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Qatar Chamber backs 'ROBOTECH 26', highlights digital transformation

Wednesday, December 31, 2025
Rajab 11, 1447 AH

GULF TIMES
BUSINESS

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China is said to mandate 50% domestic equipment rule for chipmakers

From left: QDB CEO Abdulrahman Hashem al-Suwaidi, Qatar Chamber first vice-chairman Mohamed bin Towar al-Kuwari, Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani, and the chamber's Industry Committee chairman Abdulrahman Abdullah al-Ansari during the meeting.

Qatar Chamber, QDB step up efforts to boost industrial exports

Qatar Chamber and Qatar Development Bank (QDB) have pledged closer co-operation to tackle challenges facing exporting manufacturers, underscoring the private sector's role in driving industrial growth and expanding Qatari products into global markets.

The joint meeting, held at the Chamber's headquarters in the presence of Qatar Chamber Chairman Sheikh Khalifa bin Jassim al-Thani, brought together senior officials, board members, and leading industrialists.

The chamber's side was chaired by first vice-chairman Mohamed bin Towar al-Kuwari, while QDB was represented by CEO Abdulrahman Hashem al-Suwaidi.

Also attending were second vice-chairman Rashid bin Hamad al-Athba, Industry Committee chairman Abdulrahman Abdullah al-Ansari, and board members Ali bin Abdul Latif al-Misnad and Mohamed bin Ahmed al-Obaidli, as well as Qatari businessman Saad bin Abdullah al-Tawah al-Hajri, alongside several other board members and representatives of Qatari industrial companies.

Al-Kuwari stressed the importance of collaboration between the two institutions to enhance industrial and economic development. "This co-operation contributes to enabling industrial investors to grow their businesses and expand into foreign markets," he said. He highlighted the rapid progress of Qatar's industrial sector and its pivotal role in achieving Qatar National Vision 2030.

Al-Kuwari praised QDB's "vital role in supporting the industrial sector through innovative financing solutions and specialised incentive programmes that empower national factories, support entrepreneurs, encourage innovation, and enhance the competitiveness of Qatari products in local, regional, and global markets". He affirmed that Qatar Chamber is keen to strengthen integration with QDB to address challenges, seize opportunities, and promote high-value-added industries.

Al-Suwaidi welcomed the dialogue, describing QDB as "a key partner for manufacturers and exporters through the comprehensive advisory and financing services it provides to enable the private sector to fulfil its role in economic development". He emphasised raising awareness of QDB's support mechanisms, including export insurance policies, raw material financing, global expansion financing, and buyer credit products, which he said are "vital in enabling Qatari exports to access global markets".

Al-Ansari noted that QDB's export guarantee services will directly benefit manufacturers. He called for greater private sector involvement in selecting target countries and markets, stressing the need to leverage business expertise in shaping export promotion strategies.

Al-Misnad underlined the importance of holding regular joint meetings between QDB and manufacturers to exchange ideas and implement a national strategy for industry, while al-Obaidli highlighted manufacturers' strong interest in entering new markets and stressed the importance of protecting Qatari factories from challenges abroad, while recognising the significance of both financing and non-financing services offered by QDB.

Al-Hajri echoed these views, emphasising the importance of expanding exports and supporting Qatari products' access to regional and global markets. He praised QDB's efforts in promoting exports and Qatar Chamber's continuous support for industrial development.

The meeting also featured extensive discussions among exporters, who raised a number of challenges facing the sector. It was agreed that all issues and proposals would be studied further to strengthen the competitiveness of the Qatari industry and expand its global footprint.

Chamber discusses trade co-operation with Sudan

Qatar Chamber first vice-chairman Mohamed bin Towar al-Kuwari held a meeting yesterday with Sudanese ambassador Badr al-Din Abdullah Mohamed Ahmed to review co-operation relations between both countries. Both officials also discussed Qatar-Sudan commercial and economic relations, as well as the role of the private sector in stimulating intra-regional investments and trade. Al-Kuwari lauded both nations' "close fraternal relations", noting that trade exchange between Qatar and Sudan recorded a growth of 16% last year, from a QR50mn increase in 2023 to QR58mn in 2024. But despite this growth, he said the volume of trade "remains below the level of ambition and the capabilities available to both countries", which places a significant responsibility on the private sector in Qatar and Sudan to further enhance trade and investment co-operation. For his part, Ahmed noted that Sudan is rife with investment opportunities in various sectors, such as minerals, agriculture, livestock, Arabic gum, and others, and that there are facilities for Qatari investors wishing to invest in Sudan.

