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Gold and silver prices hit all-time highs as geopolitical tensions rise

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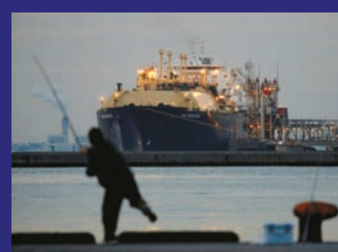

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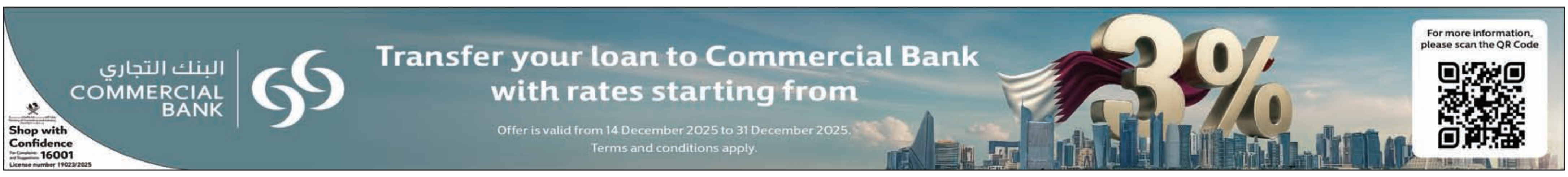
Australia forces LNG exporters to keep a minimum amount for home market



Ooredoo, Darktrace sign deal to enhance AI-enabled cybersecurity for enterprises

Ooredoo has signed a strategic partnership agreement with AI-driven cybersecurity firm Darktrace.
The agreement was formalised during a signing ceremony attended by Thani Ali I A al-Malki, Chief Business officer at Ooredoo, and Thomas Johnson, Channel director, META at Darktrace.
Through this collaboration, Ooredoo's B2B customers will gain access to the Darktrace ActiveAI Security Platform, an adaptive cybersecurity platform powered by Darktrace's real-time Self-Learning AI, designed to protect businesses from both known and emerging cyber threats.
Al-Malki said: "Cybersecurity is now an essential foundation for digital transformation. Our partnership with Darktrace strengthens our managed cybersecurity portfolio and ensures that organisations in Qatar can rely on advanced, Self-Learning AI to protect their operations. This collaboration supports our commitment to providing intelligent, future-ready security solutions that empower businesses to operate with greater confidence and resilience."
Eloina Pesce, VP of Partner Sales, EMEA + APJ, added: "By combining their deep regional expertise with Darktrace's AI-driven approach, we're giving customers across Qatar the confidence that their critical systems are protected against threats no matter how they evolve."

The agreement was formalised during a signing ceremony attended by Thani Ali I A al-Malki, Chief Business officer at Ooredoo, and Thomas Johnson, Channel director, META at Darktrace.

Qatar's North Field expansion is seen to underpin GCC hydrocarbon growth

By Pratap John
Business Editor

The anticipated launch of Qatar's North Field gas expansion, which is expected to come online around the middle of 2026, will underpin GCC hydrocarbon segment growth, according to Emirates NBD.

The regional banking group has forecast Qatar's hydrocarbons growth at 7.0% next year and 8.0% in 2027.

While there will be a modest slowdown in the region's non-hydrocarbons activity next year, Emirates NBD anticipates that growth in the hydrocarbons sector, which still accounts for nearly 30% of the GCC economy, will accelerate and expand by 6.5%. This would be the fastest rate of growth since 2022 when the region benefitted from the post-Covid surge in demand for oil and compares with an estimated 4.5% growth in 2025.

"The surge in growth does not reflect a particular rise in forecast global demand next year, with growth expected to be sluggish at best, but rather in large part a change in strategy from Opec+ that has seen it pivot to target market share rather than pricing," Emirates NBD noted.


A view of the Ras Laffan Industrial City, Qatar's principal site for the production of liquefied natural gas and gas-to-liquids. Emirates NBD has forecast Qatar's hydrocarbons growth at 7.0% next year and 8.0% in 2027.

This will boost Saudi Arabia's oil GDP in particular, where it forecasts growth of 8.0% next year, while Kuwait will pick up to 6.0%, from an estimated 3.5% in 2025. Bahrain is not a member of Opec+, but should benefit from the Bapco modernisation programme, which was introduced in late 2024 and expected to boost activity.

The researcher's broad expectation for non-oil activity in 2026 is that there will be a modest slowdown across the bloc, but this is largely on the back of base effects following several years of higher-than-average growth coming out of the Covid-19 pandemic.

The conditions that have supported growth through the past year are set to continue, with the global environment arguably set to be more conducive to stimulating economic activity than was seen in 2025.

"We forecast weighted average non-oil growth of 4.4% in 2026, down from an estimated 4.8% in 2025, with Qatar, the UAE and Saudi Arabia set to be the outperformers once again," Emirates NBD noted.

On aggregate, the GCC economies will see stronger growth next year, with almost all of the six economies that constitute the bloc set to see a faster expansion than Emirates NBD estimated for 2025. This, it noted, will be driven by an anticipated acceleration in hydrocarbons activity, while non-oil growth will remain strong, albeit slowing from recent levels.

