RELEVANT UPDATES | Page 4

Global, regional and local tax developments in focus at EY seminar for Qatar companies

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GULF TIMES
BUSINESS

ENERGY WINDFALL : Page 2

Shell 2022 profit more than doubles to record $40bn

Qamco posts QR919mn net profit in 2022; proposes 9% dividend

An overall growth in average realised selling prices and sales volumes led Qatar Aluminum Manufacturing Company (Qamco) – a 50% joint venture partner (JV) in Qatar Aluminum Company (Qatalum) – to report a record net profit of QR919mn in 2022, with an earnings per share (EPS) of QR0.165.

After reviewing current year's robust financial performance, with the present and forecasted liquidity position, and considering current and future macroeconomic conditions, business outlook, capital expenditure, long term loan repayment plan; the board proposed a dividend of QR0.09 per share, representing 9% of par value resulting in a dividend yield of 5.9% on the closing share price as of December 31, 2022.

The total annual dividend distribution of QR502mn for 2022 represents a payout ratio of 55% of current year's net earnings.

The share of JV's revenue rose 28% to QR3.99bn in 2022. Earnings before interests, taxes, depreciation and amortisation (Ebitda) increased by 6% to QR1.46bn with an Ebitda margin of 37%.

The average realised selling price shot up 24% year-on-year to $3,279 per metric tonne and contributed QR748mn positively to the net profit for 2022.

Qamco's total annual dividend distribution of QR502mn for 2022 represents a payout ratio of 55% of current year's net earnings

Production levels remained relatively flat even as sales volumes increased by 3% versus last year, due to comparatively higher sales of standard ingots versus last year.

"While macroeconomic context remained uneven, we continued our focus on operational excellence, cost optimisation, operational flexibility, safety & sustainability, which resulted in an excellent set of financial results," said Abdulrahman Ahmad al-Shaibi, chairman of Qamco.

Cost of goods sold for the current year remained higher year-on-year, mainly on higher raw material costs and unfavourable inventory movements due to higher sales volumes. On overall basis, the increase in cost of goods sold contributed QR697mn negatively to the net profits in 2022.

Qamco's financial position continued to remain robust with liquidity position reaching QR2.07bn in the form of cash and bank balances (including proportionate share of cash and bank balances of the joint venture).

During the financial year ended 2022, Qamco's JV generated share of operating cash flows of QR1.32bn, with a share of free cash flows of QR1.09bn.

During the year, Qamco JV incurred QR229mn (Qamco's share) on account of capex outlays, which included routine operations, such as pot relining and other maintenance pertaining to power plant and anode plant.

Al-Kuwari meets Hungary's minister of economic development

HE the Minister of Finance Ali bin Ahmed al-Kuwari met yesterday with Minister of Economic Development of Hungary Marton Nagy, during his current visit to the country. The meeting reviewed bilateral relations between the two countries in the economic, commercial and investment fields and means of promoting them, in addition to discussing aspects of joint co-operation, reports QNA.

Ali al-Kuwari is new CEO of Msheireb Properties

Msheireb Properties announced that Ali al-Kuwari (***pictured***) is the CEO of the company.

In his current position, al-Kuwari will lead the development and implementation of the strategic and operational plans of Msheireb Properties and Msheireb Downtown Doha to enhance its position as a leading tourist and business destination for work and living.

Bringing 18 years of experience, al-Kuwari is one of the prominent Qatari talents and the leading engineers of Msheireb Downtown Doha since its inception.

He was responsible for developing and implementing strategic and operational plans for the Design and Delivery directorate, before becoming the acting CEO and supervising the completion of construction phases of the city and the launch of its actual operations.

Al-Kuwari also led the execution and operations of major facilities at Msheireb Downtown Doha including Mandarin Oriental, Al-Wadi Hotel M Gallery, and Park Hyatt, in addition to Zulal Wellness Resort developed by Msheireb Properties.

During the recent World Cup FIFA Qatar 2022, al-Kuwari supervised the relevant event operations in MDD.

Hw holds a Bachelor of Science in Industrial Engineering from the University of Miami and an Executive MBA from HEC Paris in Qatar. Al-Kuwari's business model relies on the values of Msheireb Properties: distinction, innovation, sustainability and technology to improve the quality of life in the cities.

Qatar records 4,558 new vehicle registrations in December 2022: PSA

By Santhosh V Perumal
Business Reporter

Qatar saw 4,558 new vehicles registered in December 2022, of which 89% were for the private use, according to Planning and Statistics Authority (PSA). The new vehicle registrations however registered a 36.8% and 51.6% decrease year-on-year and month-on-month in December 2022, said the figures released by the PSA.

The registration of new private vehicles stood at 3,284, which tanked 27.4% and 47.1% on an annualised and monthly basis respectively in December 2022. Such vehicles constituted 72% of the total new vehicles registered in the country in the review period.

The registration of new private transport vehicles stood at 754, which fell 55% and 43% year-on-year and month-on-month respectively in December 2022. Such vehicles constituted 17% of the total new vehicles in the review period.

Qatar saw 4,558 new vehicles registered in December 2022, of which 89% were for the private use, according to PSA.

The registration of new private motorcycles plunged 57.6% on a yearly basis to 311 in December 2022; it was seen declining 42.2% month-on-month. These constituted 7% of the total new vehicles in the review period.

The registration of new heavy equipment stood at 92, which constituted 2% of the total registrations in December 2022.

Their registrations had seen 48.6% and 14% decline on yearly and monthly basis respectively in the review period.

The registration of trailers amounted to 64 units, which nevertheless shot up 42.2% and 106.5% year-on-year and month-on-month respectively in the review period.

The new registration of other non-specified vehicles stood at 53 units, which shrank 95.6% month-on-month in the review period.

The renewal of registration was reported in 62,491 units, which saw 6.9% and 0.8% shrinkage on yearly and monthly basis respectively in December 2022.

The transfer of ownership was reported in 24,244 vehicles in December 2022, which shrank 18.4% and 9.8% year-on-year and month-on-month respectively.

The number of lost/damaged vehicles stood at 6,101 units, which declined 34.9% and 20.2% on a yearly and monthly basis respectively in December 2022.

