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GULF TIMES BUSINESS

**GLUT CONCERNS: Page 2**

Saudi oil sales set for new year surge in sign of growing supply

QIB inaugurates new head office at QIB Towers in West Bay

Qatar Islamic Bank (QIB) has officially inaugurated its new head office at QIB Towers in West Bay during a formal ceremony attended by senior national leaders and key financial sector stakeholders.

The inauguration ceremony was honoured by the presence of the HE the Minister of Finance Ali bin Ahmed al-Kuwari, HE the Governor of Qatar Central Bank Sheikh Bandar bin Mohammed bin Saoud al-Thani, and representatives of Qatar's financial sector regulatory bodies.

The event was hosted by QIB's chairman, board of directors, Group CEO, and executive management, reflecting the strategic importance of this milestone for the bank and the wider financial sector.

During the ceremony, QIB highlighted its journey and achievements since its establishment as the first Islamic bank in Qatar, showcasing over four decades of leadership, financial strength, innovation, and commitment to the national economy. Guests were presented with a documentary chronicling the bank's history, milestones, and role in advancing Islamic banking in Qatar. Following the presentation, the guests toured the new QIB headquarters, gaining first-hand insight into a modern, employee-focused working environment designed to enhance productivity, collaboration, and operational efficiency in line with international workplace best practices.

The headquarters features open desk workstations, a diverse range of meeting and collaboration rooms, soundproof private stations to support focused and remote work, and integrated staff facilities that enable flexibility, efficiency,



HE the Minister of Finance Ali bin Ahmed al-Kuwari, HE the Governor of Qatar Central Bank Sheikh Bandar bin Mohammed bin Saoud al-Thani, and QIB chairman Sheikh Jassim bin Hamad bin Jassim bin Jaber al-Thani lead the ribbon-cutting ceremony during the event. The headquarters features open desk workstations, a diverse range of meeting and collaboration rooms, soundproof private stations to support focused and remote work, and integrated staff facilities that enable flexibility, efficiency, and teamwork across the bank.

and teamwork across the bank. As part of the new head office development, QIB also inaugurated a new branch, ATM, and Cash Deposit Machine (CDM) located on the ground floor of QIB Towers. The expansion provides customers with convenient,

in-person access to retail and corporate banking services, complementing QIB's expanding suite of digital channels and self-service solutions.

QIB chairman Sheikh Jassim bin Hamad bin Jassim bin Jaber al-Thani said: "The inauguration of QIB Towers marks

a significant milestone in the bank's journey and reflects our long-term vision to build a resilient, future-ready institution. This achievement would not have been possible without the continued trust and guidance of our regulators, whose support has played

a vital role in strengthening Qatar's financial sector.

"We also deeply appreciate the presence of our distinguished guests at this inauguration, HE the Minister of Finance, HE the governor of Qatar Central Bank, and all the leaders of the regulatory bodies, whose attendance represents a strong endorsement of the bank and a clear testament to their ongoing support for the banking sector as a whole. We are proud to deliver a headquarters that reflects QIB's values, heritage, and ambitions for the future."

QIB Group CEO Bassel Gamal added: “The inauguration of our new head office comes at a particularly meaningful time, coinciding with the celebration of Qatar National Day, making it a dual celebration for QIB and for our commitment to the nation we proudly serve. This new headquarters is more than a physical space; it is our home for the future, it is an enabler of innovation, collaboration, and excellence.

"It empowers our people, enhances how we serve our customers, and supports our strategic priorities across digital transformation, sustainability, and operational efficiency. We extend our sincere appreciation to Qatar Central Bank, Ministry of Finance and all regulatory authorities for their continued support and partnership, which remain central to QIB's sustainable growth." The inauguration of QIB Towers underscores QIB's continued commitment to supporting Qatar National Vision 2030, strengthening the financial sector, and delivering long-term value to customers, employees, and the wider community through innovation, responsible growth, and banking excellence.



The business-to-business meetings between Qatari companies and Kuwaiti importers, distributors, and wholesalers delivered promising initial outcomes

Qatar-Kuwait Trade Mission concludes with over QR281mn potential deals: Qatar Exports

The Qatar-Kuwait Trade Mission held in Kuwait has concluded with the value of potential deals exceeding QR281mm, reflecting the Kuwaiti market's interest in Qatari products and their competitiveness across industrial and consumer sectors.

This was announced by Qatar Exports, powered by Qatar Development Bank (QDB), citing the participation of 35 Qatari companies representing a wide range of industrial and commercial sectors.

The mission attracted strong interest from Kuwaiti companies and served as a strategic platform to strengthen trade ties between the two countries and explore new co-operation opportunities in an active market with growing demand for Qatari products and services.

The business-to-business (B2B) meetings between Qatari companies and Kuwaiti

importers, distributors, and wholesalers delivered promising initial outcomes. More than 360 B2B meetings were held, and over 400 visitors attended across the two-day event. Qatari participation reflected strong sector diversity, including building and construction materials, spare parts and vehicle services, paints and construction chemicals, electrical cables, chemical products, food, plastics and packaging, as well as oil and gas and paper products. The diversity enabled Kuwaiti companies to explore a broad selection of high-quality, competitive Qatari products.

The mission comes amid steady growth in economic relations between Qatar and Kuwait. In 2024, bilateral trade reached approximately QR11.16bn, with a compound annual growth rate (CAGR) of 23% since 2019. Qatari exports to Kuwait also

recorded significant growth, reaching QR8.2bn in 2024. This continued growth highlights strong opportunities to further expand cooperation in the future.

Qatar Exports continues its efforts to help Qatari companies expand into regional markets. The mission marks another milestone in a series of successful trade missions aimed at opening priority markets for Qatar-based companies and supporting Qatari exporters through trade missions focused on networking and partnership building.

The results achieved in Kuwait this year reaffirm Qatar Exports' vital role in diversifying Qatar's export base and strengthening the presence of national companies in GCC markets, in line with the Third National Development Strategy and Qatar National Vision 2030.

Qatar startups urged to rethink investor relations, embrace adaptability

By Peter Alagos
Business Reporter

A Doha-based financial technology solutions provider has urged small and medium sized enterprises (SMEs) to reassess their approach to investors and adopt adaptability as a key survival strategy in today's fintech-driven economy. Daniel Sansano, the CEO of Daniel Sansano Capitals Inc, noted that many SMEs in the region are facing different challenges due to their dependence on traditional bank loans. He explained that these loans frequently come with high interest rates that can pose many challenges to the financial health and growth potential of these businesses.

As a result, many SMEs find themselves in a difficult position, struggling to access affordable financing options that would enable them to invest in expansion, innovate their products or services, and ultimately enhance their competitiveness in the market.” Sansano addressed a previously held panel discussion.

According to Sansano, his firm introduced a simplified funding model that requires only a pitch and identification, thus eliminating the paperwork that usually puts off entrepreneurs. “No matter how great your idea is, if it lacks funds, then that is a problem,” he pointed out.

But Sansano was also quick to add that “funding alone is not enough.” He highlighted common misconceptions among SMEs seeking investment, warning against treating investors as charity organisations.

He said, “You don’t ask for a huge sum of money and offer only a little equity. When entrepreneurs or startups ask for capital, they are also asking us to take the risk with them.” Sansano urged founders to balance equity offers with realistic funding requests and to be transparent about how capital will be used.

“Education and mentorship,” he pointed out, “are critical gaps in the ecosystem.” He further said: “It’s not just about supporting them through money or incubation; we have to go further with mentorship and updating training in



Daniel Sansano, CEO of Daniel Sansano Capitals Inc. **PICTURE:** Thajudheen

finance, compliance, and operations. Fintech is progressive and requires continuous learning,” Sansano also underscored the role of artificial intelligence (AI) in reshaping fintech services, saying his company operates with fewer human employees and relies heavily on AI for customer service and support.

“You cannot have fintech without innovation, and AI is innovation,” stated Sansano, who positioned automation as a key element to scaling SME solutions.

On accessing international markets, Sansano also pointed to fintech tools that could forecast profitability, identify target markets, and track product demand in other countries. According to Sansano, “such forecasting capabilities are essential for SMEs seeking to scale globally.”

“Adaptability is the key to survival,” explained Sansano, who disagreed with the idea that SMEs should cling to traditional practices. “Doing so risks stagnation. Tradition will only pull you down. Adaptability is a must for SMEs to survive in this ecosystem,” he continued to emphasise.



LEGAL PERSPECTIVE

Crafting in drafting contracts

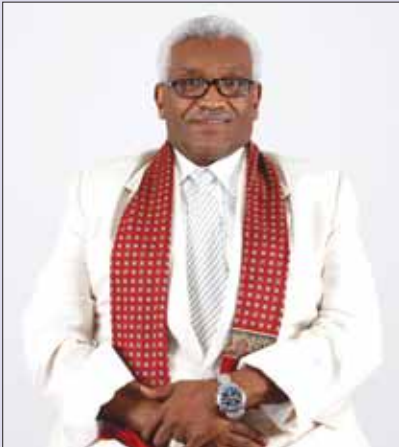
By Dr AbdelGadir Warsama Ghalib

Drafting of contracts require certain skills and special capabilities, as instances of inappropriate drafting, or weak or bad or ambiguous drafting are normally treated as a major legal risk. What you write by yourself could fire back on you with great losses and damages. Here comes the inherent importance of accurate drafting. Where a clause is duly incorporated into a contract and there are conflicts regarding the interpretation of such clauses, the Courts will normally examine the words used to see if the clause covers the breach and loss which has actually occurred. In such instances the main rules used by the Courts, include “strict interpretation” where, an exemption clause will be effective only if it expressly covers that kind of liability which has in fact happened.

