

## What's News

### Business & Finance

**Broadcom** is in talks to pay around \$60 billion for VMware, people familiar with the matter said, in what would be one of the biggest takeover deals of the year. **A1**

◆ **Stocks rose**, with the S&P 500 gaining 1.9% to pull away from bear-market territory. The Dow and Nasdaq added 2% and 1.6%, respectively. **B1**

◆ **Lagarde said** the ECB is likely to increase its key interest rate, now negative, to zero by September and could keep raising rates after that. **A8**

◆ **The Biden administration** is considering a release of diesel fuel from federal reserves to address high prices and supply challenges. **A7**

◆ **Snap issued** a profit warning and said it planned to slow hiring and spending as the company grapples with a range of issues. **B1**

◆ **Didi said** its shareholders approved the Chinese ride-hailing company's plan to delist from the NYSE. **B1**

◆ **Amazon is attempting** to shed some warehouse space following a slowdown in its e-commerce operations. **B2**

◆ **Starbucks is closing** its business in Russia, marking the departure of another big Western corporation from the country. **A6**

◆ **Airbnb plans** to close its domestic business in China after harsh Covid-19 lockdowns compounded pain from local competition. **B3**

◆ **The SEC fined** a unit of BNY Mellon \$1.5 million for misleading claims it made about funds that use ESG criteria to pick stocks. **B6**

### World-Wide

◆ **Biden said** the U.S. would respond militarily to defend Taiwan if China tries to take it by force, sparking uncertainty over whether Washington was moving away from its longstanding policy of "strategic ambiguity." **A1, A8**

◆ **A Russian diplomat** resigned over Russia's war in Ukraine, saying he is "ashamed of my country," in a rare public expression of dissent by a Russian official. **A6**

◆ **A Russian soldier** was convicted of premeditated murder and sentenced to life in prison in Ukraine's first war-crimes trial since the invasion began. **A6**

◆ **U.S. births increased** last year for the first time in seven years, according to federal figures that offer the latest indication the pandemic baby bust was smaller than expected. **A2**

◆ **Three doses** of the Pfizer and BioNTech Covid-19 vaccine were 80% effective at preventing symptomatic Covid-19 and generated a robust immune response in children ages 6 months to 5 years, the companies said. **A3**

◆ **A federal appeals court** blocked Florida from enforcing the bulk of a new state law that sought to make social-media platforms potentially liable for removing political candidates and political content from their sites. **A3**

◆ **Iran vowed** to avenge the killing of a senior member of its Revolutionary Guard who was shot by unknown assailants in Tehran on Sunday. **A9**

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## For Ukrainian Soldiers and Civilians, Death Toll Climbs



**SOMBER MOMENT:** A Ukraine official said on Monday in Davos, Switzerland, that 4,600 civilians have died in the war since Russia invaded on Feb. 24, in addition to 2,500 to 3,000 Ukrainian soldiers. Above, the funeral for a serviceman in Kharkiv. **A6**

## Broadcom Offers \$60 Billion As It Pushes to Buy VMware

By CARA LOMBARDO AND DANA CIMILICCA

Broadcom Inc. is in talks to pay around \$60 billion for VMware Inc., people familiar with the matter said, in what would be one of the biggest takeover deals of the year.

The two technology companies are aiming to announce a cash-and-stock deal worth about \$140 a share Thursday, assuming the talks

don't fall apart, the people said. The price wasn't yet set and could still move around, some of the people cautioned.

To help pay for the deal, Broadcom plans to tap a handful of banks for a roughly \$40 billion debt package, one of the people said.

The VMware discussions, together with Elon Musk's agreement late last month to buy Twitter Inc. for \$44 billion, show that despite mar-

ket volatility, major deals are still doable.

That is in part because market declines have made acquisition targets more affordable and because sellers in some cases are more willing to accept stock as currency, in the hopes that they will benefit when it rebounds. Private-equity firms, meanwhile, remain flush with cash.

Still, the volume of mergers and acquisitions is down

from the brisk pace set last year. Companies in the U.S. have struck \$789.5 billion of mergers so far this year, down 31% over the same period in 2021, as market swings and broader economic uncertainty give many dealmakers pause. IPO activity, meanwhile, has come to a vir-

◆ **Heard on the Street:** Broadcom makes a bold play..... **B11**

## Biden Pledges Taiwan Military Defense

President, speaking in Japan, says the U.S. would respond to a China invasion

TOKYO—President Biden said the U.S. would respond militarily to defend Taiwan if China tries to take it by force, sparking uncertainty over whether Washington was mov-

By Andrew Restuccia, Ken Thomas and Josh Chin

ing away from its longstanding policy of "strategic ambiguity" as the White House looks for ways to check Beijing's growing clout in Asia.