The cancelled vehicles stood at 3,702 units, which zoomed 46.8% and 59.4% year-on-year and month-on-month respectively in the review period.

The modified vehicles' registration amounted to 2,901, which decreased 30% and 3.2% year-on-year and month-on-month respectively in December 2022.

The number of vehicles meant for exports stood at 1,067 units, which reported a 42.4% shrinkage on an annualised basis but expanded 16.5% month-on-month in December 2022.

The re-registration of vehicles stood at 70, which reported 39.7% and 27.8% contraction on yearly and monthly basis respectively in December 2022.

The clearing of vehicle-related processes stood at 105,126 units, which declined 13.9% and 7.2% on a yearly and monthly basis respectively in the review period.

Hamad, Doha and Al Ruwais ports had handled 6,263 RORO (vehicles) in December 2022, which registered a 6% and 9.74% decrease year-on-year and month-on-month respectively.

CORPORATE RESULTS

Shell profit more than doubles to record $40bn

Shell delivered a record $40bn profit in 2022, the energy giant said on Thursday, capping a tumultuous year in which a surge in energy prices after Russia's invasion of Ukraine allowed it to hand shareholders unprecedented returns.
The British company's record earnings, which more than doubled from a year earlier, mirror those reported by US rivals earlier this week and are certain to intensify pressure on governments to further raise taxes on the sector.
"We intend to remain disciplined while delivering compelling shareholder returns," chief executive Wael Sawan said in a statement on the first set of earnings since he took the helm on January 1.
Shell also posted record fourth-quarter profit of $9.8bn on the back of a strong recovery in earnings from liquefied natural gas (LNG) trading, beating analyst forecasts for an $8bn profit.
The annual profit of $39.9bn far exceeded the previous record of $31bn in 2008.
It was driven by higher oil and gas prices, robust refining margins and a strong trading.
Earnings from its LNG division reached $6bn, a record high, boosted by strong overall trading earnings on the back the gas price volatility, despite recording a loss in the third quarter and a sharp drop in liquefaction volumes due to outages at LNG facilities.
Governments struggling with soaring energy bills have responded by imposing windfall taxes on the energy sector, but Britain's Labour opposition party said Prime Minister Rishi Sunak was not doing enough.
"The government is letting the fossil fuel companies making bumper profits off the hook with their refusal to implement a proper windfall tax," Labour's climate policy spokesperson Ed Miliband said in a statement.
Shell said it expects to incur around $2.4bn in accounting costs related to the windfall levies in 2022, and that it will pay $500mn in cash tax in Britain this year.
Sawan, who earlier this week announced changes to Shell's structure, sought to convey a sense of continuation of his predecessor Ben van Beurden's strategy.
"The company is in very good health. We have absolutely the right strategy and my core focus over the coming decade is to make sure that I can support the company as we operationalise strategy," Sawan told reporters.
Shell will update investors on its strategy in June.
As previously announced, Shell boosted its dividend by 15% in the fourth quarter, the fifth increase since it delivered a more than 60% cut in the wake of the 2020 COVID-19 pandemic.
The company also announced a new $4bn share buyback programme over the next three months, unchanged from the previous three.
It bought back $19bn in shares in the year to February 2023, nearly double the total in pre-pandemic 2019.
The profits helped Shell and many other Western energy companies mask huge writedowns they took on Russian assets they abruptly exited after the conflict broke out.
Shell however said on Thursday that it continued to export some LNG from Russia.
Shell aims to build a large renewables and low-carbon energy business as part of its ambition to sharply reduce greenhouse gas emissions in the coming decades.
The company invested around $3.5bn in its renewables and energy solutions business in 2022, around 14% of its capital expenditure of $24.8bn.
Capital expenditure in 2023 will reach $23bn to $27bn.

Telenor

Norwegian telecoms operator Telenor reported record 2022 profits on Thursday, thanks to a large capital gain from the merger of its Malaysian subsidiary with a local company.
Telenor's full-year net profit rose to 44.9bn kroner ($4.52bn), including a one-time gain of 32.9bn kroner booked in the fourth quarter.
At the end of the year, the Norwegian company completed the tie-up of its Malaysian subsidiary Digi with Celcom, owned by local group Axiata.
Continuing its strategy of linking up with local operators to boost its business in Southeast Asia, Telenor said it had also made good progress in the planned merger of its subsidiary Dtac with True in Thailand.
Excluding the non-recurring capital gain, Telenor posted a gross operating profit, or EBITDA, of 43.1bn kroner in 2022 — up by five % from the previous year.
The increase was partly attributed to growth in mobile phone services in Pakistan, Norway and Thailand, which more than offset declining revenues related to the operation of its copper network, rising costs and a soaring electricity bill.
Annual sales came in around 99bn kroner, up from 97.1bn in 2021.
At the same time, the number of subscribers worldwide fell slightly, to 158.3mn at the end of 2022 from 161.9mn a year earlier.
Telenor maintained its earnings forecast for the current year and proposed a slight increase in its dividend for 2022, to 9.40 kroner per share from 9.30 the previous year.

Merck

Merck & Co on Thursday forecast a sharp decline in sales of its Covid-19 antiviral pill as the pandemic eases globally.
The company estimated sales of molnupiravir, which is sold under the brand Lagevrio, to fall to about $1bn this year from $5.68bn in 2022.
The lower forecast for the Covid drug is the latest signal that a boost to global drugmakers from the pandemic is fading.
Roche also warned on Thursday that profits will decline in 2023 due to falling demand for its Covid-19 therapy and diagnostics kits.
Merck also forecast 2023 earnings below analysts' estimates on a tax hit from a recent acquisition.
The company said it expects adjusted earnings of $6.80 to $6.95 per share, lower than analysts' average estimate of $7.36.
The US drugmaker's shares were down 3% in premarket trade.
Revenue is projected to be $57.2bn to $58.7bn, compared with expectations of $58.1bn.
The earnings forecast was hit by taxes that Merck will have to pay on the $1.35bn acquisition of cancer drug developer Imago BioSciences, the company said.
The company, however, reported higher-than-expected fourth-quarter earnings on strong sales of its COVID-19 pill in Asia.
Sales in the quarter were $13.83bn, up from $13.52bn a year earlier.
Analysts had expected sales of $13.67bn, according to Refinitiv data.
Excluding items, Merck earned $1.62 per share, exceeding Wall Street expectations of $1.54, according to Refinitiv.
Merck Chief Executive Rob Davis said the pandemic wave that moved through Asia in the fourth quarter drove sales of molnupiravir, particularly in Japan, South Korea and other areas of the Asia Pacific region.
"That really was the strength, and we've seen very good demand for Lagevrio in those markets," Davis said in an interview. "In Japan, we are a market leader."

