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Sunday, March 31, 2024
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TIMES

BUSINESS



INFLATION CUES: Page 7

Powell reiterates Fed doesn't need to be in hurry to cut interest rates

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Commercial Bank \$750mn bond ‘oversubscribed’

■ Commercial Bank ‘successfully’ prices \$750mn Regulation S 5-year bond with coupon of 5.375% at spread of UST+125bps

Commercial Bank “successfully” priced a \$750mn Regulation S 5-year bond with a coupon of 5.375% at a spread of UST+125bps, which was oversubscribed by 2.4 times. The deal marks Commercial Bank’s successful return to the public international capital markets after a hiatus of three years: The last public issuance was a \$700mn 5-year Reg S Bond issued in May 2021. Commercial Bank was able to price an extremely successful transaction (the largest since 2016), which stands as a testament to the strength of the Bank’s credit and the demand for Qatari institutional paper by international investors. Commercial Bank was able to take advantage of prevailing market conditions to announce a mandate on March 25. The joint lead managers (JLMs) recommended a two-day execution strategy to refresh the Bank’s credit to international investors. The comprehensive deal marketing and the previous non-deal marketing that were conducted were well-received by investors. Commercial Bank said: “Based on the strong interest received and conducive markets, the decision was taken to open books early GCC Tuesday morning with IPTs set at UST +150bps area knowing that Commercial Bank has a strong market following, the pricing on a spread basis seemed sensible in view of the recent GCC FI supply, and the market conditions were conducive. “This strategy deemed successful as the orderbook began to grow swiftly on the back of substantial Asian investor demand and this book build continued till London Open. Given the high quality of the orderbook and once the books reached \$1.8bn, the JLMs had the conviction to tighten pricing by 25bps (to UST +125bps) and launch the deal at \$750mn in a single tranche.” Commercial Bank Group CEO Joseph Abraham said: “Commercial Bank’s objectives for the transaction includes achieving the funding plan objectives for 2024 by raising benchmark-sized funding in the first quarter, achieving a diversified orderbook by geography and investor institution type, and appropriate credit spreads. “The Bank exceeded all the objectives in this offering - in which we were able to upsize our issue size to \$750mn (from an initial target of \$500mn) and price the transaction at an attractive level. The deal also attracted high-quality and diversified orderbook comprised of some of the largest and most notable EM investors as well as real money accounts and sovereign wealth funds.”



Commercial Bank was able to price an extremely successful transaction (the largest since 2016), which stands as a testament to the strength of the Bank’s credit and the demand for Qatari institutional paper by international investors

Fitch upgrades QIIB rating to ‘A’ with stable outlook

Fitch Ratings upgraded its credit rating of QIIB to ‘A’ from ‘A-’, which follows a similar rating action on Qatar’s sovereign on March 20 to ‘AA’ with a stable outlook.

On the rationale behind upgrading the rating of QIIB, Fitch stated that it reflects the agency’s view on the increased ability of support that the bank can get from the Qatari Government if needed.

Additionally, the Qatari government demonstrates a strong propensity to support all local banks regardless of their size or ownership.

In its previous report on QIIB in September last year, Fitch affirmed: “The bank exhibits financial strength, a strong market position, sufficient core capital, good asset quality, strong profitability, and stable funding.”

Fitch further added: “QIIB’s profitability metrics are stronger than its direct peers due to profit margins and effective cost management. The bank primarily relies on customer deposits to finance its operations, which largely come from individuals. Therefore, the concentration in the deposit base is lower than its local peers.

“Additionally, QIIB’s reliance on external funding is also lower than its counterparts. Moreover, the bank holds ample liquid assets supporting its financial position.”

Commenting on Fitch’s upgrade of QIIB’s rating, Chief Executive Officer, Dr Abdulbasit Ahmad al-Shaibei stated: “We are undoubtedly pleased with this upgrade, which we owe to our high resilience and the strong position of the Qatari economy. Qatar’s economic strength propels the entire banking sector to further enhance its financial position.”

He affirmed: “This upgrade in QIIB’s rating by Fitch aligns significantly with our efforts and plans to harmonise with the Qatar Central Bank’s Third Financial Sector Strategy. It also amplifies our desire to contribute to the advancement of our country and society, in line with the Qatar National Vision 2030.”

“QIIB adopts a market-fo-



Dr Abdulbasit Ahmad al-Shaibei, QIIB Chief Executive Officer.




The QIIB headquarters on Grand Hamad Street in Doha.

cused strategy, and we are interconnected with various sectors. We have forged extensive partnerships with local businesses and continue to capitalise on the numerous growth opportunities offered by the national economy, enabling us to consistently achieve stable growth figures.”

He stated: “With every achievement and progress we make, we feel additional significant responsibilities resting on our shoulders. Sustaining growth, enhancing performance indicators, elevating competitiveness, and turning challenges into opportunities are continu-

ously pursued goals. Our ambition never wanes as we strive for the best results and contribute to serving our nation and society.”

Dr al-Shaibei pointed out: “QIIB has made numerous strides in the recent past that could be pivotal in the bank’s journey, including accomplishing a significant portion of its digital transformation plan, enhancing operational efficiency, and achieving growth rates considered among the best in the banking sector. The bank will continue to work with renewed vigour to achieve optimal results and indicators.”

Lusail

TENDER ADVERTISEMENT

Tender No.: 55016171/44000066

Tender Title
Cleaning and Hospitality Services for Qatari Diar Complex, Hub Office and Lusail Command and Control Centre, Lusail City.

Brief Description of the Works
Cleaning Services comprises of general cleaning which includes routine cleaning services, deep cleaning services and provision of cleaning equipment, materials and consumables. Hospitality Services comprises general hospitality services includes provision of receptionists, postal services, messengers, Service Staff, provision of equipment, materials and consumables for the above-mentioned facilities.

Tender Bond Value
QAR 500,000 (valid for 150 days from Tender Closing Date) in the form of a Bank Guarantee (Cash Payment or Cheque not acceptable).

Bid Closing Date
April 30th, 2024 not later than 12:00 hours local Doha time.

Tender Collection Location
Lusail Building, Site Offices, Documents Control Office.

Tender Collection Date and Time
March 31st, 2024 From 9 am to 12.30 pm (Except Friday & Saturday)

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

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

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

Minimum requirements to be eligible for this Tender are as follows:

1. Minimum 5 years of relevant experience and expertise in providing similar Services within Qatar or the GCC.
2. The company shall have a valid Commercial Registration in Qatar and annual turnover should be a minimum of QAR 50,000,000 for each of the last 3 Years.

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

UAE said to signal interest in Europe nuclear energy investments

Reuters
Dubai

The United Arab Emirates has approached European nations including Britain to gauge their interest in the Middle Eastern state investing in their nuclear power infrastructure, according to three sources familiar with the talks. As part of its outreach, the UAE has discussed the idea of state-owned Emirates Nuclear Energy Company (ENEC) becoming a minority investor in European nuclear power assets, the sources said. They requested anonymity because the discussions are private. ENEC has ambitions of becoming an international nuclear energy company holding minority stakes in nuclear power infrastructure of other nations, without managing or operating them, the sources

told Reuters. ENEC, owned by Abu Dhabi's ADQ, has been holding talks to invest in the United Kingdom, the sources who have been briefed on the discussions added, without elaborating. Oil producers United Arab Emirates and Saudi Arabia are seeking to diversify their economies away from fossil fuels. Meanwhile, Britain is looking for additional private investment in the Sizewell C large-scale nuclear project being built by French energy giant EDF in southeast England after buying out a China backer. The UAE and Britain in December signed a so-called memorandum of understanding on civil nuclear co-operation at the UN climate summit in Dubai, where more than 20 countries agreed a pledge to treble nuclear capacity by 2050. "Sizewell C is a crucial part of the UK's agenda for new nuclear power, which is

central to our plans for achieving a low cost, clean and secure electricity system," a spokesperson for Britain's Department for Energy Security and Net Zero told Reuters. "The commercial structure of the project is subject to ongoing development and commercially sensitive discussions," the spokesperson said, adding they could not comment further. As part of "international growth and investment plans, ENEC is working with a multitude of partners to explore collaboration opportunities in both new civil nuclear projects and civil nuclear technologies and related clean energy technologies such as clean hydrogen," ENEC said in a statement to Reuters. EDF declined to comment. The UK and EDF are 'on track' to raise £20bn (\$25.2bn) for Sizewell C by end of

year, a UK energy security minister told the *Financial Times* in January, without naming the investors. UK ministers have been lining up Abu Dhabi investors for Sizewell C, the Times of London reported last year. The sources told Reuters that, among the proposals, ENEC could also be a partner in the development of new nuclear energy infrastructure in European countries given its relatively recent experience in building a facility. ENEC oversaw the construction of the UAE's sole nuclear power plant, which was constructed in Abu Dhabi by Korea Electric Power Corp (KEPCO), and started commercial operations in 2021. Several European countries are pushing to expand nuclear – a low-carbon energy source – in an effort to meet ambitious climate goals and develop alternatives to Russian energy supplies.

But European Union states are divided over nuclear energy use, which fell out of favour over safety concerns following Japan's Fukushima nuclear accident in 2011. A lack of investment, cost overruns and delays have also plagued recent projects. ENEC's backing by a wealthy Gulf state could potentially help overcome investment challenges. However, it could also face political opposition to an investment in such a sensitive area. Emirati state investments have recently raised concerns in Britain, which has blocked a state-linked acquisition of prominent conservative newspaper the *Telegraph*. Britain's government also determined that a recent investment by UAE state-linked telecommunications company E& posed concerns, although approved the deal.



