

Bloomberg QuickTake Q&A

How a bank run closed SVB and where that could lead

By Low De Wei and Priscila Azevedo Rocha

Regulators have long warned that the end of rock-bottom interest rates could cause sudden crises in unexpected corners of global finance. So when Silicon Valley Bank (SVB) failed in the face of a funding crunch, investors were left to wonder if its plight was a harbinger of broader trouble. Major banks are much better capitalised than they were before the global financial crisis, and SVB's deposit base was unusually concentrated in venture-backed startups. But the selloff in bank shares that followed SVB's woes reflected worries that the ripple effects of interest-rate hikes could hurt at least the most vulnerable lenders.

1. What befell SVB?

As the only publicly traded bank focused on Silicon Valley and new tech ventures, SVB was deeply embedded in the US startup scene. According to its website, it did business with nearly half of all US venture capital-backed startups and 44% of US venture-backed tech and health-care companies that went public last year. Its website lists Shopify, VC firm Andreessen Horowitz and cybersecurity firm CrowdStrike Holdings among its clients. On March 8, its parent company, SVB Financial Group, announced it had sold \$21bn of securities from its portfolio at a loss of \$1.8bn and would sell \$2.25bn in

new shares to shore up its finances. That unnerved a number of prominent venture capitalists, including Peter Thiel's Founders Fund, Coatue Management and Union Square Ventures, which were said to have instructed their portfolio businesses to pull their cash from the bank. By March 10, the effort to raise new equity or find a buyer had been abandoned, and the bank was put into receivership by the Federal Deposit Insurance Corp

2. What does that mean for SVB and its clients?

The FDIC said that it had created a new bank, the Deposit Insurance National Bank of Santa Clara, to hold the assets of SVB. It said that insured depositors – those with \$250,000 or less in their accounts – would have access to their money by March 13. Receivership typically means a bank's deposits will be assumed by another healthy bank, or the FDIC will pay depositors up to the insured limit. Typically, the FDIC sells the assets of a failed bank to other financial institutions and pays those with uninsured deposits out of those proceeds. Uninsured depositors will get a receivership certificate for the remaining amount of their uninsured funds, the regulator said, adding that it doesn't yet know that amount.

3. Could a buyer emerge?

There's no guarantee, but it's possible. A transaction might involve selling the com-

pany's assets piecemeal or as a whole, Bloomberg News reported, citing a person familiar with the matter who said the goal is to complete a deal by Monday. In the depths of the global financial crisis 15 years ago, US regulators set a precedent by arranging the distressed sales of Bear Stearns Cos and Merrill Lynch & Co to JP-Morgan Chase & Co and Bank of America Corp, respectively. But those failed banks were considered systemically important because of their debt obligations to other banks; it's not clear that SVB would get the same treatment.

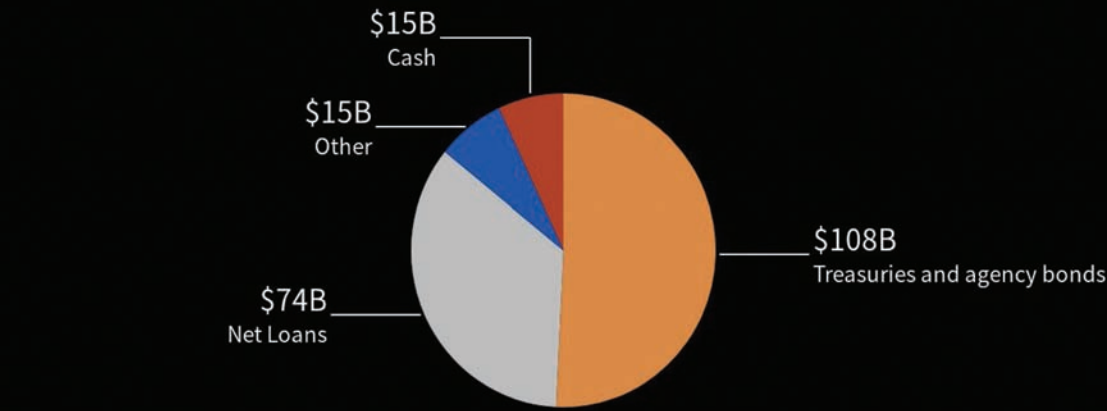
4. Why did SVB prove so vulnerable?

Several factors came together to cause its distress. Some of those are unique to SVB, while others are the source of broader worries in banking. Behind most of them are the rapid interest-rate increases pushed through over the last year by the US Federal Reserve to tame the highest inflation in decades. One consequence of those hikes that hit SVB especially hard was the sharp downturn in the high-flying tech companies that had been the source of its rapid growth; most banks have broader customer bases. As venture capital dried up, SVB's clients tapped their deposits to withdraw cash they needed to keep going.

5. What happened after those withdrawals?

To keep up with the wave of withdraw-

SVB Had More Than Half Its Assets in Treasuries and Agencies
SVB Financial's assets by category



Source: Company presentation
Note: Figures as of end of December

Bloomberg

als, SVB had to sell assets – including, crucially, bonds that had lost a substantial portion of their value. That produced \$1.8bn in losses that wouldn't have hit the bank's balance sheet had the bonds been held to maturity. Here, too, SVB's funding structure had made it particularly vulnerable. All US lenders park a chunk of their money in Treasuries and other bonds, and the Fed's hikes made those existing bonds less valuable because of their low yields. But SVB took it to a different level: Its investment portfolio had swelled to more than half its total assets, far above the norm.

6. Why are there fears of contagion?

For one thing, SVB's problems coincided with the abrupt shutdown of Silvergate

Capital Corp, though the two cases are mostly unrelated. At Silvergate, the issue was a run on deposits that began last year, when clients – cryptocurrency ventures, primarily – withdrew cash to weather the collapse of the FTX digital-asset exchange. But the withdrawals forced asset sales that locked in losses, as happened with SVB, leading Silvergate to announce plans to wind down operations and liquidate. Even before SVB's woes became public, US bank stocks had come under pressure after KeyCorp warned about mounting pressure to reward savers: As interest rates rise, depositors can switch to banks offering higher rates. Analysts say that pressure hits regional banks hardest. They can either raise their own rates, cutting into profits, or face the prospect of a scramble to shore up their funding base if depositors leave.

7. Did anyone see this coming?

Concern had been mounting about the impact of rising rates on bank balance sheets. While rising rates buoy banks' revenue, in the short term they also force them to write down the value of assets they hold. In all, US banks had booked \$620bn in unrealised losses on their available-for-sale and held-to-maturity debts at the end of last year, according to filings with the FDIC. The agency noted in March that those paper losses "meaningfully reduced the reported equity capital of the banking industry." As recently as January, SVB chief financial officer Daniel Beck told investors there wasn't "any desire" for a wholesale change in the bank's available-for-sale portfolio. That all changed this month. [Pages 9, 11](#)

Dubai housing boom shows no sign of slowing as prices jump again

Bloomberg
Dubai

For anyone hoping that Dubai's red hot property market would start to cool this year, there's bad news – it's getting worse. The average annual rent for a villa, or family home, in the emirate jumped 26% in the year through to February to reach 295,436 dirhams (\$80,436), according to real estate adviser CBRE Group Inc. Average apartment rents, meanwhile, soared 28% to 99,737 dirhams. The average sale price for villas rose 14%, while apartment prices rose 11% through February, according to CBRE. Still, the jump in prices isn't deterring investors or prop-

erty developers. The number of transactions in February soared 43.9% to 8,515. Sales were mostly underpinned by developers starting new projects and the return of so-called off-plan sales when homes are sold ahead of construction. The number of these type of properties surged 78.1% in February, while secondary market sales rose 18.8%. Demand for Dubai property is booming as the government's handling of the pandemic and its liberal visa policies attract more foreign buyers. Home prices and rents have surged amid an influx of Russians looking to protect their wealth after the invasion of Ukraine, and as Israeli investors, crypto millionaires, and hedge fund executives


set up in the city. "We have seen the strongest start to the year, in demand terms," Taimur Khan, CBRE's head of research, said in an interview. "Developers, who mostly held off on new projects in the past couple of years, are getting back into building as they see strong demand." Many developers in Dubai sell properties with buyers paying in instalments sometimes before even a single brick has been laid. Although developers are building more off-plan properties, the scale of construction isn't the same as 2014 when thousands of homes were launched, Khan said. Most development is now close to existing neighbourhoods and is limited due to higher material costs and tighter credit.



Residential villas on the waterside of the Palm Jumeirah in Dubai. Demand for Dubai property is booming as the government's handling of the pandemic and its liberal visa policies attract more foreign buyers.

Saudi Arabia posts budget surplus of \$27.68bn in 2022

Saudi Arabia has recorded a budget surplus of 103.9bn riyals (\$27.68bn) in 2022, beating its own estimates, as higher oil prices boosted government revenues by 31%, according to finance ministry data. The world's top oil exporter recorded real GDP growth of 8.7% in 2022 leading to the Gulf state's first budget surplus in almost a decade, reports Reuters. It had previously estimated a budget surplus of 102bn riyals, or about 2.6% of GDP, for 2022, but is projecting a narrower surplus for 2023. Saudi Arabia's total revenues in 2022 hit nearly 1.27tn riyals, up 31% over 2021, and slightly higher than estimated. Oil revenues in 2022 totalled about 857.3bn riyals, up 52% from the previous year. However, non-oil revenue picked up in the fourth quarter, rising 19% from the prior-year period, outperforming oil revenue which increased 17% in the fourth quarter, according to a report from the finance ministry. Total spending in 2022 rose 12% from the previous year to 1.16tn riyals. The Gulf state recorded a fiscal surplus in the first three quarters of 2022, but reported a deficit of 45.7bn riyals in the fourth quarter, when Opec+ oil production cuts kicked in. Saudi Arabia's total public debt stood at just over 990bn riyals at the end of 2022.