Danske Bank

Danske Bank reported heavy losses for 2022 on Thursday as Denmark's biggest lender was hit by huge fines in the United States and at home over money laundering.
The bank posted a loss of 5.1bn Danish kroner last year.
But it expects to bounce back into the green in 2023 as it forecast a net profit in the range of 15bn-17bn kroner for the year.
The bank said 2022 was "an unusual year" with market volatility, soaring inflation following Russia's invasion of Ukraine and a "deteriorating macroeconomic outlook". Danske Bank also set aside nearly €1.8bn in provisions for legal cases related to a money laundering scandal involving its branch in Estonia.
In December, the bank pleaded guilty to defrauding American banks via its Estonian branch in order to sneak money from criminals in Russia and elsewhere into the US financial system.
Danske Bank forfeited $2bn as part of the plea agreement.
The next day, it was fined 3.5bn kroner by the Danish financial watchdog.
Danish authorities also seized 1.25bn kroner in profits from transactions in the Estonian branch, which has since shut down.

Banco Santander

Spanish banking giant Banco Santander reported on Thursday record profits for 2022, becoming the latest European lender to get a boost from higher interest rates.
The bank posted an annual net profit of €9.6bn ($10.6bn), up 18% from 2021 and higher than forecast by analysts polled by financial data firm FactSet.
The result smashed the previous record annual profit of €9.06bn seen in 2007, before the global financial crisis of 2008.
"2022 was another strong year for Santander as we made further progress in growing our customer base profitably, while maintaining a rock-solid balance sheet," Banco Santander head Ana Botin said.
Central banks have hiked interest rates worldwide in an effort to tame runaway inflation, which jumped after economies emerged from Covid restrictions, and surged higher still after Russia invaded Ukraine last year.
Banks across Europe have benefited from higher borrowing costs.
BBVA, Spain's second-biggest lender by market value after Santander, posted Wednesday a 38% jump in net profit to a record €6.42bn in 2022.
Botin said central banks and governments are expected to continue to focus on bringing down inflation this year.
"Our team has proven experience in navigating these conditions successfully and we expect revenue growth will continue to offset cost inflation pressures and the anticipated increase in cost of risk," she said.
The bank, which has a strong presence in Europe and Latin America, added 7mn new clients last year, bringing its worldwide total to 160mn.
This helped total loans to increase by 5.0% and deposits to rise 9.0%.
Santander's net interest income, the equivalent of its revenue, rose 16% to reach €38.6bn, slightly higher than forecast by FactSet.
Santander said it expects to post double-digit revenue growth in 2023.
While the sharp rise in inflation led to a seven % rise in overall costs, the bank said it had continued to improve productivity last year, aided by growing number of customers doing their banking online.

Sony

Sony upgraded its annual net profit forecasts on Thursday, saying it expects strong results in its key gaming sector as the weak yen inflates profits on products sold abroad.
The Japanese electronics and entertainment giant said net profit in the April-December period jumped 5% year-on-year to ¥809bn ($6.3bn). This was partly thanks to strong sales in the game, music and imaging-and-sensors sectors in the third quarter, an important holiday shopping period, the company said.
In the 2022-23 financial year, Sony Group now expects a net profit of ¥870bn, up from the previous estimate of ¥840bn.
Its operating profit forecast is now ¥1.18tn, up from ¥1.16tn, with income in the gaming division "expected to be higher than the November forecast mainly due to the positive impact of foreign exchange rates", the company said.
The Japanese currency has gained ground against the greenback in recent months but the dollar still buys around ¥128, compared with around ¥114 a year ago.
Sony sold 12.8mn PlayStation 5 units in the first nine months of the current financial year, with 7.1mn of those shifted in October-December.
This year's figure is already more than the 11.5mn sold in 2021-22, when supply chain problems slowed production of the next-generation console.
"Based on this performance, the company has set its full-year sales forecast for the current fiscal year at 19mn (PS5) units, and will work to sell as many units as possible to meet strong demand by optimising its operations," chief financial officer Hiroki Totoki told reporters.
"I believe user engagement is on the road to recovery thanks to the popularity of the PS5, and hit titles" like "God of War Ragnarok", he said. Game sales will have an important bearing on Sony's annual results, Hideki Yasuda of Toyo Securities told AFP.
"Sony is expected to aim for higher hardware sales in the coming fiscal year.
What is key is whether software sales will also increase to keep up with higher hardware sales," Yasuda said.
The PS5 has some major titles in the pipeline, including the "highly anticipated" game "Final Fantasy XVI", he noted.
Sony's gaming rival Microsoft has sparked an industry battle with its acquisition of "Call of Duty" maker Activision Blizzard — a huge $69bn purchase that has yet to be finalised while it is examined by antitrust authorities.
A year ago, weeks after Microsoft unveiled its acquisition plan, Sony said it would buy US game studio Bungie, creator of hits like "Halo" and "Destiny". Sony also announced a reshuffle at the top of the company on Thursday, with chief financial officer Totoki to also become president and chief operating officer.
Current company president and chief executive officer Kenichiro Yoshida will become board chairman and remain CEO.

