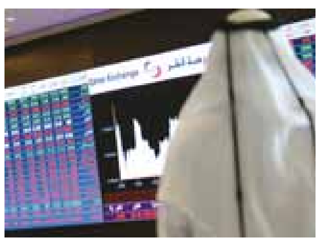


BUYING SUPPORT | Page 4

Foreign funds lift QSE 120 points; M-cap adds QR7.2bn

Friday, January 23, 2026
Sha'ban 4, 1447 AH

GULF TIMES
BUSINESS

INFLATION FOCUS: Page 2

Turkiye surprises markets with smaller than expected rate cut

HE Saad bin Sherida al-Kaabi, Minister of State for Energy Affairs and Chairman of Nebras Energy, and Mohammed bin Nasser al-Hajri, Managing Director and Chief Executive Officer of Nebras Energy, along with other officials after winning the projects in Oman.

Nebras Energy wins two projects to develop power generation plants in Oman

Nebras Energy (formerly Qatar Electricity and Water Company), through one of its subsidiaries, has won two contracts to develop natural gas-fired combined-cycle gas turbine (CCGT) power plants in Oman.

The Misfah Power Plant with a total capacity of 1,700MW, and the Duqm Power Plant with a total capacity of 877MW, is for a period of 20 years.

Under the agreements signed with the Oman Power and Water Procurement Company (Nama), Nebras Energy secured a 49% stake in the Misfah Power Plant project, alongside a consortium that includes Emirates Water and Electricity Company (44%) and Bahwan Infrastructure Services (7%).

The company also secured a 30% stake in the Duqm Power Plant project, in partnership with a consortium consisting of Emirates Water and Electricity Company (30%), Korean Western Power Co Ltd (35%), and Bahwan Infrastructure Services (5%).

Construction works for both projects will begin this month, with initial commercial operation expected in April 2028, and full commercial operation in April 2029.

Nebras Energy is the new identity of Qatar Electricity and Water Company, one of the leading companies in electricity generation and water desalination in the Middle East and North Africa region

"We are pleased to be an active part of the efforts to develop power sector projects in our sister nation, Oman, given the crucial role this sector plays in promoting social and economic development. We are fully confident that these two projects will significantly contribute to meeting the growing electricity demand in the sultanate, in addition to creating many job opportunities for Omani talents," said HE Saad bin Sherida al-Kaabi, Minister of State for Energy Affairs and Chairman of Nebras Energy.

Mohammed bin Nasser al-Hajri, managing director and chief executive officer of Nebras Energy, said winning these two projects was a qualitative achievement for the company's efforts and represents an important expansion of its presence in the Omani energy market.

"This will support the company's strategy to enhance its asset base through technological and market diversification by investing in projects with strong economic viability," he added.

Nebras Energy is the new identity of Qatar Electricity and Water Company, one of the leading companies in electricity generation and water desalination in the Middle East and North Africa region.

HE Sheikh Faisal bin Thani bin Faisal al-Thani, Minister of Commerce and Industry, with Saudi Arabia's Dr Majid bin Abdullah al-Kassabi, Minister of Commerce, in Davos.

HE Sheikh Faisal bin Thani bin Faisal al-Thani, Minister of Commerce and Industry, with Bandar bin Ibrahim al-Khorayef, Saudi Arabia's Minister of Industry and Mineral Resources.

HE Sheikh Faisal bin Thani bin Faisal al-Thani, Minister of Commerce and Industry, with Khalifa bin Abdullah al-Ajeel, Minister of Commerce and Industry of Kuwait.

Minister of Commerce and Industry meets several ministers, CEOs of leading global companies at Davos

HE Sheikh Faisal bin Thani bin Faisal al-Thani, Minister of Commerce and Industry, held a series of high-level bilateral meetings with several ministers, senior officials, and chief executive officers of leading global companies, on the sidelines of the World Economic Forum (Davos 2026), held in Switzerland.

