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USQBC president underscores strength of Qatar's economy

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GULF TIMES BUSINESS



VALUSTRAT REPORT: Page 3
 Qatar may see 40,000 hotel keys, 330,000 residential units by end-2023

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Vodafone Qatar named 'World's Fastest Mobile Network' by Ookla

Vodafone Qatar is the 'World's Fastest Mobile Network', according to results from consumer-initiated tests taken with Speedtest by Ookla.

Revealed as the fastest amongst mobile operators worldwide in the second half of 2022, Vodafone Qatar is the new global benchmark for mobile network speed.

This number-one ranking for median mobile download speeds on Ookla's Speedtest Global Index reflects Vodafone's continued investment in its network with the goal of delivering the best connectivity experiences to its customers, according to a statement.

The prestigious recognition follows a rigorous analysis of data obtained from millions of tests performed on Speedtest by users across networks all over the world to measure Internet connection speeds between July and December 2022.

Based on Ookla's assessment, Vodafone Qatar led the rankings with a speed score of 238.56 points, far surpassing other mobile networks.

"The Speed Test Awards, presented by Ookla, are reserved for an elite delegation of network operators that have delivered exceptional internet performance and coverage. It is our pleasure to present Vodafone with the award for the fastest mobile network in the world. This recognition is a testament to their exceptional performance in Q3-Q4 2022," remarked Doug Suttles, CEO of Ookla.

Sheikh Hamad Abdulla Jassim al-Thani, CEO of Vodafone Qatar, said: "As a company built in Qatar for Qatar, Vodafone is immensely proud to be recognised as the fastest mobile network in the world."

"This is a vivid demonstration of the absolute resolve of our teams in continually enhancing the quality and speed of our services and products to provide the very best to our customers."

He added: "With Internet connectivity becoming even more crucial in the post-



The number-one ranking for median mobile download speeds on Ookla's Speedtest Global Index reflects Vodafone's continued investment in its network with the goal of delivering the best connectivity experiences to its customers

pandemic era, Vodafone Qatar has continued to employ next-generation technologies to consistently elevate the user experience, making it as seamless and as convenient as possible."

Ramy Boctor, CTO at Vodafone Qatar, said: "Vodafone Qatar understands the importance of reliable and flexible internet connectivity to maintain, enhance and transform business operations. As an enabler of the digital transformation journey of several small and large businesses across the country's business sector, Vodafone Qatar leaves no stone unturned in ensuring the quality and capacity of our networks remain first-class."

"The award by Ookla speaks of our com-

mitment in this area and intensifies our focus in using superfast connectivity to build a more cohesive, more inclusive, and sustainable digital society for all."

As a demonstrated leader in technology and digital innovation, Vodafone Qatar has been at the forefront of driving Qatar's digital transformation agenda forward, enabling a digitally connected and digitally aware society via its robust network, range of smart solutions, and collaborative partnerships.

Such efforts have had a strong bearing on the country's global standing in Internet quality and efficiency, additionally enabling it to secure the top spot on the Speedtest Global Index in November 2022.

QIIB bags 'Excellence in Product Design 2022' award from Visa

Visa granted QIIB the 'Excellence in Product Design' award for the year 2022, in recognition of its achievements in meeting Customer expectations by launching digital payment products that target their needs and reflect an in-depth understanding of Customer trends and their positive outlook for innovative digital payment solutions and Banking Services.

QIIB head (Business Development and Alternative Channels Sector) Omar Abdulaziz al-Meer received the award from Visa country manager (Qatar) Dr Sudheer Nair during a ceremony held at the QIIB Head Office in the presence of Shihabuddin Ahmed, head (Cards Business and Digital Payments Department) at QIIB.

Al-Meer said: "We thank Visa for granting us this award, which reflects the development achieved by the bank and our pioneer role in various fields, especially payment product design and service quality, in line with the best competition standards in the local market."

"We greatly appreciate this award for a number of reasons, mainly because it is in a field related to providing the best services to Customers. At QIIB, we focus greatly on serving our customers. Moreover, the award is granted by a well-established international company such as Visa, which has based its choices on data-driven and advanced models that reflect the true level of Products and Services offered at QIIB."

Al-Meer continued: "We have channelled a lot of care and resources to invest in the field of innovation, which aims to design products based on adequate studies of our customers' current needs and the expectations for the future needs, while ensuring we provide customers with the appropriate knowledge and culture that enables them to judge the quality of the payment product and encourages them to choose what suits their needs".

"The award was not unexpected as 2022 was an exceptional year for us in the field of payment products, be it in terms of quantity or quality. We have received many positive indicators from the banking market as a reflection of this intensive work that we have done, the most important of which was the steady expansion of our customer base and the increasing demand for our products and services".

He continued: "One of our distinguished achievements during 2022 was providing various products and services through our digital channels, which in turn led to a spike in the provision of such services. These received wide recognition



QIIB head (Business Development and Alternative Channels Sector) Omar Abdulaziz al-Meer.



Visa country manager (Qatar) Dr Sudheer Nair.

and generated great satisfaction to our customers who were able to obtain financing products through these digital channels in addition to various card products, money transfer services and much more."

Al-Meer expressed his confidence that, "QIIB will continue its leadership role in the local banking sector and pursue its efforts to further leverage its role as a reliable provider of retail and corporate payment products and services of all kinds. QIIB will continue to strengthen its partnership with local and international partners, led by Visa, which represents an ideal choice for all digital card and payment solutions".

Nair said: "Visa is delighted to present this award to QIIB. As the global leader in digital payments, Visa strives to provide innovative, best in class solutions that address the evolving payment needs of consumers in Qatar. QIIB's efforts in providing the innovative, secure digital payments that contribute to the growth of digital commerce in Qatar makes them a well-deserving recipient of this award."

QNB has highest brand value among Mideast banks at \$7.7bn

QNB Group remains the "most valuable banking brand" in the Middle East with a brand value of \$7.7bn, up 9% in 2022.

One of the largest financial institutions in the Middle East and Africa, QNB has seen a year-on-year growth and retained its position (45th globally), firmly within the top 50 most valuable banking brands in the world. This reflects the success of the bank's continued efforts to expand its international footprint and serving its diverse customer base.

Despite difficult global operating conditions, QNB's role as the Official Middle East and Africa Supporter of the FIFA World Cup 2022, provided the chance for the group to gain exceptional global exposure during the month-long tournament. Through this exposure, it has raised QNB Group's awareness and familiarity amongst consumers and potentially boost its current brand strength of 85 out of 100 (AAA) further.

Heba Ali al-Tamimi, senior executive vice-president, QNB Group Communications said: "This ranking reflects the Group's continuous strong performance, expanding international presence and growing brand recognition. The Group will continue to invest in its brand by

further expanding internationally and strive to serve the needs of its growing and diverse customer base across the markets it operates in. QNB Group will continue to track, optimise and position itself as relevant to core segments and markets as we move forward."

For QNB Group, it was another year of stellar and consistent performance, one of the highest quality set of results in the Group's history enabling it to successfully managing its multiple challenges faced during 2022.

Brand Finance, the world's leading independent branded business valuation and strategy consultancy, is the company behind the Brand Finance Banking 500, a league table of the world's biggest banks published every year in partnership with *The Banker*, a *Financial Times* publication. QNB Group currently ranked as the most valuable bank brand in the Middle East and Africa. Through its subsidiaries and associate companies, the Group extends to as many as 28 countries across three continents providing a comprehensive range of advanced products and services. The total number of employees is 28,000 operating through 1,000 locations, with an ATM network of more than 4,800 machines.



Despite difficult global operating conditions, QNB's role as the Official Middle East and Africa Supporter of the FIFA World Cup 2022, provided the chance for the group to gain exceptional global exposure during the month-long tournament



China officials warn of challenges for foreign trade and investment

Bloomberg
Hong Kong

China's foreign trade environment is "extremely severe" and the outlook for investment is also challenging this year as the global economy slows and faces uncertainty, according to Ministry of Commerce officials.

Issues include the rising risk of a global economic recession, slowing growth in external demand and the changing landscape of global supply chains, Li Xingqian, head of the ministry's foreign trade department, said at a Thursday press conference.

The country also needs to "stabilise the role of exports in supporting the national economy," Li said.

The drop in China's overseas shipments deepened in December as global demand continued to wane, and as the country's messy exit from Covid Zero caused disruptions to production and logistics.

That trend is set to continue this year as demand continues to slow, and as central banks around the world keep raising interest rates to curb surging inflation.

Meanwhile, the environment for attracting foreign investment is "very complex and severe," said Meng Huating, a commerce ministry official in charge of foreign investment. Global economic growth is sluggish, she said at the same Thursday press conference, adding that unfavourable factors are still fermenting.

Investment into China slumped in the final two months of last year by the most on record. Inbound FDI fell 33% in November and almost 29% in December, according to Bloomberg calculations based on data from the commerce ministry.

Still, Meng expressed confidence that China would be able to expand the scale of foreign investment into the country and improve its quality this year. She cited an improving domestic economy and better business environment.



Containers stacked at Lianyungang port, in China's eastern Jiangsu province. The drop in China's overseas shipments deepened in December as global demand continued to wane, and as the country's messy exit from Covid Zero caused disruptions to production and logistics.

'Indian refiners pay traders in dirhams for Russian oil'

Reuters
New Delhi

Indian refiners have begun paying for most of their Russian oil purchased via Dubai-based traders in United Arab Emirates dirhams instead of US dollars, four sources with knowledge of the matter said. While Western sanctions against Moscow are not recognised by India, and purchases of Russian oil may in any case not violate them, banks and financial institutions are cautious about clearing payments so as not to unwittingly fall foul of the many measures imposed against Russia following its invasion of Ukraine.

Indian refiners and traders are concerned they may not be able to continue to settle trades in dollars, especially if the price of Russian crude rises above a cap imposed by the Group of Seven nations and Australia in December. That has led traders to seek alternative methods of payment, which could also aid Russia's efforts to de-dollarise its economy in response to the Western sanctions. Previous attempts by Indian refiners to pay traders for Russian crude in dirhams through Dubai banks failed, forcing them to switch back to the US currency.

But India's top bank, the State Bank of India (SBI), is now clearing these dirham payments, the sources told Reuters, providing details of transactions that have not previously been reported. The SBI, which has overseas branches including in the United States, did not respond to requests for comment.

The G7 price cap prohibits any Western company, such as the insurance and shipping service providers that underpin much

global trade, from involvement in trading Russian crude if the purchase price is above \$60 a barrel at the loading point in Russia. That remains the case even if the oil is bound for countries such as China and India which do not recognise the cap.