For example, a clause, for exclusion of liability for breach of warranty will not provide protection against liability for breach of condition. This is taking in consideration the differences between warranties and conditions in contracts. Also, if there is any ambiguity or doubt as to the meaning of an exemption clause, the Courts will construe it against the party who put in the contract. Therefore, very clear words must be used before a party will be held exempted from liability in negligence. This goes in line with the rule that, a contract is the will of the contracting parties which represents their intention at the time of contracting. However, such intention shall be put in clear words and perfect drafting. The Courts can strike out an “exemption clause” which is inconsistent with or repugnant to the main purpose of the contract. Also, the doctrine of “fundamental breach”, was developed in

the fight against exclusion clauses which had been properly incorporated into contracts. According to the doctrine of ‘fundamental breach” no exemption clause, however clear and unambiguous could, as a matter of law, protect a party from liability for a serious or fundamental breach of a contract. In a famous case, the deft a security company agreed to provide security services to the plaintiff factory. One night the security man lit fire and the fire got out of control and damaged the factory. The deft, relied on an exclusion clause in their contract which stated that they would not be responsible “for any injurious act or default by an employee unless such act or default could have been foreseen and avoided by the exercise of due diligence by the deft. The Court held that the deft was protected by the exemption clause.

Although a breach of contract with serious consequences had taken place, the exclusion clause as a matter of construction, was clear and unambiguous and it covered the “fundamental breach” that had taken place. Moreover, the Court said, in this case the parties had contracted as equals and were clearly in the best position to decide how to allocate the risk of the factory being damaged or destroyed. Herein, there is clear damage, however, going back the contract the liability is exempted. Beware and be careful, as sometimes, what you have agreed to could work against you. We strongly believe that, utmost care is needed in crafting and drafting free-risk contracts. It is your prime duty when drafting contracts, otherwise, you run the legal contractual risk. Not only bad drafting or ambiguous wordings or otherwise, nowadays, some



people blindly sign ready-made contracts without reading them. Never ever do this for your own sake and legal protection. Being part of the contract, you have the absolute right to read, understand, amend and or to ask for amendments. Don't give up this right at all.

■ Dr AbdelGadir Warsama Ghalib is a corporate legal counsel. Email: awarsama@warsamalc.com

Saudi oil sales set for new year surge in sign of growing supply

Bloomberg
London

Crude oil sales from the world's biggest exporter, Saudi Arabia, are set to surge as 2026 begins, with customers from the US to Asia all set to receive more supply amid growing concerns over an oil glut. Chinese refiners are poised to receive around 50mn barrels from Saudi Arabia, the leading member of the Organisation of the Petroleum Exporting Countries. They will load next month and are equivalent to some 1.6mn barrels a day — and it'll be the highest allocated amount since August, according to data compiled by Bloomberg. Those barrels will likely arrive in late January or in February. Meanwhile, there's 509,000 barrels

a day of crude from the kingdom bound for the US that had loaded in November, according to data from Kpler Ltd. That's likely to be sustained, with OilX, a unit of Energy Aspects, estimating that January arrival of Saudi crude to the US will hit 594,000 barrels a day. The inflows would be the highest seen since 2022 and are weighing down prices of oil in the US Gulf Coast market. It's all adding to signs that global oil markets will be awash with supply next year, as producers, including those within Opec, ramp up drilling at a time when demand growth is set to remain tepid. Opec and its allies had earlier agreed to revive oil production in the final months of this year in an apparent effort to regain market share. With oil prices falling, Opec+ last month said it will pause further production increases during the first quarter of

2026. Among leading forecasters, the International Energy Agency said markets will be oversupplied by 3.8mn barrels a day in 2026. Japan, as well, has seen higher Saudi flows, with November-loading crude bound for the Asian nation at around 1.3mn barrels a day, which would be the most since April 2023, Kpler data also showed. Projections indicated a higher rate of Japan-bound Aramco exports for December loading — over 1.4mn barrels a day — although the number can still change. The oil-derivative market is also flashing signs of oversupply. The forward curve for the Middle Eastern benchmark, Dubai, is hovering around a contango structure — where later-dated contracts trade at a premium to more prompt ones, indicating weak near-term demand.



An oil tanker is being loaded at Saudi Aramco's Ras Tanura oil refinery and oil terminal (file). Crude oil sales from the world's biggest exporter, Saudi Arabia, are set to surge as 2026 begins, with customers from the US to Asia all set to receive more supply amid growing concerns over an oil glut.

Travis Kalanick's CloudKitchens said to delay Mideast unit's IPO

Bloomberg
Dubai

CloudKitchens, a startup run by former Uber Technologies Inc Chief Executive Officer Travis Kalanick, has delayed plans to list its Middle Eastern business, according to people familiar with the matter. The ghost kitchen company, which is backed by Saudi Arabia's sovereign wealth fund, is instead planning to focus on options including a private placement, some of the people said, requesting anonymity to discuss confidential information. CloudKitchens had been eyeing a dual-listing in Abu Dhabi and Saudi Arabia which was expected as early as 2026, Bloomberg News previously reported. Banks including Goldman Sachs Group Inc, JPMorgan Chase & Co, SNB Capital and First Abu Dhabi Bank PJSC were working with the firm on the first-time share sale. The plans for a listing could be revived at some point after the potential private placement is concluded, but there is no definite timeline, according to some of the people. The company had been targeting an IPO valuation of roughly \$2bn and had begun preliminary discussions with public-market investors, the people said.

Representatives for CloudKitchens did not respond to requests for comment. After four standout years, the Middle East's IPO boom is slowing down amid tougher valuation demands from investors and a revival of share sales in the US and Asia. Listing proceeds in the Gulf have slipped to roughly \$6bn this year, less than half the level a year ago and the weakest since the pandemic. The slump is most pronounced in Saudi Arabia, where lower oil prices are fanning concerns of a slowdown in government spending and dragging on stocks. The kingdom's main stock index is among this year's laggards in emerging markets, and a majority of the year's debuts are trading below offer. Ghost kitchens — shared cooking sites built for delivery — first appealed to startups seeking a low-cost way onto delivery apps. The model boomed during the pandemic as bigger restaurant groups tested it to offset lost dine-in sales, though many of those efforts have since faded. CloudKitchens has strong ties to the Middle East, with its regional arm incorporated in Abu Dhabi and a \$400mn investment from Saudi Arabia's Public Investment Fund in 2019. Founder Travis Kalanick was already known to the PIF, which put \$3.5bn into Uber a year before his 2017 ouster.

China steel export licences are set to curb trade frictions

China's export licence requirement for some 300 steel products will allow closer monitoring of steel exports and is aligned to World Trade Organisation rules, the country's commerce ministry has said, reports Reuters. The world's largest steel producer and consumer recently said it planned to implement a licence system from 2026 to regulate exports of the metal, as its shipments have faced a growing protectionist backlash worldwide. "The steel export licence system complies with the World Trade Organisation rules," He Yadong, the spokesman at the commerce ministry told

reporters at a regular weekly briefing on Thursday, adding it did not involve restricting export volumes. China's steel exports have ballooned since 2023, following the recovery from the impact of the Covid-19 pandemic, despite trade barriers being enforced by a growing number of countries on the grounds that the cheap products damage domestic manufacturers. "There is a problem with the current steel exports: volumes increased but value shrank, which has triggered massive trade frictions," Luo Tiejun, vice-chairman at the state-backed China Iron and

Steel Association, was cited as saying in a statement of the association on Thursday. In the first 11 months of this year, outbound steel shipments jumped by 6.7% year-on-year to a record high for the period at 107.72mn metric tonnes, while the corresponding dollar value fell by 2.1%, customs data showed. The steel export licence, which requires an online application, will be valid for half a year and can only be used during the year in which it is issued even if the six-month period has not expired, the CISA statement said, citing an official from the commerce ministry.

Bloomberg QuickTake Q&A

EV sales growth is slowing: Are hybrids the solution?

By Rafaela Lindeberg and Nicholas Takahashi

A global shift toward zero-emission vehicles is taking longer than expected, complicating efforts to decarbonise road transport and alleviate urban pollution. The car industry is pushing a stopgap solution: hybrid vehicles that combine a traditional internal combustion engine with batteries and electric motors. The idea appears to have won over the European Union, which in December abandoned a quasi-ban on combustion-engine cars set for 2035 and gave hybrid vehicles a key role in its push to achieve net zero carbon emissions by 2050. Hybrids have been gaining in popularity among buyers looking to cut their emissions and running costs without committing to a fully electric vehicle, which is often more expensive due to its bigger battery. But the environmental credentials of hybrids are open to debate due to discrepancies between emissions in lab tests and the real world.

What is a hybrid car?

A hybrid electric vehicle, or HEV, has an engine working in tandem with one or more electric motors. The pairing can improve fuel efficiency, mileage and acceleration. Because the engine can be smaller and run less frequently, hybrids produce fewer tailpipe emissions than a traditional gasoline or diesel car. Early examples of mixed-power cars date back to the early 20th century, but hybrids didn't become mainstream until the late 1990s when Japan's Toyota Motor Corp began selling the Prius. As the world's first mass-produced hybrid, it helped normalise the idea of

electrified driving long before widespread charging networks existed.

