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# BARRON'S

VOL. CIII NO. 22

MAY 29, 2023 \$5.00



## CRYPTO'S COMEBACK

Frauds, bankruptcies, and losses on tokens haven't stopped the technology. How it survived, and where it's headed now.

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at a conference  
in Austin, Texas



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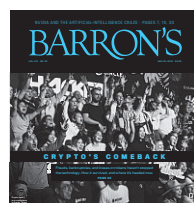
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Cover photograph by Ilana Panich-Linsman

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BARRON'S (USPS 044-700) (ISSN 1077-8039) Published every Monday. Editorial and Publication Headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036. Periodicals postage paid at Chicopee, MA and other mailing offices. Postmaster: Send address changes to Barron's, 200 Burnett Rd., Chicopee, MA 01020

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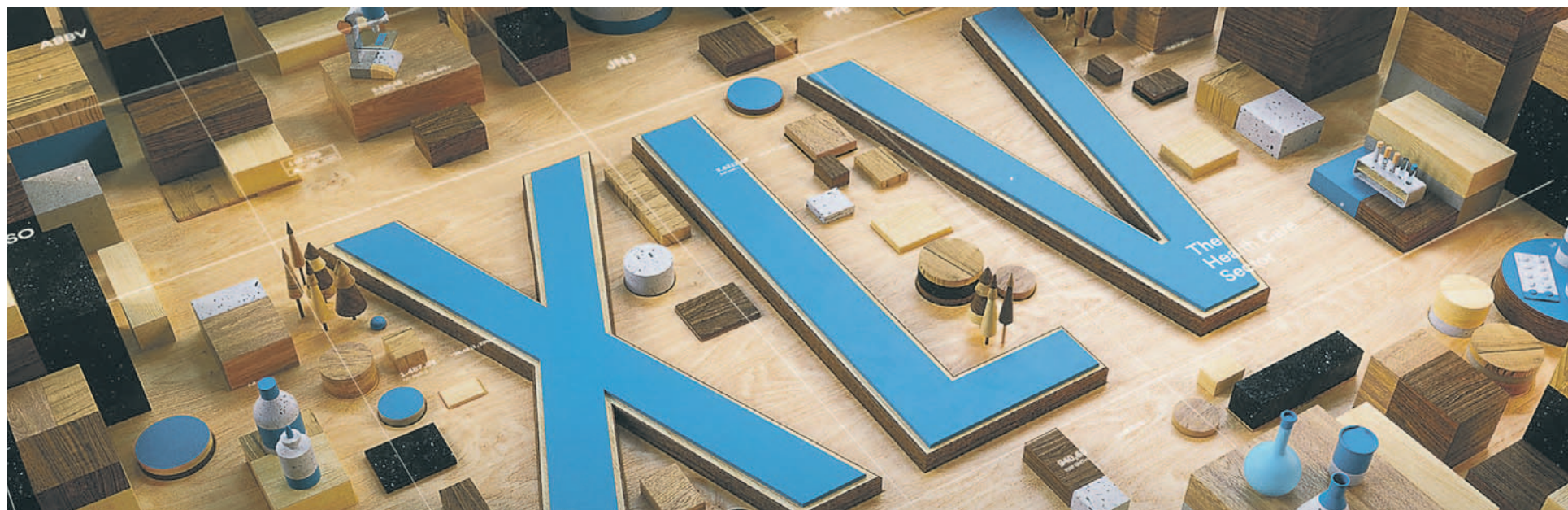
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Abbott Labs	ABT	3.84%
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## Up & Down Wall Street (continued)

month pause in AI research to develop better safety protocols.

Cybersecurity already is a \$188 billion global industry, and companies that add AI safety to their security products will provide an opportunity for investors. There's always a bull market somewhere, even if the end of humanity looms.

**A**pologies in advance, but the now-clichéd description actually is true: We are partying like it's 1999, at least as far as stocks are concerned.

Once again, the equity market has been powered by a relative handful of technology stocks that have soared on their potential to fundamentally change the world. Not since 1999 has the disparity between the conventional, capitalization-weighted S&P 500 (dominated by the biggest half-dozen megacap techs) and the equal-weighted alternative measure of those 500 stocks been so egregious.

By Deutsche Bank's calculation, from the beginning of 2023 through Thursday, the S&P 500 was up 8.1%, versus a 1.2% decline in the equal-weighted S&P, a difference of 9.3 percentage points. For all of 1999, the spread between the two measures was also 9.3 percentage points, which was exceeded only by 1998's 16.3 percentage-point spread.

The market's concentration of strength in just a few highfliers recalls the Nifty Fifty blue-chip era, according to Doug Kass, longtime friend of this column and head of Seabreeze Partners Management in Palm Beach, Fla. That preceded the brutal bear market of 1973-74.

Moreover, the current market violates one of the famous rules of investing from the legendary Bob Farrell, the former head of Merrill Lynch's market analysis, whom Kass often cites: "Markets are strongest when they are broad and weakest when they narrow to a handful of blue-chip names."

Monetary conditions also recall the end of the past century. Then, the Federal Reserve was tightening policy, raising its federal-funds target rate from around 4.75% to 6.50% by mid-2000. In the past year-plus, the central bank has sharply lifted the fed-funds target rate from near zero to 5%-5.25%, while also reducing its balance sheet to tighten policy further.

The increase in interest rates has made stocks more expensive relative to bonds than they've been since October 2007, just before the 2008-09 financial crisis, Kass adds. Moreover, as the Fed has lifted

rates, estimates of 2023 S&P 500 earnings have come down by more than 10%, he writes in an email.

One factor lifting equities, ironically, has been the debt-ceiling impasse, which mercifully seemed close to resolution as we headed into the Memorial Day weekend. While Uncle Sam hasn't been able to increase borrowings, he's been emptying his piggy bank, which injects liquidity into the financial system. Raising the debt ceiling would let the federal government issue billions in Treasury bills to refill its coffers, which will drain liquidity. (For more on this, see the Trader column on page 33.)

At the same time, expectations about Fed rate changes have undergone a major reversal. Further increases now are expected at the coming meetings of the Federal Open Market Committee; previously, the Street had anticipated no hikes. Indeed, its previous hopes for cuts have faded.

According to the CME FedWatch site, the probability of a quarter-point increase at the June 13-14 FOMC meeting has risen sharply, to 66.5%, as of Friday, from just 17.4% just a week earlier. The probability of at least one boost at the July 25-26 meeting was 78.9%, up from less than 20% a week earlier. At the end of April, the market actually saw a 43% chance of a rate cut.

Improving economic conditions, along with persistent inflation and waning concerns about more failures among regional banks, have altered rate expectations. That is seen most clearly in the two-year Treasury note's yield, which fell from over 5% just before the collapse of Silicon Valley Bank in March to 3.80% in early May, before rebounding to 4.56% Friday.

Key data reports—especially the May employment release due Friday—should take center stage during the coming holiday-shortened week. The consensus guess among economists is for another solid increase in nonfarm payrolls: 190,000. At the same time, inflation has shown little signs of easing. Fed Chairman Jerome Powell's favorite measure of price pressures—the core services personal consumption deflator, excluding housing—has risen at a 4.3% clip since January and 4.5% in the past 12 months, according to Brean Capital.

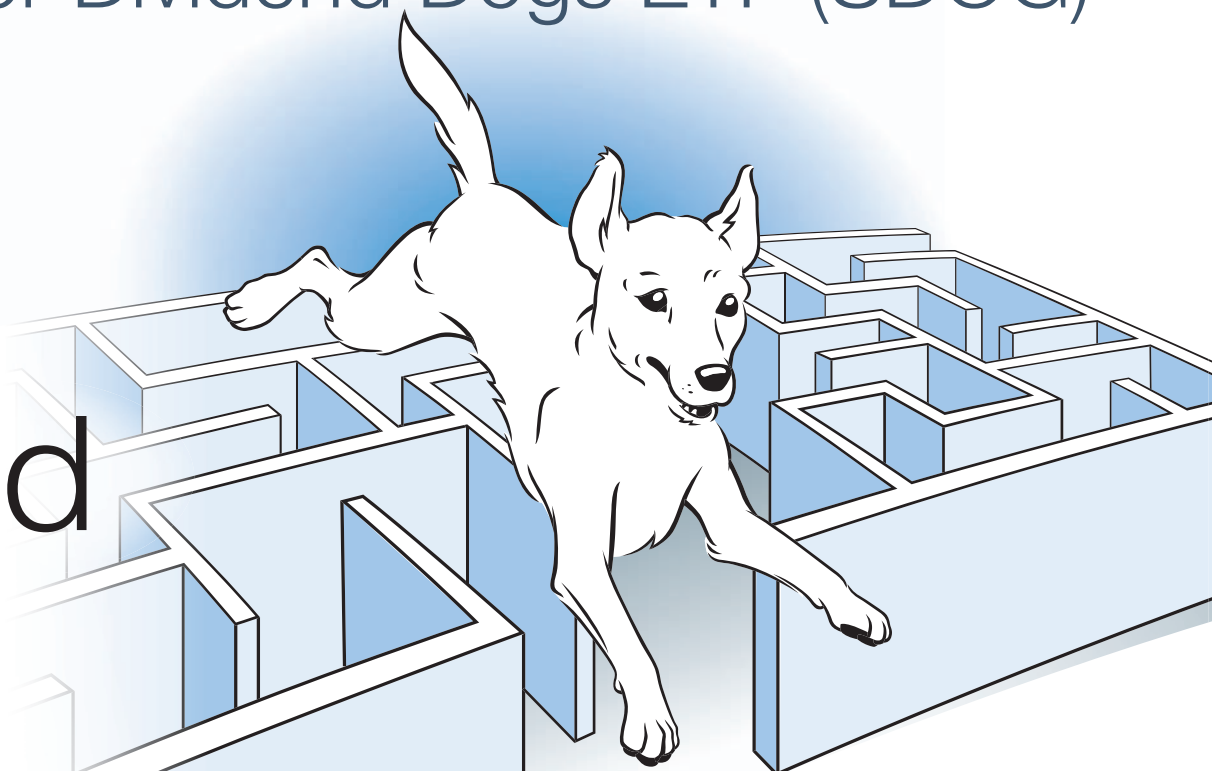
With inflation still far above the Fed's 2% target, unemployment at historic lows, and the major stock averages near their peaks, there's little reason not to expect rate increases. The party didn't end in 1999, but it did end eventually. **B**

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# STREETWISE

**BofA estimates that the ratio of hardware to software revenue in headsets could be 2 to 1, and drive one-third of Apple app store sales in 2026.**

## Apple's \$3,000 Mixed-Reality Headset: Real Genius or Reaching?

**B**ig Tech is trying to strap the internet to my face again. This time it's **Apple**, which will reportedly unveil a \$3,000 "mixed reality" headset with a hip-mounted battery at its June 5 Worldwide Developers Conference.

It's a pre-nope for me. I already start each morning by reaching for Apple's (ticker: Apple) phone, watch, and earbuds. If I add a space visor to the mix, I'm worried I'll accidentally go full *RoboCop* and not be able to power down.

But Wall Street expects Apple's new device category to be at least a moderate commercial success. Goldman Sachs says that it will goose earnings by a low single-digit percentage starting in 2025. BofA Securities predicts an earnings contribution of 36 cents per share by 2026, or about 5% of the consensus estimate—and much more with "meaningful adoption."

Perhaps I've been too dismissive of virtual reality—for example, by comparing the Oculus Quest 2 from **Meta Platforms** (META) to a toddler's toilet seat mounted to the forehead. I bought the hulking Sony PlayStation VR several years ago to see what the fuss was about. It has provided me with nearly an hour of entertainment, mostly on the first day.

Those two devices are meant to create virtual reality, where users are immersed in a digital world, with the real world blocked out. Augmented reality refers to overlaying digital information on the real world, like in the game *Pokémon Go*, where players use



**BY JACK HOUGH**

their phone screens to find virtual cartoon characters in real settings. There have been snags. A Purdue University paper titled "Death By *Pokémon Go*" found a disproportionate increase in real car crashes near virtual PokeStops.

Mixed reality allows for interaction between the digital and physical worlds. Shoppers can see what new furniture will look like in their homes. Manufacturers can cheaply tinker with factories and machines. Colleagues can meet together as holograms without all that sportcoat-and-Zoom-shorts formality.

Virtual-reality headsets so far have hardly been game-changers—even for gaming. And there are already mixed-reality units like the Magic Leap 1, Google Glass Enterprise 2, and Microsoft HoloLens 2. But Apple might have an edge in virtual reality. It has a vast ecosystem of hardware users and app developers, plus a sprawling retail operation to promote its new wares.

There's also a sense that Apple waits patiently for others to work out the kinks in their devices, then swoops in

with refined products to gradually build a commanding market share. Apple Watch, the company's last major entrance into a new category, in 2015, was outsold by FitBit at first. Today it makes up some three-quarters of the installed smartwatch base.

Apple hasn't confirmed headset details, or the launch. That has left the media to rely on patent filings, leaks, rumors of leaks, and leaks of rumors, plus vague management comments. Putting the most reliable/plausible of these together, Goldman predicts that a device called Reality Pro will become available later this fall. It will be lightweight—like ski goggles, The Wall Street Journal has reported—with at least a dozen cameras that can capture facial expressions and body movements, plus lidar for depth sensing. Users will be able to switch between virtual and augmented reality. The device could have displays both inside and out, to show the user's face to others nearby. And there will be a battery pack attached by a cable to offload weight and heat from the face.

Headset adoption to date has been dominated by gamers. Reality Pro could tie into games and many other Apple ventures. Possibilities, according to Goldman, include immersive concerts, sports, and classes for Apple's music, TV, and fitness products; interactive city models for maps; and FaceTime calls, photo sharing, and office whiteboarding in virtual reality.

The money won't be in the hardware. BofA is modeling only 200,000 units sold this year, rising to eight million a year by 2026, once average selling prices have dropped to \$800. Operating margins by then are pegged

at just 6%. But the ratio of software to hardware revenue is likely to be 2 to 1, and software could have 50% margins, says BofA. It adds that if the headsets are a hit, they could drive an estimated one-third of app store revenue by 2026.

**A**ll of this is much more virtual than reality for now, of course. But Apple could use a bit of buzz. Its suffering shareholders are up only 35% this year, while some members of the artificial intelligentsia have climbed much more—**Nvidia** (NVDA) is up 163% this year, and Meta Platforms, 114%.

Special goggles might be required to call Apple cheap here. It trades at 29 times projected earnings for calendar 2023, versus 19 times for the broad S&P 500 index. BofA rates it at Neutral. Goldman says Buy, and predicts a rise from a recent \$175 to \$209 within a year.

Or just buy the new headset and keep it in the plastic, and perhaps it will be a collector's item in the begoggled future. An original iPhone sold this year for over \$63,000, which works out to a yearly return of 33%. If it doesn't work out, it won't be the company's biggest squanderware release. Apple sold a gold watch in 2015 for up to \$17,000, and then stopped updating its software in 2018.

Beyond any headset announcement at the Worldwide Developers Conference, Apple is expected to show off updates to its software and new MacBook computers. Phones will have to wait until after the summer, but don't get your hopes up. "Our checks suggest the next generation of iPhone will have specs largely similar to the iPhone 14," writes UBS. That's potentially a problem, because phone sales are already slipping.

Going big on a clunky category where many others have flopped sounds too dumb for Apple, which makes me think that the new Reality Pro, or whatever it's called, might be real genius. But it's also possible that Apple is just stretching to find a new hit. **B**

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## REVIEW

33,093.34

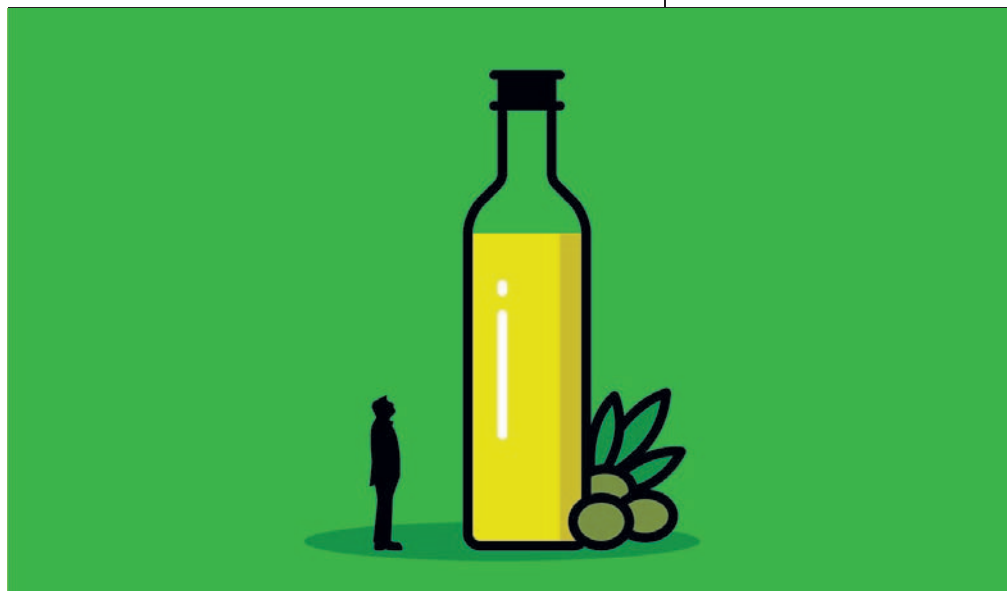
Dow Industrials: -333.29

494.57

Dow Global Index: -2.91

3.82%

10-year Treasury Note: +0.13



BLAME CLIMATE CHANGE

# Olive Oil: The New Oil Crisis

Crude has fallen some 10% this year, but another, less crude variety of oil is rocketing higher. Prices of extra virgin olive oil are at a record high, according to statistics tracked by the International Monetary Fund going back to 1990. In April, olive oil was trading for \$6,269.63 per metric ton, up 46% from last year's level.

For those who buy their cooking and dipping oils in quantities of less than a ton, that comes out to about \$6 a liter (33.8 fluid ounces) at wholesale, or roughly twice that or more, depending on brand and quality, at retail. Filippo Berio, a top U.S. olive oil brand based in New Jersey, calls the latest olive season "the most challenging on record, with the lowest crop yields in 30 years."

Olive oil has gotten much pricier because of a severe drought since last year in Spain, where some 40% of it is produced. Last summer was Spain's hottest on record, and among the driest. Spain's Ministry of Agriculture, Fisheries and Food projected in March that the crop will yield just 680,000 tons of olive oil in the current growing season, down from the five-year average of 1.37 million tons, according to Olive Oil Times. Spain has asked the European Union for emergency funds to help farmers. The Italian harvest also came in light.

Extreme temperatures and prices could be a sign of more volatility ahead—and more sticker shock for shoppers stocking up on the oil. Climate change is likely to make it harder to grow olives in some of the best regions for production, Spanish and Portuguese researchers found in one study. It's a problem that "canola" be solved with some larger changes. —Avi Salzman

## THE NUMBERS

18.1%

The percentage of foreign-born workers in the U.S. labor force in 2022, highest since 1996

77.5%

The share of prime-age women, 25 to 54, working in April, a record.

\$234

Price per ton of alfalfa and grass hay, up nearly 22% from 2022's level. The reason: a Midwest drought.

1.07 M

Number of cars in the first quarter exported by China, beating out previously No. 1 Japan's 950,000 exports

To get Numbers by Barron's daily, sign up wherever you listen to podcasts or at [Barrons.com/podcasts](https://www.barrons.com/podcasts)

## The Nvidia Rally

Stocks opened mixed, fixated on the debt-ceiling talks. A selloff in China, triggered by growth fears and geopolitical tensions, erased gains for the year. U.K. inflation fell, but less than expected, and Germany went into recession. Stocks slid, then rallied on Nvidia's blowout forecast, despite lingering default fears. On the week, the Dow industrials fell 1%, to 33,093.34; the S&P 500 rose 0.32%, to 4205.45; and the Nasdaq Composite soared 2.5%, to 12,975.69.

## Ceiling Crunch Time

Talks ground on at the White House on the debt ceiling. Companies piled into bonds in case of a default, as yields hit their highest point in a decade. Just before the holiday weekend, negotiators chased a deal to limit spending through 2025, but came up short. On Friday, Treasury Secretary Janet Yellen gave a new X-date for when the government would run out of money, June 5.

## The Earnings Beat

Home builder Toll Brothers beat on earnings and revenue. Palo Alto Networks beat, Snowflake missed, and Nvidia's artificial-intelligence-driven forecast thrashed analyst estimates by 50%. The stock rose 25% for the week and neared the \$1 trillion club. Kohl's surprisingly beat on profits.

## Another Weapon

The U.S. said other countries could give Ukraine F-16s, and offered to train Ukrainian pilots. The nuclear plant at Zaporizhzhia went off-line after Russian shelling, then reconnected. Russia claimed to have taken Bakhmut, even as Ukraine seized the high ground outside the leveled city, threatening encirclement. Anti-Putin Russian forces fighting for Ukraine staged a raid across the border near Belgorod.

## The Corporate Front

The European Union hit Meta Platforms with a \$1.2 billion fine over its handling of user information and told it to suspend user data transfers to the U.S....Trade tensions flared after China banned U.S. memory chip giant Micron Technology from selling to key

## HE SAID:

"It looks like the new gold rush is upon us, and NVDA is selling all the picks and shovels."

Susquehanna International senior chip analyst Christopher Rolland, who speculated that Nvidia might have produced "the greatest beat of all time."



domestic companies. China claimed it failed a cybersecurity review...Japan said it would restrict 23 different types of chip-making equipment for export, raising alarms in China...Carl Icahn won one of three nominations to the Illumina board.

## Annals of Deal Making

London-based "magic circle" law firm Allen & Overy said it was merging with New York's Shearman & Sterling, creating one of the world's largest law firms. Shearman had abandoned an effort to merge with Hogan Lovells earlier in the year...AIG will sell its reinsurance business to RenaissanceRe for \$3 billion...M&A advisory boutique Greenhill & Co., which went public in 2004, said it was being bought by Japan's Mizuho Financial Group for an enterprise value of \$550 million...The Wall Street Journal reported that Choice Hotels was seeking to buy Wyndham Hotels & Resorts, though it was unclear if Wyndham was selling...Richard Branson's bankrupt Virgin Orbit is selling its modified Boeing 747 (nicknamed Cosmic Girl) to Strato-launch and its rocket factory to Rocket Labs after no buyer for the company materialized...Citigroup will spin off Mexican bank Banamex in an IPO, not sell it.

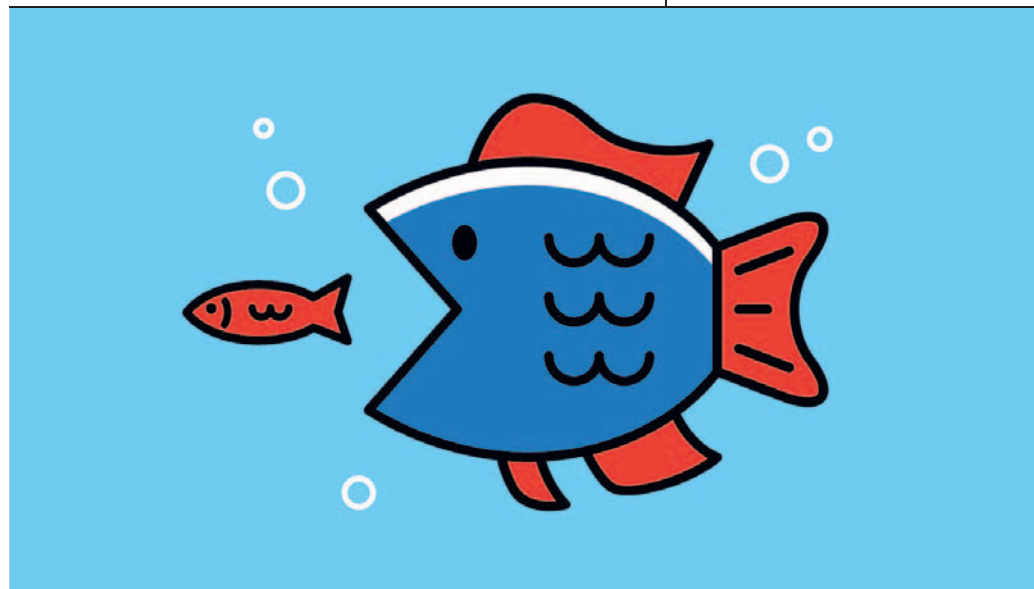


## PREVIEW

## Thursday

Broadcom announces second-quarter fiscal-2023 results. Shares of the chip maker are up 45% this year and hit a record high this past week, spurred by the announcement of a multiyear, multi-billion-dollar deal to supply 5G radio-frequency components to Apple.

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CHEVRON TESTS THE NARRATIVE

# Big Oil Tries a Modest Deal

A \$6.3 billion deal announced by **Chevron** to buy midsize oil-and-gas producer **PDC Energy** this past Monday doesn't signal a new wave of large-scale energy mergers. Instead, the deal may point to a path to consolidation that Wall Street hadn't expected.

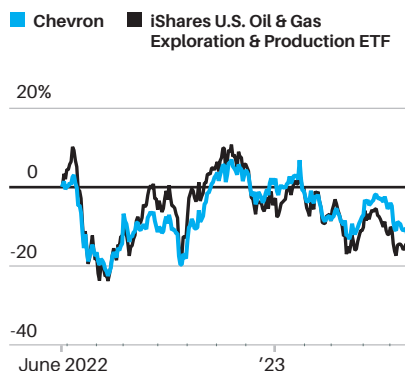
Mergers and acquisitions are on the industry's mind. Energy earnings and stocks are no longer growing. But recent M&A has been modest and, similar to PDC, not transformational, such as **Exxon Mobil's** \$41 billion XTO buy in 2010. Most deals involve public companies buying private companies or acreage. **Diamondback Energy** picked up Texas assets from privately held Lario Oil & Gas in late 2022 for less than \$2 billion. Chevron's deal could make smaller operators more attractive, says Mizuho Securities analyst Nitin Kumar. **Permian Resources**, **Matador Resources**, and **Callon Petroleum** all rose on Monday.

Big deals aren't out of the question. The Wall Street Journal reported that Exxon has talked with **Pioneer Natural Resources** about an acquisition. Neither company would comment. But Pioneer CEO Scott Sheffield said in an interview with *Barron's* in April that, with buyers resisting big premiums, he doesn't expect a near-term M&A wave. "For buyers and sellers, it's very hard to agree to terms," he said.

PDC, which mostly drills in Colorado, opens new possibilities. "The market has been focused on Chevron potentially acquiring a Permian asset," wrote TD Cowen analyst Jason Gabelman. Texas and New Mexico's Permian Basin is the most productive U.S. oil and gas area, with far more players than Colorado. Shares of Colorado operator **Civitas Resources** rose 0.56% on the week. — **Avi Salzman**

## After the Boom

After a run-up in early 2022, oil and gas companies, including Chevron, have searched for growth



## Out of Gas

In the first quarter, energy exploration-and-production M&A fell 20% by value and 80% by volume. Here are the top five deals.

Buyer	Seller	Deal Type	Value
1 <b>Bartex Energy</b>	Ranger Oil	Corporate	\$2.5 B
2 <b>Matador Resources</b>	Advance Energy	Property	1.6 B
3 <b>WildFire Energy</b>	Chesapeake Energy	Property	1.4 B
4 <b>INEOS Energy</b>	Chesapeake Energy	Property	1.4 B
5 <b>Undisclosed</b>	Chesapeake Energy	Property	439 M

Source: Enverus Energy Analytics

## Monday 5/29

**Equity and fixed-income** markets are closed in observance of Memorial Day.

## Tuesday 5/30

**Hewlett Packard Enterprise, HP Inc.**, and **U-Haul Holding** report quarterly results.

**S&P CoreLogic** releases its Case-Shiller National Home Price Index for March. The consensus estimate is for a 1.5% year-over-year decline, after a 2% increase in February. Home prices slid for seven consecutive months before rising 0.2% in February. The index is 4.9% below its record high from last June.

**The Conference Board** releases its Consumer Confidence Index for May. Expectations are for a 100 reading, about one point less than the April figure. The index is at its lowest level since last summer.

## Wednesday 5/31

**Advance Auto Parts, Chewy, CrowdStrike Holdings, NetApp, Okta**, and **Salesforce** announce earnings.

**Chevron, Exxon Mobil, Meta Platforms**, and **Walmart** hold their annual shareholder meetings.

**The Bureau of Labor** Statistics releases the Job Openings and Labor Turnover Survey. Economists think there were 9.44 million unfilled positions on the last business day of April, 150,000 fewer than in March. Job openings fell below 10 million in February for the first time since May 2021, a sign that a historically tight labor market is loosening.

**The Institute for Supply Management** releases the Chicago Business Barometer for May. The consensus call is for a 47 reading, almost two points lower than April's. The index has been below the expansionary level

of 50 for eight consecutive months.

## Thursday 6/1

**Cooper Cos., Dell Technologies, Dollar General, Hormel Foods, Lululemon Athletica, MongoDB**, and **Zscaler** hold conference calls to discuss quarterly results.

**ADP** releases its National Employment Report for May. The economy is expected to add 170,000 private sector jobs, following a 296,000 increase in April. The services sector continues to account for the bulk of job gains.

**ISM** releases its Manufacturing Purchasing Managers' Index for May. The consensus estimate is for a 47.1 reading, matching April's.

## Friday 6/2

**The BLS** releases the jobs report for May. Economists forecast a 200,000 gain for nonfarm payrolls, after a 253,000 increase in April. The unemployment rate is seen edging up to 3.5% from 3.4%, which was the lowest since 1969. Average hourly earnings are expected to be up 4.3%, year over year, a tenth of a percentage point less than in the previous tally.

## Coming Earnings

	Consensus Estimate	Year ago
<b>T</b>		
Box (Q1)	\$0.27	\$0.23
Hewlett Packard Enterprise (Q2)	0.49	0.44
HP (Q2)	0.76	1.08
<b>W</b>		
Advance Auto Parts (Q1)	2.56	3.57
C3.ai (Q4)	0.03	....
Chewy (Q1)	-0.04	0.04
Nordstrom (Q1)	-0.10	-0.06

More Earnings on Page 59.

## Consensus Estimate

Day	Consensus Est	Last Period
T May Consumer Confidence	100.1	101.3
W April JOLTS Job Openings	9,480,000	9,590,000
TH April Construction Spending	0.30%	0.30%
F May Nonfarm Payrolls	200,000	253,000
May Unemployment Rate	3.5%	3.4%

Unless otherwise indicated, times are Eastern. a-Advanced; f-Final; p-Preliminary; r-Revised Source: FactSet  
For more information about coming economic reports - and what they mean - go to Barron's free Economic Calendar at [www.barrons.com](http://www.barrons.com)

# Yield-Hungry Buyers Are Feasting on T-Bills

Yields, above 5%, have reached levels not seen in years. Short-term U.S. securities offer liquidity with little risk, despite the debt-ceiling battle.



BY ANDREW BARY

**T**-bills—Treasury securities issued with maturities of one year or less—have become one of the hottest investments around. And why not?

Their yields have risen steadily since early 2022 as the Federal Reserve has lifted its key short-term rate from near zero to 5%, and T-bill rates, at about 5.3% for three- and six-month maturities, easily exceed the inflation rate, which has run at 3.6% over the past six months, measured by the consumer price index.

Now, people are buying record amounts of T-bills, both at regular Treasury auctions and through exchange-traded funds. Individual investor demand surged to \$13.4 billion in April, based on noncompetitive bids, a good proxy for individual investor

demand, up from \$1.6 billion in January 2022. The **SPDR Bloomberg 1-3 Month T-Bill** ETF (ticker: BIL) has \$30 billion in assets, double its January 2022 total, while the **iShares 0-3 Month Treasury Bond** ETF (SGOV) has nearly doubled, to \$10 billion, in the past six months, Morningstar reports. “Amid rising rates, fixed-income securities are back in vogue, and arguably none with as much vengeance as the historically sleepy T-bill,” writes Chris Larkin at Morgan Stanley’s E\*Trade division.

Not long ago, investors had to buy junk bonds or emerging market debt to get 5%. Even now, T-bill yields are comparable to those on riskier bonds such as high-grade corporates, which yield 4.5%, and mortgage securities, which offer 5.5%. “You’re now able to earn a really healthy yield without taking on interest-rate risk,” says

Dhruv Nagrath, a director of fixed-income strategy at BlackRock. “It has reset the landscape in fixed income.”

T-bills are an alternative to bank accounts paying low rates, and unlike certificates of deposit and corporate bonds, their interest is exempt from state and local taxes. They’re also competition for stocks.

“U.S. T-bills are the safest and easiest alternative to money markets and low-rate bank deposits,” says David Feinman, a private investor and former high-yield bond trader. “The three- to six-month maturities now are the most attractive to me, optimizing yield with reasonable liquidity.”

The Treasury auctions four-week, eight-week, 13-week, 17-week and 26-week T-bills each week and 52-week bills every four weeks. Individuals can buy bills through the Treasury-Direct.gov website, with a \$100 minimum, or via regular auctions through brokerage firms such as Fidelity and E\*Trade, usually without paying a fee. Treasury bills are sold at a discount from face value, with investors paid face value of \$100 at maturity. The difference is the interest payment. For example, a 17-week bill was sold last week at \$98.26 with investors getting \$1.74 at maturity as interest. Conventional bonds typically sell at face value and make cash interest payments.

Many investors reinvest the proceeds of maturing T-bills in newly auctioned ones, a process known as rolling. It’s best to hold a T-bill until maturity; a sale prior to the redemption date can be costly, due to fees charged by securities brokers.

Treasury-bill ETFs simplify ownership and offer easy liquidity and monthly income. Bid-ask spreads are tight—usually just a penny. The SPDR Bloomberg 1-3 Month and iShares 0-3 Month ETFs have average maturities of just over a month, and the **iShares Short Treasury Bond** ETF (SHV), about three months. All three sport yields above 4.5%.

## Betting on Bills

Investors can buy short-term Treasury ETFs if they want to avoid the auctions

ETF / Ticker	Total Assets as of 1/31/22 (bil)	Total Assets as of 5/22/23 (bil)	Expense Ratio	30-Day SEC Yield
SPDR Bloomberg 1-3 Month T-Bill / BIL	\$14.5	\$30.0	0.14%	4.66%
iShares Short Treasury Bond / SHV	13.9	20.3	0.15	4.84
iShares 0-3 Month Treasury Bond / SGOV	1.0	10.4	0.05*	4.87
Goldman Sachs Access Treasury 0-1 Year / GBIL	2.0	5.4	0.12	4.57

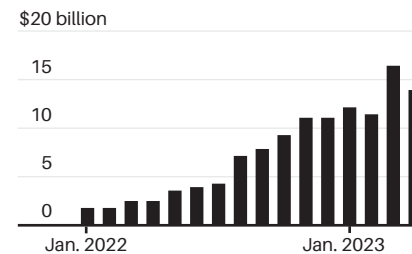
\*0.05% net expense ratio to increase to 0.12% after June 30.

Sources: Morningstar; company reports

## In Demand

Retail investors have been flocking to Treasury bills as yields rise

Retail Involvement in Treasury Auctions



Note: These are noncompetitive bids at T-Bill auctions, a good proxy for retail involvement. Source: U.S. Treasury Department

While bills are about as risk-free as a security can get, they carry “reinvestment” risk—the next bill you buy might yield less than the one you own. Right now, T-bills yield more than the two-year Treasury note, at 4.5%, and the 10-year, at 3.8%. But if the Fed starts cutting interest rates, bill yields could fall below 4% in a year. That would still be ample; it’s unlikely that short rates will head back toward zero, where they stood for most of the past 15 years.

The debt-ceiling crisis also has created a risk—the chance of a default on Treasury debt if a deal isn’t reached by early June. A 21-day T-bill was sold last week at a yield of more than 6%, reflecting that concern. But the situation is likely to be resolved, and even if it takes longer than expected, bill holders would probably be made whole, just as they were when Uncle Sam delayed some payments in 1979 (in part because of a debt-ceiling debate).

When the ceiling is raised, there could be a deluge of T-bill issuance over two months—perhaps up to \$700 billion, notes Goldman Sachs—as Washington rebuilds its depleted cash balances. That should mean lots of opportunities to buy bills at high yields.

For investors, savers, and retirees, the good news is that cash is no longer trash—and it’s likely to stay that way. **B**





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# Fixing Social Security Can't Wait. 3 Ways to Get There.

Should lawmakers patch the wildly popular and essential program—or attempt to reimagine it? *Barron's* breaks down the possibilities.

BY ELIZABETH O'BRIEN

Americans have long known that the trust fund that powers Social Security was living on borrowed time. But this spring, we learned that its life span was even shorter than we thought: The program's trustees are now projecting that, without congressional action, the combined retirement and disability fund's reserves will run dry in 2034, one year earlier than previously projected.

Even given Congress' seeming inability to act on crucial financial matters (see the current debt-ceiling impasse), it is likely that legislators will eventually move to shore up the program, which is beloved by voters. But the looming trust deadline makes the questions of when and how they'll tackle the problem all the more urgent.

Policy watchers expect lawmakers to wait until the last minute and suspect that we'll see a fix trimming benefits and bolstering the program's existing revenue sources with tax increases, sticking to the current structure.

But some experts say this would miss a major opportunity. Rather than hew to the current framework, which was put into place when the country had a much younger population, Con-

gress could use this reckoning to reimagine Social Security—a program that serves nearly 70 million Americans and represents about 20% of federal spending.

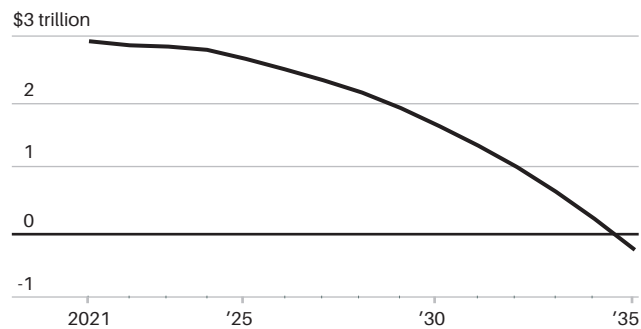
President Franklin D. Roosevelt signed Social Security into law in 1935, pitching it as a “law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age.”

Nearly a century later, should this vision be expanded, given today's longer life expectancies and higher living costs? Or should it be made more tar-

## Falling Short

A new analysis finds Social Security's reserves will run dry in 2034, one year earlier than previously expected.

Combined Social Security and Disability Trust Funds



Sources: Committee for a Responsible Federal Budget; Social Security Trustees

geted, to account for challenging demographics and competing priorities? “People want to back up a little and say, ‘What do we want this program to accomplish?’ and not, ‘How do we keep it limping along?’” says Andrew Biggs, senior fellow at the American Enterprise Institute.

To wrestle with that question, *Barron's* examines three proposals to fix Social Security. All would eliminate or come close to eliminating the combined trust fund's shortfall within the 75-year planning period used by the program's trustees. But each takes a very different path to get there.

For lawmakers and even policy wonks, it isn't easy to touch what's often called the third rail of American politics, but the shortfall exists, and it won't fix itself. “There is no right or wrong here,” says Maya MacGuineas, president of the Committee for a Responsible Federal Budget. “The only wrong is doing nothing.”