Electrolux

Swedish home appliances maker Electrolux reported a net loss for 2022 on Thursday as its business was weighed down by inflation, higher interest rates and soaring energy prices.
The company was 1.32bn Swedish kronor ($128mn) in the red last year, down from a net profit of 4.7bn kronor in 2021.
"In 2022, new challenges presented themselves in addition to supply chain constraints: high general inflation, raised interest rates, soaring energy prices, and increased geopolitical tensions," Electrolux chief executive Jonas Samuelson said in a statement.
"These negatively impacted consumer demand for household appliances, especially evident in the latter part of the year," Samuelson added.
In the fourth quarter alone, the company reported a net loss of 1.9bn kronor, down from a net profit of 596mn a year earlier.
Net sales in the fourth quarter reached 35.8bn kronor, up slightly from the same period a year earlier, and for the full year came in at 134.9bn kronor.
In January, the company issued a profit warning for its fourth quarter of 2022, due to high costs and poor performance in North America.
Electrolux announced last year a cost-cutting programme in view of weaker demand and earnings, and subsequently said it would cut up to 4,000 jobs, mainly in North America.

ANA, Japan Airlines

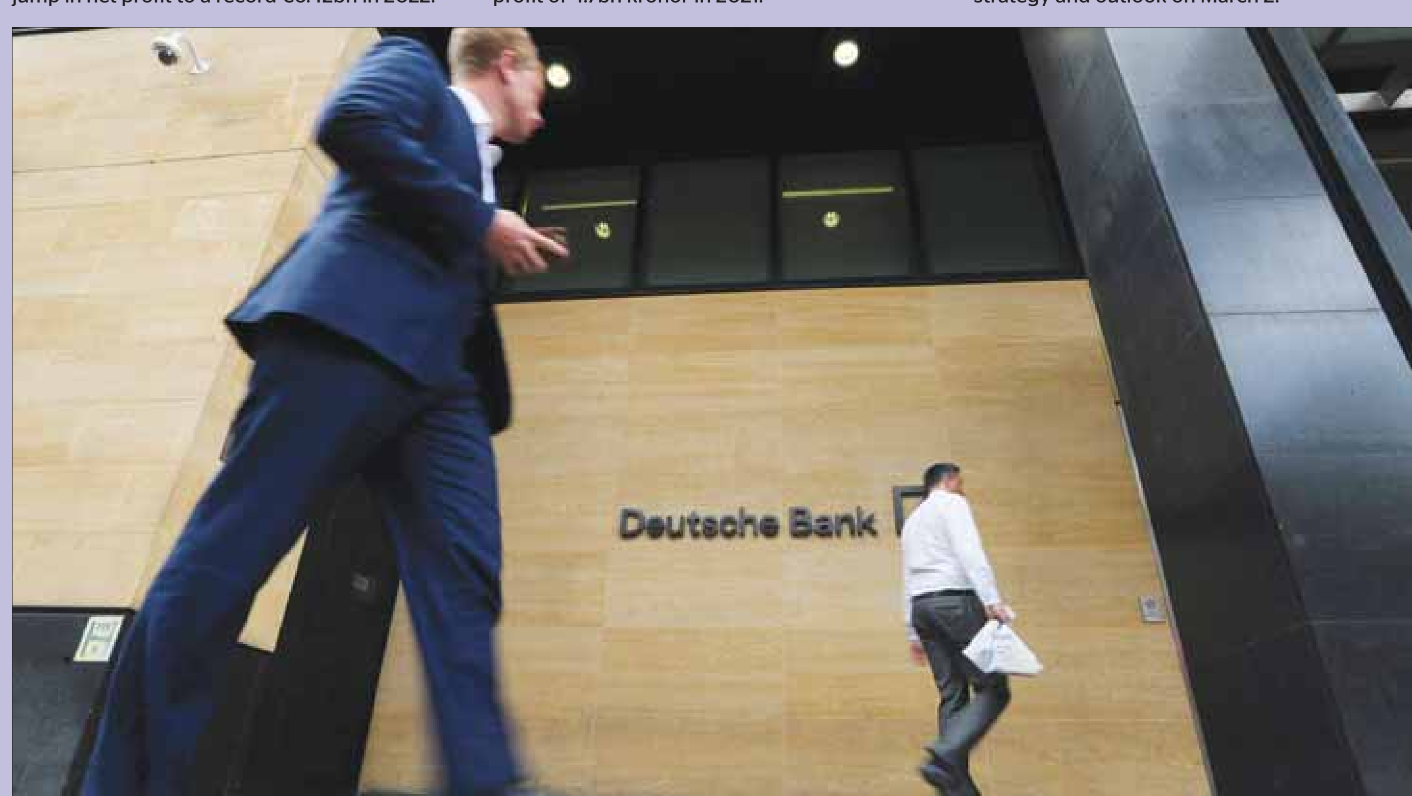
Japan's leading air carriers ANA Holdings and Japan Airlines posted net profits for the nine months to December, turning around losses as domestic and international travel resume, the companies said Thursday.
ANA, the country's biggest airline, reported a net profit of ¥62.6bn ($486mn), reversing a ¥102.8bn loss in the same period the year before, while its rival JAL saw a ¥16.3bn net profit, up from a loss of ¥128.3bn.
"Passenger demand is rapidly recovering due to the easing of restrictions related to Covid-19 for domestic flights and the easing of entry restrictions in many countries for international flights," ANA said in a statement.
They also saw steady growth in international cargo business.
ANA lifted its annual net profit forecast for the year ending March 2023 to ¥60bn from an earlier projection of ¥40bn, citing recovery in demand for business and tourism travel to Japan, as well as steady growth in domestic travel.
However, JAL revised down its net profit estimate to ¥25bn from ¥45bn, saying domestic business demand is recovering slowly and the effects of the government's support for tourism have been limited.

Meta Platforms

Meta Platforms Inc on Wednesday reported a 55% fall in quarterly profit, hurt by a hefty charge related to cost-cutting moves like layoffs, office closures and an overhaul of its data centre strategy.
Net income fell to $4.65bn, or $1.76 per share, in the quarter ended December 31, compared with $10.29bn, or 3.67 per share, a year earlier.