Doha Bank bonds to be listed on QSE starting January 14

QNA
Doha

The Qatar Stock Exchange (QSE) announced the listing of Doha Bank bonds on the QSE's Debt Market, effective Wednesday, January 14, 2026, following the completion of all technical, regulatory, and administrative procedures.

In a statement yesterday, the QSE reported that all bonds of this issuance, totalling QR500mn, will be admitted through a direct listing on the exchange. The bonds will be listed under the symbol "CA02", and the reference price for the first trading day will be 100% of the nominal/face value (QR1,000), the statement added, noting that a price fluctuation limit of 10% will apply during the trading session.

The statement further indicated that there will be no change to the trading session schedule on the day of listing, and the pre-open session will remain as usual at 9:00am.

QDB named 'Startup Ecosystem Star' by International Chamber of Commerce and Mind the Bridge

Qatar Development Bank (QDB) has been named a 'Startup Ecosystem Star' by the International Chamber of Commerce (ICC) and Mind the Bridge.

The 'Startup Ecosystem Stars (SES) Awards 2025' recognise institutions that have demonstrated outstanding leadership, sustained impact, and comprehensive excellence in developing innovation ecosystems worldwide.

The award was presented during a ceremony held at the ICC Headquarters in Paris, in collaboration with the Organisation for Economic Co-operation and Development (OECD) and the European Commission, with support from Microsoft.

In its third edition, the SES Awards recognised QDB for its significant contributions to fostering innovation across three categories: 'Best-in-class Startup Programmes', 'Outstanding Investment Boost', and 'Exceptional Industry Support'.

Recognition across these categories highlights the bank's comprehensive approach to creating a nurturing, flexible and competitive environment for startups, while reinforcing its position as a key driver of innovation within the global entrepreneurship ecosystem.

The milestone reflects QDB's commitment to providing entrepreneurs with a comprehensive support ecosystem, from training and advisory services to incubation and acceleration programmes.

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It also highlights the bank's leading role in advancing the venture capital landscape by attracting local and international investment, promoting the role of the private sector, supporting exports, and enabling the growth of the national industrial sector through close collaboration with partners and relevant stakeholders across the country.

The SES Awards 2025 are among the most prominent global awards dedicated to evaluating key players within innovation ecosystems. Winners are selected by an international jury comprising leading global experts and representatives of international organisations.

The award underscores QDB's position as a development institution in the region and a key enabler of entrepreneurial growth, reinforcing its role as a catalyst for innovation at local, regional, and international levels.

China mandates 50% domestic equipment rule for chipmakers, say sources

Reuters
Singapore

China is requiring chipmakers to use at least 50% domestically made equipment for adding new capacity, three people familiar with the matter said, as Beijing pushes to build a self-sufficient semiconductor supply chain.

The rule is not publicly documented, but chipmakers seeking state approval to build or expand their plants have been told by authorities in recent months that they must prove through procurement tenders that at least half their equipment will be Chinese-made, the people told Reuters.

The mandate is one of the most significant measures Beijing has introduced to wean itself off reliance on foreign technology, a push that gathered pace after the US tightened technology export restrictions in 2023, banning sales of advanced AI chips and semiconductor equipment to China.

While those US export restrictions blocked the sale of some of the most advanced tools, the 50% rule is leading Chinese manufacturers to choose domestic suppliers even in areas where foreign equipment from the US, Japan, South Korea and Europe remain available.

Applications failing the threshold are typically rejected, though authorities grant flexibility depending on supply constraints, the people said. The requirements are relaxed for advanced chip production lines, where domestically developed equipment is not yet fully available.

"Authorities prefer if it is much higher than 50%," one source told Reuters. "Eventually they are aiming for the plants to use 100% domestic equipment."

