

## MARKET PULSE

DOW JONES  
36,404.93 (+157.06)S&P 500  
4,622.44 (+18.07)NASDAQ  
14,432.49 (+28.51)CRUDE OIL  
\$71.32 (+\$0.09)NATURAL GAS  
\$2.44 (+\$0.01)GASOLINE PRICES  
\$3.501 (-\$0.061)

## URA official charged with accepting bribes

Accusation stems from tenure as city inspector

By Michael Korsh  
Pittsburgh Post-Gazette

An official at Pittsburgh's Urban Redevelopment Authority has been hit with a felony bribery charge after federal prosecutors accused him of having "so-

licitated and accepted" more than \$5,000 in home items from a luxury housing developer during his tenure as a city building inspector.

Walter "Curt" Eiseman, assistant director of quality control and inspections for the URA, is charged with one felony count of bribery concerning programs receiving federal funding, according to court records filed on Nov. 28.

As a city inspector, Mr. Eiseman oversaw the permit process for the conversion of a commercial building in Downtown into luxury apartments and hotel rooms. Neither the developer nor the project have been named in court documents.

According to the filings, between December 2018 and March 2019, Mr. Eiseman accepted the items in connection with his role evaluating whether the building

could be opened for partial occupancy, pending a final inspection.

A criminal hearing for Mr. Eiseman is scheduled in U.S. District Court in Pittsburgh on Jan. 18, according to a Justice Department spokesperson who declined to provide further comment on the case.

While the charges stem from Mr. Eiseman's time with the city, he left that post to take a leadership position at the URA in March 2020,

receiving an annual salary of \$90,000, according to the authority's payroll records.

As the URA's assistant director of quality control and inspections, Mr. Eiseman helped run a department that's responsible for reviewing plans, costs and construction for major housing and commercial projects, according to the authority's website.

SEE URA, PAGE A-13

## Real estate key to deal that would privatize Macy's

By Jeannette Neumann  
Bloomberg

The potential acquirers of Macy's Inc. probably aren't interested in trying to arrest the storied department-store operator's decades-long decline. Instead, analysts say the investors are likely eager to buy its real estate assets and potentially spin off its higher-end Bloomingdale's and Bluemercury chains.

"There's way easier places to make money than buying a middler department store," said Joel Bines, the former head of Alix Partners' global retail practice who now advises retail companies' boards. "Why would you want the brain damage of trying to make money in this space?"

Arkhouse Management and Brigade Capital Management have offered \$21 a share to take the department store operator private, Bloomberg News has reported, citing people with knowledge of the matter. The potential buyers are likely interested in selling at least some of Macy's real estate assets, Mr. Bines and other analysts said, as well as the upscale Bloomingdale's, which has reported year-over-year sales declines that have been less steep than those at the mass-market Macy's chain.

Another spinoff target could be Macy's Bluemercury beauty business, which it bought in 2015. The chain has reported year-over-year revenue growth in recent quarters as sales of beauty products have remained resilient in the U.S.

Representatives of Macy's, Arkhouse and Brigade declined to comment.

If the two investors were able to improve the fortunes of Macy's, then that would be additional profit for them. "And if there's no turnaround, it's still a good deal for them," Mr. Bines said.

Bloomberg Intelligence analyst Mary Ross Gilbert estimates that

SEE STORE, PAGE A-13



Sebastian Foltz/Post-Gazette

Astrobotic Technology staff check the weight of the Peregrine Lander lunar landing vehicle at the robotics company headquarters on the North Side. Peregrine's launch, set for Christmas Eve, has been delayed to at least Jan. 8, officials announced on Monday.

## WAIT WATCHING

Astrobotic launch, set for Christmas Eve, has been delayed to early January

By Evan Robinson-Johnson  
Pittsburgh Post-Gazette

Astrobotic, the North Shore space startup, has waited 16 years to see its technology tested outside Earth's atmosphere — and it will have to wait a few days more.

The launch of its first commercial lander, Peregrine, originally scheduled for Christmas Eve, was postponed to at least Jan. 8 by rocket maker United Launch Alliance, which is testing its first Vulcan Centaur rocket in the same mission.

A couple of "routine" issues were detected during tests at

Cape Canaveral, ULA's Chief Executive Tory Bruno said on X, formerly Twitter.

"I'd like a full [wet dress rehearsal] before our first flight, so XMAS eve is likely out."

