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FLAGSHIP PROJECTS | Page 3

Property demand drives steady uptake at Huzoom Lusail and The Seef

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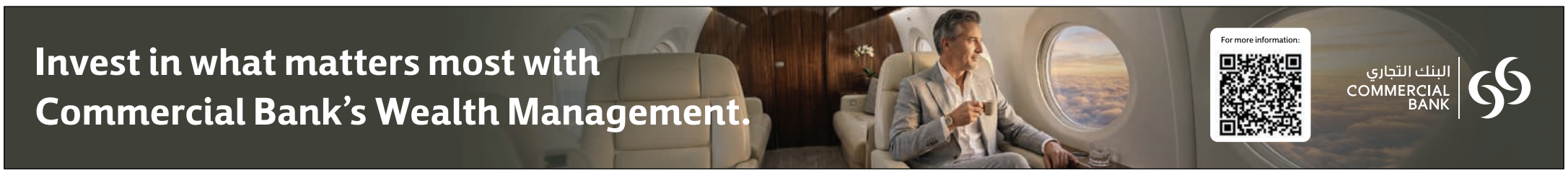
Tuesday, November 24, 2026
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GULF TIMES
BUSINESS



PMI SIGNS : Page 8

Eurozone growth holds steady but France's deepening downturn clouds outlook



Permanent Committee for Hosting Web Summit signs MoU with German BVMW

QNA
Bonn

On the occasion of His Highness the Amir Sheikh Tamim bin Hamad al-Thani's state visit to the Federal Republic of Germany, the Permanent Committee for Hosting Web Summit signed a memorandum of understanding with the German Association for Small and Medium-Sized Businesses (BVMW), in the presence of HE the Prime Minister and Minister of Foreign Affairs Sheikh Mohammed bin Abdulrahman bin Jassim al-Thani and a number of Qatari and North Rhine-Westphalia ministers.
The signing took place during the Qatar-Germany Economic Dialogue in Bonn, aimed at expanding trade, investment and industrial partnerships and strengthening cooperation in technology and innovation.
The MoU was signed by Director of the Government Communications Office and Chairman of the Permanent Committee for Hosting Web Summit Sheikh Jassim bin Mansour bin Jabor al-Thani, and Deputy Executive Director and Board Member of the German BVMW Gordon Pelz.
Under the agreement, the two sides will organize joint promotional events in Germany to highlight Web Summit Qatar and the country's business and technology ecosystem, facilitate the participation of German technology companies and institutions, and promote cooperation with Qatari entities.
This will allow them to showcase solutions and innovations in technology, communications, monitoring and analysis, media production and cybersecurity.
Sheikh Jassim said the agreement reflects the depth of Qatar-Germany relations and their shared commitment to expanding cooperation in technology and innovation.
He said the partnership would strengthen ties between businesses and institutions, encourage knowledge exchange and create opportunities for German companies to participate in Web Summit Qatar and benefit from the country's business and technology ecosystem.
Pelz said Web Summit Qatar offers German companies an important opportunity to connect with international markets and present their solutions and innovations to investors, entrepreneurs and technology leaders worldwide.
He said the association looks forward to working with its Qatari partners to expand German participation, strengthen its regional presence and create new growth opportunities.
The MoU builds on an agreement signed by the two sides in February 2025 during the second edition of Web Summit Qatar, aimed at increasing German participation in future editions of the event in Doha.



The MoU was signed by Director of Government Communications Office and Chairman of the Permanent Committee for Hosting Web Summit Sheikh Jassim bin Mansour bin Jabor al-Thani, and Deputy Executive Director and Board Member of the BVMW Gordon Pelz.



The signing took place during the Qatar-Germany Economic Dialogue in Bonn, aimed at expanding trade, investment and industrial partnerships and strengthening cooperation in technology and innovation.

Al-Kaabi meets prime minister of Korea



The Minister of State for Energy Affairs HE Saad bin Sherida al-Kaabi held a meeting in Seoul yesterday with Han Seong-sook, the Prime Minister of the Republic of Korea. Discussions during the meeting dealt with energy relations and cooperation between Qatar and Korea. **Page 3**

Al-Kaabi meets KOGAS president and CEO



The Minister of State for Energy Affairs HE Saad bin Sherida al-Kaabi, who is also the president and CEO of QatarEnergy, held talks during a visit to the Republic of Korea with Hong Ui-rak, the president and CEO of Korea Gas Corporation (KOGAS). Discussions during the meeting centered on enhancing bilateral cooperation and expanding business relations between QatarEnergy and KOGAS.

QDB and SC Ventures sign MoU to build, scale new ventures in Qatar

Qatar Development Bank (QDB), represented by the Qatar FinTech Hub (QFTH), has signed a Memorandum of Understanding (MoU) with SCV Master Holding Company (SC Ventures) to explore opportunities for fintech innovation and venture development in Qatar, aligned with the country's economic priorities.
At the Singapore FinTech Festival (SFF) 2026, Abdulrahman bin Hesham al-Sowaidi, CEO of QDB and chairman of QFTH, signed the MoU with Alex Manson, CEO SC Ventures, the innovation, venture-building, and investment arm of Standard Chartered.
The agreement aligns with QDB's broader efforts to position Qatar as an innovation-friendly destination where international fintechs can build, collaborate, and grow into new markets across the GCC and worldwide.
As Qatar's fintech industry advances from ecosystem building to active market enablement, the agreement represents a key step towards connecting the local market with global innovation capabilities.
Al-Sowaidi said, "Qatar Development Bank remains committed to creating an enabling environment where promising ideas can translate into commercially viable solutions that address market needs and unlock new opportunities for growth.
"Our collaboration with SC Ventures reflects this ambition, bringing global expertise closer to Qatar's financial ecosystem and exploring new avenues to strengthen local capabilities, attract international innovators, and advance our national economic diversification objectives."
Manson said, "Our commitment is to advance innovation in Qatar by working closely with QDB and the wider ecosystem. We see an opportunity to connect the needs of Qatari institutions with global expertise, ideas and capabilities across our network, helping create solutions with meaningful local and international impact.
"This MoU provides a strong foundation for collaboration with financial institutions, regulators, startups and other partners as we support innovation and growth across Qatar's ecosystem."
The proposed collaboration brings together QFTH's growing fintech ecosystem, comprising 88 fintechs with a footprint across more than 32 countries since its inception in 2020, and SC Ventures' international network of entrepreneurs, investors, and innovation stakeholders, supported by a portfolio of over 30 ventures.
Under the framework, both parties will explore opportunities to develop new ventures addressing local market needs and global challenges identified through SC Ventures' network. Initial areas of focus include fintech infrastructure, digital banking, WealthTech, digital assets, and InsurTech, with potential applications of artificial intelligence, distributed ledger technology, and quantum technologies.
The collaboration will also explore mechanisms to validate promising concepts, advance proofs of concept and pilot programmes, and identify potential funding, commercialisation, and launch pathways.
Additionally, the agreement provides scope to introduce selected SC Ventures portfolio companies to Qatar, support potential market expansion, and strengthen the local fintech ecosystem.



QDB CEO Abdulrahman bin Hesham al-Sowaidi and SC Ventures CEO Alex Manson during the MoU signing ceremony held on the sidelines of the Singapore FinTech Festival (SFF) 2026.

Nvidia reinstates Jensen Huang as CEO amid pressure from Trump, investors

Nvidia said on Monday it was reinstating Jensen Huang as CEO, effective immediately, an extraordinary reversal that followed calls from US President Donald Trump for his return after Huang resigned over revelations of extramarital affairs, including one with a woman alleged to have spied for China.
The company's shares soared 33% after the board unanimously approved Huang's return and said it saw no national security risk, despite allegations that he had also had affairs with at least two Nvidia employees.
The company is facing multiple investigations, including by the US Securities and Exchange Commission and Justice Department, over issues ranging from potential accounting irregularities to alleged chip smuggling.
Trump, who last week urged Nvidia to bring Huang back after its board ruled out his return, praised the reversal as the "correct and proper decision." **Pages 4, 8**

أمـــواج
AMWAJ

AMWAJ Group announces the following:

Auction Ref. No.	Description	Bid Bond / Cheque	Bid Closing Date
031	Disposal of Assorted Kitchen Equipment's	The amount shall be equivalent to the full value of the submitted quotation.	03 December 2026 @ 02:00 PM
032	Disposal of Laundry Equipment's	The amount shall be equivalent to the full value of the submitted quotation	03 December 2026 @ 02:00 PM

- Auction documents will be available for collection until 01 December 2026.
  Location : AMWAJ Corporate Office at 4th Floor, Alaqaria Building, Museum St. Old Salata (next to Ansar Gallery)
  Date of releasing Bid Documents : 25 November – 01 December 2026
  Time : From 9:00 AM – 1:00 PM
  Contact Number : 44912175 / 44574587
- **Bid Bond (Bank Guarantee) / Cheque** must be enclosed along with the offer. Bids without **Bid Bond / Cheque** will be rejected.
- Auction documents will be released only to authorized company representatives with the following documentations:
  i. Copy of company's valid Commercial Registration Document
  ii. Valid Qatari I.D.

BUSINESS

Total Dividend Distribution for the year 2020 – 2026

QR 1,018,607,642



TOTAL SHAREHOLDERS

29,090

Qatari Individuals
27,005

Qatari Corporate
167

Foreign Investors
1,918

Baladna Q.P.S.C. held its Ordinary General Assembly at 5:00 PM on Monday, 23 November 2026, and the following decision was taken:

1. The General Assembly approved the proposal of the Board of Directors to distribute bonus shares at a rate of 3 share for each 20 share (equivalent to 0.15 shares for each share) as interim dividends for the first half of the year 2026 and retained earnings for the year 2025. The right to obtain the bonus shares is granted to shareholders registered in the shareholders' register at EDAA on December 1, 2026, which is the end of trading on the seventh working day of the ordinary general assembly meeting on November 23, 2026, in accordance with Qatar Financial Markets Authority Board Decision No. (8) of 2025.

Note: The Extraordinary General Meeting (EGM) has been postponed to Wednesday, 25 November 2026 at 5:00 PM, and will be held online via the Zoom application, as the legal quorum required for the validity of the meeting was not reached on 23 November 2026.