No government program is as beloved as Social Security, which enjoys over 90% support among Republicans, Democrats, and Independents, according to an AARP poll. “Hands off our Social Security” signs are a familiar sight at political rallies of all stripes.

This attachment is by design: Roosevelt knew that he could better sell Social Security as an earned benefit shared by all Americans, rather than a welfare program targeted at the poor.

That's a reason that politicians and the public have reflexively opposed changes to the program. People imagine that they've prepaid their benefits in payroll taxes, so any talk of reducing them is seen as raiding their money in the bank. Never mind that Social Security has largely run on a pay-go basis, with today's workers paying the benefits of today's retirees.

In reality, few beneficiaries get back exactly what they've paid into the system. A couple born in 1964 whose husband earned a medium salary and wife earned a low salary would get back 1.51 times what they put in; a high-earning couple born the same year will receive 1.05 times what they paid in taxes, while a low-earning couple gets 1.69 times. Most people who reach 65 in 2029 and beyond will receive more in benefits than they paid in. (These numbers don't apply to same-sex couples, since they're based on women's longer life expectancies.)

This math is no longer sustainable. It worked when there were many workers paying Social Security taxes

for each retiree, but that number has fallen to 2.8 and is expected to decline to 2.3 by 2035. With fewer workers supporting more retirees, something has got to give.

The last time the trust fund faced insolvency was in 1983, when a bipartisan group of lawmakers introduced changes that President Ronald Reagan signed into law. Among the fixes: gradually increasing full retirement age to 67 from 65, accelerated a previously scheduled payroll-tax rate increase, and, for the first time, making some benefits subject to federal income tax.

The changes bought Social Security a few decades, but since 2021, the program has been drawing down trust fund reserves to help pay for benefits. If the combined trust is allowed to run dry in 2034, payroll taxes would cover 80% of scheduled benefits—meaning recipients would see a 20% cut.



## Sticking to the Status Quo

There are two ways to close the trust fund's shortfall within the program's current design: Raise taxes and cut benefits. By law, Social Security can't borrow to fund its operations and must invest its trust fund only in government securities. There has been plenty of talk of changing that investment approach—most recently from Sen. Bill Cassidy (R., La.), who proposed creating a separate fund to invest in the stock market—but the idea has yet to gain legislative momentum.

In a status quo scenario, Congress by 2034 would need to raise scheduled revenue by about a third or reduce scheduled benefits by about a fourth—or devise some combination of the two, according to the Office of the Chief Actuary of the Social Security Administration.

Here's what a dual approach might look like. On the tax side, only wages up to \$160,200 in 2023 are subject to the 6.2% payroll tax, called the FICA tax, that employees pay toward Social



Security. Applying the tax to wages above \$400,000—President Joe Biden has pledged not to raise taxes on people making less—would close the shortfall by 64%, according to the Social Security actuaries. Gradually increasing the payroll tax rate from 12.4% to 13.4% (split equally between employer and employee) would eliminate an additional 26%.

On the benefit side, gradually raising the full retirement age from 67 to 68 (for those born in 1960 or later) would close 12% of the shortfall. Full retirement is the age at which you're eligible for 100% of the benefits you've earned. Claim earlier and get a permanent reduction; claim later and get a permanent raise.

While it doesn't always register as such, raising the retirement age is a de facto benefit cut. Raising the full retirement age by two years results in a 13% lifetime benefit cut, says Kathleen Romig, director of Social Security and disability policy at the Center on Budget and Policy Priorities.

Taken together, these provisions would eliminate the trust's long-term shortfall. Experts agree that this type of approach is the most likely because it has the best shot at securing bipartisan support. (That's a necessity because Social Security can't be addressed through reconciliation, the method by which the Senate can pass certain legislation with a simple majority without the threat of filibuster.)

"The most comfortable place to be is a big, bipartisan compromise, where everyone can say they preserved benefits long term and they had to make some tough choices," says Aron Szapiro, Morningstar's head of government affairs.

## Expanding Benefits for All

The statistics are grim: Nearly half of U.S. households headed by someone age 55 and over have no retirement savings, according to the U.S. Government Accountability Office. And many of those that have managed to save don't have enough. The median nest egg for a family headed by those ages 60 to 65, with household income of \$71,000 to \$126,000, was about \$150,000, according to the Employee Benefit Research Institute. Among higher-earning households, the balance was \$535,000—better, but not enough to sustain a decadeslong retirement.

Amid this retirement crisis, it would be a disaster to cut Social Security,

Democrats argue. In fact, what better time to expand it, as life spans lengthen, corporate pensions dwindle, and inflation erodes families' ability to save? Various Democratic proposals in Congress have suggested ways to increase benefits. "The Democrats aren't that far apart," says Nancy Altman, president of Social Security Works, an advocacy group. "These are all variations on a theme."

Sen. Bernie Sanders (Ind., Vt.) has been one of the most vocal proponents of expanding Social Security. A bill he introduced this year alongside Sen. Elizabeth Warren (D., Mass.) would, among other provisions, tweak the benefits formula to give most beneficiaries an additional \$200 a month. This would increase the shortfall by 43%, according to the Social Security actuaries.

Yet the net cumulative effect of the legislation's nine provisions would close the trust fund's shortfall by nearly 97%. The bill would gradually eliminate the cap on earnings that are subject to the payroll tax. At first, it would tax earnings below the current \$160,200 cap and anything over \$250,000. The cap is increased annually to account for inflation; under this plan, it would be abolished once it reached \$250,000, decreasing the shortfall by 73%.

The proposal would also add new revenue sources, including a 12.4% tax on investment income as defined in the Affordable Care Act—such as capital gains, interest, dividends, rental income, and nonqualified annuities—



to individuals making \$200,000 or \$250,000 as a married couple filing jointly. Proceeds would eliminate 56% of the shortfall.

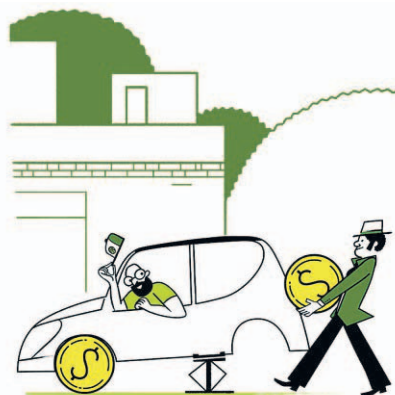
Raising taxes to expand Social Security won't fly in the current Congress, with Republicans in control of the House of Representatives. But if Democrats retain the presidency and

## Choose or Lose

It's time to revise Social Security to avoid future benefit cuts. Below, key provisions of three approaches.

Current Framework	Expansion	Mandated Savings + Means Testing
Raise the full retirement age from 67 to 68 or 69	Give most beneficiaries an extra \$200/month	Boost benefits for lowest earners
Apply payroll tax to wages greater than \$400,000	Apply payroll tax to wages greater than \$250,000; eventually eliminate cap	Reduce benefits for high and moderate earners
Increase payroll tax rate from 12.4% to 13.4%	Impose 12.4% tax on investment income	Mandate 3% private savings

the Senate and retake the House, then the chances improve for a plan of this type, Altman says, whether it's the Sanders/Warren proposal, one that includes Biden's 2020 campaign plan to apply the payroll tax to wages above \$400,000, or a combination thereof.



## Instituting Means Testing

Social Security's benefit formula has remained more or less the same since 1977, but the world looks very different than it did during the Carter administration. For starters, the 401(k) plan didn't exist yet.

If you were to design Social Security from scratch, you'd probably weigh private savings more, says Biggs of the American Enterprise Institute. His proposal would require individuals to save 3% of their wages in an employer-sponsored retirement account, to supplement what for most would be lower Social Security payments than under the current system. Those without access to a workplace plan would be required to save 3% of their income in a government-provided retirement plan.

Biggs would tweak the benefit formula to pay middle-income and higher earners less over time, while setting a higher minimum benefit to protect the lowest-income recipients. The current maximum benefit—\$4,555 a month for 2023—gives too much to high earners who have presumably been able to amass an adequate nest egg, he says.

His plan would gradually phase in a flat benefit for all beneficiaries. A hypothetical middle-income retiree would see a 46% decrease in the monthly benefit after the plan is fully implemented in 25 years, while a retiree with a higher-wage history would see a 67% reduction. Meanwhile, those with very low-wage earnings histories would see a 17% percent increase in benefits. That increase would kick in right away, whereas the decrease for higher earners would happen gradually.

Biggs' plan borrows from Australia's system, which pairs a means-tested, flat-rate government pension with income from mandated workplace savings accounts. He wouldn't impose any new taxes and would eliminate the employee's share of the Social Security payroll tax at age 62 and above to incentivize working longer.

The proposal would close the long-term funding shortfall, according to modeling by the Penn Wharton Budget Model at the University of Pennsylvania and Biggs' own analysis.

Richard Jackson, president of the Global Aging Institute, is a fan. He says Australia's approach is a "very effective and sustainable way to structure a pension system in light of population aging."

He's not optimistic that Americans will embrace it, however. Nor is Biggs, who says most people are too invested in the current system to envision a better way. Still, it is a useful exercise to broaden the way people think about Social Security, he says.

Morningstar's Szapiro says moving Social Security to a means-tested benefit would "fundamentally change the nature of the bargain." It would undermine the universality of the benefit, he notes, and Congress would never entertain it.

"We're not going to get a sensible reform," Jackson says. "A sensible reform would fix the quirks in the system." **B**





Sheila Bair, FDIC chair during the 2008-09 financial crisis, is now senior fellow at the Center for Financial Stability.

# Ex-FDIC Chair: What Banks Need From Regulators

Sheila Bair was on the front lines of the financial crisis. She has hard-won ideas for how to tackle the current banking instability.

BY ANDY SERWER

As a moderate Republican woman from Kansas who happens to be an expert on our banking system, Sheila Bair is pretty much a category of one. And while this hasn't necessarily won her an abundance of popularity contests, it very much makes her worth listening to.

Especially now, when questions are swirling about the safety of banks—in particular, how they are regulated, and what role should be played by the Fed-

eral Deposit Insurance Corp., which Bair chaired in those oh-so-momentous years from 2006-11.

How drama-filled were the days of the 2008-09 financial crisis? One measure is the numerous Hollywood movies about the period, including the HBO film *Too Big to Fail*, based on Andrew Ross Sorkin's award-winning book of the same title, with actress Patricia Randell playing Bair. (Number of other FDIC chairs portrayed in movies? Zero.)

Bair began warning about problems with mortgages shortly after she came

to the FDIC. By 2007, problems in the banking sector became acute, and soon after, Bair was thrust into the financial abyss, working alongside—and sometimes sparring with—Hank Paulson, Tim Geithner, and Ben Bernanke.

What's Bair's 30,000-foot take on banking right now? "We have too many rules, they are too complex, and then we don't follow them," she says. That's kind of like saying, "The food's terrible at this restaurant, but at least it's expensive."

I asked Bair to drill down, and she offered up a number of observations and remedies, including mandating long-term debt requirements on regional banks.

"I think people got a little complacent," she tells me. "It's not exactly a secret that financial assets lose value when interest rates go up. I do feel that the recent banks that failed were outliers. There were some pretty fundamental mistakes in bank management—and the supervisory process has some opportunities for improvement."

"Opportunities for improvement." Sounds like my second-grade report card. What does Bair have in mind?

"Uninsured deposits aren't stable.

They run," she says. "We saw this during the Great Financial Crisis. We're seeing it today. There are tools that can be used to manage that, [such as to] provide a temporary backstop on transaction accounts [ones businesses use for payroll and expenses]," which were implemented from 2008-12.

Now, Bair says, "I think there's a case for providing a permanent guarantee [for business accounts]. They do that in Japan. The requirement is zero interest [paid on deposits], because you don't want that unlimited guarantee being gained for just high yield. I certainly wouldn't provide deposit insurance guaranteeing all deposits; that could result in a lot of distortions and moral hazard."

Bair's second idea is to make regional banks take on debt to protect depositors.

"I think requiring unsecured debt is part of the solution here," she says. "A cost-effective way to promote market discipline and still help protect the uninsured is to have more loss absorption below those uninsured accounts if a bank fails," she explains. "So, if you increase that cushion, you're going to provide the uninsured depositors more protection and dramatically reduce the chance they would suffer losses if their bank failed."

Teresa Bazemore, CEO of the Federal Home Loan Bank of San Francisco, who has been on the front lines of banking blowups this year, would take a different approach. The FHLB of San Francisco—part of the FHLBank System, which as a government-sponsored entity acts as a wholesale lender to banks—has seen a significant spike in borrowing by its members recently, including an 11th-hour \$20 billion request from Silicon Valley Bank, which was never processed. "If regional banks need more capital, they can borrow from us," Bazemore says. Bair counters by noting that FHLB lending requires collateral in the form of mostly mortgage-related loans and mortgage securities, which are sold in a failure or seizure and therefore don't provide the backstopping of deposits.

Hashing it out with regulators and bankers is familiar ground for Bair, who told me about inherent tensions between the Federal Reserve and the FDIC. "The Fed's monetary policy can cause bank failures," she says. "When failures occur, the Fed typically tries to interfere. I always told them, 'Thanks very much, but we can handle it.' There's more of a bailout men-



Scan this code to watch Sheila Bair on *At Barron's With Andy Serwer*, a new video series featuring top CEOs.



tality at the Fed, which is heavily influenced by the very largest banks. They would probably contest that, but based on my experience, they have always favored—and this is just factual—lower capital requirements, especially for the largest banks. Because capital protects the FDIC from loss, the FDIC always wants more capital.”

After leaving the FDIC, Bair—a University of Kansas law school graduate who once worked as a bank teller and was a protégé of Sen. Bob Dole—joined the Pew Charitable Trusts as a senior adviser. In 2015, Bair became president of Washington College, in Chestertown, Md., on that state's Eastern Shore. Bair has long been concerned about student debt and implemented a number of programs facilitating student aid, but stepped down after only two years, citing the workload and time away from her family. Inside Higher Education reported the relationship between Bair and the college's board, led by General Electric CEO Larry Culp, an alumnus of Washington, had “deteriorated,” and that “the president and board disagreed over the board's level of involvement in the institution's operations.” (Bair didn't dispute the assertions of the story; the college declined to comment.)

Bair now serves on a number of corporate boards, including Bunge, an oilseed producer and agribusiness based in St. Louis; Lion Electric, a Canadian bus manufacturer; and Paxos, a blockchain infrastructure company. She was on the board of Banco Santander, the large Spanish bank, but moved to an advisory role in 2016, and is a senior fellow at the Center for Financial Stability—which means she still follows the workings of the banking sector, including the debate over whether the U.S. has too many banks.

Those who believe we have too many banks note that, with about 4,100 FDIC-insured institutions, the U.S. has more than any other country. (By some counts, Russia is second, with some 400.) Around 80 banks operate in Canada, which has approximately 10% of our population and about 10% of our gross domestic product. Does that mean that either the U.S. should have 800 banks, or Canada should have 410? Hard to say.

Bank bears also point out there have been 564 bank failures since 2000. (Investors take note: Years subsequent to periods of zero bank failures are subpar for markets. Also see the fascinating *60 Minutes* piece from

2009 on how the FDIC takes over a failed bank.) Just last week, Janet Yellen spoke about the need for more consolidation, a view Goldman Sachs CEO David Solomon shares.

So, should we shut 'em down, Sheila?

“I'm sorry, we need them,” Bair argues. “It may be harder to supervise so many. But almost always when we have a crisis, it's the larger institutions that have been creating the problem. Regional banks were heroes during the Great Financial Crisis. They and community banks kept lending.”

Examples of heroism come from the state of Maine, for one. Benjamin Ford, principal of Portland law firm Archipelago, says that back in 2008, local banks like Bangor Savings Bank maintained their underwriting of inventories for boat sellers like East Coast Yacht Sales, based in Yarmouth, while national banks and finance companies pulled out. And local Maine banks also came through during the pandemic. “In terms of [the Paycheck Protection Program], the first bank I heard that issued PPP loans was Norway Savings,” says Ford. “They began disbursing funds to their longtime customers several weeks before [the big banks]. This caused a reverse bank run as business rushed to open accounts at these local banks because the big guys waited. A lot of companies, and therefore jobs, were saved because local banks had the flexibility to rely on prior relationships with their customers. It was truly a George Bailey moment!”—a reference to the protagonist, played by Jimmy Stewart, of *It's a Wonderful Life*—a banking movie from a previous era.

Speaking of fiction, Bair has taken to writing *Money Tales*, a series of books about money and business for kids, including titles like *Billy the Borrowing Blue-Footed Booby*, *Princess Persephone Loses the Castle*, and *Daisy Bubble*.

Seriously? I ask Bair.

“I know a lot of people are skeptical, but they absolutely work,” she says. “Kids like them and parents like them, too. Kids need to learn the basics. With the story about a little princess and money wizards, she wants to go on an expensive vacation but her friends can't join her because they can't afford it. So she just tells her buddy wizards in the castle and they start printing more money. They're funny and they're humorous, but they're about financial risks.”

And should be required reading for bank executives everywhere. **B**

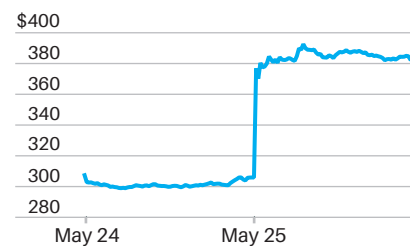
# Can Nvidia Stay Sky-High? Not if History Is a Guide.

As AI explodes, the stock is nearing the trillion-dollar club

BY BEN LEVISOHN

## NVIDIA

(NVDA / Nasdaq)



Source: FactSet

**N**vidia might become the world's first trillion-dollar chip stock. Whether it can stay at those levels is another question.

Shares of Nvidia (ticker: NVDA) soared 24% on Thursday after an earnings and guidance release described as “incredible,” “unfathomable,” and “the greatest beat of all time.”

That's not hyperbole. Nvidia reported a first-quarter profit of \$1.09 a share, ahead of forecasts for 92 cents, while offering second-quarter revenue guidance of \$11 billion, nearly \$4 billion more than the \$7.15 billion consensus.

What's more, the guidance boost reflects real demand for chips with the power to handle artificial intelligence. “Generative AI drove significant upside in demand for our products,” Nvidia Chief Financial Officer Colette Kress said on the earnings call, adding the company was already taking steps to meet strong demand in the second half of its fiscal year.

“It looks like the new gold rush is upon us, and Nvidia is selling all the picks and shovels,” writes Susquehanna analyst Christopher Rolland. He upped his price target on the stock to \$450 from \$350.

Now, Nvidia has a chance to do something no chip company has done—cross \$1 trillion in market capitalization. **Intel** (INTC) peaked at \$501.51 billion in August 2000—\$901.30 billion in today's dollars—while **Taiwan Semiconductor Manu-**

**facturing** (TSM) peaked at \$642.1 billion in January 2022.

After Thursday's gain, Nvidia is worth \$939.3 billion, based on a share count of 2.473 billion. That puts it \$60.7 billion away from the \$1 trillion mark. Shares need to gain about 6%, to \$404.86, to hit that threshold.

Nvidia stock tumbled 50% last year as tech stocks got hammered by the Federal Reserve's rising rates and slowing growth. But the demand for its products is coming from everywhere: Big Tech companies like **Microsoft** (MSFT), **Alphabet** (GOOGL), and **Amazon.com** (AMZN); internet companies like **Meta Platforms** (META); and even biotech companies like **Amgen** (AMGN), to name a few.

“We see nearly all past headwinds behind us, and expect the company is shipping to true, AI-related demand, near-term,” writes Needham analyst Rajvindra Gill, who has a \$460 price target on Nvidia shares. “We believe NVDA is in a position to achieve that valuation over time.”

But can it stay there? Despite Thursday's gains, shares are cheaper based on estimates than the day before—earnings went up more than the stock did. But at 47.4 times 12-month forward profits, the stock is by no means cheap. Whether it can meet those estimates depends on how long companies need to spend big to catch up in AI. If demand slows, the stock would look even more expensive.

The bigger warning might come from the other stocks that have hit the trillion-dollar threshold. There have been just six in the U.S.—**Apple** (AAPL), Amazon, Alphabet, Microsoft, Meta, and **Tesla** (TSLA). Apple, Amazon, Alphabet, and Microsoft all fell after hitting it for the first time, while Meta and Tesla, with market caps of \$666 billion and \$601 billion, respectively, still haven't reclaimed that level.

While hitting \$1 trillion would be a big deal for Nvidia, staying there would be a bigger one. **B**

*Tae Kim and Al Root contributed to this article.*

# It's Time to Roll the Dice on Wynn Stock

Macau has staged a remarkable recovery, but the market may be underestimating how much room there is for it to continue



BY CALLUM KEOWN

Casino stocks can seem like a gamble, especially when they have been on a roll. Shares of **Wynn Resorts** look like a good bet.

Wynn (ticker: WYNN), which runs casinos in Las Vegas and Macau, has climbed 23% this year, buoyed by the lifting of all Chinese Covid-19 travel restrictions in February. That easily outpaced both the S&P 500 index and the **iShares MSCI China** exchange-traded fund (MCHI). The stock fell 6% this past Tuesday amid concerns over a new wave of Covid emerging in China—after a health official predicted that infections would peak at 65 million a week toward the end of June.

While a Covid resurgence is a risk to the recovery, the dip makes the shares a more attractive proposition, especially with the stock trading at 22.5 times 2024 earnings estimates, its lowest level since March 2020.

Of course, there's more to Wynn than just Macau. Las Vegas is still firing on all cylinders, and Wynn is building casinos elsewhere to help expand its footprint beyond those two global gambling centers. It even announced that it will resume paying a quarterly dividend next month.

But Macau, and its continuing rebound, is where the real opportunity lies. “We continue to think that our thesis of ‘all roads lead to Macau’ is very much intact, given the steady, sequentially growing recovery that is still in its relatively early innings,”

The Wynn Casino complex in the southern Chinese city of Macau

writes J.P. Morgan analyst Joseph Greff, who has an Overweight rating and \$142 price target on the stock, 40% above Friday's close of \$101.13.

As Macau goes, so goes Wynn Resorts. While Las Vegas was once the heart of its business, today its casinos in China, including the Wynn Macau and the Wynn Palace, are the lifeblood of the business. In 2019, before Covid-19 shut down the global economy, Macau accounted for 70% of Wynn's revenue. In 2022, it accounted for just 19%.

That changed in the first quarter of 2023. Wynn's Macau property portfolio returned to profitability, with earnings before interest, taxes, depreciation, and amortization, or Ebitda, of \$156 million in the first quarter. But even at those levels, there's still more to go. That first-quarter Ebitda was only 40% of 2019 levels and didn't reflect a full quarter without restrictions. Ferry capacity between Macau and Hong Kong reached only 25% at the end of March, while part of one of Wynn Macau's casinos was closed due to renovations.

The gains have continued in the second quarter. Gross gaming revenue in the region rose 16% month over month to \$1.8 billion in April—the best month since January 2020, according to government data, juiced by a bumper Golden Week holiday, which ran from late April to early May.

The occupancy rate of Macau's hotels reached 85% over that period, according to government tourism data, and Wynn CEO Craig Billings said the holiday season outperformed 2019 levels in a number of areas. “Turnover,” industry jargon for the amount of money bet, from wealthy VIP guests visiting on their own—as opposed to those visiting through a junket operator—was more than double 2019 levels.

Returning to pre-Covid levels remains the goal for the company—and that would boost the stock. Wall Street predicts that Wynn's Macau operations will report about \$750 million in Ebitda in 2023, about half the \$1.4 billion it earned in 2019, and then \$1.2 billion in 2024, still short of that level.

Still, pre-Covid levels could be reached earlier than Wall Street expects. Barclays analyst Brandt Montour sees Macau earnings reaching 78% of 2019 levels during the second half of this year, and even that number

## Wynn Resorts

(WYNN / Nasdaq)



Source: FactSet

could prove conservative.

“Evidence is accruing that Wynn's Macau business is heading for 2019 Ebitda generation faster than we—or we think anyone—thought, and soon we could be talking about ‘how much above 2019,’ ” says Montour, who has a Buy rating and a \$135 price target on the stock, implying a nearly 35% gain from recent levels.

The company's Las Vegas properties, which include Wynn Las Vegas and Encore Las Vegas, did the heavy lifting as Macau suffered under China's zero-tolerance Covid policy. And the Las Vegas recovery is continuing apace. The company's Las Vegas property portfolio reported adjusted Ebitda of \$232 million in the first quarter, which management said was a record, while Wynn Las Vegas also had its best April ever last month.

The big risk for Las Vegas might be the macroeconomic backdrop in the U.S. of high inflation, rising interest rates, bank failures, and a possible recession. So far, though, they haven't been able to stop Wynn's momentum, says CEO Billings. “Everybody...keeps waiting for the shoe to drop in Vegas,” he explains. “And it hasn't to date.”

Wynn is also building a new resort in the United Arab Emirates—called Wynn Al Marjan Island—which is expected to open in early 2027. Wynn recently said it expects the property to generate \$450 million to \$600 million in Ebitda annually.

Wynn is confident enough in its business that it reinstated its dividend at its first-quarter earnings report, making it the first of the Macau-exposed U.S. casino companies to do so. The stock will pay a 25 cent dividend on June 6, good for a yield of 1%.

Add it all up and there's enough evidence to consider rolling the dice on Wynn's stock. ■



# FOLLOW-UP

Cutting costs has worked wonders for tech companies like Meta Platforms, and there's a good chance it will work for Estée Lauder, too.

## Estée Lauder Had an Ugly Year. Its Foundations Are Strong.

Beauty has not been in the eye of the stockholder. It's time to make up.

BY JACOB SONENSHINE

**E**stée Lauder is having problems—big problems—with everything from sales in Asia to shrinking profit margins. Now, an activist investor is making some noise with an obvious fix. If the cosmetics company's problems begin to get resolved, the stock could pop.

Barron's picked Estée Lauder stock (ticker: EL) in July 2022—and it hasn't gone well. The shares are down 20% since then, with much of the weakness stemming from macroeconomic concerns that the company has no control over, including mobility restrictions in China and a higher U.S. dollar.

We've been here before. Similar issues weighed on the company's outlook in November, and the stock dropped to just under \$200. We recommended scooping up shares then because of the long-term sales and earnings growth opportunities in China and in e-commerce sales. After the November problems, they rose back above \$270.

Still, Wall Street is growing impatient with the company's struggles to navigate choppy waters. And with the stock now back below \$200—it closed at \$190 on Wednesday—billionaire hedge fund investor Nelson Peltz, founder of Trian Partners, is calling for the ouster of CEO Fabrizio Freda.

### Estee Lauder

(EL / NYSE)



Source: FactSet

On the surface, the criticism seems a touch unfair. During its most recent quarter, Estée Lauder reported earnings of 47 cents a share, missing estimates for 51 cents, which the company blamed on a higher-than-expected tax rate. It also lowered its sales guidance for fiscal 2023, which ends in June, to \$15.8 billion at the midpoint, down from a previous forecast of \$16.7 billion.

The company blamed the dimmer view on a slower-than-expected recovery in travel in certain areas of China, but there were also worries about its ability to get travelers to spend. More problematic, while gross margin remained near 70% in the quarter, operating margins fell to 12% from 19% in 2021, a sign that Estée Lauder hasn't done much to keep its costs in check.

And that's where Trian and others see the most opportunity to turn Estée Lauder around. "They should be cutting costs, streamlining plans, doing other things to help that operating margin number—that's the whole Nelson Peltz argument," says Stephanie Link, chief market strategist and portfolio manager at Hightower.

Trian and Estée Lauder didn't return calls for comment. In a memo to employees, Estée Lauder's board backed CEO Freda, according to the fashion journal Women's Wear Daily.

Cutting costs, of course, has worked wonders for Facebook parent **Meta Platforms** (META) and other tech companies, and it could well work for Estée Lauder. Meanwhile, the stock is trading at 30.5 times calendar-year 2024 earnings-per-share estimates of \$6.19, above the S&P 500 index's 18.1 times, but below its five-year average of 35.

The question now is whether Estée Lauder will follow through on some of Peltz's recommendations. "There's going to be a huge tailwind for them if they can get these things fixed," Link says. "Definitely buying on the dip, but you've got to have a caveat saying this is not a one-quarter fix."

The stock isn't for the faint of heart, but there's plenty of upside for patient investors. **B**

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**BARRON'S** *MarketWatch*

# What Crash? Crypto Is Back.

Bitcoin and other tokens have rebounded as big companies and funds continue to plow capital into cryptocurrencies. How the industry is fueling a recovery.

BY JOE LIGHT

# R

RICK MARTIN SHOULD PROBABLY be out of work. The 33-year-old entrepreneur co-founded a crypto start-up called Decaf in early 2022, diving into the industry just before a \$3 trillion bubble burst, ushering in bankruptcies across the crypto world.

Today, he is still plugging away, among many others in crypto. At a “hacker house” event in Austin, Texas, Martin mingled with dozens of other enthusiasts, all talking excitedly about their apps. “This technology is superfast, supercheap, and I think it’s ready to replace financial infrastructure,” he said.

On the face of it, crypto should be on life support. Fourteen years since its launch, the technology remains an experimental oddity. Meanwhile, trillions of dollars have evaporated in frauds, bankruptcies, and token losses. And trading platforms, including **Coinbase Global** (ticker: COIN), hang by a regulatory thread as governments try to reel in the crypto casino.

Yet crypto is proving resilient. Led

by a 60% rally in Bitcoin this year, the token market is back to where it was before FTX collapsed in November, worth an estimated \$1.1 trillion. Shares of Coinbase are ahead 70% this year, while Bitcoin “miners” like **Marathon Digital Holdings** (MARA) have surged more than 150%. The **Global X Blockchain** exchange-traded fund (BKCH), a basket of crypto-related stocks, is up 90%.

Venture-capital funding has tightened, but some large investors are staying the course, helping to keep software developers in business. “We don’t in any way feel that the longer-term possibilities of the space are changed by the events of the past year,” says Arianna Simpson, a general partner at venture-capital firm Andreessen Horowitz, which has raised billions to invest in crypto. “We’re open for business.”

Yet there is no equivalent in recent history of a bubble inflating so quickly, bursting, and reviving again, all within a two-year span. Junk bonds in the 1980s, tech stocks in the 1990s, subprime mortgages in the early 2000s—all took far longer to revive, or fizzled as regulators clamped down.

“The entire market collapsed because of the exact problems the critics said would happen, and yet it’s hardly a blip on the radar,” says Mark Hays, a senior policy analyst for Americans for Financial Reform, a nonprofit that wants tighter financial regulations, including for crypto firms.

A mix of forces is keeping the enterprise alive. Some factors that caused the crash, including a surge in interest rates and high-profile bankruptcies like FTX, have receded. There is still profit in trading tokens, from Bitcoin to new joke coins like Pepe. Regulations, while tightening, have yet to shut down major trading operations or networks. And the technology still has fans, including investors, developers, and companies that fear missing out and see ways to make money off crypto in the future.

## Chasing the Dream

While Bitcoin—worth roughly half of the token market—grabs most of the attention, much of the development in crypto occurs on smaller blockchains. Networks such as Ethereum are meant to be a foundation for a new blockchain-based internet that could be used for trading, financial services, or apps. Competition also remains fierce to unseat Ethereum as the top app-based blockchain. (A blockchain is a decentralized ledger for recording transactions.)

The Solana network illustrates both the promise and perils of crypto. Solana got its start in 2020, promising faster speeds and cheaper prices than Ethereum. Solana’s developers want it to be a home base for things like “smart contracts” to automate transactions and for nonfungible tokens, or NFTs, which could be used to tokenize art, media, and video. Solana’s token, SOL,

surged to a \$78 billion market value in 2021, similar to what stocks like **Uber Technologies** (UBER) and **Shopify** (SHOP) are worth today.

Yet Solana, like many tokens, never had the broad investor base of large-cap stocks, making it highly vulnerable to a crash when one of its biggest backers went bust. That person was Sam Bankman-Fried, the founder of FTX, who had invested so much in Solana that SOL and related tokens became known as “Sam Coins.” The broader crypto collapse had already sent the Solana token’s market value down to about \$13 billion by early November, but when FTX collapsed later that month, the token crashed to \$3.5 billion.

“It was like somebody tripped us when we were running at full speed,” says Solana co-founder Anatoly Yakovenko, 42, who was flying back from a conference in Portugal when his phone blew up with texts and tweets about Bankman-Fried seeking a bailout for FTX.

Today, Solana appears to be revving up again. The San Francisco-based company backing it recently opened an office in Manhattan, where it hosts events and gives a free workspace to coders. A record number of developers attended a virtual Solana “hackathon” in February to create apps and compete for seed funding. At Solana’s Austin Hacker House in April, held in a converted Quonset hut warehouse, coders gave presentations near a gallery lined with digital art, while members of the Solana team showed off a \$1,000 mobile phone designed with crypto in mind.

“I could let my breath out,” says Yakovenko. “We’re still strong.”

## The Party Goes On, With Less Punch

Crypto is feeling a hangover from the days when celebrities like Jimmy Fallon and Madonna pitched Bored Ape NFTs. The Super Bowl ads touting crypto have vanished. FTX Arena, home of the Miami Heat basketball team, is now Kaseya Center. Attendance at a recent Bitcoin Miami conference was half that of prior years, and it felt “less like a festival,” according to Needham analyst John Todaro.

The mood was sedate at the CoinDesk Consensus conference last month, held on two levels of the Austin Convention Center, down from three

Solana’s Austin Hacker House







in 2022. But major companies still showed up. Executives from firms such as **Alphabet** (GOOGL) and **Mastercard** (MA) announced partnerships or spoke on panels. An executive for **PayPal Holdings** (PYPL) said the company's Venmo app would let users send crypto to others and discussed uses like payments in online games.

The country's largest bank, **JPMorgan Chase** (JPM), also showed up, with an executive talking about how companies could use crypto to verify customer identity. JPMorgan CEO Jamie Dimon has derided Bitcoin as a "pet rock," but that hasn't stopped the bank from using blockchain technology in a project called Onyx that enables "seamless data sharing between institutions."

While the crypto crash has slowed projects, "people are not leaving," says Diogo Mónica, president of Anchorage Digital, a crypto services firm.

Venture capital isn't giving up, either. One of the biggest investors, Andreessen Horowitz, has raised \$7.6 billion across four funds to invest in digital assets. In addition to taking equity stakes in developers, Andreessen and other VC firms often buy tokens from issuers before they're offered to the broader market.

One reason venture capital likes crypto is that it can pay off quickly when a token goes live on an exchange or surges in market value. The financing model offers payouts potentially faster than traditional venture capital, which usually has to wait for a buyout or public stock offering for a fund to fully exit its position, keeping funds locked up for many more years.

Simpson declined to comment on the Andreessen funds' performance but said the firm still has money to invest. As for the \$32 billion collapse and fraud allegations at FTX, she says, "We didn't cancel the financial industry because Bernie Madoff committed fraud."

The potential for crypto to be a disruptive force remains alive, and some big companies see potential profits in it. Mastercard in April unveiled a service to make cross-border crypto transactions compliant with anti-money-laundering rules. **T. Rowe Price Group** (TROW), Wellington Management, **WisdomTree** (WT), and trading firm Cumberland are testing a blockchain that could eventually be used as an alternative platform for currencies and other financial products.

Fidelity Investments also sees reve-

nue opportunities in crypto. The brokerage firm is pitching digital-asset accounts to 401(k) plan sponsors, offering Bitcoin for retirement savers, and pushing into token trading by building a retail brokerage for crypto that could compete against Coinbase.

Some firms are trying to tokenize the safest type of mutual fund: the money-market fund. The Franklin OnChain U.S. Government Money Fund (FOBXX) looks like a standard money-market fund with \$275 million in assets, a \$1 net asset value, and a 4.8% yield. The twist: A tokenized version exists on blockchains called Stellar and Polygon, and investors can trade it 24/7 using "BENJI" tokens.

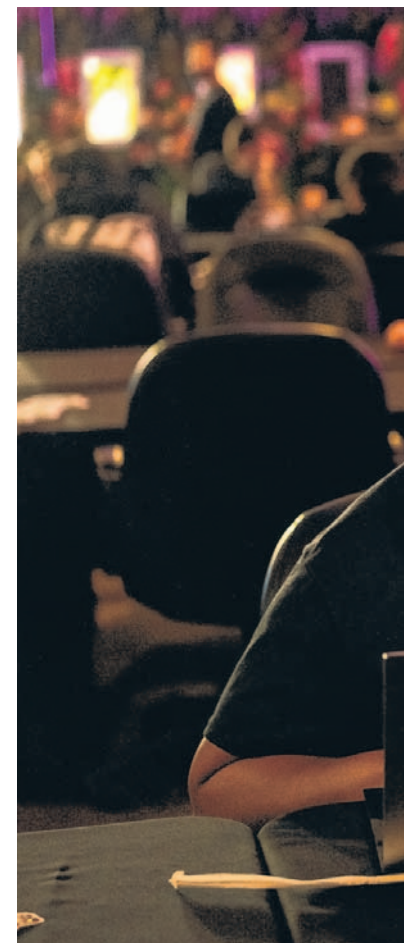
Blockchains "are almost like a new set of emerging markets, like digital frontier markets," says Sandy Kaul, senior vice president at **Franklin Resources** (BEN). Maintaining records on the blockchain costs a fraction of the traditional method, and investors can see the daily accrual of interest on the blockchain, providing a level of transparency that Kaul says is unavailable in a traditional fund.

## Legal Gray Zones

Unlike most industries, crypto operates like a tribe of global nomads. The technology is designed to thwart government oversight, and it's often backed by loose "foundations" of coders operating across borders. Binance, the world's largest exchange, says it doesn't have a headquarters; a spokesperson says it's taking a "multi-HQ approach like many global companies" and has regional hubs in Paris and Dubai. Tether, the firm backing the largest "stablecoin," worth \$83 billion, is based in the British Virgin Islands, but has at least one corporate entity in Hong Kong.

Pinning down the industry is tough, which is one reason that regulators have been flummoxed over how to police it on a global or national basis. The European Union recently passed some crypto rules. But in Washington, a mix of lobbying, agency turf wars, and paralysis in Congress has prevented comprehensive rules from taking shape.

**Clockwise from top left: People at the Consensus crypto conference left notes on a fence. Scarlett Spade, a Solana University "ambassador" from Atlanta, at the Hacker House in Austin; a Consensus attendee wears wristbands from the other crypto confabs he has been to this year; the booth at Consensus for CIETY, a social platform for gifting tokens, selling NFTs, and more.**







Federal agencies like the Securities and Exchange Commission are trying to bring order; the SEC has filed more than 110 enforcement actions since 2017 and levied billions in fines. The enforcement threat has driven some crypto services, like the high-yield lending products offered by companies such as Celsius Network, almost completely out of the U.S.

The industry has long said it needs clarity from Congress, which made headway on bipartisan legislation in 2022. But the market crash, frauds, and high-profile bankruptcies hardened opposition to the industry. Some Democrats, concerned about the lack of consumer protections, are now urging Securities and Exchange Commission Chairman Gary Gensler to push harder. Both parties are working on their own legislation, though it appears unlikely that anything significant will advance near term.