Qatar Fuel قطر للوقود

The Tender Committee Invites Tender Submission for the following Service:

| SR. NO. | TENDER NUMBER | DESCRIPTION | TENDER FEE (QRS.) | TENDER BOND (QRS.) | TENDER CLOSING DATE |
|---------|---------------------------------------|--|---------------------|--------------------|---------------------|
| 1. | QF/02/P/2110002143/12/23 | Supply of Aviation fuelling line filter, coalescer & separator | 500/-Non-refundable | Nil | 03-April-2023 |
| 2. | QF/P/01/Disposal_spare_parts/Fahes/22 | Disposal of Non-moving / Obsolete Spare Parts for FAHES | Nil | Nil | 03-April-2023 |

- Tender document for the above invitation can be obtained as per following details:
- Document Issue Date: From 12 March 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 if applicable, 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]

 Caution Notice:

We value the trust you place on WOQOD and are committed to provide all our customers with reliable, professional & innovative solutions to have a safe and fraudulent-free experience. However, in the wake of an increasing number of fake Email /s asking for fees against tender / EOI / Bid Bond, etc, we suggest you to be cautious against such fraudulent Emails & Calls. We urge the public at large to be vigilant and verify the details like Domain id, Mail content etc.

Any tender Invitations / Emails from domains other than "woqod.com.qa" shall be considered as scamming and will be at the entire responsibility of individuals or companies and WOQOD shall not be responsible for any direct or indirect, expressed or implied, consequential, punitive damages, or any financial losses whatsoever in any manner.

Egyptian inflation shock makes huge rate hike likely for Goldman

Bloomberg
London/Cairo

Egypt's central bank may have to raise interest rates by as much as 300 basis points when it meets later this month, after February's inflation far surpassed expectations, according to Goldman Sachs Group Inc. A rate hike of that size has a recent precedent in Egypt, which has also had to devalue its currency several times over the past year. In December, the central bank hiked the benchmark deposit rate by 300 basis points – the most since 2016 – to 16.25% but has since kept it there. "Containing inflation expectations and, in particular, improving domestic FX liquidity to ease chronic pressure on the Egyptian pound will require the Central Bank of Egypt to pursue tighter monetary policy in the coming months," Farouk Soussa, an economist at Goldman in London, said in a report. Goldman previously said it couldn't rule out an unscheduled rate increase in response to pressure on inflation and the pound. Economists at Cairo-based Naem Brokerage said after the latest inflation data that "an emergency meeting" may precede a hike of 200-300 basis points. A surge in inflation to the fastest in over five years has turned Egypt's official borrowing costs



A woman carries bread as she leaves a bakery in Cairo. In February, consumer prices climbed an annual 31.9%, with food costs growing at a record pace. The pound has lost almost half of its value since last March as Egypt struggles with its worst foreign-exchange shortage in years.

deeply negative when adjusted for inflation. A real rate that was once the world's highest is now almost 16% below zero, one of the lowest among more than 50 major economies tracked by Bloomberg. The Monetary Policy Committee surprised by leaving rates on hold last month, saying it was assessing the impact of a combined 800 basis points of increases in 2022.

It targets inflation of 7%, plus or minus 2 percentage points, by the fourth quarter of next year. But in February consumer prices climbed an annual 31.9%, with food costs growing at a record pace. The pound has lost almost half of its value since last March as Egypt struggles with its worst foreign-exchange shortage in years. The International Monetary

Fund approved a \$3bn loan for Egypt in December, with the full disbursement conditional on reforms that include a shift to a more flexible exchange rate. "The risk of further pound weakness in the immediate term is high, particularly within the context of the first review under the IMF programme, due this month," Soussa said.

Debt restructurings in China come to a head for \$150bn market

Bloomberg
Hong Kong

Two years after China's developers began their descent into a debt crisis that ravaged the sector and forced record defaults in the nation's \$150bn junk dollar debt market, creditors are starting to get a taste of the full consequences.

Logan Group Co – a builder of homes for first-time buyers which operates mainly in the Greater Bay area of Guangdong, Macau and Hong Kong – showed its latest restructuring proposal to some noteholders this week, people familiar with the matter said. It adds to a flurry of activity in a pivotal month for the country's property debt crunch.

China Evergrande Group, the poster child for the industry's woes, has said it wanted to get support from bondholders for its own debt-restructuring plan by early March and faces a March 20 court hearing in Hong Kong on a winding-up petition. Two Logan units are scheduled to have hearings next week regarding such petitions against them.

Zhenro Properties Group Ltd aims to issue preliminary proposal for offshore debt solutions by the end of the month. And fellow defaulted builder Sunac China Holdings Ltd is preparing a restructuring sup-



A security guard stands outside the Evergrande Automotive R&D Institute Headquarters of China Evergrande Group in Shanghai (file). China Evergrande Group, the poster child for the industry's woes, has said it wanted to get support from bondholders for its own debt-restructuring plan by early March and faces a March 20 court hearing in Hong Kong on a winding-up petition.

port agreement for an ad-hoc group of major offshore debtholders to sign after they voiced support for the firm's plan, people familiar with the matter said earlier in the week.

A government crack-down on property-related leverage growth caused a cash crunch that squeezed builders' liquidity, ultimately resulting in more than a year of declining new-home sales and prices. Real estate firms defaulted on a record amount of dollar bonds last year. Steps since November to support developers set off big rallies in developers' stocks and notes, but the euphoria has

cooled and the sector's equities entered a bear market Thursday.

Logan, China's 36th-largest builder by contracted sales last year, suspended dollar-bond payments in August. It disclosed during a January meeting with some creditors that it aimed to finalise changes to an offshore-debt restructuring proposal by mid-February, Bloomberg News previously reported. That goal was subsequently extended.

Logan's latest restructuring proposals are preliminary and subject to change based on creditor feedback, according to

the people familiar with the matter. The company didn't immediately respond to an e-mailed request for comment.

"Many issuers are taking creditor feedback quite seriously," Sophia Xia, co-head of China restructuring at financial adviser Houlihan Lokey Inc, said during a January conference hosted by S&P Global Ratings. "Meanwhile, it seems quite obvious that China's supports are being mostly offered to the 'quality developers.' This provides incentives for developers to get serious about cleaning up their obligations."



TENDER ADVERTISEMENT

Tender No: 55015410

Tender Title: CP04 F- Rectification of Damaged TSE Pipelines along Road A1 and A6

Brief Description of Works:

The scope of works shall include:
Repairing and replacement of existing damaged TSE pipelines along Road A1 and A6, Reinstatement of any abortive work, Testing and Commissioning of complete section and necessary mitigation measures during close down including Traffic Diversion.

Tender Bond Value:

QAR 1,200,000.00 (Qatari Riyal One Million Two Hundred Thousand)
(Valid for 120 days from Tender Closing Date)

Bid Closing Date:

21 March 2023, not later than 12.00 noon local Doha time

Tender Document Collection Location:

Tender Documents shall be collected from Document Control - Procurement, Lusail Building
Email: procurementlocal@qataridiar.com

Tender Document Collection Date & Time:

From 7th March 2023, between 08:30 a.m. to 12:00 p.m. (Sunday to Thursday)

Tender Fee:

A payment of non-refundable tender fee in the amount of Five Thousand Qatari Riyals (QAR 5,000) to be deposited/TT into Qatari Diar Real Estate Investment Company, Bank Account No. 0013-002643-046 (IBAN-QA55 QNBA 0000 0000 0013 0026 4304 6) with QNB. Email a copy of the deposit/TT slip to Finance at arqd@qataridiar.com mentioning the Tender No., Company's name & attach a copy of CR. Finance Dept. shall email back the receipt to be presented for collection of Tender Documents.

Required documents in order to collect the Tender Documents are as follows:

- Copy of the Company Incorporation/Commercial Registration (if represented in Qatar).
- Company Authorization letter and ID of the person who will collect the tender document.
- Presentation of the receipt of the tender fee received from the Finance Department of Qatari Diar at the Tender Collection Location.
- Completed Confidentiality Agreement which shall be collected from the above-mentioned office or requested by email (procurementlocal@qataridiar.com).
- Tenderers shall provide a letter endorsed by a first-class bank in Qatar agreeing to furnish a Performance Bank Guarantee in amount of ten (10%) percent of the Initial Contract Price, if awarded the Contract.

Minimum requirements to be eligible for obtaining the Tender Documents are as follows:

1. Achieve a minimum annual Turnover of QR 50 million for the Last Five (5) Years.
2. Similar experience of a minimum of three similar projects carried out within the last 10 years (evidence to be provided).
3. Authority approval for carrying out similar works (either Specialist Contractor or Main Contractor).
4. Company Registration in Qatar.

For further queries please communicate in writing to procurementlocal@qataridiar.com

Gulf International Services ("GIS" or the "Company") would like to inform its shareholders that Qatar National Bank ("QNB") is the dividend distributor of the Company's annual dividends for 2022. Please note that the Ordinary General Assembly meeting will be held on Monday, 13th March 2023 at 3:30 p.m. Qatar Time, in Al-Rayan Ballroom, Sheraton Hotel, Doha.

Shareholders who registered their bank accounts with the Qatar Central Securities Depository before 13th March 2023, will have their dividends transferred directly to their relevant bank accounts. Shareholders who have not registered their bank accounts, are kindly requested to fill out the "QNB Application for Dividends Credit to the Account" available on both QNB's website and send it to the email specified in the application in order to complete the dividends bank transfer. The shareholders may also visit any branch of QNB and complete this form accordingly. Upon successful submission of this form, all the outstanding uncollected dividends will be directly transferred to the designated account.

For further details, Shareholders may contact the QNB Shareholders Service Centre at (+974) 44252444.

Documentation requirements to be provided along with QNB Application for Dividends Credit to the Account:

| Person Collecting | Required Documents |
|--|---|
| Shareholder for his own dividend ONLY | • Original valid ID of shareholder |
| Shareholder for his own and his minor's dividends | • Original valid ID of shareholder • Original valid ID or Birth Certificate of the minors or valid Special Power of Attorney |
| Representative of a shareholder to collect for shareholder ONLY | • Original valid ID of representative • Original copy of Authority Letter • Original valid ID of shareholder |
| In case of a mother representing minors | • Original valid Special Power of Attorney authorizing the mother • Original valid ID of the mother |
| Representative of a shareholder to collect including minors of shareholder | • Original valid ID of representative • Original copy of Authority Letter with names of minors, NIN, and ID number stated in the letter • Original valid ID or Birth Certificate of the minors or valid Special Power of Attorney |
| In case if shareholder is deceased | • Original Court Inheritance Certificate |
| Corporate shareholders | • Original copy of Authority Letter • Photocopy of CR • Photocopy of the ID of authorized signatory • Original valid ID of representative |

Fed interest rate outlook overshadowed as SVB collides with jobs report

Bloomberg
Washington

A hard job just got harder for the Federal Reserve after the biggest US bank failure since 2008 overshadowed another strong payroll report.

