

# THE WALL STREET JOURNAL

DOW JONES | News Corp \*\*\*\*\* TUESDAY, APRIL 1, 2025 ~ VOL. CCLXXXV NO. 75 WSJ.com ★★★★★ \$5.00

DJIA 42001.76 ▲ 417.86 1.00% NASDAQ 17299.29 ▼ 0.1% STOXX 600 533.92 ▼ 1.5% 10-YR. TREAS. ▲ 2/32, yield 4.245% OIL \$71.48 ▲ \$2.12 GOLD \$3,122.80 ▲ \$36.30 EURO \$1.0816 YEN 149.97

## What's News

### Business & Finance

- ◆ **Worries about tariffs** and the U.S. economy sent the S&P 500 and Nasdaq Composite to their worst quarters since 2022, a setback that is pushing some investors overseas. **A1, B3, B9**
- ◆ **Hooters, the casual bar** and dining franchise that became increasingly leveraged in recent years, filed for chapter 11 with a plan to revivify the business under new management. **B1**
- ◆ **Rocket aimed to take** an even bigger chunk of the mortgage market with the \$94 billion acquisition of heavy-weight servicer Mr. Cooper. **B1**
- ◆ **Eric Trump and Donald Trump Jr.** will invest in a bitcoin-mining company, adding to the Trump family's expanding portfolio of cryptocurrency businesses. **B1**
- ◆ **A former Deutsche Bank** senior manager sued the lender, alleging it hid from regulators mishaps that led to a \$30 million loss in its U.S. arm. **B1**
- ◆ **Swedish buyout group** EQT and investor First Kraft offered to buy Fortnox in a deal that values the cloud-based accounting software developer at around \$5.5 billion. **B3**
- ◆ **Clothing retailer Primark** said its chief executive officer, Paul Marchant, resigned after an investigation into alleged inappropriate behavior. **B3**
- ◆ **Huawei's net profit** fell in 2024 as higher expenses weighed on results, but solid revenue growth signaled that the company is making a comeback. **B4**
- ◆ **Yum Brands' CEO, David Gibbs,** plans to retire after more than six years at the helm of the operator of KFC, Taco Bell and Pizza Hut. **B3**

### World-Wide

- ◆ **A French court convicted** Marine Le Pen of misusing European Union funds, banning her from the next presidential election in a ruling that upends the country's political landscape. **A1**
- ◆ **Trump said he had settled** on a plan for his latest batch of tariffs but didn't reveal what he had decided, after his team struggled to coalesce around a remade trade strategy. **A2**
- ◆ **The Trump administration** deported 17 more alleged gang members to a notorious maximum-security prison in El Salvador, Secretary of State Marco Rubio said. **A3**
- ◆ **Powerful storms were** forecast to move east after scouring the central U.S. with wind and hailstones, causing at least five deaths and cutting power to hundreds of thousands of people. **A5**
- ◆ **Senate Republicans are** pushing a two-part budget strategy that would address tax cuts, defense and border security, while deferring debate on spending-cut levels. **A4**
- ◆ **The bodies of three U.S.** Army soldiers who went missing last week in Lithuania were found and the search for a fourth continued. **A6**
- ◆ **The Trump administration** is turning its sights to Harvard, announcing a review of nearly \$9 billion in federal grants and contracts as part of its investigation into how universities have handled antisemitism. **A4**
- ◆ **A blaze that damaged** the entryway to the New Mexico Republican Party headquarters in Albuquerque was being investigated as arson, a fire official said. **A5**

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# S&P, Nasdaq Log Worst Quarter Since '22

### Trade fight, flagging tech appeal push investors overseas; big Monday rebound

By KAREN LANGLEY

Worries about tariffs and the economy sent the S&P 500 and Nasdaq Composite to their worst quarters since 2022, a setback that is pushing some investors overseas.

The Trump administration's whipsaw rollout of a tariff fight with America's biggest trading partners has analysts trimming forecasts for economic growth and lifting esti-

mates for inflation. The tech trade that carried indexes to new highs is fizzling. Investors big and small have been shifting bets to Europe—where new spending plans could jolt a lethargic economy—and beyond.

