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THE WALL STREET JOURNAL.

DOW JONES | News Corp ***** TUESDAY, FEBRUARY 24, 2015 ~ VOL. CCLXV NO. 44 WSJ.com ★★★★★ \$3.00

DJIA 18116.84 ▼ 23.60 0.1% NASDAQ 4960.97 ▲ 0.1% NIKKEI 18466.92 ▲ 0.7% STOXX 600 385.08 ▲ 0.7% 10-YR. TREAS. ▲ 23/32, yield 2.057% OIL (new) \$49.45 ▼ \$1.36 GOLD \$1,200.30 ▼ \$4.10 EURO \$1.1335 YEN 118.81

What's News

Business & Finance

Honda's CEO will step down and be succeeded by a low-profile engineer, a shift that comes in the wake of several stumbles by the firm. **A1**

◆ **U.S. officials** are investigating banks for possible rigging of precious-metals markets, even though European regulators dropped a similar probe. **A1**

◆ **HSBC reported** weak results and scaled back its financial targets, pushing the bank's shares down 4.6%. **C1**

◆ **J.P. Morgan plans** to charge large institutional customers for some deposits, citing new capital and liquidity rules. **C1**

◆ **Apple plans** to spend nearly \$2 billion to build its first two data centers in Europe, the latest U.S. tech firm to do so. **B1**

◆ **Morgan Stanley** and Goldman Sachs are inching closer to settling a mortgage-bond probe with the government. **C3**

◆ **Existing-home sales** fell 4.9% last month from December, a reflection of rising prices and tight supplies. **A2**

◆ **Dish Chairman Ergen** will return to the role of CEO, succeeding Clayton, who will retire at the end of March. **B4**

◆ **Nasdaq extended** its winning streak to nine days, its best stretch since 2010. The Dow eased 23.60 to 18116.84. **C4**

◆ **Fuel prices** are rallying as U.S. refineries close for maintenance and frigid weather boosts demand. **C1**

◆ **Obama backed** stricter standards for brokers and others who recommend retirement-account investments. **C2**

World-Wide

◆ **The U.S. and Iran** are exploring a deal that would curb Tehran's nuclear program for 10 years but could then allow Iran to build up its capabilities. **A1**

◆ **Russia offered** to sell Iran a missile system, five years after the Kremlin canceled the sale of an earlier version. **A8**

◆ **A U.S. jury found** Palestinian groups liable for backing terror attacks in Israel and ordered them to pay \$218.5 million. **A2**

◆ **Senate leader McConnell** said he planned to bring up a bill targeting Obama's immigration policy, separating it from Homeland Security funding. **A4**

◆ **The Obama administration** asked a federal judge to allow it to continue implementing the president's immigration plan. **A4**

◆ **Two claimants** to an art collection sued Germany, alleging their Jewish ancestors sold the work under duress in 1935. **A6**

◆ **Greece delayed** until early Tuesday a list of proposals its eurozone partners demanded in exchange for funding. **A6**

◆ **The Obama administration** has signaled that it may lift a ban on transgender people serving in the military. **A4**

◆ **Ukraine's currency** slid to a new low against the dollar, while a cease-fire showed more signs of unraveling. **A14**

◆ **A top Sunni cleric** called for educational reforms in the Muslim world to fight the escalation of extremist violence. **A8**

◆ **Republicans are increasing** pressure on the FCC to delay a vote on net-neutrality rules. **A4**

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Death Toll Climbs to at Least 70 in Bangladesh Ferry Disaster



GRIEF-STRICKEN: Residents react after finding a relative's body after a crowded ferry collided with a cargo vessel in central Bangladesh. **A7**

U.S., Iran Discuss Shorter Nuclear Freeze

BY LAURENCE NORMAN

GENEVA—The U.S. and Iran are exploring a nuclear deal that would keep Tehran from amassing enough material to make a bomb for at least a decade, but could then allow it to gradually build up its capabilities again.