What kinds of hybrids are there?

Most hybrids, including the Prius, have complex transmission systems that blend power from their combustion engine and electric motors. Their batteries are charged partly by the engine and from energy captured during braking that would otherwise be lost when the vehicle slows down. Plug-in hybrids, or PHEVs, take things further by allowing drivers to charge the batteries from a socket. Hybrids tend to use their electric motors most on trips through urban areas that involve a lot of stopping and brief accelerating, and rely more on the engine when travelling at higher speeds. In another type of hybrid, known as an extended-range EV, or EREV, the electric motor drives the wheels and the gasoline engine acts solely as a generator that keeps the battery topped up. This layout was used in early hybrid models such as the Chevrolet Volt more than a decade ago. Chinese carmakers have revived and refined the approach, developing EREVs with far longer ranges and more efficient generators.

Why are hybrids growing in popularity?

For much of the past decade, the rapid growth of fully electric vehicles led many in the industry to assume hybrids would play only a brief role in the shift to cleaner transportation. EV-focused automakers led by Elon Musk's Tesla Inc dominated the narrative as sales of fully electric cars began to accelerate. From around 2023, EVs needed to start luring more cost-conscious buyers in Western markets to maintain their growth momentum. But they've proved too expensive

for many drivers. What's more, most lack the range of traditional gasoline-powered cars and there's a dearth of available recharging points in much of the world. Some buyers have also wavered on EVs because of concerns that the batteries may have a limited lifespan. So growing numbers of drivers are turning to hybrids, seeing them as an affordable way to achieve meaningful emissions reductions without forcing them to change where or how they refuel. Several governments have weakened incentives and regulations aimed at spurring uptake of EVs. As a result of policy swings and disappointing demand for their early EV offerings, Western automakers such as Ford Motor Co and Volkswagen AG are scaling back their EV efforts and spending more on hybrids. Asian players such as Toyota and Honda Motor Co, which never abandoned hybrids, find themselves increasingly aligned with shifting consumer sentiment. In Europe, hybrids have taken off fastest in southern markets where EVs remain expensive and public charging is still patchy.

Are hybrids really a green option?

Hybrids were once lauded as an essential stepping stone toward carbon neutrality but their ecological appeal diminished when sales of fully electric vehicles really took off around the turn of the decade. What had been celebrated as a valuable transitional technology came to be viewed increasingly as a crutch for legacy car brands unwilling or unable to make the leap to full electrification. Toyota, the company that pioneered the technology, has been widely criticised for sticking with hybrids as it resisted the shift to EVs. The Japanese carmaker argues that the world lacks the resources to go all-electric as quickly as policymakers hope, and

that a "multi-pathway" approach — offering hybrids, hydrogen fuel cell vehicles and EVs — will reduce emissions faster in the meantime. Climate campaigners are sceptical of this view. They argue that gasoline-electric cars aren't as eco-friendly as their makers claim, as it's not always clear how often or how much a hybrid is running on electricity versus burning gasoline. Plug-in hybrids are a particular source of tension: Studies show many drivers rarely charge them, meaning the vehicles often operate like conventional cars while dragging around heavy unused batteries. Campaign group Transport & Environment said data from thousands of vehicles showed that PHEVs emit just 19% less carbon dioxide per kilometre, on average, than petrol and diesel cars. In the real world, CO2 emissions from plug-in hybrids are almost five times what official tests suggest, according to T&E. BNEF said the EU's vehicle emissions testing system is being updated. The outcome could be decisive in determining how many hybrids carmakers will be allowed to sell in the bloc as the share will depend on average PHEV emissions.

Why wouldn't you charge your plug-in hybrid?

The reasons are often practical. Company-car drivers in Europe, who make up a significant share of PHEV owners, often have their fuel paid for by their employer, while electricity for home charging typically falls on the employee. That imbalance leaves many drivers with little financial incentive to plug in. A lot of urban residents cannot charge at home, and big increases in household electricity bills in some markets have sometimes made charging costlier than filling up at the pump. Page 7

Morgan Stanley seen as front-runner for SpaceX’s IPO

Reuters
New York

Morgan Stanley is emerging as a leading contender for a key role in SpaceX’s blockbuster initial public offering, as the bank’s close ties to CEO Elon Musk give it an edge in his decision, according to three people familiar with the matter.

A selection process, or “bake-off,” for the IPO is still underway, with a select group of banks, including Morgan Stanley, Goldman Sachs and JPMorgan, vying for roles, four people familiar with the matter said, adding that there is no certainty Morgan Stanley will secure the coveted “lead left” underwriting position, the sources said. Musk’s ties to Morgan Stanley run deep, dating back at least 15 years, leaving it widely viewed as the leading contender to run the syndicate of underwriters, three of the people said, though no banks have been selected yet and the discussions remain fluid.

The sources spoke on condition of anonymity because the discussions are confidential. Morgan Stanley, Goldman Sachs and JPMorgan declined to comment, while SpaceX did not respond to a request for comment.

SpaceX is one of the world’s largest private companies and its potential IPO would be highly complex. While Musk has not yet picked the lead banks, a decision could come before the end of the year, with the full syndicate likely to be finalised afterward, two of the people added.

The people cautioned that while plans are progressing, the IPO remains contingent on market conditions, and SpaceX could choose to delay or abandon the offering altogether.

Morgan Stanley, which has advised Musk for years, was among the banks that took Tesla public in 2010, alongside Goldman Sachs, the lead left, JPMorgan and Deutsche Bank. Morgan Stanley later advised Musk and led the financing for his 2022 acquisition of Twitter, now X.

Musk recently tapped one of his Mor-

gan Stanley bankers on that deal, Anthony Armstrong, to become chief financial officer of his artificial intelligence venture xAI. The connection runs even deeper through Musk’s family office in Austin, Texas. Another former Morgan Stanley banker who advised Musk on various Wall Street dealings over the years, Jared Birchall, built and runs Excession, which manages his personal assets, Reuters previously reported.

In a staff memo sent last week, SpaceX Chief Financial Officer Bret Johnsen informed staff that the company was preparing for a public offering in 2026. “Whether it actually happens, when it happens, and at what valuation are still highly uncertain, but the thinking is that if we execute brilliantly and the markets cooperate, a public offering could raise a significant amount of capital,” Johnsen wrote.

Reuters has previously reported that SpaceX is seeking to raise more than \$25 billion in an IPO that could come next year, a sum that would make it one of the biggest public listings ever globally. The

decision to go public caught some by surprise, given SpaceX’s status as one of the world’s largest private companies. While Musk has long expressed a preference for keeping SpaceX private, people familiar with his thinking indicated that the company’s growing valuation and the success of its Starlink satellite-Internet service have prompted a shift in strategy.

SpaceX, long known for its dominant rocket launch business, has become the world’s largest satellite operator through Starlink, a network of nearly 10,000 satellites beaming broadband Internet to consumers, governments and enterprise customers.

While there had been previous speculation about Starlink going public on its own, these people say the IPO could include both businesses, though the plans remain subject to change.

SpaceX, Johnsen wrote in his e-mail, would use the capital raised from an IPO to increase the flight rate of its next-generation Starship rocket under development and deploy AI data centres in space,

an effort complementary to its Starlink business that would more closely tie the company to the AI boom.

The company would also build “Moon-base Alpha,” a base on the lunar surface that Musk has mentioned. SpaceX is a core contractor in Nasa’s Artemis moon program with a \$4bn contract to land astronauts on the lunar surface using Starship.

Sending humans and robots to Mars has been Musk’s long-held vision for SpaceX, with revenues from Starlink contributing to development of Starship, which is also envisioned to serve as a Mars transportation system. Musk, during his stint as a government efficiency czar with US President Donald Trump, had pushed for a greater American focus on Mars and advocated for a former associate, Jared Isaacman, to lead Nasa. Isaacman became Nasa chief on Tuesday.

Starlink remains SpaceX’s top revenue-generating business. The company is expanding the satellite network into the wireless market with Starlink Mobile, which it trademarked in October.

Bundesbank predicts slower German economic rebound in 2026

AFP
Berlin

Germany’s central bank on Friday slightly lowered its growth forecast for next year in Europe’s largest economy, predicting a slower recovery after three years of stagnation.

The Bundesbank now predicts GDP will expand by 0.6% in 2026, down from a June forecast of 0.7%. Growth is expected to pick up to 1.3% in 2027, it said.

Bundesbank President Joachim Nagel said that next year’s recovery will be driven by “public spending and a rebound in exports,” as major government outlays on infrastructure and the military start impacting the broader economy.

Nagel said early signs of that added spending can already be seen in the economy, but it will “only provide more significant support for economic growth in the course of the coming year.”

The central bank chief said companies will also likely increase investments, despite global uncertainty, and the economic expansion “will intensify significantly on an annual basis in 2027”.

The Bundesbank’s 2026 forecast remains lower than others – the International Monetary Fund (IMF) projects 0.9 growth, while several German economic institutions have forecast growth of around one percent.

Germany, long seen as Europe’s economic engine, has faced struggles as exports have been battered by tariffs, trade clashes and intensifying competition from Chinese rivals.

The country experienced two years of recession in 2023 and 2024 and is expected to post minimal growth this year of just 0.2%, according to the Bundesbank.