Astrobotic shared the update on its own page but did not offer additional commentary. It was the second delay for the Peregrine mission, which aims to place the nation's first commercial lander on the moon's surface.

Peregrine was originally set to launch in May but was delayed after one of ULA's Vulcan rockets exploded during testing at NASA's Marshall Space

Flight Center in Alabama.

A similar lander made by rival startup Intuitive Machines, based in Houston, was also delayed, due to rocket congestion at the launch pad. What would have been a Nov. 15 launch aboard a SpaceX Falcon 9 rocket has now been pushed to Jan. 12.

Peregrine mission director Sharad Bhaskaran previously told the Post-Gazette that delays are a tough but necessary part of the process.

Dozens of students from Carnegie Mellon University have also waited years for their work to take off. They built a small Iris

rover designed to roll away from Peregrine and take a photo of the lander.

On a recent visit to CMU, Pittsburgh astronaut Warren "Woody" Hoburg gave the team a patch for good luck. Red Whitaker, an Astrobotic co-founder and CMU engineering professor who has mentored the student team and the startup, said he understands ULA's delay.

"I only count a launch after I look up and see it flying," he said. "I don't speculate much before that."

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### Business briefs

#### Occidental buying CrownRock in deal valued at \$12 billion

Occidental is buying oil and gas company CrownRock in a cash-and-stock deal valued at about \$12 billion. The acquisition comes at a time when there's increasing consolidation in the energy sector. Some companies are spending heavily to increase their positions in oil-rich areas. This includes the Permian Basin, a massive oilfield that straddles the border between Texas and New Mexico.

#### Some nations want to lower their carbon footprint

As countries at the COP28 climate talks wrangle over deadlines for lowering their carbon dioxide emissions, a Danish-led group of countries has decided to set the ultimate goal: to remove more CO2 from the atmosphere



Jerod Foster/The Texas Tribune

Fog blankets a low-lying area where pumpjacks operate in West Texas in the Permian Basin, an oil-rich seabed that spans West Texas and southeastern New Mexico. Occidental is buying CrownRock, which operates in the Permian Basin.

than they emit. The Group of Negative Emitters (GONE) was launched in Dubai by Denmark, Finland and Panama. It aims to reach its goal by slashing emissions, protecting and expanding forests, and investing in new technologies. Panama has already reached that goal with its

vast forests that act as a huge carbon sink. Finland and Denmark hope to achieve it by 2035 and 2045, respectively.

#### Speculation about eventual rate cuts is rising

With inflation edging closer to the Federal Reserve's 2% target, its policymakers are facing — and in some cases fueling — hopes that they will make a decisive shift in policy and cut interest rates next year, possibly as soon as spring. Such a move would reduce borrowing costs across the economy, making mortgages, auto loans and business borrowing less expensive. Fed Chair Jerome Powell, though, has recently downplayed the idea that rate reductions are nearing. With the central bank poised to keep its key short-term rate unchanged when it meets this week, Mr. Powell hasn't yet signaled that the Fed is done with its hikes.

— From wire reports

## Wall Street ends higher ahead of the last Federal Reserve meeting of the year

The Associated Press

Stocks on Wall Street finished modestly higher Monday ahead of the Federal Reserve's final meeting of the year.

The S&P 500 rose 0.4% after drifting between small gains and losses in the early going. The benchmark index finished at its highest level in 20 months.

The Dow Jones Industrial Average also added 0.4%, while the Nasdaq composite finished 0.2% higher.

The gains were broad among S&P 500 stocks, with technology, financial and health care among the big winners. Communications services stocks were the only laggard.

Cigna surged 16.7% for the biggest gain among S&P 500 stocks

after the health insurer announced a \$10 billion stock buyback, and the Wall Street Journal reported that the company is no longer pursuing a merger with Humana.

Macy's jumped 19.4% following reports that an investor group is launching a bid to take the storied retailer private for \$5.8 billion.

All told, the S&P 500 rose 18.07 points to 4,622.44. The Dow gained 157.06 points to 36,404.93 and the Nasdaq added 28.51 points to close at 14,432.49.

The latest gains, while muted, follow a six-week winning streak by the major stock indexes. The S&P 500 is up 20.4% for the year and the Nasdaq is up 37.9%.

