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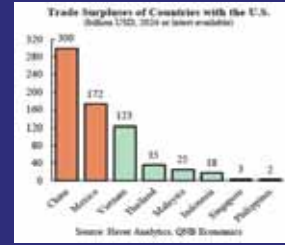
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Sunday, March 9, 2025
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GULF TIMES BUSINESS



ECONOMIC COMMENTARY: Page 8

Asean-6 growth outlook remains robust in 2025, says QNB

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البنك التجاري COMMERCIAL BANK

Qatar trade delegation eyes investment ties in Oklahoma visit

Qatar Chamber recently participated in a Qatari investment delegation's visit to Oklahoma City in the US.

The delegation conducted a series of meetings with officials and business leaders in the city, focusing on economic and cultural co-operation between the two sides. The chamber was represented by Abdulaziz al-Kuwari, director of the Legal Affairs Department.

Al-Kuwari took part in an economic roundtable session that highlighted Qatar's investment objectives and the favourable economic environment in Oklahoma. He discussed trade and investment partnerships between both nations, emphasising that the US is one of Qatar's "most significant trading partners."

He also outlined Qatar's efforts in developing its technology infrastructure, underscoring the country's ambition to become a regional hub for technological innovation in the Middle East. He stressed that the technology sector is a top priority for co-operation, as it plays a crucial role in driving growth across industries such as financial services, industry, agriculture, logistics, and transportation.



Abdulaziz al-Kuwari, director of the Legal Affairs Department at Qatar Chamber, and Oklahoma governor Kevin Stitt on the sidelines of the Qatari delegation's visit to discuss investment co-operation.

Al-Kuwari stated: "In 2015, Qatar Chamber signed an MoU with the US Chamber of Commerce to strengthen business co-operation. A joint business council was established to facilitate trade and investment between the two countries as part of this initiative."

"The council has undertaken various activities to provide insights into economic, trade, and

investment opportunities, culminating in the launch of the US-Qatar Business Portal (portal.usqbc.org), which offers up-to-date information on both economies."

Furthermore, al-Kuwari highlighted another key agreement, which Qatar Chamber had signed with the Arab American Chamber of Commerce to enhance collaboration between business owners in both regions.

QCB foreign reserves grow 3.81% in February 2025

QNA
Doha

The Qatar Central Bank (QCB) saw a 3.81% increase in its foreign currency reserves and liquidity, reaching QR255.916bn in February 2025, up from QR246.509bn in February 2024.

According to figures released by QCB, its official reserves rose by approximately QR9.218bn year-on-year, reaching QR196.817bn by the end of February 2025. This increase occurred despite a decline of about QR13.175bn in QCB's foreign bonds and treasury bills, which totalled QR125.790bn in February 2025.

The official reserves include key categories such as bonds and foreign treasury bills, balances with foreign banks, gold, Special Drawing Rights (SDRs), and the State of Qatar's share in the International Monetary Fund (IMF). In addition to the official reserves, there are other liquid assets, namely foreign currency deposits. Together, these components make up what is referred to as the total foreign reserves.

As of the end of February 2025, Gold reserves increased by nearly QR13.852bn year-on-year, reaching QR38.263bn. Balances with foreign banks rose by nearly



The Qatar Central Bank saw a 3.81% increase in its foreign currency reserves and liquidity, reaching QR255.916bn in February 2025, up from QR246.509bn in February 2024

QR8.639mn, reaching QR27.671bn at the end of February 2025, compared to February 2024. The balance of Special Drawing Rights (SDRs) deposits from the State of Qatar's share with the IMF decreased by QR98mn year-on-year, totalling QR5.092bn by the end of February 2025.

TENDER ANNOUNCEMENT

إعلان طرح مناقصة

تعلن شركة الميرة للمواد الاستهلاكية (ش.م.ع.ق.) عن طرح المناقصة التالية:
Al Meera Consumer Goods Company (Q.P.S.C) announces the following tender:

رقم المناقصة	الموضوع	فئات التصنيف	نظام تقديم العطاءات	قيمة الوثائق	تاريخ استلام الوثائق	الضمان البنكي	تاريخ الإقفال
Tender No.	Title	Specialization/Classification	Bidding System	Document Fees	Date of Collection documents	Tender Bond	Closing Date
٢٠٢٥/٣	توريد وتركيب وتشغيل كاميرات مراقبة	الشركات ذات الاختصاص	ثلاثة مظاريف (مظروف فني + مظروف مالي + الضمان البنكي)	١٥٠٠ ريال فطري	٢٠٢٥/٣/١٠ إلى ٢٠٢٥/٣/١٨	٢٠٠٠٠ ريال فطري	٢٠٢٥/٤/١
03/2025	Supply, Installation & Commissioning of SSD Point of Interest Surveillance Cameras	Competent Companies	Three separate sealed envelopes Technical Proposals + Financial Proposals + Tender Bond	QAR 1,500	From 10th March to 18th March 2025	QAR 20,000	01/04/2025

يمكن الحصول على وثائق المناقصة من مقر شركة الميرة للمواد الاستهلاكية (برج رافال، الطابق السابع، لوسيل، مارينا ٢).

للحصول على وثائق المناقصة يجب إيراد كتاب تفويض من الشركة، صورة قيد المنشأة وصورة من الرخصة التجارية والسجل التجاري سارية المفعول.

يرفق ضمان مصرفي من أحد البنوك المعتمدة في دولة قطر حسب ما هو مبين أعلاه كتأمين مؤقت لمدة (١٢٠) يوماً بإسم شركة الميرة للمواد الاستهلاكية.

مدة سريان العطاء هي تسعين يوماً من تاريخ إقفال المناقصة.

على من ترسو عليه المناقصة تقديم ضمان مصرفي نهائي بما نسبته ١٠٪ من قيمة العقد لمدة (٩٠) يوماً من تاريخ انتهاء الأعمال.

سيكون آخر موعد لتقديم العطاءات هو الساعة الثانية عشر من مساء يوم الإقفال (الثلاثاء)، ولن يلتفت إلى أي عطاء يرد بعد هذا الموعد المحدد.

تقدم العطاءات داخل مظاريف مغلقة ومختومة بخاتم الشركة، ومعنونة بإسم السادة / لجنة المناقصات والمزايدات، وتسلم لأمانة سر اللجنة بمقرها المذكور أعلاه.

هذا الاعلان متواجد أيضاً على موقع شركة الميرة للمواد الاستهلاكية www.almeera.com.qa

QBWA hosts special Suhoor, in collaboration with Canadian and Australian embassies

The Qatari Businesswomen Association (QBWA) recently hosted a special Suhoor, in conjunction with the embassies of Canada and Australia, in celebration of International Women's Day 2025.

This year's UN theme, 'For ALL Women and Girls: Rights. Equality. Empowerment', emphasises the need for swift, decisive steps to achieve gender equality, addressing systemic barriers and biases that women face globally, both personally and professionally.

In her opening remarks, Aisha Hussain Alfordan, vice-chairwoman of QBWA, underscored the power of collaboration. She said, "At QBWA, we believe in the power of collaboration to uplift and empower women."

"This International Women's Day, our partnership with the Canadian and Australian embassies reflects our shared commitment to building meaningful connections, celebrating achievements, and creating opportunities for women to thrive. Together, we continue to build a future where women's contributions are recognised, valued, and supported across all sectors."

Canadian ambassador Isabelle Martin highlighted the connection between International Women's Day and Ramadan. She said, "It is a pleasant coincidence that this year's International Women's Day falls during the Holy Month of Ramadan, allowing us to bring together incredible women from



Aisha Hussain Alfordan, vice-chairwoman of QBWA, joins (from left) Canadian ambassador Isabelle Martin and Australian ambassador Shane Flanagan during the special Suhoor held in Doha recently.



The event was also highlighted by a panel discussion featuring Dr Leonie Lethbridge, COO and executive general manager of Commercial Bank and recently named one of the 100 Most Powerful Businesswomen of 2025 by Forbes; Dr Sohaira Siddiqui, executive director of Al-Mujadilah and professor at Georgetown University; and Masha'el al-Sulaiti, chairperson of MAS Law Firm and QBWA member.

the local Canadian, Qatari, and Australian communities around a traditional Suhoor dinner. "The Government of Canada's theme for International Women's Day 2025 is 'Strength in Every Story', which emphasises creating opportunities for

women and girls to unlock their potential and drive innovation," said Martin, noting Qatar's remarkable story of rapid modernisation, with many distinguished women playing a central role in the country's success. **To Page 2**

أحداث الموقع

Secretary of Tenders & Auctions Committee
Tel. 40119196 • email: m.alaa@almeera.com.qa
Al Meera Consumer Goods Company (Q.P.S.C)
Rafal Tower, 7 floor, Lusail Marina 2

سكرتير لجنة المناقصات والمزايدات
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شركة الميرة للمواد الاستهلاكية (ش.م.ع.ق)
برج رافال الطابق السابع لوسيل مارينا ٢



GPS COORDINATES



Japan must fix 'misunderstanding' it is manipulating yen, says ex-BoJ chief

Reuters
Tokyo

Japan must fix "any misunderstanding" held by US President Donald Trump that its central bank was intentionally weakening the yen with monetary policy, former Bank of Japan Governor Haruhiko Kuroda said.