Such a deal would represent a significant compromise by the U.S., which had sought to restrain Tehran's nuclear activities for as long as 20 years. Tehran has insisted on no more than a 10-year freeze.

The possible compromise on the table appears closer to Tehran's timeline. While it would add some years in which the Iranian nuclear program continues to be closely monitored and constrained, Iran would be able to increase its capacity to enrich uranium, and thus get closer to bomb-making capability again.

Critics in Congress and in Israel quickly attacked the prospect of a 10-year time frame as inadequate.

After four days of talks in Geneva, a senior U.S. official on Monday said there had been welcome progress toward a deal, while giving no specifics about its timeline.

The U.S. has been pushing for a freeze that would establish a period of time during which Iran would remain at least 12 months away from being able to fuel an atomic bomb—a so-called breakout period. Asked if Iran must accept that breakout period through

Please see **IRAN** page **A8**

Honda Missteps Claim CEO

Auto maker chooses little-known executive to face big challenges in two largest car markets

BY ERIC PFANNER

TOKYO—Honda Motor Co., already coping with large safety recalls over quality glitches and faulty air bags, said on Monday its chief executive would step down to make way for a low-profile engineer with extensive international experience.

The Japanese auto maker said Takahiro Hachigo, a 55-year-old managing officer based in China, will succeed Takanobu Ito, 61, as president and CEO by June. The timing of the news conference and the choice of Mr. Hachigo, who was promoted over more prominent executives, were unusual for a corporate culture that frowns on surprises.

The shift comes at a crucial juncture for Honda, which after failing to take advantage of Toyota Motor Corp.'s stumbles in the U.S. five years ago, now is being challenged for its top five

position in the U.S. by Nissan Motor Co. Last year, Nissan's share of U.S. sales was 8.4%, less than a percentage point behind Honda, and it has been gaining ground in hot-selling sport-utility vehicles.

Honda has been hurt by stumbles in the U.S., Japan and China. Its popular Civic sedan was redesigned for 2013 after a year-earlier revamping received poor reviews in the U.S. for using cheap materials and a lack of improved fuel economy. Its Japanese sales this year were hurt by delays with the launch of a new

Fit subcompact. In China, Honda's 2014 sales were up just 4.1% in a market that expanded by 7%, widely missing an earlier sales forecast.

In October, Mr. Ito and other top executives took pay cuts to show responsibility for quality problems with Honda models such as the redesigned Fit, which dented sales. Honda also is the car maker most affected by the recall of millions of older vehicles equipped with air bags from Takata Corp. that have been linked to six deaths around

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QATAR'S MILITANT TIES STRAIN ALLIANCE

Gulf state's relationships in region are both useful and a worry to America

BY JAY SOLOMON AND NOUR MALAS

DOHA, Qatar—During President Barack Obama's first term, some members of his National Security Council lobbied to pull a U.S. fighter squadron out of an air base in Qatar to protest the emirate's support of militant groups in the Mideast.

The Pentagon pushed back, according to former U.S. officials involved in the discussion, saying a regional military command the U.S. maintains at the base was vital to American operations in the region. The issue was decided in late 2013 when the U.S. extended its lease on the base and didn't pull out any planes.

The episode, not previously reported, reflects long-standing divisions within the Obama administration over America's widening alliance with Qatar. The problem is that the very traits making the Persian Gulf emirate a valuable ally are also a source of worry:

Qatar's relationships with Islamist groups.

Secretary of State John Kerry has formed a tight partnership with Qatari diplomats, using them as conduits for messages to Hamas in the Palestinian territories, to Afghanistan's Taliban and to jihadist rebel groups in Syria and Libya, according to State Department officials. Mr. Kerry has lauded Qatar's role in seeking to negotiate an end to Israeli-Hamas fighting last summer.

U.S. officials also have praised Qatar for using its channels to broker the release of Westerners held hostage, including U.S. Army Sgt. Bowe Bergdahl, who was swapped last year for five captured Taliban commanders.

