BULLISH SENTIMENT | Page 8

Strong oil prices help QSE gain 74 points; M-cap adds QR3.81bn

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GULF TIMES
BUSINESS

BROADER RELIEF : Page 2

Turkiye's industrial giants eye relief in 2026 as inflation battle eases

QNB Group reports 2% net profit surge to QR17bn in Q4 of 2025

QNB Group's Q4-2025 net profit increased 2% year-on-year (y-o-y) to reach QR17.0bn ($4.7bn), as announced during the board of directors meeting yesterday.

Profit before Pillar Two Taxes reached QR18.4bn ($5.1bn), up by 10% y-o-y. Operating income increased by 8% to reach QR4.8bn ($12.3bn), reflecting the group's ability to maintain successful growth across a range of revenue sources.

Total assets as on December 31, 2025, reached QR1,391bn ($382bn), a 7% y-o-y increase, mainly driven by growth in loans and advances by 12% to reach QR1,018bn ($280bn).

Customer deposits increased by 8% to reach QR955bn ($262bn) from December 31, 2024, as a result of the successful diversification of deposit generation from QNB's network presence.

QNB Group's efficiency (cost-to-income) ratio stood at 23.3%, which is considered "one of the best ratios" among large financial institutions in the MEA region.

The ratio of non-performing loans to gross loans stood at 2.6% as on December 31, 2025, "one of the lowest" amongst financial institutions in the MEA region, reflecting the high quality of the group's loan book and the effective management of credit risk. In addition, the loan loss coverage ratio stood at 100%, which reflects the prudent approach adopted by the group towards non-performing loans.

Total equity increased to QR125bn ($34bn), up by 10% y-o-y. Earnings per share reached QR1.74 ($0.48).

QNB Group's Capital Adequacy Ratio (CAR) as on December 31, 2025 amounted to 19.3%. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) for the same period amounted to 144% and 105%, respectively. These ratios are higher than the regulatory minimum requirements of the Qatar Central Bank (QCB) and Basel III reforms requirements.

The board of directors have recommended to the General Assembly the distribution of a cash dividend of 37.5% of the nominal share value (QR0.375 per share) for the second half of the year ended December 31, 2025, after taking into account the record net profit reported by QNB Group for the financial year 2025.

The total dividend distribution for the year ended December 31, 2025, amounts to 72.5% of the nominal share value (QR0.725 per share).

The annual financial results for 2025, along with the proposed profit distribution, are subject to QCB approval and the General Assembly.

QNB's total assets as on December 31, 2025, reached QR1,391bn ($382bn), a 7% y-o-y increase, mainly driven by growth in loans and advances by 12% to reach QR1,018bn ($280bn)

New era for Japan, Qatar beyond energy ties, says Japanese press secretary

By Peter Alagos
Business Editor

Japan is prepared to support Qatar as it shifts its economic focus from traditional energy to more advanced sectors, according to Kitamura Toshihiro, the press secretary/DG for Press and Public Diplomacy at the Ministry of Foreign Affairs (MOFA) of Japan.

Responding to a *Gulf Times* question during a media briefing in Doha yesterday, Toshihiro emphasised that the Japan-Qatar bilateral relationship is maturing beyond its historic foundations in energy and infrastructure to embrace a future defined by innovation.

"Qatar is very active not only in diplomacy, but also in the economy, as well. [The Qatari] government is now trying to shift from energy to other areas, such as artificial intelligence (AI) or other so-called advanced technologies, so that could be the joint common areas of cooperation for both Japan and Qatar," he told this newspaper.

Toshihiro noted that the visit of Minister of Foreign Affairs Toshimitsu Motegi to Qatar, where he co-chaired the third 'Japan-Qatar Strategic Dialogue', marks a first-of-its-kind mission under the administration of Prime Minister Sanae Takaichi, and underscores the vital importance Japan places on the Middle East.

The press secretary said energy remains a cornerstone of the partnership, with long-term liquefied natural gas (LNG) contracts serving as a foundation for decades of friendship. He said Japan is currently promoting the Asean Zero Emission Community (AZEC) initiative, which views LNG as a primary transition fuel for reconciling economic development with green transformation.

Toshihiro said: "By providing Japanese technology to Asean nations, Japan aims to expand the market for LNG in partnership with Qatari resources. In that context, we consider that LNG remains a more prosperous source of energy. "Major Japanese companies and the Japanese government are working very hard with Asean countries to expand the market for LNG… in this context, I think there are many possibilities between Japan and the Qatari government in promoting LNG cooperation," he explained.

Kitamura Toshihiro, press secretary/DG for Press and Public Diplomacy at the Ministry of Foreign Affairs of Japan.

According to Toshihiro, economic cooperation is further maturing through significant reciprocal investments, including a $2.5bn joint investment fund established between the Qatar Investment Authority (QIA) and Japan's ORIX Corp.

Looking forward, Toshihiro pointed out that the Japanese government has identified 17 priority areas for future development, including AI, which align with the Qatar National Vision 2030.

To facilitate this, Toshihiro said the Japanese embassy in Doha plans to brief domestic firms next month on the vast possibilities for viewing Qatar as a strategic hub for regional expansion.

Dukhan Bank records 5% profit growth to QR1.41bn in Q4-2025

Dukhan Bank has reported a record net profit of QR1.41bn in Q4-2025, representing a 5% year-on-year (y-o-y).

The bank expanded its asset base to reach the highest levels at QR123.8bn as of December 2025, a y-o-y increase of 5%, supported by a 6% rise in net banking income.

The growth in net banking income was driven by the bank's ongoing focus on revenue diversification and the strengthening of non-profit income streams. Additionally, despite challenging external conditions, prudent management of funding costs provided further support for the bank's net banking income.

The asset mix comprised financing assets, which stood at QR90.0bn, representing 73% of total assets. This was complemented by investment securities amounting to QR25.0bn, accounting for 20% of the total asset base.

On the funding front, the bank continued to strengthen and diversify its funding base by leveraging its long-standing client relationships and maintaining a balanced maturity profile. Total deposits increased by 5% to QR87.8bn, while the bank delivered a strong 21% growth in current and savings accounts balances, underscoring customers' confidence and the strength of its value chain.

Earnings per share (EPS) for the period stood at QR0.257, registering a 5% y-o-y increase from QR0.244.

Total equity reached QR15.4bn, while the bank maintained a solid Capital Adequacy Ratio (CAR) of 18.4% compared to 17.3% in December 2024, significantly above the minimum requirements set by the Qatar Central Bank (QCB) and in line with Basel III standards, providing a strong foundation for sustainable growth.

Reflecting the bank's strong credit risk discipline and proactive portfolio management, the non-performing loan (NPL) ratio improved to 4.2% as of December 2025, compared to 4.6% in December 2024. In parallel, the Stage 3 coverage ratio rose to 75.7% (December 2024: 73.1%), further underscoring the bank's robust approach to credit provisioning and risk mitigation.

These developments supported a robust liquidity position, with the regulatory loan-to-deposit ratio improving to 98.1% (December 2024: 98.6%). Both the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) remained comfortably above regulatory thresholds throughout the year.

Sheikh Mohammed bin Hamad bin Jassim al-Thani, executive board member and managing director, said: "Our performance reflects the underlying strength of our business model, the continued trust of our customers and shareholders, and our ability to navigate a dynamic operating environment while remaining firmly focused on long-term value creation.

"Looking ahead, Dukhan Bank will continue to build on these solid foundations, with a clear focus on innovation, service excellence, and prudent growth. Our priority remains the creation of sustainable value for all stakeholders, while contributing meaningfully to Qatar's wider economic and social development."

After reviewing current year's financial performance, with an assessment of the present and anticipated liquidity position, and considering the prevailing and future macroeconomic conditions along with the business outlook, the board of directors has proposed an additional cash dividend distribution of 8% of the nominal share value (equivalent to QR0.08 per share), subject to the approval of the QCB and shareholders at the Annual General Assembly meeting.

The proposed dividend, combined with the interim dividend, takes the total dividend distribution for the financial year 2025 to 16% of nominal share value (equivalent to QR0.16 per share).

Venezuela begins 'reversing oil output cuts' as exports resume

Reuters
London

Venezuela's state energy company PDVSA has begun reversing oil production cuts made under a strict US oil embargo as crude exports resume under US supervision, three sources close to operations said yesterday.

The Opec member's oil exports fell close to zero in the weeks after the US imposed a blockade on oil shipments in December, with only US oil major Chevron exporting crude from its joint ventures with PDVSA under US license.

The embargo left millions of barrels stuck in onshore tanks and vessels. As storage filled, PDVSA was forced to shut wells and order oil production cuts at joint ventures in the country.

The state company is now instructing the joint ventures to resume output from well clusters that were shut as a third oil tanker set sail from Venezuela's coast yesterday. Two supertankers had departed Venezuelan waters late on Monday carrying about 1.8mn barrels each of crude in what may be the first shipments of a 50mn-barrel supply deal between Caracas and Washington to get exports moving again in the wake of the US capture of Venezuelan President Nicolas Maduro.

The country's overall crude output fell to some 880,000 barrels per day (bpd) last week, from 1.16mn bpd in late November, according to production figures from consultancies that independently track Venezuelan oil output.

The country's main oil region, the Orinoco Belt, saw a reduction to some 410,000 bpd compared with 675,000 bpd in late November, according to the figures. PDVSA has yet to confirm that the supply deal for the 50mn barrels has been finalised.

The state company had worked to prevent deeper output reductions that might be difficult to reverse, given that production facilities at some oilfields are dilapidated due to lack of maintenance.

PDVSA and the White House did not immediately reply to requests for comment.

The vessels on Tuesday were heading north from Venezuela's coast to the Caribbean, LSEG ship tracking data showed, where many oil companies including traders, producers and refiners lease storage tanks.

BUSINESS

China's heavy reliance on Iranian oil imports amid supply disruption fears

Reuters
London

China, the world's largest crude importer, is the main buyer of oil from Opec producer Iran, leaving Beijing uniquely exposed to any supply disruption from conflict in the Middle East. Beijing, which is also the biggest buyer of oil from Venezuela and a top importer of oil from Russia, has used purchases from the three countries facing various Western sanctions to save billions of dollars on its import bill in recent years.

How much Iranian oil does China buy?

China buys more than 80% of Iran's shipped oil, data for 2025 from analytics firm Kpler showed. Iranian oil has limited buyers due to US sanctions aimed at cutting off funding to Tehran's nuclear programme.

China purchased on average 1.38mn barrels per day of Iranian oil last year, according to Kpler. That represented about 13.4% of the total 10.27mn bpd of oil it imported by sea.

Who are the main Chinese buyers of Iranian crude?

Chinese independent refiners known as teapots, clustered mainly in Shandong province, are the main buyers of Iranian crude, drawn by its discount to non-sanctioned barrels. Teapots, which account for roughly a quarter of Chinese refinery capacity, operate on narrow and sometimes negative margins and have been squeezed recently by tepid domestic demand for refined products.

China's big state oil companies have refrained from buying Iranian oil since 2018/2019, traders and experts have said.

How much cheaper is Iranian oil?