Kristalina Georgieva, IMF Managing Director.

IMF okays \$8bn Egypt loan as global bailout takes shape

Bloomberg
Washington

The International Monetary Fund (IMF) approved a \$5bn augmentation to its loan programme for Egypt, part of a wave of global aid pledged to bolster a stumbling economy put under added pressure by the war in Gaza. The executive board's assent increases the Extended Fund Facility arrangement from the \$3bn originally approved in December 2022 to \$8bn. It will enable an immediate disbursement of about \$820mn, the Washington-

based lender said on Friday in a statement. Egypt's new IMF agreement was announced March 6 after authorities enacted a long-awaited currency flotation and allowed the pound to lose around 40% of its value against the dollar. Funding from a \$35bn deal with the United Arab Emirates, the largest inward investment in Egypt's history, paved the way for the move. "Egypt is facing significant macroeconomic challenges that have become more complex to manage given the spillovers from the recent conflict in Gaza and Israel," IMF Managing Director Kristalina Geor-

gieva said in the statement. "Recent measures toward correcting macroeconomic imbalances, including unification of the exchange rate, clearance of the foreign exchange demand backlog, and significant tightening of monetary and fiscal policies, were difficult, but critical steps forward, and efforts should be sustained going forward." The deal is part of more than \$50bn in investments, loans and grants pledged to shore up the economy of a Middle Eastern nation with a key role in managing the region's upheaval that's increasingly seen as too big to fail. The nation of over 105mn

people has also been hampered by conflicts elsewhere in recent years. Russia's invasion of Ukraine drove up wheat and oil import prices that drained dollar reserves, while the spillover from the Israel-Hamas war has dented tourism and slashed Suez Canal fees, both crucial sources of hard currency. Egypt, already the IMF's second-biggest borrower after Argentina, expects to get access to about \$1.2bn in additional financing from the lender. Following the devaluation and pledges, investors enticed by high yields and a cheaper currency have piled into Egypt's local bonds at a record pace.

Private credit is still a 'great opportunity,' says Investcorp head

Bloomberg
Dubai

Investing in private credit is still a 'great opportunity,' the head of the Middle East's top alternative asset manager said, despite growing warnings of a bubble developing in the asset class. Traditional banks will to find it difficult to boost lending, opening the door for private credit funds to continue growing, said Mohamed al-Ardhi, executive chairman of Bahrain-based Investcorp, which manages about round \$13bn of assets in its credit management unit. "There are a lot of very sophisticated investors around this space and it continues to deliver good returns," al-Ardhi told Bloomberg TV. "Will it continue to be a great opportunity in three, four, five years' time, we will see." His comments echo Blackstone Inc Chief Executive Officer Steve Schwarzman, who said the industry will expand further and touted a low default rate on those loans. Private credit accounted for the firm's biggest gains among its strategies in the fourth quarter. The \$1.7tn market grew rapidly in the wake of the global financial crisis and tougher capital restrictions on bank lending, but has come under increasing scrutiny. UBS Group AG Chairman Colm Kel-leher said at the end of last year that

risks were growing around a bubble in private credit. And last month, a top US bank regulator warned that the private equity industry's rapid advance into private credit poses potential threats to financial stability. Middle Eastern entities have been among investors pouring money into private credit. Mubadala Investment Co and the Abu Dhabi Investment Authority have struck partnerships to boost their exposure, while managers including Blue Owl Capital Inc and Hayfin Capital Management have expanded their presence in the region to drum up business. Investcorp is also planning to expand its private credit business and aims to raise about \$1bn for investments in Europe and the US, Co-Chief Executive Officer Hazem Ben-Gacem told Bloomberg in January. The firm, known for backing Tiffany & Co and Gucci, manages around \$50bn across assets including private credit, private equity, infrastructure and real estate. It's secured a deal to make an equity investment in the development of Terminal 6 at New York's John F Kennedy International Airport, and the firm is still bullish on the outlook for investing in the world's largest economy, al-Ardhi said. "The US is the big game in town," he said. "We continue to see a lot of opportunities," and "so we are really bullish on the US market."



Mohamed al-Ardhi, executive chairman of Investcorp.

Bloomberg QuickTake

Trump's meme stock is skyrocketing; but for how long?

By Bailey Lipschultz

Former president Donald Trump is richer than he's ever been, and it's all thanks to a back-door deal to take his latest venture public. Trump Media & Technology Group Corp, which generated less than \$4mn in revenue for the first nine months of last year, was worth \$8.4bn on Thursday, bringing – on paper – a massive windfall to its largest shareholder: Trump himself. The money may come in handy for Trump, who faces 88 felony charges in four different cases on top of massive damage awards in civil cases as he campaigns for the White House. The startup went public through a deal with Digital World Acquisition Corp, a shell company created to merge with a private company. Special purpose acquisition companies, or SPACs, gained popularity during the pandemic, when investors happily speculated on startups without proven business models. Most of the companies to complete deals have since floundered. Yet in a trading frenzy reminiscent of the outlandish SPAC and meme-stock booms, retail traders on both Truth Social, a social media platform that is the company's main asset, as well as Reddit Inc's WallStreetBets forum have helped fuel the stock's surge. Here's how Trump's company has so far defied expectations – and what might come next.

Why the SPAC suited Trump

At the height of SPAC mania, dozens of companies used the vehicles as a way to go public with less scrutiny than the more traditional initial public offering. Management teams used lofty projections

and world-changing pitches in their presentations to justify sky-high valuations. Many SPACs were built on personality more than substance. Trump took advantage of the opportunity in October 2021, announcing the deal between Digital World and Trump Media months before Truth Social was even available. The company's presentation included no lofty projections like other SPACs – or much detail about its potential revenues. Trump Media instead boasted about "galvanizing a conservative media universe" that could rival the likes of Twitter, Facebook, Netflix and Disney, and said it would launch a subscription video on demand service focused on "non-woke" programming. After the deal was announced, Digital World quickly became the top-performing SPAC ever, surging 1,657% in a two-day span to trade as high as \$175 in October 2021. It closed at \$61.96 on Thursday.

The meme stock following

After the SPAC announcement in 2021, legions of investors posting on Reddit's WallStreetBets and Stocktwits immediately embraced it. Investigations into insider-trading and money-laundering allegations by the Justice Department and the US Securities and Exchange Commission, as well as a flurry of lawsuits, threatened to torpedo the deal. Yet these obstacles fed Trump Media's anti-establishment narrative, and investing in the company became a way to support Trump as he pursues a return to the presidency. In turn, the stock – which originally traded under Digital World's ticker DWAC – has soared 254% this year as Trump steamrolled his Republican rivals for the party's presidential nomination. DWAC "gave him the opportunity to, in effect, turn his celebrity into a publicly traded

security," according to Bloomberg Opinion's Matt Levine. With the stock, which now trades under Trump's initials DJT, continuing to advance, it has taken on qualities similar to stocks that were embraced by hordes of amateur traders in early 2021. They drove up the price of GameStop Corp to thwart hedge funds that had shorted its shares. The mania sent shares of the video-game retailer soaring, to the delight of Redditors. While Trump Media's financial statements may look paltry so far, it's difficult to use traditional metrics such as price-to-sales ratios to value the company. As Matthew Tuttle, the chief executive and chief investment officer at Tuttle Capital Management, put it: "This is a meme stock, it's not the type of thing where you bust out P/E ratios – you can throw that out the window."

One potential problem

Trump has added some \$4.9bn to his net worth, which could grow if shares continue to trade well. The key issue for Trump is that the terms of the deal may restrict him from selling shares for six months. But there might be an out. The former president and Trump Media executives could get approval from the company's board of directors (which includes names from his administration, such as Robert Lighthizer, Linda McMahon and Kash Patel) to shorten his lockup period. The risk is, if the lockup is waived and a significant number of shares go looking for buyers that would depress the stock price – something that has historically plagued SPAC deals. "He needs the money but he can't sell too much at once without risking tanking the stock," said Usha

Rodrigues, a professor at the University of Georgia School of Law. Trump's biggest financial threat stems from a \$454mn verdict against him in a civil fraud suit brought by New York Attorney General Letitia James for inflating the value of his assets by billions of dollars a year in bank transactions. He was ordered to pay a reduced \$175mn bond by April 4 to put the verdict on hold while he appeals, but he'll be on the hook for the entire \$454mn – plus about \$112,000 in interest every day – if his appeal fails.

What's next?

The question for investors is whether shareholders will keep the faith and prop up Trump Media's share price. The firm ultimately sits at an interesting intersection: a meme stock that went public via SPAC. Companies that debuted through blank-check deals have historically fizzled after bouts of volatility. More than one-fifth of the nearly 500 SPAC deals that have closed since 2019 are trading below \$1 each, representing a greater than 90% plunge. And dozens of them at times saw share prices surge in retail trader-fuelled frenzies, meaning losses for some are far greater. Trump Media has become the most expensive US stock to sell short, with short sellers paying over 200 times the average cost to borrow shares, according to financial analytics firm S3 Partners. That makes it difficult for Wall Street to pressure shares but also creates plenty of room for the same speculators to push the stock higher. "It is difficult to predict how long the meme status can last," said Jay Ritter, a finance professor at the University of Florida. "It could be weeks, or it could be many years."