Trump said on Monday he had told Japan and China they could not continue to reduce the value of their currencies, as doing so would be unfair to the US.

Asked about Trump's comment on Friday night, Kuroda told a Japanese television interviewer there were limits to what Japan could do to prop up the yen if the dollar were to rise on prospects of higher US inflation from Trump's planned tariffs.

"In fact, the Japanese government has been making huge efforts to prevent the yen from weakening," such as by intervening in the exchange-rate market to support its currency, Kuroda said.

After a prolonged period of ultra-easy policy, the BoJ has begun raising interest rates, while the government made rare currency market interventions in 2022



Haruhiko Kuroda.

and last year to boost the yen, which in July hit a 38-year low near 162 to the dollar. The dollar ended this week around 148 yen.

"The BoJ is not intentionally guiding the yen lower with monetary policy. If there's any misunderstanding on that point, it needs to be addressed," Kuroda said. While he has spoken in several seminars, it was the first time Kuroda appeared on television since retiring as BoJ head.

The central bank is unwinding the radical monetary easing that Kuroda en-

gineered during his 2013-2023 tenure to break Japan free from decades of deflation and sputtering growth. Under him, the BoJ deployed a massive asset-buying programme in 2013, then negative interest rates and bond yield control in 2016.

Yen falls caused by the initial blow of stimulus, and further declines driven by prospects of prolonged low rates, drew criticism from Washington, including the first Trump administration, that Tokyo was trying to keep the yen weak to give Japanese exports a competitive advantage.

Under current Governor Kazuo Ueda, the BoJ exited the radical stimulus measures in March last year and raised short-term rates to 0.5% in January, on the view that Japan was on the cusp of sustainably achieving its 2% inflation target.

Kuroda said the BoJ was taking the right step by gradually raising rates as maintaining ultra-loose policy for too long could drive up inflation.

"The BoJ is already normalising monetary policy and will steadily proceed on this front, such as by gradually hiking rates toward levels deemed neutral" to the economy, Kuroda said.

QBWA hosts special Suhoor in collaboration with Canadian and Australian embassies to celebrate International Women's Day

From Page 1

Australian ambassador Shane Flanagan spoke about the significant contributions of women in Qatar. He said, "Women in Qatar are making an impact in all fields - from business and digital innovation to education, science, government, and sports."

"Your contributions have not only helped Qatar to prosper but have also transformed this country into a modern and desirable place to live," noted Flanagan, who also acknowledged Qatar's humanitarian efforts, particularly in conflict zones where women and girls are disproportionately affected. The event was also highlighted by a panel discussion featuring Dr Leonie Lethbridge, COO and executive general manager of Commercial Bank and recently named one of the 100 Most Powerful Businesswomen of 2025 by Forbes; Dr Sohaira Siddiqui, executive director of Al-Mujadilah and professor at Georgetown University; and Mashael al-Sulaiti, chairperson of MAS Law Firm

and QBWA member. They shared insights on this year's International Women's Day theme, highlighting the importance of systemic change and sharing their personal experiences of overcoming barriers.

The Suhoor was a powerful reminder of the collective responsibility to accelerate progress toward gender equality. The evening focused on building connections, celebrating women's achievements, and fostering conversations about the ongoing need for transformative change. The event showcased the importance of partnerships between women from diverse sectors and countries in driving global progress toward a more equal future. QBWA stated.

'For ALL Women and Girls: Rights. Equality. Empowerment' emphasised that while progress has been made, much work remains to ensure systemic barriers are dismantled. The discussions held during the event will continue to contribute to the momentum needed for achieving lasting change for women worldwide.

Oil's bearish lurch has speculators betting worse is yet to come

Bloomberg
London

Oil prices suddenly broke out of a months-long slumber this week to touch a three-year low. Now, traders are grappling with the question of whether the rout can run deeper.

A confluence of bearish factors has contributed to the worst crude-market sentiment in recent history. Opec and its allies made a surprise announcement of plans to boost supplies with crude trading near \$70 a barrel, a shift from the group's prolonged, stoic defence of higher prices. At the same time, US President Donald Trump continues to menace America's largest trade partners with an on-again, off-again trade war that threatens to sap demand.

Geopolitical risks are broadly cooling after Russia signalled a willingness to discuss a temporary truce in Ukraine for the first time since the war's onset more than three years ago. All the while, China, the world's top crude importer, has told refiners to pivot away from making mainstay fuels like gasoline and diesel, a sign of the shaky, long-term demand outlook.

Collectively, those factors helped briefly nudge benchmark Brent futures out of the \$70-\$85 band in which they have mostly traded since September. Speculators are wagering the slide isn't over.

In another sign of mounting bearish sentiment, hedge funds reduced their gross long positions in West Texas Intermediate by 2,266 lots to 172,576, close to lows not seen since 2010, in the week ended March 4, according to the US Commodity Futures Trading Commission. Long-only bets on Brent were cut by



A worker inspects the pipework at the new plant of renewable fuels in the Repsol Cartagena oil refining complex in Cartagena, Spain. Oil prices suddenly broke out of a months-long slumber this week to touch a three-year low. Now, traders are grappling with the question of whether the rout can run deeper.

41,583 lots for the biggest raw-number decline since July, according to figures from ICE Futures Europe.

"Trump's stance on energy markets has been clear: he's pressuring Opec to increase production while simultaneously engaging in behind-the-scenes negotiations aimed at de-escalating the Russia-Ukraine conflict," Cayler Capital, an oil-focused commodity trading adviser run by Brent Belote, wrote in a letter to investors seen by Bloomberg. "The net result? A bearish tilt in the oil sector, with prices drifting lower as uncertainty persists."

All of this is turning Wall Street more pessimistic.

Morgan Stanley now expects Brent crude to average \$70 this year, down \$5 from the previous forecast. Goldman Sachs Group Inc sees risks of prices falling below their expected range of \$70-\$85. Meanwhile, JPMorgan Chase & Co became the first to call for oil in the

\$50s at an energy conference in London last week while Citigroup Inc reiterated calls for \$60.

Another red flag is shown in the price of Middle Eastern crude that had been one of the strongest corners of the oil market in the wake of US sanctions on Russian and Iranian barrels. Those values have collapsed relative to the regional Dubai benchmark as a clamour for cargoes to replace sanctioned supplies abates. The premium of Murban, a mainstay for Asian buyers, over Dubai also has narrowed.

China's crude imports during the first two months of this year were down about 5% from a year earlier. Iranian oil is being delivered to Chinese ports aboard smaller tankers amid mounting pressure from US sanctions.

"Sanctioned flows have continued largely unfazed as the initial disruption has failed to continue for a meaningful duration," RBC Capital Mar-

kets analysts including Brian Leisen and Helima Croft wrote this week. "January's disruption did in fact cause a physical impact and a change in crude buying behaviour, but as we've seen time and again since 2023, the shadow supply chain outperformed."

At the same time, prices for lighter grades of crude have been persistently weak this year as production grows. Kazakhstan is set to ramp up oil exports this month after the expansion of one of the country's largest fields. More supplies from outside of the Opec+ alliance are due to come online later in the year, with the International Energy Agency forecasting a surplus even before the group's most recent move.

There are reasons to think there are limits to any further declines in oil, however:

The Trump administration is continuing to threaten a maximum policy on Iran, with Treasury Secretary Scott Bes-

sent recently saying the aim is cut the regime's oil flows by more than 90%.

The US has already signalled plans to withdraw Chevron Corp's license to pump and sell Venezuelan crude, a move that could potentially remove 200,000 barrels a day of crude from the market.

US is preparing to force more companies to stop working in Venezuela.

The looming threat of fresh flare-ups in the Israel-Hamas conflict amid a US administration more hawkish than its predecessor.

The US energy secretary is seeking \$20bn to refill the Strategic Petroleum Reserve, a move that would effectively boost demand for barrels.

In addition, there's the wider question of how far prices can fall before oil production is disrupted. At times this week, US crude for next year was trading in the low \$60s, a level not seen since 2023 that begins to menace output growth, traders and analysts said. Opec+ has also reiterated that its moves can be "paused or reversed subject to market conditions."