The shift to dirham payments was also triggered by the SBI asking refiners looking to make dollar payments for Russian crude to provide a breakdown of the costs of the oil, freight and insurance, allowing it to vet trade and avoid violating the cap.

"The SBI is very conservative in its approach," one of the sources said, even though India does not follow the price cap mechanism and Western insurance and shipping are not used for delivery. Indian refiners typically buy Russian crude from traders at a price that includes delivery to India.

An invoice for such a deal seen by Reuters showed traders asking for an average crude price including freight for Urals crude. The document calculated the price of the cargo in dollars and dirhams. The four sources said Indian refiners are buying Russian oil on a delivered basis to mitigate any risks arising during shipping, and so far the calculated cost at the point of loading has been below the price cap.

Indian refiners mostly buy Russian crude from Dubai-based traders including Everest Energy and Litasco, a unit of Russian oil major Lukoil.

Everest Energy and Litasco did not respond to requests for comment. India's Oil Secretary Pankaj Jain last month said Indian companies were not facing any problems in paying for Russian oil as the latest actions by the West do not impact the trade settlement mechanism.

Adani flagship shelves \$122mn bond plan after market rout

Bloomberg
Mumbai

Adani Enterprises Ltd has shelved a plan to raise as much as 10bn rupees (\$122mn) via its first-ever public sale of bonds following a market rout, according to people familiar with the matter.

The flagship firm of Indian billionaire Gautam Adani's empire had planned the public note issuance for January, working with Edelweiss Financial Services Ltd, AK Capital, JM Financial, and Trust Capital, Bloomberg had reported in December. But activity has now stopped, according to the people, who asked not to be identified because the matter is private.

The development is the latest in a sudden reversal of fortune for the conglomerate, after US-based shortseller Hindenburg Research late last month accused it of stock manipulation and accounting fraud. While the group has vigorously denied the allegations, its stock and bond prices have slumped.

The turmoil last week forced Adani Enterprises to abruptly pull a record 200bn-rupee follow-on public offer of shares, and marks a stunning contrast to just a few months ago when the conglomerate was looking to raise funds to finance expansion plans. In a sign of just how prohibitively expensive any attempted debt financing for group firms could now be, the yield on an Adani Green Energy Ltd bond spiralled over 36% last week.

Edelweiss declined to comment, while the other three financial firms that were on the planned Adani Enterprises note offering didn't immediately respond to requests for comment. There was no response from a spokesperson for Adani Group to an emailed request for comment.

The market rout will likely reduce the group's ability to raise money for capital expenditure projects or to refinance debt over the next year or two, according to Moody's Investors Service.



People wait to cross a road in front of the logo of the Adani Group installed at a roundabout on the ring road in Ahmedabad, India. In a sign of just how prohibitively expensive any attempted debt financing for group firms could now be, the yield on an Adani Green Energy Ltd bond spiralled over 36% last week.

Indian watchdog tells investors markets stable despite Adani rout

India's market regulator moved to calm investor concerns yesterday, saying that its financial markets remain stable and continue to function in a transparent and efficient manner, despite recent dramatic stock falls in Adani Group companies, reports Reuters.

Shares in Adani Group firms, controlled by billionaire tycoon Gautam Adani, have dropped by \$100bn, or half their market value, since US-based shortseller Hindenburg Research made allegations of stock manipulation and unsustainable debt.

"During the past week, unusual price movement in the stocks of a business conglomerate has been observed," the Securities and Exchange Board of India

(SEBI) said in a statement, without naming any specific entity. The Adani Group denies all Hindenburg's allegations, but the fall in the value of its stocks led it to call off earlier this week a \$2.5bn share sale by Adani Enterprises.

Mechanisms were in place to address excessive volatility in specific stocks, SEBI said, adding these were automatically triggered under certain conditions of stock price volatility. Any matters related to specific entities will be examined and appropriate action will be taken, the regulator added. Reuters earlier reported that SEBI was examining the recent crash in the Adani Group's shares and looking into any

possible irregularities. The comments follow a similar assurance from the central bank which said that the banking sector remained stable.

Shares of the group's flagship company stabilised somewhat on Friday and closed 1.4% higher, after earlier slumping 35% to hit their lowest level since March 2021.

That low took its losses to nearly \$33.6bn since last week, a 70% fall. Earlier on Saturday, India's Finance Secretary TV Somanathan said that from a macroeconomic perspective, the Adani issue is a "storm in a tea cup", while Finance Minister Nirmala Sitharaman said regulators are independent and will take their own action.



قطر للوقود Qatar Fuel

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| SN. | TENDER NUMBER | DESCRIPTION | TENDER FEE (QAR) | TENDER BOND (QAR) | TENDER CLOSING DATE |
|-----|-----------------------------|--|---------------------------|-------------------|---------------------|
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- Tender document for the above invitation can be obtained as per following details:
- Document Issue Date: From 05th February 2023 until Bid Closing Date. No extension to Bid submission date due to late collection of Tender documents.
- Tender Fee: Interested Parties shall first deposit the appropriate Tender Fee as mentioned above (non-refundable) into Account Name – Qatar Fuel (WOQOD), Account Number 222-88171-1-030-0 with Doha Bank. Tenderer must mention their Company's full name and specific Tender Number on the bank deposit slip.
- Tender Documents shall be sent from QATAR FUEL [WOQOD] Procurement & Contracts Department e-mail, upon receipt of deposit slip in proof of the required payment along with company letter and copy of Commercial Registration (CR) of the Company to procurement@woqod.com.qa
- Tenders shall be accompanied by a Tender Bond issued by one of the Qatari Banks or by a Bank operating in Qatar, in accordance with the terms of the tender documents and should be valid for 210 days from the Tender Closing Date.
- Offer should be valid for 180 days commencing from the Tender Closing Date.

Duly completed Tender should be delivered in sealed envelopes with the Tender Number and Bidders Company name clearly marked on the envelope, and should be deposited in Tender Committee Office, P.O. Box: 7777, Ground Floor, WOQOD Tower, West Bay, Doha, Qatar, not later than 10:00 AM on the Tender Closing Date mentioned above. [visit our website www.woqod.com.qa for more information]

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Bloomberg QuickTake Q&A

Why Marcos is inviting the US military back to the Philippines

By **Andrea Calozzo**

Former Philippine President Rodrigo Duterte made a habit of casting doubt on the future of his country's longstanding defence ties with the US, usually in response to US concerns about his deadly drug war. Now with new presidents in both countries, the tide has turned. The two allies have paved the way for greater American presence in the Asia-Pacific region, spurred by persistent tensions with China over Taiwan and the South China Sea.

1. What's the new agreement?

An expansion of the Enhanced Defense Co-operation Agreement, originally signed in 2014, which allowed for a US presence at five Philippine military bases and the construction of new facilities there. The agreement, announced February 2, will bring the total number of military sites the US can access to nine, and allow it to rotate its troops for prolonged stays. Three Philippine bases near Taiwan – two in the northern province of Cagayan and one in Isabela province – in addition to one in Palawan near the South China Sea, are among the new sites said to be under consideration. They also decided to substantially complete projects at the five existing military sites, including another base in Palawan province, near the disputed sea. The US has allocated over \$82mn toward infrastructure investments in the five sites.

2. What's the impetus?

President Joe Biden has sought to readjust the US force presence in the Indo-Pacific region and restore the relationship with the Philippines since President Ferdinand Marcos Jr took office last year. While China

was not specifically mentioned in announcing the new agreement, both countries are worried about Beijing's increasingly assertive claims to a wide swath of the South China Sea, including islands and reefs Manila sees as its own. Chinese ships have regularly been seen trailing Philippine fishing vessels, often intercepting them and forcing them to divert from contested areas. Marcos raised the issues during his meeting with China's President Xi Jinping in January. Biden has also stepped up US assurances to defend Taiwan. The US confirmed in January that it would be moving thousands of Marines based in Japan to a reactivated facility in Guam, a move also seen as part of a wider effort to disperse American forces to help it better confront China in case of a crisis.

3. What other defence agreements are there?

There are two others:
■ The Mutual Defense Treaty was signed in 1951, five years after the US granted the Philippines independence, and it has been at the centre of defence relations ever since. The eight-article pact – one of seven collective defence treaties the US has globally – calls for each side to help build defence capabilities and "meet the common dangers in accordance with its constitutional processes" if either side is attacked.
■ The Visiting Forces Agreement, signed in 1998, spells out the legalities for US military personnel operating in the Philippines. It covers everything from passport regulations to procedures for importing military equipment to criminal jurisdiction.

4. What were Duterte's complaints?

He came into office in 2016 pledging to pivot Philippine foreign policy toward China and away from the US, its former colonial master. Duterte, whose term

ended last year, questioned whether the US would defend the Philippines if China seizes disputed shoals and reefs in the South China Sea – scepticism that has persisted for decades. A US diplomatic cable from 1976, since declassified, states the Mutual Defense Treaty doesn't cover disputed areas such as the Spratly Islands, although American officials have recently committed to defend the Philippines in disputed waters. Duterte also said military deals with the US haven't helped address security threats in the Philippines, particularly the communist insurgency. He threatened to terminate the Visiting Forces Agreement – then stayed the order – and frequently lashed out at the US over what he perceived as its hypocrisy and meddling on human rights. As his term wound down, promises of big-ticket projects and billions of dollars in investments from China were largely unfulfilled. Tensions over the South China Sea have flared again and oil exploration plans have stalled. This year, the International Criminal Court said it would resume its investigation into Duterte's war on drugs.

5. What's the history behind the relationship?

The Philippines has periodically reassessed its relationship with the US, which ruled the Southeast Asian nation as a territory for nearly 50 years after it was ceded by Spain. After World War II, Clark Air Base and Subic Bay Naval Base, near Manila, were the largest US military outpost in the Western Pacific. The 1947 Military Bases Agreement, originally a 99-year deal, was revised several times to give the Philippines more compensation or sovereignty. An amendment was added that allowed for it to end in 1991. As the deadline approached, leaders from both countries sought to extend the pact. Yet an upswell of anti-colonial sentiment prompted the Philippine Senate to reject a fresh agreement, and the US closed all of its bases by 1992.