Exchange-traded FX derivatives may be hit by new RBI rules

Bloomberg
Mumbai

India's central bank is said to have confirmed that exchange-traded currency derivative contracts linked to the rupee can only be offered for hedging purposes after confusion that unhedged trades were allowed for positions below \$100mn. The regulator clarified to the Commodity Participants Association of India in a March 28 e-mail that anyone undertaking such contracts involving the rupee without an underlying exposure would be in violation of foreign exchange rules, according to people familiar with the matter. They asked not to be identified as the email isn't public. The CPAI had written to the Reserve Bank of India seeking clarification on its January 5 circular that said stock exchanges may offer contracts for the "purpose of hedging contracted exposure." The circular stated that positions up to \$100mn are allowed without having to establish underlying exposure across all currency pairs involving the rupee and combined across all stock exchanges. Still, those entering exchange-traded currency derivative, or ETCD, contracts must show proof of a corresponding unhedged exposure if asked. The move could potentially lead to



The Reserve Bank of India is said to have confirmed that exchange-traded currency derivative contracts linked to the rupee can only be offered for hedging purposes after confusion that unhedged trades were allowed for positions below \$100mn

a large loss of volume in a growing segment of the nation's foreign exchange market. Brokers in the currency futures sector say speculators and arbitragers form a large part of the market and the current understanding was that underlying exposure wasn't required for trades up to \$100mn.

The central bank's original rules in 2008 said ETCD contracts can be undertaken to "hedge an exposure to foreign exchange rate risk or otherwise." The central bank in its clarification said the rules were revised in 2014, according to the people. The new rules come into effect on April 5. The RBI didn't immediately respond to an emailed request for comment outside of normal business hours. "We genuinely feel derivatives market includes many, including hedgers, speculators and arbitragers," said CPAI President Narinder Wadhwa. "We are in talks with the authorities including RBI, SEBI and the finance ministry," he said. SEBI is the Securities and Exchange Board of India. Average daily turnover in currency futures stood at 412.9bn rupees (\$5bn) in FY23 compared with 102.9bn rupees in FY17, National Stock Exchange of India data showed. The daily average in FY24 dropped to 296.3bn rupees, based on data till the end of February. The rupee has been among the least volatile emerging market currencies, with the RBI expending its reserves when needed to prevent any sharp depreciation. The RBI has built a record \$643bn of reserves as it soaked up inflows into the nation's bond and currency markets.

Wanda to cede control of its mall unit in \$8.3bn agreement

Bloomberg
Hong Kong

Dalian Wanda Group Co has agreed to cede control of its shopping mall unit in a deal worth 60bn yuan (\$8.3bn), implementing a December agreement to restructure Zhuhai Wanda.

Investors led by PAG will hold a combined stake of 60% in Newland Commercial Management, a newly formed holding company of Zhuhai Wanda Commercial Management Group Co, according to a statement yesterday. Dalian Wanda Commercial Management Group Co will control the remaining 40%.

The deal "reflects the expectation and recognition of Newland's long-term growth potential by international institutional investors," David Wong, PAG partner and co-head of private equity, said in the statement. Other investors include CITIC Capital, funds managed by Ares Management, the Abu Dhabi Investment Authority and Mubadala Investment Company.

The investment will facilitate corporate governance independent from Newland's former parent, provide better incentives for its management and support continued operational improvement, according to the statement. The company manages 496 large-scale shopping malls

in 230 cities across China, with about 70mn sq m of floor space under management, it said.

Billionaire founder Wang Jianlin gave up control in Zhuhai Wanda in December as part of a landmark agreement to avoid repaying pre-IPO investors. Under the terms of the original investments, Wanda agreed to repay investors 30bn yuan (\$4.2bn) plus interest if Zhuhai Wanda could not get its initial public offering done by the end of 2023.

When that deadline came and there was still no listing, a new agreement was proposed where Wang relinquished control and pre-IPO investors took a bigger stake — 60% combined. The pre-IPO investors include PAG, which put in \$2.8bn, Ant Group Co, Citic Securities Co and Tencent Holdings Ltd.

The deal announced on Saturday carried no earnout provisions, nor did the investors request a listing date from Wanda regarding the mall operation business, Cailian reported, citing people familiar with the matter.

Wanda was once seen as one of the few high-quality Chinese issuers in the junk-bond market thanks to its focus on commercial real estate as well as its asset-light property management business. The conglomerate came under pressure after borrowing costs surged and Beijing cracked down on the property sector.

China wind turbine makers extend dominance as Vestas, GE slip

Bloomberg
Hong Kong

China's wind turbine manufacturers dominated global supply last year, riding the nation's renewables installation boom as a contraction in the US and meagre growth in Europe dented overseas competitors. Four of the five biggest producers in 2023 were China-based companies, up from just two in the prior year, according to a BloombergNEF report released on Wednesday. Goldwind Science & Technology Co retained the top spot, while Envision Energy Co took second place from Vestas Wind Systems A/S. General Electric Co and Siemens Gamesa were pushed out of the top five. China accounted for about two-thirds of global additions of onshore and offshore wind last year, and while the nation's

manufacturers lifted sales overseas they continued to rely on their home market for about 98% of deployments, according to the report. Wind installations in the US fell to the lowest since 2017. "The boom in China last year hides a worrying trend, as new additions elsewhere were just 8% higher," said Oliver Metcalfe, head of wind research at BNEF. Recent project approvals in Europe and a surge in turbine orders in the US offer "signs that growth will accelerate," he said. China has the largest and most fragmented wind market, with more than 12 domestic manufacturers, and fierce price competition has damped profit margins and seen many expand abroad. The price of Chinese-made turbines delivered outside the nation is about a fifth below those of US and European peers, according to BNEF.

Japan is really looking to build next-gen airplanes, shows \$33bn project

Bloomberg
Tokyo

Japan's trade ministry wants to get the country's aviation ambitions back up in the air.

The Ministry of Economy, Trade and Industry is bringing together domestic and foreign manufacturers, as well as airlines, with the goal of introducing a new aircraft by 2035. The move comes a year after Mitsubishi Heavy Industries Ltd scrapped the development of a regional jet after 15 years of effort.

The government has long sought a domestically produced passenger aircraft. As part of the latest attempt, the ministry will back the ¥5tn (\$33bn) effort over the next decade to build a next-generation aircraft fuelled by hydrogen or alternative sources of energy, officials said in a recent briefing. The announcement comes as Boeing Co seeks to restore confidence in its airplanes.

"Japan needs to dive into profitable and value providing territories other than providing some parts for the airline industry," Masuo Kuremura, director of the ministry's aerospace and defence industry division, said during a briefing.

Mitsubishi Heavy, Kawasaki Heavy Industries Ltd and other manufacturers are major suppliers to Boeing and other aircraft manufacturers, including Airbus SE. Mitsubishi's SpaceJet, backed by ¥50bn in government investment, was to be the country's first home-made jet in half a century. Instead the scuttled program racked up more than ¥1tn in sunk costs.

Mitsubishi Heavy said last year that it



Mitsubishi's SpaceJet. Mitsubishi Heavy said last year that it lacked the understanding and technological know-how for SpaceJet to materialise, and also struggled to gain regulatory approval in the US.

lacked the understanding and technological know-how for SpaceJet to materialise, and also struggled to gain regulatory approval in the US. There was also pressure to electrify and decarbonise, forcing the manufacturer to reassess its strategy.

Global air passenger demand is projected to double in 20 years and aggressive investment in Japan's aircraft industry will lead to annual growth worth ¥6tn, as much as 5 times from the current level, according to the trade ministry.

The new strategy focuses on strengthening supply chains to support Japan's aircraft in-

dustry. The private and public sector will explore hydrogen engine technology and clean energy options at a time when the airline industry has set a target of eliminating carbon emissions on a net basis by 2050.

Unlike last time, the latest project will include multiple players including automakers Subaru Corp, Mitsubishi Heavy and Kawasaki Heavy Industries Ltd and heavy machinery maker IHI Corp, Japan space agency, as well as energy-related organisations.

"We will need to build new technology" and collaborate with foreign OEMs, Kuremura said.

Electric cars pass tipping point to mass adoption in 31 countries

Bloomberg
New York

New technologies have a tendency to blind-side. When colour TVs were introduced in the 1950s, for example, they seemed like a flop. The devices were expensive, programming was scarce, and after a decade on the market few homes had one. Then suddenly prices dropped, a ratings war ensued, and in just a few years most US households were watching The Jetsons in its futuristic palette. A comparable shift is currently underway with electric vehicles, according to a Bloomberg Green analysis of adoption rates around the world. By the end of last year, 31 countries had surpassed what's become a pivotal EV tipping point: when 5% of new car sales are purely electric. This threshold signals the start of mass adoption, after which technological preferences rapidly flip. When we first completed this analysis in 2022, only 19 countries had passed the 5% tipping point. Last year, that number soared as EVs spread across four continents. For the first time, some of the fastest-growing markets were found in Eastern Europe and Southeast Asia. The trajectory laid out by countries that came before them shows how EVs can surge from 5% to 25% of new cars in under four years.

Why is 5% important?

New technologies — from televisions to smart-watches — follow an S-shaped adoption curve. Sales move at a crawl during the early-adopter phase, before hooking into a wave of mainstream acceptance. The transition often hinges on overcoming initial barriers such as cost, a lack of infrastructure and consumer scepticism. The tipping point signals the flattening of these barriers. While each country's journey to 5% plays out differently, timelines converge in the years that follow. "Once enough sales occur, you kind of have a virtuous cycle," said Corey Cantor, an EV analyst at BloombergNEF. "More EVs popping up means more people seeing them as

mainstream, automakers more willing to invest in the market, and the charging infrastructure expanding on a good trajectory." Several countries crossed the tipping point last year in blazing fashion. Thailand emerged as Southeast Asia's EV pioneer, surpassing the 5% threshold in the first quarter of 2023 and then rising to nearly 13% of new car sales by the last quarter. The transition was supercharged by the opening of Thailand's first domestic EV factory, owned by China's Great Wall Motor Co. A similar story played out in Turkey, a country that was barely on the radar for EV adoption a year ago. The Turkish auto company known as Togg flipped the switch with the release of its first battery-powered car — the T10X — an SUV that competes squarely with Tesla's Model Y. Sales of the electric Togg set a blistering pace. Turkey crossed the 5% tipping point in the third quarter, and by the fourth quarter it was the fourth biggest EV market in Europe. While this market-share approach to EV tipping points shows how fast the transition to electric cars can take hold, it doesn't preclude year-to-year slowdowns or setbacks due to supply-chain disruptions, economic downturns, bankruptcies and politics. Analysts at BloombergNEF expect fully electric and plug-in hybrid vehicle sales to increase about 22% this year globally, decelerating from the last several years, though not dramatically changing the long-term outlook for EV adoption.

