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Vodafone Qatar, Microsoft host event for businesses

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BUSINESS

UNABATED THIRST : Page 2

Global oil demand outpaces expectations, testing calculus on peak crude views

Qatar's nominal GDP is forecast at $233.1bn this year and $246.1bn in 2025

By Pratap John
Business Editor

Qatar's nominal GDP has been estimated to reach $233.1bn this year and $246.1bn in 2025, according to an Emirates NBD forecast.

The country's real GDP growth has been estimated at 1.7% this year and 2.2% in 2025, according to the regional banking group.

Emirates NBD forecasts Qatar's current account (as a percentage of country's GDP) at 18.8% this year and 19.2% in 2025.

The budget balance (as a percentage of country's GDP) has been estimated at 4.2% this year and 4.7% in 2025.

In its regional outlook for 2024 issued in January, Emirates NBD had noted global growth is expected to slow slightly to 2.9% from 3.0% in 2023 as tight monetary policy continues to weigh on demand and investment, particularly in the first half of the year.

This scenario is consistent with softer demand for oil, particularly in the advanced economies, and oil GDP growth in the GCC region will remain a drag on headline GDP growth in 2024. Emirates NBD expects oil prices to average $82.5/b this year, similar to 2023.

However, it thinks non-oil growth will remain relatively robust, averaging 3.6% across the GCC in 2024, underpinned by continued investment as oil exporting countries push ahead with ambitious economic diversification programmes. While government expenditure growth will likely be more modest in 2024 than over the last couple of years, it does not expect governments to cut spending or tighten fiscal policy through higher taxes (other than those already announced such as the UAE's corporate income tax, which came into effect in mid-2023).

In addition, economic and social reforms are likely to support continued private sector investment, and growth in the expatriate population, particularly in Saudi Arabia and the UAE.

Rate cuts from the US Federal Reserve, expected in H2, 2024, should also boost demand for credit and support investment and consumption.

The budget surpluses enjoyed in 2022 narrowed sharply last year on oil production cuts and lower oil prices, while spending increased. With little rebound in oil revenues expected in 2024, governments will need to rein in spending growth to prevent budget balances shrinking further, the report said.

"We expect Saudi Arabia to run a deficit of -4.3% of GDP this year, up from -1.9% in 2023, as ambitious development plans will require continued investment spending. Bahrain and Kuwait are also likely to run small deficits this year, but Oman, the UAE and Qatar are expected to record surpluses.

"Overall, sovereign balance sheets in the GCC are much stronger than a few years ago, with lower public debt and healthy FX reserves, which should allow governments to tap capital markets at attractive rates, if needed," Emirates NBD noted.

Qatar's real GDP growth has been estimated at 1.7% this year and 2.2% in 2025, says Emirates NBD

BUSINESS

Ooredoo empowers SMB owners at exclusive event

Ooredoo has recently hosted an exclusive event tailored for small and medium-sized businesses (SMBs), featuring Ooredoo executives as keynote speakers, who shared invaluable knowledge and experience across several essential business domains. The presentations addressed the myriad challenges and opportunities present within each domain, providing SMB owners and decision-makers with practical tips and strategies designed to foster business growth and success.

During the event, businesses had the opportunity to watch live demonstrations of key Ooredoo Business services and solutions and interact with Ooredoo experts in six booths. Each booth was focusing on a specific domain crucial for SMBs, including setting up an efficient shop, optimising staff mobile communication, finding the perfect office communication solution, or enhancing office workflows.

This event underscores Ooredoo's commitment to supporting the growth and development of SMBs in Qatar by providing them with the tools, knowledge, and solutions necessary to navigate the complexities of the modern business landscape.

Thani Ali al-Malki, chief business officer at Ooredoo, stated: "We believe that the success of small and medium-sized businesses is crucial for the economy. Through events like these, we aim to equip SMB owners with the insights and tools they need to thrive in an increasingly competitive environment. By closely engaging with SMB owners, we're not just sharing knowledge – we're crafting a collaborative ecosystem where every business, regardless of size, can truly thrive."

In a world increasingly driven by digital technology, Ooredoo Qatar goes beyond mere connectivity to offer a suite of digital solutions designed to elevate business operations. At the event, attendees had the opportunity to receive personalised advice and witness firsthand how Ooredoo's services can streamline operations, enhance security, and foster growth.

This hands-on approach provided tangible insights into the real-world benefits of integrating advanced digital tools into their business models, further underscoring Ooredoo's role as a driver of the country's digital transformation journey in line with the Qatar National Vision 2030.

SMB owners watched live demonstrations of key Ooredoo Business services and solutions and interacted with Ooredoo experts in six booths during the event

Global oil demand outpaces expectations, testing calculus on peak crude

Bloomberg
Houston

The world is using more oil than ever and demand is outpacing expectations again this year, raising questions about how soon global consumption will peak.

The unabated thirst for crude contributed to an increasingly confident tone from executives at this year's CERAWeek by S&P Global conference, the industry's annual get together in Houston, America's energy capital. Despite the rise of electric vehicles and renewable energy, many attendees who spoke in interviews or on stage at the event this week said they expect consumption to rise for many years to come, dealing a blow to meeting goals to decarbonize the global economy.

"We should abandon the fantasy of phasing out oil and gas," said Amin Nasser, the chief executive officer of Saudi Aramco, the world's largest producer. Instead we should "invest in them adequately, reflecting realistic demand assumptions, as long as essential," he said in a speech applauded enthusiastically by attendees.

Saudi Aramco President and CEO Amin Nasser speaks during the CERAWeek oil summit in Houston, Texas on March 18. The unabated thirst for crude contributed to an increasingly confident tone from executives at this year's CERAWeek by S&P Global conference, the industry's annual get together in Houston, America's energy capital.

Russell Hardy, the CEO of Vitol SA, the biggest global oil trader, told the conference his firm was pushing back the estimated peak in oil consumption to the early 2030s because of downgraded expectations on the adoption of electric vehicles.

The International Energy Agency, guardian of the industrialized world's energy security, forecasts oil demand will rise 1.3mn barrels a day in 2024. While that's less than last year's jump of 2.2mn barrels, when China's emergence from Covid restrictions juiced consumption, it's still healthy by historical standards.

The agency, which has had to raise its forecasts several times, now expects daily demand to average a record 103.2mn barrels this year. It points to the strength of the US economy and the extra distance sailed by ships avoiding the Suez Canal as drivers of demand.

But many in the industry think the IEA, which expects global demand to peak before the end of the decade, is too conservative both in the short- and medium-term.

Oil trader Gunvor Group expects an increase of 1.4mn barrels a day this year. Trafigura, another global merchant, says the consensus expectation is about 1.5mn barrels, but argues there are considerable upside risks to that forecast.

"The US economy, in particular, has surprised to the upside," Saad Rahim, Trafigura's chief economist, said in an interview. "Oil demand is performing better than expectations."

The strength of consumption has helped to drive a rally in oil prices — benchmark Brent crude oil futures have risen 11% this year, at one point trading at more than $87 a barrel.

There are areas where demand is especially robust — the rerouting of ships away from the Red sea alone has added 100,000 barrels a day to global demand, according to Vitol. Jet fuel and plastics are also strong drivers.

India is also set to be a major contributor of additional usage. Its government expects the economy will expand 7% in the fiscal year beginning April, making it one of the fastest-growing major economies. The world's third-biggest oil importer behind China and the US, India is set to be the single largest source of global demand growth between now and 2030, according to the IEA.

"Oil demand has stayed very strong, both in the US and in other countries, both developed countries and emerging markets," said Helen Currie, chief economist at US oil producer ConocoPhillips. "We're looking for another record high in world demand this year across the board."

Until the link between economic growth and rising demand for gasoline, diesel and other oil products can be broken, a peak in crude consumption is likely to remain elusive.

The rise of EVs at the expense of internal combustion engines will be the biggest drag on oil demand in coming years, especially in China. But research from BloombergNEF forecasts EV sales growth will slow in coming years, while the total stock of gasoline- and diesel-powered vehicles continues to rise.

"We see demand increasing throughout this energy transition," Sheikh Nawaf al-Sabah, CEO of Kuwait Petroleum Corp, said this week, explaining why the Middle East nation plans to expand oil production capacity.