E-commerce surge reshaping Mena fashion market, says Invest Qatar

By Peter Alagos
Business Reporter

The Middle East and North Africa (Mena)'s fashion industry is entering a period of accelerated growth, driven by youthful demographics, rising luxury demand, and culturally aligned preferences, according to Invest Qatar's 'Fashion Industry' report.
With nearly 60% of the region's population under 25, the median age of 22 (lower than the global median age of 28) is shaping a fast-evolving market where trend-forward demand dominates, creating opportunities for brands that can adapt quickly to shifting tastes.
The report also found that luxury expansion is another defining driver, with the Mena luxury goods market valued at "$10.5bn" in 2023 and projected to reach "$13.7bn" by 2028 at a compound annual growth rate (CAGR) of 5.4%.
At the same time, Invest Qatar noted that modest fashion is gaining prominence, with the global halal fashion market expected to reach "$571bn" by 2030, supported by a regional growth rate of "4.5%" that reflects demand for culturally aligned styles.
On the supply side, e-commerce is reshaping access and distribution, with the Mena online retail market valued at "$34.5bn" in 2024 and forecast to expand to "$57.8bn" by 2029, a "13%" year-on-year (y-o-y) increase.
Invest Qatar reported that the region's textile and garment manufacturing base adds further strength, with exports exceeding "$22.8bn" in 2022, supported by thousands of factories leveraging raw materials, affordable labour and strategic trade routes.
On skilled labour and artisanship, the report stated: "Mena's fashion sector draws on a large skilled workforce and a rich tradition of embroidery, weaving, and leatherwork. The region has also produced globally recognised fashion designers, rooted in artisanal excellence and cultural identity."
Policy enablers are reinforcing this momentum, as stated by Invest Qatar, citing initiatives such as Scale7, Dubai Design District, and the Saudi Fashion Commission that support entrepreneurs. Meanwhile, free trade agreements and special economic zones are expanding market access.
Similarly, access to finance is also expanding across Mena, with government-backed programmes empowering emerging designers and businesses to innovate, scale, and strengthen the regional fashion industry.
Invest Qatar also reported that personalisation and localisation are reshaping how brands connect with consumers. "Emerging trends like fashion localisation and influencer-driven marketing are reshaping the industry through focus on cultural relevance, personalisation, authenticity, and tech-powered engagement," the report stated.
Localised fashion strategies are gaining traction as consumers increasingly prefer regional brands, with cultural adaptation, support for local designers, and personalised e-commerce driving growth, the report continued.
Global executives are planning localisation, with half of them planning to localise their go-to-market models and value propositions, particularly through pricing, fulfilment channels, and assortment.
On influencer-driven marketing, the report stated that diversity and inclusivity, live shopping, long-term influencer partnerships, AI-powered marketing, interactive content, and authentic audience engagement drive growth.
According to the report, the fashion influencer marketing market itself is forecast to expand at a CAGR of "32.5%", rising from "$6.2bn" in 2025 to "$25.8bn" by 2029.

Doha Bank wins 'Best Private Equity Offering – MENA' honour at MEED Awards 2025

Doha Bank has received the 'Best Private Equity Offering – MENA' award at the MEED Mena Banking Excellence, Wealth & Private Banking Awards 2025.
The bank describes the award as "a distinguished recognition" that celebrates its excellence in delivering innovative private equity solutions and exceptional wealth management services to high-net-worth and institutional clients across the region.
Organised by MEED, one of the region's leading business intelligence and financial information platforms, the Mena Banking Excellence Awards honour outstanding institutions driving innovation, performance, and client-centric excellence in the financial sector.
The Wealth & Private Banking edition, launched as the first regional awards dedicated exclusively to private banking and wealth management, spotlights banks that demonstrate a deep understanding of the complex needs of high-net-worth individuals and family offices, setting new benchmarks for service excellence in the Mena region.
Doha Bank's recognition in the Best Private Equity Offering category underscores its leadership in designing and managing high-value private equity opportunities tailored to clients' objectives. The bank's Private Banking and Wealth Management division has built a strong reputation for combining global investment access with local insight, ensuring that each opportunity is structured to achieve optimal value creation and sustainable growth.
Sheikh Abdulrahman bin Fahad bin Faisal al-Thani, Group CEO, said: "Being awarded the 'Best Private Equity Offering – MENA' by MEED is a testament to the trust of our clients and the excellence of our teams. This recognition underscores Doha Bank's commitment to offering world-class wealth management solutions that contribute to the prosperity of our clients and the sustainable growth of the region's financial ecosystem. We take great pride in leading innovation that reflects both global best practices and Qatar's strategic vision for financial excellence."
The accolade reflects Doha Bank's strong corporate strategy focused on diversification, responsible investment, and innovation across its Wealth and Private Banking operations. The bank continues to enhance its product portfolio, strengthen regional partnerships, and introduce forward-looking investment structures that position it at the forefront of private banking excellence in the Mena region.
The recognition by MEED adds to Doha Bank's growing list of prestigious industry awards, reaffirming its position as one of Qatar's leading financial institutions and a trusted regional partner in wealth management and investment advisory.