The US underperforms

The US tipping point didn't arrive until the end of 2021 — relatively late for a country with its economic clout. American drivers demanded EVs with longer ranges than the earliest models offered, and the US preference for pickup trucks and large SUVs required bigger batteries than the nascent supply chain could handle.

Two years after crossing the tipping point, the US continues to lag the countries that came before it. Fully electric cars accounted for 8.1% of US auto sales last quarter, far short of the 18.1% average for 20 countries at the same point on the adoption curve. The only country

with a smaller share of EVs at the two-year mark was South Korea, a nation whose range anxiety rivals the US. Not a single country thus far has taken more than three years to go from 5% to 15% EVs — which means the US and South Korea will either break from the trend in 2024 or will require a sudden acceleration in sales to catch up. While the analysis above is for vehicles that run on batteries only, some countries, primarily in Europe, were quicker to adopt plug-in hybrids. The US mostly skipped over hybrids, which have smaller batteries backed by a gasoline-powered engine, but automakers are now turning to them to forestall a costly showdown with ever-cheaper electric cars out of China. Since hybrids don't require the same level of infrastructure or consumer commitment as fully electric cars, the earliest phase of adoption can be more erratic. A consistent tipping point for this broader category of EVs isn't reached until 10% of new vehicles are hybrid or fully electric, according to Bloomberg Green's analysis. The US was just shy of the mark, with 9.9% market share for the second half of 2023.

A tipping point for the world

The countries that have now passed the EV tipping point account for two-thirds of the world's auto sales. That still leaves large swaths of the global population behind the curve. Nevertheless, a tipping point may be approaching for India, Indonesia and Poland, significant auto markets where EVs have been on the rise. In South America, a major push underway by China's BYD could provide the spark for widespread adoption beginning with Brazil. Applying this framework to the entire planet, the 5% EV tipping point was crossed in 2021. In the fourth quarter of 2023, fully electric cars accounted for roughly 12% of new cars sold worldwide. The same forces that drove so many car buyers to try their first electric model — falling battery prices, more chargers, better performance — continue to make EVs competitive in new markets.



BUSINESS

The Qatar Stock Exchange (QSE) Index dropped by 267.61 points or 2.6% during the week to close at 9,943.61. Market capitalisation declined 2.5% to QR574.2bn from QR589.0bn at the end of the previous trading week. Of the 51 traded companies, 45 ended the week down and 6 ended up. Qatar Islamic Insurance (QISI) was the worst performing stock for the week, declining 10.2%. Whereas, Al Ahli Bank (ABQK) was the best performing stock for the week, gaining 4.1%.

QNB Group (QNBK), Qatar Islamic Bank (QIBK) and Qatar Navigation (QNNS) were the main contributors to the weekly index drop. QNBK and QIBK removed 54.30 and 35.11 points from the index, respectively. Further, QNNS reduced another 28.10 points.

Traded value during the week increased 11.7% to reach QR2,217.6mn from QR1,985.9mn in the prior trading week. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR355.4mn.

Traded volume was marginally up 0.1% to 688.2mn shares compared with 687.5mn shares in the prior trading week. The number of transactions went up 4.7% to 70,265 vs 67,127 in the prior week. United Development Company (UDCD) was the top volume traded stock during the week with total traded volume of 93.3mn shares.

Foreign institutions remained bullish, ending the week with net buying of QR3.4mn vs net buying of QR29.4mn in the prior week. Qatari institutions turned bullish with net buying of QR15.7mn vs net buying of QR10.2mn in the prior week. Qatari retail investors recorded net selling of QR41.1mn vs net buying of QR37.4mn the week before. YTD (as of Thursday's closing), global foreign institutions were net buyers by \$158.2mn, while GCC institutions were net sellers of Qatari stocks by \$152.5mn.



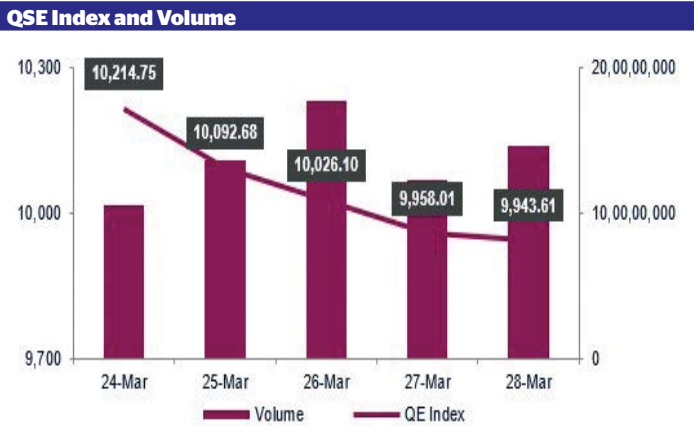
Weekly Market Report

| Market Indicators | Week ended. March 28, 2024 | Week ended. March 21, 2024 | Chg. % |
|---------------------------|-------------------------------|-------------------------------|--------|
| Value Traded (QR mn) | 2,217.6 | 1,985.9 | 11.7 |
| Exch. Market Cap. (QR mn) | 574,220.8 | 588,996.1 | (2.5) |
| Volume (mn) | 688.2 | 687.5 | 0.1 |
| Number of Transactions | 70,265 | 67,127 | 4.7 |
| Companies Traded | 51 | 52 | (1.9) |
| Market Breadth | 06:45 | 25:23 | - |

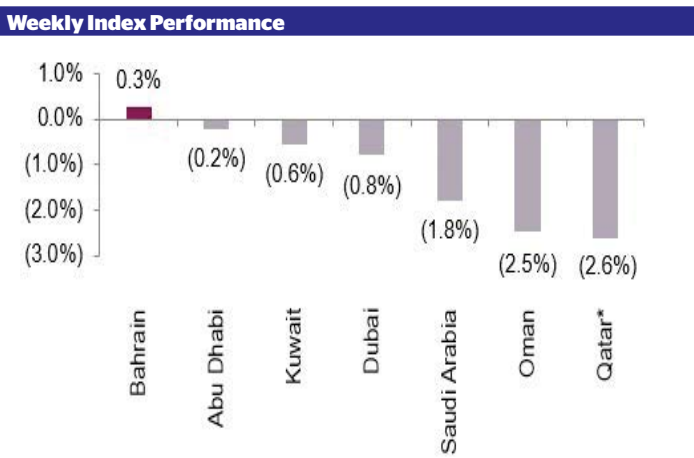
Source: Qatar Exchange (QE)

| Market Indices | Close | WTD% | MTD% | YTD% |
|------------------------------|-----------|-------|-------|-------|
| Total Return | 22,224.96 | (2.4) | (2.8) | (4.4) |
| ALL Share Index | 3,448.63 | (2.5) | (2.9) | (5.0) |
| Banks and Financial Services | 4,153.30 | (2.9) | (5.2) | (9.3) |
| Industrials | 4,062.06 | (1.2) | 0.1 | (1.3) |
| Transportation | 4,912.56 | (4.2) | (0.5) | 14.6 |
| Real Estate | 1,527.97 | (2.2) | (0.3) | 1.8 |
| Insurance | 2,385.74 | (3.3) | 0.0 | (9.4) |
| Telecoms | 1,665.83 | (1.1) | (1.3) | (2.3) |
| Consumer Goods & Services | 7,183.41 | (1.8) | (1.7) | (5.2) |
| Al Rayan Islamic Index | 4,665.65 | (1.7) | (1.6) | (2.1) |

Source: Qatar Exchange (QE)