Saudia set to move out of Riyadh to make room for new airline

Bloomberg
Riyadh

Saudi Arabia's flag carrier will gradually move out of Riyadh's airport to make room for the kingdom's newest airline, allowing it to focus on its primary hub in Jeddah.

Saudia, which currently operates from both cities, will hand over slots to brand-new Riyadh Air that is due to begin operations in 2025, General Authority of Civil Aviation's Vice-President of Strategy Mohamed Alkhuraisi said.

"You don't want two big carriers to operate out of the same hub," said Alkhuraisi in an interview. Riyadh Air will take over slots from Saudia in a "synchronised manner" to ensure capacity and connectivity to the Saudi capital is not impacted, he said.

Saudia will instead expand operations in Madinah, one of the most sacred cities in Islam and a main religious tourism site, where the airport is set to undergo an expansion that will double capacity to 17mn passengers, Alkhuraisi said.

Saudia is being repositioned to focus on religious pilgrims, while Riyadh Air will be targeted at tourists, and will compete with larger Gulf carriers for transfer traffic.

About 112mn passengers travelled through the kingdom's airports, marking record air traffic for Saudi Arabia in 2023. That was up 26% from a year earlier and exceeded arrivals during the same period in 2019, before the pandemic grounded airlines across the world, GACA said.

Bloomberg News reported this month that the ownership of Jeddah-based Saudia could be transferred to the Public Investment Fund as soon as next year. PIF already owns Riyadh Air.

Saudia, which currently operates from Riyadh and Jeddah, will hand over slots to brand-new Riyadh Air that is due to begin operations in 2025

Borse Dubai is selling $1.6bn of its Nasdaq stake

Bloomberg
Dubai

Nasdaq Inc's biggest shareholder, Borse Dubai, is selling roughly one third of its stake — or 27mn shares — in the exchange operator at $59 each, which would raise as much as $1.6bn.

Borse Dubai would still own more than 10% of Nasdaq's stock and plans to agree to an 18-month lockup of the shares, according to a statement. Underwriters will also have a 30-day option to buy as many as 4mn additional Nasdaq shares. The offering is expected to close on March 22, Nasdaq said in a separate statement on the pricing.

Provided Borse Dubai continues to own at least 10% of Nasdaq's outstanding stock, the company can designate a nominee to Nasdaq's board. The offering will would make Borse Dubai Nasdaq's second-largest shareholder.

"The offering is being conducted to enhance the capital structure and liquidity within the Borse Dubai Group," said Chief Executive Officer Essa Kazim. "We continue to be a long-term shareholder in Nasdaq and are invested in the success of the company."

Borse Dubai took a stake in Nasdaq as part of a 2008 deal where Nasdaq acquired Sweden's OMX AB. Borse Dubai was previously the largest shareholder in London Stock Exchange Group Plc before selling its stake in 2015. Borse Dubai and Nasdaq signed an agreement in 2017 to boost the technological infrastructure of Dubai's stock exchanges and improve trade practices.

Tencent to boost Mideast cloud investments amid regional AI push

Bloomberg
Riyadh

Tencent Holdings Ltd is looking to expand its cloud business in Saudi Arabia and the United Arab Emirates, in a bet that a focus on developing industries including artificial intelligence in the Middle East will require huge new investments in data storage.

Tencent's investments in the region are "still in this nascent stage," but are set to pick up quickly, the firm's Senior Executive Vice-President Dowson Tong said in an interview in Riyadh.

"We are going to announce more throughout the year," he said, declining to give further details. "We see a lot of potential in this market so will be increasing our investment."

Cloud businesses including Amazon Web Services and Alibaba have been making significant inroads in Saudi Arabia over the past few years as the country looks to become a hub for Internet traffic. Alibaba and Saudi Telecom Co partnered to launch Alibaba Cloud last year with $238mn capital to invest in building cloud computing infrastructure. Meantime, Amazon announced plans to invest $5bn to build cloud storage earlier this year.

Tencent — one of many Chinese firms increasing their presence in Saudi Arabia — will initially focus on offering cloud storage to entertainment and gaming companies, Tong said.

The company, China's largest Internet firm, will look at building out storage both for external customers and for its own growing operations in the country. It recently launched an Arabic version of *Honor of Kings*, one of its most popular mobile games with more than 100mn daily active users.

Part of Tencent's offering in the Middle East will be computing power for artificial intelligence applications, an area that both the UAE and Saudi Arabia are investing in heavily, including developing Arabic large language models.

Abu Dhabi is also setting up a technology investment firm called MGX targeting deals in AI and semiconductors that could surpass $100bn in assets under management in a few years.

Saudi Arabia's Public Investment Fund is in talks with venture capital giant Andreessen Horowitz to invest up to $40bn in AI.

"AI is the buzzword here," Tong said, adding that the company was investing "very aggressively" in the field. Some of its customers in the region are already using its data centres to train AI models, he added.

Tencent, alongside regional peers, has been exploring the potential of generative AI. The firm's in-house large language model, Hunyuan, is now integrated with a suite of products including search and online marketing.

The Tencent Games logo is seen on its game on a mobile phone in this illustration picture taken on March 19. The company, China's largest Internet firm, recently launched an Arabic version of *Honor of Kings*, one of its most popular mobile games with more than 100mn daily active users.

Chinese minister woos global executives amid trade tensions

Bloomberg
Hong Kong

China's commerce minister has met with top global executives from technology, finance and pharmaceutical industries ahead of a high-profile business forum in Beijing, in an attempt to boost slowing foreign investment amid geopolitical tensions.

Wang Wentao's meetings over two days included those with Apple Inc's Tim Cook, and Kwak Noh-jung, chief executive officer of South Korean chipmaker SK Hynix. He also met the CEOs of Qualcomm Inc, the world's biggest seller of smartphone processors, and Micron Technology Inc, the largest US maker of computer memory chips.

Foreign businesses' direct investment into China last year increased by the lowest amount since the early 1990s, underscoring Beijing's challenges to spur its economy. It also has to contend with a steadily accelerating outflow of manufacturing as Apple and other American brands begin to position new capacity in countries from India to Southeast Asia to mitigate risks from US-China tensions.

Wang is taking the opportunity ahead of the China Development Forum, which starts on Sunday, to meet with the leaders of key companies. The annual event, begun in 2000, has been one of the few venues where foreign business chiefs could interact with China's state leaders. Premier Li Qiang will deliver a keynote speech this year.

China is trying to counter US restrictions on its access to technology. Wang discussed cooperation on semiconductors with SK Hynix's Kwak and said he hopes the company will continue to expand investment in China. Kwak said SK Hynix will keep pushing for greater development in China, which is one of its most important production bases and markets, according to the Chinese Commerce Ministry.

SK Hynix is the world's No 2 memory chip maker after Samsung Electronics Co, which is also from South Korea. US-China tensions, which include American restrictions on access to certain key products, mean the companies need to strike a delicate balance between the two countries to maintain production and sales.

Micron CEO Sanjay Mehrotra told Wang the company plans to expand investment in China, according to a government statement. The commerce minister told Qualcomm's Cristiano Amon that China welcomes hi-tech companies to deepen investment in China.

Amon said he looks forward to China and US leaders creating stable expectations and a good business environment for companies. Geopolitical tensions have also soured foreign businesses on China, with JPMorgan Chase & Co's Jamie Dimon saying earlier this year that "the risk-reward has changed dramatically" in the country.

Trade tensions also heated up in recent months as Europe launched an investigation into Chinese electric vehicle imports over state subsidies, and moved closer to imposing additional tariffs. China subsequently launched its own anti-dumping investigation, a move seen as a retaliation against France, which supported the electric-vehicle probe.

Wang held a roundtable with executives from overseas drugmakers including Pfizer Inc and Merck & Co from the US, GSK Plc from the UK and Takeda Pharmaceutical Co from Japan on Saturday.

In a meeting with Jean Lemierre, chairman of French lender BNP Paribas SA, Wang said China is willing to resolve trade disputes with Europe and urged the bank to play a positive role in the dialogue. Lemierre said the bank is willing to facilitate such conversations.