Iranian Light crude has traded at around $8-10 a barrel below ICE Brent on a delivered basis to China since December, from a discount of about $6 in September, traders said. That means Chinese refiners save about $8 to $10 a barrel if they buy Iranian Light rather than non-sanctioned Oman crude, according to calculations by a trader and Reuters.

Discounts have widened due to ample supply in onshore tanks and floating storage. Iran has a record amount of oil on the water, equivalent to around 50 days of output, as China has bought less because of sanctions and Tehran seeks to protect its supplies from the risk of US strikes, Kpler said.

Are US sanctions having an impact?

Washington reinstated sanctions on Tehran in 2018, and US President Donald Trump's administration has imposed several new rounds of sanctions on Iran's oil trade since taking office in January. Trump's sanctions have included penalties on three Chinese teapots, which has curtailed buying from several mid-sized independents worried about being designated, Reuters reported.

What is Beijing's stance on the Iran oil trade?

Beijing rejects unilateral sanctions and defends its trade with Iran as legitimate. Iranian oil imported by China is typically labelled by traders as originating from other countries, such as Malaysia, a major transshipment hub, and Indonesia. Chinese customs data has not shown any oil shipped from Iran since July 2022.

Employees work at a garment factory in the organised industrial zone in Corum, Turkiye. More than half of the 238 companies in the Istanbul bourse's industrials index reported losses in the first nine months of last year, Reuters data shows.

Turkiye's industrial giants eye relief in 2026 as inflation battle eases

- **High interest rates and strong lira hurt sector competitiveness**
- **Rate cuts to help recovery, executives and analysts say**
- **Weak demand in Europe and Asia adds to local challenges**

Reuters
Istanbul

Turkiye's industrial powerhouses including Vestel, SASA and Arcelik, are poised to leave years of poor results and high costs behind by the end of 2026, as the painful taming of high inflation brings them and the broader economy some relief.

The big makers of electronics, appliances and other goods have borne the brunt of the central bank's tight policies since mid-2023, and high interest rates, a strong lira currency and weak domestic demand have led to losses and hurt international competitiveness.

More than half of the 238 companies in the Istanbul bourse's industrials index reported losses in the first nine months of last year, Reuters data shows. The manufacturing industry has shed some 600,000 jobs in three years.

With inflation at 31% and interest rates at 38% — and both declining only gradually — pain for industrial companies is set to continue in the first half of the year at least, according to executives and analysts. Some relief is seen towards the end of the year, as both rates and the lira are expected to settle lower.

"We expect demand to increase in 2026 as interest rates fall, having a positive impact on our domestic sales," said Bulent Yilmazel, financial affairs and investor relations group manager at SASA, among the largest global polyester producers.

"High inflation and interest rates in Turkiye led to a contraction in domestic demand, which was a major problem in 2025," Yilmazel told Reuters.

Beginning with the first of a series of lira crashes in 2018, big exporters benefited for a while from currency devaluation and relatively low borrowing costs under the easy-money policies. But that changed in the last two years as interest rates were hiked as high as 50%, and as the central bank also largely stabilised the currency to contain import inflation.

The bank is now cutting rates, which according to a Reuters poll are seen falling to 28% by year end — which would spell some cost relief for industrialists.

Cemal Demirtas, head of research at Ata Invest, said rates need to fall below 30% for these companies to recover. "We expect to feel a little more relief starting in the second half of 2026," he said.

After a meeting with Central Bank Governor Fatih Karahan last week, Turkiye's main exporters group TIM said the bank was poised to support the sector more, including possibly with incentives for converting FX earnings.

Among the hardest hit industrials are Vestel Elektronik, the consumer electronics company, and Arcelik, the home appliance maker and top player in Europe with its Beko brand.

In the first nine months of last year, Vestel topped the list of all loss-making Istanbul-listed industrials with an 18.3bn lira ($430mn) loss, followed by SASA's nearly 10bn lira loss and Arcelik's 6.4bn lira loss.

In their latest results assessments, all three companies cited weak demand in Europe and Asia as another major challenge. Vestel said the lira's real appreciation "led to higher labour costs in euro terms, weighing on profitability" in the first three quarters of 2025, while Arcelik cited pricing pressures.

Arcelik and Vestel declined to comment on the outlook for 2026.

Yilmazel of SASA said it was not easy coping with the high financing expenses, which he called the main reason for last year's loss. This year, he said SASA will likely refinance a large portion of loans to take advantage of falling rates.

"As the interest rates keep falling, recovery will be felt more. The second half of the year looks set to be much better than the first half," Yilmazel said.

Wall Street bank JPMorgan said last December, Arcelik had been expected to begin recovering in the second half of 2025 — until the central bank was forced to delay, and temporarily reverse, its easing cycle earlier in 2025.

Years of high inflation and the added pressure of high borrowing costs have left Turkish consumers under pressure, constraining pricing power, JPMorgan said.

Analysts say the government's inflation forecasts — 16% by end-2026 and 9% by end-2027 — are too optimistic, suggesting a slower and riskier path to recovery for the industrial companies.

Nigeria bets on $2bn fund to boost energy transition

Reuters
Lagos

Nigeria is betting on green finance to drive its energy transition with the president unveiling plans for a $2bn climate fund yesterday, saying oversubscribed green bonds were proof of investor appetite.

Speaking at the Abu Dhabi Sustainability Week summit, President Bola Tinubu said Nigeria's Climate Investment Platform aimed to mobilise $500mn for climate-resilient infrastructure, while the National Climate Change Fund is targeting a $2bn capitalisation to back projects that cut emissions and boost resilience.

Tinubu also announced that Nigeria and the United Arab Emirates had signed a Comprehensive Economic Partnership Agreement (CEPA) that aims to boost trade and investment across sectors including renewable energy, aviation, logistics, agriculture, digital trade, and climate-smart infrastructure.

Nigeria faces major environmental and climate policy challenges including reducing gas flaring and methane emissions, as it works towards its Energy Transition Plan, which targets net-zero emissions by 2060 while delivering universal energy access.

Nigeria's green bond programme has drawn strong investor interest. A 50bn naira ($38mn) sovereign green bond issued in 2025 attracted 91bn naira in subscriptions, while Lagos State's green bond was oversubscribed by nearly 98%, the president said.

Tinubu said his government was also seeking to unlock an ambitious $25-30bn annually in climate finance. A new Climate and Green Industrialisation Investment Playbook will aid private investors and other stakeholders navigate manufacturing policy and the regulatory landscape.

This builds on past initiatives including the Nigeria Sovereign Investment Authority's $500mn Distributed Renewable Energy Fund, launched in March 2025 to catalyse local financing.

"These reforms show Nigeria is ready for business," the president said, adding that non-oil exports have grown by 21% and investment commitments now exceed $50bn across key sectors.

Nigeria is prioritising technology partnerships to modernise its grid and deploy artificial intelligence for efficiency, alongside pilot projects in electric mobility and green industrialisation, he added.

The president called for a shift towards more blended finance — which combines public and philanthropic capital with private investment and can absorb initial losses if the project underperforms — instead of sovereign guarantees, which he said unfairly penalise emerging economies.

'Kazakhstan's oil output down 35% on January 1-12'

Reuters
Moscow

Oil and gas condensate output in Kazakhstan plunged by 35% on January 1-12 from December's average, a source familiar with the data told Reuters, mainly due to export constraints via a Black Sea terminal.

Still, Kazakhstan raised oil production for the whole of 2025 to 99.6mn metric tons, or 2.060mn barrels per day according to preliminary Reuters calculations, up from 87.6mn tons extracted in 2024 and compared with 96.2mn tons expected by the energy ministry.

Kazakhstan's oil exports have been reduced after a November 29 Ukrainian drone attack on the Caspian Pipeline Consortium's Black Sea terminal in Russia. The terminal handles around 80% of Kazakhstan's oil exports.

One of three moorings was severely damaged, according to CPC, where US majors Chevron and ExxonMobil have large stakes.

Kazakhstan's production declined to 1.21mn barrels per day in early January from 1.87mn bpd in December, said the source, who spoke on condition of anonymity due to the sensitivity of the situation.

The source also said that output at the Chevron-led Tengiz oilfield, Kazakhstan's largest, has more than halved for the period. Production at the offshore Kashagan oilfield fell by 60%, while output at Karachaganak declined by 40%.

Kazakhstan's energy ministry and operators of the fields did not immediately reply to requests for comment.

After the drone attack, Kazakhstan diverted some of its oil flows to other routes from the Black Sea terminal, including to China and the Baku—Tbilisi—Ceyhan pipeline.

Japan finance minister says US Treasury's Bessent shares concerns about weak yen

Reuters
Tokyo

Japan's Finance Minister Satsuki Katayama said she and US Treasury Secretary Scott Bessent shared concerns over what she called the yen's recent "one-sided depreciation", as Tokyo stepped up threats of intervention to stem the currency's fall.

Katayama's comments reflect Japan's rising unease over a slide in the yen, which crossed the key 158-yen-per-dollar mark for the first time in about a year following reports that Japanese Prime Minister Sanae Takaichi may call a February snap election.

The reports pushed down the yen as they stoked speculation that an election win would help Takaichi secure a mandate for her expansionary fiscal policy. But the weak yen has been a headache for policymakers as it inflates import costs, weighs on households and possibly affects Takaichi's popularity ratings.

"I conveyed my deep concern over the one-sided depreciation of the yen, seen also on January 9, and Secretary Bessent shared this view," Katayama told reporters in Washington, hinting at tacit US approval for market intervention.

Katayama was speaking after a bilateral meeting with Bessent on the sidelines of a multilateral meeting on critical mineral supply chains.

A US Treasury spokesperson did not immediately respond to a request for comment on the Bessent-Katayama bilateral meeting.

A senior Japanese government official who briefed reporters on the meeting said Katayama instructed him to closely coordinate with the US if necessary.

The dollar briefly dipped below 158 yen after Katayama's comments, but later bounced back to hit 158.925 yen, its highest since July 2024.

In a separate news conference, Deputy Chief Cabinet Secretary Masanao Ozaki warned of potential action. "The government will take appropriate steps on excessive currency moves, including speculative ones," he said.

Banknotes of Japanese yen are seen in the illustration picture. The weak yen has been a headache for policymakers as it inflates import costs, weighs on households and possibly affects Prime Minister Sanae Takaichi's popularity ratings.

Ozaki declined to comment on the reports about an election, saying it is the Prime Minister's prerogative to dissolve parliament.

"Japan's argument is that yen-buying interventions should be justified as the yen's recent weakness, despite the narrowing interest rate gap between the US and Japan, deviates from fundamentals," said Hiroyuki Machida, director of Japan FX and commodities sales at ANZ.

But the latest yen selling would continue until the outcome of the reported election and the direction of fiscal policy become clear, meaning the need for massive firepower to keep supporting the yen, Machida said.

"So intervention is possible anytime now, but my guess is that wouldn't happen till the yen hits 160 per dollar."

Japan last intervened in the currency market in July 2024, when the yen fell to a 38-year low of around 161.96 to the dollar.

Also yesterday, Economic Revitalisation Minister Minoru Kiuchi told a press conference that Takaichi's fiscal policy alone should not be blamed for the weak yen.