During the forum, he met with Saudi Arabia's Dr Majid bin Abdullah al-Kassabi, Minister of Commerce, and Bandar bin Ibrahim al-Khorayef, Minister of Industry and Mineral Resources; Khalifa bin Abdullah al-Ajeel, Minister of Commerce and Industry of Kuwait; and Melanie Joly, Minister of Industry and Minister responsible for Economic Development in the Quebec regions of Canada.

The meetings discussed ways to enhance co-operation in the fields of trade, investment, and industry, exchanged views on key topics on the forum's agenda, and addressed a number of issues of mutual interest.

As part of efforts to strengthen partnerships with the global private sector, HE Sheikh Faisal also met with senior executives from leading international companies participating in the forum, including the chief executive officer and chairman of the Spanish global energy company Iberdrola; the head of the Middle East and North Africa region at Schneider Electric, the chief executive officer of Fincantieri, the Chairman of Bharti Enterprises, the chief executive officer of Enivda, and the chief executive officer of Authentic Brands Group.

The meetings also included discussions with executives from global companies operating in the fields of technology, energy, finance, digital services, and strategic consulting, including Palantir Technologies, McKinsey, Honeywell Energy, Uber, JPMorgan, and Oliver Wyman Group.

These meetings come within the framework of Qatar's efforts to build high-quality economic partnerships and attract value-added investments that support sustainable economic growth and increase the contribution of non-oil sectors to the gross domestic product, in line with the priorities and objectives of the Third National Development Strategy and Qatar National Vision 2030.

The discussions addressed ways to enhance trade co-operation, capitalise on available investment opportunities in promising sectors, and attract foreign direct investment to Qatar, while highlighting the incentives and legislative frameworks offered by the country to support the private sector and encourage investors and business leaders to invest in the Qatari market.

The minister also participated in a high-level session titled "Strategic Partnerships and Investments in the Minerals Sector," which discussed ways to strengthen international co-operation in this vital sector and its role in supporting global supply chains and sustainable industrial development.

Asian countries seen as primary destination of Qatar LNG exports

A view of the Ras Laffan Industrial City, Qatar's principal site for the production of liquefied natural gas and gas-to-liquids (file). Qatar exported about 80mn tonnes of LNG (liquefied natural gas) in 2025, with Asian countries serving as the primary destination, according to Kamco Invest, a regional economic thinktank.

By Santhosh V Perumal
Business Reporter

Qatar exported about 80mn tonnes (mmt) of LNG (liquefied natural gas) during 2025, with Asian countries serving as the primary destination, according to Kamco Invest, a regional economic thinktank.

China, India, and South Korea were the top three importers of Qatari LNG, Kamco said in its latest report.

During 2025, Qatar, the world's leading LNG exporter, had awarded a $4bn EPCI (engineering, procurement, construction, and installation contract to a consortium led by Italian and Chinese contractors.

"This award is part of a strategic drive to meet its expanding LNG output targets," the report said.

In the GCC (Gulf Co-operation Council) region, Aramco had commenced natural gas production at the Jafurah field, the world's largest shale gas development outside of the US.

"This step underlines a major shift in global natural gas production as Saudi Arabia pivots to scale its unconventional resources and expand its domestic supply," the report said.

It is expected that natural gas from Jafurah will primarily be consumed within Saudi Arabia itself, utilised mainly as fuel for power generation.

The Jafurah gas field is estimated to contain approximately 200tn cubic feet (tcf) of gas, equivalent to 5.7tn cubic metres (tcm).

Current production stands at 450mn cubic feet per day (MMcf/d), or 0.01bn cubic metres per day (bcm/d), with plans to increase output to 2bn cubic feet per day (Bcf/d), equivalent to 0.06bcm/d.

According to the Gas Exporting Countries Forum, total natural gas consumption for a group of major gas-consuming nations, representing approximately 75% of global demand, increased by 1.6% year-over-year (y-o-y) to reach 2,902bn cubic metres (bcm) for the initial ten months of 2025.