Regulatory actions could still reshape the industry. Coinbase, for example, received a warning this year from the SEC that it may be sued for securities violations; the platform denies that it has broken any laws. A case in federal court regarding the token Ripple could settle a longstanding debate over which types of tokens are securities; the answer may determine which tokens, aside from Bitcoin, can continue to be offered on Coinbase and other exchanges.

Regulators are also warning banks against taking on crypto-related business. Crypto executives say that finding even basic banking services is now a challenge, though **Bank of New York Mellon** (BK), Cross River Bank, and others still provide services to some firms.

## Opaque Practices and Fake Trading

The crash hasn't changed one of the most confounding aspects of crypto: It remains opaque. While most blockchains are public, recording every transaction for anyone to see, much trading happens "off chain" in centralized exchanges, which are relied upon to report accurate data. Price manipulation and fake trading, analysts say, are rampant.

Consider the apparent size of the market, worth \$1.1 trillion, according to CoinMarketCap. The figure includes self-reported data from exchanges and token projects, says Doug Schwenk, CEO of Digital Asset

## Crypto Claws Back

Bitcoin has inched up from its lows last year, leading a broader recovery in crypto.

Total Market Value of Bitcoin



Source: CoinMarketCap

Research, which sells its own data about crypto to institutional investors. It may include billions of dollars worth of tokens that don't circulate—including Bitcoin, with estimates that between a fifth and a third of supply is sitting off the market in so-called stranded wallets.

"Most crypto exchanges have little incentive not to fudge the numbers," Schwenk says. "It's not a believable figure at all," he adds, referring to the \$1.1 trillion.

A spokesman for CoinMarketCap, which shares ownership with Binance, says the company has "long been aware that self-reported data can be problematic" but that there's no other viable way to get the information. The spokesman says the company has processes and algorithms to verify the data and detect outliers.

Another problem: wash trades, where a trader buys and sells a token to create the illusion of volume. A National Bureau of Economic Research paper recently found that 70% of crypto transactions in unregulated exchanges are wash trades. Most of those types of trades were found on smaller platforms, while exchanges including Coinbase, with a license from New York's financial regulator, had the fewest problems.

"There are exchanges that represent that they have billions of dollars in trading when really they have very little," says Rich Rosenblum, president of market maker GSR.

## Is Crypto the Future?

Underlying the tension between token boosters and critics is the industry's ongoing search for a killer app that touches the lives of ordinary people. Bitcoin was supposed to play that role.

But it is far too volatile for everyday transactions, and remains aspirational as a store of value compared with classics like gold or Treasuries.

Crypto backers say they need time and resources to develop apps and services on blockchains. Skeptics say the software is inherently flawed, partly because its decentralized nature exposes it to more security and compliance risks than traditional networks.

The criticism isn't stopping the industry from powering on. A project called Helium aims to develop a wireless network based on hot spots that people run out of their homes. Another project, called Hivemapper, wants to create a crowdsourced version of Google Maps. Both projects run on the Solana network and reward people in tokens.

Some governments are still courting crypto. Prime Minister Philip Davis of the Bahamas—the home base of FTX—still crisscrosses the world pitching the island nation as a haven for digital-asset firms. He has said the country would even welcome back FTX, should it revive under a bankruptcy reorganization.

"In all environments of regulated activity, you have significant failures," says Bahamian Attorney General Ryan Pinder, comparing the FTX bankruptcy to the more recent U.S. bank crashes. "It's unfortunate, but it isn't an indictment on what we believe is to the betterment of the country."

Former FTX US President Brett Harrison, who quit the firm weeks before it failed, recently raised funds for his own trading platform called Architect. Customers liked FTX's interface, he says, though he thinks the brand is tarnished. If FTX manages a revival, he adds, "it would probably help to rename it."

Like any new technology, crypto is likely to continue attracting investors, entrepreneurs, and dreamers. Bitcoin may not be useful for much beyond trading, but it's proving that it can survive a crash and recover. Ethereum has bounced back on bets that it will ultimately be an improvement over today's internet and financial networks—a dream that is keeping other blockchains afloat with cash and development.

"There are vested interests in keeping this narrative of the utility of crypto alive," says American University law professor Hilary Allen, an industry critic. "Keeping the demand story up is the only play left." **B**



# Illumina Case Could Rewrite Merger Policy

The biotech is fighting U.S. and European regulators to save its deal for cancer screener Grail. The Supreme Court may have the last word.



BY BILL ALPERT

**T**he biotech company **Illumina** has become a battleground between big business and big government.

In the coming months, courts in the U.S. and Europe will rule on whether Illumina (ticker: ILMN) must abandon its \$8 billion acquisition of the cancer-testing company Grail, under orders of anti-trust authorities. Illumina argues that it's the victim of administrative-state overreach. Millions could die of cancer, it says, if bureaucrats bust up the deal.

Regulators are too dismissive of the merger's potential benefits, says Bilal Sayyed, a former policy official at the Federal Trade Commission who is now at the think tank TechFreedom. Slowing the advance of blood tests for

cancer could do real harm, he warns: "It's not like paying a few dollars more at the gas pump, or a few dollars more for your grocery basket."

To critics of executive-branch power and of the FTC's activist chair, Lina Khan, Illumina's case might be their ticket to the U.S. Supreme Court and a ruling that blunts agency power. The case could reach the high court in the next term, which starts in October.

One thing makes Illumina's test case less compelling: Many shareholders want the company to lose.

Investors hate the Grail acquisition. Discontent with the deal fueled Thursday's proxy contest vote that gave Chairman John Thompson's board seat to an employee of activist Carl Icahn. Since the San Diego-based company closed its Grail deal in 2021, Illumina shares have slumped by two-thirds, to a recent \$189, knocking off \$50 bil-

**Lina Khan's Federal Trade Commission voted down Illumina's acquisition of cancer screener Grail.**

lion from the company's market value. Some of that drop reflects a slowdown in Illumina's own growth, but it's also clear that Grail could lose billions over the next decade before its tests turn a profit. The stock perks up when the merger looks doubtful, and slumps when the merger appears on track.

**W**hen Illumina closed the Grail deal in August 2021, Illumina stock had just hit a record high of \$526. Illumina's technology for reading DNA sequences earned 25% margins and drove medical breakthroughs.

Illumina had spun out Grail several years earlier to let it develop a blood test that might detect early signs of cancer. When Grail announced in 2020 that its test could find 50 kinds of cancer in a blood sample—including cancers of the pancreas or ovary, which lack a screening test—Illumina agreed to reacquire it. Multicancer early detection tests could lift Illumina's annual revenue from billions to tens of billions, said CEO Francis deSouza.

But Illumina's clinical lab customers also aimed to develop multicancer early detection tests. Like Grail's, the tests under development at **Exact Sciences (EXAS)** and **Guardant Health (GH)** rely on Illumina sequencers. They feared that owning Grail might tempt Illumina to hinder their access to its sequencing technology.

Antitrust enforcers in the U.S. and Europe challenged the merger. The FTC and the European Commission each argued that Illumina had the incentive and ability to foreclose Grail's rivals from catching up to its lead in multicancer early detection.

In a surprise twist last September, the FTC's in-house judge dismissed the agency's challenge, satisfied by Illumina's promise to offer sequencing technology to Grail's rivals on the same terms as Grail. Days later, however, Europe barred the deal. Then, in April, the FTC's Democratic and Republican commissioners all voted to overrule their judge and bar the deal.

Illumina must now win court appeals in both Europe and the U.S.

In Europe, Illumina argues that antitrust enforcers have no jurisdiction over the purchase of Grail, because Grail has yet to do business in the region. Indeed, regulators there asserted authority under a round-about mechanism that lets the European Commission help member coun-

tries with local antitrust reviews.

Illumina public affairs chief John Frank said there's broad industry support for closing the loophole used by the commission to claim jurisdiction.

"It's a big issue in antitrust circles here," says Alec Burnside, a veteran antitrust lawyer with Dechert in Brussels whom Illumina hired to discuss the case. As a precedent, he says, the case could set Europe up to police mergers anywhere in the world.

The European Union's lower court supported regulators, so Burnside said time will tell whether the "strong arguments" for Illumina will win its appeal to the EU's higher court. The decision could come by year's end.

In the U.S., Illumina plans to ride the wave of conservative thinking that has swept some federal courts. It took its appeal to the New Orleans-based Fifth Circuit Court of Appeals, whose past rulings have trimmed the powers of federal agencies.

"Merger law relies on findings of fact," says Georgetown University economist and law professor Steven Salop. Illumina and the FTC differ on whether firms like Exact Sciences and Guardant are close competitors of Grail; whether Illumina has an incentive to put them at a technology disadvantage; and whether Illumina can accelerate multicancer testing.

The Fifth Circuit put the appeal on a fast track, so the court might rule by September—in time for the Supreme Court's next term. Critics of the administrative state hope that Illumina's case will inspire a decision by Supreme Court conservatives that curbs the power of antitrust enforcers at the FTC and the Department of Justice.

The FTC declined to comment.

Despite all of the skirmishing, Grail's business has been a bust. Sales have been slow to take off, and losses are running at \$800 million a year. The test costs \$949, and insurers won't widely cover it until Medicare does. Medicare won't cover it until Grail conducts big clinical trials and wins Food and Drug Administration approval.

Whatever hopes deregulation advocates may have for Illumina's case, on Wall Street many analysts predict a Grail divestment. Even deSouza recognizes the merger's unpopularity: He has told the Street that Illumina may divest Grail regardless of the legal outcome.

As usual, investors are ahead of the lawyers. **B**



# FUNDS

One entry point is through an advisor who is already invested in a closed fund for other clients or who has access to [an institutional share class](#).

## How to Sneak Into A Top-Performing Closed Fund

It's like that club you could never get into. Remember the one with the velvet ropes and the bouncer who let only his friends through the doors? That's how it feels to see a fund that is performing fabulously—like **T. Rowe Price Capital Appreciation**—and is closed to new investors.

There are 278 closed funds, according to Morningstar, but only a handful are worth investors' time, given the many cheap and readily available index fund options. The \$50 billion Capital Appreciation fund (ticker: PRWCX) is one. This balanced fund, which buys both stocks and bonds, has beaten 99% of its Moderate Allocation fund peers in the past 15 years, with a 9.5% annualized return. Its index fund competitor, **Vanguard Balanced** (VBIAX), has generated only a 7.1% return over that period.

Yet the T. Rowe fund has been closed since 2014. How can you get in? Every closed fund has different rules, but most have backdoor entrances. In T. Rowe's case, the fund shop makes exceptions for its largest customers.

In November 2021, T. Rowe launched its Summit Program, which allows any investor with more than \$250,000 at the firm to buy top-performing closed funds like Capital Appreciation. Of course, many investors don't have that kind of wealth and don't necessarily want to tie up their assets with one money manager. In T. Rowe's case, though, its brokerage offers funds from other families, stocks, and exchange-traded funds—and assets in them count toward Summit's minimum.

**BY LEWIS BRAHAM**

It always helps to contact a fund company directly about possible exceptions to closure rules. Also, read closed funds' prospectuses, as they outline who can still buy. Such is the case with **Artisan International Value** (ARTKX), which has beaten 99% of its fund category peers over the past 15 years. On page 154 of its prospectus, Artisan describes "Who Is Eligible to Invest in a Closed Fund?" As with T. Rowe, if you have at least \$250,000 in other funds at Artisan, you can buy this one.

Another entry point is through a financial advisor who is already invested in a closed fund for other clients or who may have access to a still-open institutional share class. Artisan also does this. "Funds can close in all

sorts of different levels," says Russel Kinnel, Morningstar's director of manager research. "You've got all sorts of sales channels out there. [Fund companies] can limit all of them or some of them."

At the bigger fund shops, the advisory and retirement-plan channels are often left open. Technically, for instance, top-performing **Fidelity Growth Company** (FDGRX) has been closed since 2006, yet the fund remains open to new investors via these channels.

Unfortunately, some of the best closed funds are those run by smaller boutique management firms, which are often harder to access. To compete with behemoths like Fidelity, the boutiques often invest in niches where a good manager can really add value over an index fund.

This is especially true of closed small- and micro-cap stock funds. The market for micro-caps is inefficient, with little analyst coverage, so money managers who pick the right stocks can trounce their benchmarks.

**Driehaus Micro Cap Growth** (DMCRX), for instance, has produced a 14% five-year annualized return. The **iShares Micro-Cap** ETF (IWC) has produced a meager 1.6% and the **iShares Russell 2000** ETF (IWM), 3.3%. The fund "has been hard-closed

since July 2018," says Driehaus spokesperson Carrie O'Donnell. A "hard close," in this case, means that many existing investors, and even advisors, can't add money to the fund. Exceptions are only made for new investors in retirement plans.

**Lord Abbett Micro Cap Growth** (LAMGX) provides more leeway in allowing existing investors, as well as retirement-plan participants and employees, to keep buying shares. This loophole may provide a back door for new shareholders. Although usually forbidden if you're buying directly from a fund company, an existing shareholder of a closed fund at an outside broker can transfer a share to you without the fund company knowing about it. Once in, you can add to your position.

"Even in the strictest limited offering of a fund, if you find someone who owns it and transfers a share, that's the one way around closure," a fund rep at a different closed fund acknowledged confidentially.

An imperfect alternative is to find a substitute for a closed fund that either behaves similarly to it and/or is run by the same manager. This March, T. Rowe filed for a prospectus for the Capital Appreciation Equity ETF, run by the same manager as the mutual fund, *Barron's* Roundtable member David Giroux. Although T. Rowe hasn't disclosed the launch date, when the ETF opens it will give investors a chance to access Giroux's stock picks, but only those. In the mutual fund, Giroux also buys unusual bonds and bank loans. Moreover, the ETF—which will trade under the ticker TCAF—will hold 100 stocks, while Giroux typically holds only 30 to 40.

Some closed-funds have no substitute. The **Invenomic Fund** (BIVRX) is a long-short equity fund that has destroyed its competition, up an annualized 27.3% in the past five years, even rising in down markets. The fund's hedge-fund-like style and performance are unique. But it has high fees and is available only to existing shareholders, advisors already in it, and retirement-plan participants.

The question is: How badly do you want in? **B**

### The Best Closed Funds

These closed funds have dominated their investment categories. Are they worth trying to get into?

Fund / Ticker	Morningstar Category	Date Closed to New Investors	5-Yr Return	5-Yr Category Rank
<b>Invenomic Fund</b> / BIVRX	Long-Short Equity	2/11/2022	27.3%	1
<b>T. Rowe Price Capital Appreciation</b> / PRWCX	Moderate Allocation	6/30/2014	10.5	1
<b>Driehaus Micro Cap Growth</b> / DMCRX	Small Growth	10/2/2017	14.0	2
<b>Artisan International Value</b> / ARTKX	Foreign Large Blend	6/30/2021	7.2	3
<b>Virtus KAR Small-Cap Core</b> / PKSAX	Mid-Cap Growth	7/31/2018	11.6	3
<b>Victory Sycamore Established Value</b> / VETAX	Mid-Cap Value	6/30/2017	9.2	4
<b>Fidelity Growth Company</b> / FDGRX	Large Growth	4/28/2006	15.1	4
<b>Fuller &amp; Thaler Behavioral Small-Cap Equity</b> / FTHNX	Small Blend	5/24/2022	7.8	5
<b>WCM Focused International Growth</b> / WCMRX	Foreign Large Growth	11/30/2021	8.3	5
<b>Artisan High Income</b> / ARTFX	High-Yield Bond	4/30/2021	4.1	6
<b>Lord Abbett Micro Cap Growth</b> / LAMGX	Small Growth	3/19/2021	11.7	6
<b>Grandeur Peak Global Micro Cap</b> / GPMCX	Foreign Small/Mid Growth	2/17/2023	4.9	8

Note: Data through May 22. Five-year returns are annualized.

Source: Morningstar

## Q&amp;A

An Interview With **Torsten Sløk**  
Chief Economist, Apollo Global Management

# A Recession Is Brewing. It Will Be Lengthy.

BY RESHMA KAPADIA

**D**ays after Silicon Valley Bank failed, Apollo Global Management Chief Economist Torsten Sløk turned bearish on the economic outlook, flipping from a “no-landing” scenario to expectations of a longer and deeper slowdown than markets anticipate.

Sløk, who worked at the International Monetary Fund earlier in his career, is a veritable walking encyclopedia of economic statistics. On Wall Street, he is known for missives to clients about his near- and long-term economic views, derived from an analysis of government and industry data and academic research—footnotes included.

*Barron's* spoke with Sløk on May 10 about the stock market impact of a weakening economy, why talk of a housing recovery might be premature, and the potential risks to the global economy of looming changes in Japan.

An edited version of the conversation follows.

***Barron's:* What is the outlook for the U.S. economy now that we have seen more regional bank failures?**

**Torsten Sløk:** The consensus estimates a soft landing, expecting we will have a recession in the third and fourth quarters, with a 0.5% decline in gross domestic product in the third quarter and a 0.5% decline in the fourth. That translates into negative 200,000 in nonfarm payrolls for ev-

ery month from July to December.

The banking crisis has created a higher risk of a deeper or longer recession. We are leaning toward a hard landing because of much tighter credit conditions and the fear that rates will stay more elevated because the Fed will be worried about inflation being stickier.

**Even the consensus estimate implies a lot of job losses. Will it solve the inflation problem?**

During the Covid pandemic, immigration declined. But over the past two and a half years, immigration has increased by four million—the same number the Brookings Institution estimates left the labor market because of long Covid.

To put the [inflation] genie back in the bottle involves getting wage inflation to move lower. The labor supply has increased, in particular for prime-age workers, and immigration has increased, which is helpful. But more work has to be done for inflation to fall to a more sustainable level.

**Where else do you see inflationary pressures?**

Data on the number of prospective new-home buyers, and home-builder and home-buyer confidence, are starting to move higher. Existing—and new—home sales are moving higher. And the average number of offers received for a sold property is going up. Six months ago, it was about two bids

Photograph by **AMIR HAMJA**





## “Should you buy the S&P 500 today? No, because you can probably buy it cheaper in three or six months.” Torsten Sløk

on average; now it is more than three. Housing accounts for 40% of the consumer price index. If housing begins to recover, the Fed will be stuck in a difficult situation of stickier inflation.

### How does stickier inflation relate to the banks' recent troubles?

**JPMorgan Chase** [ticker: JPM] and **Bank of America** [BAC], combined, make up 26% of all assets in the U.S. banking sector. The 13 biggest banks together comprise 60% of assets. The other 40% are facing higher funding costs, which might be the case well into next year. Over the past several months, banks have been looking at their deposits with very different eyes.

### Are they worried about a run on deposits, similar to that which brought down Silicon Valley Bank?

In 2013, 39% of people used mobile and online banking. Now it's 66%, and using an iPhone to bank makes it much easier to shift your deposits elsewhere. There is the risk that bank deposits could disappear quickly.

Banks also face other headwinds. The value of their Treasury and mortgage holdings has declined by so much that many banks are sitting on significant declines in their safe and risk-free assets, and there is probably more regulatory scrutiny coming to regional banks.

I started my career at the IMF. The first thing you learn is that banking crises normally happen in a bad economy because the banks start losing money on loans to consumers, corporates, and commercial real estate. What is so unusual today is that with the collapse of the 14th-largest and 16th-largest banks [First Republic Bank and Silicon Valley Bank, respectively], we have what I would describe as a banking crisis in a good economy—and we are about to enter a bad economy.

### What are the implications as the economy weakens?

Asset prices are already down in banks' most liquid [holdings]. If there is a recession, there is risk to the illiquid part due to credit losses related to consumers and corporate business.

Small banks—Nos. 26 to 4,500 in size—make up roughly 37% of all lending in the banking sector. Banks' willingness to lend to consumers isn't quite down at 2008 levels, but the trend is not our friend.

If the sources of financing from high-yield markets, primary issuances, and regional banks have essentially dried up, private credit and private capital have been stepping in and acting as a stabilizer by lending.

### Have private markets felt a strain yet from the rapid increase in interest rates and a slowing economy?

As interest rates rose, technology and growth companies suffered because long-duration cash flows are highly sensitive to the federal-funds rate. In private markets, it's exactly the same. Many tech companies and companies with levered bets on low interest rates are suffering. The total value of venture capital is down 60% since the Fed started raising rates, according to Refinitiv. The crunch in tech—in the Nasdaq, venture capital, and growth stocks—will continue because the cost of capital is likely to stay high.

### When do you expect interest rates to head lower?

[Inflation] went from 9% last June to 5% today. Getting inflation from 5% to 2% is going to be a lot harder.

The market expects the Fed to cut rates in September. It will probably take until the middle of next year before it can cut rates because inflation is so sticky and the Fed's mandate from Congress is to get inflation down to 2%.

Things that are interest-sensitive are likely to remain negatively impacted. That means the housing recovery is probably premature. The Fed will simply not allow the housing market to recover if that involves inflation moving higher. We are likely to have stagflation for the next three quarters—elevated inflation and a contraction in GDP.

### What types of investments are most at risk?

Lower-rated credits, in particular bonds rated triple-C and high-yield [securities], will be hurt by the double

whammy of high rates, which means a higher cost of financing, and low growth, which means lower earnings and lower profitability.

Should you buy the S&P 500 today? No, because you can probably buy it cheaper in three or six months. The [positive] outlook for 12-month forward earnings per share for the S&P 500 is stunning, given the drop in expectations for real growth and consensus expectations for a recession.

But in 12 to 24 months' time, these things will blow over. Long-term investors should do their homework and look at the things that are beaten up.

### Commercial real estate is losing value. What is the economic impact?

Within real estate investment trusts, offices haven't been doing well, but industrial and warehouse REITs still have positive returns. This isn't like 2008, when the problem was uniform and residential real estate made up 7% of gross domestic product.

Commercial real estate today accounts for only about 2.5% of GDP. In 2008, GDP declined 3%. GDP will decline by roughly half a percentage point in each of the next three quarters. This recession is going to be much milder than 2008's, although it could be longer.

### How will we know when the worst is over?

Once the vacancy rates of commercial properties and the price per square foot begin to turn around, that will be a bullish sign for stock market investors and the economy. The problem is that the vacancy rate is still going up, and the price per square foot of office space is down 30% from the peak.

### What else should investors monitor?

TSA [Transportation Security Administration] data on how many people are flying on airplanes; how many are going to movie theaters and Broadway shows and staying at hotels. When consumers have burned through their savings and don't have money to do all these things, that will be the business-cycle inflection point we're waiting for.

Restaurant performance has shown some signs of weakness. Jobless

claims are gradually moving up. Tech workers are normally high-paid workers and may not apply for unemployment benefits, so they might not be included. Since that's where we have seen most of the layoffs, the unemployment rate might truly be at a higher level. There are some early signs the services are seeing a slowdown. Investors shouldn't underestimate the Fed's commitment to get inflation back to 2%, and with that will come the risk of a sharper slowdown.

### What are you monitoring beyond the U.S.?

It's important to pay attention to statements from the Bank of Japan about yield-curve controls, which have kept Japanese interest rates near zero for seven years. Since 2016, the Bank of Japan said it was going to buy an unlimited amount of [Japanese government] bonds to make sure that 10-year rates didn't go up.

With rates in their own backyard very low, Japanese insurers and banks invested in U.S. Treasuries, U.S. investment-grade bonds, and European bonds. If, over the next six months, Japan says it will allow interest rates to rise, the risk is that Japanese investors will begin to repatriate money because yields on Japanese government bonds will be moving higher.

### What are the ripple effects?

Japan is the biggest foreign holder of U.S. Treasuries, with more than \$1 trillion. If Japanese investors begin to sell those Treasuries, U.S. Treasury rates could rise and U.S. credit spreads could widen. Even if Japanese investors do nothing, there's the risk the rest of the world could say they want to offload their U.S. Treasury bonds and credit if Japan is about to do so. This is an event risk not appreciated in financial markets.

### Could Japan's move negate the need for further Fed tightening?

Yes. But there is the risk of a substantial and uncontrolled move [in rates] that poses all kinds of risks to the global economy.

Thanks, Torsten. **B**

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## INCOME INVESTING

### Unloved Dividend Stocks Are Now Worth a Nibble

BY AL ROOT

The stampede into artificial intelligence, the market's newest new thing, has left dividend stocks looking stodgy and unloved. They're also becoming bargains.

The promise of AI and its ability to reduce costs and enhance products has investors dreaming of a new tech supercycle. Shares of ChatGPT investor **Microsoft** (ticker: MSFT) are up 38% in 2023, while **Nvidia** (NVDA) is up about 166% on hopes that AI will drive demand for its chips. It's also a big reason that the tech-heavy Nasdaq 100 has gained 30% this year, leaving the rest of the stock market in its dust.

That includes dividend stocks, those companies with regular payouts that help to steady long-term returns. The **iShares Select Dividend** exchange-traded fund (DVY) is down 9% year to date, even though it currently yields about 4.5%. Even the **ProShares S&P 500 Dividend Aristocrats** ETF (NOBL), which contains stocks that have raised their payouts for 25 consecutive years or more, is down almost 2%.

Tech stocks fell apart just before the Federal Reserve started raising rates in early 2022, since rate hikes hurt growth shares. Investors are now looking ahead to the expected end to the Fed's interest-rate hiking cycle. As a result, stocks with no or low dividends—often tech and other growth stocks—are up 10% this year, according to Justin Walters, co-founder of Bespoke Investment Group, while stocks with the highest yields have dropped about 6%. That's a 16 percentage point difference. The gap between the Nasdaq 100, which yields about 0.8%, and the iShares Select dividend is even larger, at a whopping 39 percentage points.

That's too large a gap, and makes this a particularly attractive time for investors to pay attention to yield. The performance gap between the iShares Select Dividend and the Nasdaq 100 has widened the valuation gap, too. The median stock in the

iShares ETF trades for about 12 times 2024 earnings, while the Nasdaq 100 trades for about 22 times. Eventually, the relative attractiveness of dividend stocks can be expected to draw new investors.

Yes, dividend payers might look even more attractive if they were to underperform by another 10 percentage points, which would make them the most attractive they have been relative to growth stocks at any point in the past five years. And yes, there are issues facing many high-yield dividend payers: Bank stocks have been hit hard by the regional bank turmoil, and energy companies have been dinged by lower oil prices. Short-term Treasuries, meanwhile, with their roughly 5% yields, could offer a safer alternative.

But short-term government bond yields won't look so attractive once the Fed's rate-tightening ends. And there are plenty of dividend stocks to choose from that aren't banks or energy companies.

Investors worried about the security of dividends in the iShares Select Dividend ETF can look to the ProShares S&P 500 Dividend Aristocrats instead. Though it is yielding just 2.6% and trades at about 19 times 2024 earnings, it offers a level of quality over the highest-yielding stocks, which can be "cheap for a reason," writes Chris Senyek, chief investment strategist at Wolfe Research. Dividend stocks could also benefit if the Fed doesn't stop cutting interest rates—as some Fed governors suggested this past week—and the economy continues to slow.

"During economic slowdowns or recessionary environments, our favorite yield-focused strategy is buying companies with a long track record of consistently increasing dividends," Senyek writes. "This cohort of stocks has generally outperformed heading into and out of recessions."

Also keep in mind that dividends have accounted for roughly 40% of stock returns over the past 100 years.

Dividends always matter—no matter what the next hot technology is. **B**



# THE ECONOMY

While Greece's GDP remains below 2018 levels, GDP growth of 14.5% last year was almost double that of the wider euro zone.

## Greece's Economic Revival Provides Lessons for the U.S.

American investors probably haven't given Greece much thought since the catastrophic financial crisis that rocked the country for a decade after 2008. The birthplace of democracy deserves another look, and not just as a vacation destination.

Once Europe's sick man, Greece has had an impressive economic recovery under Prime Minister Kyriakos Mitsotakis, with growth exceeding expectations and unemployment and inflation in decline. This revival led Mitsotakis' center-right New Democracy party to a surprising electoral landslide on May 21, notwithstanding scandals that might otherwise have darkened its prospects. The party is expected to win a second election that could see it command a significant majority.

This Mediterranean miracle holds lessons for the U.S., which has been mired in a political fight over the federal debt ceiling and is grappling with its worst inflation in a generation.

Greece's prospects looked far from certain in the aftermath of the 2008-09 financial crisis, and excessive sovereign debt brought the government to the brink of default in 2015. A string of bailouts and a restructuring couldn't avert what became the longest recession for any advanced capitalist economy, exceeding even the Great Depression in the U.S.

An austerity regime put more than a third of Greeks at risk of poverty, sent unemployment above 27%, and caused a brain drain as hundreds of thousands left the country. Greece also came close



BY JACK DENTON

to abandoning the euro.

Mitsotakis' ascent in 2019 offered something different: technocratic leadership from a Harvard University-educated former Chase banker and McKinsey consultant. His New Democracy party cut taxes, raised the minimum wage, boosted pensions, and lured foreign investment from the likes of **Microsoft** (ticker: MSFT) and **Pfizer** (PFE). These policies help to turn things around.

Greece's gross domestic product was just 86% of 2008 levels at the end of 2022, but GDP growth of 14.5%, year over year, was almost double that of the wider euro zone. Unemployment has fallen below 11% from 18.6% at the start of 2019. And an annual inflation rate

of just 3% is enviably low, although core inflation measures, excluding food and energy, remain troubling.

True, Mitsotakis took office after the brunt of the postcrisis pain, and a lot of the GDP and labor-market gains owe to resurgent tourism, which boosted the services sector, even as domestic consumption lagged. A pandemic-era loosening of fiscal rules in the European Union also helped, but the formulation of tighter new regulations is a risk.

Reducing Greece's bloated debt remains a battle. The country's debt-to-GDP ratio was 171% at the end of last year, but had fallen from 195% in 2021 and more than 200% in 2020. While inflation has provided a tailwind in trimming this ratio, Mitsotakis deserves credit for overseeing growth and instilling greater fiscal discipline. Under his watch, Greece also paid off its debts to the International Monetary Fund two years ahead of schedule.

For voters, the positive economic news has overshadowed scandals that pollsters predicted would hurt the New Democracy party going into the May elections. These included new legal restrictions on the press, a wiretapping scheme targeting politicians and prominent figures, and a February train crash that killed 57 and sparked mass protests and allegations that state

mismanagement had contributed to the disaster.

"The main concern of the Greek electorate has been to secure growth," says Paolo Pizzoli, a senior economist at ING with a focus on Greece.

New Democracy scored its widest victory since 1974 against Syriza, Greece's other prominent political party, winning 41% of the vote versus Syriza's 20%. A second election is likely in June or July, with Mitsotakis expected to secure majority rule under a system granting the winner extra seats.

"The push for reforms will have to be kept very high," says Pizzoli, arguing that there isn't "much room for complacency."

The most timely conclusion to draw from Greece's success is the importance of spending discipline and default avoidance. Not only did Greece face intense social unrest in the years when it flirted with a debt default and endured austerity measures, but its debt crisis also sparked volatility across markets, including in U.S. stocks. Its path from economic chaos to greater fiscal responsibility offers a timely lesson for the U.S., which has a debt-to-GDP ratio of 120%, and where politicians are fighting over the debt ceiling and federal spending.

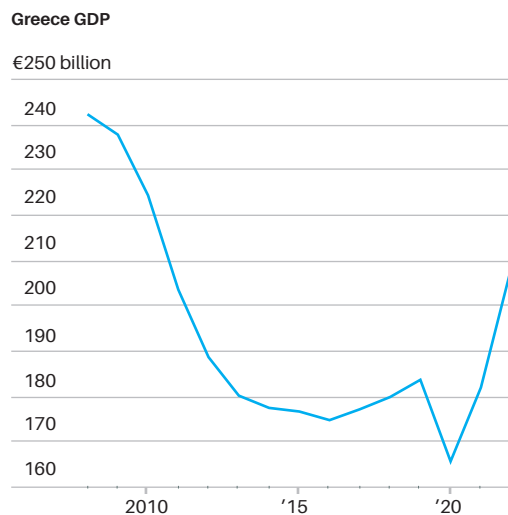
Greece's example also illustrates economic confidence's importance to markets and elections. The likelihood of a Mitsotakis majority sent stocks and bonds surging in the past week, with spreads narrowing between yields on Greek government debt and a German benchmark, as markets focused on the prospect of Greece's return to an investment-grade credit rating.

On the social front, the election upset reaffirmed that "it's the economy, stupid." And that issue might well overshadow America's culture wars as U.S. voters head to the polls in 2024.

While there are huge differences between the world's largest economy and that of a small European nation, with a population about as big as North Carolina's, the U.S. can still learn from Greece's odyssey. Plus, with the economy on the mend, Greece's fabled tourist attractions shine brighter, too. **B**

### Economic Odyssey

Greek GDP is on the rise, while the unemployment rate is falling. A stronger economy bodes well for the ruling party.



Source: Hellenic Statistical Authority



# TECH TRADER

Netflix's new "paid sharing" policy could boost revenue and improve profits. But it's a big headache for parents with adult children.

## Netflix's Password Crackdown Is Good for Shares, Bad for My Kids

**N**etflix is finally cracking down on password sharing, and it's giving me a headache. I can't be the only one. By one estimate, roughly half of all U.S. Netflix subscribers share their passwords with at least one person not living in the same house. Netflix has made it clear that the gravy train has run out of track.

This past week, Netflix (ticker: NFLX) announced that it is installing what it calls "paid sharing" for U.S. subscribers. The new rules say that a password is intended for use by all of the people living in one household.

Anyone not in the household isn't supposed to use that password and—while Netflix doesn't say it specifically—the company will soon take steps to block the use of those passwords from other locations. (There are exceptions for devices used while traveling, such as your laptop, tablet, and smartphone.)

The company is allowing subscribers to add out-of-the-home family members, but it's going to cost you. Subscribers already on Netflix's most expensive plan at \$19.99 a month can tack on two "extra members" at \$8 each. Those users get to keep their preferences and viewing history. Standard subscribers, at \$15.49 a month, are limited to one extra member.

And here's where my headache becomes a migraine: I have three adult children living across the U.S.; Netflix wants me to split the baby. I can cough up \$16 a month to cover two of my children. But what about kid No. 3? My cheapest option is paying for a separate



BY ERIC J. SAVITZ

ad-supported account, at \$7 a month.

If I decide that all my kids are deserving of a dad-sponsored Netflix account, that would add \$23 a month to my bill, bringing the total to \$43, for a staggering increase of 115%.

To be sure, the potential strain on my wallet speaks to the significant opportunity Netflix sees from its new password policies. The company has said that about 100 million households worldwide are watching its service without paying anything. The company currently has about 233 million paying subscribers. Converting all of the nonpayers would boost its base by some 40%.

Makes you wonder what took them so long.

Wedbush analyst Alicia Reese writes in a research note that if even 10% of current Netflix members opt to

add a single additional member, the company would generate an extra \$1.7 billion in annual revenue at "virtually no marginal cost."

Reese thinks the move also will drive subscriber numbers higher over time, "as many who are piggybacking off of friends' accounts will get pushed off." While she thinks the crackdown is likely to boost churn, or cancellations, in the near term, she writes that most of those users will return in the following weeks and months. Reese suspects that many of the new stand-alone subscribers will choose the streamer's ad-supported tier, given their prior unwillingness to pay full price.

**T**his is all fine with Netflix, which recently noted that the extra revenue from advertising means ad-supported subscribers generate more dollars for the company than its standard users. Reese recently reiterated her Outperform rating on the stock. She assigns a price target of \$410, or about 15% above its recent close.

Oppenheimer analyst Jason Helfstein is even more bullish on Netflix's get-tough plan, responding to the news by boosting his price target to \$450, from \$415. Helfstein's firm recently surveyed 1,800 U.S. Netflix watchers about their reaction to a crackdown. The results are eye-opening.

Of the surveyed group, 80% said that they were already paying for the service—suggesting that the other 20% were freeloading—and 48% said they share their password with someone not in their household. He sees that as a potential 36 million new subscribers.

In reporting its first-quarter financial results in April, Netflix said that it already had rolled out "paid sharing" in four markets—Canada, New Zealand, Spain, and Portugal—after previously testing the strategy in Latin America.

The company said that in Canada, after an initial spike in customer churn, the number of subscribers is higher than before it began enforcing the limits on sharing passwords. Netflix says that its revenue growth is now faster north of the border than in the U.S.

This just might turn out to be a huge growth accelerant for Netflix, a smart way to boost subscriber numbers in the company's largest market—where growth has stalled out, with basically no growth in U.S. subscribers over the past four quarters.

The result of the get-tough policy should be more subscribers, a boost in the company's advertising tier, higher revenue, and improved profitability. This has the potential to be a big win for Netflix. If only I could figure out what I'm going to tell my kids. **B**



"If I decide that all my kids are deserving of a dad-sponsored account, that would add \$23 a month to my Netflix bill, bringing the total to \$43—a staggering increase of 115%."



# MARKET WEEK



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## MARKET PERFORMANCE DASHBOARD

Dow Jones Industrials

33,093.34

52-wk: -0.36% YTD: -0.16% Wkly: -1.00%

S&P 500

4205.45

52-wk: +1.14% YTD: +9.53% Wkly: +0.32%

Nasdaq Composite

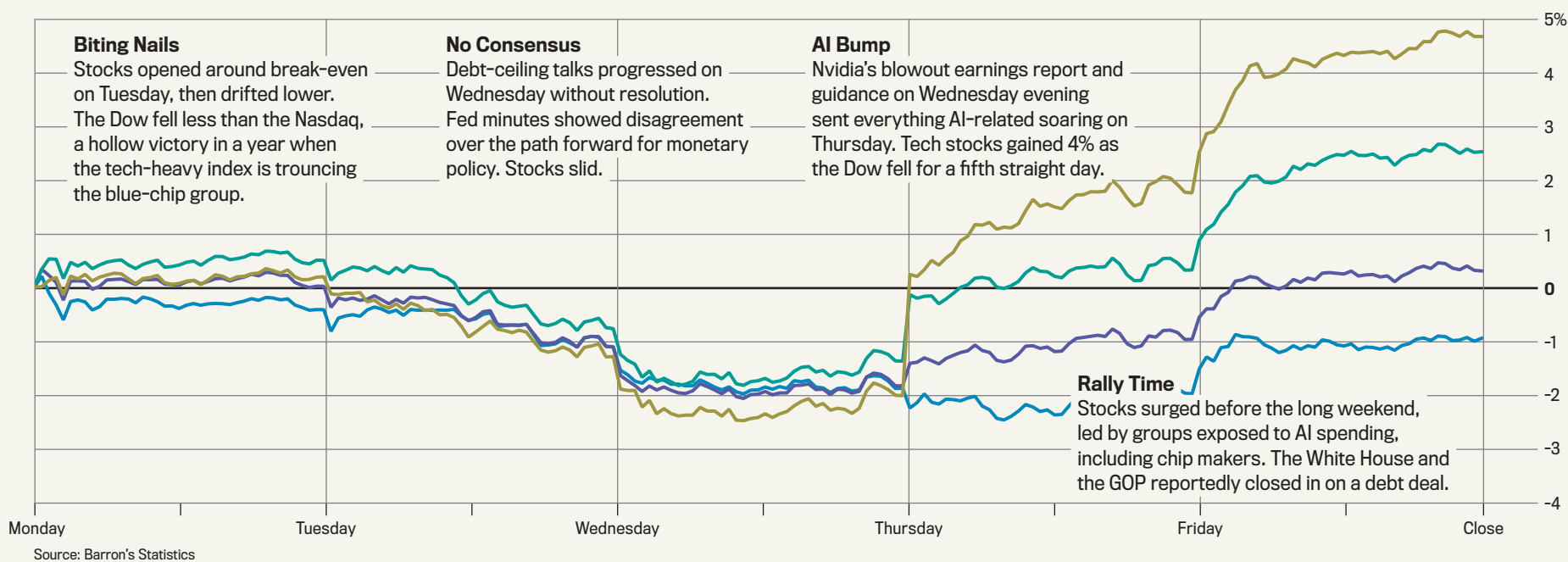
12,975.69

52-wk: +6.96% YTD: +23.97% Wkly: +2.51%

Technology Select Sector SPDR ETF

\$164.78

52-wk: +16.49% YTD: +32.42% Wkly: +4.64%



## THE TRADER

### The Nasdaq Has Been Crushing The Dow. Can It Last?

**W**hat happens when an unstoppable object meets the debt ceiling's immovable force? The stock market may be about to find out.