Carsten Brzeski, an economist at ING, said the Bundes-

bank might be overly pessimistic about the chances of a rapid recovery in the coming year.

Brzeski said the central bank appears to be “underestimating the ketchup bottle effect” of all the extra government spending: “Nothing happens for a long time, but then suddenly everything shoots out.”

Germany loosened strict rules on public debt earlier this year, enabling Chancellor Friedrich Merz’s government to set aside hundreds of billions for infrastructure spending.

Merz has also committed to dramatically increasing military spending in the face of a hostile Russia, with the goal of fielding NATO’s largest conventional army in Europe.

Nagel said growth is forecast to continue in 2028 at 1.1% but will lose some momentum, as a shortage of skilled workers causes tensions in the labour market.

Hourly labour costs are already high in Germany, according to the Bundesbank, a significant competitiveness challenge for businesses.

But Nagel said that rising wages and a strong labour market would also boost “real incomes and private consumption” in Germany, helping to further bolster growth.

Nagel warned, however, that added government spending will drive up Germany’s budget deficit, with the overall debt-to-GDP ratio expected to hit 68 percent by 2028. The public deficit is expected to hit 4.8% of GDP in 2028, a level comparable to that of the 1990s after German reunification.

Although still moderate compared to some other EU countries such as France and Italy, that level of debt is high compared to recent German history. Nagel on Friday argued that action is needed to eventually rein back in spending and ensure “sound public finances” in future.

US investors hope for year-end gains to cap strong 2025

Reuters
New York

Investors hoping for traditional holiday cheer for the US stock market are encountering turbulence that could keep markets on edge into year-end.

Despite stock indexes remaining on track for solid performance in 2025, the benchmark S&P 500 has edged lower so far in December, bucking historical trends that have shown it to be a strong month on average.

Two themes have sparked swings in US equities in recent weeks: Scrutiny on massive corporate spending for the artificial intelligence buildout, and shifting expectations about further interest rate cuts by the Federal Reserve in 2026. This week, questions about a data-centre project from Oracle weighed on tech and other AI-related stocks, while tame inflation data on Thursday gave stocks a lift.

“This week’s economic data solidifies expectations that the Fed will have a rate-cutting bias,” said Angelo Kourkafas, senior global investment strategist at Edward Jones.

While investors in the coming days may look to lock in profits after a solid year, causing some selling pressure, the latest data “likely provide a green light for the Santa Claus rally to take place this year,” Kourkafas said.

Since 1950, the “Santa Claus rally” has seen the S&P 500 rise an average 1.3% over the last five trading days of the year and the first two in January, according to the Stock Trader’s Almanac. This year, that period starts Wednesday and runs through January 5.

Investors this week digested a



Traders work on the floor of the New York Stock Exchange (file). Investors hoping for traditional holiday cheer for the US stock market are encountering turbulence that could keep markets on edge into year-end.

heavy batch of data that had been delayed due to the 43-day federal government shutdown. Employment data showed job growth rebounded in November but the unemployment rate stood at 4.6%, its highest level in over four years.

Another delayed report on Thursday showed the US consumer price index increased less than expected in the year to November. Optimism from the cooling inflation data may be tempered by distortions, including data collection being delayed late into November, when retailers offered holiday season discounts.

The Fed has cut interest rates at three consecutive meetings, leaving investors now to parse data for insight into when the central bank might be able to ease again in 2026. “Going into next week...

there’s going to be a big question around what is the path ahead for the Fed,” given the shutdown-related data distortions, said Trevor Slaven, global head of asset allocation and multi-asset portfolio solutions at Barings.

“There’s this unsettled argument between the direction of travel for these major central banks, the direction of travel for inflation at a time when it does look like there’s (more) softness” in the labour market data, Slaven said.

Economic reports in the coming week include third-quarter gross domestic product, durable goods orders and consumer confidence.

Focus during the holiday-shortened trading week also will likely remain on the AI trade that has helped lift stocks this year.

The S&P 500 is up more than 15% so far 2025, on track for its third consecutive year of gains of at least 10%. More recently, however, AI-related worries – including when massive infrastructure spending will generate returns – have dented the high-flying tech sector, which carries by far the largest weighting in major indexes such as the S&P 500.

“You’re starting to just see this skepticism around the AI spend becoming more prominent,” said Mark Luschini, chief investment strategist at Janney Montgomery Scott. For the tech and tech-related stocks, “obviously their disproportionate representation in the cap-weighted index at large is helping to put some pressure on the tape.”

Big year for old school Wall Street trades gets lost in AI hype

Bloomberg
New York

Alongside all the triumphant AI talk, surging retail growth and whiplash trades in crypto, a quieter trend was unfolding across global markets in 2025: Diversified strategies posted some of their strongest returns in years. It’s an achievement that has largely flown under the radar.

Simple portfolios split between stocks and bonds delivered double-digit advances, the best year since 2019. Multi-asset “quant cocktails” – blending commodities, bonds and global equities – outperformed the S&P 500. A Cambria Investments exchange-traded fund holding 29 ETFs spanning across global markets posted its best year on record, bolstered by hefty gains overseas. This week’s inflation report was a lesson in their wisdom. Softer-than-expected US inflation data on Thursday sparked a rare in-tandem rally in both stocks and bonds. So-called risk parity funds posted gains on the week, a reminder that market conditions still reward balance, even in a world where

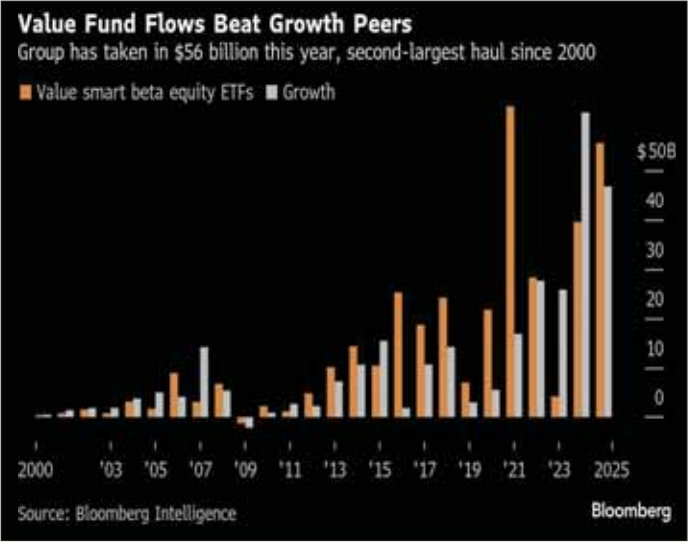
artificial intelligence continues to obsess investors.

But while 2025 may have marked a comeback for old-school Wall Street prudence, it will also go down as another year when investors kept walking away from those very strategies. Capital has continued to migrate toward concentrated Big Tech exposure, thematic trades from nuclear power to quant computing, and blunt hedges such as gold.

“Despite all the focus on the AI story, 2025 was not a stocks story,” said Marko Papic, chief strategist at BCA Research. “It was all about global diversification.”

As market valuations stretch and concentration deepens – particularly in tech-heavy US benchmarks – some strategists warn that abandoning diversification now could leave portfolios exposed at precisely the wrong moment.

Retail investors, in particular, have been backing away from balanced and multi-asset funds for years. The category – including public risk parity funds and 60/40 portfolios, which traditionally allocate 60% to equities and 40% to bonds – has posted outflows



for 13 straight quarters, before a modest rebound this autumn, according to JPMorgan Chase & Co. While money has continued to flow into dedicated bond and equity funds, the middle – traditional blended strategies – remains out of favour.

Nikolaos Panigirtzoglou, a strategist at JPMorgan, points to a multi-year stretch of

underwhelming performance, compounded by unusual cross-asset correlations that dulled returns. The 2022 bond market rout – triggered by aggressive central bank tightening – further damaged confidence in fixed income as a buffer within cross-asset portfolios.

“That just destroyed the psyche of retail investors about the bond

market,” said Jim Bianco of Bianco Research. “And that’s the big thing – that’s why investors keep jumping around from asset to asset.”

April offered a fresh scare. When President Donald Trump announced new trade tariffs during a televised “Liberation Day,” markets sank. The S&P 500 fell 9% in a week; a benchmark 60/40 portfolio dropped more than 5%. Treasury bonds rallied while gold fell. Bitcoin dropped sharply, then snapped back.

Yet under the surface, a broadening has been underway for most of the year. Value-oriented equity ETFs, many of which eschew the top-heavy tech complex, pulled in more than \$56bn this year, the second-largest annual inflow since at least 2000. Cambria’s Global Value ETF jumped roughly 50%, its best since launch. International stocks rebounded on fiscal reform tailwinds and a weaker dollar. Small caps outperformed in the fourth quarter.

Some strategists believe the shift will extend into 2026. Greg Calnon, global co-head of public investing at Goldman Sachs Asset Management, expects US

earnings growth to broaden, with small caps and international stocks outperforming. He sees continued strength in municipal bonds, supported by attractive tax-adjusted yields relative to Treasuries and robust investor demand.

JPMorgan Asset Management’s David Lebovitz is tilting toward emerging-market debt and UK gilts while maintaining selective US and AI equity exposure. Still, others see signs of froth. Bank of America Corp notes that 2025 showed the second-strongest dip-buying impulse in nearly a century. Emily Roland, co-chief investment strategist at Manulife John Hancock Investments, said markets have become increasingly disconnected from fundamentals. “This year has been a short-term investor’s dream,” she said. “We would be careful with the dash for trash as of late.