Contextually, natural gas consumption rose in key regions including North America and the EU (European Union), whereas, by contrast, consumption declined within the Asia region during the same period.

Overall global natural gas consumption is slated to average a growth rate of 1.5% throughout 2025, a consequence of subdued activity in the industrial sector.

For comparison, global natural gas production is projected to see a marginally higher growth rate than consumption, at 1.7% in 2025, as per the GECF.

The majority of this additional global gas production is predominantly driven by increased output from the North American region.

Conversely, natural gas production within the Asia region is forecast to decrease in 2025.

Highlighting that global natural gas price movements were stable but mixed during the year; Kamco said towards the end of the year, according to the World Bank, the US average monthly natural gas price for December 2025 surged by 40.6% y-o-y to $4.25/MMBtu, attributable to factors such as a polar vortex event, i.e., extreme cold weather. In contrast, European natural gas prices for December 2025 declined by 31.6% y-o-y, averaging $9.48/MMBtu for the month, primarily due to a global increase in LNG supply particularly from the USA which outpaced demand and mitigated concerns regarding relatively low storage levels.

BUSINESS

Turkiye surprises markets with smaller than expected interest rate cut

Bloomberg
Istanbul

Turkiye's central bank lowered its main interest rate for the fifth straight month while surprising markets by slowing the pace of cuts from December.

The Monetary Policy Committee lowered its one-week repo rate to 37% from 38% on Thursday, less than anticipated in a Bloomberg survey of 22 economists. All but three had pencilled in a 150 basis point cut.

Turkiye's benchmark stock index BIST-100 briefly erased gains after the decision. It was up 0.3% as of 2.18pm in Istanbul, while the banking index was down 2.1%. The lira was little changed at 43.3 per the US dollar. A slowdown in inflation last month encouraged policymakers to continue easing borrowing costs, despite having missed their official year-end inflation target of 24% and the expectation of price pressures in the first few months of 2026.


Turkish Central Bank Governor Fatih Karahan.

In a statement accompanying its decision, monetary policymakers cited an anticipated increase in the January inflation print driven by food. Still, the statement said the increase in the underlying trend in inflation is limited.

"A reduction below our expectations reflects that the central bank is not only cautious about food prices in January but also in terms of service items and core inflation," said Hande Sekerci, chief economist at Is Asset Management in Istanbul. "The possibility of January inflation remaining below 4% on a monthly basis has decreased."

Annual price growth eased to 30.9% in December, falling slightly more than the central bank's revised expectations range of 31% and 33%. The outlook for end-2025 inflation was raised in November from 25%-29%.

In investor presentations last week, Central Bank Governor Fatih Karahan cautioned that inflation data in the next two months may be "mixed" due to elevated food prices and seasonal trends. Turkish inflation typically accelerates in January and February as a factor of annual adjustments in minimum wages and taxes for a variety of goods like fuel, tobacco and alcohol.

"The Central Bank of the Republic of Turkiye's 100-basis-point rate cut in January came in below expectations, but the decision struck an overly upbeat tone on inflation. That is not a concern yet. We think a slowdown in disinflation and an upward skew to inflation risks will keep the pace of easing cautious," says Selva Bahar Baziki, economist, Bloomberg Economics.

Inflation expectations and changes to the way inflation is calculated may also weigh on the data. Still the monetary policy chief said a slowdown in services inflation — which has been sticky — would be supportive of an overall price cool-off.

"The central bank implied in its statement that demand conditions remained relatively strong in the last quarter. We see this as a cautious stance on inflation while growth remains robust," Sekerci said. "For now, we maintain our year-end policy rate forecast of 27.5%."

Turkiye's high interest rates hurt manufacturing, says exporters group

Turkiye's extended period of high interest rates has hurt manufacturers, with elevated costs posing risks to the country's official $282bn export target, the head of the Turkish Exporters Assembly (TIM) said, reports Reuters.