Monday's action highlighted the volatility pummeling markets in recent weeks. U.S. stocks opened sharply lower following a global selloff overnight, before an afternoon rally carried the broad index to its largest intraday recovery in more than two years. The S&P rose 0.6% for the day, while the Nasdaq edged lower by 0.1%. The Dow Jones Industrial Average ended Monday up 1%, or nearly 418 points.

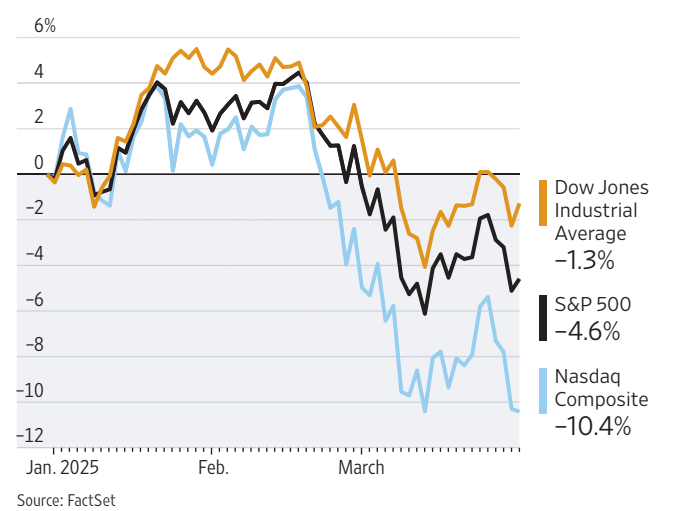
Still, the S&P and Nasdaq fell 4.6% and 10.4%, respectively, for the quarter, while the Dow fell by 1.3%.

"For the first time in a while, you can have a conversation about: Might European equities be the best place to be for the next two or three years?" said John Porter, chief investment officer at Newton Investment Management, which has been buying European stocks in many of its strategies in recent months.

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- ◆ **James Mackintosh: Preparing for next market mess..... B1**
- ◆ **Heard on the Street: Biotech investors flee...B10**

Index performance in the first quarter



National Rally leader Marine Le Pen left party headquarters in Paris on Monday after being convicted of embezzlement.

# Le Pen Guilty, Barred From Election

By NOEMIE BISSERBE AND STACY MEICHTRY

PARIS—A French court convicted Marine Le Pen of misusing European Union funds, banning her from the next presidential election in a ruling that upends the country's political landscape.

Monday's sentence bars Le Pen from seeking public office for the next five years, thrusting her far-right party into limbo. Le Pen also received a four-year prison sentence. Half of that term was suspended, judges said, adding that she could serve the remaining two years by using an electronic bracelet or other al-

ternatives to jail time. Le Pen also received a 100,000 euro fine, equivalent to \$108,000.

The ruling takes Le Pen out of contention for the 2027 race, unless she can win a swift appeal. Le Pen had been expected to enter that contest as a front-runner as President Emmanuel Macron will be term limited and other prominent contenders have yet to emerge.

The court ruled that Le Pen and other members of her party illegally used €4.4 million in EU funding that was earmarked for assistants helping lawmakers in the European Parliament with their work. Instead, judges said, Le Pen and her lawmakers used

the money to pay party staffers who weren't involved in work for the parliament.

Le Pen cast the decision as an attempt to usurp the will of voters, adding that she planned to file an appeal.

"In a democracy, it's the voters who decide. I've come to tell them tonight, don't worry," Le Pen said. "This feeling of injustice is perhaps an additional driving force in the fight I'm waging."

Judges applied "provisional execution" to Le Pen's ban, which means it takes effect immediately. Her prison sentence, meanwhile, remains suspended while any appeals are under way. The appeals

process in France can be lengthy, making it unclear if Le Pen can overturn the ruling before the 2027 election.

Le Pen had sat impassively in the courtroom for most of the verdict, occasionally shaking her head. But she struck a note of defiance by leaving the courtroom before Judge Bénédicte de Perthuis finished reading the ruling once it became clear the court was banning her from running for office with immediate effect.

