verse by the Irish poet Thomas Moore.

Literature and drama inspired much of his passionate, melodic music.

As always at Bard, the themed concerts will juxtapose the composer’s works with those of his contemporaries, among them Rossini, Gaspare Spontini and the gifted Louise Farrenc; music by predecessors who influenced him,

including his teachers Jean-François Le Sueur and Anton Reicha; and works by composers whom Berlioz influenced down the years, from the delightful Symphony No. 10 “In Autumn,” by the once immensely popular Romantic master Joachim Raff, to those by figures like Edgard Varèse, Olivier Messiaen and Steve Reich, whose exploration of sonority continually honed the cutting edge of 20th-century composition.

Through its performance interspersed with illuminating talks and panel discussions, the festival will provide audiences with an intensive immersion in the work of the composer who transformed and expanded the character—indeed the very sound—of Romanticism in music.

Mr. Scherer writes about music and the fine arts for the Journal.

ARTS CALENDAR

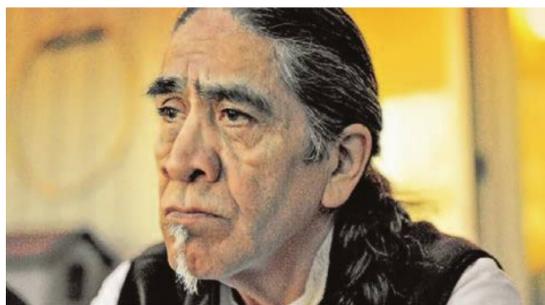
HAPPENINGS FOR THE WEEK OF AUGUST 6

By WSJ ARTS IN REVIEW STAFF

Film

“Sugarcane” (Aug. 9)

Residential schools aimed at assimilating indigenous children into Anglo-American culture operated in Canada and the U.S. until the late 20th century. Abuse was rampant in these missionary-run institutions, and scores of students disappeared. Directors Julian Brave NoiseCat and Emily Kassie document the painful legacy of one such establishment: the school of St. Joseph’s Mission, which still haunts the inhabitants of the nearby Sugarcane Reserve in British Columbia.



▲ Ed Archie NoiseCat in ‘Sugarcane.’

“Good One” (Aug. 9)

High-school student Sam (Lily Collias) accompanies her dad (James Le Gros) and his best friend (Danny McCarthy) on a three-day camping trip in the Catskills. Soon, the group’s friendly joshing takes an uncomfortable turn, and the father-daughter duo’s bond is tested in the wilderness.

TV

“Hard Knocks: Training Camp With the Chicago Bears” (HBO, Aug. 6)

The latest season of the NFL’s long-running reality series follows the Bears as they gear up for their 2024 season. Caleb Williams, the team’s recently drafted quarterback, is the main focus as he strives to prove himself under intense pressure.

“The Shakedown”

(Prime Video, Aug. 8)

Ari Kruger’s South African crime comedy follows a married, strait-laced businessman who must scramble to placate his vengeful ex when she threatens to disclose their affair to his family. His shady brother suggests a different tack: silence her by any means necessary.

Music

Ravyn Lenae, “Bird’s Eye” (Aug. 9)

For her sophomore album, the R&B singer returned “to a place of self-trust and unbending intuition.” The 11-track record was produced with DJ Dahi and features

young opera by Jens Ibsen (music) and Cecelia Raker (libretto) tells the story of a group of kids forced to do chores for the evil wizard Rumpelstiltskin until a revelation about one girl’s connection to royalty throws everyone’s existence into disarray.

Art

“Native America: In Translation” (Blanton Museum of Art, Austin, Texas, through Jan. 5, 2025)

Curated by artist Wendy Red Star, this show at the University of Texas museum surveys nine contemporary indigenous artists whose work explores identity, memory and photographic history while focusing on issues as varied as land rights, colonialism, fashion and ecology.

Last Call

“Whitney Biennial 2024: Even Better Than the Real Thing”

(Whitney Museum of American Art, New York, through Aug. 11)

The most significant—and longest-running—survey of contemporary American art, now in its 81st edition, features 71 artists and collectives who grapple with truth, identity and artifice. Our critic said it is “an especially interactive Biennial” and “timelier than ever.”

“Midnight in the Garden of Good and Evil”

(Goodman Theatre, Chicago, through Aug. 11)

Adapted from John Berendt’s panoramic nonfiction novel and starring J. Harrison Ghee, this musical follows an eccentric cast of locals in Savannah, Ga., after a wealthy antiques dealer is accused of murdering his mentee. Our critic noted that “the show smashes the fourth wall in ways that are fresh and funny.”

For additional Arts Calendar listings visit wsj.com. Write to brian.kelly@wsj.com and irma.kiss@wsj.com.

The WSJ Daily Crossword | Edited by Mike Shenk

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- 24 Shot from Swiatek
- 25 Pace for playing
- 26 Small valley
- 27 Where Tara Lipinski won a gold medal
- 28 Notice
- 30 Pressure
- 34 Kimono sash
- 36 Many duets
- 37 Come to light
- 38 Russian refusals
- 40 Puts one over on
- 41 Again
- 42 Backgammon turn
- 47 Vaccine developer Sabin
- 48 ___ Lingus
- 50 “Of course!”
- 51 Smoke detectors, of sorts
- 52 Bar garnish
- 53 Kills time
- 54 Vague feelings
- 58 Program chart, informally
- 60 Small colonist
- 61 “My word!”
- 63 Soccer match cheer
- 64 URL bit
- 65 Milk variety

READOUT | By Mike Shenk

Across

- 1 Jerry’s ice cream partner
- 4 Give over
- 8 Royal residence
- 14 Obit bit, often
- 15 “We’ll tak ___ o’ kindness yet, for auld lang syne”
- 16 Resting place of King Arthur
- 17 House sharing a wall with a neighboring house
- 19 Sharp response
- 20 Sandy color
- 21 Parrot part
- 23 2013 Joaquin Phoenix movie
- 24 Word on an octagon
- 26 Hospital room
- 29 Posed a danger to
- 31 Bad thing to walk into
- 32 Pal in Paris
- 33 Butter substitute
- 35 Middle East’s ___ Heights
- 39 Setting for zero-G experiments
- 43 Pay tribute to
- 44 Privy to, as a surprise
- 45 Be a competitor
- 46 March Madness org.
- 49 Like the balls that score in boccie
- 51 Volume
- 55 Puts into practice
- 56 Hoary
- 57 Fedora feature
- 58 Letters at a hit show
- 59 Cow chow
- 62 Volume supporters, and a hint to the circled letters
- 66 Carpenter’s plane, e.g.
- 67 Creator of lawyer Perry
- 68 Sticky stuff
- 69 Sonnet section
- 70 Tourney ranking
- 71 Hog habitat

Down

- 6 It’s not worth suggesting
- 7 They may have pistol grips
- 8 Sax legend Charlie
- 9 “___ Maria”
- 10 Pull-down target
- 11 Hi in HI
- 12 Cobbler-making gizmo
- 13 Ledger jotting
- 18 County east of Sonoma County
- 22 Germane
- 2 Therapy topic
- 3 Classical, re physics
- 4 “Come Fly With Me” lyricist Sammy
- 5 “The Name of the Rose” author

Previous Puzzle’s Solution

T	A	M	P	A	G	E	R	M	S	A	P	S
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► Solve this puzzle online and discuss it at WSJ.com/Puzzles.

PARIS  2024

By ROBERT O'CONNELL

The Closest Finish In 100 Meter History

It took the cutting edge of photographic science to figure out that Noah Lyles edged Kishane Thompson by 0.005 seconds

Saint-Denis, France
It took Noah Lyles 9.79 seconds to run 100 meters on Sunday night. It took 29.47 seconds for him to find out that he actually won. Once the closest, tensest men's 100-meter final in modern Olympic history was over, the real drama was only beginning.

The race was so tight that the man who crossed the line first suspected that he'd finished second. Lyles put a hand on the shoulder of Jamaica's Kishane Thompson to congratulate him. Thompson stared at the Stade de France scoreboard, willing the photo finish to go his way. "Come on, man!" he shouted.

Some 70,000 spectators held their breath. In the time it took to crown the winner, Lyles and Thompson could have run 100 meters three more times.

That was when one of the most advanced scoring systems in any sport on the planet got to work.

To determine that Lyles had won by a margin of five thousandths of a second, it took three judges, three high-speed cameras—and a willingness to make the fastest men alive stand around and wait.

During those agonizing moments, the runners' fates were in the hands of a team from Omega Timing, which has been responsible for tracking every fraction of a second at the Olympics for nearly a century.

This year, the company that operates with Swiss precision debuted something called Scan'O'Vision Ultimate, a new ultra-high-speed camera. And on Sunday night, as Lyles and Thompson crossed the finish line at almost exactly the same time, there were two of those cameras positioned to shoot down the finish line from outside the track, while a third sat inside the oval capturing the reverse shot.

Each one of those cameras had a single job: taking 40,000 images per second of a race that would come down to a photo finish.



Noah Lyles won the gold medal in the 100 meters after beating Kishane Thompson in a photo finish.

race—barely a tenth of a second separated first and last place—made it "a perfect showcase for our technology," said Omega CEO Alain Zobrist.

After the runners crossed the line, three federation judges worked alongside an operator of each camera. A runner is deemed to have crossed the finish line

when his torso breaks the vertical plane rising from it. The judges asked the operators to toggle forward and backward in time until they found the exact instant the winner crossed.

While the judges studied the smallest slivers of time, the athletes suffered a test of their patience more exhausting than

sprinting 100 meters. In fact, the judges worked for three times as long as the race itself before determining that Lyles had crossed the line in 9.784—or 0.005 second faster than Thompson.

"I wasn't ready to see it," Lyles admitted. "That's the first time I've ever said that in my head."

It is the athletes' job to move as

fast as humanly possible. The judges have the opposite job: to go as slowly as they need to, to get the result right.

"It's not about speed," Zobrist said. "It's about publishing the right results. You double-check, triple-check before you press the enter button"—the button pressed by the lead judge that flashes the winner's name on the scoreboard—"because there is no going back."

Today's sprinters should consider themselves lucky. There was a time when Lyles would've had to wait much longer to learn he'd become a gold medalist. In the 1940s, when the photo finish began, the cameras had actual film in them. After the runners broke the line, photographers had to walk next door to a darkroom to figure out what just happened.

"It could take up to two hours to know who actually won the race," Zobrist said.

Elsewhere in today's Olympics, judges turn to decidedly old-school techniques to define the margins between victory and defeat. At Roland Garros, tennis umpires don't use the Hawk-Eye tracking system. Instead, the umpire scampers down to the court, walks over to the line and inspects the dusky red clay for the imprint of a tennis ball.

But eyeballing won't suffice in races where 0.01 seconds can make all the difference.

In 2008, Omega's technology revealed that Michael Phelps had beaten the second-place finisher in the 100-meter butterfly by exactly that margin.

And on Sunday, that same tech ruled on a race that even the sprinters themselves didn't know who won. In fact, it was functionally impossible for *any* person, watching with their own eyes, to see who'd captured the title of world's fastest man. The human eye takes about 0.1 seconds to blink. In that time, Omega's cameras capture 4,000 images.

"It was hard for me to picture where we were," Lyles said of the moment that made him an Olympic icon.

He didn't have to.

How Russia Ignited the Firestorm Over Gender in Olympic Boxing

Villepinte, France
ALGERIAN BOXER IMANE KHELIF was on the verge of a gold medal at the world championships last year when an announcement came down that would ultimately ignite the

By Jared Diamond, Louise Radnofsky, Georgi Kantchev and Rachel Bachman

firestorm about gender and sport that has roiled the Paris Olympics.

Even though she had fought other women for years without a whisper of controversy, including at the Tokyo Games, Khelif had failed an unspecified medical test and was deemed ineligible from competition.

The timing was curious. The decision to disqualify Khelif with little explanation came down just days after she had defeated Azalia Amineva, a previously unbeaten Russian prospect. The body that leveled the ban, the International Boxing Association, has deep financial ties to Russia and is led by a former boxer friendly with Vladimir Putin.

Now, with Khelif guaranteed a spot on the podium at the 2024 Olympics, the battle over her eligibility has exploded, sparking a global culture war that has already inflamed the U.S. presidential election. In the process, it has given Russia exactly what it wanted: a party to which it very pointedly wasn't invited.

At every turn, the controversy can be traced back to Russia and tensions that have been raging for years. In the Olympic movement, it was over doping and then the invasion of Ukraine, resulting in all but a handful of Russians being excluded from these Games. There have been a host of side fights as well, including over the international governance of boxing.

Then, last week, all of those battles suddenly converged on something far more visceral: the definition of womanhood in sports.

In 2019, the International Olympic Committee took the drastic step of stripping the IBA of its authority over boxing at the Games amid accusations of widespread corruption. With that move, the IOC assumed responsibility for determining eligibility for the women's boxing competition in Tokyo 2021—and, later, Paris—a thorny issue across all sports that is usually left up to international federations.

Now, the IOC has openly accused Russia of engineering the furor here by resurfacing the dubious situation that unfolded at the world championships run by the IBA last year—and using sports to sow discord.

"This case fits into the global narrative, which is to disrupt," IOC spokesman Christian Klauke said Saturday, after Khelif defeated Hungary's Luca Hámori to advance to Tuesday's semifinal.

The IBA, in turn, is crashing an Olympics where it has no official

role. Its leaders will be in Paris on Monday to hold a news conference that they say will be "dedicated to the detailed explanation of the reasons for the disqualification of two boxers." Those boxers are Khelif and Taiwan's Lin Yu-ting, whom the IBA also ejected from the 2023 world championships for what it said was a failed gender test. Lin, who competes in a different weight class than Khelif, won her quarter-final bout Sunday, also guaranteeing her a medal.

IOC leaders have rejected the credibility of the IBA's gender tests, calling the method and the process by which they were administered illegitimate. They emphasized that the boxers in question were born female and have always competed as women.

IOC President Thomas Bach has depicted the boxing outcry as a "politically motivated cultural war," and it quickly entered the American political discourse. At a recent campaign event, Republican presidential nominee Donald Trump said falsely that Khelif was a successful male boxer who had "transitioned."

The IOC has raised concerns for years about the international boxing federation and its leaders' close ties to the Russian government. When Umar Kremlev became IBA president in late 2020, one of his first orders of business was to cut a deal with the Russian state-controlled energy supplier Gazprom to serve as a major sponsor. He also moved some of the IBA's operations to Russia.

Kremlev, a former member of a Russian biker gang known for whipping up pro-Putin sentiment, has fiercely criticized the IOC and Bach personally. Even before the boxing controversy erupted, he called the Paris Games "an outright sodomy and the destruction of traditional values around the world."

The IBA, like Russia's athletes, is not involved with the Paris Games, however. That's because in June 2022, the IOC said the IBA couldn't organize boxing in Paris, citing "continuing and very concerning issues of the IBA, such as its governance and its refereeing and judging system." Instead, the IOC has organized boxing at these Olympics itself.

Russian officials, who rarely miss an opportunity to blast the Paris Games, have defended Kremlev and the IBA.

"Many thanks to the IOC who organized this circus," said Dmitry Svishchev, chairman of the State Duma Committee on Physical Culture and Sports.



Simone Biles finished the Paris Olympics with three golds and a silver.

Simone Biles's Olympics Are Over. Is She Done, Too?

By LOUISE RADNOFSKY AND ANDREW BEATON

Paris
Simone Biles closed out her do-over Olympics with a final piece of medal-ware.

It wasn't the gold she had imagined in the floor exercise, where she had never before been defeated in her entire international career. But the silver capped off an epic comeback in Paris—while also leaving potentially unfinished business on the table.

Biles is once again the reigning Olympic all-around champion, the oldest in half a century, and will leave Paris with enough precious metals in her suitcase to merit an armored truck delivering them back home. It's the type of haul she had been expecting to collect at the Tokyo Games, and after a dramatic comeback here, she's already coming down an entirely new question:

Will Simone Biles run it back in Los Angeles in 2028? Physically, she believes she could do it, even though she'll be 31. Wanting to do it is the bigger question.

"I think it's possible," she said in an interview with The Wall Street Journal before the Olympics. "You have to know if you still want to make those sacrifices."

What Biles proceeded to make clear here is that 11 years since she made her senior debut, she's still a supernova in her sport. After leading the U.S. back to team gold on a gimpy calf, she reclaimed the individual title while holding off a stiff challenge from Brazil's Rebeca Andrade. Then the 27-year-old took a gold medal on vault, using an astonishingly difficult Yurchenko double pike—a

move that she's still the only woman to have performed in competition.

She rounded out her collection on the floor exercise with a somewhat stunning second-place finish. Using music from Taylor Swift and Beyoncé, she opened with her triple-twisting double somersault, the hardest skill in the women's gymnastics code of points. It might have been enough of a cushion to forgive two tumbling passes where she went out of bounds. Instead, the deductions led her to fall short of Andrade by a minuscule margin—0.033 points.

Biles has dropped strong hints here that she may well hang up her leotard for the all-around competition. Andrade gave Biles the closest run she's ever faced in maintaining her spotless record in the most intense gymnastics event, which requires athletes to keep up top-shelf skills on beam, floor, uneven bars and vault. And Biles and Chiles both bowed down to Andrade as she climbed to the top of the podium for the floor medal ceremony.

"I don't want to compete with Rebeca no more. I'm tired. Like, she's way too close," Biles said after the all-around.

That still leaves open the possibility that Biles could take a break from the sport, and then plot a comeback in a year or two—just as she did after 2016 and after 2021—but this time focusing on just a limited number of events.

Midway through the Games, Biles acknowledged that the prospect of an Olympics on U.S. soil could well sway her to do just that. "The next Olympics is at home, so you never know," Biles said. "Never say never."



Imane Khelif beat Hungary's Luca Hámori to advance to the semifinal.

JASON GAY

Wild Ride of an American Cyclist

Seven years ago, Alaska's Kristen Faulkner didn't know how to clip her shoes into her pedals



Paris

"Feel how heavy it is!" Kristen Faulkner says to her friends, grasping the gold medal around her neck. "It's really heavy."

Crazytown. Not actually a word, but probably the best way to describe it, how the 31-year-old Faulkner got from where she was, not long ago—a 20-something from Alaska, working in finance, who'd never raced a bicycle—to where she is now, road cycling Olympic champion in Paris.

"In some ways, it feels like just yesterday that I learned how to clip into pedals," she says.

Take a step back. There's Faulkner growing up in the coastal city of Homer, working at a resort owned by her parents. She's busing tables, changing sheets. She swims. She runs. She goes on epic hikes with her family, where she learns how to be fearless—a skill she'll carry all the way to Sunday in France.

An excellent student, Faulkner goes to Harvard, where she rows crew—yeah, that's right, she's a rower, shout out to Team Suffer, you know who you are—but it wasn't until 2017 that she even thought about racing a bicycle.

She does a racing clinic for newbies in Central Park. Faulkner thinks she finished third, but maybe not—come on, she just won a gold medal, she can't remember all of this stuff. She falls for bike racing in the way newbies fall for bike racing—fully and deeply, head over those clickety-clack shoes.

She buys a bunch of bike stuff, new shoes, new shorts, but she still feels like an outsider. She buys the wrong cleats for her clickety-clack shoes. Her helmet wobbles awkwardly on her head. Her sunglasses are weird. She wears ankle socks.

Ankle socks! Ask any serious cyclist you know. It's a felony.

She keeps riding her bike. She joins a team, Jordan Racing, founded by late NYC cyclist Dave Jordan, who died of a brain tumor at age 43.

Meanwhile Faulkner is making headway in her young career—she gets recruited from New York to go to Silicon Valley, working in venture capital. She's analyzing investments for early stage technology companies. You know, trying to find that unicorn.

