BEARISH MOOD | Page 4

Selling pressure from domestic funds, retail investors drags QSE

Friday, September 15, 2023
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GULF TIMES
BUSINESS

LONG-TERM PLANS: Page 2

Adnoc planning European trading boost in expansion push

Qatar Airways has triumphed in four categories at this year's *Business Traveller* Awards at the Royal Garden Hotel in London.

Qatar Airways wins four awards at *Business Traveller* Awards in London

Qatar Airways has triumphed in four categories at this year's *Business Traveller* Awards at the Royal Garden Hotel in London.

Qatar's national carrier continues to be recognised for its excellence on a global scale, being awarded 'Best long-haul airline', 'Best business class', 'Best Middle Eastern airline', and 'Best inflight food & beverage' by *Business Traveller*.

The airline's hub, Hamad International Airport in Doha has also been named 'Best airport in the Middle East', and the 'Second-best airport in the world'.

The prestigious *Business Traveller* Awards have honoured the best names in the travel and hospitality industries for more than 30 years, as voted for by Business Traveller readers. More than 200 industry leaders gathered in London this year to celebrate the nominees and winners.

Eric Odone, vice president (Sales-Europe) at Qatar Airways and Gary Kershaw, regional manager (UK and Ireland) at Qatar Airways, attended the award ceremony to accept the trophies on behalf of Qatar Airways and Hamad International Airport.

Qatar Airways Group Chief Executive, HE Akbar al-Baker said, "Our success at this year's *Business Traveller* Awards confirms Qatar Airways' stature as the world's leading airline and provides yet another demonstration of our ongoing commitment to being the best. Qatar Airways is dedicated to providing nothing short of an unparalleled passenger experience built on the tenets of excellence and luxury.

"We are particularly pleased that our flagship product, the Q-Suite, and our industry-leading business class service has been once again acknowledged as the best in the world. We continue to expand our network, engage in thrilling sports and cultural partnerships, and deliver to our passengers the highest quality of experience."

Chief Operating Officer at Hamad International Airport, Badr Mohamed al-Meer said, "We are honoured to receive the prestigious award for 'Best Airport in the Middle East' from *Business Traveller*. This recognition reaffirms our commitment to providing world-class services and underscores our unwavering dedication to offer our passengers an unforgettable travel experience.

"We take immense pride in our role as the ultimate gateway to Qatar and the Middle East – as we look forward to further enhancing our position as the favoured travel destination."

Qatar Airways currently flies to more than 160 destinations worldwide, connecting through Hamad International Airport.

HIA wins 'Best Airport in the Middle East' award 2023

Hamad International Airport has won the "Best Airport in the Middle East" award at the 2023 *Business Traveller* Awards, organised by the publishers of *Business Traveller* magazine.

The award ceremony took place at London's Royal Garden hotel on Wednesday. Doha's airport has also been recognised at the second-best airport in the world.

Commenting on the achievement, HIA chief operating officer Badr Mohamed al-Meer said, "We are honoured to receive the prestigious award for 'Best Airport in the Middle East' from *Business Traveller*. This recognition reaffirms our commitment to providing world-class services and underscores our unwavering dedication to offer our passengers an unforgettable travel experience. We take immense pride in our role as the ultimate gateway to Qatar and the Middle East – as we look forward to further enhancing our position as the favoured travel destination."

HIA has been consistently ranked among the best in the world due to its passenger-first approach, ensuring operational excellence through digitised services and passenger autonomy.

The airport utilises advanced airport systems and continues to optimise airport operations by integrating smart solutions and strengthening passenger trust and confidence.

The airport has been designed as a diverse lifestyle destination with exquisite fine dining options, art collections, luxurious shopping options, entertainment and relaxation facilities with over 180 world-class retail and dining options curated by the award-winning Qatar Duty Free, many of them being world firsts and exclusives.

HIA has been consistently ranked among the best in the world due to its passenger-first approach, ensuring operational excellence through digitised services and passenger autonomy

LuLu Financial Holdings opens 300th Customer Engagement Centre in Dubai

UAE based financial services conglomerate LuLu Financial Holdings has scripted a new chapter in its "illustrious" journey with the grand opening of its 300th Global Customer Engagement Centre in Dubai's Al Rigga yesterday.

UAE-based financial services conglomerate LuLu Financial Holdings (LFH) scripted a new chapter in its "illustrious" journey with the grand opening of its 300th Global Customer Engagement Centre in Dubai's Al Rigga yesterday.

The new engagement centre is the company's 96th in the UAE under the LuLu Exchange brand, and was inaugurated by Saad Cachalia, South African ambassador to the UAE.

The event was also attended by the guest of honour, Renato N Duenas Jr, Philippine Consul General in Dubai, as well as the company's managing director, Adeeb Ahamed and other senior management from the global and regional offices.