Qatar in top group for best digital govt services: BCG survey

By **Santhosh V Perumal**
Business Reporter

Qatar has scored in the top quintile of all countries surveyed in terms of superior digital government services that meet the high standards set by residents, with a net satisfaction score of 86%, according to Boston Consulting Group (BCG). The country respondents have welcomed digital government adoption, with 58% accessing related services through online channels at least once per week - higher than the global average of 49%, BCG said in a report. "Strong adoption and delivery, and higher implications for emerging digital government services" have placed Qatar in first position globally, indicating that the digital government services have become an integral part of residents' daily life in the Qatar since the outbreak of the pandemic, the report said.

In 2022, Covid-related services have emerged as a benchmark for customer expectations, with their fast go-to-market times, frequent new feature updates, and advanced functionality, Rami Mourtada, partner and director, Digital Transformation, BCG, said. "In fact, the most used digital government services in Qatar echo global patterns, with Covid-related services ranking number one both regionally and globally," it said. Overall, the Gulf Co-operation Council countries (including Qatar) offer more sophisticated digital government services, which equates to more complex transactions - including registering or using a job search, accessing Covid-19 services, and processing visa, residency, or work permits - which all rank higher in terms of usage than the global averages, where simple transactions like accessing information are still more common, according to him. This level of integration is particularly

significant in light of people's high expectations. The vast majority of the GCC residents expect their government to provide services comparable to the best private companies in the world or global digital leaders, the report said. These include auto-filling forms with available customer data, tailoring or recommending additional offerings, and even automating complex tasks like travel bookings or loan approvals. When governments enter this traditionally private-sector territory, they must make a balanced trade-off between convenience on one hand and concerns about privacy on the other. "Artificial Intelligence or AI is truly versatile and can be applied in any sector to help decision-making; the Qatar 2022 World Cup is a great example. As enablers of increasing personalisation and proactivity, AI like digital ID, will become more prevalent in the future of digital government services, and Qatar is

leading the way," said Dr Lars Littig, managing director and partner, BCG. Harold Haddad, managing director and land partner, BCG, said: "Qatar holds a unique position globally in education, government and the private sector which together are shaping a bold research-to-start-up pipeline that is paving the way towards an ethical commercial sustainability in AI." Semyon Schetin, managing director and partner, BCG, said the pandemic has driven strong adoption and delivery, and with higher implications for emerging digital government services. Highlighting that Qatar has risen as a leader in the field, advancing personalised, proactive service delivery, he said overall, the country should continue to track people's evolving needs, while innovating and investing in technology that yields efficiency gains, community benefits, and most importantly, value for residents.



Harold Haddad, managing director and land partner, BCG.

Qatar may see 40,000 hotel keys, 330,000 residential units by end-2023 on timely project delivery: ValuStrat

By **Pratap John**
Business Editor

Qatar will comprise approximately 40,000 hotel keys, 330,000 residential units and an office supply of 6.5mn sq m GLA by end-2023, assuming all projects are delivered on time, says consultancy firm ValuStrat.

ValuStrat noted the opening of some 46 hotels last year comprising at least 9,000 keys. An estimated 62% belonged to the 5-star category. Lusail and West Bay comprised 40% of the total hotel rooms.

The number of visitors amounted to 1.9mn by the end of November 2022, as per Planning and Statistics Authority data. FIFA estimated a cumulative attendance of 3.4mn spectators, including 1.2mn international visitors equalling 96% total occupancy for the tournament. Additionally, there was a rise in ADRs as well; as of November, YTD 2022, the average ADR (average daily rate) was QR577, 38% higher y-o-y.

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. 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, handing over of new street shops was seen, notably on Lusail Boulevard, West Bay Beach, Qetaifan Island North, and Al Maha Island.



ValuStrat has noted the opening of some 46 hotels last year comprising at least 9,000 keys. An estimated 62% belonged to the 5-star category. Lusail and West Bay comprised 40% of the total hotel rooms.

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.

According to ValuStrat, 90% of the upcoming 8,000 residential units will be concentrated in The Pearl and Lusail. Once the projects are handed over, the pipeline supply might nega-

tively impact the market rent in the areas relatively more than others.

The durability of 'Eskan Leases' might provide a buffer against a steep decline in demand and rental performance. However, by the end of the year, most of the leases are predicted to complete. As a result, prices and rents are expected to decline by 10% during the year.

The "oversupply" in the office sector is estimated to exceed 2mn sq m GLA, including the 700,000 sq m GLA

in the pipeline for 2023. The significant gap in demand and supply is expected to put downward pressure on rents of office spaces, especially in Lusail, where most of the pipeline supply is concentrated.

The hospitality sector is expected to see an addition of the following notable establishments: Corniche Park Towers, Doha Live, Four-Season Luxury Residence and Burj Damac Seaview. However, the "significant" jump in supply in Q4, 2022 and pipeline

supply for 2023 is projected to dampen performance in the year as the volume of tourists is not predicted to catch up in proportion but grow gradually. Hosting major events, cruise season and transit passengers were deemed to be the main drivers of tourism growth during the year.

FIFA estimated 5bn people around the world watched the World Cup matches; it is possible 40mn people will seek to visit Qatar in the medium to long term, ValuStrat said.

IIA Qatar hosts webinar on internal audit and human personality

The Institute of Internal Auditors Qatar (IIA Qatar) recently hosted a webinar on 'Internal Audit and Human Personality: Visionary Insights into Compatibility Mapping', which was presented by Kareem Obeid and Sultaneh Naem.

Obeid is an internal audit thought leader and entrepreneur, who drives innovation and strategic transformations with 28 years of internal audit executive leadership roles in several leading companies in the Middle East region.

Naem is the founder and CEO of TWIG Professional & Management Consultancy. She is a thought leader, as well as a seasoned expert in the field of quantum leadership, mind training, executive and personal coaching, and family business.

"Within the human personality is a character and the temperament determines the character. If you look at the lemon and the seed. The seed is the temperament and how the seed grows into a certain shape, smell, and colour; all this is the character. So the character is the innate expression of the temperament," Naem said.

Obeid, who led the second part of the presentation, said: "Is there another way to more effectively set teams instead of a hierarchy based on the audit scope? Why does residual energy level vary across individuals after they perform the same task? Do internal Auditors know why some excel in certain competencies?"

IIA Qatar's Sundaresan Rajeswar said: "The session introduced a new dimension and the value it will add in transforming and reshaping the internal audit departments. This is achievable through allocating resources based on competencies, job activity, job level, personality type, and temperament classification. The presenters brought out novel perspectives with amazing takeaways as food for thought."

Gulf oil refiners struggle to be ready as EU bans Russian fuels

Bloomberg
Dubai

Europe's looming ban on almost all Russian fuel is sparking a scramble for alternatives, not least from Middle Eastern countries.

Yet three new refineries in Saudi Arabia, Kuwait and Oman that could go a long way to helping Europe replace 600,000 barrels a day of Russian diesel have faced numerous delays. None of them is yet at full capacity and there could be even more hold ups.

"Middle East refining projects are subject to commissioning delays," said Ahmed Mehdi, a commodities analyst in London with Renaissance Energy Advisors. "Europe won't benefit from the additional barrels until late 2023."

The European Union is set to ban all seaborne imports of refined fuels from Russia, by far its biggest supplier, today. That covers products from jet fuel to gasoline and diesel. Here's a summary of the Middle Eastern refineries Europe that could eventually help Europe make up for lost Russian supplies.

Kuwait - Al Zour

Kuwait plans to boost diesel flows to Europe fivefold this year to 50,000 barrels a day and

double shipments of jet fuel. It will manage that by increasing output at its massive 615,000 barrel-a-day Al Zour refinery. Once the plant is operating at full capacity, it should be able to produce about 145,000 barrels of low-sulphur diesel a day, according to consultancy FGE.

The plant has cost more than \$15bn and has a tortured history. The original plans were scrapped more than a decade ago. It eventually started last year, around two years late. The state energy company expects to start the second of three lines this month and the final one in April.

Saudi Arabia - Jazan

Saudi Aramco's Jazan refinery in the southwest of the kingdom is designed to process 400,000 barrels of crude each day and produce fuels meeting stringent European emissions specifications. The facility is still being ramped up and, while it's exported some products, it's yet to send any diesel that meets those requirements to Europe, according to Vortexa Ltd, an energy consultancy. Aramco initially planned to start it in 2017, before later saying it would be at full capacity in the second half of 2020. Jazan is located far from Saudi Arabia's vast

oil fields in the east, and has to be supplied with crude via tankers instead of a pipeline. It's also close to the border of war-torn Yemen, according to investor-advisory firm Greenmantle.

Oman - Duqm

Oman and Kuwait are building a 230,000 barrel-a-day refinery at Duqm on the former's Indian Ocean coast. They initially targeted a 2020 start, but that's been delayed until later this year. Most oil traders covering the Middle East don't expect the first shipments until at least the end of 2023.

UAE - Ruwais

The UAE, Opec's biggest oil producer after Saudi Arabia and Iraq, is trying to raise diesel volumes bound for France and Germany by about 100,000 barrels a day in 2023. It will use its existing refinery at Ruwais for that. Abu Dhabi National Oil Co increased capacity at the facility on the Arabian Gulf coast to more than 900,000 barrels a day last year. "To replace Russian supplies, Europe is increasingly turning to producers in the Middle East," analysts at JPMorgan Chase & Co, including Natasha Kaneva, said in a note to clients.



A Russian state flag flutters on the top of a diesel plant in the Yarakta Oil Field in Irkutsk Region, Russia. The European Union is set to ban all seaborne imports of refined fuels from Russia, by far its biggest supplier, today.

US Treasury yields surge on blockbuster January employment growth

Bloomberg
Washington

US government bonds slumped on Friday as stronger-than-expected job creation and service-sector activity undermined wagers on a recession that will force the Federal Reserve to cut interest rates by year-end.

The selloff, which lifted short-maturity yields by more than 20 basis points, left the market little changed on the week as it erased gains that accumulated after the Fed's latest rate increase on Wednesday. Investors interpreted Chair Jerome Powell's comments that day as consistent with a bullish outlook, even as Powell also said more increases were likely and cuts this year were not.

The two-year note's yield, more sensitive than longer maturities to Fed policy moves, rose as much as 21 basis points to 4.315%, marking a fresh session high late in New York. Thursday's low of 4.03% was last seen in October. The Fed, battling elevated inflation, raised its target range for overnight lending rates a quarter point to 4.5-4.75% this week.

"Numbers like this make it difficult to stay at the yield levels we have witnessed this week, and it calls into question a two-year near 4% when the Fed is



The US Treasury Department building in Washington. US government bonds slumped on Friday as stronger-than-expected job creation and service-sector activity undermined wagers on a recession that will force the Federal Reserve to cut interest rates by year-end.

still raising rates," said Kevin Flanagan, head of fixed-income strategy at Wisdom Tree Investments. "This report was solid across the board."

