

What's News

Business & Finance

The most punishing market selloff in years showed no signs of abating, with U.S. stock indexes sliding to new lows for 2022 and other assets, like oil and bitcoin, falling as well. The S&P 500, Nasdaq and Dow lost 3.2%, 4.3% and 2%, respectively. **A1, B12**

◆ **Philip Morris** is in advanced talks to acquire smokeless-products maker Swedish Match, according to people familiar with the matter, in a deal that could be valued at \$15 billion or more. **A1**

◆ **Apple's China-based** engineers have shouldered greater responsibilities in maintaining the company's product cycle as Covid-19 keeps out U.S. staff. **A1**

◆ **Longer-term inflation** expectations ticked higher in April, according to a New York Fed survey, challenging the central bank's efforts to bring price pressures down. **A2, B12**

◆ **Uber will cut its spending** on marketing and scale back on hiring as it focuses on turning a profit, its CEO told staff. **B1**

◆ **Tyson Foods reported** soaring profit as the company raised prices for beef, chicken and pork, citing higher costs. **B1**

◆ **Ford sold about 5%** of its holdings in Rivian, according to people familiar with the matter, pushing shares of the electric-vehicle startup to an all-time low. **B1**

◆ **China's trade with** the rest of the world withered in April under pressure from Covid-19 lockdowns and sagging overseas demand. **A8**

World-Wide

◆ **Russian President Putin** used the annual commemoration of the victory over Nazi Germany in World War II as an occasion to voice his justifications for the Kremlin's attack on Ukraine, saying it was the only way to prevent what he said was a planned assault on Russia. **A1, A6-7**

◆ **Some places that** have avoided the worst of the pandemic, including Puerto Rico and northern New England states, are coping with elevated Covid-19 cases and hospitalizations as the latest highly contagious iterations of the virus circulate. **A3**

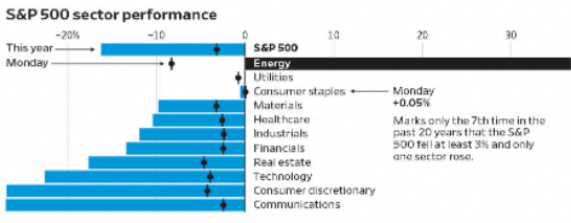
◆ **Twenty internet providers**, including AT&T, Comcast and Verizon, agreed to improve subsidized high-speed internet plans they offer to millions of unconnected households under a program in the infrastructure law passed last year. **A4**

◆ **New York's attorney general** and state lawmakers called for the creation of a fund to pay for abortion access for New Yorkers and out-of-state residents who could travel to the state for the procedure. **A4**

◆ **A former Alabama corrections officer** died apparently from a self-inflicted gunshot wound after she and an escaped inmate were captured, ending a 10-day search for the fugitive pair. **A3**

◆ **Sri Lankan Prime Minister Mahinda Rajapaksa** resigned after months of mass protests against his government's handling of an economic crisis. **A8**

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Stocks Fall to Year's Lows as Selloff Persists

S&P closes below 4000 for first time since March 2021; other assets plummet

By ANAK OTANI AND CAITLIN OSTROFF

The most punishing market selloff in years showed no signs of abating on Monday, with U.S. stock indexes sliding to new lows for 2022 and other assets, like oil and bitcoin, tumbling as well. Markets have been shaken this year by a flood of investor worries. Inflation is running at its fastest pace in decades, threatening to eat into corporate profits and rein in consumer spending. Economic growth is slowing. And the Federal Reserve is kicking off what analysts anticipate will be its most aggressive monetary-policy tightening campaign since the 1980s—something many investors worry may tip the economy over the edge into recession. Few believe a recession is

imminent. The labor market continues to add jobs at a rapid clip. Wages are climbing, and the unemployment rate remains near a 50-year low. But economists say there is a growing probability of a slowdown in the coming year, with those surveyed by The Wall Street Journal estimating a 28% probability of a recession some time in the next 12 months—up from 18% in January.

The outlook for the global economy is also looking increasingly murky, investors say. Supply chains were snarled heading into this year. Lockdowns in China aimed at containing the spread of Covid-19 and Russia's war against Ukraine have heightened fears about how growth will hold up around the rest of the world. In the face of so much uncertainty, it is little wonder that markets have been as volatile as they have.

◆ Bank shares decline despite Fed moves to raise rates... B1
◆ Chinese companies boost stock payouts... B4

Tobacco Giant Eyes Smokeless Rival for \$15 Billion

By BEN DUMMETT AND CARA LOMBARDO

Philip Morris International Inc. is in advanced talks to acquire Swedish Match AB, according to people familiar with the matter, in a deal that could be valued at \$15 billion or more and bolster the tobacco giant's exposure to the rapidly growing market for smoke-free brands.