Except she's the unicorn. Faulkner's still racing her bike, and by now it's clear she's an exceptional talent with a big engine. People are comparing her to Evelyn



Kristen Faulkner celebrates after winning the gold medal in the women's Olympic cycling road race.

Stevens, another finance pro who ascended from the Central Park clinic to world-class racing.

Faulkner decides to make a leap. It's a leap you might try to talk someone like Faulkner out of making. She opts to leave venture capital for the exceptionally difficult and un-lucrative world of...racing a bicycle for a living.

But there's a goal: All her life, Faulkner's wanted to be an Olympian. Cycling's how she can get there.

"The Olympic dream is much bigger than any kind of dream I had in the financial world," she tells me. "I would feel I let myself down if I didn't try."

So let's skip ahead to Sunday at the Olympics—the women's road race, 98 miles whipping around the cobbles and potholes of Paris and surrounding parts. Multiple charges up the narrow climb of Montmartre, around the Sacre-Coeur.

Faulkner isn't sure how it will go. Wait, let's take another step back: She's not supposed to be in

this race at all. She qualified to make Team USA for track racing, in the velodrome, but she narrowly missed qualifying for the road team.

Before the Olympics, a cyclist who *did* earn a slot on the road team, triathlete Taylor Knibb, decides it would be better if Faulkner rides instead, and Knibb focuses on the Olympic triathlon.

How's that for a footnote to a gold medal? Faulkner's only racing in Paris because Taylor Knibb said *go get it*.

The road race is long and hard. There's the big blob peloton and failed attacks. There's a long breakaway which includes two sisters from Afghanistan, Yulduz and Fariba Hashimi. In Afghanistan, the Taliban doesn't recognize women's sports. The Hashimi sisters are exiles from their home country, training in Europe.

Now they're at the front of the road race, on TV before the entire planet. The Olympics is really something.

Back in the pack, Faulkner waits

for her moment. She's become a seasoned professional, riding for the EF-Oatly-Cannondale team. In the spring Faulkner won a big one-day race in Belgium. She won in Spain, escaping in a daring solo attack. She's a threat, even if not everyone's convinced.

Late in the race, surging up those hilly cobbles, the race goes kablooey. The pack shatters. Marianne Vos—the 37-year-old Dutch cycling queen, regarded by many as the G.O.A.T.—attacks with Hungary's Blanka Vas. Vas and Vos—they're a formidable 1-2. Faulkner bides her time in a chasing group until she attacks with another rider, Belgium's Lotte Kopecky, who is the reigning world champ.

Kopecky and Faulkner bridge their way up to Vas and Vos. It's exhilarating. Faulkner has a shot at a medal if she manages to stay with this final four.

Except Faulkner doesn't stay. She immediately attacks the three other riders, which is bold, but her only move. She'll lose in a sprint to Kopecky and Vos. The World Champ and the G.O.A.T.? Come on. Faulkner has one move and it's to ride, ride, ride.

The daring attack takes her

back, strangely, to her days in venture capital.

"A lot of what I learned to do is how to take calculated risks, how to assess risk," she explains. "If there's high risk but the reward is high, it might be worth it...What is the risk-reward of being patient versus being aggressive? That's something I definitely take with me."

It's a brilliant play. Vos and Kopecky are stunned, unable to react. Faulkner rides the final streets alone, finishing in front of the Eiffel Tower. She doesn't look back. She doesn't do a victory pose. "Emotionally, it was a bit surreal," she says.

She also thinks: "Oh, my parents get to see this!"

Back in the States, Faulkner's former VC boss, Emily Melton, is watching with her kids. "Just pure strength and heart," she says. Aytul Jordan—widow of Dave Jordan, the namesake of Faulkner's first team—sees it, too. "She is special, always knew," Aytul tells me. Taylor Knibb—the triathlete who gave Faulkner her spot—is thrilled. "So excited for her and USA Cycling," she says.

Also watching Faulkner finish is Connie Carpenter, the American legend who was the last U.S. rider to win this Olympic race, 40 years ago, in Los Angeles 1984.

"I'd like to point out that Kristen and I both rowed in college," Carpenter says, laughing. "Hear ye, hear ye, all you rowers, you oarswomen—consider your second sport!"

After the finish Faulkner is mobbed—by the media, by Team USA colleagues, by family and friends who have traveled overseas to watch her. Offstage from a press conference, Faulkner's friends tell her they were right there when she made her solo attack. "We got it on video!" one says. She lets them hold her chunky gold medal, feel how much it weighs.

Faulkner has work left in Paris—there's the team pursuit race on the velodrome, where Faulkner and her teammates are contenders. She hasn't looked at her phone. "Maybe tomorrow," she says.

She can't help but think about how far she's come, this late bloomer who didn't ride a bike until seven years ago and now was in her clackety-clack shoes atop of the world. "You're never too old to start something new," Faulkner says. *Crazytown.* It's not a word, but it's the only word.

DAVID GRAY/AGENCE FRANCE-PRESSE/GETTY IMAGES

Mondo Duplantis Keeps Raising the Bar—and Keeps Getting Paid

By JOSHUA ROBINSON AND BEN COHEN

Paris

THERE HAS NEVER BEEN anyone better at flinging himself astonishingly high in the air with the help of nothing more than a bendy pole than Mondo Duplantis.

The greatest pole-vaulter of all time entered Monday as the reigning Olympic champion and was a lock to win another gold from the moment he landed in France. Duplantis had single-handedly lifted the world record from 6.17 meters to 6.24. And the only thing more remarkable than how much he'd raised the bar was how many times he'd done it.

Duplantis jumps higher than any human who has ever walked the earth. A lot higher. So much higher, in fact, that his only serious rivals are himself and the earth's gravitational pull.

"He's like the Usain Bolt of pole vault," says American pole vaulter Chris Nilsen.

Forget about trying to beat him. Duplantis floats nearly a whole foot higher than any of his opponents. So the question as he won his second consecutive Olympic

gold on Monday wasn't whether he would do it. It was whether he would do something that nobody had ever done before—for the eighth time.

"People just want to see a world record," he said in an interview before the Games. "People don't care at all how much higher it is. Every time I step on the track, that's the only thing people want."

At the Stade de France on Monday night, Duplantis gave them absolutely everything they wanted.

After he took care of business and comfortably secured the gold medal, he signaled that he wanted the bar raised to 6.25 meters. On his first attempt, he grazed the bar. On his second, he kicked it again. He ran over to the crowd to review footage on a tablet with his parents. Then, with all other action frozen inside the stadium and the crowd egging him on with chants of "Allez Mondo!" he closed his eyes, took a deep breath and prepared to fly.

Moments later, Duplantis made sure that he left the Paris Games with another gold medal, a pristine Olympic moment and what he really came for: the new world record.

Even a team with LeBron James and Stephen Curry wasn't nearly as much of a sure thing to win gold as a 24-year-old Swedish guy who launches himself over two basketball hoops with a few inches to spare.

If you bet \$10 before the Olympics on Team USA winning gold in men's basketball, the reward would be \$2.13. Duplantis was such an overwhelming favorite that the same \$10 bet on him paid out 29 cents.

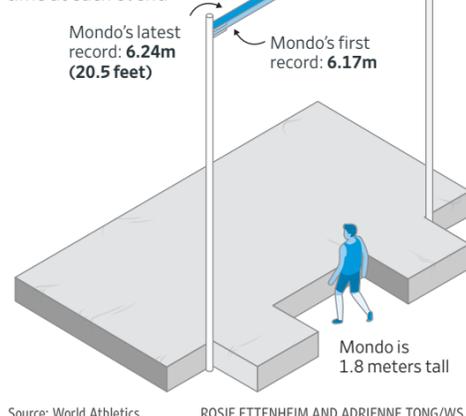
But there's one person who does stand to make a killing when-



Sweden's Mondo Duplantis has a powerful incentive to keep bumping the bar to unprecedented altitude.

Mondo Duplantis' world records

Duplantis has been breaking the world record by moving the bar one hundredth of a meter at a time at each event.



to unprecedented altitude—but only by a single centimeter each time. The man who can climb more than 20 feet high is always trying to catapult himself just 0.4 inches higher.

At a pre-Olympic meet last month, Duplantis attempted to break his record and just barely missed. It cost him \$50,000.

But on Monday, when he did manage to clear the bar at 6.25 and Abba reverberated around the Stade de France, it made no sense for him to

shoot for 6.26. In fact, it would have been a terrible decision. The more often he breaks his own record, the more he gets paid.

Duplantis doesn't rewrite history for free. He thinks about that bonus every time he challenges the boundaries of human flight.

"I'd be lying if I said it didn't," he said.

He's able to improve by precisely one-centimeter increments because unlike the long jump, which measures the exact length of each jump, the pole vault's world record is simply a matter of how high Duplantis sets the bar.

The son of an American pole-vaulter and Swedish heptathlete, Duplantis is a dual citizen who grew up in Lafayette, La. For most of his life, the world record in the pole vault belonged to Olympic legend Sergey Bubka, who pushed it from 5.85 meters to a previously unthinkable 6.14 meters between 1984 and 1994.

That's where it would remain for the next 20 years.

French pole vaulter Renaud Lavillenie hit 6.15 meters in 2014, and it took until 2020 for Duplantis to pass him by one centimeter. But it didn't take long for Duplantis to beat himself. One week later, he broke the world record again.

Since then, he's done it so many times that even Lavillenie doesn't compare himself to Duplantis these days. "He's clearly on another planet," he said.

TIMMY HUYNH, VEIGARD GROT/TIBLOBRANZUMA PRESS, ISTOCK

Country	Gold	Silver	Bronze	Total
China	21	18	14	53
United States	20	29	28	77
Australia	13	11	8	32
France	12	15	18	45
Great Britain	12	13	17	42
South Korea	11	8	7	26
Japan	10	5	11	26
Italy	9	10	7	26
Netherlands	6	6	4	16
Germany	6	5	4	15

*As of 4 p.m. ET on Monday
For the latest medal count, go to WSJ.com/sports

OPINION

Debate the Veep, Mr. Trump



MAIN STREET
By William McGurn

him to drop his bid for reelection.

Kamala Harris is giving Democrats new hope that they might yet win in November. Why, then, isn't Mr. Trump eager to debate—and give her a taste of what he dished out to Mr. Biden?

Before the president stepped aside, he and Mr. Trump had agreed to two debates. The first produced the disastrous performance that exposed what the White House and media had been hiding from the American people: an oft-lost and befuddled Mr. Biden. The second was to take place Sept. 10, hosted by ABC.

But Mr. Trump says his agreement was with Mr. Biden and thus no longer in effect. On Friday the Democratic National Committee unveiled an ad campaign accusing the former president of being “afraid to debate.” Mr. Trump is now proposing a Sept. 4 debate, hosted by Fox News and accompanied by a live audience.

On Saturday Mr. Trump

took to his social-media site, Truth Social, to explain his position. “Kamala Harris doesn't have the mental capacity to do a REAL debate against me,” he wrote. She's “afraid” because “there is no way she can justify” her record on issues from the border and the economy to fracking and Afghanistan. “I'll see her on September 4th, or I won't see her at all.”

As with many things, this may not be Mr. Trump's final word. It's likely a negotiating position. And it allows him to claim that Ms. Harris's refusal to accept the proposal proves she's the one afraid to debate.

But it doesn't matter who's right. Some 90 days out from the election, the more salient point is that time is running out for the American people to see for themselves who Ms. Harris really is, as she shuns press conferences and interviews. A debate offers Mr. Trump what may be his best opportunity to force her to answer tough questions she's so far avoided—in front of millions of voters.

Republicans rightly complain about the Democrats' last-minute switcheroo. They have an even stronger case against the press, which for months covered for Mr. Biden's failing mental health. The same behavior continues: Not only has Ms. Harris not been answering questions since she took Mr. Biden's place atop the ticket; the

press isn't demanding her to do so, either.

But a Harris-Trump debate isn't about fairness. Apart from a Harris implosion or a calamitous Democratic National Convention, a debate may be Mr. Trump's only chance to break through the media's coronation narrative and hold her to account for both her record and her flip-flops on past positions.

His demurral may be a negotiating tactic. He has a lot to gain by facing Kamala Harris.

Mr. Trump's haggling over terms is even more baffling given how poorly Ms. Harris performs without a teleprompter, especially when asked tough questions. Remember when Mr. Biden tapped her to address the surge of migrants across the U.S.-Mexico border? When months later NBC's Lester Holt asked her the obvious question—why she hadn't gone to the border—she couldn't answer. She first said, “We've been to the border.” When Mr. Holt pointed out she hadn't, she replied, “I haven't been to Europe.”

Even Mr. Biden bested her in debate. In 2019, in their first match-up in the Democratic presidential primary

debates, she put Mr. Biden on the ropes by essentially accusing him of racism owing to his opposition to busing and his bragging about how well he'd worked with two segregationist senators.

In the next debate, Mr. Biden came prepared. Ms. Harris struggled to parry attacks, especially on healthcare, and was also flummoxed by Rep. Tulsi Gabbard, who went after her for her record as a prosecutor. By December she was out of the race.

When Mr. Trump agreed to two debates with Mr. Biden, the conditions—microphones that would shut off when a candidate's time was over, and no live audience—were thought to hurt Mr. Trump. But they didn't.

Besides, a willingness to mix it up is a crucial part of the Trump brand. In early April he summed that up nicely when he declared his conditions for debate: “Any time, any place, we'll do it anywhere you want, Joe.”

But Ms. Harris is now trolling him for refusing to participate in the ABC debate. “Well, Donald, I do hope you'll reconsider to meet me on the debate stage,” she said at a July 30 rally in Georgia. “Because as the saying goes, if you've got something to say, say it to my face.”

If ever there were a time to let Trump be Trump, this is it.

Write to mcgurn@wsj.com.

BOOKSHELF | By Katrina Gulliver

Gallery Grift

All That Glitters

By Orlando Whitfield
Pantheon, 336 pages, \$29

Floating on clouds of social connections, Orlando Whitfield and Inigo Philbrick met in 2006, while studying art history in London and soon found themselves working together in the art trade. They made several small sales—or rather, acted as intermediaries for a seller—which required that they fly from their base in London to cities across Europe, delivering packages in exchange for bundles of euros. To two undergraduate students, it was a life of glamour and excitement.

Their ambitions were not small—one early plan involved removing a Banksy mural from the side of a wall and selling it—but Philbrick always seemed to push harder. As Mr. Whitfield drifted aimlessly out of graduation, Philbrick began his sharp-elbowed climb through the contemporary

art world, stopping only after he was arrested and sentenced in 2022 to seven years in prison for an \$86 million fraud. It must have been quite a thing to have a friend turn out to be a con man, and it seems Mr. Whitfield still can't believe it himself. “All That Glitters: A Story of Friendship, Fraud, and Fine Art” is his attempt to make sense of the situation.

We see how Philbrick worked his way into the top level of dealers: He starts with an advantage, as the son of a

museum director and an artist; his parents' connections land him an internship that turns into a job. Mr. Whitfield, too, is of advantageous origins: His father was Paul Whitfield, a man well-known in the U.K. art scene who worked for all the auction houses at some point or another. What the author lacks is Philbrick's drive (among other traits). Indeed, in his telling, Mr. Whitfield takes such great pains to present himself as a complete innocent that it stretches credulity. For instance, despite his background, and while he is finishing a degree in art history at Goldsmiths' College and a summer internship at Christie's, he asks us to believe that he never seriously considered a career at an auction house.

Mr. Whitfield is also more fortunate than he wants to let on. After university he goes into publishing and is, as he describes it, “mysteriously promoted,” despite having “presided over an amazing array of f—ups.” Two books are pulped for his errors.

Still, he is charming. He walks us through the complicated layers of the art market, the wealthy collectors and the oily gallerists. Philbrick keeps reappearing, smiling and designer-clad, with another story of a great trade he's made. He takes Mr. Whitfield out for drinks and peels off £20 notes to tip everyone in sight.

Mr. Whitfield is best in these passages, as he fires wildly with catty takedowns of every art-world passerby (he describes Viscount Linley—Princess Margaret's son—as “a grinning marionette of a man with clicky heels on his shoes and gaping lapels on his jacket”). We see various red-trousered bons vivants among the posh London set, and sharp-eyed operators trying to spot the next new artist who might be worth their investment.

Meanwhile, as Mr. Whitfield makes a hash of his publishing gig, Philbrick flies around by private jet. Anyone would be envious. So when Philbrick offers Mr. Whitfield a job managing publications for a gallery, he takes it.

Through his own experience among buyers and sellers, Mr. Whitfield offers some clues as to how it was possible to run the kind of scams that Philbrick committed. Deals are made by handshake, and the unregulated nature of art-asset trades is, for some investors, a major attraction. Works of art may be sold but not actually leave the bonded warehouse in a freeport, where they are stored free of taxes and import duties.

A fraudster's house of cards begins to teeter. He has been borrowing money against art that isn't his to maintain his lavish lifestyle.

One of Philbrick's frauds involves a portrait of Picasso by Rudolf Stingel. Philbrick sells shares of the painting to different buyers—not uncommon among those using art as an investment vehicle. But he sells more shares than he should. “In total,” Mr. Whitfield explains, “Inigo sold around 220 per cent of the painting, which is, of course, 120 per cent more painting than exists.” Having initially agreed upon a sale price of \$7 million, he nets \$15 million in total for the work—leaving multiple people believing that they own it. He swindles another investor by packing a blank canvas into a box, counting on the buyer to never open it.

It's a racket Philbrick can't maintain forever. He moves his base of operations to Miami, hoping to cultivate new clientele. But his house of cards teeters, and creditors become suspicious. He has been borrowing money against art that isn't his in order to maintain his lavish lifestyle. As the whole thing begins to collapse, he flees to Vanuatu in the South Pacific—believing that the country's lack of an extradition treaty with the U.S. will keep him safe. But he's wrong. The FBI issues a warrant; he is snatched off the street by local police and sent directly on a jet to Guam, then to New York, where he appears before a federal judge.

As the scale of Philbrick's crimes become known, Mr. Whitfield wonders whether Philbrick truly considered him a friend or merely another mark. Mr. Whitfield didn't lose any money, but scammers cultivate allies as well as victims. At the time of his arrest in 2020, Philbrick had been trying to get Mr. Whitfield to write an article telling his side of the story.

That's part of what the author has done with this book, as he's sympathetic to Philbrick (who served time in federal prison and was released) even as he fills in the blanks of what happened. He offers colorful accounts of scenes—which he couldn't have witnessed—based solely on Philbrick's anecdotes. But this is less a biography of Philbrick and more a memoir of the past two decades in Mr. Whitfield's life, a story in which Philbrick is a prominent guest star.

For a time, Mr. Whitfield even sets up his own gallery but can't make it work. Temperamentally unsuited for the stress, he suffers a breakdown and is hospitalized. Reflecting on this period in his life, he surmises why he failed. “It's a business,” he notes, “done really well by real bastards.”

Ms. Gulliver reviews books frequently for the Journal.

Team Biden Can Help Mideast Peace



GLOBAL VIEW
By Walter Russell Mead

Mr. Shapiro's more moderate critics blame Israeli intransigence rather than Palestinian truculence for the continuing conflict. Israelis, they say, are focused on expanding settlements in the West Bank rather than giving the Palestinians a chance to build their own state. The governor's most vociferous critics simply want to kill Jews.

Considering that most establishment pundits spent 1993 writing about how the North American Free Trade Agreement would consolidate democracy in Mexico, how Boris Yeltsin's economic reforms would integrate Russia into the West, and how China's entry into the proposed World Trade Organization would promote global peace, Mr. Shapiro's youthful punditry has held up pretty well. But his critics have a point. The problem isn't Palestinian “battle-mindedness” alone. It's the perverse interplay between Palestinian and Israeli politics that keeps the quarrel aflame.