Total Dividend Distribution for the year 2020 – 2026
QR 1,018,607,642

Interim cash dividend distributions for the year 2020	QR 40,000,000
Cash dividend distributions for the year 2020	QR 100,753,000
Cash dividend distributions for the year 2021	QR 100,753,000
Cash dividend distributions for the year 2023	QR 132,119,500
Share dividend distributions for the year 2024	QR 100,052,631
Share dividend distributions from retained earnings and half year profit 2025	QR 142,932,331
Share dividend distributions from retained earnings and half year profit 2026	QR 401,997,180

Total Net Profit for the year 2020 – 2026
QR 1,587,161,064

Net profit for the year 2020 (13 Months)	QR 152,129,022
Net profit for the year 2021	QR 133,835,883
Net profit for the year 2022	QR 80,611,726
Net profit for the year 2023	QR 109,628,571
Net profit for the year 2024	QR 185,012,156
Net profit for the year 2025	QR 539,736,320
Net profit for the nine month period ended 30 September 2026	QR 386,207,386

www.baladna.com

Al-Kaabi meets Korea's minister of climate and energy



The Minister of State for Energy Affairs HE Saad bin Sherida al-Kaabi held a meeting in Seoul yesterday with Kim Sung-Hwan, the Minister of Climate, Energy, and Environment of the Republic of Korea. Discussions during the meeting dealt with energy relations and cooperation between Qatar and Korea.

Al-Kaabi meets Korea's minister of trade and industry



The Minister of State for Energy Affairs HE Saad bin Sherida al-Kaabi held a meeting in Seoul yesterday with Kim Jung-Kwan, the Minister of Trade, Industry, and Resources of the Republic of Korea. Discussions during the meeting dealt with energy relations and cooperation between Qatar and Korea.

Property demand drives steady uptake at Huzoom Lusail and The Seef

By Peter Alagos
Business Editor

Private construction and residential occupancy in Lusail City have accelerated as investors and homebuyers take advantage of freehold ownership and flexible financing across two major master-planned communities.

More than 800 villas are currently under construction at Huzoom Lusail by individual plot owners and property developers, while over 150 residential units are now occupied at The Seef, according to data from Qatari Diar Real Estate Investment Company.

The figures point to active private-sector capital deployment and rising housing absorption in Qatar's flagship urban development, where qualifying buyers also gain eligibility for residency permits.

Located on the northern edge of Lusail about 15km from central Doha, Huzoom Lusail spans 2,883 low-density villa plots ranging from 400 to 800sq m. Infrastructure works for Phases One and Two are complete, noted Qatari Diar, which expects to finish Phase Three infrastructure in 2028.

Freehold residential plots at Huzoom start from QR2.1mn, supported by a 10% down payment and a four-year payment plan, Qatari Diar stated, adding that buyers can design custom villas within approved building guidelines or select pre-approved designs to speed up construction.

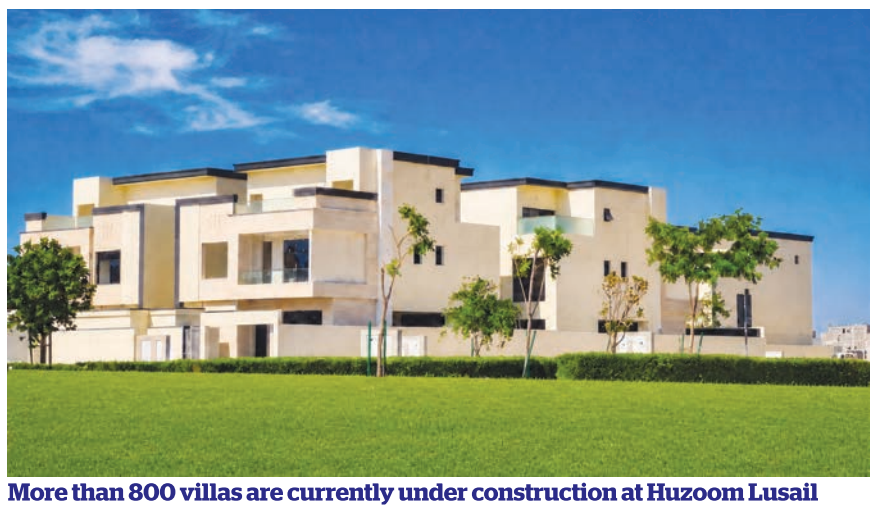
Several families have already moved into completed homes, and local retail outlets have opened to serve residents. The master plan incorporates seven mosques, three retail blocks, green landscaped neighbourhoods, and pedestrian and cycling routes, with direct access to the Lusail Expressway and Al Khor Coastal Road.

In Downtown Lusail, Qatari Diar stated that The Seef targets turnkey buyers and investors with 578 waterfront apartments, penthouses, and townhouses measuring between 117 and 372sq m. Freehold apartments at The Seef start from QR1.8mn.

Buyers can access mortgage financing through local banks, stated Qatari Diar, which also offers direct, interest-free payment plans of up to six years for apartments and townhouses, subject to applicable terms and conditions.



Over 150 residential units are now occupied at The Seef



More than 800 villas are currently under construction at Huzoom Lusail

The development sits near Al Sa'ad Plaza Towers, which will form Lusail's future financial hub, alongside Lusail Boulevard, Lusail Marina, and Qetaifan Island North. Residents connect to surrounding retail, hospitality, and entertainment districts via major road links and the Lusail Light Rail Transit system.

On-site facilities include sky bridges linking the residential towers, panoramic swimming pools, squash courts, fitness centres, children's play areas, and a completed waterfront promenade extending toward Waldorf Astoria Lusail and Place Vendôme, according to Qatari Diar.

Qatari Diar stated that both projects advance Lusail's role as an integrated urban hub that supports Qatar's economic diversification goals under Qatar National Vision 2030.

Established in 2005 by the Qatar Investment Authority to coordinate national real estate priorities, Qatari Diar held a share capital of $8.1bn as of 2025, managing 41 investments and projects valued at roughly $39bn across 15 countries.

Petrochemicals key to Gulf industrial and economic growth, says GCC chief

QNA
Abu Dhabi

Secretary-General of the Gulf Cooperation Council (GCC), Jasem Mohamed Albudaiwi said the petrochemical and chemical industry has been one of the pillars of industrial and economic development in the GCC states, noting that the 20th Annual Forum of the Gulf Petrochemicals and Chemicals Association (GPCA) has established itself as a leading regional and international platform bringing together industry leaders, policymakers, and experts.

Albudaiwi made the remarks while addressing the Forum, which is being held in Dubai under the theme "Persistence with Purpose: Built to Endure", with the participation of industry leaders, decision-makers, investors, representatives of international institutions, and more than 450 companies from 42 countries.

He highlighted that the industry has substantially contributed to maximizing the economic value of the region's resources, diversifying the production base, expanding non-oil exports, creating employment opportunities, and developing specialized national talent.

Albudaiwi pointed out that the global petrochemical and chemical industry is undergoing a rapid metamorphosis, driven by economic and geopolitical developments, disruptions to international commerce and supply chains, mounting competition, advances in emerging technologies and artificial intelligence, and the global shift towards sustainability and emissions reduction.

The Secretary-General stressed that these developments underscore the relevance of the theme of this year's forum and suggest that, while they present new challenges, they also offer promising opportunities for the GCC states to significantly advance their petrochemical and chemical industry through greater value addition and competitiveness.

Albudaiwi underlined that capitalizing on these opportunities requires sustained investment in research and development, cutting-edge technologies, innovation, and skilled national talent, alongside deeper industrial integration through interconnected production capabilities, regional supply chains, joint investments, and the exchange of expertise.

The GCC chief outlined three key priorities for the industry's future: first, advancing innovation and developing higher-value-added petrochemical and chemical products; second, deepening Gulf industrial integration to build more resilient regional value chains; and third, strengthening international partnerships and expanding market access.

'Turkish central bank sold $12bn in FX, net reserves fell sharply last week'

Reuters
Ankara

Turkiye's central bank net reserves posted one of their sharpest weekly declines on record last week as the bank sold around $12bn in foreign currency, three bankers' calculations showed on Monday. According to the calculations, net reserves fell by $17.5bn in the week ending November 20, dropping to $24bn. The drop is the second-largest weekly decline since the data series began in 2002 and net reserves fell to their lowest level since May 2024.

The decline in net reserves included around $5bn stemming from a drop in global gold prices, bankers said.

Total reserves fell by around $17bn to $142bn, while net reserves excluding swaps declined by $17.5bn to $11bn, according to bankers.

The central bank did not comment on the calculations. Official reserves data will be announced on Thursday.

In an interview with state-owned Anadolu news agency before the data was published, Turkish Central Bank Governor Fatih Karahan said that if necessary, the bank could use the policy rate, as well as macroprudential and liquidity tools, to support demand for the lira.

Karahan also said that the central bank could use gold-linked instruments to bolster its foreign exchange position if necessary.

Oil's Iran war recovery masks a stubborn diesel shortage in fuel markets

By Ron Bousso
London

Nine months into the biggest energy shock in modern history, the oil market's recovery is surprisingly swift, but plentiful crude supplies are masking a stubborn diesel shortage that could yet upend fuel markets.

Benchmark Brent crude has dropped by more than 20% since the start of the month to just over $90 a barrel. Recovering Middle East exports and fading fears of a major escalation in the US-Iran war have driven the decline. The retreat comes after high fuel prices pummeled US President Donald Trump's Republican Party in this month's midterm elections.

Crucially, gasoline and diesel prices have also retreated from their peaks, offering consumers some relief and promising to ease inflationary pressures on governments.

In Europe, a major diesel importer, futures prices have fallen by a quarter from their September peak to around $160 a barrel, but they remain nearly twice their level at the start of the year.

In the US, the world's largest refiner and oil consumer, retail diesel prices have slipped below $6 a gallon to a two-month low, while gasoline was down below $4 for the first time since August, according to GasBuddy.

Any lasting recovery hinges on easing Middle East tensions, however, and that is far from assured. Iran has stepped up attacks on tankers around the Strait of Hormuz and struck facilities in Bahrain and Kuwait, while Yemen's Iran-aligned Houthi militia continues to target Saudi Arabia.

As a result, oil flows through Hormuz slowed to around 9.5mn barrels per day in the 10 days through November 19, from an average of 12.2mn bpd in October, which was the highest level since the war began in late February, according to shipping analytics firm Kpler.

While traders wait to see if tensions will ease, they face a decidedly unusual mix of crude and fuel market dynamics.

CRUDE BOUNCE

For crude, the direction is clear: more supply, rebuilding inventories and lower prices. The global market is expected to return to surplus in the fourth quarter for the first time since the war began, with production projected to exceed demand by 1.7mn bpd, according to the International Energy Agency.

The Middle East disruption has resulted in the loss of nearly 3bn barrels of oil, more than any previous crisis, forcing consumers to draw heavily on inventories, which have fallen by a cumulative 462mn barrels since the start of the war, according to the IEA.

Recovering Middle East exports have begun to close that gap. While onshore crude inventories continued to decline in October and remain at their lowest level since at least 2016, tentative signs suggest the great inventory drain is turning, particularly in the US.