Mr. Biden's comments on Monday were met with anger from Beijing and praise from Taipei. They were also part of a pattern: Like in August and October of last year, the president answered questions on Taiwan by suggesting a break in U.S. policy toward the democratically self-ruled island, only to have aides jump in to say nothing had changed.

On Tuesday, Mr. Biden said: "My policy has not changed at all. I stated that when I made my statement yesterday."

For his remarks on defending Taiwan, Mr. Biden chose a venue much closer to Beijing.

◆ **Remarks erode 'strategic ambiguity'**..... **A8**

## Fracking Executives' Bonuses Play Down Production

By RYAN DEZEMBER AND MATT GROSSMAN

Shale drillers have been hamstrung by pipeline constraints, rising prices for oil-field supplies and shortages of roughnecks and rigs. But there is another reason the highest oil and gas prices in years haven't tempted U.S. drillers to boost output: Their executives are no longer paid to.

Executives at firms including Pioneer Natural Resources Co., Occidental Petroleum Corp. and Range Resources Corp. were once encouraged by compensation plans to produce certain volumes of oil and gas, with little regard for the economics. After years of losses, investors demanded changes to how bonuses are formulated, pushing for more emphasis on profitability. Now, executives who were paid to pump are rewarded more for keeping costs down and returning cash to shareholders, securities filings show.

The shift has contributed to a big turnaround for energy stocks, which have surged through an otherwise down market. Energy shares led 2021's bull market and this year those included in the S&P 500 are up 50%, compared with a 17% decline in the broader index.

The focus on profitability over growth also helps explain drillers' muted response to the highest prices for oil and natural gas in more than a decade. Though U.S. oil and gas production has risen from lockdown lows, output remains below prepandemic levels even though crude prices have doubled since then, to about \$110 a barrel, and natural gas has quadrupled, to more than \$8 per million British thermal units.

"We're not hearing a lot of



### INSIDE

#### SPORTS

Sha'Carri Richardson returns to racing, but how fast she'll be is a mystery. **A14**

#### BUSINESS & FINANCE

The average age of vehicles on U.S. roadways in 2021 hit a record of 12.2 years. **B1**

## Targeted 401(k)s Are Hit Harder by This Stock Drop

By ANNE TERGESSEN

Millions of workers and retirees are more exposed to the stock-market slide than they might expect.

Many Americans spent the past decade putting more of their 401(k) retirement money into target-date funds, a type of set-it-and-forget-it investment product pitched as an easy way to invest in a diversified portfolio of stocks and bonds. The product works by shifting from stocks to bonds over time, giving an individual

a more conservative mix as retirement age draws nearer.

But many of these funds are shifting into bonds more slowly than they did a decade ago after managers loaded up on stocks.

Portfolios for the youngest workers now invest 92% of contributions in stocks, up from 85% a decade ago, with some top-selling target-date funds nearing 100% in stocks

◆ **Households began 2022 in stronger financial shape**..... **A2**

*Hello? Hello? Is This Facebook? Anybody There? (Nope.)*

Users with account problems go to extreme lengths to seek customer service

By KRISTEN GRIND

You thought you had to wait forever to speak with a customer service representative? Facebook and Instagram serve nearly 3 billion users a day with a help desk numbering closer to zero.

Mr. Bacon hunted for a customer help line or an email address and learned that many others before him have discovered: There are none. "I have never

count after it was hacked last year, and he expected to speak with someone about getting it up and running.

Mr. Bacon hunted for a customer help line or an email address and learned that many others before him have discovered: There are none. "I have never



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## Egypt's Bread Crisis Fuels Fears of Unrest

The world's top wheat importer faces strains to its subsidized food program

By CHIAO DENG AND AMIRA EL-FEKKI

CAIRO—For decades, vendors sold subsidized Egyptian baladi bread for almost nothing in Al-Sayedat Zeinab market, a bustling hub for this city's working class. One day last month, there was suddenly no baladi.

Customers started shouting at Khalil Mohamed, a municipal bakery-shop worker. "You should have seen the fight," said Mr. Mohamed, 25 years old. "It was like a hunger crisis."

Long the world's top importer of wheat, Egypt has been hammered by Russia's invasion of Ukraine, which

has disrupted wheat supplies from both countries. The pair previously supplied more than 80% of Egypt's imports.

In a country where political discontent often follows spikes in food prices, the potential for bread shortages is among the most urgent security challenges the Egyptian state has faced since the 2013 coup that installed President Abdel Fattah el-Sisi in power.

As a result, the government has cast a global net for new wheat supplies from Paraguay to India. It is also directing the country's farmers to harvest wheat earlier

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