"The only thing that can balance it all is maximum pressure on Iran, but we know Trump wants lower oil prices," said Gary Ross, chief executive officer of Black Gold Investors LLC. "It doesn't look like maximum pressure is happening any time soon."

So far, the fallout from Trump's economic policies has seen equity markets fall roughly 6% from a high less than three weeks ago. When US consumer confidence fell by the most since 2021 late last month, Brent futures slumped, one of the clearest signs that the de-stabilising impact of tariffs in wider financial markets is rippling through to crude.

Dollar has its worst week since 2022 as JPMorgan turns bearish

Bloomberg
New York

A gauge of the dollar finished its worst week in over two years as traders turn sour on US exceptionalism, giving rise to expectations that trade policies will slow down growth in the world's biggest economy.

The Bloomberg Dollar Spot Index fell 2.3%, the biggest weekly decline on a closing basis since November 2022. Speculative traders, including hedge funds and asset managers, have been reducing their bets on the dollar for seven straight weeks, data from the Commodity Futures Trading Commission through March 4 showed. They are the least bullish on the dollar since October, before the US presidential elections.

The growing bearishness comes after the strong rally in the dollar that started around the election last year, sparked by relatively higher interest rates and vows of tariffs. The tariffs have been imposed and then delayed by President Donald Trump, creating uncertainty that is casting a shadow over the US economic outlook. That contrasts with the boost in spending plans in Europe, especially Germany, which propelled the euro to its best week since 2009.

"This week marked a regime shift in FX markets, and thus a regime shift in our portfolio," JPMorgan currency strategists led by Meera Chandan wrote Friday. The team wrote they are now strategically short the dollar for the first time in "well over a year," citing the erosion of US exceptionalism and a recovery in Europe. JPMorgan joins a building chorus of Wall Street bears.

The European spending plans have elevated currencies in the region. The Swedish krona was the best performer against the greenback in the Group of 10 this week, rising about 7%, followed by the euro's 4.6% gain.

The Canadian dollar was lagging behind its peers, weighed down by tariff risks.

"The huge fiscal shift in Germany has boosted growth expectations in the Eurozone and this has come at a time when concerns over the US growth outlook have increased," said Lee Ferridge, a strategist at State Street.

The dollar gauge was down as much as 0.4% on Friday, after data pointed to softening labour market. The index later curbed its loss after Federal Reserve Chair Jerome Powell acknowledged increased uncertainty in the US economic outlook, but said officials don't need to rush to adjust policy.

Speculative traders hold some \$9.7bn in bets for the dollar to gain, down by \$5.7bn from the week earlier, the CFTC reported on Friday.

Fed's Powell says still no need to hurry to consider rate moves

Bloomberg
New York

Federal Reserve Chair Jerome Powell acknowledged increased uncertainty in the US economic outlook, but said officials don't need to rush to adjust policy.

"Despite elevated levels of uncertainty, the US economy continues to be in a good place," Powell said at an event on Friday in New York hosted by the University of Chicago Booth School of Business. "We do not need to be in a hurry, and are well positioned to wait for greater clarity." Powell noted lingering unknowns about the potential effects of President Donald Trump's economic plans, including for trade and immigration.

"While there have been recent developments in some of these areas, especially trade policy, uncertainty around the changes and their likely effects remains high," he said.

Powell also said recent indicators suggested consumer spending may moderate, while surveys of household and businesses point to heightened uncertainty about the economy's direction.

"It remains to be seen how these developments might affect future spending and investment," he said. US government bond yields rose to their highest of the day after Powell's comments, with rates on debt of all maturities up slightly. Earlier in the session yields tumbled as traders viewed the February jobs report as supporting expectations for several interest-rate cuts later this year.

He said he expected progress on lowering inflation to continue, but unevenly.

"The path to sustainably returning inflation to our target has been bumpy, and we expect that to continue," Powell said. "We see ongoing progress in categories that remain elevated, such as housing services and the market-based components of non-housing services." He addressed recent data points suggesting an increase in consumers' near-term inflation expectations, but said most longer-term measures "remain stable and consistent" with the Fed's goal of 2% inflation.

Fed policymakers are widely expected to leave the central bank's key policy



Jerome Powell.

rate unchanged when they next meet March 18-19. After cutting rates by a full percentage point in the closing months of 2024, officials have broadly signalled they are content to stand pat as they seek more progress on lowering inflation to their objective. Policymakers are also keen to stay on hold as they navigate uncertainty over Trump's economic proposals. Since taking office in January,

Trump has slapped new tariffs on China, but seasawed on the specifics of plans to impose fresh levies on Mexico and Canada. He has also promised reciprocal tariffs on many other US trading partners, while pursuing stricter immigration enforcement and increased deportations of migrants. The combination of such policies could put upward pressure on inflation while weighing on overall economic growth, according to some estimates. That has raised the possibility the Fed may face a scenario of slowing growth with elevated inflation. "It is the net effect of these policy changes that will matter for the economy and for the path of monetary policy," Powell said. "As we parse the incoming information, we are focused on separating the signal from the noise as the outlook evolves."

Powell emphasised during a question-and-answer session that Fed officials weren't increasing risks by being patient. "The costs of being cautious are very, very low," he said. "The economy's fine. It doesn't need us to do anything, really, and so we can wait and we should wait." He added that the cost of inaction might

rise if inflation expectations were "clearly under pressure." Meanwhile, fresh labour-market figures released earlier on Friday showed the US economy added 151,000 jobs in February and the unemployment rate ticked higher to 4.1%. "Many indicators show that the labour market is solid and broadly in balance," Powell said, adding that it is not a significant source of inflationary pressure.

The Fed chief also responded to a question about the Commerce Department's decision to abolish committees that advise the statistical agency responsible for compiling vital US economic data such as gross domestic product and the Federal Reserve's preferred inflation gauge. "It needs to be said that the government-gathered data we get from the Bureau of Economic Analysis and the Bureau of Labor Statistics is incredibly important, and really the gold standard for data," he said. "Being able to track what's going on in the economy is very, very important, and it's something that the United States has led in for a long, long time, and something we need to continue to lead in."

Debt-limit dynamics could disrupt money markets: Fed official

Bloomberg
Washington

The current debt-ceiling impasse could threaten the Federal Reserve's ongoing balance-sheet runoff causing gyrations in the central bank's liabilities that create volatility in money-market rates, according to the Federal Reserve Bank of New York's Roberto Perli. Once the debt ceiling is resolved the Treasury Department tends to rapidly rebuild its cash pile, resulting in a fast decline in other liabilities. This may especially affect bank reserves since the overnight reverse repo facility is "largely depleted," Perli, who oversees the central bank's securities portfolio, said Wednesday at an event hosted by the Money Marketmakers of New York University. "The longer the balance-sheet runoff continues while the debt ceiling situation persists, the higher the risk that, upon the resolution of the debt ceiling, reserves could rapidly decline to levels that could result in considerable volatility in money markets," Perli said. A key House Republican said Wednesday the US could hit the debt ceiling as soon as mid-May, earlier than estimates

from Wall Street strategists. The level of outstanding US debt hit its statutory limit in January. The Treasury has since been using special accounting manoeuvres and drawing down its cash reserves to prevent a payments default. For several months, officials said very little publicly about when they might stop reducing the Fed's balance sheet, a process known as quantitative tightening, or QT. However, minutes of the January Federal Open Market Committee meeting revealed policymakers had discussed the potential need to pause or slow the process until lawmakers can strike a deal over the government's debt ceiling. Perli, who runs the System Open Market Account, said indicators are showing that reserve conditions are still abundant, noting that it's not clear at what point reserves will become scarce. Perli, however, acknowledged that the repo market — a bellwether for showing that quantitative tightening has gone too far — pressures have been gradually increasing, citing the increased share of interdealer market transactions taking place above the interest rate on reserve balances, which is "notably higher than it was this time last year." The Fed has been shrinking its holdings

of debt since June 2022. It's currently allowing up to \$25bn in Treasuries and \$35bn in mortgage-backed securities to mature each month without reinvesting the returned principal. It slowed to that pace in June, after initially allowing up to \$60bn in Treasuries to run off its balance sheet each month. Minutes from the January gathering also showed that policymakers were briefed on possible ways to structure secondary-market Treasury purchases after the end of the balance-sheet runoff. Many officials expressed support for structuring purchases in a way that moved the portfolio's composition closer to that of outstanding Treasury debt. Currently, the SOMA Treasury portfolio is "significantly underweight" bills and "significantly overweight" coupon securities with 10 to 22.5 years remaining to maturity, according to Perli. He suggested the discrepancy could be addressed by allocating secondary-market purchases to T-bills, yet at a gradual pace in order to avoid impacting the markets, though this would likely take a number of years. Federal Reserve Bank of Dallas President Lorie Logan, a former SOMA manager, said last week it would be appropriate, in the medium term, for the US central

bank to purchase more shorter-term securities than longer-term ones so that its portfolio can more quickly mirror the composition of Treasury issuance. "The strategy I just sketched does not lock policymakers into a particular portfolio structure for the longer term — it just moves the SOMA portfolio toward a more proportionate composition in the nearer term," Perli said. "In the future, the committee will have the flexibility to adjust and achieve any desired portfolio composition to best support its policy objectives." On the Standing Repo Facility, Perli acknowledged that the addition of a morning operation on the days spanning the end of the year may have contributed to a relatively smooth conclusion to 2024 in the funding markets. He also said there's a chance the New York Fed could offer a technical exercise at the end of March, another period when short-term rate markets tend to be volatile. According to the latest FOMC minutes, several Fed officials supported looking for ways to improve the efficacy of the Standing Repo Facility. The New York Fed has been conducting a series of small-value exercises to take place at the beginning of the trading session.

