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BUSINESS

RISING UNCERTAINTY : Page 4

ECB lowers key interest rates again but hints more cuts in doubt

QSE removes minimum trading commission, lowers transaction costs to boost liquidity

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange (QSE) has removed the minimum trading commission of QR30, replacing it with a fixed proportional commission rate of 0.00275 with no minimum threshold.

The change – which will take effect on March 16 – seeks to empower investors, particularly retail investors, by reducing transaction costs and broadening market access.

By lowering transaction costs and facilitating market access, this is expected to encourage more frequent trading, improve market transparency, and enhance the overall investment experience.

The revised commission structure is expected to boost market liquidity, attract a more diverse investor base, and enhance the overall efficiency and competitiveness of Qatar's financial market on both regional and global scale.

This initiative aligns with Qatar's Third National Development Strategy (2024-30) and Qatar's Third Financial Sector Strategy (3FSS), which aims to foster sustainable economic growth by creating an inclusive and dynamic investment environment.

The QSE's move comes as part of its ongoing efforts to enhance market liquidity, stimulate trading activity, and strengthen market competitiveness.

"This initiative is a key step in our strategy to enhance trading activity and increase market liquidity. By removing the minimum trading commission, we are providing investors with greater flexibility in executing their trades, fostering a more attractive and competitive investment environment, and supporting the sustainable growth of Qatar's financial market," said Abdulaziz Nasser al-Emadi, acting chief executive Officer of QSE.

The decision aligns with global best practices and represents a significant milestone in the development of Qatar's financial sector.

The removal of the minimum commission is anticipated to increase daily trading volumes, as investors will have the flexibility to execute smaller transactions without concerns over cost barriers.

The change will also provide greater incentives for brokerage firms, supporting their ability to attract new investors and diversify their client base.

The bourse reaffirms its commitment to market development through strategic initiatives and regulatory enhancements that drive liquidity, promote investment diversification, and elevate investor engagement, all in alignment with the QSE strategy (2024-30).

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Minister of Commerce and Industry visits QSTP, reviews contribution of startups, enterprises

HE Sheikh Faisal bin Thani bin Faisal al-Thani, Minister of Commerce and Industry, yesterday visited Qatar Science and Technology Park (QSTP), a member of Qatar Foundation for Education, Science, and Community Development, where he reviewed QSTP's role in stimulating the innovation and entrepreneurship ecosystem in the country. During the visit, the minister reviewed the contributions of QSTP's startups and enterprises in developing innovative solutions, advancing the knowledge-based economy, and equipping industrial and commercial sectors with cutting-edge technology. HE Sheikh Faisal also met with representatives of Qatari and foreign startups operating from QSTP, and attended presentations on their projects, technology solutions, and contributions to key economic sectors.
This visit comes in line with national efforts aimed to enhance the innovation and entrepreneurship environment, encourage investment in knowledge- and technology-based industries, and strengthen the competitiveness of national economy, thereby creating new opportunities for sustainable growth.

Domestic funds lift sentiments on QSE; M-cap adds QR1.08bn

By Santhosh V Perumal
Business Reporter

The domestic institutions' stronger buying support yesterday lifted the Qatar Stock Exchange by 22 points, notwithstanding the global concerns over US tariff policies.
The transport, telecom and real estate counters witnessed higher than average demand as the 20-stock Qatar Index gained 0.21% to 10,514.11 points, recovering from an intraday low of 10,447 points.
The local retail investors were seen bullish, albeit at lower levels in the main market, which has reported 0.54% losses year-to-date.
The foreign individuals' weakened net selling had its influence on the main bourse, whose capitalisation added QR1.08bn or 0.18% to QR616.07bn on the back of small and microcap segments.
However, the foreign institutions were seen increasingly net profit takers in the main market, which saw as many as 0.02mn exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.09mn changed hands across eight deals.
The Gulf institutions' strengthened net selling had its influence on the main bourse, whose trade turnover and volumes were on the increase.
The Islamic index was seen gaining slower than the other indices of the main market, which

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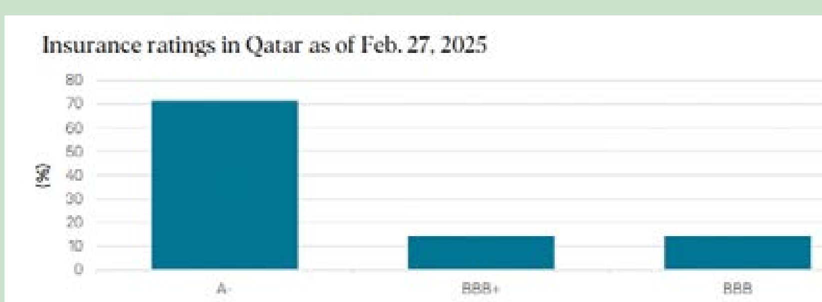
saw no trading of treasury bills.
The Arab retail investors tuned net sellers in the main bourse, which saw no trading of sovereign bonds.
The Total Return Index rose 0.21%, the All Share Index by 0.19% and the All Islamic Index by 0.14% in the main market.
The transport sector index shot up 1.39%, telecom (0.37%), realty (0.32%), consumer goods and services (0.16%), industrials (0.08%) and banks and financial services (0.05%); while insurance declined 0.23%.
Major gainers in the main bourse included Qatar Cinema and Film Distribution, Milaha, Estithmar Holding, Qatar Electricity and Water, Dukhan Bank, Inma Holding and Nakilat.
Nevertheless, Dlala, QLM, Masraf Al Rayan, Vodafone Qatar and Qatari Investors Group were among the shakers in the main market.
In the junior bourse, Techno Q saw its shares depreciate in value.
The domestic institutions' net buying increased drastically to QR47.66mn compared to QR21.21mn on March 5.
The local retail investors were net buyers to the tune of QR0.72mn against net sellers of QR4.2mn the previous day.
The foreign individual investors' net selling declined noticeably to QR0.08mn compared to QR6.29mn on Wednesday.
However, the foreign institutions' net selling strengthened substantially to QR33.96mn against QR6.38mn on March 5.
The Gulf institutions' net profit booking expanded perceptibly to QR11.01mn compared to QR6.02mn the previous day.
The Arab individual investors turned net sellers to the extent of QR3.09mn against net buyers of QR1.64mn on Wednesday.
The Gulf individuals were net profit takers to the tune of QR0.24mn compared with net buyers of QR0.04mn on March 5.
The Arab institutions had no major net exposure for the third consecutive day.
The main market witnessed a 26% surge in trade volumes to 150.89mn shares, 15% in value to QR417.98mn and 25% in deals to 17,591. In the venture market, trade volumes grew more than 18-fold to 55,000 equities and value also rose more than 18-fold to QR0.16mn on 18-fold growth in transactions to 18.

