THE WALL STREET JOURNAL.

DOW JONES | News Corp * * * * * * THURSDAY, AUGUST 1, 2019 ~ VOL. CCLXXIV NO. 27 WSJ.com ★★★★ $4.00

DJIA 26864.27 ▼ 333.75 1.2% NASDAQ 8175.42 ▼ 1.2% STOXX 600 385.77 ▲ 0.2% 10-YR. TREAS. ▲ 9/32, yield 2.034% OIL $58.58 ▲ $0.53 GOLD $1,426.10 ▼ $3.60 EURO $1.1078 YEN 108.78

What's News

Business & Finance

The Fed moved to lower rates by a quarter point in a pre-emptive strike to cushion the U.S. economy, but stocks sold off as Powell's remarks regarding possible future stimulus disappointed investors. The S&P 500 fell 1.1%. A1, B11

◆ **The eurozone economy** slowed sharply in the second quarter, with growth at less than half the pace of the start of the year. A18

◆ **An FAA risk analysis** after the first of two Boeing 737 MAX crashes showed a high likelihood of a similar cockpit emergency within months. A1

◆ **The FBI is examining** whether the woman charged with stealing data on Capital One customers successfully hit other targets. B1

◆ **GE posted** a quarterly loss and flat sales but raised its full-year forecast. The company also said its finance chief would be leaving. B1

◆ **Members of Nordstrom's** founding family are in the early stages of discussing a proposal to boost their stake in the retailer. B1

◆ **Qualcomm warned** of multiple challenges out of China that are hurting the chip maker's outlook. B4

◆ **Airbus said** its quarterly profit increased more than fivefold, driven by a rise in deliveries of jetliners. B3

◆ **Fiat Chrysler** confirmed its upbeat outlook for this year and reported relatively strong second-quarter results. B3

◆ **Carlyle plans** to abandon its partnership structure and become a corporation with a single class of shares. B10

World-Wide

◆ **Biden and Harris took** the brunt of the attacks during a raucous Democratic debate that featured a series of confrontations over health care, immigration, criminal justice, racial issues and how best to defeat Trump. A1

◆ **Hamza bin Laden**, the son of al Qaeda's founder and a rising figure in his late father's violent Islamist group, is believed to have died. A6

◆ **The U.S. imposed** sanctions on Iranian Foreign Minister Zarif, in a marked escalation of tensions. A6

◆ **Plodding progress** in U.S.-China trade talks is partly the result of a new tactic from Beijing, which increasingly thinks waiting may produce a more-favorable accord. A7

◆ **The Trump** administration offered guidance to officials to maintain a measured response to antigovernment protests in Hong Kong. A7

◆ **A U.S. grand jury** has indicted a Chinese billionaire on charges that he evaded nearly $2 billion in tariffs as part of an aluminum-smuggling conspiracy. A3

◆ **Trump is preparing** to sign an executive order next week on Medicare and moving ahead with allowing some drug imports from Canada. A4

◆ **PG&E acknowledged** the central findings of a Wall Street Journal article, stating it knew for years that its lines could fail and spark fires. But the utility disputed the article's suggestion that it had neglected maintenance. A3

◆ **Died: Hal Prince**, 91, Broadway impresario. A13

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Stocks Drop After Fed Cuts Rates

Powell says he sees limited need for future stimulus; he 'let us down,' Trump says

By Nick Timiraos

WASHINGTON—The Federal Reserve moved to cut interest rates by a quarter-percentage point—the first reduction since 2008—in a pre-emptive strike to cushion the economy from a global slowdown and continuing trade tensions.

Stock markets sold off and the dollar strengthened Wednesday afternoon after Fed Chairman Jerome Powell disappointed investors in his post-decision news conference when he didn't more explicitly ratify expectations of additional stimulus in the months ahead.

The S&P 500 ended the day down 32.80 points, or 1.1%, to 2980.38, snapping a 36-session streak in which the closing index didn't move more than 1% in either direction. Doubts about future rate cuts also sent the yield on the 10-year Treasury note to 2.034%, down from 2.063% on Tuesday, while the WSJ Dollar Index rose 0.37% to 91.25, near a 12-month high.

Mr. Powell said officials weren't ruling out additional rate reductions, but neither did officials view Wednesday's action as "the beginning of a long series of rate cuts," he said. "You would do that if you saw real economic weakness.... That's not what we're seeing."

Instead, he framed the decision to lower the Fed's benchmark short-term rate to a range between 2% and 2.25% as a "mid-cycle adjustment."

Eight of 10 Fed officials voted in favor of the move, while two officials dissented from the decision in favor of holding rates steady.

The policy statement released after Wednesday's meeting indicated the Fed could cut rates again in the months ahead by saying "it will continue to monitor the implications of incoming information for the economic

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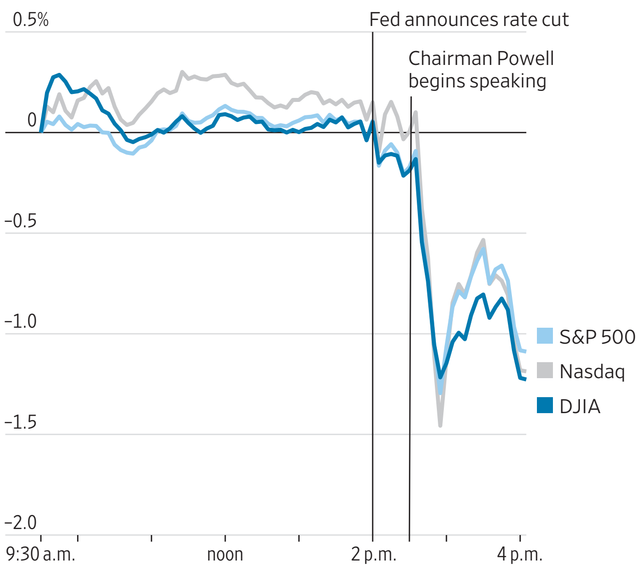
◆ Europe's stalling economy sounds alarm.................... A18

◆ Heard on the Street: What if Fed move was wrong?....... B12

Index performance Wednesday



Source: FactSet

JIM WATSON/AGENCE FRANCE-PRESSE/GETTY IMAGES

Former Vice President Joe Biden and Sen. Kamala Harris clashed Wednesday at the Democratic presidential primary debate in Detroit.

Biden, Harris Weather Attacks During Heated Primary Debate

Former Vice President Joe Biden and Sen. Kamala Harris took the brunt of the attacks during a raucous and rapid-fire Democratic presidential primary debate that featured a

By John McCormick, Chad Day and Eliza Collins

relentless series of confrontations over health care, immigration, criminal justice, racial issues and how best to defeat President Trump.

The gathering Wednesday night in Detroit was especially important for Mr. Biden, who sought to prove he has the vigor and vision to be the party's nominee following a shaky debate performance a month earlier that raised questions about the strength of his candidacy.

In the early segments of Wednesday's forum, the former vice president stammered several times. But his performance, which grew stronger throughout the night, may help silence some questions about his viability as a potential nominee and chief foil of Mr. Trump.

The session was the most combative of four debates held so far, two this week and two in June. It exposed deep divisions among the candidates on a variety of issues.

Mr. Biden faced repeated attacks over his record serving under former President Obama.

Mr. Biden and a fellow member of the Obama administration, former Housing and Urban Development Secretary Julián Castro, clashed over how to deal with undocumented immigrants. Mr. Castro has pushed to decriminalize the act of crossing the U.S. border as an illegal immigrant, a proposal Mr. Biden opposes.

Mr. Biden said Mr. Castro never suggested such dramatic actions on immigration during cabinet meetings.

"Mr. Vice President, it looks like one of us has learned the lessons of the past, and one of us hasn't," Mr. Castro shot back, before adding, "What we need are politicians that actually have some guts on this issue."

Mr. Biden responded: "I have guts enough to say his plan doesn't make sense."

Earlier, New York City Mayor Bill de Blasio pressured Mr. Biden to say whether he had pushed to stop deportations under Mr. Obama. But Mr. Biden demurred, saying: "I keep my recommendation to him in private."

The reticence drew criticism from Sen. Cory Booker of New Jersey. "Mr. Vice President, you can't have it both ways," he said. "You invoke President Obama more than anybody in this

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◆ Trump counters call for Medicare for all........................ A4

FAA Identified High Risk In MAX

By Andrew Tangel And Andy Pasztor

An internal risk analysis after the first of two Boeing 737 MAX airliner crashes showed the likelihood was high of a similar cockpit emergency within months, according to a Federal Aviation Administration official familiar with the details and others briefed on the matter.

The regulator's analysis, not previously reported, showed that it "didn't take that much" for a malfunction like the one confronted by the pilots of the Lion Air flight that crashed into the Java Sea last year to occur, one of the people briefed on the analysis said.

Based on the findings, the regulator decided it was sufficient to inform pilots about the hazards of an onboard sensor malfunction that led to a flight-control system pushing down the plane's nose. The belief was that if pilots were aware of the risk and knew how to respond, it was acceptable to give Boeing and regulators time to design and approve a permanent software fix to MCAS, the flight-control system implicated in the crash, according to the agency official and people briefed on the findings.

The FAA's early goal, one of these people said, was: "Get something out immediately and then mandate something more permanent."

Specifically, the FAA's analysis suggested that a warning to pilots would be enough to provide Boeing about 10 months to design and implement changes to MCAS, according to a person close to the manufacturer. Boeing had been planning to complete the changes by April,

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Le Weekend Is Going to Be Le Worst

* * *

All France is on the move, starting or ending vacation

By Sam Schechner And Lee Harris

PARIS—In France, where long summer vacations are a religion, there are two sects.

The traditionalists, known as *aoûtiens*, who take off August. And the *juillettistes*, who leave town in July before the point country has ground to a sticky halt.

For a short time each summer, they collide. The *juillettistes* are returning home and the *aoûtiens* are hitting the road, snarling highways and jamming train stations in an annual ritual called the *chassé-croisé*, named for a dance step in which partners

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Moscow Turns Screws On American Investor

Michael Calvey was a cheerleader for Putin after foreigners fled; now he faces prison

By Alan Cullison And Thomas Grove

MOSCOW—One year after the West began sanctioning Russia for its 2014 invasion of Ukraine, prompting a retreat of foreign capital, U.S. fund manager Michael Calvey appeared at an annual investor conference in St. Petersburg to deliver a contrarian message.

"There's everything here, growth, creativity, anything you want," he told a packed audience of Russian and foreign businessmen.

This year, Mr. Calvey was unable to attend the conference. In February, police appeared at his Moscow apartment and those of his investment fund colleagues and arrested them on fraud charges.

Spurious reports began circulating that Mr. Calvey had been financing Russian President Vladimir Putin's political opposition.

The arrests, court proceedings have since shown, came amid a dispute with an up-and-coming Russian businessman, Artyom Avetisyan, who cultivated ties with Russia's security services and had tangled with Mr. Calvey over their joint investment in a Russian bank. With Mr. Calvey otherwise occupied, Mr. Avetisyan, who is a director of a state-backed committee to improve the investment climate in Russia, has wrested control of the bank.

The criminal case against Mr. Calvey, who has pleaded not guilty and remains under

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U.S. NEWS

U.S. Workers' Wage Growth Levels Off

By Sarah Chaney

WASHINGTON—Compensation gains for U.S. workers continued to outpace inflation in the second quarter, but those increases leveled off.

The Labor Department said Wednesday that the employment-cost index, which measures wages and benefits, rose 2.7% in the second quarter from a year earlier, following the first quarter's 2.8% annual rise.

The quarterly easing is in line with separate readings on compensation that also have peaked as the overall economy has slowed a bit.

The Labor Department's June jobs report showed average hourly earnings for private-sector workers increased 3.1% from a year earlier, down from 3.4% in February. July hourly earnings will be released on Friday.

Wage growth has steadily increased since bottoming out in 2012 and remains solid, but the data point to a plateauing trend after an acceleration above 3% toward the end of last year.

A separate Commerce Department reading that captures worker salaries, earnings from investments and government benefits such as Medicaid slowed to 3.3% in June from 4.2% in December.

The same report, released Tuesday, also reported annual revisions that showed higher growth rates for wages, dividends and interest income in the previous two years. Personal income was revised to a 4.7% increase in 2017 from a previously reported 4.4% rise, and to a 5.6% increase in 2018 from a previously reported 4.4% climb. The revisions offer evidence that some workers received bigger income gains than previously thought.

"In an environment also in which tomorrow looks a little grimmer than today, companies are going to be careful with how much they allow wages to rise," said Gregory Daco, chief U.S. economist at Oxford Economics.

The labor market has continued to churn out jobs, but below the robust pace set in 2018. Companies are investing more cautiously as trade tensions between the U.S. and China continue unabated. And the global economy is faltering.

"We did see...an acceleration in wage growth as the unemployment rate continued to fall," Mr. Daco said. "We're just not seeing any further acceleration as the unemployment rate has somewhat stabilized."

Low inflation helps ease the downsides from slower wage growth. The consumer-price index rose 1.6% from a year earlier in June, the Labor Department reported earlier in July, which means workers' dollars can stretch further.

Service-sector workers have seen heftier pay increases than the average worker. Those workers experienced 3.8% growth in wages and salaries in the year through June, Wednesday's report showed. For transportation and material-moving workers like truck drivers, the rise was 3.9%.

Average pay should grow faster as employers compete for a scarce supply of workers, according to economists. Part of the reason wage growth is no longer speeding up could be tied to a recent stabilization in the unemployment rate, which has bounced between 3.6% and 4% over the last year.

Still, economists are debating why wage growth has yet to rise as fast as in similar periods during which unemployment was similarly as low as the current 3.7%. In the early 2000s, as unemployment hovered near 4%, average hourly earnings for rank-and-file workers were growing close to 4% annually. Such wage growth hasn't breached 3.5% since the recession ended in mid-2009.

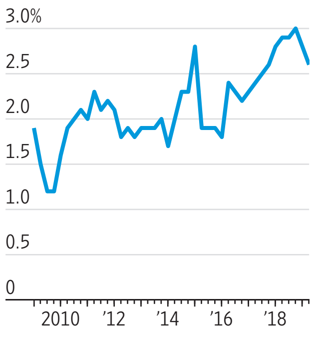
Explanations for the wage puzzle are wide-ranging. Heightened international competition could be limiting companies' pricing power. Another possibility is that the decline of unionization has lowered workers' ability to bargain for higher pay. Yet another theory is that the aging of the U.S. population may be depressing wage data as highly paid baby boomers retire and are replaced by younger, lower-paid workers.

Many of the forces that could be restraining wages from faster growth are largely structural, meaning they aren't likely to change soon. If the job market eases further from last year, there is little reason to expect compensation to break from its current trajectory.

Pay Plateau

Wages and benefits grew more slowly than anticipated in the second quarter.

Employment-cost index for private-sector workers, change from a year earlier



Source: Labor Department

Fed Makes First Cuts Since 2008

Continued from Page One

outlook and will act as appropriate to sustain the expansion."

Officials also announced they would end the runoff of their $3.8 trillion asset portfolio on Thursday, two months earlier than previously planned, halting a process that had been withdrawing monetary stimulus that was added during the 2008 recession.

In June, seven of 17 officials indicated they believed rates would be a half-point lower by year-end, suggesting a significant reservoir of support for at least one more cut.

"Powell increased uncertainty around the direction of policy," said Scott Minerd, chief investment officer at money manager Guggenheim Partners LLC. "The discussion around the future path of interest rates was ham-handed and probably undid a lot of the benefit of the rate cut today."

Boston Fed President Eric Rosengren and Kansas City Fed President Esther George dissented from the decision. Both were among a group of Fed officials who had said they didn't see a strong case for cutting rates because U.S. economic data has been good.

Mr. Minerd said Mr. Powell's lack of crisp answers may have been a sign "the committee is not fully behind ongoing rate cuts."

Because markets may have had unrealistic expectations about the Fed's ability to signal more stimulus, "the risks were already skewed towards some degree of disappointment," said Julia Coronado, founder of economic advisory firm MacroPolicy Perspectives. "There is already a strong lean for another cut. He basically told us that by referencing prior mid-cycle cuts."

President Trump had called on Mr. Powell, who goes by Jay, to cut rates more aggressively and expressed his dissatisfaction on Twitter.

"What the market wanted to hear from Jay Powell and the Federal Reserve was that this was the beginning of a lengthy and aggressive rate-cutting cycle," Mr. Trump wrote. "As usual, Powell let us down."

The decision to lower rates reflects fears of an immediate pullback in growth as well as concerns about the Fed's inability to generate more inflation, which is seen as a sign of healthy economic demand.

Mr. Powell said it was hard to be more specific about the Fed's plans because of the fluid nature of trade discussions that have weighed on business investment and because officials wanted to see how the global economy digested the Fed's efforts this year to ease policy, first by shelving plans to raise rates and now to cut them.

"We'll be looking at weak global growth," he said. "I would love to be more precise, but with trade it is a factor that we have to assess in kind of a new way."

The decision effectively reversed the central bank's December rate increase, which came during a period in which it believed interest rates were still low enough to spur growth and inflation. Since then, inflation has declined.

The unemployment rate, at 3.7% in June, is near a half-century low. The U.S. economy expanded at a 2.1% seasonally adjusted annual rate in the second quarter, buoyed by strong consumer spending. Also, stocks have been near records, largely in anticipation of Fed rate cuts.

> "I would love to be more precise," Fed Chairman Jerome Powell said.

But several sectors of the U.S. economy are slowing, including manufacturing. Others, such as housing, have rebounded due to the Fed's decision to abandon rate increases at the beginning of the year.

So-called core prices, which exclude volatile food and energy categories, rose 1.6% for the year ended June, down from the central bank's 2% target in December. While this may sound like a small miss, it is notable considering how officials last fall believed inflation would rise above the targeted 2% level without additional rate rises this year.

One risk from Wednesday's market reaction is that the dollar continues to rise, particularly now that other central banks are moving to ease their interest rates. That would make it even harder for the Fed to raise inflation.

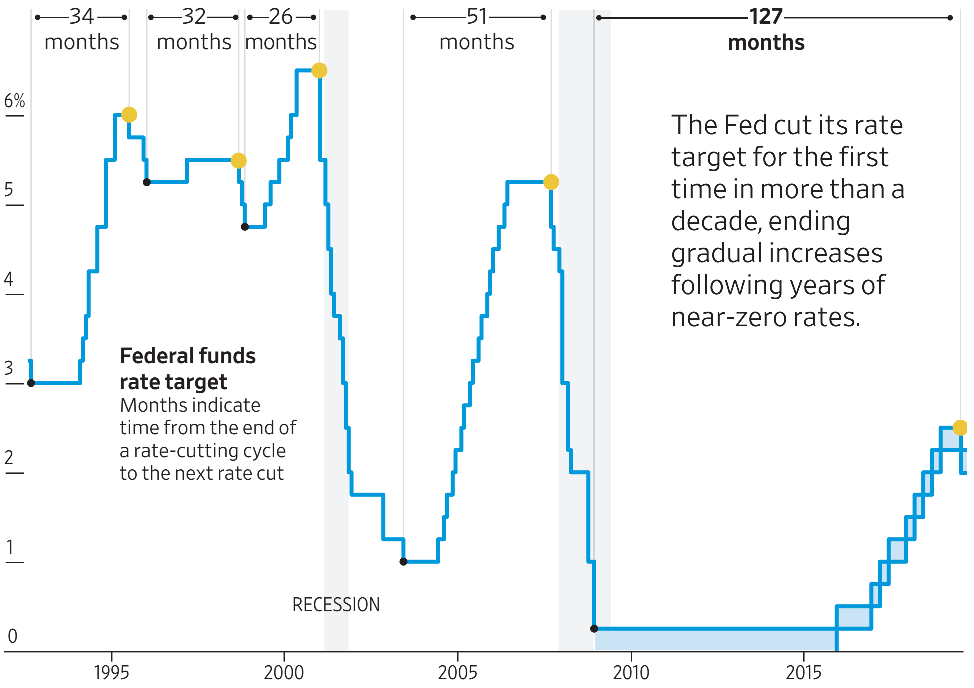
Fed officials see tighter linkages than in the past between U.S. and global economies, prompting new questions over how high they can keep domestic rates above those in other advanced economies, which have lower or even negative rates.

The Fed rate cut marks just the fifth time in the past 25 years that the central bank switched from raising to lowering rates. In the four prior cases, the Fed never cut rates just once.

Usually when the Fed starts cutting rates, it doesn't know whether it will make a handful of small moves, as it did in 1995 and 1998 when the economy avoided a downturn—or whether it is the start of longer series of reductions, as in 2001 and 2007 when the central bank cut rates a few months before the economy entered recession.

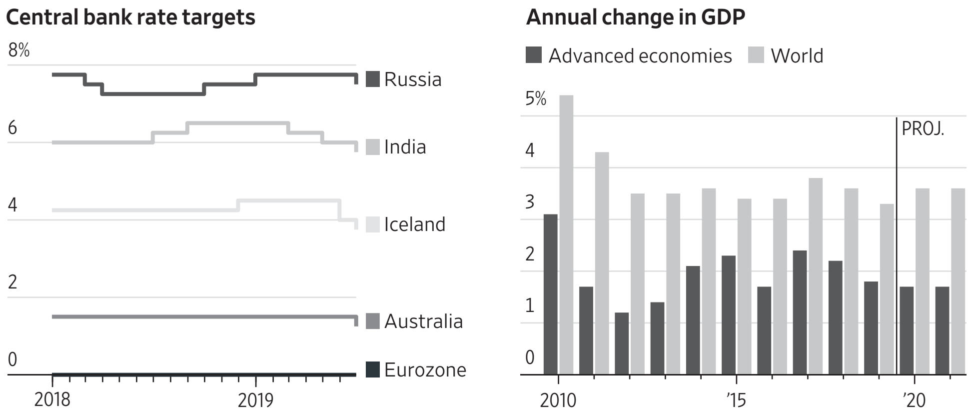
The most recent Fed rate cut occurred in late 2008, when the central bank lowered its benchmark rate to near zero after the financial crisis. Officials left it there for seven years.

The End to a Long Cycle



Concern abroad

As global growth slows, other central banks have also begun lowering rates.



Note: As of Dec. 16, 2008, the Federal Reserve rate target became a range.
Sources: Federal Reserve (rate target); Bank for International Settlements (bank rates); International Monetary Fund (GDP growth)

Decision Draws Dissenting Votes

The Federal Reserve's interest-rate cut generated a degree of formal, internal opposition not seen in more than a year to a monetary policy move.

Eric Rosengren and Esther George—presidents of the Boston Fed and Kansas City Fed, respectively—both voted against the Federal Open Market Committee's decision to lower its benchmark rate by a quarter percentage point.

The last time that a Fed rate decision drew two dissents was at the December 2017 FOMC meeting, when the committee voted to raise the rate by a quarter point.

The tally Wednesday also marked the most "no" votes cast at one FOMC meeting since Fed Chairman Jerome Powell took office in February 2018. The only other formal dissent cast against a monetary-policy decision during his tenure as chief was St. Louis Fed President James Bullard's vote against holding rates steady in June. He wanted to reduce them then.

The dissents Wednesday weren't a big surprise. In recent speeches, both Mr. Rosengren and Ms. George expressed skepticism about the need to lower rates at a time of solid economic growth, a strong labor market and low inflation.

But the two "no" votes likely represent a broader constituency opposing the rate cut, because four nonvoting Fed bank presidents—including the leaders of the Cleveland, Philadelphia and Richmond Fed banks—had expressed varying degrees of skepticism about the need for easier policy before this week's meeting. The Fed chair and all governors, plus the New York Fed president, have permanent voting seats on the FOMC. The other four voting slots rotate annually among the 11 other regional Fed bank presidents.

Atlanta Fed President Raphael Bostic, another nonvoter this year, also seemed hesitant about a rate cut in his public remarks.

Officials' public comments after the meeting and the meeting minutes will help show the degree of internal opposition. The level of Fed dissent tends to wax and wane over the years.

—Michael S. Derby

U.S. WATCH

PUERTO RICO

Gov. Rosselló Sets Up Ex-Rival as Successor

Puerto Rico's departing Gov. Ricardo Rosselló appointed his 2016 primary opponent as secretary of state, a move that sets him up to be the next governor.

As secretary of state, Pedro Pierluisi would be next in the line of succession to run the U.S. island territory. His appointment sets up a potential battle with legislative leaders who have signaled that he might not clear a confirmation vote.

Officials from the governor's party, the pro-statehood New Progressive Party, are racing against the clock to find an acceptable replacement for Mr. Rosselló, who said last week he would step down following days of protests that drew hundreds of thousands of demonstrators into the streets of San Juan. His resignation takes effect at 5 p.m. Friday.

Mr. Pierluisi posted on Twitter on Wednesday, "I have listened to the people's messages, their demonstrations, their demands and their concerns. And in this new challenge in my life, I will answer only to the people."

—Andrew Scurria

NEW YORK

Epstein Trial Is Set Tentatively for June

Financier Jeffrey Epstein listened passively in a Manhattan courtroom Wednesday as a judge said he wouldn't go to trial on sex-trafficking charges before June 2020, and more likely a few months afterward.

U.S. District Judge Richard M. Berman said a trial, projected to last four to six weeks, could tentatively begin June 8, but he would likely accommodate lawyers if they aren't ready by then.

Mr. Epstein, 66 years old, is accused of arranging to have sex with girls as young as 14. The sex-trafficking charges filed against him carry a potential prison term of up to 45 years. He has pleaded not guilty.

Mr. Epstein sat quietly during his appearance, his hands folded in front of his face through much of the 20-minute proceeding.

—Associated Press

TEXAS

Petrochemical Plant Blast Injures Dozens

A large explosion and fire broke out Wednesday at by **Exxon Mobil** Corp.'s Baytown petrochemical and refinery complex near Houston, causing minor injuries to at least 37 workers.

"We don't know what the cause of that incident is, but I can tell you that we're going to work diligently to figure it out so it doesn't happen again," said Jason Duncan, Exxon's plant manager for the complex's Olefins Plant where the fire happened.

He said propane and polypropylene, a light hydrocarbon mixture, were on fire.

Mr. Duncan said that as of Wednesday afternoon the fire had been isolated and contained but not yet fully extinguished.

Of the 37 injuries, Mr. Duncan said they appeared to be mostly minor burns not requiring a hospital visit, although he added that it was still early. He said all workers at the complex had been accounted for.

—Dan Molinski

WASHINGTON

Trump Will Nominate Treasurer to Lead SBA

President Trump formally announced his intent to nominate U.S. Treasurer Jovita Carranza to lead the Small Business Administration.

The announcement Wednesday came more than three months after Mr. Trump first said on Twitter that he planned to nominate Ms. Carranza as SBA administrator. If confirmed, she would succeed former professional-wrestling executive Linda McMahon, who led the agency until April.

The president also announced his intention to appoint Kendel Ehrlich to be the deputy director of the Office of National Drug Control Policy. She is now the associate director of external affairs in the drug-control office.

Mr. Trump also tapped his former press secretary Sean Spicer to be a member of the board of visitors to the U.S. Naval Academy.

—Andrew Restuccia

CORRECTIONS & AMPLIFICATIONS

U.S.-sponsored media outlets including Voice of America reach more than 14 million Iranians. A World News article Friday about a U.S. information campaign in Iran incorrectly said U.S.-sponsored radio stations alone reached that number of Iranians; VOA doesn't have radio broadcasts in Iran.

The last name of Makan Delrahim, the Justice Department's antitrust chief, was misspelled as Delharim in an Exchange article Saturday about **Dish Network** Corp.

The Kentucky Three-Day Event is an equestrian competition. An Off Duty article Saturday about souvenir caps incorrectly called it a horse race.

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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Consultant Defends College-Aid Tactic

Adviser says parents were going into debt, using retirement funds to pay for education

BY DOUGLAS BELKIN

The college consultant who developed a strategy to help wealthy clients access scholarships designed for the poor said she came up with the idea after seeing how much debt parents were taking on to send their children to college.

Lora Georgieva, owner of a consulting company called Destination College, said she has been explaining to families for the last two years that if they legally transferred the guardianship of their college-bound children to a friend or family member, the teens would be considered independent for the purposes of financial aid. That means they wouldn't have to declare their parents' income or assets, making it possible for them to collect state, federal and college scholarships reserved for students from poor families.

The strategy was the topic of a Page One article Tuesday in The Wall Street Journal. Ms. Georgieva hadn't responded to requests for comment for that article, but subsequently spoke Tuesday night with a Journal reporter about her operation.

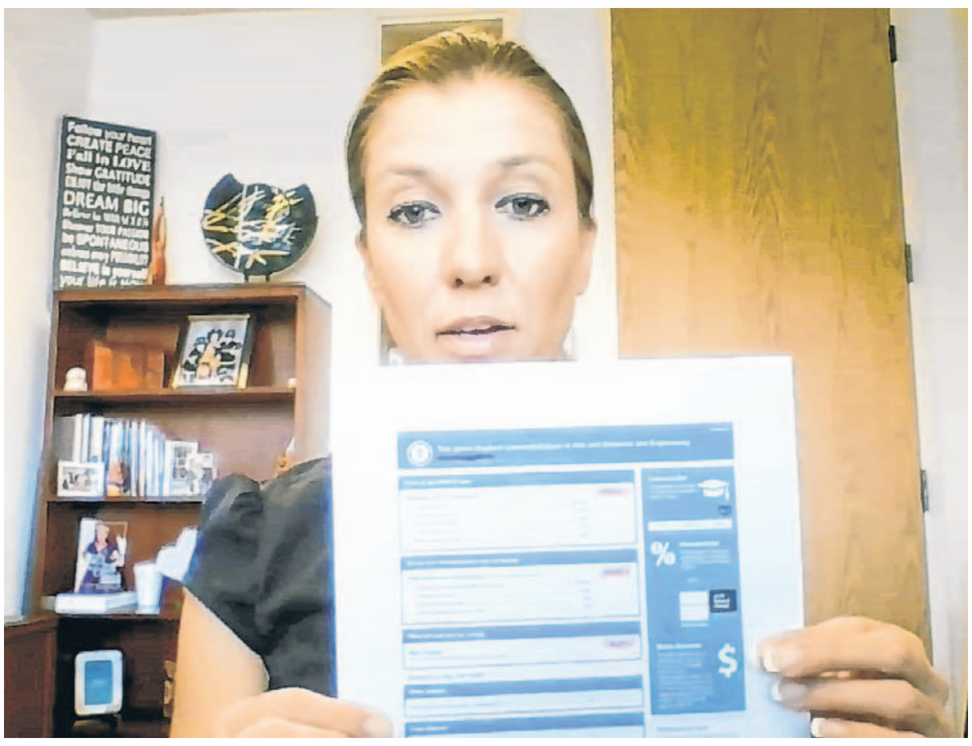
The U.S. Education Department condemned Ms. Georgieva's actions and said it was moving to stop them.

"Those who break the rules should be held accountable," spokeswoman Liz Hill said Tuesday in a statement. "The Department is committed to assessing what changes can be made—either independently or in concert with Congress—to protect taxpayers from those who seek to game the system for their own financial gain."

Colleges started receiving applications from Ms. Georgieva's clients last year. The University of Illinois, where annual costs, including tuition, room and board, range from $32,000 to $36,000 for in-state students, said it spotted 15 students who may have used the strategy. "The university likely will withhold institutionally funded need-based financial aid until we are satisfied that students who have transferred guardianship don't have other financial resources available," said Andy Borst, director of undergraduate admissions of the University of Illinois.

"I don't think I figured out a loophole," Ms. Georgieva said. "Anybody that goes on the [federal financial-aid] website can find the criteria for being an independent student or a dependent student. It's all right there."

Ms. Georgieva, 38 years old, said she emigrated to Chicago from Bulgaria 16 years ago. She found a job cleaning homes then worked the third shift at a factory before landing a job as a bank teller. After several promotions, she got a job at a financial-services firm, she said. She had earned a college degree in Bulgaria with a double major in accounting and actuarial science, she said.


Lora Georgieva appeared in a 2018 video on her college-consulting firm's YouTube account.

"I realized that a lot of my clients were dipping into their retirement accounts to pay for college," she said. Most were ill-prepared, poorly informed and very stressed, she said.

She saw a business opportunity.

In 2011, she started Destination College in Lincolnshire, Ill., to advise families how to get their children into, and through college, while managing their finances. She said she saved her clients $30,000 a year on average—and up to $40,000 per year. Her business website includes her videos discussing financial aid.

At her first meeting with families, she started by giving the students a 300-question, multiple-choice vocational test to steer them toward a career path. Then she explained the education that career requires, which schools offer them, how much that career will pay and what the job prospects are.

Her practical approach resonated, especially among recent Eastern European immigrants who have flocked to the good schools in Chicago's northern suburbs, she said. She reached a broader clientele by speaking at events and marketing herself on social media. She declined to say how many clients she has.

Some of her clients are wealthy, she said, but the majority earn $75,000 to $125,000, which she considers middle class.

Two years ago when some of the lending rules changed Ms. Georgieva reread the Free Application for Federal Student Aid, or Fafsa, handbook. When she came across the section explaining that if a child transferred guardianship he or she wouldn't have to declare his or her parents' wealth, she got the idea for guardianship transfer. She spoke with the Fafsa help desk several times to make sure she understood the rule correctly, she said. She also ran her idea by a few lawyers she knew.

To transfer the guardianship of a child to a friend or family member, the adult who wants become the guardian has to petition a probate judge. If the family and child want the transfer to happen, the judge has wide discretion to approve it.

Ms. Georgieva declined to say how many times she suggested the strategy to clients or how many followed through with it.

A Journal review of more than 1,000 probate court cases filed in 2018 in Lake County, Ill., where Ms. Georgieva's office is located, turned up 38 cases in which a judge granted the transfer of guardianship to a teenager in his or her junior or senior year of high school.

Her fee was $5,000, two clients said. Ms. Georgieva declined to confirm her rate.


IMAGINECHINA/ASSOCIATED PRESS

China Zhongwang founder Liu Zhongtian, at a company plant in 2009, is accused of conspiring to smuggle aluminum into the U.S.

Chinese Aluminum Tycoon Indicted in U.S.

BY DAN FROSCH AND SCOTT PATTERSON

A powerful Chinese billionaire has been indicted by a federal grand jury on charges that he evaded nearly $2 billion in tariffs as part of a conspiracy to smuggle massive quantities of aluminum into the U.S.

The indictment, which was reached in May but not unsealed until this week, accuses Liu Zhongtian, founder of Chinese aluminum giant China Zhongwang Holdings Inc., of conspiring to defraud the U.S. through a sprawling scheme spanning the company's headquarters in Liaoning, China, ports in Los Angeles and a remote desert in Mexico. It alleges that the scheme began in 2008 and has continued to the present day.

Prosecutors said they believe it is one of the largest tariff-related cases ever brought by the Justice Department. The indictment comes as negotiations between the Trump administration and China over their continuing trade dispute resumed this week after weeks of recriminations.

An arrest warrant has been drawn up for Mr. Liu, one of the world's wealthiest aluminum magnates, an official with knowledge of the investigation said. The 55-year-old, known as "Uncle Liu" and "Big Boss," according to the indictment, is believed to be in China. He faces fraud and international money-laundering charges that carry a maximum prison term of 465 years if he is convicted, according to prosecutors.

"America is not a playground for corrupt businessmen," said Nicola Hanna, U.S. attorney for the Central District of California.

A spokeswoman for China Zhongwang, which was also indicted, didn't respond to an email seeking comment and to speak with Mr. Liu. A call placed to a China Zhongwang representative in Hong Kong wasn't answered. The Wall Street Journal couldn't determine if Mr. Liu has a U.S.-based attorney. An attorney who has represented Mr. Liu in the past didn't respond to an email seeking comment.

The company is accused of using the aluminum shipments to inflate its revenue for years, creating the false impression that U.S. demand for its products was strong. China Zhongwang is publicly listed on the Hong Kong stock exchange.

Mr. Liu previously denied a connection to any illegal shipping schemes. China Zhongwang has long denied any connection as well.

Jeremy Scott, assistant special agent in charge for Homeland Security Investigations in Los Angeles, which led the investigation, said efforts to bring Mr. Liu to the U.S. to face charges will likely have to be worked out through the State Department. The U.S. doesn't have an extradition treaty with China. The foreign ministry in Beijing and the Chinese embassy in Washington, D.C., didn't respond to requests for comment.

The indictment accuses Mr. Liu and his associates of funneling cash to shell companies effectively owned by Mr. Liu to purchase aluminum from China Zhongwang and then market it to U.S. buyers, masking its origins and skirting U.S. tariffs in the process.

U.S. and Chinese trade negotiators are meeting this

Liu Zhongtian skirted nearly $2 billion in tariffs, prosecutors said.

week in Shanghai, with the U.S. pressing for expanded intellectual-property protections and cuts in state subsidies to business, while China is calling on the U.S. to drop all tariffs.

The Trump administration has alleged that billions of dollars of China-made goods dodge tariffs by entering the U.S. via other countries in Asia, especially Vietnam.

A spokesman for the U.S. attorney in Los Angeles said the trade negotiations had no impact on the investigation into Mr. Liu.

The Journal previously reported that Mr. Liu controlled a string of companies that avoided tariffs by shipping billions of dollars worth of China Zhongwang's aluminum to the U.S. The ongoing Justice Department investigation began after the Journal—citing company records, trade documents and legal filings and interviews with people who have done business with Mr. Liu—published an article about the alleged scheme in 2016, prosecutors said.

Mr. Liu denied involvement at the time. "These things have nothing to do with me," he said in an interview with the Journal in 2016.

Mr. Liu allegedly skirted punitive tariffs imposed on certain Chinese companies by the Commerce Department by shipping aluminum in the form of pallets, a finished product not on the list of penalized items. But most of the pallets weren't actually finished products, according to the indictment, and were allegedly a way to smuggle aluminum into the U.S. without paying tariffs, investigators said. Between 2011 and around 2014, companies controlled by Mr. Liu imported 2.2 million of the fake pallets into the U.S., according to the indictment, evading about $1.8 billion in import duties.

In 2016, much of the Chinese-made aluminum that had been shipped to Mexico and the U.S. began making its way to Vietnam as Mr. Liu allegedly sought to elude U.S. authorities investigating the scheme, according to the indictment.

PG&E Disputes That It Neglected Maintenance

BY REBECCA ELLIOTT

PG&E Corp. acknowledged the central findings of a Wall Street Journal article, stating it knew for years that its aging power lines could fail and spark wildfires. But the California utility said it disputed the article's suggestion that it had neglected maintenance.

The company made the disclosures in a federal court filing Wednesday after William Alsup, a U.S. district judge in Northern California, ordered PG&E to respond "on a paragraph-by-paragraph basis" to the Journal article published July 10.

In its response, the company acknowledged it has long known that its high-voltage lines could fail and trigger fires, but said that such fires have historically been relatively rare. Nonetheless, the company said, it has been spending more in recent years on improvements, as the threat of wildfires increased earlier this decade following a crippling drought.

"The suggestion that PG&E has ignored investment in its transmission lines is inaccurate," the company said, adding that it spent $140 million to $294 million annually on transmission-line-related work from 2008 to 2018.

The company acknowledged it had delayed a number of upgrades to the Caribou-Palermo line, the conduit that broke last November and sparked the Camp Fire, which killed 85 people. But the company continued to assert that the work wasn't maintenance-related, as the Journal has described, saying it was meant to comply with 2010 industry guidelines intended to ensure that lines didn't sag too close to the ground and vegetation. PG&E noted that the tower where state investigators said equipment failed and sparked the Camp Fire wasn't one of the towers set to receive upgrades. That assertion is consistent with what the Journal reported in an earlier article.

"The Journal's article on PG&E was deeply sourced and thoroughly reported," said a spokesman for Dow Jones & Co., the publisher of the Journal. "Company officials were given ample opportunity to respond in advance of publication. Their lawyers have strained to no avail to challenge our article, which we stand behind fully."

Following publication of the July 10 article, PG&E Chief Executive Bill Johnson wrote a letter to the editor of the Journal.

"In looking at past practices, we cannot change what has transpired. Instead, we will work as hard and as quickly as possible to get it right," he wrote.

Mr. Johnson said PG&E was stepping up efforts to repair its infrastructure, and the "trust and confidence of the people we have the privilege to serve in California."

PG&E acknowledged in its court filing that it doesn't know the age of all of its transmission towers and wires, as the Journal's July 10 article stated. It denied, however, that it has struggled to prioritize which of its lines needed the most attention, saying that it uses data from multiple sources to do so.

Judge Alsup is overseeing PG&E's probation after the company was convicted of safety-related violations following a natural-gas explosion that killed eight people in 2010.

A PG&E spokeswoman said the company had no further comment.


CAL FIRE BUTTE/EPA/SHUTTERSTOCK

A utility pole was heavily damaged during last year's Camp Fire.

Debates Leave a Trio of Presidential Battles

CAPITAL JOURNAL

By Gerald F. Seib

Over the course of two long nights of debates this week, three different Democratic presidential primary contests emerged:

The first is a battle to knock former Vice President Joe Biden from his position as the front-runner. The second is a deep struggle between the party's moderate and progressive wings. And the third is the quest to find a candidate who might be able to straddle both lanes.

None of these parallel contests were resolved in the debates Tuesday and Wednesday nights. But the lines of the struggles became more clear.

Mr. Biden was more forceful in this round of debates than he was in the first round last month, and, as a result, probably preserved his position as the front-runner. Certainly Mr. Biden was the frequent target of attacks from across the stage—over his record in pushing tough criminal-justice laws in the past, over his views about high levels of immigrant deportations while he was vice president, over long-ago statements about working women.

But the frequency of the attacks was probably the clearest sign that his companions still consider him the leader who needs to be toppled. Mr. Biden was hardly sure-footed in every response, but he surely will emerge still as the top dog.

The broader struggle between moderates and progressives spanned both nights of debates and reflects a deep split within about not just the character of the party, but also about the best approach for beating President Trump. Many of the party's progressive activists remain angry that an establishment figure—Hillary Clinton—won the nomination four years ago and then lost to Mr. Trump, who is deeply despised on the left.

Their reaction now—reflected in particular in the arguments from Sens. Elizabeth Warren and Bernie Sanders for big and bold new domestic programs—is to argue that the party is better off appealing to the passions of its liberal base than to chase voters in the middle of the spectrum. That reflects, among other things, a belief that the 2020 presidential election will be a base election decided not by which party wins the middle, but rather which party turns out more of its committed core voters.

The moderate response is that the progressives are offering programs that will scare off voters the Democrats will need, even in a base election. Mr. Biden tried to drive that home on Wednesday night by saying that his more moderate health plan—which principally involves expanding the Obamacare program by expanding its coverage for the poor and allowing others to buy into the Medicare program if they choose—would cost a fraction of the progressives' government-run Medicare-for-all plans.

Joe Biden was more forceful in this round of debates than in the first.

Lurking in the background of this moderates-versus-progressives struggle is a figure that went unspoken in the two nights of debate: $1.23 trillion. That is the amount of money the federal government will borrow in the current fiscal year, more than double the borrowing that was done just two years ago. Indeed, the federal government is in the first year of what is forecast to be a four-year stretch of budget deficits topping $1 trillion annually.

That is a torrent of red ink that raises serious questions about whether the country can afford the big plans Democrats are floating. The issue is how they would be paid for, and New York Mayor Bill de Blasio delivered the most simple and pithy progressive answer of all Wednesday night: "We will tax the hell out of the wealthy," he declared.

Yet there is a real question about whether the progressives' suggested combination of higher taxes on upper-income Americans and corporations would be sufficient to avoid adding to already ballooning deficits.

In Tuesday night's debate, for example, Sen. Warren endorsed a Medicare-for-all plan, which she suggested would be paid for through higher taxes for billionaires and corporations, and a $2 trillion climate-change program, which also would be funded through a corporate profits tax. She also said that by imposing a "wealth tax"—a flat tax on the assets of those worth more than $50 million—the U.S. could finance universal child care, universal prekindergarten programs, universal free college, cancellation of student-loan debt for 95% of those who hold it, additional money for historically black colleges plus higher wages for every teacher and child-care worker in the country.

Mr. Biden and other moderates are asking, essentially, whether those big price tags won't drive some middle-of-the-road voters back into Mr. Trump's arms.

Which leaves the question of whether anyone in the big field of candidates can straddle the moderate and progressive camps. On that front, two candidate—Sen. Harris and South Bend Mayor Pete Buttigieg—emerged as the two most likely to be able to pull off that tricky balancing act.

Rivals Jab At Biden, Harris

Continued from Page One

this campaign. You can't do it when it's convenient and then dodge it when it's not," he said.

Unlike the previous night when the moderate candidates teamed up to attack the top progressives in the race, the event Wednesday was more along the lines of every candidate for themselves.

The former vice president appeared better prepared this time, armed with his own attacks on the records of both Mr. Booker, the former Newark mayor, and Ms. Harris, a former prosecutor in California, in their previous offices.

Ms. Harris, who made headlines during the June debate for her criticism of Mr. Biden's record on race, disputed his suggestion that the pair are on the same side on the issue of busing. "On that issue we could not be more apart," she said.

Mr. Biden was hit hard by Ms. Harris in their first encounter over his opposition to mandatory school busing in the 1970s and comments he made about cooperating with segregationist senators decades ago. His stumbling reaction created doubts about his debate skills and reminded voters of his history of unforced campaign errors.

JUSTIN SULLIVAN/GETTY IMAGES

Ten of the Democratic presidential candidates took the stage Wednesday night in the second of two debates this week in Detroit.

Ms. Harris, who is polling among the top candidates, also was criticized by many of the candidates on stage. "The people who suffered under your reign as prosecutor, you owe them an apology," Rep. Tulsi Gabbard of Hawaii said.

Ms. Harris defended her record. Critics have said minorities were negatively affected by her aggressiveness as a prosecutor.

"That is my work. I am proud of it. I think you can judge people by when they are under fire and it's not about some fancy opinion on a stage," she said.

Sen. Kirsten Gillibrand of New York, calling herself "a white woman of privilege," sought to stand out by directing her fire power at Mr. Trump and portraying herself as a fierce advocate for minorities.

Ms. Gillibrand also criticized Mr. Biden for a decades-old article he wrote opposing the expansion of a child-care tax credit. He had argued that wealthier families shouldn't get government assistance for child care and that both parents shouldn't be encouraged to work outside the home unless they absolutely needed for economic survival because it could lead to the deterioration of families.

Mr. Biden gave a lengthy defense of his record on support for women and cited work he had done with Ms. Gillibrand on the push for equality. "You came to Syracuse University with me and said it was wonderful," he said. "I'm passionate about the concern making sure women are treated equally. I don't know what's happened except that you're now running for president."

Washington Gov. Jay Inslee criticized Mr. Biden's plan to address climate change, which he said is less ambitious than one he has centered his own campaign around. "These deadlines are set by science," he said. "Your argument is not with me, it's with science. And unfortunately your plan is just too late."

The former vice president stood at the center of the stage flanked by Ms. Harris and Mr. Booker, who were again eager to challenge him.

"Go easy on me, kid," Mr. Biden said to Ms. Harris as she joined him on the stage.

Mr. Biden tried to keep his focus on Mr. Trump, vigorously defended his record and showed a willingness to criticize a health-care proposal unveiled earlier this week by Ms. Harris as he suggested she has waffled on the issue.

"The senator has had several plans so far," Mr. Biden said. "And any time someone tells you you're going to get something good in 10 years, you should wonder why it takes 10 years."

Ms. Harris said that under Mr. Biden's "status quo [plan], you do nothing to hold the insurance companies to task for what they have been doing to American families."

Sen. Michael Bennet of Colorado, who has been critical of government-run health care, agreed that such a system "makes it much more likely" for Mr. Trump to be re-elected. Mr. Bennet supports a public option in which people can choose either private insurance or government-run health care.

Andrew Yang, an entrepreneur whose campaign focuses his proposal for a universal basic income, was one of the few candidates who didn't go after someone on the stage.

Taking a shot at Mr. Trump, Ms. Gillibrand sought laughs with a quip about her Day One agenda if elected. "The first thing that I'm going to do when I'm president is I'm going to Clorox the Oval Office."

Pompeo Stirs Talk of Senate Run

By Lindsay Wise

WASHINGTON—Reporters had been shooed out of Mike Pompeo's meet-and-greet with Kansas veterans in Orlando, Fla., last week when someone asked the secretary of state if there was any way to bring more military installations to his home state.

Mr. Pompeo answered with "a giant Cheshire grin on his face," according to a person in the room. "I bet your next senator can take care of that," he said.

Everyone burst into laughter.

Mr. Pompeo's moves are becoming grist for speculation about his political future. Republicans in Kansas and Washington mine his utterances and actions for hints that the 55-year-old former congressman from Wichita might leave his perch at the State Department to run for U.S. Senate.

That is what Senate Majority Leader Mitch McConnell and some other prominent Republicans want. They think Mr. Pompeo's closeness to President Trump and his résumé would make him a lock for the seat—and they want to block former Kansas Secretary of State Kris Kobach, who they fear could win a GOP primary only to lose the general election, from getting the nomination.

So why would Mr. Pompeo take a rare summer vacation in Kansas if he is not running? (Family reasons, a person close to the secretary says.) Why would he miss former Sen. Bob Dole's 96th birthday party in Washington last week if he is running? (He had a conflict.)

ANDREW HARRER/BLOOMBERG NEWS

Secretary of State Mike Pompeo has said that a Senate run was off the table at the moment, but that hasn't stopped speculation.

And what to make of Mr. Pompeo's own statements?

When a Kansas City radio host asked in a July 17 interview if anything could sway the secretary to run for Senate, Mr. Pompeo seemed to crack the door open, saying he would "always leave open the possibility that something will change and my path in life will change too."

The job could give Mr. Pompeo a soft landing should he leave the Trump administration, and potentially also serve as a springboard for a 2024 presidential run. But on Monday, Mr. Pompeo appeared to nudge the door closed again, telling the Economic Club of Washington that a Senate run was "off the table" at the moment.

"As a practical matter, I'm going to serve as secretary of state every day that I get the chance to do so," he said.

National Republicans aren't taking those comments Monday as a definitive no.

They find signs of hope in Mr. Pompeo's actions, rather than his words: a speech at the Missouri-Kansas Forum breakfast in February, an official State Department visit to Kansas in March, his planned trip to Kansas in August, and the July 22 meeting in Orlando, where Mr. Pompeo took photos and shook hands with 50 members of the Kansas Department of the Veterans of Foreign Wars.

Mr. Pompeo can afford to take his time. The filing deadline isn't until June for the Kansas Senate seat left open in 2020 by the retirement of Republican Sen. Pat Roberts.

Mr. Pompeo is sitting on nearly $1 million in his dormant congressional campaign account. Under federal election rules, he could tap those funds to run for Senate.

So far, four Republicans have filed paperwork to run for the open Senate seat. More are weighing bids, waiting to see if Mr. Pompeo enters the race in the next few months. But Mr. Pompeo remains Mr. McConnell's top pick.

After Mr. Roberts announced his retirement in January, Mr. McConnell called Mr. Pompeo and made it clear he wanted him to run for the seat.

Mr. Trump didn't seem crazy about that idea. He told CBS' "Face the Nation" in February that Mr. Pompeo was "absolutely not leaving" his State Department post.

On July 17, Kansas Republicans took note when Mr. Pompeo made his first appearance at the Kansas Society Annual Banquet in Washington since joining the Trump administration in January 2017. He wasn't on the program, and organizers weren't even sure until the last minute whether he would attend.

"He came early, stayed late, shook every hand in the place," said a Kansas Republican who was there. "Sure looked like a candidate."

—Courtney McBride contributed to this article.

Trump Counters Call For Medicare for All

President Trump is preparing to sign an executive order next week on Medicare and moving ahead with allowing some drug imports from Canada, part of the administration's effort to engineer a response to Democratic proposals that candidates say would expand health coverage to all Americans.

By Stephanie Armour, Andrew Restuccia and Catherine Lucey

The executive order would aim to strengthen Medicare for 44 million Americans and portray the president as defending it against Democrats who want to expand it nationwide under their Medicare for All strategy, a White House official said Wednesday.

The administration on Wednesday also said it would allow the imports of some drugs from Canada, backing an idea most Democratic candidates have also said they support. More executive orders, including one on drug prices, are possible, according to a person familiar with the plans.

Mr. Trump is taking a two-pronged approach to his 2020 campaign message on health care, attacking Medicare for All as socialism and rolling out a blitz of health-care initiatives intended to position him as the person who can drive down costs and protect health care.

The president is expected to contrast the Democrats' plans with his in a speech set for Aug. 6. "He's going to indict and impugn the idea of Medicare for All," a White House official said of the speech.

Democratic challengers say Mr. Trump has endangered coverage by backing cuts to Medicare and a lawsuit that could dismantle the Affordable Care Act.

"We are not about trying to take away health care from anyone," Massachusetts Democratic Sen. Elizabeth Warren said during the candidates' debate Tuesday. "That's what the Republicans are trying to do."

Mr. Trump may call for agency action to bolster Medicare Advantage plans, which private insurers offer under contract with Medicare and cover about 22 million people, according to two people familiar with the executive order. The president is likely to focus on curbing waste and abuse in Medicare that can add to the program's cost. In addition, the order may aim to let Medicare Advantage plans offer a wider array of supplemental benefits.

Mr. Trump also is expected to push for changes that could lower the price of patient visits to hospital outpatient clinics, two of the people said. Those visits can cost more than visits to clinics operated by doctors. "This is part of the president's broader vision to put American patients first," one person familiar with the executive order said.

—Thomas M. Burton contributed to this article.

Treasury Poised to Step Up Borrowing

By Kate Davidson And Daniel Kruger

WASHINGTON—The Treasury Department said Wednesday that it expects to ramp up borrowing as soon as the president signs a bill suspending the borrowing limit to replenish the government's depleted cash balance.

The Treasury Department has been relying on extraordinary measures to keep paying the government's bills on time since March 2, when the debt ceiling was reinstated after a one-year suspension.

The agency said in May it could run out of cash by early September and could begin to miss payments on its obligations. Congressional leaders announced a deal last week that would suspend the limit through July 31, 2021. The House passed the bill Thursday, and the Senate is expected to vote this week. President Trump has said he supports the measure.

The Treasury Department will begin increasing bill issuance as soon as the borrowing limit is suspended again. It plans to issue $160 billion over a period of eight weeks, a senior Treasury official said Wednesday. The agency expects the pace of bill issuance will be more gradual than in past debt-limit episodes because the cap is likely to be suspended further in advance of when the Treasury Department risked running out of cash, the official said.

Department officials appear to have been mindful of disruptions in financial markets early last year that followed the rapid increase in borrowing following the passage of tax cuts, analysts said.

"They appear to be doing this carefully," said Jon Hill, a bond analyst at BMO Capital Markets.

Pentagon Outlines Funds Targeted for Wall

By Ben Kesling

JOSE LUIS GONZALEZ/REUTERS

The billions diverted from military pensions, Afghan security forces and elsewhere will pay for an additional 100 miles of border wall.

WASHINGTON—The $6.1 billion in Defense Department funds that will be diverted to expand the barrier at the Mexican border will be taken out of programs ranging from funding of Afghan security forces to a retirement program for the U.S. military, as well as construction projects for military bases around the world, Pentagon officials said this week.

For months, the White House has planned to transfer billions for the border wall from other parts of the government, but before this week hadn't completed programs it would draw from. But under a 5-4 Supreme Court decision last week, the administration was cleared for now to use the money to build the border wall.

Under President Trump's emergency proclamation in February, the White House ordered the transfer of $3.6 billion in military construction money and $2.5 billion in defense counterdrug funding to help build the border wall. Military construction funds go for bases, buildings and troop housing, while counterdrug funds are for narcotics interdiction efforts abroad.

Mr. Trump later told the Pentagon to augment the spending by transferring up to $2.5 billion more from other Pentagon accounts to the drug interdiction budget.

Shifting funds between programs is commonplace across the federal government, especially at the Defense Department. However, the border wall transfers are unusual for their size and how they are being carried out, said Todd Harrison, director of the defense budget analysis program at the Center for Strategic and International Studies, a Washington think tank.

Budget "reprogramming" usually takes millions or even hundreds of millions from programs that are unable to spend their budgeted money, shifting it to another program or programs that are experiencing shortfalls.

In this case, however, billions are being pulled together from a variety of programs and then put toward what appears to be a single new project, the border wall.

"DoD knows that if they use the authority for controversial reprogramming, they'll lose that [congressional] authority, so they've been very careful," Mr. Harrison said.

Mr. Trump repeatedly pledged during his presidential campaign that Mexico would pay for the wall.

A spokeswoman for the White House Office of Management and Budget said the transfer of drug interdiction money to the border wall project was being done under "standard reprogramming authority."