Deutsche Bank

Germany's Deutsche Bank on Thursday said it booked its highest annual profit since 2007 last year, thanks to higher interest rates and a major cost-cutting drive.
The bank recorded a €5.03bn ($5.5bn) net profit for 2022, up from €1.9bn a year earlier.
The strong showing includes a one-off tax benefit of €1.4bn, Deutsche Bank said.
"Over the past three and a half years we have successfully transformed Deutsche Bank," CEO Christian Sewing said in a statement.
Germany's largest lender embarked on a strategic overhaul in 2019 that included thousands of job cuts and a bigger focus on Europe.
After years of losses, Deutsche returned to the black in 2020.
Full-year revenues for 2022 climbed to €27.2bn, up seven % on the previous year.
The increase was partly down to the European Central Bank's interest rates hikes to combat inflation, which have ended years of ultra-low rates that had squeezed eurozone banks' income.
Deutsche's earnings were also driven by revenue growth in its key investment banking and corporate banking divisions.
An uncertain economic outlook, fuelled by the war in Ukraine and fears of a downturn in Europe, led Deutsche to set aside loss provisions of €1.2bn, compared with €515mn in 2021.
Deutsche will give an update on the bank's strategy and outlook on March 2.



Hindenburg bet against Adani puzzles rival US short sellers

Reuters
Mumbai/Singapore

When Hindenburg Research revealed a short position in Adani Group last week, some US investors said they were intrigued about the actual mechanics of its trade, because Indian securities rules make it hard for foreigners to bet against companies there.

Hindenburg's bet has been lucrative so far.

Its allegations, which the Indian conglomerate has denied, have wiped out more than $100bn of market value from its seven listed companies and knocked billionaire Gautam Adani from his perch as the world's third-richest man.

On Wednesday, a $2.5bn sale of shares by one of its companies Adani Enterprises was called off.

The short seller has said it held its position, which profits from the fall in the value of Adani Group shares and bonds, "through US-traded bonds and non-Indian-traded derivatives, along with other non-Indian-traded reference securities." But it has revealed little else about the size of its bets and the kind of derivatives and reference securities it used, leaving rivals wondering how the trade worked.

"I wanted to short it myself, but I was not able to find a way to do it with my prime broker," said Citron Research founder Andrew Left, referring to Adani Enterprises and other companies.

Hindenburg declined to comment to Reuters on the method it used to place its bets against Adani.

Adani Group and the stock market regulator the Securities and Exchange Board of India (SEBI) did not respond to a request for comment.

Typically, investors who want to bet that the company's stock will fall borrow shares in the market and sell them, hoping to buy them back at a lower price, in a practice called short selling.

Short sellers such as Hindenburg like to build positions quietly before unveiling their thesis about the company to maximise profits.

Discretion is necessary for them, as word of their presence in the stock sometimes can be enough to cause the shares to fall.

In India, however, securities rules make it hard to quietly build positions.

Institutional investors are required to disclose their short positions upfront and there are other restrictions and registration requirements on foreign investors.

With the Adani Group, there are added complications: the shareholding is concentrated in the hands of the Adani family and its shares do not trade on exchanges abroad.

Nathan Anderson, Hindenburg's founder, has been coy even with peers about his bet against Adani.

Left and Carson Block, the founder of Muddy Waters Research and another prominent short seller, told Reuters that they got a single word response – 'thanks' – to messages of congratulations they sent to Anderson, when usually they would talk shop.

Cracking the code of how Hindenburg did the trade could lead to more short sellers taking positions against Indian companies, which have been rare, analysts said.

"Once these things (short-seller attacks) begin there are others who could be looking," said Amit Tandon, managing director of proxy and governance firm Institutional Investor Advisory Services (IiAS) in India.

Reuters could not learn details of Hindenburg's trades.

But several bankers familiar with trading in Indian securities said the more profitable piece of the short seller's bet would likely lie in the derivative trades it had placed.

Some of Adani's US dollar corporate bonds fell 15-20 cents in the days after the report was released, which would make that bet profitable.

But there are limits.

Only a few billion dollars of bonds in total were outstanding and they were not easily available to borrow, one debt banker said.

A more profitable way, these bankers said, would be to place the bet via participatory notes, or P-notes, which are lightly regulated offshore derivatives based off shares of Indian companies.

The entities that create the P-notes are registered with the Indian stock market regulator, but anyone can invest in them without having to directly register with SEBI.

An investor can further use intermediaries to obscure its position.

Moreover, the market for P-notes is large.

Billions of dollars' worth of P-notes are traded every year, regulatory data shows, making it possible to place large bets, the bankers said.

Motorists ride past the signage of an upcoming residential project by Adani Realty, a company of Indian conglomerate Adani in Mumbai yesterday. Hindenburg has said it held its position, which profits from the fall in the value of Adani Group shares and bonds, "through US-traded bonds and non-Indian-traded derivatives, along with other non-Indian-traded reference securities."

Losses top $100bn as shelved share sale spooks investors

Adani Group's market losses swelled to more than $100bn and sparking worries about their potential systemic impact on Thursday a day after its flagship company abandoned a $2.5bn stock offering.
The withdrawal of Adani Enterprises' share sale caps a dramatic setback for founder Gautam Adani, the school dropout-turned-billionaire whose fortunes rose rapidly in recent years but have dwindled over the past one week after US-based short-seller Hindenburg published a critical research report.
Cancelling the share sale saw Adani stocks plunge, opposition lawmakers call for a wider probe and the central bank spring into action to check on banks' exposure.
Citigroup's wealth unit has stopped extending margin loans to its clients against securities of Adani Group and cut the loan-to-value ratio for credit against Adani securities to zero on Thursday, a source said.