"Exchange rates and interest rates are determined in the market based on a wide range of factors, so it is difficult to single out fiscal policy and say it has a specific impact on markets," he said.

Katayama has said Tokyo has "a free hand" in dealing with excessive moves in the yen, citing a joint Japan-US statement issued in September.

The joint statement said Japan and the US reaffirmed their commitment to "market-determined" currency rates, while agreeing that foreign exchange interventions should be reserved for combating excess volatility.

Japanese policymakers have cited the statement as giving them the right to intervene when yen moves deviate from economic fundamentals and make excessively big swings.

On the multilateral rare earths meeting, Katayama said she told the participants about Tokyo's stance on Beijing's ban on exports of items destined for Japan's military that have civilian and military uses, potentially including some critical minerals.

"I told the meeting that it's highly problematic because it covers an extremely broad range of items with vague wording and includes re-export restrictions that affect third countries, including the members present in the meeting," she said.

QNB Group Net Profit Before Pillar Two Taxes Up By 10%

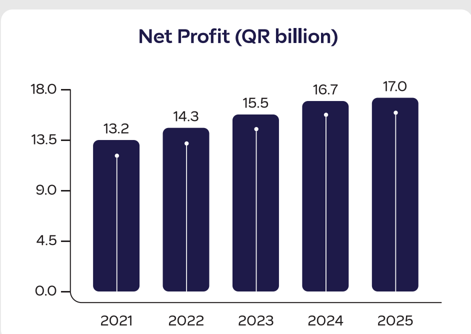
H.E. Mr. Ali Ahmed Al-Kuwari
Chairman of the Board of Directors

Key Highlights

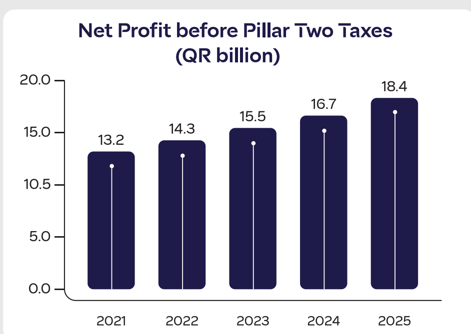
- Net Profit up by 2% from December 2024 to reach QR17.0 billion.
- Net Profit before Pillar Two Taxes up by 10% from December 2024 to reach QR18.4 billion.
- Total Assets up by 7% from December 2024 to reach QR1,391 billion.
- Loans and Advances up by 12% from December 2024 to reach QR1,018 billion.
- Customer Deposits up by 8% from December 2024 to reach QR955 billion.
- Earnings per share up by 3% from December 2024 to reach QR1.74
- Total Equity up by 10% from December 2024 to reach QR125 billion.

International Presence

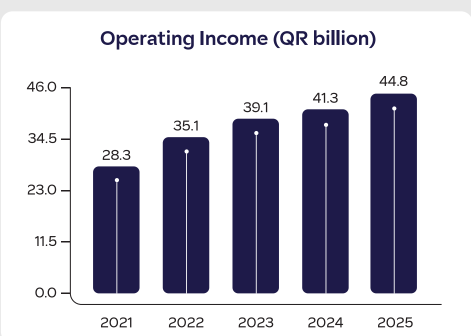
For the second half of the year ended 31 December 2025, the Board of Directors have recommended to the General Assembly for the distribution of a cash dividend of 37.5% of the nominal share value (QR0.375 per share), increasing the total dividend distribution for the year ended 31 December 2025 to 72.5% of the nominal share value (QR0.725 per share).



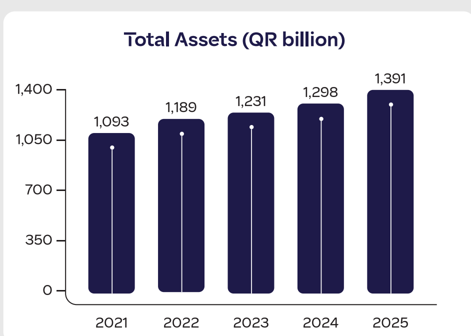
Net profit increased by 2% to QR17.0 billion



Net profit before Pillar Two Taxes increased by 10% to QR18.4 billion



Operating income increased by 8% to QR44.8 billion



Total assets increased by 7% to QR1,391 billion

QNB Group, one of the largest financial institutions in the Middle East and Africa (MEA) region, announced that the Board of Directors, during its meeting held today has approved the results for the year ended 31 December 2025.

The Board of Directors of QNB Group have recommended to the General Assembly the distribution of a cash dividend of 37.5% of the nominal share value (QR0.375 per share) for the second half of the year ended 31 December 2025, after taking into account the record net profit reported by QNB Group for the financial year 2025. The total dividend distribution for the year ended 31 December 2025 amounts to 72.5% of the nominal share value (QR0.725 per share).

The annual financial results for 2025 along with the proposed profit distribution are subject to Qatar Central Bank (QCB) approval and the General Assembly.

QNB Group delivered another year of record results, achieving the highest set of results in the Group's history on all key financial metrics. Key indicators of the financial results were as follows:

Financial Highlights

(QR billion)	December 2025	December 2024	Increase
Net Profit	17.0	16.7	2%
Net Profit before Pillar Two Taxes	18.4	16.7	10%
Operating Income	44.8	41.3	8%
Total Assets	1,391	1,298	7%
Loans and Advances	1,018	911	12%
Customer Deposits	955	887	8%
Total Equity	125	114	10%

Key Performance Indicators

	December 2025	December 2024
Earnings Per Share (QR)	1.74	1.69
Cost to Income Ratio	23.3%	22.3%
Loans to Deposits Ratio*	98.6%	96.8%
NPL Ratio	2.6%	2.8%
Coverage Ratio	100%	100%
Capital Adequacy Ratio (CAR)	19.3%	19.2%
Liquidity Coverage Ratio (LCR)*	144%	179%
Net Stable Funding Ratio (NSFR)*	105%	101%

*As per QCB regulations

Creating long-term shareholder value through sustainable and profitable growth

Income statement results: Net profit for the year ended 31 December 2025 reached QR17.0 billion, an increase of 2% compared to same period last year, demonstrating the stable nature of QNB Group's financial results. Net profit before Pillar Two Taxes reached QR18.4 billion, which is an increase of 10% compared to December 2024. Operating Income increased by 8% to reach QR44.8 billion which reflects the Group's ability to maintain successful growth across a range of revenue sources.

QNB Group's efficiency (cost to income) ratio stood at 23.3%, which is considered one of the best ratios among large financial institutions in the MEA region.

Balance sheet drivers: Total Assets as at 31 December 2025 reached QR1,391 billion, an increase of 7% from 31 December 2024, mainly driven by growth in loans and advances by 12% to reach QR1,018 billion. Customer deposits increased by 8% to reach QR955 billion from 31 December 2024, as a result of successful diversification of deposit generation from QNB's network presence.

Credit quality: The ratio of non-performing loans to gross loans stood at 2.6% as at 31 December 2025, one of the lowest amongst financial institutions in the MEA region, reflecting the high quality of the Group's loan book and the effective management of credit risk. In addition, loan loss coverage ratio stood at 100%, which reflects the prudent approach adopted by the Group towards non-performing loans.

Regulatory ratios: QNB Group's Capital Adequacy Ratio (CAR) as at 31 December 2025 amounted to 19.3%. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as at 31 December 2025 amounted to 144% and 105% respectively. These ratios are higher than the regulatory minimum requirements of the QCB and Basel III reforms requirements.

Pillar Two Taxes

QNB Group has ensured compliance with Base Erosion and Profit Shifting (BEPS) Pillar Two Anti Global Base Erosion ("GloBE") Rules. This ruling came into effect in Qatar with effect from 1 January 2025 based on Qatar Law Number 22 of 2024. The rules have multiple mechanisms that aim to ensure that qualified multi-national enterprises maintain a minimum effective tax rate of 15%, calculated based on the excess taxable profits in every jurisdiction. The incremental impact of these new taxes amounted to QR1.4 billion for the year ended 31 December 2025.

QNB Share Buyback

Since 2024, QNB Group has repurchased 123.1 million ordinary shares at a total cost of QR2.1 billion.

Digital First Banking

During the year, QNB Group received the license approvals for digital-first banking entities namely, ezbank, from the Saudi Central Bank (SAMA) and ezbank, from the Central Bank of Egypt.

These milestones reflect a commitment to supporting QNB Group's vision for financial inclusion and digital transformation, as well as the broader economic development strategy.

The license approvals for ezbank in the Kingdom of Saudi Arabia and Egypt are an important step in QNB Group's ongoing efforts to transform the banking sector in the markets in which it operates. The entities aims to offer a digital-first banking experience that is simple, inclusive and secure and will provide innovative solutions for entrepreneurs and the youth.

Expanding International Footprint

In May 2025, QNB Group became the first bank in MEA region to open a branch in India's Gujarat International Finance Tec-City (GIFT City) in Gujarat, India's first international financial centre and special economic zone.

Top-tier credit ratings

QNB remains the highest-rated banks in Qatar and one of the highest-rated banks in the world with ratings of Aa2 from Moody's and A+ from both S&P and Fitch.

These ratings are a testament to QNB Group's capital strength, governance, prudent risk management, business and operating model. This provides QNB Group with a competitive advantage when accessing global capital markets for wholesale funding and enables QNB to continue its growth and expansion plans.

QNB Group's financial strength reflects its top tier credit ratings, which demonstrates the confidence that institutional, corporate and individual customers have in QNB Group's performance and long-term strategy, providing assurances to investors and market participants.

Diversified funding sources

In February 2025 QNB Group tapped its global debt markets with a successful completion of an inaugural Shogun bonds issuance in Qatari Riyals amounting to QR500 million exclusively for international investors. This issuance is the first-ever Qatar Riyal denominated Shogun bond issued in Japan for a tenor of three years with an attractive yield. This issuance is part of QNB Group's strategy to tap new sources of stable funding from new markets. Furthermore, in March 2025 QNB Group issued a Formosa bond for USD700 million with a dual listing in London Stock Exchange and Taipei Stock Exchange.

In addition to this, in July 2025 QNB Group successfully issued a five-year USD1.0 billion tranche in the international capital markets and a five year EUR750 million tranche was issued in September 2025 being the largest ever Euro denominated green bond issuance from a CEEMEA bank under its Medium Term Note Programme.

In November 2025, QNB Group successfully issued Qatar's inaugural Digitally Native bond issuance, a USD500 million three-year floating interest rate digital bond. Using HSBC Orion, the market-leading digital assets platform, the issuance marks the acceleration of digital asset adoption in the Middle East. This landmark transaction represents the largest ever Digitally Native bond issuance issued from the Middle East and Africa region by a financial institution.

This step comes as part of QNB Group's strategy to tap new sources of stable funding from new markets with digitally innovative funding sources.

These deals attracted strong interest around the world from key global investors, reflecting investors' confidence in QNB Group's financial strength and its position as the largest financial institution in the Middle East and Africa region and demonstrates QNB Group's standing as a high-quality issuer.

Creating and delivering value

Based on QNB Group's continuous strong performance, driven by its strength and international footprint, the QNB brand remains the most valuable banking brand in the MEA region by Brand Finance, with a brand value of approximately USD9.4 billion, placing the Group in 39th position globally among the Top 50 most valuable banking brands in the world. This reflects QNB Group's successful efforts to serve its diverse customer base. QNB's Brand Strength Index (BSI) remained stable at 86.

