

THE WALL STREET JOURNAL

DOW JONES | *Market Gains* | FRIDAY, OCTOBER 14, 2022 - VOL. CCLXXX NO. 59 | WSJ.com | \$5.00
OIA 1003872 + \$27.27 2.8% NASDAQ 104815 + 2.2% STOCK 600 10135 + 0.8% 10-YR TREAS. (opening) yield 3.52% OIL 50.11 + \$1.84 GOLD \$1,670.00 + \$0.30 EURO 50.9100 YEN 102.22

What's News

Business & Finance

U.S. consumer inflation excluding energy and food accelerated to a four-decade high in September: a sign that strong and broad price pressures are persisting, likely keeping the Fed on track to increase rates by 0.75 percentage point next month. **A1, A6**

Stocks closed sharply higher in a dizzying rebound as investors assessed the inflation report. The Dow, S&P 500 and Nasdaq gained 2.8%, 2.6% and 2.2%, respectively. Treasury yields rose. **A1, B1**

Kroger is in talks with rival Albertsons over a potential combination that would unite the two largest U.S. supermarket operators. **A1**

Senior FTC officials disclosed more trades of stocks, bonds and funds, on average, than officials at any other major agency in a WSJ review of financial disclosures at 50 federal agencies from 2016 to 2021. **A1**

Social Security checks will be 8.7% higher in 2023, the largest cost-of-living adjustment to benefits in four decades. **A6**

U.S. mortgage rates jumped to their highest level in more than two decades, hitting 6.92% this week. **A6**

TSMC cut its capital-expenditure forecast by about 10% for 2022, responding to industry headwinds. **B1**

Netflix said it would charge \$6.99 a month for its new ad-supported service tier when it debuts next month. **B1**

Airline executives see demand for travel remaining robust. Delta posted record revenue for its latest quarter. **B1**

World-Wide

The Supreme Court rejected without comment Trump's bid to review a special master's power to review some 100 classified documents that federal prosecutors seized from Mar-a-Lago. **A4**

Russia carried out a drone attack in the Kyiv region and hit a residential building in southern Ukraine with a missile, amid strikes that have galvanized support for fighting Ukraine's air defenses. **A8**

U.K. financial markets rallied as investors bet the government would reverse course on its recent tax-cutting plans, with Treas facing a growing rebellion. **A10**

The White House exchanged rebuffs with Saudi Arabia after the Biden administration threatened to retaliate for the oil-production cut by OPEC+. **A10**

A jury recommended life in prison without parole for the gunman in the Parkland, Fla., high school massacre, sparing him the death penalty. **A11**

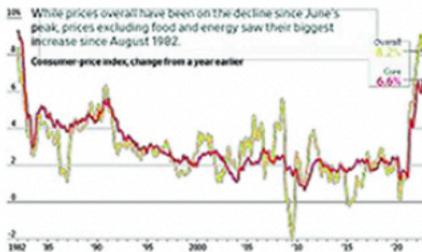
An armed juvenile killed at least five people, including an off-duty police officer, in a mass shooting in Raleigh, N.C., before being taken into custody by police, officials said. **A3**

The retooled Covid-19 booster from Pfizer and Biotech generated a strong immune response against the Omicron subvariant BA.4 and BA.5, the companies said. **A3**

Italy's Parliament moved to end a yearlong deadlock over forming the country's next government, choosing an independent Kurdish politician as the new president. **A11**

OWNERS Markets... **B1**
In... **A10**
Business News... **B1**
Economic... **A1**
Headlines... **A1**
Markets... **B1**

Core Inflation Revs to New High



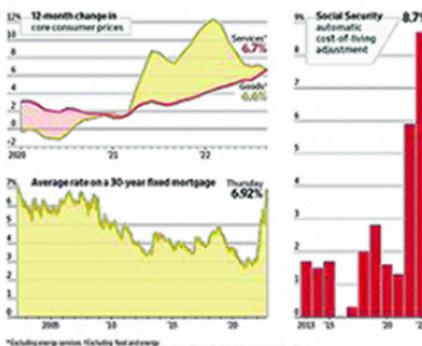
Biggest rise in 40 years dims hopes of the Fed slowing the pace of rate increases

By Guyon Cuzens

U.S. consumer inflation excluding energy and food accelerated to a new four-decade high in September, a sign that strong and broad price pressures are persisting. The Labor Department said on Thursday that its so-called core consumer price index—which excludes volatile energy and food prices—rose 6.6% in September from a year earlier, the biggest increase since Au-

gust 1982. The measure increased 6.3% in August. The inflation report likely keeps the Fed on track to increase interest rates by 0.75 percentage point at its meeting next month. It also raises the likelihood officials will delay an anticipated slowdown in the pace of rate rises after that or signal they are likely to raise rates to even higher levels early next year than previously anticipated by policy makers and investors.

The overall CPI increased 8.2% in September from the same month a year earlier, pulled down by a drop in gasoline prices that was partially offset by higher food costs. The overall CPI increased 8.2% in September from the same month a year earlier, pulled down by a drop in gasoline prices that was partially offset by higher food costs. The overall CPI increased 8.2% in September from the same month a year earlier, pulled down by a drop in gasoline prices that was partially offset by higher food costs.