The award is "a distinguished recognition" that celebrates its excellence in delivering innovative private equity solutions and exceptional wealth management services to high-net-worth and institutional clients across the region, according to Doha Bank

Emerging markets bring high hopes for 2026 after stellar year

Bloomberg
London

Emerging markets are poised to start 2026 as a favoured trade on Wall Street, with money managers betting a multi-year cycle of investment inflows is underway.
This year's capital rush into the sector — the best since 2009 across all emerging-market securities — is a sign more investors are allocating to a sector that's been out of favour after years of lacklustre performance.
For the first time since 2017, emerging stocks are outperforming US peers, the gap between its bond yields and those of US Treasuries have shrunk to the lowest in 11 years and carry trade strategies — which largely consist of borrowing in a lower-yielding asset to fund purchases in higher-yielding ones — have reaped the best profits since 2009.
Enthusiasm for the sector was on full view at Bank of America Corp's recent investment conference in London. The bank hosted 300 investors and 170 meetings, and found hardly any pessimism on emerging markets. The verdict from David Hauner, BofA's head of emerging fixed income: "EM bears have gone extinct."
What may be underway is a more fundamental shift in global investment flows. Portfolio managers are keen to diversify from the US, while also increasingly drawn by developing nations' progress in cutting debt and taming inflation.
It's a turnaround few saw coming. Until recently, investors were avoiding the asset class after years of weak returns and fearful of a US trade war. Money managers found it tough pitching it to clients, while hedge funds said they saw the best opportunities in betting against emerging markets.
"2025 was an inflection point," said Sammy Suzuki, head of emerging-market equities at AllianceBernstein LP in New York. "The question a year ago was whether emerging markets were even investable, but that's no longer a query we receive."
Banks such as JPMorgan Chase & Co and Morgan Stanley have joined the bullish chorus, predicting emerging markets will benefit from dollar weakness and the investment explosion in artificial intelligence. JPMorgan projects as much as $50bn of inflows into emerging-debt funds next year.
"One of our best ideas is still to hang with local emerging-market debt," said Bob Michele, global head of fixed income at JPMorgan Asset Management Inc. "We should get a little price appreciation, we should collect carry, and we think EM FX has a little bit more upside."
Morgan Stanley too advises clients to hold local-currency bonds, and to buy more dollar-denominated emerging debt. BofA expects hard-currency emerging bonds to repeat this year's double-digit returns.
A key driver could be positioning; despite the rally, investment flows are relatively small so far. US ETFs focused on EM stocks absorbed almost $31bn in 2025, Strategas Securities estimates.
Emerging debt funds have taken in over $60bn, according to EPFR Global data compiled by BofA, yet that follows outflows of $142bn in the previous three years. That means emerging markets remain under-represented in global portfolios.
The year marked "the return of asset allocators after a brutal five-year stretch," said Todd Sohn, senior ETF and technical strategist at Strategas in New York. "Many realised they were overexposed to US large-cap growth equities and moved to globally diversify."
Meanwhile, emerging markets' share of global stock and bond benchmarks is on the rise. Equities added more than one percentage point of weight versus developed markets to approach 13% in the Bloomberg World Large & Mid Cap Index, while emerging debt also gained share in the Bloomberg Global Aggregate Total Return Index.
Rajeev De Mello at Gama Asset Management SA says investors are finally re-engaging with emerging markets, but sees scope for them "to move toward a more meaningful overweight."
This year's rebound may be obscuring vulnerabilities in the asset class. China, stuck in a deflationary cycle, could pose a challenge as it exports excess capacity into other developing countries, heaping pressure on local industries.
But the biggest test lies in the dollar. Its 8% slide this year helped buoy emerging assets, but many reckon it could rebound should the Federal Reserve deliver fewer interest rates than expected.
Citigroup Inc strategists for instance advise clients to buy only emerging assets that can withstand a potential greenback bounce.
Despite that, the bank expects 5% total returns from emerging bonds next year.
JPMAM's Michele too is sticking with bullish emerging-debt positions; he expects "very high" real yields to continue drawing investors even in a stronger-dollar scenario.
For now, cash is pouring in — emerging-debt funds absorbed $4bn in the week to December 17, the biggest weekly flow since July.
And should emerging markets withstand dollar and Fed policy shifts, cautious investors may become convinced a structural re-allocation is indeed afoot, according to Suzuki of AllianceBernstein. "This uncertainty provides investors with a window of opportunity to jump in," he said. "Once everyone believes in it, it might be too late."

Asia markets rally with Wall Street as rate hopes rise, AI fears ease

AFP
Hong Kong

An external view of the Tokyo Stock Exchange building. The Nikkei 225 closed up 1.8% to 50,402.39 points yesterday.

Asian markets rallied yesterday and gold hit a record high as the latest round of US data boosted hopes for more interest rate cuts, while worries over AI spending also subsided.

In Tokyo, the Nikkei 225 closed up 1.8% to 50,402.39 points; Hong Kong - Hang Seng Index ended up 0.4% to 25,801.77 points and Shanghai - Composite closed up 0.7% to 3,917.36 points yesterday.

Investors were back in the saddle for the final business days before Christmas, having had a minor wobble earlier in the month on concerns that the Federal Reserve would hold off on further easing monetary policy in the early part of 2026.

