

What's News

Business & Finance

Small businesses are flashing warning signs on the U.S. economy as inflation, supply-chain snarls, a shortage of workers and rising interest rates darken the outlook for entrepreneurs. **A1**

Many investors and analysts looking at past pullbacks believe the current stock slump that has put the S&P 500 on the cusp of a bear market still has a way to go. **A1**

Broadcom is in advanced talks to buy VMware, with a market value of \$40 billion and a strong position in the market for "hybrid" cloud. **B1**

Apple told some of its contract manufacturers that it wants to boost production outside China, citing Beijing's strict anti-Covid-19 policy among other reasons, people involved in the discussions said. **A1**

Public data suggest that several anonymous crypto investors profited from inside knowledge of when tokens would be listed on exchanges. **B1**

Saudi Arabia's sovereign-wealth fund bought a stake in a firm owned by Prince al-Waleed bin Talal, further intertwining the government with the high-profile investor. **B6**

World-Wide

U.S. military and diplomatic officials are weighing plans to send special forces troops to Kyiv to guard the newly reopened embassy there, a presence that would mark an escalation from Biden's initial pledge that no American troops would be sent into Ukraine. **A8**

Some local officials are pledging not to enforce any new abortion restrictions should the Supreme Court overturn Roe v. Wade. **A3**

A New York state judge adopted a set of new U.S. House district lines for the state that was cheered by Republicans and creates an open seat in the heart of New York City. **A6**

Biden said the public should be concerned about the recent spate of monkeypox cases globally, saying the virus's spread would be consequential. **A3**

China spends much more in helping favored industries with state-directed funds and other government incentives than other major economies, a study to be published Monday finds. **A7**

An Israeli lawmaker who had quit the government decided to rejoin the coalition, sparing the country new elections for now. **A9**

JOURNAL REPORT

Health Management: Tactics for weathering inflation. **R1-8**

CONTENTS	Outlook.....A2
Arts in Review.....A13	Personal Journal A13-15
Business & Finance B29	Sports.....A16
Business News.....B36	Technology.....B4
Crossword.....A14	U.S. News.....A2-6
Heard on Street.....B10	Weather.....A14
Opinion.....A15-17	World News.....A7-9



Polish President Addresses Ukraine's Parliament



IN SUPPORT: Polish President Andrzej Duda on Sunday became the first foreign leader to address Ukraine's parliament in person since Russia invaded. He told lawmakers Ukraine should decide any terms upon which it pursues peace with Moscow. **A8**

Investors Struggle to Identify Market Bottom as Stocks Fall

By AKANE OTANI

U.S. stocks are in the midst of their longest selloff in decades. Whether they are close to bottoming out is anyone's guess.

Market selloffs have long stumped strategists trying to predict when they were close to done. Some have concluded with bursts of panicked selling. Others, such as the one lasting from 1973 to 1974, ground to an end after days of subdued trading volumes.

Many investors and ana-

lysts looking back at historic pullbacks believe that the current slump that has put the S&P 500 on the cusp of a bear market still has a way to go.

The index is down 19% from its Jan. 3 record, flirting with the 20% decline that would end the bull market that began in March 2020. This year's stock selloff, now in its fifth month, has already gone on for far longer than the typical pullback occurring without a recession, according to Deutsche Bank.

Yet the Federal Reserve is still in the early stages of its campaign to raise interest rates, meaning that financial conditions will tighten further and put more pressure on stocks in the coming months. Many people are skeptical that the central bank will be able to keep raising rates without tipping the economy into a recession, a period when stocks have typically fallen about 30% going back to 1929, according to Dow Jones Market Data.

Data have continued to sug-

gest that this year's selloff, while painful, hasn't yet resulted in the type of shifts in investing behavior seen in prior downturns.