The talks between U.S.-based Philip Morris and Stockholm-based Swedish Match could yield a deal as soon as this week, the people said, cautioning that the talks could still fall apart. The potential terms and contours of any deal couldn't be learned.

The companies confirmed the talks in separate statements after The Wall Street Journal reported on the potential deal Monday morning. Swedish Match was valued at about \$17 billion Swedish krona, or almost \$12 billion.

◆ Heard on the Street: Tobacco needs help to kick methoh. B13

Mired in Ukraine, Putin Blames West

By ANN M. SIMMONS

MOSCOW—Russian President Vladimir Putin used the annual commemoration of the victory over Nazi Germany in World War II as an occasion to voice his justifications for the Kremlin's attack on Ukraine, saying it was the only way to prevent what he said was a planned assault on Russia.

Speaking to the nation from Red Square ahead of the annual military parade here Monday, the Russian leader

said Moscow had been forced to act because it believed that a clash with Ukraine, which he says is led by U.S.-backed neo-Nazis, was inevitable.

"The danger was growing day by day, so Russia gave a pre-emptive response to the aggression. It was a forced, timely and only correct decision, a decision made by the sovereign, strong and independent country," Mr. Putin said as he stood on a podium near Lenin's Mausoleum. "We saw how the military infrastructure was being

developed, how hundreds of foreign advisers began to work, regular deliveries of the most modern weapons from [the North Atlantic Treaty Organization] countries were occurring." Some Western officials and analysts had expected Mr. Putin to use the commemoration of victory in World War II to potentially declare victory in Ukraine, or to call for a mass mobilization of Russia's army and its citizens, but he did neither.

soldiers fighting in Ukraine, telling them that "you are fighting for our motherland, its future, so that nobody forgets the lessons of World War II, so that there is no place in the world for torturers, death squads and Nazis."

◆ Gerald F. Seib: Putin uncorks the nuclear genie... A4
◆ Tycoons, pop stars pitch in on Ukraine's front lines... A6
◆ War drives interest in China-Taiwan risk insurance... B6

Marcos Far Ahead In Philippines



Ferdinand Marcos Jr., the son of the Philippines' late dictator, was on track to win the country's presidential election. A9

Covid-19 Forces Apple To Rely on China Staff

By YOKO KUBOTA

BEIJING—Before the pandemic, Apple Inc. sent hundreds of U.S. engineers each month to China to oversee the contract manufacturers that build most of its products.

Now, in a shift, the global technology giant relies more on local engineers. Most U.S.-based Apple engineers have been shut out of China for the past two years by rigid border controls intended to keep the Covid-19 virus at bay. New iPhone models in 2020 were delayed, but since then Apple has largely kept up with its annual product cycle thanks to focusing on

localization, people familiar with the matter said.

Apple's China-based engineers have taken on greater responsibilities to keep the cycle going, the people said. The transfer of power underscores the growing technical expertise of China's workforce, honed over decades as Apple and other foreign companies have trained generations of engineers and technicians.

The iPhone maker has also adopted some technology, including live-streaming, that helps staff based at its headquarters in Cupertino, Calif., remotely follow what's happening on China's factory floor.

Three Friends' Chats Fed the Steele Dossier

The report of supposed Trump-Kremlin ties often echoed pals' gossip and hearsay

By ALAN CULLISON AND ARUNA VISWANATHA

HOURS after the publication in early 2017 of a dossier claiming President-elect Donald Trump conspired with Russia to steer the U.S. election, a public relations executive in Washington tapped out an email to a client whose company was cited in the document, cast as a villain.

"I'm hoping that this is exposed as fake news," Charles Dolan Jr. wrote. "I will check with some folks in the intel world to see if they know who produced this." The dossier, published by BuzzFeed News, used code names to conceal its sources. Some were close to Kremlin

corridors of power, it said. The dossier proceeded to rivet the U.S. public class, win credibility within the Federal Bureau of Investigation, cast a shadow over the first two years of the Trump presidency and cost millions of dollars for investigations and lawsuits, only to eventually be mostly discredited. One reason was where much of the dossier's information came from—anything but Kremlin insiders.

Instead, a Wall Street Journal review found, many of the dossier's key details originated with a few people gossiping after they had been brought together over a minor corporate publicity contract.

Good Boy, Now Fetch The Sheep
Canines compete to be Farm Dog of the Year

By JIM CARLTON

Fit is good at a lot of things: catching Frisbees, taking a running dive off a dock, lounging on a couch. But the 33-pound border collie is indisputably best at her main job—bossing the sheep around on a Florida farm.

"She knows more about livestock than I'll ever know," marvels owner Cindy Deak. Fit is the reigning Farm Dog of the Year. She beat out 100 contestants for a title that carries a \$5,000 cash prize, a year's supply of dog chow—and recognition for the scrappy pooches that serve as