Of the $3.6 billion in military construction money being transferred, Defense Secretary Mark Esper hasn't defined which projects will be curtailed, said Pentagon spokesman Maj. Christian Mitchell.

A Wall Street Journal analysis in March found that $4.4 billion in projects was at risk on a list the Pentagon sent to Congress would meet the military's criteria for cuts to fund a border wall.

Slightly more than half of these projects are either in foreign countries or U.S. territories without a congressional vote. Among U.S. states and territories, Puerto Rico has the

> Rep. Adam Smith called the effort to shift the funds a 'violation of trust.'

most projects at risk, with 10 items, totaling $402.6 million.

On the $2.5 billion in drug interdiction money, the Pentagon this week identified more than $1 billion in funds that will be transferred from other accounts to augment the wall spending.

The largest block of those transfers will consist of $604 million that had been slated to support Afghan security forces, according to a list released by the Pentagon.

The administration also will use $77.5 million in unclaimed money paid to reimburse U.S. partners involved in counterterrorism efforts under the Coalition Support Fund program.

An additional $251 million will come out of Pentagon funds used to pay for the destruction of U.S. chemical weapons, part of a program to eliminate those kinds of arms, the Pentagon said.

About $224 million will be transferred to border-wall funding from the military's new Blended Retirement System, a revamped system that combines the traditional military retirement system with a new system combining pensions and 401(k) programs. The program, standard for new recruits beginning last year, was optional for those already in the military.

Finally, the Pentagon will transfer about $343 million in spending from Air Force weapons programs where officials have negotiated reductions or canceled systems.

Some of those sources had been identified earlier in the year as likely sources for the wall funding, drawing objections from Democratic lawmakers who said it amounts to circumventing congressional authority. Rep. Adam Smith (D., Wash.), chairman of the House Armed Services Committee, said earlier this year that the effort to shift large sums of money is a "violation of trust" on the part of the administration, a position his spokeswoman, Monica Matoush, said hasn't changed.

However, Pentagon officials said none of the military fund transfers to border wall construction will result in any shortfall in readiness or cuts to military benefits.

The billions in new funding will pay for an additional 100 miles of border wall.

—Nancy A. Youssef, Anthony DeBarros and Kate Davidson contributed to this article.

FAA Identified MAX Risk

Continued from Page One

within the 10-month period, this person said.

Boeing and the FAA's risk projections faced a real-world crisis in less than five months. Ethiopian Airlines Flight 302 went down on March 10 in a similar nosedive prompted by the same type of automated MCAS commands pilots couldn't overcome. The dual crashes took a total of 346 lives.

Investigators quickly focused on the central role of MCAS, and regulators around the world grounded the aircraft.

The FAA has said it doesn't have a deadline for approving the final package of fixes but won't allow the planes back in the air until all safety issues are resolved.

A Boeing spokesman said: "Boeing and the FAA both agreed, based on the results of their respective rigorous safety processes, that the initial action of reinforcing existing pilot procedures...and then the development and fielding of a software update, were the appropriate actions."

He said: "The safety of everyone flying our airplanes was paramount as the analysis was done and the actions were taken."

The FAA's internal analysis, prepared in the days immediately following the Oct. 29 Lion Air crash, is called a TARAM, an acronym that stands for Transport Airplane Risk Assessment Methodology. It essentially involves a spreadsheet with formulas that consider a number of factors—such as fleet size, probability that sensors will fail, passenger counts—and aims to predict how many people could die over a certain period because of potential hazards, according to people familiar with the process.

There is also a subjective analysis that, along with the TARAM's numerical forecasts, informs FAA managers and engineers about what types of actions to take and when—for major but also less-serious airsafety issues. "It's kind of a cold way of looking at it," the person briefed on the analysis said, adding: "It's not foolproof. It's a tool."

TED S. WARREN/ASSOCIATED PRESS

A Boeing 737 MAX 8 lands following a test flight. Regulators found a high risk of emergency after a Lion Air flight crashed.

The analysis determined that the underlying risks from the MCAS design were unacceptably high without at least some FAA action, that they exceeded internal FAA safety standards and that the likelihood of another emergency or even accident "was over our threshold," according to the FAA official. "We decided...it was not an acceptable situation," the official said.

The directive to pilots essentially reiterated that cockpit crews should counteract and then disable an MCAS misfire by following long-established emergency procedures for a related flight-control problem that can similarly push down an aircraft's nose.

When the FAA determines an aircraft poses an unacceptably high safety risk, it typically mandates targeted equipment changes, inspections or training to alleviate the hazard. It is unusual for the agency to conclude that reiterating cockpit emergency procedures or tweaking manuals will suffice.

The FAA's Nov. 7 emergency directive, described as an "interim action," didn't mandate design or operational changes. Because it reminded pilots how to swiftly and correctly respond to such an MCAS malfunction, that approach "wasn't removing the risk," the FAA official said, but rather "making it acceptable for a period based on the data we had."

In a report shared with Boeing in late 2018, after the FAA's directive, the agency said its analysis found the "risk is sufficiently low...until the changes to the system are retrofitted," according to the person close to the manufacturer.

Grounding wasn't seriously discussed but "that's always on the table" after a deadly crash, the person briefed on the analysis said. As FAA officials learned of MCAS's design issues, they also learned of other problems that could have contributed to the accident, including maintenance and pilot missteps, this person said.

At a Senate subcommittee hearing Wednesday, senators pressed the FAA's top safety official on why the agency didn't disclose sooner that it believed the MCAS system needed to be modified. Sen. Susan Collins (R., Maine), referring to The Wall Street Journal's story, said: "What troubles me about this is if the agency's own analysis found MCAS to be an unacceptable risk, why did the FAA not take immediate action to address those risks?"

Ali Bahrami, the FAA's associate administrator for aviation safety, said it is routine for the FAA to take interim actions while undertaking longer term measures to fix problems. Mr. Bahrami said that based on pending outside reviews, the agency plans to reassess whether it handled the safety issues appropriately.

—Alison Sider, Elisa Cho and Jim Oberman contributed to this article.

Bin Laden's Son Believed Dead, U.S. Says

CIA/ASSOCIATED PRESS

Hamza bin Laden, believed to be about 30 years old, had made repeated threats of attacks on the U.S.

Figure in Al Qaeda network subject of $1 million reward from State Department

By Warren P. Strobel

WASHINGTON—Hamza bin Laden, the son of al Qaeda founder Osama bin Laden and a rising figure in his late father's violent Islamist group, is believed to have died, U.S. officials said Wednesday.

The date, location and other circumstances surrounding the death weren't immediately clear, but communication among militants suggested that Hamza bin Laden had been killed, the officials said.

President Trump and top administration officials didn't immediately confirm the reports of the death.

"I don't want to comment on it," Mr. Trump told reporters earlier in the day at the White House when asked about the reports.

U.S. officials have become increasingly concerned in recent years about Hamza bin Laden's repeated threats and calls for attacks on Americans at home and abroad as well as against U.S. allies.

Earlier this year, the State Department offered a reward of up to $1 million for information about Hamza bin Laden, and Saudi Arabia revoked his citizenship.

Those moves followed the State Department's imposition of sanctions against him in 2017, saying at the time that he was actively engaged in terrorism.

Hamza bin Laden was believed to have been born in 1989 in Saudi Arabia and was the only known son of Osama bin Laden who was still aligned with the terrorist group behind the Sept. 11, 2001, attacks.

Another son was killed along with his father in 2011 during a Navy SEAL raid on their compound in Pakistan. A third son has distanced himself from al Qaeda.

Al Qaeda leader Ayman al Zawahiri declared Hamza bin Laden an official member of the group in 2015, and the State Department has said that Hamza bin Laden married the daughter of Mohamed Atta, the lead hijacker in the Sept. 11 attacks.

Terrorism experts have warned of Hamza bin Laden's rising profile in al Qaeda and of his potential influence on global jihadist movements because of his heritage.

"While I doubt Hamza was/is next in line in al Qaeda's succession, he was clearly groomed for a leadership position," Thomas Joscelyn, a senior fellow at the Foundation for Defense of Democracies think tank, wrote on Twitter on Wednesday.

Washington Slaps Iran's Foreign Minister With Sanctions

By Ian Talley And Vivian Salama

WASHINGTON—The Trump administration imposed sanctions on Iranian Foreign Minister Javad Zarif in a marked escalation of tensions between the two countries, citing what top officials called unacceptable provocations by Tehran.

The action Wednesday, signaled by the White House in June, follows Tehran's latest missile-test launch, the seizure of a British oil tanker in the Strait of Hormuz and the shooting down of a U.S. military drone.

The sanctions freeze any assets Mr. Zarif might have in the U.S. and prohibit his travel across U.S. borders. Because companies and people who engage with Mr. Zarif are at risk of being subsequently sanctioned by the U.S., the actions could complicate his travel, financing and business.

More important are the potential consequences on Mr. Zarif's ability to conduct diplomacy and the message it sends to Washington's European allies now negotiating with Iran. Those allies have looked to Mr. Zarif to keep Iran's clerical government in compliance with a 2015 nuclear agreement, though senior U.S. officials have criticized Mr. Zarif as a frontman for the theocratic leadership.

Secretary of State Mike Pompeo said Mr. Zarif was sanctioned due to his position as "a key enabler" of the policies of Ayatollah Ali Khamenei, the Iranian government's supreme leader.

"The United States is sending a clear message to the Iranian regime that its recent behavior is completely unacceptable," Treasury Secretary Steven Mnuchin said in a statement accompanying the designation.

Moments after the announcement, Mr. Zarif fired back. "Is the truth really that painful?" he asked via his official Twitter feed. "Thank you for considering me such a huge threat to your agenda."

Mr. Zarif said the sanctions would have no effect on him because he has no assets outside Iran.

But U.S. analysts said the action against the foreign minister could complicate Iran's ability to negotiate with the West with its top diplomat entangled by the sanctions.

While the Zarif sanctions send a pointed message, the Trump administration may temper the action. The State Department is due to decide by Thursday whether to reissue special sanctions waivers allowing three Iranian civilian nuclear projects that depend on international cooperation to continue without penalty.

The administration in May approved waivers lasting 90 days, a small diplomatic overture to Iran amid elevated tensions.

During an interview on Fox

> The action follows Tehran's missile test and attacks on a British oil tanker.

Business Network Wednesday night, Mr. Bolton confirmed that the Trump administration has decided to waive the nuclear-related sanctions for another 90 days.

"The idea here is we are watching those nuclear activities very, very closely," Mr. Bolton said.

The waivers allow international cooperation to proceed on several civil nuclear projects in the country such as work by the Chinese to convert Iran's heavy water reactor at Arak so it is less of a proliferation risk.

The State Department will evaluate Mr. Zarif's travel to the United Nations—considered international territory—on a "case-by-case basis," a senior administration official said. The official added that "eligible officials will be immune from arrest" when dealing with Mr. Zarif, but that also will be evaluated.

Mr. Pompeo said the U.S. was still seeking a diplomatic resolution to the conflicts with Iran, via "a comprehensive deal that addresses the full range of [Iranian] threats. Until then, our campaign of diplomatic isolation and maximum economic pressure will continue."

The U.S. last year pulled out of the 2015 nuclear agreement, saying the deal didn't do enough to prevent Iran from developing weapons.

The White House then reimposed economywide sanctions in an effort to pressure Tehran into signing a new deal that also curbs its interventions in regional conflicts.

Washington's European allies opposed the decision and subsequent Trump administration threats to punish European companies, officials and institutions for violating U.S. sanctions added to trans-Atlantic frictions.

Targeting Mr. Zarif is likely to exacerbate those tensions, as Europe has been negotiating with Iran's top diplomat about Tehran's decision to accelerate nuclear enrichment.

—Courtney McBride and Michael R. Gordon contributed to this article.

Beijing Tactic Of Waiting Slows Progress

By Chao Deng

SHANGHAI—Plodding progress in trade negotiations between the U.S. and China this week is partly the result of a new tactic from Beijing, which increasingly thinks waiting may produce a more-favorable agreement.

U.S. and Chinese trade negotiators held four hours of talks Wednesday, after a dinner the night before, and then wrapped up their first face-to-face meeting since negotiations foundered more than two months ago.

Both sides described the talks as constructive and said the next round will be held in September.

In traveling to Shanghai, the U.S. team, led by Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin, was hoping the Chinese side would commit to purchasing a defined quantity of American agricultural goods, people following the talks said.

The White House later said China confirmed its agriculture-purchase commitment but didn't provide specifics. China's Commerce Ministry said the two sides discussed the need for the U.S. to "create favorable conditions" for such procurement.

Beijing, while wanting to appear willing to negotiate, thinks it can extract better terms by not hurrying into concessions, say Chinese experts and people briefed on the talks.

'China can take it easy and wait patiently,' said a Chinese researcher.

The yearlong trade dispute—with punitive tariffs slapped on hundreds of billions of dollars in goods—has exacerbated a slowdown in China's economic growth. But many Chinese policy makers believe the economy is bottoming out, the experts and others said.

They said a protracted dispute is likely to prove a headache for President Trump, as tariffs pinch U.S. farmers and consumers in the run-up to the presidential vote.

"China can take it easy and wait patiently," said Mei Xinyu, a researcher at a think tank under China's Commerce Ministry. China's economy is recovering, he said, while the U.S.'s is likely to slow. "The impact of the trade war falls in the early stage on China's economy but in a later stage for the U.S. economy," he said.

President Trump, in comments in Washington on Tuesday, noted that China's economy "is doing very badly" and suggested Beijing might delay negotiations until next year's election to see if he loses.

"The problem with them waiting, however, is that if & when I win, the deal that they get will be much tougher than what we are negotiating now," he said in a tweet.

Agricultural purchases were supposed to be a good will measure in restarting the negotiations. Mr. Trump has said Chinese President Xi Jinping promised them when the two leaders met a month ago and agreed to resume negotiations, which had broken down over U.S. demands for changes to Chinese policies and laws seen as unfair to American companies.

Beijing is likely holding out on buying large amounts of U.S. farm goods while waiting for concessions from the U.S. side, the people following the talks said. Key among those is relaxing the blacklisting of Chinese telecommunications gear-maker Huawei Technologies Co., blocking its access to U.S. technology.

Mr. Trump had previously said U.S. companies would be allowed to resume sales to Huawei as part of his agreement with Mr. Xi.

"The entity list isn't something that can be done at the snap of a finger," said Cari N. Stinebower, a trade lawyer at Winston & Strawn in Washington.

Since negotiations faltered in May, Chinese officials have said that for any eventual trade deal, the U.S. must be reasonable about the amount of goods China can purchase and must remove all the tariffs placed on Chinese exports in the dispute.

China's greater patience over a deal contrasts with Beijing's attitude late last year, when a precipitous slowdown in the economy unnerved Mr. Xi and his top officials, driving them to the negotiating table.

In recent months, economists and other analysts, at the behest of the government, have been touring the provinces and poring over data to assess whether the domestic economy can withstand the protracted impact of punitive tariffs by the U.S., according to people briefed on the matter. One issue being examined is the potential impact of U.S. companies moving supply chains out of China.

Officials have said publicly that they have enough policy tools to keep growth stable and achieve the government's target of between 6% and 6.5% this year. At a key economic policy meeting Tuesday, the Communist Party's Politburo said that authorities will boost measures to tackle "new challenges" in the economy.

Top leaders also urged financial institutions to provide longer-term funding to manufacturers to help stabilize investment. An official gauge of activity in China's manufacturing sector picked up in July, though it remained in contractionary territory as it has been for much of the year.

Some economists believe China's economic slowdown will worsen in coming months, as domestic demand, particularly from private companies, remains weak.

Others expect Beijing to ratchet up spending and take other measures to support growth and employment ahead of the 70th anniversary of Communist Party rule on Oct. 1.

Despite the uptick in July, economist Larry Hu at Macquarie Group said, "The Chinese economy is still in the middle of a downturn cycle. The worst hasn't come yet."

Employment is a high priority for the leadership, with factories shedding workers in response to the domestic slowdown, a drop-off in global demand and the tariffs. Some five million Chinese workers have lost their jobs since last July, with as many as 1.9 million due to the tariffs, according to an estimate by securities firm China International Capital Corp. That report covered data through May, before the U.S. increased tariffs on $200 billion in Chinese goods to 25% from 10%.

With tariffs imposed by both sides affecting businesses in both countries, the two governments are likely to reach a trade agreement at some point, business executives said. "It's not in their interest to have this confrontational relationship go on too long," said Eric Zheng, chairman of the American Chamber of Commerce in Shanghai. "Both sides are hurting, and it's not sustainable."

—Josh Zumbrun, Lingling Wei, Zhou Wei and Liyan Qi contributed to this article.

NG HAN GUAN/PRESS POOL/REUTERS

Treasury Secretary Steven Mnuchin, left, and Trade Representative Robert Lighthizer chat with Chinese Vice Premier Liu He.

U.S. Officials Told to Go Easy On China Over Hong Kong

By Vivian Salama

WASHINGTON—The Trump administration offered guidance to officials to maintain a measured response to antigovernment protests in Hong Kong over fears that any public statements favoring demonstrators would derail U.S. efforts to get a trade deal with China.

As hundreds of thousands of protesters began taking to the streets of Hong Kong starting in June, administration officials were working to revive their collapsed trade talks with Beijing. Hong Kong is facing its worst political turmoil since the former British colony was returned to Chinese rule in 1997, with marches drawing massive crowds initially demanding a full withdrawal of a controversial extradition bill.

"It was made clear down the chain that we need to be measured on Hong Kong," one administration official said, noting that the guidance came from "the top" over concern that fragile talks with China might be jeopardized by any outward show of support for the protests.

Negotiators resumed trade talks Wednesday, with China agreeing to increase its purchases of U.S. agricultural exports, a key demand by Washington. Both sides described the negotiations as constructive and said the next round will be held in September.

The protests weren't the first time the administration moved to ease its stance toward Beijing. In June, Vice President Mike Pence canceled a speech on China ahead of President Trump's planned meeting with his Chinese counterpart Xi Jinping at a G-20 summit. The policy address in part had been expected to touch on human-rights violations by Beijing, and was postponed indefinitely amid "positive signs" regarding trade talks with China, according to a senior administration official.

The White House and National Security Council didn't immediately respond to a request for comment.

The actions reflect the administration's foreign-policy moves that prioritize Mr. Trump's interest in safeguarding relationships where he sees opportunity for economic or political gain, sometimes going against the will of allies and even lawmakers within his own Republican Party.

Last week, even as North Korea fired two short-range missiles off its east coast, an official from the National Security Council, who was traveling in the region for unrelated meetings, visited the demilitarized zone between North and South Korea to personally deliver photographs promised by Mr. Trump to North Korean leader Kim Jong Un from their recent impromptu meeting, according to another senior administration official.

Following the tests, Mr. Trump told Fox News last week that "they really haven't tested any missiles, you know, other than smaller ones, which is something lots test."

During the brief Korean DMZ encounter, a North Korean official informed the American official, who couldn't be identified for security reasons, that talks would begin soon, according to the senior administration official.

Similarly, Mr. Trump is treading softly on the question of sanctions on Turkey after Ankara's recent decision to buy a Russian air-defense system, a move that prompted Washington to withhold sales of Lockheed Martin Corp.'s advanced F-35 stealth jet fighters to the country.

JEROME FAVRE/EPA/SHUTTERSTOCK

Hong Kong is facing its worst turmoil since the former British colony was returned to Chinese rule.

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Moscow Goes After American

Continued from Page One

house arrest in Moscow, appears to have snuffed out the remaining prospects for Western private equity in Russia by jailing its last prominent cheerleader. Russia watchers say it also signals that Mr. Putin, after nearly 20 years in power, cares little about the foreign investment he once courted.

One-time Finance Minister Alexei Kudrin, who has advised Mr. Putin since before he was president, told an economic forum in St. Petersburg June that Mr. Calvey's arrest was a "shock to the economy" and caused a surge in capital flight from the country.

For several years, Mr. Calvey, the son of an Oklahoma oil-field engineer, had been a lonely voice arguing that the West misunderstood Russia, and that corporate governance nightmares described by other investors were exaggerated.

Buying into Russian companies long before most investors arrived, and staying long after most left through his Baring Vostok Capital Partners investment fund, he became a confidant of Western-leaning economic reformers who were once close to Mr. Putin.

Mr. Calvey was "the last man standing," said Patricia Cloherty, who decided to pull her Delta Private Equity Partners fund companies out of the Russian market beginning in 2013, when Mr. Putin was ramping up anti-Western rhetoric.

The warning signs didn't deter Mr. Calvey, who grew up during the booms and busts of the oil business in Oklahoma. The University of Oklahoma graduate told friends he was drawn to Russia after taking a European backpacking trip in 1989, just as revolutions were toppling the continent's communist governments.

Admitted to Harvard Business School, he decided instead to join the newly created European Bank for Reconstruction and Development, which sent him to Moscow to work on oil-and-gas projects. He was soon rubbing elbows with future tycoons, some of whom he invited to join Baring Vostok, which he founded in 1994.

The group raised $3.7 billion in all and snapped up stakes in fledgling companies that would later be worth billions, including Yandex, Russia's biggest internet search engine, and Vimpel-Com, the world's 11th-largest mobile operator. His funds rode out two financial blowouts in Russia in 1998 and 2008 and fought off challenges from powerful Russian oligarchs.

After marrying his Russian wife, Yulia, he bought a summer house in New Mexico so his three children could spend more time with his Oklahoma relatives. He later relocated to the London suburb of Surrey so his children could be educated in British schools.

The house he bought, once owned by British novelist Ken Follett, featured an orchard of fruit trees and gardens reminiscent of an upscale Russian summer house, or dacha.

Mr. Calvey's current troubles had their roots in 2014, when the Kremlin seized the Crimean peninsula from Ukraine and Western sanctions hit Russia's already battered banking sector. Mr. Calvey's investment group, which had paid $200 million for a minority stake in Vostochny Bank years earlier, had to cough up another $120 million to keep it afloat.

To reduce its risk, Mr. Calvey's group sought a partner for Vostochny Bank. One candidate was Mr. Avetisyan, who owned a midsize corporate bank, Uniastrum. Mr. Avetisyan also had some powerful connections and appeared to be the sort of businessman poised to succeed in Russia. He was a confidant of Mr. Putin's economic adviser, Andrey Belousov, and in 2016, the year of the merger, Mr. Avetisyan's investment-boosting Club of Leaders drew federal officials and important state bureaucrats to its meetings, including Mr. Putin himself.

Mr. Avetisyan also had formed relationships with the children of some of Russia's most powerful officials, including the son of the chief of the top domestic intelligence agency, the Federal Security Service, or FSB, the successor to the KGB.

In August 2016, Mr. Calvey and Mr. Avetisyan met for lunch on the veranda of the Madame Wong restaurant in central Moscow and put the final touches on the deal, a Baring Vostok official said. In exchange for cash and for merging Uniastrum into Vostochny Bank, Mr. Avetisyan would get 40% of the new bank, and an option to later buy another 10% stake that would give him control.

Mr. Avetisyan declined to be interviewed for this article. Earlier this year he told Russian state television that his business conflict with Mr. Calvey was totally unrelated to the criminal case. His longtime business partner, Sherzod Yusupov, said that gaining control of the bank was crucial because Mr. Avetisyan wanted to create a "super bank" that would serve small and medium-size businesses in Russia.

Within a few months, Baring Vostok officials said they began getting reports that commercial loans inherited from Mr. Avetisyan's bank were falling behind on payments. Ivan Zyuzin, an investment professional at Baring Vostok, investigated and discovered that just before the merger, Mr. Avetisyan's bank extended new credit to companies owned by friends of Mr. Avetisyan.

Today, Mr. Avetisyan's colleague, Mr. Yusupov, says there was nothing improper about the loans, which he said involved "very valuable companies." He said those companies fell into arrears on their debts only because staff at the merged bank mismanaged their loan portfolios, something Baring Vostok disputes.

As Vostochny Bank's nonperforming loans grew, alarms

FROM TOP: TATYANA MAKEYEVA/REUTERS; MIKHAIL METZEL/TASS/ZUMA PRESS

U.S. investor Michael Calvey wound up in a Moscow defendants' cage, above, after tangling with well-connected Russian business partner Artyom Avetisyan, shown with Vladimir Putin.

sounded in the central bank, where Elvira Nabiullina was making her name as a no-nonsense boss intent on cleaning up Russia's banking sector.

In early 2018, the central bank began to threaten revocation of Vostochny's license if it didn't raise its capital to shore up its portfolio and sent dozens of auditors to inspect the banks' corporate loans one by one, a Baring Vostok official said.

The audit, made public later in 2018, confirmed suspicions of Baring Vostok officials about the extent of Uniastrum's activities before the merger. Between June and August of 2016, the number of loans skyrocketed, putting 55% of Uniastrum's corporate loan portfolio essentially in the hands of two men.

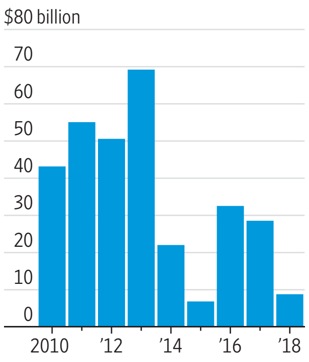
One of them, Vyacheslav Zykov, a longtime friend of Mr. Avetisyan and a co-owner of the Mr. Avetisyan's Club of Leaders, held 15 billion rubles, or 40% of the bank's corporate loans. Mr. Zykov didn't respond to questions about the loans.

The audit also tracked several financial transactions in which the bank bought shares in the companies. On one day in 2016, money for more than 10 different companies was transferred from Uniastrum to a Frankfurt-based Deutsche Bank account owned by a company that would later be bought by Mr. Avetisyan.

Turning Off the Tap

Since Russia's 2014 invasion of Ukraine, inbound investment has slowed to a trickle.

Foreign direct investment in Russia



Source: Central Bank of Russia

According to a Baring Vostok official who investigated the matter, Uniastrum paid $25 million to Mr. Avetisyan's offshore company in the spring of 2016 for a company that had been purchased a few weeks earlier for less than $100,000—a payment that he said had been concealed from Baring Vostok before the merger.

The central bank audit concluded that the transactions "may indicate the stripping of assets from Uniastrum Bank." Mr. Yusupov said they had objected to the central bank's interpretation.

Mr. Calvey and his team had decided their option to give Mr. Avetisyan a controlling stake in the bank needed to be annulled due to what they considered to be fraud in the merger, said Ekaterina Lukyanova, a partner at Baring Vostok.

"Once we saw how they ran their bank, Baring knew it didn't want to be a minority shareholder in anything they were managing," Ms. Lukyanova said.

Mr. Yusupov said Mr. Calvey merely changed his mind about giving up control of the bank, which was starting to become profitable. Mr. Calvey's demands, he said, were some of many "blackmail attempts" to get more financial concessions from Mr. Avetisyan's group.

Baring Vostok disputes that. Mr. Avetisyan sent a series of WhatsApp messages asking Mr. Calvey to give him the controlling stake. Instead, Baring Vostok sued in arbitration court in London for 17.5 billion rubles, or around $276 million, seeking compensation for the transactions made by Uniastrum before the merger. Mr. Avetisyan's group is contesting the allegations.

Messrs. Avetisyan and Yusupov in turn accused Mr. Calvey of financial impropriety, bringing up a transaction Mr. Calvey made at the time of the merger to cover a 2.5 billion ruble hole in Vostochny Bank's balance sheet. A company controlled by Mr. Calvey paid off a debt to Vostochny Bank by transferring a 59.9% share of Luxembourg-based International Financial Technology Group. At the time both parties accepted the transaction to get the merger done, according to documents viewed by The Wall Street Journal.

The two Russian businessmen revisited the loan, pointing to the IFTG's charter that said the shares could only be worth 600,000 rubles, a fraction of the hole Vostochny Bank was trying to cover. In response, IFTG updated its charter to allow for a market price, and Mr. Calvey hoped the issue was behind them.

Unknown to them, however, Mr. Avetisyan's longtime business partner, Mr. Yusupov, was already reporting to Moscow police about the IFTG shares, portraying them as alleged fraud.

While the partners squabbled, Mr. Calvey thought his position was unassailable. He had been through disputes with competitors and shareholders and come out on top. High-level friends were on his side, and central bank auditors had just published their 17-volume report on Vostochny Bank, siding with Mr. Calvey's version of events.

In October, Messrs. Calvey and Avetisyan agreed on the outlines of a peace agreement in which they would drop claims against one another and promised to pump another five billion rubles into the bank.

The peace was short-lived. Mr. Yusupov accused Mr. Calvey of undermining Mr. Avetisyan's efforts to raise money by badmouthing him to other bankers in Moscow, denting his efforts to sell another bank he owned.

In February of this year, after months in which the two men hadn't met face-to-face, Mr. Avetisyan was giving signals he wanted to talk, a Baring Vostok official said. The two businessmen, together with Mr. Yusupov, planned a dinner for Feb. 14 in Moscow.

Mr. Yusupov, meanwhile, had gone further with his fraud allegations, which had failed to gain traction with the police. Mr. Yusopov referred the matter to Russia's FSB, he said.

Mr. Calvey flew to Moscow on Feb. 11 for the planned dinner. Three days later he was awakened at his apartment by police, placed in handcuffs and taken to Moscow's Matrosskaya Tishina prison.

Since his detention, Mr. Calvey has been transferred to house arrest—he owns a spacious penthouse apartment with a terrace that looks out to the Bolshoi Theater—but is barred from making public statements.

A Russian court forced Baring Vostok to sell Mr. Avetisyan the additional 10% share, giving the businessman control of the bank, where he has created a new board.

Mr. Calvey's first words in his defense were from a witness cage in the courtroom on Feb. 15, where he told a judge, "I believe in the effectiveness of the Russian judicial system," adding, "I am willing to cooperate and am not going to hide from the investigation."

All France Is On the Move

Continued from Page One

cross in front of each other.

Last year, the dance generated 438 miles of traffic jams at its peak, according to government figures. This year, officials have raised the traffic rating for Saturday to "black"—the most dire level—for the entire country.

RICHARD KRUEL

PHILIPPE DESMAZES/AGENCE FRANCE-PRESSE/GETTY IMAGES

Juillettiste **Richard Kruel lounges on a rock in Brittany, left. Right, what happened last year in southeastern France during the first major weekend of French vacations.**

Charlotte Arnault, a retirement-home nurse, was at the Gare de Lyon station in Paris last weekend, waiting for a train to Cannes. Her family has given up on driving there after getting caught in four hours of traffic en route to the Riviera town. "It was awful," the *aoûtienne* says.

Few countries take their vacations more seriously than France, and few have more of it. Employees have a legal minimum of five weeks a year, plus as many as 11 national holidays, and many office workers get an extra week or two off as compensation for working more than the country's legal maximum of 35 hours a week.

"Vacation in France," said Jean Viard, a sociologist at Paris's Sciences Po university, "has taken the place of the great religious rites."

This rite dates back to 1936. Mass strikes and factory occupations propelled a left-wing coalition into power, and they promptly established a right to paid vacation. "Victory Over Misery!" blared the front page of Le Peuple, a union newspaper.

Factories began to close in August, spawning a generation of working-class vacationers who flocked to the shore. Richer people and professionals not tied to manufacturing often headed to the mountains or abroad earlier in the summer, says Pierre Périer, a sociologist at the University of Rennes, who generally prefers to take his vacation in July.

"I'm pretty much in conformity with my social group," Mr. Périer added.

Juillettistes consider themselves free-spirited, preferring exotic destinations such as Bangkok. They return to work in early August, when most offices are deserted, which the August vacationers say allows the July crowd to slack off for an additional month.

The goal, says Richard Kruel, a mathematics student in Paris who is a *juillettiste*, is to vacation until "you're a bit sick of it."

And avoiding the crowds is a plus. Sylvie Siano, a nurse who claims to have never taken a vacation in August, says *juillettistes* are "just looking more for tranquility."

But *aoûtiens* say they are more in tune with the rhythms of French life. David Achille, distribution director for sports newspaper L'Equipe, says working through the August doldrums is simply too eerie. "You call, no one answers. You send an email, no one answers," Mr. Achille says. "The average Frenchman is, I think by nature, an *aoûtien*."

Government statistics are on Mr. Achille's side. In 2010, half of all salaried employees in France were on vacation each of the first three weeks of August, compared with a quarter in each of the last three weeks of July, according to national statistics agency Insee.

To track the vacation herds, the government created Bison Futé, or Clever Buffalo, a special agency that issues traffic warnings and tallies the miles of jams. It launched in 1976, after public outcry over the chassé-croisé of 1975 produced 372 miles of *bouchons*, or traffic jams, and led to 1.2 million hours lost sitting in traffic, according to one calculation.

Juillettistes are beginning to trickle back into the office, tanned and well-rested, as their colleagues prepared to face the summer gridlock.

"When you come back in August, you still have the impression of being on vacation," said Carole Ekizian, a documentary film production assistant who spent July lounging near Saint-Tropez.

In Paris, throngs of *aoûtiens* were already flocking to train stations. At Gare de Lyon, where trains depart for southern France's beaches and Mediterranean countryside, many people sat on suitcases.

Toting surfboards, tennis gear and pets, they turned to red-jacketed attendants on hand to direct the crowd as staffers passed out bags with activities and snacks to keep children occupied.

Tom Lefèvre, an *aoûtien*, recalled a traffic jam from a few years ago, when his family's Audi took three hours to drive 60 miles on the trip back to Paris. "We were completely stuck," he said, "bickering for the whole journey."

City Schools Adopt New Cultural Focus

Plan aims to create more diverse learning environment; critics say it ignores basics

By Leslie Brody

New York City formally adopted Wednesday a policy of "culturally responsive-sustaining education," which has set off a debate about what should be taught in public schools, and how.

For some parents, Chancellor Richard Carranza's push for more curriculum honoring diverse students' experiences is a welcome step toward inclusion.

For others, his policy marks another example of how his intense focus on race, class and equity can distract from the urgent need to teach basic math, reading and science.

The city's Panel for Educational Policy, a group of mostly mayoral appointees, voted unanimously to approve the chancellor's call for schools to embrace "culturally responsive" education. Eleven members voted yes and two weren't present.

Mr. Carranza has argued for desegregating schools and fighting bias. The vote comes after months of conflict about admissions to eight specialized public high schools. The chancellor is lobbying state lawmakers to scrap the entrance test to better integrate them. Defenders of the test say the chancellor's rhetoric has pitted parents from different backgrounds against each other.

About 100 parents showed up at an often raucous meeting Wednesday in Chinatown, with supporters waving signs saying "My culture matters" and "CRSE 4 NYC." Critics of the chancellor, including many Asian parents, held signs saying "Fire Carranza." At one point the crowd burst into competing chants.

Chinese parents were upset and insulted to find there was a Spanish translator but no Chinese translator, which they said showed the department didn't care about their voices. The department scrambled to find one, delaying the meeting by two hours. A spokeswoman said the agency was investigating what happened.

The one-page definition of "culturally responsive" education says students' varied perspectives—whether tied to nationality, religion, race or other backgrounds—should be seen as essential assets. It also requires schools to "foster critical consciousness about historical and contemporary forms of bias and oppression."

Some parents and teachers applaud this effort, saying students learn critical thinking by exploring biases and reading diverse authors who may not be

Educators must 'foster critical consciousness' about forms of bias.

mainstream choices. But others express concern about the chancellor's priorities for a sprawling system for 1.1 million students, where most children can't read or do math on grade level.

"The ideas that undergird this proposal are sometimes offered in lieu of academic solutions and helping kids do better in core subjects," said Maud Maron, president of the Community Education Council for District 2 in Manhattan, who is running for City Council.

"Of course you should see books that reflect your family of origin, race and gender, but that doesn't help you learn to read if nobody is helping you learn to read."

A report from the NYC Coalition for Educational Justice, which advocates for culturally responsive education, found that while 67% of the city's public-school students are black or Latino, about 84% of authors of commonly used books in elementary schools are white.

Robert Osborne, a Manhattan parent at the meeting, said his son is mixed-race and it was "important for him to read books about people who look and sound like him. To not hear that means he only hears from the dominant culture."

For decades, schools nationwide have sought to get students excited about learning through lessons that reflect their own lives. Even so, families and teachers have long been unclear on exactly what culturally responsive education means.

Department of Education officials say it means high expectations for all, and making schoolwork relatable, such as explaining velocity to city children through examples of subways rather than sailboats.

"Research shows that when students see themselves and their peers reflected in the books they read and the lessons they learn, academic outcomes improve," said Linda Chen, the city's chief academic officer.

Queens DA Rivals Clash in Court

By Alexis Gravely

The campaigns for two opponents in the Democratic primary for Queens district attorney squared off in court Wednesday, arguing about the New York City Board of Elections' ruling on 144 ballots cast in the contest.

The board on Monday officially certified Queens Borough President Melinda Katz as the winner of the June 25 primary, with her defeating Tiffany Cabán by 60 votes. The declaration came after a manual recount of more than 91,000 ballots cast in the race.

Jerry Goldfeder, the attorney for Ms. Cabán's campaign, said in Queens County Supreme Court on Wednesday that the board wrongly invalidated 21 votes cast for Ms. Cabán, and that 21 votes cast for Ms. Katz should have been tossed.

Mr. Goldfeder said a judge should reinstate at least 68 affidavit ballots that the board invalidated because they were missing the voter's party affiliation. He called for the reinstatement of 22 other ballots that were invalidated because the voter went to the incorrect polling location. And he said 12 votes should be reinstated after they were deemed invalid because the board incorrectly determined the voter wasn't registered.

Ms. Cabán's legal team said ministerial errors by the board's personnel led to the invalidated ballots. Witnesses were available to testify that poll workers didn't direct some voters to the correct polling sites and that they didn't do their job ensuring that all parts of a ballot were filled out, Mr. Goldfeder said.

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

Attorneys for Ms. Katz and the board said in court Wednesday that the case should be dismissed because Ms. Cabán's campaign missed the deadline to raise objections to the ballots, which they say should have occurred before the count was certified.

Gerard Sweeney, an attorney for Ms. Katz, said Mr. Goldfeder should be familiar with the election law because he wrote a book about it. "They lost the election fair and square, and they come back to the court to raise phony objections," Mr. Sweeney said.

Ms. Katz's campaign said Ms. Cabán's legal team is cherry-picking witnesses with invalidated ballots based on who the witnesses voted for and it has yet to provide a list of all the ballots they are objecting to.

Judge John Ingram said he would review 28 affidavit ballots that were submitted by Ms. Cabán's campaign in early July.

Bill Would Make Dousing A Police Officer a Felony

By Ben Chapman

New York state Republican lawmakers unveiled a bill Wednesday that would make throwing water on police officers a felony punishable by up to four years in prison.

State Assemblyman Michael Reilly, who is from Staten Island and a co-sponsor of the legislation, said the police soakings should be stopped before someone gets hurt.

"It's only a matter of time until we see that someone is throwing something more that water," said Mr. Reilly, who is a former New York Police Department officer.

The proposed measure was announced a day after NYPD officials launched a probe into the July 24 dousing of two officers in Queens. The NYPD already had been investigating the dousing of two officers in Brooklyn on July 20 and one in Harlem on July 21.

Investigators arrested one man in the July 20 incident. Courtney Thompson pleaded not guilty, according to his attorney, Douglas Rankin. Mr. Thompson comes from a law-enforcement family and was engaged in a playful interaction with the officers, Mr. Rankin said.

Videos of the two earlier incidents were shared widely on social media, prompting an outcry from politicians and the local police union.

Assembly Speaker Carl Heastie, who leads the Democratic-controlled chamber, didn't respond to a request for comment.

Assemblyman Joseph Lentol, a Brooklyn Democrat who runs the chamber's codes committee, which oversees most criminal-justice legislation, said he supports police officers but was critical of the bill. "Creating felonies will not correct the damaged relationship that exists between police and the communities they serve," he said.

An NYPD spokeswoman said the department would review the measure.

MARK KAUZLARICH FOR THE WALL STREET JOURNAL

A list shows that the MTA recommends adding elevators or ramps at 49 subway stations and on the Staten Island Railway.

MTA Stalls Release of Project List

By Paul Berger

New York's Metropolitan Transportation Authority is sitting on a list of dozens of subway stations officials want to make wheelchair accessible, even as disability-rights advocates demand its release, according to an MTA official.

The holdup has come from New York Gov. Andrew Cuomo's administration, the official said. "It's so frustrating," said the official. "We've had this list finalized for months but we've not been allowed to release it."

A review of the list by The Wall Street Journal shows that the MTA recommends adding elevators or ramps at 49 stations across four boroughs and on the Staten Island Railway.

The official said that New York City is supposed to select the 50th station, though city officials said Wednesday that the stations are solely determined by the MTA.

A spokesman for Mr. Cuomo said accessibility upgrades will be included in the MTA's next five-year spending plan, which runs from 2020 to 2024. The state-controlled authority runs the city's subway and buses, two commuter railroads and nine bridges and tunnels. Mr. Cuomo's spokesman said this year's state budget mandated that the spending plan be reviewed and audited before its release

"This process is currently under way and the MTA will make their list available at the appropriate time following the completion of the capital plan review," the spokesman said.

"Despite what sources may say, this list won't be final until its incorporation into the capital plan, which is not due for several months," an MTA spokesman said.

About one-quarter of the MTA's 472 subway stations are accessible. Several disability-rights groups have sued the MTA in state and federal courts over issues ranging from poor maintenance of elevators to failing to add elevators during station renovations.

In 2018, the authority's head of subway and bus systems, Andy Byford, announced the aim of making 50 further stations accessible during the next five years. The goal was to place riders no more than two stops from an accessible station. MTA officials consulted advocates and considered factors such as proximity to senior centers and hospitals to decide which stations to target, Mr. Byford has said.

But subway officials missed their self-imposed deadline of releasing the list of 50 stations at the end of June 2019.

At a July 24 MTA board meeting, more than a dozen disability advocates addressed officials about the subway system's lack of elevators. And they brought along a life-size cutout of Mr. Cuomo, a Democrat, to address some of their concerns directly to the governor.

Colin Wright, a senior advocacy associate at TransitCenter, said in an interview that advocates fear that by missing the June deadline, the MTA's commitment to accessibility is wavering. "I think that the cardboard cutout is a really effective tactic to remind people who ultimately controls the subway system and who ultimately has the power to fix accessibility," said Mr. Wright.

After the advocates spoke, Larry Schwartz, an MTA board member appointed by Mr. Cuomo, said he wants to accelerate elevator projects. Mr. Schwartz said he believes that some accessibility work could be incorporated into the MTA's current five-year spending plan, which ends in 2019, using unspent funds from delayed projects.

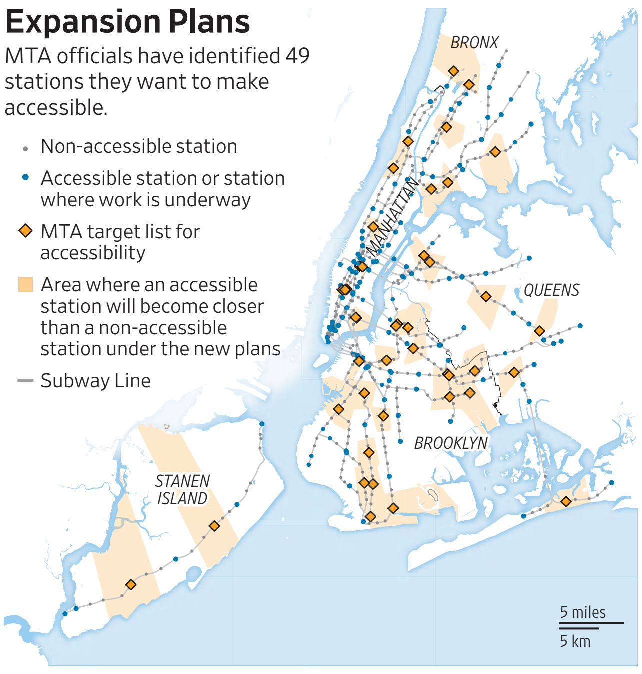
Asked about the MTA's 50-station list after the meeting, Mr. Byford said the authority is "running final checks" on it.

MTA Chairman Patrick Foye said the list is almost complete and would be released shortly.

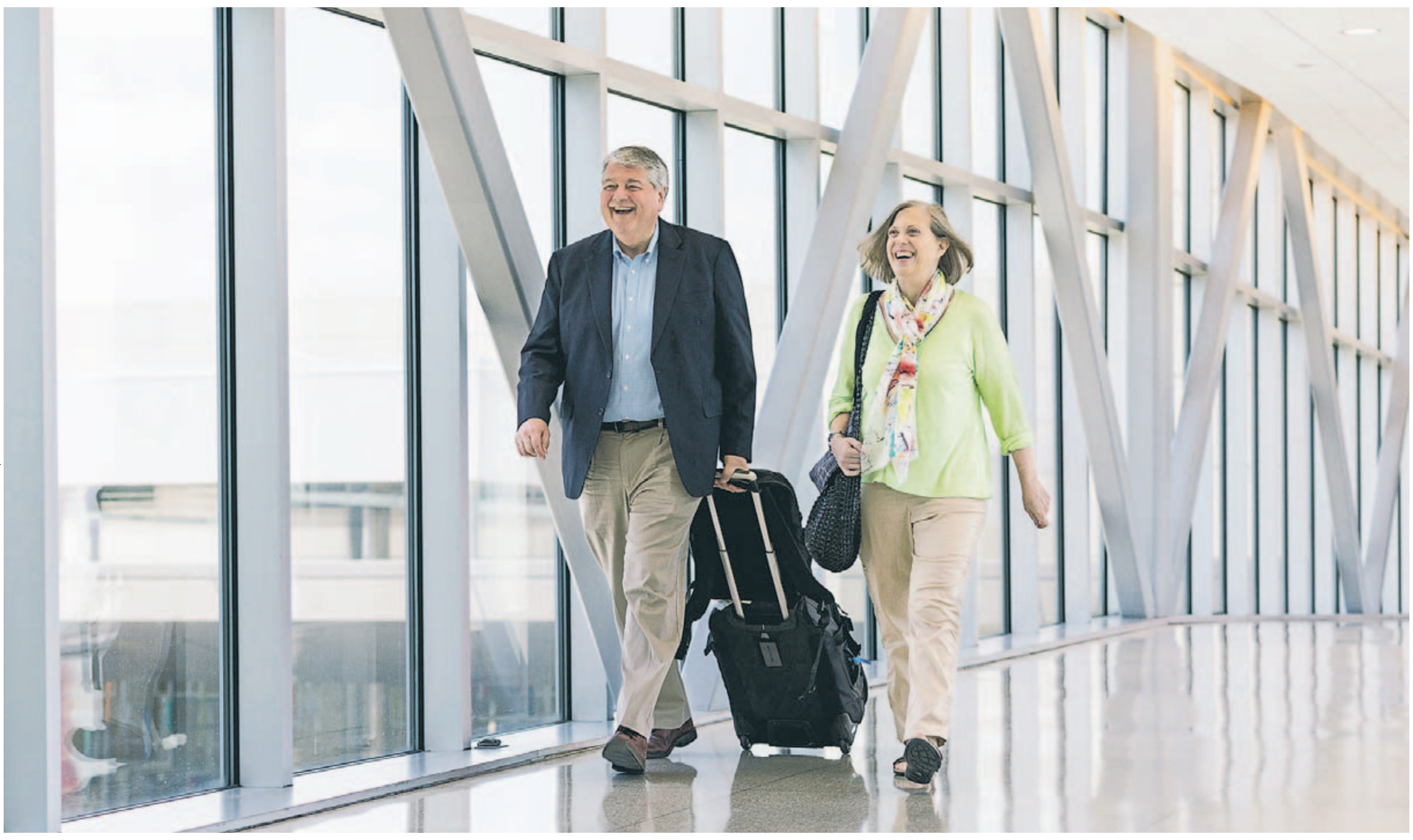
Mr. Wright said Wednesday that he looks forward to seeing the list incorporated into the authority's spending programs for New York City Transit, which operates the subway. "Before we have a firm commitment from New York City Transit to make the 50 stations a reality, nothing is guaranteed," he said.

Expansion Plans

MTA officials have identified 49 stations they want to make accessible.



Sources: MTA, NYCOpenData (subway stations, lines)



FROM TOP: JUSTIN CLEMONS FOR THE WALL STREET JOURNAL; KAREN BLUMENTHAL

The author and Scott McCartney take a stroll at Dallas Love Field, left. He favors exit-row seats for the extra legroom, below.

THE REAL MIDDLE SEAT

I Married The Middle Seat

A guest columnist—who's also the regular columnist's wife—ponders his obsession with air travel

By Karen Blumenthal

He travels with a tape measure for recording seat size and legroom. He has a freakish attachment to hotel-branded pens.

And he hasn't simply read airlines' contract of carriage, which is part of each ticket you buy. He's committed some parts to memory.

He's Scott McCartney, your Middle Seat columnist, the one who brings you weekly guidance on surviving the challenges of modern travel and getting the most out of your flying and hotel experiences. Traveling with him is, well, like arguing about basketball with Charles Barkley. As Mrs. Middle Seat, I know.

Consider that contract of carriage. Woe to the gate agent who denies him a hotel room when the evening plane is canceled for mechanical reasons. Or to the airline employee who decided his world-traveler roller bag was suddenly too big. Or to the flight attendant who confiscated our unopened wa-

ter—purchased inside security—just before a 12-hour flight.

He stews. He steams up. He cites the rules, chapter and verse. They don't know him—federal regulations require that he use his first name, which is not Scott. So to the folks on the other side, he's just another irate know-it-all.

My job: Remind him that he has a power greater than indignation.

"Don't argue," I tell him. "Just write about it."

And for your sake, he usually does.

Most of us see the frustrations that go with travel as the price we pay to get somewhere else. I personally dislike airports. The noise! The crowds! The $4 water!

But Mr. Middle Seat adores them the way some people adore golf courses. He's seen the baggage conveyors, the VIP rooms, the chapels and the control towers. On many business trips, he never leaves the airport grounds, doing his interviews in the air and in the terminal, staying at the airport hotel and then flying somewhere else to do it all over again.

The more dysfunctional and chaotic the place, the more he loves it. Los Angeles International and LaGuardia are at the top of his list.

Honestly, this worries me.

Since he knows the best places, he often wants to go early or stop for food after the flight when we travel. One day, walking to a gate in Dallas, he gazed at a row of Whataburger, Chick-fil-A and local pizzeria Campisi's.

"I want my last meal to be at Love Field," he said wistfully.

(Seriously, doesn't that make you worry, too?)

When our daughters were in college, he hounded them over the weight of their luggage, unwilling to pay extra for any additional pounds when they returned to their distant schools after long breaks. We tried

Don't get him started on a piece of luggage that exceeds an airline's weight requirements.

different scales, rearranging bags. The hours leading up to the flight became fraught and stressful.

Finally, we resolved it with the best Father's Day present ever, a hand-held device for weighing bags.

Some of his tips and tricks are useful. He has an almost encyclopedic knowledge of each airline's routes and schedules. If a family member or colleague's flight is canceled, he'll know several possible ways to get home. (One of them always seems to go through Charlotte.)

He serves as the family travel agent, offering up lists of agenda options. And he's deft at the frequent-flier and credit-card games, which means that we can go on trips we couldn't otherwise take or stay at nicer hotels than we can afford.

(On the other hand, all the miles and points are in his name. I am only somewhat resentful.)

When we get to where we're going, he's more than gracious in letting me drag him to places I want to go. Still, many of his rules of the road are annoying. He advises travelers to open their air vents all the way to blast away germs that might make you sick. But too often, airplanes are crazy cold and the blowers make it worse. I turn off the air above me. He turns his on. Before long, I'm a shivering human Popsicle, even with my travel hoodie. When he leaves his seat, I turn his air vent down.

Our biggest battle is over boarding. I don't want to use airplane bathrooms, so I prefer to wait until near boarding time to make a final pit stop. This drives him nuts. He wants to be ready to get on the plane when the first-class boarding group is called.

I get that he wants to avoid the scrum over overhead bin space. But it feels unnecessary to me to line up early, especially since he's a master at the platinum push off, the forward maneuver that knocks the rest of us out of line when a fancy boarding group is called. In the interest of marital compromise, I now hit the bathroom well before boarding.

I've also given in to his preference for the exit row for the extra legroom. He is a tall guy, after all. But these seats are often terribly uncomfortable. Because the tray tables must tuck into the sides instead of folding down from the front, the seat may be unusually skinny. Some exit-row seats don't recline.

On the plus side, he's taken a class in opening emergency doors. I'm sure our fellow passengers would sleep better knowing he always sits closer to the exit.

And here's the part that's understood on every trip: He may be Mr. Middle Seat. But since I'm the smaller one, I'm the one who sits in it.

Karen Blumenthal, a former Wall Street Journal reporter and editor, is a Dallas author who is admittedly enjoying the Southwest Airlines companion pass her husband earned through a credit-card promotion.

Should Teens Relax or Work in the Summer?

Students feel pressure to burnish college applications

By Fleming Smith

FOR MANY TEENAGERS, summer break has become a multiple-choice pressure cooker, when they must decide whether to:

(a) rest and recharge,
(b) work and make money, or
(c) rack up activities that stand out on college applications.

With college admissions feeling ever more competitive, high schools and colleges are scrambling to combat the mental-health crisis affecting young adults. Counselors and psychologists say the bar for achievement keeps rising, and not just during the academic year.

The pressure is contributing to a national wave of anxiety among overworked teens who feel guilty for wanting a little down time in summer, experts said. In a **2018 Pew Research Center study,** 70% of teens surveyed said anxiety is a major problem of their generation, citing pressure to get good grades, do extracurricular activities and fit in socially.

Lilly Francis, a 16-year-old in St. Paul, Minn., is working two part-time jobs. For much of the summer, she spent weekdays from early morning to 6 p.m. as a restaurant hostess or a counselor for children at her former grade school. Lilly, who is entering her junior year, likes earning money and said the jobs have taught her how to be patient, hospitable and effective in difficult situations. She and her father said they hope her busy schedule will impress colleges.

"Colleges want to know, what have you done with yourself?" said her father, John Francis, a franchise-industry consultant. He worried that an idle summer might encourage his daughter to be complacent. "I want her to have a decent work ethic," he said.

"I don't really have any time to relax at all," Lilly said. "I miss having free days." She has cut back and now works one day a week at the school and two to three a week in the restaurant.

Summer jobs for teens climbed back somewhat after falling during the most recent recession, but remain part of a longer-term decline in youth employment, according to a recent study of U.S. data by the Pew Research Center.

Some colleges today are trying to emphasize quality, not quantity, of activity. "Don't do something just to check a box on a college application. Do something you enjoy," said Stefanie Niles, head of admissions at Ohio Wesleyan University and president of the National Association for College Admission Counseling.

Colleges examine how a student's choices contributed to their personal growth, not just what they chose, Dr. Niles said. Whether a teen spent a summer working, traveling with family or painting pictures, his or her essays and interviews can show colleges why he or she made the right decision.

Parents can unwittingly amp up the stress. Katherine Pastor-Lorents, a counselor at Flagstaff High School in Arizona, often hears parents bragging about where their children applied for college, and she says their competitive mindset can infect teens.

UNIVERSITY OF GEORGIA

Tanishk Sinha, left, who is 17, worked in a lab with Noor Sohal, a University of Georgia student, during a summer-internship program the university runs.

Finding a Balance Between Rest and Productivity

Tips from psychologists and counselors for high-school students on getting a good summertime mix of productivity and R&R:

- Remember that summer is a time to explore, not make long-term decisions.
- Don't overbook; instead, choose activities with half-days or several weeks free.
- Focus on honing interpersonal skills such as communication and teamwork.
- Avoid a 'summer slide' by reading and learning new things; be ready for the next school year.

Psychologists who study adolescent behavior and well-being said it's a delicate balance between spending a summer constructively and leaving plenty of time for teens to unwind. Erich Merkle, a psychologist with Akron Public Schools in Ohio, counsels against students having a summer completely free of obligations—but notes that teen anxiety is on the rise.

Beyond college applications, a summer activity can help prepare students for the rigors of undergraduate life. Eric Anderman, a psychologist and professor at Ohio State University, finds many students unprepared for college pressures.

Psychologists and college counselors recommend that parents work with their teens to see what excites them. Some counselors say too many students come to them asking, "What do I need to do to look better?" on college applications.

When Steve Frappier, director of college counseling at the Westminster Schools in Atlanta, was working in college-admissions offices during the early 2000s, he recalls using an unwritten checklist. Mr. Frappier said he used to scan students' applications for part-time jobs, community service, team participation or some evidence of leadership—but didn't focus much on the quality of that involvement.

Looking back, he recalls being concerned that the approach screened for deficits and shortcomings instead of looking at the student as a whole. He believes the checklist encouraged students to work more on their résumés than themselves as individuals.