French President Emmanuel Macron plans to host Chinese counterpart Xi Jinping in Paris in the spring. The European Union is considering a formal review of how widely its businesses use mature or lower-end chips from China, joining the US in flagging a potential risk to national security and global supply chains.

The US recently took more steps to ring-fence and curtail its rival's artificial-intelligence and semiconductor ambitions. Wang told Apple's Cook when they met Friday that China is willing to work with the US to create a fair, stable and predictable business environment for American and Chinese companies.

Apple's Cook said his company would invest further in applied research in China. "We are continuing to invest in China, in the supply chain, in R&D and in our stores," he said in a video clip of the meeting.

CEO Tim Cook during the opening of the new Apple Jingan store in Shanghai on March 21. China's commerce minister has met with top global executives from technology, finance and pharmaceutical industries ahead of a high-profile business forum in Beijing, in an attempt to boost slowing foreign investment amid geopolitical tensions.

Airbus wins most of Japan JAL's order for 42 new planes

Reuters
Tokyo/Seoul

Japan Airlines will buy 42 planes from Airbus and Boeing, it said, in a breakthrough for European planemaker Airbus, which will provide single-aisle jets to the long-time Boeing customer for the first time.

South Korea's largest carrier, Korean Air also said it would order 33 Airbus A350s in a deal valued at $13.7bn that is its first purchase of that aircraft family, as it prepares for a merger with Asiana Airlines.

The landmark purchases make the two Asian airlines the latest to wade into a tightening market for long-haul aircraft after a prolonged downturn in demand for the industry's big jets.

Higher-efficiency jets are in high demand as international travel nears a full recovery from the COVID-19 pandemic and supply chain problems, leading to competition for planes and engine and maintenance contracts.

"The airline will continue to prioritise fleet modernisation and reduction of carbon emissions," Korean Air said in a statement, adding that new aircraft and sustainability efforts would help attain its goals.

In its statement, Japan's second-largest airline said it plans to buy 21 Airbus A350-900 and 10 Boeing 787 Dreamliner wide-body jets, as well as 11 A321neo narrow-body jets.

An extra A350-900 will also be bought to replace one destroyed in a runway collision at Haneda airport in January, JAL said.

Delivery is expected between financial years 2025 and 2033 and the order has a total catalogue price of about $12.39bn.

JAL said it was ordering the more efficient, new-generation planes for its full-service and low-cost carrier operations now because of the global shortage of new planes, which is expected to persist for some time.

In 2013, Airbus made its first sale to JAL, which had traditionally been a customer of US planemaker Boeing, with A350 planes.

Airbus says the A350s use 25% less fuel than similar older generation planes.

JAL added that a robust recovery in passenger demand helped lift its group net profit forecast to ¥90bn ($596mn) for the current year ending in March, up from ¥80bn.

The latest estimate topped a forecast for average profit of ¥85.4bn from 10 analysts, IBES data showed.

Bloomberg QuickTake

Why US, EU regulators have iPhone, Android in their sights

By Samuel Stolton, Jillian Deutsch and Leah Nylen

For years, the app store economy was largely able to resist government oversight. But that's been changing in a hurry. The US Justice Department and 16 attorneys general have sued Apple Inc, accusing the iPhone maker of violating antitrust laws by blocking rivals from accessing hardware and software features on its popular devices.

In Europe, Apple and Alphabet Inc's Google are set to face full-blown European Union investigations into their compliance with a new law reining in the power of Big Tech, paving the way for potentially hefty fines. That's in addition to new scrutiny and tougher EU standards on content moderation requirements for social media platforms and digital marketplaces, including Meta Platforms Inc's Facebook, Alphabet's YouTube and Amazon.com Inc.

It's all part of the most ambitious crackdown yet on the world's largest technology companies. The EU regulations have already changed the way consumers use their iPhones and other devices. And a successful DoJ suit could break Apple's tight control over its software and services in its home country and largest market.

In Europe, Apple and Google are set to face full-blown European Union investigations into their compliance with a new law reining in the power of Big Tech, paving the way for potentially hefty fines

The DoJ case against Apple

The suit, filed March 21 in federal court in New Jersey, marks the culmination of a five-year probe into the world's second-most-valuable technology company.

The DoJ and the attorneys general allege that Apple has imposed software and hardware limitations on its iPhones and iPads that make it harder for rivals to compete and for consumers to switch phones. The complaint highlights five examples of technologies in which it says Apple suppresses competition: super apps, cloud streaming game apps, messaging apps, smartwatches and digital wallets.

Apple has taken steps to address some of these issues. It recently added support for cloud-based gaming services and said it would add RCS cross-platform messaging later this year. The company said the lawsuit was "wrong on the facts and the law," warned that it would "set a dangerous precedent, empowering government to take a heavy hand in designing people's technology" and vowed to "vigorously defend against it." The group of attorneys general who joined in the federal suit includes those of California, New Jersey and Washington, DC.

The background to the case

The Biden administration has made competition a cornerstone of its economic policy, with Silicon Valley becoming a key focus.

The Trump administration's Justice Department opened its antitrust probe of Apple in 2019. A 2020 House investigation into four tech giants found that Apple operates as a monopoly in software distribution on the iPhone, generating massive profits from commissions of as much as 30% that it charges developers.

In 2020, Epic Games Inc, the maker of the popular online video game Fortnite, sued Apple over its App Store. A federal judge found the App Store policies didn't violate federal antitrust law but did breach California state law.

As a result of that case, Apple said in January that it would allow US developers to use alternative payment systems, but charge a lower fee of 27% for most digital purchases or 12% on subscriptions. Epic is contesting those changes, saying they are inadequate.

Microsoft Corp, Meta and X Corp, the company formerly known as Twitter, have also criticised Apple's proposed changes, saying the iPhone maker has imposed onerous limitations on links to alternate payment systems.

The latest case marks the third time the Justice Department has sued Apple for antitrust violations in the past 14 years. In 2010, the company agreed to settle allegations that it illegally agreed not to poach employees from Google, Adobe Inc or Walt Disney Co's Pixar.

Two years later, the Justice Department sued Apple and book publishers for illegally fixing the price of e-books sold on the iPad. After the Justice Department won at trial, Apple was forced to accept a monitor and adopt policies and training to improve its compliance with antitrust law.

The DoJ goals

The Justice Department could seek a variety of punishments for Apple if the lawsuit is successful, such as monetary fines or restrictions on contracts with third-party vendors or app makers. It could even sever the company's control over products and services. But it's still too early to tell what specific punishments the department may seek.

The EU's two approaches

The EU, meanwhile, has put in place two separate laws: the Digital Markets Act and the Digital Services Act, both better known by their initials, DMA and DSA.

The EU's DMA regulation took hold on March 7, hitting big tech firms with a broad list of dos and don'ts based on decades of antitrust enforcement in the digital economy. The aim is to stop abusive conduct before its takes hold and allows the digital giants firms to dominate, and potentially abuse, markets.

The DSA became legally enforceable on August 25, laying out content rules for social media platforms, online marketplaces and app stores. It forces their owners to clamp down on misinformation and objectionable content such as hate speech, terrorist propaganda and ads for unsafe toys.

The Digital Markets Act

Under the DMA, six tech giants — Alphabet, Amazon, Apple, TikTok owner ByteDance Ltd, Meta and Microsoft — now face a range of new prohibitions and obligations. For example, it's illegal for their platforms to favour their own services over those of rivals. They're be barred from combining personal data across their different services, and prohibited from using data they collect from third-party merchants to compete against them.

Platforms that violate the DMA's long list of rules risk fines of as much as 10% of their worldwide annual sales. This could rise to 20% in the event of repeat infringements and the commission could even demand a company be broken up in the case of systemic violations. After the March 7 deadline for compliance, the commission can open proceedings against companies for non-compliance, prescribe specific compliance solutions and impose fines. And the list of firms caught up in the rules could get longer in the future, too.

In mid-March, Elon Musk's X and Booking Holdings Inc.'s accommodation platform both informed the Brussels-based watchdog that they might meet the DMA's criteria.

The Digital Services Act

Under this legislation, national governments get more power to force the big tech companies to take down material that is illegal. It also obliges them to submit risk assessments to the EU's executive branch, the European Commission, that detail how they are mitigating the impact of harmful content. If it's found they're not doing enough, they may be told to alter the algorithms that decide what posts users see.