Figures last week showing US unemployment hit a four-year high in November came as a report indicated the rise in consumer prices slowed more than expected.

That stoked bets on the Fed lowering borrowing costs early next year. Investors had pared their forecasts after the bank indicated it could take a pause on further cuts in its post-meeting statement earlier this month.

"This labour market softening and inflation moderation strengthened Federal Reserve easing expectations for 2026," wrote IG market analyst Fabien Yip.

However, she added that "the low inflation reading may prove temporary as shutdown-related data collection disruptions likely suppressed the figure, which could normalise higher once data gathering processes resume".

Asian tech firms led the gains yesterday with South Korea's Samsung Electronics, Taiwan's TSMC and Japan's Renesas among the best performers. Hong Kong, Shanghai, Sydney, Seoul, Singapore, Mumbai, Bangkok, Wellington, Taipei and Manila all saw healthy advances.

Tokyo was the standout, piling on 1.8% thanks to a weaker yen.

Gold, which benefits from lower US interest rates, hit a fresh record above $4,420.30, while silver also struck a new peak.

The precious metals, which are go-to assets in times of crisis, also benefited from geopolitical worries as Washington steps up its oil blockade against Venezuela and after Ukraine hit a tanker from Russia's shadow fleet in the Mediterranean.

Stephen Innes at SPI Asset Management said: "Asian equity markets are stepping onto the floor with a constructive bias, taking their cue from Friday's solid rebound in US stocks and the growing belief that the final stretch of the year still belongs to the bulls."

The equity gains tracked a surge on Wall Street led by the Nasdaq as technology giants following a bumper earnings report from chip giant Micron Technology that reinvigorated the AI trade.

That came on top of news that Oracle will take a 15% stake in a TikTok joint venture that will allow the social media company to maintain operations in the United States.

The tech bounce came after a bout of selling fuelled by concerns that valuations had been stretched and questions were being asked about the vast sums invested in artificial intelligence that some warn could take time to see returns.

Forex traders are keeping tabs on Tokyo after Japan's top currency official said he was concerned about the yen's recent weakness, which came after the central bank hiked interest rates to a 30-year high on Friday. "We're seeing one-directional, sudden moves, especially after last week's monetary policy meeting, so I'm deeply concerned," Vice Finance Minister for International Affairs Atsushi Mimura said.

"We'd like to take appropriate responses against excessive moves."

The comments stoked speculation that officials could intervene in currency markets to support the yen, which fell more than 1% against the dollar on Friday after bank boss Kazuo Ueda chose not to signal more increases early in the new year.

EM stocks on firmer ground; Thai baht hits highest since 2021

Reuters
Singapore

Emerging market stocks advanced yesterday to kick off the holiday-curtailed week on a strong note as investor anxiety over an artificial intelligence bubble eased and focus shifted to encouraging signals in Asia.

The moves put the region's bourses on track for a solid finish to the year, supported by inflows from investors seeking alternatives to US equities, where valuations are widely seen as more stretched than in emerging markets.

"Although much of the AI investment is taking place in the US, there are substantial spillovers to parts of Asia, as the region is a key production hub of electronics, including cutting-edge semiconductors," economists at Oxford Economics wrote in a note.

The MSCI index of emerging market equities rose 1%. China's blue-chip CSI300 index jumped nearly 1%, while the Shanghai Composite Index rose 0.7%, poised for its fourth straight day of gains. China left benchmark loan prime rates unchanged for the seventh consecutive month in December.

Data also showed that the private fund sector in the world's second-biggest economy expanded to a record 22.1tn yuan ($3.1tn) in November, aided by strong flows into equities.

MSCI's currency gauge, however, was little changed, suggesting that investors remain wary despite selective risk-taking.

The Polish zloty weakened slightly against the euro, while the stock benchmark rose 0.5%. Retail sales in November rose 3.1% year-on-year, lower than the 3.4% analysts polled by Reuters had expected.

The Thai baht rose 1% against the dollar, hitting levels not seen since June 2021 and highlighting the challenge the central bank faces as it tries to temper the currency's advance.

Policymakers worry that the surge, which has made the baht a standout performer among Asian currencies, could erode export competitiveness and make Thailand a pricier destination for tourists.

Bank of Thailand Governor Vitai Ratanakorn said on Monday the inflation target will be kept within a range of 1% to 3% for next year.

Geopolitical issues remained front and centre. Officials told Reuters on Sunday that the US Coast Guard was pursuing an oil tanker in international waters near Venezuela.

The developments follow last week's order by US President Donald Trump for a blockade of sanctioned tankers moving in and out of Venezuela, raising the stakes in a standoff with President Nicolas Maduro.

Any further escalation could hit oil markets and ripple across the region, particularly as Brazil and Mexico push for de-escalation, an approach that may strain their relations with Washington.

Oil prices rose, and the main share index in Saudi Arabia, the world's biggest oil exporter, inched 0.1% higher.

Some investors are also betting that increasing US pressure on Maduro could pave the way for political change and a restructuring of Venezuela's debt. The country's bonds have returned roughly 100% at the index level this year.

Investors are increasingly focused on what a future restructuring deal could look like. US special envoy Steve Witkoff said on Sunday that talks to end Russia's war in Ukraine were productive.