Congratulating LuLu Financial Holdings on achieving this milestone, Cachalia said, "I am delighted to be part of the celebrations of LuLu Financial Holdings' 300th Customer Engagement Centre, a global company hailing from the shores of UAE, which has in a short span of time emerged as one of the most trusted names in cross-border payments.

"The company's approach to growth, through meaningful partnerships and people-centric services, has been key to its expansion and enabling the cause of financial inclusion in low- and middle-income countries. I congratulate the team on today's remarkable achievement and wish them many more years of success."

Duenas Jr, said, "LuLu Financial holdings has achieved tremendous growth over the last 14 years, fostering a sense of community among the diaspora they serve, in UAE and other countries. I congratulate the team on reaching this grand milestone of 300 Customer Engagement Centres and convey my best wishes as they aspire to touch newer milestones."

Adeeb Ahamed said, "The inauguration of our 300th Customer Engagement Centre signifies our remarkable journey and unwavering dedication to transforming cross-border payments. This journey wouldn't have been possible without our valued customers, as well as various regulators and industry partners, who have spurred us to embed a culture of innovation into our fabric. Today's milestone is a significant step forward, and we look forward to continue innovating value and inspiring experiences for all our stakeholders."

Since its inception in 2009 with the opening of the first LuLu Exchange Customer Engagement Centre in Abu Dhabi, the company has evolved into a diversified player in the global payments industry.

With a strong emphasis on digital transformation and platform-based innovations, the company's various investments serve segments such as cross-border payments, foreign exchange, banknotes, and microfinance.

BUSINESS

Turkiye alters key lira savings programme in latest tightening

Bloomberg
Istanbul

Turkiye is making it costlier for banks to offer short-term deposits that make up the bulk of a $124bn government-backed lira savings programme, a tightening of policy that will soak up billions in liquidity and attempts to discourage people from shifting into dollars.

Lenders now need to set aside more money as reserves for accounts of up to six months, which protect lira deposits from depreciation against hard currencies, according to a new central bank regulation published in the Official Gazette at midnight.

In another change to the programme, known by its Turkish acronym KKM, the central bank is lowering the reserve requirement ratio for deposits maturing in over half a year. The new rules are in effect as of September 1.

Details of new KKM rules:

- The reserve requirement ratio for FX-protected deposits maturing in up to 6 months raised to 25% from 15%.
- The mandatory ratio for FX-linked accounts that mature in more than 6 months lowered to 5%.
- In July, the central bank set at 15% the reserve requirement ratio for FX-linked accounts of all maturities.

Istanbul-based economist Haluk Burumcekci estimates KKM deposits maturing in up to six months make up almost 80% of the total. The hike in reserve requirements will absorb about 200bn liras ($7.4bn) in liquidity, he said.

The emergency backstop used by Turkiye to stave off a currency crisis has emerged as a major drain on state finances and now accounts for slightly more than a quarter of all deposits. As part of a shift toward more conventional policies since President Recep Tayyip Erdogan was reelected in May, officials started to take steps last month that push banks to discourage clients from renewing their KKM deposits. But authorities run the risk of savers increasingly opting to move their money into dollar accounts, with the programme seeing weeks of outflows for the first time since early this year. Higher KKM reserve requirements will likely force banks to offer more generous deposit rates on regular lira deposits.

The impact of the earlier measures has meanwhile become more evident, with total KKM deposits declining for the third consecutive week. Net outflows amounted to 15.7bn liras in the seven days ending September 8, bringing total withdrawals during the period to 75.3bn liras.

Under the mechanism, lira depositors can hedge against currency losses by getting state-guaranteed compensation for any depreciation that exceeds the interest on the accounts. It was introduced in late 2021.

Opec: IEA estimate of peak fossil fuel demand by 2030 not 'fact-based'

Reuters
Dubai

The Organisation of the Petroleum Exporting Countries (Opec) said yesterday data-based forecasts do not support the International Energy Agency's (IEA) projection that demand for fossil fuels would peak in 2030.

IEA Executive Director Fatih Birol said in an op-ed in the *Financial Times* on Tuesday that new IEA estimates show "this age of seemingly relentless growth is set to come to an end this decade, bringing with it significant implications for the global energy sector and the fight against climate change."

Opec's top oil exporter Saudi Arabia, in its statement yesterday said what made the projections "so dangerous" is they are often accompanied by calls to stop new oil and gas investments.

"Such narratives only set the global energy system up to fail spectacularly," Opec Secretary-General Haitham al-Ghais said in the statement.

"It would lead to energy chaos on a potentially unprecedented scale, with dire consequences for economies and billions of people across the world." Opec said the projections do not factor ongoing technological progress by the oil and gas industry to cut emissions and that 80% of the world's energy mix comes from fossil fuels, the same as three decades ago.

"Based only on today's policy settings by governments worldwide — even without any new climate policies — demand for each of the three fossil fuels is set to hit a peak in the coming years. This is the first time that a peak in demand is visible for each fuel this decade — earlier than many people anticipated," Birol said in his op-ed.