Eventually, Mr. Frappier switched to counseling high-school students about college applications and now asks them two questions when planning their summers: "How much gas do you have in your tank?" and "What haven't you had time for this year that you wish you could have done?"

Tanishk Sinha, of Suwanee, Ga., spent part of the summer on an unpaid internship the University of Georgia runs for high-school students. Students must have a 3.7 grade-point average or higher to participate in the program, which helps them explore careers.

Tanishk, who is 17 and going to be a senior, spent six weeks in a research lab. During the internship, he worked with University of Georgia student Noor Sohal, 21, who attended the same high school and also participated in the internship program before college. While in high school, Ms. Sohal spent one summer creating and working in a science camp for children. During another, she participated in Georgia's Governor's Honors program, taking classes.

She and Tanishk both said a summer spent exploring your passions can be invigorating instead of draining.

Ms. Sohal warns against picking a summer activity just to burnish college applications. "Make sure you're doing things for the right reason," she said.

STEPHEN WILKES (2); DOUG BLUSH (CENTER)

King of Clutter Finds New Home For His Collection

A new documentary shows photographer Jay Maisel reluctantly pack up his landmark abode

By Brenda Cronin

DRILL BITS, circuit boards, shoe trees, bolts and cigar-making molds: to anyone else it's junk. To 88-year-old photographer Jay Maisel, it's a visual feast.

"I'm fascinated with industrial things," says Mr. Maisel, who also collects monkey wrenches, wire models, porcelain masks and metal fragments. "If you really want to collect things, you can convince yourself that everything is necessary."

Four years ago, when Mr. Maisel downsized from his six-story home on New York City's Bowery to a 10,000-square-foot townhouse in Brooklyn, he wondered, "Where the hell am I going to put everything?" The former Germania Bank building at 190 Bowery that he left behind measured more than 35,000 square feet. It had a graffiti-scarred façade, a makeshift kitchen and a temperamental, hand-operated elevator. Mr. Maisel bought the 1898 Renaissance Revival building for $102,000 in 1966 and sold it to a developer for $55 million in 2015.

A new documentary, "Jay Myself," chronicles Mr. Maisel's final months in the Bowery. It follows Mr. Maisel, his wife and a team of assistants and movers as they pack up about 30 truckloads of scavenged ephemera and decide which objects to take to the house in Brooklyn, which to put in storage and which to throw out. The movie, which premieres in New York this week, was directed by Stephen Wilkes, a photographer who became Mr. Maisel's protégé after meeting him in 1978.

Mr. Maisel, who photographed Miles Davis for the cover of his 1959 jazz album "Kind of Blue," spent much of his career traveling the world shooting advertisements, images of everyday life and covers for magazines including "Sports Illustrated." He originally wanted to become a painter but says that the artist Josef Albers, who taught him

Jay Maisel in his office at 190 Bowery, left; Mr. Maisel with Stephen Wilkes; the façade of the former Germania Bank building, below

at Yale University, convinced him to turn to photography.

The beauty, shapes and history of the objects in his collection reflect his aesthetic. "Objects are there only if you really see them," Mr. Maisel says in the documentary. "And art is trying to make others see what you see."

Mr. Maisel isn't familiar with Marie Kondo, the Japanese organizing phenomenon who helps people shed items. "I'm for clutter," he says. He likes to photograph his things and mourns long-gone collections of comic books and autographed baseballs he put together as a boy in Brooklyn.

Over almost five decades, Mr. Maisel filled the Bowery town house's 72 rooms with abacuses, mismatched table legs and a pair of wood supports for a huppah. He says he can't resist what others would toss out. "Basically, I want minimalism and I end up Salvation Army," he says.

He and his wife, Linda Adam, were married at the house in 1989, standing on top of a file cabinet in front of 500 guests. They raised their daughter, Amanda, in the Bowery and Mr. Maisel remembers a junkie on the front steps helping right her stroller once when it tipped over. It was a gritty contrast to where he and his wife live now in Brooklyn's Cobble Hill.

Ms. Adam says she didn't blink—and even helped—as her husband gradually filled the rooms of the house. "You see things in the city and you end up bringing them home," she says. "So, we kind of facilitated his passion for collecting things."

"I do give him hell for it and I have to kind of roll my eyes," she adds.

Culling his collection was painful for Mr. Maisel, especially with a film crew underfoot. "I needed time to think," he says.

Each of his objects has a story. The two African xylophones? "One I bought, one I traded for about 50 prints," he says. The dozens of long-fingered mannequin hands? "I used to work in a factory that made rubber gloves. And those were the hands they used to form the gloves on. So about 40 years later, when I found them at a flea market, there was no choice. I had to have them."

Mr. Maisel expected the objects he put in storage in New Jersey to stay there, but earlier this year a 4,200-square-foot commercial space two doors down from his new home became available and he pounced.

Mr. Wilkes, the filmmaker, noticed a spring in Mr. Maisel's step once he started reuniting with his things. "He's putting all his toys together," Mr. Wilkes says.

The new space in Brooklyn is filling up. Mr. Maisel's bottle collection is back, as is his Japanese calligraphy poster announcing a sumo-wrestling match.

For the first time in decades, Mr. Maisel isn't seeking out new things and hauling them home. "When you don't have room to show what you have, it's a little crazy to buy a lot more," he says. "However, if I saw something I really loved—then, maybe."

The Inspiration for a Generation of Science Fiction

By Don Steinberg

"WORLDS OF Ursula K. Le Guin" is the first documentary about the pioneering science-fiction writer—and pretty much the first film of any kind to showcase her work. Although Ms. Le Guin was writing about dragons and wizard schools back in 1968 for her Earthsea series, there have been no high-profile movies based on her 20 novels or more than 100 short stories.

'I don't think Harry Potter would have existed without Earthsea,' says author Neil Gaiman.

"I don't think Harry Potter would have existed without Earthsea existing," author Neil Gaiman says in the documentary, which premieres Friday on PBS. Ms. Le Guin's Earthsea cycle, a young-adult series about a sprawling archipelago of island kingdoms, included five novels and many stories written between 1968 and 2001.

Other writers who discuss Ms. Le Guin's work and influence in the film include Margaret Atwood ("The Handmaid's Tale"), David Mitchell ("Cloud Atlas") and Michael Chabon ("The Amazing Adventures of Kavalier & Clay").

"I think she's one of the greatest writers that the 20th-century American literary scene produced," Mr. Chabon says.

Ms. Le Guin, who died in 2018 at age 88, was born in Berkeley, Calif., the daughter of anthropologist Alfred Louis Kroeber. (That's where her "K." comes from).

"I never wanted to be a writer—I just wrote," she says in the film. Believing science fiction should be less about predicting the future than observing the present, she invented fantastical worlds that were their own kind of anthropology, exploring how societies work.

THE OREGONIAN/ASSOCIATED PRESS

'Earthsea' author Ms. Le Guin saw she was writing as "a woman pretending to think like a man."

In her 1969 novel "The Left Hand of Darkness," she introduces a genderless race of beings who are sexually active once a month, either as a man or woman—but don't know which it will be. Her 1973 short story, "The Ones Who Walk Away From Omelas," introduces a utopian city where everyone is happy. But readers learn that this blissful world is entirely dependent on one child being imprisoned in a basement and mistreated. The joy of all the people hinges on the child being forced to suffer, and everyone knows it. The author had been horrified to learn through her father's research about the slaughter of native tribes that made modern California possible.

"She wanted people to think pretty deeply about the foundations of their society—what's holding up the way they live," says Arwen Curry, who spent 10 years making the documentary. It includes a gallery of rejection letters Ms. Le Guin received from publishers in the 1950s, early in her career. Editors thought she wrote well but didn't get what she was trying to do and didn't think readers would be interested. In 1962 a pulp sci-fi magazine accepted one of her stories for $30, and things got rolling.

As a female sci-fi writer, "my species was once believed to be mythological, like the tribble and the unicorn," Ms. Le Guin said in an address before the 1975 Worldcon science-fiction convention in Melbourne, Australia. Her work was called feminist sci-fi, but she grew into that label awkwardly. "There was a considerable feeling that we needed to cut loose from marriage, from men, and from motherhood. And there was no way I was gonna do that," she said. "Of course I can write novels with one hand and bring up three kids with the other. Yeah, sure. Watch me."

She took it to heart when critics said her work had a male perspective. Her genderless characters were "he" by default. In "Earthsea," Ms. Atwood comments, "just about everything in it, including the dragons, is male." Ms. Le Guin, who smoked a pipe, realized she was writing as "a woman pretending to think like a man."

"The Earthsea books as feminist literature are a total and complete bust," Ms. Le Guin said at the 1975 Worldcon. "From my own cultural upbringing, I couldn't go down deep and come up with a woman wizard. Maybe I'll learn to eventually." She began to create more powerful female characters.

"In a way, she'd always been a feminist, if you think of feminism as believing that women are equal to men," Ms. Curry says. "But she didn't really embrace the cultural movement right away. She did have to step into that, and that took a lot of self-examination."

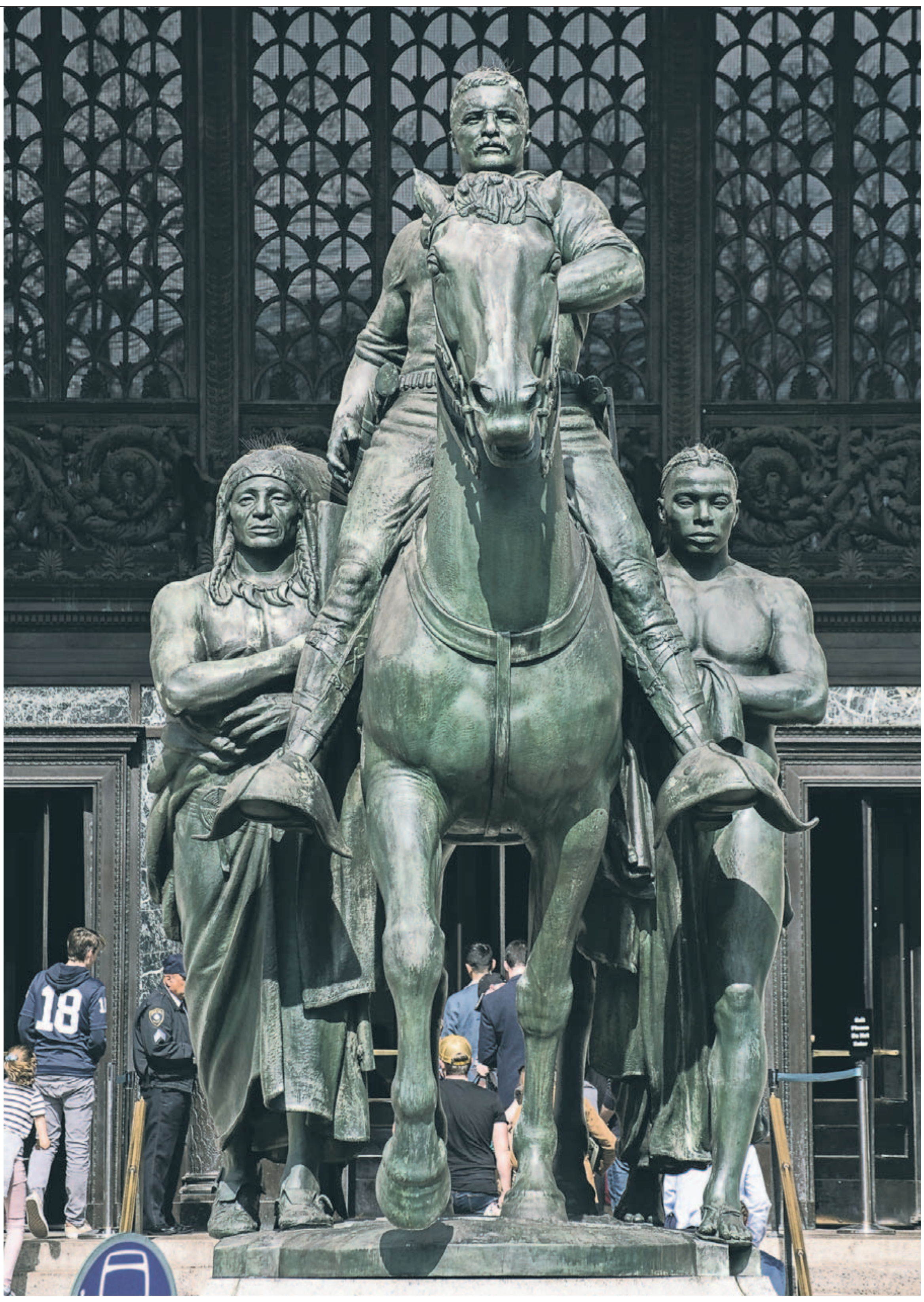
Ms. Curry, a former editor of Maximum Rocknroll, a punk-rock magazine, overcame the author's initial reluctance and interviewed Ms. Le Guin many times for the documentary.

A 2016 Kickstarter campaign that raised $234,202 from more than 3,100 backers helped Ms. Curry secure a National Endowment for the Humanities grant to finish the film.

EXHIBITION REVIEW

Natural History Does the Full Pander

The New York museum caves to woke critics of its statue under the guise of providing 'context'



DENIS FINNIN/AMERICAN MUSEUM OF NATURAL HISTORY

James Earle Fraser's 1940 statue depicts Roosevelt on horseback flanked by an American Indian and an African tribesman.

By Edward Rothstein

New York

IT IS NOT the kind of statue that would be erected today. It is so monumental it can be only partially taken in, even from across the width of Central Park West. First unveiled in 1940, it was conceived of as emerging from John Russell Pope's equally monumental 1936 building, now the main entrance to the American Museum of Natural History. A 126-foot-long frieze borders the statue's plaza, in which are chiseled such words as SOLDIER, STATESMAN, HISTORIAN, EXPLORER, CONSERVATIONIST and NATURALIST.

The statue, created by James Earle Fraser, displays the object of this encomium, Theodore Roosevelt, erect on horseback, stern and triumphant, gazing outward. Flanking his horse, on foot, are an American Indian and an African tribesman. They wear loosely draped traditional clothing; the first figure is of an indeterminate Plains tribe, the latter can be vaguely associated with the Maasai people of East Africa. They stand considerably lower than Roosevelt's mounted figure.

Is there any doubt about what happens once woke standards are applied to this grouping? It has been the focus of multiple protests in recent years, many of whose objections and charges recur in "Addressing the Statue," a small exhibition inside the museum about the controversies. The statue is "a monument to white supremacy," declares one scholar. It is about "taming the savage," says another. And Roosevelt himself? "Absolutely" a racist.

Such assessments are accompanied by man-and-woman-on-the-street interviews in an introductory video. Some reactions? There should be a dinosaur instead. Or the figures should all be at the same height so they are "equal." A timeline gives us information about Roosevelt, emphasizing shortcomings in his racial perceptions while citing his progressive and conservationist creds.

The exhibition is in response to the January 2018 report by the Mayoral Advisory Commission on City Art, Monuments and Markers about controversies inspired by New York statues. According to the report, no conclusion was reached about this one. About half the commission thought additional historical research was needed, about half advocated removing the statue, and a few advocated keeping it while providing context. The museum seems to be hoping the third approach, as executed, will suffice.

But the exhibition actually does very little to help explain the statue or to put it in context. And while it claims to want to participate in a "national conversation" by presenting a variety of views, its own weigh down the scales. In "support" of the statue it cites the architect Pope's assertion that it portrays a "heroic group," and it offers some defense of Roosevelt from the scholar Douglas Brinkley ("He was closer to the ideal we have today of integration and equality than the other political characters of the era"). But just as the Mayoral Commission began with premises about our nation's "challenging legacy of racism, colonialism, ableism, sexism, prejudice, and inequality" and the need for an "intersectional" approach to the city's art, so too does the museum begin by asserting that the statue portrays a "racial hierarchy" that it has "long found disturbing." Its timeline also cites Roosevelt's "disturbing views" in an 1886 lecture in which he said: "I don't go so far as to think that the only good Indian is the dead Indian, but I believe nine out of every ten are, and I shouldn't like to inquire too closely into the case of the tenth."

> Despite its alleged focus on perspective, the show does little to help explain the statue.

But that sentiment, now widely cited, was expressed by a man in his late 20s and is not, as far as I can tell, echoed in Roosevelt's actions or his published works. His attitudes, at any rate, became far more complex.

As for the statue, only one commentator in the exhibition, Harriet F. Senie, who teaches Art Museum Studies at the City College of New York, challenges the overall caricature by noting that the two accompanying figures in the statue are allegorical representations of two continents (as a member of the Mayoral Commission, she must have been a lonely voice). Her assertion is supported by the fact that the plaza's frieze includes bas-relief sculptures showing 18 animal species from those same two continents. The allegorical interpretation is also reflected in the figures' appearance. Neither the American Indian nor the African are subservient. They are gun-bearers and guides. And their faces show absolutely no evidence of racial condescension by the sculptor. They are proud, even fierce. They stride without deference.

That allegorical element is amplified in the building's rotunda, which contains three murals by William Andrew Mackay covering more than 5,200 square feet. They are partly narrative, partly fantasy, partly allegory. They glorify Roosevelt by showing the immense spheres of his action. He is bringing something remarkable to his encounters on nearly every continent. He reviews plans for the Panama Canal, stands regnant over African creatures he will bring back from his 1910 expedition (it took the Smithsonian eight years to catalog them), and brings peace to great warring peoples in Japan and Russia (and thus wins the Nobel Prize). And yes, there are themes that would also animate today's critics. A Kiplingesque homage is being paid to the imperial benefactor, who moves among natives of all continents. There is also a racialist overtone in the African mural with its image of Noah's condemned son Ham as the continent's progenitor.

For at least some of the glory, there is good reason. The problem is that for a generation or more, our culture has been preoccupied with a particular theme: If hierarchy of any kind exists, it must be a sign of inequity and also of racism. And that assessment eclipses all others. If that happens in this case we will never understand these murals, the statue, Roosevelt, or, in fact, the museum itself.

It would be in the interest of the museum to aggressively challenge this approach to culture. It apparently refuses. But what, after all, led to the founding of natural history museums in the first place? They were Rooseveltian celebrations—mythic temples portraying the realms from which Western Civilization arose. The natural world with its minerals and fossils and fish became closely associated with artifacts from cultures also deemed closer to nature. Right now we might characterize that approach as racist or ignorant—but only in part. There is still something to be learned from it. And think, too, of the deeper impulse here: These museums reflected a civilization's unbounded curiosity about the principles governing other cultures and the natural world. No similar impulse can be found in any other culture of the time; it is far more rare than racism which, in varied forms, is pretty much universal. That past does not need to be jettisoned; it needs to be understood along with its astonishing achievements.

Addressing the Statue
American Museum of Natural History

Mr. Rothstein is the Journal's Critic at Large.

APPRECIATION

Remembering Harold Prince, Synonymous With Broadway

By Lee Seymour

HAROLD PRINCE, the legendary Broadway impresario, died yesterday. He was 91.

Known in the business as Hal, Mr. Prince garnered 21 Tony Awards during his career for his work as both a producer and director. Over seven decades of prodigious output, his name became synonymous with ambitious, high-quality entertainment, starting with his first Tony win in 1955 for "The Pajama Game." He then went on to shepherd a long string of seminal megahits that shaped the modern theatrical landscape, and helped turn it into the billion-dollar industry it is today.

Those with only a passing interest in Broadway (and likely even those with none at all) would still recognize his work. Immediately after "The Pajama Game," he opened two eventual classics in as many years: "Damn Yankees" and "West Side Story."

The last holds such a significant place in entertainment history that two new revivals are in development more than 60 years after its premiere. Scott Rudin, the prolific producer whose output rivals that of Mr. Prince himself, is mounting a stage version, while Steven Spielberg is currently shooting a new film in New York.

After "West Side Story," Mr. Prince's cachet only deepened as he crafted hit after hit, collaborating most frequently with fellow Tony collector Stephen Sondheim. A notorious workaholic, his oeuvre grew to encompass such seminal works as "A Funny Thing Happened on the Way to the Forum," "Fiddler on the Roof," "Cabaret," "Sweeney Todd," and a lavish revival of 1927's "Show Boat."

That last was in 1994, after which his output slowed dramatically compared to his early career, when he'd mount as many as three shows in a single year. He was honored with a special Tony Award (his 21st) in 2006 for lifetime achievement in the theater, and then by a revue of his greatest hits, "Prince of Broadway," which he directed in 2017.

Producer-director Hal Prince at his Manhattan office in 2010

BEATRICE DE GEA FOR THE WALL STREET JOURNAL

His most visible mark on the industry, however, is likely "The Phantom of the Opera," which he directed. It opened in London in 1986 and then on Broadway in 1988, winning several Tonys, including Best Musical and Best Direction of a Musical, and swiftly became a trans-Atlantic hit. Mr. Prince wrangled its high melodrama and Andrew Lloyd Webber's synthy, symphonic score into a lush package, including the show's now-iconic chandelier. The result commanded top-dollar prices at the time, and capped producer Cameron Mackintosh's trio of 1980s megahits, the first two being "Cats" and "Les Misérables."

Now in its 31st year of continuous operation in New York, "Phantom" regularly grosses over $1 million weekly. It is also still running in London, and has been seen by over 140 million people in 35 countries, according to show representatives. The original cast recording, which became the first in British musical history to enter the charts at No. 1, has since sold over 40 million copies.

Driven primarily by the global success of "Phantom," productions bearing Mr. Prince's stamp have grossed close to $10 billion world-wide—and that's not adjusting for inflation.

Even his commercial failures often became beloved fixtures of the industry, cementing their places in the musical theater canon as instrumental to the form's evolution—particularly his collaborations with Mr. Sondheim.

Mr. Sondheim's body of work is famously adored by fans and critics, but more often than not his musicals fail to turn a profit in their initial outings. It was not until the 2017 revival of "Sunday in the Park With George," starring Jake Gyllenhaal, that a Sondheim show grossed over $1 million in a single nonholiday week. Only three of his compositions recouped their initial costs: "A Funny Thing Happened on the Way to the Forum," "A Little Night Music" and "Company."

Perhaps not incidentally, all three were produced by Mr. Prince.

The pair also collaborated on "Follies," "Pacific Overtures" and "Sweeney Todd," none of which made their money back initially. However, they've all seen successful revivals in recent years. "Sweeney" notably became one of the biggest off-Broadway success stories of the decade in its recent incarnation at the Barrow Street Theatre, which was redesigned to be a functioning pie shop and contracted former White House pastry chef William Yosses to craft the menu.

Mr. Prince himself was pragmatic about commercial theater's vagaries.

"The idea is to work and to experiment," he said, quoted at the Tribeca Film Festival. "Some things will be creatively successful, some will succeed at the box office, and some will only—which is the biggest only—teach you things that see the future. And they're probably as valuable as any of your successes."

Mr. Seymour is a theatrical producer and writer who covers Broadway as a senior contributor for Forbes.

SPORTS

Greinke Deal Jolts the Trade Market

While most of their biggest competitors stood pat, the Astros acted aggressively to bolster a dynamic starting rotation

By Jared Diamond

At approximately 3:10 p.m. ET on Wednesday, Zack Greinke struck out Aaron Judge to end the fifth inning of the Arizona Diamondbacks' matchup at Yankee Stadium. About 10 minutes later, in a driving thunderstorm in the Bronx, the umpires summoned the tarp and sent the teams to their clubhouses, ending Greinke's afternoon.

Quite a bit happened during the rain delay, apparently. Because about 15 minutes after the conclusion of what initially looked like one of the most uneventful baseball trade deadlines in recent memory, news broke of the blockbuster that shook up the entire industry: The Houston Astros, already the American League's best team, had acquired Greinke, one of the game's best pitchers—a stunning, buzzer-beating move that could completely reshape October.

While most of their biggest competitors stood pat, the Astros acted aggressively to bolster a dynamic starting rotation that already included Justin Verlander and Gerrit Cole. They sent four prospects to the Diamondbacks in exchange for Greinke, a 35-year-old right-hander with a 2.90 ERA in 2019. The Astros agreed to pay $53 million of the $77 million still owed to Greinke through the 2021 campaign—a price paid to emerge as the World Series favorites in 2019.

The last-minute shocker livened an otherwise quiet deadline. The New York Yankees, in desperate need of pitching help, did nothing significant. Neither did the bullpen-starved Boston Red Sox—last year's champions—or the upstart Minnesota Twins. The Los Angeles Dodgers, the owners of baseball's best record, stayed mostly quiet.

Virtually all of the big names rumored to be available stayed put. The San Francisco Giants, unexpectedly back in contention after a torrid July, held onto Madison Bumgarner. The New York Mets, hanging around on the fringes of the wild-card race, kept Noah Syndergaard and Zack Wheeler. The Pittsburgh Pirates retained standout closer Felipe Vázquez. Other than Greinke, the two most notable players traded went to sub-.500 teams: pitcher Marcus Stroman to the Mets last Sunday and pitcher Trevor Bauer to the Cincinnati Reds late Tuesday night.

Major League Baseball hoped that a structural change this season would inspire a flurry of action Wednesday. It made July 31 a hard deadline, the final day for clubs to bolster their rosters for October, believing it would force indecisive general managers to act. Previously, teams could complete deals all through August as long as they navigated baseball's Byzantine waiver system, something the Astros know a lot about: They added Verlander that way on Aug. 31, 2017, just two months before they won the World Series for the first time in franchise history.

Despite a wide-open playoff race involving a record number of contenders—16 teams entered Wednesday either in a postseason spot or within three games of one for the first time ever—few major trades happened. Mostly, contending teams added pieces around the edges, the types of deals that usually would happen in August.

The Atlanta Braves upgraded their bullpen with Shane Greene and Mark Melancon. The Washington Nationals improved their relief corps, too, with Daniel Hudson, Roenis Elías and Hunter Strickland. The Chicago Cubs picked up outfielder Nicholas Castellanos. All of these trades could matter in the playoffs, even if they don't command splashy headlines, Greinke aside.

The overall behavior of teams Wednesday reflected the current state of baseball's competitive landscape. MLB installed the second wild card in 2012 to give more teams hope and limit meaningless September contests. But the format of it—a treacherous one-game play-in—has perhaps resulted in the opposite effect, with clubs perhaps not viewing it as enough of an incentive to seriously push for.

In an era where data-driven executives covet young, cost-controlled assets more than at any other point in history, the idea of sacrificing prospects for the possibility of bowing out after nine October innings fails to pass muster. It created an environment with a few juggernauts, and a handful of terrible teams and a giant mush of homogenous mediocrity all in a similar position: too good to give up, but not good enough to truly go for it, either.

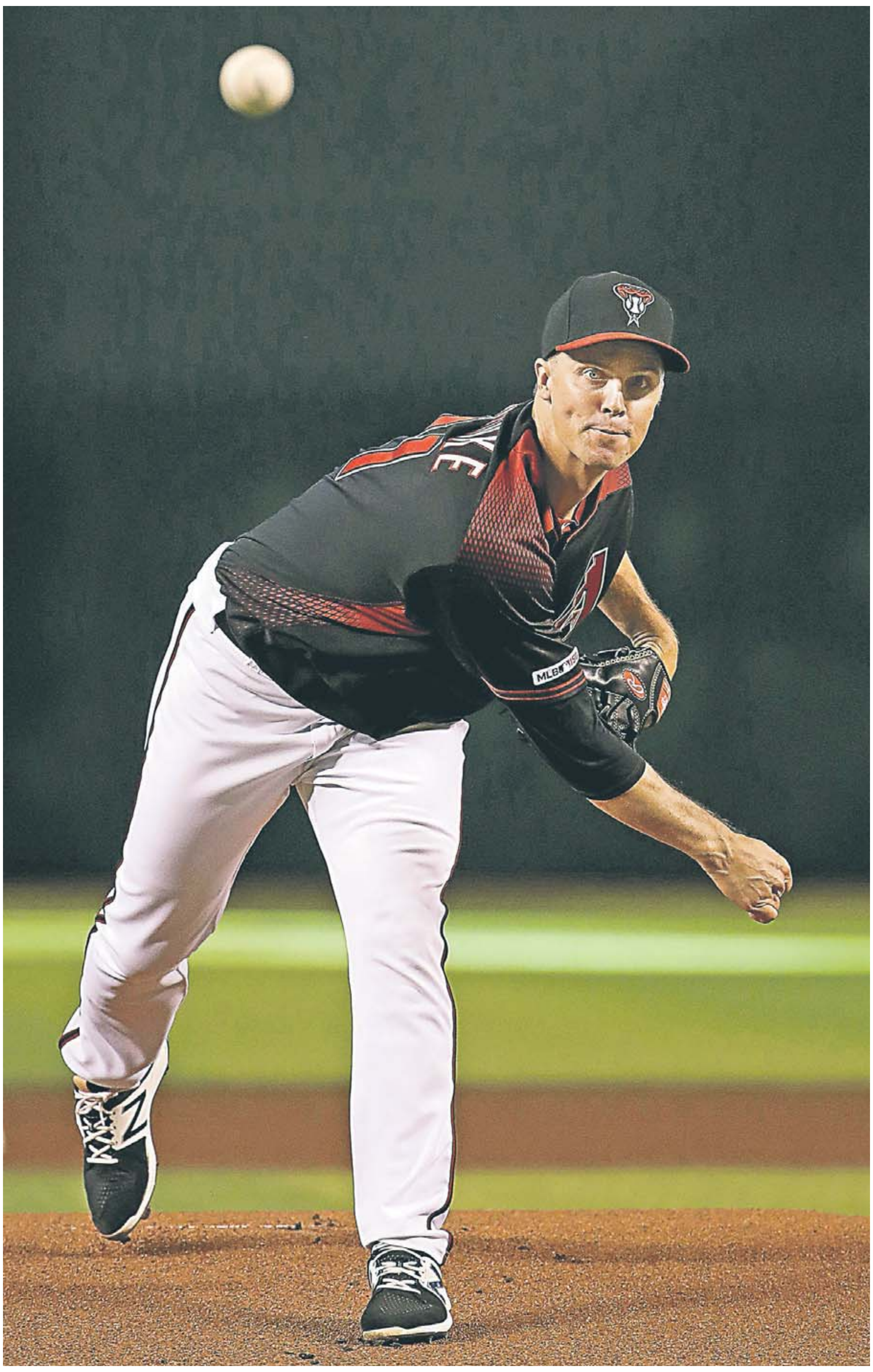
Dave Dombrowski, the president of baseball operations for the Red Sox, admitted as much Wednesday. Speaking to reporters after his team failed to execute a trade, he said that he couldn't justify the cost of any potential deal because of how much they trailed the Yankees in the division. With the Red Sox essentially playing only for a wild-card slot, Dombrowski decided to stick with his current group for the stretch run.

Mike Hazen, the Diamondbacks' general manager, essentially said the same last week. His team went into Wednesday just three games out of the wild card spot, yet he still opted to part with Greinke, his best pitcher. (He replaced him with Mike Leake, acquiring him from the Seattle Mariners.)

Who could argue? From 2000 through 2011, nine wild-card teams went to the World Series. Since 2012, only two—the Giants and Kansas City Royals in 2014—advanced that far.

For sure, MLB and its players' union will discuss how this trade deadline went this winter to see if it needs to enact further changes. Some general managers have suggested that shifting the deadline from July 31 to Aug. 15 might help and plan to propose that as a possibility. The sport could also, at some point, look to turn the one-game wild-card playoff into a three-game series, serving as a greater inducement for teams on the bubble.

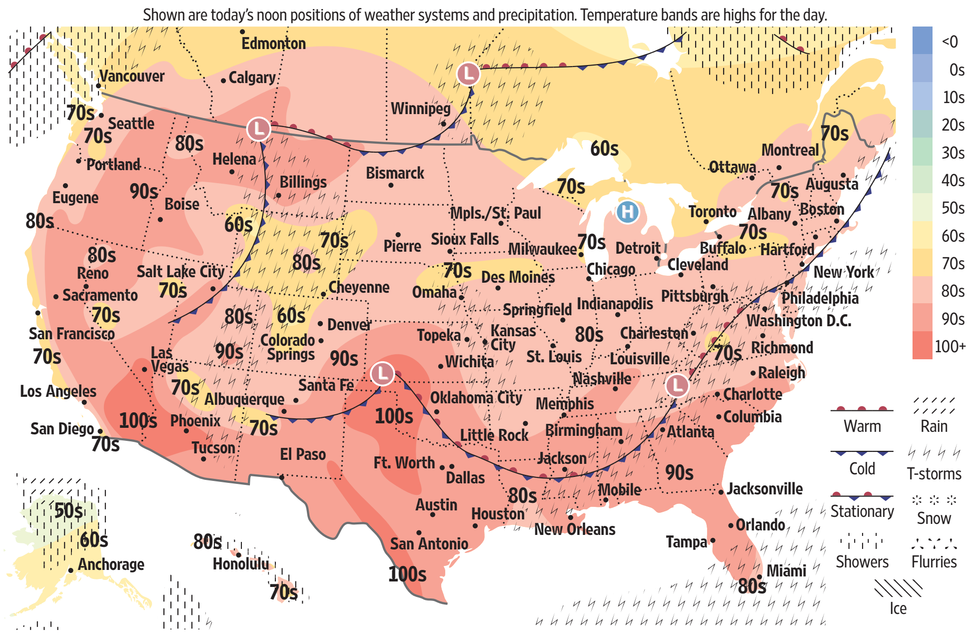
But for now, the baseball world will turn its attention to the Astros—a great team that on Wednesday got even greater.


CHRISTIAN PETERSEN/GETTY IMAGES

The Houston Astros acquired starting pitcher Zack Greinke from the Arizona Diamondbacks in a trade on Wednesday.

Weather

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



U.S. Forecasts

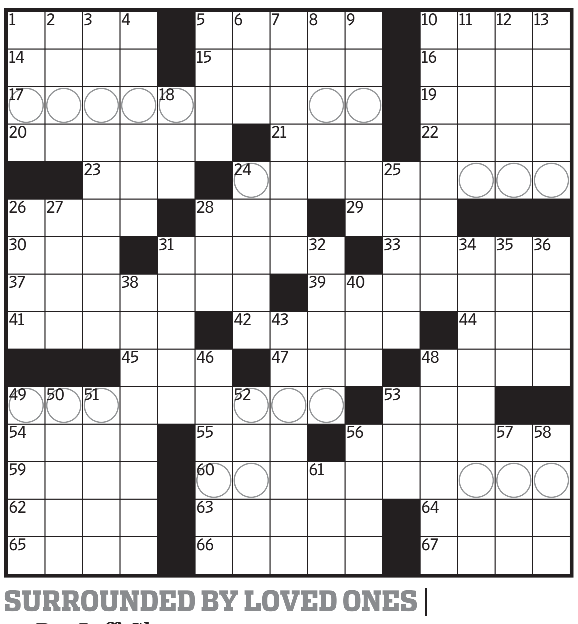
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Anchorage	66	58	pc	70	59	pc
Atlanta	91	71	t	87	70	t
Austin	98	74	s	97	74	pc
Baltimore	88	70	t	86	68	t
Boise	98	70	s	96	66	s
Boston	84	68	pc	81	68	s
Burlington	82	58	s	85	62	s
Charlotte	91	69	t	86	69	t
Chicago	81	62	s	83	62	s
Cleveland	80	66	s	82	66	s
Dallas	98	78	s	98	78	pc
Denver	85	62	pc	88	61	c
Detroit	82	60	s	84	62	s
Honolulu	90	80	pc	90	78	sh
Houston	93	73	pc	93	73	pc
Indianapolis	83	66	s	85	65	pc
Kansas City	82	68	t	74	67	r
Las Vegas	103	85	pc	106	88	pc
Little Rock	88	70	pc	85	70	pc
Los Angeles	84	63	pc	87	64	s
Miami	88	78	t	88	78	t
Milwaukee	77	59	s	79	64	s
Minneapolis	84	67	pc	85	68	pc
Nashville	90	69	pc	92	70	s
New Orleans	90	77	t	90	76	pc
New York City	86	71	pc	84	71	s
Oklahoma City	98	74	s	97	75	pc
Omaha	81	69	t	76	67	r
Orlando	90	76	t	85	74	t
Philadelphia	88	72	pc	86	71	pc
Phoenix	103	88	pc	108	89	pc
Pittsburgh	82	65	pc	82	65	pc
Portland, Maine	84	60	s	81	61	s
Portland, Ore.	88	66	pc	81	62	c
Sacramento	88	60	s	94	61	s
St. Louis	85	67	s	85	69	s
Salt Lake City	94	72	pc	97	73	s
San Francisco	71	59	pc	74	60	pc
Santa Fe	88	62	pc	87	63	t
Seattle	85	64	pc	77	60	c
Sioux Falls	82	67	c	80	62	c
Wash., D.C.	88	73	t	86	72	t

International

City	Today Hi	Today Lo	Today W	Tomorrow Hi	Tomorrow Lo	Tomorrow W
Amsterdam	71	61	t	72	59	c
Athens	96	79	s	95	77	s
Baghdad	116	82	s	115	84	s
Bangkok	89	81	sh	88	79	sh
Beijing	88	74	pc	88	74	pc
Berlin	75	59	t	75	60	pc
Brussels	76	57	pc	73	58	c
Buenos Aires	61	42	pc	57	37	s
Dubai	104	92	s	105	93	pc
Dublin	68	53	pc	68	56	pc
Edinburgh	68	55	sh	67	54	sh
Frankfurt	79	60	pc	81	60	c
Geneva	80	60	pc	79	57	pc
Havana	88	72	t	89	73	t
Hong Kong	87	80	t	87	80	t
Istanbul	91	76	s	88	72	s
Jakarta	91	74	s	91	74	s
Jerusalem	87	68	s	85	66	s
Johannesburg	68	43	s	65	46	s
London	76	59	pc	76	59	pc
Madrid	95	66	s	97	67	s
Manila	87	79	t	86	78	t
Melbourne	56	45	c	57	46	c
Mexico City	75	55	t	75	55	t
Milan	88	68	pc	83	63	c
Moscow	61	52	c	62	49	c
Mumbai	85	80	sh	84	80	sh
Paris	80	61	pc	82	59	pc
Rio de Janeiro	82	69	s	90	69	pc
Riyadh	114	81	s	114	83	s
Rome	87	69	s	86	68	s
San Juan	90	77	pc	88	79	pc
Seoul	87	77	pc	89	76	t
Shanghai	96	82	t	93	81	s
Singapore	90	82	pc	90	81	t
Sydney	67	51	s	64	46	pc
Taipei City	97	79	s	97	79	pc
Tokyo	89	79	s	90	79	s
Toronto	79	61	pc	82	63	s
Vancouver	76	62	c	75	59	sh
Warsaw	76	56	pc	74	55	pc
Zurich	80	58	pc	76	57	t

The WSJ Daily Crossword | Edited by Mike Shenk



SURROUNDED BY LOVED ONES | By Jeff Chen

Across

1 3-D shape important in geometry
5 Celebration's start?
10 Remove
14 Impulse conductor
15 Earth, in sci-fi stories
16 Congresswoman Ilhan
17 Hebrew name meaning "lion"
19 Admission receipts
20 Guileful
21 "Agnus ___"
22 Etailer's help option
23 "A pox on you!"
24 Big name in 19th-century fur trading
26 Joe Biden's wife
28 Guileful
29 Letters on many towers
30 Site of some hookups: Abbr.
31 Capital at about 12,000 feet
33 It might hold grog
37 With 39-Across, a description of the answers inside 17-, 24-, 49- and 60-Across
39 See 37-Across
41 Iron production
42 3-D shape important in topology
44 Title character for Will Ferrell
45 Gala garb
47 Boolean operator
48 Attracted
49 Common unit of work
53 Cranberry crop setting
54 Approaching
55 Palindromic woman's name
56 Home of the annual Jamboozie music festival
59 Apply in a slapdash way
60 Fancy plates
62 Almond's relative
63 Rap reply
64 Havarti additive
65 Layered cut
66 Michelle's younger daughter
67 Number before novem

Down

1 Some reds
2 Farm team
3 Wind instrument common in Polynesia
4 Necessarily involve
5 Temporary reprieve
6 "___ dale and hill the summons flew": Sir Walter Scott
7 When some get paid
8 Forest makeup
9 Small house in the Southwest
10 Box for a boxer
11 It's across the Missouri from Council Bluffs
12 Like some flaws
13 Guitar features
18 Prez of the 1950s
24 Mole
25 Place of safety in a hot zone?
26 Small sails
27 "Law & Order: SVU" co-star
28 Book followed by the sequel "Ayesha"
31 Sacha Baron Cohen voices one in "Madagascar"
32 "Hair" dos
34 Full of pep
35 Sitting
36 Warning letters on some forwards
38 One using legs as paddles
40 Hazard for a hog
43 Short stage works
46 Event including BMX Big Air
48 Fish also called mahi-mahi
49 Aconcagua's range
50 Extract through filtering
51 "Little House on the Prairie" heroine
52 Donald Jr.'s mother
53 Disallow
56 Euro precursor
57 Arm raiser, informally
58 Capital on a fjord
61 Sound of amusement

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

Previous Puzzle's Solution

OPINION

The Trump-Cummings Brawl

WONDER LAND
By Daniel Henninger

The street fight over "racism" between Rep. Elijah Cummings of Baltimore and President Trump reminds us that all political traumas eventually fade from memory to become an abstraction.

Last weekend, when Rep. Carolyn Maloney of New York proposed a Canyon of Heroes parade honoring 9/11 first responders, it struck me as grandstanding. Then the thought occurred: Why not? That awful day was 18 years ago, and it's already drifting into the fog of history. Some people visit Civil War battlefields or World War I cemeteries in France and Belgium to revive a palpable sense of that incredible carnage.

Decades after the Civil Rights Act, racism is passing into political abstraction.

So one has to wonder: What is it with the constant claims and charges of racism these days? Is it to remind us of the real and violent racism that existed before Martin Luther King Jr. led the civil-rights movement in the 1960s?

Or would it be truer to say that 55 years after Congress passed the Civil Rights Act of 1964, racism is being pushed into the realm of abstraction, reduced mainly to use as a weapon of political rhetoric?

If one happened to be alive at the time, the reality of the urban riots in the 1960s sits forever in the mind's eye as one of America's most unforgettable traumas. Merely mention "the Watts riot" or "the Hough riots," and there's hardly a person living then who doesn't know you're talking about the burning, rage and destruction that engulfed African-American neighborhoods in Los Angeles, Cleveland, Newark, Detroit and many other cities.

After King's assassination in 1968, horrific inner-city riots broke out in New York, Washington, Detroit, Baltimore, Chicago, St. Louis, Pittsburgh, Kansas City and Trenton, N.J. For much of the U.S. population born since then, those events have about as much immediacy as a World War II documentary.

Still, political control of virtually all these cities has remained in the hands of the Democratic Party. Baltimore, Boston, Chicago, Detroit, Philadelphia and St. Louis have had nothing but Democratic mayors since then.

New York has had several Republican mayors, though the chances of another ever winning election are about zero. As elsewhere, the city's politics is so noncompetitive that most of New York's Democrats don't even bother to vote. When Bill de Blasio was first elected in 2013, turnout was 26% of registered voters, a record low.

That suits the keepers of America's sterile status quo in its most rundown neighborhoods just fine. Urban Democrats are now in a destructive co-dependent relationship with public-sector unions. Inner-city residents have become an afterthought.

Walking past a public-housing complex in lower Manhattan recently, I noticed the date on the cornerstone: 1963. That is about when these projects were erected all over the U.S. They, like so much urban infrastructure, are falling apart through neglect because city budgets are consumed by labor costs.

Public schools in every city mentioned in this column are failing to educate black American children adequately because the teachers unions won't permit reform.

According to recent FBI data, the most violent cities in the U.S. include—still—St. Louis, Detroit, Baltimore, Milwaukee, Cleveland and Oakland, Calif.

A 16-year-old gangbanger in Chicago today was born in 2002 or 2003, after 9/11. Stories like his, passing from innocence to ruin before reaching adulthood, have repeated themselves every 20 years in all these Democratic-controlled cities. If that's not racism caused by political failure, the word has no meaning. Yet the press, or part of it, has been consumed the past week with Trump vs. Cummings and such irrelevant stories as "Cummings has long frustrated the president."

DAVID S. HOLLOWAY/GETTY IMAGES

Baltimore owns more than 10,000 vacant homes.

During the Clinton presidency, a brief period of "moderate" reform surfaced on welfare, schools and, yes, crime, but progressives have repudiated all that, as the liberal traditionalist Joe Biden has learned.

And so we return to seeking explanations for the profligate use of the word "racism" today. Here's one: Liberals and the liberal media have internalized this embarrassing and disgraceful urban failure. They've moved past it. They've given up.

After 55 years of wheel-spinning, it's all getting abstracted into "racism." The gentry liberals who drove up housing prices for the poor and middle class walk past the human and physical debris like 18th-century Parisian aristocrats holding perfumed handkerchiefs to their noses. In Queens, they sent Alexandria Ocasio-Cortez to Congress to keep them entertained on Instagram.

Messrs. Cummings and Trump are footnotes in this unhappy saga. The important difference is that the Baltimore congressman no longer has much to add, but Mr. Trump is president. Mr. Trump brought up the subject of Baltimore. Now he should put it and these other cities on his campaign agenda. Let the left scream racism. Everyone else in American knows the reality is deeper than that.

Write henninger@wsj.com.

Democrats' 'Big Ideas' May Re-Elect Trump

By Karl Rove

'I get a little tired of Democrats afraid of big ideas," Sen. Bernie Sanders said in Tuesday's debate. But Democrats will lose in 2020 if enough Americans believe those "big ideas" threaten their families, communities, values and pocketbooks. Talk of "political revolution" may rev up democratic socialists like Bernie, but for many ordinary Americans, it's too much and too radical.

The most obvious example is Mr. Sanders's Medicare for All. Co-sponsored by four other presidential hopefuls—Sens. Cory Booker, Kirsten Gillibrand, Kamala Harris and Elizabeth Warren—it would make it "unlawful" for companies to provide employees health insurance or for private insurers to sell coverage that "duplicates" benefits of a new government health program.

It's laughable to think that the nearly 170 million Americans who have private coverage would be excited about losing their plans and their doctors. Nor are they eager to lose control over their health decisions. Add the long wait lists for appointments and procedures common to single-payer health-care systems and the huge middle-class tax increase needed to pay for Medicare for All's $32 trillion price tag, and it's easy to see why swing voters will be horrified if Mr. Sanders's plan is part of the 2020 Democratic platform.

At least one candidate who initially supported abolishing employer-provided health insurance now realizes that was a mistake. Ms. Harris released her own plan Monday, rejecting Mr. Sanders's approach and saying she favors a role for private insurance.

From Medicare for All to the Green New Deal, candidates work hard to repel swing voters.

But she's being duplicitous. While Mr. Sanders phases out private insurance in four years, Ms. Harris has a 10-year transition during which her new government program would "automatically enroll newborns and the uninsured." With the deadline looming, many companies would end coverage earlier, leaving employees to be automatically enrolled into the new single-payer program. That's what counts for moderation these days—a BernieCare that kills employer-provided health insurance a little more slowly.

As Ms. Harris's new government-run program would cover "all medically necessary services," the role of private insurance would be to augment those services. The only two supplemental coverage examples Ms. Harris mentions are cosmetic surgery and health expenses incurred during foreign travel—not exactly a broad private market.

Mr. Sanders and Ms. Harris have forgotten an important lesson of the Affordable Care Act. After its passage in March 2010, it became wildly unpopular as Americans worried they couldn't keep their plans, their doctors or control of their health-care decisions. By Election Day 2010, the RealClearPolitics average of polls found 40% of Americans rated ObamaCare favorably while 51% rated it unfavorably. Yet today 47% are for it, with only 41% against. Why the shift? Probably because while many people lost their plans, the vast majority of Americans with private insurance were able to keep it: Only 8.5 million people get theirs through the ACA exchanges. The attitude of the public seems to be: *Since it didn't affect me, I'm OK with ObamaCare if it helps others.*

Medicare for All is dramatically different. It would change everybody's circumstances. And that's not the only revolutionary change Democratic presidential candidates are pushing.

The Green New Deal is co-sponsored by six presidential candidates—Sens. Booker, Gillibrand, Harris, Sanders, Warren and Amy Klobuchar—and endorsed by at least three other contenders. It would touch everything, stopping the use of oil and gas in 10 years, retrofitting every house and other building in the country, ending traditional agriculture, crimping commercial air travel, guaranteeing every American a job and more.

Then there's reparations for slavery. At least nine candidates—including the Green New Deal's six senatorial co-sponsors—support some form of reparations or a commission to study the issue. The idea of paying descendants of slaves who were freed more than a century and a half ago—and figuring out who gets what—will be a tough sell for Democrats in the general election.

Americans like bold, aspirational ideas, such as sending a man to the moon. It's less clear that they like revolutions and forced upheavals in their own lives, not to mention loss of control over important decisions and massive raids on their pocketbooks.

Democratic presidential candidates are outbidding one another with structural transformations of America. The cumulative effect may be to saddle the Democratic Party with an ambitious leftist agenda that repels swing voters in 2020, sending the Democrats' left wing into—one can hope—political exile.

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

A Marriage of Man and Machine

By Lance Morrow

Somewhere in Putnam County, N.Y., southbound to New York City on the Taconic Parkway, the odometer on my 2004 Volkswagen Golf hit 250,000 miles. I felt like Chuck Yeager breaking the sound barrier.

The car, silver in color, with a raffish crease in the right front fender (a sort of dueling scar) and a cigarette burn in the driver's seat, has my affection and respect. Over time, it has become my power animal—my objective correlative, almost. Like me, it has had several of its engine parts replaced. My heart's got six bypasses stitched into it, so that I and the VW (with its new fuel pump, timing belt, alternator and exhaust system) are inspirations to each other—heroes of patched-up longevity.

Despite its age and miles, I'd rather drive it than anything newer or fancier. If I were offered a new Mercedes in trade, I guess I'd take it, because I'm not a fool. But I'd regret it, too, and would tell myself that I had sold out.

Self-driving cars will ruin our connection to the metal beast.

The engineers who put together the machine achieved an unexpected perfection of relationships so that, for example, its weight and power are harmonized (each, so to speak, understanding the other), and the thing jumps from the starting gate like a thoroughbred—like Seabiscuit. Its primitive excellence is a remnant of an earlier world.

The car's manual transmission connects me to its energies and motions. Among other things, it returns me (in the dreamy subliminal dynamics of gears and speed and memory) to the time when I was 19 and drove west across Kansas in the middle of the night, the Volvo 544 coupe plunging through violent prairie line storms—wild, soundless lightning, lashing rain. The Volvo's manual transmission was like my Volkswagen's—fluent and, as it were, comprehending—as I ran up and down the gears, my brain integrated with the living engine, left foot working the clutch, right foot the accelerator, left hand the steering wheel and right hand on the knob of the gearshift: man and beast colluding sweetly and roaring along through the tremendous electricity of the Kansas night and the bright meteor showers of rain. I felt happy and free.

The Volvo yesterday, like the VW today, was modest. Luxury was not the point. Luxury is a mug's game—a moral disability. The point was something we did not sufficiently love—the purity in the execution, in the skills, the simplicity of the gears. Now luxury offers us cars that drive themselves while we doze off. I wonder if that's a good idea. Someday we may need the earlier skill.

Mr. Morrow is a senior fellow at the Ethics and Public Policy Center.

BOOKSHELF | By Jason Willick

The Power Of Numbers

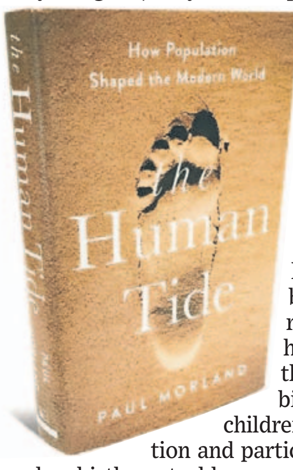
The Human Tide

By Paul Morland
(PublicAffairs, 344 pages, $28)

Visiting an Israeli settlement in the West Bank this year, I was struck by the residents' confidence that the territory could soon be integrated into the Jewish state. They see the number of Jewish Israelis growing rapidly—the village was brimming with children—and Europe's Jews flocking to Israel. There are also, one man insisted, not as many Palestinians in the West Bank as official data suggests. Before long, Israel could annex biblical Judea and Samaria, make all residents full citizens, and retain a Jewish majority.

This view is probably unrealistic, yet it reflects a harsh truth: Numbers matter in politics and have a history of unsettling the expected course of events. In "The Human Tide" Paul Morland, a research fellow at the University of London, uses a series of historical examples to argue that the most powerful force shaping the modern world has been not ideology or economics or great men but demography—the growth and decline of national populations.

Societies go through three demographic phases, Mr. Morland explains. In most places, through most of history, birth rates were high, but death rates, especially for infants, were also high. So populations didn't grow quickly, and when they did grow, they often depleted their available resources,



provoking starvation or war. English scholar Thomas Malthus described this "trap" at the turn of the 19th century, just as his country was breaking out of it, thanks to new agricultural techniques and trade.

The second phase of modernizing societies, Mr. Morland writes, occurs when public health improves and food becomes more abundant: Death rates decline, birth rates stay high and populations explode. A third phase begins, though, when birth rates fall. Women have fewer children as they gain access to education and participate fully in the wage economy and as birth control becomes widely available. At this point, populations plateau, and the average age of citizens climbs.

"One of the most important factors in history at any one time," Mr. Morland explains, "is where in this transition different societies and cultures are." Partly because of its political stability in the 18th century, Britain was the first country to transition from phase one to phase two. In the early 19th century, its natural rate of population growth reached an unprecedented 1.7% per year. As a result, the British could export millions of people to Canada, Australia and New Zealand. By contrast, Mr. Morland notes, "there were simply not enough Spaniards to make a real population impact on the lands they conquered." The fecundity of Americans surged alongside that of their British cousins, driving the U.S. acquisition of sparsely populated North American territories from Spain, Mexico and France.

Demography remained at the core of great-power politics in the 20th century. When "wave after wave of soldiers met in battle on the Western Front," the author asserts, "what ultimately mattered was not superiority of courage, technology or strategy but sheer weight of numbers." Britain summoned manpower from across the Commonwealth, improving its fortunes. In World War II, Germany faced a demographic obstacle on the Eastern Front. The better-equipped, better-trained German soldiers at Stalingrad observed with astonishment that no matter how many they killed, Russian men "just kept coming." By the end of the war, the Nazis were infamously deploying children in the battlefield.

The growth and decline of national populations can shape world events as dramatically as ideology or economics or political leadership.

Yet a turning of the human tide would undermine the Soviets in the Cold War. When Russia's population growth slowed amid Communist modernization efforts, it lost not only its economic dynamism but also its ability to transfer ethnic Russians to the periphery of the Soviet Empire. As non-Russian populations within the Soviet sphere experienced their own population explosions, ethnic conflicts emerged. Muslim populations like those in Afghanistan were harder to dominate militarily from a demographically weakening center.

Mr. Morland's analysis helps explain why Western politics are currently fraught with instability. The U.S. and Europe, by the end of their second demographic phase in the mid-20th century, began to have large elderly populations for the first time and constructed pension programs for old age. Yet these programs work "only if each new generation of workers is larger than the last," Mr. Morland writes. Simultaneously, populations in the rest of the world were exploding. When birth rates explode and death rates plummet, countries inevitably send citizens abroad, and Western democracies have a strong incentive to accept immigrants to increase the number of workers and shore up their old-age programs. "In some twelve-month periods since 2000," Mr. Morland notes, "more people were arriving in Britain than had been the case in the whole period 1066-1950."

Such influxes of immigrants can cause near-term political instability, and Mr. Morland argues that they will only serve as a "temporary palliative" for Western economies. By 2100 the world's population will likely start to decline. In much of Asia and Latin America, the large 20th-century population surges are already coming to a screeching halt. "Demographic development is like a film playing at different times at different cinemas," Mr. Morland says. "Although the screening has yet to finish at a number of venues, we know how it ends."

But before the credits roll, balances of power will shift. Nigeria is still growing fast and projected to reach a population of 800 million, making it into a regional great power. If fertility rates elsewhere decline less rapidly among religious groups, like the settlers I met in Israel, social conservatism could prove more resilient than many liberals imagine.

As for the aging West, perhaps it could settle into a new equilibrium, more stable (if more stagnant) than the past two centuries of colonization and war. Or perhaps Mr. Morland's demographic analysis, like Malthus's, will be overtaken by events. New technology such as cloning, space travel and artificial intelligence could mean the current demographic slowdown is not an endpoint but an interregnum before another era of radical political change sweeps all before it.

Mr. Willick is an assistant editorial features editor at the Journal.

REVIEW & OUTLOOK

The Democratic Divide

The debate showed the sharpest ideological differences in decades.