Nvidia aims to begin its H200 chip shipments to China by mid-February

Reuters
Beijing

Nvidia has told Chinese clients it aims to start shipping its second-most powerful AI chips to China before the Lunar New Year holiday in mid-February, three people familiar with the matter told Reuters.
The US chipmaker plans to fulfil initial orders from existing stock, with shipments expected to total 5,000-10,000 chip modules - equivalent to about 40,000-80,000 H200 AI chips, the first and second sources said.
Nvidia has also told Chinese clients that it plans to add new production capacity for the chips, with orders for that capacity opening in the second quarter of 2026, the third source said.
Significant uncertainty remains, as Beijing has yet to approve any H200 purchases and the timeline could shift depending on government decisions, the sources said.
"The whole plan is contingent on government approval," the third source said. "Nothing is certain until we get the official go-ahead."
The sources declined to be identified as the discussions are private. Nvidia and China's Ministry of Industry and Information Technology did not immediately respond to requests for comment.
The planned shipments would mark the first deliveries of H200 chips to China after U.S. President Donald Trump said this month that Washington would allow such sales with a 25% fee.
Reuters reported last week that the Trump administration had launched an inter-agency review of license applications for H200 chip sales to China, making good on his pledge to allow the sales.
The move represents a major policy shift from the Biden administration, which banned advanced AI chip sales to China citing national security concerns.
The H200, part of Nvidia's previous-generation Hopper line, remains widely used in AI despite being superseded by the firm's newer Blackwell chips. Nvidia has focused production on Blackwell and its upcoming Rubin line, making H200 supply scarce.
Trump's decision comes as China pushes to develop its domestic AI chip industry.
Local firms have yet to match the H200's performance, raising concerns that allowing imports could slow domestic progress.
Chinese officials held emergency meetings earlier this month to discuss the matter and are weighing whether to allow shipments, Reuters reported this month.
One proposal would require each H200 purchase to be bundled with a set ratio of domestic chips, according to the report.

Russia's pipeline exports of natural gas to China seen up 25% this year

Reuters
Moscow

Russia's pipeline exports of natural gas to China are expected to have risen by a quarter this year, a source familiar with the data told Reuters yesterday, as Moscow ramps up sales to Asia and cements ties with the world's largest energy consumer.

However, this will not offset the fall in revenue from the loss of the European gas market, Reuters calculations showed.

Russia has re-routed most of its oil to India and China since the start of the war in Ukraine in 2022 as Moscow and Europe - once its main commodity export market and source of revenue - severed ties.

It's proven harder to divert gas flows eastwards and painstaking talks to bring more Russian gas to China have yielded limited results.

The source, who spoke on condition of anonymity as he was not authorised to talk to media, said Russian energy giant Gazprom expects gas exports to China via the Power of Siberia Pipeline to reach around 38.6-38.7bn cubic metres (bcm) this year, up from 31 bcm in 2024 and exceeding the pipeline's planned annual capacity of 38 bcm.

Gazprom did not immediately respond to a request for comment. Its chief executive officer Alexei Miller said in October that supplies via Power of Siberia 1 would exceed 38 bcm this year.

During Russian President Vladimir Putin's visit to China in September, the countries agreed to increase annual volumes on the route by an additional 6 bcm, to 44 bcm, a year.

Russia and China also gave their blessing to the Power of Siberia 2 pipeline, which could one day deliver an additional 50 bcm of Russian gas per year through Mongolia from the Arctic gas fields of Yamal.

However, the main obstacle to implementing the project, the price of Russian gas, remains unresolved.

China has also agreed to increase the amount of gas it buys via a pipeline from Sakhalin Island in Russia's Far East to 12 bcm a year from the 10 bcm agreed previously.

The route is expected to be operational from 2027.

Russia's economy ministry estimates that revenue from gas exports to China will be 30%-40% lower than the value of exports to Europe in 2025-2028.

The only operational route for Russian gas supplies to Europe is via the TurkStream pipeline under the Black Sea. Deliveries via Ukraine - which amounted to around 12-15 bcm in recent years - were halted at the start of the year as Moscow and Kyiv failed to extend a transit deal.

According to Russian finance ministry data, gas exports generated around 420bn roubles ($5.28bn) for the state budget in January - November.

Gas exports will raise around 470bn roubles this year, Reuters calculations show, 71% below 2022's record 1.63tn roubles, when gas prices spiked at European hubs, and down from 490bn roubles in 2024.

Australia forces LNG exporters to keep a minimum amount for home market

Reuters
Sydney/Singapore

Australia will make exporters of liquefied natural gas (LNG) from the country's east coast keep up to a quarter of their output for domestic use from 2027, under a scheme unveiled yesterday to curb price spikes and help fill a long-forecast supply gap.

The centre-left government of Prime Minister Anthony Albanese said it would work with LNG exporters to design a system that allocates between 15% and 25% of gas for domestic use.

The announcement puts numbers on a policy that the government has flagged through 2025 amid persistent warnings about a shortage of gas supply on Australia's east coast, where most of its 27mn people live.

"More affordable Australian gas for Australian users will support our economy and our transition, while remaining a reliable energy partner to our region," said Climate Change and Energy Minister Chris Bowen.