Israeli and Palestinian politics are similar in one way: Both sides contain enormous political diversity in a relatively small population. Just as Israeli Jewish opinion ranges from guilt-ridden left-wingers who want a “post-Zionist” Israel to far-right groups seeking to drive West Bank Palestinians across the Jordan River, Palestinian opinion ranges from moderates ready to accept a two-state solution on almost any terms to hardliners who won't stop fighting until Israel is destroyed.

A compelling vision might move Israelis and Palestinians to try a new approach.

The extremes feed on each other. Yasser Arafat's refusal to accept President Bill Clinton's peace proposals in late 2000 convinced many Israelis that there was no Palestinian consensus for peace. The steady expansion of Israeli settlements on the West Bank convinces many Palestinians that Israelis will never allow a real Palestinian state to emerge.

The Oct. 7 Hamas attacks were not solely or even primarily aimed at the innocent civilians who were raped, tortured, kidnapped or killed. The larger target was the two-state solution. The savagery of the attacks, Hamas's leadership hoped, would destroy any belief in Israel that peace with Palestinians was possible and provoke an Israeli response whose ferocity would

radicalize Palestinians everywhere and discredit advocates of compromise.

Hamas and its allies in Tehran and beyond believe that Israel is doomed to collapse. Even if this doesn't happen immediately, Israeli Jews will ultimately tire of living under military threat and global disapproval. The wealthiest and most mobile will emigrate, weakening the “Zionist entity” until its remaining defenders can be overwhelmed. The power of this ideology among Palestinians is not absolute, but enough Palestinians support enough of it that many Israelis believe real peace can't be had. Even if moderate Palestinians sign a treaty with Israel, they argue, radicals can overthrow the government—as Hamas did when it ultimately took over Gaza after Israel's 2005 withdrawal—leaving Israel to face an empowered, implacable foe on the West Bank.

From Harry S. Truman to Joe Biden, 14 American presidents have believed that America's principles and interests are best served by a compromise that secures Israel's future while recognizing Palestinian rights. Yet Israelis and Palestinians are fighting more bitterly than ever.

Progress toward peace requires a change in approach. For Israelis to believe in peace, they must see among Palestinians a new consensus for peace, or at least the beginnings of one. For that kind of consensus to emerge, Palestinians would need to see realistic proposals for a two-state solution that respects their dignity

and responds to their needs.

Real peace would include compensation funds for the descendants of both Arabs and Jews displaced during and after Israel's war of independence. Instead of dribbling out refugee “relief” payments forever through the United Nations Relief and Works Agency, the world could fund a lasting solution to the problem of Palestinian dispossession.

Peace would also mean that every Palestinian, including those in Syria and Lebanon, would be able to obtain an internationally recognized passport with full citizenship rights.

Final-stage negotiations between Israelis and Palestinians will never be easy, and drawing lines on maps that both sides will accept will likely be the hardest and last task negotiators take on. But promoting pro-peace sentiment on both sides by making peace look attractive and realistic is something that America, along with like-minded Gulf Arabs and others, could actually accomplish.

Israelis and Palestinians alike need to become less “battle-minded” if peace is to come to the Middle East. Washington can't change the way people think, but it can give people something new to think about. A compelling vision for peace that makes sense to majorities of Israelis and Palestinians would be a good place to start. Developing and publicizing that vision would be a good use of Team Biden's remaining months in office.

Cori Bush and the Shrinking ‘Squad’

By Alexandra Orbuch

Rep. Cori Bush, a member of the far-left “Squad,” faces a Democratic primary challenge Tuesday in Missouri's First Congressional District, which includes the independent city of St. Louis and much of St. Louis County. If the experience of her fellow Squad member Jamaal Bowman of New York is any indication, Ms. Bush's antipathy for Israel may do her in.

She's already blaming Aipac, and she hasn't lost her primary yet.

A Mellman Group poll finds Ms. Bush trailing her challenger, Wesley Bell, 42% to 48%. Ms. Bush blames the American Israel Public Affairs Committee. “We know St. Louis is not for sale—but AIPAC is still desperate to buy our seat in Congress,” she

tweeted on Saturday. In June, she accused Aipac of “trying to trick voters into supporting their hand-picked candidate.”

This is the same game Mr. Bowman played in his primary—before he lost by a landslide. “We are gonna show f— Aipac, the power of the m—f— South Bronx!” he shouted at a rally in June. (Mr. Bowman lives in Westchester County, and his district includes a small portion of the North Bronx. The congressman from the South Bronx, Rep. Ritchie Torres, is strongly pro-Israel.) Ms. Bush blamed Mr. Bowman's loss on an Aipac “misinformation campaign.”

Mr. Torres put it best when he said, “Jamaal Bowman's greatest problem is Jamaal Bowman.” Ms. Bush has an analogous problem in Ms. Bush.



Rep. Cori Bush (D., Mo.)

A few days ago she refused to label Hamas a terrorist organization. “We were called terrorists during Ferguson,” she said of the 2014 protests and riots in St. Louis County. “Have they hurt people?” she asked of Hamas. “Absolutely. Has the Israeli military hurt people? Absolutely.”

Ms. Bush issued a statement on Oct. 7 calling for an

“immediate ceasefire” and “ending U.S. government support for Israeli military occupation and apartheid.” She and Michigan's Rashida Tlaib were the only representatives to vote against a bill that would bar participants in the Oct. 7 attack from entering the U.S. Ms. Bush said the measure would “incite anti-Palestinian hate.”

Ms. Bush's district is heavily Democratic and has a plurality of black voters, so the winner of the primary will almost certainly prevail easily in November. The notion that Aipac can “buy” Ms. Bush's seat is an insult to her constituents. If they vote her out, it will be because they've had enough of her.

Ms. Orbuch is a Robert L. Bartley Fellow at the Journal.

OPINION

REVIEW & OUTLOOK

The Easy Money Reckoning Arrives

The selloff in global stocks that began Friday and continued on Monday is in part a correction from sky-high values, especially in tech shares. But it may also be the start of a reckoning for a decade and a half of excessive spending and easy money that is going to arrive eventually. How soon and rough the reckoning will be is the great unknown.

The selloff has hit hardest in Japan, with the Nikkei index down 12.4% on Monday, its worst day since Black Monday in October 1987. This extends Friday's 5.8% drop, and other Asian markets fell too. European and U.S. shares also tumbled, the Nasdaq by 3.4%.

The Japanese plunge is a direct result of a long-needed shift in monetary policy and exchange rates. The Bank of Japan raised its interest-rate target (to 0.25%) last week and laid out a timetable for tapering its quantitative-easing program. BOJ Governor Kazuo Ueda said these moves are intended in part to arrest the falling yen, an unusually explicit statement about exchange rates for a central banker.

These moves have triggered a predictable and necessary repricing of risk in Japan following an extended period of extraordinarily loose money. The yen's dramatic depreciation throughout this year arose from the yawning gap between relatively high U.S. interest rates and abnormally low Japanese rates. That gap is now narrowing as the BOJ normalizes policy and the Fed prepares for rate cuts.

A weaker yen enticed foreign investors into Japanese stocks that appeared cheaper in the investors' home currencies. As of March, foreign holders owned about one-third of Japanese equities by value according to economist Jesper Koll. Yen depreciation also boosted the expected yen-denominated profits of Japanese companies.

Mr. Ueda has made clear that these times are over. It's no coincidence that while Japan's stock market in recent days has lost all of its gains since January, Japan's currency has gained back all of its losses from the same span. Having hit a nadir of about ¥162 to the dollar last month, the yen soared to ¥144 on Monday. Anecdotal reports suggest much of the selling in Tokyo has been driven by foreign investors cashing out.

The next dropping shoe may be a retreat of Japanese investors abroad. Low rates and the weak yen fueled a massive carry trade, which meant borrowing in cheaper yen and investing in dollar assets for a higher return. The yen's appreciation implies this is starting to reverse. It's

Trump Runs Against Republicans

The ascension of Kamala Harris as the Democratic presidential nominee has Donald Trump fumbling for an effective strategy. But in the meantime he's reopening old feuds with fellow Republicans. That will work about as well for him as it did in 2020.

Mr. Trump used a campaign appearance in Georgia on Saturday to tee off on the state's GOP Governor, Brian Kemp, and Secretary of State Brad Raffensperger. Both men won re-election in 2022, despite Mr. Trump's vocal opposition, even as Trump-backed candidates lost elsewhere. But no matter, Mr. Trump will never forgive either man for not joining his attempt to overturn the 2020 election in the Peach State.

"He's a bad guy, he's a disloyal guy and he's a very average Governor," Mr. Trump told the crowd about Mr. Kemp. He even took a shot at the Governor's wife. Mr. Trump added that "Wasn't for me, he would not be your Governor."

The U.S. Finally Wakes Up on Venezuela

The Biden Administration finally awakened late last week to the obvious reality that Venezuelan dictator Nicolás Maduro is trying to steal another election. The question is whether the U.S. is willing to do anything other than stomp its feet in protest.

For days the State Department dallied in making a judgment even as Venezuela's National Electoral Council (CNE) had refused to release tallies backing up Mr. Maduro's claims that he had won. But the opposition had organized thousands of monitors at local polling stations who took photos of the tabulated results, and it has posted them online. They show a dominant opposition victory.

"Given the overwhelming evidence, it is clear to the United States and, most importantly, to the Venezuelan people that Edmundo González Urrutia won the most votes in Venezuela's July 28 presidential election," Secretary of State Antony Blinken acknowledged on Thursday evening. The Organization of American States has also issued a statement acknowledging the opposition victory.

But words won't be enough to counter Mr. Maduro's crackdown. He has called in the Cuban special forces group known as black wasps to lead a military crackdown. Local opposition poll monitors are being tracked down and threatened. Mr. González Urrutia and the opposition leader María Corina Machado have gone into

hiding and could be arrested at any moment. Ms. Machado, who was blocked by the regime from running against Mr. Maduro, risked arrest Saturday to speak to thousand who took to the streets of Caracas to protest the election theft. But Mr. Maduro says the regime has already arrested 2,000 people and there will be more.

Mr. Maduro is backed by Cuba, Russia and China. Brazil and Colombia, both with leftist governments that claim to support democracy, are calling for the release of CNE results, but they have to know CNE is fully controlled by Mr. Maduro's minions.

Mr. Maduro craves at least the appearance of democratic legitimacy, which the Biden Administration granted by easing oil sanctions on Venezuela in return for the promise of a fair election. The U.S. wanted Venezuelan oil on the world market to ease global prices. But Mr. Maduro and Cuba made Mr. Blinken and President Biden look naive.

Will the U.S. do more now to rally nations to speak up for Venezuela's democrats? Will they reinstate oil sanctions and in particular impose sanctions on individuals in the regime who are stealing the election? The Venezuelan people have demonstrated their bravery in risking their lives and livelihoods to challenge a thugish regime. The least they deserve is for the President of the United States to speak and act on their behalf.

Wall Street and Washington are blaming the Federal Reserve. The theory is that no sooner had Chairman Jerome Powell signaled last Wednesday that he wasn't cutting interest rates immediately than a poor U.S. jobs report on Friday suggested a recession is nigh.

One problem with this theory is that the July jobs report, while uninspiring, didn't show recession-levels of unemployment. And it's hard to see what a quarter-point reduction in the Fed's short-term interest-rate target in July as opposed to September would do about it.

Another counterpoint is that monetary policy hasn't been all that tight. Stocks have soared since last December when the Fed signaled three interest rate cuts in 2025. That plan was delayed by an inflation comeback in the first quarter, but last week Mr. Powell signaled one cut in September and the markets were signaling two or three more this year.

It isn't obvious what economic boost rate cuts would offer since the market is already anticipating them and has eased financial conditions. A 50-basis point "emergency" cut, as some are calling for, would look panicky and might spur more selling.

The clamor for the Fed to save the day reflects that it's the only game in town. Congress is gridlocked on economic policy, except for more spending and bad tax and trade ideas. Since the 2008 financial panic, the U.S. economy has been sustained for the most part by government spending and cheap money aimed at supporting consumers and asset prices.

But cheap money is never free, and it can't last forever. It builds distortions and excesses that are unsustainable and must eventually be addressed. That's what the Fed had to do by raising rates to arrest inflation, and part of that bill is now coming due. Government spending is also restrained by rising debt, even as low-income consumers have spent down their pandemic savings. The current economic slowdown is one result.

This market selloff doesn't look like a repeat of 2008, but it is a warning about growth. As the Fed takes the political heat, we hope it keeps its focus on the real economy and the real incomes of workers, not on asset prices to please the clamor on Wall Street.

I think everybody knows that." Actually, everybody knows that Mr. Kemp won in 2022 with 53.4% of the vote against Democratic media darling Stacey Abrams, while Mr. Trump lost the state by 12,000 votes in 2020.

Mr. Trump also cost Republicans two Senate seats in special elections in January 2021 when he told his partisans that the November election had been stolen. Turnout was down in Republican areas of the state. Why vote if your candidate says your ballot won't count?

Mr. Trump's rants are especially counterproductive because he needs Mr. Kemp's organization in Georgia. Mr. Kemp is supporting the former President and is deploying his turnout machine, but Mr. Trump may convince many of those Republicans to vote for someone else or stay home as they did in 2020.

Mr. Trump won't win if he's fighting about the past instead of laying out an agenda for the future. But he simply can't help himself.

Markets reprice risk after an extended cheap-money experiment.

And what about the U.S. economy, and the fear of recession? The fear is real, and

LETTERS TO THE EDITOR

'I Am an Alcoholic.' Is That Stigma or Honesty?

Academics and well-meaning elites do alcoholics and addicts no favors in their effort to make them feel better about their situations ("Destigmatizing Drug Abuse Is a Dopey Idea" by Naomi Schaefer Riley, op-ed, July 30). Twenty-five years ago, I was "nudged by the judge." I attended an alcohol-education class, followed by 16 weeks with a licensed alcohol and drug counselor. I learned the meaning of words like "rationalization," "minimization" and "enabling."

By taking the stigma away from addiction and alcoholism, one enables abusers by telling them it isn't so bad (minimizing). I don't suffer from alcohol- or substance-abuse disorder. I am an alcoholic and an addict. I would encourage those who want to help alcohol- and drug-abusers of all kinds to attend Alcoholics Anonymous and Narcotics Anonymous meetings to see what real recovery is and how it happens, resulting in happy, productive members of society. Every one of them identifies as an alcoholic or addict.

RALPH FELLBAUM
Dumbarton, N.H.

What's dopey are the dopes who think words don't matter. Many of those in need of treatment will use any reason not to seek it, and stigma remains one of the biggest. "Alcoholic," "addict," "drug abuser," etc., are words that label not only those in

need of treatment, but also those who are in long-term sobriety. Once the label has been applied, it doesn't matter how many years of sobriety you celebrate, you're considered a recovering alcoholic or addict. Most people never hear the word "recovery," they hear only "alcoholic" or "addict," which denote negative connotations.

In family court, I've seen parents in long-term recovery have it used against them—even when their recovery began long before their children were conceived. Opposing counsel use such words as "alcoholic" and "addiction," and then judges use those same words in their unfavorable decisions.

JOE TUNNEY
Jarrettsville, Md.

Ms. Riley is right to point out the absurdity of insisting on euphemisms like "substance use" or "intimate partner violence user" in the name of destigmatization, but there is more to the story. Mandating affected language is a powerful way to identify and promote loyalists who are willing to conform their words and, as a result, their thoughts to a political movement's ideology. Dissidents like Ms. Riley, who refuse to engage in these deceptions, can also be identified—or should I say stigmatized—as deserving of vilification and exclusion.

NOAH GRAHAM
Bristol, Vt.

A Recovery Plan for a Strong Postwar Ukraine

David Urban and Mike Pompeo lay out a strong case for peace in Ukraine ("A Trump Peace Plan for Ukraine," op-ed, July 26). But what about the postwar rebuilding of a devastated Ukraine, which could cost a trillion dollars? There is no appetite at home—or in Europe—to use tax dollars to finance Kyiv's reconstruction. So how would a president Trump revive an economically prostrate Ukraine, so that it can pay for its own recovery and defense needs?

In his first term, Mr. Trump understood that hundreds of billions of dollars of foreign-aid spending led to failures in Iraq, Afghanistan and Bosnia-Herzegovina and left other war-torn countries poor, hungry and unstable. He sought deep cuts to the foreign-aid budget and replaced

traditional, grant-based aid with initiatives to expand trade and increase investment from America's massive private capital markets.

A successful recovery plan for Ukraine should be based on the same principles: Require Kyiv to privatize or liquidate its corruption-inducing and budget-draining 3,500 state-owned enterprises. Encourage Ukraine to open up its energy, agricultural, technology and defense sectors to U.S. investors. Implement stalled economic reforms blocking billions of dollars in Ukrainian capital from being invested at home.

MAX PRIMORAC
Washington

Mr. Primorac is a former acting chief operating officer at the U.S. Agency for International Development.

The Story of Showbiz, Told Through Paramount

Andy Kessler's very interesting column "Hollywood's Paramount Rule" (Inside View, July 22) covers only the most recent chapter in the saga of Paramount, one of the original Big Five studios and a poster child for the fortunes and misfortunes of the movie industry. My research, with co-authors Darius Palia and Natalia Reisel, supports the main theme of Mr. Kessler's article. We studied the financing of hundreds of films by major and minor production companies and found that studios tended to cofinance the riskier portions of their movie portfolios and keep the "safer bets" to themselves, consistent with what Mr. Kessler defines as "the first rule of Hollywood."

With Age Comes Wisdom. Or Sometimes the Opposite

As a counterpoint to Nathan Lewin's examples of judicial wisdom after 18 years on the Supreme Court ("High Court Term Limits Are a Waste of Wisdom," op-ed, Aug. 1), I would note that Justice Roger Taney had served for 21 years when he wrote in *Dred Scott* (1857) that blacks had no rights the white man was bound to respect. Justice Oliver Wendell Holmes Jr. had been on the court for 25 years when he opined at age 86 that "three generations of imbeciles are enough" in *Buck v. Bell* (1927). He had served for 20 years when he ruled in *Federal Baseball* (1922) that baseball wasn't interstate commerce. Justice John Paul Stevens had 30 years on the bench when he ruled in *Kelo* (2005) that the constitutional limit on "takings" of private property for public "use" also allowed takings for a public "purpose."

KEITH DANISH
Leonia, N.J.

Trump's Ignorant Remarks

Regarding your editorial "Donald Trump and the Black Journalists" (Aug. 1): Former President Trump's comments about Vice President Kamala Harris—"Is she Indian, or is she black?"—were not merely "odd." They were ignorant. There are black Irish-Americans, black Italian-Americans and, yes, black Indian-Americans. I'm not into identity politics, but you can see their point when old white men (of which I'm one) talk like this.

GARY MORGANS
Arlington, Va.

Pepper ... And Salt

THE WALL STREET JOURNAL



"Only thirty-four more years, six months and seven days until retirement."

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OPINION

The Fed and Monday's Correction

By Jason Furman

Federal Reserve Chairman Jerome Powell must be kicking himself for not cutting the federal-funds rate at last week's Federal Open Market Committee meeting. The monthly jobs report two days later showed weakness, from slow job growth and decreasing average weekly hours to a rising unemployment rate and decelerating wage growth. Now we're seeing market volatility spiking, corrections in many equity markets, and a full-on bear market in Japan. The Fed's decision created a problem that was more optics than economics. It should now move quickly with words and actions to fix it.