Champions of the U.S.-Qatar alliance, especially in the Defense and State departments, say

Please see **QATAR** page **A10**

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- ◆ U.S. holds war-council meeting in Mideast..... **A8**

In Brazil, Support Swells for 'Surfer Angel'

Priest-in-training, who loved to catch waves, is considered for sainthood

BY JOHN LYONS

RIO DE JANEIRO—Praying for waves? Have faith: the Catholic Church is considering a surfer for sainthood.

The would-be patron saint of good vibes is Guido Schäffer, a Brazilian priest-in-training who was 34 and about to be ordained when he drowned while surfing near here in 2009.

After he died, locals started calling him the "Surfer Angel" and made pilgrimages to his tomb. Some left engraved stone plaques thanking him for answered prayers. Others left molds of feet and heads indicating body parts healed through his intercession.

The cult of the Surfer Angel grew so much that priests began holding a monthly Mass at Mr. Schäffer's grave. A Portuguese journalist wrote a book on the



Guido Schäffer

phenomenon. Devotees sprang up as far away as Poland.

In January, the Vatican gave permission to Rio priests to gather evidence of Mr. Schäffer's holiness and present it to the pope, a crucial early step in the sainthood process.

To mark the moment, Mr. Schäffer's remains were transferred to the Our Lady of Peace Church in the beach town of Ipanema. His surf buddies accompanied the remains atop a

firetruck in a lively procession. Several held surfboards aloft. One board said "JESUS IS OUR WAVE" in large black letters.

"For him, surfing was a mystical experience, like prayer. He felt the presence of God in the sea," said the Rev. Jorge Neves, who mentored Mr. Schäffer at Our Lady of Peace and resembles the actor Forest Whitaker. Mr. Schäffer called his hefty mentor "Big George."

A giant poster of Mr. Schäffer on his board now hangs on the outside of the Ipanema church. In it, a tanned and athletic Mr. Schäffer has just completed a wave and is riding the foam. The Surfer Angel wears blue board shorts and stares intently into the distance. Passersby cross themselves as they walk the busy sidewalk below the poster.

The notion of a surfing saint Please see **SURFER** page **A10**

Inside



PERSONAL JOURNAL | D1 An About-Face On Peanut Allergies

New research finds that introducing peanuts in a baby's first-year diet could help avoid the allergies later.



BUSINESS & TECH | B1 MLB Unit Takes The Extra Base

Baseball's technology arm is quickly becoming the go-to vendor for companies looking to stream TV over the Web.



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Boycotting Netanyahu

Alan M. Dershowitz on the threat by Democrats to boycott the Israeli prime minister's speech to Congress.

Big Banks Face Scrutiny Over Pricing of Metals

BY JEAN EAGLESHAM AND CHRISTOPHER M. MATTHEWS

U.S. officials are investigating at least 10 major banks for possible rigging of precious-metals markets, even though European regulators dropped a similar probe after finding no evidence of wrongdoing, according to people close to the inquiries.

Prosecutors in the Justice Department's antitrust division are scrutinizing the price-setting process for gold, silver, platinum and palladium in London, while the Commodity Futures Trading Commission has opened a civil investigation, these people said. The agencies have made initial requests for information, including a subpoena from the CFTC to HSBC Hold-

ings PLC related to precious-metals trading, the bank said in its annual report Monday.

HSBC also said the Justice Department sought documents related to the antitrust investigation in November. The two probes "are at an early stage," the bank added, saying it is cooperating with U.S. regulators.

Also under scrutiny are Bank of Nova Scotia, Barclays PLC, Credit Suisse Group AG, Deutsche Bank AG, Goldman Sachs Group Inc., J.P. Morgan Chase & Co., Société Générale SA, Standard Bank Group Ltd. and UBS AG, according to one of the people close to the investigation.

Bank representatives declined to comment or couldn't be im- Please see **METALS** page **A2**