Artificial intelligence is that unstoppable object, as **Nvidia's** (ticker: NVDA) first-quarter results and blow-out guidance demonstrated this past week. The results sent the stock up 24% Thursday, adding nearly \$200 billion to its market capitalization and extending its year-to-date gain to around 160%. Nvidia's very bullish forecast for demand for chips used in AI applications also sent shares of AI-



BY  
**NICHOLAS  
JASINSKI**

related companies like **Adobe** (ADBE) and **Advanced Micro Devices** (AMD) soaring. The Nasdaq Composite, home to many of these highfliers, finished the week up 2.5%.

The moves also helped the S&P 500, which gained 0.3% this past week, but the index now feels top-heavy. It has added 9.5% this year, while the **Invesco S&P 500 Equal Weight** exchange-traded fund (RSP)—which holds all 500 companies in the index at the same 0.2% weight—is down slightly. It's the biggest lead for the capitalization-weighted index over the equal-weighted version since the 1999 tech bubble sent stocks such as **Qualcomm** (QCOM), **VeriSign** (VRSN), and **Oracle** (ORCL) soaring.

And then there's the poor Dow Jones

Industrial Average, down 0.2% in 2023 after falling 1% this past week, resulting in its worst underperformance versus the Nasdaq on record. In fact, the Dow had only five positive days in May—its fewest in any month in more than a decade, per Dow Jones Market Data. And while the Dow was suffering through one of its toughest stretches ever, the Nasdaq has been experiencing one of its strongest—its best first 100 days of the year since 1991.

History suggests that more gains could be on the way. The Nasdaq has traded higher over the remainder of the year 69% of the time when it has climbed at least 15% through the first 100 days. The looming X-date for when the U.S. Treasury will run out of cash—though it's been pushed back a

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few days—complicates matters.

A resolution that avoids default remains most investors' base case, and stocks should enjoy a relief rally once a deal is struck. The near-term implications of a debt-ceiling resolution won't be all positive for the growth stocks that have led the market, however.

The Treasury will need to rebuild its cash balance in its general account—down by \$500 billion since January—immediately after an agreement is reached. That will mean a flood of Treasury bill issuance in early June, potentially boosting yields and pulling cash out of the system. It will come atop the Federal Reserve's ongoing quantitative-tightening program, which includes the runoff of \$60 billion of Treasuries a month.

The drain on liquidity in the U.S. economy will be a greater headwind for risky assets like growth stocks, and could help narrow the gap between the Nasdaq's and the Dow's performances.

If only artificial intelligence could help our elected officials avoid a debt-ceiling disaster.

### Hedge Funds' Stock Picks

Hedge funds are betting that it's a stock-picker's market, despite all evidence to the contrary. They paid for their losing wager in the first five months of the year, according to a recent Goldman Sachs analysis.

It has been a top-heavy market this year, with Big Tech stocks **Microsoft** (MSFT), **Amazon.com** (AMZN), **Meta Platforms** (META), **Alphabet** (GOOGL), **Apple** (AAPL), and **Nvidia** leading the Russell 3000 to an 8.5% gain through May 22. And while hedge funds haven't exactly ignored those stocks—those six, plus **Uber Technologies** (UBER), count among their most popular positions—it hasn't exactly helped their performance. Hedge funds have gained just 3% during the same time frame.

Why the underperformance? A recent Goldman Sachs analysis of holdings of 740 hedge funds worth a combined \$2.2 trillion

as of the end of March, when they were required to report their holdings, showed that managers have large short positions in index ETFs and equity futures. But short interest for the typical stock is just 1.7%, near historic lows. That's a sign that managers are bullish on their individual stocks, but bearish on the overall market, according to Goldman strategist Ben Snider. "Hedge funds have little conviction in market direction, but high confidence in their stock picks, especially in long portfolios," he explains.

That's a mistake, given that less than half the S&P 500's stocks are higher in 2023. Sector bets have also been mixed—funds have sold banks, but also reduced tech stocks, while adding to defensive sectors, which have underperformed. Healthcare saw the biggest increase in holdings, and that's been a problem. Hedge funds had a collective 25.2% of their portfolios in healthcare stocks at the end of March, versus the Russell 3000's 13.5% weighting in the sector, which is off 5.6% this year. Technology stocks, with a 13.9% weighting, were hedge funds' greatest underweight, relative to the index, which has a 24.1% tech weighting. That group was also the biggest source of selling in the first quarter, a miss given that the Russell 3000 Information Technology Sector gained 29%.

Financials were the second-largest underweight to the Russell 3000, with regional banks also seeing outflows during the sector's turmoil, but hedge funds saw some bargains. **Charles Schwab** (SCHW), **BlackRock** (BLK), and **JPMorgan Chase** (JPM) were among the top new buys in the first quarter, judged by the increase in the number of funds owning the stocks.

For do-it-yourself investors, Goldman's list of "Rising Stars," stocks that saw the greatest increase in the number of hedge funds owning them, provides the greatest opportunity for stock-picking. Since 2002, stocks in that basket have gone on to beat their sector by an average of 0.59 of a per-

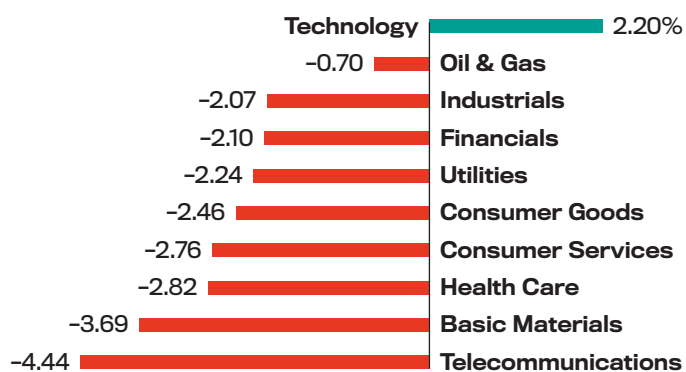
### Vital Signs

	Friday's Close	Week's Change	Week's % Chg.		Friday's Close	Week's Change	Week's % Chg.
DJ Industrials	33093.34	-333.29	-1.00	Barron's Future Focus	879.55	-0.11	-0.01
DJ Transportation	13903.42	-6.12	-0.04	Barron's Next 50	2427.05	+15.63	+0.65
DJ Utilities	893.80	-21.03	-2.30	Barron's 400	914.52	-1.04	-0.11
DJ 65 Stocks	10938.55	-101.73	-0.92		<b>Last Week</b>	<b>Week Earlier</b>	
DJ US Market	1023.83	+3.37	+0.33	<b>NYSE Advances</b>	1,200	1,814	
NYSE Comp.	15078.69	-245.63	-1.60	Declines	1,934	1,320	
NYSE Amer Comp.	3910.65	-27.41	-0.70	Unchanged	67	53	
S&P 500	4205.45	+13.47	+0.32	New Highs	118	160	
S&P MidCap	2442.85	-13.04	-0.53	New Lows	214	188	
S&P SmallCap	1146.48	+1.69	+0.15	Av Daily Vol (mil)	3,897.3	3,855.6	
Nasdaq	12975.69	+317.79	+2.51	<b>Dollar</b> (Finex spot index)	104.23	103.20	
Value Line (arith.)	8764.68	-71.06	-0.80	<b>T-Bond</b> (CBT nearby futures)	125-20	127-05	
Russell 2000	1773.02	-0.70	-0.04	<b>Crude Oil</b> (NYM light sweet crude)	72.67	71.55	
DJ US TSM Float	41876.59	+131.17	+0.31	<b>Inflation KR-CRB</b> (Futures Price Index)	260.70	262.13	
				<b>Gold</b> (CMX nearby futures)	1944.10	1978.70	



## Industry Action

Performance of the Dow Jones U.S. Industrials, ranked by weekly percent change.\*



Source: S&P Dow Jones Indices

centage point in the following quarter, according to Goldman. This quarter's list includes **National Instruments** (NATI), **Walmart** (WMT), **GE Healthcare Technologies** (GEHC), **Honeywell International** (HON), **Norfolk Southern** (NSC), **Estée Lauder** (EL), and **Pfizer** (PFE).

The reverse trade also has worked. Stocks with the greatest decline in the number of hedge fund shareholders in a quarter have lagged behind their sector peers by 0.60 of a percentage point over the next three months. In the first quarter, the list of "Falling Stars" included **Qualcomm** (QCOM), **DXC Technology** (DXC), **Textron** (TXT), **Bunge** (BG), **Juniper Networks** (JNPR), **Southwest Airlines** (LUV), **Welltower** (WELL), **Dominion Energy** (D), **Vertex Pharmaceuticals** (VRTX), and **Cisco Systems** (CSCO).

Many hedge funds promise "uncorrelated returns." They've certainly delivered that in 2023.

### Shipping News

China is struggling with Covid-19—again—and that's bad news for shipping stocks. The drop has created a buying opportunity in **Genco Shipping & Trading**.

The pandemic was a boom time for the global shipping industry. Snarled supply chains lengthened shipping times, just as demand for goods spiked, sending rates soaring. Shippers enjoyed record profits and a flood of cash. Management teams had to choose what to do with their new riches: Options included investing in new ships, paying down debt, or sending the windfall to shareholders via dividends and buybacks.

Genco (GNK) decided to first clean up its balance sheet—net debt at the end of the first quarter stood at \$112 million, down two-thirds since the start of 2021—and then debut a new dividend policy that ties payouts to quarterly cash flow. The New York-based company operates 44 dry-bulk ships, which

travel the world's oceans transporting large amounts of commodities, including iron ore, coal, and grains. Genco says that it now has the lowest cash-flow break-even rate among U.S.-listed dry-bulk shippers.

That hasn't helped Genco stock, which *Barron's* recommended buying in May 2022. The shares have dropped about 35% after dividends, versus a flat Russell 2000, over the past year. But that's a lot better than the 75% decline in the **Breakwave Dry Bulk Shipping** ETF (BDRY), which holds dry bulk freight futures. The drop in shipping rates is a result of China's weaker-than-expected recovery, as well as the business's inherent seasonality, with less grain to ship during the Northern Hemisphere's winter. Renewed worries about a Covid-19 flare-up in China have also hampered Genco stock.

Some investors were also disappointed with Genco's first-quarter dividend, paid in mid-May. It was just 15 cents a share, following five quarters of payments ranging from 50 cents to 79 cents under its new dividend formula of operating cash flow minus capital expenditures, debt repayment, and an additional cash reserve. That payout should rise later in 2023 to as high as \$1.22 a share for the full year, according to Stifel analyst Benjamin Nolan, good for a 9.4% yield—as Chinese demand for commodities grows, and grain harvests boost demand.

The longer-term picture is positive from the supply side of the equation: There are relatively few new dry-bulk vessels on order, as shippers deal with a hangover from over-ordering in the last boom cycle and the uncertainty around the shipping fuel and propulsion systems of a greener future. As a result, shipping rates could rise even without a large increase in demand.

Genco stock will prove its true value through the entirety of a shipping cycle—and the current doldrums present an attractive entry point for investors. **B**



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## LEGAL NOTICES

AB PRIVATE CREDIT INVESTORS CORPORATION Notice of Offer to Purchase for Cash Up to 1,255,609.73 Shares of its Common Stock at a Purchase Price Per Share of Common Stock Equal to its Net Asset Value per Share as of June 30, 2023  
THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON  
JUNE 30, 2023, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN.

AB Private Credit Investors Corporation, an externally managed, non-diversified, closed-end management investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the "Fund"), is offering to purchase for cash up to 1,255,609.73 of its shares of common stock, par value \$0.01 per share (the "Shares"), at a price per Share equal to the Fund's net asset value per Share as of June 30, 2023 (the "Purchase Price").

If stockholders would like the Fund to purchase their Shares within the limits more fully set forth in the Fund's Offer to Purchase, dated May 26, 2023 (the "Offer to Purchase"), and the related Notice of Intent to Tender (the "Notice of Intent," and together with the Offer to Purchase, as each may be amended or supplemented from time to time, the "Offer"), they should contact their financial advisor or the Bernstein Global Wealth Management unit of AllianceBernstein L.P. ("Bernstein") at (212) 486-5800 to request that written materials relating to the Offer be provided to them. These written materials, which will be sent at no expense to the stockholder, include the Offer to Purchase and a Notice of Intent to Tender. A tendering stockholder must complete, sign, and mail (certified mail return receipt requested is recommended), fax, email or hand deliver the Notice of Intent to the Fund's agent specified therein, so that it is received before the Expiration Date stated below.

Stockholders who desire to tender Shares for purchase must do so by 5:00 p.m., New York time on June 30, 2023 (such date, as it may be extended, the "Expiration Date"). All determinations as to the receipt of notices from stockholders relating to the tender of Shares, including, without limitation, determinations whether to excuse or waive certain variations from relevant procedural requirements, will be in the sole discretion of the Fund or its designated agents, and any such determination will be final.

The purpose of the Offer is to provide liquidity to stockholders because the Shares are not listed on any securities exchange. The Offer is not conditioned upon the tender of any minimum number of Shares or any financing condition.

The Fund is offering to purchase up to 2.5% of the weighted average of the number of Shares outstanding during the three-month period ended March 31, 2023 (the "Quarterly Tender Cap"). The Fund is not required to purchase any tendered Shares in excess of the Quarterly Tender Cap and, therefore, the Fund is not required to purchase any tendered Shares to the extent those Shares are, in the aggregate, in excess of 1,255,609.73. In accordance with rules promulgated by the Securities and Exchange Commission (the "SEC"), the Fund may increase the number of Shares accepted for payment in the Offer by up to, but not more than, 2% of the outstanding Shares without amending or extending the Offer.

It is anticipated that the purchase of Shares tendered by a stockholder will be a taxable transaction for U.S. federal income tax purposes. Participating stockholders should consult their tax advisor regarding specific tax implications, including potential federal, state, local and foreign tax consequences.

Until the Expiration Date, stockholders have the right to withdraw any tenders of their Shares by giving proper notice to the Fund. Shares withdrawn may be re-tendered before the Expiration Date by following the tender procedures. If the Fund has not yet accepted a stockholder's tender of Shares on or prior to July 26, 2023 (i.e., 40 business days from the commencement of the Offer), a stockholder will also have the right to withdraw their tender of Shares after such date.

Please note that just as each stockholder has the right to withdraw its tender, subject to the applicable rules of the SEC, the Fund has the right to cancel, amend or postpone this Offer at any time before the Expiration Date.

The information required to be disclosed by paragraph (d)(1) of Rule 13e-4 under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference. The information provided herein is qualified entirely by the more detailed information contained in the Offer to Purchase. The Offer to Purchase contains important information that should be read carefully before any decision is made with respect to the Offer. This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares. The Offer is made only by the Offer to Purchase and the related Notice of Intent. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which making or accepting the Offer would violate that jurisdiction's laws.

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Questions and requests for assistance may be directed to the stockholder's financial advisor or to Bernstein at (212) 486-5800.



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# INTERNATIONAL TRADER

## Italy's Meloni Is Showing Her Moderate Side

BY CRAIG MELLOW

Giorgia Meloni wasn't elected to comfort the afflicted. The Italian prime minister, who swapped her trademark white suit for jeans this past week to wade through flooded villages in the Emilia-Romagna region, swept to power last autumn on a right-populist platform of containing immigration, slashing taxes, and sticking it to the overbearing Eurocrats in Brussels.

She hasn't done much on any of these fronts. "So far, Meloni has been much ado about nothing," says Kaspar Hense, a senior portfolio manager in fixed income at RBC BlueBay Asset Management.

That's a good thing, from markets' point of view. The yield spread of Italian 10-year bonds over German government bonds, a key metric of investor confidence, has tightened by 45 basis points since Meloni's Sept. 26 election, to below 200.

Standard & Poor's and Moody's lately maintained Italy's credit rating at the lowest investment-grade rung, rather than reduce it to junk.

The iShares MSCI Italy exchange-traded fund (ticker: EWI) has rallied with the rest of Europe, gaining 40%. No. 2 bank UniCredit (UCG.Italy) has led the surge, rising by two-thirds.

Candidate Meloni promised 260 billion euros (\$280.4 billion) in tax cuts, Hense says. Her first budget delivered €10 billion. Firebrand Meloni once signed a manifesto declaring "no to Europe."

In office, she has toed the European Union line on Russia, and held off on pledges to turn back migrants from Italy's shores.

"At a European level, she has sought to position Italy as a constructive mainstream partner," says Eoin Drea, senior researcher at the Wilfried Martens Centre for European studies.

That's all bowing to reality. With national debt around 140% of gross domes-

tic product, Italy can't afford to sacrifice tax revenue in a supply-side experiment. Playing nice with Brussels is only sensible when the country is in line for up to €200 billion from a European Recovery Fund raised postpandemic. Italy's suffering from Covid-19 makes it the top potential recipient.

The Recovery Fund cash, due to be doled out by 2026, could add 4% a year to Italy's GDP after decades of anemic growth, Hense calculates. If only the country can figure out how to spend it.

Previous governments proposed nonessential projects like a new soccer stadium in Venice, sapping Brussels' confidence, Drea says. Meloni has floated a build-back-better shift to green energy and transportation. Chances of a credible pipeline by a June 30 deadline still look slight.

Success in drawing down recovery funds could give Meloni a shot at bigger structural changes, says Matt Gertken, chief geopolitical strategist at BCA Research.

Voters like the breath of fresh air she brings as Italy's first female prime minister and, at 46, one of its youngest. Her coalition holds some 60% of both houses of Parliament, and trounced a divided opposition in regional elections around Rome and Milan in February.

So, her government might last longer than most of its 67 predecessors since World War II. EU largess could provide fiscal space for her tax cuts.

Her personal example might get more Italian women into the workforce, a structural shot in the arm. Female labor participation languishes at 40%, compared with 51% in France and 56% in Germany.

Not that Gertken is betting on it. "Basically, Italy is hoping to muddle through and avoid a direct clash with Brussels," he says. Hense predicts that the bond rally has peaked, and he has turned "cautious" on Italian paper.

"Muddle through" isn't the worst that was expected from Meloni's first half-year, though. **B**



# THE STRIKING PRICE

## In a Time of Fear and Greed, Consider Utilities

BY STEVEN M. SEARS

**S**elf-reliance. Cunning. Stoicism. Forethought of action. Those qualities are perhaps the best response that investors can have, as Democrats and Republicans posture about what they need in order to permit a temporary fix to the debt ceiling. Most people apparently think politicians aren't reckless enough to let the U.S. default on its debts, yet investors' market positioning suggests they may not be so sanguine. They are seemingly adopting a trust-but-verify approach as they watch Washington.

Hedge funds, which are often among the most sophisticated investors, are up about 3% so far this year, largely because they bought hedges to protect against stock declines, Goldman Sachs recently told clients. Their underperformance compared with the S&P 500 index's 9.5% year-to-date return shows that the market is still complacent about a debt-ceiling crisis.

Similarly, trading patterns in the options market lack conviction. It still makes sense to let the market reveal itself before making any major decisions, even if it limits potential gains that come from correctly anticipating a market turn.

If stocks tumble on debt-ceiling news, investors could respond to a potential sell-off by selling cash-secured put options on blue-chip stocks that they want to buy and hold for three to five years.

Conversely, if stocks rally on a debt deal, investors could sell call options on stocks that they own to enhance returns.

These trading strategies are intended to monetize fear and greed paroxysms. They also reflect a view that when the debt crisis ceases to be a primary market risk, investors will refocus on structural challenges that are confronting the economy and that may adversely affect corporate earnings.

Those risks, which seem quaint com-

pared with Washington's histrionics, include inflation, employment, and the future of the Federal Reserve's interest-rate hikes. The Federal Open Market Committee concludes its next rate-setting meetings on June 14 and July 26.

If the market refocuses on those risks, investors could look for investments that offer a degree of safety, such as the stodgy utility sector, which could benefit if investors decide that return of capital, rather than return on capital, is more important.

The **Utilities Select Sector SPDR** exchange-traded fund (ticker: XLU), which yields about 3%, has lagged behind the stock market even more sharply than hedge funds. This year, the ETF is down 8.4%.

Almost everyone is fond of noting that they can earn 4% or more in various cash accounts without taking on any equity market risk, but utilities offer an attractive yield and the potential to benefit from a snapback rally.

Intrigued? Consider a "half and half" strategy. If you want to buy 1,000 shares of the ETF, for instance, you could buy 500 shares and sell five puts. The strategy helps you build a position if you are concerned that prices could remain under pressure.

With the ETF around \$65, the August \$63 put could be sold for about \$1.65. The put sale positions you to buy it at an effective price of \$61.35, a price that is just above the 52-week low. During the past 52 weeks, the ETF has ranged from \$60.35 to \$78.22.

Should the ETF be above the \$63 put at expiration, you can keep the put premium. Should it be below the strike at expiration, you should buy it and then prepare to sell calls against the position to generate income. **B**

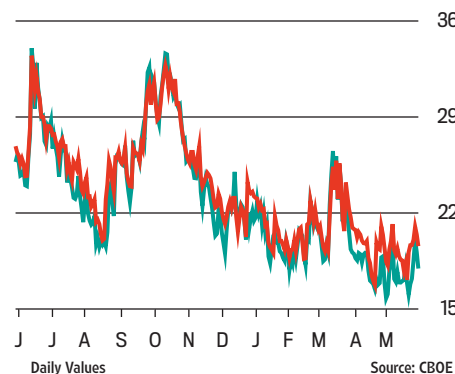
Steven M. Sears is the president and chief operating officer of Options Solutions, a specialized asset-management firm. Neither he nor the firm has a position in the options or underlying securities mentioned in this column.

The stodgy utility sector could benefit if investors decide that **return of capital**, rather than return on capital, is more important.

### Equity Options

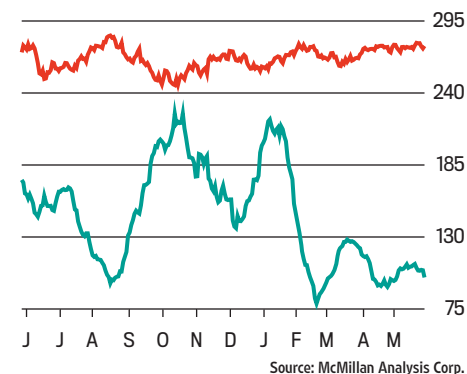
#### CBOE Volatility Index

● VIX Close ● VIX Futures



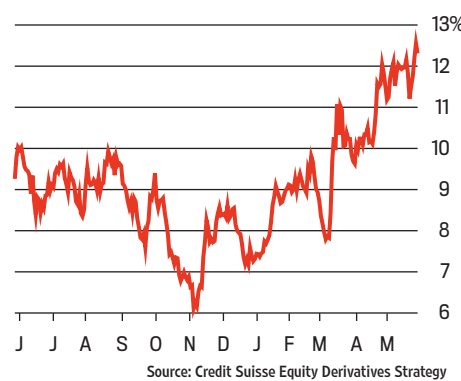
#### The Equity-Only Put-Call Ratio

● Put-Call Ratio ● S&P 500 Index



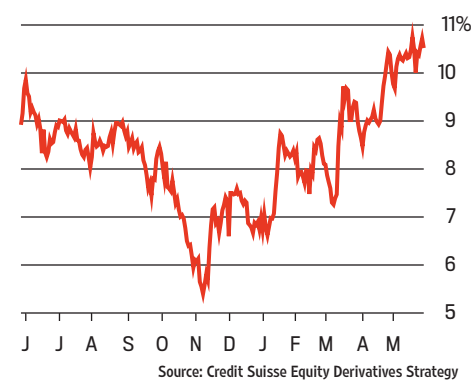
#### SPX Skew

Implied volatility %



#### NDX Skew

Implied volatility %



Skew indicates whether the options market expects a stock-market advance or decline. It measures the difference between the implied volatility of puts and calls that are 10% out of the money and expire in three months. Higher readings are bearish.

### Week's Most Active

Company	Symbol	Tot Vol	Calls	Puts	Avg Tot Vol	IV %ile	Ratio
Microbot Medical	MBOT	13880	9691	4189	12	25	1156.7
Atea Pharmaceuticals	AVIR	3942	2148	1794	140	26	28.2
Avid Technology	AVID	4026	1396	2630	224	1	18.0
Greenhill & Co.	GHL	3646	1691	1955	208	32	17.5
Biora Therapeutics	BIOR	4314	3671	643	504	77	8.6
Liberty Media	LSXMK	35602	30904	4698	4188	69	8.5
Abercrombie & Fitch	ANF	66300	34344	31956	8060	16	8.2
Guess?	GES	16719	4850	11869	2068	0	8.1
Hilton Worldwide	HLT	36865	34402	2463	4792	13	7.7
Lifecore Biomedical	LFCR	15742	6742	9000	2244	91	7.0
Dycom Industries	DY	4874	3082	1792	744	44	6.6
Ferroglobe	GSM	24132	6293	17839	3812	5	6.3
American Eagle Outfitters	AEO	66097	32053	34044	10616	29	6.2
Gingko Bioworks	DNA	51407	39689	11718	9348	59	5.5
Mirati Therapeutics	MRTX	14281	12336	1945	2644	49	5.4
The Vita Coco	COCO	9289	1465	7824	1748	14	5.3
Krystal Biotech	KRYS	2626	1409	1217	544	0	4.8
Digital Turbine	APPS	108801	55067	53734	23032	13	4.7
HEICO	HEI	4660	1481	3179	1004	8	4.6
Best Buy	BBY	120222	40297	79925	26756	32	4.5

This table of the most active options this week, as compared to average weekly activity – not just raw volume. The idea is that the unusually heavy trading in these options might be a predictor of corporate activity – takeovers, earnings surprises, earnings pre-announcements, biotech FDA hearings or drug trial result announcements, and so forth. Dividend arbitrage has been eliminated. In short, this list attempts to identify where heavy speculation is taking place. These options are likely to be expensive in comparison to their usual pricing levels. Furthermore, many of these situations may be rumor-driven. Most rumors do not prove to be true, so one should be aware of these increased risks if trading in these names. Ratio is the Tot Vol divided by Avg Tot Vol. IV %ile is how expensive the options are on a scale from 0 to 100. Source: McMillan Analysis

# INSIDE SCOOP

## GM's Finance Chief Nabs \$1 Million of Stock

BY ED LIN

**G**eneral Motors stock is about flat for the year after an earlier rally ran out of gas. In mid-May, the car maker's chief financial officer, Paul Jacobson, bought a large block of GM shares.

GM stock (ticker: GM) rose in early 2023, propelled in part by strong fourth-quarter earnings reported at the end of January. Guidance also topped what Wall Street analysts had expected. Shares set a 52-week intraday high of \$43.63 on Feb. 16. Then, shares began to slip on a steady drumbeat of layoffs, buyouts, and vehicle recalls. Gains made earlier in 2023 were wiped out by late May, even while GM's electric-vehicle program continued to roll ahead.

Jacobson paid \$1 million on May 19

for 31,000 GM shares, an average price of \$32.60 each. He now owns 186,847 GM shares, according to a form he filed with the Securities and Exchange Commission.

GM says Jacobson's purchase "reflects Paul's confidence in our ability to keep executing well, both today and as we scale our EV portfolio."

Jacobson last purchased GM stock in April 2022, when he paid \$1.4 million for 35,000 shares, an average price of \$38.79 each.

In early April of this year, value-investing star Ed Wachenheim III told *Barron's* that GM and **Ford Motor** shares (F) "seem to be exceptionally undervalued."

It isn't just talk. Wachenheim's Greenhaven Associates bought 4.9 million GM shares to lift its stake to 20.3 million shares as of March 31, and also purchased 5.6 million Ford shares. **B**

to acquire Atea for \$5.75 per share in cash plus a contingent value right to receive 80% of net proceeds "from any license or disposition of Atea's programs." Tang Capital is a controlling shareholder of Concentra, and Concentra believes that a definitive merger agreement can be negotiated by June 15, with a deal closing by the end of July. Concentra has given Atea's management until 5 p.m. ET on May 31 for a response or the offer will expire. Atea said that it "will carefully review and evaluate the proposal." In early May, Atea reported a first-quarter loss of 43 cents a share. J.P. Morgan analyst Eric Joseph reiterated a Neutral rating on Atea stock with an \$8 price

These disclosures are from 13Ds filed with the Securities and Exchange Commission. 13Ds are filed within 10 days of an entity's attaining more than 5% in any class of a company's securities. Subsequent changes in holdings or intentions must be reported in amended filings. This material is from May 18 through May 24, 2023. Source: **VerityData (verityplatform.com)**

## Increases in Holdings

### Atea Pharmaceuticals (AVIR)

**Tang Capital** boosted its stake in the pharmaceutical company to 3,026,455 shares. Tang Capital bought 2,726,455 Atea Pharmaceuticals shares from March 27 through May 15 at prices ranging from \$3.11 to \$3.30 apiece. Following the fresh investments, Tang Capital now holds 3.6% of Atea's outstanding stock. On May 22, **Concentra Biosciences** proposed

target. Joseph wrote in a May 8 report that "we continue to see Atea Pharmaceuticals shares trading rangebound near- to midterm."

## Decreases in Holdings

### Intapp (INTA)

**Temasek**, the Singapore-based sovereign-wealth fund, trimmed its position in the financial-services enterprise information-technology firm to 19,646,805 shares. Wholly owned Temasek affiliate **Anderson Investments** sold 2,486,438 Intapp shares at a price of \$35.04 through an underwritten May 17 offering, including a 30-day underwriters' option to purchase an additional 515,625 shares. Following the offering's close on May 22, Temasek has a 26.4% interest in Intapp. Shares have soared nearly 60% so far this year. Intapp's fiscal-third-quarter earnings, reported earlier this month, were strong. Raymond James analyst Alexander Sklar raised his price target on Intapp stock to \$44 from \$34 in a May 8 report and kept an Outperform rating.

### Lordstown Motors (RIDE)

Steve Burns, the former CEO of Lordstown Motors, reduced his stake in the maker of light-duty electric trucks to 12,457,306 shares, a 5.2% stake. Burns sold 4,345,647 Lordstown shares from May 5 through May 15 for \$1.5 million, or 35 cents per share on average. Burns stepped down as CEO of Lordstown in June 2021, after a company board committee found inaccuracies in parts of the company's disclosures on truck preorders. Burns also left Lordstown's board. The committee had found that disclosures made about preorders for Lordstown's electric truck, the Endurance, which was forthcoming at the time, to be inaccurate in some respects. The findings confirmed some claims outlined in a report by short seller Hindenburg Research, although the committee rejected other aspects of the report. Before his latest sales, Burns had owned 16,802,953 Lordstown shares, a 7% stake.

## POWER PLAY

# Jana Might Not Tame Freshpet

BY CARLETON ENGLISH

**J**ana Partners has been dogging **Freshpet**, but if the activist hedge fund prevails over the pet food and treats maker, it still might get only the short end of the stick.

Earlier this week, Jana nominated four members to Freshpet's (ticker: FRPT) 11-seat board, accusing several current directors of a "dereliction of duty" for pursuing "outside interests with corporate resources."

However, recent changes to Freshpet's board, announced on May 17, mean that only three of its directors are up for re-election at the company's July 25 shareholder meeting. One of Freshpet's directors, current Chairman Charles Norris, won't be standing for re-election this year due to reaching mandatory retirement age. And former **Conagra Brands** (CAG) executive David Biegger joined the board on May 17, but won't be up for election until 2024.

Jana accused Freshpet of trying to "disenfranchise shareholders" through recent board changes.

Some on Wall Street think it may be a challenge to get even three board seats, since Freshpet CEO William Cyr is one of the directors up for re-election.

"Taking out a CEO through a vote is typically pretty difficult," wrote Don Bilson, event-driven research head at Gordon Haskett, in a note. "With Cyr likely to survive a challenge, we see only two seats really being at risk."

In a statement this past Wednesday, Freshpet said it remains hopeful that it can avoid a "distracting proxy fight" and that the board and management team remain committed to "driving shareholder value." The company declined to comment further. **B**



# CHARTING THE MARKET

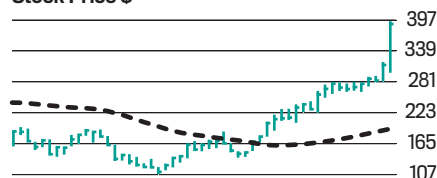
A graphic look at selected stock activity for the week ended May 26, 2023  
 Edited by Bill Alpert

## NVIDIA

**NVDA (NASDAQ)** • \$389.46 • 76.82

The chip maker set off a mania for artificial intelligence stocks, saying AI demand would lift this quarter's sales to \$11 billion, 50% above Street forecasts.

Stock Price \$



Volume in Millions

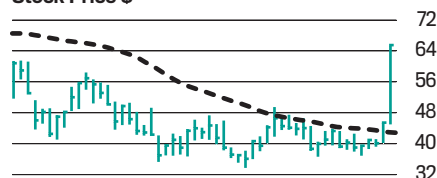


## Marvell Technology

**MRVL (NASDAQ)** • \$65.51 • 20.05

Investors searching for AI plays seized on this chip maker, after it said its AI-related sales would double next year, Advanced Micro Devices also popped.

Stock Price \$



Volume in Millions

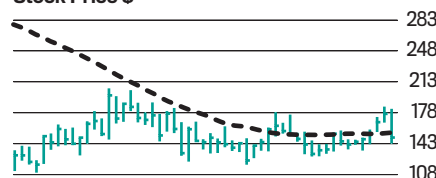


## Snowflake

**SNOW (NYSE)** • \$150.01 • -26.81

This fast-growing cloud data storage firm cut its full-year revenue guidance, sounding a discordant note in the week's hallelujah chorus for AI.

Stock Price \$



Volume in Millions

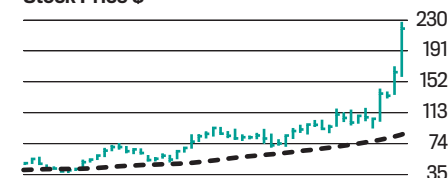


## Super Micro Computer

**SMCI (NASDAQ)** • \$219.18 • 54.99

Enthusiasm for AI plays reached computer sales and service firms like Super Micro, which announced a cloud-computing offering.

Stock Price \$



Volume in Millions

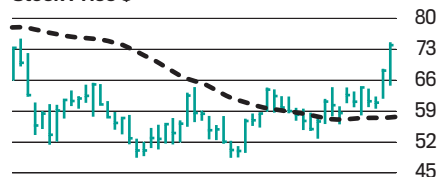


## Micron Technology

**MU (NASDAQ)** • \$73.93 • 5.76

China banned this American company's memory chips as security risks. Nearly 10% of sales could be hit. U.S. officials condemned the move.

Stock Price \$



Volume in Millions

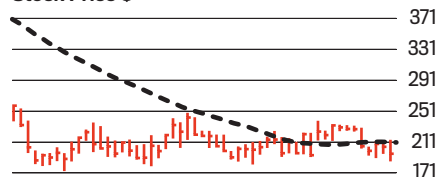


## Illumina

**ILMN (NASDAQ)** • \$195.89 • -8.97

The chairman of this gene sequencing firm lost his board seat to an employee of activist Carl Icahn. CEO Francis deSouza survived Icahn's challenge.

Stock Price \$



Volume in Millions

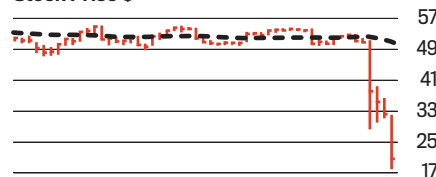


## Icahn Enterprises

**IEP (NASDAQ)** • \$20.65 • -11.57

Shares of Carl Icahn's holding company slid after he got only one of his three candidates onto Illumina's board and was criticized by investor Bill Ackman.

Stock Price \$



Volume in Millions

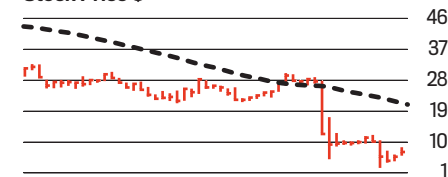


## PacWest Bancorp

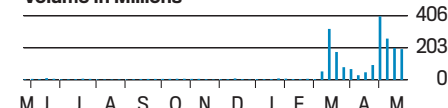
**PACW (NASDAQ)** • \$7.11 • 1.38

The beleaguered regional bank said it will burnish its balance sheet by selling a portfolio of real estate loans worth about \$2.6 billion.

Stock Price \$



Volume in Millions

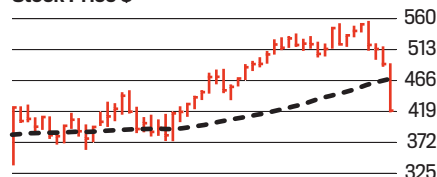


## Ulta Beauty

**ULTA (NASDAQ)** • \$420.27 • -70.78

As it reported April-quarter profits of \$6.88 a share, the beauty retailer said profit margins would narrow, as its five years of fast growth slow.

Stock Price \$



Volume in Millions

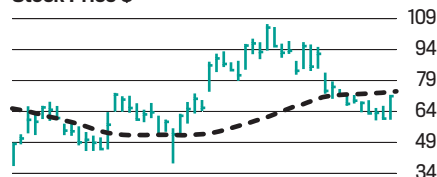


## PDD Holdings

**PDD (NASDAQ)** • \$71.42 • 10.89

The China-oriented e-commerce company more than doubled its earnings in the March quarter to \$1.5 billion as revenue rose 58% to \$15.5 billion.

Stock Price \$



Volume in Millions

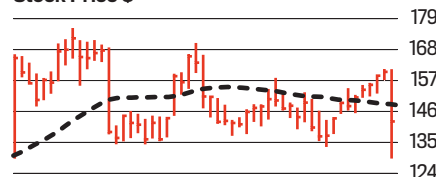


## Dollar Tree

**DLTR (NASDAQ)** • \$142.45 • -17.63

April-quarter earnings of \$1.47 a share fell short of expectations. The discount retailer is the latest to report that low-income shoppers are hurting.