2025 was a rewarding year for QNB Group, during which it received a number of prestigious awards in recognition of its outstanding performance, innovation, and client-centric strategies including:

- Best Trade Finance Bank in Qatar by GTR
- Best Mobile Banking App and Best in Social Media Marketing and Services in Qatar by Global Finance
- Best Bank for Payments in the Middle East and Best Bank for Cash Management in Qatar by Global Finance
- Best Private Bank in Qatar by MEED
- Best Multi-Channel Offering in MENA by MEED
- The Middle East's Best Bank for Diversity and Inclusion and Qatar's Best Private Bank by Euromoney

Sustainability

QNB Group remains a regional leader in sustainability recognised for its ESG financing activities, market leading disclosures, top ESG ratings, and international accolades.

During the year, QNB Group issued its inaugural Euro-denominated green bond through QNB Finance Ltd. In addition, QNB Group's subsidiary in Türkiye issued the world's first Climate Transition Bond aligned with the new International Capital Market Association (ICMA) guidelines, and in partnership with the International Finance Corporation (IFC).

As the benchmark for transparency and disclosures, QNB Group was the first bank in the Middle East to disclose in accordance with ISSB Sustainability Disclosure Standards (IFRS S1 and S2), including Scope 3 financed emissions covering more than 90% of the Group portfolio. Furthermore, QNB remains the only bank in the region to obtain independent assurance on GRI-aligned reporting and key metrics, including greenhouse gas (GHG) emissions. To promote adoption of international best practices, QNB Group shared its experience at a national IFRS capacity-building event hosted by Qatar's financial regulators and the Qatar Stock Exchange.

QNB Group also completed its comprehensive Group-wide climate change strategy, encapsulating climate ambitions, transition approaches, priority sectors, and implementation roadmap. This positions QNB to support national and international Paris Agreement-aligned goals across its markets. QNB is proud to serve as a strategic sponsor, partner, and contributor to the Qatar National Dialogue on Climate Change.

QNB Group maintains top ESG ratings amongst GCC banks, and has been recognised for its sustainability achievements by Euromoney Awards for Excellence, Global Finance Sustainable Finance Awards, and TIME World's Best Companies for Sustainable Growth, amongst others.

Group statistics

QNB Group's presence spans 28 countries across three continents operating from approximately 900 locations, over 5,000 ATMs supported by more than 31,000 staff.

Subsidiaries & Associates of QNB Group

QNB Group	Country	% Ownership
QNB Capital LLC	Qatar	100%
QNB Suisse S.A.	Switzerland	100%
QNB Financial Services	Qatar	100%
QNB Tunisia	Tunisia	99.99%
QNB Turkiye	Turkiye	99.88%
QNB Egypt	Egypt	95%
QNB Indonesia	Indonesia	91.57%
Al-Mansour Investment Bank	Iraq	54%
QNB Syria	Syria	51%
Commercial Bank International	UAE	40%
Housing Bank for Trade and Finance	Jordan	38.6%
Al Jazeera Finance Company	Qatar	20%
Ecobank Transnational Incorporated	Togo	20%
Enpara	Turkiye	99.88%

Davos begins new era grappling with global order shaken by Trump

- **WEF meeting follows US moves on business, diplomacy**
- **First Davos meeting since founder Schwab stood down**
- **International co-operation tested by 'America First'**

Reuters
Zurich

Business and political elites head to the World Economic Forum's annual meeting in Davos next week with its vision of a rules-based global economic order being tested to the limits

Business and political elites head to the World Economic Forum's annual meeting in Davos next week with its vision of a rules-based global economic order being tested to the limits.

US President Donald Trump's expected appearance in the Swiss mountain resort highlights the gap between his agenda and the consensus-driven approach of the WEF, which has faced enduring criticism that it is a talking shop of the rich.

His "America First" policy has led to trade tariffs being used as punishment, military intervention in Venezuela, the threat of taking over Greenland by force and a US retreat from cooperation on climate, health and other global challenges. The Trump administration has also threatened Federal Reserve Chair Jerome Powell with a criminal indictment, prompting many top central bankers to issue a statement defending him and central bank independence.

Dubbing its 56th edition "A Spirit of Dialogue", the WEF's leaders say that given the current uncertainty, getting together to map out a way forward in business and politics is crucial.

"Dialogue is not a luxury, it is a necessity," said WEF president and CEO Borge Brende, a former Norwegian minister.

But others say that with the US and China leveraging power to suit national interests, the WEF risks obsolescence.

"Who is going to be making the case for the rules-based international order?" said Daniel Woker, a former Swiss ambassador and foreign relations expert. "To be very blunt, in a system where everyone is only looking out for themselves, it has no reason to exist. It's an event from the past."

Davos-watchers are also looking at whether the event has lost impetus since its 87-year-old founder Klaus Schwab stepped down as chair in April. The Geneva-based organisation said in August an internal investigation had found no evidence of material wrongdoing by Schwab, after a whistleblower letter alleging misconduct. It named BlackRock CEO Larry Fink and Roche vice-chair Andre Hoffmann as interim co-chairs.

The latest forum has much to discuss, from how to handle Trump's version of the Monroe Doctrine establishing US supremacy in the Western hemisphere, to the ways artificial intelligence is changing the world. It comes just after one of Switzerland's worst modern tragedies, a ski resort bar fire that killed 40 people.

In pre-event briefings, the WEF has put a brave face on the global tumult, highlighting how companies have sought to adapt to the highest US tariff rates since the Great Depression and pointing to an easing of trade tensions in late 2025. Still, a WEF survey of executives released last week showed that doing business got harder in 2025. The poll also painted a downbeat picture of cooperation on peace and security.

With several European leaders expected to attend, eyes will be on how they respond to US challenges, including Trump's threats to take over Greenland, and attacks on European efforts to regulate American tech firms.

"The politicians need to stand strong," said Christy Hoffman, General Secretary of the UNI Global Union representing 20mn service-sector workers worldwide, urging policymakers to address how AI and new technologies impact jobs.

One feature of this year's WEF meeting will be top oil executives eager to hear Trump promoting his energy dominance agenda, which encourages them to drill for more oil and gas while snubbing alternatives like wind and solar.

The CEOs of Exxon Mobil, Shell, TotalEnergies, Equinor and ENI are all expected after much more sporadic attendance in past years, when oil players saw the forum as anti-fossil fuel.

It remains to be seen whether China, which in recent years has sent top officials, will field a sizeable Davos presence.

Apple, Google strike Gemini deal for revamped Siri in major win for Alphabet

Reuters
New York

Apple will use Google's Gemini models for its revamped Siri coming later this year under a multi-year deal that deepens the tech giants' alliance in the artificial intelligence era and bolsters Alphabet's position in the race against OpenAI.

The deal announced Monday marks a major vote of confidence for Google. Its technology already drives much of Samsung's "Galaxy AI", but the Siri deal unlocks a large market with Apple's installed base of more than 2bn active devices.

"After careful evaluation, Apple determined Google's AI technology provides the most capable foundation for Apple Foundation Models," Google said, adding that its models will also power other future Apple Intelligence features.

Alphabet has been jostling with OpenAI for the Apple deal, the financial details of which were not disclosed.

The iPhone maker had in late 2024 rolled out ChatGPT into its devices, allowing the company's Siri voice assistant to tap into the chatbot's expertise to answer complicated questions.

Apple said there were no major changes to the ChatGPT integration at the time, while OpenAI did not respond to Reuters' request for comment.

"This seems like an unreasonable concentration of power for Google, given that (they) also have Android and Chrome," Tesla CEO Elon Musk said in a post on social media platform X.

Musk founded his own AI firm xAI that has been trying to compete with other major players in the industry by building foundational models and spending billions on massive infrastructure.

Monday's tie-up will likely raise questions on OpenAI's partnership with Apple. In response to Gemini 3, OpenAI CEO Sam Altman late last year reportedly issued a "code red" to push teams to accelerate development.

"Apple's decision to use Google's Gemini models for Siri shifts OpenAI into a more supporting role, with ChatGPT remaining positioned for complex, opt-in queries rather than the default intelligence layer," said Parth Talsania, CEO of Equisights Research.

Google has been firing on all cylinders to counter OpenAI's early lead in the industry by doubling down on frontier models, and image and video generation.

Apple has faced a series of setbacks on the AI front after being late to the race, with Siri's upgrade getting delayed, top-level executive changes and the initial rollout of its generative AI tools being met with lukewarm reception.

The latest agreement builds on a years-long partnership that makes Google the default search engine on Apple devices — a lucrative arrangement that drives traffic for Google while generating tens of billions in annual revenue for Apple.

News of the deal helped power Alphabet's market valuation above $4tn on Monday. The stock jumped 65% last year on growing investor optimism about its AI efforts.

Donald Trump versus Federal Reserve: What you need to know

Reuters
Washington

Jerome Powell, head of the US Federal Reserve, said on Sunday the Justice Department has opened a criminal investigation against him for allegedly misleading Congress about a building renovation project at the central bank's headquarters.

The action marks a dramatic escalation in President Donald Trump's pressure campaign against the top policymaking body for the US economy, which Trump thinks is not lowering interest rates fast enough.

The White House says Trump did not order the investigation, but Trump, who has threatened to fire Powell, has called on him to resign, and has said he should face legal consequences for the renovation's cost overruns.

Outside observers say Trump's actions could erode the independence of the world's most important central bank and reduce confidence in the US economy.

Why does this matter?

Since returning to office a year ago, Trump has sought to bend the US government to his will by firing tens of thousands of civil servants, eliminating internal watchdog positions, and dismissing Democratic appointees from agencies like the Federal Trade Commission that were set up to be run in an independent fashion.

The Fed is just one of his targets, but perhaps the most significant.

The Federal Reserve is tasked with keeping inflation in check, unemployment low and the financial system operating smoothly. It does this by setting the baseline for the cost of credit. While the Fed only controls the federal funds rate — the interest rate that banks charge each other for overnight loans — that serves as a foundation for the cost of other types of lending like home mortgages and credit cards.

If the Fed sets the interest rate too high, that can discourage borrowing, which can then weigh on consumption and investment and slow the economy. If the Fed sets interest rates too low, the economy can overheat, leading to higher inflation. The Fed sharply hiked the federal funds rate in 2022 and 2023 to combat inflation following the Covid-19 pandemic and has been gradually lowering it since 2024. It cut rates three times at the end of last year.

What's meant by Fed independence?

Congress designed the Fed to be insulated from political pressure. The seven members of its Board of Governors serve 14-year terms, which ensures that no president can nominate a majority. Moreover, board members make interest-rate decisions with five of the 12 regional bank presidents casting votes as well on an annual rotation, which decentralises power from Washington. The Fed also controls its own budget and does not rely on Congress for funding.

Trump has repeatedly called on the Fed to slash interest rates to as low as 1% — a level rarely seen outside of a crisis — and he has criticised Powell when the central bank has not followed his wishes.