It has been a momentum-driven year where fundamentals and earnings growth have been seemingly irrelevant.”

Yet even as investors abandon classic 60/40 bets, many have not given up on multi-asset approaches.

The Qatar Stock Exchange (QSE) gave up 248.52 points or 2.3% to close at 10,654.65. Market capitalisation declined 2.2% to QR637.6bn from QR651.7bn at the end of the previous trading week.

Of the 54 companies traded, 10 ended the week higher, 43 ended lower and one was unchanged. Widam Food (WDAM) was the best performing stock for the week, rising 12.8%. Meanwhile, Qatar General Insurance & Reinsurance (QGRI) was the worst performing stock for the week, declining by 5.0%.

Industries Qatar (IQCD), QNB Group (QNBK), and Qatar Islamic Bank (QIBK) were the main contributors to the weekly index decline. They removed 54.59, 52.45 and 49.89 points from the index, respectively.

Traded value during the week rose 6.1% to QR1,566.0mn from QR QR1,475.4mn in the prior trading week. QNBK was the top value traded stock during the week with total traded value of

QR191.2mn. Traded volume increased 6.8% to 461.4mn shares compared with 432.1mn shares in the prior trading week. The number of transactions fell 22.2% to 74,963 vs 96,379 in the prior week. Mesaieed Petrochemical (MPHC) was the top volume traded stock during the week with total traded volume of 50.7mn shares.

Foreign institutions sold off, ending the week with net selling of QR68.5mn vs net buying of QR186.5mn in the prior week. Qatari institutions turned bullish with net buying of QR30.3mn vs net selling of QR38.2mn in the week before. Foreign retail investors ended the week with net buying of QR7.5mn vs net selling of QR48.7mn in the prior week. Qatari retail investors recorded net buying of QR30.7mn vs net selling of QR99.6mn.

Global foreign institutions are net buyers of Qatari equities by \$500.0mn YTD, while GCC institutions are net shorts by \$326.6mn.



Weekly Market Report

Market Indicators	Week ended, Dec 17, 2025	Week ended, Dec 11, 2025	Chg. %
Value Traded (QR mn)	1,566.0	1,475.4	6.1
Exch. Market Cap. (QR mn)	637,592.7	651,704.7	(2.2)
Volume (mn)	461.4	432.1	6.8
Number of Transactions	74,963	96,379	(22.2)
Companies Traded	54	52	3.8
Market Breadth	10:43	27:24	-

Source: Qatar Stock Exchange (QSE)

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	25,475.86	(2.3)	0.4	5.7
ALL Share Index	4,016.37	(2.2)	0.6	6.4
Banks and Financial Services	5,186.61	(2.2)	2.2	9.5
Industrials	4,086.90	(2.9)	(2.7)	(3.8)
Transportation	5,391.82	(2.8)	(2.2)	4.4
Real Estate	1,524.19	(2.5)	1.6	(5.7)
Insurance	2,503.39	(0.2)	0.5	6.6
Telecoms	2,217.73	(2.2)	0.8	23.3
Consumer Goods & Services	8,251.69	(0.5)	(0.3)	7.6
Al Rayan Islamic Index	5,063.62	(2.4)	(0.3)	4.0

Source: Qatar Stock Exchange (QSE)

Regional Indices	Close	WTD%	MTD%	YTD%	Weekly Exchange Traded Value (\$ mn)	Exchange Mkt. Cap. (\$ mn)	TTM P/E**	P/B**	Dividend Yield
Qatar*	10,654.65	(2.3)	0.4	0.8	429.79	174,827.9	12.1	1.3	4.6
Dubai	6,109.45	0.2	4.7	18.4	443.21	273,173.5	9.9	1.8	4.7
Abu Dhabi	9,953.10	(0.5)	2.1	5.7	704.88	775,879.3	19.6	2.5	2.4
Saudi Arabia*	10,452.91	(2.5)	(1.3)	(13.2)	4,195.31	2,371,006.6	17.7	2.1	3.7
Kuwait	8,911.54	(1.6)	0.6	21.0	1,219.87	173,964.8	16.1	1.8	3.4
Oman	5,934.90	(0.2)	4.0	29.7	460.28	42,045.8	9.7	1.3	5.2
Bahrain	2,058.06	(0.0)	0.9	3.6	46.98	21,137.2	14.2	1.4	9.3

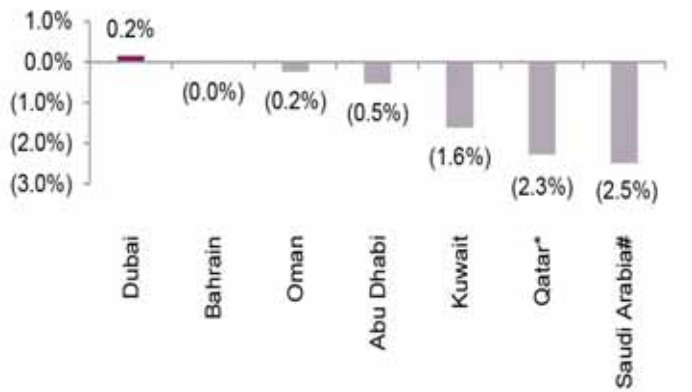
Source: Bloomberg

QSE Index and Volume



Source: Qatar Stock Exchange (QSE)

Weekly Index Performance



Source: Bloomberg

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Qatar Stock Exchange

Top Five Gainers

Source: Qatar Stock Exchange (QSE)

Top Five Decliners

Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)

Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)

Source: Qatar Stock Exchange (QSE)

Investor Trading Percentage to Total Value Traded

Source: Qatar Stock Exchange (QSE)

Net Traded Value by Nationality (QR Million)

Source: Qatar Stock Exchange (QSE)

Company Name	Price December 17	% Change Weekly	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	18.35	(3.12)	6.13	169,488	10.8	1.7	3.9
Qatar Islamic Bank	23.86	(2.97)	11.70	56,380	12.2	2.0	4.0
Commercial Bank of Qatar	4.24	2.74	(2.53)	17,160	7.1	0.8	7.1
Doha Bank	2.80	0.83	40.63	8,681	9.6	0.7	3.6
Al Ahli Bank	3.69	(0.27)	6.96	9,414	10.7	1.3	6.8
Qatar International Islamic Bank	11.16	(2.28)	2.39	16,893	13.8	2.2	4.6
Al Rayan Bank	2.19	(1.00)	(11.17)	20,348	15.6	0.8	4.6
Lesha Bank	1.75	0.69	29.25	1,960	11.4	1.3	2.9
National Leasing	0.68	(0.74)	(13.46)	334	17.0	0.5	5.2
Diala Holding	0.91	(0.44)	(21.15)	172	34.4	0.9	N/A
Qatar & Oman Investment	0.53	(0.38)	(25.21)	165	N/A	0.9	N/A
Islamic Holding Group	3.19	2.12	(15.69)	181	38.1	1.1	2.2
Dukhan Bank	3.47	(2.56)	(6.12)	18,157	13.9	1.4	4.6
Banking and Financial Services				319,354			
Zail Holding	13.93	0.36	(1.69)	4,004	19.3	2.5	5.0
Qatar German Co. for Medical Devices	1.53	(1.73)	11.88	177	N/A	N/A	N/A
Salam International Investment	0.71	(2.33)	8.03	815	8.7	0.5	5.6
Baladna	1.32	(3.23)	13.04	2,509	7.8	1.0	N/A
Medicare Group	6.32	(1.47)	38.90	1,779	20.6	1.7	3.1
Qatar Cinema & Film Distribution	2.32	0.00	(3.54)	145	15.6	1.0	3.0
Qatar Fuel	14.90	(0.60)	(0.67)	14,814	14.3	1.7	6.7
Widam Food	1.53	12.81	(34.78)	276	N/A	N/A	N/A
Mannai Corp.	4.39	(2.40)	20.67	2,003	9.5	2.0	5.7
Al Meera Consumer Goods	14.65	1.52	0.90	3,018	17.7	1.9	6.8
Mekdam Holding Group	2.36	(0.84)	(22.12)	377	8.2	1.5	N/A
Meera QSTP	3.38	(0.21)	3.15	2,192	36.0	3.1	2.4
Al Faleh Education Holding	0.67	(0.30)	(3.17)	162	11.5	0.6	1.9
Al Mahhar Holding	2.21	(1.39)	(9.96)	457	10.0	1.3	5.4
Mosnada Facility Management Services	9.73	(2.71)	(2.71)	681	N/A	N/A	N/A
Consumer Goods and Services				33,409			
Qatar Industrial Manufacturing	2.36	(0.92)	(6.09)	1,121	8.7	0.6	5.5
Qatar National Cement	2.71	(0.33)	(32.57)	1,771	16.0	0.6	10.0
Industries Qatar	11.80	(3.99)	(11.08)	71,390	16.5	1.9	5.8
Qatari Investors Group	1.46	(1.42)	(5.40)	1,809	12.1	0.6	8.9
Qatar Electricity and Water	14.96	(1.45)	(4.71)	16,456	13.1	1.1	5.2
Aamal	0.84	0.72	(1.76)	5,286	11.6	0.6	7.2
Gulf International Services	2.52	(3.75)	(24.40)	4,676	6.6	1.0	6.8
Mesaieed Petrochemical Holding	1.12	(3.38)	(25.35)	14,021	20.9	0.9	5.0
Estithmar Holding	3.78	1.89	123.07	14,154	17.8	2.4	N/A
Qatar Aluminum Manufacturing	1.53	(1.74)	26.07	8,526	11.8	1.3	6.1
Industrials				139,209			
Qatar Insurance	2.05	1.38	(3.44)	6,696	10.9	1.0	4.9
QLM Life & Medical Insurance	2.50	(0.60)	21.07	875	15.4	1.3	4.0
Doha Insurance	2.55	(0.70)	2.08	1,276	6.4	0.9	6.9
Qatar General Insurance & Reinsurance	1.52	(5.00)	31.83	1,330	17.1	0.4	N/A
Al Khaleej Takaful Insurance	2.28	(0.78)	(4.69)	581	8.6	1.0	6.6
Qatar Islamic Insurance	8.92	(3.16)	2.82	1,338	7.3	2.2	5.6
Damaan Islamic Insurance Company	4.20	(0.94)	6.22	840	8.3	1.4	4.8
Insurance				12,936			
United Development	0.91	(4.41)	(18.88)	3,226	9.6	0.3	6.0
Barwa Real Estate	2.58	(1.79)	(8.98)	10,024	8.1	0.4	7.0
Ezdan Real Estate	1.09	(1.33)	3.50	28,992	58.6	0.8	N/A
Mazaya Qatar Real Estate Development	0.57	(1.71)	(1.71)	574	11.6	0.6	N/A
Real Estate				42,815			
Ooredoo	13.03	(1.66)	12.81	41,738	11.5	1.4	5.0
Vodafone Qatar	2.38	(4.23)	29.84	10,043	15.3	2.0	5.1
Telecoms				51,781			
Qatar Navigation (Millaha)	10.80	(2.70)	(1.73)	12,271	9.7	0.7	3.7
Gulf Warehousing	2.21	0.27	(34.42)	130	12.1	0.5	4.5
Qatar Gas Transport (Nakilat)	4.57	(3.00)	5.37	24,222	14.4	1.8	3.2
Transportation				36,622			
Qatar Exchange				637,593			