Qatar insurance market highly profitable, outperforms GCC peers: S&P

By Pratap John
Business Editor

The Qatari insurers' profitability metrics, particularly underwriting performance and return on equity (ROE), have outperformed those of other GCC insurers, S&P Global Ratings has said in a report.
The other tailwind favouring local insurers, according to S&P, is that exposure to natural catastrophes and potential earnings volatility from weather events is relatively low in Qatar.
However, S&P cautioned that Qatari insurers' exposure to equity and real estate assets is high and could cause earnings and capital volatility.
Despite ongoing geopolitical tensions and global trade disputes, S&P forecasts that economic conditions in the Gulf Co-operation Council (GCC) region will remain favourable in 2025. "We expect economic expansion, population growth, and mandatory insurance schemes will increase insurance demand in most GCC countries this year. Overall satisfactory underwriting results and relatively high interest rates will support earnings," the report said.
Yet, S&P noted that increasing competition and volatile equity markets could weigh on bottom line results. The size and profitability gaps between large and small companies will likely continue to widen.
"Although we forecast that credit conditions of highly rated insurers in our portfolio will remain stable, we anticipate that the credit strength of some smaller and midsize insurers could continue to weaken. This is because ongoing topline growth, weak earnings, and high operating costs could impair these players' capital and solvency buffers," the report said.
Ongoing infrastructure developments, introduction of mandatory insurance schemes, population growth, and rate adjustments have been key growth drivers, particularly in Saudi Arabia and the UAE, where the size of insurance markets doubled over 2020-2025.
S&P projects top-line growth of about 5%-15% in most GCC insurance markets in 2025.
Apart from the UAE, insurance penetration – measured by gross written premiums divided by GDP – remains relatively low in GCC countries, compared with other regions, S&P noted.
However, GDP data in the GCC region captures the high income from the oil and gas sector, meaning insurance penetration ratios are distorted.
Growth potential is significant, particularly in the long-term life and savings sector.
The long-term life and savings business represents only 5% of total premium income in Saudi Arabia and Qatar.
The rating outlooks on insurers in S&P's portfolio, which typically comprises market-leading insurers, are mainly stable, supported by robust earnings and capitalisation.
About 90% of rated insurers hold capital at the highest level, as per our risk-based capital adequacy model.
"That said, we expect some rated and not rated smaller and midsize insurers could face headwinds in 2025 if competition further intensifies. This could widen the gap between top-tier and lower-tier insurers," S&P said.



Qatari insurers' profitability metrics, particularly underwriting performance and return on equity, have outperformed those of other GCC insurers, according to S&P

BUSINESS

Iraqi Kurdistan oil export talks end without deal despite US push

Reuters
Baghdad/Dubai

Talks on resuming Iraqi oil flows to Turkiye that have been halted for two years failed on Thursday for the second time in a week, two official sources with knowledge of the matter told Reuters.

The two-year stand-off has halted flows from Iraqi Kurdistan in the north of the country to Turkiye's Mediterranean port of Ceyhan.

An official from the US Embassy in Baghdad attended the talks for the first time, which were held at the Iraqi oil ministry's headquarters in the city, four sources told Reuters.

Washington is applying pressure to Iraq to resume the exports, with Reuters reporting last month that US President Donald Trump's administration had asked Iraq to allow the flows to restart or face sanctions.

The US administration's stance in part reflects its "maximum pressure" campaign on neighbouring Iran which includes efforts to squeeze off Tehran's oil exports.

The main sticking point at Thursday's meeting was over pricing, one of the two official sources said.

Talks on Sunday had also ended without a breakthrough.

On Thursday the ministry insisted on a production cost of $16 per barrel for exported volumes of around 185,000 barrels per day (bpd), but would not apply that price to all production from Iraqi Kurdistan, one of the sources said, adding that the foreign oil firms involved strongly rejected this.

Oil producers working in Kurdistan include DNO, Genel Energy, Gulf Keystone Petroleum and Shamaran Petroleum.

Another source with knowledge of the matter told Reuters that Baghdad had earlier promised that the price would apply to all production but had backtracked at the Sunday meeting with oil firms.

The US official attended Thursday's talks at the request of Washington, an Iraqi oil ministry official with direct knowledge of the matter told Reuters.

"The presence of the US diplomat aims to help push the negotiations forward and reach solutions to the issues hindering the resumption of oil exports in a way that satisfies all parties," the official said.

"There is strong insistence from the US side on ensuring the success of the negotiations by any means," said a government official close to the talks.

The White House National Security Office did not respond to a request for comment.

Washington wants the flows via Turkiye restarted partly to boost global supply and therefore help lower prices. At the same time the US administration wants to halt financial ties between Iraq and neighbouring Iran as it applies pressure on Tehran over its oil exports and nuclear program.

Iraq is an important ally to the US and Iran and vital to helping the latter support its economy amid international sanctions.

Baghdad is wary of getting caught in the crosshairs of the US president's policy of squeezing Tehran, sources have told Reuters.

Turkish Central Bank Governor Fatih Karahan.

Turkiye lowers key interest rate to 42.5% in third straight cut

Bloomberg
Istanbul

Turkiye's central bank lowered its key interest rate for a third straight time, days after inflation data showed a faster-than-expected pace of cooling.

The Monetary Policy Committee, led by Governor Fatih Karahan, cut the one-week repo rate to 42.5% from 45% on Thursday. The decision was in line with expectations, with almost all economists surveyed by Bloomberg pencilling in a 250 basis-point reduction.

The move comes after annual inflation eased to 39% in February, the lowest level in 20 months, supporting policymakers' case for continued rate cuts. Core inflation — which excludes volatile items such as food and energy — remains elevated, and services inflation has proven stubbornly high.

In its statement, the MPC said the "underlying trend of inflation decreased in February" and noted that "services inflation slowed after January's idiosyncratic increase."