Stock Price \$



Volume in Millions

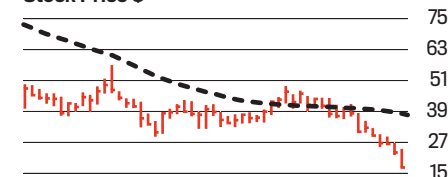


## Children's Place

**PLCE (NASDAQ)** • \$17.27 • -5.81

The kids apparel chain said its customers were suffering from inflation, as it reported an April-quarter loss and cut its sales forecast.

Stock Price \$



Volume in Millions



The charts record the net change in share price, the high, low and closing trades, and share volume for companies with noteworthy stock activity last week. In addition, the graphs depict last week's daily price activity in detail. The dotted line on some graphs denotes the stock's 200-day moving average; lack of a moving average means the shares have traded for less than that time period. If the close from the current week is lower than a year ago then the graph will be presented in red. If the close from the current week is higher than a year ago then the graph will be presented in green.

# WINNERS & LOSERS

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## NYSE Biggest % Movers

### Winners

Name (Sym)	Volume	Close	Change	%Chg.
Greenhill(GHL)	7062	14.50	+7.72	+113.9
Team(TISI)	5068	8.06	+3.88	+92.8
MediaAlpha(MAX)	2271	9.28	+2.61	+39.1
Abercrombie&Fitch(ANF)	26094	29.95	+7.09	+31.0
C3.ai(AI)	167322	32.94	+7.66	+30.3
ModineMfg(MOD)	2883	27.43	+6.19	+29.1
Cl&T(CINT)	2001	4.55	+0.98	+27.5
Vertiv(VRT)	62741	19.74	+4.18	+26.9

### Losers

Name (Sym)	Volume	Close	Change	%Chg.
Genesco(GCO)	2043	19.19	-10.89	-36.2
OneConnectFin(OCFT)	770	3.33	-1.50	-31.1
BrightHealth(BHG)	7565	11.77	-4.91	-29.4
Citizens(CIA)	2450	1.74	-0.67	-27.8
VirginGalactic(SPCE)	101984	3.38	-0.98	-22.5
ZimIntShipping(ZIM)	40296	13.78	-3.73	-21.3
BigLots(BIG)	13348	6.25	-1.63	-20.7
iHuman(IH)	94	2.95	-0.69	-19.0

## NYSE American Biggest % Movers

### Winners

Name (Sym)	Volume	Close	Change	%Chg.
BattalionOil(BATL)	68	6.46	+1.05	+19.4
Amcon(DIT)	4	219.51	+23.52	+12.0
CPI Aero(CVU)	418	3.89	+0.40	+11.5
Envela(ELA)	133	7.20	+0.71	+10.9
BK Tech(BKTI)	39	14.23	+1.14	+8.7
StandardLithium(SLI)	4267	3.78	+0.28	+8.0
Flanigans(BDL)	18	31.31	+2.31	+8.0
TrioTech(TRT)	63	4.79	+0.32	+7.2

### Losers

Name (Sym)	Volume	Close	Change	%Chg.
Mallinckrodt(MNKC)	13197	3.00	-3.30	-52.4
EmpirePetrol(EP)	143	9.29	-2.35	-20.2
AultAlliance(AULT)	509	11.79	-2.91	-19.8
Cohen(COHN)	52	4.58	-1.09	-19.2
DecisionPointSys(DPSI)	110	4.64	-0.86	-15.6
SilvercorpMetals(SVM)	5920	2.99	-0.53	-15.1
cbdMD(YCBD)	287	1.80	-0.25	-12.2
BluerockHomes(BHM)	173	15.94	-2.00	-11.1

## Nasdaq Biggest % Movers

### Winners

Name (Sym)	Volume	Close	Change	%Chg.
AlphaTeknova(TKNO)	415	3.32	+1.18	+55.1
Arrival(ARVL)	9411	3.80	+1.26	+49.6
MarvelTech(MRVL)	167693	65.51	+20.05	+44.1
LifecoreBiomed(LFCR)	18574	7.94	+2.30	+40.8
RecursionPharm(RRX)	32819	8.93	+2.50	+38.9
VectivBio(VECT)	37749	16.28	+4.38	+36.8
PrestoAutomation(PRST)	11687	3.59	+0.93	+35.0
CredoTech(CRDO)	13580	13.72	+3.52	+34.5

### Losers

Name (Sym)	Volume	Close	Change	%Chg.
RainOncology(RAIN)	53416	1.10	-8.83	-88.9
Annexon(ANNX)	19598	2.85	-3.05	-51.7
SigilonTherap(SGTX)	143	4.90	-3.38	-40.8
IcahnEnterprises(IEP)	40468	20.65	-11.57	-35.9
Microvast(MVST)	39890	1.37	-0.73	-34.8
Immuneering(IMRX)	428	6.49	-3.21	-33.1
ViractaTherap(VIRX)	2992	1.46	-0.67	-31.3
TheseusPharm(THRX)	2859	7.74	-3.26	-29.6

## NYSE Most Active

### Volume Percentage Leaders

Name (Sym)	Volume	%Chg.	Close	Change
BrightHealth(BHG)	7565	2118.1	11.77	-4.91
Greenhill(GHL)	7062	1661.3	14.50	+7.72
TortoiseEcolI A(TRTL)	2154	1262.8	10.31	+0.05
LearnCWInvA(LCW)	1715	969.1	10.42	+0.02
TrajectoryAlpha(TCOA)	998	873.7	10.33	+0.02
TLGAcqnOneA(TLGA)	395	675.0	10.52	0.00
US PhysTherapy(USPH)	2681	616.0	102.06	-11.81
FlameAcqnA(FLME)	2153	587.1	10.16	0.00
GatesIndustrial(GTES)	32930	559.3	11.70	-0.26
Xylem(XYL)	41465	449.1	98.35	-6.64
RenaissanceRe(RNR)	8428	464.6	189.08	-9.78
EveMobilityA(EVE)	4158	390.7	10.52	-0.00
LiveWire(LVWR)	180	311.2	8.30	+1.31
Stepan(SCL)	1810	290.5	93.64	+2.43
WeaveComms(WEAV)	5138	265.9	7.48	+0.34
NewRelic(NEWR)	10540	253.6	72.34	-12.53
IonQ(IONQ)	87225	248.5	10.00	+1.12
Abercrombie&Fitch(ANF)	26094	246.6	29.95	+7.09
Vertiv(VRT)	62741	238.8	19.74	+4.18
RiceAcqnII A(RONI)	3008	219.3	10.33	+0.01

### By Share Volume

Name (Sym)	Volume	Close	Change	%Chg.
PalantirTech(PLTR)	549112	13.65	+1.94	+16.6
FordMotor(F)	359878	12.09	+0.44	+3.8
NIQ(NIQ)	288397	7.70	-0.37	-4.6
AT&T(T)	274623	15.50	-0.81	-5.0
Pfizer(PFE)	250910	37.60	+0.83	+2.3
BankofAmerica(BAC)	236671	28.31	+0.20	+0.7
NuHoldings(NU)	185122	6.79	+0.27	+4.1
GinkgoBioworks(DNA)	175301	1.52	+0.24	+18.8
C3.ai(AI)	167322	32.94	+7.66	+30.3
WeWork(WE)	166806	0.19	-0.02	-10.7
Carnival(CCL)	161872	11.28	+0.34	+3.1
ItauUnibanco(ITUB)	121190	5.38	+0.04	+0.7
LumenTech(LUMN)	117060	1.97	-0.38	-16.2
TaiwanSemi(TSM)	113256	103.21	+10.63	+11.5
WellsFargo(WFC)	109917	41.23	+1.20	+3.0
D-WaveQuantum(QBTS)	105624	1.67	+1.19	+245.0
Verizon(VZ)	104858	35.00	-1.05	-2.9
VirginGalactic(SPCE)	101984	3.38	-0.98	-22.5
Uber(UBER)	101393	38.45	-0.73	-1.9
Farfetch(FTCH)	95829	4.71	-0.27	-5.4

### By Dollar Volume

Name (Sym)	\$ Volume	Close	Change	%Chg.
BerkHathway A(BRK.A)	11518694486650.00	-20511.00		-4.0
TaiwanSemi(TSM)	10251361	103.21	+10.63	+11.5
Snowflake(SNOW)	7690251	150.01	-26.81	-15.2
Pfizer(PFE)	6397719	37.60	+0.83	+2.3
ExxonMobil(XOM)	6108021	104.97	-1.29	-1.2
Visa(V)	6076638	225.01	-8.30	-3.6
PalantirTech(PLTR)	6028037	13.65	+1.94	+16.6
HomeDepot(HD)	5916744	292.83	+1.95	+0.7
Alibaba(BABA)	5810081	80.97	-3.01	-3.6
BankofAmerica(BAC)	5653319	28.31	+0.20	+0.7
EliLilly(LLY)	5464777	425.79	-16.59	-3.8
UnitedHealth(UH)	5088451	481.52	+2.70	+0.6
Disney(DIS)	5029559	88.29	-3.06	-3.3
Chevron(CVX)	5024585	154.08	-1.15	-0.7
Mastercard(MA)	4856438	374.37	-11.20	-2.9
Oracle(ORCL)	4854498	104.08	+1.24	+1.2
JPMorganChase(JPM)	4775888	136.94	-2.24	-1.6
Salesforce(CRM)	4749388	215.44	+5.08	+2.4
BerkHathway B(BRK.B)	4670670	320.60	-9.79	-3.0
ThermoFisher(TMO)	4121397	522.02	-5.36	-1.0

## NYSE American Most Active

### Volume Percentage Leaders

Name (Sym)	Volume	%Chg.	Close	Change
GalataAcqn(GLTA)	566	827.5	10.51	+0.01
AditEdTechA(ADEX)	222	644.5	10.40	-0.01
AultDisruptive(ADRT)	572	319.5	10.45	-0.10
AultAlliance(AULT)	509	264.8	11.79	-2.91
BlueRiverA(BLUA)	118	236.0	10.33	+0.07
dMYSquaredTechA(DMY)	81	183.3	10.26	+0.01
Mallinckrodt(MNKC)	13197	118.1	3.00	-3.30
Espey(ESP)	94	104.7	16.30	-1.72
inTEST(INTT)	1912	100.7	21.92	+0.47
Chase(CCF)	227	93.2	119.41	+1.74
Cohen(COHN)	52	84.6	4.58	-1.09
HNR Acqn(HNRA)	108	80.2	10.56	-0.05
ImperialOil(IMO)	3686	63.8	46.99	+0.13
BluerockHomes(BHM)	173	59.8	15.94	-2.00
EvansBancorp(EVBN)	102	50.4	23.39	-0.44
NovaGoldRscs(NG)	7349	44.0	5.24	-0.12
ContangoOre(CTGO)	38	42.6	25.31	-2.76
IvanhoeElectric(IE)	3375	41.7	11.53	-0.95
EvolutionPetrol(EPM)	1784	41.1	7.99	-0.12
EmpirePetrol(EP)	143	35.9	9.29	-2.35

### By Share Volume

Name (Sym)	Volume	Close	Change	%Chg.
NavideaBiopharm(NAVVB)	89299	0.09	-0.01	-10.6
UniqueFabricating(UFAB)	74415	0.25	+0.05	+25.2
Tellurian(TELL)	33056	1.27	-0.06	-4.5
B2Gold(BTG)	26332	3.76	-0.13	-3.3
Zomedica(ZOM)	22867	0.19	-0.01	-4.9
Senseonics(SENS)	19597	0.66	-0.05	-7.1
UraniumEner(UEC)	17973	2.57	+0.04	+1.6
GlobalStar(GSAT)	16477	1.12	+0.04	+3.7
NewGold(NGD)	16452	1.15	-0.15	-11.5
DenisonMines(DNN)	15643	1.06	-0.01	-0.9
Mallinckrodt(MNKC)	13197	3.00	-3.30	-52.4
Inuvo(INUV)	10367	0.25	-0.09	-26.9
eMagin(EMAN)	9469	2.01	+0.01	+0.5
ProtalixBio(PLX)	8585	2.06	+0.02	+1.0
i-80Gold(IAUX)	8430	2.16	-0.09	-4.0
RingEnergy(REI)	8190	1.80	-0.02	-1.1
EquinoxGold(EQX)	8056	4.47	-0.43	-8.8
CheniereEnergy(LNG)	7691	138.90	-2.28	-1.6
NovaGoldRscs(NG)	7349	5.24	-0.12	-2.2
Cybin(CYBN)	6549	0.29	-0.00	-0.8

### By Dollar Volume

Name (Sym)	\$ Volume	Close	Change	%Chg.
CheniereEnergy(LNG)	857661	138.90	-2.28	-1.6
ImperialOil(IMO)	135667	46.99	+0.13	+0.3
B2Gold(BTG)	86503	3.76	-0.13	-3.3
UraniumEner(UEC)	36581	2.57	+0.04	+1.6
inTEST(INTT)	36482	21.92	+0.47	+2.2
NovaGoldRscs(NG)	35166	5.24	-0.12	-2.2
Tellurian(TELL)	32774	1.27	-0.06	-4.5
EquinoxGold(EQX)	32119	4.47	-0.43	-8.8
EnergyFuels(UUUU)	29213	5.90	-0.09	-1.5
Mallinckrodt(MNKC)	26776	3.00	-3.30	-52.4
CheniereEnerPtrs(CQP)	26606	44.91	-1.34	-2.9
IvanhoeElectric(IE)	24728	11.53	-0.95	-7.6
UniqueFabricating(UFAB)	23358	0.25	+0.05	+25.2
MAG Silver(MAG)	21148	11.68	-0.12	-1.0
Chase(CCF)	21114	119.41	+1.74	+1.5
SilverCrestMetals(SILV)	18097	6.32	-0.44	-6.5
NewGold(NGD)	16603	1.15	-0.15	-11.5
SilvercorpMetals(SVM)	16609	2.99	-0.53	-15.1
eMagin(EMAN)	14564	2.01	+0.01	+0.5
ProtalixBio(PLX)	13857	2.06	+0.02	+1.0

## Nasdaq Most Active

### Volume Percentage Leaders

Name (Sym)	Volume	%Chg.	Close	Change
VectivBio(VECT)	3774			



# MARKET VIEW

This commentary was issued recently by money managers, research firms, and market newsletter writers. Edited by Barron's staff.

## Is Debt Downgrade Coming?

Research & Strategy  
BTIG  
btig.com

**May 25:** On May 24, Fitch put the U.S. AAA credit rating on negative watch, confirming concerns that a downgrade is possible. Fitch analysts said, "The brinkmanship over the debt ceiling, failure of the U.S. authorities to meaningfully tackle medium-term fiscal challenges that will lead to rising budget deficits, and a growing debt burden signal downside risks to U.S. creditworthiness." Notably, Fitch also suggested that novel solutions such as minting a \$1 trillion coin or invoking the 14th Amendment would also likely lead to a downgrade.

S&P downgraded its rating of long-term U.S. government debt from AAA to AA+ in 2011 following a prolonged battle over the debt ceiling and passage of a fiscal package the rating firm deemed insufficient. According to S&P's downgrade, the legislative package fell "short of the amount that we believe is necessary to stabilize the general government debt burden by the middle of the decade." Furthermore, "America's governance and policy making [has become] less stable, less effective, and less predictable than what we previously believed."

We have no unique insight into the credit-ratings firms' processes, but the U.S. is still facing the same tandem of troubling headwinds—unsustainable debt trajectory and governing volatility—that served as the basis of S&P's downgrade in 2011. The key difference between then and now is that total U.S. debt has increased from \$14.8 trillion to more than \$30 trillion.

—Isaac Boltansky

## Housing Slump Persists

AM Charts  
BMO Financial Group  
bmo.com

**May 25:** Loan applications to purchase a house fell again last week and continue to mine the lowest levels in eight years. That's not surprising, given the tight constraints on both sides of the sales

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equation. Demand has been pinched by tighter credit standards and the weakest affordability in over three decades, while supply is getting squeezed because so few homeowners want to give up the low-rate loans undertaken in 2020-21. So, even though the yearlong slump appears to have ended, don't expect the housing market to come roaring back to life. That likely awaits next year, assuming the Fed eases policy and the economic fog fades.

—Sal Guatieri

## Gas Prices Will Bite

Market Commentary  
Navellier  
navellier.com

**May 25:** The Energy Information Administration, or EIA, on Wednesday announced that crude-oil inventories plunged by 12.5 million barrels in the latest week. Additionally, gasoline inventories declined by 2.1 million barrels in the latest week, while the inventory of distillates (e.g., diesel, heating oil, jet fuel, etc.) declined by 600,000 barrels. Bespoke Investment Group reported that crude-oil inventories are now well below the five-year average, while crude-oil exports are at a record high, and crude-oil imports are near a five-year low. Additionally, gasoline demand is very close to a five-year high, so the seasonal demand during Memorial Day weekend is expected to reduce inventories further. Prices at the pump are expected to rise.

—Louis Navellier

## Stock Market Tailwinds

Global Investment Strategy  
BCA Research  
bcaresearch.com

**May 25:** Once the debt-ceiling soap opera ends, investors will likely turn their attention to some of the tailwinds supporting stocks. These include stronger earnings growth, diminished bank stresses, better housing data, early signs of an up-leg in the manufacturing cycle, the prospects of an AI-driven productivity boom, and the fact that labor slack has managed to increase without rising unemployment. Investors should resist turning bearish on stocks for now but look to become more defensive later this year.

—Peter Berezin

**“We have no unique insight into the credit-rating firms' processes, but the U.S. is still facing the same tandem of troubling headwinds—unsustainable debt trajectory and governing volatility—that served as the basis of S&P's downgrade in 2011.”** Isaac Boltansky

## Compelling Currency Trades

Weekly Update  
The Aden Forecast  
adenforecast.com

**May 25:** The U.S. dollar index has been on the rise. Boosted by higher interest rates, it's rapidly approaching an important resistance level near 104.50. The dollar index will be firm by staying above 103. Keep in mind, once this temporary rebound rise is over, the dollar is still set to fall further in its continuing bear market. Keep your dollars in 90-day T-bills. The euro and the Swiss franc have been under downward pressure while the dollar moves higher. These currencies are bullish, and if you have them, continue to keep them. Once these downward corrections end, they'll be poised to head higher.

—Pam and Mary Anne Aden

## CRE: Risks Are Overdone

CIO Weekly Commentary  
Nuveen  
nuveen.com

**May 22:** Banking system instability, still-

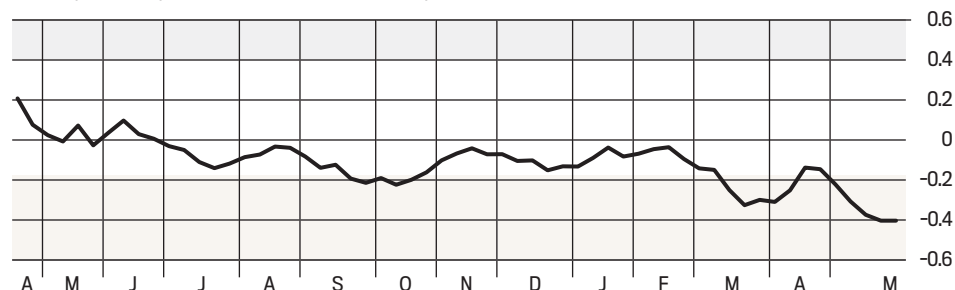
elevated interest rates, and high vacancies in office buildings have been hogging the headlines in commercial real estate. Some of these concerns may be disproportionate to the degree of actual risk reflected in the broad commercial real estate asset class. In public markets, for example, office and regional mall properties, which together accounted for nearly 20% of the FTSE Nareit All Equity REITs Index five years ago, have each seen their weightings cut in half, to just 4.5% and 3.3% of the index, respectively. Meanwhile, the industrial, data centers, wireless towers, and self-storage sectors have grown increasingly important, thanks to prudent use of debt and strong cash flow growth....

We see pockets of value [in the office sector]. We're not optimistic on the sector overall, but we are finding opportunities in select deals that have repriced materially lower, largely due to market sentiment. We favor the highest-quality (class A+) properties that are able to retain and attract tenants paying top-of-market lease rates. Yields for investment-grade office bonds are in the low-double digits—far higher than for other property types.

—Saira Malik

## Market Sentiment

Citigroup Panic/Euphoria Model Last -0.41 ● Euphoria ○ Neutral ● Panic



The panic/euphoria model is a gauge of investor sentiment. It identifies "Panic" and "Euphoria" levels which are statistically driven buy and sell signals for the broader market. Historically, a reading below panic supports a better than 95% likelihood that stock prices will be higher one year later, while euphoria levels generate a better than 80% probability of stock prices being lower one year later.

Source: Citigroup Investment Research - US Equity Strategy

# DATA

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## NEW YORK STOCK EXCHANGE COMPOSITE LIST - NEW HIGHS - NEW LOWS

-52-Week-High	-52-Week-Low	Name	Tick	Yld	P/E	Last	Chg.	Div Amt.
56.86	33.75	AAR	AIR	...	21	52.22	-1.05	...
50.47	37.68	ABMIndustries	ABM	2.0	16	44.64	+1.04	22
7.56	4.27	ACCO Brands	ACCO	6.0	dd	5.01	-0.13	0.075
10.72	7.23	AcresCmCRty	ACR	...	dd	8.08	-0.23	...
10.88	1.89	ADT Therap	ADCT	...	dd	2.28	-0.27	...
10.10	4.85	ADC	ADT	2.4	cc	5.83	-0.17	0.035
92.16	60.74	AECOM	ACM	9	29	77.06	-2.22	18
29.89	18.62	AES	AES	3.3	dd	19.87	-0.94	1659
74.02	52.07	Aflac	AFI	2.6	9	64.49	-2.39	42
145.53	88.55	AGCO	AGFL	1.0	9	114.36	+0.035	0.00
8.39	3.52	AG Mortgage	MIT14	6	dd	5.34	-0.13	18
4.23	0.30	a.k.a.Brands	KITA	...	dd	38	+0.02	...
16.89	8.77	AMC Ent	AMC	...	dd	4.64	-0.39	...
129.04	31.15	AMN Healthcare	AMN	...	11	96.23	-0.18	...
255.30	6.49	AMTD Digital	HKD	...	...	6.57	+0.06	...
25.80	1.44	AMTD IDEA	AMTD	...	2	1.51	-0.14	...
10.80	9.98	AP Acqn A	APCA	...	cc	10.64	...	...
3.87	2.11	ARC Document	ARC	6.8	12	2.95	-0.04	0.05
7.97	4.45	ASE Tech	ASX	4.4	10	7.88	+0.51	4.94
106.88	63.27	ASGN	ASGN	...	14	67.38	+1.34	...
21.53	14.46	AT&T	T	7.2	dd	15.50	-0.81	2.775
43.32	20.52	ATI	ATI	...	31	35.00	-1.61	...
2.26	0.17	ATI PhysTherapy	ATIP	...	dd	17	-0.04	...
45.25	25.66	ATS	ATS	...	41	43.01	-2.14	...
19.79	12.61	ATONetworks	ATEN	1.6	26	14.98	+0.88	0.06
63.99	48.32	AXIS Capital	AXS	3.3	20	52.97	-3.42	44
30.26	15.12	AZEK	AZEK	...	cc	23.91	-0.54	...
47.57	30.21	AZZ	AZZ	1.9	dd	36.23	-0.13	17
20.04	7.65	Aaron's	AAN	4.0	dd	12.59	+0.01	125
118.23	93.25	AbbottLabs	ABT	2.0	31	102.87	-6.06	51
168.11	134.09	AbbVie	ABBV	4.3	32	137.56	-7.55	1.48
31.69	14.02	Abdrombie&Fitch	ANF	...	43	29.95	+7.09	...
20.10	12.28	AcadiaRealty	ARC	5.6	dd	12.82	+0.10	18
12.18	7.26	AccelEnt	ACEL	...	13	9.35	-0.05	...
32.88	242.80	Accenture	ACN	1.5	28	303.62	+3.69	1.12
10.31	9.63	AcropolisInfra	ACRO	...	94	10.20	+0.02	11.2
202.90	142.71	AcuityBrands	AYI	3	34	145.58	-3.59	13
54.11	38.34	Acushnet	GOLF	1.7	15	44.75	+0.59	195
11.50	6.95	AdcoCoagro	AGRO	3.6	15	9.08	+0.26	1626
47.50	27.15	Adeco	ADNT	...	cc	35.01	-0.43	...
44.40	30.49	AdtalemGlbEdu	ATGE	...	23	42.29	-1.21	...
212.25	109.05	AdvantEdgeAuto	AAP	5.3	14	112.15	-5.26	15.0
153.36	75.02	AdvDrainageSys	WIMS	6	16	97.57	+1.02	14
47.77	30.69	AdvvanSix	ASIX	1.7	7	34.22	-1.01	145
5.69	3.77	Aegon	AEG	4.5	dd	4.49	-0.14	1288
5.90	1.70	Aenza	ANZ	...	dd	2.08	+0.05	...
66.85	37.20	AerCap	AER	...	cc	5.74	-1.19	...
56.80	36.44	AerjetRocket	AJRD	...	dd	54.29	-0.98	...
4.64	0.89	AevaTech	AEVA	...	dd	1.15	+0.18	...
180.63	108.12	AffiliatedMgns	AMG	...	0	142.25	+0.86	0.1
10.40	9.77	AfricanGoldA	AGAC	...	...	10.39	+0.02	...
10.60	9.63	AfterNextA	AFTR	...	98	10.29	+0.01	...
160.26	112.52	AgilentTechs	A	7	27	120.42	-8.45	2.25
22.53	14.15	Agiliti	AGTI	...	cc	17.33	+0.68	...
29.44	15.00	agilon health	AGL	...	dd	20.26	-1.59	...
61.15	36.69	AgreeEagleMines	AEM	3.1	10	51.01	-3.02	40
80.44	63.34	AgreeRealty	ADC	4.5	36	64.59	-1.34	243
46.20	29.75	AirLease	AL	2.1	9	38.89	+0.07	20
328.56	218.88	AirProducts	APD	2.6	28	273.83	-5.08	1.2
186.37	109.04	AirGroup	ALG	5	18	172.86	-5.08	2.2
14.12	6.35	AlamosGold	AGI	...	58	12.38	-0.33	0.25
53.96	37.20	AlaskaAir	ALK	...	99	45.10	+0.58	...
115.39	75.24	AlbanyIntl	AIN	1.2	29	86.88	-3.04	25
334.55	171.82	Albemarle	ALB	8	7	203.99	-0.16	40
31.29	19.14	Albertsons	ACI	2.4	9	20.08	-0.18	12
67.52	33.51	Alcoa	AA	1.2	dd	33.69	-2.41	10
82.08	55.21	Alcon	ALC	...	cc	79.05	-2.74	...
20.83	15.80	Alexander&Baldwin	ALEX	4.8	dd	18.26	-0.24	22
260.65	155.60	Alexander's	ALX	11.5	15	156.92	-4.51	5.0
172.65	110.64	AlexandriaREIT	ARE	4.3	25	111.77	-4.03	1.21
125.84	58.01	Alibaba	BABA	...	20	80.97	-3.01	...
10.19	6.31	Allight	ALIT	...	dd	8.22	-0.19	...
123.46	87.33	Allegion	ALLE	1.7	19	107.10	-2.20	4.5
9.43	1.85	Allego	ALLG	...	cc	2.04	-0.17	...
67.45	47.77	Allete	ALE	4.5	19	60.26	-1.52	6.775
45.75	31.31	AllianceBernstein	AB	7.9	14	34.34	-0.08	0.66
50.64	32.63	AllisonTransm	ALSN	1.9	8	48.57	-0.77	23
142.15	103.20	Allstate	ALL	3.3	dd	109.53	-8.25	0.82
44.33	21.59	AllyFinancial	ALLY	4.5	7	26.62	+0.19	30
186.98	103.90	AlphaMetal	AMR	1.5	2	137.88	-6.56	5.0
20.79	15.93	AlpineIncmProp	PINE	7.2	7	15.31	-0.31	2.25
20.60	8.65	AlticeEquipment	ALTG	1.6	55	14.42	-0.71	0.057
10.69	9.65	AlticAcqn	ALCC	...	95	10.65	+0.08	...
70.63	34.70	Alteryx	AYX	...	dd	35.83	-2.67	...

-52-Week-High	-52-Week-Low	Name	Tick	Yld	P/E	Last	Chg.	Div Amt.	
13.17	2.31	AltiacUSA	ATUS	...	48	2.50	-0.17	...	
10.88	9.79	AltimarAcqnIIIA	ATAQ	...	24	10.31	+0.09	...	
54.76	40.35	Altria	MO	8.4	14	44.61	-0.69	0.24	
14.72	4.08	AltusPower	AMPS	...	dd	4.74	+0.32	...	
17.75	10.04	AmbacFin	AMBC	...	1	14.28	-0.23	...	
3.24	2.40	Ambev	ABEV	3.7	16	2.91	+0.03	1457	
13.61	9.76	Amcor	AMCR	5.0	15	9.79	-0.44	1225	
97.53	73.28	Ameren	AEE	3.1	19	80.77	-3.35	63	
76.54	39.62	Ameresco	AMRC	...	29	43.25	+0.04	...	
23.07	16.09	AmericaMovil	AMX	1.5	18	22.31	+0.62	1967	
34.28	16.04	AmericanAssets	AAT	7.0	24	18.97	...	33	
11.96	6.61	AmericanAxle	AXL	...	15	7.16	+0.17	...	
17.09	9.46	AmerEagle	AEO	3.7	19	10.75	-1.41	10	
48.37	28.05	AmerEquity	AEL	9	8	40.09	+1.34	36	
182.15	130.65	AmerExpress	AXP	1.5	17	157.24	+4.29	60	
150.98	111.55	AmericanFin	AFG	2.2	12	113.85	-3.32	63	
38.94	28.79	AmHomes4Rent	AMH	2.6	38	33.71	-0.04	22	
64.88	45.66	AIG	AIG	2.7	7	54.07	+0.22	36	
31.59	13.35	AmRlytInvt	ARL	...	1	17.67	+0.79	...	
100.51	71.22	AmerStWater	AWR	1.8	34	89.99	+3.11	3975	
64.48	7.00	AmerStratInvt	NYC	...	dd	8.15	-0.13	...	
282.47	178.17	AmerTowerREIT	AMT	3.3	61	182.18	-8.55	1.57	
25.99	15.01	AmerVanguard	AVD	7	27	17.28	-0.37	0.3	
162.59	122.77	AmerWaterWorks	AWK	2.0	32	143.46	+2.01	7075	
5.43	1.95	AmericanWell	AMWL	...	dd	2.19	+0.04	...	
32.99	21.49	AmercoldRealty	COLD	3.0	dd	29.11	-0.56	22	
357.46	219.99	Ameriprise	AMP	1.7	16	309.13	+5.26	1.35	
176.62	135.14	AmerisourceBrgn	ABC	1.2	22	168.41	-4.98	485	
149.47	106.17	Ametek	AME	7	29	148.22	+0.65	25	
3.77	1.24	AnnealPharm	ANRX	...	dd	2.27	-0.04	...	
4.80	2.15	Amoco-Pitt	AP	...	42	3.16	+0.06	...	
82.86	61.67	Amphenol	APH	1.1	25	76.61	+0.81	21	
10.38	5.49	AmplifyEnergy	AMPY	...	1	7.22	+0.15	...	
26.01	4.15	AmprussTech	AMPX	...	dd	7.50	-0.56	...	
16.72	10.26	Amrep	AXR	...	cc	14.29	+0.46	...	
10.71	9.92	AndrettiAcqNA	WNRR	...	cc	10.58	+0.03	...	
15.77	4.43	AngelOakMtgREIT	AOMR16.7	dd	7.67	+0.12	35		
30.27	11.94	AngloGoldAsh	AU	1.9	33	23.47	-0.77	177	
67.09	44.51	AB InBev	BUD	1.1	19	57.15	-2.23	8245	
27.96	15.11	AnnalyCap	NLY	14.1	dd	18.44	-0.72	65	
23.91	8.98	AnnovisBio	ANVS	...	dd	13.39	-0.09	...	
11.61	8.56	AnteroMidstream	AM	8.6	15	10.44	-0.25	2.25	
48.80	20.06	AnteroResources	AR	...	cc	3	21.67	-2.03	...
13.03	4.33	AnywhereRealEst	HOUS	...	dd	5.95	-0.38	...	
338.27	246.21	Aon	AON	8	25	310.67	-16.45	615	
46.38	32.51	AptIncmREIT	AIRC	5.2	10	34.67	-0.50	45	
9.79	5.63	ApartmInvt	AIV	20.3	22	8.07	-0.52	0.2	
24.49	13.09	API Group	APG	...	98	22.80	-0.28	...	
13.10	7.91	ApolloCommREIT	ARJ	13.8	6	10.16	+0.07	35	
74.63	45.62	ApolloGlbMgmt	APD	2.6	dd	65.42	+1.57	43	
10.40	9.77	ApolloStratIIA	APGB	...	cc	33	21.01	-0.09	...
18.22	13.66	AppleHospREIT	APE	6.6	21	14.51	-0.69	0.8	
149.42	88.09	AppliedIndTechs	AIT	1.1	15	128.09	-1.08	35	

-52-Week-High	-52-Week-Low	Name	Tick	Yld	P/E	Last	Chg.
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NEW YORK STOCK EXCHANGE COMPOSITE LIST

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Table with columns: -52-Week-High, Low, Name, Ticker, Sym, Yld, P/E, Last, Chg., Div Amt. Includes entries like 16.15 3.34 Cl&T, 71.97 52.41 CMS Energy, etc.

Table with columns: -52-Week-High, Low, Name, Ticker, Sym, Yld, P/E, Last, Chg., Div Amt. Includes entries like 21.09 10.08 ClarosMtg, 147.76 81.56 ClearBarrors, etc.

Table with columns: -52-Week-High, Low, Name, Ticker, Sym, Yld, P/E, Last, Chg., Div Amt. Includes entries like 77.18 36.91 DaqoNewEnergy, 163.77 110.96 Darling, etc.

Table with columns: -52-Week-High, Low, Name, Ticker, Sym, Yld, P/E, Last, Chg., Div Amt. Includes entries like 8.68 5.39 EmpireStateRealty, 46.73 32.58 EmployersHdgs, etc.

Table with columns: -52-Week-High, Low, Name, Ticker, Sym, Yld, P/E, Last, Chg., Div Amt. Includes entries like 47.66 26.13 FiverrIntl, 10.47 9.75 FlameAcqN, etc.



DATA

NEW YORK STOCK EXCHANGE COMPOSITE LIST

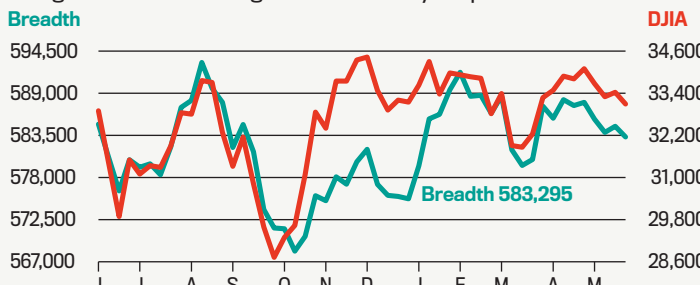
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Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like GranitePointMtg, GraniteRidge, GraphicPkg, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like HCA Healthcare, HCL Group, HCB Bank, etc.

NYSE Cumulative Daily Breadth vs DJIA

Ain't What It Seems: NYSE Composite breadth fell for the third time in four weeks, as the S&P 500 squeaked out a gain thanks to artificial intelligence stocks. Losing stocks narrowly outpaced winners.



In generating this chart, we subtract each day's NYSE composite declines from that day's advances. The resultant total is added to the next day's total, and so on. When all five days' numbers are added together, this produces the weekly figure we plot. Dec. 31, 1985=1000.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like HysterYaleMatis, ICICI Bank, ICL Group, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like JBG SMITH Prop, JELD-WEN, JLL, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like JohnsonControls, JonesLang, JPMorgan, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like KB Financial, KB Home, KBR, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like LCI Inds, LPL, LFL, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like Leidos, Leju, Lemonade, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like LockheedMartin, Loma, Lowe's, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like M&T Bank, MBI, MDC, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like M&T Bank, MBI, MDC, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like M&T Bank, MBI, MDC, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like McCormickVtg, McCormick, McDonald's, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like MeridianLink, MeritageHomes, MesaRoyalty, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like MetLife, MetropolitanBk, Mettler-Toledo, etc.

Table with columns: -52-Week-High, Low, Name, Tick Sym, Yld, P/E, Last, Chg., Div Amt. Lists various stocks like NACCOS Inds, Nable, NCR, etc.



DATA

NEW YORK STOCK EXCHANGE COMPOSITE LIST

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Table with 4 columns of stock data: High, Low, Name, and Div. Each column contains a list of stock tickers and their corresponding prices and dividends.



DATA

NYSE

NASDAQ ISSUES

BARRONS.COM/DATA

Table with columns: -52-Week-High, -52-Week-Low, Ticker, Name, Tick, Yld, P/E, Last, Chg., Div Amt. Includes entries like 49.29 12.77 Trinseo, 17.33 10.36 TripleFlagPrecMet, etc.

Table with columns: -52-Week-High, -52-Week-Low, Ticker, Name, Tick, Yld, P/E, Last, Chg., Div Amt. Includes entries like 26.74 16.73 Vishay, 45.69 27.03 VishayPrecision, etc.

Table with columns: -52-Week-High, -52-Week-Low, Ticker, Name, Tick, Yld, P/E, Last, Chg., Div Amt. Includes entries like 22.30 13.80 UBS Group, 50.65 37.18 UDR, etc.

Table with columns: -52-Week-High, -52-Week-Low, Ticker, Name, Tick, Yld, P/E, Last, Chg., Div Amt. Includes entries like 9.16 3.57 W&T Offshore, 108.20 80.82 WEC Energy, etc.

Table with columns: -52-Week-High, -52-Week-Low, Ticker, Name, Tick, Yld, P/E, Last, Chg., Div Amt. Includes entries like 51.40 17.43 VF, 4.00 1.25 ViaOptronics, etc.

Table with columns: -52-Week-High, -52-Week-Low, Ticker, Name, Tick, Yld, P/E, Last, Chg., Div Amt. Includes entries like 4.50 1.62 XFinancial, 49.20 24.75 XPO, etc.

Table with columns: -52-Week-High, -52-Week-Low, Ticker, Name, Tick, Yld, P/E, Last, Chg., Div Amt. Includes entries like 19.31 11.72 Valaris, 5.99 2.24 ValensSemicon, etc.

Table with columns: -52-Week-High, -52-Week-Low, Ticker, Name, Tick, Yld, P/E, Last, Chg., Div Amt. Includes entries like 10.00 2.95 XinyuanRealEst, 35.35 6.18 Xpeng, etc.

Table with columns: 52-Week-High, 52-Week-Low, Ticker, Name, Tick, Yld, P/E, Last, Chg., Div Amt. Includes entries like 104.32 48.98 AAOON, 26.04 12.24 AcadiaPharm, etc.