Canada pledges billions to aid firms hurt by trade upheaval

Bloomberg
Ottawa

Prime Minister Justin Trudeau's government allocated C\$6.5bn (\$4.5bn) to help exporters reach new markets for Canadian products as the country's business sector navigates Donald Trump's tariff war. A C\$5bn programme will help exporters address challenges including losses from non-payment, currency fluctuations, lack of access to cash flows, and barriers to expansion, government ministers announced on Friday. The government is also providing C\$1bn in new financing through Farm Credit Canada to help the Canadian agriculture and food industry. "Favourably priced loans" of C\$500mn will be made available through the Business Development Bank of Canada to support businesses in sectors that are directly targeted by tariffs, as well as companies in their supply chains.

"These measures will provide stability to our sectors at a time of great unrest and uncertainty and more than anything else, they will help keep more workers in their jobs, more businesses running and more factory floors humming," Labour Minister Steven MacKinnon said at a news conference. "We know that uncertainty in many ways is worse than the proposals themselves because businesses are frozen in their investment decisions," he added. "So we want to make sure that they have the comfort knowing that we have this backstop in place."

The government is also making changes to a program that provides benefits to employees who agree with their employers to work reduced hours, due to a decrease in business activity.

Canada will "customise" its response depending on how the tariff situation evolves, MacKinnon said at a news conference. The funding announced on Friday will not be paid for through retaliatory tariffs, officials said. Trump said he may implement reciprocal tariffs on Canadian lumber and dairy products as soon as Friday. His comments capped a tumultuous week that saw him impose 25% tariffs on most of what the US imports from Mexico and Canada on Tuesday, before announcing Thursday that he would delay that move on goods compliant with the US-Mexico-Canada Agreement, until April 2.

Canadian Trade Minister Mary Ng said she heard about the threatened lumber and dairy tariffs as she was walking into the news conference on Friday. "These tariffs, if imposed in that order of magnitude, are completely unjustified," she said. She added that Trump's claim that Canada has been "ripping off" the US for years on lumber and dairy is "simply not true."

American lumber producers have alleged that the Canadian lumber system amounts to a subsidy — a charge Canadians deny — and the countries have fought over tariffs on those products for decades. Canada's dairy system, meanwhile, is set up with domestic import and production quotas — accompanied by high tariffs on US products once a certain volume of sales is exceeded.

The Trudeau government had projected a C\$48.3bn deficit for the fiscal year that begins April 1. MacKinnon said he did not expect the fiscal response to tariffs to be on the same scale as that during Covid-19, which saw the government give checks and loans to a large number of workers and businesses.

"As bad as it would be, the imposition of across-the-board tariffs on Canadian exports, it would not be a Covid situation," he said. "It would not be a good situation, but it would be a different situation and we believe that it would be a more slow-rolling economic impact."

Apple delays its Siri digital upgrade indefinitely

Bloomberg
San Francisco

Apple Inc's turmoil in its AI division reached new heights on Friday, with the company delaying promised updates to the Siri digital assistant for the foreseeable future.

Apple said that features introduced last June, including Siri's ability to tap into a user's personal information to answer queries and have more precise control over apps, will now be released sometime in "the coming year." The iPhone maker hadn't previously set a public deadline for the capabilities, but they were initially planned for the iOS 18.4 software update this April.

Bloomberg News reported on February 14 that Apple was struggling to finish developing the features and the enhancements would be postponed until at least May — when iOS 18.5 is due to arrive. Since then, Apple engineers have been racing to fix a rash of bugs in the project. The work has been unsuccessful, according to people involved in the efforts, and they now believe the features won't be released until next year at the earliest.

In the lead-up to the latest delay, software chief Craig Federighi and other executives voiced strong concerns internally that the features didn't work properly — or as advertised — in their personal testing, said the people, who asked not to be identified discussing internal matters. An Apple spokeswoman declined to comment. Some within Apple's AI



Apple store in New York. Apple's turmoil in its AI division reached new heights on Friday, with the company delaying promised updates to the Siri digital assistant for the foreseeable future.

division believe that work on the features could be scrapped altogether, and that Apple may have to rebuild the functions from scratch.

The capabilities would then be delayed until a next-generation Siri that Apple hopes to begin rolling out in 2026.

The company first demonstrated the features during its Worldwide Developers Conference last June, part of an unveiling of the Apple Intelligence AI platform. At the same annual event this year, Apple isn't planning to show off any big AI breakthroughs. Instead, it will focus on integrating Apple Intelligence into more of its apps.

The delays — especially of announced features — are embarrassing for Apple and add more evidence to the idea that the company is struggling in artificial intelligence. They also threaten to set back work on future improvements.

Apple had been planning to make Siri more ChatGPT-like and conversational next year. But now only the initial underpinnings for that upgrade are expected to be ready by 2026, during the iOS 19 release cycle. The actual interface that users experience likely won't arrive until iOS 20 in 2027, the people said. Bloomberg News reported

earlier this week that Apple employees are questioning whether Chief Executive Officer Tim Cook or the company's board needs to take action to change the leadership of the AI group. They believe that, short of major changes, Apple will continue to fall behind. Earlier this year, the company tapped veteran software leader Kim Vorrath to help the team.

The delays mark an especially public setback for Apple because the company has been advertising the not-yet-ready features in TV commercials for nearly six months. When the company introduced the iPhone 16 last fall, it did so by

selling customers on the idea that the device was "built from the ground up for Apple Intelligence." Now, the core features for that experience might not be available until months after the iPhone 17 debuts.

In anticipation of customer frustration, the company sent guidance to its AppleCare support representatives on Friday. "If customers ask about the timing of these Siri features, reiterate that we anticipate rolling them out in the coming year," the memo said.

There are also concerns internally that fixing Siri will require having more powerful AI models run on Apple's devices. That could strain the hardware, meaning Apple either has to reduce its set of features or make the models run more slowly on current or older devices. It would also require upping the hardware capabilities of future products to make the features run at full strength.

Siri did get some refinements as part of the rollout of iOS 18, including an integration with OpenAI's ChatGPT chatbot and a text-based option called Type to Siri. It also includes Apple product knowledge and a new glowing interface, but those features don't represent changes to the underlying technology.

The slow pace threatens to put Apple further behind Amazon.com Inc. in the voice assistant market.

That company will begin rolling out its highly anticipated Alexa+ this month. Samsung Electronics Co and Alphabet Inc's Google have also built AI deeply into their devices.

Investors who bought Trump's 'pro-growth' agenda now pay for it

Bloomberg
Washington

Wall Street is on edge again, but the culprit this time isn't inflation. Instead, equities investors large and small are gripped by fear of slowing economic growth in the US.

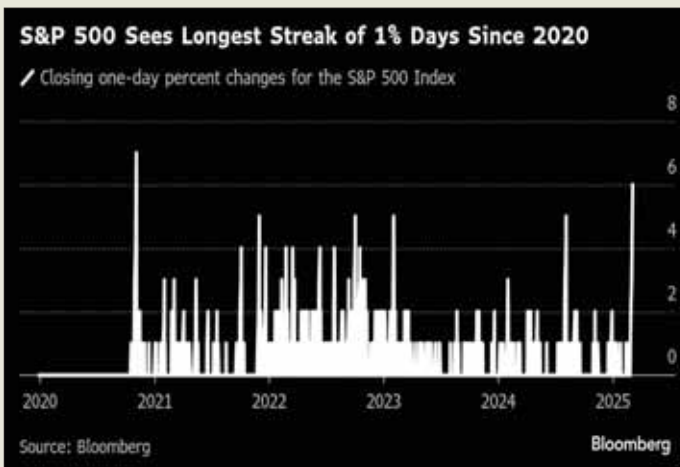
A rupture in the stock market has been exposed, with things taking a dark and volatile turn in just the past two weeks. The S&P 500 Index has wiped out all of its gains since Donald Trump was elected president on the strength of what Wall Street considered his "pro-growth" agenda. Meanwhile, the technology-heavy Nasdaq 100 Index briefly slumped into a correction Friday after plunging more than 10% in 17 days as investors dump the winners that paced the soaring stock market over the past two years.

