



TODAY IN MANSION Homes Gone to the Dogs

ARENA College Football's Unlikely Finale

THE WALL STREET JOURNAL.

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DJIA 16441.35 ▼ 135.31 0.8% NASDAQ 4143.07 ▼ 0.8% NIKKEI Closed (16291.31) STOXX 600 325.82 ▼ 0.7% 10-YR. TREAS. ▲ 12/32, yield 2.985% OIL \$95.44 ▼ \$2.98 GOLD \$1,225.00 ▲ \$23.10 EURO \$1.3672 YEN 104.80

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TECHNOLOGY

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What's News

Business & Finance

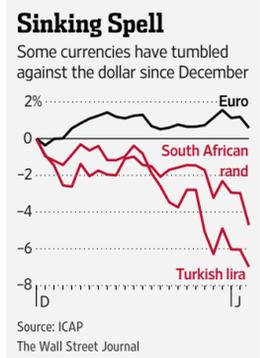
- The dollar jumped** as expectations of a resurgent U.S. economy lured investors from around the globe. The euro was the most high-profile victim of the greenback's rise. **A1**
- Stocks kicked off** the new year with a selloff. The Dow industrials shed 135.31 points to close at 16441.35. **C1**
- U.S. factories finished** the year on a high note and looked to be building momentum going into 2014. **A2**
- A new enforcement team** will focus on brokers with repeated customer complaints and rule violations. **C1**
- Macau's gambling revenue** rose 19% in 2013, further cementing its position as the world's casino capital. **B1**
- Cox bought back** a stake in AutoTrader in a deal that implies a value of about \$7 billion for the auto marketplace. **B1**
- FireEye is paying** nearly \$1 billion to buy Mandiant, a computer security firm known for outing Chinese hackers. **B5**
- U.S. airlines are bracing** for new restrictions on the hours pilots can put in behind the cockpit controls. **B3**
- Fannie and Freddie** collected \$7.9 billion in 2013 in settlements with seven major financial institutions. **C3**
- General Mills has started** producing Cheerios free of genetically modified content. **B1**

Catching Some Air as Storm Barrels Down



DOUBLE DIAMOND: Milo Bloom, 10, skis over a snowbank next to a parked car in Portland, Maine, on Thursday. The Northeast braced for snow and frigid temperatures on Friday, and airlines canceled at least 2,300 flights. The storm dropped 18 inches of snow over parts of Illinois earlier this week. **A3**

Investors Get Behind Dollar As Hope Springs for Economy



BY NICOLE HONG

The dollar soared on the first trading day of 2014, as expectations of a resurgent U.S. economy lured investors from around the world.

The euro was the most high-profile victim of the greenback's surge. Its 0.6% drop, to \$1.3670, was the biggest one-day percentage decline against the dollar since November.

Emerging markets' currencies also came under pressure, as investors took a dim view of their economic growth prospects. The Turkish lira sank to a record low against the dollar,

partly because of political problems in the country, while the South African rand tumbled to its weakest level against the U.S. currency since November 2008. The Brazilian real fell to a four-month low.

Driving the greenback's renewed strength is anticipation that U.S. economic growth this year will outpace the recovery in Europe and other regions, which would boost the dollar's value by attracting more cash to U.S. shores. As the economy heals, the Federal Reserve is expected to continue reducing, or "tapering," its postcrisis stimulus program, a move that also

helps the dollar because it slows the injection of new money into the financial system.

Many investors made similar bets on the dollar's strength at the start of 2013, only to see the U.S. currency slide as the economic recovery moved in fits and starts. But as the year drew to a close, U.S. employment data and housing figures painted a rosier picture. The Fed, which shocked markets when it opted not to begin tapering, is expected to begin tapering.

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◆ U.S. factories show growth... **A2**
◆ Virtual 'sucre' targets dollar... **C1**

Militants Upgrade Missile Threat To Israel

U.S. officials believe members of Hezbollah, the militant group backed by Iran, are smuggling advanced guided-missile systems into Lebanon from Syria piece by piece to evade a secretive Israeli air campaign designed to stop them.

By Adam Entous,
Charles Levinson
and Julian E. Barnes

The moves illustrate how both Hezbollah and Israel are using Syria's civil war as cover for what increasingly is seen as a complex and high-stakes race to prepare for another potential conflict—their own—in ways that could alter the region's military balance.

Some components of a powerful antiship missile system have already been moved to Lebanon, according to previously undisclosed intelligence, while other systems that could target Israeli aircraft, ships and bases are being stored in expanded weapons depots under Hezbollah control in Syria, say current and former U.S. officials.

Such guided weapons would be a major step up from the "dumb" rockets and missiles Hezbollah now has stockpiled, and could increase the group's ability to deter Israel in any potential new battle, officials say.

The movements appear to serve two purposes. Iran wants to upgrade Hezbollah's arsenal to deter future Israeli strikes—either on Lebanon or on Iran's nuclear program, U.S. and Israeli officials say. In addition, *Please turn to page A6*

◆ Beirut bombing fuels tension... **A5**
◆ Kerry seeks a Mideast deal... **A5**

SELF-DEFENSE

Afghan Forces Score Gains As U.S. Starts to Pull Back

SANGIN, Afghanistan—After months of hard fighting, Afghan security forces have come out on top in a key province that for years cost the U.S. and its allies dearly.