Officials weighing if February's jobs data boosted the case for a half-point rate hike this month must now also consider if the collapse of Silicon Valley Bank gives grounds for caution that they cannot ignore.

"The market and banking sector turmoil will be a strong argument in favour of 25 basis points," said Stephen Stanley, chief US economist for Santander US Capital Markets.

"At a minimum, it should serve as a reminder to policymakers that they have implemented a lot of tightening over the last year and not all of the impact of those moves have shown themselves yet. Thus, it serves as a compelling reason to tread carefully," he said.

Regulators seized SVB on Friday in a stunning downfall for a lender that had quadrupled in size over the past five years and was valued at more than \$40bn as recently as 2022.

The development rattled markets around the world with US stocks falling and risk assets taking strain. The worry is that it could be a sign of bigger problems as banks cope with the Fed's cumulative 450 basis points of rate increases since this time last year to tackle high inflation.

Matthew Luzzetti, chief US economist for Deutsche Bank Securities, said SVB's demise was helping tighten financial conditions and could allow the Fed to take less aggressive actions if sustained.

"If it's short term moves in financial conditions, it shouldn't impact the Fed outlook at all," Luzzetti said. "If it's a sustained tightening of financial conditions, then all else equal, it means the Fed may have to do less."

But even as bank stocks plunged, more evidence emerged of the underlying strength of the US economy.

Labor Department data earlier Friday showed employers added 311,000 new workers last month after a revised 504,000 advance in January. Unemployment rose to 3.6% as the labour force grew, and monthly wages rose at the slowest pace in a year.

Chair Jerome Powell said this week the



The Federal Reserve building in Washington. A hard job just got harder for the Fed after the biggest US bank failure since 2008 overshadowed another strong payroll report.

Fed is likely to lift rates to a higher peak than previously expected, putting a half-point increase on the table when officials meet later this month to curb inflation. He cited an overheated job market as a factor driving higher prices.

That led to more investors wagering on a 50 basis-point hike in March. But they trimmed those bets amid jitters over the impact of rising rates on the financial sector spurred by SVB. They now see the Fed cutting rates before the end of the year.

The Fed raised its benchmark rate by a quarter percentage point to a range of 4.5% to 4.75% on February 1. The smaller move followed a half-point increase in December and four jumbo-sized 75 basis-point hikes prior to that.

"We believe SVB Financial Group's collapse is not an indictment of too-tight

monetary policy, and so doesn't have clear implications for the broader financial system and economy. If the February CPI data exceed expectations on March 14, we don't think the SVB collapse will prevent the Fed from raising rates by 50 basis points at the March 21-22 FOMC meeting," says Stuart Paul, economist at Bloomberg.

"I'm still leaning towards 50," basis points, said Diane Swonk, chief economist at KPMG LLP, commenting on the potential implications of the tremors in the banking sector.

"It doesn't look like what we're seeing is of the magnitude to force the Fed to back off." Officials next meet March 21-22. They will get another reading on inflation with February consumer prices released on Tuesday.

Fed officials have made no public comment on the latest economic data or what SVB could signal about the impact of their aggressive rate hikes over the last 12 months on the wider banking sector. They will enter their pre-meeting blackout period at midnight Friday.

Economists at Barclays Plc, who raised their Fed rate call to a half-point move following the payroll report, said they viewed SVB as an isolated event that could have wider implications.

"It raises risks of broader distress within the banking system that could make the FOMC reluctant to return to 50bp hikes in March," they wrote in a note to clients. "Indeed, the possibility of capital losses at other institutions cannot be completely dismissed, with rising policy rates raising banks' funding costs."

As banks topple, regulators face reckoning for week of mayhem

Bloomberg
New York

On Monday, the head of the Federal Deposit Insurance Corp warned a gathering of bankers in Washington about a \$620bn risk lurking in the US financial system.

By Friday, two banks had succumbed to it. Whether US regulators saw the dangers brewing early enough and took enough action before this week's collapse of Silvergate Capital Corp and much larger SVB Financial Group is now teed up for a national debate.

SVB's abrupt demise — the biggest in more than a decade — has left legions of Silicon Valley entrepreneurs in the lurch and livid. In Washington, politicians are drawing up sides, with Biden administration officials expressing "full confidence" in regulators, even as some watchdogs race to review blueprints for handling past crises.

To his credit, FDIC Chair Martin Gruenberg's speech this week wasn't the first time he expressed concern that banks' balance sheets were freighted with low-interest bonds that had lost hundreds of billions of dollars in value amid the Federal Reserve's rapid rate hikes.

That heightens the risk a bank might fail if withdrawals force it to sell those assets and realise losses. But despite his concern, the toppling of two California lenders in the midst of a single workweek marked a stark contrast with the years after the 2008 financial crisis, when regulators including the FDIC tidily seized hundreds of failing banks, typically rolling up to their headquarters just after US trading closed on Fridays. Even in the darkest moments of that era, authorities managed to intervene at Bear Stearns Cos and Lehman Brothers Holdings Inc while markets were shut for the weekend.

In this case, watchdogs let cryptocurrency-friendly Silvergate limp into another workweek after it warned March 1 that mounting losses may undermine its viability. The bank ultimately said Wednesday it would shut down. That same day, SVB signaled it needed to shore up its balance sheet, throwing fuel onto fears of a broader crisis. A deposit run and the bank's seizure followed. The KBW Bank Index of 24 big lenders suffered its worst week in three years, tumbling 16%.

ferred its worst week in three years, tumbling 16%.

"With Silvergate there was a little bit of a regulatory blind spot," said Keith Noreika, who served as acting comptroller of the currency in 2017. "Because they wound it down mid-week, everyone got a little spooked, thinking this is going to happen to others with similar funding mismatches."

Representatives for the FDIC and Fed declined to comment.

The drama is already spurring arguments in Washington over the Dodd-Frank regulatory overhaul enacted after the 2008 crisis — as well as its partial rollback under President Donald Trump.

Trump eased oversight of small and regional lenders when he signed a far-reaching measure designed to lower their costs of complying with regulations. A measure in May 2018 lifted the threshold for being considered systemically important — a label imposing requirements including annual stress testing — to \$250bn in assets, up from \$50bn. SVB had just crested \$50bn at the time. By early 2022, it swelled to \$220bn, ultimately ranking as the 16th-largest US bank.

Democratic Senator Elizabeth Warren of Massachusetts, where SVB had branches, said the easier rules played a role in SVB's downfall. "President Trump and congressional Republicans' decision to roll back Dodd-Frank's 'too big to fail' rules for banks like SVB — reducing both oversight and capital requirements — contributed to a costly collapse," she said in a statement.

The lender achieved much of its meteoric growth by mopping up deposits from red-hot tech startups during the pandemic and ploughing the money into debt securities in what turned out to be final stretch of rock-bottom rates.

As those ventures later burned through funding and drained their accounts, SVB racked up a \$1.8bn after-tax loss for the first quarter, setting off panic.

"This is a real stress test for Dodd-Frank," said Betsy Duke, a former Fed governor who later chaired Wells Fargo & Co's board. "How will the FDIC resolve the bank under Dodd-Frank requirements? Investors and depositors will be watching everything they do carefully and assessing their own risk of losing access to their funds."

AT YOUR SERVICE



BUILDING MAINTENANCE

TECHNICAL CONSTRUCTION COMPANY - We do all Maintenance works (Painting, Gypsum, Tiling, Plumbing). M: 5531 1348, 6688 6151, Em: tcc.2@hotmail.com



BUS RENTAL / HIRE

Q MASTER W.L.L. 15/26/30/65 Seater Buses with / W-out Driver Contact # 55853618, 55861541 (24 Hours) F: 44425610 Em: qataroffice@yahoo.com

THOUSANDS TRANSPORT 60/67 Seated A/C non AC Buses w/ w-out driver T: 4418 0042..F: 4418 0042..M: 5587 5266..Em: sales@thousandstransport.com

TRAVELLER TRANSPORT - 13/22/26/36/66 Seater Bus With & Without Driver. Tel: 44513283 Mob: 30777432 / 55899097. Email: info@travellertransport.com

AUTO Z GROUP W.L.L. : 13/16/29/59 Seater Buses, Chiller Trucks & Pickups Contact 33204301 / 55259746 E-mail: rental@autoz.com.qa



BUSINESS SOLUTION

QATAR ASPECT WLL Business Setup, Local Sponsor, CR License, PRO Service Call..... T: 77912119 Em: info@qataraspect.com

ELITE PROJECTS PRO/ Mandoob Services, Company Formation, Classification, WPS.....M. 7022 0052, Em: sales.eliteprojects@gmail.com



CARGO SERVICES

AMBASSADOR CARGO D2D worldwide, Intl freight, packing, relocation storage & all logistic support..T: 4437 3338..M: 5500 8857..Em: info@ambassadorcargo.com

GOODWILL CARGO Air, Sea & Land Cargo Services Worldwide Door to Door Packing & Moving T: 4462 6549, 4467 6448..M: 3318 8200, 3311 2400..Em: sales@goodwillcargoqatar.com



CAR HIRE

AL MUFTAH RENT-A-CAR Main office D-Ring Rd. T: 4463 4444, 4401 0700 Airport 4463 4432, Al khor 4411 3344..Leasing 5589 1334..Em: reservations@rentacardoha.com...www.rentacardoha.com

AL SAAD RENT A CAR Head Office-Bldg: 242, C-Ring Road T: 4444 9300 Branch-Barwa village, Bldg #17, shop #19.....T: 4415 4414, ...M: 3301 3547