Source: Bloomberg

Technical analysis of the QSE index



The QSE index closed down by 2.3% from the week before at 10,654.7 points. The index is still in a testing phase against the 11,000 level, but the sharp drop below the mentioned level forces us to restate our support to around the 10,200 level. We remain optimistic of the recent correction, from a technical perspective, for the start of the new uptrend. The 11,000 level is expected to be our first resistance.

Definitions of key terms used in technical analysis

RSI (Relative Strength Index) indicator - RSI is a momentum oscillator that measures the speed and change of price movements. The RSI oscillates between 0 to 100. The index is deemed to be overbought once the RSI approaches the 70 level, indicating that a correction is likely. On the other hand, if the RSI approaches 30, it is an indication that the index may be getting oversold and therefore likely to bounce back.

MACD (Moving Average Convergence Divergence) indicator - The indicator consists of the MACD line and a signal line. The divergence or the convergence of the MACD line

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

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

EV revolution rolls on but battery metals lose their charge

By Andy Home
London

It's been a third tough year for battery metals such as lithium, nickel and cobalt as all three markets struggle to absorb the wave of supply that followed the 2022 price boom.

Yet the electric vehicle (EV) revolution rolls on. Demand for batteries and the metals that make them work is still growing at a super-charged pace.

It should only be a matter of time before demand momentum absorbs the current supply glut. At least that was the hope.

Chinese companies, however, are embarked on a simultaneous technological revolution as they strive to develop ever more powerful batteries at ever lower cost.

Battery chemistry is evolving fast and it's already clear that not every battery metal is going to be a winner in the intense competition between materials.

The road to electrification may be currently bumpy, US President Donald Trump has rolled back the Biden administration's EV subsidy schemes, and the European Union has deferred its phase-out of combustion-engine vehicles beyond 2035.

But the underlying momentum is undiminished. Global EV sales increased by 21% year-on-year to 18.5mn vehicles in the first 11 months of 2025, according to consultancy Rho Motion.

China remains the driver of the global technology shift. The world's largest EV market has grown by another 19% this year, accounting for 62% of global sales. It should therefore be no great surprise that it is Chinese companies that are at the forefront of the revolution in battery chemistry.

The Chinese EV market is now dominated by batteries using lithium-iron-phosphate (LFP) chemistry. They are safer and cheaper than those using a combination of nickel, cobalt and manganese (NCM) and the performance gap is steadily narrowing.

LFP accounted for 48% of global EV batteries last year. Macquarie Bank expects that share to rise to 65% by 2029, a sharp upwards revision from its previous 49% forecast.

This is clearly not good news for either Indonesia or the Democratic Republic of the Congo, the world's largest producers of nickel and cobalt respectively.

Indonesia has failed to temper its production growth to reflect the new battery reality, generating a tsunami of surplus metal.

Ever more of the country's nickel has been heading for a London Metal Exchange (LME) warehouse rather than a battery precursor plant. LME warehouse stocks - registered and off-warrant - have mushroomed to 338,900 tons. The LME nickel price has this month broken below long-term support at \$15,000 per ton for only the second time since 2021, piling more pressure on Indonesian policy-makers to restrain the country's nickel boom.

The cobalt market is in a similar state of chronic oversupply and prices were equally bombed out before Congo suspended exports in February and introduced a quota system in October.

Slow implementation of the new rules has brought shipments of cobalt intermediates to Chinese refineries to a complete halt.

Congo's supply discipline risks becoming a supply shock.

That could prove costly for a metal that is already struggling to hold its share even within nickel-based battery chemistries. Automakers are understandably wary of cobalt's history of price volatility and the ethical problems associated with Congo's artisanal mining sector.

This year's events will only reinforce those concerns and risk accelerating attempts to

engineer cobalt out of the battery equation.

Lithium remains the dominant metal in batteries and China's pivot to LFP chemistry reinforces its centrality. Consultancy Adamas Intelligence estimates 60,900 tonnes of lithium were deployed onto roads globally in September, a 25% year-on-year increase that matches the growth rate of total battery deployment. Cobalt and nickel lagged with deployment growth of 15% and 10% respectively.

But lithium itself is facing a new battery challenge.

Chinese battery giant CATL has been pioneering the development of sodium-ion batteries. The latest iteration, Naxtra, will almost match the efficiency of LFP batteries that are displacing NCM chemistries and does so at a lower cost.

CATL's billionaire founder Robin Zeng sees sodium-ion batteries potentially replacing up to half the market for LFP batteries.

Fortunately for lithium producers, the metal is the material of choice for power-grid storage batteries, a rapidly growing source of demand.

Global installations of battery energy storage systems jumped by 38% year-on-year in the first 10 months of 2025, according to

analysts at Benchmark Mineral Intelligence.

Reflecting this shift from road to grid, Ford Motor has just announced a \$19.5bn charge on EV investments, while simultaneously committing \$2bn to batteries for energy storage systems. The EV battery materials landscape has changed markedly since 2022, when lithium, nickel and cobalt prices were all surging on the assumption that this trio would be core to electric mobility.

That is no longer a certainty. Battery chemistry is still evolving at breakneck speed on the back of unprecedented research and development. It is almost impossible to predict what will be powering electric vehicles in 10 years' time.

One thing is for sure though: Copper will still be essential to wiring both vehicle and charging infrastructure. It is also highly likely that aluminium will remain the material of choice for body frames, thanks to its light weight. While the fortunes of battery metals are dependent on the continuously evolving cathode mix, the ultimate metallic winners in the EV revolution might be those that enable, rather than directly power the vehicle.

■ *Andy Home is a Reuters columnist. The opinions expressed are his own.*

SoftBank is racing to fulfil \$22.5bn funding commitment to OpenAI

Reuters
New York/Tokyo

SoftBank Group is racing to close a \$22.5bn funding commitment to OpenAI by year-end through an array of cash-raising schemes, including a sale of some investments, and could tap its undrawn margin loans borrowed against its valuable ownership in chip firm Arm Holdings, sources said.

The "all-in" bet on OpenAI is among the biggest yet by SoftBank CEO Masayoshi Son, as the Japanese billionaire seeks to improve his firm's position in the race for artificial intelligence. To come up with the money, Son has already sold SoftBank's entire \$5.8bn stake in AI chip leader Nvidia, offloaded \$4.8bn of its T-Mobile US stake, and slashed staff.

Son has slowed most other dealmaking at SoftBank's Vision Fund to a crawl, and any deal above \$50mn now requires his explicit approval, two of the sources told Reuters. Son's firm is working to take public its payments app operator, PayPay. The initial public offering, originally expected this month, was pushed back due to the 43-day-long US government shutdown, which ended in November.

PayPay's market debut, likely to raise more than \$20bn, is now expected in the first quarter of next year, according to one direct source and another person familiar with the efforts.

The Japanese conglomerate is also looking to cash out some of its holdings in Didi Global, the operator of China's dominant ride-hailing platform, which is looking to list its shares in Hong Kong after a regulatory crack-down forced it to delist in the US in 2021, a source with direct knowledge said.

Investment managers at Soft-



SoftBank CEO Masayoshi Son attends an event to pitch AI for businesses in Tokyo. SoftBank Group is racing to close a \$22.5bn funding commitment to OpenAI by year-end through an array of cash-raising schemes, including a sale of some investments, and could tap its undrawn margin loans borrowed against its valuable ownership in chip firm Arm Holdings.