Adnoc is 'planning to boost' European trading operations in expansion push

Bloomberg
Dubai

The UAE's biggest oil producer is pushing to build its fledgling trading operations into a multibillion-dollar business this decade by bolstering its presence in Europe and Africa, and expanding in other forms of energy.

In a bid to catch up with long-established rivals, Abu Dhabi National Oil Co (Adnoc) wants to take advantage of the hole left by Europe's pivot from Russian fuels, according to people with knowledge of the company's plans. It is pursuing term contracts for crude, refined fuels and liquefied natural gas and supplying those volumes to the region, they said, asking not to be named because the plans aren't public.

Over the next year, Adnoc is targeting two to three long-term contracts to purchase LNG and as many separate supply deals with customers, according to one of the people. Expanding in LNG will be a primary focus after it hired three traders from Litasco, a unit of Russia's Lukoil PJSC, last year.

The moves are part of Adnoc's wider push to secure assets around the world, including a $12bn pursuit of German chemical-maker Covestro AG and a $2bn offer with BP Plc for an Israeli gas producer. Since CEO Sultan al-Jaber took over in 2016, the company has shed its previous conservative approach for an ambitious global presence.

"We're executing a strategy where we would like to see an international expansion," Musabbeh al-Kaabi, who oversees global growth at Adnoc, said in an interview in Singapore on September 6. "Like integrated energy companies, we keep looking at opportunities to maximise value."

The ambition to step up trading in Europe and Africa marks a change in strategy for Adnoc, which has traditionally contracted out most of its oil and gas to Asia since it was founded over half a century ago. Set up in 2020, Adnoc Trading wants to emulate not just the billions of dollars of profits that independent merchant firms and integrated majors such as Shell Plc have made, but also the influence of the big traders.

Competition will be fierce. The incumbents have been operating for years and others from the Middle East have had a head-start. Saudi Aramco has expanded its trading unit and is moving ahead with plans to handle more fuels out of London. It also has refining ventures in Denmark and Poland that process its crude and provide products for sale. Kuwait has a refinery in Italy, and Oman, which started the region's first state trading business, has global offices and contracts.

The Adnoc logo is seen at an industry conference in Manama (file). In a bid to catch up with long-established rivals, Abu Dhabi National Oil Co wants to take advantage of the hole left by Europe's pivot from Russian fuels, according to people with knowledge of the company's plans.

"The heightened volatility of markets in recent years — a phenomenon likely to become the new norm — provides more opportunity to profit from trading than in previous years," said Vandana Hari, founder of Vanda Insights. "The challenge for these newcomers will be to grab market share from the more established players. It's a high risk, high reward business."

Adnoc last year considered buying all or part of trader Gunvor Group, which would've given it major heft in the industry and access to commodity merchant's supply contracts. But a deal didn't materialize and the UAE state company is now building out its trading business from within.

Adnoc Trading aims to open its first European office in Geneva by the end of 2024, followed by a Houston outpost the year after, according to one of the people involved. The company already has a Singapore office dealing largely in chemicals trading.

The company is already trading Nigerian crude on a term basis, helped by financing arrangements that pay for the barrels. Its traders have also been experimenting with different crude grades mostly for the UAE's biggest refinery at Ruwais on the Gulf.

While Adnoc produces enough of its own crude, it has bought oil from Nigeria, Yemen and Angola, and from places as far as Norway and Australia. At least one Russian cargo has arrived at Ruwais and there have been several shipments of Kazakh crude.

"If maximising value comes from trading, we will look at it," Adnoc's al-Kaabi said. "There's a lot of potential levers to create more value from investing in international investments."

PIF-backed oil and gas driller ADES expected to price IPO at top of range

Oil and gas driller ADES Holding is expected to price its initial public offering (IPO) at the top of a range announced this week, one of the banks on the deal said yesterday, reports Reuters.

The company backed by Saudi Arabia's PIF sovereign wealth fund is expected to price its shares at 13.50 riyals ($3.60), the bank said in a message to investors seen by Reuters.

ADES is set to raise as much as 4.57bn riyals ($1.22bn) from the sale of a 30% stake in the company through the public share sale. It began marketing the IPO on Sunday, seeking 12.50 riyals to 13.50 riyals a share.

Reuters reported in November that the planned IPO could fetch more than $1bn, citing sources close to the matter. ADES is the second company to seek a flotation on the Saudi Exchange since the summer. Saudi Arabian auto rental company Lumi priced at the top of the range for its IPO last week, giving it a valuation of 3.63bn riyals ($967.8mn).

Bloomberg QuickTake Q&A

What's at stake in Google's trial for monopolising search?

By Leah Nylen

In its biggest antitrust challenge yet, Alphabet Inc's Google is facing a pair of lawsuits by the US Justice Department and state attorneys general that could result in the breakup of the 25-year-old company. The monopolisation trial, bundling the two suits that began on September 12, will be the first pitting the federal government against a US technology company in more than two decades. The case focuses on agreements between the tech giant and other companies to make Google's search engine the preselected option, or default, in browsers and mobile devices. It's one of several antitrust actions against big tech companies being pursued by the administration of President Joe Biden, which has made promoting competition in commerce central to its economic policy.