AVIS RENT A CAR Al Nasr Holding Co. Building, Bldg. 84, St. 820, Zone 40 T: 4466 7744 F: 4465 7626 Airport T: 4010 8887 Em:avis@qatar.net.qa, www.avisqatar.com

THOUSANDS RENT A CAR Bldg No 3, Al Andalus Compound, D-ring Rd..T: 44423560, 44423562 M: 5551 4510 F: 44423561

BUDGET RENT A CAR Competitive rates for car rental & leasing Main Office T: 4432 5500..M: 6697 1703, Toll Free: 800 4627, Em: info@budgetqatar.com



CHAINLINK FENCE & GATES MFRS

NATIONAL ENGINEERING & CONSTRUCTION CO. W.L.L. Fencing Supply/Installation, Drilling T: 44434852 F: 44361475 M: 55801134 / 55218209 Em:gm@necodoha.com, admin@necodoha.com



CLEANING

CAPITAL CLEANING CO. W.L.L. All type of Cleaning Services-Reasonable Rates T: 44582257, 44582546 F: 44582529 M: 33189899 Em: capitalcleaningwll@gmail.com



ELECTRICAL CONTRACTING

POWERX ELECTRIC CO. - Specializes in Electrical Power design & installation, procurement, electrical facilities maintenance & technical training. M: 30358817, 77138301, powerxselect@gmail.com



INSURANCE

QATAR ISLAMIC INSURANCE GROUP (QIIG) For all types of insurance services.T: 4465 8888. www.qiic.com.qa Em: qiic@qiic.com.qa



ISO / HACCP CONSULTANTS

QATAR DESIGN CONSORTIUM - ISO 9001, 14001, 45001, 39001, 27001, 22301, 41001, etc. T: 4419 1777 F: 4443 3873 M: 5540 6516Em: jenson@qdcqatar.net

EXCELLEDIA (QDB Approved ISO Consultant; Contact for subsidized quotes) Contact: info@excelledia.comT:4016 4157..... M:6685 4425

COMS VANTAGE ISO 9001, 14000, 18001, 22301, 31000, 27001, HACCP & Sustainability M: 7077 9574..Em: muneesh.pabbil@comsvantage.com...www.comsvantage.com



MANPOWER RECRUITMENT

TRUE TOUCH RECRUITMENT — Housemaids available Ethiopia, Philippines, Indonesia, India, Bangladesh, Uganda - 31115261, 77710686, 30867717, 31551114



PARTY HALL FOR EVENTS

MAJESTIC HOTEL Party Hall available for Meeting, Seminar, Birthday, Anniversary, Entertainment, Conference & other occasions...M: 6655 3309



PEST CONTROL & CLEANING

QATAR PEST CONTROL COMPANY T: 44222888 M: 55517254, 66590617 F: 44368727, Em:qatarpest@qatar.net.qa

DOHA PEST CONTROL & CLEANING CO. W.L.L. T: 4470 9777.. M: 5551 3862, 5551 4709..F: 4436 0838..Em: sales@dohapest.com

AL MUTWASSIT CLEANING & PEST CONTROL T: 44367555, 44365071 M: 55875920, 30029977 Em:info@amcqatar.co



REAL ESTATE

AL MUFTAH GENERAL SERVICES www.rentacardoha.com T: 4463 4444/ 4401 0700...M: 5554 2067, 5582 3100...Em:reservations@rentacardoha.com

SKY REAL ESTATE Available rooms (Studio type), Flat, Hotel Rooms for Executive Bachelor / Family inside villa or building...M: 5057 6993, 3359 8672

CTC Interlocked open yard space, A/C workshop with OHC-15MT, rooms, Office available for rentals with 24/7 security. M: 50844154, E: rentals.ctc@gmail.com



SCAFFOLDING SALE / RENTAL

MALZAMAT QATAR WLL SCAFFOLDING SERVICES T: 44504266..F: 44502489..M:66715063..Em: malzamat@gmail.com...www.malzamatqatar.com



TRANSLATION SERVICES

ASIA TRANSLATION SERVICES www.asiatranslationcenter.com Sofitel Complex, 1st Floor..T: 44364555, 4029 1307, 44440943 Em:asiatranslation@gmail.com

AT YOUR SERVICE
DAILY FOR THREE MONTHS

Updated on 1st & 16th
of Every Month

Q.R.S.
1500/-

The Qatar Stock Exchange (QSE) Index increased by 114.79 points or 1.1% during the week to close at 10,736.60. Market capitalisation moved up by 1.2% to QR618.3bn compared with QR611.3bn at the end of the previous trading week. Of the 50 traded companies, 27 ended the week higher, 30 ended lower, with three unchanged. Mannai Corporation Group (MCCS) was the best performing stock for the week, climbing 11.4%. Meanwhile, QLM Life & Medical Insurance (QLMI) was the worst performing stock for the week, falling 8.4%.

Qatar Islamic Bank (QIBK), QNB Group (QNBK) and Industries Qatar (IQCD) were the primary contributors to the weekly index gain. QIBK and QNBK added 67.27 and 31.50 points to the index, respectively. Further, IQCD added another 26.01 points.

Traded value during the week declined 25.7% to QR1,674.3mn from QR2,252.4mn in the prior trading week. Industries Qatar (IQCD) was

the top value traded stock during the week with total traded value of QR235.0mn.

Traded volume fell 12.0% to 576.0mn shares compared to 654.9mn shares in the prior trading week. The number of transactions decreased 18.7% to 54,713 vs 67,292 in the prior week. Estithmar Holding (IGRD) was the top volume traded stock during the week with total traded volume of 82.9mn shares.

Foreign institutions remained bullish, ending the week with net buying of QR110.5mn vs. net buying of QR66.9mn in the prior week. Qatari institutions remained bearish with net selling of QR107.8mn vs net selling of QR61.8mn in the week before. Foreign retail investors ended the week with net buying of QR9.5mn vs net selling of QR12.4mn in the prior week. Qatari retail investors recorded net selling of QR12.1mn vs net buying of QR7.4mn the week before. YTD (as of Thursday's closing), global foreign institutions were net buyers of \$96.0mn.



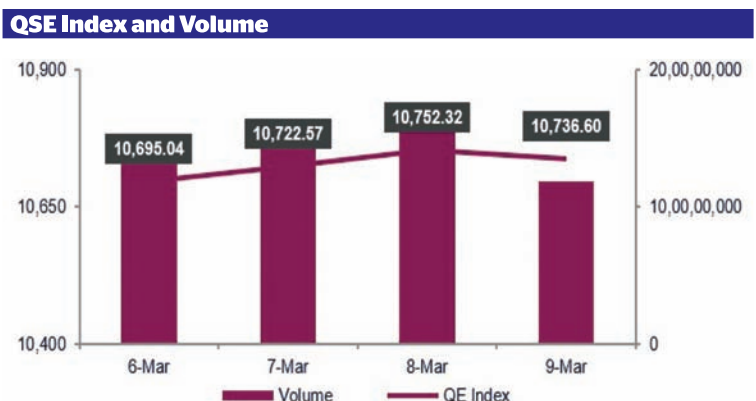
Weekly Market Report

| Market Indicators | Week ended, March 09, 2023 | Week ended, March 02, 2023 | Chg. % |
|---------------------------|-------------------------------|-------------------------------|--------|
| Value Traded (QR mn) | 1,674.3 | 2,252.4 | (25.7) |
| Exch. Market Cap. (QR mn) | 618,289.9 | 611,255.8 | 1.2 |
| Volume (mn) | 576.0 | 654.9 | (12.0) |
| Number of Transactions | 54,713 | 67,292 | (18.7) |
| Companies Traded | 50 | 49 | 2.0 |
| Market Breadth | 27:20 | 31:16 | |

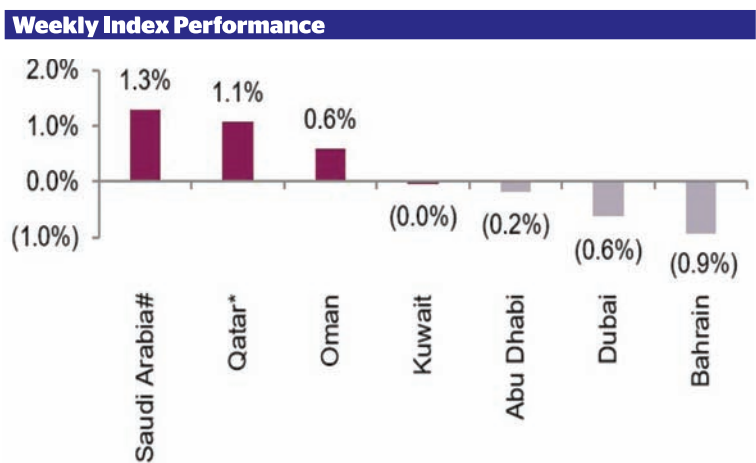
Source: Qatar Exchange (QE)

| Market Indices | Close | WTD% | MTD% | YTD% |
|------------------------------|-----------|-------|-------|--------|
| Total Return | 22,321.97 | 1.3 | 1.7 | 2.0 |
| ALL Share Index | 3,474.44 | 1.3 | 1.4 | 1.7 |
| Banks and Financial Services | 4,432.95 | 2.0 | 0.9 | 1.1 |
| Industrials | 4,103.42 | 1.2 | 2.8 | 8.5 |
| Transportation | 3,988.58 | (2.6) | (2.6) | (8.0) |
| Real Estate | 1,489.54 | 1.6 | 4.5 | (4.5) |
| Insurance | 1,926.92 | (3.1) | (2.3) | (11.9) |
| Telecoms | 1,396.22 | 1.3 | 4.2 | 5.9 |
| Consumer Goods & Services | 7,667.26 | 1.1 | 2.3 | (3.1) |
| Al Rayan Islamic Index | 4,638.14 | 1.2 | 2.8 | 1.0 |

Source: Qatar Exchange (QE)



Source: Qatar Exchange (QE)