QSE MARKET WATCH

Company Name	Lt Price	% Chg	Volume
Zad Holding Co	14.03	-1.20	4,354
Widam Food Co	1.50	-5.78	128,065
Vodafone Qatar	1.71	-0.47	1,914,000
United Development Co	1.20	-5.36	1,454,986
Salam International Investment	0.60	0.17	5,738,558
Qatar & Oman Investment Co	0.60	0.00	879,097
Qatar Navigation	9.55	-0.21	629,381
Qatar National Cement Co	5.07	1.38	207,730
Qatar National Bank	17.32	-0.92	6,950,823
Qlm Life & Medical Insurance	4.00	0.00	9,946
Qatar Islamic Insurance Group	8.65	0.00	23,730
Qatar Industrial Manufacturing	3.10	-0.96	629,565
Qatar International Islamic	10.40	-0.86	1,010,264
Qatari Investors Group	1.67	-3.47	335,256
Qatar Islamic Bank	19.20	-1.34	2,223,961
Qatar Gas Transport (Nakilat)	3.78	-0.32	1,031,215
Qatar General Insurance & Reinsurance	1.35	0.00	-
Qatar German Co For Medical	1.25	2.29	3,665,443
Qatar Fuel Qsc	17.96	-0.22	965,878
Lesha Bank Llc	1.10	-0.99	4,483,558
Qatar Electricity & Water Co	17.80	3.91	615,675
Qatar Exchange Index Etf	10.80	-0.18	11,295
Qatar Cinema & Film Distribution	3.40	9.58	2,530
Al Rayan Qatar Etf	2.44	1.92	25,073
Qatar Insurance Co	1.76	0.11	121,201
Qatar Aluminum Manufacturing	1.78	-1.39	8,636,565
Ooredoo Qpsc	9.05	-0.53	6,572,714
Alijarah Holding Company Qps	0.71	-0.70	3,706,669
Mazaya Real Estate Development	0.67	-0.44	4,552,092
Mesaieed Petrochemical Holding	2.17	-0.64	2,744,560
Mekdam Holding Group	7.50	-3.83	1,416,092
Al Meera Consumer Goods Co	16.00	-0.68	940,082
Medicare Group	5.88	1.01	460,636
Mannai Corporation Qsc	7.70	-1.71	89,822
Masraf Al Rayan	2.66	-0.71	43,524,934
Industries Qatar	13.80	0.00	6,765,989
Inma Holding Company	3.50	-4.11	243,484
Estithmar Holding Qpsc	1.65	2.74	14,087,563
Gulf Warehousing Company	3.14	-4.79	637,408
Gulf International Services	1.65	-2.89	4,471,986
Al Faleh Education Holding	1.27	-1.09	13,422
Ezdan Holding Group	0.98	-0.20	5,272,560
Doha Insurance Co	2.07	0.49	11,685
Doha Bank Qpsc	1.64	-9.97	50,301,354
Dlala Holding	1.05	-5.76	1,368,753
Commercial Bank Psqc	5.77	-3.83	3,066,257
Barwa Real Estate Co	2.71	-3.21	3,525,460
Baladna	1.41	-2.97	743,822
Damaan Islamic Insurance Co	4.25	0.00	234,481
Al Khaleej Takaful Group	2.08	-1.89	482,721
Aamal Co	0.98	-2.97	23,064
Al Ahli Bank	4.03	0.50	25,828

Egypt current account deficit shrinks 20.2% to $3.2bn in July-September quarter

Egypt's current account deficit narrowed by 20.2% to $3.2bn in the July to September quarter as imports shrank, exports rose and tourism revenue shot up, the central bank said in a statement on Thursday, reports Reuters.
Exports rose by 12.6% to $9.97bn while imports fell by 4.1% to $19.07bn.
Receipts from tourism jumped by 43.5% to $4.07bn.
Revenue from the Suez Canal rose 19.1% to $2.01bn, the central bank said.
However, remittances from workers outside Egypt, one of the country's main sources of foreign currency, shrank by 20.9% in the July-September quarter to $6.4bn.
A currency crisis prompted many workers to send remittances through the black market instead of the banking system, economists say.
In March, the central bank allowed Egypt's currency to weaken sharply after Russia's invasion of Ukraine prompted portfolio investors to withdraw about $20bn within weeks from the Egyptian treasury market.
Foreign portfolio investors continued pulling money out of Egypt in the July-September quarter.
They repatriated $2.2bn during the quarter after having invested a positive $3.6bn a year earlier.
Non-oil foreign direct investment surged by 63.6% to $3.5bn, mainly due to the sale of $1bn in local assets to foreigners, the central bank said.

Qatar realty market may see correction this year after 'gainful 2022': ValuStrat

By Pratap John
Business Editor

Demand for real estate is not expected to grow as much as supply in Qatar this year, so market corrections are predicted to be pervasive across all real estate sectors during 2023, according to consulting group ValuStrat.
However, Qatar's real estate market saw a "gainful" year despite a global slowdown in 2022, it said in a report.
There was a significant surge in supply in the residential market with the addition of at least 13,000 units, which majorly concentrated in Al Wukair, Lusail and The Pearl, ValuStrat said.
The largest project launched was a master plan named Madinatna, in Al Wukair, to be developed by Barwa Real Estate, comprising 6,780 apartments and 20,000sq m of retail space.
Excess supply was outstripped by growth in demand arising from "Eskan leases" and a temporary increase in population. As a result, residential rents increased an estimated 15% annually. While home rents saw a substantial increase, residential sales stabilised; the ValuStrat Price Index recorded marginal declines during the first half of 2022.
The retail market saw significant growth in terms of supply. This includes opening a super-regional mall in Lusail, Place Vendome and regional and community malls in The Pearl, Msheireb and Lusail.
Additionally, new street shops were handed over notably on Lusail Boulevard, West Bay Beach, Qetaifan Island North, and Al Maha Island.
As a result, an increase in demand for retail was corroborated by the opening of new brands and expansion of existing brands in malls and street retail in Qatar.
However, by Q3, 2022, there was downward pressure on rents, with supply surpassing the demand.
Pawel Banach, ValuStrat Qatar general manager commented, "2022 was transformative for Qatar with a considerable influx of supply across all sectors. In H2, 2022, we saw the opening of no less than 40 hospitality projects and the addition of more than 10,000 residential units. The market conditions should have put downward pressure on rents. However, due to the hosting of FIFA World Cup 2022, there was upward movement in prices and rents across all sectors".
The International Monetary Fund (IMF) forecasted the real GDP of Qatar to grow by 2.4% during 2023, even though it expects a third of the world to go into recession amid the conflict in Ukraine. In addition, the demand for Qatari gas continues to rise, and the economy is projected to benefit from their ongoing major investments in energy infrastructure.
Consequently, Qatar's budget surplus is predicted to grow to QR70.3bn in 2023 (oil price assumed at $55 per barrel).
ValuStrat Qatar head (Research) Anum Hasan commented, "From a macroeconomic point of view, Qatar has a positive economic outlook for 2023. However, in the context of the real estate sector, the market will have to grapple with the huge influx of supply in 2022 resulting from the hosting FIFA World Cup 2022. Demand is not expected to grow as much as supply, so market corrections are predicted to be pervasive across all real estate sectors during 2023."