FOMC members began their meeting with what was in many respects a bright economic picture: 2.8% growth in gross domestic product, resilient consumer spending, strong business

Jerome Powell must be wishing he had cut rates last week. He still has time to catch up to the market.

investment, job growth above its pre-pandemic pace, and the stock market booming. While inflation remained more than half a point above the Fed's 2% target, it was nevertheless much lower than a year ago. Many serious analysts had still urged the Fed to consider a July federal-funds rate cut, but that seemed like a close judgment call. The Fed's decision wasn't unreasonable based on the data at the time.



On the floor of the New York Stock Exchange Monday.

Indirectly, the Fed's statement last week actually did lead to a cut in the rates that matter most—long-term rates that are linked to mortgages and business borrowing costs. That's because setting the fed-funds rate is only one of the central bank's tools. Fed statements can help shift interest rates in the present and future, based on unforeseen developments. The FOMC's July statement included several dovish turns of phrase, and at the press conference, Mr. Powell stressed the Fed's willingness to react strongly to threats to the employment side of its mandate. The 10-year Treasury yield fell 6 basis points on the day of the meeting, more than what would have been expected after a 25-basis-point rate cut.

While it's unfortunate the Fed didn't have the latest employment data during its meeting, the committee's clear and credible statements about how it would respond to data in the future ensured the market ad-

justed appropriately, cutting the 10-year Treasury yield by another 19 basis points after Friday's jobs report, bringing it to 3.8%, where it stayed on Monday despite the sell-off in equity markets. It's hard to imagine it would have been in a much different position had the Fed cut the fed-funds rate last week. We are already seeing much lower interest rates for home buyers and business borrowers.

The Fed should continue to make aggressive use of open-mouth operations, meaning statements and other communications. That should include stating that the risks are heavily tilted toward the employment side of the mandate and that the Fed is prepared to respond vigorously as the economic data unfolds. Central bank officials should stress that while the battle against inflation hasn't been won, financial conditions have tightened dramatically since the July meeting and will continue to put downward

pressure on demand and inflation.

FOMC speakers should solidify the market's expectations that rate cuts are coming at the three remaining meetings this year while making it clear that the debate is between 25- and 50-basis-point cuts. Officials shouldn't be too precise—the decision should depend on a range of data—but the unemployment rate staying at 4.3% should be more than sufficient basis for a 50-basis-point reduction at the next meeting.

The Fed should keep an emergency rate cut in its back pocket. Such a move should be reserved for major structural breaks comparable to the 9/11 terrorist attacks, the 2008-09 financial crisis or the Covid-19 pandemic. Friday's jobs report was significant but merely one noisy data point. Even after Monday's correction, the S&P 500 is up strongly for the year as a whole. But if credit conditions become disorderly, an emergency rate cut could be a way to reinforce the Fed's open-mouth operations.

In late 2021 and early 2022, the Fed fell months behind the curve in recognizing inflation, and the market became unsure of the central bank's credibility. When the Fed belatedly recognized the problem, it acted rapidly by raising rates and helped reduce inflation. Now it is arguably only days behind the curve. With the Fed's continued credibility and correct communication, it can buy the time it needs to catch up.

Mr. Furman, a professor of the practice of economic policy at Harvard, was chairman of the White House Council of Economic Advisers, 2013-17.

The NEA Becomes The Big Business Boss

By Mene Ukeberuwa

The National Education Association is involved in a labor dispute. But it isn't teachers who are on strike; it's the union's own employees. The domestic fight could threaten the NEA's top goal: mobilizing its three million members to help elect Kamala Harris.

The labor standoff is in its fifth week. The union is barring some 300 staffers from entering its offices and doing their usual jobs, like handling communications and developing online resources for teachers. The work stoppage started when the staffers held a three-day strike at the NEA's national convention in Philadelphia last month. The NEA struck back with a full lockout, and it's shown no sign of letting up.

A strike and a lockout stall the teachers union's multimillion-dollar get-out-the-vote machine.

To show it means business, the NEA canceled the flights and hotel payments of locked-out employees, leaving them stranded in the City of Brotherly Love. Then it suspended their pay indefinitely. It threatened to go even further, saying it would cancel employees' health insurance by the end of the month if they didn't take up management's latest contract offer. But the NEA quickly backtracked on that plan after it leaked to the press.

These are moves the NEA would call sadistic if its members were on the receiving end. "What they're doing is legitimizing antiunion tactics," says one member of the NEA Staff Organization, or Neaso, the employees' union. (He spoke on condition of anonymity because the two sides are in arbitration.) The locked-out staffers think the teachers union's moves will backfire in future contract fights with schools. "Their counterparts are going to say, 'The NEA did it to their staff, so we're going to do it to the NEA.'"

The union and its staff are in the middle of a contract negotiation, and neither side has budged much since their last agreement expired in May. Neaso also says the NEA withheld overtime pay and hired contractors without employee input. Its brief strike in Philadelphia was meant to protest these alleged unfair labor practices. The NEA says the lockout was a defensive response to the strike, meant to prevent any more work stoppages while contract talks drag on.

Yet it's odd that the nation's largest labor union, with some \$520 million in annual spending, would stiff-arm its fairly small staff in the first place. Employees say they want raises that keep up with inflation, and they recall that the NEA previously froze staff pay for nine years, from 2012 to 2021. The union has offered raises and bonuses this year but not enough to satisfy its employees.

The timing is miserable for the NEA, for which politics is the main event. It spent more than \$50 million on political activities last year. "We will organize for power!" NEA President Becky Pringle declaimed at the Philadelphia convention. The NEA immediately endorsed Ms. Harris for the presidency after Democrats swapped out Joe Biden last month.

But now the union is barring the workers who help turn its money into political action. It will have to hire temporary staff, who may lack the organizing know-how. "They wouldn't be able to do the work," one Neaso member says about potential scabs. "They don't have the data, they don't have the polls." Losing that experience could affect elections all the way down to school board races, which go a long way for the teachers union.

With three months until the election, locked-out staffers say they still have time to get back in the game. "Our members are professional, and they believe in the mission of the NEA," one employee says. "I have no doubt that they can hit the ground running and get through the backlog."

Yet the damage to the NEA's reputation may be harder to repair. Parents and voters will remember the lockout the next time the union steps forward with its own demands. Its pleas for a "fair share" of every taxpayer dollar won't land the same way.

Mr. Graham, a Republican, is a U.S. senator from South Carolina.

Mr. Ukeberuwa is a member of the Journal's editorial board.

The Reinvention of Kamala Harris



FREE EXPRESSION
By Gerard Baker

The only real question for the 90 days remaining in this presidential campaign: Can Operation Transfiguration succeed?

Can the Democrats and a collaborative media pull off their recasting of Vice President Kamala Harris from the verbally maladroit, politically inept, ruinous-policy-espousing electoral dud we have all seen over the past five years into the holy trinity of Joan of Arc, Harriet Tubman and Margaret Thatcher we have been presented with in the past two weeks?

Can, shall we say, the protective phalanx of Democratic aides, strategists, fundraisers, reporters, editors, influencers and Taylor Swift persuade enough voters to imagine a presidential future of what can be, unburdened by the reality of the vice president, presidential candidate, senator and state attorney general that has been?

Time—or the lack of it—is the key to the operation's success. I say 90 days but in practice they will need to keep the hype show on the road for just two months after an August of jubilees.

This week the hosannas will ring anew when Ms. Harris announces her vice-presidential nominee. It's a sure bet that when the man is unveiled we will be treated to a week of gauzy newspaper accounts of his genius and kindness. Television pundits will explain how the pair on the ticket represent the perfect distillation of American diversity. They will take their campaign on the road, Ms. Harris never more than a few feet away from her truly indispensable companion, the teleprompter, and a much safer distance from any enterprising reporter who may ask a difficult question.

Then we will have a week of a Democratic convention like no other. It will open with Biden Night (only one), when the withered man the party has just knifed will be hoisted aloft before adoring delegates and media panegyrists and hailed as Mount Rushmore-ready. Then, three nights of tributes to the Pantsuit Pericles bidding to run the country for the next four years, culminating in a peroration that will leave White House correspondents weeping.

Operation Transfiguration may be the most audacious plan a political party has ever undertaken. It requires the effective deployment of the full toolkit of press and social media deception: selective editorial amnesia, gaslighting, memory-holing. The whole campaign is the political and media equivalent of answering every question voters may have about the pre-July 21 Ms. Harris with "404 Error Page Not Found."

If you think I'm overstating the extent to which Ms. Harris is being reclothed, cast your mind back oh so many weeks ago, before President Biden self-immolated at the presidential debate, before a would-be assassin nearly took down Donald Trump, before Mr. Biden was bundled out of the race—to late June, a political epoch away, when polling, punditry and political logic all told us the same thing: Ms. Harris was a loser. Her approval rating had been hovering lower even than Mr. Biden's for most of the past few years. Many Democrats were saying privately—and some publicly—that if Mr. Biden were jettisoned from the ticket, there should be an accelerated primary contest because they couldn't risk letting the vice president simply ascend to the job.

We are all familiar with why that was: memories of Ms. Harris's political identity as the most liberal member of a Senate that included Bernie Sanders and Elizabeth Warren; a presidential campaign five years ago in which she pledged to eliminate private health insurance, ban fracking, give benefits to illegal immigrants, and force gun owners to sell

Democrats stuck with Biden because they thought she was even weaker. Has that changed?

certain firearms to the government; more recent recollections of her San Francisco-bred extremism such as when she helped raise money for the legal defense of rioters and looters in the summer of 2020; and her role in helping Mr. Biden deliver a long list of economic, social and national-security failures for the country—most obviously at the border.

All this is why so many Democrats were alarmed at the thought of a Harris nomination, the same nomination they now trumpet as triumphant.

Three Ways to Confront Iran

By Lindsey Graham

Iran and its proxies have intensified their attacks on Israel and on U.S. interests in the Middle East, beginning with Hamas's barbaric incursion of Oct. 7. Much of the blame belongs to the Biden-Harris administration for deciding not to enforce sanctions against Tehran. When President Trump left office, Iran was exporting 300,000 barrels of oil a day. By October 2023, that figure was up to 1.4 million barrels a day. That generates money to fund Iran's top export: terrorism.

For too long, the U.S. has at best played defense when it comes to Iran. It's time to go on offense. To that end, I have introduced a series of bills:

I call my first proposal the terrorism tariff. If a nation buys oil or gas from Iran, the U.S. would levy a tariff on all imports from that country. By buying cheap Iranian oil, China, India and others are enriching the ayatol-

lahs, cheating the market, and blatantly violating sanctions. My proposal would make these countries choose between cheap Iranian oil and normal business with the U.S. This idea originated after many discussions with Mr. Trump, who has used tariffs with great effect to change bad behavior.

The second proposal is a resolution declaring that any Hezbollah attack on Israel is an Iranian attack on Israel. This was the position President John F. Kennedy took in the Cuban Missile Crisis—any attack emanating from Cuba would be considered an attack by the Soviet Union on the U.S.

Hezbollah is getting more provocative, and the U.S. and Israel need to recognize that the problem doesn't begin in Lebanon. Iranian oil refineries should be on the target list if Hezbollah or other Iranian proxies continue to attack Israel. If Iran's rulers believe we are serious about destroying or diminishing their capability to refine oil, their behavior will change.

My third proposal lays out definitive red lines for Iran's nuclear program. If Iran crosses these lines, the U.S. would be authorized to use military force against Iran. Iran's pursuit of nuclear weapons is its most potent threat. The ayatollahs continue to deny it, but when they chant "death to Israel" and "death to America," they mean it—and we should take them seriously.

Secretary of State Antony Blinken said recently that Iran has narrowed its nuclear breakout time—how long it would take to produce enough weapons-grade uranium to make a bomb—to a week or two. The Office of the Director of National Intelligence published an assessment that found "Iran continues to increase the

size of its uranium stockpile, increase its enrichment capacity, and develop, manufacture, and operate advanced centrifuges. Tehran has the infrastructure and experience to quickly produce weapons-grade uranium at multiple facilities, if it chooses to do so." I encourage every American to read that report, and I urge my congressional colleagues to read the classified version. It will put this threat into chilling perspective.

Under my proposal, if it is determined that Iran holds uranium enriched to weapons-grade level, possesses a nuclear warhead, or has obtained a delivery vehicle capable of carrying a nuclear warhead that threatens the national security interests of the U.S., then the president would be authorized to take military action.

It is hard to imagine a worse disaster for the world than if the ayatollahs acquire nuclear capability. It would throw the Middle East into a nuclear arms race and put us all on the road to Armageddon.

Until the Iranians understand what they can't do, they will continue to sow chaos. We must define red lines for Iran and enforce them.

The only thing the Iranian regime will respect is strength. The Biden-Harris administration has been profoundly weak, and its posture toward Iran has been a catastrophic failure. Israel isn't alone in paying the price.

We live in dangerous times. The best way to prevent further bloodshed and upheaval in the Middle East and protect America is to stand up to the Iranian regime. Together, these three legislative proposals will send an unambiguous message to Iran that the old way of doing business is over.

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Fannie, Freddie to Tighten Lending Rules

Move comes after regulatory crackdown on fraud in property market

By GINA HEEB

Fannie Mae and Freddie Mac are preparing to impose stricter rules for commercial-property lenders and brokers, following a regulatory crackdown on fraud in the multitrillion-dollar market. Lenders would have to independently verify financial information related to borrow-

ers for apartment complexes and other multifamily properties, according to people familiar with the preliminary plans. Additionally, lenders could face tougher requirements for confirming whether a property borrower has adequate cash and verifying their source of funds. The new rules might also require lenders to complete due diligence on the appraised value of a property, by evaluating its financial performance, for example, these people said. Under the current system,

lenders are able to take a more hands-off approach when it comes to borrower and property financials. They face incentives to trust the figures they are sent, rather than pursuing expensive audits or risking losing clients to too much red tape. Fannie and Freddie declined to comment. The Federal Housing Finance Agency, which regulates the two entities, also declined to comment. Fannie and Freddie, which are backed by the government, purchase and securitize a huge portion of loans in the

U.S. residential and commercial mortgage market. The two entities together owned or guaranteed roughly 40% of the \$2.2 trillion in multifamily mortgage debt as of September 2023, according to estimates from their latest annual filings. The new multifamily rules, which could be rolled out as early as this summer, are in early stages and could still change, these people said. If they are enacted, they would represent some of the biggest recent changes in the way Fannie and Freddie monitor these loans.

Apartment-building and other commercial-property prices surged to records in the years before the Federal Reserve started to raise interest rates, leading to a flurry of loans based on doctored financials and valuations, federal investigators and real-estate brokers say. More of these fraudulent mortgage schemes have been exposed since 2022, when sharply higher interest rates led to significant declines in commercial-property prices. Now, federal prosecutors are increasing their efforts to root out fraud, often working

together with investigators at the FHFA's Office of Inspector General, according to court records and people familiar with the matter. The crackdown is already rippling through the multifamily industry. Freddie has started to require borrowers to submit rent receipts, while Fannie has begun to go through loans to look for doctored financials, The Wall Street Journal previously reported. Tighter lending rules could slow deal activity. To be effective, according to industry

Please turn to page B2

Elon Musk Says Neuralink Implanted a Second Patient With Its Device

The entrepreneur is in a race against rivals to wire the human brain

In March, Elon Musk's brain-computer interface company Neuralink introduced its first human trial participant, a quadriplegic who showed the world how he could control a computer cursor with just his thoughts. In early August, Musk said that the company had recently implanted its device in a second patient.

Neuralink's fully implantable, wireless device—if it proves safe during clinical trials—would be a major upgrade on older technology, returning function to thousands of disabled individuals who have lost it. Here's a look at its device, how it works and similar ones from rivals.

—Rolfe Winkler and Peter Champelli



Neuralink

Neuralink makes a brain-reading implant that aims to help people with severe spinal-cord injuries use computers and perhaps one day regain lost motor control.

A quarter-size hole is bored into the skull above the motor cortex, a region of the brain that helps direct voluntary

movement. The chip has 64 threads that are each thinner than a human hair and are inserted into the brain. Then the chip is implanted in the hole.

Each of the threads is inserted into the brain's motor cortex by a special surgical robot. Each

thread has 16 electrodes that monitor electrical signals as they fire among nearby neurons, relaying the information back to the chip. The chip digitizes the data and sends it to Neuralink's app on a computer, which translates it into actions such as moving a computer cursor or left-clicking a mouse.

One of Neuralink's big advantages is the device transmits data wirelessly and can be worn without being attached to external computers. As a result, people can use their device at home, unlike older tech that has generally been used in a lab setting. The chip allows patients to use a computer with their brain, moving and clicking a cursor by thinking.

The company's first trial participant, Noland Arbaugh, noticed about a month after his January surgery that the performance of his Neuralink implant had declined. He was no longer able to move and click a virtual mouse as effectively as he had just

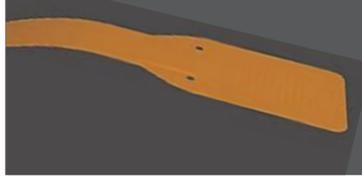
days after the surgery. Some of the tiny threads that had been inserted in Arbaugh's brain had retracted. Enough remained in place that the company was able to return Arbaugh's capabilities to him after some tweaks to its algorithms.

Other efforts to digitize the brain aren't as far along

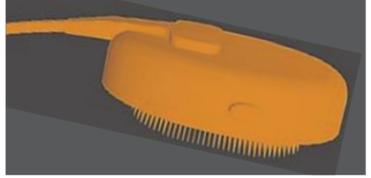


Synchron has tested its stent-like device in humans. Implanted in a blood vessel instead of the brain, it can read neurons firing and requires less invasive surgery.

The device has far fewer electrodes than Neuralink's. People can 'click' a virtual mouse with their thoughts but have more limited navigation abilities.



Paradromics takes an approach closer to Neuralink. Its device is roughly a centimeter in diameter and has 421 metallic electrodes that would penetrate 1.5 millimeters into the brain. Paradromics says it could implant four of these in one person to read more brain data. It hasn't been implanted in a human.



Precision Neuroscience's implant is thinner than a human hair and about half an inch wide. It is embedded with electrodes that read neural activity. It sits on top of the brain, allowing for less invasive surgery.

The device has been tested temporarily in some patients during other brain surgeries.

Print design by ERIK BRYNILDSEN/WSJ

STREETWISE | By James Mackintosh

What's Driving The Market Fall



Financial markets are supposed to capture the wisdom of the crowd, but on Monday the crowd ran in all directions waving its hands in the air and screaming. Japan's stock market fell the most in 37 years with a 12% plunge that wiped out all its gains for the year, while in the U.S. the VIX index of implied stock volatility briefly had its biggest rise ever. Panic hit. The selloff was triggered by Friday's jobs data prompting a sudden switch in the economic narrative from soft landing to hard landing. Add to the mix a period of deflating hype about artificial intelligence and a Bank of Japan rate rise designed to strengthen the yen. News that Warren Buffett's Berkshire Hathaway sold half its Apple shares and boosted

its cash pile added to the pain. But the triggers couldn't justify such the scale of the moves. When a new trigger arrived, in the form of better-than-expected data on the services sector, markets partially rebounded and the Vix fell sharply—again, far more than the data could justify. The selloff—which at one point had chip maker Nvidia down 15%—was so big because investors had been all-in betting that things would work out well. Now things have calmed a bit, the question is whether the unwind of these bets, and the leverage behind them, is done. If it resumes, will the selloff feed back into higher savings and a weaker economy or, worse, hit the financial system? The extreme examples of past effects from big market falls are 1987's crash, 1998's Long-Term Capital Manage-

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INSIDE



REAL ESTATE
Investment firm CGI surrenders control of former Trump hotel in foreclosure auction. **B2**



TECHNOLOGY
Elon Musk revives lawsuit against OpenAI and Sam Altman. **B3**

Developers Fret as Florida Court Rejects Condo-Clearing Tactic

By DEBORAH ACOSTA |

MIAMI—Angelica Avila never wanted to sell her condo overlooking Biscayne Bay. She liked to watch the sunrise each morning from the balcony. Even when a developer who was buying other condos in the building offered \$690,080 for her unit—more than triple what she spent to buy and upgrade her home of 30 years—she refused the offer. But the developer acquired enough units to take control of the building and terminate the condo, paving the way for its demolition. In the fall, after Two Roads Development signaled it would turn off services in the building, including air conditioning, elevators and security, Avila moved to a house further inland, where she rents a small room. She visits a storage unit weekly to swap out her clothes because the room is too small. “This is my home now,” said Avila, 55 years old, gesturing to the storage unit.