If they transgress, it could lead to fines running to 6% of their annual revenue. Additional powers to combat misinformation could be triggered during a crisis, such as a war or a pandemic.

Ads aimed at children — a significant source of revenue for the companies that own Facebook and Google — have been banned.

Since the new rules took hold, EU regulators have launched two investigations into potential non-compliance, targeting TikTok and Elon Musk's social media platform, X. The EU has also launched a probe into AliExpress, to examine compliance with the DSA.

The tech firms' response

The DoJ suit is still in its early stages, but Apple has vowed to "vigorously defend against it." In Europe, companies have been working to get in compliance with the new laws. Google announced on March 5 it would link more in search to comparison sites in areas like flights, hotels and shopping in addition to providing more choice screens on Android devices. Meta previously pledged to allow Facebook and Instagram services to be unlinked, and Microsoft has said that some programs normally bundled with Windows will in future be able to be uninstalled.

To comply with the DSA, Google said it's disclosing more information about content moderation operations for services like Google Search. Meta said it's ending targeting of ads for teenagers based on their app activity on Facebook and Instagram. Bytedance announced it would allow users to report illegal content and choose a feed that has not been personalised.

BUSINESS

Fed walks fine line on reserves as it weighs slowing asset runoff

Bloomberg
Washington

As the Federal Reserve contemplates slowing the runoff of its balance sheet fairly soon, Wall Street is honing in on what level of bank reserves is appropriate to guarantee liquidity and avert past blowups in financial markets.

The Fed has been winding down its holdings of Treasuries and mortgage-backed securities — a process known as quantitative tightening, or QT — at a rate of $95bn per month. Chair Jerome Powell said Wednesday the Fed's considering slowing the pace to "help ensure a smooth transition, reducing the possibility of money markets experiencing stress."

Bank reserves, cash that institutions park at the Fed to meet unexpected demands, stand at $3.5tn. That's a level policymakers characterise as abundant, and they're aiming for ample, Powell said in the post-meeting press conference, describing it as "a little bit less" than abundant.

Therein lies the problem: Identifying where that ample level actually lies and avoiding an unexpected funding scarcity, according to Barclays Plc strategist Joseph Abate, who puts that empirical level somewhere between $1.4tn — the point of scarcity in 2019 — and $3.5tn.

If the Fed lets reserves shrink too much it risks triggering ructions in overnight funding markets as was seen in September 2019. However, too many reserves consume bank capital and inhibit lending, and ensure the Fed bank maintains a large footprint in the Treasury cash and repo markets.

"Determining the level of ample reserves involves a bit of risk balancing," Abate wrote in a note to clients on Thursday. "It needs to balance the risk of accidentally discovering the minimum comfortable level of bank reserves against the risk of maintaining an overly large balance sheet by stopping QT too soon."

During the last QT cycle that began in 2018, the central bank was letting as much as $30bn in Treasuries and as much as $20bn in agency-backed mortgage debt run off before it decided to start slowing that pace the following year. But by the time the Fed did so, market pressures were already evident.

The combination of increased government borrowing and a corporate tax payment created a shortage of reserves in September 2019, driving a five-fold surge in a key lending rate and a spike in the federal funds rate above the target range. The Fed was forced to intervene and buy Treasury bills to increase the amount of reserves.

This may be why some officials like Dallas Fed President Lorie Logan have been in favour of slowing the asset runoff fairly soon as Powell indicated on Wednesday, because it would allow the central bank to continue shrinking the balance sheet while cautiously nearing the optimal level of reserves without tipping into scarcity.

This approach could actually extend the amount of time the Fed can roll off its balance sheet. While Barclays sees risks of QT running into the first quarter of 2025, its base case is the unwind ending at the end of 2024.

For Abate, the chances of such a disruptive spike are lower this time around now that the Fed has a "wider safety net" that includes the discount window and the Standing Repo Facility, where banks can lend Treasuries and government agency debt in exchange for cash, he said.

On the flip side, halting QT too soon and keeping bank reserves close to abundant levels pose risks to the financial system: The Fed's elevated engagement in the Treasury and repo markets limits its flexibility in responding to crises, while parking excess bank funds in reserves curb lending that helps drive economic growth.

Broadening US market rally gets boost from dovish Fed

Reuters
New York

A reassuring economic outlook and dovish signals from the Federal Reserve are encouraging investors to look beyond the massive growth and technology stocks that have fuelled the US stock market's gains over the past year.

Though rallies in stocks such as Nvidia and Meta Platforms have been the market's main individual drivers in 2024, the financials, industrials and energy sectors are also outperforming the S&P 500's 9.7% year-to-date gain. That has eased worries that the market was becoming increasingly tied to the fortunes of a small group of stocks.

A belief that the economy will remain resilient while inflation fades has prompted investors to look for winners outside of the megacaps. That view received a boost from the Fed earlier this week, when the central bank expressed confidence it would be able to tamp down inflation and cut interest rates this year, even as it raised its forecast for how much the US economy will grow.

"There is more confidence that the Fed is going to be able to… get inflation approaching their longer-term targets without a recession," said Scott Chronert, head of US equity strategy at Citi, which is overweight the technology, financial and industrial sectors. "You are going to take a little bit more comfort that you can own a bank or an industrial if you think the Fed is going to lower rates at some point here." Investors in the coming week will be watching Friday's personal consumption expenditures price index that will offer the latest read on inflation. The end of the first quarter also could prompt volatility as fund managers adjust their portfolios.

The broadening rally contrasts with last year, when uncertainty over the economic outlook prompted investors to seek shelter in the so-called Magnificent Seven group of megacap stocks, drawn by their dominant industry positions and strong balance sheets. Only the sectors that housed megacaps — tech, communication services and consumer discretionary — outperformed the S&P 500's 24% gain last year.

An external view of the New York Stock Exchange. A reassuring economic outlook and dovish signals from the Fed are encouraging investors to look beyond the massive growth and technology stocks that have fuelled the US stock market's gains over the past year.

This year, the financial and industrial sectors are up 10.1% and 9.9%, respectively, while energy has gained 10.3%.

More broadly, the Magnificent Seven — Apple, Nvidia, Alphabet, Tesla, Microsoft, Meta Platforms and Amazon.com — have been responsible for 40% of the S&P 500's gain as of Thursday, according to S&P Dow Jones Indices. That compares with a share of over 60% last year.

The wider rally "means that leadership isn't so concentrated and susceptible to a correction," said Robert Pavlik, senior portfolio manager at Dakota Wealth.

After the Magnificent Seven all posted huge gains in 2023, performance among them has diverged more this year, giving investors another reason to look at the rest of the market.

Enthusiasm over artificial intelligence has helped fuel a 90% gain in shares of Nvidia so far this year, while Microsoft has gained 14.5%. On the other side of the ledger, Apple and Tesla are down about 11% and 32%, respectively, for the year.

The latest blow for Apple came this week when the Department of Justice alleged the iPhone maker monopolised the smartphone market, highlighting the regulatory risks that could make investors wary of Big Tech.

In another sign of broadening, more S&P 500 stocks are outperforming the benchmark, 180 so far this year as of Thursday versus 150 last year.

Some corners of the market, such as small caps, still look subdued. The Russell 2000, which is focused on smaller companies, is up just 2.2% year-to-date.

Some investors believe the group could get a boost from the Fed's outlook, which kept in place a previous forecast of three 25 basis-point interest rate cuts, despite the central bank's upgraded growth projections.

"As the Fed starts to lower interest rates, that creates liquidity and makes financing easier," said Jack Ablin, chief investment officer at Cresset Capital. "Who's most advantaged? Not the megacap stocks that have unfettered access to capital no matter what rates are, but really the smaller, lesser-known names."

The broadening trend could take a hit if the economy begins floundering or runs too hot, upsetting the so-called Goldilocks narrative that has supported markets in recent months.

Goldman Sachs sees Germany's investment allure coming back

Bloomberg
Frankfurt

Germany's economy may still be in the doldrums, but investors are starting to change their tune.