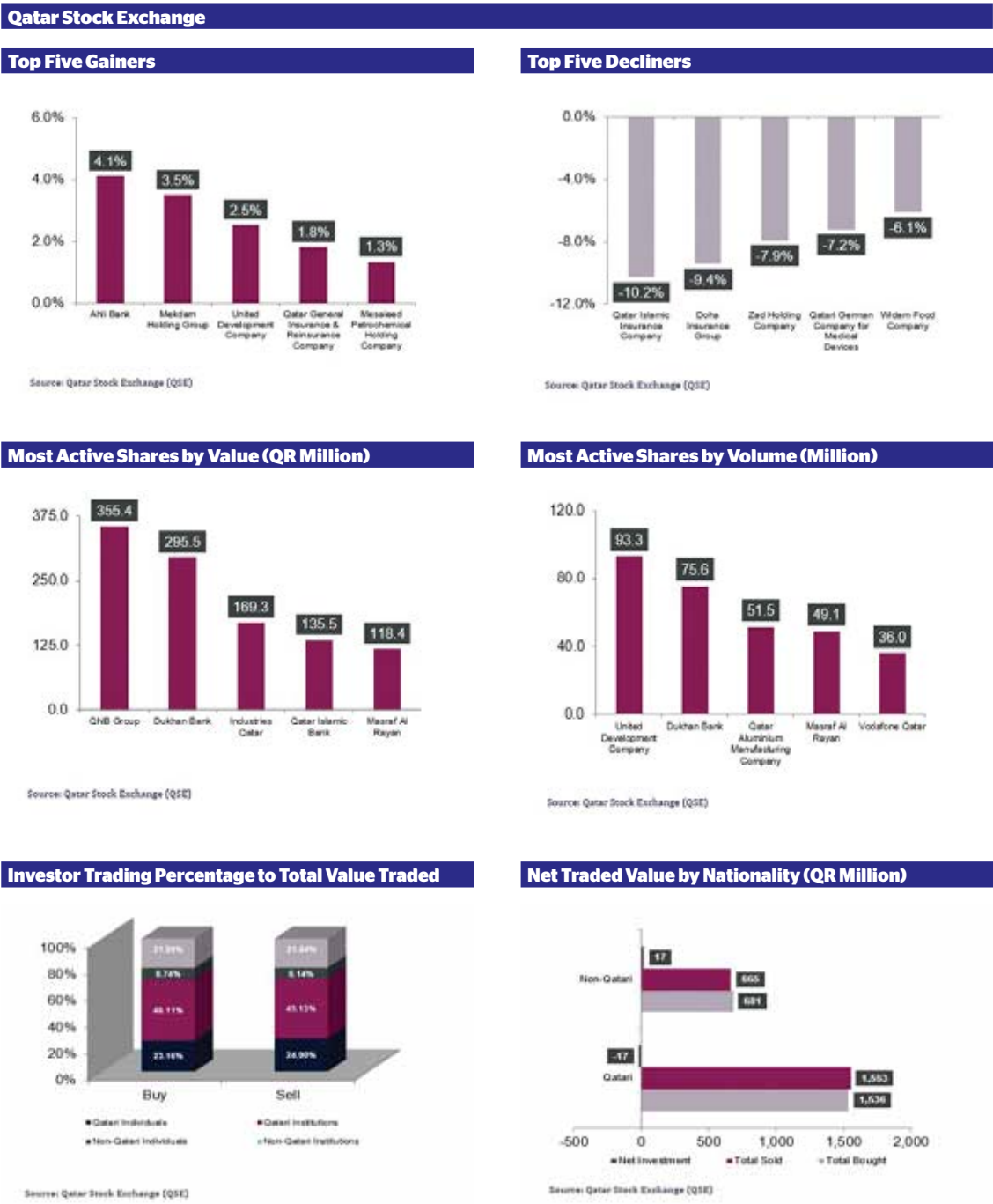
Source: Qatar Exchange (QE)



Source: Bloomberg

| Regional Indices | Close | WTD% | MTD% | YTD% | Weekly Exchange Traded Value (\$ mn) | Exchange Mkt. Cap. (\$ mn) | TTM P/E** | P/B** | Dividend Yield |
|------------------|-----------|-------|-------|-------|---|-------------------------------|-----------|-------|----------------|
| Qatar* | 9,943.61 | (2.6) | (5.1) | (8.2) | 608.15 | 157,451.3 | 11.5 | 1.3 | 4.8 |
| Dubai | 4,232.94 | (0.8) | (1.5) | 4.5 | 510.27 | 198,329.4 | 8.3 | 1.3 | 5.2 |
| Abu Dhabi | 9,263.96 | (0.2) | 0.1 | (3.3) | 1,109.30 | 722,304.9 | 20.1 | 2.8 | 2.1 |
| Saudi Arabia* | 12,607.90 | (1.8) | (0.2) | 5.4 | 10,971.12 | 2,928,867.1 | 22.3 | 2.7 | 2.9 |
| Kuwait | 7,374.02 | (0.6) | (0.9) | 8.2 | 690.98 | 155,334.1 | 15.7 | 1.6 | 3.2 |
| Oman | 4,673.13 | (2.5) | 2.6 | 3.5 | 54.51 | 23,719.9 | 13.1 | 0.9 | 5.2 |
| Bahrain | 2,055.96 | 0.3 | 2.5 | 4.3 | 32.88 | 64,124.3 | 8.0 | 0.8 | 7.6 |

Source: Bloomberg



| Company Name | Price March 28 | % Change Weekly | % Change YTD | Market Cap. QR Million | TTM P/E | P/B | Div. Yield |
|---------------------------------------|----------------|-----------------|--------------|------------------------|---------|-----|------------|
| Qatar National Bank | 14.20 | (3.73) | (14.10) | 131,157 | 9.1 | 1.5 | 4.6 |
| Qatar Islamic Bank | 19.00 | (2.31) | (11.63) | 44,896 | 11.0 | 1.8 | 3.8 |
| Commercial Bank of Qatar | 4.94 | (3.24) | (20.40) | 19,973 | 7.1 | 1.1 | 5.1 |
| Doha Bank | 1.49 | (2.42) | (18.58) | 4,620 | 5.8 | 0.4 | 5.0 |
| Al Ahli Bank | 4.12 | 4.12 | 13.75 | 10,511 | 13.2 | 1.5 | 6.1 |
| Qatar International Islamic Bank | 10.93 | (1.97) | 2.25 | 16,545 | 15.5 | 2.2 | 3.7 |
| Masraf Al Rayan | 2.37 | (5.98) | (10.58) | 22,078 | 15.7 | 0.9 | 4.2 |
| Lesha Bank | 1.25 | (5.61) | (5.82) | 1,396 | 13.9 | 1.1 | N/A |
| National Leasing | 0.68 | (2.98) | (6.31) | 338 | 22.1 | 0.5 | 4.4 |
| Diala Holding | 1.24 | (5.44) | (6.44) | 235 | 107.3 | 1.3 | N/A |
| Qatar & Oman Investment | 0.85 | 0.00 | (10.62) | 268 | N/A | 1.1 | N/A |
| Islamic Holding Group | 3.87 | (2.50) | (6.75) | 219 | 21.2 | 1.4 | 1.3 |
| Dukhan Bank | 3.86 | (1.68) | (2.89) | 20,204 | 16.3 | 1.6 | 4.1 |
| Banking and Financial Services | | | | 272,438 | | | |
| Zad Holding | 13.66 | (7.89) | 1.19 | 3,926 | 21.3 | 3.1 | 4.3 |
| Qatar German Co. for Medical Devices | 1.32 | (7.20) | (9.37) | 152 | 171.5 | 4.2 | N/A |
| Salam International Investment | 0.63 | (1.87) | (7.91) | 719 | 17.4 | 0.5 | 4.8 |
| Baladna | 1.16 | (3.72) | (4.90) | 2,213 | 19.9 | 0.9 | 6.0 |
| Medicare Group | 4.28 | (3.50) | (22.06) | 1,204 | 18.3 | 1.2 | 5.1 |
| Qatar Cinema & Film Distribution | 2.91 | (6.04) | 0.34 | 183 | 42.2 | 1.4 | 2.4 |
| Qatar Fuel | 14.77 | 0.07 | (10.92) | 14,685 | 15.0 | 1.6 | 6.1 |
| Widam Food | 1.98 | (6.09) | (16.31) | 356 | N/A | 2.3 | N/A |
| Mannai Corp. | 4.16 | (2.62) | (0.93) | 1,899 | N/A | 1.9 | 6.0 |
| Al Meera Consumer Goods | 13.11 | (0.61) | (4.93) | 2,701 | 14.2 | 1.7 | 3.3 |
| Mekdam Holding Group | 4.96 | 3.51 | (3.88) | 521 | 12.1 | 2.7 | 5.3 |
| Meeza QSTP | 3.30 | (0.09) | 15.02 | 2,142 | N/A | 3.0 | 2.5 |
| Al Faleh Education Holding | 0.73 | (3.97) | (14.40) | 174 | 14.5 | 0.7 | 4.3 |
| Consumer Goods and Services | | | | 30,873 | | | |
| Qatar Industrial Manufacturing | 2.69 | (0.04) | (10.33) | 1,278 | 7.6 | 0.7 | 4.8 |
| Qatar National Cement | 3.62 | (2.13) | (8.23) | 2,367 | 11.5 | 0.8 | 8.3 |
| Industries Qatar | 11.97 | (1.32) | (6.49) | 72,419 | 15.4 | 1.8 | 6.5 |
| Qatari Investors Group | 1.65 | (1.37) | 0.43 | 2,051 | 11.3 | 0.7 | 9.1 |
| Qatar Electricity and Water | 16.23 | (1.46) | (13.67) | 17,853 | 11.5 | 1.2 | 5.3 |
| Aamal | 0.76 | (2.06) | (9.82) | 4,801 | 13.0 | 0.6 | N/A |
| Gulf International Services | 2.69 | (5.72) | (2.61) | 4,994 | 12.0 | 1.3 | 5.6 |
| Mesaieed Petrochemical Holding | 1.96 | 1.34 | 9.68 | 24,636 | 22.9 | 1.4 | 4.4 |
| Estithmar Holding | 1.91 | (2.26) | (9.02) | 6,488 | 18.6 | 1.3 | N/A |
| Qatar Aluminum Manufacturing | 1.32 | (0.08) | (6.07) | 7,338 | 16.4 | 1.1 | 5.3 |
| Industrials | | | | 144,225 | | | |
| Qatar Insurance | 2.25 | (3.85) | (13.13) | 7,349 | 13.2 | 1.2 | 4.4 |
| QLM Life & Medical Insurance | 2.07 | (1.52) | (17.17) | 725 | 9.5 | 1.2 | 6.0 |
| Doha Insurance | 2.22 | (9.39) | (7.11) | 1,110 | 7.4 | 0.9 | 7.9 |
| Qatar General Insurance & Reinsurance | 1.12 | 1.82 | (23.81) | 980 | N/A | 0.3 | N/A |
| Al Khaleej Takaful Insurance | 2.50 | (4.32) | (15.82) | 638 | 9.9 | 1.1 | 4.8 |
| Qatar Islamic Insurance | 8.08 | (10.25) | (9.26) | 1,211 | 8.5 | 2.3 | 6.2 |
| Damaan Islamic Insurance Company | 3.77 | (0.29) | (5.52) | 754 | 10.7 | 1.5 | 4.8 |
| Insurance | | | | 12,766 | | | |
| United Development | 1.13 | 2.54 | 6.10 | 4,001 | 9.9 | 0.4 | 4.9 |
| Barwa Real Estate | 2.76 | (4.85) | (4.65) | 10,740 | 8.7 | 0.5 | 6.5 |
| Ezdan Real Estate | 0.80 | (4.30) | (6.44) | 21,246 | 215.1 | 0.6 | N/A |
| Mazaya Qatar Real Estate Development | 0.66 | (2.67) | (9.13) | 657 | 21.7 | 0.6 | 3.8 |
| Real Estate | | | | 36,645 | | | |
| Ooredoo | 10.60 | (1.21) | (7.02) | 33,954 | 11.3 | 1.3 | 5.2 |
| Vodafone Qatar | 1.75 | (0.74) | (8.39) | 7,385 | 13.6 | 1.5 | 6.3 |
| Telecoms | | | | 41,338 | | | |
| Qatar Navigation (Milaha) | 10.53 | (5.98) | 8.56 | 11,964 | 11.6 | 0.7 | 3.6 |
| Gulf Warehousing | 3.25 | (3.70) | 3.77 | 190 | 8.8 | 0.8 | 3.4 |
| Qatar Gas Transport (Nakilat) | 3.98 | (2.88) | 13.15 | 22,067 | 14.2 | 1.8 | 3.5 |
| Transportation | | | | 34,221 | | | |
| Qatar Exchange | | | | 574,221 | | | |