U.S. Stocks Surge In Sharp Reversal

By Karin Lavelly and Curtis Ostry

U.S. stocks closed sharply higher in a head-spinning reversal, after investors decided fresh evidence of high inflation wasn't as bad as it initially appeared.

It was the first time the Dow Jones Industrial Average fell at least 500 points and rose at least 800 points in a single trading day, according to Dow Jones Market Data. The S&P 500 rose 92.88 points, or 2.6%, to 3,669.91. The tech-heavy Nasdaq Composite advanced 232.05 points, or 2.2%, to 14,693.5.

Ripple Effect
A group of new reports for a host of higher rates... **A2**
Social Security checks to grow 8.7%... **A6**
Mortgage rates hit highest level in decades... **A6**
Inflation tips into the service sector... **A6**

Venture Capital Firms Dive Into Tech Shares

By Brian Cox

Venture-capital firms are jumping into the stock market, buying up battered shares in publicly traded tech companies at a time when they are investing less in the startups that have long been their focus.

Some major venture firms including Avel and Lithopod Venture Partners have bought more stocks of companies they first backed as startups this year, defying the industry norm of selling those shares soon after public listings.

Other firms—including Sequoia Capital and Andreessen Horowitz, two of Silicon Valley's most high-profile investors—are going further, buying shares in public tech firms they hadn't backed as startups.

Venture capitalists said they are taking advantage of a stock sell-off that has allowed them to buy shares in high-profile tech companies at a good price for the first time in years. At the same time, they said they have struggled to find good investments in the startup market, where prices for new financing have remained expensive and startup rounds have slowed despite record capital.

In some cases, Silicon Valley venture firms have restructured to enable an expanded investment scope. Sequoia and Andreessen have registered as investment advisers in the past three years, a move that allows them to own more assets like cryptocurrencies and public stocks. Their behavior in some ways mirrors that of hedge funds, which also expanded their investment mandate during the recent tech sell market when they piled record amounts of cash into startups.

"There's a blurring of lines" between private and public investment, says a Sequoia partner. "Investors are looking for ways to put their money to work."

◆ Digital health startups draw less funding... **B6**

Kroger, Albertsons Explore Merger

By Cass Levesque and James Kone

Walmart Inc., the biggest seller of groceries in the U.S., a possible deal would likely face regulatory scrutiny, analysts said, at a time when food prices for consumers have soared. Under the Biden administration, antitrust enforcers have been challenging mergers, arguing that combining big companies can give the merged entities too much power and stifle competition.

A deal could be announced as soon as this week, assuming talks don't fall apart, the people said. Albertsons shares settled 15% higher Thursday—giving it a market capitalization of about \$15 billion—following a Bloomberg News report on the discussions, while Kroger shares rose 1%, giving it a \$33 billion market value.

A deal would create a grocery giant, operating thousands of stores across the U.S. and ranking as one of the country's biggest employers, with hundreds of thousands of workers. Combining operations could help cut costs in areas like purchasing, and give the enlarged company more clout when negotiating with vendors, industry advisers said.

Kroger, based in Cincinnati, operates more than 2,700 grocery stores across the U.S. and Canada. Albertsons, based in Boise, Idaho, operates more than 2,200 stores across the U.S. and Canada.

Panel Votes to Subpoena Trump

By The Associated Press

The Jan. 6 committee voted to issue a subpoena to former President Donald Trump for testimony and documents. **A4**



Didn't Realize Your New Koi Can Live to 80? Call Fish Rescue.

Pond builders get more commitment than expected; 'putting it in your will'

By Kenneth Dux

Kevin Varitek figured the police officer who pulled him over thought he was transporting live fish. When the officer popped open one of the coolers, he found himself looking at a bunch of orange and white koi. "You weren't joking," the surprised officer said.

Mr. Varitek is an expert at rescuing koi, and he has been busy of late. Pandemic lockdowns sparked interest in building koi ponds, while a subsequent surge in home sales left some sellers at a loss for what to do with their expensive koi.

◆ Digital health startups draw less funding... **B6**

Tech Firm Overseers Also Invest in Them

By Brooke Mullins, Rebecca Bullman, Chad Day, John West and Tom Ichniowski

Federal Trade Commission officials are heavy stock traders, including in tech. Wall Street Journal investigation shows

The top watchdog of American business is also home to Washington's most active Wall Street investors.

By Brooke Mullins, Rebecca Bullman, Chad Day, John West and Tom Ichniowski

The Federal Trade Commission in recent years has opened investigations into nearly every major industry. It has launched antitrust probes into technology companies, examined credit card firms and moved to restrict

drugs, energy and defense-company mergers. At the same time, senior officials at the FTC disclosed more trades of stocks, bonds and funds, on average, than officials at any other major agency in a Wall Street Journal review of financial disclosures at 50 federal agencies from 2016 to 2021.

Many of the investments overlapped with the FTC's work. A third of its 90 senior officials owned or traded stock in companies that were under investigation.

INSIDE



JASON GAY
Even Baltimore's Justin Tucker gets nervous thinking about those kicks. **A16**



MANSON
As she reports add terrain and amenities, nearby home values get a lift. **M1**



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