According to Dan Dees, Goldman Sachs Group Inc's co-head of global banking and markets, the conditions for deals have started to improve, German industrial companies are exploring options to expand — albeit in the US — and the startup scene is about as vibrant as anywhere else.

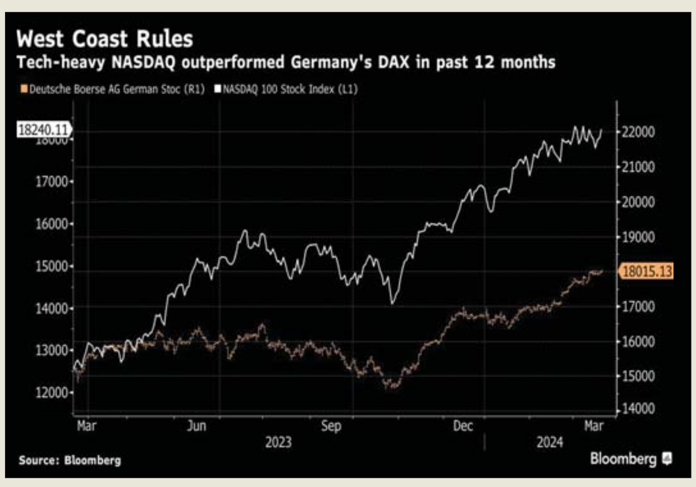
"The mood among executives at German industrial companies is constructive, but definitely more sober compared to the optimism of peers in the US and specifically the West Coast," Dees told Bloomberg News in a recent interview.

Dees, 53, just returned from a visit to Goldman Sachs's office in Frankfurt and its newly opened branch in Munich, where he said a growing number of tech startups — from artificial intelligence to health technology and gaming — promise to spur deal flow and massive investments in infrastructure.

"Every sovereign country wants to build and own AI capability, which will need chips, data centres and related infrastructure," Dees said.

Germany has been struggling to revive its economy after the energy crisis, softening global demand and long-simmering structural challenges like an outdated bureaucracy and ageing workforce came to the fore. The list of problems has raised questions about the country's ability to remain competitive and attract investment.

Now, amid signs that the European Central Bank may cut interest rates in the coming months, German investor confidence is back up, rising this month to the highest in more than two years. Lowering borrowing costs would be a key catalyst for companies to scale up and boost tech spending on process automation and AI — areas that Dees says German executives are keen to support.



With improving sentiment and interest rates, deals activity is finally starting to pick up after a difficult year. Global deal values are up 24% this year to $651bn, according to data compiled by Bloomberg. Deals involving companies from Europe, Middle East and Africa are up 44%.

Dees cautioned, however, that it's too early to tell whether deal making will continue to improve at this pace. It "doesn't take heroic assumptions to see that deals are picking up after a 10-year low because of stabilising interest rates, economic stability and the combination of dry powder and having assets to sell on the side of the sponsor community."

Analysts say Germany is in the midst of a recession after contracting in the final three months of last year and, they predict, the first quarter of 2024.

The country's recent poor economic performance — lagging all other G-7 industrial countries — has revived the moniker 'Sick man of Europe,' which was used to describe Germany's anaemic growth around the turn of the century before structural reforms were pushed through.

Dees, though, rejected the label, saying the general sentiment among German executives, asset managers and startup founders "was better than what I had expected."

During his trip to Europe, Dees also met tech industry leaders in London this month and was encouraged by the progress in a sector that's dominated by US giants like Microsoft Corp and Apple Inc.

"Over the last decade we have seen significant growth in the European tech sector, with the number of unicorns in Europe growing to a record 260," he said.

Dees expects alternative asset managers like infrastructure funds to contribute to the build-up of the related technology needed for AI and other innovation on a large scale in coming years.

His comments echoed those of Raj Agrawal, global head of infrastructure at KKR & Co, who said in a Bloomberg Television interview this week that investments in Europe's technology infrastructure poised to surge.

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Weekly Market Report

QNB FINANCIAL SERVICES

The Qatar Stock Exchange (QSE) Index edged down by 44.83 points or 0.4% during the week to close at 10,211.22. Market capitalisation moved lower 0.2% to QR589.0bn from QR590.2bn at the end of the previous trading week. Of the 52 traded companies, 23 ended the week lower, 25 ended higher and 4 stood unchanged. Doha Bank (DHBK) was the worst performing stock for the week, declining 6.4%. Whereas, MEEZA QSTP (MEZA) was the best performing stock for the week, gaining 12.7%.

Qatar Fuel Company (QFLS), Qatar Islamic Bank (QIBK) and Masraf Al Rayan (MARK) were the main contributors to the weekly index slide. QFLS and QIBK removed 15.82 and 13.26 points from the index, respectively. Further, MARK subtracted another 12.25 points.

Traded value during the week fell 29.1% to QR1,985.9mn from QR2,801.6mn in the prior trading week. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR171.8mn.

Traded volume dropped 22.9% to 687.5mn shares compared with 891.9mn shares in the prior trading week. The number of transactions decreased 12.0% to 67,127 vs 76,283 in the prior week. Qatar Aluminum Manufacturing (QAMC) was the top volume traded stock during the week with total traded volume of 56.3mn shares.

Foreign institutions remained bullish, ending the week with net buying of QR29.4mn vs. net buying of QR162.5mn in the prior week. Qatari institutions remained bearish with net selling of QR77.1mn vs. net selling of QR27.0mn in the week before. Foreign retail investors ended the week with net buying of QR10.2mn vs net selling of QR15.6mn in the prior week. Qatari retail investors recorded net buying of QR37.4mn vs. net selling of QR119.9mn the week before. YTD (as of Thursday's closing), global foreign institutions were net buyers by $158.8mn, while GCC institutions were net sellers of Qatari stocks by $154.1mn.

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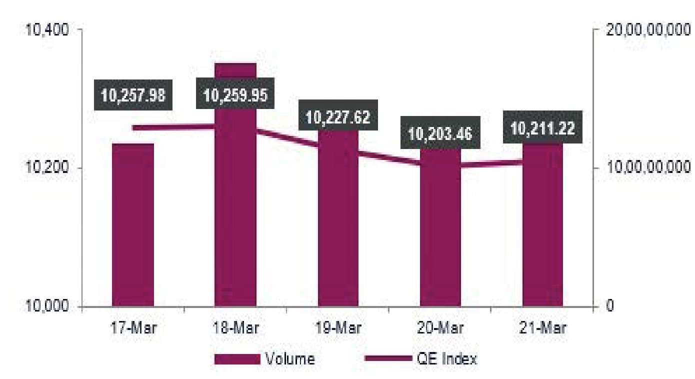
Market Indices	Close	WTD%	MTD%	YTD%
Total Return	22,761.95	(0.2)	(0.5)	(2.1)
ALL Share Index	3,536.56	(0.1)	(0.4)	(2.6)
Banks and Financial Services	4,278.35	(0.6)	(2.4)	(6.6)
Industrials	4,111.74	1.2	1.3	(0.1)
Transportation	5,130.53	0.3	3.9	19.7
Real Estate	1,562.99	0.3	1.9	4.1
Insurance	2,466.66	(0.4)	3.4	(6.3)
Telecoms	1,684.35	(0.8)	(0.2)	(1.2)
Consumer Goods & Services	7,315.46	(1.0)	0.1	(3.4)
Al Rayan Islamic Index	4,746.86	(0.1)	0.1	(0.4)

Source: Qatar Exchange (QE)

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	22,811.66	0.6	(0.3)	(1.9)
ALL Share Index	3,541.23	0.5	(0.3)	(2.4)
Banks and Financial Services	4,302.56	(0.3)	(1.8)	(6.1)
Industrials	4,064.59	0.8	0.2	(1.2)
Transportation	5,117.30	3.1	3.6	19.4
Real Estate	1,558.68	3.7	1.7	3.8
Insurance	2,475.96	(0.1)	3.8	(5.9)
Telecoms	1,698.73	0.5	0.6	(0.4)
Consumer Goods & Services	7,392.52	1.1	1.2	(2.4)
Al Rayan Islamic Index	4,750.64	0.7	0.2	(0.3)