Commercial US crude stockpiles have risen by around 2% since the start of November after hitting their lowest point since 2018 in September, according to US Energy Information Administration data. China also appeared to add to its vast crude inventories in October.

Crude, in other words, is no longer the market's biggest headache.

DIESEL DIVIDE

Fuel markets remain considerably tighter. The tightness, though, is tilted heavily towards diesel following the loss of refining capacity in the Middle East and months of Ukrainian attacks on Russian energy infrastructure.

In 2025, the Middle East and Russia together accounted for more than 2mn bpd, or nearly 30%, of the 7.4mn bpd of diesel shipped by sea. Global seaborne diesel exports have averaged just 6.2mn bpd so far this year despite sharply higher US shipments, explaining why diesel remains scarce.

US inventories have recovered slightly in recent weeks, largely because US exports have fallen due to soaring tanker rates. Distillate inventories, which include diesel and heating oil, have rebounded by almost 6% since the end of October, when they fell below 100mn barrels for the first time since 2003. They remain around 15% below their five-year average, however, leaving little cushion as the northern hemisphere enters the winter heating season.

Gasoline tells a very different story. The market has been far less exposed to the loss of Middle Eastern and Russian supplies, allowing inventories to recover much faster. US gasoline stocks have risen by nearly 6% since hitting their lowest level since 2014 in late September and are now back above their five-year average.

That growing divergence between diesel scarcity and gasoline abundance is becoming the defining feature of the refining market, which continues to operate at very high rates.

MIXED FUELINGS

The split is even more obvious in refining margins.

US gasoline margins of around $20 a barrel are back below their pre-war levels. While diesel margins have retreated from an all-time high of $118 a barrel in mid-September to around $80, they are still twice their pre-war level. European diesel refining margins have similarly retreated from around $90 a barrel in September to $60, but they remain roughly triple their 2025 average.

Falling product prices have also sharply reduced US refining profitability. The benchmark US refining crack spread has dropped from a record-high $72 a barrel in September to around $41 now. That is the lowest since April, but it is still exceptionally strong by historical standards.

That leaves refiners caught in an unusual bind: running hard to capture strong diesel margins, they are simultaneously pumping more gasoline into a market that is already recovering quickly.

For now, diesel's extraordinary profitability should comfortably compensate refiners for weaker gasoline returns. And with global fuel inventories still diminished after nine months of disruption, gasoline prices are unlikely to collapse.

However, if gasoline supplies build far enough to crush gasoline margins, they could eventually overwhelm diesel's profitability and drag overall refining margins toward levels that force plants to cut runs.

For now, that remains a distant prospect. But until all product markets come back into balance, unexpected price anomalies will likely continue popping up.

■ *The opinions expressed here are those of Ron Bousso, a columnist for Reuters.*

BUSINESS

Indonesia central bank says MSCI talks support rupiah

Reuters
Jakarta



A worker walks past an electronic board displaying stock movements at the Indonesia Stock Exchange (IDX) in Jakarta. Indonesia faces scrutiny from MSCI after it warned the country's stocks could be removed from its indexes in 2027 and the market relegated two steps down from an emerging market to "standalone" status, bypassing the frontier rating.

MSCI CEO Henry Fernandez's talks with Indonesian President Prabowo Subianto have boosted expectations of improvements in the country's stock market and supported the rupiah, Indonesia's central bank said on Monday.

Earlier on Monday, Bloomberg News, citing people with knowledge of the discussion, reported that the head of the global index provider conveyed a willingness to consider alternatives to a two-step downgrade of Indonesia's stock-market status on a November 10 conference call with Prabowo.

"Remarks by MSCI CEO Henry Fernandez during a recent direct meeting with President Prabowo Subianto have raised positive expectations for improvements in Indonesia's stock market and further supported rupiah appreciation," Bank Indonesia head of monetary management Erwin Gunawan Hutapea said.

The rupiah hit a record low on Monday at 18,290 a dollar before strengthening to as much as 18,180 as of 0733 GMT, data from LSEG shows.

Fernandez and Prabowo spoke for more than an hour on the call brokered by Ray Dalio, the billionaire founder of hedge fund Bridgewater Associates who has acted as an informal adviser to Indonesia's government, the report added.

Reuters could not immediately verify the report. MSCI, Dalio and a spokesperson for Indonesia's president did not immediately respond to requests for comment.

Indonesia faces scrutiny from MSCI after it warned the country's stocks could be removed from its indexes in 2027 and the market relegated two steps down from an emerging market to "standalone" status, bypassing the frontier rating.

A few other close aides also dialled into the call with Dalio, along with Rosan Roeslani, the CEO of the Indonesian sovereign wealth fund Danantara, the report said.

Danantara did not immediately respond to a request for comment.

Fernandez said during the call that MSCI did not necessarily intend to downgrade Indonesia and instead would continue to advise Indonesian officials on the steps they would need to take to ensure they meet the standards, according to the report.

AirAsia quarterly loss narrows, but warns of higher fuel costs ahead

Reuters
Kuala Lumpur

AirAsia more than halved its third-quarter net loss, it said on Monday, although rising fuel costs and ongoing efforts to raise funding underscored the financial pressures Southeast Asia's biggest budget carrier still faces.

The Malaysian carrier reported a net loss of 381.3mn ringgit ($92.5mn) for the three months ended September 30, compared with a loss of 830.5mn ringgit in the second quarter, when a spike in jet fuel prices driven by the Iran war weighed on earnings.

"Our third-quarter performance suggests that the worst is behind us," CEO Bo Lingam said in a separate statement, although he expected fuel costs to rise again in the current quarter.

Revenue fell 8.4% to 4.66bn ringgit from 5.09bn ringgit in the prior quarter, as AirAsia trimmed capacity by 12% amid fleet rationalisation. About 31% of its 234-strong fleet was out of service at the end of the quarter.

Cash and bank balances stood at 905.3mn ringgit at the end of September, down from 954mn ringgit three months earlier, while current liabilities increased to 19.2bn ringgit from 18.4bn ringgit.

The carrier has said it is aiming to raise up to $1bn from international debt markets plus 700mn ringgit in local credit facilities, primarily to refinance existing debt. Co-founder Tony Fernandes said last month that he expected the fundraising to be completed between December and February.

On Monday, the airline gave no new details on the process, saying it remained engaged with local and foreign financial institutions while progressing liquidity-enhancing measures and restructuring discussions with key creditors.

Foreign exchange remained a drag. AirAsia booked a net foreign exchange loss of 141.9mn ringgit as local currencies weakened against the US dollar.

AirAsia said it was "cautiously optimistic" that peak seasonal demand and fleet modernisation would strengthen its resilience heading into 2027. It said it was adding capacity on busy domestic and international routes to capture year-end demand.

Jet fuel prices averaged $152 a barrel in the third quarter, down from $183 in the second quarter. AirAsia said it recovered about three quarters of the additional fuel cost burden through higher fares, fuel surcharges, network optimisation and tighter non-fuel cost control.

AirAsia controls about 60% of Malaysia's domestic aviation market and employs about 26,000 people. Its shares have lost about 75% of their value this year.



An AirAsia plane takes off at Kuala Lumpur International Airport in Sepang. The Malaysian carrier reported a net loss of 381.3mn ringgit ($92.5mn) for the three months ended September 30, compared with a loss of 830.5mn ringgit in the second quarter, when a spike in jet fuel prices driven by the Iran war weighed on earnings.

Indonesia formulating plan for 70% of mining firms' benefits to go to the state

Reuters
Jakarta

Indonesia's government is formulating a plan to reap more state benefit from mining firms, whether through equity ownership or revenue, in efforts to increase state earnings, its energy and mining minister said on Monday.
Indonesian President Prabowo Subianto recently said the state should secure "at least 70% of benefits from all mining permits" without elaborating on the details, unsettling miners in the resource-rich nation. Indonesia is the world's top exporter of thermal coal, nickel and tin, and a major copper exporter.

"Moving forward, we will determine whether the option should be for 70% of the shares or 70% of the revenue to be controlled by the state," Bahlil Lahadalia, who is also the coordinating minister for downstreaming and energy transition, told reporters.
He said that the government will honour existing contracts and the change in equity ownership would apply to future deals.
Bahlil said the options are still being discussed and nothing is final yet.
Greater control of the country's national resources is among President Prabowo's top economic goals. This year he launched a new state firm that will monitor exports of key commodities, palm oil, coal and ferroalloys.

He also announced the establishment of a new commodity bourse aimed at getting better pricing for Indonesia's commodity exports.
Miners are seeking clarity on how the 70% figure would be calculated, while Indonesia's mining professionals association has said the state has already secured benefits that are far larger than the profits of mining companies.
The plan, as well as a new requirement to pay service charges to process key commodity exports, has renewed policy uncertainty and warrants a continued risk premium in Indonesia's mining sector, according to CreditSights, a research unit of Fitch Solutions.