Technical analysis of the QSE index



The QSE index closed down (-2.6%) for the week; it closed at 9,943.6 points. The Index remains flat over the longer term. This flat range (between the 11,000 resist-

ance 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.

Property firm Adler looks to sell assets at up to 47% discount

Bloomberg
Frankfurt

Adler Group SA asked its bondholders for permission to sell an unfinished apartment development at a 47% discount from where it was valued less than two years ago, as the embattled landlord races to repay its vast debt load.

The German real estate firm aims to sell a project known as Cologne Apart for €44mn (\$48mn), according to documents seen by Bloomberg. That price is also a 37% discount from the property's June 30 valuation. The price is an even steeper discount, 47%, to its valuation in June 2022.

It's at least the second time Adler has sought bondholders' approval to sell the development, after initially securing their approval for a €50mn sale last year. The price slipped after protracted negotiations.

The sale seeks to reduce the risk that Adler would have to put even more money into the project, and that it would be "held liable for potential environmental damages, remedial measures and the like," Adler told bondholders in a letter.

A UK court derailed its restructuring plan earlier this year, putting even more pressure on the landlord to sell assets at a favourable price. Adler has sold more than 30,000 apartments since short seller Viceroy Research accused it of fraud more than two years ago — allegations the firm has strongly rejected.

The deals, along with the partial sale of a subsidiary, cut its portfolio by more than half, but the proceeds made only a small dent in its debt.

As part of Adler's debt restructuring plan and injection of new funds, investors demanded authority to approve any future asset sales — and said they wanted a say in what is and isn't sold and at what price. The firm's creditors can vote against any such transactions if they deem the price too low, according to people familiar with the matter and documents seen by Bloomberg.

The majority of bondholders have so far approved the sales.

The latest planned asset sale comes after Adler asked for consent in November for a series of disposals, when it expected to sell the Cologne property for €50mn, the document said. It also sought to sell its Grand Central project for €80mn at the time, a 45% discount to its June 2022 valuation and a 30% haircut from the same month last year. It also sought consent at the time to sell the Riverside project for €17mn, a 25% discount to its June valuation.

Creditors have until April 9 to approve the sale of the Cologne development. The company, which reports results next month, is under growing pressure to execute deals as German apartment prices continue to fall and ahead of a looming maturity wall next year.

Progress on major sales has been slow, with potential buyers well aware of the pressure the company is under, while its loan-to-value ratio has climbed to about 90% — giving it little wiggle room for further write-downs or discounted sales.

OpenAI previews new audio tool that can read text, mimic voices

Bloomberg
San Francisco

OpenAI is sharing early results from a test for a feature that can read words aloud in a convincing human voice — highlighting a new frontier for artificial intelligence and raising the spectre of deepfake risks. The company is sharing early demos and use cases from a small-scale preview of the text-to-speech model, called Voice Engine, which it has shared with about 10 developers so far, a spokesperson said. OpenAI decided against a wider rollout of the feature, which it briefed reporters on earlier this month.

A spokesperson for OpenAI said the company decided to scale back the release after receiving feedback from stakeholders such as policymakers, industry experts, educators and creatives. The company had initially planned to release the tool to as many as 100 developers through an application process, according to the earlier press briefing.

"We recognise that generating speech that resembles people's voices has serious risks, which are especially top of mind in an election year," the company wrote in a blog post on Friday. "We are engaging with US and international partners from across government, media, entertainment, education, civil society and beyond to ensure we are incorporating



The OpenAI logo on a smartphone. OpenAI is sharing early results from a test for a feature that can read words aloud in a convincing human voice — highlighting a new frontier for artificial intelligence and raising the spectre of deepfake risks.

their feedback as we build." Other AI technology has already been used to fake voices in some contexts. In January, a bogus but realistic-sounding phone call purporting to be from President Joe Biden encouraged people in New Hampshire not to vote in the primaries — an event that stoked AI fears ahead of critical global elections. Unlike OpenAI's previous efforts at generating audio content, Voice Engine can create speech that sounds like

individual people, complete with their specific cadence and intonations. All the software needs is 15 seconds of recorded audio of a person speaking to recreate their voice.

During a demonstration of the tool, Bloomberg listened to a clip of OpenAI Chief Executive Officer Sam Altman briefly explaining the technology in a voice that sounded indistinguishable from his actual speech, but was entirely AI-generated. "If you have the right audio setup, it's basically a human-calibre voice," said Jeff Harris, a product lead at OpenAI. "It's a pretty impressive technical quality." However, Harris said, "There's obviously a lot of safety delicacy around the ability to really accurately mimic human speech." One of OpenAI's current developer partners using the tool, the Norman Prince Neurosciences Institute at the not-for-profit health system Lifespan, is using technology to help patients recover their voice. For example, the tool was used to restore the voice of a young patient who lost her ability to speak clearly due to a brain tumour by replicating her speech from an earlier recording for a school project, the company blog post said. OpenAI's custom speech model can also translate the audio it generates into different languages. That makes it useful for companies in the audio business, like Spotify Technology SA. Spotify has already used the technology in its own pilot program to translate the podcasts of

popular hosts like Lex Fridman. OpenAI also touted other beneficial applications of the technology, such as creating a wider range of voices for educational content for children.

In the testing program, OpenAI is requiring its partners to agree to its usage policies, obtain consent from the original speaker before using their voice, and to disclose to listeners that the voices they're hearing are AI-generated. The company is also installing an inaudible audio watermark to allow it to distinguish whether a piece of audio was created by its tool.

Before deciding whether to release the feature more broadly, OpenAI said it's soliciting feedback from outside experts. "It's important that people around the world understand where this technology is headed, whether we ultimately deploy it widely ourselves or not," the company said in the blog post.

OpenAI also wrote that it hopes the preview of its software "motivates the need to bolster societal resilience" against the challenges brought about by more advanced AI technologies. For example, the company called on banks to phase out voice authentication as a security measure for accessing bank accounts and sensitive information. It's also seeking public education about deceptive AI content and more development of techniques for detecting whether audio content is real or AI-generated.

Powell reiterates Fed doesn't need to be in hurry to cut interest rates

Bloomberg
New York

Federal Reserve Chair Jerome Powell repeated that the US central bank isn't in any rush to cut interest rates as policymakers await more evidence that inflation is contained.

"The fact that the US economy is growing at such a solid pace, the fact that the labour market is still very, very strong, gives us the chance to just be a little more confident about inflation coming down before we take the important step of cutting rates," Powell said on Friday at an event at the San Francisco Fed.

Fresh inflation data released earlier is "pretty much in line with our expectations," he said. But Powell reiterated it won't be appropriate to lower rates until officials are sure inflation is on track toward 2%, the rate they see as appropriate for a healthy economy.

Investors are now betting the US central bank will make that first cut in June.

"The overall message really hasn't changed too much," said Veronica Clark, an economist at Citigroup Inc. "It seems like February inflation data came in line with how they were expecting, and that's in line with more prints that they would be OK with."

"We're in the mode now of just gaining a bit more confidence, a couple more months of data, and they're still going to be willing to cut mid-year," she added.

The Fed's preferred gauge of underlying inflation cooled last month after an even larger increase than previously reported in January, government data re-



Jerome Powell, chairman of the US Federal Reserve.

leased Friday showed. The core personal consumption expenditures price index — which excludes volatile food and energy costs — rose 0.3% in February after climbing 0.5% in the previous month, marking its biggest back-to-back gain in a year. The measure is up 2.8% from a year earlier, still above the Fed's 2% target.

"It's good to see something coming in in line with expectations," Powell said of the data, adding that the latest readings aren't as good as what policymakers saw last year.

Powell said officials expect inflation to continue falling on a "sometimes bumpy path," echoing remarks he made following

the Fed's last policy meeting earlier this month.