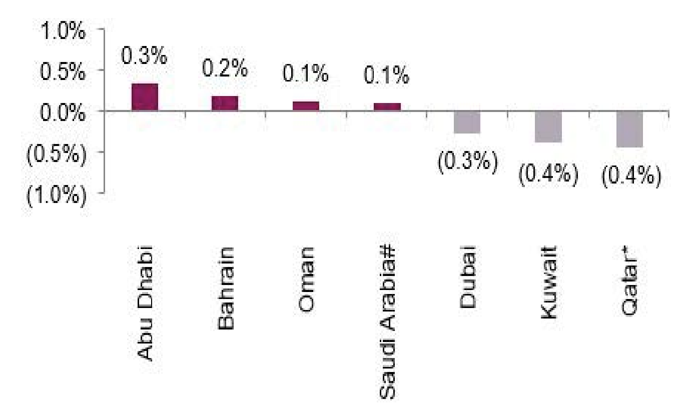
Source: Qatar Exchange (QE)

QSE Index and Volume



Source: Qatar Exchange (QE)

Weekly Index Performance



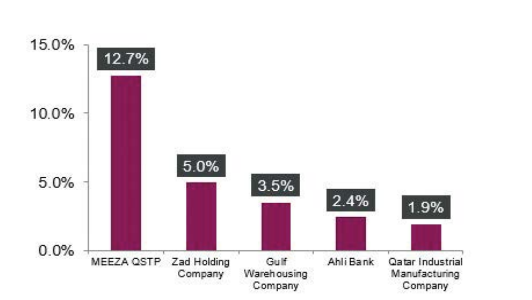
Source: Bloomberg

Regional Indices	Close	WTD%	MTD%	YTD%	Weekly Exchange Traded Value ($ mn)	Exchange Mkt. Cap. ($ mn)	TTM P/E**	P/B**	Dividend Yield
Qatar*	10,211.22	(0.4)	(2.5)	(5.7)	544.74	161,502.7	11.7	1.3	4.6
Dubai	4,277.61	(0.3)	(0.7)	5.4	514.95	200,141.3	8.4	1.3	5.1
Abu Dhabi	9,285.60	0.3	0.3	(3.0)	1,168.60	721,036.2	20.0	2.8	2.1
Saudi Arabia#	12,739.30	0.1	0.9	6.5	14,008.42	2,963,112.1	22.0	2.7	2.8
Kuwait	7,415.81	(0.4)	(0.3)	8.8	519.38	155,750.2	15.2	1.7	3.1
Oman	4,791.38	0.1	5.2	6.1	44.24	24,174.2	13.3	1.0	4.4
Bahrain	2,050.67	0.2	2.3	4.0	21.66	63,238.9	7.9	0.7	7.5

Source: Bloomberg

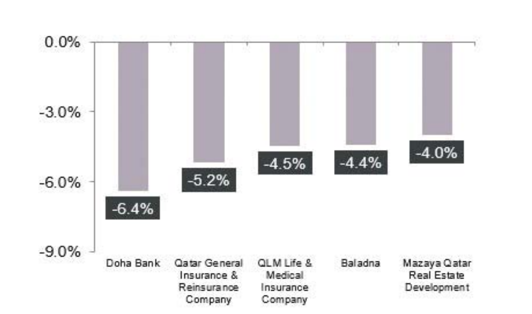
Qatar Stock Exchange

Top Five Gainers



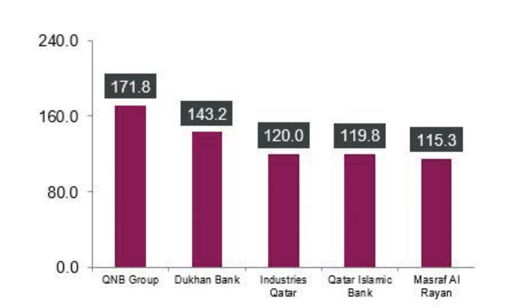
Source: Qatar Stock Exchange (QSE)

Top Five Decliners



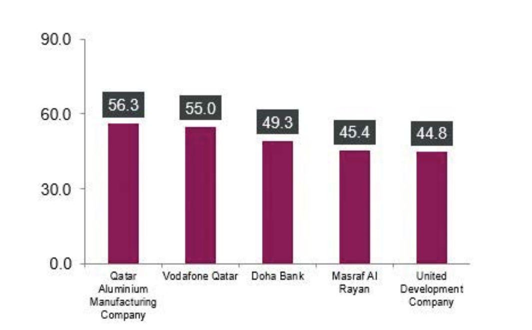
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



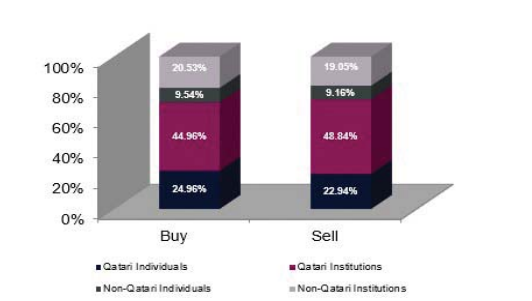
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



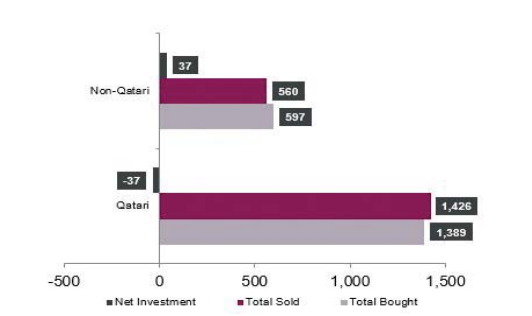
Source: Qatar Stock Exchange (QSE)

Investor Trading Percentage to Total Value Traded



Source: Qatar Stock Exchange (QSE)

Net Traded Value by Nationality (QR Million)



Source: Qatar Stock Exchange (QSE)