"Although domestic demand was above projections in the fourth quarter, it remained at disinflationary levels," said the statement. The bank reiterated that the policy rate would be determined on "a meeting-by-meeting" basis with a focus on the inflation outlook, refraining from any explicit future guidance.

Still, it noted that domestic demand remains disinflationary in the first quarter, citing leading indicators. This phrase "opens the door for another rate cut in the April meeting," said Tufan Comert, global markets strategy director at BBVA in London. The next meeting is scheduled for April 17.

Turkiye's Borsa Istanbul Banks Index extended its drop to as much as 1.6% as of 2.37pm in Istanbul, though the index is still up by 5.5% this week. The lira was little changed at 36.43 per US dollar.

Hande Sekerci, head of research at Is Portfoy, said she expects another 2.5 percentage point cut in April, with the pace of cuts falling as of June.

The central bank's emphasis on monitoring deposit rates is important in light of recent appetite for FX among savers, she added.

The central bank last month raised its year-end inflation outlook to 24%, from 21%, on the grounds that price pressures were coming from backward-indexed areas like education and rent, which officials said were outside the influence of monetary policy.

A challenge going forward is to convince Turks to continue saving in liras while rates fall. Foreign-exchange deposits increased by about $10bn last month, according to Goldman Sachs Group Inc economists. The lira has lost 3% against the dollar so far this year, the worst emerging-market performer after the Argentine peso.

"The Central Bank of the Republic of Turkiye's third consecutive 250 basis-point cut supports our relatively dovish call for a policy rate of 25% by year-end. We also expect the central bank to support lower borrowing costs by easing macroprudential rules, especially in the second half of the year," says Selva Bahar Baziki, economist, Bloomberg Economics.

Household and business-inflation expectations are higher than the central bank's outlook and they've been described by policymakers as risks to the disinflation process. Anticipation of higher prices could lead consumers to bring forward spending just as the central bank is trying to cool off demand. While producer prices have eased much faster, economic activity driven by consumers has remained relatively strong.

"A quick look at the sectoral inflation expectations highlights the complex road ahead on the disinflation front," Citigroup economists Ilker Domac and Gultekin Isiklar said. "Households and real sector expectations point to a slower disinflation process than envisaged by the authorities," they added, expecting year-end inflation at 28%.

Saudi fund set to invest in AirAsia, boosting ties to region

Bloomberg
Riyadh

Saudi Arabia's sovereign wealth fund is poised to invest about $100mn in Malaysian carrier group AirAsia, according to people familiar with the matter, strengthening the Gulf kingdom's ties with a region that's a major source of tourism.

The Public Investment Fund would play the single biggest role in an AirAsia fundraising targeted at around 1bn ringgit ($226mn), said the people, who asked not to be named with discussions ongoing. The Malaysian airline group is in talks with other prospective investors, including from Singapore and Japan, the people added.

An announcement could be made within weeks, though the people cautioned that an agreement isn't certain and could still fall through.

AirAsia is seeking funds to reboot its growth ambitions after years of Covid-induced losses. The low-cost airline group is offering outside investors a stake of as much as 15% at a valuation of $2bn, one of the people said. The timing is key as controlling shareholder Capital A Bhd nears approval to restructure ownership of the airline and merge its aviation businesses into sister firm AirAsia X Bhd.

Representatives for the Public Investment Fund and AirAsia declined to comment.

One of the key attractions to AirAsia is its backlog of over 350 narrowbody aircraft booked with European planemaker Airbus SE. The carrier has an all-Airbus fleet of narrowbodies that currently stands at 225 planes.

Saudi startup airline Riyadh Air, which is owned by the fund, recently took over a chunk of those delivery slots from AirAsia, the people said. The move helped AirAsia owner Tony Fernandes to drop commitments to jets, pushing out financing obligations in the near-to-medium term.

The swap gives Riyadh Air access to much-needed aircraft — it's set to launch later this year but only has one technical spare.

Riyadh Air was preparing to buy 100 Boeing Co 737 jets, but decided to opt for the AirAsia Airbus slots instead, the people said.

PIF has several aviation assets within the kingdom, including an aircraft leasing company, a helicopter unit, and space and defence firms. The fund, which manages about $930bn in assets, also owns a 15% stake in London's Heathrow Airport.

Crown Prince Mohammed bin Salman, who chairs the fund, is working to turn Saudi Arabia into a travel hub and diversify beyond an oil-based economy. The centre piece is Neom, a new $1.5tn city being erected on the west coast. The kingdom has also channelled billions of dollars into global sports such as soccer, auto racing, golf and tennis.

AirAsia parent Capital A has been classified as financially distressed by the Malaysian bourse since the pandemic. It had to abort its attempt to list its brand unit in the US via a SPAC last year. That deal that would have raised over $1bn.

Mideast oil plunges as rising Opec+ supplies rattle market

Bloomberg
Dubai

Oil prices in the Middle East tumbled as the prospect of higher supplies from Opec+ sparked a selloff in the region's crudes.

The cost of Oman crude on the Gulf Mercantile Exchange slipped below Brent on Tuesday for the first time since late 2024, according to data compiled by Bloomberg. That marks the end of the Middle Eastern grade's longest run of premiums over the global benchmark since 2023.

Opec+ jolted the global oil market this week, saying it would proceed with a plan to revive halted production in tranches from April. The decision — which over time may expand its supplies by more than 2mn barrels — ran counter to most analysts' expectations. The shift helped to drag futures broadly lower, adding to investors' concerns just as they dealt with escalating trade tensions.

Traders flagged oversupply concerns stemming from the Opec+ supply plan, as well as from the possibility of a loosening in Washington's stance toward tough sanctions on Russia.

Meanwhile, sensitive supplies of Iranian and Russian crudes continue to flow to customers in China, albeit with some hurdles. Key timespreads that gauge the health of the region's Dubai benchmark also slumped. The difference between the second- and third-month contracts narrowed to just 38 cents on Tuesday, compared with $2.55 in late January, according to data from broker PVM Oil Associates Ltd.

The move indicates cooling concerns about tight supply, and is a sign that the bumper premiums seen in Middle Eastern markets after US sanctions on Russian and Iranian oil earlier this year aren't being sustained.

At that time, there was a scramble for alternative crudes from the Middle East that ultimately spurred some of the biggest price increases for regional producers in years. That rally didn't endure, and now those contracts are the most actively traded, compounding recent declines.