Trump also tried to fire another Fed governor, Lisa Cook, for allegedly filing misleading mortgage documents. Cook has denied wrongdoing and sued to keep her job. The Supreme Court is due to hear her case on January 21, and its decision is expected to have major implications for the central bank's independence.

Is this normal?

No. While past presidents have on occasion pressured the Fed to lower interest rates, none has ever publicly threatened to fire Fed officials or targeted them with criminal charges.

The Justice Department also is playing an unusual role here. The agency has filed criminal charges or announced investigations into several of Trump's political rivals over the past year, including former FBI Director James Comey, New York Attorney General Letitia James and Democratic Senator Adam Schiff. That's a sharp departure from previous administrations, as prior attorneys general have operated with a degree of independence from the White House in order to maintain public confidence in law enforcement.

What is the renovation project?

A planned renovation of two historic buildings in the Fed's Washington headquarters has run over its initial budget of $1.9bn to about $2.5bn. That has been attributed to higher-than-expected labour and materials costs, design changes, and unforeseen issues like asbestos and lead contamination.

Trump has accused Powell of mismanagement and suggested potential fraud, though he has not provided evidence. The White House has also criticised the project as ostentatious, with claims of lavish features like VIP elevators and premium marble. Powell has said that is not accurate and has defended the need to remove hazardous materials.

What is Powell being investigated for?

Powell said in a video statement that he has been served with subpoenas by the Justice Department for his testimony to the Senate Banking Committee last July about the renovation. That could indicate the Justice Department is preparing to indict him for lying to Congress — a charge the department also brought against Comey. That case was thrown out of court.

Powell has denied wrongdoing, and the Justice Department has not yet commented on the investigation.

Jerome Powell: Careful Fed chair standing firm against Trump

AFP
Washington

US Federal Reserve Chair Jerome Powell has generally avoided escalation in the face of Donald Trump's relentless criticism — but in recent months, the central banker has become a rare figure to publicly resist his attacks.

The change of tack was especially pronounced on Sunday night, when Powell accused the Trump administration of threatening him with prosecution to push the Fed into cutting interest rates.

He warned that a new Department of Justice investigation targeting him was a threat to the central bank's independence.

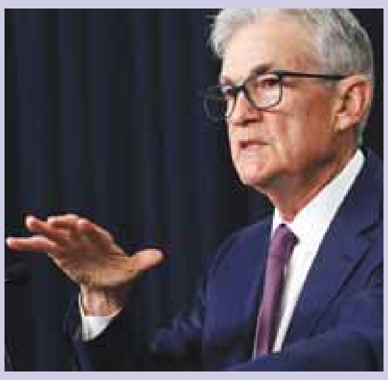
"What made the statement so powerful is how rare it is," Jason Furman, a top economic adviser to former US president Barack Obama, told AFP. "A year ago, Powell got a question about Donald Trump and the Fed, and gave a one-word answer," added Furman, now a professor at Harvard University. "He has not wanted to be baited into a fight."

The fact that Powell felt the need to respond forcefully now "conveys just how serious the issue is," Furman said.

Powell, a 72-year-old former investment banker, took the helm at the Fed in 2018 after he was tapped by Trump to replace Janet Yellen. It was Trump's first presidency.

Powell then withstood months of withering attacks from Trump for raising interest rates.

When Covid-19 took hold in 2020, the Fed rapidly slashed its benchmark rate to zero and rolled out new support



Federal Reserve Bank Chair Jerome Powell.

measures, moves that helped to prevent a more severe downturn.

His tenure won him praise and criticism from all sides as he maintained the central bank's independence.

Over that tumultuous period, Powell, who is also called "Jay," managed to forge consensus among the diverse members of the Fed's rate-setting committee.

In 2021, the wealthy Republican with no formal economics training was nominated by Democratic President Joe Biden to lead the Fed for a second term.

He proceeded to oversee a series of sharp rate hikes in 2022 to curb surging inflation after the pandemic, before beginning to cautiously lower rates again in 2024 and 2025 as he eyed the price effects from Trump's sweeping new tariffs.

Less than a year before his time as Fed chair expires in May 2026, however, Powell has again come under fire as Trump lashes out at him for not lowering interest rates more aggressively.

Trump, now in his second presidency, has called Powell a "numbskull" and "moron," and in July went so far as to suggest he could be dismissed for "fraud" over the handling of a $2.5bn renovation project at the Fed's headquarters.

Since Trump returned to the White House, Powell has proven willing to compromise in certain areas, such as by pulling back on the Fed's work on climate change. But "Trump pushed him too far this time, and he came out with all guns blazing," Brookings senior fellow David Wessel said of the Fed chief's sharp rebuke of the Justice Department probe.

Wessel expects the forceful response will cement Powell's legacy as "a Fed chair with a spine."

"He will be seen as the guy who stood up for the independence of the Fed, and the rule of law," Wessel told AFP.

Already, Powell made headlines when he appeared with Trump in July as the president toured the under-renovation Fed buildings while criticising cost overruns.

In a brief exchange in front of reporters, Powell corrected Trump in real-time as the president claimed the price tag for the revamp had ballooned to $3.1bn.

The usually stoic Fed chair was seen shaking his head on camera while Trump spoke, and responding: "I haven't heard that from anybody."

Prior to his appointment to the central bank in 2012 by then-president Obama, Powell was a scholar at the Bipartisan Policy Center think tank.

The native of Washington served in the Treasury Department, in charge of financial institutions, for a brief period under Republican president George H W Bush.

Several Republican members of the Senate Banking Committee have said they are not troubled by the renovation project, or Powell's testimony about it.

Could this backfire on Trump?

Potentially. Powell's term as Fed chair will end in May, but he could opt to remain on the board until 2028, delaying Trump's opportunity to further reshape the board with more sympathetic figures.

Trump's move is also upsetting some Republicans in Congress, who until now have largely been deferential to the president.

Senator Thom Tillis of North Carolina said he will not support any of Trump's future Fed nominees, and Senator Lisa Murkowski of Alaska has called for an investigation of the Justice Department. Tillis' opposition is significant as he sits on the Banking Committee that oversees the Fed, and Republicans hold just a slender 13-11 majority.

His opposition could deadlock the committee and prevent any nominees from advancing to a confirmation vote in the full Senate.

That could prevent Trump from installing a permanent ally after temporary appointee Stephen Miran's term expires on January 31.

The Senate's top Republican, John Thune, acknowledged Monday that the Powell investigation could make it harder to confirm Fed nominees.

Of course, Trump's pressure campaign could also succeed. Powell and Cook could be forced off the Fed board one way or another. The Supreme Court could rule that Trump has the right to fire Cook, and Powell could get criminally charged and found guilty. That would open up two spots for Trump to fill.

The Fed next meets to set interest rates on January 27-28, with little expectation of another rate cut. Indeed, several of this year's crop of voting regional bank presidents are opposed to any further rate cuts and so far seem unbowed by Trump's pressure.

What do investors think so far?

Outside observers argue that a politicised Fed would have less freedom to steer the economy as it sees fit, raising the risk of higher inflation and undermining the dollar's status as the world's reserve currency. That could cause investors to demand higher interest rates for US government debt and raise borrowing costs, analysts say.

Analysts warn that the Powell investigation is a clear sign that the Fed's independence is at risk, but investors do not seem alarmed... yet. After a lower start on Monday, major US stock indices closed modestly higher. Page 7

BUSINESS

Ready, steady gold! Safety bid adds fuel to central bank fire

By Jamie McGeever
Orlando, Florida

Gold and other precious metals recorded eye-watering price spikes in 2025, so it's difficult to imagine them delivering similar returns in 2026. But solid central bank appetite and safe-haven demand could keep their relentless rise on track.

With the first month of the year barely at the halfway point, gold and silver have already jumped to new records, up 7% and 20%, respectively, so far in 2026. Platinum is up 15% year to date, and is also close to hitting a fresh high.

These moves are all the more remarkable given that gold, platinum, and silver clocked annual gains of 65%, 125% and 145%, respectively, last year.

Any notion of investors taking profits - and a breather - evaporated with a blizzard of political, economic, and geopolitical news out of Washington.

It brings to mind Vladimir Lenin's apocryphal quote "There are decades where nothing happens; and there are weeks where decades happen."

Just last week alone, US President Donald Trump ordered the purchase of $200bn of mortgage-backed securities, directed US oil giants' investors in Venezuela, attempted to ban defence firms' share buybacks and dividend payments, and put a one-year cap on credit card interest rates, while his Department of Justice threatened to indict Fed Chair Jerome Powell.

This is all fuel for gold. The "dollar debasement trade" may be overstated - the greenback has been remarkably stable for months - but the strength of gold and other precious metals suggests there may be some substance to it.

This "flight to quality" and inflation-hedging among private investors is complementing central banks' highly inelastic demand for bullion. Reserve managers continue to buy for strategic reasons and diversification, regardless of price.

To track the phenomenon, look at China.

People's Bank of China data last week showed that the central bank bought gold for a 14th consecutive month in December, increasing its holdings over the year by some 28.5 metric tonnes. That's less than the 44 tonnes purchased the year before, but still substantial, especially coming amid spot gold's biggest annual price rise since 1979.

It helped raise the value of China's gold reserves to $319.45bn from $191.34bn the year before.

Other central banks are buying too. International Monetary Fund data shows Brazil, Finland, and Turkey were among the biggest buyers late last year, lifting official sector buying above the long-run average.

"Clearly, elevated gold prices are not yet detracting from reserve managers' inclination to accumulate gold," Deutsche Bank analysts wrote on Monday.

Analysts at State Street agree. Official sector buying is providing a "sticky" source of demand, underscoring a "durable shift" in official sector reserve management away from US Treasuries and toward the yellow metal.

This is effectively raising gold's price floor, which State Street suggests is $4,000 an ounce, some way off the record $4,630 per ounce struck on Monday.

The ceiling is also climbing, and a test of $5,000 now seems likely.

Gold is not included in the IMF's Currency Composition of Official Foreign Exchange Reserves, or COFER data, the global benchmark for FX reserves. Instead, it is found in wider measures of central banks' assets.

For that reason, and others such as data reporting transparency, estimating gold's place in official reserves relative to currencies, or other assets like Treasuries, should be done with a fair degree of caution.

According to the World Gold Council, gold's share of global FX reserves in October was 25.9%. That compares with the euro's 20% share of reported IMF COFER reserves data, and some analysts also believe that gold's share of reserves overtook Treasuries' portion last year for the first time since 1996.

Whatever the accuracy of these claims, there's little doubt about central banks' direction of travel. And in an increasingly volatile world, they won't be reversing course any time soon.

■ *Jamie McGeever is a columnist for Reuters. The opinions expressed here are those of the author.*

Asia markets rise; Tokyo closes at a record high

AFP
Hong Kong

Asian markets mostly rose yesterday with Tokyo closing at a record high on speculation over a snap election, while concerns about Iran pushed oil prices higher.

In Hong Kong, the Hang Seng Index closed up 0.9% to 26,848.47 points; Shanghai - Composite ended down 0.6% to 4,138.76 points and Tokyo - Nikkei 225 closed up 3.1% to 53,549.16 points yesterday.

The rallies followed another record finish on Wall Street overnight, where investors shrugged off worries about a US criminal probe of the Federal Reserve central bank.