With inflation remaining sticky, unemployment rising amid the Trump administration's efforts to slash the federal payroll, and growth slowing from its previous breakneck pace, economists and sell-side strategists are warning about the rising odds of what traders fear most: stagflation. "The stock market is very confused about Trump's tariff plans," said

Jeremy Siegel, a finance professor at University of Pennsylvania famous for, among other things, calling technology shares "a sucker bet" in March 2000 as the dot-com bubble was peaking. "Is all of this just a negotiating tactic? We don't know yet. I see an even bigger correction coming after over-exuberance."

Investors are at a crossroads, unsure which way to go. It's most acute when it comes to Trump's tariffs and the risk of a trade war, which has sent stocks on some wild swings. The S&P 500 just posted a move of more than 1% in either direction for six straight sessions, something it hasn't done since November 2020, when Trump was in the midst of disputing the outcome of the election.

To make things more onerous, the mega-tech stocks that have served as havens for so long, rising in the face of seemingly every challenge, are now leading the selloff. Nvidia Corp. has erased almost \$1tn in market value in two months, briefly sliding below that level on Friday before dip buyers stepped in to inch it back above. And a Bloomberg Index of the Magnificent Seven tech stocks — Alphabet Inc, Amazon.com Inc, Apple Inc, Meta Platforms Inc,



Microsoft Corp, Nvidia and Tesla Inc — has dropped more than 12% in just three weeks.

"This is an incredibly difficult market," said Thomas Thornton, founder of Hedge Fund Telemetry, who is holding his highest level of cash. "People are still way too eager to buy. Good bottoms are when people can't get out fast enough and nobody wants to buy." From rookie retail traders to hedge fund pros, no one knows what the eventual cost of Trump's sweeping policies really are. His pro-growth plans were tax cuts, deregulation and energy dominance. Tariffs were

supposed to bring manufacturing back to the US and create jobs. But so far there's little evidence of that. Just this week, Trump warned that Americans may feel a "little disturbance" from the trade wars with Canada, Mexico and China. He offered no word on when they'll see the benefits from his tariff fights. All of this has mom-and-pop investors spooked. For the first time since 2022, the majority of individual investors say they believe stock prices will drop over the next six months, according to a survey by the American Association of Individual Investors.

Fewer than 20% say they expect prices to rise over that period. "Be prepared for more 'Trump pumps' and 'Trump dumps,'" said Dennis Dick, head of markets structure and a proprietary trader at Triple D Trading, who's trading off rumours and headlines fighting trend-following algorithms. "The president never stops talking. It feels like my head is on a swivel." The turbulent start to 2025 has Wall Street forecasters rethinking their bullish predictions for stocks at the start of the year. The average target predicted by a survey of two dozen strategists forecast that the S&P 500 would end 2025 at 6,511.36, based on data compiled by Bloomberg. That implies a roughly 13% rise from Friday's close for a benchmark that's already down about 2% for the year.

"We knew that the optimistic interpretation of the initial year of the Trump administration was way off," said Barry Bannister, chief equity strategist at Stifel, Nicolaus & Co, who was one of few strategists to predict a decline in stocks this year. "He is a disruptor and has to break down the old order if he's going to remould some sort of new order, so we knew there would be a period of tumult."

The focus from here is on Corporate America's profit growth, which is needed to justify the rich equity valuations. But analysts' outlooks for the S&P 500 in 2025 have been steadily falling since the start of the year, from expectations of a nearly 13% rise in early January to roughly 10% now, according to Bloomberg Intelligence.

With Federal Reserve officials in a blackout period before a March 19 interest-rate decision, traders will parse each economic data point in the coming weeks for clues about what could drive the stock market's next move. A survey on job openings is due Tuesday, followed by an inflation report on consumer prices on Wednesday, then a sentiment reading from the University of Michigan Friday. Each should provide clues about how many times the Fed will cut rates in 2025. Fed Chair Jerome Powell offered reassurance that the economy remains "in a good place" in a speech on Friday, but disappointing readouts raise speculation that it's beginning to slow more than expected and push investors to flee riskier assets. Steel and aluminium tariffs are scheduled to hit on Wednesday, adding another volatile element to the equation.



Five years on, the economic impact of Covid-19 lingers

Reuters
New York

Five years after the World Health Organisation first described the Covid-19 coronavirus outbreak as a pandemic, its effects are still being felt on the global economy.

Covid-19 and efforts to contain it triggered record government debt, hit labour markets and shifted consumer behaviour. Inequality has increased, while remote work, digital payments and changes in travel patterns have endured.

Though the immediate shock has passed, Covid-19's legacy continues to reshape global economies and markets. Here are some of the main impacts.

Debt, inflation and interest rates

After countries borrowed money to protect welfare and livelihoods, global government debt has risen by 12 percentage points since 2020, with steeper increases seen in emerging markets. The pandemic sparked high levels of inflation, which proved to be a major concern in the 2024 US elections. Fuelled by post-lockdown spending, government stimulus packages and shortages of labour and raw materi-

als, inflation peaked in many countries in 2022. To offset rising prices, central banks raised interest rates, though the intensity of their interventions varied widely.

Sovereign credit ratings, which reflect a country's ability to pay back its debts, were driven lower as economies were shuttered and governments took on huge amounts of extra debt to fill the holes left in public finances.

Data from Fitch Ratings shows the average global sovereign credit score remains a quarter of a notch lower than it was when the pandemic started, reflecting financial challenges made worse by the pandemic, inflation and stricter financial conditions.

For less wealthy emerging market countries, the average remains roughly half a notch lower.

Lower credit ratings generally translate into higher borrowing costs on international capital markets.

Labour and travel shifts

The pandemic caused millions of job losses, with poorer households and women hit hardest, according to the World Bank. As lockdowns eased, employment regained momentum but with a considerable shift towards sectors such as hospitality and logistics due to the grow-

ing retail delivery sector. Women's participation in the workforce fell in 2020, mostly due to female over-representation in hard-hit sectors like accommodation, food services and manufacturing, and the burden of caring for children staying home from school. However, the gender employment gap has slightly decreased since, data shows.

Travel and leisure habits also changed. While people travel and eat out as much as they did in 2019, an increase of work-from-home has reduced commuting in major cities such as London.

In London, use of both tubes and buses remains at around a million fewer journeys a day than pre-pandemic.

The airline sector was one of those hit worst by the pandemic, recording industry-wide losses of \$175bn in 2020, according to the global airlines body IATA.

Vaccination campaigns eventually resulted in the lifting of travel restrictions, allowing people back on planes. For 2025, IATA expects an industry-wide net profit of \$36.6bn and a record 5.2bn passengers.

But travellers must contend with prices of hotel rooms which in many regions have outpaced inflation and remain well above 2019 levels.

In the first half of 2023, Oceania, the continent in the southern hemisphere that includes Australia and smaller nations like Tonga and Fiji, saw the highest price increases from the same period of 2019, followed by North America, Latin America and Europe, according to data from Lighthouse Platform.

Despite minor fluctuations, there is little indication that global hotel prices will return to pre-pandemic norms. Office vacancy rates are also at record highs in many countries, the result of more remote and flexible work. In the US, central business districts had the largest rise in vacancies, which are still evident today.

Ushering in a digital world

New consumer trends developed during global lockdowns, as home-bound consumers often had no other option than to shop online. This caused an uptick in online purchases from 2020 that has since stabilised. Analysts say that in Europe the rise in online sales has been coupled with an increase in selling space, as retailers invest in physical shops to stimulate both online and offline sales.

The space, measured in square metres, edged up almost 1% from 2022 to 2023, an increase that should extend to 2.7% by

2028, data from market research company Euromonitor shows.

Shares in digital and delivery firms led gains during the pandemic, alongside those of vaccine-making pharmaceutical companies.

Five years on, some pandemic-era gainers have lost most of their appeal, but others have enjoyed lasting gains as new markets enabled by the digital shift have opened up.

Despite the bursting of some bubbles and the collapse of crypto exchange FTX, which left the industry reeling, the value of Bitcoin has increased by 1,233% since December 2019, as people looked at new investment opportunities to cut the risk of market volatility. Stuck at home and with more cash on hand, people also began investing more, with roughly 27% of total US equity trading coming from retail investors in December 2020.