Tuesday night's Democratic presidential debate was a public service in showcasing the choice confronting primary voters who want to beat Donald Trump. Do they choose a left-wing populist promising to transform American capitalism and even democracy, or a liberal pragmatist who would nudge America to the left in more gradual fashion?

Most party nominating fights are about differences in temperament, age, experience, or between outsiders and Washington veterans. Not this time. The debate underscored that Democrats will make a fundamental ideological choice of the kind they haven't faced since perhaps 1948 when Henry Wallace defected to run as a third-party candidate. The sharp exchanges on health care, energy and slavery reparations illuminated the stakes.

Bernie Sanders and Elizabeth Warren dominated in time-allowed and more important in setting the terms of debate. They both want to remake America's market economy at the roots, and they are running as class warriors against American business.

Ms. Warren said no fewer than five times that companies want to "suck" profits from everyone else, as if they're vampires providing no social good. She wants to eliminate private health insurance because the companies "sucked billions of dollars out of our health-care system." She opposes trade deals because "they have become a way for giant multinationals" to "suck more profits out for themselves."

She blends this call for "big structural change" with contemporary identity politics: "We live in a country now where the President is advancing environmental racism, economic racism, criminal-justice racism, health-care racism." How about telecom racism?

Mr. Sanders's call to socialism isn't new, but he put it in stark form on climate change: "We've got to ask ourselves a simple question. 'What do you do with an industry that knowingly, for billions of dollars in short-term profits, is destroying this planet?' I say that is criminal activity that cannot be allowed to continue."

So legally drilling for oil and gas, employing millions of people, and providing cheaper energy for hundreds of millions is now criminal? And they say Donald Trump is demagogic.

Pete Buttigieg, the South Bend mayor, has a smoother veneer but his radicalism is aimed at breaking America's constitutional restraints on what Democrats want to accomplish. He wants to "end the Electoral College, amend the Constitution, if necessary, to clear up *Citizens United* [the 2010 political speech ruling], have D.C. actually be a state and depoliticize the Supreme Court with structural reform." He means packing the Court.

Mr. Buttigieg often sounds like the Twitter feed of an associate professor at Oberlin College explaining the moral failures of his fellow Americans. If only they listened to a 37-year-old Midwest mayor who went to Harvard, America would be redeemed.

The radicalism of all this was highlighted by the criticism from other candidates who are hardly conservatives. Every one of the 10 on stage endorses a public option for ObamaCare that was too extreme for a Democratic Congress in 2010. Every one supports higher taxes in some form. And every one embraces vast new spending on health care, transportation, energy and much more.

But by raising doubts about eliminating private insurance, or ending border enforcement, John Delaney, Tim Ryan and John Hickenlooper provided a service to Democratic voters. They are warning that the desire to oust Donald Trump doesn't justify a transformation of American society. They are making the point, as Mr. Delaney put it, that "bad policies like Medicare for all, free everything and impossible promises" will "turn off independent voters and get Trump re-elected."

The revolutionaries are betting on the opposite, which is that Mr. Trump's polarizing Presidency has opened a new opportunity for the left. If voters will take a flyer on a celebrity willing to break every political convention, why wouldn't they take a gamble on them? They believe the path to victory in 2020 is a left-wing populism that mobilizes a new movement of the young, minorities, women and gentry liberals that will realign American politics.

As Mr. Sanders put it: "We have got to take on Trump's racism, his sexism, xenophobia and come together in an unprecedented grassroots movement, to not only defeat Trump but to transform our economy and our government."

Four years ago this combination of policy and strategy was dismissed as an impossible dream. Now it could capture the party's nomination, as Democrats consider how much of their inner socialist to indulge in choosing someone to defeat Donald Trump.

The Fed Buys 'Insurance'

Monetary policy isn't a job with Jay Powell. It's an adventure.

The Federal Reserve lived down to recent expectations in two ways on Wednesday. It cut interest rates by 25 basis points for the first time since 2008, and it didn't seem entirely sure why it is doing so.

The economy is doing well and has a "favorable outlook," Chairman Jerome Powell said at his press conference. Recent economic news, such as second quarter growth of 2.1%, has surprised on the upside, and credit markets have responded well since the Fed signaled it was off its earlier path of tightening.

Why then cut the fed-funds rate, and only to 2% from 2.25%, which won't provide all that much stimulus? Mr. Powell's justification was that the Federal Open Market Committee wants to protect against "downside risks," including trade disputes, a slowdown in manufacturing, slower growth abroad, and the persistence of inflation below its target of 2%.

This is monetary policy as "insurance," which strikes us as what you say when you lack a good reason to ease policy. Mr. Powell would have been more believable if he had said the Fed is correcting for its mistake of raising rates in December.

Mr. Powell added to the puzzlement when he said at his presser that this was a "mid-cycle adjustment to policy," rather than the beginning of a longer-term rate-cutting period to rescue the economy from looming recession. Markets promptly sold off on the hint that this could be the last rate cut when they had anticipated two more this year. Mr. Powell then half corrected himself as reporters pressed for clarification, and who knows what other explanations will follow in the coming days.

In better news, the Fed Board of Governors (not the FOMC) voted unanimously to cut the interest rate on excess bank reserves to 2.1% from 2.35%. This will be an incentive for banks to hold fewer reserves at the Fed and put the money to work in the real economy. Meanwhile, stay tuned for the next episode in the unpredictable monetary adventures of Jay Powell.

California Bans Trump

The state passes a law to bar him from the primary ballot.

Remember all that angst and anger expressed by progressives that President Trump would ignore judicial orders, rig election laws, and maybe even refuse to give up power if he loses in 2020? We're still waiting for any of that to happen. But that hasn't stopped Democrats from stretching the Constitution to defeat Mr. Trump.

The latest example came Tuesday from California when Governor Gavin Newsom signed a law that would bar Mr. Trump from the state primary ballot unless he discloses his tax returns. That's right. California Democrats are trying to keep a sitting President from running for re-election in their state.

"These are extraordinary times and states have a legal and moral duty to do everything in their power to ensure leaders seeking the highest offices meet minimal standards, and to restore public confidence," Mr. Newsom, a Democrat, said in a statement.

Even if this means rigging the ballot to defeat an opponent they loathe? Apparently so. We're on record saying Mr. Trump should release his tax returns, but there's nothing in the Constitution that says he must. Americans can factor his refusal into their voting calculations, and most Democratic presidential candidates have released their tax returns or promised that they will.

California may be violating the Constitution with this law. Mr. Trump's lawyers are promising a legal challenge, and they have a strong case that a state can't add onerous qualifications for ballot access that go beyond the Constitution's requirements for age, citizenship and residency. That was the basis for the Supreme Court decision barring term limits in Congressional elections.

This is one reason that Jerry Brown, Mr. Newsom's predecessor, vetoed a similar bill in 2017. "First, it may not be constitutional," Mr. Brown wrote in a veto statement, and the rest is worth quoting at length:

"Second, it sets a 'slippery slope' precedent. Today we require tax returns, but what would be next? Five years of health records? A certified birth certificate? High school report cards? And will these requirements vary depending on which political party is in power? A qualified candidate's ability to appear on the ballot is fundamental to our democratic system. For that reason, I hesitate to start down a road that well might lead to an ever escalating set of differing state requirements for presidential candidates."

Don't be surprised if some Republican on the make in Alabama or Missouri pulls a similar stunt to keep a Democratic candidate off the ballot. The California law applies only to the primary, and the President still could appear on the general election ballot if he wins the Republican nomination.

But the attempt to rig the ballot against Mr. Trump shows the extent to which Democrats have become so unhinged in their hatred that they are willing to violate political norms to oust him. How about trying the old-fashioned method of nominating a candidate who can defeat him at the ballot box?

LETTERS TO THE EDITOR

Can Any Change to Social Security Happen?

Jeff Yass and Stephen Moore make a great case for investing in the stock market long term ("Counter Inequality With Private Social Security Accounts," op-ed, July 26) and building a retirement fund over 40-plus years. But comparing the stock market investment return to Social Security is not accurate. Social Security is not an investment, and calculating an individual's Social Security return is not possible. Some will die before collecting benefits and will lose all their contributions, whereas some will receive more than they paid in contributions (all depending on how long they live). Social Security is not passed to heirs except to a living spouse, whereas investments are passed to heirs. By law Social Security assets can't be invested in anything except Treasury loans.

If 10% of Social Security contributions is great for the individual, then why not 100%? What about inflation? What will $1 million be worth in 40-plus years? Is this plan only for those with 40-plus years remaining? What about those with only a decade left? Their risk may be too high.

Yes, wealth is created saving and investing over a long period of time. But this is hard for individuals on their own. Wealth is built by parents and grandparents investing money for kids in their early years. If 40-plus years of saving is good, think about 60-plus years, starting when a baby is born. Grandparents, pay attention. Start with a set amount each month and adjust that by the inflation rate each year, thus adjusting the value of the future amount accumulated at the end. A minimum investment goal is to make 3% real (after inflation) return.

DON B. STUART
Pensacola Beach, Fla.

Current Social Security taxes are not set aside to provide future benefits for current workers; they are transferred directly to current retirees to pay their monthly benefits. The 10% to which Messrs. Yass and Moore refer is simply not available to be saved and invested because Social Security is currently funded on a "pay as you go" basis.

In order to transition to the authors' advance-funded, floor-offset type of arrangement (with current benefit levels guaranteed as the "floor"), additional federal debt approximating $800 billion per year (to pay current benefits no longer covered by the 10% of payroll being diverted) would have to be incurred for many years to come, and ultimately repaid.

In addition, Social Security's current actuarial shortfall would remain unresolved, and a government backstop would be needed to cover unexpected minimum-benefit costs in the event of poor stock- and bond-market returns. All in the "expectation," or should we say "hope," of someday increasing benefits (mostly for higher-earning workers) or lowering payroll-tax rates.

ROBERT J. SARTORIUS, ASA, MAAA, FCA
Palm Beach Gardens, Fla.

The authors say that over the past 40 years stocks have paid an average annual return of 6%, while Social Security trust-fund investments in Treasury securities have earned only 1%. The reason Social Security pays so little is that Social Security is not just an investment program. It includes large family-benefit payments. The actual returns on Social Security investments have been several times the suggested 1%.

Messrs. Yass and Moore are right in suggesting that some of the Social Security funds be invested in stocks rather than just in Treasurys. Congress endorsed this approach for the civil service fund investment in stocks and bonds when it established the Federal Retirement Thrift Investment Board. However, the board's administrative expenses are less than three basis points, while the Yass-Moore fund, which would not be government guaranteed, would probably be well over 100 basis points (1%). So the Yass-Moore proposal would clearly not be cost-effective and would not be chosen by well-informed workers.

FRANCIS X. CAVANAUGH
Washington

Compromise Can Promote Green Policy Goals

Regarding Robert Bryce's "A Reality Check for Solar and Wind" (op-ed, July 22): Simple math may show that oil and gas production is leaving solar and wind in the shade, but simple physics shows that carbon-dioxide emissions from fossil fuels damage our climate and our future prosperity. Our energy future will look different than its past. That transition is under way, but it doesn't have to be a binary choice between 100% renewables or unmitigated carbon emissions from fossil fuels.

Smart policy planning would protect our energy supply while also reducing the costs and risks associated with greenhouse-gas emissions. On Jan. 17 the Journal published "Economists' Statement on Carbon Dividends" signed by 3,500 U.S. economists, including all living former chairs of the Federal Reserve and 15 former chairmen of the president's Council of Economic Advisers, urging immediate national action to address climate change, and calling a carbon tax "the most cost-effective lever to reduce carbon emissions at the scale and speed that is necessary."

If the cost of pollution is included in the cost of energy, the market will efficiently shift toward cleaner forms of energy, including natural gas, renewables and nuclear. Technologies like carbon-capture utilization and storage will finally have a predictable market price to justify large-scale deployment, allowing use of fossil fuels without climate-harming emissions.

KATHY FACKLER
Citizens' Climate Lobby
Durango, Colo.

Ideologues Look Bad When Beaning Heroes Like Rivera

Regarding your editorial "Mariano Rivera Gets Beaned" (July 26): The Daily Beast hit piece on Mariano Rivera amounts to a big swing and a miss in the game of life. Mr. Rivera has distinguished himself not only as an exceptional pitcher at the highest levels of baseball—the first honoree to make the Hall of Fame unanimously on the first ballot—but by his faithful following of Jesus Christ, his own character and winsome humility. We need more people modeling their lives after Mo than after left-wing, secular Jacobins set upon the destruction of all that is honorable in America.

JAMES EDWARDS
Oakton, Va.

Rationalizing Emotional Decisions Using Logic Later

Regarding Dana H. Shultz's "Brexit and England: Buy On Emotion, Justify Later" (Letters, July 29) responding to Tunku Varadarajan's "Why the EU Lost Middle England" (op-ed, July 23): An "emotional" decision, justified by logic, would be a logical decision. However, emotional decisions are justified by rationalization, which may or may not be logical.

ALAN JEANS
Missoula, Mont.

Letters intended for publication should be addressed to: The Editor, 1211 Avenue of the Americas, New York, NY 10036, or emailed to wsj.ltrs@wsj.com. Please include your city and state. All letters are subject to editing, and unpublished letters can be neither acknowledged nor returned.

President Eisenhower Was Cool About Nuclear Threats

Regarding Robert D. Kaplan's "Why We Need Someone Like Ike" (op-ed, July 18): It was an erroneous Sputnik-era belief that the old Soviet Union possessed overwhelming missile superiority over the U.S. At the time, this theory had impressive scientific endorsements including from the father of the hydrogen bomb. After the 1960s moonshot this concept died until the 1980s. President Eisenhower played this down and upgraded a science-advisory committee and moved it to the White House. Eisenhower and Richard Nixon brokered treaties with Nikita Khrushchev and Leonid Brezhnev, respectively, and the world didn't blow up. Perhaps we should return to the time of new highways, airports and electric grids and stop exaggerating every threat.

DOUG SCHROEDER
Jacksonville, Fla.

Pepper ... And Salt

THE WALL STREET JOURNAL

"The latest numbers are in. More voters want you to drop out than run."

An Originalist Libel Defense

By David B. Rivkin Jr.
And Andrew M. Grossman

KAYA TAITANO/SOCIAL MEDIA/VIA REUTERS

Nicholas Sandmann and Nathan Phillips on the National Mall, Jan. 18.

A federal judge in Kentucky dismissed high-school student Nicholas Sandmann's libel suit against the Washington Post last week. That's no vindication of the newspaper's skewed reporting on the teen's run-in with American Indian activist Nathan Phillips on the National Mall in January. But it's a vindication of the First Amendment's limitations on state libel law, which have come under scrutiny of late, including from President Trump and Justice Clarence Thomas.

Mr. Sandmann and his peers were targeted by a Twitter mob, and the Post joined in portraying him as the villain in a "white privilege" morality play. Mr. Sandmann claimed the Post had defamed him by repeating Mr. Phillips's claim that Mr. Sandmann had physically "blocked" him. That judge held that was an opinion, not a factual claim, and therefore shielded by the First Amendment.

Justice Brennan might have stumbled onto a standard that comports with the Constitution.

That conclusion may be debatable, but the First Amendment's protection of opinion shouldn't be. It is the legal expression of America's "national commitment to the principle that debate on public issues should be uninhibited, robust, and wide-open," as Justice William Brennan put it in *New York Times Co. v. Sullivan* (1964), which established that the Constitution imposes limits on state libel law.

Mr. Trump said in 2016 that he wanted to "open up" libel laws, and in February Justice Thomas wrote a solo opinion arguing that *Sullivan* departs from the Constitution's original meaning. He has a point: Brennan's reasoning is all policy. For decades, originalists like Justice Antonin Scalia have criticized it as an exercise of raw judicial power. Yet there's a good originalist case for limits on libel law.

Sullivan established that government officials suing for defamation must demonstrate that the defendant either knew that the defamatory statements were false or acted with "reckless disregard" for their accuracy—a standard confusingly known as "actual malice." Later decisions extended the requirement to all "public figures," whether or not they hold office.

Sullivan made it far more difficult for plaintiffs to win libel suits, even for statements that are false and seriously damaging. That price is worth paying, the justices reasoned, to provide breathing room for "uninhibited, robust, and wide-open" debate of public issues, given that inadvertent falsehoods are inevitable. Critics blame *Sullivan* for declining journalistic standards—including the Post's mobbing of Mr. Sandmann and his classmates.

But that's all policy. What about the law?

Sullivan was right to recognize the Constitution's relevance in libel cases. It doesn't matter that libel suits are brought by private parties, rather than the state, because it is the state's law that imposes the liability. If the First Amendment precludes a statute imposing fines for speech criticizing government officials, why would the constitutional analysis be different for a law that awards money to a plaintiff?

And while it may be that "the freedom of speech" recognized by the First Amendment does not protect defamatory speech—which was Scalia's view and apparently is Justice Thomas's—no one seriously argues that a state can punish any speech it wants, free from constitutional scrutiny, merely by labeling it "defamation." That means the court has to define the term somehow.

For all Justice Thomas's criticism of *Sullivan,* he doesn't take issue with its conclusion that the Constitution limits the reach of libel law. His beef is with the actual-malice standard. And that's where things get complicated.

To begin with, he doesn't say what he thinks the proper constitutional standard should be. He observes that judge-made common law provides the "backdrop" for understanding the First Amendment's guarantees of freedom of speech and the press, and he cites cases showing that the adoption of the First and 14th amendments "did not abrogate the common law of libel." That suggests he would have courts scrutinize libel claims for whether they comport with the historical understanding of defamation—if so, the speech would be unprotected. As he notes, it was blackletter law at the time of the framing that a libel plaintiff didn't have to assert actual malice at the outset of the case.

But plaintiffs often *did* have to prove actual malice to prevail. The law recognized circumstances in which a libel defendant could assert a "qualified" or "defeasible" immunity from damages and thereby put the plaintiff to the burden of proving "express" or "actual" malice under more or less the same standard *Sullivan* prescribed. One musty treatise, published in 1877, reports such immunity applies whenever the speaker has a "legal, social, or moral" duty to comment on another's character, fitness or conduct, including in matters of business, crime, morality or religion. Moreover, libel claims concerning government officials' conduct were often subject to the actual-malice standard, as were claims for punitive damages. *Sullivan*'s reasoning was loose, but it didn't fashion actual malice out of whole cloth.

And it may be that Justice Thomas's understanding of the First Amendment is wrong. What if "the freedom of speech" *does* protect defamation? There was no reason for it to be excluded. James Madison's view was that freedom of speech should be understood as a broad natural right, not a specialized legal concept. The only other appearance of "speech" in the Constitution is the Speech or Debate Clause, which completely immunizes members of Congress from liability for legislative speech. The federal government had no general authority to punish or regulate libel. No one expected in 1789 that the First Amendment would apply to state law, and it didn't until it was incorporated under the 14th Amendment.

Yet this poses a conundrum: Imposing so strict a rule on the states would abolish libel laws altogether. Among the ways a court might reconcile the First and 14th amendments, actual malice has the benefits of historical pedigree, practical experience, and balancing vigorous public debate with at least some compensation and deterrence.

Modern originalism is young, and answers to these questions of original meaning often involve some doubt. Yet the *Sullivan* court might have stumbled onto a standard that comports with the Constitution.

Messrs. Rivkin and Grossman practice appellate and constitutional law in Washington. Mr. Rivkin served at the Justice Department and in the White House Counsel's Office. Mr. Grossman is an adjunct scholar of the Cato Institute.

It's Absurd To Ask China To Disarm

By Zhou Bo

The Chinese government sent Vice Premier Liu He to the U.S. in April with a brief to settle the tariff war between Beijing and Washington. But during an Oval Office news conference to address the progress of trade negotiations, President Trump abruptly changed the subject: "Between Russia and China and us, we're all making hundreds of billions of dollars' worth of weapons, including nuclear, which is ridiculous." Mr. Trump has since ordered his administration to prepare a push for new arms-control agreements with Russia and China.

If Mr. Liu was surprised by the pivot from trade to arms control, he wasn't alone. To Chinese ears, Mr. Trump's claims make no sense. Between them, the U.S. and Russia possess 90% of the world's nuclear weapons. China has fewer nuclear warheads (290) than France (300), according to the Stockholm International Peace Research Institute.

Russia and the U.S. have more than 12,000 nuclear weapons between them. We have fewer than 300.

No wonder China's Ministry of National Defense essentially laughed at the idea of a three-way deal on arms control involving the U.S. and Russia. For such an agreement to work, either the U.S. and Russia would need to bring their nuclear arsenals down to China's level, or China would need to increase the size of its arsenal drastically. Neither scenario is realistic.

At the moment, the Trump administration is building up U.S. nuclear capability, developing low-yield warheads for submarine-launched ballistic missiles and tactical nukes for use in battlefield situations. Russian President Vladimir Putin announced in March 2018 that Moscow is developing a nuclear-powered cruise missile with "unlimited range and unlimited ability to maneuver."

Since China has pledged no first use of nuclear weapons and only seeks a small and effective deterrent force, it has to keep a larger arsenal of ground-based intermediate-range missiles for strategic equilibrium with other nuclear powers. In other words, if China reduces the number of its ground-based intermediate-range missiles, most of which are subject to the Intermediate-Range Nuclear Forces Treaty, it has to increase its nuclear-strike capabilities massively. Which is the "lesser evil" for the West?

China is no stranger to nuclear disarmament. In 1994 China presented a draft of a no-first-use policy to France, Russia, the U.S. and the U.K.—the four other countries in the nuclear club at the time. After India and Pakistan conducted nuclear tests in 1998, China and the U.S. agreed to point their nuclear missiles away from one another. Other nuclear powers followed suit in 2000.

Do we really need another ineffective nuclear-disarmament treaty, as Mr. Trump suggested? The Treaty on the Non-Proliferation of Nuclear Weapons only recognizes the nuclear powers that conducted tests before January 1967. It hasn't prevented India, Israel and Pakistan—not to mention North Korea—from becoming de facto nuclear states. The 2017 Treaty on the Prohibition of Nuclear Weapons understandably reflects frustration over "the slow pace of nuclear disarmament," but it probably won't come into effect. So far only 23 nations have ratified the treaty, which requires 50 to go into force. Ironically, Japan refuses to join. The only country to have suffered a nuclear attack claims to see no use in the treaty.

Washington and Moscow need to take the lead on this issue and reduce the size of their nuclear arsenals if they want to live in a world with fewer weapons. The prospect of this happening appears remote. The U.S. is set to withdraw from the INF treaty on Aug. 2. North Korea refuses to make even superficial concessions without the promise of an economic payoff, and if Iran decides to go for a bomb, Saudi Arabia will follow. Dominoes in Egypt and Turkey would likely fall after that.

The number of nuclear warheads in the world has fallen from about 65,000 at the peak of the Cold War in the mid-1960s to 13,865 at the start of 2019. That's progress but it didn't happen by accident. It required brave leaders to make smart decisions.

Mr. Zhou is a senior colonel in China's People's Liberation Army and an honorary fellow of the PLA Academy of Military Science.

How Hitler and Stalin Made Modern Poland

By Sean McMeekin

Warsaw

Thursday marks the 75th anniversary of the heroic yet doomed Warsaw Uprising against German occupation forces in Poland. Every Aug. 1 at 5 p.m., Poles mark the bitter occasion with a moment of silence for the fallen. Alarm sirens wail in a would-be call to arms that captures the defiant spirit of this proud, pugnacious nation.

Warsaw's stupendous Uprising Museum, one of the city's few tourist attractions, illustrates the painful side of this defiance. For the battle of 1944 left behind almost nothing of old Warsaw for visitors to admire. The martyrs of the Polish Home Army lost not only their lives but also the city they loved. The fate of Warsaw—reduced to rubble by the vengeful cruelty of one dictator, Hitler, in unspoken connivance with his enemy doppelgänger, Stalin—epitomizes the catastrophe of World War II better than any other single event.

Why, then, is this shattering episode in European history almost forgotten in the West? Perhaps because the battle for Warsaw does not have a happy ending. Germany's eventual defeat did not mark the liberation of Poles but the beginning of another brutal occupation by the Communists. This unsettles the narrative of World War II as a "good war" and looms large over Polish and European politics to this day.

If the war that broke out in September 1939 was about anything, it was about Poland. Germany's blitzkrieg against its eastern neighbor was the casus belli for Britain and France. Yet Germany wasn't the only country to attack Poland that month. Only after Soviet troops invaded Poland on Sept. 17 did the Polish government give up the ghost and flee to Romania. The Allies did virtually nothing to check Stalin's aggression. He invaded five more countries over the next year while somehow remaining "neutral" in the war—a credit to Allied hypocrisy.

The neglected history of the Warsaw uprising helps explain the country's nationalist politics today.

Hitler's invasion of the U.S.S.R. in June 1941 then wrought a public-relations miracle, turning Stalin from totalitarian butcher and swallower of small nations into plucky "Uncle Joe," worthy of full Allied support. The Roosevelt administration showered the Red Army with Lend-Lease largess, from Spam, Studebakers and warplanes to steel and aluminum.

So desperate were Churchill and Roosevelt to keep Stalin happy they endorsed his lies about the Katyn Forest massacre of 1940, in which Soviet secret policemen carried out the premeditated mass execution of 21,892 Polish war prisoners. Roosevelt even apologized to Stalin when the exiled Polish government in London demanded a Red Cross investigation of the crime after Germans discovered a mass grave in February 1943.

Paying no price for the Katyn Massacre, Stalin saw no need to change course in Warsaw. Despite broadcasting messages in late July 1944 encouraging Warsaw residents to rise up against the German occupiers, Soviet forces did not stir to help them. Though the Red Army was positioned right across the Vistula River outside Warsaw and could have intervened, Stalin was happy to let the Germans slaughter the Polish Home Army. He saw the Polish forces as a rival to postwar Communist rule. The Germans killed as many as 16,000 insurgents alongside nearly 200,000 civilians and put Warsaw to the torch, saving Stalin the trouble.

During the uprising, Polish, American, British and Commonwealth pilots ferried aid packets—ammunition, medicine, food, cigarettes—to the Warsaw insurgents, but Stalin did not allow them to land on Soviet air bases until mid-September. Some were even fired on by Russian antiaircraft guns. Hundreds of Allied pilots were killed. They are heroes in Poland today.

As for the few Polish warriors who survived the battle of Warsaw—its downgrade to an "uprising" came later, to excuse Soviet inaction and soothe Western consciences—they were rounded up by the Soviets, deported to labor camps or shot. Sixteen Polish resistance leaders, invited to Moscow for "talks" in March 1945, were put on trial for the absurd charge of collaborating with the Nazis, despite ineffectual protests from Washington and London.

Americans and Britons have forgotten this sordid story. Poles have not. Without knowing this history, Westerners will never understand how Poles, like other Eastern Europeans who endured 45 years of Soviet occupation, view the world today. For Poland, World War II did not end in 1945 with a parade and a Paris kiss, but in the ruins of Warsaw ruled over by hostile conquerors who had stood by as the city burned. Poles can perhaps be forgiven for failing to share today's Western predilections—born of decades of peace and prosperity taken for granted—for postcolonial guilt and ennui, or the fashionable denigration of the nation-state.

The rise of Poland's nationalist Law and Justice Party in the wake of the 2015 migrant crisis should not surprise anyone who knows 20th-century history. The Polish people know in their bones the horrors that can follow the collapse of a nation's borders and sovereignty, and they are reminded every Aug. 1. They are in no hurry to risk such a nightmare again.

Mr. McMeekin is a professor of European history at Bard College. His book on World War II, due out in 2020, is tentatively titled "Stalin's War."

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Notable & Quotable: Snopes

From "Fact-Checking Satire—Is Snopes Serious?" by Bill Zeiser, RealClearPolitics.com, July 31:

Humor website the Babylon Bee is like The Onion for the politically conservative and evangelical Christian set. That is, it offers satirical articles written in the style of a legitimate news outlet. Recent headlines include "Futuristic, Utopian Paradise of Baltimore Completely Baffled By Trump's Attacks," "Alyssa Milano's Political Activism Prompts Millions To Ask Themselves 'Who Is Alyssa Milano?,' " and "Youth Pastor Rocking Beanie Just In Case Blizzard Hits In Middle Of July."

In case the playful tone does not make it obvious that the editors are joking, their "About Us" page clearly labels the site as satirical. Search for "Babylon Bee" on Google and the top result is a link to the site accompanied by the line "Your Trusted Source for Christian News Satire."

But the Bee is dead serious about its threat of legal action against venerable fact checker Snopes. At the heart of the dispute is a fact check written last week by Snopes' content manager, Dan Evon. The Snopes article concerns a piece from the Bee that jabs at Georgia state Rep. Erica Thomas, who issued the muddy claim that a man in a supermarket told her to go back to her own country. In the Bee's version, which pokes fun at the dubious nature of Thomas' assertion, the confrontation occurred at a Chick-fil-A restaurant. The fictionalized Thomas claimed that an employee told her to go back to her country, only to later recall that he actually said "my pleasure." While the Bee was making light of a divisive current event, Snopes gave the piece the full fact-check treatment.

This is not the first time it has fact-checked the Bee's work. In a particularly notable example, Snopes took up the Bee's obviously absurd claim that CNN had purchased industrial washing machines to launder the news. The consequences of fact-checking can be grave. In previous coverage, RealClear Fact Check Review reported that pieces deemed false by fact-checking outfits stand to lose as much of 80% of their Facebook audience.

Europe's Stalling Economy Sounds Alarm

Slowdown raises likelihood of monetary easing; manufacturers blame trade tensions

By Paul Hannon

The eurozone economy slowed sharply in the second quarter, with growth at less than half the pace of the start of the year.

Figures released Wednesday by the European Union's statistics agency showed that the eurozone's gross domestic product grew at an annualized 0.8% rate in the three months through June, a slowdown from 1.8%. During the same period, the U.S. economy grew 2.1%.

The step down in growth dating back to the start of last year has been led by manufacturing, particularly factories in Germany and Italy, the two eurozone economies most dependent on the sector.

Germany has yet to release official figures for the second quarter, although its central bank estimates that GDP fell during the period. Italy reported Wednesday that its economy stagnated in the three months through June, while growth in France and Spain slowed.

The slowdown is a fresh indication that the global economy had a weak second quarter, with the U.S. and China also losing some momentum. The prospect of a global slowdown has prompted a number of central banks, including the Federal Reserve, to provide stimulus or consider such a move.

Fed Chairman Jerome Powell indicated in testimony to U.S. lawmakers last month that weakness in Asia and Europe was a leading motivation for looser policy. The Fed lowered its benchmark short-term rate by a quarter percentage point on Wednesday, citing "the implications of global developments for the economic outlook."

The eurozone's weakness makes it more likely that the European Central Bank will roll out new stimulus measures in September in an effort to limit the impact of the manufacturing sector on the rest of the economy, which is in better shape.

ECB President Mario Draghi last week said the outlook for the currency area was becoming "worse and worse."

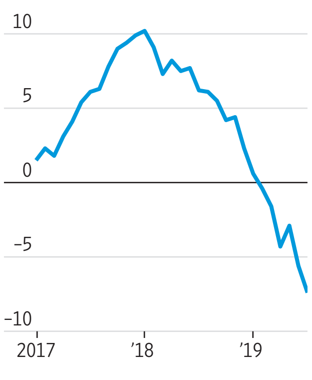
"The reasons were basically found to be in the general uncertainty that's now been with us for several months, actually more than a year, and which relates as I said many times to trade wars," he told reporters after announcing preparations to launch stimulus programs.

European manufacturers say more customers are reluctant to place big new orders that would keep them busy for months to come. "What we see is that clients are making short-term, small orders and tend not to build a stock," said Mario Caldonazzo, chief executive of Arvedi Group, an Italian steelmaker.

Mood Swing

The optimism felt by eurozone manufacturers in 2017 has given way to pessimism amid trade disputes.

Eurozone industrial confidence index



Source: European Commission

Businesses had hoped to see some of that uncertainty ease, but were disappointed with a meeting between President Trump and Chinese President Xi Jinping at a Group of 20 summit in late June.

"There were a lot of people hovering for the outcome of G-20 in terms of some of their strategic calls," said William McDermott, chief executive of German business-software maker SAP SE, which attributed a dive in its software-licensing business in the latest quarter to uncertainty in Asia.

That disappointment delivered a blow to manufacturing confidence, which fell to its lowest level for six years in July, according to a survey by the European Commission.

Trade uncertainty isn't the only drag on European manufacturing. Auto makers wrestling with new rules on carbon emissions and an anticipated shift away from gasoline have seen sales fall 3.1% in the first six months of the year from the same period in 2018.

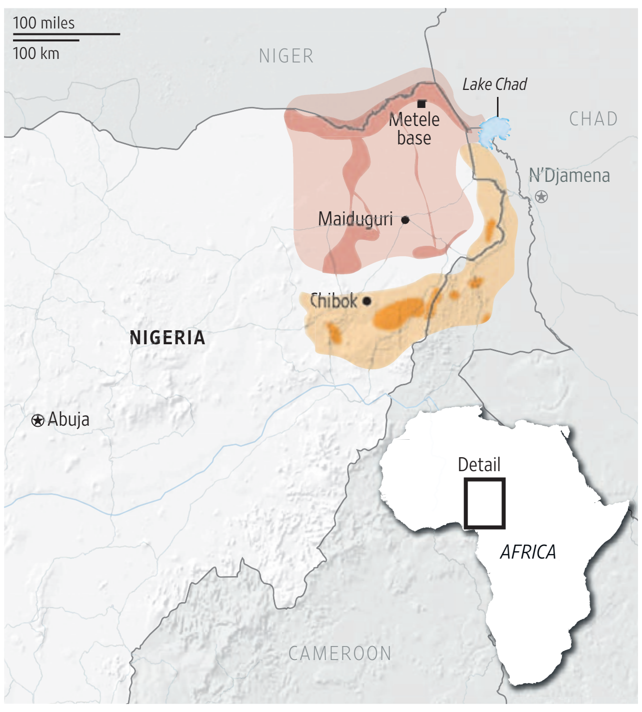
The U.K.'s departure from the EU is also a source of volatility. Ahead of the previous Brexit deadline on March 29, British buyers stockpiled goods to avoid shortages, boosting output at their European suppliers. But that turned into a drag on growth in the second quarter as the departure date was delayed until Oct. 31, and British businesses drew down inventories.

There is now a heightened likelihood that the U.K. will leave the EU without an agreement to smooth its exit, which would hit eurozone manufacturers. The rest of the eurozone economy is in better shape than its factories. Figures also released Wednesday showed the jobless rate fell to 7.5% in June from 7.6% in May to its lowest level since July 2008. That is a boon for retailers and service providers as household spending power rises.

Front Lines

The Islamic State chapter ISWAP and the Boko Haram insurgency have thousands of fighters in northeastern Nigeria.

ISWAP Presence Influence
Boko Haram Presence Influence



Source: Control Risks

Nigeria Secretly Buries War Dead To Mask Toll

By Joe Parkinson

MAIDUGURI, Nigeria—At the northern edge of this city's military base, a vast field of churned soil conceals the hidden toll of a deadly offensive by the allies of Islamic State.

After dark, the bodies of soldiers are covertly transported from a mortuary that at times gets so crowded the corpses are delivered by truck, according to Nigerian soldiers, diplomats and a senior government official. The bodies are laid by flashlight into trenches dug by infantrymen or local villagers paid a few dollars per shift.

"Several of my comrades were buried in unmarked graves at night," said a soldier from the Maimalari barracks, where more than 1,000 soldiers are based. "They are dying and being deleted from history."

The secret graveyard isn't the only one in Nigeria's troubled northeast, the senior government official said.

The burials convey a picture at odds with a war Nigerian President Muhammadu Buhari, a former general, has repeatedly claimed his army has won.

The reality is that Africa's largest land force—a U.S. counterterrorism ally—is struggling against an insurgency that first flared a decade ago and is now rejuvenated by Islamic State and the return of fighters from Libya, Syria and Iraq.

The insurgents control hundreds of square miles of territory across four countries around the Lake Chad basin, a crossroads of Africa where the U.S., U.K. and French militaries have bases or provide special-forces training. On Sunday, gunmen attacked a funeral on the outskirts of Maiduguri, killing at least 65 people, according to government officials.

"This group is one of the most effective, if not the most effective Islamic State contingent at the moment," said Site Intelligence, a terrorism-monitoring group.

Nigeria's government last summer stopped reporting the deaths of soldiers in its fight with Boko Haram insurgents and a splinter group that calls itself Islamic State West Africa Province, or ISWAP. Mr. Buhari was re-elected in February after a security-focused campaign in which he repeated that the Islamist insurgencies in Nigeria had been "technically defeated."

But the sprawling secret graveyard in Maiduguri and an official cemetery at the base, the operational command for the northeastern front in Borno State, now hold the bodies of at least 1,000 soldiers killed since the terror groups began an offensive last summer, according to soldiers and military officials—some of whom estimated a far higher death toll.

The Nigerian military and the presidency didn't respond to requests for comment on the war, casualties and the secret cemeteries.

In November, Mercy Tamuno was told her husband, Adah, had been killed in an insurgent attack on an outpost in Cross Kauwa, a town about 100 miles north of Maiduguri. When she demanded to see where he was buried, she was taken to the official cemetery at Maimalari, where graves are marked with plywood headstones. There she was led to a spot marked with a plastic bottle with her husband's name written on it.

"It was the only one marked in this way. I'm not sure it was his grave but that's what the army told me," Mrs. Tamuno said.

Two soldiers from Lance Cpl. Tamuno's unit said he had been buried days earlier in the secret graveyard. The plastic bottle was prepared to appease his wife, they said.

"We know he was buried in the unmarked grave. There was no funeral," one said.

As the secret cemetery at the Maimalari barracks grows, the military has expanded the site into neighboring fields. "The farmland has been fenced off so they can bury the forces," said Sarah James, a 50-year-old farmer whose husband is a retired soldier.

Official secrecy and a weak economy have left Nigerian soldiers poorly equipped to fight. Soldiers who would ordinarily rotate out every few months have been stuck in operations for years. Morale is collapsing and discipline beginning to fray, soldiers said.

Western military officials say the Nigerian army is stretched so thin that its top brass are no longer talking seriously about defeating the insurgency, merely containing it.

In a video released by Islamic State in June, insurgents pose in front of seized tanks, armored personnel carriers and naval vessels, and warn government forces to repent "before we catch you." The video shows militants killing four Nigerian soldiers by firing squad and another by rocket-propelled grenade.

Soldiers are barred from speaking to the media and some unit commanders don't report deaths to preserve their scant budget allocations, soldiers and diplomats said. But news is starting to leak out. After an attack in November on the army base in Metele, on the border with Niger and Chad, a video circulated among soldiers showing the aftermath. Over images of smoldering tanks and armored vehicles, a narrator laments the quality of military equipment the base was given.

JONATHAN TORGOVNIK FOR THE WALL STREET JOURNAL (2)

After Mercy Tamuno's husband Adah was killed by insurgents, she demanded to see his grave.

"See the weapons they bring here. These are not working," he says. "No less than 100-plus soldiers died here. Many are missing in action, they are nowhere to be found."

Nigeria's military initially refused to comment on the attack. After questions from the senate, the military said 23 soldiers had been killed. It said false casualty figures and the sharing of inaccurate videos were boosting the "propaganda intent of the terrorists."

When Timothy Olanrewaju, a journalist based in Maiduguri, couldn't reach his brother, Sgt. Samuel Olanrewaju, for four months, commanders repeatedly assured him that his brother was well, stationed in a sensitive combat zone.

Mr. Olanrewaju learned of his brother's fate when Islamic State published a video that showed his execution. Several hours later, he was still in shock, slumped on a mattress in his living room, struggling for words. "I couldn't believe my eyes," he said. "Why didn't they tell me the truth?"

The military's secrecy about casualties is so widespread it is unclear whether Nigeria's political leaders are aware of the state of the conflict.

When President Buhari visited the Maiduguri base in November, commanders rushed to bury bodies that had collected at the morgue from the recent attack on the base in Metele and several others, according to several soldiers at the base. They moved the bodies from the morgue into the unmarked graves under cover of darkness.

Mr. Buhari delivered a rousing address to the soldiers. "Please maintain your loyalty to the country," he said.

—*Gbenga Akingbule contributed to this article.*

WORLD WATCH

CHINA

Beijing Curbs Tourism to Taiwan

China will stop issuing travel permits for individual leisure trips to Taiwan amid soured ties between the two governments, as Beijing dials up economic and political pressure on the democratic self-ruled island.

The suspension, effective Thursday, was imposed "due to current relations" between mainland China and Taiwan, according to a notice published online Wednesday by China's Ministry of Culture and Tourism.

The curbs could rattle Taiwan's travel sector and hit the broader economy, as mainland Chinese visitors account for about a quarter of the island's total tourism arrivals, the bulk of whom are independent travelers, industry insiders say.

Restricting travel marks an escalation in Beijing's campaign to pressure the island's leader, President Tsai Ing-wen, who has angered the Chinese leadership by refusing to acknowledge that the mainland and the island are part of "one China"—which her predecessor did.

—*Chun Han Wong*

RUSSIA

Officials Say Activist Wasn't Poisoned

Russian opposition leader Alexei Navalny, who was being treated for a mysterious illness, wasn't poisoned as he and his supporters have claimed, Russian medical officials said, an announcement challenged by a doctor for Mr. Navalny.

The outspoken Kremlin critic was discharged from the hospital on Monday and returned to jail to finish serving a 30-day sentence for organizing unauthorized protests that led to a police crackdown and the detention of more than 1,000 protesters on Saturday.

Hospital officials said he suffered from an acute allergic reaction. Mr. Navalny and his team, however, questioned the diagnosis, saying he had never had allergies before.

On Wednesday, Russian officials said results from toxicology tests showed no traces of poison. Mr. Navalny's doctor, Anastasia Vasilyeva, posted on Facebook that she was skeptical about the results as the hospital didn't have the proper equipment to test for all types of poison.

—*Georgi Kantchev*

AFGHANISTAN

Roadside Bomb Kills At Least 32 on Bus

A roadside bomb tore through a bus in western Afghanistan on Wednesday, killing at least 32 people, including children, a provincial official said.

Mohibullah Mohib, spokesman for the police chief in Farah province, said the explosion also wounded 15 people. Most of the wounded were said to be in critical condition, indicating the death toll could rise. The bus was traveling on a highway between Herat and Kandahar.

No one claimed responsibility, but the Taliban operate in the region and frequently use roadside bombs to target government officials and security forces. Islamic State's affiliate in Afghanistan is also known to have been behind attacks in the area.

—*Associated Press*

TECHNOLOGY: 'FORTNITE' CHAMP'S WIN COMES WITH STRINGS ATTACHED B4

BUSINESS & FINANCE

* * * * * THE WALL STREET JOURNAL. Thursday, August 1, 2019 | B1

S&P 2980.38 ▼ 1.09% S&P FIN ▼ 0.43% S&P IT ▼ 1.47% DJ TRANS ▼ 0.77% WSJ $ IDX ▲ 0.37% LIBOR 3M 2.266 NIKKEI (Midday) 21525.85 ▼ 0.02% See more at WSJ.com/Markets

FBI Probes if Hacker Struck Others

By Anuj Gangahar And Dana Mattioli

The Federal Bureau of Investigation is examining whether the woman charged with stealing data on millions of **Capital One Financial** Corp. customers from an **Amazon.com** Inc. cloud service successfully hit other targets.

Michigan State University said Wednesday it was working with the FBI and assessing whether the hacking suspect also got into its systems, though it said it had no knowledge of a breach. Like Capital One, Michigan State is an Amazon Web Services customer.

UniCredit SpA, Italy's largest bank, also said Wednesday it is investigating the possibility of a breach related to the Capital One incident.

Companies have fervently embraced cloud computing for its speed, ease, cost and security, giving Amazon and others a large and profitable business. But the widening probe points up a possible weakness: A hacker who figures out a way around the security fence of one cloud customer not only gets to that customer's data but also has a method that might be usable against others.

The alleged hacker, Paige Thompson, appears to have made online postings suggesting she had dozens of purloined files. UniCredit and MSU are mentioned in the postings, as is **Ford Motor** Co. A Ford spokeswoman said the company was investigating.

The Ohio Department of Transportation, also mentioned, said it too was working with the FBI. A department spokeswoman said it couldn't confirm if there had been a breach but said that the file referenced in the postings contains "publicly accessible traffic crash data and doesn't contain any personal information." She said the department isn't an Amazon Web Services customer.

An Amazon spokesman said the company has reached out to customers mentioned in online forums by the alleged hacker "to help them assess their own logs for any evidence of an issue." He said Amazon doesn't have proof "that the perpetrator in the Capital One incident found similar application flaws in a few other customers."

In a blog post Tuesday, cybersecurity blogger Brian Krebs published a screenshot that purports to show a list of files containing data that the hacker accessed. One of the files was named "unicredit." This list was posted by Ms. Thompson to a discussion group on the digital-messaging service Slack in late June, according to screenshots reviewed by The Wall Street Journal.

In online chats on Slack reviewed by the Journal, Ms. Thompson said she had access to a massive trove of data, including files that federal investigators had linked to the Capital One hack. The compressed UniCredit files were more than double the size of the Capital One files, according to the screenshots.

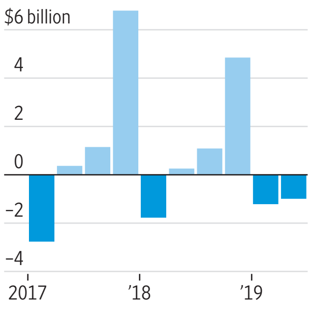
UniCredit is examining whether a directory held on a cloud server was accessed

Please turn to page B6

Cash-Strapped

GE's cash flow was negative for the second straight quarter.

Industrial adjusted free cash flow, quarterly



Source: the company

GE Raises Outlook For Its Reset Year

By Thomas Gryta

General Electric Co. posted a second-quarter loss and flat sales, but said it was making progress in restructuring its long-struggling power division and raised its full-year financial projections.

GE also said its finance chief, Jamie Miller, will be leaving her role and the company is beginning a search for a successor. Ms. Miller, who has been chief financial officer since October 2017, will stay in her role during the transition, the company said.

The conglomerate now expects adjusted cash flow for 2019 ranging from negative $1 billion to positive $1 billion, an improvement from previous guidance of negative cash flow of as much as $2 billion from its core industrial operations.

Cash is in focus for management and investors as the company has cut its dividend twice in recent years stemming from deep problems in its power business and financial-services division. In the second quarter, GE reported negative $1 billion in cash flow from industrial operations, at the low end of its own target.

"I'm encouraged by the steady progress we are making," Chief Executive Larry Culp said in an interview, saying the power business "seems to be stabilizing."

Mr. Culp recently spent two weeks traveling in Asia and said he has a close eye on U.S.-China trade talks, along with the direction of interest rates. "There is still a lot to do."

Mr. Culp said he "made the call" that now is the time for the CFO change and he plans on speaking with "new friends and old" in considering candidates for the job.

Ms. Miller said given the progress made to stabilize the business, it was it the right time to switch CFOs.

GE reported a $300 million reduction in cash flow in the quarter related to **Boeing** Co.'s grounding of its 737 Max airplane, which is powered by jet engines made by GE in partnership with **Safran** SA of France. GE executives had said the grounding could cut cash flow in the quarter by $200 million to $300 million.

The company reduced its production rate of its LEAP engines used in the plane and expects the grounding to cut cash flow by $400 million for each of the third and fourth quarters if the plane remains unable to fly, it said in a regulatory filing.

Meanwhile, Boeing recently pushed back the expected first flight of its 777x long-haul jetliner, blaming problems with GE's new engine for the plane. GE has said it will redesign a part that was wearing out faster than expected.

For the second quarter, GE reported a net loss attributable to common shareholders of $61 million, compared with a year-earlier profit of $615 million. Revenue fell 1% to $28.83 billion, as a sharp decline in the power division, which makes turbines for power plants, offset gains in other units, including aviation.

GE booked a $744 million

Please turn to page B2

The World's Most-Littered Item Draws Fire

By Saabira Chaudhuri

Cigarette butts, the world's most littered items, are posing an intractable trash problem for regulators and tobacco companies: Throwing them on the ground is a firmly entrenched habit for many smokers.

Regulators are taking a tougher stance on cigarette filter pollution amid concerns about the environmental impact of single-use plastic. Butts for decades have been made from cellulose acetate, a form of plastic, which takes years to break down. Studies show that butts—which often wash from sidewalks into drains and then waterways—can be toxic to fish.

About 65% of cigarettes smoked in the U.S. are littered, according to Keep America Beautiful, a nonprofit whose cigarette litter prevention program is funded by the tobacco industry.

"That whole habit is so ingrained it becomes part of the ritual of taking the cigarette out of the pack, lighting it, smoking it, putting it on the ground," said Christopher Proctor, chief scientific officer at **British American Tobacco** PLC, whose cigarette brands include Kent, Newport and Camel. "Changing ingrained behavior is a really difficult thing to do."

The European Union in May adopted new rules under which members must pass laws within two years requiring tobacco companies to fund the cleanup of filter litter as part of a crackdown on single-use plastics. A bill proposing banning filters has made its way through the California Senate and will be heard by the lower house next year.

In response, BAT and Japan Tobacco Inc. are testing biodegradable filters, while Philip Morris International Inc. is assessing the appetite for portable ashtrays. Companies also are tapping behavioral psychologists to understand what propels smokers to litter, hoping to forestall stricter regulation.

"It has become the issue of the decade, I think, plastics and their fates in the environment," Mr. Proctor said. "I don't think the pressure's going to go away so [BAT's] research program has got to deliver something."

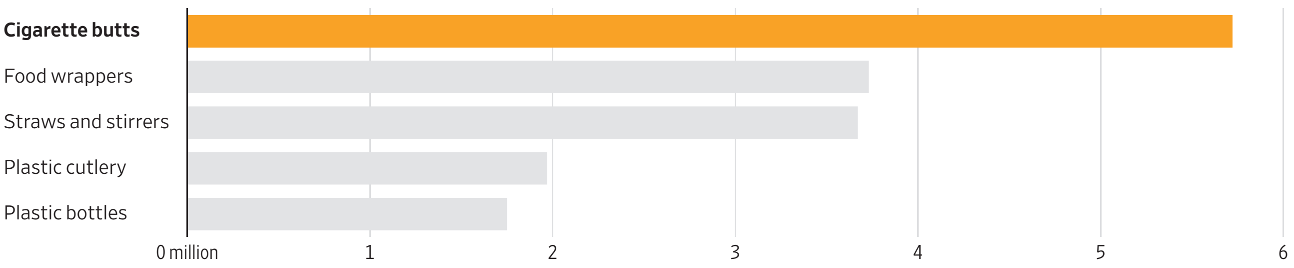
Previous efforts to make eco-friendly filters have fallen flat. In 2013, BAT tested filters made from natural fibers but found toxin levels were too

Please turn to page B2

Cigarette filters are made from cellulose acetate, a form of plastic, and the most commonly littered item globally.

Anatomy of a cigarette

Number of items collected on beaches and waterways in one day*



*The cleanup was conducted in more than 120 countries on Sept. 15, 2018.
Sources: British American Tobacco (cigarette); Ocean Conservancy International Coastal Cleanup (items)

Nordstrom Family Is in Talks to Boost Stake

By Cara Lombardo And David Benoit

The family behind **Nordstrom** Inc. is seeking to strengthen its grip on the department-store chain following a decline in its shares that has stoked tension on the board.

Members of the founding Nordstrom family are in the early stages of discussing a proposal to boost their roughly one-third stake to over 50%, according to people familiar with the matter. It isn't clear how the family would increase its stake—one possibility is through a share buyback at a premium, one of the people said—and there is no guarantee it will follow through.

Should they, the family may encounter resistance: Some independent directors are wary of allowing the family to take advantage of the stock drop to increase its ownership when they blame its management for the decline, one of the people said.

The board has been seeking to bring in an outsider to replace the two great-grandsons of the founder, who have been serving as co-presidents, some of the people said. In 2017, the family attempted to take the company private, offering about $8 billion, or $50 a share, when it was trading at around $40 a share. But a special committee of the board rejected the offer as too low and the family abandoned the effort early last year.

Since then, the stock has dropped by more than one-third compared with a roughly 19% rise for the S&P 500 Retailing index. Like other retailers, Nordstrom has struggled to remake itself amid rapidly changing shopper habits. Its shares closed Wednesday at $33.11, up nearly 8% after The Wall Street Journal reported on the family's plans, giving the Seattle company a market value of just over $5 billion.

The oldest brother, Blake Nordstrom, died in January at the age of 58, shortly after revealing he had been diagnosed with cancer. He had shared the title of co-president with his brothers Erik and Pete, who now run the company jointly. Of the three brothers, Blake handled more of the traditional chief-executive duties such as communicating with Wall Street. Pete oversees merchandising and has helped build Nordstrom's designer business. Erik is in charge of e-commerce and has been involved in the rapid growth of the company.

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Airbus posts upbeat results as the jetliner maker works through huge order backlog **B3**

STOCKS

Chinese consumer stocks rally despite worries about slowing economic growth **B10**

Diapers Get a Change With Pricey Upgrades

By Sharon Terlep

Diapers promising to soften babies' behinds and digitally track their sleep are hitting the market. Billed as parental aids, the new products also are helping the biggest diaper makers lift prices.

Demand for diapers has declined in the U.S. and is set to fall further as Americans have fewer babies, a dilemma for **Procter & Gamble** Co., the maker of Pampers and Luvs, and **Kimberly-Clark** Corp., which makes Huggies.

The number of babies born in the U.S. last year fell to a 32-year low, dropping 2% from the year before to 3.79 million births.

Both Procter & Gamble and Kimberly-Clark have been increasing diaper prices successfully without losing sales to less expensive brands, and executives say they can push higher as long as they make improvements.

"We've far from exhausted that lever," Kimberly-Clark Chief Executive Michael Hsu said in an interview. "There are bigger problems for the consumer that we can still solve."

Kimberly-Clark in July rolled out a Huggies line called Special Delivery, which is made from plant-based materials, comes in black packaging and costs roughly five times the least costly diaper on the market.

P&G, meantime, has teamed

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GETTY IMAGES

Procter & Gamble and Kimberly-Clark dominate the $3.6 billion U.S. disposable-diaper business.

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

INDEX TO PEOPLE

BUSINESS & FINANCE

ERIC GAILLARD/REUTERS

Tobacco makers have turned to psychologists to understand why smokers litter.

Tossed Filters Under Fire

Continued from page B1

high. That same year rival **Imperial Brands** PLC launched a paper filter for its Gauloises brand in France but scrapped it after consumers complained about the taste. The World Health Organization says that filters do break down but leach out some of the 7,000 chemicals contained in cigarettes, many of which are toxic.

Now BAT is testing the toxicity of biodegradable filters made by San Diego startup Greenbutts LLC and examining how quickly they break down to see if they meet third-party certification standards.

Critics say cigarette makers have moved too slowly on the issue, instead focusing resources on developing e-cigarettes and tobacco-heating products as traditional cigarette volumes decline. They complain companies haven't put labels on packs telling smokers filters contain plastic or explaining the toxicity of waste. Industry executives say they haven't previously invested much in eco-friendly filters because existing ones decrease tar levels.

Cellulose acetate filters were added to cigarettes in the 1950s after studies linked smoking to lung cancer. By 1960, filtered cigarettes made up 51% of the U.S. market, according to BAT. Today, almost all cigarettes contain filters.

Studies have questioned their health benefits, saying they don't block all chemicals. The U.S. Surgeon General says filters may have increased lung-cancer risks by enabling smokers to inhale more vigorously, while WHO has said marketing claims that filtered cigarettes are healthier are fraudulent. Companies say filters collect tar particles and carcinogens and are necessary to meet regulations.

Tobacco makers have turned to psychologists to understand why smokers litter and whether their behavior can be changed.

Wesley Schultz—a psychology professor at California State University San Marcos who is working with Keep America Beautiful—said the number and placement of bins matter. His research showed that for every additional receptacle, the littering rate for butts dropped by 9 percentage points.

Companies say the small size of filters means littering seems of little consequence to smokers and they often stamp out butts to cut fire risks. A 2012 study in the International Journal of Environmental Research and Public Health showed 14% of smokers don't consider butts as litter.

The WHO says filters are the biggest source of litter world-wide, while Keep America Beautiful says the trend holds true for the U.S.

In Memphis, Tenn., and Columbus, Ohio, Keep America Beautiful next month will use billboards and other outdoor advertising to tell residents "cigarette butts don't go up in smoke," and "cigarette litter doesn't go away on its own." Prof. Schultz is helping the nonprofit test whether advertising, and the placement of ads in relation to cigarette urns, influences behavior. "Our hypothesis is that a combination of access and advertising should dramatically improve littering," said Noah Ullman, the nonprofit's marketing head.