How Nvidia turnaround in China is threatened by Huang scandal

Reuters
Washington/New York/Beijing

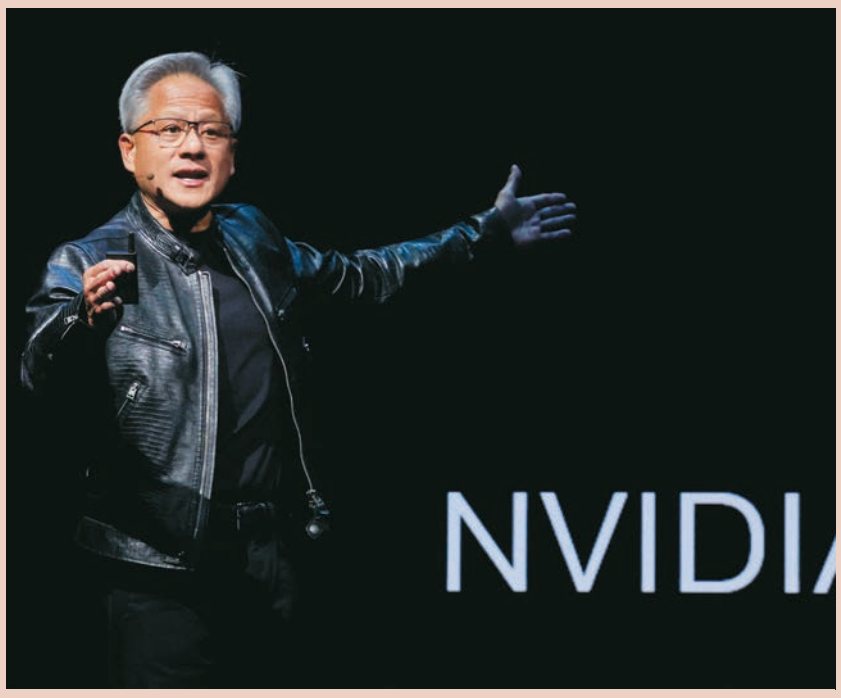
Nvidia staged a comeback in China's booming artificial-intelligence industry by selling less powerful chips and software after US export bans cost it billions in sales — but that business is now threatened by the scandal surrounding former CEO Jensen Huang.
Nvidia products used to run AI models powering everything from business software to humanoid robots have found growing demand in China from universities, companies and research institutes, even as the US chipmaker's most advanced AI processors remain largely off limits, according to people in the industry and a Reuters review of more than 100 Chinese corporate disclosures and procurement records.
Now, after Huang's abrupt resignation, some Chinese customers are cancelling or hesitating to place orders, jeopardizing billions in revenue, as US government scrutiny of Nvidia intensifies after Huang's exit, people familiar with the matter said.
Huang left Nvidia earlier this month following reports of extramarital affairs, including one involving a businesswoman suspected by US authorities of spying for China. The co-founder and CEO, a close ally of US President Donald Trump, had been a vigorous defender of chip sales to China and one of the industry's most influential voices in Washington.
Before Huang's troubles, revenue from customers headquartered in China and Hong Kong had more than tripled year over year, rising from $2.97bn in Nvidia's October 2025 quarter to $11.05bn in the quarter ended October 25, 2026, according to the company's financial results.
Even as the company was reporting growing China revenue, Huang publicly said that Washington's restrictions had decimated the company's chip business in China, and that the company's share of China's AI chip market had plunged to zero because of US restrictions.
China's reliance on Nvidia is attracting attention in Washington and may attract more after Democrats routed Trump's Republican Party in the November 3 midterm elections, winning control of the US House and Senate from January.
"Congress is going to press hard, on a bipartisan basis, on chips and chipmaking capabilities, after two years of close to zero oversight," said Mike Kuiken, vice chair of the US-China Economic and Security Review Commission, a bipartisan organization that advises Congress.

CANCELLED ORDERS, UNSETTLED CUSTOMERS

Some Chinese customers have begun cancelling orders amid concerns that the RTX PRO 5500 — a graphics card designed for professional computers that can also run AI models — may not be permitted into China, according to two people familiar with the matter. Reuters could not determine the scale of the cancellations or whether the US or China would restrict shipments.
The controversy surrounding Huang has also deeply unsettled Chinese suppliers, customers and other partners whose businesses depend on Nvidia, according to two people familiar with the matter. They fear heightened scrutiny could extend to Nvidia's remaining legal chip sales.
Before Huang's departure, Chinese companies sought more than 6mn units of a new Nvidia graphics card, worth nearly $70bn at listed prices, Reuters reported in October, citing people familiar with the matter. That's more than twice the company's expected worldwide production next year.
Unlike Nvidia's most powerful chips, which are used in vast data centres to develop advanced AI models, the less powerful and cheaper products it sells in China are the company's PC, gaming and robotics lines that can run existing AI models, generate images and video, analyse business data and help robots respond to their surroundings.
Nvidia's directors launched an investigation into Huang's ties to the woman on November 8 and said they had no reason to believe the company's secrets or US national security were compromised. China denied the espionage allegations. Reuters has not independently verified the claims.
To replace Huang, Nvidia appointed Chief Financial Officer Colette Kress as interim CEO.

A NEW ROUTE TO GROWTH

When Washington began restricting Nvidia's most powerful AI processors in 2022, the company developed weaker alternatives to comply with US rules. The first such chips drew strong demand but were soon banned by new US curbs.
One later product, the RTX PRO 6000D, which was designed for running AI models on professional computers, drew lukewarm demand from major Chinese technology companies after its introduction last year, Reuters previously reported.
But that changed early this year as AI computing power in China grew scarce. Many companies began using AI models across their businesses rather than simply developing them, while domestic chipmakers struggled to keep pace, according to three people familiar with the matter.
Even Huawei, Nvidia's leading Chinese rival, acknowledged in September that it could not produce enough AI computing equipment to meet domestic demand.
Chinese domestic chip alternatives remain costly and difficult to adopt. Developers have spent years building software around Nvidia's technology, making switching expensive, while shortages of advanced memory required to run AI chips have pushed up domestic chip prices.
Huawei and Cambricon raised prices for some AI chips by 20% to 50% in recent months, Reuters reported in September.
Cloud providers, technology companies, manufacturers and universities are consequently turning to Nvidia's lower-powered products to run AI models, generate images, analyse data and automate tasks, according to the three people.
Demand has been particularly strong for its RTX PRO 5500 graphics card, with Chinese orders exceeding 6mn units against expected global production of up to 3mn in 2027, Reuters reported last month.
Priced at about $11,400, the card is offered globally but was developed to meet Chinese demand, according to a person familiar with Nvidia's planning.
Nvidia had observed Chinese companies obtaining its RTX 5090 gaming cards through unofficial channels and combining them into servers to run AI services, the person said.
Although designed for high-end gaming computers, the RTX 5090 is powerful enough to exceed US export limits. It can't be sold in China because US export restrictions apply to a chip's capabilities rather than whether it is marketed for gaming or AI.
The RTX PRO 5500 offers more memory and is intended for business AI applications.
Nvidia asked Taiwan Semiconductor Manufacturing Co to shift some manufacturing capacity from the gaming card to the new product, according to two people familiar with its plans.
Nvidia had told some customers to expect samples in December and deliveries beginning in early 2027, the two people said.
Those plans now face fresh uncertainty, compounded by Beijing's efforts to promote domestic chips. Large purchases of this new Nvidia chip by internet companies such as ByteDance and Alibaba could require Chinese government approval, according to two people familiar with the matter.
TSMC and China's industry regulator did not respond to comment requests.



Nvidia's CEO Jensen Huang speaks at an event ahead of the COMPUTEX forum in Taipei. Nvidia staged a comeback in China's booming artificial-intelligence industry by selling less powerful chips and software after US export bans cost it billions in sales; but that business is now threatened by the scandal surrounding Huang.

ROBOTICS DEPENDENCE

Nvidia's influence extends beyond data centres into China's fast-growing humanoid robot industry.
The company's Jetson processors allow robots to interpret information from cameras and sensors and respond in real time, while its Isaac software helps engineers develop and test robots in virtual environments.
An analysis by the Jamestown Foundation, a US think tank, identified at least 14 Chinese companies using parts of Nvidia's robotics platform, including Unitree, XPeng Robotics, AgiBot and Fourier Intelligence.
Those robotics firms did not respond to comment requests.
A former Unitree employee said the company's AI development relied heavily on Nvidia's Jetson Nano and Orin processors, despite its emphasis on domestic innovation.
Replacing them with Chinese alternatives such as Rockchip would be difficult because of their limited computing capabilities, the person said.
"Without Nvidia, the computing power is so limited that it is impossible to produce effective autonomous features," the former employee said.

WASHINGTON'S NEXT TARGET?

Some US agencies, including the National Security Council and the Federal Communications Commission, are examining whether US technology restrictions on China should extend beyond the powerful chips used to develop AI models. Possible additional restrictions could cover Nvidia's Jetson processors, which are also used in robots, drones and other autonomous machines, according to a person familiar with the discussions.
The White House and the FCC did not respond to requests for comment.
Lawmakers on Capitol Hill have also raised Nvidia's Jetson processors in discussions about tighter technology restrictions on China, and the chips could become a priority if Washington expands those restrictions, the person said.
The discussions reflect a broader debate over whether Washington has focused too narrowly on the most powerful AI chips, overlooking less advanced products that can still help Chinese companies develop sophisticated technologies.
In an October proposal governing American investment in Chinese technology, the US Treasury Department argued that measuring how much computing power was needed to train an AI model was no longer a reliable way to judge its sophistication.
Advances in AI software and techniques now allow models to perform more calculations when answering questions. That's made it possible to build increasingly capable systems without relying solely on enormous training operations.
The proposal does not itself restrict chip exports, but Reva Goujon, a director at research firm Rhodium Group, said it offered a clue to how Washington could tighten restrictions on Nvidia products used to operate AI systems.
"It's not a coincidence that those policy ideas are resurfacing as Jensen is being removed from the scene," Goujon said.

BUSINESS

Fintech poised to redraw the global investment map

By Kamal Bhatia
New York

When Venetian merchant Marco Polo encountered paper money in 13th-century China, he saw proof of the empire's economic sophistication. Today, digital financial infrastructure offers a similarly powerful signal of a country's growth potential.

Investors have traditionally approached fintech from the bottom up, seeking innovative companies and disruptive business models, but increasingly, there is a top-down consideration too: which countries are building the most sophisticated digital financial infrastructure to give their economies a competitive advantage?

Fintech - the use of technology to improve the delivery of financial services - is bringing more people into the formal economy globally, changing how quickly money moves, expanding households' and businesses' financial access, and helping to channel domestic savings into productive investment.

But the rate of adoption diverges significantly across geographies.

Investors seeking to target markets with significant growth potential, therefore, now have another metric to consider beyond inflation, fiscal sustainability, demographics, valuations or institutional quality: fintech development.

Getting a larger portion of a country's population into the official financial sector and channeling more domestic savings into productive investment have always been key to economic growth - but doing so in the 21st century increasingly requires digital financial innovation.

Principal Financial Group's latest Global Financial Inclusion Index bears this out. It finds that financial system support was the strongest source of improvement across the 42 markets we benchmark for financial inclusion.

The public sector plays a critical role. Government investment in digital infrastructure, skills, funding, regulation and AI can determine whether private-sector innovation is able to scale. Done well, public and private investment can reinforce one another, creating a virtuous cycle. Innovation attracts capital, capital strengthens the economy, and stronger economies expand productive capacity.

Saudi Arabia is a prime example of how fintech can become economic policy, rather than simply financial-sector policy.

The kingdom has garnered attention recently because of the wars in the Middle East, yet, despite the turmoil in the region, it continues to move forward with a bold roadmap for economic transformation.

Saudi Arabia is more than halfway through its Vision 2030 plan, a state-led diversification strategy that seeks to attract hundreds of billions of dollars in investment to reduce the economy's reliance on hydrocarbon revenue.

Within that agenda, Saudi Arabia has paired fintech targets with investment in regulation, skills and digital infrastructure, aiming to host 525 fintech companies, create about 18,000 sector jobs and attract 12bn riyals ($3.2bn) in venture investment by 2030.

Saudi Arabia is already ahead of its interim milestones. By the end of 2024, the kingdom had 261 fintech companies operating, exceeding its 2025 target of 230 a year early.