Weaker timespreads have weighed on Dubai more than Brent, causing the differential between the London and Middle East marker — known as the EFS — to widen to 84 cents a barrel versus 31 cents last week.

Those moves have forced the window for arbitrage cargoes from Europe and the US to Asia to "slam shut", according to Neil Crosby, an analyst at Sparta Commodities.

Opec February oil production rises as Iran exports keep flowing despite US curbs

Reuters
London

Opec oil output rose in February, a Reuters survey found, as Iranian exports held strong, despite renewed US attempts to curb the flows, and Nigeria boosted output above its target within the wider Opec+ group.

The Organisation of the Petroleum Exporting Countries pumped 26.74mn barrels per day last month, up 170,000 bpd from January's revised total, the survey showed on Wednesday, with Iran and Nigeria posting the largest gains.

Opec+, which includes Opec plus Russia and other allies, is keeping production cuts in place through March due to expectations of limited demand and rising output outside the group.

But on Monday, it decided to stick with its plan to start raising output in April.

Opec's biggest rise, of 80,000 bpd, came from Iran, the survey found, with output of 3.30mn bpd. This matched September's figure which was the highest since 2018, according to Reuters surveys.

Iranian oil exports recovered during former US President Joe Biden's term, despite US sanctions. Under his successor Donald Trump the US is renewing efforts to cut them to zero.

The second-largest gain in output came from Nigeria where exports rose and domestic usage increased at the Dangote refinery. Nigeria is pumping 70,000 bpd above its Opec+ target, according to the survey, the highest in the group.

A gas flare on an oil production platform in the Soroush oil fields is seen alongside an Iranian flag (file). Opec's biggest rise, of 80,000 bpd, came from Iran, the Reuters survey found, with output of 3.30mn bpd.

Output in Opec+'s two biggest producers, Saudi Arabia and Iraq, edged lower and higher respectively, the survey found. Both nations are pumping less than their Opec+ targets. Output in the United Arab Emirates was slightly above its target.

While the survey and January data provided by Opec's secondary sources show the UAE and Iraq are pumping close to the quotas, other estimates, such as those of the International Energy Agency, suggest they are pumping significantly more.

There were no significant declines in output last month, the survey found.

The Reuters survey aims to track supply to the market and is based on flows data from financial group LSEG, information from other companies that track flows such as Kpler, and information provided by sources at oil companies, Opec and consultants.

Trump's funding cuts threaten America's AI competitiveness

Bloomberg
Washington

For more than a year, Courtney Gibbons was focused on exploring the mathematical foundations of artificial intelligence — the kind of arcane research that can sometimes be overlooked until it helps pave the way for the next ChatGPT.

But in February, Gibbons was one of 170 employees fired at the National Science Foundation, a federal agency that has long been a linchpin of domestic technology research and investment. Many of these were probationary staffers and part-time experts like Gibbons who had been handpicked over the past two years specifically for their expertise in AI. About a quarter worked inside groups central to deploying NSF funding for AI research, according to documents viewed by Bloomberg.

The wave of layoffs pushed by the Trump administration, combined with looming budget cuts, is now threatening the ability of the NSF to sustain AI research at the scale necessary for the US to remain competitive, according to industry watchers and current and former employees at the organisation. These moves risk severing the talent pipeline that feeds the industry's most cutting-edge companies and ceding leadership in artificial intelligence to China at a time when President Donald Trump has made it a priority to bolster US AI supremacy, largely through a deregulatory agenda.

"This directly contradicts other Trump administration priorities," said Gregory Allen, director of the Wadhwani AI Center at the Center for Strategic and International Studies. "Almost every employee with an advanced degree at every American AI firm has been a part of NSF-funded research at some point in their career. Cutting those grants is robbing the future to pay the present."

On Monday, the agency said it would reinstate 84 of the workers to comply with a court ruling that determined the mass firing of probationary employees was illegal. The experts are not among those being brought back, the NSF said. Attorneys for federal workers also say the temporary order could still be struck down.

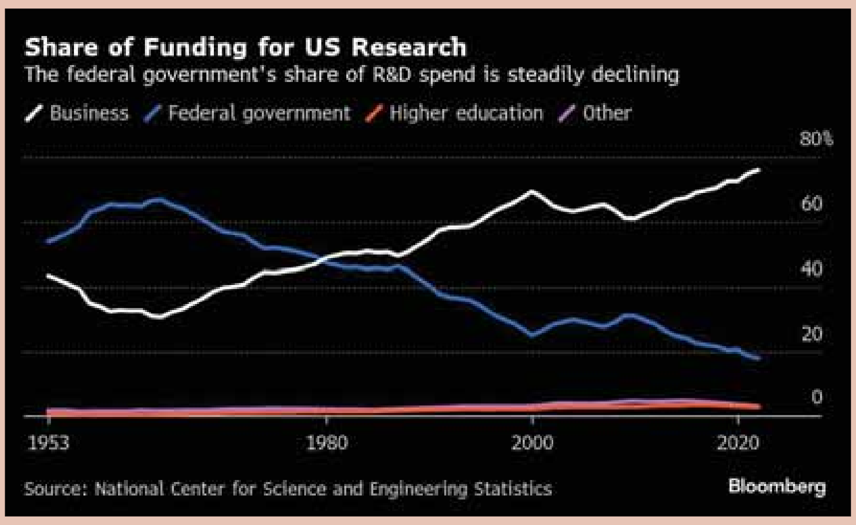
A spokesperson for the NSF previously told Bloomberg News that the agency is "working expeditiously to conduct a comprehensive review of our projects, programmes and activities to be compliant with the existing executive orders."