The central bank began tightening monetary policy in 2023 and held its main interest rate at 50% for much of 2024 before beginning a stop-start easing cycle that has lowered it to 37%, including a 100 basis-point cut on Thursday.

"This programme has gone on too long. Where we stand after three years, there are problems on the production side. Employment in manufacturing has fallen by some 560,000 jobs over the past three years," TIM head Mustafa Gultepe said.

Labour-intensive sectors such as apparel, leather and furniture will continue to suffer this year, Gultepe told reporters late on Wednesday.

He also said he discussed with central bank officials a possible boost to the foreign-exchange conversion support that exporters already receive.

A weaker lira, robust domestic demand and rising taxes boosted annual inflation to a peak of 75.45% in 2024, but monetary and fiscal measures helped lower it to 30.9% by December.

Gultepe said existing support mechanisms need to be improved for producers and exporters to continue under these conditions.

He said a real recovery in the sector does not seem realistic until next year.

Although Turkiye's exports rose year-on-year in 2025, the growth was not broad-based as most companies struggled to secure overseas business, Gultepe said.

The government has targeted $282bn in exports this year. But that is threatened by lost competitiveness, weakness in some sectors and high rates, the TIM head said.

To help support the sector, the central bank provides a 3% rate to exporters converting forex earnings to lira.

Asked about possibly boosting this support, Gultepe said TIM discussed with the bank renewing limits based on these conversion ratios.

Aramco CEO says oil glut predictions are exaggerated

Reuters
Davos

Global oil glut predictions are seriously exaggerated as demand growth remains strong and global oil stocks are depleted, Amin Nasser, chief executive of Aramco, the world's biggest oil producer, said on Thursday.

Oil prices have traded above $60 per barrel for most of 2025 with analysts predicting a decline in 2026 as they expect global supply to exceed demand by a big margin due to production growth from the US, Opec+ and other producers.

Demand growth remains strong in emerging economies followed by China and the US with total demand reaching record levels last year and rising again this year, Nasser told reporters on the sidelines of the World Economic Forum in Davos.

"Oil glut predictions are seriously exaggerated... Oil stocks are low across the world on a five-year average and barrels offshore are mostly sanctioned barrels," he said.

The world is also short of spare oil capacity or unused oil production that countries can activate in case of an emergency to avert price spikes.

"It (spare capacity) is at 2.5% and we need a minimum of 3%. If Opec+ further unwinds cuts, spare capacity will fall even further and we will need to watch this very carefully," said Nasser.


Aramco's President and CEO Amin Nasser attends the 56th annual World Economic Forum meeting in Davos, Switzerland on Tuesday.

Saudi Arabia's PIF gets strong demand for $2bn Islamic bond

Reuters
Abu Dhabi

Saudi Arabia's Public Investment Fund tapped global debt markets for the first time this year with a $2bn 10-year Islamic bond, or sukuk, drawing substantial demand from investors on Wednesday.

The almost $1tn sovereign wealth fund has been tasked with executing the kingdom's massive economic transformation blueprint, known as Vision 2030, which requires hundreds of billions in investment, in a bid to expand the private sector, create jobs for citizens and wean the economy off hydrocarbon income.

Order books for the sukuk topped $11bn, indicating strong appetite for the paper, and allowed the PIF to launch at a tighter spread of 85 basis points over US Treasuries, from an indicative spread of 120 basis points earlier in the day, fixed income news service IFR reported.

Earlier this month, Saudi Arabia sold $11.5bn in a four-part bond, paving the way for other Saudi borrowers to tap debt markets, with around $20bn in overall issuance from the kingdom already so far this year.

The government's 2026 annual borrowing plan foresees financing needs of about 217bn riyals ($57.86 billion), intended to cover a projected budget deficit of around $44bn this year, as well as about $13.87bn in repayments.

Fitch Ratings said it expected Gulf Co-operation Council countries, including Saudi Arabia, to remain among the largest emerging-market US dollar debt and sukuk issuers in 2026 "despite global and regional shocks".