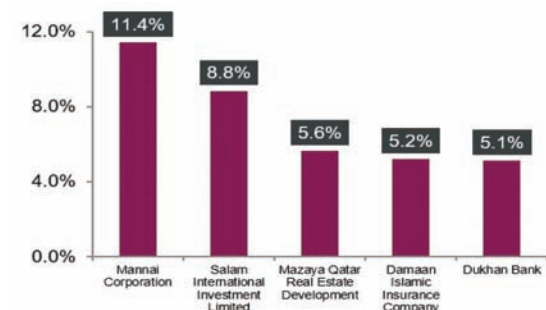
Source: Bloomberg

| Regional Indices | Close | WTD% | MTD% | YTD% | Weekly Exchange Traded Value (\$ mn) | Exchange Mkt. Cap. (\$ mn) | TTM P/E** | P/B** | Dividend Yield |
|------------------|-----------|-------|-------|-------|--------------------------------------|----------------------------|-----------|-------|----------------|
| Qatar* | 10,736.60 | 1.1 | 1.6 | 0.5 | 458.84 | 169,040.4 | 12.2 | 1.4 | 4.4 |
| Dubai | 3,409.52 | (0.6) | (0.7) | 2.4 | 318.23 | 161,994.1 | 9.2 | 1.2 | 3.5 |
| Abu Dhabi | 9,860.18 | (0.2) | 0.0 | (3.5) | 3,952.44 | 669,357.7 | 19.8 | 3.4 | 2.1 |
| Saudi Arabia* | 10,410.21 | 1.3 | 3.0 | (0.7) | 5,697.76 | 2,648,016.4 | 16.6 | 2.1 | 2.8 |
| Kuwait | 7,283.41 | (0.0) | 0.5 | (0.1) | 445.47 | 152,510.7 | 17.1 | 0.7 | 3.4 |
| Oman | 4,849.54 | 0.6 | 2.0 | (0.2) | 48.07 | 22,462.1 | 12.7 | 0.8 | 3.5 |
| Bahrain | 1,911.68 | (0.9) | (1.0) | 0.9 | 21.17 | 67,887.5 | 6.1 | 0.6 | 6.0 |

| Company Name | Last Price | % Change Weekly | % Change YTD | Market Cap. QR Million | TTM P/E | P/B | Div. Yield |
|---------------------------------------|------------|-----------------|--------------|------------------------|---------|-----|------------|
| Qatar National Bank | 16.53 | 1.97 | (8.17) | 152,678 | 11.1 | 1.8 | 3.6 |
| Qatar Islamic Bank | 19.39 | 4.25 | 4.47 | 45,817 | 12.0 | 2.0 | 3.2 |
| Commercial Bank of Qatar | 6.28 | 1.29 | 25.60 | 25,417 | 9.6 | 1.3 | 2.5 |
| Doha Bank | 1.70 | 0.06 | (13.01) | 5,268 | 9.2 | 0.5 | 4.4 |
| Al Ahli Bank | 3.91 | 0.21 | (2.54) | 9,970 | 13.7 | 1.4 | 5.1 |
| Qatar International Islamic Bank | 10.61 | (1.21) | 2.02 | 16,060 | 16.8 | 2.3 | 3.5 |
| Masraf Al Rayan | 2.79 | 2.27 | (11.95) | 25,966 | 20.0 | 1.1 | 6.1 |
| Qatar First Bank | 0.91 | 3.31 | (20.96) | 1,014 | 11.5 | 0.9 | N/A |
| National Leasing | 0.69 | 0.74 | (2.70) | 339 | 17.5 | 0.5 | 4.4 |
| Dlala Holding | 0.80 | (1.84) | (30.04) | 152 | N/A | 0.7 | N/A |
| Qatar & Oman Investment | 0.55 | 0.18 | 0.36 | 174 | 107.0 | 0.7 | 1.8 |
| Islamic Holding Group | 3.07 | 0.07 | (25.21) | 174 | 17.3 | 1.2 | 1.6 |
| Dukhan Bank | 3.12 | 5.05 | N/A | 16,330 | N/A | N/A | N/A |
| Banking and Financial Services | | | | 299,359 | | | |
| Zad Holding | 14.50 | 0.55 | (0.68) | 3,969 | 20.9 | 2.7 | 4.3 |
| Qatar German Co. for Medical Devices | 1.01 | (3.54) | (19.89) | 116 | 93.7 | 3.4 | N/A |
| Salam International Investment | 0.57 | 8.83 | (7.65) | 648 | 10.8 | 0.5 | N/A |
| Baladna | 1.31 | (3.74) | (14.24) | 2,496 | 28.7 | 1.1 | 4.0 |
| Medicare Group | 6.15 | 4.20 | (0.97) | 1,730 | 21.9 | 1.7 | 29.3 |
| Qatar Cinema & Film Distribution | 3.40 | (0.09) | 9.05 | 213 | 85.3 | 1.6 | 1.8 |
| Qatar Fuel | 16.74 | 1.27 | (6.74) | 16,644 | 15.6 | 1.8 | 5.4 |
| Qatar Meat and Livestock | 1.42 | 1.50 | (30.12) | 256 | N/A | 1.3 | N/A |
| Mannai Corp. | 6.40 | 11.41 | (15.72) | 2,917 | N/A | 3.0 | 98.5 |
| Al Meera Consumer Goods | 16.01 | 0.06 | 1.46 | 3,202 | 16.8 | 2.1 | 5.6 |
| Consumer Goods and Services | | | | 32,192 | | | |
| Qatar Industrial Manufacturing | 2.98 | (1.29) | (7.04) | 1,418 | 9.3 | 0.8 | 4.0 |
| Qatar National Cement | 4.34 | (0.25) | (10.35) | 2,836 | 12.4 | 0.9 | 6.9 |
| Industries Qatar | 14.33 | 1.63 | 11.87 | 86,697 | 9.8 | 2.1 | 7.0 |
| Qatari Investors Group | 1.92 | (3.96) | 13.70 | 2,383 | 12.1 | 0.8 | 5.2 |
| Qatar Electricity and Water | 17.58 | (0.96) | (0.68) | 19,338 | 11.4 | 1.3 | 4.6 |
| Aamal | 0.91 | (3.99) | (6.26) | 5,758 | 16.5 | 0.7 | 5.5 |
| Gulf International Services | 1.90 | 0.85 | 30.23 | 3,531 | 12.2 | 1.0 | N/A |
| Mesaieed Petrochemical Holding | 2.22 | 4.23 | 4.37 | 27,890 | 15.8 | 1.6 | 5.0 |
| Investment Holding Group | 1.96 | 1.87 | 8.89 | 6,672 | 18.1 | 1.3 | N/A |
| Qatar Aluminum Manufacturing | 1.76 | 0.00 | 15.72 | 9,815 | 10.7 | 1.4 | 4.5 |
| Mekdam Holding Group | 7.40 | 0.00 | (2.93) | 903 | 16.3 | 4.8 | 3.4 |
| Industrials | | | | 166,841 | | | |
| Qatar Insurance | 1.66 | (4.05) | (13.68) | 5,422 | N/A | 0.9 | 6.0 |
| QLM Life & Medical Insurance | 3.33 | (8.41) | (30.59) | 1,166 | 14.1 | 2.1 | 6.6 |
| Doha Insurance | 1.98 | (5.71) | 0.05 | 990 | 11.1 | 0.9 | 7.6 |
| Qatar General Insurance & Reinsurance | 0.95 | (4.04) | (35.29) | 831 | N/A | 0.2 | N/A |
| Al Khaleej Takaful Insurance | 2.01 | (0.89) | (12.86) | 512 | 10.1 | 0.9 | 3.7 |
| Qatar Islamic Insurance | 8.60 | 0.00 | (1.15) | 1,290 | 12.9 | 2.8 | 4.7 |
| Damaan Islamic Insurance Company | 3.90 | 5.24 | N/A | 780 | N/A | N/A | N/A |
| Insurance | | | | 10,991 | | | |
| United Development | 1.12 | (4.61) | (14.00) | 3,959 | 10.2 | 0.4 | 4.9 |
| Barwa Real Estate | 2.90 | 2.80 | 0.94 | 11,285 | 9.9 | 0.5 | 6.0 |
| Ezdan Real Estate | 0.94 | (0.11) | (6.09) | 24,933 | 167.4 | 0.7 | N/A |
| Mazaya Qatar Real Estate Development | 0.60 | 5.63 | (13.79) | 695 | 16.9 | 0.7 | N/A |
| Real Estate | | | | 40,871 | | | |
| Ooredoo | 9.16 | (3.60) | (0.46) | 29,335 | 12.4 | 1.2 | 4.7 |
| Vodafone Qatar | 1.65 | 2.48 | 4.35 | 6,991 | 14.0 | 1.4 | 6.0 |
| Telecoms | | | | 36,326 | | | |
| Qatar Navigation (Milaha) | 8.69 | (2.56) | (14.38) | 9,873 | 9.7 | 0.6 | 3.5 |
| Gulf Warehousing | 3.70 | 2.69 | (8.60) | 217 | 9.0 | 1.0 | 2.7 |
| Qatar Gas Transport (Nakilat) | 3.55 | (3.03) | (3.06) | 19,668 | 15.6 | 1.7 | 3.4 |
| Transportation | | | | 29,758 | | | |
| Qatar Exchange | | | | 618,290 | | | |

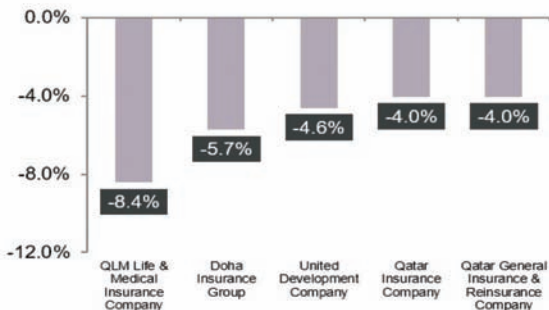
Qatar Stock Exchange

Top Five Gainers



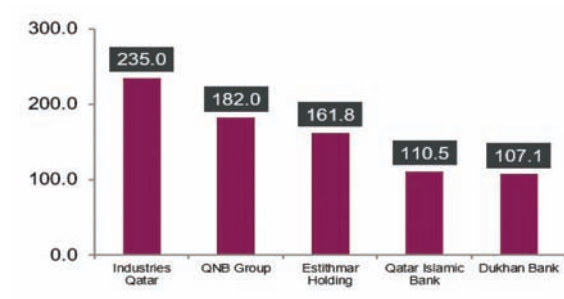
Source: Qatar Stock Exchange (QSE)