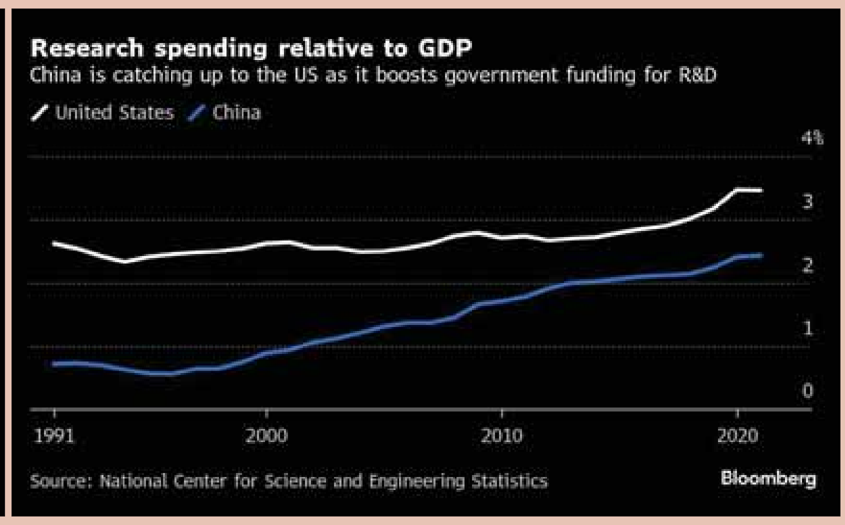
A White House spokesperson declined to comment.

One of the affected departments inside NSF, called the Directorate for Technology, Innovation and Partnerships, had been created as part of the 2022 Chips and Science Act and was considered an important avenue to funnel grants focused on machine learning, robots and advanced manufacturing. The group had been grappling with cuts to its funding, which was slashed by 30% in 2024 to $617.9mn. Now, layoffs mean there are fewer people inside the NSF who can ensure those grants are actually awarded.

The layoffs hit AI-focused groups that were operating at capacity to begin with, according to current and former staffers. As a result, many review panels have been postponed or cancelled, stalling funding for some AI projects. It's also left researchers and institutions that were already approved uncertain about who will be shepherding their projects in the months ahead. And the spectre of additional cuts now hangs over academics across the country.

The newly formed Department of Government Efficiency, conceived by Trump and billionaire Elon Musk to slash federal spending, has given agencies including the NSF until March 13 to propose additional reductions that could reduce its workforce by up to 50%. Meanwhile, some Republicans in Congress are setting their sights on even more drastic cutbacks.





Created in 1950, the NSF has long been a quiet powerhouse for American innovation. The technology behind Larry Page's and Sergey Brin's PageRank algorithm, which helped sort digital information and served as the basis for Google, emerged from a project funded by the NSF.

Years before generative artificial intelligence went mainstream with the launch of ChatGPT, the NSF also helped lay the foundations for the underlying technology behind AI chatbots.

"It's the place that makes most of the hardcore AI research happen," said Gibbons, the former NSF staffer and a professor at Hamilton College in New York. "When you think about who funded the work that led to transformers, when people thought neural networks were kind of crazy back in the day, that was coming out of this group."

Much of the conversation around AI competitiveness is currently devoted to private US companies, such as OpenAI, Alphabet Inc's Google and Meta Platforms Inc, which are building cutting-edge artificial intelligence systems. But the programmes that the NSF funds have long been the fertile ground from which America's tech giants recruit, said Kumar Garg, president at Renaissance Philanthropy, a nonprofit advisory firm that connects wealthy individuals and foundations with science, technology and innovation projects. "They might write that seminal paper when they're at Google, but NSF played an important part of their story," he said.

The NSF cuts, while severe, represent a continuation of a longer-term decline in US public research investment as a percentage of GDP. "Private R&D has picked up some of that slack but that's not going to be enough," said Garg, who served in the Obama administration's office of science and technology. "China's going in the other direction."

Days after the NSF cuts, Meta's Chief AI Scientist Yann LeCun wrote in a post on LinkedIn that "the US seems set on destroying its public research funding system." Most other tech leaders have remained silent.

Federal scrutiny of the NSF only appears to be growing. A report led by Republican Senator Ted Cruz flagged $2bn in NSF-funded projects for potential cuts. He zeroed in on funding descriptions that referenced diversity, equity and inclusion, even when the actual grants were earmarked for technical projects like computing infrastructure.

One such programme was the $29mn DeltaAI project at the University of Illinois Urbana-Champaign which uses NSF funding to buy advanced computing chips from Nvidia Corp to run AI workloads for AI research at institutions across the country. Similar chips-focused programmes at San Diego State University and the University of Alaska Fairbanks were also flagged.

Bill Gropp, director of the National Center for Supercomputing Applications at the University of Illinois, said there appeared to be confusion over what the programme means by diversity. "When we're talking about diversity of researchers, we're talking about people from different fields, states and disciplines," he said.

So far, there's no indication that the programme's budget is being cut, he said, but "it's hard to know what happens next." One notable alumnus of the University of Illinois and a beneficiary of its computing resources is venture capitalist Marc Andreessen. In a January interview, he said his research there resulted in the Mosaic web browser that helped popularise the Internet. Now, he's helping support DOGE effort, recruiting candidates and calling himself the group's "unpaid intern" in an interview last month with the Hoover Institution.

With government support uncertain, some researchers and organisations are considering alternative funding sources, including through philanthropies. But there are limits.

"Philanthropic funding of the sciences is often aimed at a few schools," said Margaret Martonosi, a professor at Princeton University who previously served as head of the NSF's directorate for Computer and Information Science and Engineering. "It doesn't help an aspiring AI expert in an arbitrary part of our country get the opportunities they need."

The hottest artificial intelligence companies right now are 'apps'

Bloomberg
New York

Not long ago, Silicon Valley was dismissive of startups like Harvey. While OpenAI developed cutting-edge artificial intelligence models with the potential to shake up almost every industry, Harvey had a more modest goal: building software that makes OpenAI's technology more useful for lawyers.

"The market's perception of companies like us... was that they're GPT wrappers," said Harvey Chief Executive Officer Winston Weinberg, referencing a derisive term used to suggest the repackaging of OpenAI's models. If investors "were going to put money into something," he added, "it needed to be into OpenAI or Anthropic." Today, so-called AI wrappers are all the rage. Step into any venture capital office in Silicon Valley and you'll hear investors buzzing about startups that offer AI chatbots, research tools and other software applications for coding, clinicians and customer service, all built at least in part on the backs of large language models (LLMs) created by other leading AI developers.

These startups are seeing revenue and valuations grow at a fast clip, often while spending a fraction of the amount that top AI model developers do on chips, data centres and talent. Harvey, founded in 2022, surpassed $50mn in annual recurring revenue in December, Weinberg said. Likewise, Anysphere, the startup behind the popular code-editing tool, Cursor, has hit $100mn in annual recurring revenue, according to people familiar with the matter, who spoke on condition of anonymity to discuss private information. (Anysphere did not respond to a request for comment.)