Stockbroker TD Ameritrade took the biggest slice of the cake before being acquired by Charles Schwab in a \$26bn deal. Another platform which gained popularity during the retail trading boom of 2021 is Robinhood, which became the platform of choice for people to pump money into meme stocks.

Rocky US stock market faces inflation data test

Reuters
New York

A critical inflation report in the coming week could further rattle an increasingly tumultuous US stock market, with investors worried about an economic growth slowdown and President Donald Trump's tariffs.

The benchmark S&P 500 was on pace for its worst week in six months, while the tech-heavy Nasdaq Composite on Thursday ended down more than 10% from its December all-time closing high, confirming it has been in a correction for several months.

Investors were grappling with dramatic policy change around the world. Trump's back-and-forth implementation of fresh tariffs on Mexico, Canada and China exacerbated broad concerns about the economy. Markets were also shaken by Germany's surprise spending plans, which drove a selloff in the benchmark German Bund.

As recent US economic data has disappointed, one silver lining for stocks has been markets factoring in more interest rate cuts by the Federal Reserve this year to account for potential growth weakening.

But Wednesday's US consumer price index report could scuttle those expectations if it confirms that inflation is still simmering at levels that force the Fed to keep monetary policy tighter.

"A hot CPI print will likely scare the market," said Bryant Van-Cronkhite, senior portfolio manager at Allspring Global Investments. "The market still wants the Fed to come to the rescue... Until inflation and inflation expectations come down, the Fed is handcuffed."

Investors are mindful of last month's hotter-than-expected CPI data that saw inflation rise 0.5% in January, its biggest monthly gain



Traders work on the floor of the New York Stock Exchange. A critical inflation report in the coming week could further rattle an increasingly tumultuous US stock market, with investors worried about an economic growth slowdown and President Donald Trump's tariffs.

since August 2023. CPI for February is expected to have climbed 0.3%, according to a Reuters poll.

The inflation report will be among the last key pieces of data before the Fed next meets on March 18-19. While the central bank is expected to hold its benchmark rate steady at 4.25%-4.5% at that meeting, Fed funds futures indicate nearly 75 more basis points of easing are expected through December of this year, according to LSEG data.

"Equities will not enjoy a hot CPI print because... it softens that Fed easing view that has been starting to build in the market," said John Velis, Americas macro strategist at

BNY. Investors are also increasingly concerned about "stagflation" — slowing growth and rising inflation that is feared to be a toxic combination for a broad range of assets.

An elevated CPI report could "bring the 'S-word' into play," Velis said. Investors will also focus on Washington, as lawmakers wrangle over a spending bill that would avert a partial shutdown of agencies late next week. Trade policy remains in the spotlight.

Tariffs on foreign imports are expected to hurt corporate profits and increase consumer prices, but investors are weighing how lasting the levies will be against their potential as negotiating tools.

Trump on Thursday said Mexico and Canada won't be required to pay tariffs on goods that fall under a prior trade deal until April 2.

Under the new Trump administration, the barrage of initiatives on trade and other issues, such as federal workforce cuts, has fed uncertainty for businesses and consumers.

Market unease is also rising. The Cboe Volatility index jumped this week and was around its highest level since late last year.

"Volatility is here to stay for a while because we do not have economic and trade policy certainty," said Irene Tunkel, chief US equity strategist at BCA Research.

ECB official signals inflation concern in rate debate salvo

Bloomberg
Frankfurt

Eurozone inflation is more likely to get stuck above the European Central Bank's target than to durably slow, said Executive Board member Isabel Schnabel.

In her opening salvo before a pivotal decision in April on whether to pause interest-rate cuts, the institution's official in charge of markets shares concerns on prospects for consumer prices in a *Handelsblatt* article published on Saturday.

"The risk that inflation will remain above 2% longer than expected is higher than the risk that it falls sustainably below 2%," Schnabel said, according to the German newspaper.

Those remarks may signal her likely opposition to another reduction in April after the ECB's decision on Thursday to lower its deposit rate by a quarter point. Officials deferred judgment on their next move, and are already preparing for a tough debate at that decision, according to people familiar with their thinking.

Taking time would help policymakers digest a rapidly changing backdrop for the 20-nation economy that could reverberate for years to come. European governments are readying hundreds of billions of euros worth of investments in defence, with Germany also planning to bolster spending on infrastructure.

That massive fiscal boost will bolster the region's cyclical growth outlook and probably also its output potential and the neutral interest rate, economists at BNP Paribas led



Isabel Schnabel, executive board member of the European Central Bank.

by Paul Hollingsworth wrote this week.

"We see a strong case for the ECB to begin raising interest rates as the effects start to materialise — most likely in the second half of 2026," they said. The economists still expect two more cuts in April and June, taking the deposit rate down from 2.5% to 2%.

In forecasts released on Thursday, the ECB already pushed back the time when it expects prices pressures to reach 2% from 2025 to early next year. A Bloomberg survey before the Governing Council meeting suggested that economists share Schnabel's concerns about overshooting the goal.

Schnabel didn't elaborate on the implications of this risk on the future path for rates in the *Handelsblatt* article. Before the prospect of a fiscal boost emerged, she was already suggesting that rates don't necessarily have much further to fall, saying on Feb. 25 that "we can no longer say with confidence that our policy is restrictive."

The ECB itself changed its language last week to say policy is now "meaningfully less restrictive," in a signal of narrowing room for further rate cuts.

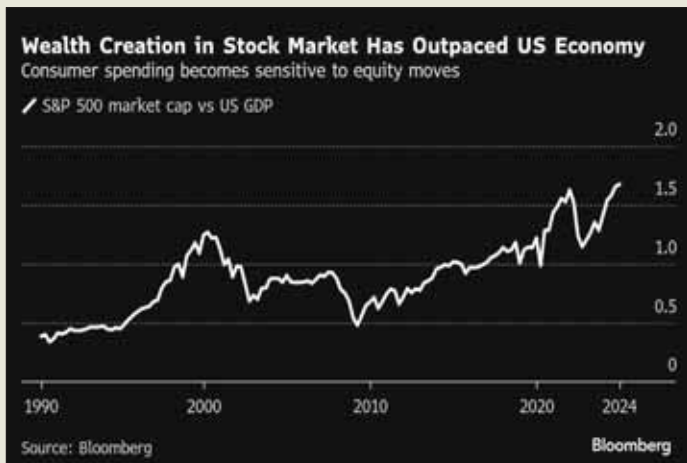
Misfiring Wall Street wealth machine is anxious sign for economy

Bloomberg
New York

Wall Street traders this week were hit by the biggest cross-asset losses since the Federal Reserve's monetary-tightening campaign peaked in 2023. Blame tariffs, softening growth, a potentially revitalised Europe, and more. Blindsided bulls are now hoping for a fast rebound — yet so should anyone on Main Street with a stake in financial markets, America's great wealth-creating machine. Known as the "wealth effect," people tend to spend when assets are buoyant — and do the opposite when they're stressed out. While the scale of the losses isn't cause for panic just yet, the speed of the plunge is a reminder that markets themselves have the power to cause economic trouble should they continue to crater. "The wealth effect is a double-edged sword," said Doug Ramsey, chief investment officer at Leuthold Group. "We doubt this economic expansion can survive a stock market correction of more than 12-15%." While S&P 500 edged up

Friday and has yet to reach this worrisome threshold — down 6% from its giddy peak — months of market peace have abruptly blown up in a matter of days. Volatility has surged in equities, corporate bonds, currencies, and more. That is stirring questions on whether stress on Wall Street will sow discomfort among asset-owning consumers. And it's the latest wild card in an economy whose outlook is already clouded by unknowable outcomes around tariffs and government firings.

In today's top-heavy business cycle where the richest 10% American households make up almost half the country's consumer spending, the threat posed by shrinking market wealth is a real one, according to Mark Zandi, chief economist at Moody's Analytics. He estimates that for every \$1 decrease in net worth, consumer spending ultimately declines by two cents. That's a dispiriting figure, given \$3.7tn was erased from stocks in the last few weeks, just as consumer spending is slowing and data from housing to the labour market has shown signs of weakness. "The wealth is owned



by folks that are older," Zandi said. "They are very sensitive to their stock portfolio because they're not working, they don't have other income. So they are really focused on their wealth, and if the stock market declines and their wealth is diminished, they're going to respond to that." This week saw the volley of confusing tariff-related announcements taken to a whole new disruptive level, causing a plunge in market sentiment

and a Wall Street backlash. Fed Chair Jerome Powell said Friday that officials don't need to rush to adjust policy amid increased uncertainty in the economic outlook, even as bond traders have boosted their wagers on rate cuts. Stocks posted their worst week of 2025 by far, with the Nasdaq Composite Index briefly entering a 10% correction. With major ETFs tracking stocks, Treasuries and corporate bonds falling an average 2%, the market endured

the worst across-asset selloff since October 2023. The equity plunge is particularly unsettling. The rise in US total net worth since 2022 has been almost entirely driven by their stock holdings as technology shares led the equity boom amid frenzy over artificial intelligence. Excluding that factor, net worth by American households would have been broadly flat over the period, according to data compiled by Kaixian Tan, an analyst at Gavekal Research. A falling stock market may force Americans to save more when housing remains highly unaffordable, he warns. "I'm not too worried about the current growth," Tan said. "I am, however, worried about the overvaluation of US equities and the potential for 'better stories' outside of the US leading to a simultaneous fall in US equities and US dollar. If this happens, this may eventually lead to a growth slowdown." Another variable to consider: Pain in speculative market corners is getting hard to ignore. A slew of so-called altcoins and leveraged ETFs tied to single stocks like Tesla Inc. — get-rich-quick trades typically beloved by young and

inexperienced investors — have in some cases slumped more than 50% this year.