The event provided all relevant updates on Qatar's tax landscape, tax policies, base erosion and profit shifting (BEPS 2.0) Pillar 2, and recent tax trends across the Mena region with a focus on the GCC, as well as customs and global trade

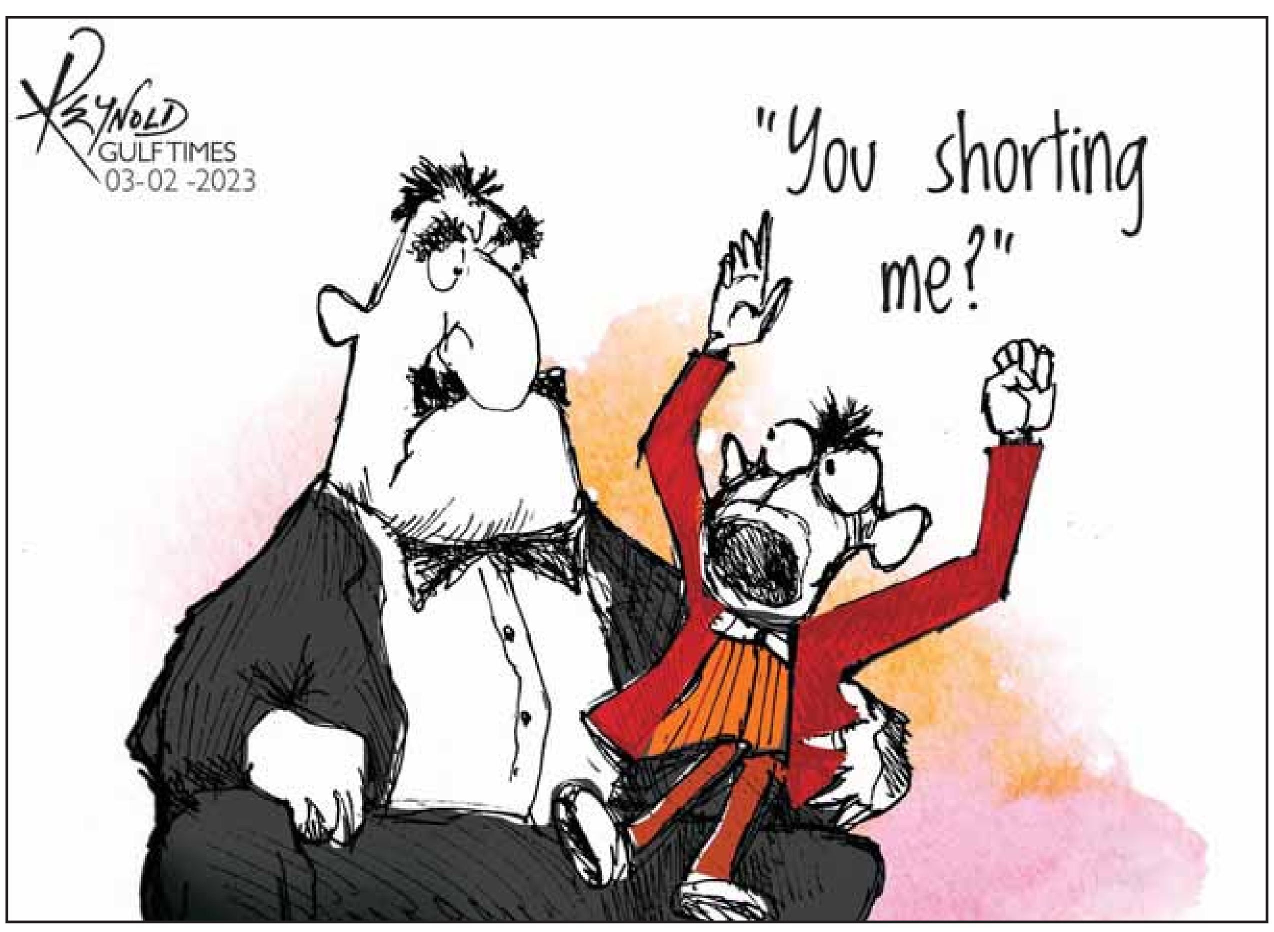
Global, regional and local tax developments in focus at EY seminar for Qatar companies

EY kicked off the New Year by organising a tax seminar aimed at preparing Qatar's companies for the recent global, regional, and local tax developments.
The event provided all relevant updates on the country's tax landscape, tax policies, base erosion and profit shifting (BEPS 2.0) Pillar 2, and recent tax trends across the Mena region with a focus on the GCC, as well as customs and global trade.
Ahmed Eldessouky, EY Kuwait, Qatar and Oman Tax leader, said, "Qatar's tax authorities have put in place a robust plan to modernise their technology and build the relevant capacities of both Qatari businesses and international businesses working in the country.
"With the support of the General Tax Authority (GTA), taxpayers will need to ensure that they remain on top of their compliance, keep it rigorous and timely, and make certain they take advantage of the measures and exceptions that the government puts in place."
The seminar saw the participation over 150 C-suite executives and finance professionals from local and multinational companies across several industries. The event explored various challenges faced by Qatar's taxpayers, including communication instructions with the GTA, technical solutions for the new 'Dhareeba' tax portal, and understanding the need for transparency and readiness.
The facilitators also reviewed recent assessments issued by GTA, examined taxpayers' obligations, and discussed potential tax violations and corresponding penalties.
Tax Administration 3.0 is well underway and will have a direct impact on businesses across the Mena region. Therefore, companies must prepare for an increasingly digitised tax environment, requiring accurate, often transaction-level data, and advanced digital capabilities.
With the UAE gearing up to introduce Corporate Income Tax (CT) in June 2023, and Oman poised to implement personal income tax in 2024, companies in the region should closely monitor the tax policy landscape for a potential shift from fee-based revenue structures to tax-based ones.
This will help them anticipate and understand legislative developments, assess their implications, and identify business opportunities. The next steps should involve bolstering tax functions, streamlining systems and accounting practices, assessing the implications of new taxation models on competitiveness, and modifying operating models and trade routes accordingly.
The ongoing tax reforms are driven mainly by economic recovery efforts, revenue diversification away from hydrocarbons, and alignment with regional and international commitments.
These include the BEPS project by the Organisation for Economic Co-operation and Development (OECD), which intends to ensure that multinational enterprises pay a fair share of tax wherever they operate.
Saudi Arabia, UAE, Oman, Qatar, and Bahrain have joined the Inclusive Framework (IF) on BEPS.
Moreover, Mena governments are showing increasing interest in ESG as part of their strategy frameworks. If they have not already done so, companies in the region should start looking into integrating ESG in management practices, reducing their carbon footprints, and assessing opportunities and the potential impacts on the cost of doing business.