Michael Mignano, a partner at Lightspeed Venture Partners, likens this moment in AI to the original smartphone app boom nearly two decades ago. "Just like after the iPhone launched, there were millions of new mobile apps," said Mignano, an investor in the AI notetaking service Granola, which uses technology from OpenAI and Anthropic. "Now with AI and LLMs, there will be millions of new AI products."

A new crop of startups are gaining traction by building applications on top of AI models from OpenAI and other leading developers.

Investors are eager to put their money into these services. Harvey raised a $300mn round earlier this year led by Sequoia at a $3bn valuation. Anysphere raised a $105mn round led by Thrive Capital and Andreessen Horowitz in January valuing it at $2.5bn. And VC demand is so high that founders like Varun Mohan say the conventional fundraising process "isn't something we have to do."

Mohan's company, Codeium, which also offers an AI tool for coders, is currently raising money at a valuation near $3bn in a round led by Kleiner Perkins, according to a person familiar with the matter. (TechCrunch earlier reported Codeium's fundraising. Kleiner Perkins did not respond to a request for comment.) Certainly, VC appetite remains strong for OpenAI and Anthropic, as evidenced by their recent megarounds. But backing these richly valued companies is getting too costly for some firms. Investors have also begun to question the wisdom of AI companies pouring billions into developing models in the wake of DeepSeek, a Chinese upstart that claims to have built a competitive option for just $5.6mn.

And several notable model makers have shifted away from the race to build more advanced AI systems or been partially absorbed by Big Tech firms, raising fears of more consolidation to come.

"At this point, it's very clear that the apps are definitely the best place to invest because that is where the revenue is, that is where the customers are," said Jesse Zhang, CEO of Decagon, a startup that builds AI customer support agents in part by using models from OpenAI and Anthropic. "The models will get better and better, and cheaper," he added, and the apps will benefit the most from those improvements.

Perhaps no company embodies the promise of the AI app era like Anysphere. Founded in 2022 by four friends who met at the Massachusetts Institute of Technology and had little more than intern-level job experience, Anysphere has seen soaring growth for its AI-powered code editor, Cursor.

Anysphere's investors claim it's the fastest-growing software startup of all time, a title previously held by Wiz, a cloud security company that reached $100mn in annual recurring revenue in only 18 months. Anysphere hit that in just 12 months, according to people familiar with the matter.

Leaning on a mix of LLMs from other providers, Anysphere has built a coding tool that developers say saves them time — and it's won a cult following of engineers and tech elites willing to pay for the service. Coinbase Global Inc CEO Brian Armstrong wrote on X that 100% of his company's coders use Cursor.

"There is a new generation of brilliant engineers who know how to use this new computing paradigm to reinvent product experiences," said Miles Grimshaw, a Thrive Capital general partner and investor in Anysphere.

Despite the company's rapid growth, Anysphere currently has about 40 employees. Here, too, there are echoes of early smartphone app successes like Instagram, which gained traction in Silicon Valley with a very lean staff.

While AI application companies promise investors efficiency, some are also gearing up to grow quickly. Anysphere plans to expand headcount this year. Harvey has also grown to 260 employees and plans to use some of its funding to double headcount this year.

The rapid expansion comes with challenges. Like the founders at Anysphere, Weinberg had little experience before launching Harvey, beyond briefly working as a lawyer himself. "I've never done this before. I'm not gonna lie about that," he said. "It's about figuring out how to scale — not just as a company, but yourself."

The tremendous amount of capital available to these companies may also be a mixed blessing. "I don't think it's a good idea to raise money just because it's there," said Shiv Rao, CEO of Abridge AI Inc, an AI platform for clinical conversations that has raised $400mn in the past year. "That can cause acid reflux pretty quickly for startups if they're not really disciplined."

But the biggest concern likely remains that OpenAI or another top LLM developer will one day decide to compete directly with these services, just as Apple Inc has cloned popular apps on its own App Store, and Meta Platforms Inc has upended small apps through minor software updates.

Ooredoo upgrades mobile payment security; partners with Evina

Ooredoo Group took a major step forward in securing its customers mobile payments by implementing advanced cybersecurity measures to protect millions of customers across its markets.
In partnership with Evina, the global leader in mobile payment security, Ooredoo is facilitating the integration of AI-powered fraud prevention technology, strengthening the security of carrier billing and ensuring safer and more reliable digital transactions.
As mobile payments grow rapidly across Mena, fraudsters are becoming more sophisticated, using automated attacks to target users.
Through this partnership, digital service merchants using Ooredoo's carrier billing will have access to Evina's advanced fraud detection and prevention system, allowing them to proactively detect and block fraudulent transactions in real time. This ensures a more secure digital experience for customers, protecting them from unauthorised charges.
Rene Werner, Group Chief Strategy Officer, Ooredoo, said: "Security and trust are the foundations of customer satisfaction in general and of any successful digital payments ecosystem in particular. At Ooredoo, we are committed to lead in customer experience across our markets.
"By partnering with Evina, we are reinforcing our defences against evolving threats and ensuring that our customers can transact with confidence. This initiative prevents fraud and enables a seamless, secure, and scalable digital payments experience that fuels growth for businesses and empowers millions of users across our markets."
Through this initiative, Ooredoo is setting new security standards for mobile payments across its operating companies, reinforcing trust in carrier billing and supporting the sustainable growth of digital merchants and services.
David Lotfi, CEO, Evina, added: "Fraud is the biggest challenge in the mobile payment industry, and Ooredoo has taken decisive action to further protect its customers and build a trusted digital ecosystem across the MEA region and Asia.
"With its unwavering commitment to security and innovation, Ooredoo is setting new standards for a safer digital economy. We are extremely proud to support this vision and to kick off this partnership with them!"
By investing in advanced fraud prevention, Ooredoo continues to upgrade the digital experience for its customers, making mobile payments safer and more accessible while reinforcing its position as a leading digital enabler in the region.
This strategic partnership was officially finalised during MWC 2025 in Barcelona, reinforcing Ooredoo's commitment to driving innovation and security in digital transactions.

Ooredoo has taken a major step forward in securing its customers mobile payments by implementing advanced cybersecurity measures to protect millions of customers across its markets

ECB lowers interest rates again but hints more cuts in doubt

AFP
Frankfurt

The European Central Bank cut interest rates again Thursday to boost the struggling eurozone but suggested easing could be nearing an end and warned of "rising uncertainty" amid massive German spending plans and US tariff threats.