Tokyo's Nikkei closed 3.1% up, driven by anticipation that Prime Minister Sanae Takaichi will capitalise on strong poll numbers by calling an election.

Takaichi became Japan's first woman prime minister in October and her cabinet has an approval rating of around 70%.

But her ruling bloc only has a slim majority in parliament's powerful lower house, hindering her ambitious policy agenda.

Tokyo's gains were mirrored by increases in Hong Kong, Sydney, Singapore and Malaysia. Shanghai was down at the close, with Wellington, Mumbai, Bangkok and Manila also in the red.

A man walks past an electronic quotation board displaying numbers of the Nikkei Stock Average on the Tokyo Stock Exchange. The Nikkei 225 closed up 3.1% to 53,549.16 points yesterday.

London and Frankfurt were flat at the open, with Paris in the red.

Seoul climbed 1.5% after South Korean chip giant SK hynix said it would spend 19tn won ($12.9bn) building an advanced chip packaging plant, as the firm rides the global AI boom. It came after New York's Dow and S&P 500 ended at records for a second straight day.

The tech-rich Nasdaq index also bounced back from early losses after Sunday night's disclosure of the US Department of Justice probe into the Federal Reserve. Broad optimism over the global economy and technological advances such as artificial intelligence have buoyed market sentiment in recent months.

Oil prices rose after US President Donald Trump announced a 25% tariff on any country trading with Iran, ramping up pressure on Tehran over its violent crackdown on a wave of protests.

Michael Wan at MUFG noted that Iran makes up 3% of global oil production, with Venezuela supplying around one percent "as a rough rule of thumb". China stands out as the top trading partner for Iran, both across exports and imports, and also in terms of its position as the top importer of Iranian crude oil," he said.

Trump said in a social media post on Monday that the new levies would "immediately" hit the Islamic republic's trading partners who also do business with the United States. Taipei was up 0.5% after the democratic island said it had reached a "general consensus" with Washington on a trade deal, following months of talks.

Investors look beyond Italy's real estate scandal

Reuters
Milan

Italy's property market could outpace other European countries in 2026 as political stability and a regulatory clean-up after a Milan building permits scandal boost investor confidence - even as supply constraints loom.

Property research group Scenari Immobiliari forecasts transactions in Italy's real estate market will rise by 8.4% this year to 175.8bn euros ($205bn), with the residential market accounting for more than 80%.

That would be faster than 7% growth in Spain's property market, 6.6% in the UK, 4.1% in Germany and 3.2% in France, according to Scenari Immobiliari.

The Milan building scandal, which became public in 2024 and centred on fast-tracking of permits to build high-rise developments, fuelled industry fears of an exodus of foreign investors. More than 100 building projects in the city, Italy's biggest real estate market, were frozen following the judicial process.

Scenari Immobiliari warned a year ago that prolonged gridlock risked costing Milan up to 38 billion euros in missed potential investment over a decade - either directly in real estate or through knock-on effects in the local economy.

Yet a rare period of political stability in Italy under Prime Minister Giorgia Meloni, in power for the past three years, is helping attract investors.

Transactions in Italy's real estate market rose almost 7% in 2025, Europe's second hottest market behind Spain, according to Scenari Immobiliari.

Davide Dalmiglio, managing director and CEO at the Italian unit of British real estate services company Savills , says the feared capital flight has not materialised.

The investigations "put investors on alert" prompting a level of pre-acquisition scrutiny "never seen in 25 years" with much deeper due diligence, he said.

Manfredi Catella, chief executive of property developer Coima, argues that by establishing stricter, although more expensive, rules, the judges have removed uncertainty on the interpretation of building regulations, which was the "market's main concern", he told Reuters.

Catella himself came under investigation in a second wave of probes into the industry, which included charges of corruption among municipal officials, architects and developers, documents seen by Reuters showed.

Denying any wrongdoing, Catella said that two courts last summer rejected requests for him to be subject to house arrest, including Italy's Supreme Court, which Coima's foreign investors viewed as a vindication of his position, he said.

Beatrice Guedji, head of research and innovation at Swiss Life Asset Managers France, which oversees real estate investment in Italy, says the Milan affair is a short-term issue for the property market.

"Meloni's momentum and the country's growth prospects" were overriding themes supporting investment, she said. Swiss Life Asset Managers France raised its allocation to Italy by 15% in 2025, with property investments since 2018 set to reach 500mn euros by early 2026.

Guedji pointed to "good key metrics" - including a tighter spread between Italian and German benchmark bonds, improved ratings outlooks and the Milan stock exchange outperforming many European peers - that indicate diminished country risk.

Italy, and Milan in particular, has also attracted many millionaires in recent years due to a flat tax for very wealthy foreign individuals.

Economic growth remains sluggish but the Winter Olympics, co-hosted by Milan in February, is bringing in money to the economy which is set to grow by 0.7% in 2026, after an estimated 0.5% expansion in 2025, the Bank of Italy forecasts. The Olympics' impact on the property market may be short term.

"Short-term investors might have entered the market and already decided to exit quickly, surfing on the 2026 Games, especially in hospitality," Guedji said.

Emerging equities climb on domestic data

Reuters
Singapore

Emerging market (EM) equities rose yesterday as investors assessed local economic data and awaited a key US inflation report, while geopolitical tensions remained in focus.

The US threatened a new tariff of 25% on any country doing business with Iran, adding to warnings of military action. President Donald Trump has weighed a range of options in response to Iran's deadly crackdown on nationwide protests.

"Geopolitics remains a top concern, with Iran, Greenland, and Venezuela dominating headlines," said Tom Nelson, head of market strategy at Franklin Templeton Investment Solutions.

"Equities, however, continue to levitate, starting 2026 in stellar fashion despite the noise. Cutting through the clutter, the view looks constructive from 30,000 feet, with the global economy still in solid shape and fiscal stimulus in major countries potentially providing a front-loaded growth boost."

The MSCI emerging market stock index rose 0.5%, hitting an intraday record high, while a corresponding currency gauge was muted.

EM equities have posted gains of almost 5% in the first two weeks of the year.

The Trump administration's decision to open a criminal investigation into Federal Reserve Chair Jerome Powell on Monday drew sharp criticism, renewing concerns about the central bank's independence and driving the dollar lower in a measured response.

Meanwhile, Trump will meet Venezuelan opposition leader Maria Corina Machado on Thursday, a White House official said on Monday.

Hungary's inflation fell to a 15-month low of 3.3% in December, in line with forecasts, while services price growth remained strong, official data showed.

The Hungarian forint was 0.2% weaker against the euro, while the benchmark stock index ticked higher.

The country's central bank left rates at 6.5% in December, at the European Union's joint highest level, while leaving the door open to easing after cutting its 2026 inflation forecast.

ING analysts forecast a first cut in February and a total of 50 basis points of reductions this year.

Czech consumer prices rose 2.1% year-on-year in December, official data showed. Local equities added 0.2%, while the crown was little changed.

Romania's benchmark index was a bright spot, rising 1.6% in a ninth consecutive session of gains. Egypt's blue-chip index was up 2% after notching a record close in the prior session.

Investors will keep a close eye on the US consumer price index report later in the day to gauge expectations for a Fed rate cut.

Fighting the Fed, Trump tries credit easing by decree

By Mike Dolan
London

By hook or by crook, US President Donald Trump seems intent on cutting the cost of credit further - potentially stoking GDP growth already north of 4% and underscoring concerns about overheating the economy.

Over the past week alone, Trump's administration has launched what Federal Reserve boss Jerome Powell described as a "pretext" for dismantling Fed independence, proposed a cap on credit card rates and ordered the purchase of $200bn of mortgage bonds to help cut housing credit costs.

Dissatisfied with the Fed's unwillingness to cut interest rates faster and deeper, Trump's political capture of the central bank could take some time and will meet considerable opposition from within the Fed, finance grandees and even some Republicans in Congress. But time for easier credit to make a difference to voters in a midterm election year is running thin. Awaiting a more compliant Fed, the administration appears hell-bent on using a mix of regulation and Treasury cash to cut credit card bills and mortgage rates further.

The efficacy of these moves is still unclear - with some fearing a credit card rate cap at 10% for a year may backfire by forcing card firms to pull credit lines from lower-rated borrowers altogether.

But the direction of government credit policy - to the extent that it now has one distinct from, and in places at odds with the Fed - seems clear. Perhaps most important for Trump is the political optics of being seen to try. Few doubt that cutting borrowing costs would be popular with voters struggling to pay their bills.

Repeated opinion polls on the cost of living often reflect alarm about monthly credit payments as much as the prices of goods and services per se.

But popularity alone does not make for sound economic policy in the long run.

The long-term concern is that political pressure, combined with efforts to offset Fed policy, will undermine the central bank's credibility in meeting its inflation target. That, in turn, could leave its prized independence at the mercy of this or any future government, rather than its own hard-nosed judgment.

Near-term, there's a reasonable worry that any further policy easing moves right now are unjustified. Financial conditions are already very loose, the economy is tracking annualised growth in excess of 4% through the end of last year, and inflation is settling above the Fed's target.

Fed policy as it stands presumably includes an assumption about prevailing credit card rates and the impact of rolling mortgage bonds off its balance sheet. If the administration effectively eases both of those conditions, a new question about the appropriate Fed policy rate may well be raised internally.

Even though the labour market picture remains somewhat foggy, a fresh decline in the national jobless rate to below 4.4% last month - alongside an acceleration in annual wage growth - showed little sign of significant weakening in employment.

If accelerated Fed easing now sustains a "re-acceleration" of growth, there's a decent chance that running the economy "hot" sees inflation fail to return to target and pick up steam eventually too - regardless of what you think of tariff impacts.

After all, the push to soften monetary conditions even further this year comes just as last summer's fiscal boost of tax cuts and spending kicks in fully through early 2026.

Breaking ranks with many of its peers and market pricing for two more Fed cuts this year, JPMorgan now thinks the next Fed rate move is actually up - sometime in 2027.

By that logic, any further cuts - especially any seen to be politically influenced - may just build a case for harsher tightening, whether the Fed would be "allowed" to do that eventually or not.

"Rather than pushing for rate cuts, the economic environment by the middle of this year could shift the debate such that the next Fed chair is likely to be resisting calls for higher interest rates," wrote Fed watcher Tim Duy at SGH Macro Advisors. "Failure to resist those calls, or to even cut rates further as is currently sought by Trump, would be the classic policy error of a central bank stripped of its independence."

If the "hot" economy is demanding a halt to easing but credit rates are loosening anyway in one shape or form, it's not hard to see why record-high Wall Street stocks have largely lapped up the prospect. Monday's dollar retreat and gold surge speak a bit more clearly to the long-term inflation anxiety, while relative calm in Treasuries - much like last year - remains something of a head-scratcher.

Speaking last week of the administration's view of the Fed stance, Treasury Secretary Scott Bessent rather strangely evoked an uncomfortable memory of the late 1990s.

"The Fed needs to have merely an open mind. The open-mind maestro, former Fed Chairman Alan Greenspan, resisted premature rate hikes during the technology boom of the 1990s - and history proved him right."