It forecast GCC debt capital markets to exceed $1.25tn this year, driven by diversification plans, refinancing needs, funding deficits and project pipelines.

Citi, JPMorgan and Standard Chartered were global coordinators for the PIF bond. Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank, Bank of China, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, GIB Capital, HSBC, ICBC, Mashreq Bank and Sharjah Islamic Bank acted as joint lead managers and bookrunners.

Bloomberg QuickTake Q&A

Why investors are worried about Japan's bond market

By Mia Glass

Japanese bonds used to have such low yields that they acted as a kind of anchor for the global debt market, adding downward pressure on government borrowing costs the world over. No longer.

The yield on 40-year Japanese bonds rocketed above 4% in mid-January, a first for any maturity of the nation's sovereign debt in more than three decades. One reason is that the Bank of Japan, which owns more than half of the nation's sovereign notes, has begun to scale back bond purchases.

Another is the possibility of additional government bond sales to fund Prime Minister Sanae Takaichi's tax-cutting plans.

The result has been months of uncharacteristic volatility, including several underwhelming auctions of government debt.

Investors are on guard for the moves in Japanese bonds to spill over into the global bond market, where yields have been marching higher amid concerns over the ability of governments worldwide to rein in persistent budget deficits.

What's (usually) the appeal of government bonds?

Government bonds are generally considered one of the safest assets to invest in because it's deemed relatively unlikely that the issuer — a government — will go bankrupt. That's because a government sets its own rules and can typically raise money when it needs to.

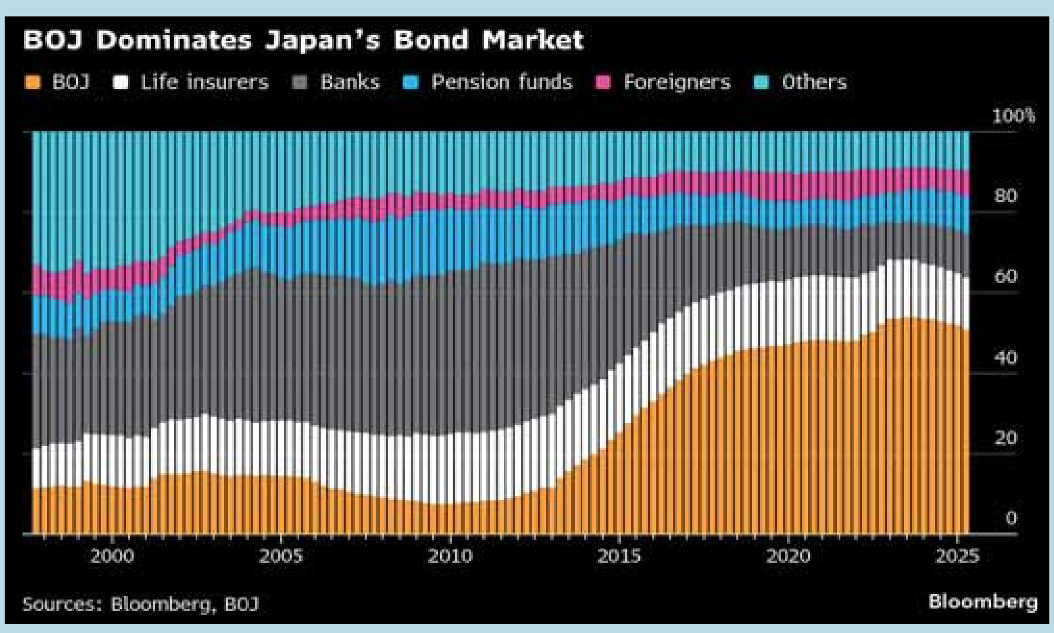
Long-term bonds tend to offer investors relatively high yields for relatively low risk because the investor is agreeing to, and locking in, an interest rate for a significant period of time, like 20 or 40 years. Japan's $7.5tn bond market, in particular, has for decades been considered one of the most stable.