China's industry ministry did not respond to a request for comment. The sources did not wish to be identified as the measure is not public.


An AI sign is seen at an artificial intelligence conference in Shanghai (file). China's President Xi Jinping has been calling for a "whole nation" effort to build a fully self-sufficient domestic semiconductor supply chain that involves thousands of engineers and scientists at companies and research centres nationwide.

China's President Xi Jinping has been calling for a "whole nation" effort to build a fully self-sufficient domestic semiconductor supply chain that involves thousands of engineers and scientists at companies and research centres nationwide. The effort is being made across the wide supply-chain spectrum. Reuters reported earlier this month that Chinese scientists are working on a prototype of a machine capable of producing cutting-edge chips, an outcome that Washington has spent years trying to prevent.

"Before, domestic fabs like SMIC would prefer US equipment and would not really give Chinese firms a chance," a former employee at local equipment maker Naura Technology said, referring to the Semiconductor Manufacturing International Corp. "But that changed starting with the 2023 US export restrictions, when Chinese fabs had no choice but to work with domestic suppliers."

State-affiliated entities placed a record 421 orders for domestic lithography machines and parts this year worth around 850mn yuan, according to publicly available procurement data, signalling a surge in demand for locally developed technologies. To support the local chip supply chain, Beijing has also poured hundreds of billions of yuan into its semiconductor sector through the "Big Fund", which established a third phase in 2024 with 344bn yuan ($49bn) in capital.

The policy is already yielding results, including in areas such as etching, a critical chip manufacturing step that involves removing materials from silicon wafers to carve out intricate transistor patterns, sources said.

China's largest chip equipment group, Naura, is testing its etching tools on a cutting-edge 7nm (nanometre) production line of SMIC, two sources said. The early-stage milestone, which comes after Naura recently deployed etching tools on 14nm successfully, demonstrates how quickly domestic suppliers are advancing.

"Naura's etching results have been accelerated by the government requiring fabs to use at least 50% domestic equipment," one of the people told Reuters, adding that it was forcing the company to rapidly improve.

Advanced etching tools had been predominantly supplied in China by foreign firms such as Lam Research and Tokyo Electron, but are now being partially replaced by Naura and smaller rival Advanced Micro-Fabrication Equipment (AMEC), sources say.

Naura has also proven a key partner for Chinese memory chipmakers, supplying etching tools for advanced chips with more than 300 layers. It developed electrostatic chucks — devices that hold wafers during processing — to replace worn parts in Lam Research equipment that the company could no longer service after the 2023 restrictions, sources said.

Naura, AMEC, YTMC, SMIC, Lam Research, and Tokyo Electron did not respond to requests for comment.

China's progress is being viewed with concern by global competitors, as foreign suppliers are squeezed out of the China market.

Naura filed a record 779 patents in 2025, more than double what it filed in 2020 and 2021, while AMEC filed 259, according to Anaqua's AcclaimIP database, and verified by Reuters.

That's also translating into strong financial results. Naura's revenue for the first half of 2025 jumped 30% to 16bn yuan. AMEC reported a 44% jump in first-half revenue to 5bn yuan. Analysts estimate that China has now reached roughly 50% self-sufficiency in photoresist-removal and cleaning equipment, a market previously dominated by Japanese firms, but now locally led by Naura.

China's BYD poised to overtake Tesla in 2025 EV sales

AFP
New York/Beijing

Growing Chinese auto giant BYD stands poised to officially surpass Tesla as the world's biggest electric vehicle company in annual sales.

The two groups are expected soon to publish their final figures for 2025, and based on sales data so far this year, there is almost no chance the American company led by Elon Musk will retain its leadership position.

At the end of November, Shenzhen-based BYD, which also produces hybrid vehicles, had sold 2.07mn EVs so far in 2025. Tesla, for its part, had sold 1.22mn by the end of September.

Tesla's September figures included a one-time boost in sales, to nearly half-a-million vehicles in a three-month period, before the expiration of a US tax credit for buyers of electric vehicles — which ended under legislation backed by President Donald Trump, a climate change sceptic.