Company Name	Price March 21	% Change Weekly	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	14.75	(0.34)	(10.77)	136,237	9.5	1.5	4.4
Qatar Islamic Bank	19.45	(0.87)	(9.53)	45,959	11.3	1.8	3.7
Commercial Bank of Qatar	5.10	(0.68)	(17.74)	20,641	7.3	1.1	4.9
Doha Bank	1.53	(6.38)	(16.56)	4,734	6.0	0.5	4.9
Al Ahli Bank	3.96	2.43	9.25	10,095	12.7	1.4	6.3
Qatar International Islamic Bank	11.15	0.45	4.30	16,878	15.8	2.3	3.6
Masraf Al Rayan	2.53	(1.75)	(4.90)	23,483	16.7	1.0	4.0
Lesha Bank	1.32	1.54	(0.23)	1,478	14.7	1.2	N/A
National Leasing	0.70	(2.22)	(3.43)	348	22.8	0.5	4.3
Dlala Holding	1.31	0.00	(1.06)	249	113.4	1.4	N/A
Qatar & Oman Investment	0.85	0.35	(10.62)	268	N/A	1.1	N/A
Islamic Holding Group	3.97	1.69	(4.36)	225	21.7	1.4	1.3
Dukhan Bank	3.93	(3.40)	(1.23)	20,549	16.6	1.6	4.1
Banking and Financial Services				**281,144**			
Zad Holding	14.83	4.95	9.85	4,262	23.1	3.4	4.0
Qatar German Co. for Medical Devices	1.42	(0.98)	(2.34)	164	184.8	4.5	N/A
Salam International Investment	0.64	0.47	(6.15)	733	17.7	0.5	4.7
Baladna	1.21	(4.43)	(1.23)	2,298	20.7	1.0	5.7
Medicare Group	4.43	(3.02)	(19.24)	1,248	19.0	1.2	5.0
Qatar Cinema & Film Distribution	3.10	0.00	6.79	195	44.9	1.5	2.3
Qatar Fuel	14.76	(3.21)	(10.98)	14,675	15.0	1.6	6.1
Widam Food	2.10	(0.38)	(10.89)	379	N/A	3.0	N/A
Mannai Corp.	4.27	1.83	1.74	1,950	11.5	2.0	5.8
Al Meera Consumer Goods	13.19	1.85	(4.35)	2,717	14.2	1.7	3.3
Mekdam Holding Group	4.79	(0.62)	(7.13)	503	11.7	2.6	5.5
Meeza QSTP	3.30	12.73	15.13	2,144	35.6	3.0	2.5
Al Faleh Education Holding	0.76	(2.58)	(10.86)	181	15.1	0.7	4.1
Consumer Goods and Services				**31,448**			
Qatar Industrial Manufacturing	2.69	1.93	(10.30)	1,279	7.6	0.7	4.8
Qatar National Cement	3.70	1.45	(6.23)	2,419	11.7	0.8	8.1
Industries Qatar	12.13	1.76	(7.26)	73,387	15.6	1.8	6.4
Qatari Investors Group	1.67	0.24	1.83	2,080	11.4	0.7	9.0
Qatar Electricity and Water	16.47	0.86	(12.39)	18,117	11.6	1.2	5.2
Aamal	0.78	(0.13)	(7.93)	4,901	13.3	0.6	N/A
Gulf International Services	2.85	0.04	3.30	5,296	12.7	1.4	5.3
Mesaieed Petrochemical Holding	1.94	0.31	8.22	24,310	22.6	1.4	4.4
Estithmar Holding	1.95	1.51	(6.92)	6,638	19.0	1.4	N/A
Qatar Aluminum Manufacturing	1.32	0.46	(6.00)	7,343	16.4	1.1	5.3
Industrials				**145,770**			
Qatar Insurance	2.34	0.00	(9.65)	7,643	13.7	1.3	4.3
QLM Life & Medical Insurance	2.10	(4.45)	(15.89)	736	9.6	1.2	5.9
Doha Insurance	2.45	0.62	2.51	1,225	8.2	1.0	6.1
Qatar General Insurance & Reinsurance	1.10	(5.17)	(25.17)	963	N/A	0.3	N/A
Al Khaleej Takaful Insurance	2.61	(1.80)	(12.02)	667	10.3	1.1	4.6
Qatar Islamic Insurance	9.00	0.36	1.10	1,350	9.4	2.5	5.0
Damaan Islamic Insurance Company	3.78	(1.84)	(5.24)	756	10.8	1.5	4.8
Insurance				**13,338**			
United Development	1.10	0.46	3.47	3,902	9.7	0.3	5.0
Barwa Real Estate	2.90	0.52	0.21	11,285	9.2	0.5	6.2
Ezdan Real Estate	0.84	(1.06)	(2.45)	22,201	N/A	0.7	N/A
Mazaya Qatar Real Estate Development	0.68	(3.98)	(6.64)	675	22.3	0.6	3.7
Real Estate				**38,063**			
Ooredoo	10.73	(1.11)	(5.88)	34,370	11.4	1.3	5.1
Vodafone Qatar	1.76	0.00	(7.71)	7,440	13.7	1.5	6.2
Telecoms				**41,810**			
Qatar Navigation (Milaha)	11.20	1.82	15.46	12,725	12.3	0.8	3.3
Gulf Warehousing	3.38	3.53	7.76	198	9.2	0.8	3.3
Qatar Gas Transport (Nakilat)	4.10	(1.18)	16.51	22,721	14.7	1.9	3.4
Transportation				**35,643**			
Qatar Exchange				**588,996**			

Technical analysis of the QSE index

The QSE index closed flat (-0.44%) for the week; it closed at 10,211.22 points. The Index remains flat over the longer term. This flat range (between the 11,000 resistance and the 9,500 support levels) needs a breakout above/below the mentioned resistance/support levels to pave the way for the uptrend/downtrend in the longer term.

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

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

WEEKLY ENERGY MARKET REVIEW

Oil prices down on Gaza ceasefire talks, flat on the week

www.abhafoundation.org

Oil

Oil prices slipped on Friday and were flat on the week as the possibility of a ceasefire in Gaza weakened crude benchmarks, while the war in Europe and shrinking U.S. rig count cushioned the fall. Brent futures for May delivery settled at $85.43, losing 35 cents. US crude closed at $80.63 a barrel, falling 44 cents. Both benchmarks logged less a than 1% change on the week. US Secretary of State Antony Blinken said on Thursday he believed talks in Qatar could reach a Gaza ceasefire agreement between Israel and Hamas. The conflict in Eastern Europe also kept oil prices from moving lower. Russia launched the largest missile and drone attack on Ukrainian energy infrastructure of the war to date on Friday, hitting the country's largest dam and causing blackouts in several regions, Kyiv said.

However, chatter has emerged within the market that Russia would further discount its barrels in light of the escalation, analysts said. A steeper discount could make Russian crude more attractive to international buyers. Meanwhile, the US dollar was set for a second week of broad gains after the Swiss National Bank's surprise interest rate cut on Thursday bolstered global risk sentiment.

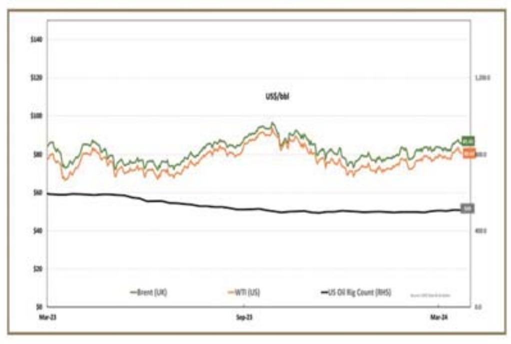
An oil platform in the United States. Oil prices slipped on Friday and were flat on the week as the possibility of a ceasefire in Gaza weakened crude benchmarks, while the war in Europe and shrinking US rig count cushioned the fall. *Picture supplied by the Abdullah Bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.*

Gas

Asian spot liquefied natural gas (LNG) prices edged up this week to a six-week high amid supply concerns and following some spot demand pickup from buyers. The average LNG price rose 8% from the previous week to $9.40 per million British thermal units (mmBtu), its highest level since February 9, industry sources estimated. Asian spot prices had eased to a near three-year low of $8.30 per mmBtu last month, as ample inventory levels amid mild winter weather weighed on prices. Cheaper spot LNG boosted demand from Asian buyers, lending some support to prices. In Europe, a cold snap is forecasted to begin this weekend and extend into early next week, which is expected to sustain net withdrawals from storage sites on an aggregated basis. In the US, natural gas futures eased about 1% to a one-week closing low on Friday on forecasts for milder weather over the next two weeks than previously expected, ample gas in storage and expectations gas flows to liquefied natural gas export plants would remain low through May due to outages at Freeport LNG's plant in Texas. Freeport LNG anticipated two of the three liquefaction trains at its export plant will remain out of service for repairs through May.

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

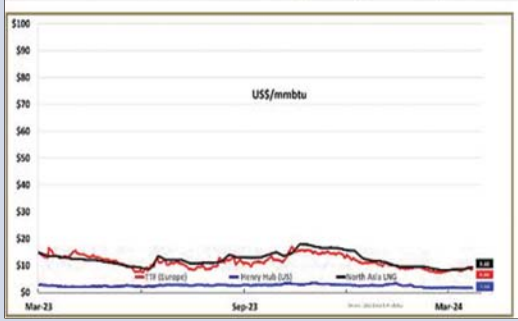
The closing price ($/Barrel) as of Friday 22 Mar 2024 – Front Month Futures



Benchmark Oil Prices

	Brent ICE	WTI NYMEX	DME Oman
Price	85.43	80.63	85.07
Weekly Change	▲ 0.1%	▼ 0.5%	▲ 0.1%
YTD Change	▲ 2.4%	▲ 1.4%	▲ 2.2%

The closing price ($/mmBtu) as of Friday 22 Mar 2024 – Front Month Futures



Benchmark Gas Prices

	NE Asia LNG	Europe TTF	US Henry Hub
Price	9.40	8.66	1.66
Weekly Change	▲ 9.3%	▼ 1.1%	▲ 0.2%
YTD Change	▼ 21.7%	▼ 36.2%	▼ 24.2%

The event explored how transformative digital technologies can support the digital transformation journey of small and middle-sized businesses (SMBs) in Qatar.

Vodafone Qatar and Microsoft host event for businesses

Vodafone Qatar, in collaboration with Microsoft, recently hosted an event for businesses in Qatar leveraging the power of copilot and cloud technologies.