Foreign funds drag Qatar bourse below 10,700 levels

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange yesterday fell for the third straight session as it lost 102 points and its key index settled below 10,700 levels, reflecting the volatility in the global energy markets.
The real estate and banking counters witnessed higher than average selling pressure as the 20-stock Qatar Index fell 0.94% to 10,698.04 points.
The market, which was highly skewed towards shakers, had touched an intraday high of 10,919 points, indicating demand generation especially during the first 15 minutes of the start.
The foreign institutions were seen bearish in the main market, whose year-to-date gains truncated further to 0.16%.
More than 69% of the traded constituents were in the red in the main bourse, whose capitalisation saw QR4.96bn or 0.8% contraction to QR606.8bn, mainly led by midcap segments.
The domestic institutions turned net profit takers in the main market, which saw a total of 0.04mn exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.18mn changed hands across 11 deals.
The Arab retail investors were seen net sellers in the main bourse, which saw no trading of sovereign bonds.
The Islamic index was seen declining slower than the main barometer in the main market, which saw no trading of treasury bills.
The Total Return Index shed 0.94%, the All Share Index by 0.97% and the Al Rayan Islamic Index (Price) by 0.38% in the main bourse, whose trade turnover and volumes were on the increase.
The realty sector index tanked 3.48%, followed by banks and financial services (1.52%), consumer goods and services (0.57%), telecom (0.51%) and transport (0.45%); while industrials gained 0.24% and insurance 0.02%.
Major shakers in the main market included Doha Bank, Widam Food, Dlala, Untied Development Company, Gulf Warehousing, Qatar Islamic Bank, Commercial Bank, Inma Holding, Mekdam Holding, Baladna, Qatari Investors Group, Gulf International Services and Barwa. In the venture market, Al Faleh Educational Holding saw its shares depreciate in value.
Nevertheless, Qatar Cinema and Film Distribution, Qatar Electricity and Water, Estithmar Holding, Qatari German Medical Devices and Qatar National Cement were among the gainers in the main market.
The foreign institutions were net sellers to the tune of QR39.39mn compared with net buyers of QR33.24mn on February 1.
The domestic funds turned net profit takers to the extent of QR9.08mn against net buyers of QR16.88mn the previous day.
The Arab individual investors were net sellers to the tune of QR7.79mn compared with net buyers of QR8.44mn on Wednesday.
The Gulf institutions' net buying weakened considerably to QR0.72mn against QR17.57mn on February 1.
The foreign individuals' net buying declined markedly to QR0.33mn compared to QR1.8mn the previous day.
The Arab institutions' net buying eased marginally to QR0.05mn against QR0.11mn on Wednesday.
However, the local retail investors turned net buyers to the extent of QR54.02mn compared with net sellers of QR78.18mn on February 1.
The Gulf retail investors' net buying expanded perceptibly to QR1.13mn against QR0.13mn the previous day.
The main market saw a a 29% jump in trade volumes to 196.93mn shares and 11% in value to QR716.24mn but on 1% fall in deals to 19,904.



ECB raises interest rates, signals at least one more hike in March

Reuters
Frankfurt

The European Central Bank raised interest rates by 0.5% on Thursday and explicitly signalled at least one more hike of the same magnitude next month, reaffirming it would stay the course in the fight against high inflation.
But financial markets immediately interpreted the move as suggesting the tightening cycle might in fact end soon — just as they had done on Wednesday after US Federal Reserve chief Jerome Powell said there were signs inflation was easing.
Separately, the International Monetary Fund published a blog urging global central banks to make clear to financial markets the probable need for interest rates to remain higher for longer in order to bring inflation sustainably back down to target.
The ECB has been increasing rates at a record pace to fight rising prices which are the byproduct of factors including the aftermath of the Covid-19 pandemic and an energy crisis that followed Russia's invasion of Ukraine nearly a year ago.
The central bank for the 20 countries that share the euro raised the rate it pays on bank deposits by another half-percentage point to 2.5%, in line with what it said in December and with market expectations.
It said the next rate increase would be of the same size, but left its options open further ahead.
"...the Governing Council intends to raise interest rates by another 50 basis points at its next monetary policy meeting in March and it will then evaluate the subsequent path of its monetary policy," the ECB said. ING's global head of macro Carsten Brzeski said the ECB was "opening the door to either a pause or a slower rate hike pace beyond March."

Bank of England raises borrowing costs to 4%

The Bank of England raised interest rates for the 10th time in a row on Thursday but dropped its pledge to keep increasing them "forcefully" if needed and said inflation had probably peaked, reports Reuters.
Softening their forecasts of recession this year, the BoE's nine interest rate-setters voted 7-2 to increase Bank Rate to 4.0% — its highest since 2008 — from 3.5%.
The move had been expected by most investors and economists.
The BoE — which is trying to smother the risks from Britain's 10% inflation rate without deepening the expected recession — said its run of rate hikes going back to December 2021 were likely to have an increasing impact on the economy.
That should help to bring inflation down to about 4% by the end of this year, it said.