1. Why are the Justice Department and states suing Google?

Their cases allege that Google, whose search engine controls nearly 90% of online queries, has paid billions of dollars to maintain a monopoly over the search market via agreements with tech rivals, smartphone manufacturers and wireless providers. In exchange for a cut of advertising revenues, those companies agreed to set Google as the default on browsers and mobile devices. The deals locked up key access points, the plaintiffs allege, preventing rival search engines such as DuckDuckGo or Microsoft Corp's Bing from gaining the volume of data they need to improve their products and challenge Google. The Justice Department and 14 attorneys general filed one suit, which was more than a decade in the making; another group of 35 states plus Washington DC and the territories of Guam and Puerto Rico sued separately. The trial, in US District Court in Washington DC, is expected to last about 10 weeks, with Judge Amit Mehta likely to issue a decision next year.

2. What has Google said in response to the lawsuits?

Google says the agreements are benign, likening them to deals that cereal companies make with grocery stores for prime shelf space. While the company acknowledges that it pays for its search engine to be pre-installed on mobile phones and browsers, it says it's

simple for customers to switch to other options if they want to. Google's representatives have repeatedly said that competition is just "one click away."

3. What are antitrust laws?

They are meant to protect competition in commerce. In the US, it's not illegal to be big and powerful; gaining a monopoly position from superior products or better management is considered a reward for success in the marketplace. However, it's illegal for a monopoly to take predatory steps to stop rivals that might threaten its dominance. Any attempts to illegally maintain a monopoly is fair game for antitrust enforcers and could result in penalties or a forced breakup.

4. What's at stake in the trial?

If government lawyers succeed in proving that Google's agreements violate antitrust laws, the case will move to a second stage aimed at remedying any harm caused by the company's conduct. The plaintiffs could seek to break up the company, for example by requiring it to sell off its Android operating system, which supports devices such as mobile phones, tablets, watches and smart-home appliances. Or they could ask the court to require Google to share the data its searches generate with rivals to help them improve their search engines.

5. What other antitrust cases does Google face?

- Led by Texas, 16 states plus Puerto Rico sued Google in 2020, saying it monopolises the technology underlying online advertising. No trial date has been scheduled.
- The Justice Department filed its own antitrust suit against Google over its advertising technology business in January 2023. That case is likely to head to trial in March 2024.
- Three dozen state attorneys general sued Google in July 2021, saying it illegally abused its power over the sale and distribution of apps through the Google Play store on mobile devices. Google tentatively settled that case on September 6. Related cases brought against Google by Epic Games Inc and Match Group Inc are set for trial in November.

6. What other antitrust cases is the Biden administration pursuing?

Biden's administration has accelerated an anti-monopoly crackdown that began under then-President Donald Trump. In the final months of the Trump administration, the Justice Department filed the first lawsuit against Google, and the Federal Trade Commission filed a suit against Facebook, accusing it of illegally maintaining a monopoly on personal social networking in part by acquiring rivals Instagram and WhatsApp; the FTC seeks the breakup of Facebook parent Meta Platforms Inc. Those actions, continued by Biden officials, are the biggest antitrust moves against tech giants since the US sued Microsoft in the 1990s, leading to an eventual settlement in which the company curtailed some business practices. In addition, under Biden, the Justice Department is investigating Apple Inc for antitrust violations and the FTC is probing Amazon.com Inc.

China cuts bank reserve ratio for 2nd time in 2023 to aid recovery

Reuters
Beijing

The PBoC headquarters in Beijing. The reserve requirement ratio cut is expected to free up over 500bn yuan ($68.71bn) for medium to long term liquidity, an official at the central bank was cited by state media Xinhua as saying

China's central bank said yesterday it would cut the amount of cash that banks must hold as reserves for the second time this year to boost liquidity and support the country's economic recovery.

The People's Bank of China (PBoC) said it would cut the reserve requirement ratio (RRR) for all banks, except those that have implemented a 5% reserve ratio, by 25 basis points from Sept. 15.

The reduction follows a 25-bps cut for all banks in March and comes as the world's second-biggest economy is struggling to sustain a post-pandemic recovery.

China's economy is facing sluggish demand, and "the RRR cut can better guide financial institutions to increase support for the real economy and boost the confidence of market players," said Wen Bin, chief economist at Minsheng Bank.

The move is expected to free up over 500bn yuan ($68.71bn) for medium to long term liquidity, an official at the central bank was cited by state media Xinhua as saying.

The central bank said the weighted average reserve requirement ratio (RRR) for financial institutions stood at around 7.4% after the cut. China's offshore yuan weakened after the decision, lifting the dollar to 7.2921 against the yuan, up 0.3% on the day.

To support the economy, the government has rolled out a series of policy measures in recent months, including steps to spur housing demand.