Helmand province, in the country's south, was once a major focus of American troops, an area thick with insurgents and the opium poppies that finance them.

Now, as U.S. and allied forces depart and leave the local army and police in charge of security, the Afghans have emerged from the warm-weather fighting season in nominal control of every heavily populated district of Helmand—a result that U.S. and Afghan commanders say should inject optimism into the often-gloomy debate over the country's future.

It is too early to declare victory in Helmand, says Col. B.J. Fitzpatrick, chief of staff for U.S. Ma-

rine forces in the province. But "what I will tell you," he says, is that in 2013, "the Afghans took lead responsibility."

In places such as Sangin, an important Helmand province district, "the Taliban threw a lot at them. Some would even say they threw their best at them. And the security forces are still there," he says. "The Taliban can't beat them on the battlefield."

The bulk of the U.S.-led international forces—perhaps all of them—are expected to have left Afghanistan by the end of this year. That will leave the outcome of the 12-year war and the effort to leave a pro-Western country in this volatile part of the world in the hands of local forces.

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◆ U.S. senators press Karzai on security accord... **A6**

By Michael M. Phillips
in Sangin, Afghanistan,
and Nathan Hodge
in Kabul

High-Tech Tweets: That Lilting Lark May Be an iPhone

Birders Squawk Over Increased Use of Apps in the Field

BY SARAH PORTLOCK

As Christopher Vogel approached a hot spot for Louisiana waterthrushes in a New Jersey state forest one spring day, the professional ornithologist could hear the bird's complex crescendo of "CHEE-CHEE-CHEE-titi-WEE."

But something didn't seem quite right.

Then he spotted the trouble. The warble wasn't coming from a bird. Rather, he said, a large man in full birding regalia—khaki field vest, floppy sun hat and expensive binoculars—was standing there on a bridge, his iPhone chirping away. It was loudly playing the bird's song, seemingly on a loop, in an effort



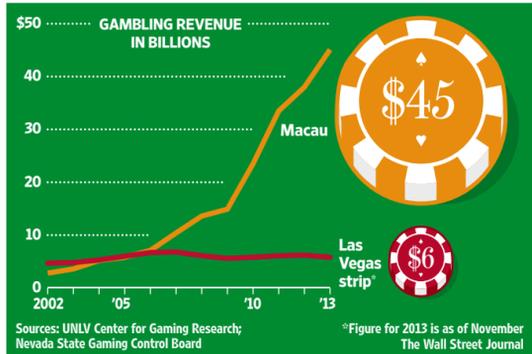
Louisiana waterthrush

to lure the bird into view. "He thought he was alone. He was being on the sly," recalled Mr. Vogel, 41 years old. "And then somebody caught him." "I told him, 'You know that's

exactly what you're not supposed to be doing.'" Mr. Vogel then snapped a photo of the man and threatened to post it online for public shaming. The birder blanched, said nothing, went back to his car and left.

An otherwise peaceful pastime has been roiled by conflict as digital field guides, and the song recordings they include, have made birding easily accessible for anyone with a smartphone and, sometimes, a portable speaker. In a hobby where reward has come from years of quietly, patiently waiting outdoors and diligently studying technical tomes, there is deep resentment of birders who are relying on these easy-to-use—or *Please turn to page A8*

Gambling's Big Payoff in Macau



BANKROLL: Analysts expect Macau, the only place in China where casino gambling is legal, to widen its lead this year on the Las Vegas Strip. Macau's numbers have defied concerns about China's economy. **B1**

Medicaid Expansion Drives Up Visits to ER

BY MELINDA BECK

Some supporters of President Barack Obama's health-care overhaul say that putting uninsured Americans on Medicaid will reduce costly emergency-room visits by giving them more access to care in other settings.

But a new study found the reverse: A group of 10,000 low-income Oregon residents who recently obtained Medicaid coverage visited ERs 40% more often than those without insurance.

The new Medicaid recipients used ERs more often for all kinds of health issues, including problems that could have been treated in doctors' offices during business hours, according to the study published Thursday in the journal *Science*. Earlier studies had found the same patients used more of other medical services as well.

"Now we know—the hope that Medicaid will save money turns

out not to be correct, at least in the first two years," said Amy Finkelstein, a Massachusetts Institute of Technology economist and a principal investigator of the study.

On average, the Medicaid recipients visited ERs in 12 Portland-area hospitals 1.4 times during an 18-month period, compared with 1.02 visits for the control group without insurance. Using \$435 as the average cost of an ER visit, the researchers calculated that Medicaid increased annual ER spending by \$120 a covered person. Hospitals often end up footing the bill for uninsured patients.

States are sharply divided by Medicaid expansion, the one part of the 2010 health-care law that the Supreme Court ruled optional in 2012. To date, 25 states and the District of Columbia have accepted the Obama administration's offer to finance extending the Medicaid program to *Please turn to page A4*

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