In the U.K., Philip Morris is running focus groups with nonprofit Clean Up Britain to test the public's appetite for portable ashtrays. So far, testers have expressed concerns about the smell or loose ash escaping, said John Read, head of Clean Up Britain. Design has also emerged as a consideration. Mr. Read thinks more smokers would use portable ashtrays if they became fashionable.

GE Posts Loss for Quarter

Continued from page B1

pretax impairment charge to move some assets from its electrical-grid division into its renewable-energy division. Excluding that charge and including a 6-cent-a-share benefit from a tax audit, GE said its adjusted earnings were 17 cents a share, ahead of an analyst projection of 12 cents a share, according to Refinitiv.

GE shares fell less than 1% to $10.45 on Wednesday.

Before the earnings release, the stock had rallied more than 40% this year but was down about 17% over the past 12 months.

The company has positioned 2019 as a "reset year" as its undergoes a restructuring. In the latest quarter, revenue fell 25% at its power unit and the unit's profit tumbled. Other major business units fared better, with revenue rising 5% in the company's aviation unit, which makes jet engines, and slipping 1% in the health-care division, which makes hospital equipment.

GE has been shrinking its finance unit and selling assets to pay down its debt, including a deal to sell its biotechnology business for more than $20 billion earlier this year. In the second quarter, GE raised $1.8 billion by selling half of its 25% stake in Westinghouse Air Brake Technologies which merged with GE Transportation this year.

Chief Executive To Be Central in Hunt for New CFO

General Electric Co. Chief Executive Larry Culp wants a new finance chief, and he intends to play a bigger-than-customary role in the selection process as he approaches his sophomore year at the helm of the industrial conglomerate.

Mr. Culp said Wednesday he plans to speak with "new friends and old" in vetting candidates to succeed departing Chief Financial Officer Jamie Miller, underscoring the importance of the relationship between the CEO and CFO in the company's transformation.

"The CFO has emerged as a true strategic partner to the CEO," said Jack McCullough, president of the CFO Leadership Council, a professional organization for finance chiefs. "It is the most important relationship within a company, and this is especially true in one going through a transition like GE is."

Mr. Culp said he "made the call" that now is the time for a change in the CFO position. Ms. Miller, who was appointed to the top finance role in October 2017, will remain in her post to assist with the transition, GE said. She joined GE in 2008 and served in various finance roles, including controller and chief accounting officer, before her appointment to the CFO job.

Executive-search processes are often conducted by external recruitment firms on behalf of a company's management and the board, and rarely involve the chief executive publicly taking a lead role. And while GE is expected to conduct a search through a recruitment firm, Mr. Culp's close involvement and comments didn't surprise people familiar with his management.

"This is Larry's style," said Joshua Aguilar, an equity analyst at Morningstar Inc., adding that the executive has a reputation for hands-on leadership.

The decision to search for a new CFO comes about 10 months into the tenure of Mr. Culp. He succeeded John Flannery, who was forced out of the CEO role after the industrial giant said it would miss its financial targets.

Ms. Miller was brought in by Mr. Flannery, and it was a matter of time before she would be replaced as part of the leadership transition under Mr. Culp, analysts said. "Jamie was part of the legacy team," said Scott Davis, chief executive at Melius Research LLC.

She helped Mr. Culp understand the complexities of GE's finances, said Nicholas Heymann, co-head of the global industrial infrastructure unit at William Blair & Co. "He really needed somebody who was intimately familiar with GE's accounting," Mr. Heymann said. "Jamie knew a lot about where the hot spots were after the meltdown."

GE's stock price suffered a substantial decline under Mr. Flannery as the company slashed its dividend, booked a $22 billion goodwill impairment charge and disclosed a shortfall in reserves in a legacy insurance business.

—Nina Trentmann

Diapers Get Pricey Upgrades

Continued from page B1

up with Google's research division to develop a technology-infused diaper system that includes monitors and activity sensors that track when babies sleep and go to the bathroom, sending alerts to parents' phones.

Both companies are introducing new products in China,

Demand is expected to decline as Americans have fewer babies.

a massive market in which parents are willing to pay up for diapers, creating categories P&G refers to as "super premium" and "super, super premium."

"Moms and dads dwell appropriately on their babies," P&G CEO David Taylor said in an interview. "There is evidence that if you provide a meaningful benefit, consumers are generally willing to pay," he said.

That diapers rank among the products that generate the most feedback for P&G is evidence parents see room for improvement, Mr. Taylor said. Diapers could be softer, less leaky and do more to prevent skin irritation, he added.

The company's new offerings include all-natural diapers and ones with extra-sturdy fasteners.

P&G and Kimberly-Clark together dominate the $3.6 billion U.S. disposable-diaper business, accounting for 80% of sales, according to Nielsen data provided by Wells Fargo.

After years of trying to stoke demand by cutting prices, P&G and most of its competitors switched course about a year ago and have been pushing up prices across a range of consumer products. The price moves have paid off as consumers have been willing to absorb the increases, some of which were prompted by higher costs and some of which have padded company profits.

Kimberly-Clark's Mr. Hsu said there is room in the U.S. market for more expensive diapers.

A private-label diaper costs about 11 cents, while the most expensive offering until recently was around 35 cents a diaper, he said. Huggies' new Special Delivery line goes for 55 cents apiece.

Other consumer-products categories have bigger differences between the discount and high-end offerings. The least expensive toothpaste, for instance, goes for 18 cents an ounce, while premium options can be more than $1 an ounce, said Mr. Hsu, referring to the overall U.S. industry.

Natasha Colon, an Appleton, Wis., resident who is the mother of a 3-month-old daughter, said the eye-catching designs on the Special Delivery diaper line appealed to her.

"I'm all about cute," said Ms. Colon, who has been switching between brands. She said the look, combined with the diapers' softness, make them worth the extra cost.

The high-tech P&G diapers are part of a new baby-monitoring system called Lumi that includes a separate webcam. The system also has a sensor that detects moisture and is attached each time a diaper is changed.

P&G hasn't disclosed pricing for the product, which is expected to go on sale later this year.

Some analysts question whether price increases could open the door for private-label and startup competitors, which so far have struggled to make inroads within the diaper market.

P&G has acknowledged that ever-higher razor prices opened the way for online shave brands to steal away customers.

"Everybody has been talking about raising prices. That's well and good to offset the headwinds, but if it's not being matched with value-added innovation, that's the challenge," Morningstar analyst Erin Lash said.

The strategy can be successful, she said, if the companies introduce useful features and figure out ways—either through marketing or offering free trials—to persuade parents to try their diapers.

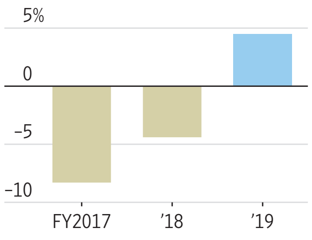
The diaper category "is robust and it's competitive, and our eyes are wide open," Mr. Taylor said.

On Tuesday, P&G reported its highest quarterly sales growth in more than a decade. P&G said organic sales, which strip out currency moves, acquisitions and divestitures, rose 7% in the quarter. About half the gains came from higher prices.

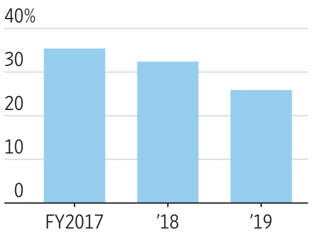
Bottom Line

U.S. diaper sales rose in the past year as companies cut back on promotional pricing.

Annual sales, change from a year earlier



Percentage of diapers sold on promotion



Note: Fiscal years end from July 13-15
Source: Nielsen data provided by Wells Fargo

Death of India Coffee Magnate Raises Questions

By Eric Bellman
And Rajesh Roy

Indian police said they are investigating the death of coffee-chain mogul V.G. Siddhartha, including the possibility of suicide, after finding his body in a river in the southern city of Mangalore on Wednesday.

Mr. Siddhartha built India's answer to **Starbucks** Corp. and was worth an estimated $600 million last year, according to the Barclays Hurun India Rich List. The country's coffee king was last seen walking across a bridge Monday evening in Mangalore.

The possibility of suicide is getting a close look because of a letter in the possession of Mr. Siddhartha's company. Also, tracker dogs seeking the businessman's whereabouts this week had lost his scent in the middle of the bridge.

Mr. Siddhartha's body was pulled out of the Netravathi river Wednesday morning, state police said.

Mr. Siddhartha, as chairman of **Coffee Day Enterprises** Ltd., oversaw Café Coffee Day, which with 1,700 outlets is India's largest coffee chain. Starbucks has 151 stores in the country.

Coffee Day shares plunged 20%, the maximum allowed, for a second day in a row as investors worried about what Mr. Siddhartha's death means for the Bangalore-based company's prospects.

State police in Karnataka, the state where Mr. Siddhartha was found and in which Bangalore is located, said they were investigating the death and considering all possibilities, including accident, suicide and even murder.

The board of Coffee Day chose an interim chairman Wednesday. It also created an executive committee to decide how the company will proceed, particularly in dealing with its debt.

The company said it was still trying to confirm the veracity and contents of what may have been a suicide note from Mr. Siddhartha.

"The board took cognizance of statements in the purported letter from Mr. V.G. Siddhartha relating to financial transactions outside the knowledge of the senior management, auditors and the board," Coffee Day said in a statement sent Wednesday to Mumbai's stock exchange, BSE Ltd.

"While the authenticity of the letter is unverified and it is unclear whether these statements pertain to the company or the personal holdings of Mr. V.G. Siddhartha, the board took serious note of the same and resolved to thoroughly investigate this matter," Coffee Day said.

The company released a copy of a letter Tuesday that it said was purportedly from Mr. Siddhartha, addressed to the board and employees.

The letter included an apology for financial problems at the company. It complained about pressure from investors and tax authorities, while accepting responsibility for "every financial transaction" taken amid a "serious liquidity crunch" at the company.

"The law should hold me and only me accountable," said the letter, which looked like Mr. Siddhartha's letterhead and signature. "I have withheld this information from everybody including my family."

Investors need to know more before they can confidently buy Coffee Day shares again, said Neeraj Dewan, director at Quantum Securities in New Delhi. "If someone at the top has died by suicide and cited financial pressure" that worries investors, he said.

REGIS DUVIGNAU/REUTERS

The European aerospace company is on track this year to supplant U.S. rival Boeing as the largest plane maker by deliveries.

Airbus Cranks Out Strong Profit

Jetliner maker tackles production problems as it works through huge backlog of orders

By Olivia Bugault
And Doug Cameron

Airbus SE said its quarterly profit increased more than fivefold, driven by a rise in jetliner deliveries that positions the European aircraft maker to overtake **Boeing** Co. this year as industry No. 1.

The upbeat results come despite production bottlenecks that have hobbled Airbus's efforts to deliver on a backlog of almost 7,300 aircraft. Still, the company wants to boost its output of commercial jetliners after 2021.

The aerospace giant has been struggling to produce more of the largest version of its A321 single-aisle aircraft, and delays in deliveries to customers have aggravated airlines' capacity issues caused by the grounding of the Boeing 737 MAX.

A decadelong order splurge has left Airbus and Boeing with a combined backlog of 13,000 jets.

Airbus delivered 389 planes in the first half, up 28% from a year earlier, and needs to deliver about 500 jets in the second half of 2019 to meet its financial targets.

"While 2019 is another back-loaded and challenging year, we are on track," Chief Executive Guillaume Faury told analysts.

The larger A321 has outsold similar versions of the 737 MAX by a wide margin, and Mr. Faury said Airbus is looking at options to assemble them at its main production facility in Toulouse, France. The narrow-body planes are currently made in Mobile, Ala., and at a plant in Hamburg, which has suffered the most production problems.

With its single-aisle jets sold out through 2024, Airbus has limited opportunities to capitalize on the uncertainty over when the 737 MAX will return to service. It continues to be outsold by Boeing in the market for larger wide-body jets, where orders have slowed sharply over the past two years.

Mr. Faury said Airbus will maintain output of its A350 and A330neo wide-body jets at current levels to avoid "price wars." Boeing recently boosted output of its rival 787.

Airbus is on track to become the largest plane maker by deliveries this year for the first time since 2011. Its 389 deliveries in the first half topped Boeing's 239. The U.S. company had originally targeted 900 deliveries in 2019, but pulled the projection following the MAX's grounding.

The A320 family of single-aisle planes—which includes the A321—accounted for a majority of Airbus's first-half total. The company has boosted monthly A320 production to 60 jets and plans to increase the rate to 63. A further increase after 2021 is under discussion, though engine makers General Electric Co. and Safran SA have so far resisted such a move.

Slower growth in airline traffic has triggered caution among suppliers to both Airbus and Boeing about supporting higher aircraft production.

Airbus reported net profit of €1.16 billion ($1.29 billion) in the second quarter, up from €213 million a year earlier. Sales climbed 23% to €18.32 billion on the increase in jetliner deliveries, as well as a tailwind from the strong dollar. Aircraft are generally paid for in U.S. dollars, and the majority of Airbus's costs are in euros.

Airbus retained its full-year financial guidance based on delivering 880 to 890 jets this year, 80 more than in 2018. A surge in free cash flow has helped boost Airbus's share price by about half this year. The stock rose 0.3% to €128.06 on Wednesday.

QILAI SHEN/BLOOMBERG NEWS

Jeep and Ram were strong performers in the quarter for the auto maker.

North American Business Powers Fiat Chrysler Results

By Eric Sylvers

Fiat Chrysler Automobiles NV surprised investors by confirming its upbeat outlook for this year and reporting relatively strong second-quarter results, even as questions remain about its future after the failed merger with French rival **Renault** SA.

The Italian-American company has lagged behind rivals in areas such as electric vehicles and self-driving technology. Sergio Marchionne, the longtime former chief executive who died a year ago, had focused for years on finding a partner that would ensure the company's long-term viability.

Fiat Chrysler in June looked ready to seal a merger with Renault that would have helped both confront the financial and technical demands of developing technology. The merger fell apart after the French government and Renault partner **Nissan Motor** Co. didn't fully back the deal.

Some analysts were expecting Fiat Chrysler to trim its targets as the global auto market softens and the company continues to struggle in China and Europe.

But the company confirmed financial guidance for this year, including reiterating a forecast of adjusted operating profit of more than €6.7 billion ($7.43 billion) and a corresponding profit margin of more than 6.1%. Both would be improvements over last year.

Adjusted operating profit, which strips out one-time items, was little changed in the second quarter at €1.53 billion ($1.71 billion) compared with the same period last year, the company said Wednesday. Revenue dropped 3% in the quarter to €26.74 billion.

> **10%**
> Profit margin forecast for the region in the second half of 2019

Strong results in North America powered earnings in the quarter in large part due to the performance of Jeep, which recently began selling the Gladiator truck, and of Ram.

Adjusted operating profit in North America was €1.57 billion, more than all other geographic regions combined and a 12% improvement from the second quarter last year. Profit margin in North America rose by almost a percentage point to 8.9%, even as volume fell 12% and revenue was little changed.

The company is expecting its profit margin in North America to rise to 10% in the second half of 2019 as it sells more high-margin trucks, reduces low-margin fleet sales and cuts industrial costs.

Latin America provided Fiat Chrysler with a small amount of profit. Increased volumes in Brazil offset declines elsewhere in the region, generating an adjusted operating profit of €110 million compared with €9 million in last year's second quarter.

The Asia Pacific region swung to a small loss in the quarter as deliveries in China fell by a third, while Europe posted a profit of €22 million. Persistent disappointing results in the two regions have helped fuel speculation that Fiat Chrysler will continue its search for a merger partner.

—Max Bernhard contributed to this article.

Qualcomm Cuts Forecast, Citing China

By Asa Fitch

Qualcomm Inc. warned of multiple challenges out of China that are hurting its outlook, including a ban on exports to telecom company **Huawei Technologies** Co. and a sharp drop in smartphone sales.

The chip maker cut its full-year forecast for global smartphone sales by 100 million units to a range of 1.7 billion to 1.8 billion, in large part reflecting weaker demand in China. Some handset makers are holding off on releasing new phones as they prioritize a new generation of high-speed 5G devices coming next year, Chief Executive Steve Mollenkopf said during a call with analysts.

Qualcomm stopped all business with Huawei in May, when the U.S. imposed a ban on shipments to the Chinese company, but it resumed some shipments it determined didn't violate the restrictions imposed by the Trump administration amid a broader political and trade dispute. Huawei accounted for about 3% of Qualcomm's revenue before the ban, according to a Bernstein Research estimate.

Mr. Mollenkopf said Huawei became a less-lucrative customer after the ban because the Chinese telecom company switched focus to its domestic market, selling more devices that don't feature Qualcomm's chips.

Those factors contributed to Qualcomm issuing a subdued outlook for the current quarter, projecting another revenue decrease and a fall of as much as

The latest earnings mark the end of a tumultuous quarter for the chip maker.

40% year-over-year in its chip shipments.

Shares fell more than 4% in aftermarket trading.

The company reported a 12.5% slump in adjusted revenue to $4.89 billion for the quarter ended June 30. That figure missed the $5.09 billion expected by analysts surveyed by FactSet. Its adjusted earnings per share of 80 cents exceeded a consensus forecast of 76 cents, due to expanding margins and lower research and development spending, among other factors.

The latest earnings mark the end to a tumultuous quarter for Qualcomm. It got a boost from an April settlement with Apple Inc. in a protracted legal battle over its technology-licensing practices. That triggered a $4.7 billion boost to Qualcomm's quarterly sales, lifting them to $9.6 billion.

In May, a San Jose, Calif., federal judge ruled in a case brought by the Federal Trade Commission that Qualcomm violated antitrust laws by leveraging its dominance as a supplier of mobile-communications chips to extract higher patent royalties from customers. Qualcomm is seeking a stay of an order requiring it to renegotiate its licensing deals. The order could lower revenues for its licensing division, which collects royalties from Qualcomm-developed technologies when other companies use them.

Mr. Mollenkopf said existing licensees were continuing to pay Qualcomm, although John Han, an executive in Qualcomm's licensing division, said in a recent court filing that several customers were already either threatening to stop paying royalties or seek to renegotiate their deals if the court doesn't grant a stay during Qualcomm's pending appeal before the Ninth Circuit Court of Appeals.

Qualcomm is banking on the rollout of new 5G networks to boost its fortunes. The company has been an early leader in putting the technology into some of the newest phones, including Samsung's flagship S10 model. But while 5G networks are appearing in more markets across the globe, the technology remains far from ubiquitous.

For 'Fortnite' Champ, Winning Comes With Strings Attached

By Sarah E. Needleman

EPIC GAMES/ASSOCIATED PRESS

Kyle Giersdorf celebrated Sunday after winning $3 million in the Fortnite World Cup in New York.

The Pennsylvania teen who won a $3 million prize last weekend in the world's largest "Fortnite" videogame competition won't get to keep all of his contest winnings despite being vaulted into esports stardom.

Kyle "Bugha" Giersdorf signed a one-year contract with the Sentinels esports team in March, after a team scout was impressed by the "Fortnite" skills he displayed on **Amazon.com** Inc.'s Twitch, where he streams live broadcasts almost daily.

His contract calls for sharing a portion of competition earnings with the organization, among other stipulations. Kyle's "Fortnite" tournament takeaway is likely to be about $2.4 million, with about $600,000 going to the organization, according to a person familiar with esports player contracts.

The 16-year-old, who will be a high-school junior this fall, said he is comfortable with the deal and that his family had an attorney review it before he signed it. "Everything looked in order," said Kyle's mother, Darci Giersdorf.

Such arrangements are common in the burgeoning world of esports, where skilled gamers are often scouted from the internet and signed to teams, some of which are backed by venture-capital firms and celebrity investors. Attorneys and those connected with the players have raised concerns about the contracts, arguing the players—most of whom are teenagers—may be prone to accepting unfavorable terms out of excitement and social pressure.

"There are tons of players at the lower tier that still don't have a good handle on the business side of being an esports player," said Bryce Blum, an attorney for the Sentinels and other teams.

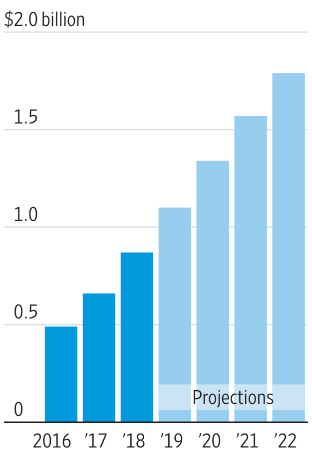
Esports is a small but fast-growing niche within the $150 billion global videogame industry, with revenue projected to climb around 26% this year to reach roughly $1.2 billion, according to research firm Newzoo BV.

In recent years, Activision Blizzard Inc. and Take-Two Interactive Software Inc. have launched professional leagues around their games, while more real-estate owners are developing dedicated esports venues and carving out space in hotels and malls to host matches. Finals competitions can draw hundreds of millions of viewers online.

Even so, the industry still lags behind pro-sports leagues when it comes to player representation and regulatory oversight. Most players aren't unionized, and not all esports teams are run by experienced managers with sufficient financial backing.

Esports on the Rise

Revenue from sponsorship deals, media rights and more



Source: Newzoo BV

"There's a staggering lack of anything that resembles a traditional sports league structure," said Joshua Kusnick, an agent whose clients include Milwaukee Brewers pitcher Jeremy Jeffress. He compared the esports ecosystem today to the early days of pro baseball. "That's where we are at now with esports," he said.

In May, a player on the esports team FaZe Clan sued the Los Angeles organization in an effort to terminate a multiyear contract he had signed at age 20, claiming it unfairly restricted him from pursuing sponsorships, among other grievances.

FaZe Clan Chief Executive Lee Trink said he offered to renegotiate the contract for Turner "Tfue" Tenney, now 21 years old, with a $1 million signing bonus but was turned down. Mr. Trink said the team covers expenses for players, such as travel to and from competitions, in addition to helping them secure sponsors and manage social media.

Mr. Tenney's lawyers didn't respond to a request for comment.

Family Seeks to Boost Stake

Continued from page B1

retailer's off-price chain, Nordstrom Rack. The brothers have spent their entire careers at Nordstrom.

Nordstrom has had only one nonfamily CEO since its founding by John W. Nordstrom, a Swedish immigrant, in 1901: John Whitacre led the company from 1997 until 2000, when he resigned following poor results. Blake Nordstrom succeeded him.

Nordstrom's sales dropped 3.5% year over year in the three-month period ended May 4. Revenue fell 5.1% at its roughly 140 full-price stores and less than 1% at its more than 240 discount outlets. The company also lowered its earnings outlook for the fiscal year in May.

Since early last year, the retailer's stock has fallen by more than one-third.

Pete Nordstrom has said the company needs to do a better job anticipating the tastes and budgets of its customers, including younger shoppers.

While many department stores are shrinking by closing stores or reducing the size of existing locations, Nordstrom has been expanding.

The company is spending roughly $500 million to gain a toehold in Manhattan, including the planned opening of its first women's store in the city this fall. It has snapped up e-commerce companies such as flash-sale website HauteLook and subscription service Trunk Club.The retailer also is opening smaller stores called Nordstrom Local that don't carry any clothes.

Nordstrom is set to report its second-quarter earnings Aug. 21.

—Suzanne Kapner contributed to this article.

Spotify Gains Users Amid Podcast Boom

By Anne Steele

Spotify Technology SA posted greater-than-expected user growth in the latest quarter as the music-streaming giant improved long-term retention of its listeners and broadened its podcasting business.

The company ended the quarter with 232 million monthly active users, above estimates for as many as 228 million. Spotify said it now has 108 million premium subscribers, its most lucrative type of customer, in line with the company's guidance.

On a call with investors, Chief Executive Daniel Ek said the company believes its 31% year-over-year subscriber growth is roughly twice the rate of its closest competitor, Apple Music. In an interview, finance chief Barry McCarthy said the company is adding about two million subscribers a month globally, compared with about one million for Apple. **Apple** declined to comment.

Apple Music surpassed Spotify in paying customers in the U.S., the largest music market, The Wall Street Journal reported earlier this year.

Spotify's latest period included a biannual campaign offering three months of its premium service—regularly priced at $9.99 a month—for 99 cents. The company said monthly churn, or the number of users who end a subscription, declined from the previous quarter and year over year to a record low 4.6%.

To help retain more customers, Spotify has been experimenting with its product offerings. During the quarter, it rolled out Spotify Lite—a smaller version of its app for older or lower-end Android devices—to 36 markets. It also expanded a beta test of Spotify Stations, a radiolike app that serves up music based on genre and artist.

The company says the lifetime value versus the acquisition cost of its subscribers is on the rise. "We're seeing a virtuous cycle of growth," said Mr. McCarthy.

Average revenue per user fell less than 1% to €4.86 ($5.42) in the quarter. That decline—pressured by new subscribers coming in via discounted plans through family and student accounts, and from international markets with lower pricing power—is expected to continue to subside this year.

Spotify's revenue from subscriptions rose 31% to €1.5 billion, higher than anticipated. Ad-supported revenue, a smaller contributor to the top line, jumped 34% to €165 million amid increased demand for podcast advertising as the company builds out that business through acquisitions and developing original content.

The company said tens of millions of users are now streaming podcasts on the platform monthly, with its overall podcast audience growing more than 50% from the previous quarter and nearly doubling since the beginning of the year.

During the quarter, Spotify struck a deal for the entertainment-production company started by Barack and Michelle Obama to develop and produce podcasts that will be available only on the streaming service. (The Wall Street Journal has a joint venture with Spotify's Gimlet unit.)

Overall for the period ended June 30, Spotify posted a loss of €76 million, or 42 European cents a share, compared with a loss of €394 million, or €2.20 a share, a year ago. Revenue increased 31% to €1.67 billion, in line with estimates.

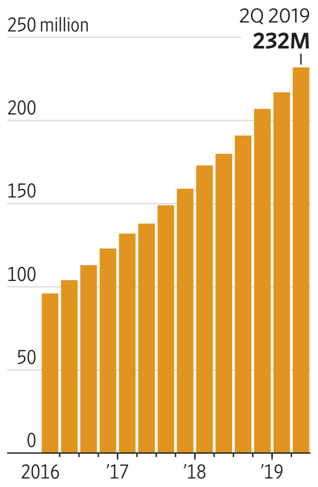
Free cash flow—a measure of the cash a company generates, and a gauge that many investors view as a proxy for performance—was €50 million in the quarter, up from €18 million a year earlier.

NOAM GALAI/GETTY IMAGES FOR SPOTIFY

Podcasters and media get a look at Spotify's Soundtrap for Storytellers on May 9 in New York.

Tuning In

Spotify's monthly active users



Source: the company

BUSINESS WATCH

MOLSON COORS

Chief to Exit Amid Drop in Beer Demand

Molson Coors Brewing Co. said its chief executive is stepping down as the company struggles with declining sales and a consumer shift away from light lagers to Mexican imports, craft beers, wine and spirits.

Mark Hunter, who oversaw the acquisition of MillerCoors, making Molson the No. 2 brewer in the U.S., will retire in September, the company said. He will be replaced by Gavin Hattersley, who now serves as CEO of Molson's U.S. subsidiary.

The brewer Wednesday posted second-quarter sales and earnings that missed expectations amid a drop in demand, particularly for its largest brand, Coors Light. The company's stock fell more than 5%.

"There will be change," Mr. Hattersley said on a call with analysts Wednesday. "We need to consider all options that we can take to maximize the future potential of our business and to create additional firepower to put behind our brands and in order for us to innovate, and that's what I plan to do."

—Jennifer Maloney

ESSILORLUXOTTICA

Eyewear Maker Buys European Competitor

EssilorLuxottica SA agreed to buy control of European rival **GrandVision** NV for about €5.49 billion ($6.1 billion), in a move that would further cement the Ray-Ban maker's global position as the leading manufacturer and retailer of eyewear and lenses.

The deal comes after EssilorLuxottica disclosed earlier in July its talks to acquire the almost 77% stake from HAL Holding NV, a holding company.

EssilorLuxottica said that after completing the HAL transaction it would seek to buy out the rest of GrandVision, which could ultimately value the Dutch company at more than €7.15 billion.

EssilorLuxottica, based in Paris, was created last year from the €46.3 billion merger between Italian sunglasses maker Luxottica and French lens manufacturer Essilor. That tie-up allowed the two companies to access each other's markets of frames and lenses without competing.

It didn't, however, address the competitive shortcomings of the combined company's network of stores. An acquisition of GrandVision, a big optical retailer, is meant to help fill that gap.

EssilorLuxottica operates more than 9,000 stores, with a large presence in North America through brands like LensCrafters and Pearle Vision.

—Ben Dummett

Capital One's Tech Image Suffers

Long before Silicon Valley became enamored with financial-technology startups and the promise of using better data and algorithms to remake banking, **Capital One Financial** Corp. was already blazing that trail.

Now, the data breach affecting 106 million past, present and prospective customers threatens to upend its long-held reputation for digital prowess.

By Peter Rudegeair, AnnaMaria Andriotis and David Benoit

"While we didn't use the term back then, we were an original fintech," Chief Executive Richard Fairbank said on an earnings conference call in April. "It is striking that our battle cry at the founding of our company was to build a tech company that does banking."

That ethos prompted Capital One to leap into cloud computing about five years ago, making it one of the first big banks to migrate reams of customer and corporate data and applications off its own data centers and onto **Amazon.com** Inc.'s cloud services.

That decision could prove to be a liability. The hacker accused of breaking into Capital One's customer data, Paige Thompson, is a former employee of Amazon Web Services Inc.

She is accused of getting through a Capital One firewall to access data the bank had stored on the Amazon cloud service.

The hack is likely to put Capital One on the front line of concerns about whether the trade off is for banks looking to emulate the practices of tech companies, which themselves have been criticized over their handling of consumer information.

Many big banks are following Capital One's lead to outsource more of their tech processes, but questions remain about whether new security gaps are being opened and how closely regulators should be able to watch.

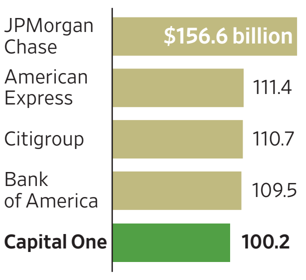
Capital One said that the "vulnerability" the hacker exploited wasn't specific to the cloud. The bank also said its cloud computing model helped it with diagnosing and fixing the problem.

Startups and software companies were early adopters of the cloud, and for years, banks had resisted moving sensitive data or processes there because of security concerns.

Capital One executives were among the first to embrace the cloud, believing that such a move would enable the bank to build new financial apps and products faster.

They also thought it could provide tools for software developers at other firms interested in building their own services on top of Capital One's technology.

Top U.S. credit-card issuers, by loans outstanding



Source: Nilson Report

"Given the amount of tech investment...and the underlying perception of being ahead of the tech game compared to peers in the business, we are a bit surprised that a single individual could penetrate [Capital One's] defenses and gain access to so many accounts," Oppenheimer analysts wrote Monday.

These days, bank executives often view the cloud as a standard way of doing business, and as a way to save costs from building their own storage.

For Mr. Fairbank, the rise of fintech firms in the wake of the financial crisis created a sense of urgency to keep his bank ahead of the startups.

Capital One spent years building a competitive advantage in the databases and machines needed to underwrite even the riskiest borrowers and analyze data for future card solicitations and loan performance.

Cloud computing enabled small companies to leverage data in a similar way at a fraction of the price. The bank worried that fintech lenders would start to gain scale, poaching consumers who would have otherwise borrowed from Capital One.

Mr. Fairbank and a colleague, Nigel Morris, left their careers as management consultants in 1988 to lead strategy for the credit-card unit of Signet Bank, a small lender in Richmond, Va.

Signet listed Capital One on the stock market in 1994 with Mr. Fairbank as CEO.

Capital One bet on the internet being the future of banking in 2011 when it agreed to pay $9 billion to acquire the U.S. online banking business of ING Groep NV.

Since then, Capital One has acquired startups that specialize in gamifying personal finance and budgeting, applying machine-learning to different business problems and scouring the internet for lower prices and rebates for goods of interest to particular shoppers.

Its tech capabilities have positioned the company to win coveted deals in the credit-card sector.

FBI Probes If Hacker Hit Others

Continued from page B1

without authorization, the person said.

UniCredit said in a statement that it had contacted the relevant authorities and is actively investigating the matter.

"Data security and privacy are our key priorities at all times," the statement said.

Capital One, the fifth-largest U.S. credit-card issuer, said Monday that a hacker accessed the personal information of approximately 106 million card customers and applicants, one of the largest-ever data breaches of a big bank.

The FBI said Tuesday it seized digital devices from the alleged hacker's home that referenced Capital One and other companies that may have been targeted. Prosecutors said Capital One failed to fully secure its firewall to wall off data inside Amazon Web Services.

UniCredit's main regulator, the European Central Bank's supervision arm, said it doesn't comment on specific banks. The arm looks closely at cybersecurity risks at banks, including through on-site inspections.

The ECB has permission to audit the outsourcing activities of banks, meaning it can audit companies that provide cloud services to a bank it supervises.

Contracts between banks and outsourcing providers must include a clause allowing the ECB to audit the provider.

Italian banks have been slow to invest in technology as they have struggled to digest piles of bad loans that accumulated on their balance sheets during the financial and sovereign debt crisis. Only three years ago, 17% of Italian banks loans, whose face value was €360 billion ($401 billion), were sour, according to the Bank of Italy.

The bad loans dented lenders profits for years, as the banks were forced to set aside provisions for losses on loans and resort to sell fresh shares to shore up their capital base.

UniCredit, Italy's largest bank by assets, has pushed through a strategic plan in the past years that improved its financial health.

It raised €13 billion of fresh capital, sold assets, such as an online bank and a Polish lender, got rid of billions of bad loans and cut costs.

The bank, which has retail businesses in several European countries and an investment banking unit, including in the U.S., has said it would complete the plan based on organic growth this year.

—Giovanni Legorano and Robert McMillan contributed to this article.

New Highs and Lows | WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **% CHG**-Daily percentage change from the previous trading session.

Wednesday, July 31, 2019

Stock	Sym	52-Wk Hi/Lo	% Chg
Highs			
ABMIndustries	ABM	42.58	-0.4
AGNCInvPfdD	AGNCM	25.69	...
ANI Pham	ANIP	86.96	-0.9
AT&T Nts 2066	TBB	26.98	0.5
AT&T Nts 2067	TBC	27.34	0.3
A10Networks	ATEN	8.29	4.6
AXIS Capital	AXS	64.29	3.7
AcaciaComms	ACIA	67.49	1.3
AddusHomeCare	ADUS	83.13	-2.0
AdestoTech	IOTS	8.70	0.7
AffiliatedMgrDeb	MGR	26.50	0.9
Afya	AFYA	29.26	1.0
Agilysys	AGYS	24.74	1.6
AirLeasePfdA	ALpA	26.93	1.0
AkamaiTech	AKAM	90.76	4.9
AlamosGold	AGI	6.91	-3.8
AlbanyIntl	AIN	86.97	8.8
AlgonquinPwrNt	AQNA	27.80	0.7
AlgonquinNt2079	AQNB	26.87	0.4
Allete	ALE	88.58	-0.2
Allstate	ALL	109.13	5.5
AmHomes4RentPfdD	AMHpD	27.81	-0.4
AmHomes4RentPfdE	AMHpE	27.94	-0.5
AmHomes4RentPfdF	AMHpF	27.04	2.3
AmHomes4RentPfdG	AMHpG	27.50	0.1
AmHomes4RentPfdH	AMHpH	27.45	0.9
AIG5.85%PfdA	AIGpA	27.29	0.5
AmerStWater	AWR	78.58	0.3
AnikaTherap	ANIK	57.51	2.9
AnnalyCapPfdI	NLYpI	25.86	0.1
ApellisPharm	APLS	29.89	-3.2
AquaAmerica	WTR	42.32	0.3
ArchCapitalPfdF	ACGLO	25.75	0.5
ArcturusTherap	ARCT	15.50	-3.0
ArenaPharm	ARNA	63.70	-0.7
AresCapital	ARCC	18.83	-0.7
ArmadaHofflerPfA	AHHpA	26.85	-0.9
AssdBancPfdD	ASBpD	25.89	1.4
Assurant	AIZ	115.35	-1.1
AssuredGuarBds	AGOpB	28.28	0.9
AssurGrMunNt	AGOpE	27.32	0.2
AssuredGuarNts	AGOpF	26.19	0.3
AtmosEnergy	ATO	110.06	0.2
ADP	ADP	172.00	0.9
AvonProducts	AVP	4.29	2.9
Azul	AZUL	42.44	-2.6
B.RileyNts2023	RILYI	26.31	0.7
B.RileyNts2024	RILYO	26.39	2.0
BankofAmPfdHH	BACpK	26.97	0.4
BankofAmPfdL	BACpL	1420.48	1.3
Berkley	WRB	71.23	-1.5
BlackKnight	BKI	64.13	-0.4
Brady	BRC	52.28	0.1
BrighthouseDeb58	BHFAL	27.44	0.5
BrighthousePfdA	BHFAP	27.26	0.6
BrixmorProp	BRX	19.11	1.3
BrunswickNts2049	BCpB	26.80	0.6
BrunswickNts2049	BCpC	26.42	0.2
CBRE Group	CBRE	53.69	-0.3
CDW	CDW	119.72	4.0
CMSEnerDeb78	CMSA	26.94	0.7
CMSEnerNts2078	CMSC	27.88	-0.4
CMSEnerNts2079	CMSD	27.40	0.3
CableOne	CABO	1244.78	-1.2
Carlisle	CSL	146.16	0.3
CarlylePfdA	TCGP	25.33	-0.2
Carlyle	CG	25.99	-3.4
CasellaWaste	CWST	44.15	-0.5
CentralEurMedia	CETV	4.80	1.5
CenturyLinkNts	CTBB	24.72	0.2
CeridianHCM	CDAY	56.10	3.0
Chemed	CHE	410.08	0.7
ChimeraInvPfdA	CIMpA	26.55	1.1
ChimeraInvt	CIM	19.49	0.5
Chubb	CB	154.26	-0.3
CincinnatiFin	CINF	109.18	1.4
Cintas	CTAS	264.29	-0.9
CitizensFinPfdD	CFGpD	27.76	1.0
CleanHarbors	CLH	78.22	6.7
CogentComm	CCOI	64.24	-0.8
CommandCtr	CCNI	8.55	8.0
Conmed	CNMD	89.19	-0.1
ConstructionPtrs	ROAD	15.84	0.9
ConyersParkIIAcqn	CPAAU	10.30	0.4
CorEnergyInfrPf	CORRpA	26.59	2.4
Corts PECO KTH	KTH	33.43	...
Cosan	CZZ	14.80	0.1
Cowen7.35%Nts	COWNZ	26.44	0.5
CowenNts2033	COWNL	26.63	0.6
CryoPortWt	CYRXW	17.17	4.1
CryoPort	CYRX	20.87	1.7
Cushman&Wkfd	CWK	20.62	-1.0
CypressSemi	CY	23.09	-0.2
Cytokinetics	CYTK	12.93	-1.9
DD3Acquisition	DDMXU	10.27	0.3
DRDGOLD	DRD	3.31	-4.4
DSP Group	DSPG	16.30	5.3
DTE EnergyDeb76	DTJ	26.42	0.3
DTE EnergyDebF	DTY	28.24	1.2
DTE EnergyDeb77	DTW	26.76	0.7
DailyJournal	DJCO	260.00	2.4
Denny's	DENN	23.55	4.2
DexCom	DXCM	160.00	0.3
DieboldNixdorf	DBD	14.66	-1.6
DigitalRealtyPfJ	DLRpJ	25.82	0.9
DigitalRealtyPfK	DLRpK	26.45	...
DominionEnerUn	DCUD	50.97	-0.3
Dril-Quip	DRQ	54.51	0.2
DuPont pfB	CTApB	115.84	5.0
DukeEnerDeb78	DUKB	27.50	-0.4
EMC Insurance	EMCI	36.31	-0.2
ESCO Tech	ESE	85.86	-1.0
EVO Payments	EVOP	31.93	0.2
EastGroup	EGP	122.40	-1.0
eBay Nts2056	EBAYL	27.14	0.5
EdisonInt	EIX	75.24	6.1
ElbitSystems	ESLT	161.84	-1.1
EnbridgeNts2078	ENBA	26.85	0.5
EnphaseEnergy	ENPH	28.93	30.0
EnsignGroup	ENSG	63.00	...
EnstarPfdE	ESGRO	26.54	0.9
EntergyBds66	EAI	26.55	1.2
EntergyBds52	EAB	27.27	1.7
EntergyLA Bd	ELU	25.74	0.2
EntergyLA Bds66	ELC	26.06	0.7
EntergyMS Bds	EMP	26.49	1.1
EntergyNOLA Bds	ENJ	25.74	0.2
EntergyTX Bds	EZT	27.36	0.8
EquityResdntl	EQR	81.88	-0.8
Everbridge	EVBG	103.83	-0.9
ExlService	EXLS	70.03	0.6
Exponent	EXPO	69.36	...
ExtraSpaceSt	EXR	114.27	0.4
FMC	FMC	87.99	1.9
FTI Consulting	FCN	106.22	-0.6
FedAgricMtgPfdD	AGMpD	26.70	0.9
FedRealtyInvPfdC	FRTpC	25.35	0.6
FederalSignal	FSS	32.80	7.9
FirstAmerFin	FAF	58.82	-0.7
FirstCapital	FCAP	57.95	1.3
FirstFinBkshs	FFIN	33.43	-0.6
FirstIndRlty	FR	38.89	-1.1
FirstRepBkPfdH	FRCpH	25.25	-0.3
FirstUnited	FUNC	21.60	-0.2
Fiserv	FISV	106.88	1.5
FordMotor6.2%Nt	FpB	27.14	0.9
FormulaSys	FORTY	56.25	0.4
FortressBioPfdA	FBIOP	21.75	0.4
FosterLB	FSTR	27.80	-8.3
FranklinCovey	FC	38.40	-3.6
GAMCOGlbGoldPfB	GGNpB	24.78	...
GDS Holdings	GDS	41.52	0.8
G Willi-Food	WILC	11.44	-2.4
GabelliDivPfdH	GDVpH	25.87	0.2
Generac	GNRC	73.86	-1.3
GeorgiaPwrNt77	GPJA	26.31	0.5
GladstoneCommPfA	GOODP	27.44	0.3
Glaukos	GKOS	83.35	3.5
GlbIndemnityNts	GBLIL	26.80	0.8
GlobalWaterRscs	GWRS	12.75	0.8
GlobalSCAPE	GSB	14.25	6.2
GrahamHoldings	GHC	756.26	-0.3
Grifols	GRFS	22.98	0.9
HallmarkFin	HALL	15.72	1.5
HancockNts2045	HWCPL	26.45	0.7
HanoverIns	THG	131.71	-0.1
HarmonyGold	HMY	2.73	-7.6
Hawkins	HWKN	45.99	-2.8
HealthCatalyst	HCAT	45.94	2.0
HoeghLNG PfdA	HMLPpA	26.93	0.9
Hologic	HOLX	52.19	-0.5
DR Horton	DHI	47.26	-1.3
HudsonPacProp	HPP	36.19	-0.3
HuronConsulting	HURN	64.39	11.2
ICF Intl	ICFI	85.70	1.6
IndepRealty	IRT	12.58	-0.2
Innospec	IOSP	96.23	-1.0
IntelligentSys	INS	51.55	-0.2
InterContinentl	IHG	71.02	-0.3
InvescoMtg	IVR	16.66	-0.4
InvRlEst	IRET	64.80	-0.5
Invitae	NVTA	28.38	-1.1
iStar	STAR	13.28	0.6
J&JSnackFoods	JJSF	191.37	0.4
JohnsonControls	JCI	42.85	2.8
JPMorganPfdBB	JPMpH	26.69	1.2
JPMorganPfdDD	JPMpD	27.84	0.1
JPMChasePfdEE	JPMpC	27.98	0.3
JPMorganPfdP	JPMpA	26.16	0.8
JustEnergyPfdA	JEpA	23.68	0.1
KAR Auction	KAR	27.05	-0.1
KellyServices A	KELYA	28.42	-0.6
KeyCorpPfdG	KEYpK	26.19	0.5
KilroyRealty	KRC	80.66	-0.7
KimcoRealty	KIM	19.43	-0.8
KimcoRealtyPfdL	KIMpL	24.99	0.9
KimcoRealtyPfdM	KIMpM	25.10	...
KimcoRealtyPfdJ	KIMpJ	25.63	0.9
KimcoRealtyPfdK	KIMpK	25.68	0.5
Knowles	KN	20.70	-0.3
KratosDefense	KTOS	25.08	0.1
LHC Group	LHCG	129.37	...
LRAD	LRAD	4.24	1.5
L3HarrisTech	LHX	211.82	3.8
LatticeSemi	LSCC	20.25	17.9
LeggMasonNts	LMHB	25.85	0.2
LexingtonRealty	LXP	9.96	0.2
LexingtonRltyPfC	LXPpC	55.87	0.8
LindbladExped	LIND	19.00	-0.1
LivePerson	LPSN	33.44	1.8
LivongoHealth	LVGO	45.68	7.9
lululemon	LULU	194.25	-0.4
LunaInnov	LUNA	5.52	-1.2
MI Homes	MHO	36.07	-0.5
MTS Systems	MTSC	59.46	-2.4
ManTechIntl	MANT	70.43	0.3
MartinMarietta	MLM	252.08	0.6
Masimo	MASI	160.25	-0.3
MasTec	MTZ	53.82	-3.8
Matson	MATX	42.16	-2.0
McGrathRent	MGRC	70.88	2.3
Medpace	MEDP	80.65	-1.1
Medtronic	MDT	103.95	-1.7
MercurySystems	MRCY	82.98	14.1
MetaFinancial	CASH	31.40	10.7
MillerHerman	MLHR	46.30	-1.2
MiratiTherap	MRTX	111.99	6.9
ModelN	MODN	22.40	-0.7
MonmouthRE PfdC	MNRpC	24.96	0.9
Moody's	MCO	216.74	6.0
MurphyUSA	MUSA	89.38	2.1
NCR	NCR	35.08	4.2
NICE	NICE	153.99	0.4
NIC	EGOV	18.73	-1.1
NRC Group	NRCG	12.43	1.4
NRC Wt	NRCG.WS	2.09	4.0
NanoStringTech	NSTG	34.16	-0.3
NatlHealthcare	NHC	89.55	-0.4
NatlStorage	NSA	30.71	1.0
NatlStoragePfdA	NSApA	26.34	1.0
NetfinAcqn	NFINU	10.06	0.2
Nevro	NVRO	69.00	-0.8
NewResidentPfdA	NRZpA	26.55	1.0
NewSeniorInvt	SNR	7.27	...
NYComBncpPfdA	NYCBpA	28.03	1.5
NYTimes A	NYT	36.25	-1.1
NexPointResidentl	NXRT	44.80	4.0
NextEraEnDebK	NEEpK	27.40	0.5
NextEraEnDebN	NEEpN	27.14	0.5
NicoletBankshares	NCBS	67.06	-0.5
NiSource	NI	29.96	0.4
NorthwestNat	NWN	72.66	...
Novocure	NVCR	86.07	-0.1
NuSTAREnergy	NS	29.53	0.6
ONE Gas	OGS	93.04	-0.6
ONEOK	OKE	71.47	4.3
OaktreeCapPfdA	OAKpA	27.00	-0.3
OaktreeCapital	OAK	50.87	0.3
OaktreeSpecNts28	OCSLL	26.03	0.7
OaktreeSpecNts24	OSLE	25.90	1.1
OdonateTherap	ODT	41.34	3.3
OfficePropNts46	OPINI	26.29	0.3
OneMain	OMF	42.73	-1.5
OritaniFinancial	ORIT	18.30	-0.2
OrmatTech	ORA	66.64	...
OtterTail	OTTR	54.51	-0.2
OutfrontMedia	OUT	27.53	-0.2
OwlRock	ORCC	15.99	1.2
PSBusParksPfdY	PSBpY	25.49	1.2
Palomar	PLMR	29.50	0.1
ParPacific	PARR	23.48	0.8
Parsons	PSN	38.82	-1.2
PartnerRePfdG	PREpG	27.08	1.4
PatternEnergy	PEGI	24.43	-5.8
PebblebrookPfdF	PEBpF	25.79	-1.8
PebblebrookPfdD	PEBpD	27.28	0.7
PebblebrookPfdC	PEBpC	26.05	-0.4
PennyMacFin	PFSI	24.66	-1.6
PennyMacMtgPfA	PMTpA	26.94	0.8
PennyMacPfdB	PMTpB	26.60	0.5
PeoplesFinSvcs	PFIS	49.71	2.5
PerformanceFood	PFGC	44.37	1.5
Phreesia	PHR	28.67	0.2
PivotalInvtII	PIC.U	10.20	-0.3
PopularCapPfd	BPOPM	26.73	0.8
ProSightGlobal	PROS	17.95	0.1
PublicStoragePfC	PSApC	26.05	1.0
PublicStoragePfH	PSApH	27.29	0.2
QTSRealtyPfdB	QTSpB	113.15	2.0
Qudian	QD	9.16	5.2
QwestNts2053	CTY	24.05	0.3
QwestNts2057	CTDD	25.50	0.7
RLI	RLI	92.64	-0.2
RMGAcqn	RMG	10.05	1.2
RPM	RPM	68.86	-0.7
RegionsFinPfdB	RFpB	28.53	-0.2
RegionsFinPfdC	RFpC	27.13	0.7
ReinsuranceGrpDeb	RZB	28.24	0.3
Repligen	RGEN	96.25	-0.3
ResearchFrontiers	REFR	3.75	-2.2
RetailValue	RVI	37.99	0.5
RubiconProject	RUBI	7.86	-1.4
S&P Global	SPGI	248.71	1.2
SCE Tr VI 5% Pfd L	SCEpL	23.62	0.7
SITECtrsPfdA	SITCpA	26.66	-0.8
SITECtrsPfdK	SITCpK	26.41	-0.2
SLGreenRealtyPfd	SLGpI	26.40	0.5
SafetyInsurance	SAFT	102.34	-1.8
Sanfilippo	JBSS	88.70	-0.6
SaulCentersPfdD	BFSpD	25.54	0.5
ScottsMiracleGro	SMG	114.63	8.6
SempraEnNts79	SREA	26.39	0.9
ServiceCorp	SCI	48.54	-3.5
SherwinWilliams	SHW	519.75	-0.4
SimplyGoodFoods	SMPL	28.16	-1.2
Smith&Nephew	SNN	46.16	1.2
SmithMicro	SMSI	6.60	-5.1
SolarEdgeTech	SEDG	67.19	2.9
Sotheby's	BID	59.94	1.4
SouthMtnWt	SMMCW	0.86	14.7
SouthernNts77	SOJC	26.50	0.3
SpirePfdA	SRpA	27.80	1.8
St.Joe	JOE	19.53	-0.3
Stepan	SCL	101.84	0.8
SterlingBncpPfdA	STLpA	28.40	-0.9
StifelFinlPfdA	SFpA	28.39	2.2
StifelFinlPfdB	SFpB	27.56	1.3
StifelFinancial	SF	61.94	-2.7
Strats NewsAm GJV	GJV	26.70	0.1
SuburbanPropane	SPH	24.89	0.7
SummitHotelPfdE	INNpE	26.10	0.7
SykesEnterprises	SYKE	31.47	-3.1
SyndaxPharm	SNDX	9.90	3.0
SynovusFinPfdE	SNVpE	26.00	-0.3
TCF Fin PfdC	TCFpD	26.20	0.6
TaylorMorrison	TMHC	22.95	0.4
TeleNav	TNAV	9.64	0.3
Tele&DataNts	TDA	25.87	1.7
TempurSealy	TPX	81.85	-0.4
TerraFormPower	TERP	15.78	-0.5
TexasCapNts	TCBIL	26.81	1.0
TitanMachinery	TITN	21.88	-4.6
TritonIntlPfdB	TRTNpB	26.63	1.1
TwistBiosci	TWST	35.95	-0.8
Twitter	TWTR	43.24	3.2
TwoHarborsPfdE	TWOpE	25.54	0.7
UDR	UDR	47.39	-1.2
UFP Tech	UFPT	43.98	5.5
UMH PropPfdD	UMHpD	25.00	0.5
USCellularNts64	UZC	26.93	0.6
USD Partners	USDP	11.94	0.7
US PhysTherapy	USPH	132.17	-1.0
Unifirst	UNF	201.19	-0.6
UnionPacific	UNP	180.30	0.4
US Bancorp	USB	57.81	...
UnivDisplay	OLED	217.33	-1.0
UniversalHealth	UHT	94.57	-0.8
UnumNts061558	UNMA	27.19	0.5
UrstadtBiddlePfdH	UBPpH	27.38	0.8
ViaviSolutions	VIAV	14.95	-0.1
VivintSolar	VSLR	8.51	1.5
VolitionRX	VNRX	4.65	-3.4
VulcanMatls	VMC	141.84	-1.4
W.P.Carey	WPC	87.21	0.2
WRBerkleyDeb56	WRBpC	27.85	0.5
Walker&Dunlop	WD	59.39	-0.8
WashingtonFederal	WAFD	37.25	-0.8
WattsWater	WTS	94.93	-0.8
WellsFargoPfdW	WFCpW	26.38	0.8
WellsFargoPfdP	WFCpP	25.60	1.2
WellsFargoPfdL	WFCpL	1397.50	0.1
WhiteMtnIns	WTM	1080.81	0.5
WillisTowers	WLTW	200.90	-1.1
WorkhorseGroup	WKHS	5.37	14.8
WorldFuelSvcs	INT	39.92	-0.5
WyndhamDest	WYND	49.75	-4.1
YorkWater	YORW	36.86	...
Ziopharm	ZIOP	7.25	5.5
ZionsBancorpPfdH	ZBpH	26.07	0.5
Lows			
AU Optronics	AUO	2.54	-2.7
AbeonaTherapWt	ABEOW	0.20	-50.0
AbeonaTherap	ABEO	2.44	-13.1
Ability	ABIL	0.61	6.0
AclarisTherap	ACRS	1.25	-26.4
AeriePharm	AERI	21.19	-1.8
AethlonMedical	AEMD	0.20	-12.0
AgEagleAerial	UAVS	0.24	-10.0
AlimeraSciences	ALIM	0.46	-23.8
AnchianoTherap	ANCN	2.79	-5.9
ApolloEnd	APEN	2.72	-0.4
AquestiveTherap	AQST	3.41	-2.0
ArcadiaBiosci	RKDA	2.15	-3.5
Atreca	BCEL	12.65	-6.7
Aware	AWRE	2.83	-7.8
BigRockPtrsRt	BRPAR	0.18	...
BioMarinPharm	BMRN	78.77	-2.1
BlueHatIntl	BHAT	3.65	-3.8
BoingoWireless	WIFI	14.98	-1.5
BridgelineDigital	BLIN	1.82	-3.1
CabotOil	COG	18.99	-0.9
CamberEnergy	CEI	0.70	-14.7
Cars.com	CARS	18.76	-1.7
CastlightHealth	CSLT	1.50	-46.5
Cemex	CX	3.52	-3.0
Changyou.com	CYOU	7.71	...
ChinaMobile	CHL	42.46	-0.6
ChinaPetrol	SNP	63.92	-1.0
ChinaSXTPharm	SXTC	2.34	-2.0
ChinaUnicom	CHU	9.75	-0.4
CidaraTherap	CDTX	1.26	-8.4
ClearChannelOutdr	CCO	2.96	-6.8
CommScope	COMM	14.10	-1.3
ConturaEnergy	CTRA	35.19	-0.9
CrineticsPharm	CRNX	20.04	-2.8
DominionEnerUn	DCUE	99.69	-0.5
DuluthHoldings	DLTH	11.78	0.7
DynexCapital	DX	15.78	-3.9
EQM Midstream	EQM	38.11	-2.9
8iEntsAcqnRt	JFKKR	0.03	-22.0
ElPolloLoco	LOCO	9.60	-0.6
EmeraldExpo	EEX	10.63	-3.5
Equillium	EQ	4.10	-3.5
EquitransMdstm	ETRN	16.33	-3.3
EquusTotReturn	EQS	1.51	-4.9
EveloBiosci	EVLO	6.04	-9.1
FangHoldings	SFUN	2.06	-10.4
Farmmi	FAMI	1.32	-4.3
FiestaRestaurant	FRGI	9.53	-3.8
Fitbit	FIT	4.09	-3.0
FourSeasonsEduc	FEDU	1.52	5.3
Fred's	FRED	0.30	-6.2
GamidaCell	GMDA	3.60	-2.6
GoldenBull	DNJR	1.02	2.4
Hemispherx	HEB	2.27	-10.3
HershaHospitality	HT	15.58	-8.1
InterceptPharm	ICPT	62.67	-1.8
Iridex	IRIX	3.44	-4.4
IronMountain	IRM	29.28	-1.5
JackintheBox	JACK	70.92	-0.8
JumiaTech	JMIA	16.61	-4.5
LG Display	LPL	5.96	-3.1
LSC Comm	LKSD	1.00	-12.3
Leaf	LEAF	6.05	-6.3
LexiconPharm	LXRX	1.34	-18.7
LibertyTripAdvB	LTRPB	12.00	-3.3
LigandPharm	LGND	91.01	-3.9
LightpathTech	LPTH	0.71	-7.8
LilisEnergy	LLEX	0.30	-15.5
Linx	LINX	8.11	-1.8
LiveVentures	LIVE	5.99	-7.0
LumberLiqu	LL	8.40	-1.6
MGP Ingredients	MGPI	46.26	-25.5
MOGU	MOGU	2.36	-2.8
Manning&Napier	MN	1.45	4.7
MarinSoftware	MRIN	1.98	-2.9
MediWound	MDWD	2.80	-6.0
MeritMedical	MMSI	38.80	-1.8
Michaels	MIK	6.76	-1.2
MolsonCoors B	TAP	51.80	-5.1
NakedBrand	NAKD	0.08	-9.7
Natuzzi	NTZ	1.87	-4.4
NektarTherap	NKTR	28.04	-2.8
NexaResources	NEXA	8.21	-6.9
Nutanix	NTNX	22.52	-3.8
Nxt-ID	NXTD	0.46	-3.6
Orbcomm	ORBC	5.65	-24.8
OncolyticsBio	ONCY	1.31	-8.8
OptiNose	OPTN	5.33	-10.8
POSCO	PKX	46.65	-3.0
PRGX Global	PRGX	5.22	-14.1
PTC	PTC	66.73	-1.9
ParingaResources	PNRL	2.80	-4.8
PeabodyEnergy	BTU	20.72	-4.8
PetroChina	PTR	52.73	-0.7
Pier1	PIR	3.49	-6.6
PivotalSoftware	PVTL	9.34	-0.9
RMGAcqn	RMG	9.03	1.2
Ranpak	PACK	6.47	-0.8
RayonierAdvPfdA	RYAMpA	36.11	-3.8
ReplayAcqnWt	RPLA.WS	0.59	-6.3
RepublicFirstBncp	FRBK	4.34	-1.4
Sina	SINA	38.63	-2.4
SINOPEC	SHI	35.00	-1.1
Sasol	SSL	21.32	-2.6
SciPlay	SCPL	10.02	2.0
SequentialBrands	SQBG	0.42	-3.4
SigmaLabs	SGLB	0.72	-39.7
Sohu.com	SOHU	12.08	-1.9
SundanceEnergy	SNDE	1.35	-8.1
Synlogic	SYBX	5.25	-3.1
T2Biosystems	TTOO	0.54	-59.0
TallgrassEnergy	TGE	18.91	-0.2
TargetHosp	TH	8.42	0.1
TatTechnologies	TATT	5.48	-0.4
Telefonica	TEF	7.57	-1.8
TileShop	TTS	2.53	-2.3
TortoiseAcqnWt	SHLL.WS	0.59	-1.7
TottenhamAcqnIWt	TOTAW	0.06	-12.5
22ndCentury	XXII	1.45	-7.0
TwinDisc	TWIN	12.05	-3.1
2U	TWOU	11.37	-64.9
UBS Group	UBS	11.13	-0.7
UnitedInsurance	UIHC	11.19	-0.8
USComdtyIndxFd	USCI	35.83	-0.6
UnivInsurance	UVE	24.79	-1.3
Verso	VRS	16.17	-4.6
VistaGenTherap	VTGN	0.38	10.9
Waitr	WTRH	4.41	-1.9
Watford	WTRE	18.75	-2.2
Weibo	WB	38.82	-1.9
WesternMidstrm	WES	25.64	-11.5
WestwaterRscs	WWR	3.41	-3.9

MARKETS DIGEST

EQUITIES

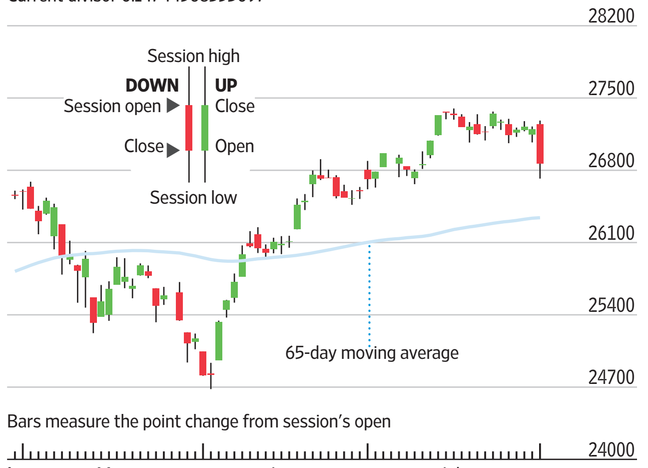
Dow Jones Industrial Average

26864.27 ▼333.75, or 1.23%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio	19.36	22.89
P/E estimate	17.14	16.59
Dividend yield	2.21	2.13
All-time high	27359.16, 07/15/19	

Current divisor 0.14744568353097



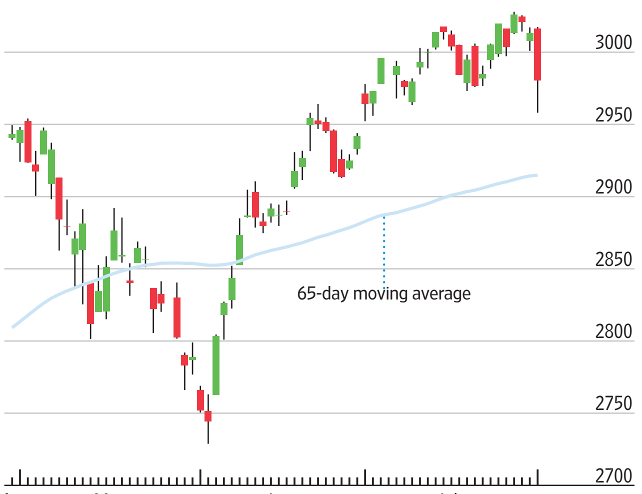
Bars measure the point change from session's open

S&P 500 Index

2980.38 ▼32.80, or 1.09%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *	23.15	24.13
P/E estimate *	18.15	17.65
Dividend yield *	1.86	1.82
All-time high	3025.86, 07/26/19	

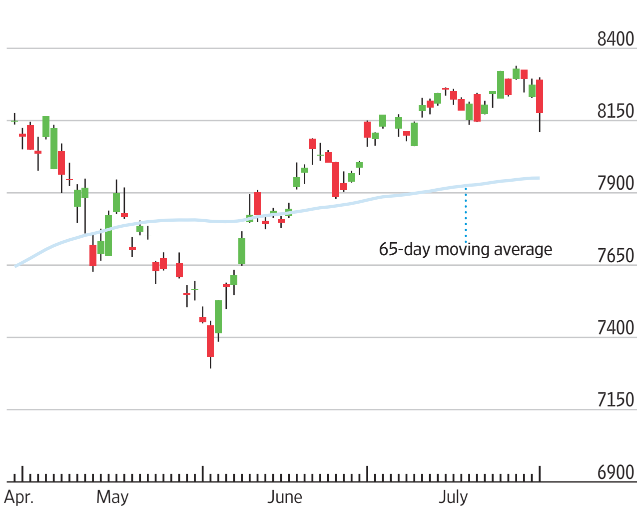


Nasdaq Composite Index

8175.42 ▼98.19, or 1.19%

High, low, open and close for each trading day of the past three months.