The bulk of Friday's increase in yields occurred in the minutes after the January employment report showed 517,000 jobs were created, more than double the median forecast of 188,000.

Wage gains moderated to a 4.4% pace over the past year with the unemployment rate falling more

than forecast to 3.4%. Yields increased further after the ISM Services Index surged out of contractionary territory to 55.2 in January, versus a median estimate of 50.5.

The rise in short-term yields corresponded to a hawkish repricing of swap contracts indicating the anticipated path of Fed policy. The expected peak in June rose to a session high of 5.046%, having traded below 4.90% earlier this week.

The December contract jumped as much as 25.5 basis points to 4.662%, trimming expectations for rate cuts after the peak.

"There is only so much Powell can say to push back on the divergence between markets and the Fed," said John Bellows, portfolio manager at Western Asset Management Co. "Bond investors are looking at a scenario where the Fed does cut rates due to falling inflation and weakening growth."

Powell after Wednesday's rate increase said policymakers foresee raising rates "a couple of more" times, and that rate cuts this year are unlikely if the economy evolves as they expect. The market rallied anyway, putting more weight on his statement acknowledging "the disinflationary process now getting under way."

The market moved back in the direction of tighter policy after Friday's data with the front end and swaps touching session highs when a Fed official reaffirmed the central bank's projections for a peak rate of 5.1% were likely. San Francisco Fed President Mary Daly told Fox news that their December dot plot estimate was still a good indicator for rate policy and that she is prepared to do more if needed.

Swaps for the March and May Fed meetings priced in a combined 41 basis points of hikes, up from 32 basis points, representing a greater than 50% chance a there will be quarter-point increases in both months.

The 10-year Treasury yield rose 16 basis points to 3.55%, before easing slightly and was little changed on the week after falling to 3.33% on Thursday. Lower yields on longer-maturity Treasuries reflect the view that economic conditions will weaken in the coming months.

Stock bull pain threshold swells to pandemic size in new market run-up

Bloomberg
New York

Anyone who lived through the 2020 bull market knows: Investors, especially of the retail ilk, can stomach a lot of pain. However dark is the here and now, light beckons at the end of the tunnel. It worked in the pandemic, when equities spiked in the middle of a brutal recession and stay-at-home speculators looked like geniuses when the economy bounced back. Now, with Jerome Powell's Federal Reserve giving hints of confidence the inflation war is winnable, the same spirit seems to be informing a rally that has pushed up the S&P 500 almost 17% in four months. Another episode of crowd-sourced prescience? Perhaps. Gains are starting to snowball, with the Nasdaq 100 poised for its fifth straight up week and the S&P 500 breaking through a key chart level. Another possibility is that memories of one lucky episode are informing risky bets in another, despite 2022's radically different backdrop. Whatever the cause, a rush to the melt-up is on. "This is a FOMO day," Kim Forrest, founder and chief investment officer at Bokeh Capital Partners, said in an interview. "People are just piling in going. 'Crap, I missed it. I thought it was going to go down another 15%.' We were overly pessimistic."

It's a 180-degree shift in sentiment from just five weeks ago, when virtually all of Wall Street anticipated a rough start to the year before a second-half rebound. Retail trades made popular in 2021's meme frenzy were all but left for dead, while professional speculators had cut equity positioning to the bone. Bonds, sought for their resilience in times of economic duress, were the only thing anyone wanted. Instead, it's been speculative stocks that have paced the gains so far. Day traders have come back in droves. By at least one measure, they are trying their hands at the market more than ever before. Retail trading orders in stocks and exchange-traded funds accounted for 23% of the market's total volume in late January, above the previous high reached during the 2021 meme frenzy, according to JPMorgan data. The speed of the rally can't help but give pause, not least because every attempt at a sustained equity advance in the past year has foundered. The Federal Reserve raised rates on Wednesday for an eighth straight meeting and

Powell said a "couple more" hikes are in the offing. Inflation remains high, economic growth is slowing and hiring is cooling at some of the country's biggest companies. A predicted earnings recession is underway. About halfway through the fourth-quarter reporting season, profits at S&P 500 companies have contracted by more than 2%, according to data compiled by Bloomberg.

And for all the damage done to stock portfolios last year, valuations still looked elevated relative to history when 2023 started. They've only gotten more bloated, with the Nasdaq 100 now trading at 27 times profit.

The near-term doesn't look that promising, either. Growth in gross domestic product is forecast to be sub-1% in 2023 before rebounding to 1.2% next year. Current estimates by equity analysts put profit growth in the S&P 500 this year also below 1% — and many think that's still too high. Sell-side expectations for where the S&P 500 will end 2023 are the most pessimistic in over two decades. "The danger here is that equities get too far out in front of earnings multiples and aren't supportive of levels higher than here," said George Catrambone, head of Americas Trading at DWS. "Investors should remember the Fed is still hiking rates."

And yet, investors who premised decisions on that gloomy outlook have had to watch as the market shot higher. A Goldman Sachs basket of the most shorted stocks has risen over 30% in 2023, handily beating the S&P 500's nearly 9% rise.

There is also some evidence that bullish options are also supercharging the rally, according to George Peakes, global macro strategist at Bespoke Investment Group. He noted an increase in call volume is reminiscent of the meme-stock heyday when retail investors used derivatives to amplify returns.

"In any given move, you're going to see options use higher than pre-pandemic because there's a bit of muscle memory in place," he said. "Over the past six months, we've seen a general increase in risk appetite. The sort of move you're seeing in a name like COIN or WE or OPEN today is just the risk appetite building up." That's not to say there's no fundamental explanation for the equity rebound. As is often the case, analysts get more optimistic the further out you go in time. For 2024, income is expected to rebound by 11%.

Eurozone business activity returns to growth in January

Reuters
London

Business activity in the eurozone bounced back to growth in January, according to a survey which suggested the bloc's economy might again escape a contraction this quarter and that the upturn may accelerate.

In the last quarter of 2022 the eurozone eked out growth, managing to avoid a recession, as gross domestic product expanded 0.1%, data from Eurostat showed on Tuesday, outperforming expectations in a Reuters poll for a 0.1% drop.

S&P Global's Composite Purchasing Managers' Index (PMI), seen as a good

gauge of overall economic health, climbed to a seven-month high of 50.3 last month from 49.3 in December, just ahead of a 50.2 preliminary reading.

January was the first month the index has been above the 50 mark since June.

"A resumption of business output growth, even marginal, is welcome news and suggests that the eurozone could escape a recession," said Chris Williamson, chief business economist at S&P Global Market Intelligence.

"With price pressures down markedly in recent months, supply constraints easing and near-term energy market worries alleviated by subsidies, lower prices and a warm winter, business confidence has also lifted higher, adding to hopes that

the upturn will gather steam in the coming months," he added.

While demand fell again the new business index moved much closer to the breakeven point and with firms increasing headcount optimism about the year ahead was at its highest since April.

The future output index jumped to 60.4 from 55.5.

Activity in the bloc's dominant services industry also bounced back to growth last month as consumers shrugged off the cost of living crisis and drove a modest upturn in demand.

The services PMI rose to 50.8 last month from 49.8, its first time above 50 since July.

Although the pace of input cost in-

creases for services firms decelerated they lifted their selling prices at a faster rate.

The output prices index rose to 62.0 from 61.0 but this was still below levels seen over much of the past year.

On Thursday the European Central Bank added 50 basis points to its key interest rates to try to tame inflation running at 8.5% in January — more than four times its 2% goal — and explicitly signalled at least one more hike of the same magnitude in March.

"It remains too early to completely disregard recession risks.

In particular, the impact of higher interest rates on economic growth has yet to be fully felt," Williamson added.

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GULF TIMES

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BUSINESS

The Qatar Stock Exchange (QSE) Index dropped by 412.12 points or 3.7% during the week to close at 10,698.04. Market capitalisation declined by 3.7% to QR606.8bn compared with QR630.3bn at the end of the previous trading week. Of the 49 traded companies, 42 ended the week lower, 5 ended higher and 2 unchanged. Gulf Warehousing Co (GWCS) was the worst performing stock for the week, falling 15.0%. Meanwhile, Qatar Cinema & Film Distribution Co (QCFD) was the best performing stock for the week, going up 9.6%.

QNB Group (QNBK), Masraf Al Rayan (MARK) and Qatar Islamic Bank (QIBK) were the primary contributors to the weekly index drop. QNBK and MARK wiped out 115.16 and 112.80 points from the index, respectively. Further, QIBK rubbed out another 51.24 points.

Traded value during the week jumped 24.4% to reach QR2,889.0mn from QR2,323.2mn in the prior trading week. Masraf Al

Rayan (MARK) was the top value traded stock during the week with total traded value of QR532.5mn. Traded volume increased 9.9% to 744.9mn shares compared to 677.7mn shares in the prior trading week. The number of transactions went up 17.5% to 86,996 vs 74,022 in the prior week. Masraf Al Rayan (MARK) was the top volume traded stock during the week with total traded volume of 191.8mn shares. Foreign institutions remained bullish, ending the week with net buying of QR50.5mn vs net buying of QR157.5mn in the prior week. Qatari institutions remained bearish with net selling of QR68.1mn vs net selling of QR135.8mn in the week before. Foreign retail investors ended the week with net selling of QR25.6mn in the prior week. Qatari retail investors recorded net buying of QR18.6mn vs net selling of QR47.2mn the week before. YTD (as of Thursday's closing), global foreign institutions were net buyers of \$27.6mn.