"For those who arrived late, what they've experienced isn't a setback, but a traumatic financial event," said Peter Atwater, president of research service Financial Insights.

While a tiny pot of money next to bonds and stocks — digital assets had a nominal value of \$3.7tn at their peak — crypto and its volatile cousins are the province of an especially flamboyant cohort of spenders. That's been particularly the case in real-estate markets in California and Nevada, according to a study last year. Researchers found that a dollar of unrealised crypto gains led to a 9-cent increase in its owners' expenditures.

The good news is that consensus estimates point to continued economic growth, even as they have been pared. After marking up their growth projections persistently since September, economists just trimmed the 2025 forecasts, with the median falling by 2 basis points to 2.28% — a slight but notable shift in momentum.

WEEKLY ENERGY MARKET REVIEW

Oil up, but off highs as Trump warns new Russia sanctions possible

www.abhafoundation.org

Oil

Oil prices gained on Friday but retreated from session highs after US President Donald Trump threatened sanctions on Russia if it fails to reach a cease-fire with Ukraine. Brent crude futures settled at \$70.36 a barrel, up 90 cents, or 1.3%. West Texas Intermediate futures finished at \$67.04, up 68 cents, or 1.02%. Trump said in a post on Truth Social that he was "strongly considering" sanctions on Russian banks and tariffs on Russian products because its armed forces continue attacks in Ukraine.

In early trade, Brent jumped as high as \$71.40, while WTI hit \$68.22 after Russia's Deputy Prime Minister Alexander Novak told reporters that the Opec+ producer group will go ahead with its April increase but may then consider other steps, including reducing production. Opec+ had said it intended to proceed with a planned April output increase, adding 138,000 barrels per day to the market. Analysts said oil's moves on Opec+ and possible Russia sanctions swept aside other news, including delays in Israel and Hamas seeking a permanent cease-fire in Gaza. For the week, Brent and WTI finished down 3.9%. Late in Friday's session, prices stabilised following comments by US Federal Reserve Chairman Jerome Powell saying the Fed was watching how new policies from the Trump administration, especially on trade, were affecting the economy.



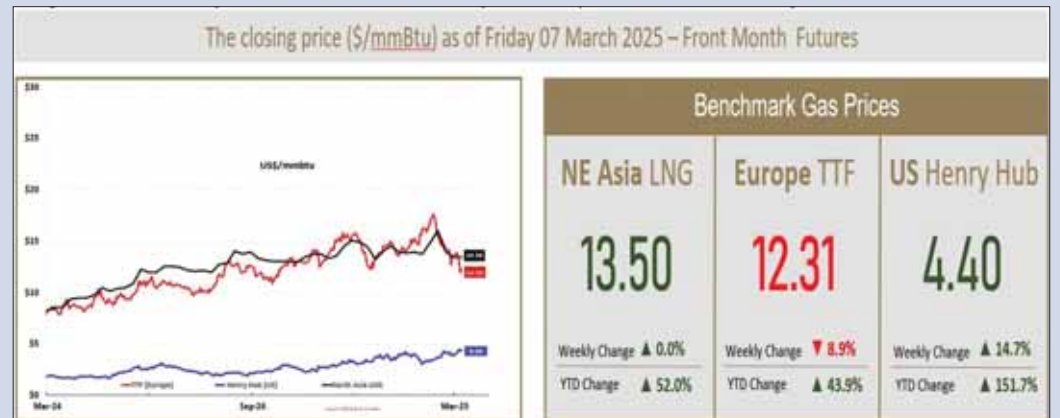
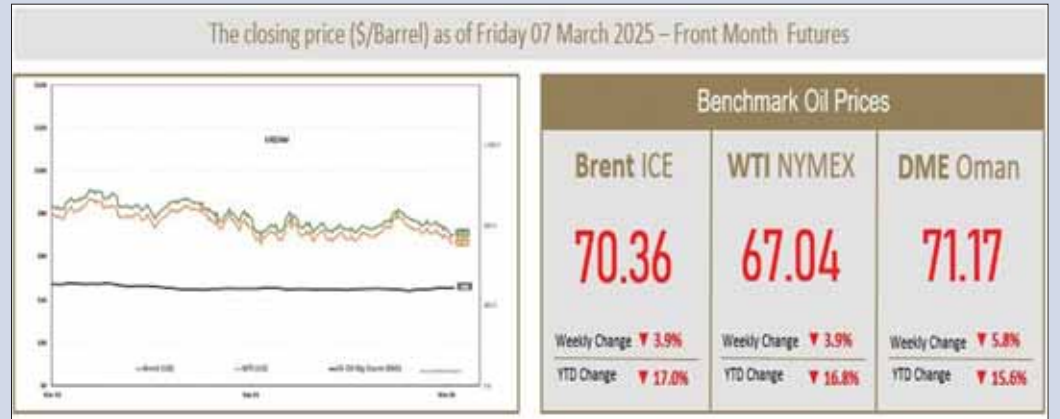
A heavy crude oil tanker travelling over calm sea during sunset. Oil prices gained on Friday but retreated from session highs after US President Donald Trump threatened sanctions on Russia if it fails to reach a cease-fire with Ukraine. Picture supplied by the Abdullah bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.

Reserve Chairman Jerome Powell saying the Fed was watching how new policies from the Trump administration, especially on trade, were affecting the economy.

Gas

Asian spot liquefied natural gas (LNG) prices were flat last week, holding at a ten-week low amid Europe's bearish gas price sentiment, though some emerging spot demand has curbed losses. The average LNG price for April delivery into northeast Asia was at \$13.50 per mmBtu, industry sources estimated. Asian LNG prices are bearish, driven by anticipated declines

in the Dutch TTF benchmark in Europe and stable Pacific supply, analysts said. Warmer weather forecasts in northeast Asia will likely curb gas-for-power demand in March, following accelerated inventory drawdowns by power utilities in February. Spot demand from Korean and Japanese importers, including Korea Gas Corp, JERA, Tokyo Gas and Osaka Gas, has recently emerged as buyers seek to replenish stocks after a cold winter. In Europe, the Dutch TTF benchmark price was down at 12.31 per mmBtu. A key driver behind this fall is multi-strategic investment funds



selling the TTF to de-risk as equities have fallen. Prices were also weighed down by Venture Global's announcement that it expects to load 219-239 cargoes from its Plaquemines project this year, as it was higher than

expected and could loosen a tight summer balance. Additionally, a European Commission proposal to retain gas storage requirements and targets for two more years but with added flexibility reduced pressure on

summer injection demand. ■ This article was supplied by the Abdullah bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.

Asean-6 growth outlook expected to remain robust in 2025: QNB

The outlook for growth in the Asean-6 economies has remained largely unharmed by the deteriorating global trade scenario, according to QNB.

This is on the back of still-robust growth momentum, a favourable position to avoid or defuse tariff threats, and the gains from shifting trends in trade and investment flows, QNB said in an economic commentary.

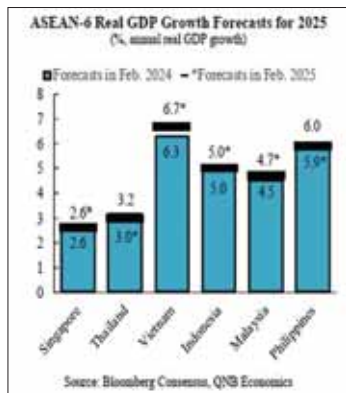
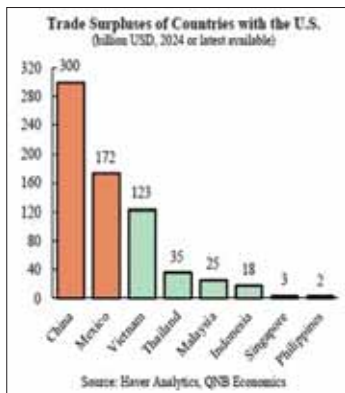
The six largest countries of the Association of Southeast Asian Nations (Asean-6), which includes Indonesia, Thailand, Singapore, Malaysia, Vietnam, and the Philippines, have been among the fastest growing economies in the world in recent decades.

