

THE WALL STREET JOURNAL.

What's News

Business & Finance

- ◆ **Disney offered a bullish earnings outlook** for the coming years and its streaming business showed healthy growth in profit and new customers, signs the company's shift away from its declining TV business is gaining momentum. **A1**
- ◆ **The Fed's Powell said** recent signs of economic health would allow the central bank to take its time in deciding how quickly to continue reducing interest rates. **A2**
- ◆ **Major U.S. stock indexes** slipped after Powell spoke, with the S&P 500 and Nasdaq both losing 0.6% and the Dow retreating 0.5%. **B9**
- ◆ **Alexandre Arnault**, a son of LVMH Chairman Bernard Arnault, will take a senior management role at the company's wines-and-spirits business, a cornerstone of his father's luxury empire. **B1**
- ◆ **U.S. auto-safety regulators** hit Ford with a \$165 million civil fine for delaying the recall of more than 600,000 vehicles with defective rearview cameras. **B1**
- ◆ **Ben & Jerry's sued** its parent company, accusing the consumer-goods giant of silencing its attempts to speak in support of Palestinians and threatening to dismantle its independent board. **B1**
- ◆ **Advance Auto Parts said** that it would close hundreds of stores and eliminate jobs after posting a surprising quarterly loss and forecasting revenue below market expectations. **B3**
- ◆ **Boeing poached an executive** from defense rival Northrop Grumman to run its Phantom Works division, which oversees research efforts for its Pentagon business. **B3**

World-Wide

- ◆ **Trump said he would** nominate environmental lawyer and vaccine skeptic Robert F. Kennedy Jr. to serve as health and human services secretary, putting a noted critic of U.S. public policy atop the country's vast health bureaucracy. **A1**
- ◆ **Senate Republicans** warned that Matt Gaetz, Trump's choice for attorney general, would struggle to win the support needed for confirmation and would face intense scrutiny over sexual-misconduct allegations. **A1**
- ◆ **Trump said he would** nominate North Dakota Gov. Burgum as interior secretary. **A4**
- ◆ **Elon Musk and Vivek Ramaswamy's** new government-efficiency operation is soliciting applications on X, but only from subscribers to the social-media platform. **A3**
- ◆ **The Onion said it is** buying Infowars and that its bid has the support of families defamed by the right-wing conspiracy website's previous owner, Alex Jones, after their children were killed in the Sandy Hook massacre. **A3**
- ◆ **Israel expanded its** ground operation in southern Lebanon, sending troops into villages farther from its border in what some former security officials worry could become a war of attrition. **A7**
- ◆ **Israel carried out** at least two airstrikes on Damascus and one of the city's suburbs, killing at least 15 people, Syrian state news said. **A16**
- ◆ **Thousands of security** personnel descended on Paris for a soccer match between France and Israel, a week after clashes in Amsterdam in which Israeli fans were targeted. **A7**

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World's Largest Coral Found Off Solomon Islands



SEASCAPE: Divers swim over the newly discovered coral, believed to be the world's largest, in the Pacific Ocean. The coral, 112 feet by 105 feet in size, is three times bigger than the previous record holder found off the coast of American Samoa.

GOP Senators Cast Doubts On Gaetz Getting Confirmed

WASHINGTON—Senate Republicans warned that Matt Gaetz, President-elect Donald Trump's choice for attorney general, would struggle to win the support needed for confir-

By Lindsay Wise, Xavier Martinez and Siobhan Hughes

mation and would face intense scrutiny over sexual-misconduct allegations if he continued to seek the post. Trump can afford to lose the support of no more than three

GOP senators on his most contentious picks, assuming all Democrats are opposed, in a chamber that will be split 53-47 in the new Congress.

People familiar with discussions among Senate Republicans said that far more than three of them are prepared to vote no if the matter comes to a vote, and some said there was already talk of trying to convince Trump to pull the Gaetz pick or get Gaetz himself to voluntarily withdraw his name.

"It's simply that Matt Gaetz has a very long, steep hill to

get across the finish line," Sen. Kevin Cramer (R., N.D.) said. "And it will require the spending of a lot of capital, and you just have to ask: if you could get him across the finish line, was it worth the cost?"

Cramer said he didn't think Gaetz would have the votes to be approved by the Judiciary Committee, much less to be confirmed by the full Senate.

Trump transition spokeswoman Karoline Leavitt defended the pick. She said on Fox News that Trump has rolled out "fantastic picks" and

Gaetz, 42 years old, "is one of those picks." She said Gaetz is "a man of integrity" who had an impressive record in the House.

One person familiar with the conversations among Republican senators said "significantly more than four" of them are

- ◆ **Trump vs. media returns to White House.....** A3
- ◆ **Gabbard set to oversee agencies she doubted....** A4
- ◆ **How recess appointments can be used.....** A4

Facing a Trade War With U.S., China's Options Have Narrowed

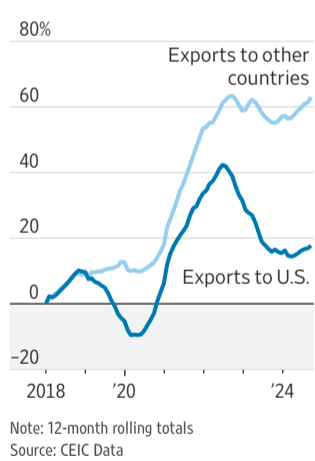
By JASON DOUGLAS

SINGAPORE—The last thing Xi Jinping needs right now is another showdown with Donald Trump over trade.