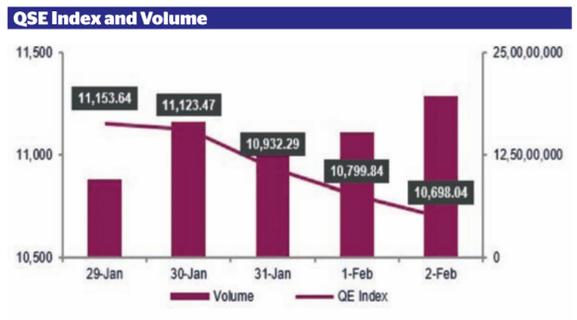


Weekly Market Report

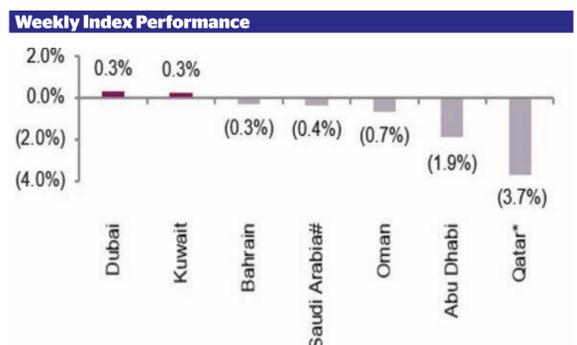
| Market Indicators | Week ended Feb 02, 2023 | Week ended Jan 26, 2023 | Chg. % |
|---------------------------|-------------------------|-------------------------|--------|
| Value Traded (QR mn) | 2,889.0 | 2,323.2 | 24.4 |
| Exch. Market Cap. (QR mn) | 606,802.1 | 630,341.2 | (3.7) |
| Volume (mn) | 744.9 | 677.7 | 9.9 |
| Number of Transactions | 86,996 | 74,022 | 17.5 |
| Companies Traded | 49 | 49 | (4.1) |
| Market Breadth | 05:42 | 32:16 | - |

| Market Indices | Close | WTD% | MTD% | YTD% |
|------------------------------|-----------|-------|-------|-------|
| Total Return | 21,913.05 | (3.7) | (2.1) | 0.2 |
| ALL Share Index | 3,432.33 | (3.4) | (0.8) | 0.5 |
| Banks and Financial Services | 4,344.52 | (5.2) | (0.6) | (1.0) |
| Industrials | 3,995.11 | (1.2) | (1.3) | 5.7 |
| Transportation | 4,255.01 | (2.4) | (0.4) | (1.9) |
| Real Estate | 1,469.41 | (5.5) | (2.8) | (5.8) |
| Insurance | 2,026.87 | (4.8) | (2.9) | (7.3) |
| Telecoms | 1,327.64 | 0.2 | 0.8 | 0.7 |
| Consumer Goods & Services | 7,781.02 | (1.4) | (0.6) | (1.7) |
| Al Rayan Islamic Index | 4,577.26 | (3.1) | (1.1) | (0.3) |

Source: Qatar Exchange (QE)



Source: Qatar Exchange (QE)



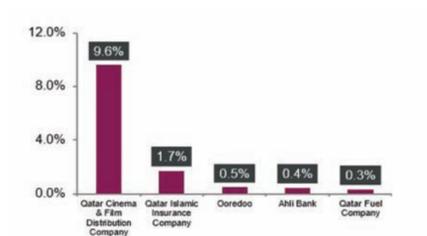
Source: Bloomberg

| Regional Indices | Close | WTD% | MTD% | YTD% | Weekly Exchange Traded Value (\$ mn) | Exchange Mkt. Cap. (\$ mn) | TTM P/E** | P/B** | Dividend Yield |
|------------------|-----------|-------|-------|-------|--------------------------------------|----------------------------|-----------|-------|----------------|
| Qatar* | 10,698.04 | (3.7) | (2.1) | 0.2 | 791.10 | 166,081.7 | 11.9 | 1.4 | 4.3 |
| Dubai | 3,365.25 | 0.3 | 2.0 | 1.0 | 307.05 | 158,906.2 | 9.2 | 1.1 | 1.6 |
| Abu Dhabi | 9,776.44 | (1.9) | (0.0) | (3.9) | 1,803.75 | 662,169.7 | 26.7 | 2.8 | 2.1 |
| Saudi Arabia# | 10,783.73 | (0.4) | (0.1) | 2.9 | 5,385.94 | 2,702,399.1 | 17.2 | 2.2 | 2.7 |
| Kuwait | 7,330.29 | 0.3 | 0.7 | 0.5 | 645.24 | 153,730.3 | 18.1 | 1.7 | 3.4 |
| Oman | 4,719.71 | (0.7) | 0.3 | (2.8) | 19.26 | 21,844.4 | 11.3 | 0.7 | 3.6 |
| Bahrain | 1,921.23 | (0.3) | (0.4) | 1.4 | 36.09 | 66,572.7 | 8.1 | 1.1 | 5.5 |

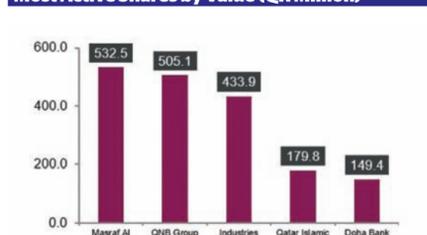
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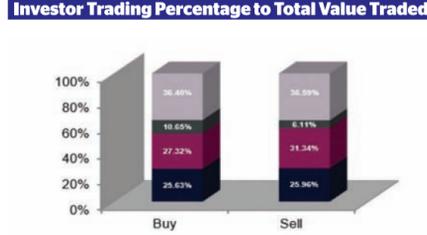
Qatar Stock Exchange Top Five Gainers



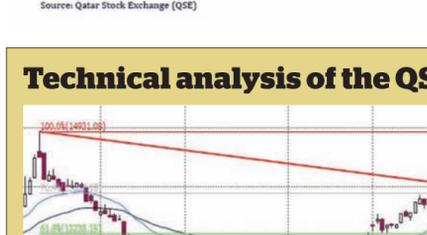
Qatar Stock Exchange Top Five Decliners



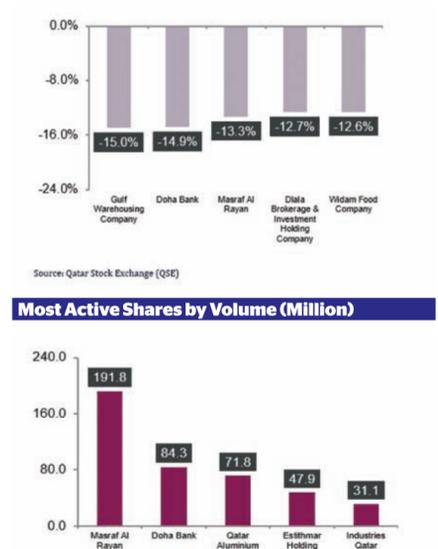
Most Active Shares by Value (QR Million)



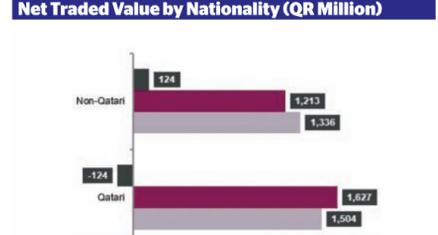
Investor Trading Percentage to Total Value Traded



Most Active Shares by Volume (Million)



Net Traded Value by Nationality (QR Million)



| Company Name | Price February 02 | % Change Weekly | % Change YTD | Market Cap. QR Million | TTM P/E | P/B | Div. Yield |
|---------------------------------------|-------------------|-----------------|--------------|------------------------|---------|-----|------------|
| Qatar National Bank | 17.32 | (6.33) | (3.78) | 159,975 | 11.7 | 1.9 | 3.2 |
| Qatar Islamic Bank | 19.20 | (5.27) | 3.45 | 45,368 | 11.9 | 2.0 | 3.0 |
| Commercial Bank of Qatar | 5.77 | (1.37) | 15.40 | 23,353 | 8.9 | 1.2 | 2.8 |
| Doha Bank | 1.64 | (14.87) | (15.87) | 5,094 | 9.3 | 0.5 | 4.6 |
| Al Ahli Bank | 4.03 | 0.45 | 0.50 | 10,281 | 14.1 | 1.5 | 3.5 |
| Qatar International Islamic Bank | 10.40 | (0.95) | 0.00 | 15,742 | 16.4 | 2.3 | 3.6 |
| Masraf Al Rayan | 2.66 | (13.33) | (16.15) | 24,729 | 19.1 | 1.0 | 6.4 |
| Qatar First Bank | 1.10 | (6.36) | (3.58) | 1,236 | 6.4 | 1.1 | N/A |
| National Leasing | 0.71 | (5.74) | 0.28 | 349 | 18.3 | 0.5 | N/A |
| Diala Holding | 1.05 | (12.67) | (8.23) | 200 | N/A | 0.9 | N/A |
| Qatar & Oman Investment | 0.60 | (0.50) | 9.09 | 189 | 123.3 | 0.7 | 1.7 |
| Islamic Holding Group | 3.50 | (9.37) | (14.84) | 198 | 17.4 | 1.3 | 1.4 |
| Banking and Financial Services | | | | 286,715 | | | |
| Zad Holding | 14.03 | (1.54) | (3.90) | 3,840 | 20.2 | 2.6 | 4.4 |
| Qatar German Co. for Medical Devices | 1.25 | (4.80) | (0.56) | 144 | 116.3 | 4.2 | N/A |
| Salam International Investment | 0.60 | (3.39) | (2.44) | 685 | 14.8 | 0.4 | N/A |
| Baladna | 1.41 | (7.86) | (8.16) | 2,673 | 30.7 | 1.2 | 3.8 |
| Medicare Group | 5.88 | (4.61) | (5.30) | 1,655 | 20.4 | 1.6 | 30.6 |
| Qatar Cinema & Film Distribution | 3.40 | 9.58 | 9.05 | 213 | 92.9 | 1.6 | 1.8 |
| Qatar Fuel | 17.96 | 0.34 | 0.06 | 17,857 | 16.8 | 1.9 | 4.2 |
| Qatar Meat and Livestock | 1.50 | (12.64) | (26.18) | 270 | N/A | 1.0 | N/A |
| Mannai Corp. | 7.70 | (5.46) | 1.49 | 3,513 | 124.9 | 2.7 | 81.8 |
| Al Meera Consumer Goods | 16.00 | (1.17) | 1.39 | 3,200 | 16.6 | 2.1 | 5.6 |
| Consumer Goods and Services | | | | 34,050 | | | |
| Qatar Industrial Manufacturing | 3.10 | (0.26) | (3.58) | 1,471 | 8.2 | 0.8 | 3.9 |
| Qatar National Cement | 5.07 | (2.52) | 4.73 | 3,313 | 14.5 | 1.1 | 5.9 |
| Industries Qatar | 13.80 | (0.22) | 7.73 | 83,490 | 8.8 | 2.1 | 7.2 |
| Qatar Investors Group | 1.67 | (5.06) | (1.01) | 2,075 | 8.4 | 0.7 | 6.0 |
| Qatar Electricity and Water | 17.80 | (0.67) | 0.56 | 19,580 | 12.8 | 1.3 | 4.5 |
| Aamal | 0.98 | (2.97) | 0.51 | 6,174 | 17.4 | 0.8 | 5.1 |
| Gulf International Services | 1.65 | (8.44) | 12.95 | 3,063 | 11.0 | 0.9 | N/A |
| Mesaieed Petrochemical Holding | 2.17 | (2.34) | 2.21 | 27,312 | 14.4 | 1.6 | 5.1 |
| Investment Holding Group | 1.65 | (5.39) | (8.33) | 5,617 | 15.2 | 1.3 | N/A |
| Qatar Aluminum Manufacturing | 1.78 | (0.11) | 16.78 | 9,905 | 8.9 | 1.5 | 4.5 |
| Mekdam Holding Group | 7.50 | (9.64) | (1.61) | 510 | 16.6 | 5.5 | 3.3 |
| Industrials | | | | 162,509 | | | |
| Qatar Insurance | 1.76 | (7.04) | (8.63) | 5,739 | 12.5 | 0.9 | 5.7 |
| QLM Life & Medical Insurance | 4.00 | 0.00 | (16.65) | 1,400 | 17.3 | 2.7 | 5.5 |
| Doha Insurance | 2.07 | (1.43) | 4.60 | 1,035 | 11.1 | 0.9 | 5.8 |
| Qatar General Insurance & Reinsurance | 1.35 | (8.47) | (8.04) | 1,181 | 18.9 | 0.2 | N/A |
| Al Khaleej Takaful Insurance | 2.08 | (6.68) | (9.56) | 531 | 12.4 | 1.0 | 3.6 |
| Qatar Islamic Insurance | 8.65 | 1.73 | (0.57) | 1,298 | 13.5 | 2.9 | 4.6 |
| Damaan Islamic Insurance Company | 4.25 | (0.35) | #N/A/N/A | 850 | N/A | N/A | N/A |
| Insurance | | | | 12,034 | | | |
| United Development | 1.20 | (2.68) | (7.69) | 4,249 | 11.9 | 0.4 | 4.6 |
| Barwa Real Estate | 2.71 | (8.14) | (5.87) | 10,545 | 9.4 | 0.5 | 6.5 |
| Ezdan Real Estate | 0.98 | (3.44) | (1.80) | 26,074 | 175.1 | 0.8 | N/A |
| Mazaya Qatar Real Estate Development | 0.67 | (3.86) | (3.30) | 779 | N/A | 0.8 | N/A |
| Real Estate | | | | 41,647 | | | |
| Ooredoo | 9.05 | 0.47 | (1.64) | 28,986 | 10.1 | 1.2 | 3.3 |
| Vodafone Qatar | 1.71 | (0.52) | 7.89 | 7,228 | 14.4 | 1.5 | 3.5 |
| Telecoms | | | | 36,214 | | | |
| Qatar Navigation (Milaha) | 9.55 | (4.21) | (5.91) | 10,850 | 11.7 | 0.7 | 3.1 |
| Gulf Warehousing | 3.14 | (14.97) | (22.41) | 184 | 7.6 | 0.8 | 3.2 |
| Qatar Gas Transport (Nakilat) | 3.78 | 0.00 | 3.22 | 20,942 | 14.0 | 1.9 | 3.2 |
| Transportation | | | | 31,977 | | | |
| Qatar Exchange | | | | 606,802 | | | |