Table with columns: 52-Week-High, 52-Week-Low, Ticker, Name, Tick, Yld, P/E, Last, Chg., Div Amt. Includes entries like 46.35 20.64 Alpha&Omega, 10.62 9.90 AlphaStarAcqn, etc.

Table with columns: 52-Week-High, 52-Week-Low, Ticker, Name, Tick, Yld, P/E, Last, Chg., Div Amt. Includes entries like 84.80 1.24 Arcimoto, 18.07 7.85 ArcoPlatform, etc.

Five-Day Nasdaq Composite

AI Aye-Aye: Nvidia's booming sales of chips for AI set off a scramble for other AI plays. Marvell and Super Micro benefited. The Nasdaq Composite Index ended Friday at 12,976-up 2.5% for the week.

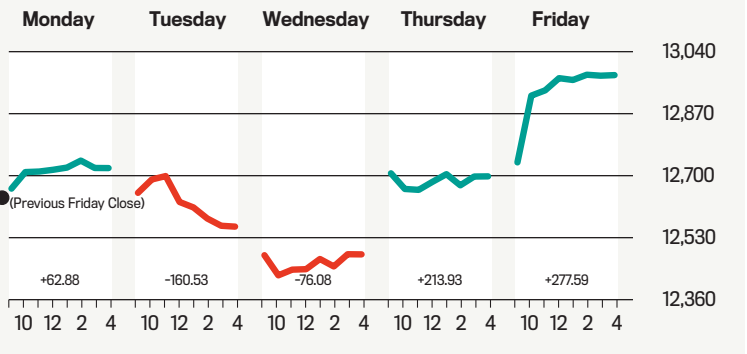


Table with columns: 52-Week-High, 52-Week-Low, Ticker, Name, Tick, Yld, P/E, Last, Chg., Div Amt. Includes entries like 46.35 20.64 Alpha&Omega, 10.62 9.90 AlphaStarAcqn, etc.

Nasdaq Issues includes stocks traded on the Nasdaq Global Select and Nasdaq Global Market tiers. They are eligible for inclusion on the basis of SEC-approved market value of publicly-held shares, trading volume, price and number of market-makers.



DATA

NASDAQ ISSUES

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Table with 10 columns: High, Low, Name, Ticker, Yld, P/E, Last, Chg, Div Amt. It lists various NASDAQ issues across multiple pages, including companies like BRP, BRF, BRF, etc.



NASDAQ ISSUES

BARRONS.COM/DATA

Main table containing NASDAQ stock data with columns for 52-Week High/Low, Name, Ticker, and various financial metrics. Includes sub-sections G, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.



NASDAQ ISSUES

BARRONS.COM/DATA

Table with columns: 52-Week High/Low, Name, Ticker, Yld, P/E, Last, Chg., Div Amt. Includes entries like Mondee, MoneyGram, MongobD.

Table with columns: 52-Week High/Low, Name, Ticker, Yld, P/E, Last, Chg., Div Amt. Includes entries like Napco Security, NBT Bancorp, NIGM.

Table with columns: 52-Week High/Low, Name, Ticker, Yld, P/E, Last, Chg., Div Amt. Includes entries like PAM Transport, P&F Industries, PCB Bancorp.

Table with columns: 52-Week High/Low, Name, Ticker, Yld, P/E, Last, Chg., Div Amt. Includes entries like NVIDIA, Nyxoah, ODP.

Table with columns: 52-Week High/Low, Name, Ticker, Yld, P/E, Last, Chg., Div Amt. Includes entries like OmegaFlex, OmegaPharm, OlinKolding.

Table with columns: 52-Week High/Low, Name, Ticker, Yld, P/E, Last, Chg., Div Amt. Includes entries like P&F Industries, PCB Bancorp, PCN.

Table with columns: 52-Week High/Low, Name, Ticker, Yld, P/E, Last, Chg., Div Amt. Includes entries like PeoplesBncPNC, PeoplesFinSvcs, PepGen.

Table with columns: 52-Week High/Low, Name, Ticker, Yld, P/E, Last, Chg., Div Amt. Includes entries like P&F Industries, PCB Bancorp, PCN.

Table with columns: 52-Week High/Low, Name, Ticker, Yld, P/E, Last, Chg., Div Amt. Includes entries like P&F Industries, PCB Bancorp, PCN.

Table with columns: 52-Week High/Low, Name, Ticker, Yld, P/E, Last, Chg., Div Amt. Includes entries like RCM Tech, RGNX, RFAcqN.

Table with columns: 52-Week High/Low, Name, Ticker, Yld, P/E, Last, Chg., Div Amt. Includes entries like RCM Tech, RGNX, RFAcqN.

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Table with columns: 52-Week High/Low, Name, Ticker, Yld, P/E, Last, Chg., Div Amt. Includes entries like RCM Tech, RGNX, RFAcqN.

Table with columns: 52-Week High/Low, Name, Ticker, Yld, P/E, Last, Chg., Div Amt. Includes entries like Sanmina, Sanofi, Sapiens.



**DATA NASDAQ ISSUES**

52-Week High	Low	Name	Tick Sym	Yld	P/E	Last	Chg.	Div Amt.	
2.65	0.92	StdBioTools	LAB	...	dd	2.49	+0.20	...	
33.99	16.85	StarBulkCarriers	SBLK21.3	...	dd	17.80	-1.10	<b>35</b>	
1.14	0.65	StarEquity	STR	...	dd	1.06	+0.10	...	
20.79	14.40	StarVw	STHO	...	...	15.03	-1.26	...	
115.48	2.34	StarWorks	SBUX 2.2	32	98.53	-6.98	53	...	
4.18	2.37	StealthGas	GASS	...	...	3	0.05	+0.19	
136.46	62.44	SteelDynamics	STLD 1.8	5	9.65	-1.41	425	...	
36.09	20.24	Stellar Bancorp	STEL 2.2	14	23.62	+0.76	13	...	
32.12	19.83	StepStone	STEP 3.7	dd	21.66	-0.80	<b>25</b>	...	
56.12	39.63	Stericycle	SRCL	...	...	49	43.11	+0.01	
23.36	10.58	SterlingCheck	STER	...	...	99	13.29	+0.90	
47.33	24.46	SterlingInfr	STRL	...	...	16	47.12	+3.18	
40.28	26.36	StevensonMadden	SMO 2.7	13	31.00	+0.02	21	...	
9.13	2.63	StitchFix	SFIX	...	...	dd	3.50	+0.45	
78.71	41.61	StockYardsBncp	SYBT 2.7	11	43.05	+0.55	29	...	
22.87	6.88	StokeTherap	STOK	...	...	dd	10.92	-0.30	
14.60	7.20	StoneCo	STNE	...	...	dd	12.26	-1.10	
106.35	71.24	StoneX	SNEX	...	...	dd	8.27	-2.16	
21.44	11.04	Stratasy	SSYS	...	...	dd	14.08	-1.30	
98.22	59.43	StrategicEd	STRA 3.0	51	79.39	+1.37	60	...	
36.35	16.79	Strattec	STRT	...	...	dd	19.06	+0.26	
46.44	18.51	StratxProp	STRS	...	...	0	20.76	+1.16	46.7
37.90	4.00	StrongholdDig	SDIG	...	...	dd	6.10	-0.35	
36.00	20.80	StructureTherap	GPCR	...	...	...	32.00	+7.76	
30.83	17.06	SummitFin	SMMF 4.1	5	39.47	+0.26	20	...	
17.92	12.36	SummitStateBk	SSBI 3.2	6	15.18	-0.32	12	...	
5.78	0.68	SummitTherap	SMST	...	...	dd	1.65	-0.03	
24.30	13.25	SunCountryAir	SNCY	...	...	21	18.37	+0.38	
11.67	6.83	SunOpta	STKL	...	...	dd	7.07	-0.58	
28.42	9.37	SunPower	SPWR	...	...	90	10.27	+0.70	
39.13	14.55	SunRun	RUN	...	...	cc	16.83	+2.20	
22.71	37.01	SuperMicroComp	SMCI	...	...	21	219.18	+54.99	
19.17	7.14	SuperiorGroup	SGC 6.2	dd	9.01	-0.45	14	...	
42.09	25.80	SuperusPharm	SUPN	...	...	39	33.62	-1.67	
2.15	0.56	SurfaceOnco	SURF	...	...	dd	8.87	+0.07	
6.77	0.80	Surgalign	SRGA	...	...	dd	8.1	-0.07	
41.80	20.46	SurgeryPartners	SGRY	...	...	dd	35.38	-1.50	
40.21	16.00	Surmodics	SRDX	...	...	dd	17.67	-0.88	
8.72	3.33	SurtoBioph	STRO	...	...	dd	4.90	-0.51	
184.75	1.04	Swvl	SWVL	...	...	dd	1.15	-0.08	
36.53	8.75	Symbotic	SYM	...	...	dd	36.10	+7.07	
154.68	67.73	Synaptics	SYNA	...	...	19	85.69	+3.65	
1.87	0.51	Synchronoss	SNCR	...	...	dd	92	+0.02	
29.86	14.69	SyndaxPharm	SNDX	...	...	dd	20.00	-1.69	
79.77	22.89	SyneosHealth	SYNH	...	...	29	41.60	-0.02	
1.35	0.45	Synlogic	SYBX	...	...	dd	56	-0.01	
450.00	267.00	Synopsys	SNPS	...	...	75	444.73	+36.23	
2.50	1.71	SyprisSolutions	SYPR	...	...	dd	1.90	-0.03	
11.50	2.42	SyrosPharm	SYRS	...	...	dd	3.70	-0.30	

52-Week High	Low	Name	Tick Sym	Yld	P/E	Last	Chg.	Div Amt.	
3.88	0.82	TCR2 Therap	TCRR	...	dd	1.58	-0.30	...	
13.18	5.15	TelaBio	TELA	...	dd	11.02	+1.39	...	
6.73	0.48	TFF Pharm	TFFP	...	dd	50	-0.12	...	
15.70	11.05	TFS Finl	TFFL 9.9	40	11.39	+0.03	<b>2825</b>	...	
11.35	9.95	TLGY Acqn A	TLGY	...	...	49	10.61	...	
1.61	0.51	TMCthemetaIs	TMC	...	...	dd	68	-0.05	
10.27	10.10	TMT Acqn	TMTT	...	...	dd	10.27	+0.06	
0.30	0.19	TMT Acqn Rt	TMTR	...	...	...	28	+0.01	
154.38	121.76	T-MobileUS	TMUS	...	...	44	135.15	-3.88	
44.43	23.09	TPG	TPG 5.3	dd	25.67	-1.07	20	...	
25.05	8.46	TPComposites	TPIC	...	...	dd	11.36	+0.88	
134.64	93.53	T.RowePrice	TROW 4.6	17	106.63	+0.02	122	...	
77.11	31.61	TTEC	TTEC 3.2	17	32.16	-1.48	52	...	
17.49	11.13	TTM Tech	TTMI	...	...	20	14.01	+1.00	
4.45	1.52	Taboola	TBLA	...	...	dd	2.84	-0.01	
6.69	2.33	TabulaRasaHlth	TRHC	...	...	dd	5.31	-0.67	
22.47	6.28	TactileSystems	TCMD	...	...	dd	19.79	-1.64	
141.96	90.00	TakeTwoSoftware	TTWO	...	...	dd	138.98	+1.55	
9.21	0.89	TalarisTherap	TALS	...	...	dd	2.78	-0.07	
11.37	10.02	Talon1AcqnA	TOAC	...	...	36	10.75	+0.07	
75.47	26.11	TandemDiabetes	TNDM	...	...	dd	26.57	-1.55	
8.56	2.88	TangoTherap	TNGX	...	...	dd	2.99	-0.73	
8.25	2.73	TarenalntI	TEDU	...	...	3	3.19	-0.03	
10.60	9.87	TargetGblIA	TGAA	...	...	63	10.52	+0.02	
19.66	11.33	TarsusPharm	TARS	...	...	dd	15.94	-0.22	
26.73	10.77	TaskUs	TASK	...	...	30	11.15	-0.16	
6.99	4.97	TatTechnologies	TATT	...	...	dd	6.14	+0.20	
5.09	0.61	TayshaGene	TSHA	...	...	dd	70	-0.04	
11.15	9.95	Tech&TelecomA	TETE	...	...	96	10.73	+0.06	
74.61	28.25	TechTarget	TGTG	...	...	32	35.68	+4.41	
8.34	5.10	Ericsson	ERIC 3.1	11	5.25	-0.02	0873	...	
18.21	6.00	Telesat	TSAT	...	...	dd	6.91	-0.88	
4.44	1.08	TelesisBio	TBIO	...	...	dd	1.85	-0.28	
12.51	1.53	Telesis	TLS	...	...	dd	3.32	+0.70	
15.15	0.23	TempoAutomation	TMPO	...	...	dd	32	-0.03	
58.30	23.81	10xGenomics	TGX	...	...	dd	52.88	-2.47	
53.75	28.80	Tenable	TENB	...	...	dd	39.09	-0.76	
7.95	1.64	TenayaTherap	TNYA	...	...	dd	6.99	-0.37	
10.58	10.09	TenXKeaneAcqn	TENK	...	...	...	10.45	+0.01	
8.83	0.10	TenXKeaneAcqnRt	TENKR	...	...	...	24	-0.26	
112.06	67.81	Teradyne	TER	...	...	27	103.71	+6.61	11
14.04	1.51	TernsPharm	TERN	...	...	dd	10.85	+0.76	
25.50	9.57	TerritorialBncp	TBNK 8.0	7	11.50	+0.35	23	...	
314.67	101.81	Tesla	TSLA	...	...	57	193.17	+13.03	...
8.91	4.03	TesscoTech	TESS	...	...	dd	8.83	+0.12	
169.67	118.55	TetraTech	TTTEK	...	...	8	137.11	-6.94	26
69.27	42.79	TexasCapBchss	TCBI	...	...	8	49.53	+0.45	
186.30	144.46	TexasInstruments	TXN 2.8	20	176.29	+1.18	124	...	
116.72	68.94	TexasRoadhouse	TXRH 2.0	27	110.63	-2.99	55	...	
37.58	16.59	The Bancorp	TBBK	...	...	dd	12	33.04	+1.79
11.69	2.02	TherapeuticsMD	TXMD	...	...	dd	3.86	-0.46	
12.03	7.53	TheravanceBncp	TBPH	...	...	dd	11.06	-0.15	
14.77	4.01	ThesephPharm	THRX	...	...	dd	7.74	-3.26	
26.75	12.31	ThirdCoastBchss	TCBX	...	...	11	16.73	+0.62	
24.60	3.75	ThrdHarmonic	THRD	...	...	dd	5.19	+0.37	
2.39	0.82	3kr	KRRK	...	...	11	98	-0.04	
6.45	3.41	ThomsonHealthtech	THRN	...	...	23	4.48	+0.11	
18.25	5.93	Thoughtworks	TWKS	...	...	dd	7.86	+0.24	
4.68	0.73	ThredUp	TDUP	...	...	dd	2.20	-0.55	
10.65	9.70	ThrunderBridgeVA	THCP	...	...	66	10.23	+0.02	
5.12	1.82	TilrayBrands	TSLY	...	...	dd	1.86	-0.55	
35.62	22.11	TimberlandBncp	TSBK 3.9	7	23.60	+0.22	23	...	
47.87	21.50	TitanMachinery	TITN	...	...	6	27.30	-7.30	

52-Week High	Low	Name	Tick Sym	Yld	P/E	Last	Chg.	Div Amt.	
36.60	11.00	Torm	TRMD23.4	3	25.99	-2.40	146	...	
49.11	37.60	TowerSemi	TSEM	...	...	15	38.93	-2.55	...
33.42	21.22	TowneBank	TOWN 3.8	10	23.92	+1.33	<b>25</b>	...	
251.17	181.40	TractorSupply	TSCO 1.9	22	211.50	-12.73	1.03	...	
76.75	39.00	TradeDesk	TTD	...	...	cc	67.67	+0.85	...
79.98	51.47	Tradeweb	TW	...	...	5	69.03	-0.86	09
0.17	0.11	TraillblazerRt	TBMR	...	...	dd	16	+0.03	...
10.15	10.08	TraillblazerA	TBMC	...	...	dd	10.12	...	...
8.50	3.60	TransActTechs	TACT	...	...	48	7.24	-0.02	...
94.10	50.32	Transcat	TNRS	...	...	63	88.50	-1.29	...
90.15	24.01	TransMedics	TMDX	...	...	dd	70.68	-1.76	...
9.59	4.10	Travelzoo	TZOO	...	...	15	8.82	+0.07	...
29.14	14.51	TraverseTherap	TVTX	...	...	dd	16.42	-0.03	...
27.97	13.19	TreaceMed	TMCI	...	...	dd	26.25	-0.25	...
12.85	5.06	TremorIntl	TRMR	...	...	20	6.04	+0.18	...
4.68	1.43	TreviTherap	TRVI	...	...	dd	2.43	+0.03	...
58.62	28.66	TriCoBankshares	TCBK 3.5	8	33.96	+0.41	<b>30</b>	...	
31.89	21.41	TriMas	TRS	...	...	19	25.62	+0.20	04
72.24	45.43	Trimble	TRMB	...	...	25	47.19	-0.67	...
1.50	0.80	TrinityBiotech	TRIB	...	...	dd	92	-0.04	...
17.09	10.23	TrinityCapital	TRIN4.4	dd	12.49	+0.38	47	...	
40.17	19.25	Trip.com	TCOM	...	...	cc	31.49	-1.76	...
28.05	14.39	TripAdvisor	TRIP	...	...	dd	15.31	-0.57	...
10.35	0.82	TritiumDCFC	DFCC	...	...	...	1.19	+0.14	...
76.49	45.08	TriumphFin	TRIF	...	...	15	53.17	+0.76	...
3.03	0.93	trivago	TRVG	...	...	dd	1.25	+0.11	...
82.49	19.64	Trupanion	TRUP	...	...	dd	20.50	-0.45	...
39.36	27.27	TrustcoBank	TRST 5.0	7	28.82	+0.41	<b>36</b>	...	
38.47	20.28	Trustmark	TRMK 4.2	14	21.79	+0.03	23	...	
6.03	1.45	TScanTherap	TRCX	...	...	dd	3.19	-0.01	...
2.90	0.47	Tunui	TOUR	...	...	dd	1.29	+0.01	...
19.19	6.17	TurtleBeach	TEAR	...	...	dd	11.45	-0.15	...
10.85	0.75	TuSimple	TSP	...	...	dd	1.94	+0.34	...
6.31	1.74	23andMe	ME	...	...	dd	2.08	+0.14	...
14.46	7.91	TwinDisc	TWIN	...	...	15	10.88	-1.74	...
58.76	11.46	TwistBiosci	TTWV	...	...	dd	14.41	+1.38	...
18.88	8.25	2seventybio	TSVT	...	...	dd	11.98	+0.56	...
13.15	3.37	2U	TWOU	...	...	dd	3.90	+0.30	...
16.86	4.93	TyraBiosciences	TYRA	...	...	dd	13.95	-0.50	...

52-Week High	Low	Name	Tick Sym	Yld	P/E	Last	Chg.	Div Amt.
99.40	64.13	UPF Inds	UFPI 1.2	8	80.79	-1.87	25	...



DATA

EXCHANGE-TRADED PORTFOLIOS

BARRONS.COM/DATA

Main table containing exchange-traded portfolios with columns for Name, Ticker, Yld, Last, Chg, Div, Amt. Includes sections for NASDAQ and Selected ETF Leaders.

Source: Barron's Statistics



EXCHANGE-TRADED PORTFOLIOS

BARRONS.COM/DATA

Main table containing 10 columns of portfolio data: Name, Tck Sym, Yld, Last, Chg, Div Amt, Name, Tck Sym, Yld, Last, Chg, Div Amt, Name, Tck Sym, Yld, Last, Chg, Div Amt, Name, Tck Sym, Yld, Last, Chg, Div Amt, Name, Tck Sym, Yld, Last, Chg, Div Amt. Includes various sectors like Tech, Healthcare, Energy, and Global.



DATA

EXCHANGE-TRADED PORTFOLIOS

BARRONS.COM/DATA

Main table containing exchange-traded portfolios with columns for Name, Ticker, Yld, Last, Chg, Div Amt, and Div. Includes sub-sections for various sectors like Technology, Healthcare, and Energy.



DATA

EXCHANGE-TRADED PORTFOLIOS

BARRONS.COM/DATA

Table with columns: Name, Tck Sym, Yld, Last, Chg, Div Amt, Name, Tck Sym, Yld, Last, Chg, Div Amt, Name, Tck Sym, Yld, Last, Chg, Div Amt, Name, Tck Sym, Yld, Last, Chg, Div Amt, Name, Tck Sym, Yld, Last, Chg, Div Amt. Contains multiple columns of financial data for various exchange-traded portfolios.



DATA

MUTUAL FUNDS

DATA PROVIDED BY LIPPER

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**About Our Funds**  
The listings include the top 1250 open-end funds by assets. These funds value their portfolios daily and report net asset values (the dollar amount of their holdings divided by the number of shares outstanding) to the National Association of Securities Dealers. Total returns reflect both price changes and dividends; these figures assume that all distributions are reinvested in the fund. Because Lipper is constantly updating its database, these returns may differ from those previously published or calculated by others. 3 year returns are cumulative. The NAV is the last reported closing price for the week. Footnotes: NA: not available, NE: performance excluded by Lipper editor, NN: fund not tracked, NS: fund not in existence for whole period, e: ex capital gains distributions, f: previous day's quote, n: no front- or back-end sales charge, p: fund assets are used to pay marketing and distribution costs (12b-1 fees), r: fund levies redemption fee or back-end load, s: stock dividend or split of 25% or more, t: fund charges 12b-1 fees (for marketing and distribution) and a back-end load, v: capital-gains distribution may be a return of capital, x: ex cash dividend.

**NOTICE TO READERS: Closed End Fund listings have moved to barrons.com/cefund. They will no longer appear in print. The Herzfeld chart has moved to the Market Lab Newsletter. To sign up for the newsletter, go to barrons.com/newletters.**

	NAV	YTD Chg.	3-Yr. %Ret.	3-Yr. %Ret.
<b>A</b>				
<b>AAM:</b>				
B&GInGroCl	21.66	-0.21	-1.7	35.2
<b>AB Funds:</b>				
CapFdnLCapGow	81.82	0.80	17.2	36.1
MuniIncMShares	10.82	-0.09	1.7	9.0
<b>AB Funds - A:</b>				
LgCpGrA	72.75	0.71	17.0	34.8
RelatValA	5.77	-0.07	-1.5	47.4
<b>AB Funds - ADV:</b>				
GibBd	6.71	-0.05	1.2	-7.5
HilncmAdv	6.52	-0.03	2.9	12.9
IntlStrEqPADV	11.14	-0.12	6.1	19.0
LgCpGrAdv	81.90	0.80	17.1	35.9
SelectUSLgShrt	12.65	-0.02	2.9	25.9
SmlMidCpValAdv	20.17	-0.01	-0.4	55.9
<b>Aberdeen Fds:</b>				
EmMktEqvInst	12.97	0.09	3.8	13.9
<b>Advisers Inv Trst:</b>				
Balanced n	81.59	-0.99	2.8	30.4
Growth n	100.49	-0.93	4.4	48.6
<b>Akre Funds:</b>				
AkreFocusInst	51.52	-0.60	7.2	19.0
AkreFocusRtl	49.61	-0.59	7.1	18.1
<b>AmanGrowth:</b>				
AmanGrowthn	63.00	-0.04	10.1	55.9
<b>Amer Beacon Inst:</b>				
SmlPnInst	22.21	0.04	-1.0	64.3
<b>American Century G:</b>				
GIBond	8.53	-0.05	2.2	-6.6
Sustain Equity	42.66	0.23	10.0	47.0
<b>American Century I:</b>				
EqInc	8.70	-0.17	-0.3	32.3
Growth	44.98	0.79	22.9	39.9
IntTF	10.61	NA	2.9	NA
MidCapVal	15.06	-0.28	-2.3	47.0
SmlCapVal	8.99	0.04	-1.4	65.7
<b>American Century Inv:</b>				
DiscCoreValn	29.34	-0.25	-4.0	28.6
EqGro n	23.59	0.13	7.6	27.6
EqInc n	8.69	-0.17	-0.3	31.7
Grwth n	43.65	0.77	22.9	39.9
Heritage n	19.80	0.07	8.3	22.1
MidCapVal n	15.04	-0.28	-2.3	46.2
OneChMod n	13.44	-0.10	4.8	19.2
Select n	91.94	1.46	22.1	40.4
Ultra n	68.48	1.09	24.1	43.9
<b>American Century R6:</b>				
MidCapVal	15.06	-0.28	-2.2	47.7
SmlCapVal	9.00	0.04	-1.2	66.7
<b>American Funds CI:</b>				
2020TarRetA	12.46	-0.09	2.4	13.4
2025TarRetA	13.90	-0.09	3.3	19.9
2030TarRetA	15.19	-0.07	4.5	15.8
2035TarRetA	16.34	-0.06	5.7	25.4
2040TarRetA	17.00	-0.04	6.8	28.5
2045TarRetA	17.37	-0.04	7.2	28.9
2050TarRetA	17.03	-0.03	7.5	28.7
AmpcA	34.13	0.13	13.5	24.5
AMutIA	48.01	-0.82	-0.4	38.3
BondA	11.32	-0.10	0.8	-9.6
BalA	29.70	-0.02	3.6	21.1
CapBIA	63.11	-0.51	0.9	24.2
CapWA	16.03	-0.19	0.0	14.2
CapWGrA	55.50	-0.16	8.0	32.0
EupacA	53.78	-0.83	9.7	22.1
FdnIA	65.35	0.21	8.8	40.7
IntUSIA	33.87	-0.12	4.6	15.0
GovtA	12.14	-0.16	0.2	-10.8
GrwthA	57.19	0.57	15.6	29.7
HITrA	9.05	-0.04	2.4	16.3
IntlMuniA	14.44	-0.08	1.7	4.6
ICAA	45.25	0.20	10.1	42.9
IncoA	22.36	-0.20	-0.4	27.7
IntBdA	12.41	-0.12	1.0	-5.1
IntGrInCA	33.97	-0.44	7.0	32.1
LtdTdBdA	14.97	-0.08	0.2	-2.2

	NAV	YTD Chg.	3-Yr. %Ret.	3-Yr. %Ret.
N PerA	53.07	-0.11	12.2	37.0
NECoA	49.46	0.56	13.7	21.6
NwWrldA	71.73	-0.08	7.9	23.0
SmCpA	59.67	-0.46	6.4	16.7
STBFA	9.44	-0.06	1.0	-3.0
STTxEbDA	9.75	-0.04	0.0	-2.1
TECAA	16.17	-0.11	0.8	-2.4
TxEaA	12.05	-0.06	1.1	-1.6
WshA	53.37	0.09	3.1	45.6
<b>AMG Managers Funds:</b>				
YachtmanFocFdl	18.96	-0.14	5.1	49.9
YackFocFdn N	19.03	-0.13	5.1	49.1
YacktmamFdl	21.85	-0.23	3.4	50.3
<b>Angel Oak Funds Trst:</b>				
AgloMtsIFdCln	8.40	NA	NA	NA
<b>AQR Funds:</b>				
LgCapDefStyleI	25.16	-0.48	0.6	30.2
<b>Artisan Funds:</b>				
GblOppInst	29.40	0.20	11.3	20.0
Intl Inv n	25.53	-0.65	6.8	15.1
Intllnst	25.68	-0.65	6.9	15.8
IntlVal Inst	42.72	-0.70	10.7	63.4
IntlVal Inv n	42.55	-0.71	10.6	62.2
MidCapInst	37.13	0.02	11.0	10.0
MidCapInv n	31.10	0.02	10.9	9.3

	NAV	YTD Chg.	3-Yr. %Ret.	3-Yr. %Ret.
<b>B</b>				
<b>Baird Funds:</b>				
AggBdInst	9.61	-0.09	1.4	-10.2
CorBdInst	9.88	-0.09	1.5	-8.4
IntBdInst	10.12	-0.09	1.6	-5.6
ShtTdBdInst	9.23	-0.06	1.4	-0.5
<b>Baron Funds:</b>				
Asset n	90.42	-0.55	4.1	16.2
Growth n	90.09	-0.80	6.0	36.5
Partners n	134.09	2.62	20.2	115.3
<b>Baron Intl Shares:</b>				
AssetInst	95.58	-0.57	4.2	17.1
EmergingMktsInst	13.42	0.13	2.9	10.9
GrowthInst	94.95	-0.84	6.1	37.6
PartnersInst	139.41	2.73	20.3	116.9
SmallCapInst	27.84	-0.25	5.1	20.2
<b>Bernstein Fds:</b>				
DivrMuni n	13.63	-0.06	1.0	1.0
IntmDurr n	11.23	-0.09	1.2	-10.0
NY Munn	13.20	-0.04	1.2	1.8
<b>BlackRock Funds:</b>				
CoreBd Inst	8.28	-0.04	2.1	-9.8
HyBk	6.70	-0.03	3.6	11.2
HyVldBdInst	6.69	-0.04	3.4	10.8
InfPratBdInst	9.85	-0.05	2.2	2.3
LowDurl Inst	8.87	-0.04	1.5	-0.3
<b>BlackRock Funds A:</b>				
AdvLgCapCore	16.51	0.06	8.4	41.1
CapAppr	27.87	0.54	25.3	23.0
EqDivd	18.43	-0.34	1.7	42.1
GblAlloC	17.12	-0.14	4.0	15.8
HlthScOp	64.14	-1.99	-2.3	20.8
MidCpGrA	28.09	0.09	10.0	8.2
MultiAstIncme	9.60	-0.08	2.8	8.6
NatIMuni	9.96	-0.06	1.4	-2.1
ScTechOppA	43.84	2.09	28.3	25.8
TotRet	9.94	-0.06	2.1	-9.1
<b>BlackRock Funds II:</b>				
ISHS&P500IdxK49412	1.71	10.3	47.2	
ISHUSAggBdIdxK	8.93	-0.05	1.6	-11.3
<b>BlackRock Funds Inst:</b>				
AdvLgCapCore	17.47	0.07	8.5	42.1
CALMSMun	11.70	-0.05	0.8	2.7
EmgMkts	23.31	0.08	4.7	12.5
EqDivd	18.53	-0.33	1.9	43.3
FloRatelnCporis	9.44	-0.03	3.8	17.4
GblAlloC	17.32	-0.13	4.1	16.8
HiEqInc	26.66	-0.44	0.9	47.1
HlthScOp	68.49	-2.13	-2.2	21.7
GrpEq	33.07	-0.11	10.1	9.1
MultiAstIncme	9.61	-0.08	2.9	9.4
NatIMuni	9.96	-0.05	1.6	-1.3
ScTechOppInst	48.26	2.31	28.4	26.7
StratMuniOppInst	9.14	-0.05	1.1	5.1
StratMuniOpp	10.31	-0.06	0.9	1.9
TotRet	9.94	-0.06	2.2	-8.2
<b>BNY Mellon Funds:</b>				
AprenC	38.65	-0.36	9.2	45.3
Dr500In n	48.02	0.17	10.1	45.2
BalA	14.78	0.07	13.1	51.7
DreyfIn	26.83	-0.14	10	43.6
GrwthMid rInv n	19.09	-0.10	1.8	3.7
GIFVInc	19.09	-0.10	1.8	3.7
Inst&PStkIdxI	58.09	0.20	10.2	46.5
IntUSIK	23.54	-0.19	14.8	23.9
IntUSIK	23.25	-0.18	14.8	24.0
SmlMidCpGrI	23.48	-0.48	3.2	-3.6
StrgValI	38.43	-0.65	-0.6	78.5
<b>BNY Mellon Funds Tru:</b>				
MCMutlStrM	16.25	-0.20	2.5	32.7
NtlIntMuni	12.72	-0.06	1.0	-0.8
<b>Bridge Builder Trust:</b>				
CoreBond	8.85	-0.05	1.2	-9.2
CorePlusBond	8.72	-0.06	1.2	-6.6
IntlEq	11.77	-0.20	9.8	30.4

	NAV	YTD Chg.	3-Yr. %Ret.	3-Yr. %Ret.
LargeCapGrowth	19.56	0.12	14.5	36.1
LargeCapValue	14.99	-0.19	0.4	54.3
MunicipalBond	9.70	-0.04	0.8	0.2
S/MCapGrowth	12.53	-0.03	6.6	18.9
S/MCapValue	12.20	-0.09	-1.4	51.0
<b>Brown Advisory Funds:</b>				
GrwthEqlyInst	24.66	0.21	13.9	14.4
<b>C</b>				
<b>Calamos Fds:</b>				
MktNeutl	14.31	0.00	4.1	10.8
<b>Calvert Investments:</b>				
Eq A	68.82	-1.15	4.0	36.3
<b>Carillon Reams:</b>				
CorePIBd I	29.86	-0.16	2.4	-6.2
<b>Carillon Scout:</b>				
MidCap I	19.39	-0.22	0.1	34.2
<b>Causeway Inst :</b>				
CausewayInst	18.62	-0.31	16.9	62.3
<b>CIBC Atlas:</b>				
DispEq Inst	25.67	-0.12	6.6	36.4
<b>ClearBridge:</b>				
AggressGrowthA10373	0.55	7.6	10.5	
AllCapValueA	12.19	0.02	0.1	48.2
AppreciationA	28.72	-0.14	6.8	44.5
DividendStratI n	27.30	-0.32	2.6	46.1
DividendStratA	27.27	-0.32	2.4	44.8
LargeCapGrowthFds	49.20	1.06	23.0	29.2
LargeCapGrowthI	57.34	1.23	23.2	30.2
SmallCapGrowthI	37.21	-0.67	-0.3	14.9
<b>Cohen &amp; Steers:</b>				
GblRtlyl	48.12	-0.55	-0.6	15.1
InstIRtlyl	41.94	-0.31	-0.7	23.6
PrfSecIncln	11.20	0.05	-2.8	-1.2
RtlyIncln	14.95	-0.10	-0.7</	

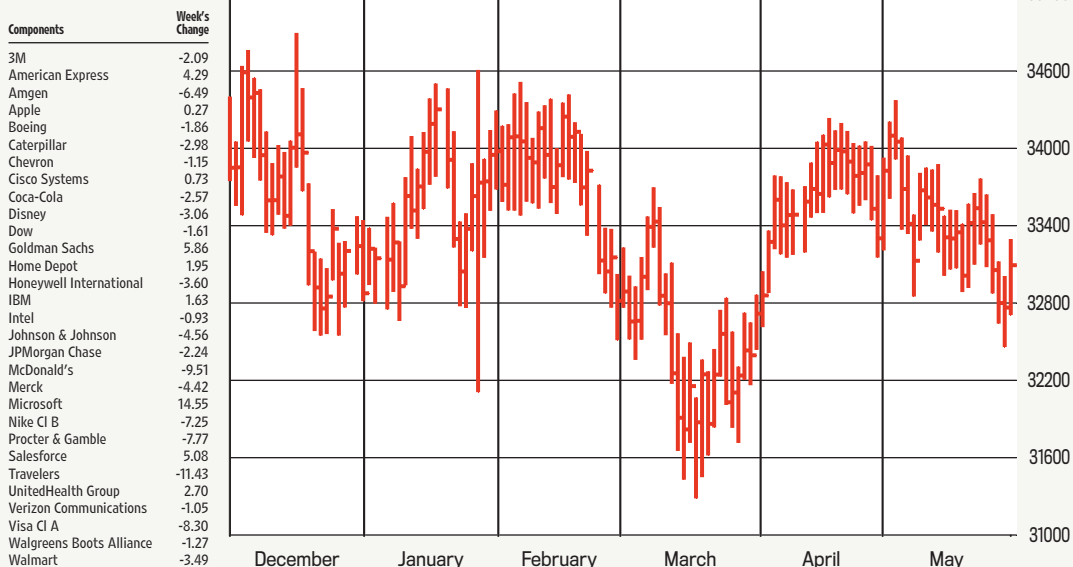




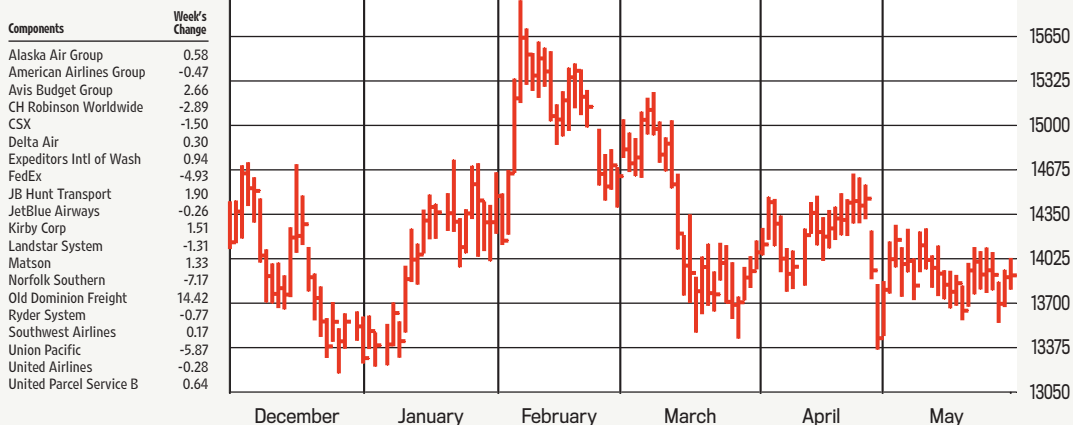


# The Dow Jones Averages

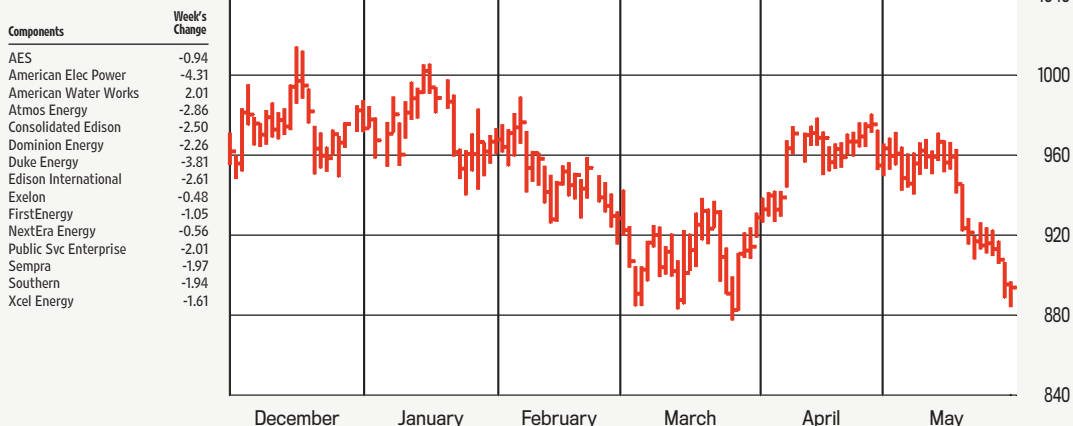
## Industrials



## Transportation



## Utilities



Note: Theoretical highs and lows are shown. A red chart indicates a lower price than the starting period. Green means it's higher than the starting period.