In the statement, the central bank also promised to make its policy "precise and forceful" to support the economy and keep yuan exchange rate basically stable.

Xu Tianchen, senior economist at the Economist Intelligence Unit, said the government was keen to support the economy given the risk to its 5% GDP growth target for this year.

The statistics bureau will release key economic figures for August including retail sales, industrial output and property investment today.

Dan Wang, chief economist at Hang Seng Bank China, cautioned to watch for a cut in Medium-term Lending Facility (MLF) today off the back of the RRR cut.

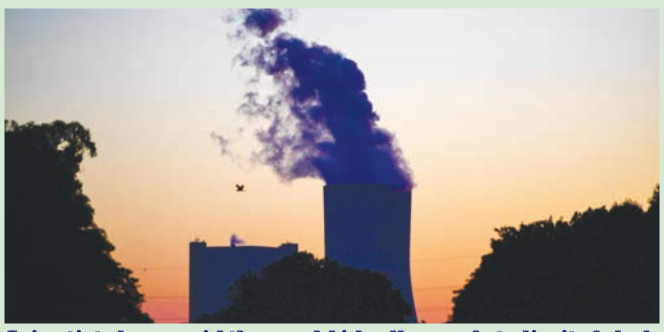
"That would be more significant than the RRR cut and suggest central bank is up to something," said Wang.

QSE MARKET WATCH

Company Name	Lt Price	% Chg	Volume
ZAD HOLDING CO	13.80	0.00	-
WIDAM FOOD CO	2.26	-0.88	1,178,592
VODAFONE QATAR	1.81	-1.09	7,581,767
UNITED DEVELOPMENT CO	1.11	-1.42	5,347,297
SALAM INTERNATIONAL INVESTME	0.69	-0.58	4,538,878
QATAR & OMAN INVESTMENT CO	0.86	1.90	1,968,420
QATAR NAVIGATION	10.00	0.17	3,731,457
QATAR NATIONAL CEMENT CO	3.60	-1.10	346,054
QATAR NATIONAL BANK	15.35	0.33	7,324,482
QLM LIFE & MEDICAL INSURANCE	2.77	-0.18	42,756
QATAR ISLAMIC INSURANCE GROU	8.85	-1.61	2,000
QATAR INDUSTRIAL MANUFACTUR	2.91	-2.64	92,482
QATAR INTERNATIONAL ISLAMIC	10.00	0.90	947,457
QATARI INVESTORS GROUP	1.72	-0.46	1,800,497
QATAR ISLAMIC BANK	18.80	-0.69	2,363,755
QATAR GAS TRANSPORT(NAKILAT)	3.87	2.14	8,536,418
QATAR GENERAL INSURANCE & RE	1.15	0.00	1,000
QATAR GERMAN CO FOR MEDICAL	2.15	-2.28	6,875,007
QATAR FUEL QSC	16.23	-0.92	946,216
LESHA BANK LLC	1.42	-1.60	1,339,836
QATAR ELECTRICITY & WATER CO	17.56	-1.90	682,392
QATAR EXCHANGE INDEX ETF	10.00	-0.29	33,196
QATAR CINEMA & FILM DISTRIB	3.18	0.00	-
AL RAYAN QATAR ETF	2.24	-0.36	5,300
QATAR INSURANCE CO	2.34	2.41	1,461,912
QATAR ALUMINUM MANUFACTURING	1.34	-1.40	17,241,698
OOREDOO QPSC	10.50	-0.94	2,348,071
ALIJARAH HOLDING COMPANY QPS	0.79	-1.25	5,433,948
MAZAYA REAL ESTATE DEVELOPME	0.75	0.00	7,735,005
MESAIEED PETROCHEMICAL HOLDI	1.83	-0.38	7,955,016
MEKDAM HOLDING GROUP	5.13	-0.41	218,108
AL MEERA CONSUMER GOODS CO	13.82	-1.99	142,810
MEDICARE GROUP	5.70	-4.04	8,753,911
MANNAI CORPORATION QSC	4.87	-2.21	494,453
MASRAF AL RAYAN	2.23	0.23	25,258,659
INDUSTRIES QATAR	13.71	-1.72	5,729,358
INMA HOLDING COMPANY	4.60	-1.50	153,902
ESTITHMAR HOLDING QPSC	2.19	1.15	5,540,930
GULF WAREHOUSING COMPANY	3.24	-1.16	1,411,846
GULF INTERNATIONAL SERVICES	2.94	-0.03	38,248,817
AL FALEH EDUCATION HOLDING	0.94	0.00	-
EZDAN HOLDING GROUP	1.02	-0.29	3,084,324
DOHA INSURANCE CO	2.10	-5.19	32,600
DOHA BANK QPSC	1.62	-2.42	21,552,385
DLALA HOLDING	1.59	-1.06	359,499
COMMERCIAL BANK PSQC	5.69	-0.70	4,083,540
BARWA REAL ESTATE CO	2.63	-0.72	4,309,667
BALADNA	1.31	-1.06	8,956,431
DAMAAN ISLAMIC INSURANCE CO	3.60	-4.89	5,100
AL KHALEEJ TAKAFUL GROUP	3.34	0.18	2,672,992
AAMAL CO	0.84	-0.82	335,522
AL AHLI BANK	3.70	-1.31	381,105