But Tesla's sales in the coming quarter are expected to fall to 449,000, according to a FactSet analysis consensus. That would give Tesla about 1.65mn sales for all of 2025, a drop of 7.7% and well below the level BYD had attained by end November.

Deutsche Bank, which projects just 405,000 Tesla EV sales during the fourth quarter, sees the company's sales down by around one-third in both North America and Europe, and by one-tenth in China.

Industry watchers say it will take time for EV demand to reach a level of equilibrium in the US following the elimination of the $7,500 US tax credit at the end of September 2025.

Even prior to that, Tesla had seen sales struggle in key markets over CEO Musk's political support of Trump and other far-right politicians. Tesla has also faced rising EV competition from BYD and other Chinese companies and from European giants.

"We believe Tesla will see some weakness on deliveries" in the fourth quarter, said Dan Ives of Wedbush Securities. Sales of 420,000 would be "good enough to show stable demand", with Wall Street "laser focused on the autonomous chapter kicking off in 2026", Ives added, referring to plans for self-driving vehicles.

Even as it has grown quickly, BYD has faced challenges in its home market.

With profitability in China weighed down by price-wary consumers, the company has sought to strengthen its foothold in foreign markets.

BYD is "one of the pioneers to establish overseas production capacity and supply chains for EVs", Jing Yang, Director of Asia-Pacific Corporate Ratings at Fitch Ratings, told AFP.

"Going forward, its geographical diversification is likely to help it to navigate an increasingly complicated global tariff environment," said Yang.

Overseas rivals to BYD have balked at state subsidies and other state supports that have allowed the company to sell vehicles cheaply.

Trump's predecessor Joe Biden imposed 100% tariffs on Chinese EV imports that could potentially go even higher under Trump. Europe has also imposed tariffs on Chinese imports, but BYD is building manufacturing capacity in Hungary.

While the chance of Tesla reclaiming its global leadership in EVs looks uncertain, the American company is also potentially positioned for growth.

Michaeli of TD Cowen sees autonomous technology playing an increasingly important role for Tesla, with breakthroughs in its "full self-driving" or "FSD" offerings potentially boosting sales.

"As Tesla really begins to roll out eyes-off features and expand FSDs capability, if they do that successfully, that should generate more demand for their vehicles," Michaeli said.

Musk has said the Cybercab, an autonomous robotaxi model, will begin production in April 2026. The company has also unveiled lower-priced versions of the Models 3 and Y that could boost sales.

US dollar seen to decline compared with peer currencies in 2026

By Pratap John
Business Editor

The US dollar will slide against peers again in 2026 though the moves will be more muted than in 2025, according to Emirates NBD.

The regional banking group expects the dollar will decline compared with peer currencies in 2026 as policy differentials increasingly move against it.

Among major central banks, the Federal Reserve will stand out as still cutting policy while peers will either keep rates on hold or lean towards tighter policy, Emirates NBD said in a report.

On the surface, the US dollar doesn't look like a natural candidate to weaken. Growth in the US economy will be faster than all major peers in 2026, based on consensus projections, and inflation will also be materially higher.

But a softening labour market is encouraging more dovish views from the Fed even amid the higher inflation environment.

The researcher's expectation is for another 75 bps of cuts from the Fed in 2026 compared with no change in policy from the European Central Bank and hikes from the Bank of Japan.

Emirates NBD expects that the euro will extend its 2025 gains against the dollar in 2026 although the scale of appreciation will be far more muted.

Economic activity in the eurozone remains sluggish — the regional economy expanded by just 1.4% year-on-year (y-o-y) in Q3-2025 — but that is a material improvement from the static levels of activity recorded in 2024.

Inflation in the eurozone will remain relatively stable in 2026, close to target levels of around 2%. After cutting rates by 100 bps in 2025 the researcher does not expect that the ECB will cut rates any more in 2026, keeping the deposit facility at 2%.

Several ECB policymakers have even been making a case that upside risks to growth may warrant the bank needing to actually hike rates though we are not expecting that to be an imminent change in direction.

While the eurozone's economy may not be showing signs of vigour, it does appear to be at least stable.

Narrowing rate differentials will favour the euro in 2026 though the momentum on rates will be more to do with the Fed than the ECB or eurozone economic dynamics.