Its ambition has helped to attract significant investor interest. EY's 2025 Gulf Cooperation Council (GCC) Attractiveness Survey found that Saudi Arabia captured the region's largest share of announced foreign direct investment (FDI) capital in 2024.

Of course, the conflict in the Gulf may hamper investment temporarily, but it is unlikely to reverse long-term positive trends on the fintech front, which should enable the kingdom to continue differentiating itself.

Latin America is also seeing a marked rise in financial inclusion, and it is no coincidence that this region has also seen an explosion in digital infrastructure, from Brazil's Pix instant payment system to Argentina's Transferencias 3.0.

Colombia, in particular, stands out. Despite a less mature fintech ecosystem, it has taken a bold approach by building Bre-B, an interoperable instant payments system. It is also home to some of Latin America's most promising fintech companies, giving it the potential to become one of the region's leading hubs for financial innovation.

Other markets well positioned to benefit from fintech development include India, Hong Kong and the US.

By contrast, several European Union economies are struggling. Six of the bloc's 10 member states in our index saw their financial system rankings fall this year: Germany, the Netherlands, Denmark, Italy, Spain and Poland. Meanwhile, businesses in several major EU economies are among the least likely to use AI to enhance employees' financial support and benefits. This old-world inertia could have real economic consequences.

The EU's Savings and Investments Union, launched last year, seeks to address the bloc's age-old problem of turning large pools of household cash into investment that could reinvigorate growth. But legacy tech is surely part of what is holding it back.

None of this suggests that fintech development should displace traditional metrics when assessing countries' economic growth potential. Nor does an ambitious government fintech strategy guarantee successful execution.

But, over time, the countries that treat fintech as economic infrastructure should be better placed to attract international capital and ultimately redraw the global investment map.

■ *A Reuters Open Interest column. Kamal Bhatia is CEO of Principal Asset Management. The opinions expressed here are those of the author.*

Mapping the market: More losses could be ahead for S&P 500

Reuters
New York

The S&P 500 took a beating last week, falling 8.6% for its biggest weekly drop since April 2025 as the AI trade further unraveled.

The losses pushed the benchmark US equities index to levels that could usher in an even steeper slide, though it may be due for at a temporary bounce at any time, technical analysis indicates.

Technical analysts use charts of historical price data to map out the future direction of stocks. Something they look for in a falling market is support, which is levels that can act as a floor for the price.

One common form of support is former highs and lows. Another is something called Fibonacci retracements.

These are levels based on percentage calculations that stocks and indexes usually revisit after a move. Price gaps can also be support.

Gaps occur when a market moves so abruptly that it skips over price levels, leaving an empty space on the chart.

Big round numbers such as 7,000 can also be support and are called psychological levels.

The problem for the S&P 500 is that it collapsed below a significant stack of support down through the 7,000 psychological level.

The index closed at 6,910.39 on Friday, leaving it down 11.6% from its record close on October 6.

This means the market has now entered a correction, which is defined as a 10% to 19.9% decline from a peak.

Support is at 6,900.46, which is the 61.8% Fibonacci retracement of the March-to-October advance.

The S&P 500 flirted with falling through this level on Friday, hitting 6,882.66, before reclaiming it into the close. The next downside level is near 6,800, which would break a long-term support line and leave the S&P 500 down roughly 13.0% from its record close.

The maximum Fibonacci retracement zone of the March-to-October decline is in the 6,677.43 to 6,643.82 area.

There is also an April 8 gap that requires a fall to 6,618.26 for a fill.

A decline to this area would put the index down roughly 14.6% to 15.4% from its record close.

A complete round trip back to the 6,316.91 March 30 intraday low would represent a 19.2% drop from the record close. A 20% or more decline from a record close is considered a bear market.

However, the financial markets rarely move in a straight line, and even pronounced downward trends are prone to bounces.

In any rebound, analysts look for resistance, which is the opposite of support and works as a ceiling for gains.

Resistance is derived in much the same way as support. In fact, former support levels can turn into resistance when an index is on the way up. Both support and resistance can be targets for traders.

A rebound in the index above 7,002.28 would focus on recently broken support at the 50% retracement of the March-to-October advance at 7,080 followed by the 7,237 to 7,314 area, which includes the monthly lows from May, June and July and the 38.2% Fibonacci retracement of the March-to-October rally at 7,260, according to data supplied by LSEG.

A reversal above the 200-day moving average, near 7,350, and the November 5 low at 7,350.35 would suggest room for further recovery.

CrowdStrike snaps up Zscaler in $44bn deal as cyber threats mount

CrowdStrike shareholders will own about 84% of combined company after closing; Zscaler shareholders get 1.135 CrowdStrike shares worth $260.41 each, a roughly 34% premium; deal expected to close in second half of fiscal 2028

Reuters
New York



CrowdStrike logo is seen in an illustration. CrowdStrike will acquire Zscaler in a $43.9bn all-stock deal, the biggest cybersecurity acquisition on record, uniting two major players as advances in artificial intelligence fuel increasingly sophisticated cyber threats.

CrowdStrike will acquire Zscaler in a $43.9bn all-stock deal, the biggest cybersecurity acquisition on record, uniting two major players as advances in artificial intelligence fuel increasingly sophisticated cyber threats.

The deal brings together CrowdStrike's protection for computers, servers and other devices with Zscaler's technology for securing employees' access to applications and data, creating a broader cybersecurity platform for corporate and government customers.

Zscaler shares jumped more than 20% in premarket trading to $235.50, but remained well below the deal's implied value of $260.41 per share. CrowdStrike shares fell nearly 7%.

The gap between Zscaler's trading price and the value of the offer comes as investors weigh the prospects for regulatory scrutiny of a transaction that would combine two of the cybersecurity industry's biggest players.

"Antitrust scrutiny is certainly possible given the size of the transaction and the importance of both companies, but it would be premature to assume that regulators will necessarily try to block it," said Axel Rudolph, chief technical analyst at IG Group.

"The key issue is likely to be how much overlap regulators see between the two businesses and whether customers would genuinely have fewer competitive alternatives as a result."

The acquisition comes amid consolidation in the cybersecurity industry, with companies seeking to build broader platforms offering multiple services as customers look to reduce the number of security vendors they use.

For CrowdStrike, the deal also opens up cross-selling opportunities by giving it access to roughly 8,000 Zscaler customers that do not currently use its products. Zscaler's customer base includes large companies such as Unilever and United Airlines.

Demand for cybersecurity tools has grown as enterprises worldwide confront increasingly sophisticated attacks, with advances in AI making it easier to identify and exploit software vulnerabilities while also improving tools designed to detect and stop threats.

Recent outages affecting airlines, banks and government agencies, along with high-profile vulnerabilities in widely used Java and PHP software, have further heightened concerns over the resilience of critical digital infrastructure. Zscaler shareholders will receive 1.135 CrowdStrike shares for each share they own, implying a premium of about 34% to Zscaler's last close.

CrowdStrike shareholders will own about 84% of the combined company after the transaction closes, which is expected in the second half of 2027.

George Kurtz, CrowdStrike's CEO, will lead the combined company, while Zscaler chief executive Jay Chaudhry will stay on to run the Zscaler business and join CrowdStrike's board. The companies will continue to operate separately until closing. The agreement carries a $1.4bn breakup fee payable by Zscaler if it walks away under certain circumstances, including to accept a rival offer.

CrowdStrike said the deal would expand its addressable market by more than $185bn, strengthening its position across a broader range of cybersecurity products and services. The combined company is expected to start with more than $10bn in annual recurring revenue, including roughly $3.9bn from Zscaler. CrowdStrike expects the deal to generate about $1bn in annualised revenue synergies within 30 months of closing.

Qatalyst Partners, JPMorgan and BofA Securities are advising CrowdStrike on the transaction, while BDT & MSD Partners, Citigroup and Goldman Sachs are advising Zscaler.

The deal was announced alongside strong quarterly results from both companies. CrowdStrike forecast fourth-quarter revenue of between $1.638bn and $1.644bn, above analysts' average estimate of $1.6bn, according to data compiled by LSEG. It expects adjusted profit of 36 cents per share, in line with estimates.

Third-quarter revenue rose 28% to $1.58bn, helped by a 29% increase in subscription revenue. Analysts had expected total revenue of $1.53bn. Adjusted profit was 34 cents per share, above estimates of 31 cents.

Zscaler, meanwhile, reported a 20% rise in first-quarter revenue to $949.3mn, beating estimates of $938mn. Adjusted profit of $1.23 per share also topped estimates of $1.16.

The snowballing selloff in global financial markets

Reuters
London

A global financial market rout has taken a major turn for the worse last week as a noxious combination of worries over AI and US interest rates triggered an avalanche of selling from stocks to copper and gold.

Stocks shock: Nerves about a possible bubble in AI and tech stocks started to emerge around the middle of the year. But the selloff really started to snowball last month when it became clear that major economies such as the US would need further interest rate hikes to tame inflation.

Some of the milestones are eye-popping. Nearly $9tn has been wiped off the value of world stocks since they peaked back in August while last week's 17% plunge in Taiwan is the biggest since the early 1990s.

Adding to the worries was this month's hammering of US President Donald Trump's Republican Party, which has cast doubts on how many US data centres will get built. The sudden resignation of Nvidia CEO Jensen Huang also rattled investors given the key role the chip company plays in bankrolling the AI industry.

"What concerns me isn't so much the correction in technology stocks... but the possibility of the selling spreading into broader financial markets," said Bruno Schneller, managing director at Erlen Capital Management.

"Even gold has come under pressure, which is interesting given its traditional safe-haven role and may point to investors raising cash rather than simply rotating into defensive assets."

Turn up the volume: Wall Street's fear gauge, the VIX index of US stock market volatility, reached 30 points on Friday, its highest since late March, as investors rushed to buy protection against market swings. While the jump isn't yet at the scale of its post-April 2025



People walk past the New York Stock Exchange. Wall Street's fear gauge, the VIX index of US stock market volatility, reached 30 points on Friday, its highest since late March, as investors rushed to buy protection against market swings.

"Liberation Day" move, it's getting close and is now at a level that could trigger selling by hedge funds that target fixed levels of volatility.

The European equivalent of the VIX has also hit its highest level since April although other gauges suggest the stress, for now at least, isn't spreading.

The MOVE index, which tracks volatility in the US Treasury bond market, remains below last month's highs, as do implied volatility gauges for major currency pairs.

Copper, oil: The standout mover in metals is copper. A beneficiary of the AI rollout, given high demand for the metal from data centres, it is on course for its steepest weekly drop since April 2025. Oil, which has been central to this year's inflation worries given how much higher prices have pushed up costs, has taken a back seat in the broader market drama of the last few days, staying in a relatively tight $90-$94 range.