	Last	Year ago
Trailing P/E ratio *†	25.06	26.11
P/E estimate *†	22.12	21.43
Dividend yield *†	1.00	0.96
All-time high:	8330.21, 07/26/19	



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	Latest High	Low	Close	Net chg	% chg	52-Week High	Low	% chg	% chg YTD	3-yr. ann.
Dow Jones										
Industrial Average	27281.65	26719.60	26864.27	-333.75	-1.23	27359.16	21792.20	6.0	15.2	13.4
Transportation Avg	10819.32	10598.57	10701.75	-83.09	-0.77	11570.84	8637.15	-2.6	16.7	10.9
Utility Average	817.09	804.46	808.94	-2.71	-0.33	831.33	692.00	12.7	13.5	4.4
Total Stock Market	31035.07	30432.47	30653.00	-324.20	-1.05	31091.22	24126.04	5.0	19.2	10.9
Barron's 400	705.29	691.80	696.13	-5.05	-0.72	786.73	571.68	-7.5	14.2	8.4
Nasdaq Stock Market										
Nasdaq Composite	8299.83	8110.02	8175.42	-98.19	-1.19	8330.21	6192.92	6.1	23.2	16.6
Nasdaq 100	7979.20	7774.93	7848.78	-103.69	-1.30	8016.95	5899.35	7.9	24.0	18.4
S&P										
500 Index	3017.40	2958.08	2980.38	-32.80	-1.09	3025.86	2351.10	5.9	18.9	11.1
MidCap 400	1991.51	1956.34	1966.72	-20.08	-1.01	2050.23	1567.40	-0.6	18.3	8.0
SmallCap 600	977.96	958.40	963.40	-4.30	-0.44	1098.36	793.86	-8.1	14.0	9.0
Other Indexes										
Russell 2000	1599.40	1568.40	1574.61	-10.99	-0.69	1740.75	1266.93	-5.7	16.8	8.9
NYSE Composite	13196.85	12979.37	13066.60	-120.61	-0.91	13239.87	10769.83	1.3	14.9	6.6
Value Line	541.13	531.07	534.33	-4.32	-0.80	593.57	446.06	-7.4	13.1	3.6
NYSE Arca Biotech	4742.35	4632.14	4657.70	-41.23	-0.88	5400.34	3890.37	-7.9	10.3	11.2
NYSE Arca Pharma	587.07	578.60	580.97	-4.12	-0.70	612.45	535.91	2.0	2.1	1.7
KBW Bank	102.75	101.73	102.03	-0.28	-0.28	111.44	80.78	-6.8	18.9	14.5
PHLX§ Gold/Silver	91.81	87.11	87.64	-4.60	-4.99	92.93	61.84	15.5	24.0	-7.4
PHLX§ Oil Service	81.25	78.83	79.41	0.57	0.73	154.64	71.99	-46.7	-1.5	-21.0
PHLX§ Semiconductor	1583.90	1527.38	1542.44	-51.38	-3.22	1622.02	1069.39	13.0	33.5	26.2
Cboe Volatility	16.55	13.46	16.12	2.18	15.64	36.07	10.85	22.6	-36.6	10.7

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6:30 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	After Hours Net chg	% chg	High	Low
VanEck Vectors Gold Miner	GDX	26,302.2	26.45	-0.05	-0.19	26.53	26.43
Fidelity National	FIS	22,132.4	133.25	...	unch.	133.51	132.88
SPDR S&P 500	SPY	10,799.7	296.31	-1.12	-0.38	297.87	296.13
iShares MSCI Emg Markets	EEM	6,672.9	41.78	0.01	0.02	42.18	41.65
VanEck Vectors Jr Gold	GDXJ	5,961.1	37.54	...	unch.	37.64	37.46
Chemical Financial	CHFC	5,510.8	42.19	0.15	0.36	42.28	41.83
Tetra Tech	TTEK	4,483.1	76.77	-2.43	-3.07	79.21	73.00
Amicus Therapeutics	FOLD	4,235.2	12.40	...	unch.	12.40	12.40
Percentage gainers...							
SunPower	SPWR	675.7	13.60	1.91	16.34	14.77	11.46
Boot Barn Holdings	BOOT	59.7	35.50	4.21	13.45	36.65	31.29
Five9	FIVN	145.9	56.00	6.63	13.43	60.00	49.37
Skyline Champion	SKY	65.0	30.84	2.34	8.21	31.36	28.50
Allison Transmission	ALSN	352.6	49.65	3.70	8.05	49.65	45.95
...And losers							
Pluralsight Cl A	PS	1,831.0	21.50	-9.19	-29.94	30.69	19.57
Whiting Petroleum	WLL	263.5	14.74	-2.94	-16.63	17.70	14.65
Fitbit	FIT	2,467.8	3.62	-0.58	-13.81	4.27	3.27
Concho Resources	CXO	82.8	88.25	-9.43	-9.65	99.50	87.75
Equity Residential	EQR	90.0	74.95	-3.94	-4.99	78.89	74.95

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	1,248,818,616	17,020,685
Adv. volume*	311,212,197	4,659,557
Decl. volume*	929,266,803	12,251,874
Issues traded	3,056	288
Advances	1,075	106
Declines	1,889	172
Unchanged	92	10
New highs	319	16
New lows	50	5
Closing Arms†	1.49	2.64
Block trades*	6,577	152

	Nasdaq	NYSE Arca
Total volume*	2,666,709,538	350,747,944
Adv. volume*	729,384,734	47,487,556
Decl. volume*	1,907,183,890	301,202,995
Issues traded	3,280	1,591
Advances	1,006	328
Declines	2,163	1,244
Unchanged	111	19
New highs	146	65
New lows	78	22
Closing Arms†	1.22	1.14
Block trades*	13,327	1,538

* Primary market NYSE, NYSE American NYSE Arca only.
†(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Latest Net chg	% chg	YTD % chg
World	**The Global Dow**	3067.09	−20.27	−0.66	12.2
	DJ Global Index	402.70	−2.80	−0.69	14.8
	DJ Global ex U.S.	244.88	−0.60	−0.25	10.0
Americas	**DJ Americas**	706.69	−7.11	−1.00	19.0
Brazil	**Sao Paulo Bovespa**	101812.13	−1120.63	−1.09	15.8
Canada	**S&P/TSX Comp**	16406.56	−59.49	−0.36	14.5
Mexico	**S&P/BMV IPC**	40863.09	−296.18	−0.72	−1.9
Chile	**Santiago IPSA**	3567.95	−20.62	−0.57	−5.2
EMEA	**Stoxx Europe 600**	385.77	0.66	0.17	14.3
Eurozone	**Euro Stoxx**	375.93	0.63	0.17	14.4
Belgium	**Bel-20**	3701.43	28.34	0.77	14.1
Denmark	**OMX Copenhagen 20**	999.45	4.00	0.40	12.1
France	**CAC 40**	5518.90	7.83	0.14	16.7
Germany	**DAX**	12189.04	41.80	0.34	15.4
Israel	**Tel Aviv**	1624.42	13.88	0.86	11.0
Italy	**FTSE MIB**	21398.19	119.95	0.56	16.8
Netherlands	**AEX**	572.09	−2.25	−0.39	17.3
Russia	**RTS Index**	1360.04	7.15	0.53	27.6
South Africa	**FTSE/JSE All-Share**	56784.61	−456.93	−0.80	7.7
Spain	**IBEX 35**	8971.00	−15.60	−0.17	5.0
Sweden	**OMX Stockholm**	615.13	0.41	0.07	17.1
Switzerland	**Swiss Market**	9919.27	28.37	0.29	17.7
Turkey	**BIST 100**	102082.48	−603.62	−0.59	11.8
U.K.	**FTSE 100**	7586.78	−59.99	−0.78	12.8
U.K.	**FTSE 250**	19666.52	−108.30	−0.55	12.4
Asia-Pacific					
Australia	**S&P/ASX 200**	6812.60	−32.48	−0.47	20.7
China	**Shanghai Composite**	2932.51	−19.83	−0.67	17.6
Hong Kong	**Hang Seng**	27777.75	−368.75	−1.31	7.5
India	**S&P BSE Sensex**	37481.12	83.89	0.22	3.9
Japan	**Nikkei Stock Avg**	21521.53	−187.78	−0.86	7.5
Singapore	**Straits Times**	3300.75	−49.79	−1.49	7.6
South Korea	**Kospi**	2024.55	−14.13	−0.69	−0.8
Taiwan	**TAIEX**	10823.81	−7.09	−0.07	11.3
Thailand	**SET**	1711.97	5.48	0.32	9.5

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
Quad/Graphics	QUAD	11.31	2.69	31.21	24.93	7.22	-54.4
Enphase Energy	ENPH	28.15	6.50	30.02	28.93	3.70	403.6
ACCO Brands	ACCO	9.78	1.64	20.15	13.35	6.07	-23.0
North Amer Construction	NOA	12.50	1.95	18.48	13.62	6.68	76.1
Lattice Semiconductor	LSCC	19.34	2.93	17.85	20.25	5.38	153.8
Unisys Corp	UIS	12.39	1.86	17.66	20.95	8.98	-14.8
Era Group	ERA	10.32	1.49	16.87	14.18	6.95	-26.1
Direxion Jr Gold Bear 3X	JDST	19.11	2.71	16.52	95.14	16.02	-65.7
Lydall	LDL	23.60	3.27	16.08	48.45	17.90	-44.0
Systemax	SYX	21.70	2.99	15.98	47.75	18.49	-52.9
Xcel Brands	XELB	2.53	0.33	15.00	3.50	1.00	-2.7
Workhorse Group	WKHS	5.19	0.67	14.82	5.37	0.37	255.5
VelocityShares 3x Lg Nat	UGAZ	14.61	1.87	14.68	260.23	12.14	-73.8
Huami ADR	HMI	11.79	1.48	14.35	19.66	7.27	26.2
Mercury Systems	MRCY	81.52	10.09	14.13	82.98	41.16	67.0

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	Low	% chg
2U	TWOU	12.80	-23.70	-64.93	90.31	11.37	-83.3
Castlight Health Cl B	CSLT	1.61	-1.40	-46.51	4.15	1.50	-50.5
MGP Ingredients	MGPI	49.99	-17.15	-25.54	100.00	46.26	-38.0
ORBCOMM	ORBC	5.86	-1.93	-24.78	11.25	5.65	-38.2
Belden	BDC	45.46	-10.82	-19.23	76.39	37.79	-37.9
Synthesis Energy Systems	SES	3.79	-0.86	-18.45	23.97	2.41	-82.8
Golden Star Resources	GSS	3.55	-0.75	-17.44	4.97	2.43	-2.7
Tenable Holdings	TENB	25.06	-5.28	-17.40	39.38	20.00	-16.0
Qumu	QUMU	3.72	-0.78	-17.33	4.78	1.85	32.9
Acasti Pharma	ACST	2.41	-0.49	-16.90	2.95	0.43	321.3
Salarius Pharmaceuticals	SLRX	7.47	-1.51	-16.77	37.25	6.50	-63.1
Direxion Jr Gold Bull 3X	JNUG	70.34	-13.78	-16.38	87.99	30.65	16.1
Grand Canyon Education	LOPE	108.77	-19.73	-15.35	130.10	90.67	-8.3
Essa Pharma	EPIX	2.38	-0.41	-14.70	4.50	1.87	-25.9
Direxion Gold Miners Bl 3	NUGT	29.40	-4.94	-14.39	36.68	10.56	42.7

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
General Electric	GE	172,378	235.6	10.45	-0.67	13.25	6.40
SELLAS Life Sciences	SLS	141,712	578.0	0.17	-15.63	2.46	0.10
VanEck Vectors Gold Miner	GDX	125,254	169.7	26.50	-4.78	28.41	17.28
Advanced Micro Devices	AMD	118,805	75.2	30.45	-10.10	34.86	16.03
SPDR S&P 500	SPY	103,839	55.0	297.43	-1.09	302.23	233.76
iShares MSCI Emg Markets	EEM	98,222	54.4	41.77	-1.23	44.84	37.58
Apple	AAPL	69,064	159.8	213.04	2.04	233.47	142.00
Fidelity National	FIS	65,391	1845.0	133.25	-0.33	137.03	94.53
Finl Select Sector SPDR	XLF	64,416	48.5	28.25	-0.49	29.07	22.05
Bank of America	BAC	60,586	28.2	30.68	-0.68	31.91	22.66

* Volumes of 100,000 shares or more are rounded to the nearest thousand

Volume Movers

Ranked by change from 65-day average*

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
2U	TWOU	54,390	5481	12.80	-64.93	90.31	11.37
Tetra Tech	TTEK	12,255	3456	79.20	-0.35	86.56	48.52
Origin Bancorp	OBNK	1,584	2707	34.81	-0.40	41.86	27.41
DFB Hlthcr Acquisitions	DFBH	2,080	2579	10.21	-0.20	10.87	9.70
WisdomTree Japan SC	DFJ	1,606	2412	66.07	-0.24	78.50	60.85
Chemical Financial	CHFC	12,894	2155	42.04	-3.18	59.10	34.62
Fidelity National	FIS	65,391	1845	133.25	-0.33	137.03	94.53
Vector Group	VGR	24,531	1752	11.55	-4.15	17.77	8.62
MGP Ingredients	MGPI	2,998	1572	49.99	-25.54	100.00	46.26
Orchid Island Capital	ORC	7,968	1539	6.19	-9.24	8.14	5.83

* Common stocks priced at $2 a share or more with an average volume over 65 trading days of at least 5,000 shares †Has traded fewer than 65 days

NOTICE TO READERS

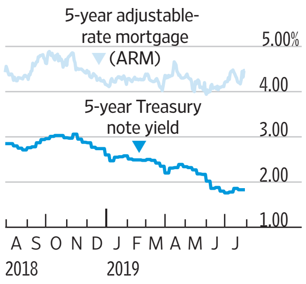
Effective Thursday, August 1, 2019, the WSJ U.S. Prime rate will be 5.25%, the Federal Funds Discount Rate will be 2.75% and the Federal Funds Target rate will be 2.00-2.25%.

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

Five-year ARM, Rate

Bankrate.com avg†:	4.47%
Manasquan Bank	2.88%
Manasquan, NJ	732-292-8400
Webster Bank	3.00%
Hartford, CT	888-493-2783
Rosedale FS&LA	3.13%
Baltimore, MD	410-668-4400
Somerset Savings Bank, SLA	3.25%
Bound Brook, NJ	732-560-1700
Liberty Bank for Savings	3.38%
Chicago, IL	888-542-2265

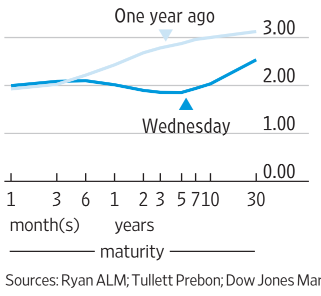
Interest rate	Yield/Rate (%) Last	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	2.25-2.50	2.25-2.50	1.75	2.25	2.00
Prime rate*	5.50	5.50	5.00	5.50	2.00
Libor, 3-month	2.27	2.27	2.25	2.82	1.51
Money market, annual yield	0.66	0.68	0.41	0.75	0.40
Five-year CD, annual yield	1.85	1.82	1.80	2.07	0.64
30-year mortgage, fixed†	3.89	3.88	3.80	4.99	0.44
15-year mortgage, fixed†	3.32	3.31	3.22	4.34	0.57
Jumbo mortgages, $484,350-plus†	4.23	4.24	4.22	5.16	0.16
Five-year adj mortgage (ARM)†	4.47	4.20	3.94	4.89	1.33
New-car loan, 48-month	4.65	4.65	3.87	4.81	1.60

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks. † Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

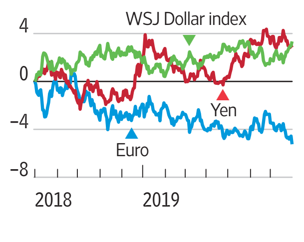
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Ryan ALM; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
Treasury, Ryan ALM	1562.143	2.018	2.001	3.154	1.911	9.152	1.110
10-yr Treasury, Ryan ALM	1863.222	2.034	2.052	3.232	1.952	11.722	0.568
DJ Corporate	n.a.	n.a.	3.184	n.a.	n.a.	n.a.	n.a.
Aggregate, Barclays Capital	2076.380	2.530	2.510	3.660	2.450	8.075	2.172
High Yield 100, Merrill Lynch	n.a.	n.a.	5.436	n.a.	n.a.	n.a.	n.a.
Fixed-Rate MBS, Barclays	2107.490	2.700	2.660	3.810	2.610	6.759	2.127
Muni Master, Merrill	n.a.	n.a.	1.718	n.a.	n.a.	n.a.	n.a.
EMBI Global, J.P. Morgan	n.a.	n.a.	5.667	n.a.	n.a.	n.a.	n.a.

Sources: J.P. Morgan; Ryan ALM; S&P Dow Jones Indices; Barclays Capital; Merrill Lynch

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Wed in US$	per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0228	43.8203	16.4
Brazil real	.2624	3.8114	−1.8
Canada dollar	.7580	1.3193	−3.3
Chile peso	.001421	703.70	1.4
Ecuador US dollar	1	1	unch
Mexico peso	.0522	19.1408	−2.6
Uruguay peso	.02924	34.2000	5.6
Asia-Pacific			
Australian dollar	.6846	1.4607	3.0
China yuan	.1453	6.8843	0.1
Hong Kong dollar	.1277	7.8280	−0.05
India rupee	.01449	69.037	−0.8
Indonesia rupiah	.0000713	14017	−2.5
Japan yen	.009193	108.78	−0.7
Kazakhstan tenge	.002601	384.47	−0.01
Macau pataca	.1240	8.0617	−0.1
Malaysia ringgit	.2427	4.1206	−0.3
New Zealand dollar	.6560	1.5244	2.4
Pakistan rupee	.00623	160.550	14.8
Philippines peso	.0197	50.850	−3.1
Singapore dollar	.7277	1.3742	0.8
South Korea won	.0008415	1188.32	6.6
Sri Lanka rupee	.0056718	176.31	−3.6
Taiwan dollar	.03208	31.169	1.9
Thailand baht	.03254	30.730	−4.9
Vietnam dong	.00004309	23209	0.1
Europe			
Czech Rep. koruna	.04313	23.188	3.4
Denmark krone	.1483	6.7420	3.5
Euro area euro	1.1078	.9027	3.5
Hungary forint	.003397	294.39	5.1
Iceland krona	.008197	121.99	5.0
Norway krone	.1128	8.8620	2.6
Poland zloty	.2582	3.8728	3.5
Russia ruble	.01571	63.661	−8.1
Sweden krona	.1035	9.6632	9.2
Switzerland franc	1.0061	.9939	1.3
Turkey lira	.1790	5.5864	5.6
Ukraine hryvnia	.0398	25.0990	−9.5
UK pound	1.2161	.8223	4.9
Middle East/Africa			
Bahrain dinar	2.6526	.3770	0.01
Egypt pound	.0604	16.5505	−7.6
Israel shekel	.2860	3.4967	−6.5
Kuwait dinar	3.2842	.3045	0.4
Oman sul rial	2.5977	.3850	−0.01
Qatar rial	.2734	3.658	0.6
Saudi Arabia riyal	.2666	3.7507	−0.02
South Africa rand	.0697	14.3457	−0.1

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	91.25	0.34	0.37	1.76

Sources: Tullett Prebon, Dow Jones Market Data

Commodities

	Close	Wednesday Net chg	% Chg	52-Week High	Low	% Chg	YTD % chg
DJ Commodity	613.07	-0.73	-0.12	642.46	572.87	-0.01	7.02
TR/CC CRB Index	178.53	0.18	0.10	201.23	168.36	-6.84	5.14
Crude oil, $ per barrel	58.58	0.53	0.91	76.41	42.53	-13.42	29.00
Natural gas, $/MMBtu	2.233	0.096	4.49	4.837	2.137	-19.04	-24.05
Gold, $ per troy oz.	1426.10	-3.60	-0.25	1429.70	1176.20	17.09	11.56

COMMODITIES

WSJ.com/commodities

Futures Contracts

Metal & Petroleum Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX)-25,000 lbs.; $ per lb.							
Aug	2.6800	2.6800		2.6535	**2.6580**	–0.0125	3,540
Sept	2.6775	2.6910		2.6575	**2.6660**	–0.0125	150,007
Gold (CMX)-100 troy oz.; $ per troy oz.							
Aug	1431.30	1435.80		1411.20	**1426.10**	–3.60	8,700
Oct	1437.60	1441.90		1416.50	**1431.80**	–4.00	43,090
Dec	1443.70	1447.80		1422.30	**1437.80**	–4.00	420,283
Feb'20	1448.30	1452.10		1429.90	**1444.00**	–4.00	49,593
April	1452.00	1457.50		1435.70	**1449.00**	–4.00	16,949
June	1459.00	1462.00		1439.80	**1453.70**	–4.00	15,253
Palladium (NYM) - 50 troy oz.; $ per troy oz.							
Aug	...	...		...	**1519.20**	15.30	
Sept	1512.60	1538.60		1512.50	**1524.40**	15.30	22,139
Dec	1525.30	1537.00		1516.90	**1523.40**	15.30	3,117
March'20	1535.50	1535.50		1530.90	**1520.50**	16.00	289
Platinum (NYM)-50 troy oz.; $ per troy oz.							
Aug	...	...		...	**876.10**	6.30	110
Oct	874.90	883.00		865.80	**878.90**	6.30	71,834
Silver (CMX)-5,000 troy oz.; $ per troy oz.							
Aug	16.510	16.535		16.220	**16.346**	–0.149	1,062
Sept	16.585	16.600		16.215	**16.405**	–0.153	159,053
Crude Oil, Light Sweet (NYM)-1,000 bbls.; $ per bbl.							
Sept	58.34	58.82		57.81	**58.58**	0.53	406,009
Oct	58.42	58.86		57.85	**58.63**	0.52	197,078
Nov	58.38	58.85		57.85	**58.61**	0.50	145,493
Dec	58.30	58.73		57.74	**58.50**	0.50	285,391
June'20	56.28	56.98		56.10	**56.82**	0.41	148,389
Dec	54.80	55.32		54.55	**55.21**	0.30	162,583
NY Harbor ULSD (NYM)-42,000 gal.; $ per gal.							
Aug	1.9558	1.9647		1.9461	**1.9550**	.0110	4,011
Sept	1.9634	1.9747		1.9512	**1.9707**	.0181	140,609
Gasoline-NY RBOB (NYM)-42,000 gal.; $ per gal.							
Aug	1.9067	1.9215		1.8938	**1.9020**	.0051	5,538
Sept	1.8568	1.8770		1.8406	**1.8628**	.0168	129,663
Natural Gas (NYM)-10,000 MMBtu.; $ per MMBtu.							
Sept	2.138	2.268		2.127	**2.233**	.096	472,256
Oct	2.160	2.287		2.151	**2.250**	.090	177,258
Nov	2.255	2.370		2.243	**2.330**	.078	133,057
Dec	2.453	2.559		2.440	**2.520**	.073	123,510
Jan'20	2.579	2.676		2.568	**2.641**	.067	107,779
March	2.485	2.570		2.476	**2.534**	.056	68,950

Agriculture Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Corn (CBT)-5,000 bu.; cents per bu.							
Sept	410.75	413.75		400.00	**400.25**	–11.00	494,867
Dec	420.50	423.50		409.50	**410.00**	–11.00	749,966
Oats (CBT)-5,000 bu.; cents per bu.							
Sept	256.50	257.00	▼	255.00	**256.00**	–1.50	925
Dec	263.50	264.00		262.00	**263.75**	...	3,595
Soybeans (CBT)-5,000 bu.; cents per bu.							
Aug	876.50	882.00		862.75	**864.00**	–14.75	7,070
Nov	894.50	900.00		880.00	**881.50**	–15.25	328,991
Soybean Meal (CBT)-100 tons; $ per ton.							
Aug	300.00	301.40		297.60	**298.20**	–2.10	5,229
Dec	307.30	308.70		304.30	**305.40**	–2.30	187,704
Soybean Oil (CBT)-60,000 lbs.; cents per lb.							
Aug	28.31	28.35		27.75	**27.75**	–.56	4,753
Dec	28.80	28.91		28.20	**28.23**	–.60	207,017
Rough Rice (CBT)-2,000 cwt.; $ per cwt.							
Sept	1209.50	1213.50		1188.50	**1194.50**	–15.00	7,575
Nov	1228.50	1230.00		1209.00	**1215.00**	–14.50	1,243
Wheat (CBT)-5,000 bu.; cents per bu.							
Sept	497.50	500.50		484.50	**487.25**	–10.00	168,049
Dec	502.00	505.25		490.75	**493.25**	–9.75	120,148
Wheat (KC)-5,000 bu.; cents per bu.							
Sept	432.00	434.50		421.25	**422.75**	–10.75	149,511
Dec	449.00	451.75		439.00	**440.50**	–10.50	83,558
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.							
Aug	143.075	143.350		140.825	**141.525**	–1.575	8,949
Sept	144.000	144.050		141.375	**142.450**	–1.600	13,972
Cattle-Live (CME)-40,000 lbs.; cents per lb.							
Aug	108.475	108.475		106.575	**106.900**	–1.200	31,314
Oct	109.250	109.250		107.100	**107.650**	–1.425	156,205
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
Aug	82.825	82.950		79.300	**79.325**	–2.975	20,796
Oct	74.100	74.575		71.000	**71.000**	–3.000	101,752
Lumber (CME)-110,000 bd. ft., $ per 1,000 bd. ft.							
Sept	352.40	353.00		335.50	**343.90**	–5.10	2,033
Nov	351.30	351.70		337.00	**344.40**	–2.90	575
Milk (CME)-200,000 lbs., cents per lb.							
Aug	17.43	17.47		17.24	**17.25**	–.22	3,411
Sept	17.80	17.83		17.63	**17.68**	–.12	3,217
Cocoa (ICE-US)-10 metric tons; $ per ton.							
Sept	2,378	2,384		2,332	**2,345**	–34	81,123
Dec	2,417	2,429		2,389	**2,400**	–27	80,730
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
Sept	99.10	100.45		98.10	**99.65**	.15	111,507
Dec	103.00	104.05		101.75	**103.30**	.20	75,483
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
Oct	12.15	12.23		12.03	**12.21**	.06	494,561
March'20	13.14	13.21		13.03	**13.20**	.08	265,872
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
Sept	25.56	25.56	▼	25.55	**25.56**	.01	2,752
Nov	25.85	25.85		25.85	**25.85**	.05	3,210
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
Oct	62.57	63.34		62.57	**63.22**	.35	237
Dec	63.36	63.97		63.14	**63.84**	.48	137,082
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
Sept	102.30	103.80		101.75	**103.45**	1.10	14,490
Nov	104.65	106.30		104.50	**106.15**	1.05	2,699

Interest Rate Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Ultra Treasury Bonds (CBT) - $100,000; pts 32nds of 100%							
Sept	175-300	178-010		175-250	**177-180**	1-26.0	1,154,411
Dec	177-100	178-160		176-110	**178-050**	1-28.0	4,904
Treasury Bonds (CBT)-$100,000; pts 32nds of 100%							
Sept	154-230	155-290		154-200	**155-190**	31.0	922,358
Dec	154-030	155-040		153-270	**154-270**	31.0	10,737
Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Sept	127-115	127-225		127-005	**127-135**	2.5	3,815,758
Dec	127-260	128-045		127-160	**127-285**	3.5	108,264
5 Yr. Treasury Notes (CBT)-$100,000; pts 32nds of 100%							
Sept	117-202	117-255		117-080	**117-177**	–2.0	4,438,962
Dec	118-000	118-037		117-190	**117-285**	–1.2	177,800
2 Yr. Treasury Notes (CBT)-$200,000; pts 32nds of 100%							
Sept	107-094	107-120		107-012	**107-065**	–2.8	3,690,769
Dec	107-157	107-180		107-072	**107-128**	–2.5	145,595
30 Day Federal Funds (CBT)-$5,000,000; 100 - daily avg.							
July	97.5975	97.5975		97.5950	**97.5950**	.0000	299,008
Aug	97.8850	97.9425		97.8450	**97.8475**	–.0450	579,138
10 Yr. Del. Int. Rate Swaps (CBT)-$100,000; pts 32nds of 100%							
Sept	109-145	110-000		109-090	**109-180**	7.0	21,985
Eurodollar (CME)-$1,000,000; pts of 100%							
Aug	97.7975	97.8125		97.7400	**97.7475**	–.0450	365,712
Sept	97.8350	97.8700		97.7600	**97.7850**	–.0450	1,419,658
Dec	97.9200	97.9550		97.7900	**97.8550**	–.0600	1,828,416
March'20	98.1600	98.1950		98.0000	**98.0900**	–.0700	1,202,328

Currency Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Japanese Yen (CME)-¥12,500,000; $ per 100¥							
Aug	.9200	.9224		.9196	**.9205**	–.0017	1,035
Sept	.9241	.9249		.9204	**.9224**	–.0017	135,650
Canadian Dollar (CME)-CAD 100,000; $ per CAD							
Aug	.7616	.7616		.7577	**.7582**	–.0025	913
Sept	.7611	.7637		.7574	**.7586**	–.0025	173,450
British Pound (CME)-£62,500; $ per £							
Aug	1.2172	1.2254		1.2152	**1.2172**	–.0002	1,263
Sept	1.2178	1.2277		1.2161	**1.2188**	–.0002	271,558
Swiss Franc (CME)-CHF 125,000; $ per CHF							
Sept	1.0141	1.0157		1.0090	**1.0108**	–.0033	57,711
Dec	1.0211	1.0233		1.0180	**1.0194**	–.0030	54
Australian Dollar (CME)-AUD 100,000; $ per AUD							
Aug	.6877	.6899	▼	.6838	**.6844**	–.0035	813
Sept	.6884	.6910	▼	.6843	**.6851**	–.0035	160,364
Mexican Peso (CME)-MXN 500,000; $ per MXN							
Aug	.05229	.05197		.05197	**.05210**	–.00017	1
Sept	.05205	.05238		.05171	**.05186**	–.00017	220,667
Euro (CME)-€125,000; $ per €							
Aug	1.1170	1.1178	▼	1.1078	**1.1103**	–.0071	1,037
Sept	1.1197	1.1204	▼	1.1102	**1.1128**	–.0071	544,444

Index Futures

	Open	High	hi lo	Low	Settle	Chg	Open interest
Mini DJ Industrial Average (CBT)-$5 x index							
Sept	27208	27258		26693	**26855**	–309	100,713
S&P 500 Index (CME)-$250 x index							
Sept	3015.10	3020.10		2959.00	**2982.30**	–30.00	30,303
Mini S&P 500 (CME)-$50 x index							
Sept	3016.25	3020.75		2958.00	**2982.25**	–30.00	2,589,607
Dec	3019.00	3027.75		2961.50	**2985.25**	–29.75	43,632
Mini S&P Midcap 400 (CME)-$100 x index							
Sept	1987.90	1994.10	▲	1956.70	**1968.10**	–21.30	68,234
Mini Nasdaq 100 (CME)-$20 x index							
Sept	7992.5	8001.3		7782.3	**7866.8**	–96.5	226,966
Dec	8014.0	8022.0		7807.5	**7890.3**	–96.3	1,205
Mini Russell 2000 (CME)-$50 x index							
Sept	1587.00	1603.50		1566.00	**1576.70**	–10.70	439,514
Mini Russell 1000 (CME)-$50 x index							
Sept	1671.50	1673.30		1640.50	**1653.50**	–16.50	8,582
U.S. Dollar Index (ICE-US)-$1,000 x index							
Sept	97.81	98.45	▲	97.76	**98.26**	.45	54,200
Dec	97.33	97.98	▲	97.33	**97.78**	.45	1,471

Source: FactSet

Cash Prices

Wednesday, July 31, 2019

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.

	Wednesday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	65.550
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	12.100
Metals	
Gold, per troy oz	
Engelhard industrial	1434.08
Engelhard fabricated	1541.64
Handy & Harman base	1427.55
Handy & Harman fabricated	1584.58
LBMA Gold Price AM	*1428.45
LBMA Gold Price PM	*1425.90
Krugerrand,wholesale-e	1482.52
Maple Leaf-e	1496.78
American Eagle-e	1496.78
Mexican peso-e	1726.73
Austria crown-e	1400.28
Austria phil-e	1496.78
Silver, troy oz.	
Engelhard industrial	16.4500
Engelhard fabricated	19.7400
Handy & Harman base	16.4110
Handy & Harman fabricated	20.5140
LBMA spot price	*£13.5200
(U.S.$ equivalent)	*16.4550
Coins,wholesale $1,000 face-a	12094
Other metals	
LBMA Platinum Price PM	*877.0
Platinum,Engelhard industrial	876.0
Platinum,Engelhard fabricated	976.0
Palladium,Engelhard industrial	1539.0
Palladium,Engelhard fabricated	1639.0
Aluminum, LME, $ per metric ton	*1781.5
Copper,Comex spot	2.6580
Iron Ore, 62% Fe CFR China-s	118.4
Shredded Scrap, US Midwest-s,m	259
Steel, HRC USA, FOB Midwest Mill-s	597
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.5300
Cotton,1 1/16 std lw-mdMphs-u	0.5897
Cotlook 'A' Index-t	*75.60
Hides,hvy native steers piece fob-u	n.a.
Wool,64s,staple,Terr del-u,w	n.a.
Grains and Feeds	
Barley,top-quality Mnpls-u	n.a.
Bran,wheat middlings, KC-u	75
Corn,No. 2 yellow,Cent IL-bp,u	3.9850
Corn gluten feed,Midwest-u,w	104.6
Corn gluten meal,Midwest-u,w	365.6
Cottonseed meal-u,w	220
Hominy feed,Cent IL-u,w	105
Meat-bonemeal,50% pro Mnpls-u,w	210
Oats,No.2 milling,Mnpls-u	3.0050
Rice, Long Grain Milled, No. 2 AR-u,w	24.13
Sorghum,(Milo) No.2 Gulf-u	6.8750
SoybeanMeal,Cent IL,rail,ton48%-u	303.00
Soybeans,No.1 yllw IL-bp,u	8.4200
Wheat,Spring14%-pro Mnpls-u	6.1200
Wheat,No.2 soft red,St.Louis-bp,u	4.7200
Wheat - Hard - KC (USDA) $ per bu-u	4.3025
Wheat,No.1soft white,Portld,OR-u	5.9750
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	188.57
select 1-3,600-900 lbs.-u	164.84
Broilers, National comp wtd. avg.-u,w	0.8621
Butter,AA Chicago	2.3450
Cheddar cheese,bbl,Chicago	169.75
Cheddar cheese,blk,Chicago	182.00
Milk,Nonfat dry,Chicago lb.	103.50
Coffee,Brazilian,Comp	0.9950
Coffee,Colombian, NY	1.3212
Eggs,large white,Chicago-u	0.4250
Flour,hard winter KC	13.75
Hams,17-20 lbs,Mid-US fob-u	0.89
Hogs,Iowa-So. Minnesota-u	80.48
Pork bellies,12-14 lb MidUS-u	1.3474
Pork loins,13-19 lb MidUS-u	0.9873
Steers,Tex.-Okla. Choice-u	n.a.
Steers,feeder,Okla. City-u,w	156.75
Fats and Oils	
Corn oil,crude wet/dry mill wtd. avg.-u,w	27.6100
Grease,choice white,Chicago-h	0.2900
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u	0.2738
Tallow,bleach;Chicago-h	0.3138
Tallow,edible,Chicago-u	n.a.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra,Tordella & Brooks; G=ICE; H=American Commodities Brokerage Co; M=monthly; N=nominal; n.a.=not quoted or not available; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; W=weekly, Z=not quoted. *Data as of 7/30

Source: WSJ Market Data Group

Bonds | WSJ.com/bonds

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High
Broad Market Bloomberg Barclays					
2076.38	6.3	U.S. Aggregate	2.530	2.450	3.660
U.S. Corporate Indexes Bloomberg Barclays					
3025.11	10.5	U.S. Corporate	3.160	3.110	4.370
2814.16	7.3	Intermediate	2.770	2.710	4.060
4293.74	17.2	Long term	3.900	3.880	5.050
618.15	7.7	Double-A-rated	2.610	2.560	3.740
793.68	11.6	Triple-B-rated	3.460	3.430	4.720
High Yield Bonds ICE Data Services					
n.a.	n.a.	High Yield Constrained	n.a.	n.a.	n.a.
n.a.	n.a.	Triple-C-rated	n.a.	n.a.	n.a.
n.a.	n.a.	High Yield 100	n.a.	n.a.	n.a.
n.a.	n.a.	Global High Yield Constrained	n.a.	n.a.	n.a.
n.a.	n.a.	Europe High Yield Constrained	n.a.	n.a.	n.a.
U.S Agency Bloomberg Barclays					
1735.49	4.2	U.S Agency	2.140	2.060	3.210
1536.90	3.1	10-20 years	2.050	1.940	3.110
3697.07	9.3	20-plus years	2.580	2.530	3.700
2642.59	7.9	Yankee	2.890	2.840	4.050

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High
Mortgage-Backed Bloomberg Barclays					
2107.49	4.6	Mortgage-Backed	2.700	2.610	3.810
2068.09	4.4	Ginnie Mae (GNMA)	2.640	2.540	3.780
1239.20	4.6	Fannie mae (FNMA)	2.720	2.650	3.820
1906.64	4.7	Freddie Mac (FHLMC)	2.720	2.640	3.840
n.a.	n.a.	Muni Master	n.a.	n.a.	n.a.
n.a.	n.a.	7-12 year	n.a.	n.a.	n.a.
n.a.	n.a.	12-22 year	n.a.	n.a.	n.a.
n.a.	n.a.	22-plus year	n.a.	n.a.	n.a.
Global Government J.P. Morgan†					
n.a.	n.a.	Global Government	n.a.	n.a.	n.a.
n.a.	n.a.	Canada	n.a.	n.a.	n.a.
n.a.	n.a.	EMU§	n.a.	n.a.	n.a.
n.a.	n.a.	France	n.a.	n.a.	n.a.
n.a.	n.a.	Germany	n.a.	n.a.	n.a.
n.a.	n.a.	Japan	n.a.	n.a.	n.a.
n.a.	n.a.	Netherlands	n.a.	n.a.	n.a.
n.a.	n.a.	U.K.	n.a.	n.a.	n.a.
n.a.	n.a.	Emerging Markets **	n.a.	n.a.	n.a.

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds † In local currency § Euro-zone bonds

** EMBI Global Index

Sources: ICE Data Services; Bloomberg Barclays; J.P.Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

Coupon (%)	Country/ Maturity, in years	Yield (%) Latest	Previous	Month ago	Year ago	Spread Under/Over U.S. Treasurys, in basis points Latest	Prev	Year ago
1.750	**U.S.** 2	1.886 ▲	1.854	1.753	2.686			
2.375	10	2.023 ▼	2.062	2.006	2.963			
5.750	**Australia** 2	0.854 ▼	0.860	0.987	2.079	-103	-99.4	-60.6
3.250	10	1.199 ▼	1.216	1.335	2.658	-82.5	-84.6	-30.5
0.000	**France** 2	-0.720 ▼	-0.680	-0.678	-0.386	-260.6	-253.3	-307.1
0.500	10	-0.180 ▼	-0.141	-0.004	0.735	-220.3	-220.2	-222.8
0.000	**Germany** 2	-0.773 ▼	-0.753	-0.752	-0.572	-265.9	-260.7	-325.8
0.000	10	-0.438 ▼	-0.396	-0.324	0.446	-246.1	-245.8	-251.7
0.050	**Italy** 2	-0.018 ▼	0.009	0.217	0.744	-190.4	-184.5	-194.2
3.000	10	1.546 ▼	1.585	2.090	2.734	-47.8	-47.7	-22.9
0.100	**Japan** 2	-0.203 ▲	-0.211	-0.222	-0.117	-208.9	-206.5	-280.3
0.100	10	-0.154 ▼	-0.151	-0.162	0.049	-217.7	-221.3	-291.4
0.750	**Spain** 2	-0.504 ▼	-0.491	-0.418	-0.308	-239.0	-234.5	-299.3
0.600	10	0.285 ▼	0.354	0.393	1.333	-173.8	-170.7	-163.0
1.500	**U.K.** 2	0.423 ▼	0.527	0.700	0.733	-146.3	-132.7	-195.3
1.625	10	0.611 ▼	0.637	0.833	1.332	-141.2	-142.5	-163.1

Source: Tullett Prebon

Corporate Debt

Price moves by a company's debt in the credit markets sometimes mirror and sometimes anticipate, moves in that same company's share price.

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Maturity	Spread*, in basis points Current	One-day change	Last week	Stock Performance Close ($)	% chg
EQT	EQT	3.900	Oct. 1, '27	349	–14	290	15.11	2.44
NiSource	NI	5.650	June 15, '49	318	–14	n.a.	29.69	0.37
International Paper	IP	3.000	Feb. 15, '27	101	–12	n.a.	43.91	–2.55
Energy Transfer Operating	ETP	5.150	March 15, '45	235	–11	238	...	...
Bayer US Finance II	BAYNGR	3.875	Dec. 15, '23	118	–9	115	...	...
Caterpillar Financial Services	CAT	3.150	Sept. 7, '21	27	–8	34	...	...
John Deere Capital	DE	3.450	March 7, '29	55	–8	60	...	...
eBay	EBAY	3.600	June 5, '27	110	–8	119	41.19	–0.46

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Maturity	Spread*, in basis points Current	One-day change	Last week	Stock Performance Close ($)	% chg
FirstEnergy Solutions	FE	6.050	Aug. 15, '21	849	98	610	...	...
DCP Midstream Operating	DCP	5.850	May 21, '43	514	28	497	29.54	0.07
Bank of New York Mellon	BK	4.500	June 20, '49	210	22	198	46.92	–0.26
Daimler Finance North America	DAIGR	3.750	Nov. 5, '21	74	20	73	...	...
Citigroup	C	5.875	March 27, '49	324	19	320	71.16	–0.77
General Electric	GE	5.000	Jan. 21, '49	265	14	260	10.45	–0.67
BB&T	BBT	3.050	June 20, '22	51	12	52	51.53	0.27
Lloyds Banking	LLOYDS	7.500	Sept. 27, '49	406	12	369	...	...

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week	Stock Performance Close ($)	% chg
SESI	SPN	7.125	Dec. 15, '21	73.500	4.88	69.500	...	...
Foresight Energy	FELP	11.500	April 1, '23	39.500	3.50	29.375	0.44	...
McDermott 1	MDR	10.625	May 1, '24	82.750	3.25	95.500	...	...
Gulfport Energy	GPOR	6.000	Oct. 15, '24	77.490	2.60	75.488	3.78	0.27
Diamond Offshore Drilling	DO	5.700	Oct. 15, '39	68.498	2.50	67.500	9.04	2.15
CNX Resources	CNX	7.250	March 14, '27	86.000	2.38	n.a.	8.22	5.12
MEG Energy	MEGCN	7.000	March 31, '24	95.978	2.23	93.730	...	...
GEO	GEO	5.875	Jan. 15, '22	97.425	2.05	n.a.	17.81	4.58

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Maturity	Bond Price as % of face value Current	One-day change	Last week	Stock Performance Close ($)	% chg
Whiting Petroleum	WLL	6.625	Jan. 15, '26	90.000	–3.50	93.000	17.68	2.79
TeamHealth Holdings	TMH	6.375	Feb. 1, '25	82.562	–1.31	81.250	...	...
DISH DBS	DISH	7.750	July 1, '26	97.750	–1.25	102.000	...	...
Uber Technologies	UBERUS	8.000	Nov. 1, '26	105.503	–1.00	107.210	...	...
Antero Resources	AR	5.000	March 1, '25	89.780	–0.97	91.500	4.61	1.54
1011778 BC Unlimited Liability	BCULC	5.000	Oct. 15, '25	102.000	–0.88	n.a.	...	...
Centene	CNC	4.750	May 15, '22	101.431	–0.82	102.125	52.09	–3.18
CommScope Technologies	COMM	5.000	March 15, '27	83.750	–0.75	83.970	14.28	–1.31

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.

Note: Data are for the most active issue of bonds with maturities of two years or more

Sources: MarketAxess Corporate BondTicker; Dow Jones Market Data

Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended July 26. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

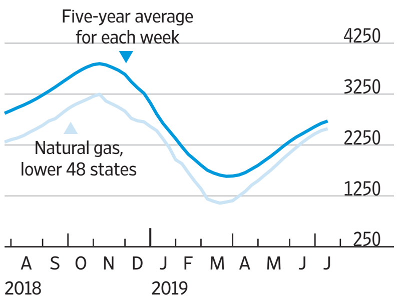
	Inventories, 000s barrels Current	Expected change	Previous week	Year ago	4-week avg	5-year avg	Imports, 000s barrels per day Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and petroleum prod	1,298,403	...	1,309	1,207	1,306	1,259	9,333	...	9,633	10,045	9,545	10,255
Crude oil excluding SPR	436,545	-2,100	445	409	449	438	6,663	...	7,028	7,749	6,956	7,954
Gasoline	230,735	...	233	231	231	225	1,117	...	985	752	956	722
Finished gasoline	22,580	-1,800	22	23	22	25	58	...	20	13	36	56
Reformulated	33	...	0	0	0	0	0	...	0	0	0	0
Conventional	22,547	...	22	23	22	25	58	...	20	13	36	56
Blend. components	208,154	...	211	208	209	200	1,059	...	965	739	921	666
Natural gas (bcf)	2,569	...	3	2	2	3	...	...	...	...	...	...
Kerosene-type jet fuel	42,016	...	42	41	42	40	204	...	227	123	206	112
Distillates	135,922	700	137	124	135	140	103	...	105	157	130	151
Heating oil	10,572	...	10	8	10	12	18	...	2	4	16	65
Diesel	125,349	...	127	116	125	128	71	...	102	153	81	68
Residual fuel oil	29,599	...	31	29	30	35	149	...	214	340	168	180
Other oils	318,667	...	318	285	317	281	960	...	974	810	1,008	1,023
Net crude, petroleum products, incl. SPR	1,943,221	...	1,953	1,867	1,951	1,943	932	...	1,639	3,707	1,597	5,359

Weekly Demand, 000s barrels per day

	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Total petroleum product	21,296	...	21,583	20,570	21,119	20,611
Finished motor gasoline	9,559	...	9,673	9,878	9,550	9,455
Kerosene-type jet fuel	1,893	...	1,837	1,668	1,852	1,751
Distillates	3,885	...	4,264	3,611	3,816	3,913
Residual fuel oil	369	...	425	632	374	203
Propane/propylene	1,141	...	832	558	1,074	...
Other oils	4,450	...	4,551	4,223	4,453	...