It was the central bank's six reduction since June last year, with its focus having shifted from tackling inflation to providing relief for the single currency area, which has been eking out meagre growth.

The quarter-percentage-point reduction brought the Frankfurt-based institution's benchmark deposit rate to 2.5%.

The rate reached a record of 4% in late 2023 after the ECB launched a furious hiking cycle to tame energy and food costs that surged in the wake of Russia's invasion of Ukraine.

In a statement announcing the decision, the ECB said the process of inflation coming down was "well on track" and it believed that it would settle around the central bank's two-percent target.

Eurozone inflation eased slightly to 2.4% in February.

But it a sign of continuing price pressures, the ECB raised its inflation forecast for this year to 2.3% from a previous prediction of 2.1%.

Crucially, the ECB tweaked guidance to say that rates were becoming "meaningfully less restrictive", suggesting they were no longer having a major impact on bringing down inflation.

The change in language is a signal markets had been on the lookout for, and which they believe suggests that policymakers are gearing up to halt rate cuts.

Highlighting the continued economic woes for the 20 countries that use the euro, the central bank trimmed its growth forecast for 2025 and 2026, to 0.9% and 1.2% respectively.

The bank also warned about "current conditions of rising uncertainty," insisting it would make its decisions based on incoming data.

Uncertainty about the fallout from potential US tariffs — President Donald Trump has threatened a 25% duty on all EU goods — was already clouding the outlook and potentially pushing rate-setters towards hitting pause.

New plans announced on Tuesday by Germany's likely next Chancellor Friedrich Merz to spend several hundred billion euros more on defence and infrastructure in the coming years could impact policymakers' considerations, observers said.

The dramatic move was driven by fears that long-standing US security guarantees for Europe will be weakened under Trump amid a rush to end the war in Ukraine.

The proposals still need to be rushed through the German parliament, and their impacts are for now uncertain, although some analysts believe such a spending surge has the potential to stoke inflation and discourage further rate cuts.

Even before the German announcement, ECB policymakers were already asking how much further it should continue on the path to lower interest rates.

Isabel Schnabel, an influential ECB board member, told *The Financial Times* last month that policymakers were getting "closer to the point where we may have to pause or halt our rate cuts".

"We can no longer say with confidence that our monetary policy is still restrictive," she said.

In the US, where the economy is in more robust health than in the eurozone, the Federal Reserve paused rate cuts recently after inflation rose and amid uncertainty about the future direction of Trump's policy.

ECB President Christine Lagarde has so far sought to avoid tipping the ECB's hand and could stick with her mantra of making decisions "meeting-by-meeting" in her remarks after the rates announcement, observers said.

"Global uncertainties have increased significantly in recent weeks," said Felix Schmidt, an economist from Berenberg bank, pointing to Trump's tariff threats.

Given this "Lagarde will refrain from giving any clear forward guidance and will try to maintain maximum flexibility," he added.

European Central Bank President Christine Lagarde speaks to the media following the Governing Council's monthly monetary policy meeting in Frankfurt on Thursday.

Investors spy the dawn of a tectonic shift away from US markets

Reuters
London

A historic global trade war, a proposed $1.2tn European fiscal bazooka and the emergence of China as tech race leader are upending global flows of money, marking a potential turning point for investor capital away from the US.

China unlocked more stimulus on Wednesday and promised greater efforts to cushion the impact of an escalating US trade war. Hours earlier, Germany's likely next government agreed on the biggest overhaul to fiscal policy since the country's reunification.

In response, German bonds cratered in the most dramatic selloff in decades, as 30-year yields shot up by a quarter of a percentage point on Wednesday, with the selloff entering a second day on Thursday.

Meanwhile, US economic data points to a weakening, and the trade war unleashed by US tariffs that kicked in this week is hurting sentiment inside and outside the world's biggest economy.

For most of the last three years, investors had bet on "US exceptionalism," with the country ahead of others in economic growth, stock prices, artificial intelligence and other areas.

"The world now sees the US model is changing, and saying — we need to adapt to that, the US is no longer as reliable as a trade partner, we have to take care of our own needs on defence," said Tim Graf, head of macro strategy for EMEA at State Street Global Markets.

The change in sentiment has fuelled a rare divergence in global stock markets.

While the S&P 500 stock index is down 1.8% this year, European shares are up almost 9% at a record high, and tech stocks in Hong Kong have surged almost 30%.

US economic data points to a weakening, and the trade war unleashed by US tariffs that kicked in this week is hurting sentiment inside and outside the world's biggest economy

The euro shot to a four-month high above $1.07 and a number of banks have raced to ditch their recent calls for a drop to parity against the dollar.

Investors have chopped their bullish bets on the dollar in half to around $16bn since US President Donald Trump's inauguration in January, based on weekly data from the Commodity Futures Trading Commission.

"Go back to December, this overwhelming consensus about US exceptionalism, and US was the only place to invest," said Dario Perkins, managing director of global macro at TS Lombard, an economic consultancy.

"What's really happened here is this threat of tariffs and the aggressiveness of Trump is forcing other countries to spend more."

In his first 44 days in office, Trump has ripped up the playbook on foreign relations in place since 1945, launched a global trade war by slapping tariffs on his country's largest trading partners and forced European leaders to drastically rethink how they fund their own security.

Tariffs and trade uncertainty are causing the US economy to lose steam, and companies more vulnerable to slower growth are starting to show the cracks.

An index of US banks has lost 8% in the last month, while its European equivalent has jumped 15%.