Bank's Vision Fund are being directed toward the OpenAI deal, two of the above sources said.

SoftBank's scramble to marshal funds offers a window into the strain faced even by the world's biggest dealmakers as they scramble to finance ambitious AI data centre projects worth hundreds of billions of dollars.

SoftBank declined to comment. OpenAI has not yet received the remaining funding, but expects the money to come in by the end of 2025, as stipulated in the contract, sources said. SoftBank has multiple sources of capital it could tap, including margin loans, cash on its balance sheet, stakes in listed companies, and corporate

bonds or bridge loans, sources said. Son has strong reasons to draw on a range of funding mechanisms to fulfil those obligations.

SoftBank secured a deal to invest in OpenAI at a \$300bn valuation in April. Since then, the valuation of OpenAI has risen dramatically and the company is in talks to raise additional funding from investors, including Amazon, tripling its valuation to close to \$900 billion, one of the sources added, which would give SoftBank a significant paper gain once the transaction is completed.

A major pool of capital for SoftBank is its undrawn capacity of margin loans borrowed against its ownership of British

semiconductor and software design company Arm Holdings. SoftBank recently expanded its margin loan capacity by \$6.5bn, bringing the total undrawn capacity to \$11.5bn.

Arm's stock has since tripled from its IPO price, providing SoftBank with additional collateral headroom to expand its borrowing capacity.

SoftBank reported parent-level cash of 4.2tn yen (\$27.16bn) as of September 30. The group still owns about 4% of T-Mobile US, remaining the wireless carrier's second-largest shareholder, a stake worth roughly \$11bn at the end of September, according to LSEG data. Despite investing at a less active pace, it has continued to

back AI startups such as Sierra and Skild AI.

Both OpenAI and SoftBank are investors in Stargate, a \$500bn initiative to build AI data centres for training and inference that executives say is crucial to the US government's ambitions to keep ahead of China in AI.

The rush to build data centres has also prompted tech giants including Meta Platforms to commit unprecedented sums to these buildouts - which need chips, power, cooling, and servers - and they have brought in deep-pocketed partners to spread the risk.

Their hefty capital outlays have sparked concerns about what happens if the investments fail to bring commensurate returns, raising the spectre of an "AI bubble" bursting. SoftBank promised in April to invest up to \$30bn in OpenAI - \$10bn of which the startup would receive the same month.

The rest of the payment was contingent on the AI startup transitioning to a for-profit corporation by the end of the year, an ambitious feat that OpenAI achieved in October.

The new funding is crucial for covering OpenAI's rising costs to train and run its AI models as competition from Alphabet's Google ratchets up. OpenAI CEO Sam Altman told employees recently that the company is now entering a "code red" phase to improve ChatGPT - delaying other product rollouts to fend off the momentum behind Google's Gemini.

In October, Altman said OpenAI aimed to build 30 gigawatts of computing capacity for \$1.4tn. He said he ultimately wants OpenAI to add 1 gigawatt of compute every week - an enormous target given that each gigawatt currently comes with a capital cost of more than \$40bn.

US Fed official says no urgency to cut rates, flags distorted data

AFP
Washington

A key US Federal Reserve official said on Friday that he sees no need to rush to cut interest rates further, adding that challenges with data collection likely distorted recent inflation numbers.

In a CNBC interview, New York Fed President John Williams noted that government officials were unable to collect data on inflation in October and the first half of November.

The government had undergone a record-long shutdown during that period.

"Because of that, I think the data were distorted in some of the categories, and that pushed down the (consumer price index) reading probably by a 10th or so," Williams added. "It's hard to know."

He expects that inflation data for December will likely provide a better reading of the scale of this distortion.

His comments echoed warnings by economists on Thursday after a delayed US consumer price index report indicated that inflation slowed to 2.7% in November, from 3.0% in September.

Some analysts cautioned that a bigger proportion of price quotes were probably sourced during the Black Friday discount period.

Williams pointed to this factor as well, adding on Friday: "That's going to give you a bit of a downward bias."

Asked how the inflation data influences his view on the path of interest rates, he said that monetary policy is well-positioned for officials to gather more information.

"I don't personally have a sense of urgency to need to act further on monetary policy right now," he said. "I think the cuts we've made have positioned us really well."

The Fed has made three consecutive interest rate cuts this year as the employment market weakened, but signalled that the bar is likely higher ahead.

The central bank's next policy meeting is scheduled for late January, and CME Group's FedWatch tool indicates an 80% expectation that rates will be kept unchanged after the gathering.

Catastrophe bonds linked to wildfires lose 'untouchable' status

Bloomberg
Los Angeles

Alternative investment managers are starting to take a serious interest in catastrophe bonds tied to wildfires, moving into a risk category that just a few years ago was seen as too difficult to model. More than \$5bn of cat bonds with some level of exposure to wildfire risk were issued by insurers and sold to investors this year, according to Artemis, a specialist in insurance-linked securities that tracks market trends.

That's more than twice the level in 2024, with previous years seeing just a smattering of individual bond sales in the tens of millions of dollars.

Though still small, wildfire bonds helped drive a record \$23bn bounce in overall 2025 cat bond issuance, Artemis says, putting the total market on track to end the year at around \$60bn. Acrisure Re, a reinsurance broker, says the shift in bond investor sentiment toward wildfire risk follows improvements in modelling, which it says have encouraged fund managers to move into a "once

untouchable" risk category. Dirk Schmelzer, senior fund manager at Plenum Investments AG, says the development may point to a more fundamental shift in how some catastrophe bonds get structured in the years ahead, with the ferocity of wildfires leaving the insurance industry ever more reliant on capital markets.

"Historically, wildfire exposure was included within a mix of earthquake and hurricane risk," Schmelzer said. "Now it's become such a big peril in the market, it's worth placing that risk on a standalone basis."

Interest in wildfire cat bonds has been fuelled in large part by developments in California, where severe back-to-back fire seasons have made reinsurance against such blazes prohibitively expensive. The flames that swept through Los Angeles in January destroyed more than 16,000 buildings and caused a record \$40bn in insured losses.

The LA fires were a major reason why global insured losses from natural disasters soared past \$100bn in 2025, marking the sixth consecutive year in which that threshold has been exceeded.



Hardly any of those losses affected cat bond investors, however, with Fitch Ratings' initial estimate indicating the setback they absorbed was less than \$250mn in total.

But as climate-fuelled urban fires become a more regular

occurrence, insurers and utilities are increasingly looking for ways to offload their risk to capital markets. Notable examples include a debut wildfire cat bond issued by the California FAIR Plan Association, the state's insurer of last resort. The bond, which priced

this month, is set to raise \$750 million in wildfire cover, triple the initial target, according to a person familiar with the deal who asked not to be identified discussing confidential information. It's the largest pure wildfire cat bond ever brought to market, the person said.

Other wildfire-prone regions are also weighing the use of cat bonds. Colorado lawmakers have put forward legislation that would open the door to using such financial instruments to manage growing wildfire risks in the state. In Europe, where the fire season is also expanding, the European Central Bank and the region's insurance authority have backed using cat bonds to complement insurance facilities and provide "prompt liquidity" for reconstruction after disasters.

The ability to structure financial products around wildfire risk is improving thanks to upgrades to models produced by firms including Moody's Corp, Verisk Analytics Inc and Karen Clark & Co. Artificial intelligence is also helping modellers crunch data to come up with more reliable loss estimates.

"For cat bonds, it translates to more informed pricing and broader

investor participation, which we have clearly observed in the surge of 2024-2025 wildfire-exposed deals," Acrisure Re said.

For now, though, risk premiums on wildfire cat bonds are considerably higher than those on more traditional bonds based on risks such as hurricanes. In 2025, wildfire cat bonds priced at six to eight times the estimated loss probability, compared with a multiple range of two to four for bonds targeting better understood risk categories such as wind storms in the US, according to Acrisure Re.

The models being used "remain less mature and less empirically calibrated than those for major wind or quake events," according to Dirk Lohmann, vice chairman of ILS at Schroders. This holds "particularly true" for wildfire risk, he said.

More broadly, cat bonds are expected to see tighter spreads in 2026, which partly reflects the fact that investors didn't suffer any major losses. Hurricane Melissa, which ripped through Jamaica and triggered the island's \$150mn cat bond, missed the US and left the main market unaffected.

WEEKLY ENERGY MARKET REVIEW

Oil climbs as US blocks Venezuelan tankers, eyes on Russia-Ukraine talks

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Oil
Oil prices edged up on Friday on possible disruptions from a US blockade of Venezuelan tankers as the market waits for news about a possible Russia-Ukraine peace deal. Brent crude futures settled at \$60.47, while US West Texas Intermediate (WTI) crude finished at \$56.66. For the week, Brent fell 1.1% and WTI fell 1.4%. As US President Donald Trump seeks an end to Europe's deadliest conflict since World War Two, the onus was on Ukraine and Europe to make the next move toward peace. Meanwhile, US Secretary of State Marco Rubio on Friday told reporters that the United States is not concerned about an escalation with Russia when it comes to Venezuela, as the Trump administration builds up military forces in the Caribbean. Venezuela pumps about 1% of global oil supplies.