Top Five Decliners



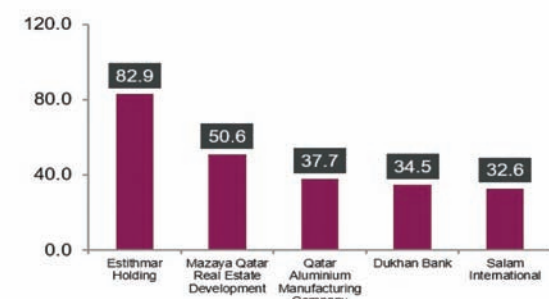
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



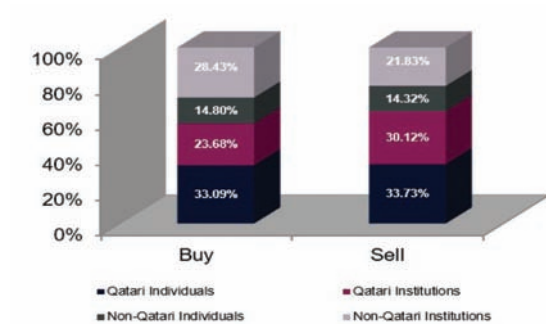
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



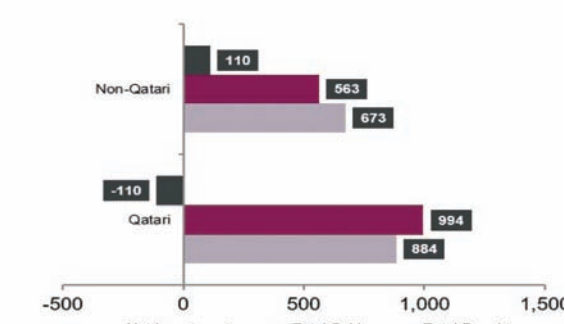
Source: Qatar Stock Exchange (QSE)

Investor Trading Percentage to Total Value Traded



Source: Qatar Stock Exchange (QSE)

Net Traded Value by Nationality (QR Million)



Source: Qatar Stock Exchange (QSE)

Technical analysis of the QSE index



The QSE index closed up by 1.08% from the week before; it closed at 10,736.60 level. Nothing major has changed and our opinion remains intact. The trend remains down and the Index and testing the lower side of the corrective channel, it should be noted

Definitions of key terms used in technical analysis

RSI (Relative Strength Index) indicator - RSI is a momentum oscillator that measures the speed and change of price movements. The RSI oscillates between 0 to 100. The index is deemed to be overbought once the RSI approaches the 70 level, indicating that a correction is likely. On the other hand, if the RSI approaches 30, it is an indication that the index may be getting oversold and therefore likely to bounce back.

MACD (Moving Average Convergence Divergence) indicator - The indicator consists of the MACD line and a signal line. The divergence or the convergence of the MACD line with the signal line indi-

that the current levels is around the 61.8% of the Fibonacci retracements. The next support level is around the 10,200 then 10,000 psychological support, while the first major weekly resistance facing the Index is around the 11,500 level.

cates 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.

Greenwashing crackdown in Europe leaves investors in dark

Reuters
London

New rules in Europe to crack down on greenwashing are not making it easier to spot genuine environmentally-friendly funds as asset managers continue to apply different standards for what constitutes sustainable investing. More than 30 fund managers, consultants, lawyers and regulators interviewed by Reuters said that despite European Union rules demanding more disclosure, funds remained hard to compare and greenwashing difficult to spot. A surge in demand for green investments has led to a rush by investment managers to label products as sustainable, when often portfolios still include carbon-intensive businesses. The European Commission has tried to provide more clarity with its Sustainable Finance Disclosure Regulation (SFDR), initially launched in March 2021, which aims to outlaw misleading claims.

Last year, the Commission clarified the rules to require fund managers dedicated to pursuing sustainable investments — known as Article 9 funds under the SFDR — to have 100% of their portfolio in environmentally-friendly companies. The SFDR defines sustainable investment as contributing to “an environmental or social objective”, assessed by indicators such as use of raw materials or production of waste. The regime got tougher in January with more detailed disclosures required to resolve problems identified since the rules were introduced. But the Commission’s latest efforts have not cleared up the greenwashing muddle for funds domiciled in the EU and governed by the SFDR, which had a face value of 8.4tn euros (\$8.88tn) at end-December, according to fund management specialist Morningstar. The people Reuters spoke to said discrepancies among fund portfolios reflected a lack of clarity from the Commission over what constitutes a sustainable investment. “One of the objectives was to fight greenwashing and we are really at a

stage now where the way the regulation is being implemented doesn’t help prevent it,” said Mathilde Dufour, head of sustainability research at French asset manager Mirova. The Commission’s changes aim to plug gaps that allowed funds branding themselves as sustainable to invest in everything from oil to tobacco. In response, many funds downgraded the classification of their funds at the end of last year from Article 9 to the less demanding Article 8, which requires sustainability to be only one of the factors informing investment decisions. Alena Kosava, head of investment research at AJ Bell, one of Britain’s biggest retail investment platforms, said the current lack of clarity and transparency meant investors were vulnerable to paying higher fees for funds that may not deliver on their advertised green status or fairly reflect the underlying sustainability risks. “Article 9 can often be offered at a premium and could be seen as a cash cow [for managers] but investors cannot often be certain that fund groups are doing what is necessary,”

she said. The new regime has not resolved the inconsistencies in the portfolios claiming green credentials. For example, data provided to Reuters by Morningstar shows that as of mid-January more than 100 out of 891 Article 9 funds in Europe were invested in some aspect of thermal coal, a big climate change contributor. In the Nuveen Global Clean Infrastructure Impact Fund, for example, 29% of companies were directly or indirectly exposed to thermal coal, which Morningstar said could be through activities such as mining, coal-power generation or providing services to the sector. Nordea, BlackRock and Macquarie also run funds which had over 8% exposure to the fuel, the Morningstar data showed. A Nuveen spokesperson told Reuters it applied revenue threshold limits to investing in coal-based power generation, but declined to specify what they were. They also said the investments were justified to facilitate “an orderly and effective energy transition”. Eric Pedersen, head of responsible

investments at Nordea Asset Management, also said the investments were in line with its energy transition planning. A Macquarie spokesperson said its fund’s coal exposure was linked to power generation investments where the companies had agreed to phase out its use. A BlackRock spokesperson said its fund’s exposure “was linked to legacy power generation investments where the companies are investing heavily into renewable energy, which is helping decarbonise electricity generation for the economies they serve.” There is no explicit rule against thermal coal in Article 9 and the market is seeking clarity from the Commission on whether any fossil fuel investments have a place in an Article 9 fund, Hortense Bioy, global director of sustainability research at Morningstar, said. The French financial regulator proposed in February that Article 9 should exclude fossil fuel activities that are not aligned with the EU’s taxonomy, a list of environmentally friendly activities. MSCI, the finance industry data provider, has developed a way of

checking on investment funds’ green credentials with its ESG Implied Temperature Rise tool. This is used by the funds industry, while some fund managers also have their own versions to keep track at the portfolio level. When analysed using MSCI’s tool, 16 of the 20 biggest Article 9 funds, as ranked by Morningstar, are not currently aligned with a goal agreed by governments in 2015 to limit global warming to 1.5 degrees Celsius. The MSCI tool assesses the funds’ portfolio emissions relative to the maximum amount of carbon that can be emitted globally and still hit the world’s climate target. Among them, for example, are BlackRock’s Sustainable Energy Fund, Nordea’s Global Climate and Environment Fund and Pictet’s Global Environmental Opportunities Fund. Pictet Asset Management’s head of ESG Eric Borremans and Nordea’s Pedersen said implied temperature rise estimates in general are methodologies in their infancy and should not be used on their own to assess the sustainability of a fund’s portfolio.

Inflation data on deck for markets hit by worries about Fed and banks

Reuters
New York

A critical inflation report next week will test a US stock market already consumed by worries over Federal Reserve hawkishness and potential fallout from the largest bank failure since the financial crisis.

Friday’s mixed US jobs report eased some worries about big rate hikes, days after Fed Chair Jerome Powell warned that policymakers may raise rates higher than expected if upcoming data showed the economy remains hot after nearly a year of tightening.

A hotter-than-expected consumer price report on Tuesday, however, could reignite fears of jumbo-sized Fed rate hikes like those that rocked markets last year.

That would be unwelcome to a market on tenterhooks following this week’s failure of SVB Financial Group, which does business as Silicon Valley Bank.

“There is uncertainty revolving around the inflation report and there is a lot of confusion caused by SVB’s failure and worry that it might be a bigger problem,” said Robert Pavlik, senior portfolio manager at Dakota Wealth. “The market is dealing with confusion and uncertainty in a very short time frame.”

The S&P 500 sank on Friday, bringing the weekly loss to 4.5%. After a big rebound in January, the benchmark index is now clinging to a 0.6% gain for 2023.

Investors are growing nervous that the Fed’s campaign to fight inflation by ending the era of cheap money has exposed cracks in the economy that could widen if it ratchets up its rate hikes.

Traders were on guard for signs of contagion in the financial sector and beyond in the wake of troubles for SVB and crypto-focused Silvergate, which this week disclosed plans to wind down operations and voluntarily liquidate.



Traders work on the floor at the New York Stock Exchange. A critical inflation report next week will test a US stock market already consumed by worries over Federal Reserve hawkishness and potential fallout from the largest bank failure since the financial crisis.

“The concerns emanating from the financial sector are rippling across the market in general,” said Michael James, managing director of equity trading at Wedbush Securities. “When you combine the debacle of Silvergate with the collapse of Silicon Valley Bank...that’s creating a ripple effect of concern for the overall market stability.”

On Friday, markets appeared to be dialling down their expectations for Fed hawkishness, pricing in a 40% chance that the central bank will raise rates by 50 basis points at their March 21-22 meeting, according to CME’s Fedwatch tool.