Fed officials held short-term interest rates at a more than two-decade high at that meeting, and a narrow majority pencilled in three rate cuts for 2024.

Powell has said it would likely be appropriate for the Fed to ease policy "at some point this year." But he and other policymakers have made clear they're approaching the first cut with caution, given the underlying strength of the economy and recent signs of persistent price pressures.

The Fed chief said on Friday he doesn't see the possibility of a recession as elevated at this time.

Still, he reiterated that an unexpected weakening in the labour market could warrant a policy response from Fed officials.

Inflation has eased substantially from a 40-year peak reached in 2022, decelerating at a particularly fast clip last year. That progress appeared to stall in January and February, with a pickup in consumer price growth.

Meanwhile, the US economy has remained resilient despite high interest rates. Inflation-adjusted consumer spending topped all economists' estimates in February, and employers are still hiring workers at a robust clip. Data out earlier this week

showed economic growth in the fourth quarter was stronger than originally thought.

Although Fed officials' median projection for three rate cuts this year was unchanged from December, nearly half forecast two or fewer rate reductions in 2024. Most policymakers have said they want to see further evidence that inflation is coming down toward their 2% goal before making their first move.

Governor Christopher Waller, an early proponent of raising rates high and fast to contain price pressures, said on Wednesday that disappointing inflation data from the start of the year means policymakers may need to keep rates elevated for longer than previously thought or even reduce the overall number of interest rate cuts.

But Powell and his colleagues have said they don't need to see inflation hit their target before they start lowering borrowing costs. As inflation declines, elevated rates are putting more pressure on the economy, and some policymakers reason it may be appropriate to lower them soon to avoid unduly harming the labour market.

"You have a Fed that at the moment is highly data dependent, and needs to see better inflation prints over the next several months," said Matthew Luzzetti, chief US economist at Deutsche Bank.

"There's broad-based expectations that those better inflation prints will come about, but really until that data are released and we get either confirmation or a different view on what the data are going to be, it's kind of hard to gauge exactly where we end up from a Fed policy perspective."

Brazil seeks real estate market boost as Lula pushes for growth

Bloomberg
Brasilia

Brazil is readying measures to boost the country's real estate market amid pressure from President Luiz Inacio Lula da Silva to fuel economic growth.

The plan includes a push to expand the securitisation of housing loans, people familiar with the matter said. One of the options being mulled is subsidising part of the cost of securitising bundles of housing loans held by banks, which could then be sold to funds and free up lenders' balance sheets so they could lend more, the people said, asking not to be named discussing private information. The measures, which seek to make the debt more attractive to banks and investors, are still being finalised and there are no details on how much the government could offer in financing, one person added.

Finance Minister Fernando Haddad said in an interview with a local radio station this week that the government is expected to release the new plan in the coming days. "Banks will have an incentive to sell real estate portfolios, open up space on their balance sheets and offer more credit," Haddad said.

The ministry declined to comment further



Homes in Barcarena, Para state. Brazil is readying measures to boost the country's real estate market amid pressure from President Luiz Inacio Lula da Silva to fuel economic growth.

on details of the plan. In Latin America's largest economy, most of the funding for housing comes from the 735bn reais (\$148bn) Brazilians hold in savings accounts. In 2023, they were behind more than half of the 994,000 housing loans granted, according to Abecip, Brazil's association for real estate financing. Brazilians have been pulling money from

savings accounts in the past few years, though.

Outflows from the country's savings and loan system, known as SBPE, reached 3.35bn reais in February, according to data from the central bank. Gross deposits in such accounts dropped almost 20% in February from the prior month, data from the Brazilian Association of Real Estate

Loans and Savings Companies show. The move away from the traditional savings account model — fuelled partially due to high interest rates, partially by a surge in offerings of new investment instruments by a slew of digital banks and brokerages — has complicated efforts to close a housing gap that some studies estimate to be around 6mn homes. Capital markets in Brazil have already begun to absorb the gap left by the outflows seen in savings accounts. CRIs and similar products known as and LCI expanded 56% and 50% last year, respectively, according to data from Anbima, the country's capital markets association. CRI issuance totalled 63.7bn reais in 2023, while LCIs reached 324bn reais in the same period. These instruments are "tackling part of the problem, but not solving it," said Flavio Cagno, a partner at Kinea Investimentos Ltda.

"These are very important instruments that have grown, but there is a growing housing deficit in the country," he said. "We need to bring to the market this funding that is being stocked inside the banks, but we need to make this credit palatable to the market." Securitization of housing loans currently has little demand because borrowers pay subsidized rates when their contracts are

financed with savings accounts funds. That means lower returns for funds interested in securitising those debts.

The measures being discussed are part of a broader package that seeks to boost growth by expanding access to credit. Lula, whose popularity is dropping in opinion polls in his second year in office, has asked his cabinet to come up with measures to raise public investment and growth.

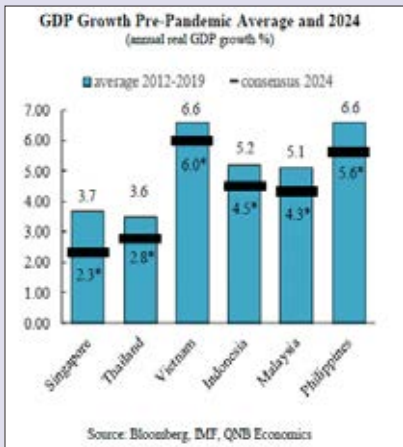
The president, a former labour union leader, remains committed to using state power to bolster the economy and help the poor. Last year he restarted the "Minha Casa, Minha Vida" housing plan — which translates as "My Home, My Life" — with some \$2bn in funding, rising to about \$3bn in 2024.

While securitised products used to finance real estate projects — which involves bundling obligations by risk level — smacks of the collateralised debt obligations that helped fuel the 2008 global financial crisis, the government's plan so far has not sparked concern in the sector.

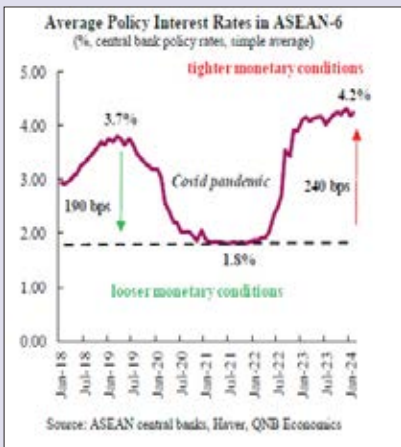
"To have a credit risk like in the US, we would have to have a huge devaluation of the real estate market in Brazil," said Fabio Rocha Pinto e Silva, a lawyer at Pinheiro Neto Advogados. "Nothing indicates that we are living in a bubble, there is not nearly enough supply."

Asean-6 growth ‘robust’ by international standards: QNB

Growth in the Association of Southeast Asian Nations (Asean-6) is still robust by international standards, but is below its pre-pandemic historical performance, QNB said in an economic commentary. This, QNB noted, is due to weaker external demand as well as tighter domestic and international financial conditions. In recent decades, Southeast Asia has been the most dynamic region in the world, showcasing the brightest economic growth performance. The six largest countries of Asean-6, which includes Indonesia, Thailand, Singapore, Malaysia, Vietnam, and the Philippines, have been among the fastest growing economies in recent times. With the end of the Covid-pandemic, it was expected that these countries would return to the strong growth rates of previous years, QNB said. But 2023 turned out to provide a less supportive environment than had initially been projected, and in 2024 the Asean-6 economies will continue to underperform relative to their pre-pandemic growth rates.



In the article, QNB discusses two key factors that point to below-trend growth for the Asean-6 economies during 2024. First, external demand will remain soft this year, which implies weaker support for economic growth of the highly globally-integrated Asean-6 countries. International trade is a key determinant of growth for



the Asean-6 economies. In fact, exports represent 20-30% of GDP for Indonesia and Philippines, 65-95% for Thailand, Malaysia and Vietnam, and as much as 180% for Singapore. In 2023, world trade performance was disappointing, with the latest preliminary estimates suggesting that it contracted

slightly. During the last 40 years, a contraction in global trade was only observed in 2009, as a result of the Global Financial Crisis (GFC), and in 2020 with the Covid-pandemic. This year, QNB expects a mild recovery, with international commerce set to expand by around 2.8% on the back of an upturn in global manufacturing. Although this pace of growth is an improvement relative to last year, it implies a significant under-performance relative to the long-run average of 4.6% during 2000-2022. Given the importance of trade for the Asean-6 economies, this slowdown represents a major headwind for economic growth, making it more difficult for the region to return to pre-pandemic growth rates. Second, higher interest rates in the major advanced economies (AE), as well as in the Asean-6 countries, have set a more challenging environment for economic growth. In advanced economies, interest rates are at the tightest levels in years. The US Federal Reserve and the European

Central Bank have increased their policy interest rates by 525 and 400 basis points (bps), respectively, since mid-2022. Although the two major central banks have reached the end of their tightening cycles, and are now debating the timing for rate cuts, the process will be gradual and policy rates are expected to stabilise at higher levels than in the previous economic cycle. Similarly, central banks in the Asean-6 countries implemented their own monetary tightening cycles in order to contain spiralling prices. In these economies, the average increase in policy rates was 240 basis points (bps), to levels above those at the onset of the Covid-pandemic. According to QNB, the central banks in the region are expected to reach a turning point in monetary policy by mid-year, given softening economic growth and sustained downward trends in inflation. However, given the still relatively high levels of interest rates, and the lagged effects of monetary policy, they will continue to be a drag on activity over the next several quarters, QNB noted.