Angelica Avila was forced to sell her Miami condominium.

Meanwhile, the 191-unit condo building she used to call home—Biscayne 21—sits empty, a zombie on prime waterfront land in Miami's Edgewater neighborhood. Avila's plight stems from a longstanding practice threatened by an appeals court ruling earlier this year. The practice, in which developers can force condo owners to sell homes they never intended to leave, was challenged in March. The appeals court stunned the Miami real-estate community by siding with the small group of residents who refused to sell at Biscayne 21. The court overturned a ruling from a circuit judge that had been in favor of Two Roads and its partners. Two Roads has said its part-

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Owner Loses Rights to Former Trump Hotel

By CRAIG KARMIN

The investment firm that paid \$375 million to Donald Trump's family firm for the rights to its luxury Washington, D.C., hotel lost the property in a foreclosure auction on Monday, about two years after its purchase.

CGI Merchant Group, a Miami-based investment firm, initially defaulted on its debt in 2023, according to **BDT & MSD Partners**, the merchant bank that made the \$285 million loan. BDT & MSD said it extended the foreclosure auction date by 45 days, but CGI didn't cure the default. The merchant bank took over the property on Monday.

"We have actively engaged with CGI in a constructive manner, allowing ample time for them to explore financing and alternative options," a spokeswoman for BDT & MSD said. "We have now taken control of the Waldorf Astoria Washington D.C. via foreclosure."

CGI, which has joined with former baseball superstar Alex Rodriguez on its hotel investments, said it still hopes to get back the rights to the property's long-term lease.

"We are not done fighting for the Waldorf Astoria," a spokeswoman for CGI said. "Even though the auction has occurred, we remain in intense discussions with BDT & MSD Partners and still have a finalized capital solution on the table to cure the loan default and recapitalize the asset."

Property Scrutiny Increases

Continued from page B1

participants and investigators, rules would have to cover a number of different avenues of the market where fraud can occur.

The real-estate schemes that recently came to light involved everything from fudged income statements to faked property sales at inflated prices.

Fannie and Freddie effec-

BDT & MSD said it would hold on to the rights to the property. Hilton, which owns the Waldorf brand, will continue to operate the hotel.

The change in control marks the latest twist in the continuing drama surrounding the property, which is housed in the former Old Post Office building and is a short distance down Pennsylvania Avenue from the White House.

The Trumps never actually owned the property but leased it from the federal government. With extensions, the lease ran close to 100 years.

In 2012, the Trumps beat out some of the most experienced and deepest-pocketed names in the lodging business, including Marriott International Inc. and Hilton, for the rights to the long-term lease.

The hotel became a jewel in the family's hotel portfolio. During Trump's years in the White House, the hotel became a favorite Republican meeting spot, attracting fans, lobbyists, lawmakers and others with business before the Trump administration.

In 2022, the Trumps sold those lease rights to Miami-based investor CGI Merchant Group for \$375 million, a price that was well above other offers, people familiar with the matter said.

CGI rebranded the hotel as a Waldorf Astoria. While business has picked up at the hotel this year, CGI has been hampered by higher interest rates.

tively blacklisted **Meridian Capital Group**, along with other brokerage firms, after allegations that its brokers falsified client financials to get bigger loans.

Meridian has since sought to build and implement a risk and control framework, largely from scratch, that could require periodic back-tests and board approval for deals of a certain size.

One major commercial-property lender, **Berkadia**, recently pulled back on new deals with brokers, people familiar with the matter said.

In a statement, Berkadia said it would "continue to focus on direct business" and use "reputable brokers for loans on a case-by-case basis."

Developers' Tactic Is Set Back

Continued from page B1

nership, which took out a \$150 million loan to buy the building, will appeal the decision to the state Supreme Court if the appeals court doesn't reconsider. The partnership declined to comment. Lawrence Pecan, counsel for the group, said, "I was a little bit shocked when the appellate opinion came down. What we'd done was not really even controversial."

Now dozens of other Miami developers with their own condo terminations under way are wondering what the appellate court ruling will mean for their planned projects.

"This will greatly impact the risk analysis a developer must undertake in pursuing an acquisition of one of these older condominiums," said Matt Allen, a developer at Related Group, a real-estate company that has terminated multiple condominiums in Florida.

Up and down the coast of South Florida, developers have been buying out condo units in buildings for the purpose of tearing down these decades-old properties and building new luxury towers in their place.

It is one of the few ways to acquire scarce land on the water. For older buildings, a bulk purchase by a developer is often a welcome solution for owners who can't find buyers in the market.

A few, like Avila, say they don't want to sell regardless of price. But they have had little recourse if most of their neighbors want to sell. In some cases, as in her building, Biscayne 21, a developer acquires enough units to take control of the condo board and alter the rules so that it no longer needs the approval of every resident to complete a bulk purchase of all units.

After a condominium-tower collapse in Surfside, Fla., killed 98 people in 2021, Florida passed a law that requires certain older buildings to undergo safety inspections that often require special assessments that can run to more than \$150,000 per unit.

Many condo owners welcome the usually above-market price developers are willing to pay to sell and so avoid

BUSINESS & FINANCE



The Biscayne 21 building, which sits empty on Miami's waterfront, was targeted by developers.

these costs.

Condo inventory in certain Florida markets is up by more than 100% year over year, according to a Douglas Elliman report, as owners across the state dump their units because they can't afford the special assessments.

State lawmaker Vicki Lopez said the ruling could produce a ripple effect across the state that will chill developers at a time when older condominium buildings are grappling with hefty special assessments that many won't be able to bear.

The appellate court ruling came about six months after the remaining Biscayne 21 holdouts had to leave. The court ruled the developer couldn't amend the condo rules to terminate the condominium without the consent of every resident.

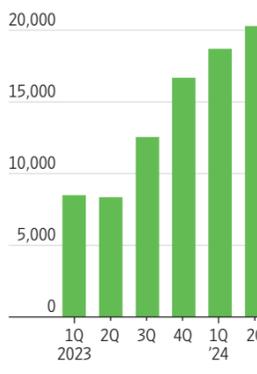
The original condo rules stated that 100% of the residents had to agree to a condo termination. Two Roads amended those rules so they needed only 95%.

In some cases, a bulk buyer can build up a position over many years, eventually reaching a large enough critical mass to compel potential holdouts to go along and sell.

That was the case with Biscayne 21. In 2012, Bragi Sigurdsson, a local real-estate broker, began buying units in the building, he said. He and his partners bought units over a period of years, Sigurdsson said, "knowing that at one point or another this building would be gone after by a developer."

In 2019, Sigurdsson held a meeting, revealing that he and his partners had acquired a large portion of the apart-

Total active condo listings in Miami-Dade, Broward and Palm Beach Counties



Source: MLS

ments. They were interested in acquiring the rest, he said.

The owners were shocked. Residents recall one woman, in her 80s, standing up in protest. "Why don't you just go away?" she said.

"If it weren't me, it would be somebody else," Sigurdsson replied.

In an effort to thwart Sigurdsson's plan, longtime resident Gail Tucker-Griffith sent a letter to owners. She urged them to find a buyer who would offer the best price for their units.

"I believe that everyone here knows full well that a hostile takeover is in progress," she emailed other owners.

Ultimately, Sigurdsson and his investors joined with Two Roads and retained an ownership interest in the new development project.

Together they bought out the Biscayne 21 building in bulk. Some of them, especially absentee owners who rented

out their units, were happy to sell. But others needed more persuasion.

The rules of the sales process offer bulk buyers some leverage for getting reluctant sellers to come to the table.

Developers tend to offer above-market prices for the earlier sales. But once they reach a certain threshold needed to terminate a condominium through a vote—often 95%—the remaining owners are compelled to sell.

These final 5% of sales are often subject to an appraisal process that uses a definition of "fair market" that former Miami-Dade Circuit Judge Michael Hanzman called "irrational" in a written order.

While the appraiser looks at similar buildings to determine the value of the final remaining units, it doesn't take into consideration what other units within the same building were sold for.

For example, after the developer terminated the condo, its offer to Avila was more than 37% below what comparable unit owners got when they accepted the initial offer, according to public documents.

Robert Murphy, a retired attorney, purchased a Biscayne 21 unit for \$272,000 in 2012, and said he spent a little more than that on a gut renovation.

When developers offered him over \$1 million for his unit, he declined because it wasn't enough to buy him a similar residence. But like the others, he was forced out last year.

"People get in, gradually gain enough control, and then sell to a developer," he said. "Resistance seems futile."

Streamers' True TV Draws Suits

Continued from page B1

ments and other evidence of her conduct toward the protagonist of the series "demonstrate that any of the purportedly defamatory statements she alleges were substantially true. This too completely bars her claims."

Chess champion Nona Gaprindashvili reached a private settlement with Netflix after claiming in 2021 that a line in fictional series "The Queen's Gambit" falsely said she had never faced a male opponent. A judge rejected Netflix's motion to dismiss the case, saying fictional work isn't immune from liability if it is defamatory to a real person.

Netflix in June settled in a suit related to "When They See Us," a dramatized retelling of the Central Park Five case. Linda Fairstein, a former prosecutor who sued Netflix for how she was portrayed, didn't receive any compensation. The parties said Netflix agreed to donate \$1 million to a non-profit that works to exonerate wrongly convicted people.

Defamation lawsuits have been common for decades, but the growth of streaming has substantially broadened consumer access to content based on true stories, said Julie Shapiro, director of the Entertainment and Media Law Institute at Loyola Law School. Unlike the cable era, when titles might air sporadically, streaming content is available on demand and is often accessible to viewers globally.

Streamers including Warner Bros. Discovery's Max and Disney-controlled Hulu have also been sued for some shows and documentaries, with plaintiffs in those cases having mixed results.

Liz Garbus, the Emmy and



Netflix shows including, at top, 'Baby Reindeer'; at center, 'The Queen's Gambit'; and at bottom, 'When They See Us' drew defamation lawsuits.

Peabody-award winning co-founder of Story Syndicate, which made documentaries such as "Britney vs Spears," said many of today's shows are

"very sensationalistic."

Plaintiffs have to prove that they have been harmed by the film or show and that creators were negligent in their story-

telling. Defamation cases brought against dramatized content are harder to win because it is difficult to prove that a fictional character is meant to represent a real person, said Enrique Armijo, a professor at Elon University School of Law.

Producers and streaming companies typically purchase "errors and omissions" insurance—policies that protect against damages for any legal action filed against projects.

"It's definitely more difficult to get insurance," said Sinead Murphy, managing director of MiC Specialty, an underwriter that focuses on media and entertainment. "As we see more litigation, premiums go up."

That insurance, from companies such as MiC, QBE North America and Chubb, often covers a range of costs, including lawyer fees, settlements and jury awards. Insuring a true crime documentary, for example, can cost as little as \$15,000 or nearly six figures, industry experts said, and policies typically last three years, with insurers offering maximum policy limits of \$5 million per claim and \$5 million in aggregate.

In addition to higher deductibles, some insurers now require an opinion letter from a lawyer who has vetted the project for potential defamation, false light and invasion of privacy claims, said Winnie Wong, a senior vice president at Momentous Insurance Brokerage, a Marsh McLennan Agency company.

Entertainment attorney Michael Donaldson said he has become more exacting while vetting creative teams, particularly those working on true-crime projects, because of the growing risk of lawsuits.

Bob Friedman, chief executive of Bungalow Media + Entertainment, which has produced true crime fare such as "Surviving Jeffrey Epstein" for Lifetime, said he now hires extra legal counsel to vet projects.

"We're being overly neurotically careful," Friedman said.

BUSINESS & FINANCE



Lower livestock-feed costs helped boost Tyson's profit from poultry last quarter, compared with a year earlier.

Chicken Swings Tyson to Profit

Adjusted earnings in third quarter were 87 cents a share, above analyst views

By Patrick Thomas

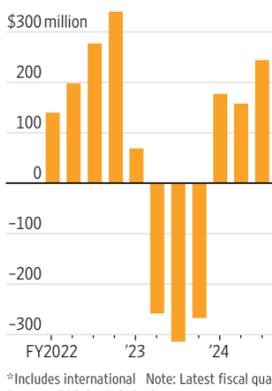
A turnaround in **Tyson Foods'** chicken business is taking shape and helping the meatpacker navigate a beef downturn.

Lower livestock-feed costs helped boost profit from poultry last quarter versus a year earlier, despite a drop of about 4% in chicken prices. Chicken sales volumes decreased slightly.

"Chicken had one of its best quarters in some time," said Chief Executive Donnie King on a call with analysts. Operational changes over the past year have also helped improve profitability, he said.

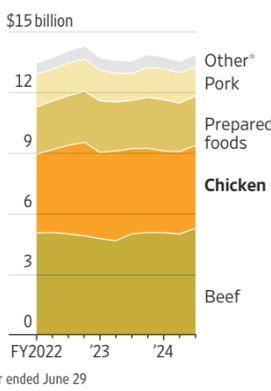
Overall, the company re-

Tyson's chicken unit operating profit/loss



*Includes international. Note: Latest fiscal quarter ended June 29. Sources: S&P Capital IQ; the company

Quarterly segment revenue



ported a profit of 54 cents a share for its third quarter, compared with a loss of \$1.18 a year earlier. Stripping out one-time expenses, adjusted profit was 87 cents a share, beating Wall Street estimates. The company's stock rose

2.1% in Monday trading, and is up about 13% over the past 12 months.

Tyson, the largest American meat supplier, has been cutting costs over the past year and a half, closing or selling nearly a dozen of its faci-

ties and reducing staff.

Tyson's quarterly sales rose about 2% to \$13.35 billion, topping analysts' expectations.

Meanwhile, the beef division, its largest by revenue, swung to a loss. Beef processors are bracing for extended losses after years of weaker business and drought led ranchers to shrink their cattle herds. With thinner herds, packers like Tyson have to pay more to secure livestock. On a call with analysts, Tyson executives said the cattle herd has yet to start rebuilding despite improved pasture conditions.

Beef has grown more expensive for consumers, too. The company's sales price for beef rose by an average of nearly 1.4% from a year earlier, while sales volumes increased more than 4%.

Tyson on Monday lifted the low end of its forecast on adjusted operating income for the fiscal year.

Bloomberg Lets Go Staffer Involved in Gershkovich Story

By Alexandra Bruell

Bloomberg News is parting ways with the lead author of an article that incorrectly said Wall Street Journal reporter Evan Gershkovich had been released by Russia, among several disciplinary actions the news organization took after a review of the matter.

The Bloomberg article, which came out at 7:41 a.m. ET Thursday, was published while Gershkovich and other prisoners were still in Russian custody—en route to Ankara, the capital of Turkey. It was later corrected to reflect the fact that the prisoners hadn't been released yet at the time of publication.

Bloomberg News Editor in Chief John Micklethwait wrote in a note to staff on Monday that the article's publication "could have endangered" the negotiated swap that freed Gershkovich and others.

"Even if our story mercifully ended up making no difference, it was a clear violation of the editorial standards which have made this newsroom so trusted around the world," he wrote.

Following an investigation, Micklethwait said Bloomberg has taken "disciplinary action against a number of those involved, and we will be reviewing our processes to ensure that failures like this don't happen again."

Jennifer Jacobs, a senior White House reporter and the

story's lead author, has been let go, according to a person familiar with the matter. "In reporting the story about Evan's release, I worked hand in hand with my editors to adhere to editorial standards and guidelines," Jacobs posted on X on Monday afternoon. She didn't respond to a request for comment.

"Reporters don't have the final say over when a story is published or with what headline," she wrote. "This is why checks and balances exist within the editorial processes."

Bloomberg News declined to comment regarding Jacobs's post.

Gershkovich, who had been in Russian custody for 491 days, and more than a dozen others jailed by the Kremlin were exchanged on Thursday for Russians held in the U.S. and Europe, including a convicted murderer, as part of the largest and most complex East-West prisoner swap since the Cold War.

As the news began to unfold, media organizations scrambled to prepare their stories. A briefing by U.S. government authorities early Thursday laid out what was about to happen, but news outlets were embargoed, meaning they agreed to hold the news until it was clear the prisoners were out of Russian custody and on their way from Turkey, where the exchange was set to take place.

L'Oréal Buys Stake in Swiss Skin-Care Firm Galderma

By Mauro Orru and Andrea Figueras

L'Oréal agreed to buy a minority stake in Swiss skin-care company **Galderma** valued at \$1.85 billion, bolstering its exposure to the rapidly growing market for aesthetic injections such as fillers.

The deal marks L'Oréal's return to Galderma, a company it co-founded with **Nestlé** more than four decades ago and that it exited in 2014, and a high-profile backing for the skin-care specialist nearly five months after its listing in one of the biggest initial public offerings of the year.

The French cosmetics giant highlighted Galderma's position as one of the biggest players in the market for skin-smoothing injections—a category in which the Swiss company's Dysport brand competes with **AbbVie's** Botox—and said the investment

allows it to explore partnering in the rapidly growing market.

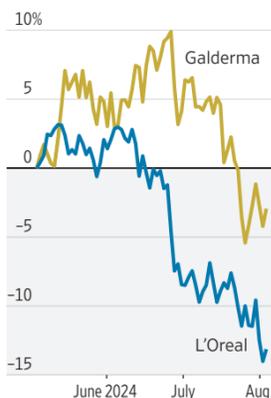
"We have been observing these markets from the outside," L'Oréal's Chief Executive Nicolas Hieronimus said on a call with analysts. "We are very confident that this market will continue to grow."

L'Oréal said Monday that it was acquiring a 10% stake in Galderma from EQT-led Sunshine SwissCo, Abu Dhabi Investment Authority and Auba Investment Pte. L'Oréal didn't disclose the value of the stake, but said it would fund the deal through cash and credit lines.

A 10% stake in Galderma was valued at roughly 1.59 billion Swiss francs, equivalent to \$1.85 billion, based on the stock's closing price on Friday of 66.96 francs.

Galderma's shares rose 1.3%, while L'Oréal's Paris-listed shares added 1%.

Share-price performance, past three months



Source: FactSet

L'Oréal and Galderma also agreed to work toward a new research-and-development partnership, with the aim of jointly developing new dermatology

products.

The cooperation between the two companies will focus on injectable aesthetics and L'Oréal won't take part in any Galderma strategic decision in the segments in which they compete, executives at the French company said.

Injectable aesthetics is the fastest-growing beauty category globally and a market that has gone mainstream since the French giant was last a shareholder of Galderma, Bernstein analysts wrote.

L'Oréal seems to be testing out how comfortable it and its investors can be with the medicalization of the industry and the associated risks, as an increasing amount of consumers' budgets shifts toward medical beauty, the analysts added.

The global injectable aesthetics market was worth \$9 billion last year and is projected to

grow at an annual pace of 7% to 8% through to 2027, Jefferies analysts said in a recent research note. Galderma aims to increase its sales at a faster rate than the overall market.

Galderma Chief Executive Flemming Ornskov recently told The Wall Street Journal that injectable aesthetics will continue to fuel growth. Galderma also sells skin-care and therapeutic-dermatology products.