The rearcher expects EURUSD will move from 1.17 at the end of 2025 to 1.21 by the end of 2026, an appreciation of about 3.4% compared with 13% gains in 2025.

The Japanese yen looks the most likely candidate for strengthening in 2026 though near-term political noise means that any gains could be delayed until later in the year.

Economic activity will decelerate markedly in 2026 as trade and investment cool. But in an effort to restore some growth and inflation momentum, Japan's new government has approved a large stimulus package worth a total of $135bn in direct and indirect support measures, the report said.


The US dollar will slide against peers again in 2026 though the moves will be more muted than in 2025, according to Emirates NBD

Qatar Chamber backs 'ROBOTECH 26', highlights digital transformation

Qatar Chamber first vice-chairman Mohamed bin Towar al-Kuwari (2nd from right), during the announcement of 'ROBOTECH 26'. Looking on are (from left) Ling Li, exhibition manager; Haitham Shehab, general manager of the organising company, Stallion; and Qatar Chamber acting general manager Ali Bu Sherbak al-Mansouri. **PICTURE:** Shaji Kayamkulam

By Peter Alagos
Business Reporter

Qatar Chamber highlighted the country's rapid strides in digital transformation and innovation as it announced its official sponsorship of the first 'International Exhibition on Robotics and Artificial Intelligence Technologies 26' (ROBOTECH 26), scheduled to take place in Doha from October 27-29, 2026.

Speaking at a press conference yesterday, Qatar Chamber first vice-chairman Mohamed bin Towar al-Kuwari stressed that the country is witnessing "rapid development in the information technology sector" and has been ranked among the top 20 countries globally in the 2025 Digital Competitiveness Index issued by the International Institute for Management Development.

This progress reflects the nation's commitment to building a competitive, knowledge-based economy under Qatar National Vision 2030, as al-Kuwari emphasised during the press conference, which was attended by Qatar Chamber acting general manager Ali Bu Sherbak al-Mansouri and Haitham Shehab, general manager of the organising company, Stallion; and Ling Li, exhibition manager.

"Qatar Chamber's support for this exhibition is part of its strategy and is one of the activities of the Qatari Business Council after its restructuring.

The exhibition also contributes to strengthening the integrated partnership between the public and private sectors," al-Kuwari said.

Al-Kuwari added that the business council will invite Qatari business owners and companies to participate in a conference accompanying the exhibition, enabling them to benefit from dialogue sessions and panel discussions.

A seminar and workshops will also be organised to bring together Qatari business leaders with international counterparts, aimed at enhancing trade and investment cooperation opportunities and building strategic partnerships.

Al-Mansouri affirmed the chamber's commitment to supporting the exhibition, noting that "innovation and artificial intelligence (AI) are considered engines of the economy". He said ROBOTECH 26 represents "a valuable opportunity to conclude deals and partnerships between Qatari and international companies in these fields."

Shehab said ROBOTECH 26 will occupy 15,000sq m and is designed as "the premier platform to discover cutting-edge technologies and catalyse public-private partnerships in this high-growth sector."

Li said ROBOTECH 26 aligns with Qatar's Digital Agenda 2030, which places information technology and digital transformation at the centre of economic development. The exhibition is expected to attract leading companies in AI and robotics across sectors, including healthcare, smart transportation, logistics, education, cybersecurity, food security, fintech, industrial technologies, smart cities, and environmental conservation.

According to Qatar Chamber, global market trends underscore the significance of the event. The AI market, valued at "$136.55bn" in 2022, is projected to reach "$826.73bn" by 2030, while the robotics market is expected to hit "$189.36bn" by 2027.

Precious metals fall again, Asia stocks swing as traders wind down

AFP
Hong Kong

An investor looks at an electronic board showing stock information at a brokerage house in Beijing. Shanghai - Composite ended flat at 3,965.12 points yesterday.

Precious metals extended losses yesterday on profit-taking after hitting recent records, while equities fluctuated in quiet trade as investors wound down ahead of the New Year break.

In Tokyo, the Nikkei 225 closed down 0.4% to 50,339.48 points; Hong Kong - Hang Seng Index ended up 1.1% to 25,904.05 points and Shanghai - Composite ended flat at 3,965.12 points yesterday.