World needs $2.7tn annually for net zero emissions by 2050, says Wood Mackenzie

Reuters
London



Scientists have said the world ideally needs to limit global average temperature rise to 1.5C this century to avoid catastrophic effects from climate change

Global investment of $2.7tn a year is needed to achieve net zero emissions by 2050 and avoid temperatures from rising above 1.5 degrees Celsius this century, a report by consultancy Wood Mackenzie said yesterday.

Scientists have said the world ideally needs to limit global average temperature rise to 1.5C this century to avoid catastrophic effects from climate change. Many governments have pledged to reduce emissions to net zero by mid-century to help achieve this.

However, most countries are not on track to even meet emissions targets by 2030, let alone 2050, the report said.

Net zero refers to cutting emissions to as close to zero as possible with any remaining emissions re-absorbed from the atmosphere, by oceans and forests, for example.

Governments' existing emission cut pledges would fail to stop global temperatures from rising over 1.5C, and would likely put the world on track to warm by 2.5C by 2050, according to the UN.

Wood Mackenzie said to decarbonise the energy sector investment of $1.9tn a year is needed, and this must increase by 150% — or $2.7tn a year — to limit global warming to 1.5C.

Three-quarters of that investment is needed in the power and infrastructure sectors. "Achieving 1.5C is going to be extremely challenging, but it is possible and greatly depends on actions taken this decade," said Simon Flowers, chairman and chief analyst at Wood Mackenzie.

Renewables such as wind and solar power need to become the world's main source of power supply to support the electrification of transport and production of green hydrogen, the report said.

"Oil and gas still have a role to play as part of a managed transition. There will be a natural depletion as low and zero carbon options develop but supply still needs to be replenished as we move towards net zero," said Prakash Sharma, vice president at Wood Mackenzie, and lead author of the report.

Pakistan central bank leaves key rate unchanged in surprise move

Reuters
Karachi

Pakistan's central bank kept its key interest rate unchanged at 22% yesterday, surprising analysts who had been expecting it to try to tame inflation and support the rupee with an increase of at least 150 basis points.

The bank, which was announcing the outcome of a policy review, said inflation was likely to increase "significantly" in September, but it expected it to then slow in October and maintain a downward trajectory from then.

The bank noted that the 27.4% annual CPI inflation recorded in August had slowed less than expected from the 28.3% recorded the previous month due to a surge in global oil prices.

Battling rising inflation and dwindling foreign exchange reserves, the crisis-ridden country is trying to navigate a path to economic recovery under a caretaker government in the wake of a critical $3bn IMF loan programme, approved in July.

Reforms under the programme have complicated the task of keeping price pressures in check and protecting an already weak rupee from further declines.

The State Bank of Pakistan's (SBP) monetary policy committee also kept the key interest rate unchanged when it last met in July, having earlier raised it by 12.25 percentage points to 22% in a series of hikes since April 2022.

Fahad Rauf, Head of Research at Ismail Iqbal Securities, a Karachi-based brokerage firm, said the decision to leave rates unchanged was warranted as there were no signs of an overheating economy, and that a rate hike in a cost push inflationary environment would have little benefit.

Cut-off yields in a recent treasury bill auction — the highest yield at which a bid is accepted — indicated that market participants had already priced in a rate hike.

"Yields should follow central bank, not lead the State Bank of Pakistan. The cut off yield decision is taken by the Finance Ministry, whereas the policy rate decision is taken by the central bank," said Shahbaz Ashraf, Chief Investment Officer at FRIM Ventures, a Karachi based investment company.

However, some analysts said the central bank was being optimistic with its inflation expectations.

"We believe there is a high risk that inflation may remain higher than the SBP estimate due to rising global oil prices and adjustment in energy prices in Pakistan," said Mohammed Sohail, CEO of Topline Securities, a Karachi-based brokerage firm.

Pakistan's currency has slid to all-time lows, falling 6.2% in the last month alone, though it has recovered some ground in recent days after a crackdown on illegal foreign exchange transactions.

During an analyst briefing, central bank governor Jameel Ahmed said the decision to keep rates unchanged had taken that crackdown into account.