The company was founded in 1981 as a joint venture between L'Oréal and Nestlé, but the French beauty group sold its 50% stake to the Swiss consumer-goods giant a decade ago. Nestlé in 2019 sold the business to a consortium formed by Swedish private-equity group **EQT**, Abu Dhabi Investment Authority, Canada's PSP Investments and other institutional investors.

The deal comes after Gal-

derma went public in March. At that time, the listing of the Swiss company was the largest IPO of the year, before it was surpassed by the listings of cold-storage company **Lineage** in the U.S. and **Jean Paul Gaultier owner Puig Brands** in Spain. Galderma's IPO remains the third-biggest in 2024 to date, according to Dealogic data.

L'Oréal's stake purchase in Galderma comes nearly a year after the French company completed its acquisition of Australian luxury-beauty brand **Aesop** in a \$2.5 billion deal, including debt, that expanded its luxury portfolio.

Galderma said it doesn't plan to make any changes to its board of directors following the transaction, which is expected to be completed in the coming days. L'Oréal said it wouldn't seek representation on the company's board.

Musk Revives Lawsuit Against OpenAI

By Joseph De Avila

Elon Musk revived his lawsuit against OpenAI in federal court, alleging that he was manipulated into believing that the artificial-intelligence company he was helping launch was a nonprofit.

Sam Altman, chief executive of OpenAI, allegedly courted and deceived Musk, promising him they would pursue a nonprofit venture, according to the complaint filed in U.S. District Court in Northern California on Monday. Musk invested tens of millions of dollars and recruited top AI scientists for the project, according to the lawsuit.

"Altman assured Musk that the nonprofit structure guaranteed neutrality and a focus on safety and openness for the benefit of humanity, not shareholder value," the complaint said. "But as it turns out, this was all hot-air philanthropy—the hook for Altman's long con."

The complaint alleges that OpenAI co-founders Altman and Greg Brockman engaged in fraud and racketeering. It also accuses OpenAI and Altman of breach of contract for breaking a founding agreement. Musk also asked the court to cancel OpenAI's licensing agreement with **Microsoft** because it breaches the deal Musk made with Altman and OpenAI.



Sam Altman, chief executive of OpenAI, clashed with Musk.

OpenAI is governed by a nonprofit board, which controls the for-profit entity. News Corp, owner of The Wall Street Journal and Dow Jones News-wires, has a content-licensing partnership with OpenAI.

Musk previously filed a similar lawsuit against OpenAI in March, saying that the company had broken its founding agreement by giving priority to profit over the technology's potential benefit to humanity. Musk, the billionaire CEO of **Tesla** and owner of social-media platform X, withdrew the complaint in June.

In a March blog post written after Musk filed his initial complaint, OpenAI disputed Musk's version of events and said that the company would move to dismiss all claims. The blog post also contained

emails sent by Musk. OpenAI has denied that there was a founding agreement governing the company and said that the lawsuit rested on questionable facts.

"As we said about Elon's initial legal filing, which was subsequently withdrawn, Elon's prior emails continue to speak for themselves," a spokesperson for OpenAI said.

Microsoft didn't respond to a request for comment.

Altman and Chief Strategy Officer Jason Kwon sent emails to staff at the time of Musk's initial complaint, saying OpenAI's success made it a target for lawsuits. In their emails, Altman and Kwon said the company aimed to balance creating an AI system with guardrails while producing a commercialized product so it

could make money to support AI research.

Musk was the primary funder for OpenAI's beginnings. Altman and Musk clashed over plans to commercialize the project, according to the latest lawsuit. Musk stepped down from the board in 2018 and stopped investing in the venture in 2020, the suit said.

In 2017, Musk and OpenAI decided to make the project a for-profit company in order to compete with Google's DeepMind project, according to OpenAI's blog post. Musk wanted to be made CEO and have majority equity and initial control of the board, the blog post said.

OpenAI objected to Musk's terms, and he later suggested merging OpenAI into Tesla, OpenAI said. Musk later would abandon OpenAI and said he would start his own AI project at Tesla. He also said OpenAI had a zero probability of success.

"We're sad that it's come to this with someone whom we've deeply admired—someone who inspired us to aim higher, then told us we would fail, started a competitor, and then sued us when we started making meaningful progress towards OpenAI's mission without him," OpenAI said in March.

Marc Toberoff, a lawyer for Musk, said the defendants' recent actions make clear that their mission was always self-enrichment.

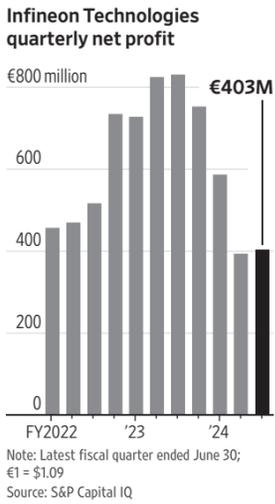
Search by commute time

Trust the #1 app real estate professionals trust



Based on 2023 proprietary survey

Infineon Cuts Jobs and Sales Guidance



Chip maker plans to eliminate 1,400 positions as it deals with inventory glut

By MAURO ORRU

Infineon Technologies said it would cut about 1,400 jobs and lowered its sales forecasts for the third time this year as the inventory glut pervading the semiconductor industry persists amid fewer orders for chips in smartphones, cars and industrial machinery.

The German chip maker said it now expects sales of roughly €15 billion, or about

\$16.37 billion, in the fiscal year to the end of September compared with a previous forecast of about €15.1 billion and the €16.31 billion it reported for fiscal 2023. Its segment result margin—a key profitability measure—is still projected at around 20% compared with 27% the prior year.

Infineon will cut some 1,400 jobs globally and reemploy another 1,400 to countries with lower labor costs as part of efforts to shore up profitability by fiscal 2028, Chief Executive Jochen Hanebeck said in an earnings call. The group counted about 59,300 employees worldwide at the end of March, according to its half-year report.

Chip makers are still confronting an inventory glut after manufacturers of consumer devices such as smartphones and laptops, electric vehicles and industrial equipment stockpiled on the chips they needed years back and aren't placing as many orders now.

"Prolonged weak economic momentum has resulted in inventory levels in many areas overlaying end demand," Hanebeck said.

Infineon had already been forced to slash forecasts twice earlier this year amid lackluster demand for chips, particularly from the automotive industry, which has long provided a lifeline to chip makers.

However, profit at Elon Musk's electric-vehicle maker **Tesla** tumbled for a second straight quarter, a sign that the EV market is still some distance away from a full recovery. Last month, European chip maker **STMicroelectronics**, which counts **Apple**, **Samsung Electronics** and **Tesla** among its customers, slashed its annual sales forecasts for the second time.

"The recovery in our target markets is progressing only slowly," Hanebeck said.

Infineon booked €3.7 billion in sales in the three months to the end of June, down 9% year over year. Analysts had forecast €3.80 billion in sales for the quarter, according to a

Vara Research consensus. The group's automotive division accounted for the lion's share of sales, with a €2.11 billion contribution, down 1% from a year earlier.

Net profit slumped 52% to €403 million, while Infineon's segment result—its preferred measure of profitability—declined to €734 million from €1.07 billion, generating a 19.8% margin.

Analysts had forecast a profit of €447 million and a segment result of €717 million on a 18.9% margin.

For the current quarter, Infineon is expecting sales of around €4 billion and a segment result margin of about 20%.

Mainframes Find New Life in AI Era

By BELLE LIN

The industrial-strength mainframe computer, invented decades ago for heavy-duty data processing, is proving its staying power even as next-generation artificial intelligence takes center stage.

The two are interconnected: Banks, insurance providers and airlines are a few of the big industries that still rely on the mainframe for high-speed data processing. And now, some are looking to apply AI to their transaction data at the hardware source, rather than in the cloud.

For banks, analyzing potentially fraudulent transactions must be accomplished in milliseconds. "You can't go off to the cloud, go do a search, go do a generative AI query, because it will just time out," said Steven Dickens, vice president and practice leader for cloud at Futurum Group, a research and advisory firm. That means performing a query, looking it up and analyzing it can only happen in real time, on the mainframe, he said.

"Everyone's kind of realizing that it's better to bring your AI to where the data is, than the data to the AI," said Ross Mauri, general manager of **International Business Machines'** mainframe systems.

IBM reported 6% growth in its mainframe business during the quarter that ended June 30.

Part of the mainframe's staying power is that it can support huge numbers of transactions, as many as 30,000 a second, at superfast speeds. The latest version of IBM's zSystem mainframe can hold up to 40 terabytes of data, weigh up to 1,800 pounds and cost upward of \$1 million.

IBM is by far the biggest player in mainframes, with over 96% of the market, followed by **NEC**, **Fujitsu** and **Hitachi**, according to International Data Corp. Forty-five of the top 50 banks and four of the top five airlines still use mainframes as their core platform, IBM said.

Globally, the mainframe market was valued at \$3.05

billion in 2023, but new mainframe sales are expected to decline through 2028, IDC said. Of existing mainframes, however, 54% of enterprise leaders in a 2023 Forrester survey said they would increase their usage over the next two years.

Mainframes do have limitations. They are constrained by the computing power within their boxes, unlike the cloud, which can scale up by drawing on computing power distributed across many locations and servers. They are also unwieldy—with years of old code tacked on—and don't integrate well with new applications. That makes them costly to manage and difficult to use as a platform for developing new applications.

For IBM, the mainframe has already found new life as a place to run AI. The company's latest mainframe can immediately return results from AI models, it said, with an on-system processor that can help insurance companies, for example, accurately predict which products to sell to their

clients. The next version of its processor and its zSystem mainframe will include the ability to run traditional AI capabilities, plus large-language models like the ones that power ChatGPT, IBM's Mauri said.

Mainframes also are prized for their reliability and features that protect against cyberattacks, business leaders say. Even if part of the computer goes down, it remains operational because it can switch to other components. The latest IBM mainframe is also resistant to attacks from powerful quantum computers, according to Mauri, because of their advanced encryption.

New York-based Ponce Bank uses a mainframe for its loans business, Chief Executive Carlos Naudon said, which involves a "batch system" running overnight to create a set of files that get uploaded all at once. The bank said it is using the mainframe along with its cloud-based digital and mobile banking platforms.

Some businesses still prefer managing their own main-



A mainframe from IBM, which holds over 96% of the market

frames and servers. "If you're in the cloud, you're relying on Amazon or whoever else is running that cloud," Naudon added.

Telecom giant **Verizon Communications** similarly uses a combination of cloud with its own data centers and mainframes, said Kamran Ziaee, senior vice president and chief information officer for technology strategy and global infrastructure.

Still, efforts to do away with the mainframe have been going for years, especially as the number of developers con-

versant in Cobol—one of the primary programming languages used in mainframes—quickly dwindles.

As companies modernize their information-technology tools, mainframe computers will continue to play a role. BMC Software, an IT services, consulting, and enterprise software company, said clients want to run AI on those machines, although such uses likely won't materialize until next year, said John McKenny, BMC senior vice president and general manager for mainframe modernization.

#Dadication

fatherhood.gov

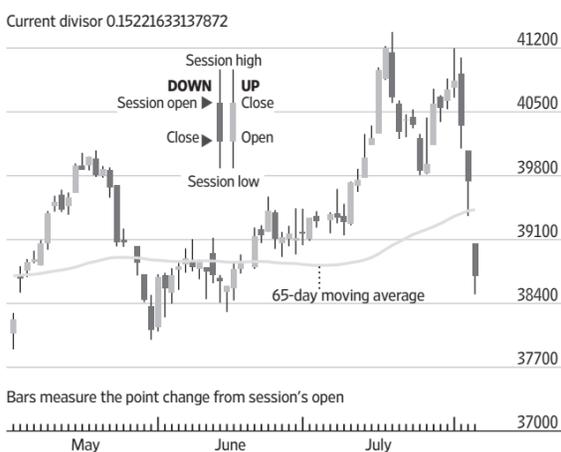
ACF National Responsible Fatherhood Clearinghouse ad COUNCIL

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

38703.27 ▼1033.99, or 2.60%
 High, low, open and close for each trading day of the past three months.
 Last: 24.01, Year ago: 25.82
 Trailing P/E ratio: 24.01, P/E estimate*: 19.75, Dividend yield: 2.20, All-time high: 41198.08, 07/17/24



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; *Based on Nasdaq-100 Index

S&P 500 Index

5186.33 ▼160.23, or 3.00%
 High, low, open and close for each trading day of the past three months.
 Last: 25.43, Year ago: 22.43
 Trailing P/E ratio*: 25.43, P/E estimate*: 22.17, Dividend yield*: 1.36, All-time high: 5667.20, 07/16/24



Nasdaq Composite Index

16200.08 ▼576.08, or 3.43%
 High, low, open and close for each trading day of the past three months.
 Last: 30.65, Year ago: 32.02
 Trailing P/E ratio*: 30.65, P/E estimate*: 27.92, Dividend yield*: 0.83, All-time high: 18647.45, 07/10/24



Major U.S. Stock-Market Indexes

Index	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	39056.19	38499.27	38703.27	-1033.99	-2.60	41198.08	32417.59	9.1	2.7
Transportation Avg	15325.09	14812.40	15112.10	-269.42	-1.75	16396.15	13556.07	-7.8	-4.9
Utility Average	1027.23	990.52	991.21	-27.25	-2.68	1018.46	783.08	11.7	12.4
Total Stock Market	51991.26	50646.36	51351.22	-1583.11	-2.99	56206.02	40847.04	13.6	7.5
Barron's 400	1148.44	1095.58	1117.38	-31.06	-2.70	1212.12	907.97	8.6	4.2
Nasdaq Stock Market									
Nasdaq Composite	16453.46	15708.54	16200.08	-576.08	-3.43	18647.45	12595.61	15.8	7.9
Nasdaq-100	18169.49	17435.39	17895.16	-545.68	-2.96	20675.38	14109.57	16.1	6.4
S&P									
500 Index	5250.89	5119.26	5186.33	-160.23	-3.00	5667.20	4117.37	14.8	8.7
MidCap 400	2903.49	2810.15	2868.13	-79.88	-2.71	3115.02	2326.82	6.1	3.1
SmallCap 600	1321.81	1276.74	1306.74	-43.60	-3.23	1435.83	1068.80	3.2	-0.9
Other Indexes									
Russell 2000	2061.74	1993.27	2039.16	-70.15	-3.33	2263.67	1636.94	4.1	0.6
NYSE Composite	18162.26	17561.50	17725.18	-437.08	-2.41	18781.22	14675.78	9.4	5.2
Value Line	610.65	562.29	570.88	-16.07	-2.74	620.59	498.09	-2.5	-3.9
NYSE Arca Biotech	5698.77	5465.87	5545.59	-153.18	-2.69	5788.17	4544.40	7.6	2.3
NYSE Arca Pharma	1058.00	1025.16	1030.82	-27.18	-2.57	1089.62	845.32	18.1	13.3
KBW Bank	104.38	101.05	103.52	-2.84	-2.67	115.45	71.71	16.7	7.8
PHLX ^S Gold/Silver	141.25	134.34	140.39	-5.12	-3.52	157.70	102.94	18.2	11.7
PHLX ^S Oil Service	81.79	79.18	80.70	-3.01	-3.60	98.76	76.90	12.6	-3.8
PHLX ^S Semiconductor	4635.13	4290.35	4519.45	-88.31	-1.92	5904.54	3185.18	20.9	8.2
Cboe Volatility	65.73	23.39	38.57	15.18	64.90	38.57	11.86	144.6	209.8

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
SPDR S&P 500 ETF Trust	SPY	19,681.0	520.32	2.94	0.57	529.23	515.95
Palantir Technologies	PLTR	16,936.8	27.42	3.33	13.82	36.07	21.78
Lumen Technologies	LUMN	11,932.6	4.03	1.44	55.60	4.10	2.54
NVIDIA	NVDA	8,175.9	101.94	1.49	1.48	147.08	92.30
iShares iBoxx \$ HY Cp Bd	HYG	7,141.2	77.30	0.08	0.10	77.37	77.22
Lucid Group	LCID	6,165.9	3.26	0.26	8.67	3.50	2.98
ProSh UltraPro Shrt QQQ	SQQQ	5,893.0	10.52	-0.27	-2.50	10.80	10.49
Hims & Hers Health	HIMS	5,297.7	18.51	0.67	3.76	19.25	15.24

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Lumen Technologies	LUMN	11,932.6	4.03	1.44	55.60	4.10	2.54
EverQuote	EVER	54.2	27.50	3.54	14.77	28.52	23.96
Palantir Technologies	PLTR	16,936.8	27.42	3.33	13.82	36.07	21.78
Heramba Electric	PITA	88.5	4.15	0.50	13.70	4.21	3.47
Vimeo	VMEO	74.8	3.98	0.43	12.11	4.00	3.55

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Chegg Inc.	CHGG	641.9	2.40	-0.53	-18.09	2.95	2.31
TenX Keane Acquisition	TENK	58.9	31.40	-4.66	-12.92	42.00	31.00
ZoomInfo Technologies	ZI	2,540.9	8.60	-1.20	-12.24	9.80	8.05
iSh MSCI Intl Momentum	IMTM	112.0	33.01	-2.69	-7.54	35.69	33.01
Helios Technologies	HLIO	63.3	39.00	-2.50	-6.02	41.80	39.00

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	1,300,660,484	26,333,752
Adv. volume*	82,012,110	2,633,820
Decl. volume*	1,216,779,648	23,674,659
Issues traded	2,888	309
Advances	207	52
Declines	2,658	252
Unchanged	23	5
New highs	42	0
New lows	221	42
Closing Arms*	0.95	0.57
Block trades*	5,420	232

*Primary market NYSE, NYSE American NYSE Arca only. *(TRN) 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	762.08	-25.13	-3.19	4.8
	MSCI ACWI ex-USA	313.52	-11.59	-3.57	-1.0
	MSCI World	3342.73	-106.07	-3.08	5.5
	MSCI Emerging Markets	1016.48	-44.75	-4.22	-0.7
Americas	MSCI AC Americas	1950.15	-57.31	-2.85	7.5
Canada	S&P/TSX Comp	22227.63	...	Closed	6.1
Latin Amer.	MSCI EM Latin America	2078.94	-46.35	-2.18	-21.9
Brazil	Bovespa	125269.54	-584.55	-0.46	-6.6
Chile	S&P IPSA	3306.43	-117.42	-3.43	-4.6
Mexico	S&P/BMV IPC	51776.48	-465.90	-0.89	-9.8
EMEA	STOXX Europe 600	487.05	-10.80	-2.17	1.7
Eurozone	Euro STOXX	472.81	-7.98	-1.66	-0.3
Belgium	Bel-20	3888.56	-126.52	-3.15	4.9
Denmark	OMX Copenhagen 20	2563.98	-79.25	-3.00	12.3
France	CAC 40	7148.99	-102.81	-1.42	-5.2
Germany	DAX	17339.00	-322.22	-1.82	3.5
Israel	Tel Aviv	1916.13	-17.79	-0.92	2.7
Italy	FTSE MIB	31293.52	-725.30	-2.27	3.1
Netherlands	AEX	860.44	-18.47	-2.10	9.4
Norway	Oslo Bors All-Share	1573.69	-53.61	-3.29	3.6
South Africa	FTSE/JSE All-Share	79577.61	-960.96	-1.19	3.5
Spain	IBEX 35	10423.40	-249.50	-2.34	3.2
Sweden	OMX Stockholm	927.58	-24.47	-2.57	2.7
Switzerland	Swiss Market	11543.25	-332.27	-2.80	3.6
Turkey	BIST 100	9893.41	-580.06	-5.54	32.4
U.K.	FTSE 100	8008.23	-166.48	-2.04	3.6
U.K.	FTSE 250	20236.74	-589.61	-2.83	2.8
Asia-Pacific	MSCI AC Asia Pacific	166.07	-10.74	-6.08	-2.0
Australia	S&P/ASX 200	7649.60	-293.64	-3.70	0.8
China	Shanghai Composite	2860.70	-44.64	-1.54	-3.8
Hong Kong	Hang Seng	16698.36	-247.15	-1.46	-2.0
India	BSE Sensex	78759.40	-2222.55	-2.74	9.0
Japan	NIKKEI 225	31458.42	-4451.28	-12.40	-6.0
Singapore	Straits Times	3243.67	-137.78	-4.07	0.1
South Korea	KOSPI	2441.55	-234.64	-8.77	-8.0
Taiwan	TAIEX	19830.88	-1807.21	-8.35	10.6
Thailand	SET	1274.67	-38.41	-2.93	-10.0