But recently demand has been weak, for a few reasons, which has caused the price of bonds to fall, and yields to inversely rise.

Why has demand been weak?

Japan's central bank has long been the dominant buyer of Japanese government bonds. The country had, until recently, been in a cycle of deflation since the 1990s, known as the "Lost Decades." Buying bonds, which allows the government to issue more debt and spend more as a result, had been part of the BoJ's strategy to stimulate the economy.

But as Japan emerges from deflation and is no longer focused on bolstering the economy through bond purchases, the central bank has started to scale back its massive holdings, which hit a record high in November 2023. With the BoJ stepping back, there simply aren't enough other buyers to absorb the supply, leaving demand weak.



What else is contributing to investor worries?

On November 21, the Japanese government approved a ¥21.3tn ($137bn) stimulus package — its biggest such spending plan since the pandemic. Takaichi has also called an early election for February 8 and promised to suspend Japan's 8% sales tax on food items for two years if her coalition wins.

That has unnerved some investors because such measures typically require additional government borrowing, which means more bonds issued. Typically, when the supply of bonds increases, their price falls — and investors don't want to be stuck with assets that could lose value.

Takaichi hasn't clarified how she would pay for the tax cut, but the move is expected to cost roughly ¥5tn per year, according to the Finance Ministry. A strong showing at the polls would also likely embolden Takaichi to push ahead with further stimulus measures.

The main opposition group, the Centrist Reform Alliance, has also pledged to abolish the food tax permanently, fuelling concerns about weaker fiscal discipline across the political spectrum.

At the same time, improving returns on Japanese debt may eventually put a floor under prices. Foreign buyers are taking advantage of the highest yields in years because hedging the yen back into their own currency can lock in additional returns. Overseas investors now account for roughly 65% of monthly cash transactions of Japanese bonds, up from 12% in 2009, Japan Securities Dealers Association data show. But local institutions are still the biggest buyers of Japanese debt, and their appetite for buying more is being held back by heightened volatility.

What's at stake if demand stays weak in 2026?

Persistently weak demand for bonds — and the higher yields that come with it — would increase borrowing costs across Japan, affecting the government, companies and households. There are already worries about Japan's huge debt burden.

It also leaves the BoJ in a difficult position, as the central bank balances calls to keep borrowing costs low against the need to lift rates to control inflation.

For the nation's life insurers, higher bond yields can mean huge paper losses on their domestic bond portfolios they have accumulated. Four of Japan's biggest life insurers reported about $60bn of combined unrealised losses on their domestic bond holdings for the latest fiscal year, about four times the total a year earlier.

Are the government and central bank worried?

There are signs that both the central bank and government are uneasy about rising bond-market volatility.

After the intense bout of bond selling on January 20 — which spilled over into other markets — Japanese Finance Minister Satsuki Katayama urged market participants to "calm down." US Treasury Secretary Scott Bessent said he had spoken with his Japanese counterpart amid the selloff, which he said had also affected the US Treasuries market.

Japan's central bank has been wary even before the latest rout. BoJ Governor Kazuo Ueda noted on December 9 that long-term bond yields were rising "at a somewhat rapid pace." To avoid destabilising the market, the BoJ is planning to slow the pace of its retreat from the bond market. From April, it will cut monthly bond purchases by ¥200bn every quarter, instead of the current reduction of ¥400bn. Ueda also said the bank would be prepared to increase bond purchases in exceptional cases to stabilise the market if needed.

The government is also trying to avoid adding pressure to yields. To fund its stimulus package, it has opted to lean on short-term debt — boosting issuance of two- and five-year bonds by ¥300bn each — instead of relying on longer maturities.

Still, Japanese premier Takaichi has said it's more important for her government to focus on economic growth rather than rising yields. She said it was impossible to isolate the impact of fiscal policy on yield moves.

What's happening with bonds elsewhere around the world?