A large part of these success stories is attributed to their integration to global markets through international trade. Hence, anything that threatens or engenders disruption to their trade flows can have a significant impact on their macroeconomic performance.

Since Donald J Trump's inauguration as president of the US in January this year, escalating trade wars have taken centre stage in the global media spotlight. Trump's mercantilist view promotes national self-sufficiency and considers imports as a drain on national wealth, rather than as a factor that supports healthy economic dynamism.

Thus, countries with large and persistent bilateral trade surpluses against the US are more likely to become prime targets for tariffs.

The initial trade rifts began with direct threats by the US of 25% tar-



iffs on Canada and Mexico, as well as 10% tariffs on China. This was followed by warnings of "universal" and "reciprocal" tariffs against all countries and products, and targeted tariffs on all imports of steel and aluminium.

In turn, QNB noted other nations are evaluating their own responses, further increasing the threat of protectionism and trade wars.

In QNB's view, however, despite a challenging global trade environment, the Asean-6 countries stand on firm footing to weather the storm. In this article, QNB discusses three key elements that support our assessment.

First, it is unlikely that the Asean-6 countries will become direct targets for Trump's tariffs in the short run. Among the countries in the group, Vietnam and Thailand exhibited last year the largest bilateral trade surpluses, at \$125bn and \$35bn respectively.

But the Asean-6 countries attract

less attention than other major US trade partners with more significant bilateral trade surpluses, mainly China (\$300bn) or Mexico (\$172bn).

Furthermore, the Southeast Asian countries are positioned as a counterweight to Chinese influence in the region, leaving them in a favourable stance to face trade negotiations and defuse potential tariff threats.

Second, geopolitical and trade tensions between the US and China are leading to shifts in trade and investment flows that benefit the Asean-6 economies. Asean exporters that compete with Chinese producers stand to gain from US tariffs on China, as Asean producers become relatively cheaper than Chinese products in the US.

Indirectly, firms in these countries increasingly act as intermediaries for Chinese products to enter the US in order to bypass tariffs. Additionally, Asean economies benefit from investments from

global companies, including those from China that are more interested in establishing production facilities outside of China.

Western companies are progressively adopting a "anything but China" strategy, aiming to reduce reliance on China and mitigate risks associated with geopolitical tensions.

Thus, the Asean-6 countries stand to capitalise from trade and investment flows shifting away from China.

Third, in spite of the worsening international trade outlook, there has been little impact on growth expectations for the highly trade-integrated Asean-6 economies so far.

Specifically, forecasts for real GDP growth for 2025 have either remained unchanged, or have even shown improvements in the last year. After bringing inflation under control, central banks in the region are driving policy interest rates down, or have already reached "neutral" levels, that neither restrain nor stimulate economic activity.

In several countries, governments are pushing for ambitious pipelines of infrastructure and capital expenditure projects that also draw private investments and bolster economic growth. Major projects are expected in sectors such as transportation, logistics, mining, and facilities needed for new manufacturing plants.

"Although the specific drivers vary by country in the Asean-6, overall growth momentum is expected to remain robust during 2025," QNB noted.

GCC greenfield foreign direct investments rise marginally in 2024: Report

By Pratap John
Business Editor

There has only been a marginal rise in the number of announced greenfield FDIs in the GCC in 2024, according to Emirates NBD.

In a recent research, the bank said the number of greenfield FDIs in the GCC grew just under 1% to 1,830 in 2024 from 1,813 in 2023.

Despite the low pace of growth, the number of new projects remains well above the pre-Covid average.

There does, however, appear to have been a decline in the average project value across the GCC, with the total value of projects having fallen by 26% year-on-year (y-o-y) in 2024.

The primary sources of FDI into GCC economies in 2024, on a value basis, included the US (25%), China (17%), the UK (9%) and India (9%).

The UAE also made a material contribution to greenfield FDI in the rest of the GCC, accounting for 5% of announced projects in 2024.

Sectors seeing the highest value of greenfield projects include communications (18%), renewables (14%), metals (8%), electronic components (8%), as well as coal, oil and gas (8%).

Global FDI flows declined in 2024 in both value and volume. UNCTAD estimates that the number and value of announced greenfield FDI projects declined by 8% and 7% y-o-y respectively.

Despite the annual decline, the value of greenfield project announcements remains high by historical standards because of several large-scale projects related to the manufacturing of semiconductors and AI technology.

The UAE features as the source country for two of the top 10 projects by value of investment, including a real estate investment into Ras El-Hekma in Egypt by ADQ and an investment by Mubadala in semiconductor manufacturing in the US.

While the aggregate value of greenfield projects fell in 2024, there were pronounced differences across geographical regions.

Developed economies saw a 15% y-o-y rise in the value of announced greenfield projects, disproportionately driven by large increases in the value of projects in the US (+93% y/y) and the UK (+32% y/y).

In contrast, developing economies in saw a 24% y-o-y decline in the value of announced greenfield projects, Emirates NBD noted.

State Street's lost mandates expose growing risk in Europe

Bloomberg
London

Efforts by US asset managers to try to adapt their business to the political reality at home are now alienating some of their clients in Europe.

State Street Global Advisors has already lost mandates with pension funds in the UK and Scandinavia. And more Europe-based institutional investors, including PME in the Netherlands, are currently reviewing their relationships with US managers. The trigger, they say, is a trend on the other side of the Atlantic to downplay climate risks.

"We have relatively high standards with regard to sustainability and responsibility in our investing," said Anders Schelde, the chief investment officer of Danish pension fund AkademikerPension. He says he's recently informed State Street that he's pulling a man-

date worth 3.3bn kroner (\$480mn). "Asset managers don't need to think exactly as we do, because these are of course very complex matters and there may be different routes to achieve the same goal," Schelde said in an interview. "But they have to be aligned to some degree with how we think and how we see the world." AkademikerPension, which oversees total assets of about \$20bn, is now reviewing its entire equity portfolio and plans to do a lot more in-house than it used to. The fund grades external managers on a scale of A to C, with firms falling to C facing exclusion. AkademikerPension recently downgraded State Street to C, marking the first time one of its external managers had received such a low grade, Schelde said.

"We haven't decided yet what the final new portfolio of external managers will be," Schelde said. "But all things being equal, I think the odds of a US manager getting to our portfolio going forward have become lower." A spokes-

person for State Street, which also recently lost mandates with UK-based the People's Pension, said AkademikerPension's decision to reduce the use of external managers was prompted by an exercise to increase "insourcing capabilities." State Street looks forward to continued discussions with the Danish fund about future opportunities, the spokesperson said.

Asset managers are increasingly having to navigate a world in which their investment strategies have become highly politicised. In the US, the administration of President Donald Trump has demonised the net zero financed-emissions goals that scientists say are needed to limit global warming to the critical threshold of 1.5C. And even before Trump's return to the White House, the Republican Party was attacking climate finance through bans and litigation threats across GOP states.

In response to such threats, a growing number of US asset managers have toned down their climate commitments. State Street,

JPMorgan Asset Management, BlackRock Inc and Pacific Investment Management Co are among money managers that have pulled out of Climate Action 100+, the world's biggest investor group devoted to tackling global warming. Those moves have raised eyebrows in Europe, where institutional investors still consider climate risk a key parameter in determining allocations. Among those is PME, which has about €60bn (\$65bn) of assets. It's now reviewing its relationship with BlackRock, according to an internal document seen by Bloomberg.

In the document, PME notes "concerns about BlackRock's diminishing ambitions and efforts in responsible and sustainable investing, such as halting support for ESG resolutions and weakening climate ambitions." The document also explicitly refers to BlackRock's decision to leave CA100+ as being "contrary" to PME's own climate goals. A spokesperson for BlackRock said the asset manager is "a

global leader" in sustainable and transition investing, and that it manages more than \$1tn of client assets in such strategies. BlackRock also noted that all its largest clients in Europe have made net zero commitments, and said it offers these clients a choice of products "to deliver performance in line with their investment objectives."

James Alexander, chief executive of the UK Sustainable Investment and Finance Association (UKSIF), said asset managers are watching developments around European mandates closely "and realising that stepping back from commitments on sustainability is something that asset owners take seriously."

The takeaway is that "sustainable and responsible investment practices are far from niche," Alexander said. "Every major financial institution in the world will incorporate them to some degree in order to manage the full scope of risks they face, from litigation to reputational."