Traders were taking it easy in the last few days of 2025 following a stellar 12 months that have seen tech firms push several stock markets to all-time highs, while bitcoin, gold and silver have also enjoyed multiple peaks.

Minutes from the Federal Reserve's most recent policy meeting - at which it cut interest rates a third straight time - are due to be released later in the day and will be scanned for an idea about whether a fourth can be expected in January.

The US central bank's monetary easing in the back end of this year has been a key driver of the markets' rally, compounding a surge in the tech sector on the back of the vast amounts of cash pumped into all things AI.

It has also helped offset recent worries about a possible tech bubble and warnings that traders might not see a return on their investments in artificial intelligence for some time. Still, Asian markets have enjoyed a healthy year, with Seoul's Kospi piling on more than 75% and Tokyo's Nikkei 225 more than 26% - both having hit records earlier in the year.

Still, the two edged down yesterday, with Sydney, Mumbai and Taipei also lower. Hong Kong, Singapore, Wellington, Bangkok and Jakarta rose. Shanghai was flat.

The mixed performance followed losses for all three main indexes on Wall Street.

The big moves of late have been seen in precious metals, with gold hitting a record just shy of $4,550. Silver, meanwhile, topped out at $84 after soaring around 150 percent this year.

Investors have been piling into the commodities on bets for more US rate cuts, a weaker dollar and geopolitical tensions.

Silver has also been boosted by increased central bank purchases and supply concerns. However, both metals have pulled back sharply this week on profit-taking, with gold now around $4,360 and silver at $74.50.

"Headlines screamed collapse, but zooming out, all that really happened was a reset to three- or four-day levels," wrote SPI Asset Management's Stephen Innes.

"The market ran hot, tripped over its own shoelaces, and landed back where it had been standing earlier in the week. One beneficial side effect is that silver flushed enough excess to no longer screen as overbought, which matters more than the move itself."

Oil dipped, having jumped more than two percent Monday when investors rowed back bets on peace talks to end Russia's war with Ukraine as a meeting between US President Donald Trump and Ukrainian counterpart Volodymyr Zelensky ended with little progress.

That surge followed Friday's similar-sized rally on optimism for a breakthrough to end the nearly four-year conflict.

An end to the war could see sanctions on Russian oil removed, which would see a huge fresh supply hit the market.

Bitcoin, which has tumbled since spiking above $126,000 in October, was stabilising just below $90,000 after a shaky end to the year.

US bonds shine in 2025 but returns could lose altitude

Reuters
New York

US bond investors may face a tougher 2026, with some market-watchers forecasting slower returns as the Federal Reserve dials back rate cuts and potential fiscal stimulus complicates the outlook after a banner year.

The cautious forecast comes after a strong 2025 for bondholders, when Fed easing and a supportive economy fuelled the market's best performance since 2020. Investors are now weighing whether a less aggressive Fed and new fiscal policies could halt that momentum, posing a challenge for total returns.

A rate-cutting Fed that trimmed rates by 75 basis points in 2025 fuelled this year's bond rally, since lower policy rates push down yields and make older bonds, with their comparatively higher payouts, more valuable.

On the corporate debt side, a resilient US economy shored up companies' profits, keeping the extra yield investors demand to hold corporate bonds instead of US. Treasuries near historic lows.

Total returns for the Morningstar US Core Bond TR YSD index, which tracks dollar-denominated securities with maturities greater than one year, were about 7.3% in 2025, the highest since 2020. The index includes investment-grade government and corporate bonds.

Many expect market conditions to remain somewhat similar in 2026, but total returns, which include bond payouts and price fluctuations, could struggle to match 2025's performance.

The Fed is largely expected to cut rates by a smaller amount than in 2025, with traders pricing some 60 basis points of easing in 2026 as of Monday. Additionally, fiscal stimulus coming from President Donald Trump's tax and spending policies, which are expected to boost economic growth in 2026, could prevent long-term Treasury yields from dropping as much as they did this year, some investors said.

"I think next year will be trickier," said Jimmy Chang, chief investment officer of the Rockefeller Global Family Office.