The proposal will only affect new contracts agreed by LNG exporters, not their existing contracts, Bowen said.

Australia, the world's third-largest LNG exporter, ships out far more gas than it consumes. The competition regulator warned on Monday that the expected local shortfall had widened, with output dropping from legacy fields off the south coast.

The scheme was recommended by a gas market review ordered by the government in mid-2025, which was also published yesterday. The review said a gas reservation scheme would put downward pressure on prices and urged the government to consider ending a A$12 ($7.94) per gigajoule price cap in place since 2022.

The scheme would impact three LNG export plants in Queensland, particularly Gladstone LNG (GLNG), industry watchers have said.

GLNG, operated by Santos and backed by Korea Gas Corp (KOGAS), TotalEnergies and Malaysia's Petronas, has typically relied on third-party domestic gas to meet export commitments. A GLNG representative was not immediately available for comment.

Rival export consortium Australia Pacific LNG (APLNG), led by Origin Energy with ConocoPhillips and Sinopec, was also unavailable for comment.

Shell, which leads a third exporter Queensland Curtis LNG (QCLNG) with CNOOC and MidOcean Energy, called the scheme "an important first step" and said it looked forward to work on the details.

A liquefied natural gas tanker is moored at a thermal power station in Futtsu, east of Tokyo. About 90% of Australia's LNG exports go to Japan, South Korea, China and Taiwan, Kpler data shows.

Producers and energy users welcomed the certainty they said the scheme would bring, pending details still to come. Industry body Australian Energy Producers, whose members include LNG exporters, called for more action to spur domestic production.

The wording of the reservation announcement suggests it could for the first time capture Northern Territory gas, potentially affecting the Barossa and Ichthys projects and therefore Japanese investment, said Saul Kavonic, head of energy research at MST Marquee.

J Y Chew, Head of APAC Upstream Research at consultancy Welligence Energy Analytics, said the measure could reduce producers' export options and returns on marginal projects.

About 90% of Australia's LNG exports go to Japan, South Korea, China and Taiwan, Kpler data shows.

While Japanese LNG buyers have been diversifying to US supplies amid concerns over Australian supply, proximity remains a key advantage for Australian LNG, said Filippo Pedretti, an analyst at Yuri Group consultancy.

"I find it hard to imagine that such volumes and logistical convenience could be significantly replaced," he said. "One way or another, I think Australian imports will remain important, and Tokyo and Canberra will find a middle ground."

Western Australia has an existing policy requiring LNG exporters there to keep 15% of volumes for domestic supply.

Mideast M&A deal values surge 260% to $53bn in first nine months of 2025: BCG

By Pratap John
Business Editor

Middle Eastern mergers and acquisitions (M&A) have demonstrated remarkable resilience and strategic focus, with deal values surging 260% to $53bn in the first nine months of 2025 compared to the same period last year.

This exceptional growth comes despite experiencing its lowest levels since the Covid shock earlier in the year, according to BCG's annual Global M&A Report 2025 released yesterday.

The region's performance is driven by a select group of experienced dealmakers making disciplined, strategic investments amid continued global market volatility.

Monthly data reveals that Middle East M&A activity over the past three years has consistently exceeded historical averages, recovering strongly from the pandemic dip.

BCG's M&A Sentiment Index, a forward-looking indicator of deal activity, shows increasingly positive sentiment across all sectors, with confidence reaching its highest levels in technology and energy.

While Africa, the Middle East, and Central Asia recorded a 6% increase in aggregate deal value, the region continues working to surpass its 10-year average.

"The Middle East's M&A landscape in 2025 reflects a sophisticated approach to capital deployment, where strategic diversification meets digital ambition," said Samuele Bellani, Managing Director & Partner at BCG.

"We are witnessing experienced dealmakers making highly disciplined investments that simultaneously strengthen traditional energy capabilities while building new pillars of economic growth in technology and industrial services."

Energy transactions remained the cornerstone of Middle Eastern M&A activity throughout 2025, as state-backed entities pursued aggressive domestic consolidation while simultaneously expanding their international footprint through strategic acquisitions.

A landmark $13.4bn acquisition reinforces the UAE's ambitious international expansion strategy in the chemicals sector, while a $693mn purchase in power generation and utilities exemplified the ongoing consolidation within the sector.

These strategic moves underscore sector resilience while supporting the region's gradual but determined pivot toward renewable energy sources, positioning national champions for the global energy transition.

The industrial sector emerged as a central

Samuele Bellani, Managing Director & Partner at BCG.

pillar of the Middle East's economic diversification strategy, with governments and sovereign wealth funds systematically building capabilities beyond traditional hydrocarbon dependencies.

A $925mn acquisition highlights the accelerating consolidation of critical supply chain infrastructure across the region. This transaction reflects a broader, long-term initiative to establish the Middle East as a premier hub for industrial and logistics services, fundamentally reducing dependency on energy revenues while enhancing the region's global competitiveness across multiple sectors.

Technology, media, and telecommunications gained unprecedented momentum in 2025, establishing itself as an emerging pillar of regional deal activity and signalling a fundamental shift in investment priorities.