The event explored how transformative digital technologies can support the digital transformation journey of small and middle-sized businesses (SMBs) in Qatar and how these digital innovations can enable businesses to operate with more efficiency and flexibility.

During the event, Vodafone showcased its latest service 'Business Talk', a cloud-based telephone platform that allows businesses to take their landline everywhere they go without missing calls or business opportunities. With no hardware or maintenance costs, the platform allows professionals to make and receive calls, conduct video meetings, and collaborate seamlessly through all types of devices, bolstering productivity and responsiveness.

With multiple demos presented, customers at the event experienced the capabilities of a modern cloud PABX and how they can equip their teams with these cutting-edge collaboration tools.

Microsoft took part in presenting copilot and cloud technologies that use AI-powered tools to increase business productivity, quality of work, and manage resource usage efficiently through easy natural language expressions, creating a flow by describing what is needed through multiple steps of conversation. Konstantinos Kiourkatiotis, head of Enterprise Marketing at Vodafone Qatar, said: "We are proud to be collaborating with Microsoft in this event to shed light on the latest cutting-edge technologies to support SMBs in Qatar.

At Vodafone, we are committed to providing the right tools for those within the industry to digitally transform their business operations for increased efficiency."

QIB recognised as 'World's Best Islamic Retail Bank' by *The Asian Banker*

Qatar Islamic Bank (QIB) has been recognised as a leader in Islamic retail banking by *The Asian Banker* Global Excellence in Retail Finance Awards 2024.

QIB was awarded the 'World's Best Islamic Retail Bank' and 'Best Islamic Retail Bank in Qatar', reflecting its exceptional performance and commitment to excellence. Over the past year, QIB has made remarkable progress in enhancing its digital offerings, revolutionising both customer interactions and internal operations.

The bank's relentless focus on digitalisation has resulted in significant benefits for its diverse stakeholders

The bank's relentless focus on digitalisation has resulted in significant benefits for its diverse stakeholders.

Today, an impressive 99% of transactions are seamlessly conducted through self-service channels, reflecting QIB's dedication to enhancing customer convenience and efficiency. Moreover, the QIB mobile app has become instrumental, with more than 50% of personal financing and credit card applications fulfilled instantly, empowering customers with swift and hassle-free access to essential financial products.

QIB's digital transformation journey extends beyond transactional convenience to encompass a diverse array of over 50 new digital products and services tailored to meet the evolving needs of both individual and corporate customers. This expansive digital ecosystem enhances operational efficiency while also elevating customer satisfaction, reinforcing QIB's position as a leader in innovative banking solutions.

Beyond digital banking, QIB offers its products and services through a modern branch network spread throughout Qatar, with key branches featuring distinctive centres with specialised relationship managers, focused on servicing specific customer segments: private banking centres, affluent banking centres, as well as ladies-only banking centres.

QIB's strategy is built on its position as a leading Islamic bank with deeply rooted customer relationships and strong engagement with the local community. The strategy is closely tied with Qatar National Vision 2030 and the bank's commitment to support the diversification of the economy, the development of a diverse and sustainable private sector and the improvement of the financial well-being of all its customers.

These achievements, coupled with a record net profit of QR4.305bn, a robust Return on Assets (ROA) of 2.3%, and an impressive cost-to-income ratio of 17.1%, underscore QIB's commitment to excellence and solidify its reputation as the preeminent Islamic bank in Qatar.

D Anand, QIB general manager – Personal Banking Group, said: "At QIB, our dedication to continuous improvement motivates us to provide a wide range of Shariah-compliant products and services, ensuring our customers receive exceptional banking experiences.

We are pleased to receive these awards, which reflect our commitment to delivering exceptional results across all our operations.

As we lead the way in innovation and remain at the forefront of modern Shariah-compliant banking solutions in Qatar, we strengthen QIB's brand while also supporting Qatar's economy."

Recently, The Asian Banker recognised QIB as the world's most efficient bank, with an impressive 17.1% cost-to-income ratio. This recognition places QIB at the forefront and consolidates its standing as a global leader in banking efficiency and Islamic banking.

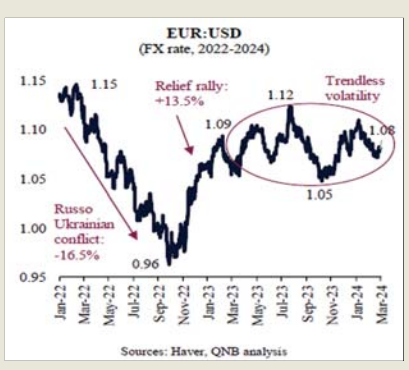
QNB sees 'limited' downside for euro in 2024 despite EU 'sluggishness'

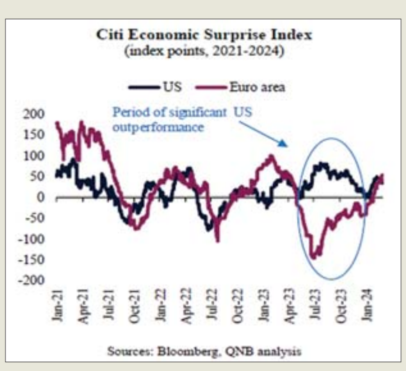
Revisions in relative growth expectations and rate differentials are likely to favour the euro versus the dollar, QNB said as the bank sees limited downside for the common currency of 20 EU countries in 2024, despite euro area sluggishness. The euro (EUR) has experienced significant volatility since the beginning of the Russo-Ukrainian conflict in late February 2022, when deeper concerns about the overall health of the Euro area economy emerged, QNB said in an economic commentary. Initially, as pessimism about the escalation of the conflict and European energy security took hold, the EUR depreciated sharply against the US dollar (USD), finding a bottom below the parity level.

However, in late 2022, as the scope of the conflict in Eastern Europe became contained and the euro area was able to avoid the more dire consequences of an energy crisis, the EUR rallied significantly, recovering most of the previous losses. Thereafter, the EUR has been presenting some trendless volatility.

As investors and analysts debate whether the most important currency pair will break its current wide range (EUR:USD 1.05-1.12) to the upside (EUR appreciation) or to the downside (EUR depreciation), the general outlook for the Euro area remains negative.

While the euro area as a whole was able to avoid a recession in recent quarters, there is little room to be overly optimistic about growth in the region, QNB noted. This, the bank said is because the 450 basis points (bps) in interest rate hikes by the European Central Bank (ECB) since July 2022 still needs to pass through to the rest of the real economy, affecting investment and consumption decisions. Moreover, after more than a year supporting households and corporates from the negative effects of higher energy and food prices, fiscal authorities are set to gradually withdraw emergency stimulus.





This is negative for the growth outlook and, therefore, for the EUR, as FX movements are dominated by changes in expectations for growth and real interest rate differentials.

In QNB's view, however, there is limited downside for the EUR in 2024. Indeed, we even see some scope for EUR appreciation in the coming quarters. Two arguments support its view.

First, relative growth expectations between the US and the Euro area are likely to favour the Euro area over the coming months, after a long period of US outperformance. The flurry of negative economic data surprises in the euro area seems to have exhausted itself, pointing to some extreme pessimism that is already producing positive surprises.

This is reflected by the recent moves in the Citi Economic Surprise Index, a timely figure that measures the pace at which economic indicators are coming in above or below consensus forecasts. For the first time in nearly a year, data has been mostly producing positive surprises in the euro area. In contrast, positive surprises have been weakening in the US. As a result, the existing "growth gap" between the US and the euro area is expected to narrow significantly, supporting the EUR in the process.

Second, lower and falling inflation in both the euro area and the US is likely to produce movements in interest rate differentials that favour the EUR against the USD. The US Federal Reserve (Fed) has so far presented a more aggressive agenda for interest rate cuts in 2024 than the ECB. Hence, QNB said as the Fed is expected to cut rates by 100 basis points (bps) this year, the ECB is expected to cut only 75 bps over the same period, even if inflation in the euro area is slowing down more rapidly than in the US.

This will take US nominal rates from 5.5% to 4.5% and euro area rates from 4% to 3.25%, narrowing the interest rate differential from 150 bps to 125 bps. This favours the EUR, as a lower yield differential will push more global capital towards the euro area versus the US.