While history may have proven him right about making space for the Internet to thrive, it also records how that stance allowed one of the biggest stock market bubbles and busts to unfold over the turn of the new millennium.

■ *Mike Dolan is a columnist for Reuters. The opinions expressed here are those of the author.*

CEOs from Wall Street banks back Fed's independence

Reuters
New York

CEOs from top Wall Street banks JPMorgan Chase and BNY voiced support for the independence of the US Federal Reserve yesterday, days after the Trump administration opened a criminal investigation into Fed Chair Jerome Powell.

The administration's investigation into Powell drew condemnation from former Fed chiefs and criticism from key members of the Republican Party this week.

"Everyone we know believes in Fed independence," JPMorgan CEO Jamie Dimon told reporters on a conference call. "This is probably not a great idea and in my view, it will have the reverse consequences of raising inflation expectations and probably increase rates over time."

Dimon, one of the most influential figures in corporate America, said Fed independence was "absolutely critical" last year. BNY CEO Robin Vince also warned of negative consequences of eroding Fed independence yesterday.

"Independent central banks with the ability to independently set monetary policy in the long term interests of the nation is a pretty well established thing that we've seen all around the world over a very long period of time," Vince told reporters on a call. "Let's not shake the foundation of the bond market and potentially do something that could cause interest rates to actually get pushed up because somehow there's lack of confidence in the Fed's independence," Vince said.

Powell revealed late on Sunday the Fed had received subpoenas from the US Justice Department, which he called a "pretext" to win presidential influence over interest rates. The US administration's criminal probe is formally about the renovation of the Fed's headquarters.

Central bankers worry that political influence over the Fed would undermine confidence in the bank's commitment to its inflation target, risk higher inflation and fuel volatility in global financial markets. "Loss of Fed independence tends to lead to steeper yield curves and other damage to ongoing economic dynamism," JPMorgan's finance chief, Jeremy Barnum, said on a call with reporters. "The larger question is damage to American economic prospects and, frankly, global economic stability."

Trump has demanded the Fed slash rates since resuming office in 2025, blaming its policies for holding back the economy and publicly musing about firing Powell, despite legal protections that ostensibly shield the Fed chair from removal.

Eurozone bond yields edge higher

Reuters
London

Eurozone government bond yields edged higher yesterday, reversing Monday's drop, as central bank chiefs lined up in support of Federal Reserve Chair Jerome Powell after the Trump administration threatened him with a criminal prosecution.

Easing some concerns around the Fed's independence, the Trump administration's move was also criticised by key members of the president's Republican Party.

Germany's 10-year yield, the benchmark for the eurozone, was last up 2.1 basis points at 2.82%, reversing a similar-sized decline a day earlier. The 10-year US Treasury yield was down 0.4 bps to 4.18% after the US inflation data.

"The ongoing spat between (President Donald) Trump and Powell would damage the credibility of US institutions," said Mohit Kumar, economist at Jefferies.

"Already the diversification away from US assets has been a theme gaining ground in 2025, and recent developments would intensify it further," he said, adding that the best way to play the loss of confidence theme would be steeper curves.

But European curves flattened on Monday as the second-largest Dutch pension fund, PFZW, indicated that it has higher than expected hedging needs. Yield curves flatten when the gap between longer and shorter-dated yields narrows.

"The (Dutch) reforms have been so well telegraphed that it was a case of buy the rumour and sell the fact. European curves have flattened since start of the year as the trade was fully in the price and European yields had started to look attractive," Kumar said.

The Dutch occupational pension system, the European Union's largest, is transitioning to a new system that investors had thought would add to pressure on long-term government bonds.

But ING analysts said announcements such as PFZW's could challenge speculative positions built up around those assumptions and cause curves to flatten, at least in the near term.

Central bank chiefs defend Fed's Powell after Trump administration threat

Reuters
Frankfurt

Central bank chiefs from around the world lined up in support of Federal Reserve Chair Jerome Powell yesterday, issuing an unprecedented statement of solidarity after the Trump administration threatened him with a criminal indictment.

Powell has been threatened with a probe over Congressional testimony he gave last summer about the renovation of the Fed's headquarters, which he has called a "pretext" to win presidential influence over interest rates. "We stand in full solidarity with the Federal Reserve System and its Chair Jerome H Powell," the heads of some of the world's largest central banks said in a rare joint statement.

Independence from government influence has been the key foundation of modern central banking. It remained the unquestioned standard until US President Donald Trump started demanding lower rates and putting pressure on individual policymakers when they failed to oblige.

The heads of the European Central Bank, the Bank of England, the Bank of Canada and eight other institutions said that Powell had acted with integrity and that central bank independence was crucial for keeping prices and financial markets stable.

"The independence of central banks is a cornerstone of price, financial and economic stability in the interest of the citizens that we serve," the statement said.

Sources close to the process said that ECB President Christine Lagarde, who signed on behalf of the eurozone's 21 central banks, was the key driver of the joint response, while much of the actual footwork to get individual governors on board was done by Pablo Hernandez de Cos, the general manager of the Bank for International Settlements, a central bank umbrella body.

The ECB and the BIS declined to comment.

Other signatories included the central bank chiefs of Sweden, Denmark, Switzerland, Australia, South Korea, Brazil and France, as well as top officials at the BIS.

The Bank of Japan (BoJ) was notably absent from the list.

A spokesman for the BoJ said the bank refrained from commenting on other central banks' action.

A source close to the process said the BoJ had initially expressed support for the joint statement but was not yet ready to sign. The list is not considered final, however, and central bankers could still add their name, several sources said. The US inquiry into Powell has already drawn criticism from the world of finance and also some key members of Trump's Republican Party.

Central bankers fear that political influence over the Fed would erode trust in the bank's commitment to its inflation target. This would lead to higher inflation and global financial market volatility.

Others worry that a politicised central bank may no longer provide a dollar backstop for financial institutions around the world, weaponising these crucial funding lifelines normally used to calm markets during periods of stress.

The Fed now lends dollars to other central banks against collateral to maintain dollar liquidity, but some officials have been discussing possible contingencies in case the Fed changes tack.

While central banks could pool their own dollar reserves, this is seen as a stopgap measure that could help in case of isolated cases of stress but not during broader troubles.

Political influence over the Fed would likely rattle US markets and push up domestic inflation, creating volatility the US is bound to export to other parts of the world via financial markets.

This would then make it more difficult for others to keep prices stable and their own markets calm.

"It is therefore critical to preserve that independence, with full respect for the rule of law and democratic accountability," the group of central bankers said.

Bank of England Governor Andrew Bailey, European Central Bank President Christine Lagarde, Bank of Japan Governor Kazuo Ueda and Federal Reserve Chairman Jerome Powell pose for a photo as they attend the Federal Reserve Bank of Kansas City's 2025 Jackson Hole economic policy symposium (file). Central bank chiefs from around the world lined up in support of Federal Reserve Chair Jerome Powell yesterday, issuing an unprecedented statement of solidarity after the Trump administration threatened him with a criminal indictment.

JPMorgan Chase's profit beats estimates on trading boom

Reuters
New York

JPMorgan Chase's profit exceeded analysts' estimates in the fourth quarter on Tuesday as its traders cashed in on volatile markets.

Markets swung sharply in the last three months of 2025 as concerns about a bubble in AI stocks intensified after two years of broad gains. CEO warnings that equities were due for a correction also encouraged investors to rebalance their portfolios.

"The US economy has remained resilient," CEO Jamie Dimon said in a statement. "While labour markets have softened, conditions do not appear to be worsening. Meanwhile, consumers continue to spend, and businesses generally remain healthy."

Markets revenue at JPMorgan climbed 17% in the fourth quarter, as equity surged 40%, driven by higher revenue across products, particularly in Prime. Fixed income climbed 7%.

The prime brokerage business on Wall Street has benefited from surging valuations of companies across sectors.

Bond markets also remained jittery as uncertainty persisted around when and how much the US Federal Reserve would cut rates.

Meanwhile, average loans climbed 9% in the quarter. The bank's shares were last up 0.5% in volatile premarket trading following the results. The stock surged 34.4% in 2025, outperforming the broader equity markets.

"I wouldn't expect a whole lot out of JPM stock today, as the stock is coming off a great year where the bar for perfection is set pretty high," said David Wagner, head of equities and portfolio manager at Aptus Capital Advisors, which holds shares of the bank.

"Today's strong results reflect that the bar can be met, but a lot is currently priced into the stock."

The largest US bank earned $5.23 per share in the quarter ended December 31, on an adjusted basis, beating Wall Street expectations of $5, according to estimates compiled by LSEG. JPMorgan recorded a $2.2bn provision in the reported quarter tied to its agreement with Goldman Sachs to take over a credit card partnership with Apple. JPMorgan's investment banking fees fell 5% in the quarter, easing from a bumper prior year when a surge in deal activity helped lift the bank to its highest-ever annual profit.

Bankers are optimistic that a pickup in dealmaking will continue through 2026, driven by record-high equity markets and expectations of interest rate cuts.

"Investment banking was a bit disappointing but expect forward commentary to be more constructive, while average loan growth accelerating bodes well for the lending side," said Stephen Biggar, an analyst at Argus Research.

The US IPO market reached its highest level in 2025 since the 2021 peak, in terms of both deal volume and funds raised.

JPMorgan worked on several high-profile transactions during the quarter, including advising Warner Bros Discovery on the $82.7bn deal for its studio and streaming assets with Netflix and Kimberly-Clark on its $48.7bn acquisition of Kenvue.

It was also a lead underwriter on medical supplies giant Medline's IPO, the largest listing globally in 2025.

JPMorgan extended its run as the world's top investment bank, earning the highest fees for the year, according to data from Dealogic.

Net interest income - the difference between what a bank earns as payments on loans and gives out on deposits - rose 7% in the fourth quarter to $25.1bn.

While lower rates can dent interest income, they can also encourage borrowing. The bank expects 2026 interest income, excluding markets, of about $95bn.

Large lenders, including JPMorgan Chase and Bank of America , provide a gauge of the US economy, shedding light on consumer spending, borrowing and business activity.

Rivals are set to report results later this week, giving investors a broader view into the health of the economy. The bank's deal with Goldman to issue Apple's card is expected to strengthen JPMorgan's foothold in credit cards and add to a long list of strategic wins for Dimon, who has turned the bank into a leading player across retail and investment banking.

The deal comes at a critical juncture for the credit card industry, which could face a sharp shift if a proposal by US President Donald Trump to cap interest rates at 10% moves forward. While Trump has said he expects companies to comply by January 20, Wall Street analysts remain doubtful the measure can be implemented without congressional approval.

Jamie Dimon, chairman and CEO, JPMorgan Chase.

Strong oil prices help QSE gain 74 points; M-cap adds QR3.81bn

By Santhosh V Perumal
Business Reporter

Strengthening oil prices had its positive spillover in the Gulf shores, including the Qatar Stock Exchange (QSE), which yesterday gained about 74 points in index and about QR4bn in capitalisation.

The foreign funds were increasingly net buyers as the 20-stock Qatar Index rose 0.6% to 11,229.22 points, recovering from an intraday low of 11,178 points.

The Gulf institutions were seen increasingly bullish in the main market, whose year-to-date gains improved further to 4.34%.