Many major markets around the world have been experiencing a rout in longer-dated bonds since US President Donald Trump unveiled his "Liberation Day" tariffs in April, which have heightened inflation risks and, in turn, pushed yields higher. Trump's latest push to take over Greenland has also caused the price of US Treasuries to tumble.

Adding to the upward pressure on yields, traders are also increasingly betting that some central banks will slow or halt their monetary easing this year, further dampening demand for bonds beyond Japan.

Exxon Mobil Corp's top executive Darren Woods during a meeting with oil executives at the White House on January 9. ***Right:*** An oil pumpjack on Lake Maracaibo in Cabimas, Zulia state, Venezuela. Woods said in the White House meeting this month that Venezuela is "uninvestable" without structural above-ground changes, including legal and tax reforms.

Venezuela's questionable oil figures are now Trump's to tout

Bloomberg
New York

On paper, Venezuela has enough oil reserves to maintain production at current levels for more than 800 years, an enticing prospect for the White House as it pushes Big Oil to get the petrostate gushing again.

But the South American nation's claim that it sits atop more than 300bn barrels, 17% of the world's total and surpassing even Saudi Arabia, has long been questioned by some industry experts — including the very firm hired to help evaluate the resource under the late socialist icon Hugo Chávez. More realistic estimates peg Venezuela's reserves at around a third or less than the marquee label.

Proven reserves refer to the estimated amount of crude that with reasonable certainty can be commercially recovered under current economic, technological and regulatory conditions, a threshold that Venezuela's veteran oil engineers and other experts have long maintained the country's claim doesn't meet.

When Venezuela's national oil company contracted a resource certification consultancy to evaluate the vast Orinoco Oil Belt in the late-2000s, experts say the Chávez government seized on — and embellished — the results to project political influence at home and abroad at a time of spiralling oil prices and resource nationalist fervour. The claim stuck and later helped the country to access more financing.

"Some of the numbers that were accredited to our firm were not necessarily exactly what we were calculating," said Herman Acuna, president of Houston-based Ryder Scott that assessed the full belt in stages from 2008 to 2011, using logs from Petroleos de Venezuela SA.

Ryder Scott issued public clarifications at the time to highlight the contingent nature of the resources, he said.

National oil companies like PDVSA sometimes "take liberties" with the data to showcase their countries' potential, said Acuna, who headed up the project at the time.

To be sure, even accounting for some fuzziness in the data and the sludgy nature of most Venezuelan oil, conservative estimates still suggest a colossal volume of oil lies in the ground, keeping the Opec nation firmly in the big leagues. But the questions surrounding Venezuela's reserves highlight how such widely touted data can be politicised and distorted, rendering it unreliable at best and highly misleading at worst.

Venezuela's proven reserves would be far less than the country's official claim, said Rice University energy expert Francisco Monaldi. He said a conservative estimate would be "about 110bn barrels."

The volume of Venezuelan oil that's economically viable to produce today is smaller still. In a new calculation reflecting the post-Maduro landscape, Oslo-based research firm Rystad Energy estimates that number at 60bn barrels.

PDVSA and the oil and information ministries didn't immediately reply to requests for comment.

For investors, the reserves issue is ultimately a "red herring," said Luis Pacheco, a former senior PDVSA executive. "Even if the reserves were 50bn barrels, rather than 300bn barrels, Venezuela could produce 3mn barrels for 45 years."

Such lofty numbers help explain why Venezuela remains attractive to big oil companies like Chevron Corp and ConocoPhillips, in a world with dwindling opportunities to substantially bulk up their balance-sheet reserves. In Venezuela, they can recover old debts and meet demand from US Gulf Coast refineries.

Chevron is the only major oil company that currently has US authorisation to pump Venezuelan oil, but others are expected to get a green light soon now that the US has captured strongman Nicolas Maduro and vowed to reopen the country's economy to foreign investment.

The campaign to recalculate Venezuela's oil wealth, dubbed Proyecto Magna Reserva Petrolera, came at a politically charged moment in the 2000s.