Bonds, gold: Government bonds are performing well as a safe haven in this latest market turmoil, shrugging off worries about a more aggressive Federal Reserve. The benchmark 10-year Treasury yield is on track for its biggest weekly fall since April 2025, down 17 basis points so far this week. Bond yields move inversely to prices.

In Europe, the 10-year German Bund yield is down around 9 bps on Friday alone. Analysts at Citi said the market could price out US rate hikes, lifting bonds, "if the US equity sell-off should morph into a bursting of the AI bubble."

Gold, however, is failing to play its safe-haven role, down around 1% on Friday to the lowest since September 2025.

Dollar: The dollar has shown that reports of its demise have been greatly exaggerated.

The greenback index, which measures the world's reserve currency against the six other top currencies, has risen to a 19-month high this week. For the year it is nearly 7% higher against the euro, 3% up on the yen and between 4% and 5% stronger against sterling and the Canadian and kiwi dollars.

Emerging market currencies have been hit too. The added turbulence of a surprise election result has seen Brazil's currency slump more than 8% this month, while Israel's shekel, one of the currencies most correlated with the AI boom, has tumbled almost 5%.

AI bust hurts Chinese stock prices far more than GDP

By Manishi Raychaudhuri
Hong Kong

The AI boom turbocharged China's export machine. A bust might not tank GDP, but it would be very bad news for China's equity market.

China's AI export boom has become an increasingly important support for the country's growth. Its global trade surplus topped $1tn in the first 10 months of 2026, driven by AI-related demand and weak domestic consumption. But a global AI spending slowdown or tighter US tech curbs could test the limits of Beijing's strategy.

China's equity investors thus find themselves in a quandary: Sluggish domestic consumption and mounting export uncertainty are weighing on the outlook.

That predicament has been exacerbated by recent developments, including China's weak October retail sales, factory output and housing data, and the announcement of enhanced US restrictions on AI chip sales to China in the wake of the Nvidia scandal.

Former CEO Jensen Huang, who was ousted from the chip giant on November 12 for having multiple alleged affairs including with a suspected Chinese spy, was a prominent advocate for looser export controls, arguing that strict bans would only accelerate China's drive for technological self-reliance. His departure suggests the most recent curbs may be just the beginning.

Combined with investors' growing concerns about AI profitability, this raises the risk of a slowdown in US AI spending.

The potential impact on China's GDP would be significant - but not straightforward.

China's dependence on AI-related exports was underscored in the third quarter. Net exports contributed almost 40% of gross domestic product (GDP) growth, and within Chinese merchandise exports, AI and technology-related goods occupy centre stage. The share of these goods climbed rapidly from an average of 25% of total exports over the decade through early 2025 to 33% by August 2026.

That might suggest that an AI slowdown could hit China's economic growth hard, but when calculating GDP, it is net exports - the value remaining after subtracting imports from exports - that matters, rather than gross exports alone.

This is a critical distinction because China's AI export model is heavily reliant on imported components. According to FactSet data, imports of technology-related products have skyrocketed amid the AI boom, rising to 37% of total Chinese imports over the past 14 months, after hovering around 25%-27% in the first half of 2025.

Those imports would probably also decline if AI spending faltered, meaning China's net exports could remain relatively protected, and the hit to GDP growth could be contained.

What may worsen, however, is the US effort to contain China's technological progress, and that could have significant market impacts.

US-China relations appeared to have improved considerably this year, at least until a few weeks ago.

The US extended its trade truce with China to January 10, postponing punitive tariffs originally scheduled to take effect on November 10. Beijing mirrored the US pause by suspending its retaliatory 24% tariff applied broadly to all US-origin imported goods, and extending rare-earth and critical-mineral export waivers.

The two presidents, Donald Trump and Xi Jinping, have also met multiple times this year, most recently at last week's Asia-Pacific Economic Cooperation summit in Shenzhen. The mood was positive, as they appeared to largely sidestep the AI trade issue.

But the question of technology sharing clearly remains a sore point that has gotten a lot more painful with the Nvidia drama. Xi notably called out "trade protectionism" at the summit following the US chip curb announcement. Further deterioration in US-China ties, alongside a potential slowdown in AI capital spending, could increase pressure on Beijing to stimulate domestic consumption, an approach it has long resisted as it prioritises manufacturing and technology self-reliance.

Yet China may resist making significant changes if it views the threat to GDP growth as limited, as my analysis suggests may be the case. That could prolong tough times for Chinese equity investors, as they may be caught between a slowing domestic economy and vulnerable exports.

No sector bet seems to be working in Chinese stocks this year. The semiconductor, tech hardware and robotics companies represented in the Shanghai STAR50 index, such as Cambricon Technologies, Semiconductor Manufacturing International Corp (SMIC) and Unitree Robotics , surged in the first half of 2026, only to collapse in the second half amid rising AI capex anxiety.

Hong Kong's Hang Seng Index, dominated by financials, consumers and industrials, and the mainland's CSI 300 Index , which is weighted toward technology hardware, financials, industrials and materials stocks, have performed no better.

China's domestic economy continues to be plagued by disorderly competition and declining margins, while technology exporters are now beleaguered by concerns about the robustness of their revenue.

In this environment, three areas stand out: policy-backed domestic champions, exporters with credible overseas supply chains, and selected biotech and drug-services companies that could benefit from surging global demand for specific molecules.

However, even here, the investment thesis is not always clear-cut. For example, market-leading household appliance, electric vehicle and battery manufacturers with overseas supply chains - such as Midea, Geely, BYD and CATL - could be relatively well positioned, yet most continue to face intense domestic competition, likely capping upside.

The situation could change, of course. Concerns about the health of the AI ecosystem could prove overblown. Or stringent US regulatory guardrails could inadvertently aid Chinese AI models. Absent such good fortune, however, an AI slowdown might simply harden Beijing's supply-side bias, leaving equity markets stuck.

■ *A Reuters Open Interest column. The views expressed here are those of Manishi Raychaudhuri, the founder and CEO of Emmer Capital Partners and the former head of Asia-Pacific equity research at BNP Paribas Securities.*

Asian tech back in firing line as traders track Wall Street rout

AFP
Hong Kong

Asian stock markets struggled to recover on Monday from last week's sell-off, with tech firms again in the firing line as investors tracked an eye-watering rout on Wall Street.

In Seoul, the Kospi closed down 3.3% to 4,708.54 points; Hong Kong - Hang Seng Index ended down 0.1% to 22,383.74 points and Shanghai - Composite closed up 0.2% to 3,538.95 points yesterday.

A healthy bounce in US futures was unable to inspire buying amid fears over the AI trade, the prospect of more Federal Reserve interest rate hikes and tighter regulation under a Democrat-led Congress.

Scandal-hit chip giant Nvidia characterised the collapse in New York on Friday, plunging 14% and helping to drag the Nasdaq into negative territory for the year.

The index has lost almost a fifth of its value since hitting a record high just last month, with strong earnings from Nvidia and a blockbuster IPO from Claude-creator Anthropic unable to staunch the bloodletting.



A currency dealer works in front of an electronic board displaying the Korea Composite Stock Price Index and the Korea Securities Dealers Automated Quotations at the dealing room of a bank in Seoul. The Kospi closed down 3.3% to 4,708.54 points yesterday.

The selling continued into Asia, with Seoul diving more than five percent at one point as chip titans SK hynix and Samsung were hammered again.

"These are not peripheral players in the AI boom but two of its most important semiconductor suppliers," said SPI Asset Management's Stephen Innes.

"Their continued weakness suggests investors are still more interested in reducing exposure than celebrating a few hours of improved sentiment in US futures."

The losses have led authorities in some countries to introduce measures aimed at minimising the negative impact.

Taiwan was making it harder to short stocks, while China made it easier to borrow money to buy them and South Korea eyed a stabilisation fund not used since the global financial crisis.

Taipei benefited from the moves, ending up more than two percent as TSMC and MediaTek spiked, while Shanghai, Manila and Jakarta also advanced.

But Hong Kong, Sydney, Singapore, Wellington, Mumbai and Bangkok all dropped into negative territory. London, Paris and Frankfurt opened on the front foot.

Tokyo was closed for a holiday.

Meanwhile, the VIX Index -- which is seen as the market's fear gauge -- spiked to its highest level since April last year, when US President Donald Trump unveiled his wide-ranging tariff bazooka.

Traders have also been spooked by the US Commerce Department's move to close a loophole allowing Chinese companies to access Nvidia's powerful AI chips remotely.

Fiona Cincotta at Forex.com said "nerves have been showing in the AI trade, amid increased scrutiny over AI capital expenditure, the scale of investment, the returns on those investments and when they might materialise".

"Furthermore, the Democrats taking control of Congress, which is expected to slow the AI buildout, combined with expectations of higher rates for longer, are fueling concerns about the sector."

A history of market bubbles amid AI-related uncertainty

AFP
Paris

Sky-high valuations for tech stocks have rekindled worries about a debt-fuelled artificial intelligence bubble ready to burst, after heavy selling rocked stock markets worldwide last week. From "tulip mania" in the 17th century to the crypto crashes of recent years, here's a look at some of the biggest speculative booms and busts.

Bubble burst in 1637: the first speculative bubble of modern financial history involved exotic tulips. Prices for coveted varieties of the flower soared in the Netherlands at the beginning of the 17th century before the bubble burst in 1637.

At the height of the bubble a single one of the most sought after flowers could go for double the price of a house. The bubble on the Dutch markets was short, lasting between late 1636 and February 1637, when blooms lost most of their previous value.

The impact on the Netherlands' overall economy was limited.

1929: Wall Street collapse: In the 1920s, optimism about American growth along with the availability of equity credit led to a bull market for stocks, with prices soaring in New York. The crash came in October 1929, when panic selling saw the Dow Jones Industrial Average lose half of its value over several days.

The consequences were enormous: the Great Depression in the United States and a global economic crisis, which led to the collapse of international trade and helped precipitate the rise of authoritarian ideologies.

1989: Japanese crash: In the mid-1980s, the Japanese economy ruled the world thanks to its high-quality, technologically advanced products as well as low interest rates and a huge amount of savings to deploy on markets. The Nikkei 225 index tripled between 1985 and 1989. Speculators also piled into real estate and prices soared. The Bank of Japan raised interest rates to cool the economy. The stock market plummeted and house prices went through the floor, ruining millions. The bust ushered in what economists called a "lost decade" of economic stagnation and deflation. Only in 2024 did the Nikkei return to its 1989 level.

2000: Dot.com bubble: The start of the millennium saw the bursting of the tech bubble caused by venture capitalists throwing enormous money at telecom companies and unproven internet start-ups.

The head of the US Federal Reserve, Alan Greenspan, had already warned in 1996 of "irrational exuberance" on the markets.