Gas
Asian spot liquefied natural gas



An offshore worker inspects with tablet drilling rig for exploration of minerals for oil and gas. Oil prices edged up on Friday on possible disruptions from a US blockade of Venezuelan tankers as the market waits for news about a possible Russia-Ukraine peace deal. Picture supplied by the Abdullah bin Hamad Al-Attiah International Foundation for Energy and Sustainable Development.

(LNG) prices slipped to a fresh 20-month low this week, weighed by weak demand in the region and ample supplies. The average LNG price for February delivery into north-east Asia was \$9.50 per million British

thermal units (mmBtu), down from \$10.00 per mmBtu last week, industry sources estimated. Firm Chinese pipeline gas supplies and strong Japanese renewable power generation contributed to LNG demand weakness. The dip in



prices had spurred some buying from price-sensitive importers last week. In Europe, the Dutch TTF price settled at \$9.68 per mmBtu, recording a weekly gain of 2.3%.



The market remains well supplied, buoyed by robust pipeline gas flows and a strong influx of spot US LNG into Europe. However, sentiment has stayed guarded amid forecasts for colder

conditions early in the new year.

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

Telecom Italia wins final court ruling to recoup €1bn

Bloomberg Milan

Telecom Italia SpA won a long-running legal case against the Italian government that will provide the former phone monopoly with a windfall of about €1bn (\$1.2bn). The company said it has been notified of a ruling by Italy's Corte di Cassazione, the country's highest court, confirming earlier judgments ordering the state to refund Telecom Italia for licensing fees paid in 1998 that weren't actually due. The amount due is equal to the original license fee of slightly more than €500mn, plus revaluation and accrued interest, bringing the total to just over €1bn, according to a statement on Saturday. The move ends a litigation process that has lasted for about three decades, and makes the repayment binding. The Italian government, which had appealed prior judgments ruling in favour of Telecom Italia, had no comment on the matter, an official said. The ruling will provide an additional boost for the Rome-based carrier, which last year sold its fixed-line network to KKR & Co in a government-backed deal valued at nearly €19bn and slashed its multibillion-euro debt. Telecom Italia shares have roughly doubled this year. Cashing in the proceeds could speed up a long-discussed plan to convert Telecom Italia's savings shares into ordinary stock. The company hasn't paid dividends on its savings shares – which carry no voting rights but traditionally offered higher payouts – for years, leading to arrears of around €500mn. The windfall from the court ruling would strengthen Telecom Italia's balance sheet and give the board more flexibility to eliminate the class of stock, simplifying its capital structure and clearing the way for broader shareholder returns. Italy's telecommunications market is among the most competitive in the world, shaped by years of aggressive price competition and regulatory intervention. That's squeezed margins across the sector and pushed operators to seek scale through network-sharing agreements. France's Iliad SA local unit has reportedly held exploratory talks about a possible tie-up with CK Hutchison Holdings Ltd's Wind Tre SpA, underscoring how operators are positioning for a new round of consolidation as European regulators signal a more permissive stance.

Copper's outlook remains supported by strong structural forces: QNB

QNA Doha

QNB confirmed that copper is currently entering a clearly defined phase of structural transformation in global commodity markets. In its weekly commentary, QNB noted that despite cyclical volatility and macroeconomic pressures, the metal remains attractively valued in real terms. Copper continues to benefit from long-term momentum driven by the global energy transition and the rapid expansion of AI-powered digital infrastructure. The commentary highlighted that supply growth remains constrained due to weak capital expenditure and regulatory complexities, reinforcing the likelihood that copper will remain at the forefront of commodities linked to long-term structural transformations. It identified three main factors underpinning the strength of copper prices over the medium and long term. The first is limited supply growth. Recent months have revealed fragility on the supply side, with production disruptions at several major mines and successive downward revisions to output guidance by global mining companies. At the same time, capital investment in the copper sector remains below required levels,



Copper rods are organised on a rack at a hardware store in Shanghai. In its weekly commentary, QNB noted that despite cyclical volatility and macroeconomic pressures, the metal remains attractively valued in real terms.

whether relative to projected demand or the aging profile of existing mines. These constraints were attributed to difficulties in obtaining permits, lengthy regulatory processes, rising political risks in some producing countries, and shareholder pressure on companies to maintain strict capital discipline. The commentary expected that supply would take years to

catch up with rising demand, increasing the likelihood that copper prices will need to remain elevated to balance the market. Regarding the second factor, the bank pointed out that artificial intelligence represents a powerful new source of demand for copper. Advanced data centres, high-performance computing, and semiconductor manufacturing are extremely electricity

intensive, necessitating large investments in power grids, substations, and transmission systems, all of which rely heavily on copper. The commentary added that data centres themselves are highly copper intensive, whether in wiring, cooling systems, or backup power infrastructure. As global adoption of AI applications accelerates, this sector could become one of the fastest-growing sources

of copper demand in the coming years, potentially rivaling electric vehicles (EVs). The third factor relates to the global energy transition, which represents a long-term pillar of copper consumption. Electrification is central to decarbonisation strategies, and copper forms the backbone of this transition. The commentary explained that renewable energy sources require significantly more copper than fossil fuel-based technologies. In addition, upgrading and expanding power grids, as well as building energy storage and charging systems, all depend on substantial copper inputs. It also noted that rapid growth in electric vehicle demand is boosting copper consumption, as EVs require several times more copper than conventional vehicles, in addition to the associated charging infrastructure. Despite the notable rise in prices recently, the commentary observed that copper remains far from being overvalued from a historical, inflation-adjusted perspective. When adjusted for inflation, copper has underperformed several other metals, indicating scope for further price appreciation without undermining demand. The commentary concluded that, taken together, these factors support a solid and resilient medium- to long-term outlook for copper prices.

Record \$350bn deals boom fuels upbeat M&A outlook in Japan

Bloomberg Tokyo

It's been a record year for deals involving Japanese companies, with transaction volume approaching \$350bn as December draws to a close. And next year is poised to be even busier. Corporate governance reforms aimed at improving shareholder returns are helping to transform Japan into a hive of activity – the days when it was seen as a slow market with an occasional megadeal thrown in are disappearing fast. "Dealmaking in Japan is incredibly busy," said Chris Laskowski, head of Asia investment banking at Jefferies Financial Group Inc. "I spend a lot more time talking to our colleagues there now than any time before." The ground is fertile, with conglomerates selling non-core assets and private equity firms hungry to deploy capital. Activism is also playing a stronger role – take Elliott Investment

Management's battle with none other than Toyota Motor Corp around a blockbuster plan to privatise Toyota Industries Corp. "Japan is going through a wave of M&A like we've not seen for a long time," said Mayooran Elalingam, head of investment banking & capital markets in Asia Pacific at Deutsche Bank AG. Just this Friday, Mitsubishi UFJ Financial Group Inc confirmed it will take a 20% stake in India's Shriram Finance Ltd for about \$4.4bn. Japan is one of Asia's most mature markets and home to some of the biggest transactions, so mergers and acquisitions can translate into higher fees for dealmakers. No surprise, then, that global firms including Citigroup Inc, Goldman Sachs Group Inc and Jefferies are bulking up their teams. This year has been bookended by a takeover fight between global buyout firms KKR & Co and Bain Capital over software firm Fuji Soft Inc and now Carlyle Group Inc launching a takeover offer for Hogy Medical Co.



"We're likely to see many more take-privates in Japan," said Rohit Chatterji, head of M&A in APAC at JPMorgan Chase & Co. They'll include "listed affiliates that are deemed core to the parent, or of standalone companies where traded valuations are not reflective of intrinsic value."

One of the biggest deals involved Nippon Telegraph and Telephone Corp taking over NTT Data Group Corp for more than \$16bn. Meanwhile, Nippon Steel Corp finally closed its acquisition of United States Steel Corp. There are still some challenges with transactions in Japan,

according Ian Ho, a partner at law firm Simpson Thacher & Bartlett in Hong Kong. "Having deep business relationships and local talent are key," said Ho, who is also co-head of the firm in Asia. "While the interest and opportunities are real, it may take some time for some of the newcomers to gain significant traction." One headline deal casualty this year involved the Japanese operator of 7-Eleven stores. Canada's Alimentation Couche-Tard Inc ended up abandoning its \$46bn bid after a roughly yearlong campaign, saying that Seven & i Holdings Co had refused meaningful engagement. The Japanese firm rejected that charge. Ultimately, though, 2025 is a big success story for Japan-related deals. Other multibillion-dollar cases include SoftBank Group Corp acquiring Ampere Computing from a consortium including Carlyle and Oracle Corp for \$6.5bn, as well as a \$5.8bn buyout of CSMC Corp by Sumitomo Corp. SoftBank has

also been part of massive funding rounds for OpenAI and is eyeing more data centre deals. Financial sponsors focused on buyouts in the lower-to-mid tier have been prolific too, with investors allocating more capital to Japan, as well as markets such as India and South Korea. "While the deals may be smaller in value, they are generating solid returns," said Adam Furber, also at Simpson Thacher as a partner and co-head of Asia. On dealmaking channels, a fruitful corridor is emerging between Japan and India, as Friday's MUFG-Shriram Finance deal shows. Another Japanese bank, Mizuho Financial Group Inc, also announced it is buying a controlling stake in KKR-backed investment bank Avendus Capital Pvt. Adding to the M&A pile leading into 2026, Taiyo Holdings Co is up for grabs, with KKR the frontrunner among private equity firms vying for the chemical manufacturer, people familiar with the matter said on Friday.