Investors continue to have a hefty chunk of their portfolios in the stock market. Bank of America Corp. said this month that its private clients have an

Please turn to page A2

- ◆ Bond investors find prices too good to pass up..... **B1**
- ◆ Mackintosh: Ripe conditions for a deep bear market..... **B9**

Biden Meets Allies In Asia

President Biden is welcomed to Tokyo by Japanese Prime Minister Fumio Kishida on Monday. Earlier on his trip, in South Korea, Mr. Biden expressed openness to meeting North Korea's Kim Jong Un. **A7**



EVAN VACK/ASSOCIATED PRESS

Apple Seeks Shift Away From China

By YANG JIE

TOKYO—Apple Inc. has told some of its contract manufacturers that it wants to boost production outside China, citing Beijing's strict anti-Covid policy among other reasons, people involved in the discussions said.

India and Vietnam, already sites for a small portion of Apple's global production, are among the countries getting a closer look from the company as alternatives to China, the people said.

Small Businesses Project Economy To Worsen

Confidence drops to all-time low reached during the early days of the global pandemic

By RUTH SIMON

Small businesses are flashing warning signs on the U.S. economy as inflation, supply-chain snarls, a shortage of workers and rising interest rates darken the outlook for entrepreneurs.

Fifty-seven percent of small-business owners expect economic conditions in the U.S. to worsen in the next year, up from 42% in April and equal to the all-time low recorded in April 2020, according to a survey of more than 600 small businesses conducted in May for The Wall Street Journal by Vantage Worldwide Inc., a business-coaching and peer-advisory firm.

The measure is one part of a broader confidence index that posted in May its largest year-over-year drop since the Covid-related shutdowns of April and May 2020. Despite rising prices, the portion of small businesses that expects revenue to increase in the coming year fell to 61% down from 79% in May 2020.

"It just feels like there are all of these factors that are out of our control, and it doesn't seem like there is a light at the end of the tunnel,"

Please turn to page A6

- ◆ Recession risk entangles Biden strategy..... **A4**

At Davos This Year, It's Goodbye Snow, Hello Peep-Toe Shoes

Participants ditch winter garb and debate what's suitable for spring in Alps

DAVOS—As CEOs, world leaders and billionaires converge in the Swiss Alps for the first World Economic Forum annual gathering to be held in the spring, the hills are alive with pollen, pricey white

By Ellen Garmerman, Chip Cutter and Emily Glazer

sneakers and peep-toe shoes. For half a century, the global organization held the event at this popular ski resort in January. Attendees trudged between meetings in chunky snow boots while risking broken bones on streets glazed

with ice. One veteran guest dubbed it the "Davos Shuffle." Now, with this year's event bumped to May by the pandemic, warm and wet weather has brought a sartorial shift and the pleasant discovery that the town is actually lush and green.

Nick Studer, chief executive of consulting firm Oliver Wyman Group, arrived on Sunday and right away noticed Davos architecture he had missed during roughly a decade of attending the meetings in the dead of winter.

"I don't know if that's normally because I'm looking at

Kemp's Georgia Surge Tests Trump Clout

Governor, leading Perdue in GOP race, runs on record, not stolen-election claims

By CAMERON McWHIRTER AND JOSHUA JAMERSON

DAWSONVILLE, Ga.—Georgia Republican Gov. Brian Kemp seemed to face a bleak political future in the contentious aftermath of the 2020 election.

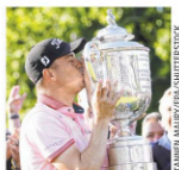
He had angered former President Donald Trump by not going along with Mr. Trump's false claim that Democrats used election fraud to carry the state for President Biden. Being on the wrong side of Mr. Trump and his supporters has doomed

the careers of many GOP politicians.

Yet Mr. Kemp, 58 years old, is positioned to win Tuesday's Republican primary for governor and fend off a Trump-backed challenger. At the core of Mr. Kemp's campaign is his record while in office: signing the state's largest income-tax cut, opening up Georgia early in the Covid-19 pandemic, bolstering police and championing new voting requirements.

Mr. Kemp's chief opponent

INSIDE



SPORTS
Justin Thomas rallies to defeat Will Zalatoris to win the PGA Championship. **A14**

U.S. NEWS
Alzheimer's research seeks new paths after Aduhelm's commercial failure. **A3**

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