Masraf Al Rayan partners with Edaa for investors’ dividends payment

Masraf Al Rayan, under an agreement with Qatar Central Securities Depository (Edaa), is set to enhance and streamline the distribution of dividends to shareholders of listed companies in the Qatari market. This initiative aims to unify and simplify the dividend distribution process by integrating it into the operational framework of Edaa, ensuring compliance with the directives and regulations of the Qatar Financial Markets Authority (QFMA). The agreement was signed at Edaa premises in the presence of senior executives from both entities. As per this agreement, Masraf Al Rayan will integrate its dividend distribution system with the Edaa platform to efficiently, swiftly, and accurately execute dividend distribution operations. This system facilitates seamless uploading of stock dividend files and real-time updates on paid and unpaid dividends. In this context, Sheikh Saif bin Abdullah al-Thani, CEO of Edaa, stated: “As part of our commitment to enhancing investor experiences and value proposition, and in our efforts to streamline the dividend



Sheikh Saif bin Abdullah al-Thani, CEO of Edaa, and Fahad al-Khalifa, GCEO of Masraf Al Rayan Group, during the signing ceremony.

distribution process while ensuring accuracy and speed, we are pleased to select Masraf Al Rayan as our banking partner for dividend distribution. “This partnership is a testament to our ongoing dedication to providing a seamless, efficient, and transparent mechanism for dividend distribution. We are confident that the outstanding operations of Masraf Al Rayan and its commitment to excellence align well with our goals, enhancing investor confidence and the vibrancy of

the investment environment.” On his part, Fahad al-Khalifa, GCEO of Masraf Al Rayan Group, affirmed that the bank’s partnership with Edaa is a strong testament to the bank’s commitment to providing advanced financial services in line with its strategy to invest in technology for banking service development. He said: “Our agreement with Edaa aligns with our efforts to develop advanced financial services and enhance the experience of shareholders

of QSE-listed companies. We are confident that it will have a significant positive impact for the benefit of listed companies and their shareholders. “We aim to enhance the experience of distributing dividends to shareholders of QSE-listed companies and contribute to the sustainable development of the financial sector in Qatar. Therefore, we are committed to providing the best technological financial solutions to all our customers and partners.”

Six Qatar firms land in *Forbes Middle East’s* ‘Most Impactful Real Estate Leaders 2024’ list

Six executives from Qatar-based firms are on *Forbes Middle East’s* list of ‘Most Impactful Real Estate Leaders 2024’. On the fifth spot is Abdullah bin Hamad al-Attiyah, the CEO of Qatari Diar, which was founded by the Qatar Investment Authority (QIA) in 2005. According to *Forbes Middle East*, Qatari Diar has a shared capital of “\$8.1bn” and “50 investment projects” under development in “20 countries,” valued at a total of “\$35bn as of 2022.” “In November 2022, Qatari Diar opened Lusail Boulevard and Al Sa’ad Plaza, which accommodated more than 60,000 people daily during the 2022 FIFA World Cup. Its ongoing projects include Diar Ras Al Hadd in Oman and CityGate in Egypt. In February 2023, the company started construction of a new phase of the CityGate project in New Cairo, with total investments of \$57.3mn. Al-Attiyah is also the deputy chairman and board member of Katara Hospitality since March 2021,” *Forbes Middle East* stated. Abdullah bin Jobara al-Rumaihi, Group CEO of Barwa Real Estate, took the 12th spot on the list. Established in 2005, Barwa has “5.5mn sq m” of built-up area under operation today. Its projects in Qatar include Asas Towers and Barwa Village, and in other countries, including the North Row building in London and Larnaca Land in Cyprus. (Al-Rumaihi was appointed as acting CEO in 2020. In March 24, 2024, Barwa Real Estate Group announced the appointment of Ahmed Mohamed al-Tayeb as the new CEO). In February 2022, Barwa announced the sale of its stake in the Al Imtiaz Investment Group in a deal worth “\$103mn.” In the first nine months of 2023, the company recorded total assets of “\$11.3bn” and net rental income of “\$246.5mn.” It had a market cap of “\$2.9bn as of November 14, 2023.” Barwa is 45% owned by Qatari Diar. Hani Dabash, who is the deputy

Group CEO of Ezdan Holding Group, ranked 18th on the list. Ezdan Holding Group has ongoing developments totalling “32,000 units, 3,197 hospitality units, and three malls,” according to *Forbes Middle East*. The total value of the group’s completed projects is “\$12.3bn.” In the 63rd spot is Sheikh Hamad bin Mohamed al-Thani, the CEO of Mazaya Real Estate Development. Established in 2008, Mazaya had “1,937” completed units. In the first nine months of 2023, the company reported “\$6mn” in net profit and total assets worth “\$622.4mn.” In May 2023, the company purchased a plot of land in the Al Kharaj area in Lusail City for “\$5.6mn.” In November 2023, the company acquired the “11,366sq m” Gold Plaza complex in Abu Hamour for “\$49.5mn.” It had a market cap of “\$216.3mn” as of November 14, 2023. Msheireb Properties CEO Ali al-Kuwari made it to number 85 on the list. Msheireb Properties is a subsidiary of Qatar Foundation. Its signature project, Msheireb Downtown Doha, is a “310,000-sq m” smart and sustainable city district. During the 2022 FIFA World Cup, Msheireb Downtown Doha received more than “3mn” visitors, according to *Forbes Middle East*. In number 88 is Mohamed Bader al-Sadah, the Group CEO of Estithmar Holding, the developer of Al Maha Island and Lusail Winter Wonderland, among other projects developed, including “357” units as of December 2023. The company also has operations in the hospitality sector, including luxury resorts, such as Maysan LXR Hilton and Katara Hills LXR Hilton. In June 2023, the company signed three MoUs with the Iraqi National Investment Commission, with a total value of “\$7bn”, to develop two modern residential cities and five-star hotels and manage and operate several hospitals.

Riyal’s dollar peg seen likely to stay given Qatar’s economic stability, significant international reserves

By Pratap Jhonn
Business Editor

Qatar riyal’s peg to dollar is likely to stay given the “economic stability it provides and Qatar’s significant international reserves to defend it”, Allianz Trade said in a recent update. The Qatari riyal is pegged at QR3.64 to a dollar. Qatar has one of the highest levels of GDP per capita in the world, yet the economy relies significantly on hydrocarbon exports. GDP growth is expected to accelerate to 3% in 2024. Investment in the energy sector, including renewables and fossil fuels, as well as a stronger tourism industry and better partnerships with neighbouring countries, will drive momentum, the trade credit insurer noted. External liquidity will remain unproblematic in the next two years. Qatar has recorded large, sometimes huge, annual current account surpluses for more than two decades, with the exception of 2016 and 2020, when global oil and gas prices were particularly low.

These surpluses have contributed to the buildup of the Qatar Investment Authority (QIA), a sovereign wealth fund currently estimated at approximately \$480bn. Geopolitical instability in the region and trade bottlenecks are downside risks since the majority of exports are shipped through the Hormuz Strait. According to Allianz Trade, average inflation is expected to fall in 2024, thanks to the base effects and lagged effects of previous interest rate hikes. As the first phase of the North Field East gas development project begins, the budget surplus will increase by 2026, it said in a recent report. With a strong fiscal outlook, public debt is expected to decrease from 45% of GDP at the end of 2023 to 33% by the end of 2028. Qatar’s low inflation, along with progressive monetary relaxation, will also help to maintain private spending, while the government’s emphasis on economic diversification will drive stable development in non-energy sectors, Allianz Trade said.

London office sales shelved in bet on higher property prices

Bloomberg
London

Investors in London’s office market have been desperately hoping for signs of improvement. Moves to pull two heavily discounted deals to bet on a price recovery may provide them. Sales processes for 20 Old Bailey in London’s city and 5 Churchill Place in the docklands district were both shelved this month, according to people familiar with the processes. Mirae Asset Management was in late stage talks to sell 20 Old Bailey for 30% less than it paid for the building with a buyer lined up with an offer of £240mn. The Korean investor scrapped the deal as it plans to refinance the block and wait for the market to improve, some of the people said, asking not to be identified as the details are private. Further east in London’s Canary Wharf district, a deal to sell 5 Churchill Place, a 14-year-old block originally built for Bear Stearns, to an Israeli investment



Commercial offices in the City of London. Investors in London’s office market have been desperately hoping for signs of improvement. Moves to pull two heavily discounted deals to bet on a price recovery may provide them.

firm has also been withdrawn, some of the people said. The building was seized by lenders including Lloyds Banking Group Plc last year after China’s Cheung Kei Group defaulted on its debts. The two stalled sales are a sign of the stultified nature of

London’s office markets amid higher interest rates and concerns around a trend toward hybrid working. Investment volumes for central London offices were the lowest since 2009 last year, according to a report from broker Jones Lang LaSalle Inc. While cancelled deals show the

current challenge of selling such buildings, it’s also a sign that some sellers are willing to hold on with interest rates expected to move lower later this year. The likelihood of lower rates is giving some borrowers comfort. Mirae and its investors financed the 2018 purchase of 20 Old Bailey with a £200mn loan from Dekabank. While they had been under pressure to sell because of a struggle to refinance, that has since eased on rising market confidence that rates will soon fall. Mirae had been negotiating to sell the building but decided against doing so as the firm expects the market for such assets to improve, according to a spokesperson for asset manager. In Canary Wharf, one of the districts in the UK capital with the highest vacancy rates, the sales process for 5 Churchill Place was also withdrawn. The building was one of two taken over by lenders last year, with receivers from FTI Consulting appointed to help recover on the loan. A spokesperson for FTI declined to comment.