"Shorter-dated bond yields will continue to move lower, because the Fed will probably cut one or two more times at the minimum.

At the same time, a re-accelerating economy may push longer-dated bond yields higher… so that will potentially negatively impact the total returns," he said.

Benchmark 10-year Treasury yields - a key gauge for government and private-sector borrowing costs - fell more than 40 basis points this year to about 4.1% as of Monday, as rate cuts and growing worries about the US labour market fuelled the rally. Few expect a repeat in 2026, with many market participants betting the 10-year yield will be at current levels or slightly higher by the end of next year.

JPMorgan analysts see 10-year Treasury yields ending 2026 at 4.35%, while rates analysts at BofA Securities forecast 4.25%.

Anders Persson, chief investment officer and head of global fixed income at Nuveen, said he expects the benchmark yield to decline to about 4%, but he is cautious about the performance of longer-dated bonds as rising government debt levels globally could push those yields higher.

"We could see the long end (of the yield curve) being very much anchored and potentially drift higher," he said, adding he remains "underweight duration," meaning he is keeping a smaller share of longer-maturity bonds that would be hit harder by rising yields.

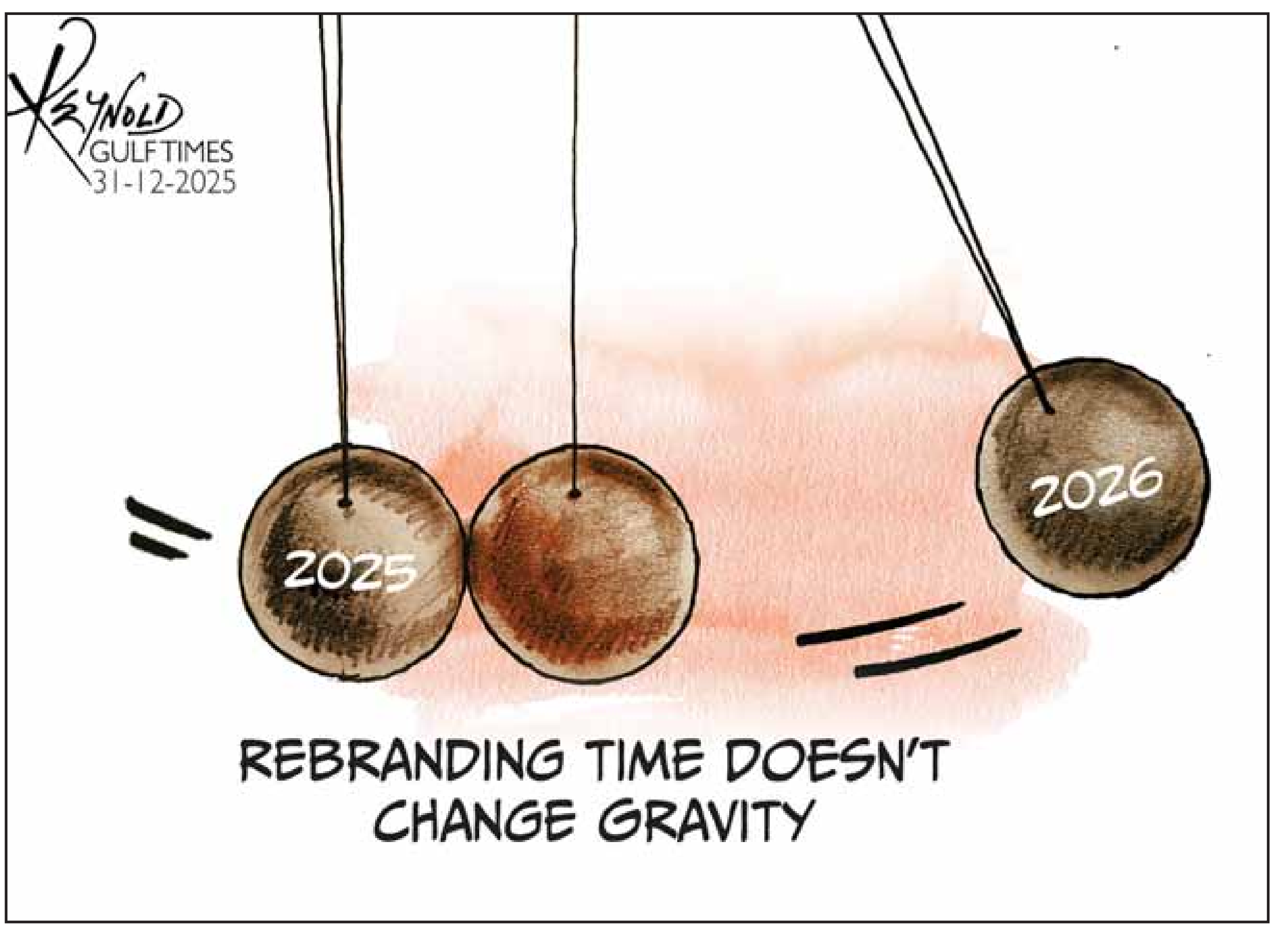
Investment-grade credit spreads - or the premium over US Treasuries paid by high-rated companies to issue bonds - stood at about 80 basis points as of Monday, about the same level they were at the beginning of the year and close to their lowest since 1998.