Technical analysis of the QSE index



The QSE index closed down by 3.7% from the week before; it closed at 10,698.04. The trend remains down and the Index is expected to test the lower side of the corrective channel, it should be noted that the current levels is around the 61.8% of the Fibonacci retracements. Our thesis has not changed, the next support level is around the 10,200 then 10,000 psychological support. The first major weekly resistance facing the Index is around the 11,500 level.

Definitions of key terms used in technical analysis

RSI (Relative Strength Index) indicates the strength in the momentum during the uptrend or downtrend, as the case may be. When the MACD crosses the signal line from below and trades above it, it gives a positive indication. The reverse is the situation for a bearish trend.

Candlestick chart - A candlestick chart is a price chart that displays the high, low, open, and close for a security. The 'body' of the chart is portion between the open and close price, while the high and low intraday movements form the 'shadow'. The candlestick may represent any time frame. We use a one-day candlestick chart (every candlestick represents one trading day) in our analysis.

Cyberattack sends derivatives trading back to the 1980s

Bloomberg
London

Derivatives shops, used to clearing hundreds of billions of dollars in trades every day, found themselves in a dramatically different era this week: The old days of manually processing deals.

Early Tuesday morning in Europe, a little known but critically important software company that underpins the smooth functioning of stock, bond and commodities markets started to seize up. London-based ION Trading UK had succumbed to a cyberattack.

Suddenly, in offices across the globe, traders and brokers turned to spreadsheets to keep track of their deals, firms resorted to inputting individual trades on websites provided by exchanges, and employees explained to their families why they were going into work at night, according to people with a view of the scene.

It was like being back in the 1980s, before electronic trading took off, or in the 1990s, when the web was just starting to change the world. But there was a key difference – the banks and brokers handling client trades on

bourses including Intercontinental Exchange Inc, CME Group Inc and Cboe Global Markets no longer have hordes of employees ensuring deals are confirmed, processed and settled.

“The cyberattack on ION reminds us all that despite best efforts by any organisation to protect itself, these issues will occur, and market participants need to be continuously vigilant and prepared for such instances,” said Joseph Schifano, head of regulatory affairs at Eventus, a trade surveillance software firm.

For the derivatives market, it was a slap in the face. Not only did companies lack adequate staff to meet the crisis, but many of the workers were too young to know how to keep operations afloat. It was also the second time in just one week that a major market had been humbled. A human error at the New York Stock Exchange set off violent price swings at the start of trading on January 24.

Banks and other financial firms frequently label cyber risk as among those they fear most – as the interconnectedness of the financial system has the potential to amplify the ramifications from any attack. Both incidents also underscored how vital the plumbing

underpinning trading processes can be, and that however sophisticated they may be, vulnerabilities lurk.

ION first noticed an issue was preventing access to some of its systems. It took the Dublin-based firm – founded by Italian tycoon Andrea Pignataro – more than five hours to confirm the attack by Russian ransomware gang LockBit, according to correspondence from ION seen by Bloomberg.

It wasn't long before the 42 ION clients affected started reporting difficulties. The US clearing arm of Dutch lender ABN Amro Bank NV sent out a note to clients saying the attack would delay overnight processing, and that it was being forced to deal with transactions manually. StoneX Financial said it was taking “alternative measures” to clear trades and prioritizing expiring contracts. Marex Group resorted to providing clients “indicative” values of transactions in their accounts.

On the London Metal Exchange – one of the last venues in the world where trading still takes place face to face – the return to manual processing was familiar for many veteran brokers, but it also provided an opportunity for younger staff to prove their technological prowess. When ION's systems

went down, a team of coders at one London brokerage scrambled to build their own ad-hoc system to match off clients' trades, and they had it up and running within hours, according to one person familiar with the matter.

But while those types of creative efforts have helped to mitigate the fallout so far, the challenges are growing as the crisis rolls on. Informally, the London brokerage has warned the LME that it expects dealers to reduce activity because of friction in processing trades, reducing liquidity, the person said.

Fear of contagion prompted the Futures Industry Association to hold over half a dozen calls over multiple days to give members a chance to talk through the situation and share relevant information. More than 600 people dialled in to one of these calls. Some were clients of ION, directly impacted by the attack. Others discussed potential ripple effects.

A spokesman for ION declined to comment on whether it had taken part in the FIA calls.

By the end of the day on Tuesday, neither the FIA nor the Commodity Futures Trading Commission – the top US derivatives regulator – disclosed or could confirm how many firms had

been affected and how much money was locked up in trades handled by ION, said people who took part in the calls and asked not to be identified, citing confidentiality.

The software company never joined the discussion, the people said.

The outage, which is still ongoing, affected vital processes including the matching of trades, the calculation of margin calls and regulatory reporting on large market positions. That left many clients in the dark about whether they were making or losing money, and prompted calls for more collateral, the people said. It was only then that customers found out there was a problem, with many more only discovering it when Bloomberg News reported the event on Wednesday morning, one of the people said.

On Wednesday, CME, Intercontinental Exchange and Cboe said that their members had experienced issues with a third-party software vendor. Those issues could affect the timing of publishing exchange reports by the end of the day, the firms said. The London Metal Exchange and Euronext also acknowledged that some of its clients had been affected.

“The LME has been closely moni-

toring liquidity across all venues since the incident occurred, and has not yet seen any evidence of liquidity being affected,” the exchange said in an emailed statement. “We continue to work closely with affected members to help them continue their business as normally as possible, and reduce any wider impact.”

The issue is “currently isolated to a small number of smaller and midsize firms, and does not pose a systemic risk to the financial sector,” according to a statement from Todd Conklin, deputy assistant secretary of the US Treasury's Office of Cybersecurity and Critical Infrastructure Protection.

Regulators in the UK, including the Financial Conduct Authority, started looking into the incident, according to people familiar with the matter who asked not to be identified because the matter is private. The National Cyber Security Centre, part of intelligence agency Government Communications Headquarters, is also involved, the people said.

The Federal Bureau of Investigation is also seeking information on the cyberattack and reached out to ION executives, people familiar with the matter said. The agency is aware of the situation, it said in a statement.

Nasdaq rally gets a reality check as megacaps miss

Bloomberg
New York

Traders piling back into tech stocks just got a sobering signal that they might have gotten ahead of themselves. More than \$200bn is set to be wiped out from the combined market capitalisations of Apple Inc, Alphabet Inc and Amazon.com Inc after the trio reported results after the market close.

Apple and Google parent Alphabet missed estimates, while Amazon gave a disappointing forecast for its lucrative cloud-computing division – showing that demand for hardware, software, advertising and e-commerce is sputtering amid macroeconomic uncertainty and still-high inflation. Shares of all three slid, while futures contracts on the Nasdaq 100 Index were down 1.3% in New York on Friday.

The reality check comes after a stellar start to the year for the Nasdaq 100, which had been on the brink of entering bull-market territory after a rebound spurred by speculation that the Federal Reserve will pivot to easier monetary policy. Bright spots including results from Meta Platforms Inc – which soared 23% on Thursday after laying out plans to become leaner and more efficient – also helped.

“The big wild card for markets is: will the Fed be enough of a tailwind to offset the headwind of weaker revenue?” said Anthony Saglimbene, chief market strategist at Ameriprise Financial. “I expect revenue will weaken

throughout the first half of the year. You saw it with Microsoft, and it looks like we're seeing it with Amazon and Alphabet.”

