

What's News

Business & Finance

Stocks have tumbled this year in the face of rising interest rates, but with inflation showing little sign of cooling, many investors fear corporate earnings could be the market's next support to fall. **A1**

Google will pay \$118 million to settle a lawsuit accusing it of discriminating against female employees. **B1**

A surge of U.S. inflation is hammering the yen, which typically strengthens on bad economic news, sending the Japanese currency to near its weakest point since 2002. **B1**

Some of the nation's biggest food suppliers and restaurants, including Kraft Heinz and some McDonald's franchisees, said they would continue to raise prices as they face higher costs. **B1**

Many commercials keep playing on ad-supported streaming services after viewers turn off their televisions, a problem that is causing an estimated waste of more than \$1 billion a year for brands. **B1**

Smithfield Foods is closing a pork processing plant in California and shrinking the size of its hog herd in the region, saying the cost of doing business in the state wasn't worth it. **B3**

The average price of a gallon of regular gasoline in the U.S. hit a record \$5.01 Sunday after reaching the \$5 mark on Friday. **A3**

World-Wide

Senate negotiators said they reached a bipartisan deal on measures designed to restrict access to firearms, paving the way for the biggest breakthrough on gun-safety legislation in decades. **A1, A4**

As the U.S. and allies gather Wednesday to discuss military aid to Kyiv, Ukraine's fate will largely depend on how fast and in what quantities weapons arrive. **A1, A8**

Three doses of Pfizer and BioNTech's Covid-19 vaccine were effective at preventing symptomatic disease in children ages 6 months through 4 years in studies, according to U.S. health regulators. **A3**

The Brookings Institution said retired Marine Gen. Allen resigned as president after a controversy over his alleged lobbying efforts for Qatar. **A4**

China's defense minister said Beijing is developing its nuclear arsenal and warned that it would fight to block Taiwanese independence. **A18**

President Macron's majority in France's National Assembly appeared to be at risk as projections showed his candidates in close races with leftist rivals. **A7**

U.S. Catholic bishops meeting this week will try to rebuild unity after a debate over whether to deny Communion to politicians who support abortion rights. **A6**

Idaho police arrested 31 people believed to be part of a white nationalist group near an LGBT Pride event on Saturday. **A2**

JOURNAL REPORT

C-Suite Strategies: Office designs to lure workers back. **R1-6**

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A Russian serviceman outside a theater Sunday in the occupied Ukrainian port city of Mariupol.

Ukraine Fears Defeat in East Without Weapons Resupply

By YAROSLAV TROFIMOV AND STEPHEN FIDLER

The war in Ukraine has turned into a grinding artillery contest where Russia is steadily gaining ground because of its overwhelming advantage in firepower. As the U.S. and allies gather Wednesday to discuss fresh military aid to Kyiv, Ukraine's fate will largely depend on how fast and in what quantities these heavy weapons arrive.

Without a massive and rapid increase in military assistance, Ukraine faces a defeat in the eastern Donbas region, Ukrainian officials warn. That would pave the way for Russia to pursue its offensive to Odessa and Kharkiv after regrouping in the coming months, they said, and potentially all the way back to the capital, Kyiv, after that.

Western officials and analysts question whether Russia has the wherewithal to achieve this, even if it makes further gains in the Donbas. They said Russia's military has been severely battered in the war, and might lack the manpower and equipment to advance beyond the Donbas soon.

Yet it still enjoys a huge superiority over Ukraine in artillery and armor. Ukrainian forces estimated that they have one artillery piece per 10 to 20 Russian ones on the front lines, with each of these guns allotted only a fraction of ammunition at the Russian gunners' disposal. As a result, every day that Western heavy weapons supplies are delayed is measured in hundreds of Ukrainian casualties, they said.

While Kyiv was initially cagey about its losses, unwilling to dent the population's morale, Ukraine's government now acknowledges that the country's military is losing between 100 and 200 soldiers killed in action every day, with around five times that number injured daily.

"In this war, the victory will be with the side that has more and better weapons. And, if Ukraine doesn't obtain enough weapons in time, it will bleed out," said Anton Gerasimov. *Please turn to page A8*

Mexico Takes Aim At Energy Firms

Populist president's moves to reclaim state control put chill on economy

By DAVID LUNNON AND SANTIAGO PÉREZ

MONTERREY, Mexico—For the past 20 years, a 1,100-megawatt power plant owned by Spain's Iberdrola SA outside Mexico's industrial capital has kept the lights on for scores of companies such as brewing giant Heineken NV, despite winter freezes, a hurricane and the occasional brush fire.

But since January, half the gas-fired plant has been forcibly shut down by Mexico's government, which argues that private energy companies have plundered Mexico like Spanish conquistadors of old.

The electricity shutdown forced dozens of firms in Monterrey to return to the inefficient and more costly state-run utility for their power.

In September, a fuel-import terminal owned by investment firm KKR & Co. was closed at gunpoint by Mexico's energy regulator, months after it closed two other such terminals. *Please turn to page A10*

A Cafe That Helps Fight Writer's Block

Owner enforces deadlines, hands out late fines

By SURVATAPA BHATTACHARYA

TOKYO—At the Manuscript Writing Cafe, people on a deadline pay to put themselves under the gaze of a manager in hopes of curing writer's block. Joe Sasamura, a lawyer at a technology company, is under orders from his publisher to complete a legal book by the end of the year. Alas, the words to explain the contractual obligations of cloud-computing providers haven't flowed effortlessly. So Mr. Sasamura has been visiting the cafe.

The cafe's co-owner, Takuya Kawai, directs his customers to set a goal for the day and, if necessary, to pay a fine. *Please turn to page A10*

Formula Shortage Shakes Up Industry

By SHARON TERLEP AND ANNIE GASPARD

Baby-formula makers have their best shot in decades to shake up a U.S. market long dominated by two players.

Long-established companies and startups are angling to emerge from a nationwide formula shortage in a stronger market position as they work to hold on to new customers who are more willing to switch brands while shelves remain thinly stocked.

This window of opportunity might be short-lived, industry analysts and executives said, as formula manufacturers still face significant barriers, ranging from federal product-safety rules to state contracts with major brands.

"We didn't anticipate that we would be launching in the middle of this shortage, but we are working very hard to significantly ramp up supply

INSIDE



SPORTS
Oakland fights to keep its status as a sports town, with the A's its last team standing. **A14**

BUSINESS & FINANCE
Apple moves deeper into finance business with its buy now, pay later plan. **B1**

Weaker Earnings Pose New Threat To Roiled Markets

By KAREN LANGLEY

Stocks have fallen this year amid rising interest rates. With inflation showing little sign of cooling, many investors fear corporate earnings could be the market's next support to fall.

The S&P 500 has dropped 18% in 2022, its worst start to a year since 1962, as the Federal Reserve embarks on a rate-rising campaign to bring down four-decade-high inflation. The tightening of monetary policy has trampled on the rich valuations stocks carried at the start of the year, leaving earnings growth as a key pillar for the market to regain its footing.

But recent days have cast doubt on the durability of corporate profit growth, further darkening the outlook for stocks. Companies from Target Corp. to Microsoft Corp. have warned that their results will be lower than expected, while analysts have trimmed earnings forecasts across industries.

Stock markets and U.S. equity futures fell in Asia early Sunday. *Please turn to page A2*

● Outlook: Hot inflation complicates Fed stance..... A2
● Gasoline tops \$5 a gallon, deepening price pain..... A3

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