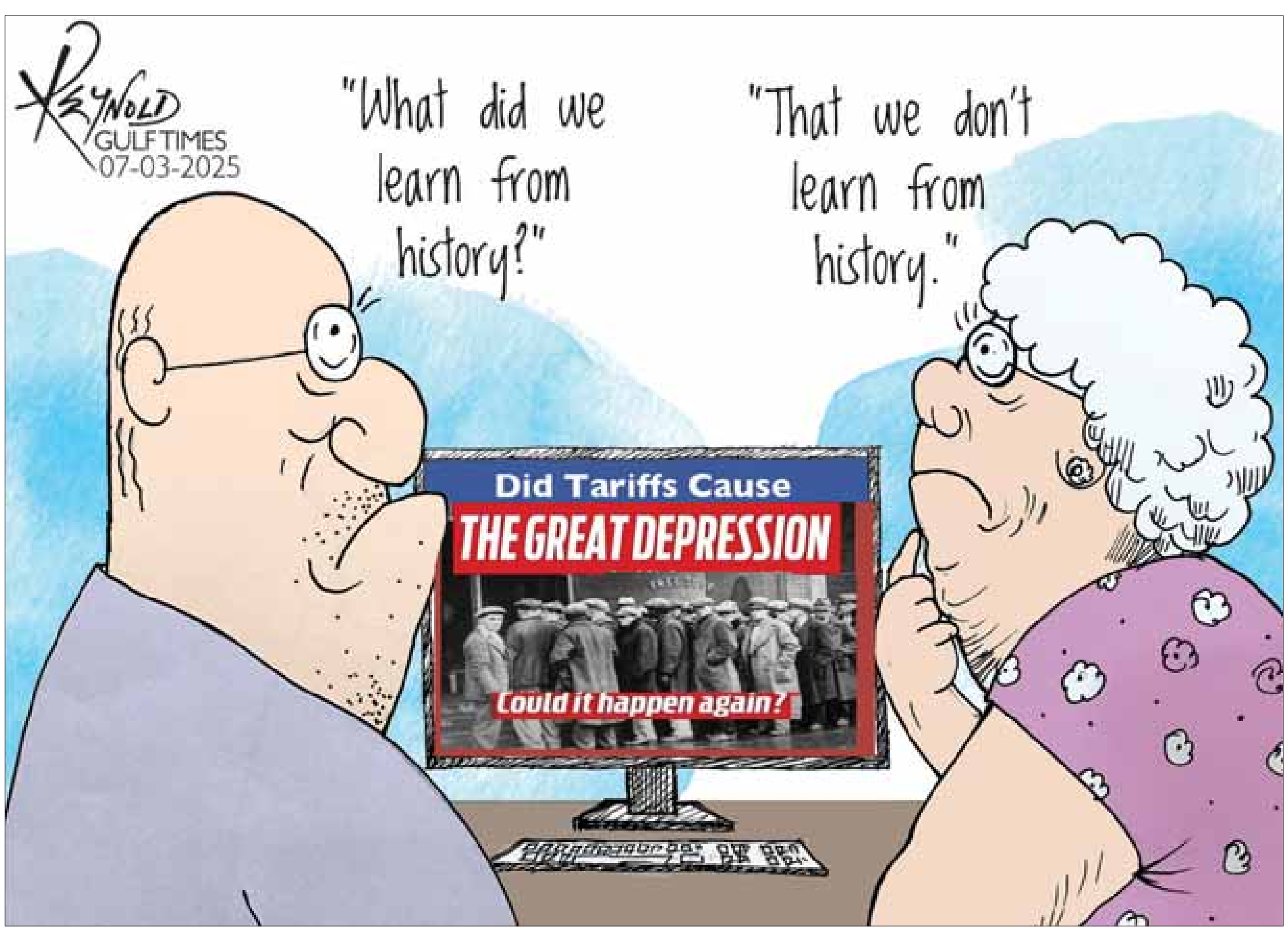
Investors have poured money into Europe to diversify away from the US market.

With Europe and China poised to spend big, the dollar is looking less appealing.

"We had been long the dollar against the euro and closed that position over a week ago. It had lost impetus," said Mark Dowding, chief investment officer at RBC's BlueBay fixed income team. "The behaviour of Trump has diminished the appeal for US assets in general."

After investors dumped Chinese assets last year, as the economy slowed and affluent consumers were closing their wallets, the government took several steps to encourage domestic spending. But many still viewed China as uninvestable in the absence of a jumbo stimulus plan as strains lingered from a real-estate bubble that burst, hitting companies and homeowners.

Almost uninterrupted outflows from China-focused funds after Trump's election win in November reversed in early February, drawing in some $3bn since then, according to Lipper data. One of the great US stock market draws has been its megacap tech shares. Nvidia, in particular, has become the poster-child of the AI investment revolution and one of the world's most valuable companies. There was little evidence to suggest any serious challenge to the dominance of Wall Street in the AI arms race until late January, when a previously unknown low-cost Chinese AI model burst onto the scene.



Bessent lays out US plans to reshape global trade, ease bank regulations

Reuters
New York/Washington

US Treasury Secretary Scott Bessent on Thursday laid out the Trump administration's ambitions to reshape international trade relations using tariffs, roll back financial regulations on American banks, and use sanctions on Iran to collapse its economy.
President Donald Trump has begun an "aggressive campaign to rebalance the international economic system," Bessent told the Economic Club of New York. "The American Dream is rooted in the concept that any citizen can achieve prosperity, upward mobility, and economic security. For too long, the designers of multilateral trade deals have lost sight of this." In regard to Iran, he said the new administration would exert a campaign of maximum pressure of sanctions to choke off its oil exports and put pressure on its currency. "Making Iran broke again will mark the beginning of our updated sanctions policy," Bessent said.
Trump's international trade policy on Thursday continued to evolve after he gave Mexico a one-month reprieve on 25% tariffs imposed earlier this week on any goods that fall under the United States-Mexico-Canada Agreement on trade. The outlook for Canada, whose goods, apart from those in the energy sector, are also subject to a 25% tariff since Tuesday, was less clear, though Commerce Secretary Howard Lutnick had earlier said a comparable exemption was likely.
Separately, the International Monetary Fund said on Thursday, if sustained, US tariffs imposed on Mexico and Canada will have a significant adverse impact on those countries, citing the strong integration of both countries with the US economy.
IMF spokesperson Julie Kozack said the US tariffs on Mexico and Canada and new duties on China, along with countermeasures announced by China and Canada, and potentially Mexico, amounted to significant new developments. She said the IMF would release a more comprehensive assessment of the impact of the shift in US trade policy for the global economy, and the countries most affected by it, when it releases an updated economic outlook in April, during the spring meetings of the IMF and World Bank in Washington. Kozack, in the IMF's first substantive comments on recent US trade actions, cited the potential impact on Canada and Mexico, and said it would be critical to assess whether uncertainty in global markets was short-lived or sustained. Historically, she said, "sustained periods of elevated uncertainty can be associated with both households and firms holding back on consumption and investment decisions."