A combination of higher interest rates, too much debt at many companies and fierce competition in the fledgling internet sector sparked the crash that began in March 2000.

From a record 5,048.62 points on March 10, 2000, the tech-heavy Nasdaq index plummeted 39.3 percent over the year, and many internet start-ups folded.

2008: Subprime crisis: The 2008 global financial crisis was caused by bankers in the United States extending mortgages to people on shaky financial footing -- "subprime" borrowers -- and then packaging the loans to be sold as investments.

That fuelled a housing boom, but from 2005 interest rates began to rise, and more and more borrowers were unable to make their monthly payments, leading to home seizures and a real estate slump.

The subprime loan packages sink as well and the banking system buckled, culminating with the dramatic bankruptcy of the investment banking giant Lehman Brothers in September 2008.

Stock markets dropped and millions of people lost their homes in the worst economic recession since the Great Depression.

The world banking system survived thanks to massive interventions by governments and central banks.

2010 on: Serial crypto crashes: The extremely volatile cryptocurrency market, starting with the first and most well known, Bitcoin, has gone through a series of shocks in recent years.

Since its birth in 2009, Bitcoin has been on a rollercoaster ride with wild swings in price, sinking in particular after the 2022 collapse of the FTX crypto exchange platform.

And in February 2026, after the euphoria of the return of Donald Trump to the White House, Bitcoin plunged to its lowest level since October 2024.

Unlike stock and real estate markets, crypto crashes have so far not had a major impact on the overall economy.

Sterling nudges higher, economic backdrop in focus

Reuters
London

The pound edged higher against the dollar on Monday, although it pared back some earlier gains as the greenback steadied and investors parsed through fresh hints about the economic outlook.

Growth in Britain's private sector slowed slightly this month, as weaker foreign demand for services and weaker demand in the property market was largely offset by the buildout of artificial intelligence capacity, a survey showed.

The S&P Global composite Purchasing Managers' Index (PMI) edged down in November from October's eight-month high, landing slightly below economists' median expectation in a Reuters poll but remaining in the range it has been in since July.

"The fall in the composite activity PMI in November suggests that the recent resilience of the economy is fading in Q4. But with price pressures remaining elevated, this is unlikely to prevent the Bank of England from raising interest rates for a second time in a row in December," Ashley Webb, senior UK economist at Capital Economics, said.

Sterling was last 0.1% firmer at $1.3096 after rising as high as $1.3144 earlier in the session. The pound has fallen against the dollar for three straight weeks, and is down by more than 2% so far this month.

The Bank of England raised interest rates by 25 basis points earlier this month, its first increase of the year. Many other major central banks raised rates sooner in an effort to contain inflation driven by the Iran war and an energy price shock, but BoE policymakers have long favoured a wait-and-see approach.

Money markets were last assigning around an 83% chance to another 25 basis-point increase in mid-December and pricing in at least three such hikes by July 2027. Some analysts and economists, however, see market pricing as overdone, with Capital Economics' Webb saying that the firm was only expecting one further hike from the BoE.

Investments in German technology start-ups surging, shows study

AFP
Frankfurt

Investments in cutting-edge German start-ups in fields ranging from robotics to defence technology are forecast to almost triple this year to 8.1bn euros ($8.9bn), a study showed on Monday.

The influx of money offers some hope for Europe's biggest economy, which is desperately seeking new sources of growth as traditional sectors like carmaking and chemicals suffer.

The study, from the German Start-up Association and the Joachim Herz Foundation, predicted that investments in so-called deep tech start-ups will rise sharply from just 2.9bn euros last year.

This is a "major success for Germany as a business location and provides a significant boost in several sectors", it said.

Deep tech typically refers to companies developing breakthrough technologies based on advanced scientific research, including areas like artificial intelligence, biotechnology and quantum computing.

The boom was driven by a handful of mega fund-raising rounds by companies including Neura Robotics, which develops humanoid robots, the AI drone maker Helsing and defence tech group Quantum Systems.

About 300 new start-ups in fields classed as deep tech are expected to be founded this year, up 40% from 2025, the research showed.

They tend to cluster around cities like Berlin, Munich and Hamburg that are home to leading universities and research institutes.

But many challenges remain, the study said.

It cited a relative lack of funding for deep tech start-ups in Germany compared to the United States, with just 28% of capital coming from domestic investors in recent years, it said.

Support for start-ups in moving their innovations out of the lab and into the real world is also not strong enough, it said.

While universities help start-ups in developing and researching ideas, there is not much in the way of support when it comes to entrepreneurial skills or accessing customers, it found.

"Germany has excellent research in many fields," said Sabine Kunst, chair of the board of the Joachim Herz Foundation.

"On the way to application, however, we are too cautious: Practical orientation... and the link to entrepreneurship remain side issues in academia," she said.

The study was based on data from founders and directors of German firms collected by the start-up association.

Deutsche Bank sees S&P 500 hitting 9,000 by end of 2027

Reuters
Frankfurt



The logo of Deutsche Bank is seen in Brussels. Deutsche Bank said on Monday it expects the S&P 500 index to climb to 9,000 points by the end of 2027 on strong earnings growth and continued AI-driven investment, adding the sharp selloff in US AI-linked stocks last week did not derail the fundamentals.

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The brokerage's target is roughly 30%, or about 2,090 points, higher than the S&P 500's last close of 6,910.39.

"Our equity strategists see the recent move as a vol event that is likely to go further before it bottoms, but not one that derails the fundamentals," Deutsche Bank said.

The call is in line with the most bullish forecasts on Wall Street, including a 9,000 target from brokerage Jefferies. Deutsche Bank expects earnings per share for companies in the S&P 500 to rise to $430 in 2027, about 19% above current levels, and said equity valuations leave room for further gains if profit growth remains intact. Continued equity inflows and robust buyback activity should underpin US stocks, even as large technology companies step up spending on AI, the brokerage said.

AI bubble burst could put Fed rate cuts on the table

By Jamie McGeever
Orlando, Florida

The AI-quake ripping through Wall Street suddenly throws into doubt how much further the Federal Reserve will raise interest rates. Indeed, if the tech trade's implosion continues like it did last week, the central bank may quickly be forced to cut rates.

Until a few weeks ago, it would have been almost preposterous to talk about easing monetary policy. Inflation, above target for almost six years, is on course to end this year closer to 4% than 2%; the economy is growing at a solid clip; unemployment is historically low; fiscal policy in Washington is historically loose; And the AI revolution has generated the largest investment boom in human history.

The Fed raised rates in September and is widely expected to do so again on December 9. As recently as last week, Fed Governor Christopher Waller was repeating his call that a jumbo rate hike of 50 basis points could be on the table.

Even the hint that this might be pushed to one side underscores the gravity of the drama unfolding around the AI trade, and, more specifically, the industry's own "central bank," Nvidia.

The chipmaker faces several probes, including one from the Securities and Exchange Commission into its accounting practices. This follows the resignation of founder Jensen Huang as CEO on November 12 after revelations that he had multiple extramarital affairs, most notably with an alleged Chinese spy at the Singapore-based chip company Megaspeed.

Nvidia's shares fell 23% last week, meaning the company has lost nearly 50% of its value - more than $2.5tn - since shares peaked on October 6. The S&P 500 is down 12% since then, and the Nasdaq is down 18%, close to entering "bear market" territory.

Targeting asset prices is not part of the Fed's "maximum employment and stable prices" dual mandate. But, in practice, financial stability is. In recent decades, bouts of significant market turmoil have prompted the Fed to cut interest rates: the Long-Term Capital Management crisis in 1998, the dotcom bust in 2000, the global financial crisis in 2008, and the Covid-19 pandemic in 2020. In most of these cases, the central bank has moved rapidly and aggressively.

Would policymakers today do the same if faced with an AI-related stock market meltdown?

The worry for the Fed is that AI is too big to fail. Some of the numbers may be familiar, but they are no less staggering for that.

Michael Cembalest at JP Morgan Wealth Management calculates that 54 AI stocks since January 2024 have accounted for over half of the S&P 500's market cap, 66% of earnings growth, 59% of the index's return and 82% of capital expenditure and research and development growth among its constituents.

The economic impact of AI has been equally staggering. AI investment added roughly 1.3 percentage points to real GDP growth over the last three quarters, according to Apollo Global Management's Torsten Slok. That's two-thirds of the roughly 2% cumulative growth.

Rising asset prices have also sustained consumer spending, especially among the wealthier, asset-owning cohorts. US households have never been richer on a net worth basis, and equities now account for record-high shares of households' financial and total assets.

This "wealth effect" has been unambiguously positive in recent years. If it turns negative, Main Street, as well as Wall Street, has a problem. And so does the Fed.

The coming days and weeks could be critical. Much will depend on whether investors reckon the selloff has been overdone. A rebound and some degree of consolidation will cool the temperature and buy the Fed time.

But a repeat of last week's volatility would be damaging.

To be sure, the market can still go lower. The S&P 500 index's valuation has fallen below 21 times trailing 12-month earnings, but that's still above the average since 1985 of 18.2. Using Robert Shiller's data going back to the 1940s, economist Lars Christensen says the market's price-to-earnings (P/E) ratio is now 23.4, above the long-run average of 18.4. Christensen also notes that earnings as a share of GDP are 70% above their average since 1947 and near record levels. Both suggest stocks are still too expensive.

"Normalisation could easily take several years, and in the meantime, the economy grows and absorbs part of the adjustment. But it tells you how far we are from 'cheap'," Christensen says.

Of course, it is impossible to determine with any certainty whether a company share or an index is cheap or expensive, especially not by looking at one or two multiples.

There is nothing to guarantee that the earnings growth over the past 12 months will be repeated, and 12-month forward estimates may simply never be met.

The Fed won't pay much attention to the ebb and flow of valuations, but it will sit up and take notice if turmoil on Wall Street threatens broader financial stability. If inflation remains elevated at the same time, the Fed could find itself in a particularly tough bind.

■ *Jamie McGeever is a columnist for Reuters. The opinions expressed here are those of the author.*

Eurozone growth holds steady despite deepening French downturn: PMI

Eurozone business growth held steady in November, PMI shows; France suffered biggest manufacturing output decline since February 2025; new order growth rose for fifth month in the bloc

Reuters
London


A customer shops at a Carrefour supermarket in Montesson near Paris. Eurozone growth momentum held up in November but was increasingly reliant on a surging Germany to make up for a weakening France, while fading business confidence cast a shadow over the bloc's outlook, a survey showed.

Eurozone growth momentum held up in November but was increasingly reliant on a surging Germany to make up for a weakening France, while fading business confidence cast a shadow over the bloc's outlook, a survey showed.