Natural gas storage

Billions of cubic feet; weekly totals



Note: Expected changes are provided by Dow Jones Newswires' survey of analysts. Previous and average inventory data are in millions.
Sources: FactSet; Dow Jones Market Data; U.S. Energy Information Administration; Dow Jones Newswires

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session

Wednesday, July 31, 2019

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
AlerianMLPETF	AMLP	9.83	–0.41	12.6
CnsmrDiscSelSector	XLY	120.72	–1.15	21.9
CnsStapleSelSector	XLP	59.43	–2.03	17.0
EnSelectSectorSPDR	XLE	62.70	–0.32	9.3
FinSelSectorSPDR	XLF	28.25	–0.49	18.6
FT DJ Internet	FDN	146.12	–1.62	25.3
HealthCareSelSect	XLV	91.14	–0.99	5.4
IndSelSectorSPDR	XLI	77.82	–1.12	20.8
InvscQQQI	QQQ	191.10	–1.38	23.9
InvscS&P500EW	RSP	108.71	–0.99	18.9
InvscS&P500LowVol	SPLV	55.54	–0.64	19.1
iShCoreMSCIEAFE	IEFA	60.37	–0.54	9.8
iShCoreMSCIEmgMk	IEMG	50.18	–1.10	6.4
iShCoreMSCITotInt	IXUS	57.60	–0.64	9.7
iShCoreS&P500	IVV	299.23	–1.07	18.9
iShCoreS&P MC	IJH	196.26	–1.14	18.2
iShCoreS&P SC	IJR	79.21	–0.48	14.3
iShS&PTotlUSStkMkt	ITOT	67.48	–1.30	18.9
iShCoreUSAggBd	AGG	111.30	0.04	4.5
iShSelectDividend	DVY	100.28	–0.78	12.3
iShEdgeMSCIMinEAFE	EFAV	71.56	–0.57	7.4
iShEdgeMSCIMinUSA	USMV	62.76	–0.98	19.8
iShEdgeMSCIUSAMom	MTUM	120.73	–1.53	20.5
iShEdgeMSCIUSAQual	QUAL	92.73	–1.04	20.8
iShFloatingRateBd	FLOT	50.94	...	1.2
iShGoldTr	IAU	13.52	–1.24	10.0
iShiBoxx$InvGrCpBd	LQD	124.33	0.09	10.2
iShiBoxx$HYCpBd	HYG	86.93	–0.17	7.2
iShJPMUSDEmgBd	EMB	113.68	–0.21	9.4
iShMBSETF	MBB	107.73	0.07	2.9
iShMSCI ACWI	ACWI	73.76	–0.93	15.0

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
iShMSCIBrazil	EWZ	44.50	–1.48	16.5
iShMSCI EAFE	EFA	64.45	–0.66	9.6
iShMSCI EAFE SC	SCZ	56.54	–0.51	9.1
iShMSCIEmgMarkets	EEM	41.77	–1.23	6.9
iShMSCIJapan	EWJ	54.35	–0.07	7.2
iShNatlMuniBd	MUB	113.69	...	4.3
iShPfd&Incm	PFF	37.35	...	9.1
iShRussell1000Gwth	IWF	161.32	–1.12	23.2
iShRussell1000	IWB	165.45	–1.11	19.3
iShRussell1000Val	IWD	128.44	–1.08	15.7
iShRussell2000Gwth	IWO	203.49	–0.78	21.1
iShRussell2000	IWM	156.56	–0.81	16.9
iShRussell2000Val	IWN	120.96	–0.83	12.5
iShRussell3000	IWV	175.10	–1.03	19.2
iShRussellMid-Cap	IWR	56.69	–1.01	22.0
iShRussellMCValue	IWS	89.87	–0.85	17.7
iShS&P500Growth	IVW	181.37	–1.38	20.4
iShS&P500Value	IVE	118.61	–0.84	17.3
iShShortCpBd	IGSB	53.37	–0.06	3.4
iShShortTreaBd	SHV	110.62	...	0.3
iShTIPSBondETF	TIP	115.24	0.16	5.2
iSh1-3YTreasuryBd	SHY	84.57	–0.01	1.1
iSh7-10YTreasuryBd	IEF	109.87	0.26	5.4
iSh20+YTreasuryBd	TLT	132.89	0.80	9.4
iShRussellMCGrowth	IWP	145.83	–1.04	28.2
iShUSTreasuryBdETF	GOVT	25.77	0.23	4.5
PIMCOEnhShMaturity	MINT	101.75	–0.01	0.8
SPDR BlmBarcHYBd	JNK	108.59	–0.17	7.8
SPDRBloomBar1-3MTB	BIL	91.61	0.01	0.2
SPDR Gold	GLD	133.21	–1.31	9.9
SchwabIntEquity	SCHF	31.46	–0.63	11.0
SchwabUS BrdMkt	SCHB	71.55	–1.05	19.4
SchwabUS Div	SCHD	53.95	–1.57	14.9

ETF	Symbol	Closing Price	Chg (%)	YTD (%)
SchwabUS LC	SCHX	71.21	–1.07	19.3
SPDR DJIA Tr	DIA	268.52	–1.25	15.1
SPDR S&PMdCpTr	MDY	357.92	–1.13	18.3
SPDR S&P 500	SPY	297.43	–1.09	19.0
SPDR S&P Div	SDY	101.83	–1.04	13.8
TechSelectSector	XLK	80.77	–1.51	30.3
UtilitiesSelSector	XLU	59.55	–0.47	12.5
VanEckGoldMiner	GDX	26.50	–4.78	25.7
VangdInfoTech	VGT	218.35	–1.46	30.9
VangdSC Val	VBR	131.52	–0.87	15.3
VangdSC Grwth	VBK	189.48	–1.14	25.8
VangdDivApp	VIG	117.73	–1.38	20.2
VangdFTSEDevMk	VEA	40.86	–0.63	10.1
VangdFTSE EM	VWO	41.76	–1.02	9.6
VangdFTSE Europe	VGK	53.47	–0.59	10.0
VangdFTSEAWxUS	VEU	50.07	–0.65	9.9
VangdGrowth	VUG	167.14	–1.18	24.4
VangdHlthCr	VHT	171.67	–0.99	6.9
VangdHiDiv	VYM	88.01	–1.07	12.8
VangdIntermBd	BIV	86.37	0.08	6.2
VangdIntrCorpBd	VCIT	89.83	–0.08	8.4
VangdLC	VV	136.76	–1.08	19.1
VangdMC	VO	169.35	–0.91	22.6
VangdMC Val	VOE	112.45	–0.97	18.0
VangdMBS	VMBS	52.95	...	2.8
VangdRealEst	VNQ	88.89	–0.39	19.2
VangdS&P500	VOO	273.08	–1.13	18.8
VangdST Bond	BSV	80.40	...	2.3
VangdSTCpBd	VCSH	80.59	...	3.4
VangdSC	VB	158.54	–1.05	20.1
VangdTotalBd	BND	83.00	0.12	4.8
VangdTotIntlBd	BNDX	57.96	0.12	6.8
VangdTotIntlStk	VXUS	51.70	–0.77	9.5
VangdTotalStk	VTI	152.21	–1.09	19.3
VangdTotlWrld	VT	75.16	–0.91	14.8
VangdValue	VTV	111.84	–1.01	14.2

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was $2 or higher.

Footnotes:
i-New 52-week high.
↓-New 52-week low.
dd-Indicates loss in the most recent four quarters.
FD-First day of trading.
h-Does not meet continued listing standards
lf-Late filing
q-Temporary exemption from Nasdaq requirements.
t-NYSE bankruptcy
v-Trading halted on primary market.
vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Wednesday, July 31, 2019

Stock	Sym	Close	Net Chg
A B C			
ABB	ABB	18.80	0.02
AES	AES	16.79	-0.22
Aflac	AFL	52.64	-0.24
AGCO	AGCO	77.00	-3.21
AGNC Invt	AGNC	17.14	-0.16
ANGI Homesvcs	ANGI	13.85	0.01
Ansys	ANSS	203.12	-4.68
ASE Tech	ASX	4.38	0.01
ASML	ASML	222.81	-5.53
AT&T	T	34.05	-0.13
AXA Equitable	EQH	22.48	-0.30
AbbottLabs	ABT	87.10	-1.21
AbbVie	ABBV	66.62	-0.56
Abiomed	ABMD	278.56	-9.67
Accenture	ACN	192.58	-3.07
ActivisionBliz	ATVI	48.74	0.45
Adobe	ADBE	298.86	-4.78
AdvanceAuto	AAP	150.64	-1.16
AdvMicroDevices	**AMD**	**30.45**	**-3.42**
Aegon	AEG	4.92	0.02
AerCap	AER	54.53	0.02
AgilentTechs	A	69.41	-0.74
AgnicoEagle	AEM	57.23	-1.95
AirProducts	APD	228.27	3.54
AkamaiTech	AKAM	88.13	4.10
AlaskaAir	ALK	63.36	-0.65
Albemarle	ALB	72.96	-0.64
Alcon	ALC	58.75	-0.30
AlexandriaRlEst	ARE	146.36	-1.66
AlexionPharm	ALXN	113.29	-1.16
Alibaba	BABA	173.11	-0.99
AlignTech	ALGN	209.08	5.83
Alleghany	Y	685.73	-15.60
Allegion	ALLE	103.54	-0.73
Allergan	AGN	160.50	-0.37
AllianceData	ADS	156.92	-0.85
AlliantEnergy	LNT	49.54	-0.13
Allstate	**ALL**	**107.40**	**5.57**
AllyFinancial	ALLY	32.91	-0.69
AlnylamPharm	ALNY	77.59	-0.39
Alphabet C	GOOG	1216.68	-8.46
Alphabet A	GOOGL	1218.20	-9.07
Altaba	AABA	70.45	-0.20
Alteryx	AYX	117.54	-2.06
AlticeUSA	ATUS	25.81	-0.31
Altria	MO	47.07	-1.43
Amarin	AMRN	18.59	0.15
Amazon.com	AMZN	1866.78	-31.75
Ambev	ABEV	5.27	-0.05
Amcor	AMCR	10.60	-0.01
Amdocs	DOX	63.99	-0.17
Ameren	AEE	75.69	-0.52
AmericaMovil	AMX	14.99	-0.43
AmerAirlines	AAL	30.51	-0.20
AmCampus	ACC	46.75	0.10
AEP	AEP	87.81	-0.91
AmerExpress	AXP	124.37	-2.20
AmericanFin	AFG	102.38	-0.27
AmHomes4Rent	AMH	24.21	-0.62
AIG	AIG	55.99	-0.33
AmerTowerREIT	AMT	211.62	2.97
AmerWaterWorks	AWK	114.83	-0.84
Ameriprise	AMP	145.51	-3.02
AmerisourceBrgn	ABC	87.15	-1.57
Ametek	AME	89.61	-1.14
Amgen	AMGN	186.58	10.13
Amphenol	APH	93.32	-1.44
AnadarkoPetrol	APC	73.66	-0.38
AnalogDevices	ADI	117.46	-3.50
Anaplan	PLAN	56.94	-0.75
AngloGoldAsh	**AU**	**17.06**	**-1.68**
AB InBev	BUD	100.98	-0.60
AnnalyCap	NLY	9.55	-0.12
Anthem	ANTM	294.61	-5.03
Aon	AON	189.25	-3.48
Apache	APA	24.42	0.32
ApartmtInv	AIV	49.54	-0.49
ApolloGlbMgmt	**APO**	**33.00**	**-2.05**
Apple	AAPL	213.04	4.26
AppliedMaterials	AMAT	49.37	-1.36
Aptargroup	ATR	121.02	-2.79
Aptiv	**APTV**	**87.65**	**6.08**
AquaAmerica	WTR	41.95	0.12
Aramark	ARMK	36.19	-0.79
ArcelorMittal	MT	15.72	-0.82
ArchCapital	ACGL	38.69	-0.86
ArcherDaniels	ADM	41.08	0.13
Arconic	ARNC	25.09	-0.04
AristaNetworks	ANET	273.45	-0.83
ArrowElec	ARW	72.61	-0.02
AspenTech	AZPN	133.87	-1.32
Assurant	AIZ	113.36	-1.25
AstraZeneca	AZN	43.41	-0.45
Athene	ATH	40.86	-0.97
Atlassian	TEAM	140.12	3.12
AtmosEnergy	ATO	109.04	0.17
AuroraCannabis	ACB	6.25	...
Autodesk	ADSK	156.17	-4.12
Autohome	ATHM	85.00	0.94
Autoliv	ALV	72.15	-0.44
ADP	ADP	166.52	-0.13
AutoZone	AZO	1123.04	-21.16
Avalara	AVLR	81.48	-1.68
Avalonbay	AVB	208.79	-2.07
Avangrid	AGR	50.55	-0.24
Avantor	AVTR	17.59	-0.12
AveryDennison	AVY	114.87	-1.22
AxaltaCoating	AXTA	29.63	-0.68
BB&T	BBT	51.53	0.14
BCE	BCE	45.11	-0.51
BHP Group	BHP	54.93	-1.33
BHP Group	BBL	47.74	-1.05
BOK Fin	BOKF	83.68	0.43
BP	BP	41.70	-0.47
BRF	BRFS	8.69	-0.12
BT Group	BT	11.92	-0.02
Baidu	BIDU	111.10	-1.05
BakerHughes	BHGE	25.39	0.88
Ball	BLL	71.50	-0.12
BancoBilbaoViz	BBVA	5.11	-0.07
BancoBradesco	BBDO	8.23	-0.17
BancodeChile	BCH	28.74	-0.24
BancSanBrasil	BSBR	11.22	-0.05
BcoSantChile	BSAC	28.99	-0.20
BancoSantander	SAN	4.24	-0.04
BanColombia	CIB	49.88	0.22
BankofAmerica	BAC	30.68	-0.12
BankofMontreal	BMO	74.81	-0.16
BankNY Mellon	BK	46.92	-0.12
BkNovaScotia	BNS	53.38	-0.20
Barclays	BCS	7.48	-0.05
BarrickGold	GOLD	16.26	-0.75
BauschHealth	BHC	23.97	-0.68
BaxterIntl	BAX	83.97	-2.19
BectonDickinson	BDX	252.80	-5.22
BeiGene	BGNE	137.34	-6.14
Berkley	WRB	69.39	-1.07
BerkHathwy A	BRK.A	308666	-3764.00
BerkHathwy B	BRK.B	205.43	-2.33
BerryGlobal	BERY	45.05	-1.28
BestBuy	BBY	76.53	-0.47
BeyondMeat	BYND	196.51	1.75
Bio-Techne	TECH	210.15	-0.30
Bio-RadLab A	BIO	314.69	-7.59
Biogen	BIIB	237.82	-3.69
BioMarinPharm	BMRN	79.32	-1.68
BlackKnight	BKI	63.32	-0.28
BlackRock	BLK	467.68	-10.73
Blackstone	BX	47.98	-1.09
bluebirdbio	BLUE	131.23	-1.81
Boeing	BA	341.18	-6.28
BookingHldgs	BKNG	1886.61	-29.98
BoozAllen	BAH	68.75	-0.85
BorgWarner	BWA	37.80	-0.28
BostonProps	BXP	132.95	-0.06
BostonSci	BSX	42.46	-0.40
BrightHorizons	BFAM	152.07	-2.06
Bristol-Myers	BMY	44.41	-0.15
BritishAmTob	BTI	35.61	-0.40
Broadcom	AVGO	289.99	-9.57
BroadridgeFinl	BR	127.12	-4.12
BrookfieldMgt	BAM	49.00	-0.19
BrookfieldInfr	BIP	44.28	-0.17
Brown&Brown	BRO	35.93	-0.48
Brown-Forman A	BF.A	53.36	-0.42
Brown-Forman B	BF.B	54.81	-0.29
Bruker	BRKR	47.85	-0.77
BuckeyePtrs	BPL	41.73	0.09
Bunge	BG	58.43	2.07
BurlingtonStrs	BURL	190.61	1.85
CBRE Group	CBRE	53.01	-0.18
CBS A	CBS.A	51.48	-0.99
CBS B	CBS	51.51	-1.03
CDK Global	CDK	51.87	-0.57
CDW	CDW	118.15	-0.66
CF Industries	CF	49.56	-0.18
CGI	GIB	76.93	-2.44
CH Robinson	CHRW	83.73	-1.04
CME Group	CME	194.42	-2.89
CMS Energy	CMS	58.22	-0.34
CNA Fin	CNA	47.89	-0.03
CNH Indl	CNHI	10.11	-0.18
CNOOC	CEO	164.50	-1.37
CPFLEnergia	CPL	16.89	0.03
CRH	CRH	33.36	0.19
CSX	CSX	70.40	0.19
CVS Health	CVS	55.87	-0.66
CableOne	CABO	1218.80	-15.34
CabotOil	COG	19.16	-0.17
CadenceDesign	CDNS	73.91	-1.63
CAE	CAE	26.96	0.08
CaesarsEnt	CZR	11.84	-0.25
CamdenProperty	CPT	103.71	-2.38
CampbellSoup	CPB	41.34	-0.32
CIBC	CM	78.67	0.05
CanNtlRlwy	CNI	94.66	-0.86
CanNaturalRes	CNQ	25.28	0.18
CanPacRlwy	CP	238.59	-0.24
Canon	CAJ	27.10	-0.40
CanopyGrowth	CGC	32.64	-0.56
CapitalOne	COF	92.42	1.21
CardinalHealth	CAH	45.73	-0.68
Carlisle	CSL	144.21	0.36
CarMax	KMX	87.76	-0.04
Carnival	CCL	47.23	-0.15
Carnival	CUK	45.85	-0.15
CaseysGenStores	CASY	161.91	-0.49
Catalent	CTLT	56.49	-1.56
Caterpillar	CAT	131.67	1.28
Celanese	CE	112.17	-0.35
Celgene	CELG	91.86	-0.75
CenovusEnergy	CVE	9.28	0.02
Centene	CNC	52.09	-1.71
CenterPointEner	CNP	29.01	0.17
CentraisElBras	EBR	10.26	0.02
CenturyLink	CTL	12.09	-0.02
CeridianHCM	CDAY	53.31	1.57
Cerner	CERN	71.65	-0.02
CharlesRiverLabs	CRL	134.54	-6.57
CharterComms	CHTR	385.38	-9.18
CheckPoint	CHKP	111.95	0.52
Chemed	CHE	405.39	-2.96
ChenierEnergy	LNG	65.15	-0.07
ChenierEnerPtrs	CQP	45.11	-0.51
Chevron	CVX	123.11	-1.23
Chewy	CHWY	33.56	-0.87
ChinaLifeIns	LFC	12.74	-0.12
ChinaMobile	CHL	42.60	-0.25
ChinaPetrol	SNP	64.17	-0.62
ChinaTelecom	CHA	44.74	-0.26
ChinaUnicom	CHU	9.80	-0.08
Chipotle	CMG	795.53	-9.72
Chubb	CB	152.84	-0.47
ChunghwaTel	CHT	34.25	-0.39
Church&Dwight	CHD	75.44	-1.12
Ciena	CIEN	45.22	-0.41
Cigna	CI	169.92	-2.33
CincinnatiFin	CINF	107.33	1.46
Cintas	CTAS	260.44	-2.41
CiscoSystems	CSCO	55.40	0.07
Citigroup	C	71.16	-0.55
CitizensFin	CFG	37.26	-0.38
CitrixSystems	CTXS	94.24	-0.89
Clorox	CLX	162.60	-2.97
Coca-Cola	KO	52.63	-1.09
Coca-Cola Euro	CCEP	55.28	-1.07
Cognex	CGNX	44.01	-2.10
CognizantTech	CTSH	65.14	-0.29
ColgatePalm	CL	71.74	-3.00
ColumbiaSportswr	COLM	105.98	-1.49
Comcast A	CMCSA	43.17	-0.91
Comerica	CMA	73.20	-0.01
CommerceBcshrs	CBSH	60.83	0.05
SABESP	SBS	13.91	-0.09
CiaSiderurgica	SID	4.27	-0.02
ConagraBrands	CAG	28.87	-0.22
ConchoRes	CXO	97.68	-0.25
ConocoPhillips	COP	59.08	-0.43
ConEd	ED	84.96	-0.44
ConstBrands B	STZ.B	199.45	-1.83
ConstBrands A	STZ	196.82	-4.13
ContinentalRscs	CLR	37.12	0.12
Cooper	COO	337.40	-3.69
Copart	CPRT	77.53	-0.29
Corning	GLW	30.75	-0.65
Corteva	CTVA	29.50	0.37
CoStar	CSGP	615.40	-3.33
Costco	COST	275.63	-3.87
Coty	COTY	10.91	-0.28
CoupaSoftware	COUP	135.71	-2.76
Credicorp	BAP	217.99	-0.92
CreditAcceptance	CACC	478.03	-8.92
CreditSuisse	CS	12.07	0.14
Cree	CREE	62.18	-0.70
CrowdStrike	**CRWD**	**89.07**	**-4.93**
CrownCastle	CCI	133.26	0.58
CrownHoldings	CCK	64.01	-0.89
Ctrip.com	CTRP	38.98	-0.23
CubeSmart	CUBE	33.95	-0.25
Cullen/Frost	CFR	94.94	-0.12
Cummins	CMI	164.00	-1.17
CypressSemi	CY	22.97	-0.05
CyrusOne	CONE	57.40	1.54
D E F			
DISH Network	DISH	33.86	-1.09
DTE Energy	DTE	127.11	-0.84
DXC Tech	DXC	55.77	-0.94
Danaher	DHR	140.50	-2.20
Darden	DRI	121.56	-3.12
DaVita	DVA	59.85	-0.25
Deere	DE	165.65	-4.38
DellTechC	DELL	57.69	-0.10
DeltaAir	DAL	61.04	-1.59
DentsplySirona	XRAY	54.45	-2.22
DeutscheBank	DB	7.81	0.06
DevonEnergy	DVN	27.00	0.12
DexCom	DXCM	156.87	0.68
Diageo	DEO	166.88	-1.26
DiamondbkEner	FANG	103.43	0.60
DigitalRealty	DLR	114.36	0.36
DiscoverFinSvcs	DFS	89.74	-1.31
DiscoveryA	DISCA	30.31	-0.71
DiscoveryC	DISCK	28.24	-0.63
Disney	DIS	143.01	-1.92
DocuSign	DOCU	51.72	-2.43
DolbyLab	DLB	68.10	0.83
DollarGeneral	DG	134.02	-0.18
DollarTree	DLTR	101.75	0.26
DominionEner	D	74.29	-0.74
Domino's	DPZ	244.53	-3.02
Donaldson	DCI	49.95	-0.18
DouglasEmmett	DEI	40.82	-0.30
Dover	DOV	96.85	-1.04
Dow	DOW	48.44	0.04
DrReddy'sLab	RDY	36.81	0.11
Dropbox	DBX	23.56	-0.24
DukeEnergy	DUK	86.72	-1.02
DukeRealty	DRE	33.33	-0.35
Dunkin'	DNKN	80.16	-1.44
DuPont	DD	72.16	-1.24
ENI	E	31.31	-0.25
EOG Rscs	EOG	85.85	-0.21
EPAM Systems	EPAM	193.77	-3.95
EQM Midstream	EQM	38.51	-1.13
E*TRADE	ETFC	48.79	-0.17
EXACT Sci	EXAS	115.11	-2.78
EastWestBncp	EWBC	48.01	-0.33
EastmanChem	EMN	75.35	-1.36
Eaton	ETN	82.19	-0.93
eBay	EBAY	41.19	-0.19
Ecolab	ECL	202.25	-3.75
Ecopetrol	EC	17.93	-0.13
EdisonIntl	**EIX**	**74.54**	**4.27**
EdwardsLife	EW	212.85	-4.02
ElancoAnimal	ELAN	32.96	-0.39
Elastic	ESTC	98.83	-1.63
ElbitSystems	ESLT	159.60	-1.85
ElectronicArts	EA	92.50	3.93
EmersonElec	EMR	64.88	-2.41
Enbridge	ENB	33.39	0.06
Encana	ECA	4.57	0.18
EncompassHealth	EHC	63.84	-0.99
EnelAmericas	ENIA	8.25	-0.05
EnelChile	ENIC	4.60	0.11
EnergyTransfer	ET	14.38	0.01
Entegris	ENTG	43.51	-0.78
Entergy	ETR	105.62	1.74
EnterpriseProd	EPD	30.11	0.72
Equifax	EFX	139.09	-2.31
Equinix	EQIX	502.10	3.28
Equinor	EQNR	17.81	-0.23
EquityLife	ELS	124.25	0.41
EquityResdntl	EQR	78.89	-0.65
ErieIndemnity A	ERIE	222.77	-2.36
EssexProp	ESS	302.22	-4.46
EsteeLauder	EL	184.19	-4.79
Etsy	ETSY	67.02	-0.98
EuronetWorldwide	EEFT	155.91	0.28
EverestRe	RE	246.64	-5.05
Evergy	EVRG	60.49	-0.33
EversourceEner	ES	75.86	-0.67
Exelixis	EXEL	21.27	-0.07
Exelon	EXC	45.06	-0.99
Expedia	EXPE	132.74	-2.57
ExpeditorsIntl	EXPD	76.35	0.10
ExtraSpaceSt	EXR	112.39	-0.49
ExxonMobil	XOM	74.36	-0.99
F5Networks	FFIV	146.72	-3.16
FMC	FMC	86.42	1.62
Facebook	FB	194.23	-2.81
FactSet	FDS	277.30	0.88
Fairlsaac	FICO	347.42	-2.46
Farfetch	FTCH	20.10	-0.87
Fastenal	FAST	30.80	-0.81
FederalRealty	FRT	132.01	0.53
FedEx	FDX	170.53	-1.86
Ferrari	RACE	161.08	0.94
FiatChrysler	FCAU	13.19	0.22
FidNatlFin	FNF	42.88	-0.08
FidNatlInfo	FIS	133.25	-4.44
FifthThirdBncp	FITB	29.69	-0.19
58.com	WUBA	56.38	0.08
FirstAmerFin	FAF	57.82	-0.39
FirstRepBank	FRC	99.36	-0.84
FirstSolar	FSLR	64.49	-1.55
FirstEnergy	FE	43.97	-0.51
Fiserv	FISV	105.43	1.52
FiveBelow	FIVE	117.46	-1.67
FleetCorTech	FLT	284.17	0.46
Flex	FLEX	11.15	-0.31
FlirSystems	FLIR	49.66	-0.06
Floor&Decor	FND	39.84	-0.04
FomentoEconMex	FMX	90.70	-0.44
FordMotor	F	9.53	-0.02
Fortinet	FTNT	80.31	-2.13
Fortis	FTS	39.42	-0.12
Fortive	FTV	76.05	-0.75
FortBrandsHome	FBHS	54.94	-1.03
FoxA	FOXA	37.32	-0.50
FoxB	FOX	37.20	-0.65
Franco-Nevada	FNV	86.83	-1.63
FranklinRscs	BEN	32.63	-1.20
FreeportMcM	FCX	11.06	-0.41
FreseniusMed	FMS	34.77	-0.84
G H I			
GCI LibertyA	GLIBA	59.73	-1.07
Galapagos	GLPG	173.40	-3.44
Gallagher	AJG	90.43	-1.38
Gaming&Leisure	GLPI	37.71	-0.09
Gap	GPS	19.50	0.10
GardnerDenver	GDI	32.97	-0.23
Garmin	GRMN	78.59	1.99
Gartner	IT	139.33	1.07
GeneralDynamics	GD	185.94	-3.18
GeneralElec	GE	10.45	-0.07
GeneralMills	GIS	53.11	-0.57
GeneralMotors	GM	40.34	-0.09
Genesee&Wyoming	GWR	109.81	0.14
Genmab	GMAB	18.39	-0.20
Genpact	G	39.68	-0.65
Gentex	GNTX	27.42	0.27
GenuineParts	GPC	97.12	-0.81
Gildan	GIL	39.37	-0.03
GileadSciences	GILD	65.52	-1.57
GSK	GSK	41.28	-0.54
GlobalPayments	GPN	167.92	0.56
GoDaddy	GDDY	73.38	-0.22
GoldmanSachs	GS	220.13	-1.27
Graco	GGG	48.08	-0.28
Grainger	GWW	291.03	-5.69
GrandCanyonEduc	**LOPE**	**108.77**	**-19.73**
Grifols	GRFS	22.76	-0.29
GrubHub	GRUB	67.63	-2.30
GuardantHealth	GH	93.99	-3.00
Guidewire	GWRE	102.08	-1.26
HCA Healthcare	HCA	133.53	-1.42
HCP	HCP	31.93	-0.32
HDFC Bank	HDB	114.98	1.00
HD Supply	HDS	40.51	-0.95
HP	HPQ	21.04	-0.46
HSBC	HSBC	40.16	-0.23
Haemonetic	HAE	122.08	-0.29
Halliburton	HAL	23.00	-0.20
HartfordFinl	HIG	57.63	-0.14
Hasbro	HAS	121.16	-2.54
Heico	HEI	136.75	-1.39
Heico A	HEI.A	105.39	-1.51
HenrySchein	HSIC	66.54	-2.34
Herbalife	HLF	41.02	-0.54
Hershey	HSY	151.74	-0.52
Hess	HES	64.84	-0.84
HewlettPackard	HPE	14.37	-0.24
Hexcel	HXL	81.76	-1.16
Hill-Rom	HRC	106.64	-1.21
Hilton	HLT	96.55	-0.76
HollyFrontier	HFC	49.77	-0.32
Hologic	HOLX	51.25	-0.25
HomeDepot	HD	213.69	-3.67
HondaMotor	HMC	24.88	-0.44
Honeywell	HON	172.46	-1.45
HormelFoods	HRL	40.99	-0.64
DR Horton	DHI	45.93	-0.59
HostHotels	HST	17.39	-0.29
Huazhu	HTHT	32.76	-0.92
Hubbell	HUBB	129.88	-1.74
HubSpot	HUBS	178.72	-2.05
Humana	HUM	296.75	12.23
JBHunt	JBHT	102.37	-0.91
HuntingtonBcshs	HBAN	14.25	-0.19
HuntingIngalls	HII	228.30	-4.84
HutchisonChina	HCM	20.91	0.17
HyattHotels	H	77.35	-1.60
IAA	IAA	46.75	0.02
IAC/InterActive	IAC	239.05	-0.85
ICICI Bank	IBN	12.21	0.03
IdexxLab	IDXX	282.05	-4.00
IHS Markit	INFO	64.42	-0.81
ING Groep	ING	11.10	-0.09
Invesco	IVZ	19.19	-0.18
IPG Photonics	IPGP	131.01	-6.21
IQVIA	IQV	159.17	-1.36
IcahnEnterprises	IEP	77.63	-0.91
Icon	ICLR	156.17	-1.86
IDEX	IEX	168.22	-1.54
IllinoisToolWks	ITW	154.23	-1.66
Illumina	ILMN	299.38	-0.58
ImperialOil	IMO	27.39	-0.26
Incyte	INCY	84.92	-0.51
Infosys	INFY	11.32	-0.10
IngersollRand	IR	123.66	-2.94
Insulet	PODD	122.94	-2.89
Intel	INTC	50.55	-1.15
ICE	ICE	87.86	-0.01
InterContinentl	IHG	70.15	-0.20
IBM	IBM	148.24	-1.53
IntlFlavors	IFF	143.99	-1.81
IntlPaper	IP	43.91	-1.15
Interpublic	IPG	22.92	-0.03
Intuit	INTU	277.31	-2.31
IntuitiveSurgical	ISRG	519.51	-12.13
InvitationHomes	INVH	27.47	-0.29
IonisPharma	IONS	65.86	0.33
iQIYI	IQ	18.59	-0.34
IronMountain	IRM	29.41	-0.46
IsraelChemicals	ICL	5.44	0.12
ItauUnibanco	ITUB	9.15	-0.21
J K L			
JD.com	JD	29.91	-0.51
JPMorganChase	JPM	116.00	-0.41
JackHenry	JKHY	139.70	0.58
JacobsEngg	JEC	82.51	-1.73
JamesHardie	JHX	13.70	0.39
JazzPharma	JAZZ	139.38	-2.10
JefferiesFin	JEF	21.33	-0.18
J&J	JNJ	130.22	-1.86
JohnsonControls	JCI	42.44	1.17
JonesLang	JLL	145.69	1.26
JuniperNetworks	JNPR	27.02	-0.03
KB Fin	KB	36.17	-0.07
KKR	KKR	26.87	-0.49
KLA	KLAC	136.32	-3.68
KT	KT	11.80	-0.12
KSCitySouthern	KSU	123.74	-1.00
Kellogg	K	58.22	-0.34
KeurigDrPepper	KDP	28.14	-0.06
KeyCorp	KEY	18.37	-0.17
KeysightTechs	KEYS	89.52	-1.69
KilroyRealty	KRC	79.46	-0.60
KimberlyClark	KMB	135.65	-2.65
KimcoRealty	KIM	19.21	-0.16
KinderMorgan	KMI	20.62	-0.07
KirklandLakeGold	**KL**	**41.29**	**-4.38**
Knight-Swift	KNX	35.84	-0.70
Kohl's	KSS	53.86	0.56
KoninklijkePhil	PHG	46.79	-0.28
KoreaElcPwr	KEP	11.73	0.06
KraftHeinz	KHC	32.01	-0.58
Kroger	KR	21.16	-0.27
LATAMAirlines	LTM	9.62	-0.21
L Brands	LB	25.95	0.20
LINE	LN	31.81	-0.64
LKQ	LKQ	26.93	0.03
LPL Financial	LPLA	83.87	-0.65
L3HarrisTech	LHX	207.60	7.60
LabCpAm	LH	167.52	-3.10
LamResearch	LRCX	208.61	-2.71
LamarAdv	LAMR	80.92	-0.03
LambWeston	LW	67.12	-0.42
LasVegasSands	LVS	60.44	-0.96
Lear	LEA	126.78	-0.01
Leidos	LDOS	82.10	-2.28
Lennar A	LEN	47.57	-0.88
Lennar B	LEN.B	38.00	-0.62
LennoxIntl	LII	256.48	-3.24
LibertyBroadband C	LBRDK	99.51	-1.98
LibertyBroadband A	LBRDA	98.19	-1.85
LibertyGlobal A	LBTYA	26.67	-0.49
LibertyGlobal C	LBTYK	26.04	-0.59
LibertyGlobal B	LBTYB	27.23	0.20
LibertyFormOne C	FWONK	39.38	-0.13
LibertyFormOne A	FWONA	37.48	-0.04
LibertySirius A	LSXMA	41.63	0.94
LibertySirius C	LSXMK	41.86	0.92
LibertyProperty	LPT	52.30	-0.50
EliLilly	LLY	108.95	0.26
LincolnNational	LNC	65.34	-0.83
Linde	LIN	191.28	-1.35
LiveNationEnt	LYV	72.06	-0.04
LloydsBanking	LYG	2.57	-0.08
LockheedMartin	LMT	362.17	-3.82
Loews	L	53.54	-0.13
LogitechIntl	LOGI	41.24	-0.17
Lowe's	LOW	101.40	-2.37
lululemon	LULU	191.09	-0.68
Lyft	LYFT	60.87	-1.59
LyondellBasell	LYB	83.69	-0.70
M N			
M&T Bank	MTB	164.25	-0.22
MGM Resorts	MGM	30.02	-0.53
MPLX	MPLX	29.35	-0.03
MSCI	MSCI	227.24	-0.64
Macy's	M	22.73	0.20
MadisonSqGarden	MSG	290.04	-0.53
MagellanMid	MMP	66.14	0.67
MagnaIntl	MGA	50.42	-0.10
ManulifeFin	MFC	18.08	-0.10
MarathonOil	MRO	14.07	-0.06
MarathonPetrol	MPC	56.39	-0.66
Markel	MKL	1113.93	3.74
MarketAxess	MKTX	337.04	0.99
Marriott	MAR	139.06	-1.75
Marsh&McLen	MMC	98.80	-1.65
MartinMarietta	MLM	247.75	1.41
MarvellTech	MRVL	26.26	-0.61
Masco	MAS	40.77	-0.79
Masimo	MASI	157.85	-0.40
Mastercard	MA	272.27	-5.89
MatchGroup	MTCH	75.29	0.24
MaximIntProducts	**MXIM**	**59.19**	**-4.94**
McCormickVtg	MKC.V	157.71	-3.16
McCormick	MKC	158.54	-2.81
McDonalds	MCD	210.72	-1.62
McKesson	MCK	138.95	-3.57
MedicalProp	MPW	17.50	-0.24
Medtronic	MDT	101.94	-1.81
MelcoResorts	**MLCO**	**22.47**	**-1.24**
MellanoxTech	MLNX	112.62	-0.76
MercadoLibre	MELI	621.42	-12.36
Merck	MRK	82.99	-0.28
MetLife	MET	49.42	-0.59
MettlerToledo	MTD	756.75	-3.22
MicroFocus	MFGP	20.86	-0.23
MicrochipTech	MCHP	94.42	-2.57
MicronTech	**MU**	**44.89**	**-2.57**
Microsoft	MSFT	136.27	-4.08
MidAmApt	MAA	117.84	-1.38
Middleby	MIDD	134.38	-0.53
MitsubishiUFJ	MUFG	4.97	0.19
MizuhoFin	MFG	2.84	-0.03
MobileTeleSys	MBT	8.17	-0.14
MohawkInds	MHK	124.69	-0.56
MolinaHealthcare	MOH	132.78	-4.72
MolsonCoors B	**TAP**	**53.99**	**-2.93**
Mondelez	MDLZ	53.49	-1.32
MongoDB	MDB	143.22	1.19
MonolithicPower	MPWR	148.16	-2.75
MonsterBev	MNST	64.47	-1.04
Moody's	**MCO**	**213.34**	**12.10**
MorganStanley	MS	44.56	-0.11
Morningstar	MORN	151.98	-0.72
Mosaic	MOS	25.19	-0.06
MotorolaSol	MSI	165.96	-0.04
Mylan	MYL	20.90	-0.53
NICE	NICE	152.72	0.61
NRG Energy	NRG	34.14	-0.62
NVR	NVR	3344.14	56.05
NXP Semi	NXPI	103.39	-2.40
Nasdaq	NDAQ	96.37	-0.43
NationalGrid	NGG	51.44	-0.25
NatlInstruments	**NATI**	**41.76**	**-3.38**
NatlOilwell	NOV	23.82	0.80
NatlRetailProp	NNN	52.24	-0.33
NetApp	NTAP	58.49	-1.00
Netease	NTES	230.82	-1.96
Netflix	NFLX	322.99	-2.94
Neurocrine	NBIX	96.29	0.42
NewOrientalEduc	EDU	104.31	-0.63
NewResidInvt	NRZ	15.49	-0.01
NYTimes A	NYT	35.68	-0.39
NewellBrands	NWL	14.19	0.04
NewmontGold	NEM	36.52	-1.21
NewsCorp B	NWS	13.46	-0.22
NewsCorp A	NWSA	13.16	-0.22
NextEraEnergy	NEE	207.17	-2.22
NielsenHoldings	NLSN	23.16	0.26
Nike	NKE	86.03	-1.17
NiSource	NI	29.69	0.11
NobleEnergy	NBL	22.08	-0.02
Nokia	NOK	5.41	-0.06
NomuraHoldings	**NMR**	**3.37**	**0.17**
Nordson	NDSN	141.66	-0.86
NorfolkSouthern	NSC	191.12	-1.39
NorthernTrust	NTRS	98.00	-0.69
NorthropGrum	NOC	345.57	-7.34
NorwegCruise	NCLH	49.44	0.94
Novartis	NVS	91.58	-0.06
NovoNordisk	NVO	47.92	-0.50
Novocure	NVCR	83.22	-0.08
Nucor	NUE	54.38	-1.87
Nutrien	NTR	54.81	0.60
NVIDIA	NVDA	168.72	-6.73
O P Q			
OGE Energy	OGE	42.95	-0.06
ONEOK	OKE	70.08	2.87
OReillyAuto	ORLY	380.76	-2.59
OccidentalPetrol	OXY	51.36	-1.11
Okta	OKTA	130.83	-1.16
OldDomFreight	ODFL	166.98	1.71
OldRepublic	ORI	22.81	-0.10
OmegaHealthcare	OHI	36.30	-0.20
Omnicom	OMC	80.22	-0.86
ON Semi	ON	21.51	-0.70
OpenText	OTEX	42.63	-0.57
Oracle	ORCL	56.30	-1.19
Orange	ORAN	14.72	-0.19
Orix	IX	71.34	-0.50
Oshkosh	OSK	83.57	-0.18
OwensCorning	OC	58.00	0.11
OvlRock	ORCC	15.85	0.19
PG&E	PCG	18.13	0.13
PNC Fin	PNC	142.90	0.98
POSCO	PKX	46.83	-1.47
PPG Ind	PPG	117.39	-1.57
PPL	PPL	29.62	-0.48
PRA HealthSci	PRAH	99.91	-3.75
PTC	PTC	67.78	-1.28
PVH	PVH	88.92	-0.16
Paccar	PCAR	70.14	-0.83
PackagingCpAm	PKG	100.97	-2.07
PagSeguroDig	PAGS	43.48	-0.96
PaloAltoNtwks	PANW	226.54	-1.24
ParkerHannifin	PH	175.08	-1.72
Paychex	PAYX	83.05	-2.47
PaycomSoftware	**PAYC**	**240.75**	**12.13**
PayPal	PYPL	110.40	-1.64
Pearson	PSO	10.54	-0.30
Pegasystems	PEGA	75.60	-1.12
PembinaPipeline	PBA	36.29	-0.01
Pentair	PNR	38.81	-0.13
Penumbra	**PEN**	**167.60**	**-11.89**
People'sUtdFin	PBCT	16.42	-0.04
PepsiCo	PEP	127.81	-2.67
PerkinElmer	PKI	86.12	-1.41
Perrigo	PRGO	54.01	-0.23
PetroChina	PTR	53.07	-0.36
PetroleoBrasil	PBR	15.05	-0.08
PetroleoBrasilA	PBR.A	13.72	-0.09
Pfizer	PFE	38.84	0.05
PhilipMorris	PM	83.61	-2.69
Phillips66	PSX	102.56	-1.05
PilgrimPride	PPC	27.06	-0.25
Pinduoduo	PDD	22.27	0.32
PinnacleWest	PNW	91.22	0.03
Pinterest	PINS	28.99	0.37
PioneerNatRscs	PXD	138.04	0.15
PlainsAllAmPipe	PAA	23.78	-0.17
PlanetFitness	PLNT	78.66	-0.04
PolarisIndustries	PII	94.67	-0.08
Pool	POOL	189.37	-1.78
PostHoldings	POST	107.22	-2.68
PrincipalFin	PFG	58.04	-1.39
Procter&Gamble	PG	118.04	-2.37
Progressive	PGR	80.98	0.27
Prologis	PLD	80.61	-1.40
Proofpoint	PFPT	126.20	-1.00
PrudentialFin	PRU	101.31	-1.03
Prudential	PUK	41.50	-0.46
PublicServiceEnt	PEG	57.15	-0.74
PublicStorage	PSA	242.76	-0.34
PulteGroup	PHM	31.51	-0.59
Qiagen	QGEN	37.72	-0.69
Qorvo	QRVO	73.29	-2.20
Qualcomm	QCOM	73.16	-1.65
QuestDiag	DGX	102.08	-1.57
QurateRetailB	QRTEB	14.17	0.06
QurateRetailA	QRTEA	14.14	-0.34
R S			
RELX	RELX	23.73	-0.30
RPM	RPM	67.83	-0.49
RalphLauren	RL	104.23	-2.90
RaymondJames	RJF	80.67	-1.11
Raytheon	RTN	182.29	-3.73
RealPage	RP	62.48	-1.15
RealtyIncome	O	69.21	-0.58
RegencyCtrs	REG	66.70	-0.23
RegenPharm	REGN	304.76	-6.37
RegionsFin	RF	15.93	-0.12
ReinsGrp	RGA	155.92	2.29
RelianceSteel	RS	99.95	-0.78
RenaissanceRe	RNR	181.15	-0.81
RepublicSvcs	RSG	88.65	-0.81
ResMed	RMD	128.70	-1.52
RestaurantBrands	QSR	73.70	0.23
RingCentral	RNG	141.98	1.87
RioTinto	RIO	57.08	-0.96
RobertHalf	RHI	60.41	-0.82
Rockwell	ROK	160.78	-4.61
RogersComm B	RCI	51.89	-0.54
Roku	ROKU	103.33	-2.43
Rollins	ROL	33.53	-0.48
RoperTech	ROP	363.65	-3.19
RossStores	ROST	106.03	-0.31
RoyalBkCanada	RY	78.91	-0.33
RoyalBkScotland	RBS	5.38	-0.08
RoyalCaribbean	RCL	116.34	0.35
RoyalDutchA	RDS.A	62.89	-0.91
RoyalDutchB	RDS.B	63.47	-0.72
RoyalGold	RGLD	114.45	-5.01
Ryanair	RYAAY	62.13	0.01
SAP	SAP	123.03	0.03
S&P Global	SPGI	244.95	3.32
SBA Comm	SBAC	245.41	-3.02
SEI Investments	SEIC	59.59	-0.82
SK Telecom	SKM	22.91	-0.03
SLGreenRealty	SLG	81.08	-1.23
SS&C Tech	SSNC	47.95	-1.99
StoreCapital	STOR	34.21	-0.12
SVB Fin	SIVB	231.97	1.14
Sabre	SABR	22.51	-0.19
SageTherap	SAGE	160.34	-1.01
Salesforce.com	CRM	154.50	-2.46
Sanofi	SNY	41.70	-0.37
SantanderCons	SC	26.91	-0.53
SareptaTherap	SRPT	148.85	-0.81
Sasol	SSL	21.68	-0.57
Schlumberger	SLB	39.97	0.42
SchwabC	SCHW	43.22	0.20
Sea	SE	35.10	-0.61
Seagate	STX	46.31	-1.13
SealedAir	SEE	41.79	-0.76
SeattleGenetics	SGEN	75.71	0.19
SempraEnergy	SRE	135.43	-1.04
SensataTechs	ST	47.43	0.03
ServiceCorp	SCI	46.14	-0.16
ServiceMaster	SERV	53.23	0.18
ServiceNow	NOW	277.39	-5.68
ShawComm B	SJR	19.58	-0.09
SherwinWilliams	SHW	513.04	-1.98
ShinhanFin	SHG	36.32	-0.04
Shopify	SHOP	317.88	3.58
SignatureBank	SBNY	127.46	-0.33
SimonProperty	SPG	162.20	1.99
SiriusXM	SIRI	6.26	0.08
SkechersUSA	SKX	37.94	-0.25
Skyworks	SWKS	85.28	-2.47
SlackTech	WORK	33.42	0.84
Smartsheet	SMAR	49.91	-1.11
SmithAO	AOS	45.32	0.42
Smith&Nephew	SNN	45.44	0.55
Smucker	SJM	111.19	-1.94
Snap	SNAP	16.80	-0.13
SnapOn	SNA	152.61	-3.20
SociedadQuimica	SQM	28.61	-0.08
Sony	SNE	56.86	-0.24
Southern	SO	56.20	0.91
SoCopper	SCCO	35.79	-1.27
SouthwestAir	LUV	51.53	-1.02
SpiritAeroSys	SPR	76.84	0.86
Splunk	SPLK	135.31	-2.18
Spotify	SPOT	154.94	-0.26
Sprint	S	7.33	-0.19
Square	SQ	80.41	-0.88
StanleyBlack	SWK	147.59	-3.82
Starbucks	SBUX	94.69	-1.96
StarwoodProp	STWD	23.23	0.07
StateStreet	STT	58.09	-0.79
SteelDynamics	STLD	31.51	-1.35
Steris	STE	148.86	-0.66
STMicroelec	STM	18.25	-0.40
StoneCo	STNE	35.01	-0.78
Stryker	SYK	209.78	-3.83
SumitomoMits	SMFG	6.96	0.04
SunComms	SUI	132.81	-0.64
SunLifeFinancial	SLF	41.39	-0.28
SuncorEnergy	SU	28.70	-0.43
SunTrustBanks	STI	66.60	0.46
Suzano	SUZ	15.94	-0.45
Symantec	SYMC	21.56	-0.37
SynchronyFin	SYF	35.88	-0.31
Synopsys	SNPS	132.76	-2.61
SynovusFin	SNV	38.17	-0.55
Sysco	SYY	68.57	-1.06
T U V			
TAL Education	TAL	32.20	0.04
TC Energy	TRP	48.96	-0.18
TD Ameritrade	AMTD	51.10	-0.28
TE Connectivity	TEL	92.40	-0.95
Telus	TU	35.90	-0.08
TIM Part	TSU	15.96	0.13
TJX	TJX	54.56	-0.42
T-MobileUS	TMUS	79.73	-1.57
TRowePrice	TROW	113.39	-1.97
TableauSftwr	DATA	169.53	-3.51
TaiwanSemi	TSM	42.63	-0.48
TakeTwoSoftware	TTWO	122.52	-0.68
TakedaPharm	TAK	17.60	0.83
Tapestry	TPR	30.93	0.27
TargaResources	TRGP	38.91	0.04
Target	TGT	86.40	-0.48
TechnipFMC	FTI	27.54	-0.42
TeckResscB	TECK	20.49	-0.58
TeledyneTech	TDY	291.28	-3.86
Teleflex	TFX	339.74	-7.34
TelefonicaBras	VIV	13.64	-0.11
Telefonica	TEF	7.61	-0.14
TelekmIndonesia	TLK	30.13	0.23
Tenaris	TS	24.98	-0.10
Teradyne	TER	55.73	-1.63
Tesla	TSLA	241.61	-0.65
TevaPharm	TEVA	7.93	0.02
TexasInstruments	TXN	125.01	-3.53
TexasPacLand	TPL	797.20	37.20
Textron	TXT	49.30	-1.04
ThermoFisherSci	TMO	277.68	-6.23
ThomsonReuters	TRI	67.17	-1.32
3M	MMM	174.72	-2.91
Tiffany	TIF	93.92	-0.20
Torchmark	TMK	91.32	-0.40
Toro	TTC	72.82	-0.55
TorontoDomBk	TD	58.44	-0.19
Total	TOT	51.74	-1.41
TotalSystem	TSS	135.72	0.79
ToyotaMotor	TM	129.05	-2.08
TractorSupply	TSCO	108.81	-0.44
TradeDesk	TTD	263.31	-1.82
Tradeweb	TW	47.36	0.14
TransDigm	TDG	485.44	-1.08
TransUnion	TRU	82.79	-0.11
Travelers	TRV	146.62	-1.00
Trimble	TRMB	42.26	-2.18
TripAdvisor	TRIP	44.15	-0.05
Twilio	TWLO	139.11	-0.89
Twitter	TWTR	42.31	1.31
TylerTech	TYL	233.35	0.09
TysonFoods	TSN	79.50	-1.83
UBS Group	UBS	11.17	-0.08
UDR	UDR	46.06	-0.54
UGI	UGI	51.09	-0.12
US Foods	USFD	35.37	-0.12
Uber	UBER	42.14	-0.45
UbiquitiNetworks	UBNT	128.73	-4.26
UltaBeauty	ULTA	349.25	0.62
UltraparPart	UGP	5.21	-0.14
UnderArmour A	UAA	23.07	-1.01
UnderArmour C	UA	20.34	-0.71
Unilever	UN	57.74	-1.00
Unilever	UL	60.22	-0.95
UnionPacific	UNP	179.95	0.65
UnitedAirlines	UAL	91.91	-2.02
UPS B	UPS	119.47	-0.38
UnitedRentals	URI	126.55	-3.40
US Bancorp	USB	57.15	0.01
UnitedTech	UTX	133.60	-1.70
UnitedHealth	UNH	249.01	-5.92
UnivDisplay	OLED	211.08	-2.18
UniversalHealthB	UHS	150.86	-2.01
UnumGroup	UNM	31.95	-0.85
VEREIT	VER	9.12	-0.12
VF	VFC	87.39	-0.77
VICI Prop	VICI	21.34	-0.15
VailResorts	MTN	246.52	-0.58
Vale	VALE	12.99	-0.17
ValeroEnergy	VLO	85.25	0.46
VarianMed	VAR	117.37	-1.53
Vedanta	VEDL	8.73	-0.05
VeevaSystems	VEEV	165.90	4.17
Ventas	VTR	67.29	-0.41
VeriSign	VRSN	211.09	-2.84
VeriskAnalytics	VRSK	151.72	-2.32
Verizon	VZ	55.27	-1.36
VertxPharm	VRTX	166.62	-2.92
Viacom A	VIA	34.96	-1.15
Viacom B	VIAB	30.35	-0.61
Visa	V	178.00	-3.25
VistraEnergy	VST	21.46	-0.41
VMware	VMW	174.49	-2.74
Vodafone	VOD	18.12	-0.27
VornadoRealty	VNO	64.32	-0.19
VoyaFinancial	VOYA	56.17	-0.72
VulcanMatls	VMC	138.35	-1.97
W X Y Z			
WABCO	WBC	132.41	-0.28
WEC Energy	WEC	85.46	-1.20
WEX	WEX	218.07	1.98
W.P.Carey	WPC	86.54	0.15
WPP	WPP	58.08	-0.38
Wabtec	WAB	77.68	-0.14
WalgreensBoots	WBA	54.49	-0.91
Walmart	WMT	110.38	-1.68
WasteConnections	WCN	90.72	-0.96
WasteMgt	WM	117.00	-1.01
Waters	WAT	210.56	-2.76
Watsco	WSO	162.62	-2.43
Wayfair	W	131.16	-1.29
WellCareHealth	WCG	287.25	-4.93
WellsFargo	WFC	48.41	-0.14
Welltower	WELL	83.12	-0.83
WestPharmSvcs	WST	137.27	-0.21
WesternDigital	WDC	53.89	-2.70
WesternMidstrm	**WES**	**27.00**	**-3.50**
WesternUnion	WU	21.00	0.10
WestlakeChem	WLK	67.57	-0.10
WestpacBanking	WBK	19.63	-0.21
Westrock	WRK	36.05	-1.10
WeyerhaeuserWY	WY	25.41	-0.68
WheatonPrecMet	WPM	26.12	-1.07
Whirlpool	WHR	145.48	-5.27
Williams	WMB	24.64	-0.38
WillisTowers	WLTW	195.22	-2.27
Wipro	WIT	4.09	...
Wix.com	WIX	148.52	0.51
Woodward	WWD	112.04	-2.77
WooriFin	WF	33.26	0.59
Workday	WDAY	199.98	-5.99
WynnResorts	WYNN	130.07	-5.54
XPO Logistics	XPO	67.48	0.47
XcelEnergy	XEL	59.61	-0.98
Xerox	XRX	32.10	-0.68
Xilinx	XLNX	114.21	-5.30
Xylem	XYL	80.29	-0.83
YPF	YPF	16.45	-0.25
Yandex	YNDX	39.22	0.35
YumBrands	YUM	112.52	-0.72
YumChina	YUMC	45.50	1.50
ZTO Express	ZTO	19.65	-0.33
ZayoGroup	ZAYO	33.73	-0.02
ZebraTech	ZBRA	210.89	-7.31
Zendesk	**ZEN**	**83.56**	**-9.56**
Zillow C	Z	49.96	1.06
Zillow A	ZG	49.84	1.07
ZimmerBiomet	ZBH	135.13	-1.54
ZionsBancorp	ZION	45.07	-0.41
Zoetis	ZTS	114.89	-0.90
ZoomVideo	ZM	95.51	0.02
Zscaler	ZS	84.27	-0.41
Zynga	ZNGA	6.38	-0.06

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL IPO date/Offer price	Wed's close ($)	% Chg From Offer price	% Chg From 1st-day close
Borr Drilling BORR July 31/$9.30	9.77	5.1	...
Netfin Acquisition NFINU July 31/$10.00	10.02	0.2	...
BlueHatInteractive Entertainment Technology BHAT July 26/$4.00	3.82	-4.5	-16.6
Switchback Energy Acquisition SBE.U July 26/$10.00	9.97	-0.3	-0.3
Vista Oil & Gas VIST July 26/$9.25	10.02	8.3	10.1
Wanda Sports Grp WSG July 26/$8.00	4.92	-38.5	-4.7
Castle Biosciences CSTL July 25/$16.00	19.65	22.8	-8.2
Fellazo FLLCU July 25/$10.00	9.97	-0.3	0.2
Health Catalyst HCAT July 25/$26.00	44.25	70.2	13.0
Livongo Health LVGO July 25/$28.00	44.25	58.0	16.1

Sources: Dow Jones Market Data; FactSet

NOTICE TO READERS

Effective Thursday, August 1, 2019, the WSJ U.S. Prime rate will be 5.25%, the Federal Funds Discount Rate will be 2.75% and the Federal Funds Target rate will be 2.00-2.25%.

Dividend Changes

Dividend announcements from July 31.

Company	Symbol	Yld %	Amount New/Old	Frq	Payable / Record
Increased					
BB&T Corp	BBT	3.1	.45 /.405	Q	Sep03 /Aug14
National General Holdings	NGHC	0.6	.05 /.04	Q	Oct16 /Oct02
Reinsurance Grp America	RGA	1.5	.70 /.60	Q	Aug29 /Aug08
South State	SSB	2.0	.43 /.40	Q	Aug16 /Aug09
Initial					
Natl Rural Util Nts 2064	NRUC	5.0	.37813		Aug15 /Aug01
SBA Communications	SBAC		.37	Q	Sep25 /Aug28
Stocks					
Plus Therapeutics	PSTV		1:50		/Aug06
Foreign					
Avianca Holdings ADR	AVH	6.7	.03879		Sep03 /Aug16
GlaxoSmithKline ADR	GSK	4.9	.46444	Q	Oct10 /Aug09
Nutrien	NTR	3.1	.45	Q	Oct17 /Sep30
RenaissanceRe Hldgs 6.08%	RNRpC	5.7	.38	Q	Sep03 /Aug30
RenaissanceRe Pfd. E	RNRpE	5.3	.33594	Q	Sep03 /Aug30
RenaissanceRe Pfd. F	RNRpF	5.5	.35938	Q	Sep03 /Aug30
Waste Connections	WCN	0.7	.16	Q	Aug26 /Aug12
Special					
OneMain Holdings	OMF	2.4	2.00		Sep13 /Aug27

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S2:1: stock split and ratio; SO: spin-off.