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low
TenX Keane Acquisition	TENK	36.06	23.75	192.93	46.94	9.54
Indonesia Energy	INDO	3.67	1.38	60.26	6.65	2.03
MGO Global	MGOL	3.76	1.13	42.97	23.00	1.90
ProSh UltSh Ether ETF	ETHD	77.76	22.17	39.88	85.54	39.69
ProSh UltSh Bitcoin ETF	SBIT	50.24	11.24	28.82	56.56	31.47
Hamilton Beach Brands	HBB	24.64	5.45	28.40	25.24	10.00
Thoughtworks	TWKS	4.31	0.92	27.14	7.08	2.19
CervoMed	CRVO	13.33	2.70	25.40	26.38	4.28
Zevra Therapeutics	ZVRA	7.88	1.58	25.08	8.44	3.89
Pasithea Therapeutics	KTTA	6.25	1.25	25.00	17.40	4.46
Cassava Sciences	SAVA	35.08	5.97	20.51	42.20	8.79
ProSh Sh Ether Strategy	SETH	24.47	4.02	19.66	40.83	16.27
Exagen	XGN	2.40	0.36	17.65	2.95	1.30
Graphjet Technology	GTI	2.69	0.39	16.70	14.00	2.05
Windtree Therapeutics	WINT	9.80	1.38	16.39	30.06	2.81

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
NVIDIA	NVDA	547,099	45.1	100.45	-6.36	140.76	39.23
ProSh UltraPro Shrt QQQ	SQQQ	378,644	174.4	10.79	9.10	23.34	7.14
Direxion Dly SCOND 3 BL	SOXL	215,315	252.7	27.89	-4.94	70.08	14.01
Intel	INTC	146,693	182.6	20.11	-6.38	51.28	19.29
SPDR S&P 500 ETF Trust	SPY	142,427	185.7	517.38	-2.91		

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Open	High	Low	Settle	Chg	Open interest
Copper-High (CMX) -25,000 lbs.; \$ per lb.						
Aug	4.1000	4.1000	3.9260	3.9840	-0.1000	2,927
Sept	4.1220	4.1500	3.9305	3.9990	-0.1040	116,575
Gold (CMX) -100 troy oz.; \$ per troy oz.						
Aug	2442.00	2449.80	2367.40	2401.70	-24.00	4,552
Sept	2458.50	2466.10	2373.80	2411.80	-24.40	5,298
Oct	2467.70	2478.00	2382.80	2422.60	-24.70	55,111
Dec	2490.30	2500.80	2403.80	2444.40	-25.40	402,006
Feb'25	2509.10	2520.00	2424.70	2465.30	-25.80	21,583
April	2521.50	2537.40	2440.40	2483.30	-26.00	10,059
Palladium (NYM) -50 troy oz.; \$ per troy oz.						
Aug	836.00	846.00	836.00	822.80	-56.40	1
Sept	884.00	888.00	813.50	826.10	-56.40	26,150
Platinum (NYM) -50 troy oz.; \$ per troy oz.						
Aug	967.20	956.80	956.80	911.00	-51.70	1
Oct	965.80	967.80	913.10	915.50	-52.10	69,193
Silver (CMX) -5,000 troy oz.; \$ per troy oz.						
Aug	28.165	28.560	26.840	27.076	-1.170	245
Sept	28.675	28.815	26.595	27.207	-1.185	101,859
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.						
Sept	74.21	74.46	71.67	72.94	-0.58	326,391
Oct	73.26	73.53	70.88	72.20	-0.39	249,138
Nov	72.63	72.84	70.33	71.66	-0.29	156,208
Dec	71.99	72.30	69.87	71.20	-0.21	250,818
June'25	70.09	70.26	68.31	69.43	-0.04	127,109
Dec	68.59	68.78	67.13	68.07	0.04	127,460
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.						
Sept	2.3307	2.3402	2.2646	2.2986	-0.0199	119,521
Oct	2.3519	2.3571	2.2843	2.3161	-0.2021	65,979
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.						
Sept	2.3297	2.3598	2.2578	2.3336	-0.160	128,977
Oct	2.1524	2.1708	2.0837	2.1433	-0.038	88,331
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.						
Sept	1.950	1.974	1.882	1.942	-0.25	387,936
Oct	2.069	2.083	1.991	2.045	-0.033	174,416
Nov	2.531	2.542	2.450	2.491	-0.049	154,878
Dec	3.104	3.121	3.035	3.074	-0.043	91,731
Jan'25	3.401	3.422	3.337	3.371	-0.044	143,495
March	2.920	2.930	2.856	2.884	-0.041	122,128

Agriculture Futures

	Open	High	Low	Settle	Chg	Open interest
Corn (CBT) -5,000 bu.; cents per bu.						
Sept	385.75	391.75	378.75	390.60	4.25	535,497
Dec	402.25	407.75	396.00	407.00	3.75	693,136
Oats (CBT) -5,000 bu.; cents per bu.						
Sept	324.25	328.50	319.25	323.25	-2.50	669
Dec	315.00	320.75	312.25	314.25	-2.25	4,115
Soybeans (CBT) -5,000 bu.; cents per bu.						
Aug	1040.00	1045.00	1021.50	1044.25	15.00	802
Nov	1029.00	1042.00	1015.50	1040.60	13.50	426,216
Soybean Meal (CBT) -100 tons; \$ per ton.						
Aug	356.30	362.00	352.40	360.70	-8.20	2,270
Dec	323.90	332.80	319.50	331.80	7.20	252,394
Soybean Oil (CBT) -60,000 lbs.; cents per lb.						
Aug	41.30	41.30	40.58	41.04	-6.7	586
Dec	40.81	41.18	39.57	40.23	-5.8	242,616
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.						
Sept	14.94	15.35	14.90	15.28	.33	7,447

Cash Prices | wsj.com/market-data/commodities

Monday, August 5, 2024

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Monday	Monday	Monday
Energy			
Coal,C.Aplc.12500Btu.12502-r,w	75.000		
Coal,PwdRvrBsn.8800Btu.0.8502-r,w	14.000		
Metals			
Gold, per troy oz			
Engelhard industrial	2388.00		
Handy & Harman base	2393.85		
Handy & Harman fabricated	2657.17		
LBMA Gold Price AM	*2461.75		
LBMA Gold Price PM	*2469.85		
Kruggerand,wholesale-e	2503.62		
Maple Leaf-e	2527.70		
American Eagle-e	2527.70		
Mexican peso-e	2910.52		
Austria crown-e	2362.66		
Austria phil-e	2527.70		
Silver, troy oz.			
Engelhard industrial	27.0000		
Handy & Harman base	27.1870		
Handy & Harman fabricated	33.9840		
LBMA spot price	*222.7300		
(U.S.\$ equivalent)	*28.9500		
Coins,wholesale \$1,000 face-a	20998		
Other metals			
LBMA Platinum Price PM	*972.0		
LBMA Palladium Price PM	*904.0		
Platinum,Engelhard industrial	921.0		
Palladium,Engelhard industrial	865.0		
Aluminum,LME, \$ per metric ton	*2214.5		
Copper,Comez spot	3.9840		
Iron Ore,62% Fe CFR China-s	*103.6		
Steel,HRC USA, FOB Midwest Mill-s	*665.0		
Battery/EV metals			
BMI Lithium Carbonate, EXW China =>99.2%-v,w	11375		
BMI Lithium Hydroxide, EXW China =>56.5%-v,w	10825		
BMI Cobalt sulphate, EXW China =>20.5%-v,w	3864		
BMI Nickel Sulphate, EXW China =>22%-v,m	3726		
BMI Flake Graphite, FOB China, >100 Mesh, 94-95%-v,m	485		
Fibers and Textiles			
Burlap,10-oz,40-inch NY yd-n,w	0.8175		
Cotton,1 1/16 std lw-mdMphs-u	0.6205		
Cotlook 'A' Index-t	*79.35		
Hides,hvy native steers piece fob-u	n.a.		
Wool,64s, staple, Terr del-u,w	n.a.		
Grains and Feeds			
Bran,wheat middlings, KC-u,w	80		
Corn,No. 2 yellow,Cent IL-lb-pu	3.6900		
Corn gluten feed,Midwest-u,w	108.0		
Corn gluten meal,Midwest-u,w	426.1		
Cottonseed meal-u,w	n.a.		
Hominy feed,Cent IL-u,w	112		
Meat-bonemeal,50% pro Mnpls-u,w	335		
Oats,No.2 milling,Mnpls-u,w	4.0325		
Rice, Long Grain Milled, No. 2 AR-u,w	36.25		
SoybeanMeal,Cent IL,rail,ton48%-u,w	382.50		
Soybeans,No.1 yllw IL-lb-pu	10.5600		
Wheat,Spring14%-pro Mnpls-u	7.9500		
Wheat,No.2 soft red,St.Louis-u	5.2350		
Wheat - Hard - KC (USDA) \$ per bu-u	5.9025		
Wheat,No.1 soft white,Portld,OR-u	5.7750		
Food			
Beef,carcass equiv. index choice 1-3,600-900 lbs.-u	300.77		
select 1-3,600-900 lbs.-u	282.34		
Broilers, National comp wtd. avg.-u,w	1.2828		
Butter,AA Chicago-d	3.1050		
Cheddar cheese,bbk,Chicago-d	191.00		
Cheddar cheese,blk,Chicago-d	184.00		
Milk,Nonfat dry,Chicago lb-d	123.25		
Coffee,Brazilian,Comp-y	2.3267		
Coffee,Columbian, NY-y	2.5289		
Eggs,large white,Chicago-p	3.0950		
Flour,hard winter KC-p	16.40		
Hams,17-20 lbs,Mid-US fob-u	n.a.		
Hogs,Iowa-So. Minnesota-u	89.82		
Pork bellies,12-14 lb MidUS-u	1.7648		
Pork loins,13-19 lb MidUS-u	1.2691		
Steers, Tex.-Okla. Choice-u	187.21		
Steers,feeder,Okla. City-u,w	303.25		
Fats and Oils			
Degummed corn oil, crude wtd. avg.-u,w	n.a.		
Grease,choice white,Chicago-h	0.4775		
Lard,Chicago-u	n.a.		
Soybean oil,crude,Cent IL-u,w	0.4246		
Tallow,bleach,Chicago-h	0.5075		
Tallow,edible,Chicago-u	n.a.		

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 8/2

Source: Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

August 5, 2024

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

	Latest	Week ago	-52-Week-High	-52-Week-Low
Inflation				
June index level				
Chg From (%)				
May '24				
June '23				
U.S. consumer price index				
All items	314.175	0.03	3.0	
Core	319.003	0.12	3.3	
International rates				
Latest				
Week ago				
-52-Week-High				
-52-Week-Low				
Prime rates				
U.S.	8.50	8.50	8.50	8.50
Canada	6.70	6.95	7.20	6.70
Policy Rates				
Euro zone	4.25	4.25	4.50	4.25
Switzerland	1.75	1.75	2.25	1.75
Britain	5.00	5.25	5.25	5.00
Australia	4.35	4.35	4.35	4.10
Overnight repurchase				
U.S.	5.39	5.42	5.48	5.25
U.S. government rates				
Discount				
Japan	1.475	1.475	1.475	1.475
U.S.	5.39	5.42	5.48	5.25

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

	Week Ended	-52-Week-High	-52-Week-Low	
	Aug 2	Jul 26	High	Low
Federal funds (effective)	5.33	5.33	5.33	5.33
Commercial paper				
Nonfinancial				
1-month	5.30	5.29	5.34	5.27
2-month	5.26	5.27	5.37	5.26
3-month	4.88	5.26	5.40	4.88
Financial				
1-month	5.30	n.a.	5.43	5.28
2-month	5.25	n.a.	5.51	5.25
3-month	5.25	5.31	5.52	5.22
Discount window primary credit	5.50	5.50	5.50	5.50
Treasury yields at constant maturities				
1-month	5.52	5.49	5.60	5.42
3-month	5.38	5.40	5.62	5.38
6-month	5.09	5.20	5.58	5.09
1-year	4.65	4.83	5.46	4.65
2-year	4.21	4.41	5.14	4.21
3-year				

BIGGEST STOCKS

How to Read the Stock Tables
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market tickers and their associated market data...

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like F5, FMC, FTAI Aviation, etc.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like NVR, NRG Energy, NRP, etc.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like AECOM, AES, AFAC, etc.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like Jd.com, JPMorgan Chase, Jabil, etc.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like T, U, V, W, X, Y, Z.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like Bank of America, Bank of New York, etc.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like Jd.com, JPMorgan Chase, Jabil, etc.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like W, X, Y, Z.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like DTE Energy, Danaher, Darden, etc.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like GE Aerospace, GE Healthcare, Genentech, etc.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like Ascend Performance, AspenTech, etc.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table with 3 columns: Stock, Sym, Close, Net Chg. Lists major stocks like M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session...

Table with 3 columns: Stock, Sym, Hi/Low, Chg. Lists new highs and lows for various stocks.

Table with 3 columns: Stock, Sym, Hi/Low, Chg. Lists new highs and lows for various stocks.

Table with 3 columns: Stock, Sym, Hi/Low, Chg. Lists new highs and lows for various stocks.

Source: FactSet; Dow Jones Market Data
KEY: A: Annual; M: monthly; Q: quarterly; R: revised; SA: semiannual; S2L: stock split and ratio; SO: spin-off.

BANKING & FINANCE

Thrive Capital Raises \$5 Billion For Venture Funds

By BERBER JIN

Thrive Capital raised \$5 billion for its largest-ever pair of venture-capital funds, a sign of how the AI boom is encouraging some startup investors to go big again after a period of retrenchment.

On Sunday, Thrive told its investors that it had received commitments for the full amount, which marks its biggest-ever fundraising and is among the largest completed this year by a venture firm.

Thrive, founded 15 years ago by Josh Kushner, has gained greater prominence in Silicon Valley startup circles thanks to its close relationship with OpenAI, the ChatGPT maker helmed by CEO Sam Altman that kicked off the AI boom.

The amount marks the venture firm's biggest-ever fundraising.

Thrive made AI a focus of its fundraising pitch. The firm touted its close relationship with OpenAI to investors and said the company helped it win a recent investment into the robotics startup Physical Intelligence.

Few companies in the past two years have managed the kind of successful exits that deliver returns to venture investors, because of a sluggish IPO market and antitrust scrutiny that has dampened acquisitions.

Venture capitalists lately have been focusing their attention on AI, a technology that they overwhelmingly say will produce a transformation at least as important as the internet.

The excitement fueled an investment frenzy, with AI startups often getting funding before they had a business plan or formal name.

Earlier this year, top venture firms including Andreessen Horowitz and Benchmark rebranded some of their funds to signal a renewed focus on the technology.

So far, the costs required to train generative AI models have vastly exceeded the revenue coming from the technology. Once-leading AI startups, including Inflection and Adept, also have resorted to bailouts from big tech firms after struggling to find a market for their products.

Thrive made AI a focus of its fundraising pitch. The firm touted its close relationship with OpenAI to investors and said the company helped it win a recent investment into the robotics startup Physical Intelligence.



Construction of the Beaumont, Texas, project began in late 2022 with first production of ammonia expected in 2025.

Woodside Energy to Buy OCI Global Ammonia Plant

Acquisition of the Texas project is part of the company's power transition

By DAVID WINNING

SYDNEY—Woodside Energy has agreed to a roughly \$2.35 billion deal to buy an ammonia plant under construction in Texas, seeking greener assets to balance a portfolio that generates most of its profits from oil and natural-gas production.

Woodside Chief Executive Meg O'Neill said the acquisition of the ammonia project in Beaumont, Texas, from OCI Global would support its strategy of thriving through the energy transition.

Construction of the Texas project began in late 2022 with first production of ammonia expected in 2025. The first phase of the plant aims to produce 1.1 million metric tons of ammonia each year.

For Woodside, a key attraction is agreements with industrial-gases group Linde and

U.S. oil major Exxon Mobil that will allow the company to mitigate its Scope 3 emissions.

The Texas plant will incorporate Linde's low-carbon-intensity hydrogen-production and carbon-capture technology. Also, Linde has contracts with Exxon to take and store carbon dioxide produced at the facility.

"The potential applications for lower-carbon ammonia are in power generation, marine

fuels and as an industrial feedstock, as it displaces higher-emitting fuels," O'Neill said.

Global ammonia demand is forecast to double by 2050, with lower-carbon ammonia comprising nearly two-thirds of total consumption, she said.

Woodside said it aims to be in a position to make a final investment decision on the project's second phase, which would double production, in 2026. It estimates gross capital expenditure for that expansion at between \$1.2 billion and \$1.4 billion.

Arche Capital Plans Debut Fund Amid Crypto Comeback

By MARC VARTABEDIAN

Crypto venture firm Arche Capital Management aims to raise a debut fund of up to \$100 million, the latest firm to test the crypto waters as the sector attempts to rebound after a bruising couple of years.

Arche co-founders Vanessa Grellet and William Wolf were crypto investors at different firms when the industry was hammered by a downturn that started in 2022. But their belief in crypto hasn't wavered, they said, and they think limited partners that invest in venture funds are eager to jump back into the sector even if they suffered losses.

A growing crop of investors share that sentiment. In June, crypto-focused venture firm Paradigm said it raised its third

fund, an \$850 million vehicle focused on crypto startups. Axiom Venture Partners, a venture firm focused on crypto startups, said in July it was seeking \$75 million for a sophomore fund.

As more crypto funds spring up, the number of funding deals is growing. There were 992 funding rounds for crypto startups from the start of the year through July, 32% more than during the same period last year, according to analytics provider Cryptorank. The total value of the deals stayed roughly level over the two periods.

Robert Le, a crypto analyst at data provider PitchBook

Data, said the crypto venture market is getting a boost from the rise in the price of bitcoin this year and the increasing availability of crypto-focused exchange-traded funds. In May, the Securities and Exchange Commission approved the first U.S. ETFs holding ether, the largest cryptocurrency behind bitcoin.

"The sentiment has changed since last summer, but really this year, once the [ETF] approvals happened, we saw a lot of growth and traction for the startups," Le said.

While niche crypto investors are driving the bulk of dealmaking, some mainstream institutional investors are backing deals. In July, crypto-related financial technology startup Partior raised a \$60 million Series B round led by

Peak XV Partners. Investors including Valor Capital, JPMorgan and Temasek, an investment firm owned by the government of Singapore, participated in the deal.

Arche's Wolf said he is ready for a rocky road. "There's going to be volatility—nobody's going to be able to avoid that entirely if you're investing in this space," he said. "We're not trying to time bottoms or tops of cycles, but instead strategically partner with folks that are building things that we think are going to accrue value through cycles."

Austin, Texas-based Arche will target crypto startups including blockchain-related infrastructure projects in the financial services sector, security companies and crypto projects implementing artificial



Arche co-founders William Wolf and Vanessa Grellet.