Wall Street's big focus this

SEE STOCKS, PAGE A-13

# Macy's suitors eyeing real estate

STORE, FROM A-12

Macy's real estate assets in the U.S., including its flagship in Manhattan's Herald Square, could be worth \$8 billion. Arkhouse and Brigade Capital's offer values Macy's around \$8.5 billion, including debt, which shows they might not assign much value to the retail holdings. She values the Herald Square store alone at \$2 billion, noting that the valuation "might be low given a major development under way that includes a new office tower."

Macy's potential exit from some of its real estate holdings could be an outright sale of stores or a sale-and-leaseback plan, in which the buyers would structure the business so that Macy's would rent the buildings it had previously owned.

"As a going concern, Macy's is not that interesting," said Milton Pedraza, head of the Luxury Institute, a consulting firm. "As a real estate play, it is."

Under Chief Executive Officer Jeff Gennette, Macy's already sold off some of its real estate assets between 2015 to 2016, noted Citi analyst Paul Lejeuz, including stores in Brooklyn for \$270 million, San Francisco for \$270 million and Minneapolis for \$59 million. The department-store chain operates



Mathias Wasik/The New York Times

Shoppers with Macy's bags on Black Friday in New York. Arkhouse Management and Brigade Capital Management have offered \$21 a share to take Macy's private.

around 600 stores, of which it owns about half. "As a private company, management might be more willing to make the decision to close additional locations," Mr. Lejeuz wrote in a research note.

The potential acquirers would still need to line up financing, a hurdle given that the cost of debt has risen.

Attempts at takeovers in recent years, including of Kohl's Corp. and Nordstrom Inc., have failed, an indica-

tion of the uphill battle facing Macy's suitors. "But we believe this instance has the potential to be more credible if financing is indeed lined up," TD Cowen analyst Oliver Chen wrote in a research report.

He pointed out that the Wall Street Journal, which first reported the news, said the investor group was willing to raise its offer and that an investment bank has provided a letter of support to raise funding.

# URA official faces bribery charge

URA, FROM A-12

The URA — which acts as the city's primary vehicle for economic development projects — has issued millions in bonds this year to spur residential and affordable housing across the Golden Triangle as the Downtown office market continues to struggle with lingering pandemic-era vacancies.

The URA has also overseen new incen-

tives to spur the conversion of office buildings into residential space, including a 10-year tax abatement program for developments that include either affordable housing units or that create at least 50 jobs.

It's unclear whether the city or URA have launched internal investigations into Mr. Eiseman, or whether he remains employed by the URA. Olga George, a spokeswoman for Mayor Ed Gainey, declined to comment, and the URA did not respond to multiple calls and emails.

Mr. Eiseman did not return phone calls from the Post-Gazette.

Staff writer Laura Esposito contributed. Michael Korsh; mkorsh@post-gazette.com; Twitter: @michael\_korsh

# Market set to focus on inflation, Fed

STOCKS, FROM A-12

week will be updates on inflation at the consumer and wholesale levels, along with the Fed's latest update on its interest rate policy.

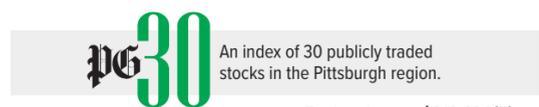
On Tuesday, the government will release its November report on consumer inflation. Analysts expect the report to show that inflation continued slowing to 3.1% from 3.2% in October. On Wednesday, the government will release its November report on inflation at the wholesale level, which is also expected to show that the rate of inflation is easing.

The inflation data comes ahead of the Fed's latest statement on interest rates Wednesday afternoon. The central bank is expected to hold its benchmark rate steady for a third consecutive time after spending much of 2022 and a large portion of 2023 aggressively raising rates to their highest levels in two decades.

Wall Street is overwhelmingly betting that the Fed will keep its benchmark interest rate at a range of 5.25% to 5.50% into early 2024 and could start cutting rates by the middle of that year. Analysts are also becoming more comfortable with the possibility that the central bank can pull off a "soft landing," which refers to inflation easing under high interest rates without the economy falling into a recession.

"With inflation coming down faster than expected, it now appears likely that the Fed will refrain from additional rate hikes," said Brian Rose, senior U.S. economist at UBS, in a note to investors. "At the same time, inflation is still too high and the labor market is still too tight for the Fed to consider cutting rates soon."