The three reports may mark a turning point for a FOMO-fuelled tech rally that persisted even after results earlier in the season from the likes of Microsoft Corp and Intel Corp sounded alarm bells about how earnings will hold up in an economic downturn. Strategists are warning that stocks may have run too far, too fast.

“We don't think you should get carried away with momentum, because the people driving it may not be looking out past the end of the week or even the end of the day,” said Sameer Samana, senior global market strategist at Wells Fargo Investment Institute. “We continue to expect a recession and for earnings to continue to contract,” he said.

Bank of America Corp strategist Michael Hartnett echoed the view, writing in a note on Friday that investors risk sleepwalking into a brutal sell-off after a US stock rally that has already gone too far.

With most of the biggest tech company reports – as well as this week's Federal Reserve meeting – out of the way, traders will now turn to the earnings season stragglers for clues as to what's next for tech stocks. Results from Uber Technologies Inc, eBay Inc and Salesforce are due in the coming weeks.

“If the picture stops being about the Fed and rates, and it turns back to fundamentals and earnings, investors will have less reason to cheer,” said Wells Fargo's Samana.

Signs of market strength cheer US stock bulls

Reuters
New York

US stock bulls are taking heart from a range of market signals pointing to an upbeat year for Wall Street, as equities sit on impressive gains despite worries that the Federal Reserve's monetary policy tightening may plunge the economy into a recession.

Among these are equities' positive January performance, a “golden cross” chart pattern on the S&P 500 and more stocks making new highs rather than new lows.

Such signals are far from the only indicators market participants use to make investment decisions, and they are not foolproof. Weak outlooks for corporate heavyweights such as Amazon and Microsoft and a blow-out employment number that heightened expectations for Fed hawkishness injected a fresh note of uncertainty into markets on Friday, though the S&P 500 remains up 7.7% year-to-date.

However, steady improvements in gauges of momentum and sentiment in recent weeks reinforced the view among some investors that asset prices may be heading for a more benign period, after last year saw the S&P 500 lose 19.4% in its biggest annual percentage drop since 2008.

“We think this is a healthy picture that is being painted here,” said Ryan Detrick, chief market strategist at the Carson Group, referring to signals such as January's gains and the broad range of sectors participating in the rally.

The S&P 500 rose 6.2% in January, driven in part by hopes that the Fed will be able to contain surging inflation without badly damaging the economy.

When the S&P 500 has advanced in January, the market has gone on to rise in the subsequent February-December period 83% of the time, with an average 11-month gain of over 11%, according to an analysis of data going back to World War II



People walk by the New York Stock Exchange. US stock bulls are taking heart from a range of market signals pointing to an upbeat year for Wall Street, as equities sit on impressive gains despite worries that the Federal Reserve's monetary policy tightening may plunge the economy into a recession.

by CFRA Research. An up January after a down year, however, was followed by a gain of 23.1% from February to December with a 92% success rate. Despite a recent rally that may have made stocks comparatively expensive, “the track record implies that maybe we do have some upside potential,” said Sam Stovall, chief investment strategist at CFRA Research.

Meanwhile, chart watchers noted that the S&P 500's 50-day moving average rose above its 200-day moving average on Thursday, a pattern known as a golden cross.

Since 1950, the S&P 500 has produced an average 12-month return of 10.5% after a golden cross formed, while the overall

average annual return since 1950 is 9.1%, according to Adam Turnquist, chief technical strategist at LPL Research. However, when a golden cross has appeared as the 200-day moving average is declining – as it is now – the average 12-month return for the S&P 500 jumps to 16.8%.

“The recent golden cross adds to the growing technical evidence of a trend change for the S&P 500 and further raises the probabilities of the bear market low being set in October,” Turnquist said in a post. Willie Delwiche, an investment strategist at All Star Charts, said all five indicators on his bull market checklist were fulfilled in January, including upside volume and risk

appetite metrics, something that did not occur once in 2022. One of those indicators showed more stocks on the New York Stock Exchange and Nasdaq making new 52-week highs than lows – a sign that the rally is being led by a broad range of stocks, rather than a cluster of heavyweights.

That happened as many times in January as it did during all of 2022, Delwiche said.

However, some investors believe stocks may have gotten ahead of themselves.

Friday's data showing US employment growth accelerating sharply in January renewed the inflation concerns that hampered stocks last year and ignited bets on a more hawkish Fed.

Stagflation trade dies quiet death in week-after-week S&P surge

Bloomberg
New York

Something has shifted in markets. Fear of stagflation, the return-busting spectre of spiralling prices and recession that just sent stocks and bonds to their worst annual drubbing in a generation, has gone missing.

In 2023, traders seem persuaded that rout was an overreaction, particularly in equities, as evidenced by the 7.7% surge that has lifted the S&P 500 in four of the year's first five weeks. While bonds took a hit alongside stocks on Friday, their gains have also been impressive, combining to post the best start of a year for cross-asset returns since 1987.

Much was made of last year's tight correlation between stocks and Treasuries as both plummeted in the face of economic and monetary stress. This year, they're even more correlated – except now the direction is up.

What changed? Not so much that traders decided a recession will be avoided or that central banks are done raising rates, but that it may be possible to look past both. Chairman Jerome Powell warned on Wednesday that the Federal Reserve was

a long way from winning its war against inflation. Bullish traders heard something else – hints the war is winnable – and decided not to worry about when.

“I wouldn't say the market has blind faith, but it's been forgiving,” Yung-Yu Ma, chief investment strategist at BMO Wealth Management, said by phone. “There was a time when investors were extremely sceptical that a soft landing could be achieved,” he added. “It's definitely been a pretty dramatic shift in how that's permeated investor psychology.”

This week was a microcosm of the cross-asset pattern that has gripped markets in the last year. The iShares 20+ Year Treasury Bond ETF (TLT) and the SPDR S&P 500 ETF Trust (SPY) rose for three straight sessions through Thursday, bolstered by a soft reading on wages, while Powell announced the start of a “disinflationary process” and brushed off the market rally. The mood darkened on Friday when an unexpectedly strong labour report suggested the Fed can remain aggressive.

For every day over the week, stocks and Treasuries went in the same direction, up or down, producing a stretch of comovement not seen in four months. It's an extension from last year, when they spent

October Marked an Inflection Point
S&P 500 bottomed while 10-year Treasury yield peaked



54% of sessions moving in tandem – the most in at least two decades.

The dynamic has been playing out outside US markets too. Tracking stocks and government bonds in developed countries, JPMorgan Chase & Co found the six-month correlation – the degree to

which both assets move in lockstep – has risen this year further into positive territory, reaching the highest level since the late 1990s.

The strengthening link reflects a group mindset that's laser-focused on inflation, whose post-pandemic trend has proved

almost impossible to predict for everyone including the central bank.

Powell's comments may have confirmed among traders a sense given in recent data that inflation is now heading in the right direction. Last year, the US consumer prices index came in mostly hotter than expected for almost every month through October, stoking the most aggressive Fed tightening in decades and triggering a massive bond-stock selloff.

Since then, inflation readings have been either softer or in line. To JPMorgan strategists including Nikolaos Panigirtzoglou, it's no coincidence that stocks bottomed in October, the same month when 10-year Treasury yields peaked.

“Since last October, negative inflation surprises have been having the opposite impact on Fed policy expectations, boosting equities and bonds at the same time,” the strategists wrote in a note Thursday. “The persistence of the current shift in the bond-equity correlation to positive territory has likely been a function of the persistence in inflation surprises, both on the way up and on the way down.”

For now, the concerted stock-bond rally is a welcome development for investors who count on asset returns for retirement. Yet their increasingly lockstep moves

also highlight a danger: Should inflation turn hot again or fail to slow as much as expected, the markets are at risk of repeating the nightmare of 2022.

That means investors should consider assets beyond the traditional mix, according to Panigirtzoglou, who flagged the dollar's outlier move and noted that the correlation between emerging-market and developed-country stocks approached zero at the start of 2023.

Sandi Bragar, chief client officer at Aspiriant, had a similar argument. When economic and market outcomes are diverging, it's prudent to have a diversified portfolio.

“We're not making bets on any of this because it's just impossible to make those bets correctly and to make them at the right time. So we're staying broadly diversified,” she said. “Who knows, we could be in a prolonged bear market rally.”

While Powell dismissed traders' expectations for rate cuts later this year, consensus is building that the central bank's benchmark fund rate is likely to peak near 5%. That has helped anchor the bond market, where turmoil erupted last year over policy uncertainty. The ICE BofA MOVE Index, a measure of Treasury volatility, this week fell to an 11-month low.

WEEKLY ENERGY MARKET REVIEW

Oil falls as strong US jobs data prompt rate concerns

www.abhafoundation.org

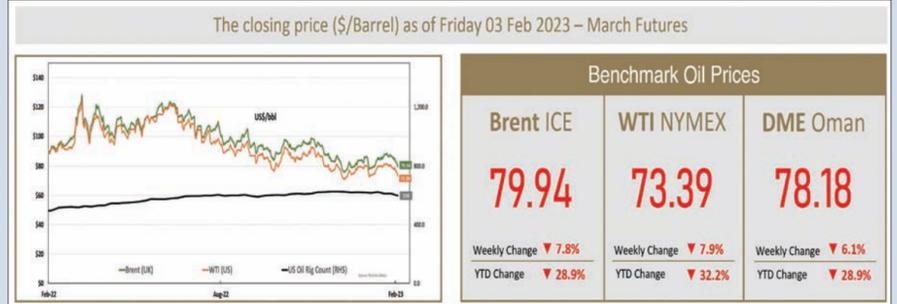
Oil
Oil prices fell to over three-week lows on Friday in a volatile session, after strong US jobs data raised concerns about higher interest rates and as investors sought more clarity on the imminent EU embargo on Russian refined products. Brent crude futures fell \$2.23 to \$79.94 a barrel, US West Texas Intermediate crude (WTI) ended down \$2.49 at \$73.39. Brent registered a 7.8% decline this week while WTI dropped 7.9%. US job growth accelerated sharply in January amid a persistently resilient labour market, but a further moderation in wage gains should give the Federal Reserve some comfort in its fight against inflation. The US central bank on Wednesday scaled back to a milder rate increase than those over the past year, but policymakers also projected that "ongoing increases" in borrowing costs would be needed. Increases in interest rates in 2023 are likely to weigh on the US and European economies, boosting fears of an economic slowdown that is highly likely to dent global crude oil demand. Meanwhile, European Union countries agreed to set price caps on Russian refined oil products to limit Moscow's funds for its invasion of Ukraine, the Swedish presidency of the EU said on Friday.