Those odds stood at around 70% as recently as Thursday, but abated on Friday after investors saw the employment data

and gained more clarity on the extent of SVB’s troubles.

Late on Friday, yields on two-year US Treasuries, which closely follow Fed policy expectations, were on track for their biggest two-day basis-point drop since September 2008.

“The Fed now has very clear evidence that they are having an impact on the financial system and the economy — rate hikes are starting to bite — and while that’s not enough to give them pause, it is something they will take into consideration,” wrote Mark Haefele, Chief Investment Officer at UBS Global Wealth Management in a Friday report.

Rate expectations could again change dramatically if the CPI report for Febru-

ary comes in above the year-over-year increase of 6% expected by analysts polled by Reuters.

The consumer price report is followed the next day by more inflation data, on producer prices.

While moderation of annual inflation from a peak of 9% last year to current levels was the “easy move”, going from 6% to 3% will be more difficult, said John Lynch, chief investment officer for Comerica Wealth Management.

Markets have been more volatile on average on CPI days over the past year, with the S&P 500 moving an average of 1.8% in either direction on those days against an average 1.2% daily move overall in that time frame.

‘SVB’s demise began with downgrade threat’

Reuters
London

In the middle of last week, Moody’s Investors Service Inc delivered alarming news to SVB Financial Group, the parent of Silicon Valley Bank: the ratings firm was preparing to downgrade the bank’s credit. That phone call, described by two people familiar with the situation, began the process toward Friday’s spectacular collapse of the startup-focused lender, the biggest bank failure since the 2008 financial crisis. Friday’s collapse sent jitters through global markets and walloped banking stocks. Investors worry that the Federal Reserve’s aggressive interest rate increases to fight inflation are exposing vulnerabilities in the financial system. Details of SVB’s failed response to the prospect of the downgrade, reported by Reuters for the first time, show how quickly confidence in financial institutions can erode. The failure also sent shockwaves through California’s startup economy, with many companies unsure how much of their deposits they can recover and worrying about how to make payroll. The Moody’s call came after the value of the bonds where SVB had parked its money fell due to the higher interest rates. Worried the downgrade could undermine the confidence of investors and clients in the bank’s financial health, SVB Chief Executive Greg Becker’s team called Goldman Sachs Group Inc bankers for advice and flew to New York for meetings with Moody’s and other ratings firms, the sources said. The sources asked not to be identified because they are bound by confidentiality agreements. SVB then worked on a plan over the weekend to boost the value of its holdings. It would sell more than \$20bn worth of low-yielding bonds and

reinvest the proceeds in assets that deliver higher returns. The transaction would generate a loss, but if SVB could fill that funding hole by selling shares, it would avoid a multi-notch downgrade, the sources said. The plan backfired. News of the share sale spooked clients, primarily technology startups, that rushed to withdraw their deposits, upending the capital raising. Regulators stepped in on Friday, shutting down the bank and putting it in receivership. SVB, Goldman Sachs and Moody’s representatives did not immediately respond to requests for comment. As SVB executives debated when to proceed with the fundraising, they heard from Moody’s that the downgrade was coming this week, the sources said. SVB sprang into action in the hopes of softening the blow. The bank lined up private equity firm General Atlantic, which agreed to buy \$500mn of the \$2.25bn stock sale, while another investor said it could not reach a deal on SVB’s timeline, the sources said. By Wednesday, SVB had sold the bond portfolio for a \$1.8bn loss. Moody’s downgraded the bank, but only by a notch because of SVB’s bond portfolio sale and plan to raise capital. Ideally, the stock sale would have been completed by before the market opened on Thursday, to avoid the sale being jeopardised by any declines in SVB’s shares once news of the sale got out. But the sources said that was not an option given the tight schedule. SVB had not done the preparatory work needed to sign confidentiality agreements with investors who would commit to a deal of such a size. Its lawyers advised the bank that investors would need at least 24 hours to digest new downbeat financial projections and complete the sale, the sources said.

Silicon Valley Bank sows global fear about rising cost of money

Reuters
London

For months, investors had shrugged off the threat of rising interest rates. That changed this week.

US tech specialists Silicon Valley Bank’s failed scramble for fresh capital, after losing \$1.8bn selling a package of bonds to meet depositor demands for cash, sparked a global rout in bank stocks — and a rethink.

In SVB’s case, venture capital clients, unable to raise cash elsewhere, pulled money from the bank, forcing its hasty sale of bonds at a loss.

While the SVB case may be exceptional, banks everywhere face similar risks.

It’s a wake-up call not just for investors, who have until now largely shrugged off the rapid rise in interest rates, but also for banks, which are vulnerable to a sharp selloff in government bonds.

“This is the first moment since rates

started to rise where systemic risk has really arisen,” said Florian Ielpo, head of macro at Lombard Odier Investment Managers.

“It’s just tremors of it so far but we need to be extra cautious.”

After more than a decade of economic life support by way of easy policy and the flooding of markets with trillions in cash that even spawned virtual crypto money, central banks are slamming into reverse.

Bonds and company shares suffered hefty losses last year as borrowing costs shot up, yet the resilience of major economies, as well as China’s post-pandemic reopening and an unexpected reverse in energy prices buoyed the general mood — until now.

Major developed economies alone have lifted rates by more than 3,000 basis points in this tightening cycle, the fastest pace since the 1980s in a bid to tame prices.

Bets on further hikes have ratcheted up in recent days as inflation remains stubbornly high, with Federal Reserve Chair Jerome Powell on Wednesday



Silicon Valley Bank, JP Morgan, Bank of America, Citibank and Wells Fargo logos are seen in an illustration. SVB’s failed scramble for fresh capital, after losing \$1.8bn selling a package of bonds to meet depositor demands for cash, sparked a global rout in bank stocks.

reaffirming his message of higher and potentially faster rate hikes.

Unease triggered by SVB left European banking stocks nursing their

biggest weekly losses since September and US bank shares have slumped more than 11% this week, their biggest weekly drop since June 2020.

Demand for US dollars in the currency derivative markets meanwhile surged on Friday, another sign of stress trickling through the system.

After triggering the great financial crash more than a decade ago through high-risk bets on housing loans, banks are now shooting back up the list of investor worries.

SVB’s loss on the sale of its \$21bn available-for-sale securities, consisting mostly of US Treasuries, has sparked concerns about the bond portfolios of US banks.

In February, US regulators said US banks had unrealised losses of more than \$620bn on securities, underscoring the scale of the risks.

Banks are not required to immediately recognise paper losses on a bond, allowing some of these risks to slumber on their books.

Jason Benowitz, senior portfolio manager at CI Roosevelt, said SVB’s risks were not unique with many banks sitting on such unrealised losses because rates have moved so rapidly.

“Those aspects of the SVB crisis are

common to the banking system more broadly,” he noted. Bonds lose value when yields rise in a high rate environment. Smaller banks are at greater risk, analysts said.

US benchmark 10-year yields surged by more than 200 basis points last year and almost 40 bps in February alone on renewed rate-hike bets.

“The SVB situation is a reminder that many institutions are sitting on large unrealised losses,” said AJ Bell investment research director Russ Mould.

Geoffrey Yu, senior EMEA market strategist at BNY Mellon, said investors could “take heart” from signs that the financial system has taken global rate hikes in its stride.

But he added “it’s a reminder that there is a repricing perhaps needed to reflect that higher rates do translate into loan losses and some banks will face stress”.

“It’s just a wake up call that there’s still a chance you will identify pockets of risk and that you will see loan losses and a rise in bankruptcies.”

WEEKLY ENERGY MARKET REVIEW


Oil prices climb after buoyant US employment data

www.abhafoundation.org

Oil

Oil prices climbed more than 1% on Friday after better-than-expected US employment data, though both benchmarks fell more than 3% on the week on US interest rate hike jitters. Brent rose \$1.19 to \$82.78 a barrel. US WTI crude was up 96 cents at \$76.68. Expectations of further rate hikes in the world's largest economy and in Europe have clouded the global growth outlook and driven both crude benchmarks down this week. However, the US Federal Reserve may have less reason to raise interest rates as sharply or as high as some had thought after a government report on Friday rekindled hopes of easing inflation amid signs the pandemic-disrupted labour market is normalising.

Fed Chair Jerome Powell has warned of higher and potentially faster rate hikes, saying the central bank was wrong in initially thinking inflation was "transitory". Its next monetary policy meeting is planned for March 21-22. Broader US employment data for February beat expectations with nonfarm payrolls rising by 311,000. This is likely to ensure that the Fed will raise interest rates for longer, which would weigh on oil prices. US oil rigs fell by 2 to 590 this week, their lowest since June, according to data from Baker Hughes.



A commuter train travels through London as snow falls. A cold snap in the UK and Europe has boosted LNG prices. Picture supplied by the Abdullah Bin Hamad Al-Attiah International Foundation for Energy and Sustainable Development.

Gas

Asian spot liquefied natural gas (LNG) last week hit its lowest level since July 2021 on muted demand, but such low levels have incentivised the return of some Chinese players to the market, which if sustained could fuel competition with Europe. The average LNG price for April delivery into northeast Asia was \$13.50 per million British thermal units (mmBtu), down \$1, or 6.9%, from the previous week, industry sources estimated. Prices have fallen nearly 52% year-to-date and around 81% from the August 2022 peak at \$70.50/mmBtu. Analysts said that many traders continue to eye potential Chinese demand for this summer with European underground gas storage looking set to enter the injection period very well stocked. In Europe, gas prices recouped some early-week losses due to a cold snap with snowy weather across the UK and other parts of the

continent, coupled with shutdown at French LNG import terminals since March 7 due to a strike action. In the US, front-month gas futures fell about 4% to a two-week low on Friday on forecasts for less cold weather and lower heating demand over the next two weeks than previously expected. Natural gas price fell 11 cents to settle at \$2.43 per mmBtu.