About 62% of the traded constituents extended gains to investors in the main bourse, whose capitalisation added QR3.81bn or 0.57% to QR671.71bn mainly on mid and small cap segments.

The banks and insurance counters witnessed higher than average demand in the main market, which saw as many as 0.01mn exchange traded funds (sponsored by AlRayan Bank and Doha Bank) valued at QR0.06mn trade across 11 deals.

The domestic funds' weakened net profit booking had its influence on the main bourse, whose trade turnover and volumes were on the rise.

The Islamic index was seen gaining slower than the other indices of the main market, which saw as many as 5,000 corporate sukuks valued at QR5bn change hands across one transaction.

However, the local retail investors were increasingly net sellers in the main bourse, which saw no trading of sovereign bonds and treasury bills. The Total Return Index gained 0.6%, the All Share Index by 0.63% and the All Islamic Index by 0.23% in the main market. The banks and financial services sector index gained 1.01%, insurance (0.83%), transport (0.54%), telecom (0.42%) and consumer goods and services (0.19%); while industrials and real estate declined 0.16% and 0.13% respectively.

As many as 32 stocks gained, while 17 declined and three were unchanged.

Major movers in the main market included Al Mahhar Holding, Doha Insurance, Medicare Group, QIIB, Gulf International Services, Qatar Islamic Bank, QNB, AlRayan Bank, Salam International Investment and Nakilat. In the junior bourse, Techno Q saw its shares appreciate in value. Nevertheless, Qatar Electricity and Water, Dukhan Bank, Qatari Investors Group, Barwa and Milaha were among the shakers in the main market.

The foreign institutions' net buying strengthened significantly to QR73.38mn compared to QR61.36mn on January 12.

The Gulf institutions' net buying expanded markedly to QR22.87mn against QR19.1mn the previous day.

The Arab institutions were net buyers to the tune of QR0.01mn compared with no major net exposure on Monday.

The domestic institutions' net profit booking declined perceptibly to QR30.41mn against QR35.55mn on January 12.

However, the local individuals' net selling increased significantly to QR52.27mn compared to QR45.78mn the previous day.

The Arab retail investors were net sellers to the extent of QR5.74mn against net buyers of QR0.27mn on Monday.

The foreign individuals turned net sellers to the tune of QR5.34mn compared with net buyers of QR2.46mn on January 12.

The Gulf retail investors' net profit booking grew noticeably to QR2.5mn against QR1.87mn the previous day.

The main market saw 23% jump in trade volumes to 135.93mn shares and 25% in value to QR497.25mn but on 25% decline in deals to 32,902.

In the venture market, a total of 0.08mn equities valued at QR0.17mn changed hands across 32 transactions.

The foreign funds were increasingly net buyers as the 20-stock Qatar Index rose 0.6% to 11,229.22 points yesterday, recovering from an intraday low of 11,178 points

Doha Bank ESG bonds listing today; Qatar's well-calibrated move towards impact-driven financing in focus

By Santhosh V Perumal
Business Reporter

Doha Bank's ESG (environment, social and governance) bonds, which will debut today on the Qatar Stock Exchange (QSE), marks a significant stride in Qatar's sustainable finance, showing the country's well-calibrated move towards impact-driven financing.

Doha Bank has cleared all the required technical, regulatory and administrative procedures, following which ESG bonds will be listed on the debt instruments market through a direct listing.

All bonds of this issuance, with a total value of QR500mn will be traded under the symbol "CA02", with an indicative (reference) price on the first trading day set at 100% of the nominal value, equivalent to QR1,000 per bond.

Price fluctuation will be permitted within a limit of 10% upward and downward, a QSE communique said.

"This shows well calibrated shift in Qatar's capital markets towards impact-driven financing and evolution of sustainable finance in an era of climate resilient growth targets," an analyst with a leading regional investment house told Gulf Times.

The green bonds provide investors with new opportunities to allocate capital to environmentally responsible projects while supporting portfolio diversification. It also strengthens the corporate fixed income market by attracting a broader investor base and encouraging issuers to access the market through innovative and sustainable financing solutions, according to an official of the QSE.

The listing of the Doha bank bonds as the first green bonds in QSE represents a significant addition to the exchange's major achievement in launching the corporate fixed income market, he said, adding this milestone not only reinforces the exchange's commitment to sustainable finance but also enhances overall market depth by expanding the range of debt instruments available to investors.

In April 2025, the Qatar Central Bank (QCB) implemented the Sustainable Finance Framework, mandating enhanced transparency and reporting of ESG performance metrics for all publicly listed companies.

This regulation, "QCB Sustainable Finance Framework, 2025", requires companies to disclose ESG initiatives, strengthens external audit requirements, and aims to attract more investment into the ESG sector by promoting responsible business practices and accountability.

The Qatar ESG investment funds market is valued at $1.3bn, based on a five-year historical analysis, according to Ken Research, a leading business development and client advisory across global markets.

This figure reflects the rapid growth of sustainable finance in Qatar, supported by the issuance of $2.5bn in sovereign green bonds and increasing investor appetite for ESG-compliant assets.

"The trend of socially responsible investing and Qatar's green bond issuance have further propelled demand for these funds, while renewable energy and sustainable agriculture investments are gaining traction due to government incentives and food security priorities," the report said.

Doha Bank had developed Sustainable Finance Framework, through which it plans to issue green, social and sustainability bonds (including private placements), commercial paper, loans and other financing instruments and use the proceeds to finance and refinance, in whole or in part, existing and future assets that are expected to support sustainable infrastructure and socioeconomic development in Qatar.

QIB launches Life Continuity Takaful for financial security and long-term income stability

Qatar Islamic Bank (QIB) has launched the Life Continuity Takaful Plan from Damaan Islamic Insurance Company (Beema), reinforcing its commitment to supporting customers with comprehensive protection solutions that safeguard their families' financial wellbeing.

The Life Continuity Takaful is a term solution designed to offer financial security to customers' family in the event of unforeseen circumstances. It helps maintain the family's lifestyle and supports them during challenging times.

Designed to provide financial security, peace of mind, and long-term income continuity, for individuals aged 18 to 64, the Life Continuity Takaful offers coverage of QR1mn in the event of death or permanent total disability.

The takaful ensures that beneficiaries receive immediate support when it matters most, through a combination of lump sum amount paid within 15 days from the submission of all required claim documents to Beema and monthly payments helping families maintain their standard of living and manage ongoing financial obligations over an extended period.

The plan also extends additional benefits that ease the financial burden during difficult circumstances. These include medical expense coverage up to QR10,000 resulting from accidental injuries, as well as coverage of up to QR10,000 for the repatriation of mortal remains.

"Supporting our customers through every stage of life is a core part of QIB's mission. The Life Continuity Takaful offers families long-term financial stability through a lump sum amount and a steady monthly income, ensuring that their needs are secured during challenging times. By providing access to essential protection solutions such as this plan from Beema, we continue to empower individuals and families across Qatar with security, financial stability, and peace of mind," said D Anand, QIB's general manager, Personal Banking Group.

Issued and fully underwritten by Beema, the Life Continuity Takaful is distributed exclusively by QIB, allowing customers to conveniently access the product through the QIB mobile app instantly.

The Life Continuity Takaful is a term solution designed to offer financial security to customers' family in the event of unforeseen circumstances. It helps maintain the family's lifestyle and supports them during challenging times.

World Bank sees resilient global growth in 2026 amid tariffs

Reuters
Washington

The global economy is proving more resilient than expected, with 2026 GDP growth expected to improve slightly over forecasts from last June, the World Bank said yesterday while warning that growth is too concentrated in advanced countries and overall too weak to reduce extreme poverty.

The World Bank's semi-annual Global Economic Prospects report shows that global output growth will slow slightly to 2.6% this year from 2.7% in 2025 before edging back to 2.7% in 2027.

The 2026 GDP forecast is up two-tenths of a percentage point from the last predictions released in June, while 2025 growth will exceed the prior forecast by four-tenths of a percentage point.

The World Bank said about two-thirds of the upward revision reflects better-than-expected growth in the US despite tariff-driven trade disruptions.

It predicts US GDP growth will reach 2.2% in 2026, compared to 2.1% in 2025 - up two-tenths and half a percentage point from the June forecasts, respectively.

After an import surge to beat tariffs early in 2025 held back US growth for that year, bigger tax incentives will aid growth in 2026, offset by the drag of tariffs on investment and consumption, the World Bank said.

But if the current forecasts hold, the 2020s are on track to be the weakest decade for global growth since the 1960s and too low to avert stagnation and joblessness in emerging market and developing countries, the global lender said.

"With each passing year, the global economy has become less capable of generating growth and seemingly more resilient to policy uncertainty," Indermit Gill, the World Bank's chief economist, said in a statement. "But economic dynamism and resilience cannot diverge for long without fracturing public finance and credit markets."

Gill added that global GDP per person in 2025 was 10% higher than on the eve of the Covid-19 pandemic - marking the fastest recovery from a major crisis in the past 60 years.

But he said many developing countries are being left behind, with a quarter of them saddled with lower per-capita incomes than in 2019, particularly the poorest countries.

Growth in emerging market and developing economies will slow to 4.0% in 2026 from 4.2% in 2025, up two-tenths and three-tenths of a percentage point from the June forecasts, respectively.

US consumer inflation increases

Reuters
Washington

US consumer prices increased in December, lifted by higher costs for rents and food as some of the distortions related to the government shutdown that had artificially lowered inflation in November unwound, cementing expectations the Federal Reserve would leave interest rates unchanged this month. But rate cuts this year remain on the table, with the report from the Labor Department yesterday showing moderate underlying inflation pressures last month, which economists said suggested the import tariffs passthrough to prices was slowing. Economists were split on whether inflation had peaked.

Nonetheless, expensive food, with prices increasing by the most in more than three years, and rents underscored the affordability crisis facing President Donald Trump, partly blamed by economists on the White House's policies, including sweeping import tariffs.

Trump has made a flurry of proposals to lower the cost of living, including banning institutional investors from buying single-family homes, as well as instructing the Federal Housing Finance Agency - which oversees mortgage finance giants Fannie Mae and Freddie Mac - to purchase $200bn of bonds issued by the two companies in a bid to bring down mortgage rates. High inflation has eroded consumer confidence and Trump's approval ratings and will be a political hot button this year as Trump and his fellow Republicans battle to retain control of the US Congress. Consumers were likely to care more about higher food and rental costs than the moderate pace of inflation that was cheered by investors.

"Families may not closely track core inflation, but they see grocery prices and restaurant costs immediately," said Sung Won Sohn, a finance and economics professor at Loyola Marymount University. "A renewed push in food prices is not merely a statistical detail, it can influence public perception, wage negotiations and ultimately economic behaviour."

The Consumer Price Index rose 0.3% last month, the Labor Department's Bureau of Labor Statistics said. A 0.4% increase in the cost of shelter, which includes rents, was the main driver of the rise in the CPI.

Food prices surged 0.7%, the largest gain since October 2022. There were notable increases in the prices of fruits and vegetables as well as dairy products. Beef prices, which have angered many Americans, rose 1.0%, with steaks soaring 3.1%. Steak prices surged 17.8% year-on-year in December, the largest advance in four years.