Dukhan Bank to replace Vodafone in QSE benchmark index from October

By Santhosh V Perumal
Business Reporter

All listed companies are ranked by giving free float market capitalisation with a 50% weight and average daily value traded also 50% weight. Companies with velocity less than 5% are excluded from the review, as are entities whereby a single shareholder can only own less than 1% of outstanding shares

Dukhan Bank will replace Vodafone Qatar in the Qatar Stock Exchange's (QSE) main barometer QE Index, effective October 1.
The other constituents of the main barometer will remain QNB, Industries Qatar, Qatar Islamic Bank, Commercial Bank, Masraf Al Rayan, Woqod, QIIB, Nakilat, Ooredoo, Qatar Electricity and Water, Milaha, Mesaieed Petrochemical Holding, Barwa, Qamco, Doha Bank, Gulf International Services, Baladna, Estithmar Holding and Ezdan.
Dukhan Bank and Lesha Bank will join the QE Al Rayan Islamic Index, while Gulf Warehousing will be removed from the Islamic index.
The other constituents of the Al Rayan Islamic Index are Industries Qatar, Qatar Islamic Bank, Masraf Al Rayan, Woqod, QIIB, Ooredoo, Milaha, Mesaieed Petrochemical Holding, Qatar Electricity and Water, Barwa, Qamco, Vodafone Qatar, United Development Company, Baladna, Estithmar Holding, Al Meera, Medicare Group and Qatar National Cement.
Dukhan Bank will join the QE All Share Index and QE Banks and Financial Services Index, while Mekdam Holding will join QE All Share Index and QE Consumer Goods and Services Index, and Beema will join QE All Share Index and QE Insurance Index.
However, Qatar Cinema and Film Distribution will be removed from QE All Share Index and QE Consumer Goods and Services Index. Under the new index practices, a review is carried out twice a year to ensure that the selection and weighting of the constituents continues to reflect the purpose of the index.
All listed companies are ranked by giving free float market capitalisation with a 50% weight and average daily value traded also 50% weight. Companies with velocity less than 5% are excluded from the review, as are entities whereby a single shareholder can only own less than 1% of outstanding shares.
Any qualifying component exceeding 15% weight in the index as of market close March 28, 2023 will have its weight capped at the 15% level and excess weight allocated to remaining stocks proportionately.
The index free-float for a stock is total outstanding shares minus shares directly owned by government and its affiliates, those held by founders and board members and shareholdings above 10% or greater of the total outstanding (except those held by those held by pension funds in the country).
The bourse has seven sectors – banks and financial services (with 13 constituents), insurance (seven), industrials (10), real estate (four), telecom (two), transportation (three) and consumer goods and services (12) in the 'All Share Index'.

Ammonia and urea top GCC agri-nutrient market; account for 75% of region's total market share: GPCA

By Pratap John
Business Editor

Ammonia and urea dominate the GCC agri-nutrient market, accounting for 75% of the region's total market share, the Gulf Petrochemicals and Chemicals Association (GPCA) said in a report.
In 2021, GCC agri-nutrient production amounted to 34.3mn tonnes, constituting 17.2% of total global production, GPCA noted.
Agri-nutrients (fertilisers) represent a substantial part of the GCC chemical industry, and play a crucial role in the GCC's road to sustainability and food security, according to GPCA.
However, with an increased push towards sustainability and carbon neutrality, Carbon Capture, Utilisation and Storage (CCUS) is in the spotlight as a potential solution to significantly reduce emissions in various industries, including agri-nutrients.
Amidst a global effort to achieve carbon neutrality by mid-21st century, CCUS is gaining global attention

Agri-nutrients (fertilisers) represent a substantial part of the GCC chemical industry, and play a crucial role in the GCC's road to sustainability and food security, according to GPCA

as the basis technology for reducing GHG emissions and decarbonising industrial processes.
In its most simplified terms, in CCUS, the CO2 emitted during operations is captured and either re-utilised for other CO2 requiring processes, or stored.
In an agri-nutrient specific example, the carbon captured from ammonia production could be re-used in subsequent urea production.
According to the International Energy Agency (IEA) (2021), the cost of CCUS-equipped agri-nutrient production is approximately 20%-40% higher than that of its unabated alternatives.
However, because costs differ per region, a GCC specific analysis is required to assist regional producers and decision-makers.
A GPCA research paper has presented a cost-comparative analysis of current and future carbon capture in the GCC to determine whether agri-nutrient producers would economically benefit from incorporating CCUS mechanisms into production, or whether buying CO2 from existing capture sites is more cost-effective.
Agri-nutrient production is not a heavily emitting industry, it said. In fact, globally, agri-nutrient production only accounts for less than 2% of total emissions, according to leading research institution.