Arche co-founders William Wolf and Vanessa Grellet.

intelligence, Wolf said. Grellet said she is interested in startups using crypto technology to solve digital identity challenges. "When

we're on a call, how do I know that it's you and I'm not speaking with an AI?" Grellet said. "I think blockchain could have a role to play."

Exchange-Traded Portfolios | wsj.com/market-data/mutualfunds-etfs

Table with columns for ETF, Symbol, Price, Chg, YTD, and various fund details. Includes sub-sections for Largest 100 exchange-traded funds and Mutual Funds.

Mutual Funds

Data provided by LIPPER

Large table listing mutual funds with columns for Fund, NAV, Net Chg, YTD Ret, and other performance metrics.

MARKETS

Trading Surge Brings Platform Outages

Charles Schwab, Vanguard, Fidelity customers report problems logging on

By HANNAH MIAO AND ALEXANDER OSIPOVICH

Dr. William Auch couldn't access his brokerage account as the stock market tumbled on Monday morning.

Shortly after the U.S. market opened, the retired cardiologist tried to log into his Charles Schwab account. He saw stocks were selling off and thought it could be a good opportunity to buy shares at a lower price. Instead, he was locked out of his account for a few hours, unable to sign in online or through the mobile app, or to reach a customer-service representative over the phone.

"You have one of the biggest trading days of the year and you can't get in," said Auch, a 65-year-old in Sacra-

mento, Calif. "It's completely ridiculous."

Monday's market meltdown was nerve-racking for traders around the world, but many self-directed individual investors couldn't do much about it because of outages at major retail brokerages. The Dow Jones Industrial Average dropped about 1,000 points, and the S&P 500 and Nasdaq Composite each shed about 3%.

Charles Schwab, Vanguard Group and Fidelity Investments acknowledged that some customers experienced difficulties logging into their accounts on Monday morning. The brokerages said the issues had been resolved by around midday. It is unclear exactly how many customers experienced problems with their brokerages, but thousands of users reported outages on downdetector.com.

"We were impacted by some of the slowness that's happening all across the industry as a result of higher

volumes," Vanguard Chief Executive Salim Ramji said on Bloomberg TV on Monday morning.

A spokesperson for Schwab said the platform experienced the highest level of volatility during the first few trading hours of Monday's session since the early days of the pandemic. The spokesperson said elevated trading volumes and a technical issue with a key vendor affected its systems, which led to the logon issues and longer call wait times. Schwab didn't specify which vendor affected its operations.

Some customers of other brokerages including Robinhood Markets were affected by an outage at Blue Ocean, a trading platform that helps brokerages provide 24-hour

trading by executing stock trades between 8 p.m. ET and 4 a.m. ET.

Blue Ocean was down for more than two hours early Monday morning because of a surge in activity, forcing it to cancel a small percentage of trades, according to Blue Ocean Technologies CEO Brian Hyndman.

Monday's technical issues came just a few weeks after a botched update from cybersecurity company CrowdStrike disrupted everything from air travel to payments around the world, including some online functions for Schwab customers.

Retail brokerages have a long history of becoming inaccessible to their customers at periods of heavy market volatility—often when investors

are most eager to log in and adjust their portfolios. As customers pile into their accounts, it can overload the systems that connect brokerages' websites and apps to the underlying plumbing that manages their stock trades and account balances.

During the Covid-19 pandemic, outages repeatedly hit brokerages such as Fidelity Investments, Schwab, Robinhood and Vanguard. The brokers often blamed extreme trading volumes. At the time, pandemic lockdowns and the brokerage industry's recent adoption of zero-commission trading had drawn millions of new investors into the stock market.

Monday's glitches show the problem hasn't gone away.

"Every time there's a large market move, it seems like this happens," said Chris Nagy, a former managing director at TD Ameritrade who now works for Healthy Markets Association, an investor-advocacy group. "It makes you

wonder, Have the brokers really done anything to improve their technology?"

Nagy said that stock exchanges and larger off-exchange trading platforms are subject to regulations setting strict standards for systems integrity, a rule adopted by the Securities and Exchange Commission after the May 2010 "flash crash." But those rules don't apply to retail brokerages, even though their websites and apps serve millions of customers.

Brokers can be penalized for serious outages. In 2021, Robinhood paid nearly \$70 million to settle a range of allegations by the Financial Industry Regulatory Authority, Wall Street's self-regulator. Some of Finra's allegations focused on Robinhood's handling of technical glitches, including a March 2020 outage that locked out millions of customers. Robinhood neither admitted nor denied the allegations.

—Jack Pitcher contributed to this article.

3%

The S&P 500 and Nasdaq Composite fell by about this much on Monday.

Index performance this year



three times and pulled together a group of banks to rescue the firm and wind down its trades slowly. Stocks took just four months to recover, but the easy money helped stoke the dot-com bubble, which popped two years later and led to a mild recession—and gigantic losses for investors in tech stocks.

We don't know yet if any hedge funds have been taken out by the big moves in markets, which have brought heavy losses for those engaged in the "carry trade" of borrowing cheaply in yen and buying higher-yielding currencies such as the Mexican peso or dollar. Large swings in Treasuries on Monday might also have hurt, given the large positions hedge funds hold. Traders are betting the Fed will slash rates, with a cut of 0.5 percentage point priced into futures for the Sep-

tember meeting (and far more earlier in the day).

The really bad outcome would be a repeat of 2008, but it seems highly unlikely. True, some large U.S. banks failed last year, due to bad bets on government bonds. But banks are much less leveraged than they were and the system is less exposed to a liquidity crisis, as private lenders have taken on much of the risk that used to sit in banks. Big losses are entirely possible, and private funds could hit trouble, but that would take time and wouldn't create the same system-wide crisis.

The ideal would be that excess in the stock market unwinds as in 1987 without creating wider trouble, hopefully more gradually than in 1987. AI enthusiasm could deflate stock prices much more—even after falling 30% from its June high, Nvidia still doubled in price this year. But the market

is already much closer to normal, with Monday's falls leaving the Nasdaq-100 index up 6% this year and the S&P 7%.

If panic continues to abate, the Fed cuts and nothing breaks in the financial system, we should count ourselves lucky. But it would be good if investors could remember the sinking feeling they had on Monday morning and be a bit wiser and less speculative.

AUCTION RESULTS

Here are the results of Monday'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.

	13-Week	26-Week
Applications	\$204,987,633,600	\$192,536,093,100
Accepted bids	\$82,096,009,600	\$75,615,418,100
* noncomp	\$2,612,356,900	\$2,089,659,600
* foreign noncomp	\$0	\$80,000,000
Auction price (rate)	98.717153 (5.075%)	97.623889 (4.700%)
Bids at clearing yield accepted	5.212%	4.881%
	22.92%	97.35%
	9127971C9	9127971M3

Both issues are dated Aug. 8, 2024. The 13-week bills mature on Nov. 7, 2024; the 26-week bills mature on Feb. 6, 2025.

What's Driving Stocks' Fall

Continued from page B1
ment blowup and 2008's global financial crisis. History is never perfect, but so far this looks more like a (much milder) version of 1987 than it does the other two.

In 1987, the stock market had its biggest one-day fall ever, with the S&P 500 down more than 20% on Black Monday in October. Investors built up excessive leverage after a stunning rise up to a high that August, and the crash led both to big margin calls and to badly designed automated trading that exacer-

bated the selling. But the Federal Reserve poured liquidity into the banks, brokers didn't default and the market made back all its losses within two years. The economy was fine.

The good news was that 1987 was all about markets: They went up, they went back down, no one else was hurt. The S&P made 36% in the eight months to its August 1987 peak, similar to the 33% it rose in the eight months to the end of June this year.

As in 1987, this year's gains came despite tight monetary policy and higher bond yields. Just like today, in 1987 investors were on edge and ready to sell to lock in the unexpected profit. The losses are smaller so far, but lucrative trades have reversed, just as they did for the market as a whole in 1987.

In 1998, the situation was much worse, although stocks recovered more quickly. Highly

levered hedge fund LTCM was crushed when Russia's domestic debt default created a flight to safety. LTCM was big enough that it threatened to bring down Wall Street institutions. The Fed cut rates



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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Stock Crash Is Great Reason to Sit Tight

The sudden selloff in Japanese equities and a surge in the Vix suggest the current rout is being exaggerated by trend chasers

The red numbers in your 401(k) Monday might appear to vindicate warnings about an artificial-intelligence bubble and infirm economy. But don't tilt your portfolio toward full pessimism just yet.

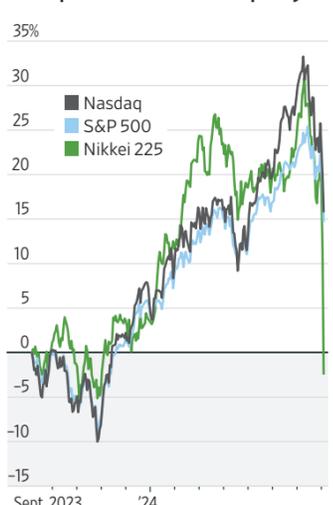
The S&P 500 slid 3%, and the Nasdaq lost 3.4%. Investors have been selling the year's best performers, concerned that disappointing second-quarter results from big technology companies such as **Alphabet**, **Tesla** and **Intel** are a sign that the AI frenzy is a fad. Also, consumer discretionary stocks have become the worst-performing sector in the S&P 500, as lackluster labor-market reports have raised worries that the Federal Reserve made a mistake by waiting until September to cut interest rates.

Overseas, the Stoxx Europe 600 closed almost 5% below where it was a week ago, whereas the Swiss franc, a common haven asset, rose roughly 4%. The most eye-popping moves happened in Asia, though, where the Nikkei 225 plunged 12.4% Monday in the worst trading session since Oct. 20, 1987—the day that followed Wall Street's infamous Black Monday.

Yet it is precisely the breakneck speed with which Japanese equities tumbled that should give most investors a reason to remain calm.

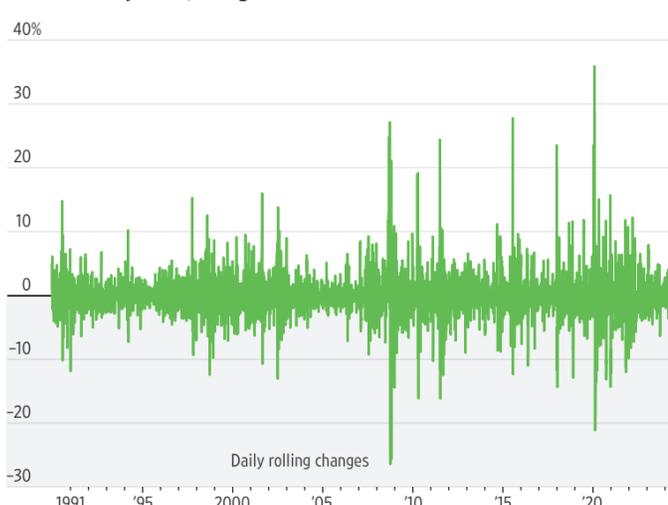
As a guideline, sudden market selloffs are less dangerous than those that unfold over time. This is because investors who rationally price in bad economic data

Index performance over the past year

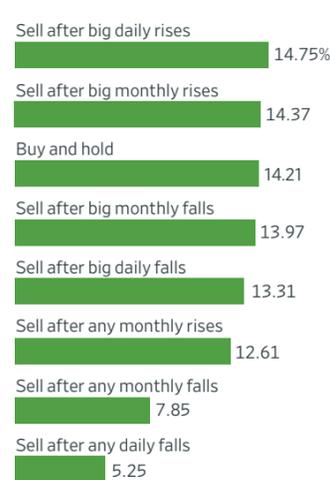


*Data between 1994 and 2024. Big daily and monthly rises and falls defined as changes of 3% and 10%, respectively. While not invested in stocks, money earns the Treasury bill rate.

Cboe Volatility Index, change from a week earlier



S&P 500 strategies*, median total return one-year ahead



Source: FactSet

often do so slowly as it trickles in. Flash crashes, conversely, are often a sign that some tidbit of bad news made speculative bets go awry, triggering a cascade of trades, many of them automated.

Japan is particularly prone to such reversals because interest rates there are so low that many investors use them to fund higher-yielding investments in other currencies.

The timing of the rout also points a finger at the Bank of Japan, which last week decided to tighten monetary policy for the first time in 17 years with the ex-

PLICIT goal of boosting the yen. Investors who rushed to cover their bets then triggered the reversal of stretched trades elsewhere, including in the U.S.

One of the most striking features of the S&P 500 for most of this year has been its extremely low volatility. Until July, the Cboe Volatility Index, or Vix, was at 2019 levels, and kept sliding even as investors made big changes to their monetary-policy forecasts.

While the Vix is often dubbed Wall Street's "fear gauge," the options contracts it is based on often themselves influence volatility.

Whenever investors make bets against market swings, as they have recently in the U.S. by buying lots of structured products, the banks that sell those options are forced to take the other side. These hedges then suppress volatility in the stock market.

The flip side is that whenever a panic breaks through this feedback loop, volatility skyrockets. As the stock market opened Monday, the Vix hovered above 50, making it the highest weekly jump since the onset of the pandemic, though it later fell below 40.

This suggests the selloff is dis-

proportionate, especially looking at the historical record: 87% of the time, investors who bought the S&P 500 on days when the Vix closed at 30 or higher ended up making money a year later.

Investors have reasons to diversify away from the AI trend or swap more cyclically exposed stocks for more "defensive" names. Indeed, selling out of stocks after particularly exuberant days and months has historically tended to be a winning move. But hindsight is a terrible guide to investing your savings.

—Jon Sindreu

Green-Energy Flops Revive Bets On Natural Gas

Biofuels are the latest green-energy investment to disappoint. That leaves the hopes of Europe's oil-and-gas giants pinned on an old standby of the energy transition: liquefied natural gas.

Shell and **BP** had high expectations of biofuels such as renewable diesel and sustainable aviation fuel, pouring billions of dollars into the market. But things have hit a rough patch.

Last week, Shell took a \$780 million impairment after pausing construction on a Dutch plant that was meant to become one of Europe's biggest biofuel facilities. BP abandoned plans for two out of five potential biofuel refineries, although it also bought out its joint-venture partner in Brazil-based BP Bunge Bioenergia in June.

A glut of biofuels, particularly cheap Chinese imports, is squeezing profit margins. Finland and Sweden also have watered down rules about the minimum amounts of renewable fuels that must be blended into petroleum-based transport fuel or heating oil as they try to bring down energy costs. Producers rely on these government mandates to generate demand.

It isn't the only clean-energy set-

back for Shell and BP. The latter company took a \$540 million impairment on its New York offshore wind farms in October. Shell closed its hydrogen filling stations in California in February and sold its European home-energy business last year.

Shell Chief Executive Wael Sawan said on the company's latest earnings call that liquefied natural gas is currently "the only credible solution that gives you both energy security and decarbonizes the energy system." Arguably, solar power and onshore wind also meet these criteria, but not at the scale or level of returns that oil-and-gas bosses would like.

Sawan plans to grow Shell's LNG volumes by up to 30% this decade, either through acquisitions such as the recent purchase of Pavilion Energy, or getting its hands on third-party volumes.

The hope is that more countries will switch from using coal to natural gas for power generation, especially in Asia. Gas is cleaner than coal, producing half the carbon emissions when burned. Switching has helped the U.S. to reduce emissions from electricity generation by almost 40% over the past two de-



Shell plans to grow LNG volumes by up to 30% this decade. A Shell bio-LNG plant in Germany.

CADES, data from the Energy Information Administration shows. Natural gas also can be used when intermittent renewable power generated by wind and solar isn't available.

But the idea that LNG can play a big role in the shift to lower-carbon energy is controversial. Natural-gas producers have a big problem with methane leaks and flaring. After monitoring major U.S. oil-and-gas basins, the Environmental Defense Fund recently found that methane emissions may be four times as much as previously thought. Methane doesn't hang around in the at-

mosphere as long as carbon dioxide, but it is almost 80 times as potent in warming the planet, according to the EDF.

Also, the current biofuels glut might look quaint in comparison to what could be in store for LNG. Hundreds of billions of dollars have been pumped into new LNG infrastructure in recent years. Supply is expected to rise by 10% a year between now and the end of the decade, roughly double the historical average, according to Michele Della Vigna, head of natural resources research for Europe, the Middle East and Africa at Goldman Sachs.

If this gush of supply drives down spot prices, it will make LNG appealing to price-sensitive emerging economies and grow the overall size of the market. Cheaper gas also would make Europe more competitive for industrial production, following a tough few years of sky-high energy costs. But a glut wouldn't be good for the returns of major producers such as Shell.

For now, LNG is the obvious way to keep profits flowing to shareholders while also making progress on emissions. But piling in may store up pain for the future.

—Carol Ryan

Are Banks Sweeping Dud Property Loans Under the Rug?

After the last major financial crisis, when scores of banks failed or took government bailouts while sporting seemingly pristine balance sheets, America's accounting rule makers got working on a new system for reporting credit losses that was supposed to make lenders recognize them more quickly.

That new set of rules has been in place for a little over four years. Investors could be forgiven for wondering if it is working any better than the former one.

The old system was called the incurred-loss model. To book a loss, a lender had to conclude it was "probable" that one had already happened. The term "probable" wasn't defined numerically, but the bar was widely interpreted to be very high—a likelihood of perhaps 70% or greater. Bankers used to explain, conveniently, that they would have booked more loan losses, if only the rules would have let them.

Under the new system, in place

Blackstone Mortgage share price, year to date



Source: FactSet

at most large companies since 2020, lenders from day one are supposed to continuously estimate their credit losses over the life of a given instrument, be it a loan or bond. The threshold for recording losses is supposed to be much

lower—when they are "expected," rather than waiting until losses probably happened. This was supposed to lead to more-aggressive—and more-timely—loss recognition.

The office-loan market is testing investors' faith in the new expected-loss model. As with other commercial properties, loan payments on office buildings often are interest-only until maturity. When rates were ultralow, many lenders and borrowers went into these loans assuming they would be refinanced rather than paid off at the end. That would mean no defaults as long as they could keep rolling over the loans.

The pandemic sent office values in many big cities tumbling as more people worked from home. Now, for many borrowers, refinancing isn't an option because the buildings are worth less than the borrowers owe. That makes defaults inevitable. Until then, though, the owners still may be current on their payments.

In a July 24 note, Pimco's John Murray and François Trausch warned of a \$1.5 trillion wall of maturities for commercial-real-estate loans over the next two years.

"Lenders and borrowers will be forced to 'face the music,'" they wrote. That would mean the expected-loss model hasn't been working as billed. Lenders still have wide discretion to delay officially expecting red ink if they would prefer not to expect it.

At **New York Community Bancorp**, credit losses on commercial real-estate loans have surged, raising questions about why management took so long to identify them. A bigger concern should be the losses at other lenders that aren't yet visible to outsiders.

Noted short seller Carson Block, in a report last December, predicted large credit losses would soon swamp **Blackstone Mortgage Trust**, a nonbank commercial real-estate lender. The company at the

time called his report "self-interested and misleading" and said the lender was "well positioned to navigate this environment." Then in July, it cut its dividend and posted its third consecutive quarterly net loss. Credit losses last quarter were so large that they exceeded the company's net interest income.

Banking regulators have said they are aware there is a problem, while also assuring the public that this won't be another 2008. An interview that Federal Reserve Chair Jerome Powell gave to CBS's "60 Minutes" in February is worth revisiting: Asked about banks' office loans, he said, "There will be expected losses. It feels like a problem we'll be working on for years. It's a sizable problem."

The irony is that if Powell was right about the losses then, under the expected-loss model, banks probably should have booked them already.

—Jonathan Weil