## DJ Half-Hourly Averages

Dow Jones 30 Industrial (divisor: 0.15172752595384)

Daily	May 22	23	24	25	26
Open (t)	33405.01	33149.56	33020.44	32787.66	32805.52
Open (a)	33408.54	33190.60	33021.76	32854.26	32795.50
10:00	33309.23	33265.85	32846.74	32765.23	32966.08
10:30	33356.44	33284.84	32852.29	32733.87	33139.06
11:00	33316.11	33266.13	32828.28	32739.20	33108.44
11:30	33355.78	33289.08	32852.41	32665.72	33022.13
12:00	33363.70	33285.16	32790.07	32635.65	33041.78
12:30	33307.49	33289.31	32764.80	32687.18	33100.29
1:00	33313.88	33229.24	32808.68	32635.11	33063.15
1:30	33322.13	33168.14	32798.45	32738.82	33052.49
2:00	33316.79	33191.29	32850.73	32787.67	33060.85
2:30	33355.26	33062.93	32771.80	32788.04	33077.62
3:00	33357.39	33100.45	32780.15	32737.18	33102.21
3:30	33316.13	33110.98	32876.22	32792.59	33089.92
Close	<b>33286.58</b>	<b>33055.51</b>	<b>32799.92</b>	<b>32764.65</b>	<b>33093.34</b>
High (t)	33642.54	33489.51	33123.03	33009.53	33296.66
Low (t)	33077.88	33287.29	32640.22	32458.55	32706.29
High (a)	33512.30	33310.17	33031.75	32870.43	33162.06
Low (a)	33207.85	33013.29	32752.44	32586.56	32795.50
Change	-140.05	-231.07	-255.59	-35.27	+328.69

Theoretical (t): High 33642.54 Low 32458.55  
Actual (a): High 33512.30 Low 32586.56

Dow Jones 20 Transport (divisor: 0.16343894576034)

Daily	May 22	23	24	25	26
Open (t)	14030.07	13901.95	13800.51	13708.85	13911.37
Open (a)	13960.12	13910.73	13813.51	13692.58	13899.32
10:00	13979.73	13895.19	13699.15	13761.12	13938.85
10:30	13870.18	13921.73	13668.68	13788.59	13892.05
11:00	13841.50	13951.67	13765.54	13824.90	13965.59
11:30	13881.40	13959.65	13705.51	13809.59	13917.96
12:00	13944.94	14009.50	13700.97	13766.23	13902.65
12:30	13953.81	14021.26	13676.57	13847.96	13934.15
1:00	13952.55	13954.44	13657.80	13834.13	13927.86
1:30	13949.74	13988.74	13617.49	13815.78	13937.69
2:00	13968.79	13972.35	13680.48	13859.27	13881.36
2:30	13956.91	13937.14	13676.52	13867.65	13916.97
3:00	13979.61	13906.69	13702.24	13855.79	13936.12
3:30	13968.13	13929.58	13719.11	13891.95	13932.36
Close	<b>13940.80</b>	<b>13907.03</b>	<b>13695.45</b>	<b>13889.96</b>	<b>13903.42</b>
High (t)	14107.19	14074.03	13856.43	13944.26	14031.14
Low (t)	13774.62	13794.48	13555.64	13671.40	13798.70
High (a)	14035.18	14024.99	13832.84	13933.78	13976.66
Low (a)	13797.45	13877.90	13611.79	13689.08	13865.75
Change	+31.26	-33.77	-211.58	+194.51	+13.46

Theoretical (t): High 14107.19 Low 13555.64  
Actual (a): High 14035.18 Low 13611.79

Dow Jones 15 Utilities (divisor: 1.27924906167720)

Daily	May 22	23	24	25	26
Open (t)	917.25	912.93	912.54	905.30	894.51
Open (a)	916.94	913.07	912.44	906.32	895.07
10:00	918.50	917.96	912.43	899.67	893.88
10:30	915.03	917.16	912.54	899.31	890.32
11:00	915.56	916.70	913.46	899.99	892.89
11:30	915.95	917.39	910.38	895.16	889.76
12:00	915.54	919.30	908.58	891.84	887.27
12:30	916.27	919.46	908.49	894.16	887.73
1:00	916.85	918.94	910.52	892.99	889.37
1:30	915.49	919.05	909.40	894.31	888.86
2:00	917.34	917.44	910.52	897.11	889.09
2:30	918.44	916.10	909.38	898.16	888.54
3:00	918.35	912.84	910.16	897.18	891.70
3:30	917.09	914.85	908.67	897.42	892.56
Close	<b>915.93</b>	<b>913.04</b>	<b>907.70</b>	<b>895.35</b>	<b>893.80</b>
High (t)	923.94	922.65	917.16	906.59	896.90
Low (t)	910.83	909.51	905.58	888.53	883.94
High (a)	921.78	921.27	915.74	906.32	895.07
Low (a)	911.71	910.78	906.62	890.00	885.37
Change	+1.10	-2.89	-5.34	-12.35	-1.55

Theoretical (t): High 923.94 Low 883.94  
Actual (a): High 921.78 Low 885.37

Dow Jones 65 Composite (divisor: 0.77130165331605)

Daily	May 22	23	24	25	26
Open (t)	11065.59	10981.03	10933.48	10856.27	10884.79
Open (a)	11050.95	10991.20	10936.33	10867.61	10881.22
10:00	11017.76	11020.07	10862.21	10864.59	10900.57
10:30	11029.59	11026.61	10879.63	10859.09	10958.26
11:00	10999.24	11013.99	10880.53	10850.25	10938.27
11:30	11028.95	11038.79	10884.63	10826.22	10906.75
12:00	11042.62	11040.72	10860.38	10825.31	10912.87
12:30	11031.12	11041.43	10843.94	10839.79	10942.67
1:00	11036.51	11022.21	10855.93	10827.47	10929.67
1:30	11033.01	11003.42	10848.87	10865.34	10926.89
2:00	11032.90	11006.55	10870.78	10874.81	10929.03
2:30	11044.37	10964.38	10846.99	10884.55	10934.64
3:00	11045.63	10979.55	10857.52	10869.25	10944.14
3:30	11031.45	10983.28	10891.98	10887.43	10936.14
Close	<b>11021.19</b>	<b>10963.78</b>	<b>10899.81</b>	<b>10873.62</b>	<b>10938.55</b>
High (t)	11139.77	11100.49	10973.17	10951.93	11010.76
Low (t)	10936.47	10898.43	10795.26	10755.78	10823.88
High (a)	11092.33	11048.36	10942.26	10903.59	10967.42
Low (a)	10976.31	10951.07	10838.52	10802.07	10876.49
Change	-19.09	-57.41	-103.97	+13.81	+64.93

Theoretical (t): High 11139.77 Low 10755.78  
Actual (a): High 11092.33 Low 10802.07

## Trading Diary

Market Advance/Decline Volumes

Daily	May 22	23	24	25	26
NY Up	507,889	373,164	178,143	276,612	568,598
NY Off	278,574	508,033	632,330	627,435	240,142
NY Up - Comp.	2,404,661	1,817,381	857,089	1,330,609	2,648,097
NY Off - Comp.	1,247,466	2,268,485	2,842,967	2,780,776	1,009,811
NYSE Amer Off	1,899	2,722	5,915	7,675	3,945
NYSE Amer UP	5,692	4,689	3,554	889	2,410
NASD Off	3,004,630	1,685,753	1,282,789	2,059,787	3,144,625
NASD Off - Comp.	1,231,493	2,598,827	2,759,160	2,516,744	1,243,593
NYSE Arca UP	142,078	70,141	54,293	99,687	227,013
NYSE Arca Off	79,819	181,898	227,912	230,738	60,747
% (QCHA)	+95	-23	-1.01	-7.7	+8.1
% (QACH)	+78	+14	-35	-1.86	-1.3
% (QCHAQ)	+1.28	+1.8	-3.9	-1.07	+8.5

Market Advance/Decline Totals

Weekly Comp.	NYSE	NYSE Amer	Nasdaq	NYSE Arca
Total Issues	3,201	341	5,064	1,991
Advances	1,200	113	2,207	590
Declines	1,934	220	2,685	1,229
Unchanged	67	8	172	172
New Highs	118	9	286	118
New Lows	214	43	362	79

NYSE Composite Daily Breadth

Daily	May 22	23	24	25	26
Issues Traded	3,095	3,077	3,067	3,079	3,082
Advances	1,790	1,153	689	1,032	2,056
Declines	1,192	1,806	2,660	1,936	917
Unchanged	113	118	118	111	109
New Highs	49	26	17	33	47
New Lows	25	31	85	144	75
Blocks - primary	3,860	4,136	3,905	4,056	3,878
Total (000) - primary	796,579	892,460	817,404	910,683	815,839
Total (000)	3,728,529	4,155,329	3,739,167	4,147,769	3,715,467

NYSE American Composite

Daily	May 22	23	24	25	26
Issues Traded	312	314	315	322	318
Advances	165	150	93	79	158
Declines	131	144	211	227	134
Unchanged	16	20	11	16	26
New Highs	2	2	...	1	3
New Lows	11	11	15	21	22
Blocks - primary	80	83	135	117	93
Total (000) - primary	8,013	8,092	9,767	8,692	7,215
Total (000)	103,126	129,680	163,097	117,707	89,895

Nasdaq

Daily	May 22	23	24	25	26
Issues Traded	4,611	4,636	4,636	4,638	4,627
Advances	2,805	1,977	1,334	1,450	2,840
Declines	1,623</				

# The Week In Stocks For the Major Indexes

12-Month		Weekly		Friday		Weekly		12-Month		Change From	
High	Low	High	Low	Close	Chg.	% Chg.	Chg.	% Chg.	12/30	% Chg.	
<b>Dow Jones Indexes</b>											
34589.77	28725.51	30 Indus	33286.58	32764.65	33093.34	-333.29	-1.00	-119.62	-0.36	-53.91	-0.16
15640.70	11999.40	20 Transp	13940.80	13695.45	13903.42	-6.12	-0.04	-541.24	-3.75	511.51	3.82
1061.77	838.99	15 Utilities	915.93	893.80	893.80	-21.03	-2.30	-141.50	-13.67	-73.60	-7.61
11689.14	9679.49	65 Comp	11021.19	10859.81	10938.55	-101.73	-0.92	-1456.70	-3.30	-24.28	-0.22
<b>Dow Jones Indexes</b>											
43441.80	36056.21	US TSM Float	41876.59	41051.21	41876.59	131.17	0.31	36.08	0.09	3355.99	8.71
1056.61	876.95	US Market	1023.83	1002.74	1023.83	3.37	0.33	5.38	0.53	86.00	9.17
709.84	528.30	Internet	702.31	681.95	702.31	19.71	2.89	61.09	9.53	141.58	25.25
<b>New York Stock Exchange</b>											
16122.58	13472.18	Comp-z	15318.85	14975.97	15078.69	-245.63	-1.60	-863.93	-5.42	-105.62	-0.70
9504.73	7655.99	Financial-z	8592.46	8370.13	8440.10	-118.44	-1.38	-900.34	-9.64	-228.67	-2.64
23941.25	20936.55	Health Care-z	23121.26	22425.63	22425.63	-690.15	-2.99	-1066.02	-4.54	-1014.21	-4.33
14030.84	10452.57	Energy-z	12291.11	12034.09	12037.59	-153.37	-1.26	-1456.70	-10.79	-1014.30	-7.77
<b>NYSE American Stock Exchange</b>											
4688.00	3582.25	NYSE Amer Comp	4020.08	3910.65	3910.65	-27.41	-0.70	-376.14	-8.77	-224.69	-5.43
3142.38	2510.61	Major Mkt	3077.03	3025.85	3056.82	-33.65	-1.09	111.35	3.78	118.78	4.04
<b>Standard &amp; Poor's Indexes</b>											
1966.75	1615.09	100 Index	1965.07	1910.10	1965.07	25.24	1.30	86.34	4.60	255.90	14.97
4305.20	3577.03	500 Index	4205.45	4115.24	4205.45	13.47	0.32	47.21	1.14	365.95	9.53
6023.14	4996.32	Indus	6023.14	5871.54	6023.14	47.56	0.80	252.17	4.37	710.83	13.38
2726.61	2200.75	MidCap	2468.68	2419.80	2442.85	-13.04	-0.53	-96.99	-3.82	12.47	0.51
1315.82	1064.45	SmallCap	1153.27	1133.67	1146.48	1.69	0.15	-102.46	-8.20	-11.05	-0.95
<b>Nasdaq Stock Market</b>											
13128.05	10213.29	Comp	12975.69	12484.16	12975.69	317.79	2.51	844.56	6.96	2509.21	23.97
14298.41	10679.34	100 Index	14298.41	13604.48	14298.41	494.92	3.59	1616.99	12.75	3358.65	30.70
9741.81	7178.71	Indus	8392.64	8214.18	8383.86	6.34	0.08	-251.19	-2.91	1036.19	14.10
12643.69	9622.71	Insur	11548.45	11089.80	11089.80	-505.03	-4.36	280.80	2.60	-552.09	-4.74
4613.89	2658.90	Banks	2955.66	2886.22	2914.82	71.54	2.52	-1467.74	-33.49	-1130.14	-27.94
11038.45	7416.59	Computer	11038.45	10333.50	11038.45	541.00	5.15	1631.46	17.34	3231.49	41.39
417.06	329.24	Telecom	389.57	377.21	381.75	-5.68	-1.47	-35.31	-8.47	10.30	2.77
<b>Russell Indexes</b>											
2371.04	1969.25	1000	2298.97	2252.21	2298.97	6.97	0.30	13.56	0.59	193.07	9.17
2021.35	1649.84	2000	1795.38	1754.61	1773.02	-0.70	-0.04	-114.87	-6.08	11.78	0.67
2499.11	2076.07	3000	2409.23	2362.46	2409.23	6.86	0.29	4.92	0.20	192.08	8.66
1592.73	1339.62	Value-v	1493.24	1461.37	1472.59	-19.16	-1.28	-108.25	-6.85	-24.52	-1.64
2605.95	2082.30	Growth-v	2605.95	2512.98	2605.95	44.38	1.73	198.76	8.26	447.77	20.75
3001.83	2481.47	MidCap	2765.56	2701.97	2725.21	-29.49	-1.07	-184.45	-6.34	24.54	0.91
<b>Others</b>											
9697.62	7679.59	Value Line-a	8881.32	8679.52	8764.68	-71.06	-0.80	-221.23	-2.46	234.65	2.75
606.49	491.56	Value Line-g	545.04	532.27	537.35	-4.99	-0.92	-51.35	-8.72	1.00	0.19
13782.03	11195.10	DJ US Small TSM	12317.85	12031.78	12161.65	-21.81	-0.18	-775.69	-6.00	110.54	0.92
933.75	760.10	Barron's Future Focus	882.70	864.39	879.55	-0.11	-0.01	4.73	0.54	67.38	8.30
1023.20	825.73	Barron's 400	919.79	902.72	914.52	-1.04	-0.11	-63.85	-6.53	-5.87	-0.64

High/Low's are based upon the daily closing index. a-Arithmetic Index. G-Geometric Index. V-Value 1000 and Growth 1000 y-Dec. 31,1965=50 z-Dec. 31,2002=5000

## Indexes' P/Es & Yields

DJ latest 52-week earnings and dividends adjusted by Dow Divisors at Friday's close. S&P Dec. 4-quarter's GAAP earnings as reported and indicated dividends based on Friday close. S&P 500 P/E ratios based on GAAP earnings as reported. For additional earnings series, please refer to www.sp500.com. DJ latest available book values for FY 2021 and 2020, and S&P latest for 2022 and 2021. r-Revised data.

	Last Week	Prev. Week	Last Year
<b>DJ Ind Avg</b>	<b>33093.34</b>	<b>33426.63</b>	<b>33212.96</b>
P/E Ratio	21.59	21.81	19.03
Earnings Yield %	4.63	4.59	5.25
Earns \$	1532.81	1532.81	1745.31
Divs Yield %	2.13	2.11	1.96
Divs \$	704.57	704.18	650.77
Mkt to Book	4.45	4.49	5.08
Book Value \$	7439.45	7439.45	6543.35
<b>DJ Trans Avg</b>	<b>13903.42</b>	<b>13909.54</b>	<b>14444.66</b>
P/E Ratio	11.29	11.30	14.37
Earnings Yield %	8.86	8.85	6.96
Earns \$	1231.22	1231.22	1004.96
Divs Yield %	1.46	1.45	1.18
Divs \$	203.07	202.28	171.05
Mkt to Book	4.32	4.33	4.88
Book Value \$	3214.72	3214.72	2957.33
<b>DJ Utility Avg</b>	<b>893.80</b>	<b>914.83</b>	<b>1035.30</b>
P/E Ratio	21.66	22.17	29.90
Earnings Yield %	4.62	4.51	3.34
Earns \$	41.27	41.27	34.62
Divs Yield %	3.37	3.29	2.78
Divs \$	30.12	30.09	28.79
Mkt to Book	2.05	2.10	2.64
Book Value \$	435.47	435.47	392.45
<b>S&amp;P 500 Index</b>	<b>4205.45</b>	<b>4191.98</b>	<b>4158.24</b>
P/E Ratio	24.34	24.27	21.02
Earnings Yield %	4.11	4.12	4.76
Earns \$	172.75	172.75	197.87
Divs Yield %	1.66	1.66	1.55
Divs \$	69.81	69.59	64.45
Mkt to Book	4.10	4.09	4.13
Book Value \$	1024.56	1024.56	1008.02
<b>S&amp;P Ind Index</b>	<b>6023.14</b>	<b>5975.58</b>	<b>5770.97</b>
P/E Ratio	25.94	25.74	24.02
Earnings Yield %	3.85	3.89	4.16
Earns \$	232.18	232.18	240.29
Divs Yield %	1.47	1.48	1.40
Divs \$	88.54	88.44	80.79
Mkt to Book	5.50	5.45	5.54
Book Value \$	1095.83	1095.83	1042.07

## Stock Volume

	Last Week	Prev. Week	Year Ago	YOY % Chg	
NYSE(a)	4,232,965	4,324,940	4,941,312	-14.34	
30 Dow Inds (b)	1,524,113	1,431,193	1,808,412	-15.72	
20 Dow Trans (b)	418,320	396,426	507,255	-17.53	
15 Dow Utilis (b)	237,413	231,575	240,135	-1.13	
65 Dow Stks (b)	2,179,846	2,059,193	2,555,802	-14.71	
NYSE American (a)	41,780	42,678	64,092	-34.81	
Nasdaq(d)	21,800,369	21,017,303	23,204,136	-6.05	
<b>NYSE 15 Most Active</b>					
Average Price	21.29	17.83	13.51	57.59	
% Tot Vol	16.82	15.23	16.66	0.96	
Stock Offerings \$(z,v)	4,369,700	r5,386,300	454,300	861.85	
<b>Daily Stock Volume</b>					
	5/22	5/23	5/24	5/25	5/26
NYSE(a)	796,579	892,460	817,404	910,683	815,839
30 Inds (b)	271,479.6	294,261.0	253,216.0	371,260.6	333,796.2
20 Trans (b)	86,088.0	87,377.6	93,929.3	84,031.3	66,893.8
15 Utilis (b)	37,037.3	54,992.6	42,105.9	55,729.1	47,547.6
65 Stks (b)	394,605.0	436,631.2	389,351.3	511,021.0	448,237.7
NYSE Amer(a)	8,013	8,092	9,767	8,692	7,215
Nasdaq(d)	4,278,924	4,347,445	4,088,277	4,651,647	4,434,076
<b>NYSE 15 Most Active</b>					
Avg. Price	16.06	18.16	14.97	22.00	18.74
% Tot Vol	18.03	17.61	16.56	16.99	18.59

Numbers in thousands save price and percentages. (a) Primary volume. (b) Composite volume. (d) as of 4:10 pm. (r) Revised. (v) W/E Thursday. (z) Source: Refinitiv.

## NYSE HALF-HOURLY VOLUME

Daily	5/22	5/23	5/24	5/25	5/26
9:30-10:00	90,618	95,545	103,461	109,501	83,035
10:00-10:30	44,326	46,210	44,597	46,835	42,207
10:30-11:00	35,442	38,713	36,659	36,853	39,874
11:00-11:30	33,126	34,335	33,574	36,848	36,089
11:30-12:00	29,405	33,403	28,764	37,668	27,291
12:00-12:30	26,102	29,022	23,165	27,167	27,486
12:30-1:00	23,556	32,838	21,384	26,269	23,150
1:00-1:30	26,300	28,233	23,508	23,971	22,672
1:30-2:00	23,516	27,120	22,671	25,952	22,829
2:00-2:30	22,479	33,970	23,346	27,730	22,649
2:30-3:00	25,901	29,510	25,248	29,068	26,365
3:00-3:30	31,296	39,110	34,850	34,503	31,448
3:30-4:00	384,510	428,451	396,177	448,318	411,046

## Per Share Values of Stocks In the Dow Jones Averages

This is a list of the Dow Jones trailing 52-week diluted share earnings, dividends and book values as reported by the company. Bolded numbers indicate new values. Sources: Barron's Stats and FactSet.

	Industrial Stocks			Transportation Stocks			Utility Stocks				
	Earns	Divs.	Book Value	Earns	Divs.	Book Value	Earns	Divs.	Book Value		
Am Exp	9.51	2.16	29.14	Johnson/John	4.78	4.58	28.16	AES Corp.	0.29	0.6478	2.96
Amgen	14.71	8.14	12.00	JPMorgChase	13.55	4.00	88.07	Am Elec	3.87	3.27	44.49
Apple	5.89	0.93	3.84	McDonalds	9.44	5.80	(6.17)	Am Elec	4.55	2.6725	40.18
Boeing	(6.92)	Suspended	(25.47)	MerckCo	5.12	2.84	15.11	NextEra Energy	5.82	2.84	59.71
Caterpillar	13.53	4.80	30.76	Microsoft	9.23	2.66	22.31				



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# Dow Jones U.S. Total Market Industry Groups

Top 20 Weekly Ranked	IG-Sym	Close	Net Change		% Change and Ranking					52 Week			
			Wkly	YTD	Week	Rank	Yr Ago	Rank	YTD	Rank	3 Yr	High	Low
Semiconductor	DJUSSC	8760.32	+669.65	2,918.38	+8.28	[1]	+31.88	[3]	+49.96	[1]	+25.98	8,760.32	4,942.75
Technology Hardware & Equip	DJUSTQ	4307.46	+126.07	1,163.44	+3.01	[2]	+24.92	[6]	+37.01	[3]	+25.64	4,307.46	2,996.31
Automobiles	DJUSAU	673.22	+12.46	177.50	+1.89	[3]	-16.42	[121]	+35.81	[4]	+38.76	1,102.17	449.86
Software	DJUSSW	5122.85	+85.59	1,210.80	+1.70	[4]	+20.38	[11]	+30.95	[7]	+13.86	5,122.85	3,619.64
Trucking	DJUSTK	1416.88	+22.75	133.12	+1.63	[5]	+14.53	[19]	+10.37	[23]	+15.75	1,575.56	1,143.64
Software & Computer Svcs	DJUSSV	4585.39	+67.95	1,175.57	+1.50	[6]	+19.25	[12]	+34.48	[5]	+12.10	4,585.39	3,136.88
Marine Transportation	DJUSMT	238.97	+3.35	27.74	+1.42	[7]	+13.43	[21]	+13.13	[19]	+13.85	248.29	184.77
Internet	DJUSNS	2882.68	+37.79	947.27	+1.33	[8]	+20.52	[10]	+48.94	[2]	+10.34	2,894.68	1,749.51
Automobiles & Parts	DJUSAP	793.33	+9.69	182.56	+1.24	[9]	-14.55	[116]	+29.89	[9]	+32.29	1,247.99	562.89
Water	DJUSWU	2923.39	+13.52	-294.98	+4.46	[10]	-5.74	[93]	-9.17	[116]	+3.89	3,409.85	2,659.73
Electrical Comps & Equip	DJUSEC	490.99	+8.00	25.16	+1.16	[11]	+8.50	[31]	+5.40	[38]	+17.13	534.95	418.50
Investment Svcs	DJUSSB	1605.43	-1.25	-168.51	-0.08	[12]	-2.10	[78]	-9.50	[117]	+14.47	1,924.21	1,519.09
Oil Equipment & Svcs	DJUSOI	252.43	-2.28	-44.00	-1.11	[13]	-9.63	[102]	-14.84	[134]	+30.99	321.92	189.69
Telecom Equipment	DJUSCT	1431.83	-2.21	55.94	-1.15	[14]	+8.70	[30]	+4.07	[16]	+6.53	1,525.54	1,173.05
Computer Services	DJUSDV	169.94	-3.35	-9.27	-2.21	[15]	-2.62	[83]	-5.17	[90]	+4.41	192.81	158.68
Airlines	DJUSAR	150.22	-4.48	9.10	-3.32	[16]	-12.24	[107]	+6.45	[31]	+11.16	187.63	126.96
Delivery Svcs	DJUSAF	1390.27	-5.40	85.12	-3.39	[17]	+2.30	[61]	+6.52	[30]	+21.39	1,588.81	1,172.21
Business Support Svcs	DJUSIV	1009.13	-3.91	53.41	-3.39	[18]	+4.98	[44]	+5.59	[37]	+12.50	1,078.55	875.20
Banks	DJUSBK	394.85	-1.88	-64.48	-4.47	[19]	-18.80	[127]	-14.04	[133]	+8.29	510.26	375.31
Integrated Oil & Gas	DJUSOL	726.36	-3.76	-64.16	-5.11	[20]	-6.62	[74]	-8.12	[111]	+28.60	837.28	603.64

Top 20 Yr Ago Ranked	IG-Sym	Close	Net Change		% Change and Ranking					52 Week			
			Wkly	YTD	Week	Rank	Yr Ago	Rank	YTD	Rank	3 Yr	High	Low
Home Construction	DJUSHB	1668.29	-56.11	334.92	-3.25	[101]	+43.47	[1]	+25.12	[12]	+23.59	1,755.05	1,003.88
Gambling	DJUSCA	636.11	-34.96	107.90	-5.21	[132]	+34.39	[2]	+20.43	[13]	+2.87	705.13	420.78
Semiconductor	DJUSSC	8760.32	+669.65	2,918.38	+8.28	[1]	+31.88	[3]	+49.96	[1]	+25.98	8,760.32	4,942.75
Heavy Construction	DJUSHV	986.57	-6.20	45.64	-6.22	[21]	+29.06	[4]	+4.85	[41]	+40.82	1,046.87	701.03
Specialty Retailers	DJUSRS	2256.09	-80.17	112.52	-3.43	[106]	+28.37	[5]	+5.25	[39]	+5.70	2,386.17	1,741.82
Technology Hardware & Equip	DJUSTQ	4307.46	+126.07	1,163.44	+3.01	[2]	+24.92	[6]	+37.01	[3]	+25.64	4,307.46	2,996.31
Restaurants & Bars	DJUSRU	2631.48	-111.56	204.61	-4.07	[121]	+24.92	[7]	+8.43	[26]	+14.31	2,794.64	2,028.86
Aerospace	DJUSAS	1601.68	-54.80	21.69	-3.31	[103]	+21.53	[8]	+1.37	[59]	+17.14	1,715.44	1,217.62
Computer Hardware	DJUSCR	8552.10	-98.61	2,049.94	-1.14	[28]	+20.99	[9]	+31.53	[6]	+28.64	8,673.31	6,275.02
Internet	DJUSNS	2882.68	+37.79	947.27	+1.33	[8]	+20.52	[10]	+48.94	[2]	+10.34	2,894.68	1,749.51
Software	DJUSSW	5122.85	+85.59	1,210.80	+1.70	[4]	+20.38	[11]	+30.95	[7]	+13.86	5,122.85	3,619.64
Software & Computer Svcs	DJUSSV	4585.39	+67.95	1,175.57	+1.50	[6]	+19.25	[12]	+34.48	[5]	+12.10	4,585.39	3,136.88
Specialized Consumer Svcs	DJUSCS	2094.38	-39.43	249.65	-1.85	[52]	+19.18	[13]	+13.53	[18]	+10.19	2,137.97	1,605.48
Industrial Suppliers	DJUSDS	572.45	-14.77	74.70	-2.52	[79]	+18.85	[14]	+15.01	[15]	+20.27	590.97	442.88
Travel & Tourism	DJUSTT	681.44	-28.23	158.64	-3.98	[117]	+18.46	[15]	+30.34	[8]	+6.83	717.58	468.89
Travel & Leisure	DJUSGC	1330.33	-49.14	172.61	-3.56	[110]	+17.45	[16]	+14.91	[16]	+11.38	1,389.45	1,021.84
Apparel Retailers	DJUSRA	1063.45	-44.54	-114.94	-4.02	[119]	+15.42	[17]	-9.75	[118]	+8.84	1,246.78	814.48
Industrial Machinery	DJUSFE	902.91	-23.90	33.64	-2.58	[83]	+15.23	[18]	+3.87	[47]	+15.43	970.33	713.06
Trucking	DJUSTK	1416.88	+22.75	133.12	+1.63	[5]	+14.53	[19]	+10.37	[23]	+15.75	1,575.56	1,143.64
Insurance Brokers	DJUSIB	599.38	-27.93	11.58	-4.45	[124]	+14.20	[20]	+1.97	[57]	+15.26	634.44	494.81

Groups are weighted by capitalization. 52-week highs and lows are based on daily closes. Dec. 31, 1991=100. In the U.S. listings, % vol chg column shows the change from previous 65-day moving average. Volume figures do not reflect extended trading hours.

## Delta Market Sentiment Indicator

The Delta MSI measures the position of a representative set of stocks relative to an intermediate-term moving average crossover (MAC) point. When greater than 50% of the stocks followed are above this MAC point, the market is bullish. When the indicator is below 50%, risk is elevated and stock exposures should be reduced. Manager uses discretion on asset allocation when MSI is at 50% +/- 3%.

**Bearish**

Current Sentiment

**38.6%**

Last Week

**41.0%**

2 Weeks ago

**42.9%**

3 Weeks ago  
Current Market Exposure: 0% Equities, 0% Bonds, 100% Cash  
Source: Delta Investment Management  
www.deltain.com, (415) 249-6337

## Pulse of the Economy

Only includes new reports.	Latest Date	Latest Data	Preceding Period	Year Ago	Yr Yr % Chg
<b>Economic Growth and Investment</b>					
Gross domestic product	1st Qtr	1.3	2.6	-1.6	1.60
Personal income, (bil. \$)	Apr 22,639.1	r22,559.0	21,474.1	5.43	
Personal Savings Rate, St.Louis Fed	Apr	4.1	r4.5	3.6	13.89
All fixed investment, (bil. \$)	1st Qtr	3,514.2	3,516.0	3,628.6	-3.15
Non-residential investment, (bil. \$)	1st Qtr	2,999.0	2,988.8	2,915.0	2.88
Residential investment, (bil. \$)	1st Qtr	568.8	576.7	704.7	-19.28
<b>Production</b>					
Electric power, (mil. kw hrs) (EEI)	May 20	74,040	73,314	79,907	-7.34
Petroleum, related capacity, %	May 19	91.7	92.0	93.2	-1.61
Rotary rigs running, U.S. & Can., (Hughes)	May 26	798	805	830	-3.86
Steel, (thous. tons)	May 20	1,728	1,725	1,789	-3.41
Steel, rated capacity, % (AISI)	May 20	76.8	76.7	82.0	-6.34
<b>Consumption and Distribution</b>					
Consumer spending, (bil. \$)	Apr 18,267.7	r18,116.0	17,115.6	6.73	
Durable goods, (bil. \$)	Apr 277.7	r279.7	264.8	4.87	
Instinet Research Redbook Avg. (monthly %)	May 20	0.71	-1.28	0.70	....
Baltic Dry Index	May 26	1,172	1,384	2,681	-56.28
New home sales, (thous. units)	Apr 683	r656	611	11.78	
Personal consumption, (bil. \$)	1st Qtr	14,346.6	14,214.9	14,028.4	2.27
<b>Inventories</b>					
Domestic crude oil, (thous. bbls) Comm. (Excl. Lease Stock)	May 19	455,168	467,624	419,801	8.42

	Latest Date	Latest Data	Preceding Period	Year Ago	Yr Yr % Chg
Gasoline, (thous. bbls)	May 19	216,277	218,330	219,707	-1.56
<b>Orders</b>					
Durable goods, (bil. \$)	Apr 283.0	r279.9	265.3	6.67	
<b>Trade</b>					
Exports, (bil. \$)	1st Qtr	2,612.2	2,579.6	2,436.9	7.19
Imports, (bil. \$)	1st Qtr	3,855.6	3,818.2	3,925.6	-1.78
<b>Inflation</b>					
ECRI Industrial Price Index f	May 26	112.55	114.28	162.30	-30.65
Gross domestic product deflator	1st Qtr	4.2	3.9	8.3	-49.40
<b>Employment</b>					
Initial jobless claims (thous.)	May 20	229	r225	215	6.51
Continuing claims (mil.)	May 13	1,794	1,799	1,432	25.28
Help Wanted Online - Ads (thous.)	Apr 4,579.0	5,563.9	7,495.6	-38.91	
<b>Construction</b>					
No Activity for this Week					
<b>Other Indicators</b>					
Citi Research Panic-Euphoria Reading	May 26	-0.41	-0.38	-0.05	....
a-1997 equals 100, b-1982-84 equals 100, c-1992 equals 100, f-1996 equals 100, h-benchmark revision, 2016 equals 100, r-Revised.					

## American Debt and Deficits

	Latest Report	Preceding Report	Year Ago Report	Yr over Yr % Chg
<b>Federal Budget Deficit (bil. \$)-a</b>	1,330FY'25	1,201FY'24	1,154FY'23	....
<b>Budget Surplus/Deficit (bil. \$)-b, April</b>	+176.18	-378.08	+308.22	-42.84
<b>Trade Deficit (bil. \$, sa)-c, March</b>	-64.23	-70.64	-106.45	-39.66
<b>Treasury Gross Public Debt, (bil. \$)-d</b>	31,461.6	31,458.0	30,420.9	3.42
<b>Treasury Statutory Debt Limit (bil. \$)-e</b>	31,381.5	31,381.5	....	....
<b>Consumer Installment Debt (bil. \$)-e, March</b>	4,850.7	r4,824.2	4,528.7	7.11

Sources: a-Office of Management and Budget, b-Monthly Treasury Statement, c-Monthly Commerce Dept. Report, d-Daily Treasury Statement, e-Monthly Federal Reserve Release.

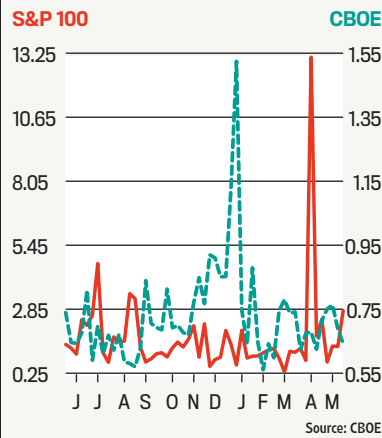
## Adjustable Mortgage Rates

	May 26	May 19	Yr. Ago	YOY % Chg
1 Year Treas Bills	4.91	4.75	2.11	132.70
2 Year Treas Notes	4.14	3.96	2.64	56.82
3 Year Treas Notes	3.83	3.63	2.80	36.79
5 Year Treas Notes	3.60	3.44	2.86	25.87
10 Year Treas Notes	3.59	3.47	2.81	25.09
20 Year Treas Bds	3.99	3.89	3.26	22.39
FHFA PMMS+ May	6.72	6.11	3.84	75.00

Fed annualized yields adjusted for constant maturity.

## CBOE Put / Call Ratio vs. S&P 100

Readings in the CBOE equity put-call ratio of 60:100 and in the S&P 100 of 125:100 are considered bullish, for instance, Bearish signals flash when the equity put-call level reaches the vicinity of 30:100 and the index ratio hits 75:100.



## Coming Earnings

Day	Consensus Estimate	Year Ago
Okta (Q1)	0.22	-0.27
PVH (Q1)	1.93	1.94
Salesforce (Q1)	1.61	0.98

Company	Latest	Latest	Preceding	Year
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## DATA

## MARKET LABORATORY

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## Barron's Gold Mining Index

12-Month High	Low	5/25	5/18	Year Ago	Week % Chg.	
1028.37	684.61	Gold mining	811.53	853.74	978.85	-4.94

## Gold &amp; Silver Prices

Handy & Harman	5/26	5/19	Year Ago
Gold, troy ounce	1947.90	1961.60	1851.80
Silver, troy ounce	23.22	23.87	22.08

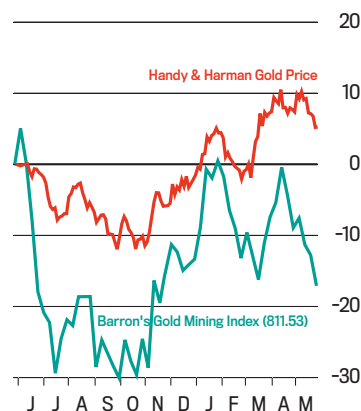
Base for pricing gold and silver contents of shipments and for making refining settlement.

Coins	Price	Premium \$	Premium %
Kruggerand	2031.64	87.49	4.50
Maple Leaf	2080.24	136.09	7.00
Mexican Peso	2508.15	164.08	7.00
Austria Crown	1908.66	57.17	3.00
Austria Phil	2041.36	97.21	5.00
U.S. Eagles	2080.24	136.09	7.00

Premium is the amount over the value of the gold content in the coin. Source Mantra, Tordella & Brookes, Inc. Bullion spot gold price 1944.15

## Gold Performance

**Disaster Averted:** After progress in U.S. debt talks, gold fell 0.7%, to \$1,948 an ounce.



## Weekly Bond Statistics

New Offerings, (mil \$) (v)	Last Week	Prev. Week	Yr Ago
Corporate (z)	17,600	r61,671	1,088
Municipal (z)	5,465	r7,656	7,211

## Best Grade Bonds-y

(Barron's index of 10 high-grade corporate bonds.)	4.31	4.59	3.35
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## Interm-Grade Bonds-y

(Barron's index of 10 medium-grade corporate bonds.)	5.21	5.04	4.05
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## Confidence Index

(High-grade index divided by intermediate-grade index; decline in latter vis. former generally indicates rising confidence, pointing to higher stocks.)

	82.7	91.0	82.7
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## Other Confidence Indicators:

## Bloomberg Barclays US Long Treasury\*

(This index measures the performance of fixed-rate, nominal US Treasuries with at least 10 years to maturity, Jan. 1, 1973-100.)

	3197.31	3222.33	3639.86
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## Bloomberg Barclays US Credit

(This index includes all publicly issued, fixed-rate, non-convertible, investment-grade, dollar-denominated, SEC-registered corporate debt.)

	2869.97	2889.07	2960.61
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## Ryan Labs Treasury Index

(Index of total return from active Treasury notes and bonds. Dec. 31, 1996=100.)

	267.14	269.80	283.35
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## Bond Buyer 20 Bond Index

(Index of yields of 20 general obligation municipal bonds.)