A transformative $3.5bn acquisition, representing one of the largest digital entertainment transactions globally, demonstrates the region's serious ambitions to become a global leader in gaming and digital entertainment.

A $855mn acquisition strategically expanded the Middle East's telecommunications influence into European markets. These high-profile transactions clearly demonstrate that Middle Eastern acquirers are strategically deploying substantial capital to capture growth opportunities across digital platforms, connectivity infrastructure, and entertainment services, aligning perfectly with broader national digital transformation agendas.

"What we are seeing is a fundamental transformation in how Middle Eastern investors approach M&A," said Samuele Bellani, Managing Director & Partner at BCG.

"The region's sovereign wealth funds are not just engines of deal flow—they are architects of a new economic paradigm that balances traditional energy strengths with cutting-edge technological capabilities and world-class industrial infrastructure."

As 2025 enters its final months, the Middle East has distinguished itself as one of the world's most active and strategically focused M&A markets. Sovereign wealth funds continue providing an exceptionally deep pool of liquidity capable of sustaining robust deal flow regardless of global economic cycles or market volatility.

Government-led strategies persistently drive consolidation across industrial and technology sectors, creating unprecedented resilience against the region's historical reliance on hydrocarbon revenues.

The combination of steady foreign interest across TMT, financial services, and healthcare sectors demonstrates the region's unique dual advantage of supporting sustainable growth while accelerating economic diversification initiatives.

According to BCG, the sustained momentum in Middle Eastern M&A activity reflects a mature understanding of global market dynamics, where strategic patience combines with decisive action to create lasting competitive advantages across multiple sectors and geographies.

Sterling keeps rising after BoE raised the bar on rate cuts

Reuters
London

The pound rose yesterday, building on gains made last week after the Bank of England (BoE) delivered a widely expected rate cut, but suggested that the bar for further declines was high, given persistent inflation.

Sterling was up 0.48% against the dollar at around $1.3438, having ended the previous week flat after hitting a two-month high. It is up over 1% so far this month, bringing the gain for the year to around 7%.

But the currency has struggled against the euro, which is up nearly 6% against the pound this year, set for its strongest annual performance since 2016, when the Brexit vote took place.

Interest rates are playing a leading role in sterling's performance. With the Federal Reserve expected to deliver at least two more rate cuts next year, the dollar is under pressure against most currencies, while the European Central Bank is widely believed to have finished cutting rates for now.

That leaves the pound with a theoretical edge over the U.S. currency, but at a disadvantage to the euro.

The BoE, meanwhile, cut rates by a quarter point to 3.75% in a narrow vote that suggested some policymakers remain concerned about the level of inflation. The decline in November to 3.2% helped to make the case for last week's rate cut, but that rate is still well above the BoE's 2% target and wage growth is slower, but still elevated.

Governor Andrew Bailey said after the BoE decision, the overall trend for interest rates was down, but this might not happen as quickly as some analysts expect.

Data from the Office for National Statistics yesterday showed Britain's economy grew by 0.1% in the July-to-September period of this year. This was in line with the office's initial estimate, while economists polled by Reuters had also forecast the reading would be unrevised.

Last week, the BoE said it expected zero GDP growth in the October-to-December period but it thought that the underlying pace of economic growth was around 0.2% per quarter.

"With the Bank of England expecting growth to come to a standstill in the last few months of the year, thanks in part to the impact of the Budget on overall confidence, it's clear there are huge challenges to overcome if the UK's growth story is going to become more compelling," Danni Hewson, AJ Bell head of financial analysis, said.

A man holds a selection of pound sterling banknotes in an arranged photograph in London. The pound rose yesterday, building on gains made last week after the Bank of England delivered a widely expected rate cut, but suggested that the bar for further declines was high, given persistent inflation.

Gold and silver prices soar to all-time highs as geopolitical tensions rise

Bloomberg
London

Gold and silver soared to all-time highs, as escalating geopolitical tensions and bets on further US rate cuts added momentum to the best annual performance in more than four decades.

Bullion climbed as much as 2.1% to surpass the previous record of $4,381 an ounce set in October, while silver rallied as much as 3.4%, closing in on $70 an ounce. The move extends a blistering rally that has put both metals firmly on course for their strongest annual performance since 1979.

The latest push higher comes as traders bet that the Federal Reserve will cut interest rates twice in 2026, and as US President Donald Trump also advocates for looser monetary policy. Lower rates are typically a tailwind for precious metals, which don't pay interest.

Rising geopolitical tensions are also enhancing the haven appeal of gold and silver. The US has intensified an oil blockade against Venezuela, stepping up pressure on the government of President Nicolás Maduro, while Ukraine attacked an oil tanker from Russia's shadow fleet in the Mediterranean Sea for the first time.

"Today's rally is largely driven by early positioning around Fed rate-cut expectations, amplified by thin year-end liquidity," said Dilin Wu, a strategist at Pepperstone Group Ltd. Sluggish jobs growth and softer-than-expected US inflation in November supported the narrative for more rate cuts, she said.

Gold has surged by more than 65% this year, underpinned by increased central-bank purchases and inflows into bullion-backed exchange-traded funds. Trump's aggressive moves to reshape global trade — as well as his threats to the US central bank's independence — added fuel to the scorching rally earlier this year.