The Imperial Strathcona Refinery which produces petrochemicals is seen near Edmonton, Alberta, Canada. Oil prices fell to over three-week lows on Friday in a volatile session, after strong US jobs data raised concerns about higher interest rates and as investors sought more clarity on the imminent EU embargo on Russian refined products. Picture supplied by the Abdullah Bin Hamad Al-Attayah International Foundation for Energy and Sustainable Development.

Gas
Prices of Asian spot liquefied natural gas eased for a seventh consecutive week, falling to a near one-and-a-half year low, amid ample inventories in North Asia and Europe. Industry sources estimated the average LNG price for March delivery into Northeast Asia at \$18.50 per million British thermal units (mmBtu), its lowest levels since August 2021. This is \$1, or 5.1%, lower than the previous

week, and down 34% since the start of the year. Both Europe and North Asia are expected to exit winter with comfortable gas storage cushions and are not under pressure for prompt procurement, analysts said. Amid easing spot prices, some energy companies in Asian emerging markets such as Thailand's PTT as well as GAIL Ltd and Petronet from India began seeking cargoes for delivery during February to April. In the US, natural gas



futures slid about 2% to a 25-month low on Friday on forecasts for milder winter weather than expected over the next two weeks, and lower heating demand. Meanwhile, expectations that

the Freeport LNG export plant in Texas could start pulling in big amounts of gas as it restarts LNG production in the coming weeks, are improving sentiment and softer prices.

■ This article was supplied by the Abdullah Bin Hamad Al-Attayah International Foundation for Energy and Sustainable Development.



Qatar Chamber board member Ibtihaj al-Ahmadani.

Qatar Chamber eyes hosting exhibition on health, says board member

Qatar Chamber is studying plans to sponsor and organise a comprehensive medical exhibition that would showcase the latest innovation in the field of healthcare, according to board member, Ibtihaj al-Ahmadani.

Al-Ahmadani, who is also chairperson of Qatar Chamber's Health Committee, made the statement in the wake of the 'Arab Health Exhibition & Congress 2023', which was held recently in Dubai.

According to al-Ahmadani, who participated in the event, the chamber's planned event on healthcare will be similar to the Arab Health Exhibition & Congress and aims to attract leading international companies and to highlight developments in the local, regional, and international health sector.

Al-Ahmadani said the health sector is one of the vital industries that is witnessing new technical innovations that contribute to the development of healthcare services. She said Qatar's healthcare sector has made great leaps over the recent years, "thanks to the insightful vision of the wise leadership" and "great attention" from His Highness the Amir Sheikh Tamim bin Hamad al-Thani.

"Qatar's budget for 2023 allocated QR21.1bn to the health sector, which represents about 11% of expenditures," al-Ahmadani noted.

She further pointed out that the great development in the healthcare sector and the integration between the public and private sectors in providing health services contributed to the impressive success it achieved during the 2022 FIFA World Cup, adding that the sector was fully prepared for that global event.

USQBC president underlines strength of Qatar's economy

QNA
Doha

President of the US-Qatar Business Council (USQBC) Scott Taylor affirmed the strength of the Qatari economy to withstand any expected recession in the West, whose impact would extend to other parts of the world.

Speaking to Qatar News Agency (QNA), Taylor said that with suitable energy prices and a dynamic economy, Qatar is strong enough to withstand the recession that may occur, which also provides a huge opportunity to invest in companies, real estate, or other investments.

Qatari investors will be able to invest capital and reap profits through low-cost deals that will bring them a lot of returns when the world gets out of the potential recession.

Regarding his visit to Qatar, the President of USQBC said: "This one specifically is to meet with our current members to discuss their needs and help them out and keep our relationship going. It's also to promote the US, and help the Business Council to get new members."

"We just got a new Qatari member as well. We're very happy and proud."

"And it's also to meet with the authorities and ministries to understand post World Cup what the goal is, what the strategy is so that we can align our efforts and our businesses with those strategies." Taylor pointed out: "Clearly the LNG expansion is not only a massive driver of the economy for this country, but also for business between the United States and Qatar as well."



The US-Qatar Business Council president Scott Taylor in an interview with QNA.

We obviously have American companies who are participating in the expansion.

So that's one thing. You're also going to have human talent bringing expertise and bringing folks in as got the pivots from not just construction and infrastructure but also from bringing in technical expertise and production here and then exporting it to Asia and other parts of the world so. We're excited for the growth and what's the best is yet to come for this country and we want to be a part of it."

Concerning USQBC's role to assist the business sector of the two countries, Taylor explained: "We help at a very high level where a bespoke organisation. So we help navigate, we help businesses navi-

gate both countries, get them connected to very important high-level contacts, and then we help facilitate deals between businesses as well."

"So again, we're the premier bilateral trade group between the two countries."

The president of USQBC said that there are a lot of lessons learned in this World Cup that benefit Mexico, Canada, and the United States – the host countries of the 2026 World Cup.

Taylor said: "I think one of the biggest things that we can learn from Qatar is the fact that you illustrated and showcased your culture so well surrounding the World Cup and we could certainly learn from you and learn from that and those conversations are ongoing."

He stressed that the North American bodies can learn about promoting culture, security, and logistics. He added: "The bodies that are responsible for the World Cup in North America are absolutely gaining knowledge and expertise from Qatar and its experience in the World Cup."

Scott Taylor said there are strategic sectors for the State of Qatar and the US.

He explained: "When you're looking at sustainability and the green economy, Qatar is well-positioned to help the world's transition." He added that there is continuing and growing cooperation between Qatar and the US in the energy, defence, and security sectors.

Also, he pointed to the opportunities in the content industry, media, e-sports, and many digital sectors.

Regarding attracting more Qatari investors to the US, Taylor confirmed that there is interest from investors in Qatar, whether by the Qatar Investment Authority (QIA) or the private sector, to enhance its presence in the US market, noting that the investment climate in America is safe under the rule of law, where the investor enjoys a lot of protection, adding that the United States is witnessing great interest from Qataris to invest.

Taylor added that there is an American interest in investing in the State of Qatar, pointing to the tremendous success achieved in the technology sector, where Microsoft established the first big data centre in Qatar, which is a significant success for Doha and Microsoft.

This success may be the nucleus for attracting more international companies operating in the same field, he explained.

Taylor praised the infrastructure in the State of Qatar, which is capable of attracting major US companies, pointing out that the government was able to create investment entities and establish commercial zones and dynamic platforms, in addition to the appropriate legislation.

The president of USQBC praised the distinguished geographical position of the State of Qatar as a gateway to the East, pointing out that the infrastructure and logistical services will be attractive factors for American companies to invest in Qatar.

BoJ may 'abandon' negative rates as Japanese inflation is back: QNB

QNB expects to see further moves in Bank of Japan (BoJ) over the next quarters, particularly the "potential abandonment of negative interest rates" as Japanese inflation is back. The Bank of Japan has historically been at the forefront of radical monetary policy experimentation.

In the aftermath of the Nikkei crash and the burst of the Nipponic asset price bubble of the late 1980s, the BoJ became the breeding ground for monetary policy innovation.

In order to tackle a long-lasting debt deflation spiral (1987-2013), BoJ officials were the first to launch unconventional monetary measures such as zero or sub-zero policy rates and quantitative easing (QE) or large-scale purchase of domestic securities.

These policies, QNB noted were only incorporated in the toolkit of other major central banks after the global financial crisis of 2008-09.

In 2012, Japanese Prime Minister Shinzo Abe started to promote a bold economic plan to support higher nominal GDP growth. Commonly known as "Abenomics," the plan also aimed to push domestic prices up. More price inflation was a tall order in a country where long-lasting deflation created a "memory" of flat prices that became entrenched in the behaviours



of households and corporates. Hence, "Abenomics" required ever more aggressive actions from the BoJ, including negative interest rates, broad-based asset purchases and yield curve control measures that cap long-term rates at low levels.

More recently, in the immediate post-pandemic period, the combination of robust demand growth with pandemic-related supply constraints led to a significant spike in global inflation.

As a result, major central banks have enacted "hawkish" moves, QNB noted. The BoJ has been so far the notable exception to this trend as deflationary forces were still prevailing in Japan until early last year. However, things started to change in recent quarters. BoJ's ultra-loose stance amid a period of aggressive tightening by the US Federal Reserve and European Central Bank favoured capital outflows from Japan.

This affected the Japanese Yen (JPY), which depreciated and, at the point of maximum pressure, in October last year, was down by 46% against the USD from recent highs.

The sharp depreciation of the JPY added to other global supply-side shocks, such as the Ukraine War and chip shortages, to push Japanese prices higher.

Japan's consumer price inflation reached multi-decade highs late last year, surpassing the BoJ target for eighth straight months. As a response, the BoJ started a cautious but historical departure from radical, ultra-easy monetary policy.

In late December 2022, during the BoJ's monetary policy meeting, officials decided to change the cap for long-term rates for the first time ever, from 25 basis points (bps) to 50 bps. The decision came as a surprise to market participants as BoJ's governor, Haruhiko Kuroda, had recently denied the idea of changing or flexibilising the monetary policy framework. Moreover, the move came just ahead of an expected "change of the guard" within the BoJ's senior leadership team, as the term of the governor and the Board is set to expire this summer.

In QNB's view, this is just the beginning of a historical move. There is scope for some more significant changes in the BoJ's monetary policy stance over the

next few quarter, both before and after the "change of the guard." On the inflation front, QNB noted there is a "significant risk" of further price acceleration. This is due to strengthening activity in emerging Asia, still elevated commodity prices and the lagged effects of last year's sharp currency depreciation.

This may "trigger price-wage spirals" that could break the persistent deflationary feedback loop of low spending, low mark ups, low wage growth and overall cost-consciousness in Japan.

In a symbolic move early this year, Uniqlo, the leading Japanese fashion retailer, announced a Japan-based staff salary raise of up to 40%. Japanese authorities are calling for similar actions from the rest of the private sector, as consumers suffer from higher imported prices and less disposable incomes. "All in all, after many years at the frontier of monetary policy accommodation, the BoJ seems to be ready to follow the path of other major central banks in tightening policy. This is expected to contribute to contain inflationary pressures.

"Moreover, it should also provide for a more orderly transition towards a new BoJ leadership team later this year. We expect to see further moves over the next quarters, particularly the potential abandonment of negative interest rates," QNB added.