Sell pressure from domestic funds, retail investors drags QSE 50 points

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange yesterday lost as much as 50 points on the back of selling pressure, especially in the industrials, consumer goods, telecom and real estate sectors.
The domestic institutions were increasingly net sellers as the 20-sock Qatar Index shed 0.48% to 10,319.28 points.
The local retail investors were seen bearish in the main market, whose year-to-date losses widened to 3.39%.
About 78% of the traded constituents were in the red in the main bourse, whose capitalisation melted QR3.21bn or 0.53% to QR605.29bn with mid and large cap segments losing the most.
The Gulf individuals were increasingly net profit takers in the main market, which recovered from an intraday low of 10,288 points.
The foreign institutions' weakened net buying had its influence in the main bourse, which saw a total of 0.04mn exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.34mn changed hands across 18 deals.
The Arab funds were seen bearish in the main market, which saw no trading of sovereign bonds.
The Islamic index was seen declining faster than the other indices in the main market, which saw no trading of treasury bills.
The Total Return Index fell 0.48%, the All Share Index by 0.40% and the Al Rayan Islamic Index (Price) by 0.77% in the main bourse, whose trade turnover and volumes were on the rise.
The industrials sector tanked 1.38%, consumer goods and services (1.07%), telecom (0.98%), and real estate (0.86%); while transport and insurance gained 1.18% and 0.85% respectively.
Major shakers in the main market included Doha Insurance, Beema, Medicare Group, Qatar Industrial Manufacturing, Dukhan, Doha Bank, Doha Bank, Ahlibank Qatar, Lesha Bank, Inma Holding, Mannai Corporation, Al Meera, Industries Qatar, Qamco, United Development Company, Vodafone Qatar and Gulf Warehousing.
Nevertheless, Qatar Insurance, Nakilat, Qatar Oman Investment, Estithmar Holding and QIIB were among the gainers in the main bourse. In the venture market, Mahhar Holding saw its shares appreciate in value.
The domestic institutions' net selling increased perceptibly to QR15.6mn compared to QR13.37mn on September 13.
The local individuals turned net sellers to the tune of QR11.23mn against net buyers of QR18.11mn the previous day.
The Gulf retail investors' net profit booking grew markedly to QR3.08mn compared to QR0.06mn on Wednesday.
The Arab institutions were net sellers to the extent of QR0.16mn against net no major net exposure on September 13.
The foreign institutions' net buying weakened significantly to QR3.77mn compared to QR15.14mn the previous day.
However, the Arab retail investors turned net buyers to the tune of QR10.87mn against net sellers of QR9.98mn on Wednesday.
The Gulf funds were net buyers to the extent of QR8.75mn compared with net profit takers of QR10.81mn on September 13.
The foreign individual investors' net buying strengthened noticeably to QR6.68mn against QR0.98mn the previous day.
Trade volumes in the main market soared 72% to 305.86mn shares and value more than doubled to QR1.11bn on 37% growth in deals to 25,973.
The venture market saw 6% jump in trade volumes to 1.02mn equities and 25% in value to QR2.2mn but on 23% shrinkage in transactions to 113.

Aamal Services acquires MMS from Al-Faisal Holding for QR22mn

Aamal Services, a subsidiary of Aamal Company, has acquired Maintenance and Management Solutions (MMS) from Al-Faisal Holding for QR21.8mn.
"Aamal Services has acquired 100% of MMS for QR21.8mn, the value given to it by an independent assessor," the parent company said in its regulatory filing with the Qatar Stock Exchange.
The acquisition would be entirely financed from within the company rather than through any bank loans, it added.
MMS is one of the leading facility management (FM) entities offering expertise in facility management, property management and energy services.
MMS provides preventive and corrective maintenance services, management of hard and soft FM, indoor services and value-added engineering.

The domestic institutions were increasingly net sellers as the 20-sock Qatar Index shed 0.48% to 10,319.28 points yesterday.

ECB raises rate to record high and signals end of hikes

Reuters
Frankfurt

The European Central Bank raised its key interest rate to a record peak yesterday and signalled this will likely be its final move in a more-than year-long fight against stubbornly high inflation.
The central bank for the 20 countries that share the euro also raised its forecasts for inflation, which it now expects to come down more slowly towards its 2% target over the next two years, while cutting its expectations for economic growth.
That illustrated the dilemma the ECB faced at the meeting, with prices still rising at more than twice its target rate but economic activity struggling under high borrowing costs and a downturn in China.
Against this backdrop, the ECB sent a clear message it was probably done raising rates. "Based on its current assessment, the Governing Council considers that the key ECB interest rates have reached levels that, maintained for a sufficiently long duration, will make a substantial contribution to the timely return of inflation to the target," the ECB said, This was expected to happen more slowly than at the time of the ECB's previous projections in June, with inflation now seen at 5.6% in 2023, 3.2% in 2024 and 2.1% in 2025.
The upgrade to the 2024 estimate — which had been reported by Reuters earlier — was likely to have played a significant role in discussions as policymakers weighed the risk inflation, currently still above 5%, would get stuck at a high level.
Thursday's 25-basis-point increase pushes the rate the ECB pays on bank deposits to 4.0%, the highest level since the euro currency was launched in 1999.
Just 14 months ago, that rate was languishing at a record low of minus 0.5%, meaning banks had to pay to park their cash securely at the central bank.
In the run-up to the meeting, money markets had expected the deposit rate to peak at 4.0% before being cut in the second half of next year. In contrast, markets have fully priced in unchanged rates at next week's meeting of the US Federal Reserve, which started raising earlier and has moved higher than the ECB.