One kilogram and a five hundred gram gold bars next to one kilogram silver bars at The Vaults Group gold dealers arranged in Barcelona. Gold and silver soared to all-time highs, as escalating geopolitical tensions and bets on further US rate cuts added momentum to the best annual performance in more than four decades.

Investors have also played an important role in gold's ascent, spurred in part by the so-called debasement trade — a retreat from sovereign bonds and the currencies they are denominated in over fears their value will erode over time due to ballooning debt levels. Gold-backed ETFs have seen inflows rise over the last four straight weeks, according to data compiled by Bloomberg, and World Gold Council figures show total holdings in these funds have risen every month this year except May.

Other precious metals also surged, with palladium rallying as much as 5.1% to hit the highest in nearly three years. Platinum rose for an eighth straight session and traded above $2,000 for the first time since 2008.

Gold has bounced back quickly after a retreat from its peak in October, when the rally was seen as crowded and overheated, and is now positioned to carry these gains into next year. Goldman Sachs Group Inc is among several banks who predict prices will keep rising in 2026, issuing a base-case scenario of $4,900 an ounce with risks to the upside. ETF investors, it said, are starting to compete with central banks for limited physical supply.

Central-bank buying, physical demand and geopolitical hedging were "medium- to long-term anchors, while Fed policy and real rates continue to drive cyclical swings," according to Pepperstone's Wu. New entrants to the gold market, such as stablecoin issuers like Tether Holdings SA and certain corporate treasury departments, were creating a "broader capital base" that "adds resilience to demand," she said in a note.

Silver's recent advance has been buoyed by speculative inflows and lingering supply dislocations across major trading hubs following a historic short squeeze in October. The total trading volume for silver futures in Shanghai spiked earlier this month to levels near those seen during the crunch a couple of months ago.

Platinum — which has rallied about 125% this year — has risen with added speed in recent days as the London market shows signs of tightening. Banks are parking more metal in the US to insure against the risk of tariffs, while exports to China have been robust as demand grows and contracts begin trading on the Guangzhou Futures Exchange.

Eurozone bond yields nudge higher in short week

Reuters
London

Eurozone government bond yields edged up yesterday, extending the rise of the previous week after the European Central Bank (ECB) left monetary policy unchanged and signalled that further rate cuts were unlikely for at least another year.

German 10-year Bund yields ended last week around their highest since mid-March, having risen another 3 basis points to bring the total this month to 20 bps, echoing the broader trend in the global fixed-income market.

The 10-year Bunds, which serve as a benchmark for the wider euro zone, were up 1.3 bps at 2.9% in early trade.

Yields on the two-year Schatz, which are more reactive to changes to interest rate expectations and rose 13 bps last week, were flat at 2.16%.

Money markets currently show that traders expect euro zone rates to remain unchanged through 2026, with a roughly 50/50 chance of a first increase by around April 2027.

ECB President Christine Lagarde, in her post-decision press conference, maintained her view that the central bank is in a good position with its monetary policy.

Economists at Barclays said they believed that the likelihood of the next move being an increase was not clear-cut.

"During the press conference, President Lagarde made sure to preserve the ECB's optionality. She reiterated that the central bank is in a good place, but not a static place, and emphasised that all options remain on the table, implying that the next move could be a cut or a hike," they said in a note.

"Although we see the ECB on hold over the next two years and the bar for a policy change in either direction as high, we continue to see risks tilting towards lower, not higher, rates over our forecast horizon," they added.

With only two full trading days left this week for the bond market, liquidity is likely to be limited. This could lead to bigger moves in yields than usual, a dynamic that tends to play out in the wider financial markets at this point in the year.

German pension fund slams private market ratings after €1bn loss

Bloomberg
Berlin

A German pension fund whose foray into private markets led to more than €1bn in losses has questioned the integrity of the ratings it used, adding to growing warnings over valuation risks across the booming asset class.

"Almost all" of the fund's €739mn in loans at the end of last year had a BBB- rating, said Thomas Schieritz, who heads the pension fund known by its German acronym VZB. Schieritz, who took over earlier this year, in an interview described the concentration of credit ratings into a single category as "statistically completely improbable".

A BBB- rating typically reflects a credit worthiness that is just one notch above sub-investment grade. Many institutional investors stay away from credit rated below BBB-.

VZB, which caters to more than 10,000 Berlin dentists, has said it's facing losses of about €1.1bn ($1.3bn) after many of its investments went bad.

It had about €2.2bn in assets under management at the end of last year.

The reliability of credit ratings in the booming market for private assets has attracted growing scrutiny.

The Bank for International Settlements has flagged that ratings used by insurers tend to be concentrated among smaller ratings companies, which "may face commercial incentives" to provide better grades. UBS Group AG Chairman Colm Kelleher has warned of "huge rating agency arbitrage".

The case of VZB is also the starkest example yet of a slow-burning crisis engulfing several German pension funds that poured money into opaque and risky corners of the market to prop up returns eroded by years of ultra-low interest rates.

Some of those strategies have suffered large losses since rates have risen.

VZB made investments that included debt and equity stakes in hotels, vacation resorts, and startup companies including the digital insurer Element Insurance AG, which filed for insolvency earlier this year.