China is grappling with an epic property collapse, and local governments are wobbling under trillions of dollars of debt. China's leader Xi has responded by hitting the gas on manufacturing, pushing Chinese companies to pump out a surfeit of goods that is pouring into foreign markets and propping up the economy at home.

Now, a fresh trade war could pull the rug from under what has become a critical source of growth. In a sign of how serious he is about raising tariffs to combat what he sees as unfair trade, President-elect Trump has told allies he wants Robert Lighthizer, who served

Chinese exports in U.S. dollars, change since January 2018



as U.S. Trade Representative during his first term and is especially critical of Chinese trade practices, to be his administration's trade czar, The

Wall Street Journal reported. If the U.S. cuts back on some of the \$430 billion in goods it imports from China each year, Chinese companies could try sending them to other countries, a strategy Beijing followed successfully after Trump first hit Chinese goods with tariffs in 2018. But other countries are up in arms over an avalanche of cheap Chinese exports hurting their own companies.

Rising tariffs and mushrooming antidumping probes in Europe, Asia and Latin America are sending a strong signal that China can't rely on other countries to mop up its ballooning industrial output,

- ◆ **Trump's plans complicate outlook for trade.....** A2
- ◆ **Chinese data show sluggish recovery.....** A8

How Beijing Took Over Banking Hub

Hong Kong becomes more Chinese as financial institutions retreat

By REBECCA FENG

HONG KONG—With the golden gongs behind her waiting to be rung, Bonnie Chan, head of Hong Kong's stock exchange, launched into a speech this spring. What she said, extolling Hong Kong's position as an international financial hub, wasn't remarkable. Rather, it was how she said it.

The Harvard-educated Chan spoke in Mandarin. The language was dictated by a 2-to-1 vote over English by the three Chinese asset managers launching new cryptocurrency funds at the

exchange that day. The exchange hadn't offered simultaneous translation in English or any other language.

As red-cloth mallets struck the gongs and trading began, the few Westerners in attendance watched silently. Had they understood a word of Chan's speech, a reporter asked? No, they shook their heads in unison.

In ways big and small, Beijing's takeover of Hong Kong's financial sector is looking irreversible. With stunning speed, the world's pre-eminent East-meets-West investment hub has been

Where Tech Leaders Connect: Inside a Steamy, 200-Degree Box

Founders, investors rent out saunas for networking events; 'team sweats'

By ANGEL AU-YEUNG

When tens of thousands of software engineers, tech enthusiasts and salesmen descended on San Francisco for the annual Salesforce mega-conference in September, startup founder Jari Salomaa had an idea: What if he rented out a sauna?

Salomaa was looking to pitch his startup Valo, which has built an artificial-intelligence tool that helps users on Salesforce's platform. But an anti-alcohol movement that's sweeping through the tech industry is disrupting work gatherings that revolve around drinking or eating.

That's leading Salomaa and others to try "social saunas," where networking happens inside a steamy 200-degree box. In bathing suits.

The experience can take some getting used to. Bathrobes and bikinis can be distracting. It's also very sweaty. But investors and venture capitalists say it's refreshing to have someplace other than a bar to gather and that business is getting done everywhere from a pop-up sauna in a Napa vineyard, to an 80-person sauna in New York.

Salomaa, 46, grew up in Finland where the sauna was part of everyday life and at his

INSIDE



MANSION

The secrets to a \$100 million sale from the brokers who got the deal done. **M1**

BUSINESS & FINANCE

Buffett's Berkshire Hathaway takes a slice of Domino's Pizza, cuts Ulta stake. **B1**

Gains in Streaming Brighten Outlook For Disney Earnings

By ROBBIE WHELAN

Disney offered a bullish earnings outlook for the coming years and its streaming business showed healthy growth in both profit and new customers, signs that the company's shift away from its rapidly declining TV business is gaining momentum.

After years of investing heavily in streaming, the company's direct-to-consumer business swung to a profit of \$321 million in the September quarter from a loss of \$387 million a year earlier. The stark improvement for the business, home to Disney+, Hulu and ESPN+, marked its second consecutive

quarterly profit.

Meanwhile, Disney's cable-TV unit continued to lose steam. Income from its traditional TV networks, which include both ABC and cable channels such as FX, the Disney Channel and Freeform, declined 38% to \$498 million. Revenue fell 6% to \$2.5 billion.

Disney and many of its rivals are betting that streaming is the future as the traditional cable TV model withers. The company's performance in the September quarter highlights the delicate balancing act Disney

- ◆ **Heard on the Street: Disney flywheel picks up speed...B10**