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

July 31, 2019

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	June index level	Chg From (%) May '19	Chg From (%) June '18
U.S. consumer price index			
All items	256.143	0.02	1.6
Core	263.177	0.22	2.1

International rates

	Latest	Week ago	52-Week High	52-Week Low
Prime rates				
U.S.	5.50	5.50	5.50	5.00
Canada	3.95	3.95	3.95	3.70
Japan	1.475	1.475	1.475	1.475
Policy Rates				
Euro zone	0.00	0.00	0.00	0.00
Switzerland	0.50	0.50	0.50	0.50
Britain	0.75	0.75	0.75	0.50
Australia	1.00	1.00	1.50	1.00
Overnight repurchase				
U.S.	2.45	2.46	3.35	1.92

U.S. government rates

	Latest	Week ago	52-Week High	52-Week Low
Discount				
	3.00	3.00	3.00	2.50
Federal funds				
Effective rate	2.3800	2.4100	2.4800	1.9300
High	2.4500	2.4500	2.6500	2.0625
Low	2.2500	2.2500	2.4400	1.8000
Bid	2.2500	2.3800	2.4400	1.8000
Offer	2.3000	2.4000	2.4500	1.9100
Treasury bill auction				
4 weeks	2.110	2.090	2.470	1.905
13 weeks	2.070	2.040	2.465	2.000
26 weeks	2.035	2.010	2.505	2.010

Secondary market

	Latest	Week ago	52-Week High	52-Week Low
Fannie Mae				
30-year mortgage yields				
30 days	3.333	3.280	4.607	3.076
60 days	3.366	3.311	4.632	3.100

Other short-term rates

	Latest	Week ago	52-Week high	52-Week low
Call money				
	4.25	4.25	4.25	3.75
Commercial paper (AA financial)				
90 days	2.16	2.19	2.80	2.12
Libor				
One month	2.22425	2.26175	2.52238	2.06000
Three month	2.26563	2.26663	2.82375	2.25313
Six month	2.20688	2.18313	2.90788	2.14425
One year	2.18863	2.17950	3.14413	2.14738
Euro Libor				
One month	-0.426	-0.442	-0.390	-0.446
Three month	-0.420	-0.417	-0.324	-0.420
Six month	-0.408	-0.422	-0.288	-0.429
One year	-0.339	-0.340	-0.159	-0.348

DTCC GCF Repo Index	Latest	Value Traded	52-Week High	52-Week Low
Treasury	2.609	44.434	5.149	1.942
MBS	2.705	72.450	4.434	1.966

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective December 20, 2018. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective December 20, 2018. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Mutual Funds

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Ex-distribution. f-Previous day's quotation. g-Footnotes x and s apply. j-Footnotes e and s apply. k-Recalculated by Lipper, using updated data. p-Distribution costs apply, 12b-1. r-Redemption charge may apply. s-Stock split or dividend. t-Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-dividend. z-Footnote x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Wednesday, July 31, 2019

Fund	NAV	Net Chg	YTD %Ret
American Century Inv			
Ultra	49.84	-0.67	23.3
American Funds Cl A			
AmcpA p	32.37	-0.35	16.7
AMutlA p	41.97	-0.39	13.0
BalA p	27.51	-0.23	11.7
BondA p	13.13	+0.01	5.9
CapIBA p	60.87	-0.42	9.9
CapWGrA	48.72	-0.50	15.1
EupacA p	52.43	-0.45	16.4
FdInvA p	59.73	-0.79	16.0
GwthA p	50.59	-0.57	18.3
HI TrA p	10.12	...	8.3
ICAA p	38.46	-0.41	14.7
IncoA p	22.56	-0.17	11.0
N PerA p	44.87	-0.49	19.1
NEcoA p	45.88	-0.51	18.2
NwWrldA	67.79	-0.73	18.2
SmCpA p	56.84	-0.40	21.2
TxExA p	13.29	...	5.7
WshA p	46.25	-0.50	15.9
Baird Funds			
AggBdInst	11.08	+0.02	6.9
CorBdInst	11.42	+0.02	7.4
BlackRock Funds			
HiYldBd Inst	7.66	...	10.9
BlackRock Funds A			
GlblAlloc p	18.81	...	10.6
BlackRock Funds III			
iShS&P500IdxK	354.14	-3.88	20.2
BlackRock Funds Inst			
EqtyDivd	19.70	-0.15	16.8
GlblAlloc	18.93	...	10.8
MultiAstIncome	10.85	-0.02	10.3
StratIncOpptyIns	9.92	...	5.4
Bridge Builder Trust			
CoreBond	10.35	+0.01	5.9
CorePlusBond	10.26	+0.01	6.2
Intl Eq	11.22	-0.10	12.7
Dell Invest Instit			
Value	21.82	-0.17	12.5
Dimensional Fds			
5GlbFxdInc	10.92	+0.01	3.5
EmgMktVa	27.53	-0.27	5.7
EmMktCorEq	20.38	-0.21	6.7
IntlCoreEq	12.69	-0.13	9.6
IntlVal	16.58	-0.19	6.5
IntSmCo	17.50	-0.16	10.4
IntSmVa	17.70	-0.15	7.1
LgCo	23.01	-0.25	20.2
TAUSCoreEq2	19.07	-0.18	19.6
US CoreEq1	24.45	-0.24	19.9
US CoreEq2	22.47	-0.21	19.3
US Small	34.13	-0.22	15.3
US SmCpVal	33.14	-0.21	12.0
US TgdVal	22.46	-0.15	14.0
USLgVa	36.27	-0.32	12.9
Dodge & Cox			
Balanced	101.02	-0.48	12.3
GblStock	12.35	-0.11	12.3
Income	13.98	+0.01	7.1
Intl Stk	40.50	-0.40	9.7
Stock	191.07	-1.58	15.6
DoubleLine Funds			
CoreFxdIncmI	NA	...	NA
TotRetBdI	10.66	+0.03	4.5
Edgewood Growth Instituti			
EdgewoodGrInst	35.21	-0.36	22.3
Fidelity			
500IdxInstPrem	103.66	-1.14	20.2
ExtMktIdxInstPre	63.49	-0.53	21.6
IntlIdxInstPrem	40.59	-0.34	11.9
MidCpInxInstPrem	22.85	-0.21	23.3
SAIUSLgCpIndxFd	16.09	-0.17	20.3
SerLTTreBdIdx	9.32	+0.08	11.0
SmCpIdxInstPrem	20.22	-0.14	17.4
TMktIdxInstPrem	84.64	-0.89	20.4
TotalMarketIndex	12.44	-0.13	20.5
USBdIdxInstPrem	11.66	+0.02	6.1
Fidelity Advisor I			
NwInsghtI	33.06	-0.37	22.5
Fidelity Freedom			
FF2020	15.88	-0.06	11.2
FF2025	13.88	-0.06	12.0
FF2030	17.17	-0.10	13.3
Freedom2020 K	15.86	-0.07	11.2
Freedom2025 K	13.86	-0.07	12.1
Freedom2030 K	17.15	-0.10	13.4
Freedom2035 K	14.30	-0.11	14.8
Freedom2040 K	9.98	-0.08	15.1
Fidelity Invest			
Balanc	23.72	-0.17	15.8
BluCh	103.05	-1.21	22.7
Contra	13.30	-0.17	21.9
ContraK	13.31	-0.17	22.0
CpInc r	10.22	-0.02	10.6
GroCo	19.93	-0.25	24.4
GrowCoK	19.96	-0.24	24.5
InvGrBd	11.45	+0.02	7.2
LowP r	49.03	-0.23	13.0
Magin	10.87	-0.12	22.5
OTC	12.45	-0.13	25.1
Puritn	22.19	-0.20	14.1
SrsEmrgMkt	18.78	-0.26	14.4
SrsGroCoRetail	17.64	-0.21	28.0
SrsIntlGrw	16.24	-0.14	21.2
SrsIntlVal	9.69	-0.09	6.7
TotalBond	10.80	+0.02	7.0
Fidelity SAI			
TotalBd	10.57	+0.01	7.3
First Eagle Funds			
GlbA	57.86	-0.36	13.7
FPA Funds			
FPACres	33.41	-0.31	15.3
Franklin A1			
CA TF A1 p	7.60	...	7.1
IncomeA1 p	2.31	-0.01	11.3
FrankTemp/Frank Adv			
IncomeAdv	2.29	-0.01	11.5
FrankTemp/Franklin A			
Growth A p	110.39	-1.26	22.7
RisDv A p	67.42	-0.97	22.5
FrankTemp/Franklin C			
Income C t	2.34	-0.01	10.8
FrankTemp/Temp A			
Growth A p	21.84	-0.16	5.4
FrankTemp/Temp Adv			
GlBondAdv p	11.33	...	4.3
Guggenheim Funds Tru			
TotRtnBdFdClInst	27.14	+0.01	3.7
Harbor Funds			
CapApInst	75.49	-1.02	21.8
Harding Loevner			
IntlEq	NA	...	NA
Invesco Funds A			
EqIncA	10.38	-0.06	14.7
Invesco Funds Y			
DevMktY	NA	...	NA
JPMorgan R Class			
CoreBond	11.80	+0.02	6.4
CorePlusBd	8.41	+0.01	6.9
Lord Abbett A			
ShtDurIncmA p	4.21	...	3.9
Lord Abbett F			
ShtDurIncm	4.21	...	4.0
Metropolitan West			
TotRetBd	NA	...	NA
TotRetBdI	NA	...	NA
TRBdPlan	NA	...	NA
MFS Funds Class I			
ValueI	42.37	-0.34	20.8
MFS Funds Instl			
IntlEq	25.96	-0.20	15.9
Nuveen Cl I			
HYMunBd	17.83	...	8.8
Oakmark Funds Invest			
EqtyInc r	30.51	-0.18	13.5
Oakmark	80.61	-0.37	18.0
OakmrkIntl	22.54	-0.24	10.2
Old Westbury Fds			
LrgCpStr	14.85	-0.16	17.4
Parnassus Fds			
ParnEqFd	47.58	-0.71	22.5
PGIM Funds Cl Z			
TotalReturnBond	NA	...	NA
PIMCO Fds Instl			
AllAsset	NA	...	NA
ShortT	9.81	...	2.1
TotRt	10.32	+0.01	6.1
PIMCO Funds A			
IncomeFd	NA	...	NA
PIMCO Funds I2			
Income	NA	...	NA
PIMCO Funds Instl			
IncomeFd	NA	...	NA
Price Funds			
BlChip	117.73	-1.54	22.6
EqInc	31.65	-0.27	17.2
EqIndex	79.45	-0.87	20.0
Growth	69.90	-0.85	22.4
HelSci	77.73	-0.79	16.0
InstlCapG	39.03	-0.49	20.3
IntlStk	17.34	-0.16	15.8
MidCap	96.36	-0.75	26.2
N Inc	9.60	+0.01	6.8
NHoriz	63.96	-0.51	32.7
OverS SF r	10.24	-0.10	12.6
R2020	22.08	-0.12	13.1
R2025	17.60	-0.12	14.1
R2030	25.67	-0.19	15.1
R2035	18.84	-0.16	15.9
R2040	26.24	-0.24	16.5
Value	36.32	-0.42	18.8
PRIMECAP Odyssey Fds			
AggGrowth r	45.66	-0.68	19.2
Growth r	39.93	-0.43	15.0
Stock r	33.54	-0.37	16.6
Schwab Funds			
S&P Sel	46.06	-0.50	20.2
TSM Sel r	52.48	-0.56	20.4
TIAA/CREF Funds			
BdIdxInst	11.01	+0.02	6.3
VANGUARD ADMIRAL			
500Adml	275.28	-3.03	20.2
BalAdml	37.43	-0.22	14.1
CAITAdml	12.07	...	5.6
CapOpAdml r	152.84	-1.69	15.8
EMAdmr	34.90	-0.36	10.8
EqIncAdml	75.70	-0.87	15.5
ExplrAdml	98.95	-0.77	23.9
ExtndAdml	91.45	-0.77	21.4
GNMAAdml	10.50	...	4.3
GrwthAdml	86.05	-1.00	25.2
HlthCareAdml r	82.34	-0.66	7.1
HYCorAdml r	5.86	...	11.0
InfProAd	25.91	+0.05	6.6
IntlGrAdml	92.45	-1.01	24.3
ITBondAdml	11.70	+0.02	7.9
ITIGradeAdml	9.94	+0.01	9.1
LTGradeAdml	10.77	+0.06	15.2
MidCpAdml	209.75	-1.85	23.5
MuHYAdml	11.70	...	7.4
MuIntAdml	14.45	...	5.6
MuLTAdml	11.90	...	6.2
MuLtdAdml	11.09	...	3.3
MuShtAdml	15.86	...	1.8
PrmcpAdml r	139.97	-1.55	17.4
RealEstatAdml	126.03	-0.50	21.2
SmCapAdml	76.04	-0.70	21.0
SmGthAdml	66.70	-0.71	26.3
STBondAdml	10.53	...	3.5
STIGradeAdml	10.70	...	4.3
TotBdAdml	10.93	+0.01	6.4
TotIntBdIdxAdm	23.18	+0.05	7.5
TotIntlAdmIdx r	27.78	-0.27	11.1
TotStAdml	74.09	-0.79	20.4
TxMCapAdml	153.92	-1.62	20.9
TxMIn r	13.12	-0.12	11.4
USGroAdml	108.11	-1.50	24.4
ValAdml	43.63	-0.43	15.8
WdsrllAdml	69.01	-0.63	18.9
WellsIAdml	64.82	-0.17	11.2
WelltnAdml	72.22	-0.40	14.2
WndsrAdml	71.21	-0.49	17.3
VANGUARD FDS			
DivdGro	29.90	-0.38	23.2
INSTTRF2020	23.48	-0.11	11.7
INSTTRF2025	23.88	-0.13	12.5
INSTTRF2030	24.12	-0.16	13.6
INSTTRF2035	24.31	-0.18	14.2
INSTTRF2040	24.59	-0.20	15.1
INSTTRF2045	24.75	-0.22	15.6
INSTTRF2050	24.78	-0.22	15.6
IntlVal	35.34	-0.34	10.1
LifeCon	20.43	-0.07	10.6
LifeGro	34.09	-0.27	14.6
LifeMod	27.64	-0.15	12.6
PrmcpCor	26.29	-0.29	16.2
STAR	26.89	-0.16	14.2
TgtRe2015	15.26	-0.05	10.1
TgtRe2020	31.96	-0.15	11.6
TgtRe2025	19.19	-0.11	12.8
TgtRe2030	35.00	-0.23	13.6
TgtRe2035	21.50	-0.16	14.2
TgtRe2040	37.16	-0.31	15.0
TgtRe2045	23.35	-0.21	15.6
TgtRe2050	37.58	-0.34	15.6
TgtRet2055	40.79	-0.37	15.6
TgtRetInc	13.77	-0.03	9.0
TotIntBdIxInv	11.59	+0.02	7.5
WellsI	26.76	-0.07	11.1
Welltn	41.82	-0.23	14.2
WndsrII	36.30	-0.36	17.9
VANGUARD INDEX FDS			
500	275.28	-3.02	20.2
SmValAdml	56.52	-0.44	16.5
TotBd2	10.89	+0.01	6.5
TotIntl	16.61	-0.16	11.1
TotSt	74.06	-0.79	20.3
VANGUARD INSTL FDS			
BalInst	37.44	-0.22	14.2
DevMktsIndInst	13.13	-0.13	11.4
DevMktsInxInst	20.53	-0.20	11.4
ExtndInst	91.45	-0.77	21.4
GrwthInst	86.05	-1.01	25.2
InPrSeIn	10.56	+0.01	6.6
InstIdx	270.18	-2.97	20.2
InstPlus	270.15	-2.97	20.2
InstTStPlus	64.38	-0.68	20.5
MidCpInst	46.33	-0.42	23.5
MidCpIstPl	228.51	-2.03	23.5
SmCapInst	76.04	-0.70	21.0
SmCapIstPl	219.47	-2.03	21.0
STIGradeInst	10.70	...	4.3
STIPSIxins	24.72	+0.01	2.5
TotBdInst	10.93	+0.01	6.4
TotBdInst2	10.89	+0.01	6.5
TotBdInstPl	10.93	+0.01	6.4
TotIntBdIdxInst	34.78	+0.08	7.5
TotIntlInstIdx r	111.09	-1.08	11.1
TotItlInstPlId r	111.11	-1.08	11.1
TotStInst	74.10	-0.79	20.4
ValueInst	43.63	-0.43	15.8
Western Asset			
CorePlusBdI	11.89	+0.02	8.3

Credit Suisse Restructuring Fuels Profit

By Pietro Lombardi And Julie Steinberg

Credit Suisse Group AG's profit growth accelerated in the second quarter, bolstered by its global markets businesses and domestic operations despite a challenging environment for Europe's lenders.

The Swiss bank's performance is a further endorsement of the sweeping restructuring efforts that it started in 2015 to streamline its investment-banking operations and sharpen its focus on wealth management.

Shares in Credit Suisse settled 2.4% higher Wednesday.

The bank said Wednesday that its second-quarter net profit rose 45% to 937 million Swiss francs ($946.3 million) from 647 million francs a year earlier, after a smaller rise in the prior quarter. Revenue was flat at 5.58 billion francs.

Analysts had expected the bank to post a second-quarter net profit of 806 million francs on revenue of 5.32 billion francs, according to a consensus forecast provided by the bank.

"If you had asked me a year and a half ago, I would have been negative on Credit Suisse and said [Chief Executive Tidjane Thiam] was a dead man walking," said Octavio Marenzi, CEO of Opimas, a consulting firm to banks. "He has pulled a rabbit out of the hat. He has been able to manage costs in a very disciplined way without sacrificing revenues too much."

Earnings at its domestic bank were up 18% at 654 million francs. Revenue from bond and currency trading world-wide was up 6% in dollar terms, though fees from advising on deals and from bond underwriting were down.

Credit Suisse posted three consecutive annual losses from 2015 through 2017—due to restructuring costs, legal settlements and U.S. corporate tax changes—but earned a profit of 2.06 billion Swiss francs last year.

The bank said the latter part of the second quarter led to a "more supportive revenue environment" amid expectations of a U.S.-China trade agreement and dovish central bank statements.

Earnings at the bank's Asia-Pacific division, where it has been investing resources over the past few years, rose 9%.

Credit Suisse's key international wealth-management division, whose head, Iqbal Khan, quit at the start of July, undershot expectations with a 3% increase in pretax income. The bank attracted 9.5 billion francs of net new assets in wealth management in the quarter.

"We view these as strong results," analysts at Citigroup wrote. "Global markets has been the main cause of consensus earnings downgrades over the past 18 months, but has now shown signs of recovery for a second consecutive quarter."

Credit Suisse said it has "experienced healthy levels of client engagement" so far in the third quarter, but said whether that would translate into activity is dependent on market conditions.

Many Chinese Consumer Stocks Hit Records

By Joanne Chiu

Chinese alcohol, sportswear, travel and home-appliance stocks are reaching records, reflecting rising confidence about the outlook for consumer spending in the world's second-biggest economy.

The pattern is echoed in both U.S. and European markets where, despite worries of slowing growth, consumer stocks are among the best performers. The S&P 500's consumer-discretionary index is up 22% this year, compared with a 19% rise for the S&P 500. The MSCI Europe Consumer Discretionary Index has risen 7% while the MSCI Europe Sector is up 11%.

Still, the rally in China is striking given broader concerns about the country's slowing growth, trade tensions and a rapid run-up in corporate debt.

Arthur Kwong, head of Asia-Pacific equities at BNP Paribas Asset Management, said many companies had grown in experience, established strong brands and begun generating strong cash flows after earlier phases of heavy investment. "I'm a big fan of China's consumer sector," Mr. Kwong said, pointing to drinks, sportswear, travel and instant-noodle companies.

The market gains span companies providing goods considered staples, such as food and drink, and those specializing in discretionary items such as refrigerators or vacations, and are partly a reversal of a steep selloff last year.

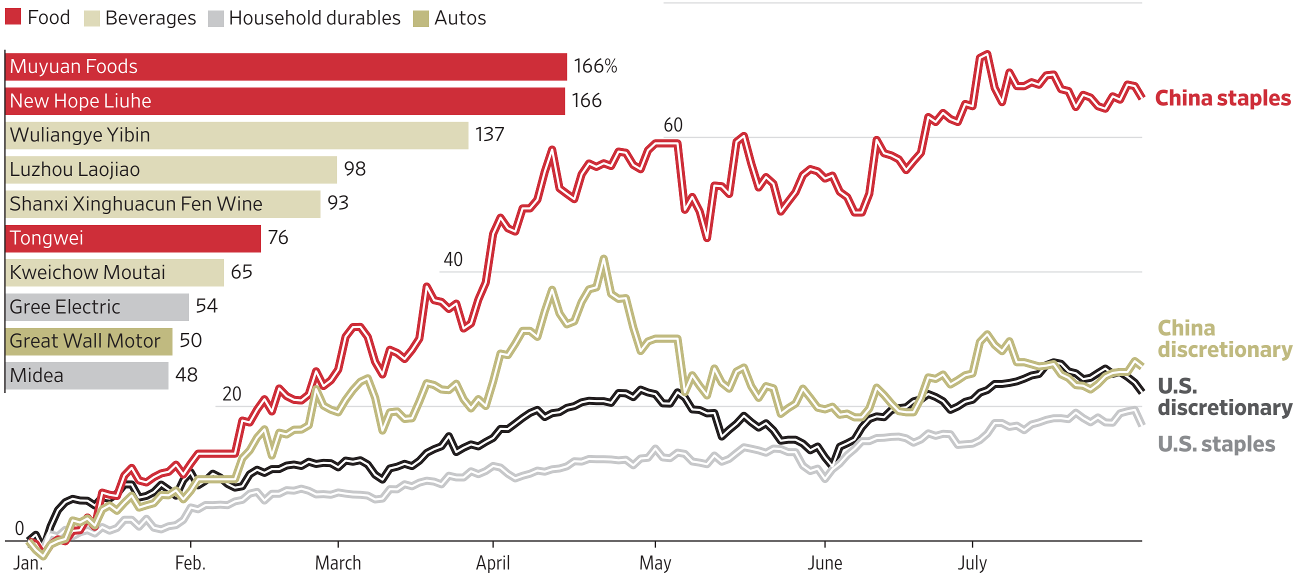
Shares of Shanghai-listed **Kweichow Moutai** Co., a distiller of the potent Chinese spirit baijiu, have risen about 65% this year. Stocks of several of the company's smaller rivals, such as **Wuliangye Yibin** Co., have more than doubled. **China International Travel Service** Corp., the nation's biggest travel agent, has risen 50%.

ALEKSANDAR PLAVEVSKI/EPA/SHUTTERSTOCK

This year's rally in consumer shares spans Chinese makers of staples and discretionary items. Bottles of the spirit baijiu are packed.

Big gainers among providers of consumer discretionary and staple goods in China's CSI 300 index

Consumer-sector stock-market indexes, year to date



Note: Performance of Chinese sectors is for the CSI 300 and U.S. is for the S&P 500.
Source: FactSet

These and other mainland stocks, such as **Foshan Haitian Flavouring & Food** Co., air-conditioner maker **Gree Electric Appliances** Inc. and cookware specialist **Zhejiang Supor** Co., all have hit records in 2019. In New York, e-commerce behemoth **Alibaba Group Holding** has risen 26%. Like U.S. rival **Amazon.com**, it is considered a consumer-discretionary stock by major index providers.

Louis Lau, director of investments at Brandes Investment Partners, said many makers of baijiu had shown solid growth in sales and profit, with healthy consumer demand helping them to push through price increases.

The gains also contrast with signs of weakness in other parts of the consumer economy. These include falling car sales, declining imports, a slackening housing market and even some public anxiety about the affordability of small luxuries.

Cars and houses are big-ticket items, making them more sensitive to even small shifts in consumer confidence and more dependent on the cost and availability of credit. That has made these markets more exposed to Beijing's efforts in recent years to rein in the country's big shadow-banking sector. Auto sales have slumped for 12 straight months, partly dented by market saturation in major urban centers and a credit crunch in smaller cities.

Some money managers say consumer stocks also have benefited as investors switched money out of other sectors, like technology hardware, that are more exposed to U.S. import tariffs and other trade frictions.

Sungho Im, chief executive at asset-management firm IM Capital Partners Ltd., said consumer-goods companies were likely to deliver more sustainable growth than firms in industries facing bigger trade or regulatory headaches, and so foreign investors favored Chinese spirits, food and travel companies.

Fight Over Security Firm Stake Rages On

A battle is brewing between a U.S. national-security panel and a Russian-oligarch-backed private-equity firm that failed to meet their agreement.

The U.S. government told private-equity firm **Pamplona Capital Management** last year to sell all of its stake in Leesburg, Va., cybersecurity firm **Cofense** Inc. U.S. officials raised national-security concerns about the level of foreign money behind Pamplona and the nature of Cofense's business.

Pamplona committed to finding a buyer to take over its minority investment by July 19, but it failed to do so. Now both the firm and Cofense are in "material breach" of that agreement, according to an email that the Committee on Foreign Investment in the U.S. sent to Pamplona and Cofense last week. The panel, known as Cfius, told Pamplona and Cofense they could face fines each day that they fail to find a buyer for the stake, among other potential penalties, according to the email, which was read to The Wall Street Journal.

By Will Louch, Dawn Lim and Kate O'Keeffe

People familiar with the matter say Pamplona has dragged out parts of the deal process.

It is a rare snub to the Treasury Department-led interagency panel that vets foreign investment in U.S. businesses for national-security concerns, lawyers and investors say. Few challenge the panel, which can seek a presidential order to enforce its decisions. A Treasury Department spokesman declined to comment.

Cofense simulates and detects attacks transmitted via email to help companies deal with security threats. It counts major U.S. corporations among its customers.

A Pamplona spokesman said dealing with the investment has been "a multiparty process."

"We have worked expeditiously with all parties including Cfius and the company," he said. "This process remains ongoing and we are working diligently towards a solution."

Pacific Investment Management Co. explored buying Pamplona's stake, but weeks before the deadline decided not to proceed with deal talks, according to people familiar with the matter. An initial bid for the Pamplona stake by **BlackRock** Inc., already a minority stakeholder in Cofense, was rejected as too low, other people said.

Another possible buyer group expressed interest in July, said other people familiar with the matter. An initial deal document included a clause preventing all parties from suing one another. When Pamplona pulled the clause, the buyer walked away from that deal, the people said.

Pamplona reached out to BlackRock to restart talks in recent days, one of the people said. But talks between the two firms faltered in the past day and a half, said people familiar with the matter. The asset manager could change its mind and reengage with Pamplona at any point.

Several fund investors of Pamplona have been wealthy Russians.

One is Mikhail Fridman, according to people familiar with the matter. Through a spokesman, Mr. Fridman, a founder of Russian conglomerate Alfa Group, said his understanding was that Cfius was concerned about the general level of foreign ownership in Pamplona, and not specifically him.

Carlyle Adopts Corporate Form

By Miriam Gottfried

Carlyle Group LP said Wednesday it would abandon its partnership structure and become a corporation with a single class of shares, going a step further than private-equity peers that have already converted.

Each of the new Carlyle shares will have one vote, giving greater say to the roughly 30% of shareholders who aren't insiders at the firm. The changes are expected to pave the way for Carlyle's inclusion in indexes such as FTSE Russell's, which have minimum requirements for public-shareholder voting rights, and the S&P 500, which doesn't allow companies with more than one class of shares.

The conversion is slated to be complete on Jan. 1, 2020.

Carlyle is the latest in a wave of private-equity firms to convert to a C corporation, prompted by the passage of a new U.S. tax law in late 2017. The law lowered the highest corporate rate to 21% from 35%, making a switch more palatable.

Firms including **Ares Management** Corp., **KKR** & Co., **Blackstone Group** Inc. and

ISSEI KATO/REUTERS

Co-Chief Executive Kewsong Lee promised liquidity improvements.

Apollo Global Management LLC have made the change over the past year or so, with the aim of making their stocks more attractive to mutual funds and other institutional investors that typically don't invest in publicly traded partnerships.

They have had some success in expanding their shareholder base, but their dual-class share structure and voting control have held them back from more widespread adoption.

Inclusion in broad market indexes would allow Carlyle to benefit from ownership by more passive investors and index-tracking funds, which make up vast segments of the market.

"This is a very simple, transparent and aligned structure that benefits Carlyle," said co-Chief Executive Kewsong Lee in an interview. "You're going to see real improvements in liquidity."

Apollo Chief Addresses Epstein Association

By Miriam Gottfried And Allison Prang

Leon Black, chief executive of **Apollo Global Management** LLC, said that he doesn't think his previous association with jailed financier Jeffrey Epstein is affecting the firm's relationship with investors.

Mr. Epstein, who pleaded not guilty in July to sex-trafficking counts stemming from what federal prosecutors alleged was a yearslong scheme to procure and sexually abuse dozens of girls, provided tax and estate-planning advice to Mr. Black and his family office and foundation over the years.

Mr. Black also made donations to foundations associated with Mr. Epstein and hosted him at Apollo's office as he pitched tax strategies for wealthy individuals, The Wall Street Journal reported.

On Apollo's earnings call Wednesday, Mr. Black answered questions from an analyst about his relationship with Mr. Epstein. He also read from an email he sent to Apollo employees last Friday which stated that Apollo, as a firm, had never done business with Mr. Epstein.

In the email, he said that he and related family entities had received professional services from Mr. Epstein that included tax, estate-planning and philanthropic advice.

"I was completely unaware of, and am deeply troubled by, the conduct that is now the subject of the federal criminal charges brought against him," Mr. Black read from the email.

For the second quarter, Apollo posted a profit of $164.8 million, up from $63.6 million a year earlier. Apollo shares declined 5.9%.

Distributable earnings, the portion of earnings that can be returned to shareholders, were 56 cents a share, up from 52 cents a year earlier. Analysts polled by FactSet were expecting 57 cents. Apollo's private-equity funds appreciated by 2.5% during the quarter

Apollo's assets under management stood at $311.9 billion, up 16% year over year.

Apollo said it expects the conversion to a corporate structure to take place by the end of the third quarter.

Gas Rises Ahead of Inventory Report

By Ira Iosebashvili And Dan Molinski

COMMODITIES

Natural-gas prices shot higher as some investors locked in profits on bearish bets a day ahead of weekly inventory data.

Natural gas for September delivery closed up 4.5% at $2.2330 per million British thermal units.

Prices hit their lowest level in more than three years earlier this week.

Prices have plummeted this summer, as bountiful supplies outweighed demand from electricity providers for the gas needed to power air conditioners after a heat wave hit the eastern U.S. this month.

Global natural-gas consumption grew by an estimated 4.6% in 2018, according to the International Energy Agency.

Yet supplies have been plentiful, with producers in West Texas getting natural gas as a byproduct of their oil drilling.

Hedge funds and other speculative investors have pushed net bearish bets on natural-gas prices to their highest level since November 2015, Commodity Futures Trading Commission data showed, with bearish wagers by speculators outnumbering bullish ones by 184,231 contracts in the week ended July 23.

The Energy Information Administration will release its weekly natural-gas storage report on Thursday.

Analysts surveyed by WSJ on average expect a 58 billion-cubic-foot increase to inventories in the week ended July 26, which would be larger than normal due to last week's cool air that curbed demand.

Meanwhile, U.S. oil prices rose 0.9% to $58.58 a barrel after EIA data on Wednesday showed U.S. inventories of crude oil fell sharply last week, while stockpiles of gasoline and other fuels also declined.

Crude-oil stockpiles declined 8.5 million barrels to 436.5 million barrels and are precisely at the five-year average for this time of year, the EIA said.

Analysts surveyed by The Wall Street Journal had predicted crude stockpiles would fall 2.1 million barrels from the prior week.

Prices for Brent, the global benchmark, rose 0.7% to $65.17 a barrel.

In precious metals, gold fell 0.3% to $1,426.10 a troy ounce as investors awaited the conclusion of the Federal Reserve's monetary policy meeting Wednesday afternoon.

Blue Chips Fall Over 300 Points

By Gunjan Banerji And Lauren Almeida

Major U.S. stock indexes slid after the Federal Reserve signaled caution on future interest-rate cuts shortly after the central bank lowered rates for the first time in a decade.

Some investors are betting on more than one rate cut this year, and while the Fed's policy statement left the door open for the Fed to reduce rates again, Federal Reserve Chairman Jerome Powell suggested Wednesday that this cut wasn't the beginning of a long easing cycle. He also reiterated that the central bank would continue monitoring incoming economic data.

"They always say the market's a greedy beast and no matter what it gets, it wants more," said JJ Kinahan, chief market strategist at TD Ameritrade.

The S&P 500 ended the day down 32.80 points, or 1.1%, to 2980.38. The Nasdaq Composite dropped 98.19 points, or 1.2%, to 8175.42. The Dow Jones Industrial Average closed down 333.75 points, or 1.2%, to 26864.27 after falling more than 400 points in afternoon trading.

The S&P 500's drop snapped a 36-session streak in which it didn't move up or down more than 1%.

Stocks had been little changed ahead of the Fed decision and swung as Mr. Powell spoke during his press conference, with investors parsing his words and recalibrating their outlooks on potential rate cuts ahead.

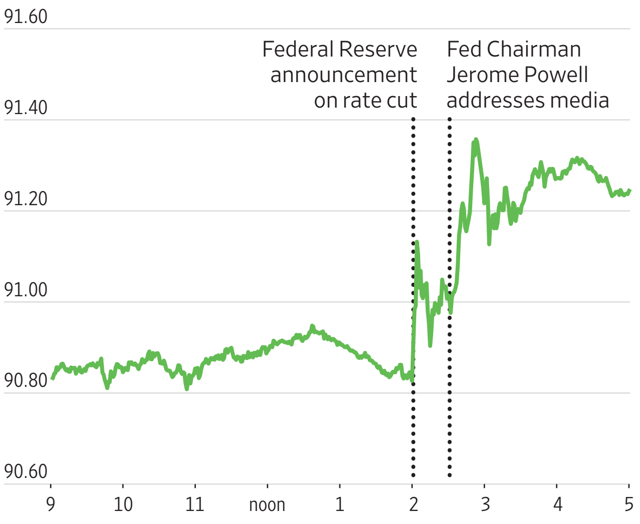
Mr. Kinahan said it was notable that the statement showed that two Fed officials voted against lowering the short-term benchmark rate.

Major stock indexes have rallied this year, fueled by the prospect of the first rate cut, with some investors betting on a half-percentage-point cut ahead of the meeting. On Wednesday, the Fed delivered a quarter-point cut, which was widely expected.

The meeting's end marks a pivotal moment for stocks, bonds and currencies, with the Fed moving to trim rates even as they remain low. This cut marks just the fifth time in the past 25 years that the Fed moved to trimming rates from increasing them.

Treasurys and the dollar notched gains. The WSJ Dollar Index rose 0.4% to 91.25, its highest closing level since May. The yield on the 10-year Treasury note fell to 2.034% from 2.063% Tuesday.

WSJ Dollar Index on Wednesday



Source: Dow Jones Market Data

The policy statement showed that the global economy cast a shadow over the central bank's outlook. Mr. Powell also cited trade tensions as a significant effect on the economy. These dynamics led some investors to say they still expect more rate cuts.

"We're entering a period of slower economic growth," said Ben Kirby, a portfolio manager overseeing stocks at Thornburg Investment Management. "I'm still in the camp that we get one more [rate cut] this year."

Investors sold stocks after the policy statement was released, and losses deepened after Mr. Powell said the central bank's cut was a "mid-cycle adjustment to policy" and that the Fed isn't beginning a long series of rate cuts.

Still, the idea that a rate cut was needed confounded some investors, who pointed to major U.S. stock indexes near records and unemployment near a half-century low.

Many companies that reported earnings beat analysts' expectations, helping propel stocks to highs last week.

"Why exactly are we cutting rates?" said Eddie Perkin, chief equity investment officer at Eaton Vance Management. "It doesn't really make sense to me."

Mr. Perkin said unresolved trade tensions appear to be a bigger headwind for financial markets than the level of interest rates at the moment.

Earnings continued to drive individual stock moves.

Apple stock jumped $4.26, or 2%, to $213.04 after the company reported strong revenue growth on Tuesday. **Advanced Micro Devices** Inc. fell $3.42, or 10%, to $30.45 after it projected weaker-than-expected revenue growth for its current quarter.

Elsewhere, the Stoxx Europe 600 climbed 0.2%. European bank stocks rose amid strong earnings reports.

Credit Suisse climbed 2.4% and **BNP Paribas** gained 1.6%. **Deutsche Bank**'s stock rose 2.1%.

At midday in Tokyo Thursday, the Nikkei was up less than 0.1%. Also early in the trading day, Hong Kong's Hang Seng Index was down 0.6% and the Shanghai Composite was down 0.7%.

Some Investors Still See a Path to Higher Yields

By Sam Goldfarb

CREDIT MARKETS

The Federal Reserve has cut interest rates for the first time in more than a decade. Inflation remains stubbornly low. And government bond yields are negative in Europe.

The conditions are firmly in place for U.S. Treasury yields to stay low, pushing down interest rates for a range of borrowers. Yet a path remains for borrowing costs to move higher, according to investors and analysts. They say that path exists precisely because the Fed is now open to rate cuts.

In the short term, lower interest rates should drag down yields on shorter-term Treasurys, which are particularly sensitive to changes in monetary policy. But over the medium to long term, easy-money policies from the Fed could potentially drive up inflation, a main threat to the value of longer-term bonds.

Policy makers led by Fed Chairman Jerome Powell reduced their benchmark interest rate by a quarter of a percentage point on Wednesday. Their goal in part is to stoke inflation, which has surprised officials by remaining tepid despite a decadelong economic expansion and an extremely tight labor market.

Already, there are signs investors think there is at least a chance that a rate cut could spur long-awaited consumer price increases. The yield on the 10-year Treasury note, which rises when the price of the bond falls, has recently climbed above 2.0% from 1.95% earlier in July.

A key driver of that move has been an uptick in inflation expectations, with the 10-year break-even rate, derived from the extra yield investors demand to hold standard 10-year Treasurys over 10-year Treasury inflation-protected securities, rising to near 1.8% from 1.6% in June.

"As you see TIPS break-evens start to accelerate, that could, for sure, put some pressure on the back end of the Treasury curve," says Michael Lorizio, a senior trader at Manulife Asset Management.

New data on Tuesday showed one of the Fed's preferred measures of inflation rising in June a little more than economists had expected. While what is known as the core personal-consumption expenditures price index was up only 1.6% from a year earlier, below the Fed's 2% target, some analysts expect that number to rise going forward, thanks in part to some easy-to-beat readings from the past 12 months.

Even so, most analysts don't expect any large increase in Treasury yields. For Mr. Lorizio, a notable increase in the 10-year yield would still put it no higher than around 2.2%—a level below where it stood for all of 2018.

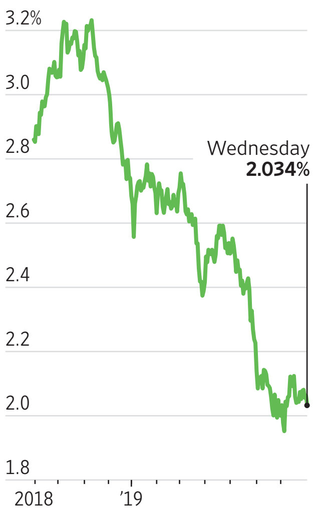
Others point to a series of events needed to push the 10-year yield to the mid-2% range. To begin with, yields in Europe would likely need to rise off their record lows. For that to happen, the U.S. and China might need to reach a trade deal. That could boost the Chinese economy as well as growth in parts of Europe including Germany, which is a big exporter to China. It would also help if the U.K. avoided a hard Brexit, despite recent signs that such an economically disruptive departure from the European Union is becoming more likely.

Even then, some believe it would take more to get investors back to where they were last fall, when the 10-year yield was above 3% and rising.

One obstacle to higher inflation is a stubbornly strong dollar, some analysts say. On its own, rate cuts from the Fed might be expected to weaken the dollar by making the currency less attractive to yield-seeking investors. That, in turn, could boost inflation by making imports more expensive. Other central banks, however, are also promising monetary stimulus, helping to preserve the relative appeal of the U.S. currency.

In what for the Fed is a potentially bad sign, the European Central Bank and the Bank of Japan have taken extraordinary measures to boost inflation with little success, says Zhiwei Ren, a portfolio manager at Penn Mutual Asset Management.

10-year U.S. Treasury yield



Source: Ryan ALM

Prices of Long-Term Treasurys Advance

Yields on longer-term U.S. government bonds fell Wednesday after Federal Reserve officials lowered interest rates but signaled they were in no rush to cut them further.

Swinging sharply after the Fed's decision, the yield on the benchmark U.S. Treasury note settled at 2.034%, compared with 2.063% Tuesday. Yields fall when bond prices rise.

At the same time, the yield on the two-year Treasury note, which is highly sensitive to changes in the outlook for monetary policy, climbed to 1.896% from 1.850%. The dollar also rose, with the WSJ Dollar Index up 0.4%.

Taken together, the moves suggested investors now anticipate a higher path for interest rates than they did before Wednesday but also possibly slower economic growth as a result of that change.

While short-term yields are highly sensitive to the outlook for monetary policy, longer-term yields are more influenced by growth and inflation expectations.

Investors also often buy longer-term Treasurys when stock prices fall, as they did after the Fed decision.

Volatility in bond yields reflected shifting interpretations of the Fed's move as Fed Chairman Jerome Powell neither promised nor ruled out further rate cuts at a press conference.

"You can tell the Fed is trying to figure out its next move, and the market wants more certainty," said Priya Misra, head of global rates strategy at TD Securities in New York.

Treasury yields had already declined early in the session after a report said the Chicago Purchasing Managers Index fell deeper into contraction territory in July.

—Sam Goldfarb

Valuation of $1 Trillion Stays Out of Reach For Apple

Apple Inc. hasn't quite been able to rejoin the world's most exclusive club of companies.

The tech company's shares were up 4.3% at about midday Wednesday after a better-than-expected earnings report. That seemed to put it on track to be worth more than $1 trillion again, based on a count of shares outstanding that the company released in May.

But Apple's rally lost steam amid a marketwide swoon, and its shares closed at $213.04, up 2%. Then after markets closed, Apple reported that its number of shares outstanding had shrunk by about 82 million over the past quarter.

That put its market capitalization at $963 billion—well short of $1 trillion.

To surpass the $1 trillion mark, Apple would need to close at $221.28 a share or higher.

Currently, only Microsoft Corp. has a market cap north of $1 trillion. It has been nearly nine months since Apple last flirted with such a valuation. The iPhone maker first closed above $1 trillion on Aug. 2, 2018, and stayed above that level through Nov. 1, 2018, according to FactSet.

—Alexander Osipovich

BUDRUL CHUKRUT/SOPA IMAGES/ZUMA PRESS

Financial Experts Shift Approach to Portfolios

By Lisa Beilfuss

The Federal Reserve rate cut is prompting investors and financial advisers to reposition portfolios, including buying stocks, to yield more income.

Fed officials lowered their benchmark rate on Wednesday by a quarter percentage point from its previous range between 2.25% and 2.5%. For some investors and money managers, the shift has felt abrupt.

Pat Savu, a retired engineer in Minneapolis, has been a fan of fixed-income investments since weathering the tech-bubble bust in the early 2000s.

Back then, she put 40% of her 401(k) in bonds to help her sleep at night, and she kept a chunk in fixed income through the financial crisis and the recovery that followed.

Lately, she and her husband are moving some of that money around in response to shifting Fed expectations.

"It's made me change what I'm doing," Ms. Savu said of the Fed's flip from raising rates after a decade at rock bottom and now likely heading back lower.

"Treasurys are really stable but they don't pay," she said.

Meanwhile, Ms. Savu said she is putting the money she had in individual municipal bonds in muni bond funds, where she is still getting 4% or more in annual income.

Many financial advisers expect the Fed to lower rates at least once more this year.

David Romhilt, chief investment officer at Summit Trail Advisors in New York, said his firm is counseling clients to make several changes given the turn in monetary policy.

Many were holding on to more cash or short-term municipal funds, but it now makes less sense to hold shorter-duration securities that tend to be more sensitive to monetary policy, he said.

One way investors can get exposure to medium- and longer-term municipal bonds, he said, is by buying funds such as Vanguard's Intermediate-Term Tax-Exempt Fund and Long-Term Tax-Exempt Fund.

In addition, Mr. Romhilt said his firm is moving clients out of corporate credit and into mortgage funds.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

What if Fed Was Wrong to Cut Rates?

The central bank had good reasons to lower the benchmark, but that easing move comes with its own risks

The Federal Reserve has cut interest rates and it has given its reasons why. The big question now is whether those reasons will hold up.

The central bank's decision on Wednesday to lower its target range on overnight rates by a quarter-point hardly counts as shock after all the signaling Fed policy makers provided. Considering the Fed was raising rates just over half a year ago, though, its policy shift is something of a head-scratcher—especially with the unemployment rate near 50-year lows and the stock market near records.

But the Fed is worried that weaker global growth and trade tensions are casting a pall over U.S. business spending and that there is a risk it might spread to other areas of the economy. In its statement, it also pointed to muted inflation pressures as a factor in the decision to lower rates—a nod to worries that the longer inflation remains below the Fed's 2% target, the more ingrained too-low inflation will become in consumer expectations.

Additionally, some influential Fed policy makers have argued that because rates are already low, leaving them with less room to cut in the event of a downturn, preemptively cutting to head off risks lest things get out of hand makes sense. Or as Fed Chairman Jerome Powell recently put it, "an ounce of prevention is worth a pound of cure."

The Fed may end up being correct on all three counts. If, for example, economic data weaken over the next several months, its worries about global spillovers will look prescient and its move to act pre-emptively will seem wise.

But the Fed also could be wrong

A pre-emptive move to head off danger seems like a good idea, but only if danger is really there.

in its assessment, and that carries its own risks.

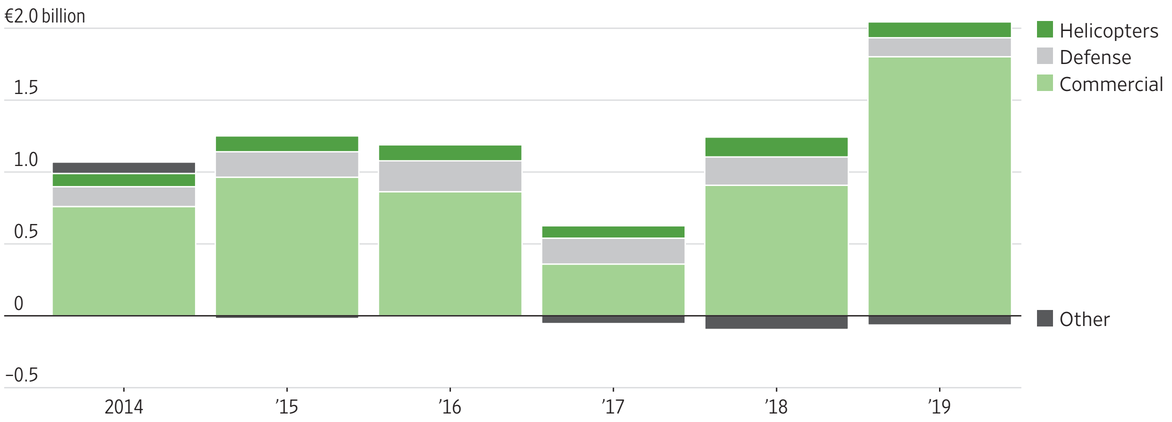
Take its concerns about how global weakness and trade uncertainty are hitting businesses: An analysis conducted by UBS economists suggests that declines in business investment and manufacturing activity earlier this year were driven by last year's tariff increases and that those effects are now fading. The Fed, on the other hand, thought that any tariff effects would be small and has misread the slowdown as a confidence shock that could persist, the UBS economists argue.

The cooling in inflation that it is worried about also could end up being more noise than signal given how easy it is for figures to bounce around in a low-inflation environment. Its preferred measure of inflation, excluding food and energy costs, advanced at a 2.5% annual rate in the three months through June after increasing at just a 0.5% rate in the first three months of the year.

Finally, while acting pre-emptively to head off danger when rates are low seems like a good idea, that is only if the danger is really there. Simulations run by economists at Goldman Sachs showed that following pre-emptive rules doesn't actually lower the risk of recession. In some cases they lead policy makers to ease aggressively in response to false alarms, leaving them short of ammunition later. Moreover, the economists found that following such rules can lead to increased financial volatility and asset-price excesses—economic risks in their own right.

Stocks fell Wednesday after Mr. Powell signaled caution on whether the Fed would keep easing. Considering the costs more cuts could come with, that caution may be warranted. *—Justin Lahart*

Airbus, second-quarter operating earnings excluding one-off charges



Note: €1 million=$1.12 million
Source: Airbus

Sky Isn't the Limit for Airbus

Production bottlenecks crimp opportunity to take market share from Boeing

The plane business is booming for European manufacturer **Airbus**. The only problem is that it can't make more of them.

Airbus said Wednesday that operating earnings rose 72% in the second quarter from a year earlier, excluding one-off charges. The company so far has delivered 86 more commercial jets in 2019 than in the same period of 2018, and the margins on them keep growing because they are produced at a declining unit cost. Meanwhile, U.S. rival **Boeing** has been forced to slash production rates of the infamous 737 MAX, which remains grounded across the world.

It might seem like the European aerospace giant is in an unbeatable position to gain market share, but there is a catch: Both Airbus and Boeing are fully booked for at least the next six years.

This caps investors' downside in case demand for air travel slows after years of expansion. It also means, however, that plane makers have a hard time pressing their advantage if an opportunity arises.

Airbus is in this situation right now. Amid Boeing's woes, it has an early lead in a new and exciting market: small, nimble jets that are able to fly longer routes, potentially allowing for cheaper flights in the range of five to 10 hours.

To this end, Airbus has been aggressively marketing new variants of its A321 jet—a stretched version of the best-selling A320. Last year, it even came up with a simple reconfiguration of its fuselage to seat more passengers, making the jet more attractive for longer flights.

But ramping up production of these rejiggered models at Airbus's factories in Hamburg, Germany, and Mobile, Ala., has proven complicated, forcing it to produce more of the old-configuration A321 models instead. There will continue to be delays in delivering planes to airlines in the second half of the year, the company admitted Wednesday.

Airbus is looking at whether these factories or some others—like the ones in Toulouse, France, and Tianjin, China—could further increase production of the A320 family from its target rate of 63 units a month by 2021, and tilt output toward the A321. But such a move isn't fully in Airbus's control.

"We are making another assessment this year to see what we can do beyond 2021," Airbus Chief Executive Guillaume Faury said Wednesday in a call with analysts. "There's a number of small bottlenecks here and there on the suppliers, but the most challenging one last year was the feedback from the engine manufacturers, which clearly expressed that they were not ready to commit for a ramp-up beyond 2021."

Airbus already has been putting extra pressure on its suppliers to accumulate a month's worth of inventories to ride out a possible no-deal Brexit—if the U.K. leaves the European Union with no formal trade agreement—in October.

The A321 saga seems like a bit of a lost opportunity, both because the jets are costing more to produce than they should and because Boeing has likely delayed the announcement of its own new midmarket model—expected to fly around 2025—after the MAX crisis.

There is little that Airbus's all-important commercial aviation division could be doing better from a sales perspective. Production, not product, is the limit. *—Jon Sindreu*

China's Gloom Shows Some Signs of Easing

It is still too soon to say the worst is over, though, even after a decent economic reading for July

It is typhoon season in Hong Kong, but up north on the Chinese mainland, the weather forecast cleared a bit on Wednesday.

The nation's official July purchasing managers index, the first real read on the month's growth, showed that service and construction activity kept expanding, albeit at a marginally slower pace. Meanwhile, manufacturing, which has been in the doldrums for months, nosed upward for the first time since March. Activity rose to 49.7 from 49.4 in June.

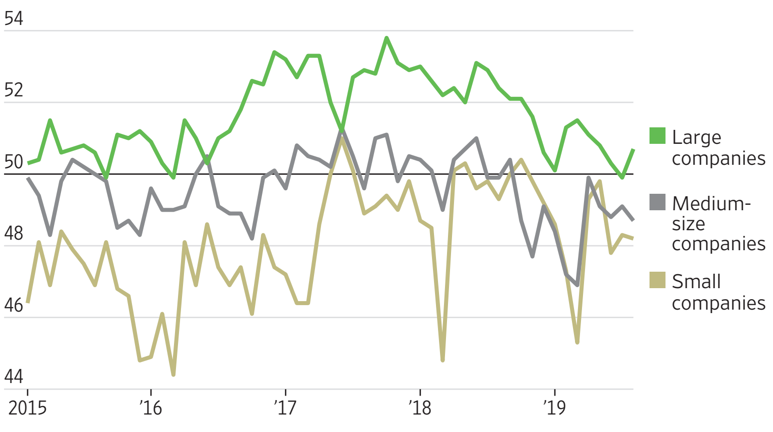
All of these are welcome signs that China's slowdown is abating, thanks to easier monetary policy and a fiscal boost from infrastructure investment in June. That said, it is risky to read too much into a single set of monthly data. Small and medium-size companies, a crucial source of employment, continue to struggle. And output is still growing rapidly, while orders are falling. As long as that imbalance persists, China remains at risk of a renewed bout of industrial deflation, which could trip up heavily indebted factories and cause big problems in the debt markets.

Notably, the recovery in new orders was entirely at large manufacturers. That may reflect a nascent recovery in auto sales or the boost from infrastructure spending. But without better times at export-focused small manufacturers and in the service sector, a sustainable recovery in consumer demand and income growth may prove elusive. Outside of food, consumer-price inflation remains anemic.

The official readout from Tuesday's meeting of the Politburo, the top leadership committee of China's ruling Communist Party, emphasized cutting taxes and fees, helping private firms access long-term finance and "digging deep" to unleash the economy's potential. That suggests top policy makers understand that small businesses and consumers are still on the ropes.

The challenge for the authorities now is finding a way to alleviate those strains without overheating the property market or giving too much ground on trade. That remains a very big ask. *—Nathaniel Taplin*

China's official manufacturing purchasing managers' indexes



Note: Numbers above 50 represent expansion on the month.
Source: CEIC

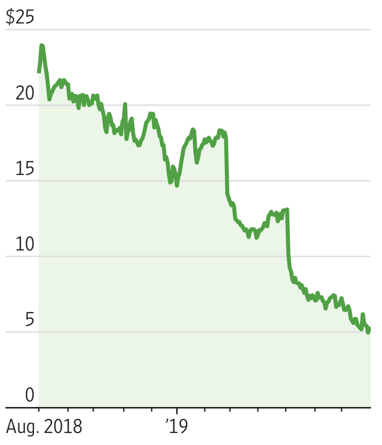
Amazon Goes Further to Enter Homes

Amazon.com may have taken over the majority of your purchases, but the buck stops at real estate, apparently.

Last week, the retail giant said it was joining with the nation's largest residential brokerage company **Realogy Holdings** Corp. to refer motivated consumers on Amazon's platform to real-estate agents from Realogy's brands such as Coldwell Banker and Century 21. Despite some hyperbolic declarations in the press, Amazon isn't getting into real estate, much less taking on the likes of **Zillow Group** and **Redfin**.

With the partnership, home buyers referred through the TurnKey program can qualify for up to $5,000 in Amazon home equipment and services, courtesy of Realogy. For Realogy, which primarily offers traditional brokerage services, the partnership offers access to Amazon's enormous customer base, which it desperately needs. Once boasting a $7 billion market capitalization, Realogy's stock has shriveled in the past year. Increasingly, tech-enabled players like Zillow have begun to disrupt the traditional brokerage model with online lead generation and services like iBuying, which offers streamlined home buying with the help of algorithms.

Realogy Holdings share price



Source: FactSet

Amazon has danced around real estate before. Two years ago, the company posted a cryptic "Hire a Realtor" page under its Home and Business Services section that quickly vanished. Zillow's stock fell about 4% that morning.

An Amazon spokesperson confirmed that the TurnKey partnership isn't a move into real estate but rather one to connect new home buyers with its smart home products and services. According to eMarketer, last year nearly half of all online product searches originated on Amazon, while in 2015 the lion's share of search origination began on Google.

Despite the lead, eMarketer reported that buyers took six days longer to purchase on Amazon than on Google, suggesting consumers use Amazon as a first stop but turn to Google when they know what they want. The TurnKey partnership could help change this dynamic, essentially placing Amazon products such as Alexa in homes to instantly service their needs.

Realtors can breathe easy. Amazon's e-commerce competitors aren't so fortunate. *—Laura Forman*

OVERHEARD

Technology has long been scrutinized for discouraging interpersonal interaction in favor of our phones. We may now have reached a new low.

Procter & Gamble's Pampers earlier recently unveiled Lumi, a "smart diaper" system that enables your phone to track when your baby has gone number one, though not number two. Special diapers are required (of course) which have velcro-like patches over the relevant parts of the infant upon which a plastic-looking sensor is attached. Sleep also is tracked.

Smart devices for babies aren't new but have been criticized by some physicians for increasing, rather than alleviating, new parents' anxiety. A study published last year in the Journal of the American Medical Association revealed concerning and inconsistent results with several instances of missed detection and false positives. The wearable monitors studied, including the Owlet Smart Sock 2 and Baby Vita, track a baby's heart rate and blood oxygen levels.

Pampers boasts its new product will take parents "beyond sight to insight." As one parent proclaims in rave review on Pampers' website, "My sixth sense is called Lumi."

As low-tech parents know, one of the five existing senses seems to work all too well.

Procter & Gamble's Lumi system

PAMPERS