	3.74	3.59	3.16
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## Bond Buyer Municipal Bond Index

(Index of 40 actively-traded tax-exempt bonds; component issues are changed regularly to keep the index a current picture of the market. Source: The Bond Buyer)

	4.63	4.43	4.42
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## Stock/Bond Yield Gap-s

(Difference between yield on highest-grade corporate bonds and yield on stocks on the DJIA.)

	-2.18	-2.48	-1.39
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## Yield on DJ Equal Weight US Corp Bond Id:

Corp Bonds, (y)	5.60	5.49	4.27
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y-Week ended Thursday, y-Yield to maturity, week ended Thursday, z-Source: Refinitiv. \*Barclays T-Bond Index discontinued by firm.

## Week's Dividend Payment

This list includes payouts on common stocks.

## NYSE

Monday (May 29)	Tuesday (May 30)	Thursday (June 1)
Comfort Systems USA	.20	
AdvanSix	.145	
AmerisourceBergen	.485	
Core Laboratories	.01	
Genie Energy	.075	
Gpo Aeroportuario ADR	2.089	
Kemper	.31	
Moog CI A	.27	
Moog CI B	.27	
Oshkosh	.41	
Reinsurance Grp America	.80	
Rentokil Initial ADR	.317	
Sprott	.25	
Timken	.33	
TXO Partners	.50	
Unitil Corp	.405	
Walmart	.57	
AT&T Networks	.06	
Aflac	.42	
Allele	.678	
American States Water	.398	
American Water Works	.707	
Berkshire Hills Bancorp	.18	
Black Hills	.625	
Bunge Ltd	.10	
Brink's	.22	
Evertec	.05	
Federal Signal	.10	
Global Ship Lease CI A	.375	
INVESCO	.20	
Jabil	.08	
Lamb Weston Holdings	.28	
Magna International	.46	
ONE Gas	.65	
Parker Hannifin	1.48	
Sherwin-Williams	.605	
TE Connectivity	.59	
Teekay Tankers	.25	
Teekay Tankers	1.00	
TransUnion	.105	
Walker & Dunlop	.63	
Wheaton Precious Metals	.15	
EQ Corp	.15	
Essential Utilities	.287	
FirstEnergy	.39	
Fortis	.421	
Helmerich & Payne	.235	
HF Sinclair	.45	
JM Smucker	1.02	
Kroger Co	.26	
Magnolia Oil & Gas	.115	

## Week's Dividend Payment

This list includes payouts on common stocks.

## NASDAQ

Monday (May 29)	Tuesday (May 30)	Thursday (June 1)
Matador Resources	.15	
Matson	.31	
Murphy Oil	.275	
Murphy USA	.38	
Penske Automotive	.66	
Phillips 66	1.05	
Pinnacle West Capital	.865	
Sensient Technologies	.41	
SJW Group	.38	
Southwest Gas Holdings	.62	
Standard Motor Products	.29	
SunCoke Energy	.08	
TJX Cos	.333	
Titco Financial	.52	
United Parcel Service B	1.62	
Visa CI A	.45	
WEC Energy Group	.78	
Wells Fargo	.30	
WW Grainger	1.86	
Chord Energy	.54	
BOK Financial	.54	
Chord Energy	1.25	
Chord Energy	1.97	
Cognizant Tech Solutions	.29	
Macatawa Bank	.08	
Ranger Oil	.075	
Amerant Bancorp CI A	.09	
BGC Partners CI A	.01	
Business First Bancshares	.12	
Capital Bancorp	.06	
CB Financial Services	.25	
Community West Bancshares	.08	
eXp World Holdings	.045	
FirstCash Holdings	.33	
Global Water Resources	.025	
Innospec	.69	
Karat Packaging	.35	
Landmark Bancorp	.21	
National Instruments	.28	
PacWest Bancorp	.01	
Pool	1.10	
Reynolds Cnsmr Products	.23	
Shore Bancshares	.12	
Southwestern Missouri Bncp	.21	

## Dividend Payment Boosts

Company Name-Ticker Symbol (Exchange)	Adjusted Yield	Period	To	From	Increase	%	Record Date	Ex-Div Date	Payment Date
American Tower REIT-AMT (NYSE)	3.3	Q	1.57	1.56	0.6%	6-16	6-15	7-10	
AMMO 8.75% Prd. A-POWVWP (NCM)	9.1	Q	.559028	.546875	2.2	5-31	5-30	6-15	
Bank of Montreal-BMO (NYSE)	4.0	Q	1.0888	1.04958	3.7	7-28	7-27	8-28	
Bank of Nova Scotia-BNS (NYSE)	6.3	Q	.7851	.761074	3.2	7-05	7-03	7-27	
Cdn Imperial Bk Of Comm-CM (NYSE)	6.0	Q	.6384	.617733	3.3	6-28	6-27	7-28	
Donaldson Co-DCI (NYSE)	1.4	Q	.25	.23	8.7	6-07	6-06	6-23	
Equitable Holdings-EQH (NYSE)	3.1	Q	.22	.20	10.0	6-05	6-02	6-12	
First Tr/abrdn Gbl Opp-FAM (NYSE)	10.9	M	.06	.0525	14.3	6-02	6-01	6-15	
First Trust Sr FR Fd II-FCT (NYSE)	11.6	M	.097	.092	5.4	6-02	6-01	6-15	
Flowers Foods-FLD (NYSE)	3.4	Q	.23	.22	4.5	6-08	6-07	6-22	
Guess-GES (NYSE)	2.6	Q	.30	.225	33.3	6-07	6-06	6-23	
Hamilton Lane CI A-HLNE (Nasdaq)	4.4	Q	.445	.40	11.2	6-15	6-14	7-07	
Haverty Furniture-HVT (NYSE)	4.4	Q	.30	.28	7.1	6-06	6-05	6-21	
Haverty Furniture A-HVT.A (NYSE)	4.0	Q	.28	.26	7.7	6-06	6-05	6-21	
Highway Holdings-HIHO (NCM)	9.7	Q	.10	.05	100.0	6-26	6-23	7-12	
IDEX Corp-LEX (NYSE)	1.2	Q	.64	.60	6.7	6-09	6-08	6-23	
Inspirety-NSP (NYSE)	1.9	Q	.57	.52	9.6	6-08	6-07	6-22	
Ituran Location & Ctr/ITRN (Nasdaq)	2.4	Q	.15	.14	7.1	6-28	6-27	7-12	
LyondellBasell Inds-LYB (NYSE)	5.7	Q	1.25	1.19	5.0	5-30	5-26	6-06	
Medtronic-MDT (NYSE)	3.3	Q	.69	.68	1.5	6-23	6-22	7-14	
National Grid ADR-NGG (NYSE)	4.6	S	2.3458	1.0307	127.6	6-02	6-01	8-09	
Natl Storage Affiliates-NSA (NYSE)	6.0	Q	.56	.55	1.8	6-15	6-14	6-30	
Oxford Lane Capital-OLXC (Nasdaq)	19.0	M	.08	.075	6.7	7-17	7-14	7-31	
Permian Basin Royalty Tr-PBT (NYSE)	4.7	M	.044388	.026846	65.3	5-31	5-30	6-14	
Royal Bank of Canada-RY (NYSE)	4.4	Q	.9935	.939725	5.7	7-26	7-25	8-24	
Saratoga Investment-SAR (NYSE)	8.9	Q	.70	.69	1.4	6-13	6-12	6-29	
STRATS Allstate 2006-3-GJT (NYSE)	6.5	M	.126542	.116875	8.3	5-31	5-30	6-01	
Towne Bank-TOWN (Nasdaq)	3.9	Q	.25	.23	8.7	6-30	6-29	7-14	
Universal Corp-UVV (NYSE)	5.9	Q	.80	.79	1.3	7-10	7-07	8-07	
Valley Natl Bncp Prd B-VLYPO (Nasdaq)	10.2	Q	.558444	.519241	7.6	6-15	6-14	6-30	

## Dividend Payment Reductions

Company Name-Ticker Symbol (Exchange)	Adjusted Yield	Period	To	From	Decrease	%	Record Date	Ex-Div Date	Payment Date
Marine Petroleum Tr Un-MARPS (NCM)	11.5	Q	.110168	.159312	-30.8%	5-31	5-30	6-28	

## Stock Splits/Dividends

Company Name-Ticker Symbol (Exchange)	Amount	Record Date	Ex-Div Date	Pay Date
NONE				

## Thursday (June 1)

Allied Motion Techs	.03
Columbia Sportswear	.30
ConnectOne Bancorp	.17
Enterprise Bancorp	.23
First Mid Bancshares	.23
HomeTrust Bancshares	.10
Intel	.125
KLA	1.30
LeMaitre Vascular	.14
LKQ	.275
LPL Financial Holdings	.30
Middlesex Water	.312
P & F Industries CI A	.05
Phillips Edison	.093
Selective Insurance	.30
SIGA Technologies	.45
Warner Music Group	.16
Winnmark	.80

## Friday (June 2)

Advanced Energy Inds	.10
Barrett Business Svcs	.30
Cogent Communications	.935
Cognex	.07
DallasNews	.16
Crane NXT	.14
Eagle Bancorp Montana	.138
First Hawaiian	.26
Honeywell International	1.03
MGP Ingredients	.12
PC Connection	.08
EnPro	.15
Superior Group of Cos.	.14
Washington Federal	.25

## Saturday (June 3)

NONE	
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## Sunday (June 4)

NONE	
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## Week's Dividend Payment

This list includes payouts on common stocks.

## NYSE American

Mon. (May 29)-Thurs. (June 1)	Friday (June 2)	Sat. (June 3)-Sun. (June 4)
NONE		
Cohen & Co	.25	
NONE		

## Week's Ex-Dividend Dates

This list includes payouts on common stocks.

## NYSE

## Tuesday (May 30)

Arch Resources	.25
Arch Resources	2.20
Ardmore Shipping	.35
Bank of Hawaii	.70
Barrick Gold	.10
Brookfield	.07
Brookfield Asset Mgmt	.32
Brookfield Business	.062
Brookfield Infrastructure	.382
Brookfield Infrastructure	.382
Brookfield Renewable	.338
Central Pacific Finl	.26
Century Communities	.23
Copa Holdings CI A	.82
Corning	.28



DATA

MARKET LABORATORY

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# Week's New Highs and Lows

NYSE

**118**

New Highs

**214**

New Lows

Nasdaq

**286**

New Highs

**362**

New Lows

NYSE American

**9**

New Highs

**43**

New Lows

Only includes COMMON and REIT stocks

NYSE American

NEW HIGHS

AthenaCnsmrA  
Chase  
GalataAcqN  
HNR AcqN  
WirelessTel

NEW LOWS

AirIndustries  
AirsparNetworks  
AlphaProTech  
AultAlliance  
AvalonHoldings  
BattalionOil  
BluerockHomes  
CamberEnergy  
ChicagoRivet  
Cohen  
DeltaApparel  
1847Holdings  
EvansBancorp  
FG  
GoldResource  
GoldRoyalty  
GranTierraEner  
IntegraResources  
LairdSuperfood  
NavideaBiopharm  
NewConceptEner  
NovaBayPharm  
Nuburu  
ParamountGoldNV  
PolymetMining  
RaMedicalSys  
RetractableTechs  
SachemCapital  
TrilogyMetals  
TrioPetroleum  
WilliamsIndlSvcs

Nasdaq

NEW HIGHS

10xGenomics  
89bio  
AcadiaPharm  
Accuray  
AcriCapitalA  
ACV Auctions  
AdvEnergyInds  
AdvMicroDevices  
AeroVironment  
AkebiaTherap  
Alphabet A  
Alphabet C  
AlphaPtrsA

AlphaStarAcqN  
AlpineImmune  
AltairEngg  
AmbrxBio  
AmericanWoodmark  
AmphastarPharm  
AntelopeEnterprise  
AppliedDigital  
ApplMaterials  
AquestiveTherap  
argenx  
AriszAcqNA  
ArrayTech  
AryaSciencesV  
ASML  
Astronics  
AstroNova  
AuroraTechA  
AvePoint  
AxcelisTechs  
BeamImaging  
BelFuse A  
BelFuse B  
BELLUS Health  
BentleySystems  
BetterWorld  
BioPlusAcqNA  
BioRestorativeTher  
BiosigTech  
BitDigital  
Blackbaud  
BlueBird  
BlueWhaleAcqNl  
Broadcom  
BurkeHerbert  
ByteAcqNA  
CadenceDesign  
Cadiz  
Calyxt  
CarrrolsRestr  
CartesianGrwIIA  
CCC Intelligent  
ChengheAcqNA  
CodaOctopus  
CodereOnlineLuxem  
Cohu  
CommVaultSys  
CommVehicle  
ConyersParkIII A  
Copart  
CornerGrowthA  
CorsairGaming  
CTI BioPharma  
Daktronics  
DataKnightsA  
DelcathSystems  
DiamedicaTherap

Digimarc  
DiscMedicine  
DraftKings  
Duolingo  
EFHuttonAcqnl  
ElevationOnc  
Eltek  
Ent4.0TechAcqNA  
EsgenAcqN  
EvolvTech  
ExactSciences  
FeutuneLightA  
FifthWallIII A  
FinStrategiesA  
Flex  
Flywire  
Fortinet  
FourLeafAcqNA  
FTAI Aviation  
FutureTechIIA  
GibraltarInds  
GoalAcqns  
Harmonic  
HeartcoreEnts  
HeritageGlobal  
HireQuest  
IDEAYA Bio  
IES Holdings  
Immunovant  
Innodata  
IntegralAd  
InterlinkElec  
IntlGeneralIns  
IntuitiveSurgical  
Kamada  
KernelA  
KhoslaVentures  
KLA  
KrystalBiotech  
LamResearch  
LFCapAcqNIIA  
Liquidia  
LIVCapAcqNII A  
ManhattanAssoc  
MaquiaCapital  
MarvellTech  
MercadoLibre  
MetaPlatforms  
Microsoft  
MinorityEqualityA  
monday.com  
MoneyGram  
MontereyCapA  
MoonLakelmm  
Morphic  
MorphoSys  
MurphyCanyonA  
NavitasSemi  
Netflix  
NexGel  
Nova  
NovaVisionAcqN  
NuvectisPharma  
NVIDIA  
OakWoodsAcqNA  
OceanTechI A  
OcularTherapeutix  
ON Semi  
Opera  
OSI Systems  
P&FIndustries  
PaloAltoNtwks  
ParkCity  
PharmaCyteBiotech  
PlainsAllAmPipe  
PlainsGP  
PowellIndustries  
PreformedLine  
ProgressSoftware  
PrometheusBio  
ProspectorCapA  
PTC Therap  
Qomolangma  
QuadroAcqNOneA

QualtricsIntl  
QuantaSing  
Quanterix  
Rambus  
RedRobin  
RothCHAcqNV  
RoxSight  
Ryanair  
Schrodinger  
SEALSQ  
ShuaaPtrsl A  
SignalHillA  
SkyWest  
SolenoTherap  
SpokHoldings  
SPS Commerce  
StdBioTools  
SterlingInfr  
StoneBridgeA  
StructureTherap  
SunCarTechA  
SuperMicroComp  
Symbotic  
Synopsys  
TenayaTherap  
TesscoTech  
TigoEnergy  
Tingo  
TMT AcqN  
TopKingWin  
Transcat  
UFP Tech  
UnitedInsurance  
UnivStainless  
UrbanOutfitters  
VectivBio  
VeecoInstr  
Vericel  
VeriSign  
ViaSat  
VikingTherap  
VirTra  
VisionSensingA  
VitaCoco  
VoyagerTherap  
WISKey  
Workday  
Workspout  
**NEW LOWS**  
1stdibs.com  
5EAdvMatls  
ACELYRIN  
ActelisNtwks  
Adamis  
AdvEmissions  
AegleaBioTherap  
AestheticMed  
AgileTherap  
AgileThought  
Agriforce  
Akanda  
AllarityTherap  
Allot  
AMC Networks  
AmeriServFin  
AmesNational  
Amgen  
Annexon  
Appreciate  
ApreaTherap  
AptoseBiosci  
AquaBountyTech  
ArcadiaBiosci  
ArcutisBiotherap  
AscentSolar  
Assure  
AtaraBiotherap  
AtlanticaSust  
Atrion  
AuroraCannabis  
AuroraMobile  
BankofSC

BassettFurniture  
BaudaxBio  
BeautyHealth  
Berry(bry)  
Biocept  
BiodexaPharm  
Biolase  
BitNileMetaverse  
BitOrigin  
BluejayDiag  
BlueStarFoods  
BlueWaterBio  
BogotaFinl  
Boxlight  
BrilliantEarthA  
BRP Group  
CaliberCos  
Canaan  
CanopyGrowth  
CarverBancorp  
CaravelleIntl  
CarverBancorp  
ChemungFinl  
ChickenSoupA  
Children'sPlace  
Chindata  
Ciniverse  
CISO Global  
CitiTrends  
Co-Diagnostics  
Codexis  
CoherusBioSci  
CommerceBcshrs  
CommScope  
COMSovereign  
Conn's  
CrownCrafts  
CSG Systems  
CumberlandPharm  
CyxteraTech  
Datasea  
DigitalTurbine  
DLH Holdings  
DollarTree  
DrivenBrands  
DZS  
E-HomeHousehold  
EdibleGarden  
EduDev  
Emcore  
EnsysceBio  
enVvenoMed  
ACELYRIN  
ActelisNtwks  
Adamis  
AdvEmissions  
AegleaBioTherap  
AestheticMed  
AgileTherap  
AgileThought  
Agriforce  
Akanda  
AllarityTherap  
Allot  
AMC Networks  
AmeriServFin  
AmesNational  
Amgen  
Annexon  
Appreciate  
ApreaTherap  
AptoseBiosci  
AquaBountyTech  
ArcadiaBiosci  
ArcutisBiotherap  
AscentSolar  
Assure  
AtaraBiotherap  
AtlanticaSust  
Atrion  
AuroraCannabis  
AuroraMobile  
BankofSC

Hydrofarm  
IcahnEnterprises  
IF Bancorp  
iHeartMedia  
Incyte  
IndependentBank  
InovioPharm  
Inpixon  
IntegraLifeSci  
InterceptPharm  
IntuitiveMachinesA  
InvoBioScience  
iRobot  
iSun  
JayudGblLogistics  
JazzPharm  
JD.com  
Jewett-Cameron  
JupiterWellness  
KaivalBrands  
KaixinAuto  
Kaspian  
KeurigDrPepper  
Snihtscope  
KY FirstFedBncp  
LanzaTechGlobal  
Largo  
Leslie's  
LexariaBioscience  
LINKBANCORP  
LionGroup  
LordstownMotors  
Lyft  
MartinMidstream  
micromobility.com  
MillerKnoll  
MiomatrixMed  
ModivCare  
MoleculinBiotech  
Momentus  
MonogramOrtho  
MullenAuto  
NauticusRobot  
NearIntelligence  
NemauroMedical  
NeptuneWellness  
NeuroBoPharm  
NewellBrands  
NewFortressEner  
NexstarMedia  
NFTGaming  
Nikola  
NiSunIntlEntDev  
Nogin  
Noodles  
Nxu  
OceanPal  
OconeeFedFinl  
Ocugen  
Olaplex  
OLB Group  
OncologyInst  
Oncorus  
OncoSecMed  
Optinose  
OrganiGram  
OriginAgritech  
PalisadeBio  
ParamountA  
ParamountB  
PartnersBancorp  
PathfinderBncp  
PatriotNatBncp  
PayPal  
PeoplesBncpNC  
PetcoHealth  
PetMedExpress  
PhenomeX  
Premier  
ProvidentFin  
Qualcomm  
QualTekSvcs  
QuantumComp  
QuoinPharm

RainOncology  
RealGoodFood  
RedHillBio  
RegenceBio  
RetailOppor  
ReToEcoSol  
ROC Energy  
RoyaltyPharma  
SagaComm  
SBA Comm  
SCWorx  
SEALSQ  
SeanergyMaritime  
SeaStarMedical  
SelinaHosp  
SenecaFoods B  
SentiBiosciences  
ShiftPixy  
ShoeCarnival  
ShuttlePharm  
SidusSpace  
SiliconMotion  
SilkRoadMed  
SiNtxTech  
SiyataMobile  
SleepNumber  
SocietyPass  
SocketMobile  
Sohu.com  
SolGelTech  
Soligenix  
Soluna  
Sono  
SouthernStBcsh  
SportsmansWrhs  
SpringBig  
Staffing360  
StarWi  
StepStone  
StockYardsBncp  
Surgalign  
T2Biosystems  
TandemDiabetes  
TangoTherap  
TattooedChef  
TFF Pharm  
ThermoGenesis  
TigoEnergy  
TilrayBrands  
TivicHealth  
TonixPharm  
TowerSemi  
TraconPharm  
TransCodeTherap  
TTEC  
TuanChe  
UPower  
UnitedFire  
urban-gro  
Vacasa  
VenusConcept  
View  
ViewRay  
VillageBank&Tr  
VincovVentures  
VNET  
Vodafone  
Volcon  
voxeljet  
WalgreensBoots  
Wejo  
WestNewEngBncp  
WestportFuelSys  
WheelerREIT  
WindtreeTherap  
WrapTech  
Xos  
Yellow  
YoshiharuGibl  
ZappEV  
ZiffDavis  
ZynerbaPharm

NYSE

NEW HIGHS

Alcon  
AltC AcqN  
AndrettiAcqNA  
AresAcqNA  
AthenaTechII A  
AtmusFiltration  
BiglariB  
BiglariA  
BlackMountainA  
BostonSci  
CCNeubergerIII A  
Chipotle  
ChurchillVI A  
ComputeHlthA  
Cool  
Copa  
CorpAmAirports  
Crawford A  
Darden  
Dole  
DorianLPG  
DoubleVerify  
DreamFinders  
Dynatrace  
EG AcqN A  
elfBeauty  
Eaton  
EnerSys  
EveMobilityA  
EverestConsolA  
FastAcqNII A  
FairIsaac  
Ferguson  
Ferrari  
FreedomI A  
GATX  
GMS  
GXO Logistics  
Momentus  
GenAsia I A  
GoGreenInvtsA  
Greenhill  
HondaMotor  
Hovnanian  
Hubbell  
HubSpot  
InFinTAcqNA  
Ingredion  
InspireMedical  
IntegratedRailA  
IonQ  
Jabil  
KnifeRiver  
LambWeston  
LearnCWInvntA  
EliLilly  
MSC Industrial  
M3-BrigadeIII A  
MSG Ent  
MagnumOpusA  
MarineProducts  
Mauiland  
MeridianLink  
ModineMfg  
MuellerIndustries  
N-able  
NorthernStrIII A  
NuHoldings  
OntoInnovation  
Oracle  
ProofAcqNIA  
PalantirTech  
QuantaServices  
RoyalCaribbean  
Salesforce  
ServiceNow  
SilverBoxIIIA  
TaiwanSemi  
Teradata  
Textainer  
Toll Bros  
US Foods  
US Xpress

Uber  
UltraparPart  
Univar  
Vertiv  
Vishay  
VitesseEnergy  
VMware  
Vontier  
WeaveComms  
Zuora  
**NEW LOWS**  
AMTD Digital  
ATI PhysTherapy  
Aenza  
Alcoa  
Alexander's  
AlexandriaRIEst  
AlticeUSA  
Amcor  
AmericanFin  
ArchResources  
ArmstrongWorld  
Ashland  
AtmusFiltration  
Avangrid  
Babylon  
Bally's  
Barnes&NobleEduc  
Beachbody  
Berkley  
BigLots  
BirdGlobal  
BlockHR  
BrightHealth  
BrightScholar  
BristolMyers  
BritishAmTob  
Brown-Forman B  
CF Industries  
CTO Realty  
Curo  
CVR Energy  
CVS Health  
Cactus  
Caleres  
Carter's  
Cazoo  
ChathamLodging  
Chimeralnt  
ChinaGreenAg  
Citizens  
ClarosMtg  
ContainerStore  
CorEnergyInfr  
CrescentEnergy  
CrownCastle  
DesignerBrands  
DieboldNixdorf  
DollarGeneral  
Doma  
DominionEner  
Dun&Bradstreet  
MauiLand  
MeridianLink  
ModineMfg  
MuellerIndustries  
N-able  
NorthernStrIII A  
NuHoldings  
OntoInnovation  
Oracle  
ProofAcqNIA  
PalantirTech  
QuantaServices  
RoyalCaribbean  
Salesforce  
ServiceNow  
SilverBoxIIIA  
TaiwanSemi  
Teradata  
Textainer  
Toll Bros  
US Foods  
US Xpress

GreystoneHousing  
HamiltonBeach  
HanoverIns  
HealthcareRealty  
HealthpeakProp  
Herbalife  
HershaHospitality  
HoraceMannEdu  
ICL Group  
Ingevity  
Int'lFlavors  
Int'lPaper  
InvenTrust  
Invitae  
JianpuTech  
KoreGroup  
KnifeRiver  
LTC Properties  
L3HarrisTech  
LeviStrauss  
Lightspeed  
LumenTech  
Macy's  
MariaDB  
Mativ  
Mosaic  
NS Industries  
NationalFuelGas  
Neuro  
Nokia  
NorthropGrum  
NouveauMonde  
Nutrien  
ON24  
OneConnectFin  
Organon  
OrionOffice  
OutfrontMedia  
Owlet  
Paysafe  
PerimeterSolns  
PermRock  
PhoenixNewMedia  
PhysiciansRealty  
PrecisionDrilling  
ProAssurance  
Renren  
Revolve  
RiteAid  
Sasol  
SealedAir  
Sibanye-Stillwater  
SpiritAirlines  
Sysco  
TelusIntl  
Telephone&Data  
TerraOrbital  
TexasPacLand  
3M  
TopgolfCallaway  
Tredgar  
TwoHarbors  
UGI  
Ubiquiti  
VF  
ValensSemicon  
VermillionEnergy  
Victoria'sSecret  
VinceHolding  
W.P. Carey  
Waters  
WeisMarkets  
WeWork  
Wiley B  
XeniaHotels  
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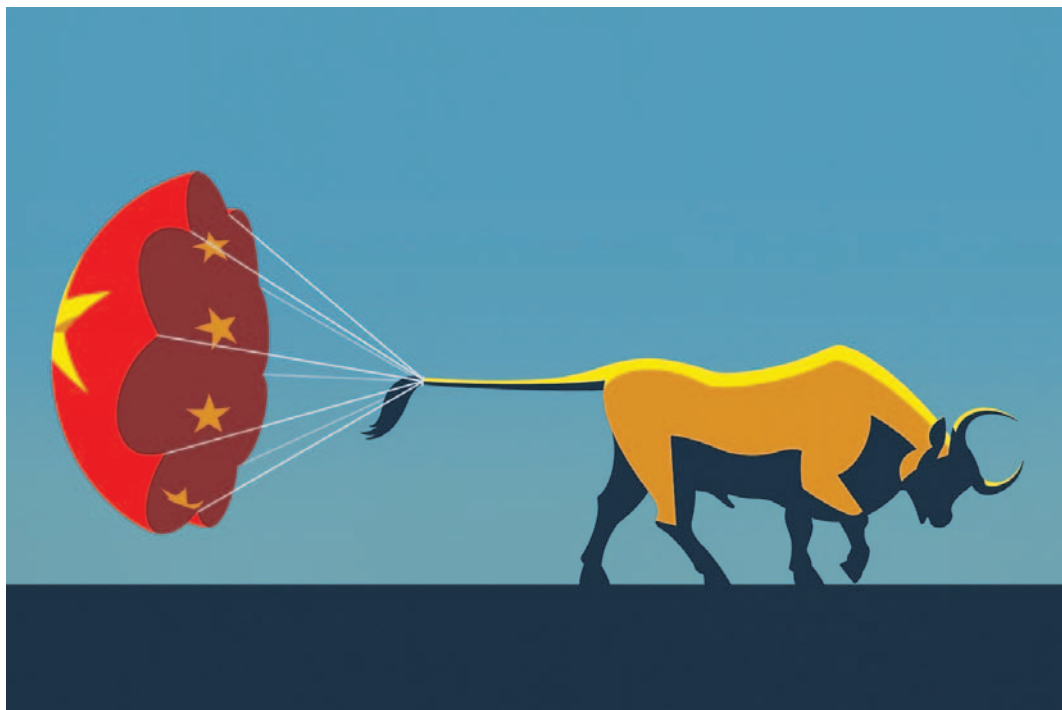
## Coming U.S. Auctions

Monday	When Issued <sup>2</sup>	Yields (%)	Last Auction
\$63.0 bil		5.276	5.250
\$56.0 bil	3-month	5.405	5.170
	6-month		

<sup>2</sup> As of Friday afternoon.

# OTHER VOICES

Shenzhen and Zhongguancun are **geysers of innovation**. But around the geysers stretches an **increasingly listless sea**.



## The Era of Chinese Supergrowth Is Over

**D**ecades of super-growth prove that China knows how to grow. Even if its economy slows, surely it will continue to grow faster than the U.S., right?

Well, based on painful experience, the law requires stockbrokers to disclaim such logic. Past expansions are no guarantee of future booms.

Why the spectacular growth? China is the latest country to choose the “East Asian development model,” following the policies of the “little dragons,” especially South Korea and Taiwan. That model includes land reform and other egalitarian policies. Promote agriculture first, then light industry, creating jobs for everyone. Make education uni-

**BY WILLIAM H. OVERHOLT**  
*Overholt is a senior research fellow at the John F. Kennedy School of Government's Mossavar-Rahmani Center for Business and Government at Harvard University.*

versal. Emphasize exports. Make outsize investment in infrastructure, then heavy industry. Gradually liberalize prices, heighten competition, and open the market. And centralize hierarchical control of the economy and politics.

These economies follow a cycle. They grow 10% annually for a generation. Success creates a highly differentiated society with big private companies, big interest groups, innumerable social assemblages with money and education and leadership, and values moving beyond a full stomach. This is hard to manage centrally and hierarchically. They experience a period of political stress and financial distress, entailing lower growth, that is resolved by moving to more market-oriented economic and political management. Growth, having slowed to

7% for some years, settles down to 3%. This evolution has bequeathed the smaller dragons high incomes, high technology, and social stability.

China had its generation of 10% growth, then its era of social complexity, experiencing the same problems as the earlier dragons: rising political dissidence, private-sector leaders criticizing the government, financial difficulties for big government-connected firms, a national debt problem. But instead of accommodating complexity through a market economy and elections, under President Xi Jinping, Beijing is fighting the tide of a diverse society with redoubled hierarchy and centralization. Security fears are corroding the priority for growth.

Fear also drives Xi's economic model. In the global financial crisis, China benefited from central control of banks and major companies. Leaders concluded that central political control was superior to Western models. Yes, superior for crisis management, but inferior for normal times.

The drivers of supergrowth have been property, infrastructure, and urbanization. By 2030, those will be largely exhausted, as will the easy technological catch-up. The service sector will dominate the economy. But it is less competitive than Chinese manufacturing because it has been more protected from international competition. Amortizing the debt from property and infrastructure bubbles and from local governments' excesses will take many years. Meanwhile, the number of workers started declining in 2015, and the cost of an aging population will rise exponentially. And China still has a U.S.-size population not yet part of the modern world.

Growth ultimately comes from rising total factor productivity, which has collapsed by two-thirds. Bottom-up innovations have provided almost all of that productivity growth, top-down innovations almost none, but policy now emphasizes top-down innovation and unintentionally suppresses bottom-up innovation. Fear of anticorruption accusations has paralyzed the bureaucracy. Most growth comes from the private sector, but

private-sector credit and investment have drastically declined because of preferences for the state sector.

China will have wins. It is the champion of green energy, electric vehicles, batteries, trains and ships, and much biogenetics. Shenzhen and Zhongguancun are geysers of innovation. China has several great universities. But around the geysers stretches an increasingly listless sea.

Assuming Xi's economic structure persists, from the end of this decade onward, China's growth should slow to the little dragons' rate of 3%. Xi's security policies will subtract from that. Growing at or slower than the rates of the U.S. and European Union, China will still be the world's first- or second-largest economy. Any global company must still engage with China. Washington must inure itself to a permanent peer competitor; much of the world already sees today's panicky status anxiety as silly.

Without structural change, however, China is unlikely to ever achieve levels of income and technology comparable to the U.S., the EU, Japan, Australia, South Korea, Taiwan, and Singapore. While China no longer requires 7% growth for social stability, the Chinese people may demand more of their leaders than permanent second-tier incomes and technology. Chinese growth stimulus for others will be comparable to the U.S. or EU, unlike the exclusive growth magnet it is today. That will provide broader geopolitical space for countries that China constrains today. China's many sovereignty-challenged maritime neighbors should on average grow twice as fast as China, altering the power balance.

When growth averaged 10% and every social group was benefiting, multidecade forecasts were possible. When growth is declining and political leaders are visibly accelerating the decline, what is predictable is change. This goes against a seemingly unchallengeable tendency in Washington to argue that, well, China was always really like this, and to assume that it will always be like today. Not so. Every decade since 1949 has seen major changes. China may become better. It may become worse. It will not remain the same. **B**



## AN APPRECIATION

# What Sam Zell Taught Me About Markets and Life

BY OSCAR SCHAFFER

*Oscar Schaffer is chairman of Rivulet Capital and a former member of the Barron's Roundtable.*

Sam Zell, the renowned real estate investor, died on May 18, and, knowing that we were close, the editors at *Barron's* kindly asked whether I would write a few words.

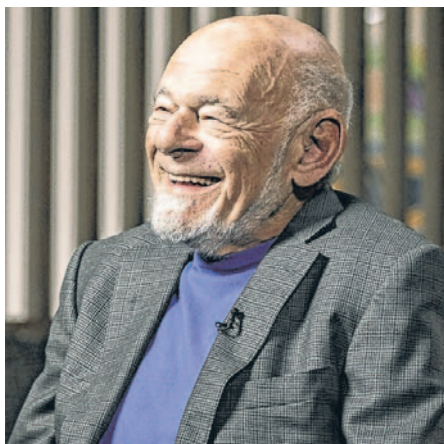
People read *Barron's* to learn about investing, and there are so many lessons one could learn from Sam. It is hard to know where to start. I could highlight his bold bets on out-of-favor industries or his creative knack for complex structures. I could mention his prescient sales at the top of the cycle or perhaps his repeated warnings when he saw others acting imprudently.

I met Sam in 1984, when we were both buying shares in a distressed railcar leasing business called Itel. A mutual friend suggested that we meet to compare notes. I saw a cheap asset. Of course, Sam saw that, too, but he also saw an opportunity for growth and value creation. Sam would eventually take control of the company, restructure its balance sheet, and buy and sell an array of related businesses over the course of decades. He created tremendous value along the way.

In truth, it is impossible to distill such a varied investment career into a single article. And it is unfair to define a man like Sam just by the deals he did or the money he made. The best we can learn from Sam isn't simply how to invest. It is how to live.

Sam recognized the importance of having fun. He threw elaborate parties and told dirty jokes. He had a giant personality. He was a serious investor, but he never took himself too seriously. When he was negotiating the largest deal of his life—the \$39 billion sale of his office real estate investment trust—he famously tempted one bidder with an email written as a poem.

Sam was fiercely independent. He dressed and spoke however he wanted. He refused to conform. He wasn't afraid to say the unpopular thing. When WeWork was valued at nearly \$50 billion and gearing up for a blockbuster initial public offering, Sam went on TV to call it



1941–2023

“bull\_\_” and predict disaster. Yet, despite his bravado, he was intensely loyal, and I always knew that if I ever needed him, he would be there, a true friend.

At the same time, Sam also was a role model for me on giving. Sam wasn't shy about reminding us of the responsibility that comes with wealth, and generously donated to support the education of underprivileged youth, both here and in Israel. For Sam, though, it wasn't only about writing a check. He also devoted countless hours to mentoring the next generation of investors. I saw firsthand the time and encouragement he provided to my partners as they embarked on the launch of their hedge fund, Rivulet Capital, in 2012.

Above everything else, Sam had the courage and desire to live his life on his own terms. He loved motorcycles because they were fast and fun and dangerous. He encouraged me to pick up riding, and for the past 20 years I had the privilege of joining him and a group of fellow travelers on an annual motorcycle trip. Sam coaxed us out of our comfort zone, and to seek adventure and trouble in places as varied as Italy or Morocco or South America. We called ourselves Zell's Angels.

Fun. Independent. Generous. Courageous. These are attributes to aspire to in both investing and life. No doubt, some people will say that it is easy to invest or live like Sam when you are already rich and successful. They are wrong. I know plenty of people who are rich and boring.

It was such a joy to know Sam all of these years. I already miss him terribly. **E**

## MAILBAG

# Oil, the Canadians, And Petrobras

### To the Editor:

Ownership of oil and gas reserves—especially in the U.S.—in an era of a cheapening dollar is very comfortable (“Not Dead Yet,” Cover Story, May 19). Gems and gold are old-fashioned; crypto, highly risky. Current production, meanwhile, creates a very satisfactory cash flow and large cash distributions to investors.

**Joseph King**  
On Barrons.com

### To the Editor:

Interesting that two topics didn't come up: the Canadians, some of whom are the lowest-cost producers of oil or gas, and midstream energy companies, some of which today have promising upside.

**R. Paul Drake**  
On Barrons.com

### To the Editor:

After closely reading your cover story on oil investment opportunities and Craig Mellow's International Trader column (“Brazil's Market Likes Its New President. 6 Stocks to Play,” May 19), I was astonished to find no emphasis on *Petróleo Brasileiro*, or Petrobras.

The American depository receipts of this giant multinational oil company, which is 29% owned by the government and arguably Brazil's corporate crown jewel, trade at an enormous discount to their peers. Petrobras has a current market capitalization of \$74 billion, a forward price/earnings ratio of 3.9, and a healthy dividend yield.

It is technologically advanced and owns tremendous reserves of uncommonly high-quality offshore oil. Its recently appointed CEO is politically moderate and has extensive industry experience. He's hinted at stock buybacks of the company's undervalued shares, and, because the government's treasury depends upon Petrobras' generous dividends, the CEO and board are unlikely to reduce the payouts too dramatically.

I am certainly no expert, but Petrobras at today's prices seems like a promising investment choice.

**Michael G. Michaelson**  
Washington, D.C.

## Rate Hike Scenario

### To the Editor:

Regarding “Why an Interest Rate Hike Is Still on the Table for June” (Economy, May 19), a rate increase in June followed by a pause should be less economically stressful than a pause in June followed by a hike later.

**Ron Minarik**  
Mystic, Conn.

## ChatGPT Companies

### To the Editor:

We are now in a new world of artificial-intelligence technology, which is changing every industry (“It's Time to Think Bigger on AI. These 8 Stocks Could Be the Next Winners,” Tech Trader, May 19). There are many companies spending millions of dollars on ChatGPT to profit from this new-world application for acquiring information. I feel that all investors should have one or many of these companies as part of their diversified portfolios.

**Martin Blumberg**  
Melville N.Y.

Send letters to [Mail@Barrons.com](mailto:Mail@Barrons.com). To be considered for publication, correspondence must bear the writer's name, address, and phone number. Letters are subject to editing.

Numbers by Barron's, which breaks down the markets, is available wherever you listen to podcasts.

# INFLATION

VOLATILITY

LIQUIDITY  
UNCERTAINTY  
DURATION



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RISING RATES

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