Earlier in the trial, Le Pen denied the charges, testifying in court that it was appropriate for the assistants to perform other party-related work

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# U.S. Push Can't Save Mercedes From Peril Of Tariffs

By STEPHEN WILMOT

As speculation swirled in February about how auto tariffs would hammer foreign carmakers, Mercedes-Benz Chief Executive Ola Källenius had a ready answer.

"We're also an American company," he said, highlighting the carmaker's 11,000 U.S.-based workers and that two of his three children were born in the country.

The German luxury-car brand has worked to bolster its American credentials in recent years, including making sport-utility vehicles in Alabama that get shipped around the world.

But under President Trump's new auto tariffs, even those made-in-USA vehicles aren't American enough.

The president last week announced a 25% additional tax on imported cars and car parts, starting this week. On Saturday he told NBC News that he "couldn't care less" if foreign automakers raise their prices for U.S. consumers in response to new tariffs because "people are going to buy American-made cars."

Roughly two-thirds of the 324,500 vehicles Mercedes shipped to dealers in the U.S. last year were imported, and even the popular GLE and GLS SUVs it assembled in Tuscaloosa, Ala., used engines and transmissions from Europe.

New U.S. tariffs could cost the company \$1.7 billion this

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- ◆ **Trump says he has settled on tariff plan..... A2**
- ◆ **Shares of European and Asian car makers fall..... B3**

# Canada Brings Out 'Mr. Elbows' In Escalating Cross-Border Feud

### Nation draws inspiration from hockey legend Gordie Howe's rough style of play

By PAUL VIEIRA AND RYAN DUBÉ

OTTAWA—In Canada's escalating feud with the U.S., people here are rallying around the sharp elbows of hockey legend Gordie Howe. Another hockey icon, Wayne Gretzky, is getting an ice-cold shoulder.

Raised during the Great Depression on a farm in the Canadian prairies, "Mr. Hockey," as Howe was known, was quick to throw his elbows up and into an opponent's chin when confronted on the ice. It was so effective that the right-winger for the Detroit Red Wings earned another nickname: "Mr. Elbows."

Now, Canadians have turned "Elbows Up" into a movement rallying the nation against President Trump and his threats to impose crippling

tariffs on the U.S.'s northern neighbor and make it the 51st state.

The movement, a far cry from the country's reputation as a polite and overapologetic nation, is manifesting itself in different ways. Retailers are dumping U.S. products off their shelves to showcase Canadian wares. Canadians are increasingly foregoing trips to the U.S. Coffee shops no longer serve Americanos, offering Canadians instead. At "Elbows Up" rallies, Canadians hold signs saying, "Don't Poke the Goose. Elbows Up."

"People are pissed off," said Gina Csiffary, who runs Mickle Macks Haberdashery in Ottawa, which has canceled orders from the U.S. "It's definitely elbows up."

That anger isn't only reserved for Washington. Many

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## INSIDE



**PERSONAL JOURNAL**  
How Americans who took early retirement are handling their finances. **A11**



**WORLD NEWS**  
NATO patrols in the Baltic Sea target suspected Russian sabotage. **A8**

# The Democrats Who Are Fighting Trump And Winning

### State attorneys general have brought 11 lawsuits; strategy is politically risky

As Democrats struggle to find their bearings after President Trump's return to the White House, Arizona Attorney General Kris Mayes isn't looking for common ground like some Democrats in Washington. Her strategy is simple: take him to court.

By Eliza Collins in Phoenix and John McCormick in North St. Paul, Minn.

Mayes is one of 23 Democratic attorneys general who are strategizing on a nearly daily basis about how to use the courts to thwart Trump. Various combinations of them have persuaded federal judges to pause White House initiatives to end birthright citizenship, freeze all federal

grants and fire probationary government employees.

So far, they have brought 11 lawsuits against Trump and his administration and have won temporary restraining orders or preliminary injunctions in eight cases, with two requests still pending, according to the Democratic Attorneys General Association. In one, a bid to block some actions of Elon Musk's and the Department of Government Efficiency, they failed to get immediate relief and are awaiting a full hearing.

Although none of the injunctions represent final rulings, they constitute a rare batch of victories for a Democratic Party reeling from electoral defeats in November. *Please turn to page A10*



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