The S&P Global Flash Eurozone Composite PMI Output Index held steady at 51.7 in November, and while below a Reuters poll estimate for 51.9, it marked a fifth straight month of expansion.

PMI readings above 50.0 indicate growth in activity.

"The unchanged reading for the euro zone's composite PMI in November leaves it consistent with resilient economic growth but with Germany expanding at a decent pace and France still contracting," said Andrew Kenningham at Capital Economics.

"The country breakdown suggests the German economy is doing well. In contrast, the French economy - which contracted in Q3 - is continuing to struggle."

France's private sector shrank more sharply due to the steepest manufacturing output decline since February 2025, raising the chance of it entering a technical recession this quarter, S&P Global said.

A wave of student protests took place across Europe on Friday, inspired by demonstrations in France that were marred by violent confrontations with police and looting.

"The eurozone's second-largest economy is struggling with weak domestic demand, in part due to hesitancy from clients to commit to projects ahead of a highly uncertain election period next year," said S&P Global's Joe Hayes. In Germany, however, growth accelerated and its PMI jumped to 55.0, the highest reading since March 2022.

Britain, outside the currency union, saw growth slow slightly as weaker foreign demand for services and in the property market was largely offset by the buildout of artificial intelligence capacity.

Overall in the eurozone, new orders rose for the fifth consecutive month and at a slightly quicker pace than in October. New export orders also expanded, though growth was the slowest in three months. Manufacturers saw stronger order growth than services firms.

Business confidence in the year-ahead outlook fell for a fourth month to its lowest since May, while eurozone companies kept staffing levels broadly unchanged in November. A near three-and-a-half-year high in manufacturing job creation was offset by a second consecutive month of cuts in services employment.

Input costs rose sharply again, though the rate of inflation eased to a three-month low. Output price growth also slowed, reaching its weakest pace since August with weaker price increases across both manufacturing and services.

"This persistent prevalence of price pressures reinforces our expectation of further ECB tightening in December," said Iain Simmons at Oxford Economics.

The European Central Bank will deliver a final deposit rate hike in this cycle next month, according to most economists polled by Reuters.

The S&P Global Flash Eurozone Services PMI fell to a five-month low of 51.2 from October's 51.4, defying the Reuters poll forecast for a rise to 51.8. The Flash Eurozone Manufacturing PMI rose to a two-month high of 52.9 from 52.7, just pipping the 52.8 poll estimate.

Europe's STOXX logs strongest day in over six months on tech boost

Tech logs biggest one-day jump since April; mining, defence and industrials also gain over 3% each; Abivax jumps after rebuttal to short-seller report; French private-sector downturn deepens to six-month low, PMI shows

Reuters
Frankfurt

European shares logged their strongest gains in more than six months on Monday, boosted by technology stocks after US-based Nvidia reinstated Jensen Huang as chief executive.

The development temporarily halted a leadership crisis at the AI chip giant and soothed broader concerns that had sparked a global selloff, given Huang's crucial role in shaping a myriad of deals within the technology sector.

However, Huang and Nvidia still face regulatory scrutiny in Washington over dealings with an alleged Chinese spy at a time when the Democrats are set to take charge of Congress.

"Today's stock market rebound represents a massive sigh of relief by investors. However, one cannot rule out a more conservative approach by Huang going forward," said Dan Coatsworth, head of markets at AJ Bell.

"It's plausible that investors will be more critical of the pace and scale of financing deals and start to ask more questions about financial payback."

The STOXX 600 closed 1.9% higher at 637.84 points, marking its biggest daily jump since early May. Europe's technology index led sectoral gains with a 4.7% rise, recovering from its sharpest weekly fall since March 2020 on Friday.

Among chip-linked stocks, AT&S shot up 13%, Aixtron surged 8.9% and BE Semiconductor jumped 9.2%. AI equipment makers Schneider Electric and Siemens Energy gained 4.1% and 7%, respectively.

The sector had taken a beating in recent weeks as investors were vexed over the timeline for returns on the billions invested by companies to develop the technology. Despite Monday's gains, Europe's tech index is down nearly 13% this quarter.

Losses in US-based Anthropic since its strong debut broadly reflected those concerns. Most other sectors in Europe were also higher, with defence , industrials and miners up more than 3% each.

Among others, Abivax advanced 4.7% after rejecting as misleading a short-seller report that questioned the safety of its experimental drug obefazimod, while British power generator Drax rallied more than 5% after it forecast annual core profit above consensus.

Julius Baer slipped 1.7%, despite reporting a 17% rise in 10-month adjusted pretax profit, with investors weighing slower net inflows as the bank continues to exit higher-risk client relationships.

Nemetschek shares dropped 5.7% to the bottom of the STOXX 600 after JP Morgan downgraded the software firm to "underweight" from "overweight".

French President Emmanuel Macron suggested on Monday reviving a 2011 proposal for a constitutional "golden rule" to impose limits on public finances in an attempt to reassure investors.

The country's rising debt burden has drawn increasing scrutiny ahead of the 2027 presidential election. Fresh data pointed to a deeper downturn in Europe's second-largest economy.

Morgan Stanley upgrades stock outlook to highest level since April

Morgan Stanley turned the most bullish on stocks since April and said on Monday that last week's rout has set the stage for a rebound as battered valuations offer investors cheaper entry points, reports Reuters.

The frenzied selloff, which pushed the benchmark S&P 500 and the blue-chip Dow Jones into correction territory on Friday, was an "overshoot" and did not reflect a deterioration in fundamentals, a team led by chief US equity strategist Mike Wilson said.

The view offers a striking counterpoint to the gloom that has gripped global markets. Concerns stemming from heavy spending and political headwinds have amplified pressure on the AI trade, and the hotly anticipated market debut of Anthropic also failed to resuscitate the industry.

"The fundamental backdrop is considerably healthier today," the analysts said.

"With the valuation reset and sentiment washout, we are now more bullish tactically than we have been since early April. This is the fat pitch we have patiently been waiting for, and we're not going to miss it."

Stocks are pricing in a 6% contraction in 2027 earnings, the brokerage said, against Morgan Stanley's forecast for 14% growth and consensus expectations of 17%.

AI and spies: A timeline of the chip giant Nvidia scandal

AFP
Tokyo

American AI chip giant Nvidia has been caught in a scandal since revelations of newly-reinstated boss Jensen Huang's extramarital affairs, including with a woman suspected of being a Chinese spy.

Here is a timeline:

October 29: The report

The New York Times reports that Huang, the Nvidia chief executive and co-founder, was the target of a Chinese spy plot. The newspaper says US intelligence officials had concluded that Alice Huang -- a Chinese executive linked to Singapore-based data centre company Megaspeed International -- had been funnelling information to Beijing.

It adds that Megaspeed is suspected of steering Nvidia AI chips to China, citing unnamed sources.

October 31: Trump support

US President Donald Trump voices his support for the "brilliant" Nvidia chief and says Washington is looking on "very closely".

November 9: Huang admits affair

Nvidia's board announces it has opened a probe into Jensen Huang after he acknowledges an extramarital affair, for which he is "deeply sorry". China's foreign ministry spokesman Guo Jiakun rejects the spying allegations as "entirely baseless vilification and smearing".

US-based Rosen Law Firm says it has filed a class-action lawsuit accusing Huang and Nvidia of failing to disclose information to shareholders about his links to a suspected Chinese spy.

On Wall Street, Nvidia shares fall as much as eight percent during trading, wiping out around $300bn in market value.

November 11: Hong Kong passport

Taiwan's immigration agency says that Alice Huang used a Hong Kong passport to enter the island. The suspected spy had been seen at a dinner in May 2025 hosted by Jensen Huang at a Chinese restaurant in Taipei.

November 12: Huang quits

Jensen Huang resigns as Nvidia's chief executive. Nvidia says Chief Financial Officer Colette Kress will serve as interim CEO. Trump says former Apple boss Tim Cook should take over.

Beijing accuses the US of using spying claims as a pretext to impose a technological "blockade" on China. Megaspeed says it is investigating whether it complied with export controls on sensitive microchips, and will work with the US government. Singaporean authorities say Alice Huang was barred from re-entering the country in February after providing inaccurate information during a probe into Megaspeed.



Jensen Huang.

November 13: Summoned by Congress

Malaysian authorities say they are investigating Speedmatrix, a local subsidiary of Megaspeed, over the possible diversion of advanced AI chips to other countries.

US lawmakers summon Jensen Huang to face questions. He is to give a public testimony on December 3 before a Senate committee and also appear at a closed-door hearing on December 1 before members of the House of Representatives.

Commerce Secretary Howard Lutnick will also testify over reports alleging his department may have failed to act on suspicions that Megaspeed was helping reroute Nvidia technology to China.

US Treasury Secretary Scott Bessent blames the Commerce Department for failing to blacklist Megaspeed, saying on CNBC that the Treasury, the Defense Department, the US Trade Representative's office and the State Department had backed adding Megaspeed to a trade blacklist "for months". Beijing says it opposes any additional US export controls on chip sales to China.

November 15: Petition for Huang

Megaspeed confirms that Alice Huang left the company more than a year ago and currently has no role there.

Bessent calls on Nvidia to explain whether it knowingly allowed its AI chips to reach China. Tech tycoon Elon Musk and other Silicon Valley figures are among more than 158,000 signatories of an open letter calling for Jensen Huang's reinstatement as Nvidia chief.

Trump says he would be open to the idea of the former chief's return.

November 16: New export controls

The Trump administration announces tougher export controls on AI chips, aiming to close a loophole that allowed Chinese companies to access Nvidia's technology remotely. Under the new rules, data centres anywhere in the world will need a US licence to provide large volumes of computing power from advanced chips to companies headquartered in China, Macau or other countries under US arms embargoes. The rules will also require data centre operators in Singapore, Malaysia, Thailand, Indonesia and Brazil to obtain a licence from the US to ship advanced chips from Nvidia and other American firms to clients in those countries.

The US government confirms it is investigating Megaspeed over chip exports.

November 18: Nvidia results

Nvidia reports reassuringly strong third quarter results which saw quarterly revenue double to more than $115bn, for net profit of $65.3bn. The news helps to stem a collapse in the company's share price, which had plunged by some 28% since the scandal erupted.

November 23: Huang returns, shares soar

Nvidia says its board has unanimously agreed -- with "input" from senior US government officials -- to reinstate Huang as CEO, sending shares soaring.

Trump reveals he spoke "directly" to the board. He calls the decision "correct and proper", and says there is "no reason to believe that Jensen's return to Nvidia poses any risk to National Security". Democrats and some Republicans swiftly denounce the reinstatement, arguing that neither the government nor Nvidia's own board have finished investigating and that many questions -- including about national security -- remain unanswered.