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

The closing price (\$/Barrel) as of Friday 10 Mar 2023 – April Futures

| Benchmark Oil Prices | | |
|----------------------|----------------------|----------------------|
| Brent ICE | WTI NYMEX | DME Oman |
| 82.60 | 76.68 | 82.12 |
| Weekly Change ▼ 3.8% | Weekly Change ▼ 3.8% | Weekly Change ▼ 2.9% |
| YTD Change ▼ 22.2% | YTD Change ▼ 24.7% | YTD Change ▼ 20.3% |

The closing price (\$/mmBtu) as of Friday 10 Mar 2023 – April Futures

| Benchmark Gas Prices | | |
|----------------------|-----------------------|-----------------------|
| NE Asia LNG | Europe TTF | US Henry Hub |
| 13.50 | 16.48 | 2.43 |
| Weekly Change ▼ 6.9% | Weekly Change ▲ 16.5% | Weekly Change ▼ 19.2% |
| YTD Change ▼ 55.0% | YTD Change ▼ 47.9% | YTD Change ▼ 63.9% |

Nominations for Qatar Chamber elections from March 13, says Sheikh Khalifa

Qatar Chamber has opened the nomination for election for its eight sectors in its seventh council, which will run from March 13 to April 2, Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani announced in a statement.

This will be in accordance with Law No (11) of the year 1990 regarding the Establishment of the Chamber, amended by Law No (11) of 1996 and Law No (23) of 2017, the Decision of the Minister of Business and Trade No (83) of 2010 regarding the percentage of representation of the economic sectors in the board of directors, the Decision of the Minister of Economy and Commerce No (96) of 2019 approving the internal bylaw and financial regulations of the Qatar Chamber, and the Decision of the Minister of Commerce and Industry No (18) of 2023 regarding the formation of the supervising committee on the chamber's elections.

The statement said there will be five members for the trading sector, four in contracting, three (industry), and one each for the services, agriculture, investment and banks, tourism, and insurance sectors.

Sheikh Khalifa extended his sincere appreciation and gratitude to His Highness the Amir Sheikh Tamim bin Hamad al-Thani for his continuous support and kind patronage for the private sector, which enabled it to perform its role and positively participate in the state's inclusive development under the Amir's wise leadership.

According to the statement, the candidate shall be a Qatari citizen, not less than 25 years, with good conduct, literate, and an owner of a company or a partner or a manager of a company or institution that is active in one of the above-mentioned economic sectors, and its commercial registration shall be registered since more



Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani.

than five years from the date of nomination. The candidate also shall also be a member of the chamber and should not work in a governmental body.

Documents needed for nomination include a copy of the candidate's Qatari ID, criminal record certificate, copy of the qualification (if any), copy of the CR or license of the company or establishment for which the candidate is being nominated, copy of the chamber's membership certificate, and a certificate demonstrates that the candidate is not a government employee.

Candidates who meet these requirements shall submit all the above-mentioned documents in a closed envelope to the chairperson of the Electoral Committee at the Secretariat of the Committee on the 11th floor at the headquarters of the Ministry of Commerce and Industry in Lusail, Tower No (A) during official working hours.

Ooredoo Qatar concludes participation at MWC 23

Ooredoo has wrapped up its successful participation in Mobile World Congress 2023 held in Barcelona, Spain.

At the Accenture Global CTOs Forum that was held during the Mobile World Congress, Ooredoo's networks received the highest of accolades from industry network benchmarker umlaut, part of Accenture, by ranking first in Qatar for both mobile and fixed network services.

Ooredoo Qatar's network was named Best Mobile Network and Best Fixed Network in Qatar by the Germany-based benchmarker, which rated more than 200 operators in 120 countries across the world.

umlaut tested and measured the performance of mobile and fixed broadband services in Qatar, focusing on the real user experience.

Ratings were based on crowd-sourced performance data collected and evaluated during the period from week 34 of 2022 to week five of 2023.

Ooredoo Qatar topped several categories in the mobile rating for Qatar, including Best Mobile Network (Overall Score), Best-Rated Broadband Coverage, Best-Rated User Download Speed, Best-Rated Latency, and Best in Voice.

Ooredoo also came out on top in four categories in the fixed network performance ratings in Qatar as Best Fixed Network (Overall Score), Best-Rated User Download Speed, Best-Rated User Upload Speed, and Best-Rated Latency.

Another highlight of the event



Ooredoo Qatar CEO Sheikh Ali bin Jabor al-Thani at MWC23 along with the Ooredoo delegation.

was Ooredoo being hosted at the Mobile World Live studios on a high-level panel, following the publication of the GSMA Intelligence report on the phenomenal telecommunications success of FIFA World Cup Qatar 2022.

Thani al-Malki, chief business officer at Ooredoo Qatar, revealed exciting details of the company's performance with a panel examining how the tournament tested the power and potential of 5G and set new benchmarks that will shape future 5G-enabled events.

Ooredoo was also named Huawei Best Carrier Partner of the Year for IdeaHub sales across the Middle East and Central Asia for 2022 – demonstrating the company's commitment to innovation and digital enablement.

The delegation of Ooredoo representatives attending the event met with a number of their industry counterparts and many world-leading partners for top-level dialogue on issues affecting the industry and its stakeholders, as well as exploring new partnerships and business opportunities.

Ooredoo Qatar CEO Sheikh Ali bin Jabor al-Thani said: "As a leading provider of ICT and pioneer of 5G, Ooredoo was prominently visible at Mobile World Congress.

The event provided the ideal platform via which we connected with our industry peers to stay abreast of current trends and innovations within our markets, and explore new fields and potential partnerships that aim to upgrade our customers' worlds and shape the way forward to

continue to deliver transformational digital experience to consumers and businesses."

A new partnership agreement was signed during the event with Samsung and Starlink to accelerate the growth of mobility and Internet adoption across Qatar by creating a one-stop shop for the entire Samsung range of consumer and business smart devices and solutions.

Sheikh Ali concluded: "Our continued participation in Mobile World Congress underscores our longstanding commitment to innovation and technology leadership within the telecommunications industry.

We extend our thanks to the organisers for yet another successful congress and look forward to more such valuable events in the future."

ICAI Doha Chapter holds seminar

The Institute of Chartered Accountants of India (ICAI) Doha Chapter has recently organised a seminar on 'ICAEW Pathways to Membership for ICAI Members'.

The event was attended by over 120 attendees, comprising chapter members, who are finance professionals from leading organisations, and students.

On the occasion of International Women's Day, the entire session was co-ordinated and controlled by women members of the chapter. Kamlesh Tibrewal congratulated the female members on the occasion of International Women's Day.

He also spoke about the recent cabinet approval of signing a Memorandum of Understanding between ICAI and the Institute of Chartered Accountant in England & Wales (ICAEW).

Hanadi Khalife, head of Middle East, ICAEW, spoke about how ICAEW membership provides global recognition and supports those looking to relocate and work across international markets and borders.

Dough Withington, Senior Glo-



Participants of the seminar on 'ICAEW Pathways to Membership for ICAI Members'.

bal Business Development manager, ICAEW, explained routes into ICAEW membership, pathways facts, member benefits, and communities, among others.

Samantha Starbuck, Regional Business Development manager Middle East, ICAEW, provided insights about as to how to access the ICAEW's respected technical resources and faculties to exchange knowledge, learn more, and keep up to date with updates and changes in the accounting profession.

CA Gowthami explained the

Women's Day 2023 campaign, which carried the theme #EmbraceEquity, saying that equity "isn't just a nice-to-have, it's a must-have." She also thanked all the speakers from ICAEW and expressed gratitude to the members for their active participation & sponsors for their invaluable support.

Members of the Institute of Chartered Accountants of India residing in Qatar seeking membership in the chapter may contact Vignesh Kalyanaraman (55576074) or Kamlesh Tibrewal (55928942).

Global activity surprises to upside despite economic slowdown, headwinds: QNB

Despite the expected slowdown for the global economy for this year, advanced economies have shown more resilience, while economic activity in China should register a major economic rebound, QNB said in an economic commentary.

"The year started with negative sentiment dominating the global macro-economic environment and outlook. On the monetary side, policy tightening from the US Federal Reserve and the European Central Bank is expected to continue until the middle of this year as inflation is still not fully abated," QNB said.

On the fiscal side, policy action is becoming less supportive in major advanced markets, and will consequently not be a key driver of economic activity. Furthermore, geo-political developments bring further uncertainty which also impact the economy, from intensifying competition and tensions between the US and China to the ongoing Russo-Ukrainian War.

Last but not least, China's Zero-Covid policy dragged economic activity domestically but also globally at the end of last year, due to renewed lockdowns amid multiple Covid-19 outbreaks.

Despite these strong headwinds, economic data releases have shown positive surprises

during the last few months. The latest Purchasing Managers Index (PMI) readings are providing support for this narrative.

The PMI is a survey-based indicator that provides an assessment of improvement or deterioration in economic activity. An index level of 50 serves as a threshold to separate contractionary (below 50) from expansionary (above 50) business conditions. The PMI composite indicators reflect joint conditions in manufacturing and services.

In this article, QNB said it is looking at the latest PMI data for each of the major economies: the Euro area, the US and China.

In the Euro area, the Global Composite PMI had persisted below the 50-point threshold for six consecutive months in the second half of last year, but finally came into expansionary territory in January, with a further increase in February. The economy has proven more resilient than expected despite the adverse conditions caused by the conflict in Eastern Europe and its economic consequences.

This included energy rationing, higher energy prices and lower disposable incomes. But negative factors were offset by fiscal support for firms and households hit by the energy crisis, the dynamism from reopening economies, a reversal of the spike in gas

prices, and a relatively mild winter. In the US, the economy at the end of 2022 was stronger than expected, with tight labour markets and an abundance of job opportunities, while consumers continued to spend from their large stock of savings.

Although the PMI composite registered seven consecutive months in contractionary territory, it surpassed the 50 point mark in February. This adds to the evidence that the US economy is still strong and more resilient to a sharp downturn than expected.

China is on its way to a significant economic recovery relative to last year. Economic activity had remained subdued given the lockdowns and restrictions after the resurgence of Covid-19, tighter regulation in several industries, and the withdrawal of stimulus policies.

As a result, the PMI Composite prints were in contractionary terrain during the last four months of 2022. Authorities responded with monetary and fiscal easing, and support for unfinished real estate projects to offset the effects of the contraction in real estate investment. "Together with the reopening of the economy, these measures pushed the PMI into expansionary territory and is expected to continue to pick-up in 2023," QNB added.