Total returns for investment-grade credit this year, as measured by the widely used ICE BofA US Corporate Index, stood at nearly 8% as of Monday, up from 2.8% last year. Returns for so-called junk bonds, as measured by the ICE BofA US High Yield Index, were about 8.2%, similar to last year. JPMorgan has forecast investment-grade credit spreads could widen to 110 basis points next year partly on expectations of higher corporate debt issuance from tech companies, with total returns for high-grade debt declining to 3%.

Others are more bullish. BNP Paribas expects spreads at 60 basis points by the end of next year.

Emily Roland, co-chief investment strategist at Manulife John Hancock Investments, said she was optimistic on "high-quality" bonds for 2026, as she expects the economy to slow next year and the Fed to cut rates more aggressively than what the market is pricing.

"The bond market is not sniffing out the disinflation and the weaker growth that we think is coming down the pipeline for 2026," she said. "Fundamentally, to us, bonds should be rallying more."



India says its economy has overtaken Japan; eyes Germany

AFP
New Delhi

India has overtaken Japan as the world's fourth-biggest economy — and officials hope to pass Germany within three years, the government's end-of-year economic review calculates.

Official confirmation however depends on data due in 2026 when final annual gross domestic product figures are released, with the International Monetary Fund suggesting India will cross over Japan next year.

"India is among the world's fastest-growing major economies and is well-positioned to sustain this momentum," read the government economic briefing note, which was released late Monday.

"With GDP valued at $4.18tn, India has surpassed Japan to become the world's fourth-largest economy, and is poised to displace Germany from the third rank in the next two-and-a-half to three years, with projected GDP of $7.3tn by 2030."

IMF projections for 2026 put India's economy at $4.51tn, compared with Japan's $4.46tn. New Delhi's upbeat assessment comes despite economic worries after Washington in August hit New Delhi with huge tariffs over its purchases of Russian oil.

India said continued growth reflects its "resilience amid persistent global trade uncertainties". But other measurements offer a less rosy outlook. In terms of population, India overtook neighbouring China as the most populous nation in 2023.

India's GDP per capita was $2,694 in 2024, according to the latest World Bank figures, 12 times smaller than Japan's $32,487, and 20 times smaller than Germany's $56,103.

More than a quarter of India's 1.4bn people are aged between 10 and 26, according to government figures, and the country is already struggling to generate well-paid jobs for millions of young graduates.

"As one of the world's youngest nations, India's growth story is being shaped by its ability to generate quality employment that productively absorbs its expanding workforce and delivers inclusive, sustainable growth," the note added.

Prime Minister Narendra Modi this year unveiled sweeping consumption tax cuts and pushed through labour law reforms after economic growth hit a four-year-low, in the 12 months ended March 31.

India's rupee hit a record low against the dollar in early December — having dropped around 5% in 2025 — owing to ongoing worries about the lack of a trade deal with Washington and the impact of the levies on the country's goods.

India became the world's fifth-largest economy in 2022, when its GDP overtook that of former colonial ruler Britain, according to IMF figures.