Strong consumer spending and a solid jobs market have provided a bulwark to the broader economy, where growth has slowed but has so far avoided stall-



| Company name, stock ticker                       | Price    | 1 day change | % 1 day change | Market cap (in billions) |
|--|----------|--------------|----------------|--------------------------|
| PNC Financial Services Group Inc. (PNC)          | \$141.00 | 0.33         | 0.23%          | \$56.17                  |
| Kraft Heinz Co. (KHC)                            | \$36.78  | 0.55         | 1.52%          | \$45.11                  |
| PPG Industries Inc. (PPG)                        | \$145.84 | 1.86         | 1.29%          | \$34.39                  |
| Ansys Inc. (ANSS)                                | \$290.13 | 2.93         | 1.02%          | \$25.20                  |
| Howmet Aerospace Inc. (HWM)                      | \$53.66  | 0.40         | 0.75%          | \$22.09                  |
| Wabtec Corp. (WAB)                               | \$119.20 | 0.80         | 0.68%          | \$21.36                  |
| EQT Corp. (EQT)                                  | \$36.89  | -0.24        | -0.65%         | \$15.17                  |
| Viatis Inc. (VTRS)                               | \$9.83   | 0.00         | 0.00%          | \$11.79                  |
| Dick's Sporting Goods Inc. (DKS)                 | \$138.91 | 0.82         | 0.59%          | \$11.36                  |
| Duolingo Inc. (DUOL)                             | \$216.13 | 1.38         | 0.64%          | \$9.08                   |
| Wesco International Inc. (WCC)                   | \$166.39 | 5.43         | 3.37%          | \$8.50                   |
| United States Steel Corp. (X)                    | \$36.14  | 0.24         | 0.67%          | \$8.06                   |
| MSA Safety Inc. (MSA)                            | \$169.35 | -1.60        | -0.94%         | \$6.66                   |
| Coherent Corp.                                   | \$41.85  | 0.47         | 1.14%          | \$6.34                   |
| FNB Corp. (FNB)                                  | \$12.85  | -0.01        | -0.08%         | \$4.61                   |
| Alcoa Corp. (AA)                                 | \$24.93  | -0.09        | -0.36%         | \$4.45                   |
| Equitrans Midstream Corp. (ETRN)                 | \$9.82   | -0.17        | -1.70%         | \$4.25                   |
| American Eagle Outfitters Inc. (AEO)             | \$20.76  | 0.59         | 2.93%          | \$4.10                   |
| CNX Resources Corp. (CNX)                        | \$19.83  | -0.22        | -1.10%         | \$3.15                   |
| Consol Energy Inc. (CEIX)                        | \$98.52  | -3.20        | -3.15%         | \$3.06                   |
| Krystal Biotech Inc. (KRYX)                      | \$106.01 | -0.85        | -0.80%         | \$2.99                   |
| Federated Hermes Inc. (FHI)                      | \$32.43  | 0.11         | 0.34%          | \$2.80                   |
| Kennametal Inc. (KMT)                            | \$24.75  | 0.19         | 0.77%          | \$1.97                   |
| WesBanco Inc. (WSBC)                             | \$28.99  | -0.14        | -0.48%         | \$1.72                   |
| Northwest Bancshares Inc. (NWBI)                 | \$11.78  | -0.09        | -0.76%         | \$1.50                   |
| First Commonwealth Financial Corp. (FCF)         | \$14.48  | -0.11        | -0.75%         | \$1.48                   |
| S&T Bancorp Inc. (STBA)                          | \$30.34  | -0.26        | -0.85%         | \$1.16                   |
| Koppers Holdings Inc. (KOP)                      | \$44.27  | 0.19         | 0.43%          | \$0.92                   |
| Universal Stainless & Alloy Products Inc. (USAP) | \$15.85  | -1.50        | -8.65%         | \$0.14                   |
| Ampco-Pittsburgh Corp. (AP)                      | \$2.55   | -0.10        | -3.77%         | \$0.05                   |

Closing prices for the previous day. Source: Bloomberg. Post-Gazette

ing. The government's jobs report on Friday showed that U.S. employers added more jobs last month than economists expected. Workers' wages also rose more than expected, and the unemployment rate unexpectedly improved.

The latest round of corporate earnings is mostly behind Wall Street and proved to be surprisingly

good. Companies in the S&P 500 reported earnings growth of just under 5% during the third quarter, according to FactSet. That follows three straight quarters of earnings contractions.

Several big companies will report their earnings this week and are among the few remaining to release their results.



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