The Chavez administration, including his long-serving Oil Minister Rafael Ramirez, had sacked thousands of PDVSA's experienced engineers and managers who had gone on strike to protest state meddling. Then, the government took over Exxon's and ConocoPhillips's assets in 2007, putting a diminished PDVSA back in control.

To get to the dizzying 300bn barrel figure, the government inflated the assumption around how much of the Orinoco oil could realistically be produced, Monaldi and other oil experts said. The official 20% threshold of oil in place — or the total volume of the resource — that the politicians deemed to be recoverable was more than double what had been achieved by PDVSA and its partners.

"In reality, Venezuela has only achieved about a 7% to 8% recovery," Monaldi said. The politicians had also expediently set aside the poor quality and questionable economic and technical viability of most of the resources, said Venezuelan oil engineer Gustavo Coronel, who was among PDVSA's first board directors in the 1970s.

Still, "Venezuela boasted that it had the largest oil reserves on the planet, and people repeated it like parrots," said Coronel.

The Chavez government invited ideologically aligned state-owned oil companies from Uruguay to Belarus to plant a flag in the Oil Belt, even though none had the expertise or access to capital to invest there. Big refineries and pipelines that Chávez promised never materialised.

Oil prices collapsed not long after Chavez's death in 2013, and under his hand-picked successor Maduro, Venezuela's production tumbled in a haze of mismanagement, underinvestment and corruption. Sanctions accelerated the decline.

"Venezuela could be producing perhaps 10 times as much if those same resources were, say, in Texas with the institutions and taxes of Texas," said Monaldi. Canada, which has heavy oil similar to Venezuela's, produces more than four times as much, he added.

The country is estimated to need upwards of $100bn in investment over a decade to get back to its last sustained peak of more than 3mn barrels a day reached in the 1990s.

To arrive at its 60bn barrel calculation, Rystad factored in better access to technology, the lifting of US oil sanctions, a favourable investment climate and political stability — all assumptions that have yet to be fulfilled. Its previous 2024 calculation of 27bn barrels was based on a full-sanctions scenario.

With a realistic oil price and investment commitments, Rystad's latest estimate is enough to return Venezuela to its peak over the next 20 years "and maintain this level for a very long time," according to Rystad's Deputy Head of Research Artem Abramov. Venezuela is currently producing less than 1mn barrels a day.

Despite the questionable foundations for Venezuela's reserves claim, the national number is published by Opec and other sources, mainly because there is no audited alternative. Chevron only calculates its own reserves in the country.

Compared to Saudi Arabia, whose lighter oil is cheaper and easier to produce, Venezuela's extra-heavy Orinoco grade requires blending with lighter crude oil or naphtha, a form of diluent, or sophisticated plants to upgrade it. International oil companies built four such plants in Venezuela in the 1990s, but today only one them, run by Chevron, is operating.

As the Trump administration moves to control more of the country's oil supply under new interim President Delcy Rodriguez — who has run the industry as oil minister since 2024 — international prices for the commodity will be critical.

Rystad Partner and Head of Emerging Markets Schreiner Parker said Venezuela could boost current daily production by around a third, or roughly 300,000 barrels, at a break-even cost well below current price levels. Beyond that production threshold, the costs start to go up, requiring higher oil prices to justify investment.

If oil companies decide to invest, they would seek to certify their share of reserves, as Chevron has, in the context of their own production projects.

For now, Exxon Mobil Corp's top executive Darren Woods said in a White House meeting this month that Venezuela is "uninvestable" without structural above-ground changes, including legal and tax reforms.

The bigger question of how much total oil lies beneath Venezuela will likely remain opaque. Verifiable economic data remains scarce, and it's too early to tell if US involvement will bring greater transparency.

"On the question of oil reserves, there is no such thing as objective truth," Parker said. "Think about Russia, Venezuela or Saudi Arabia, where are you gonna get an empirical benchmark there that can be trusted?"

Venezuela's oil shakeup ripples even wider across tanker market

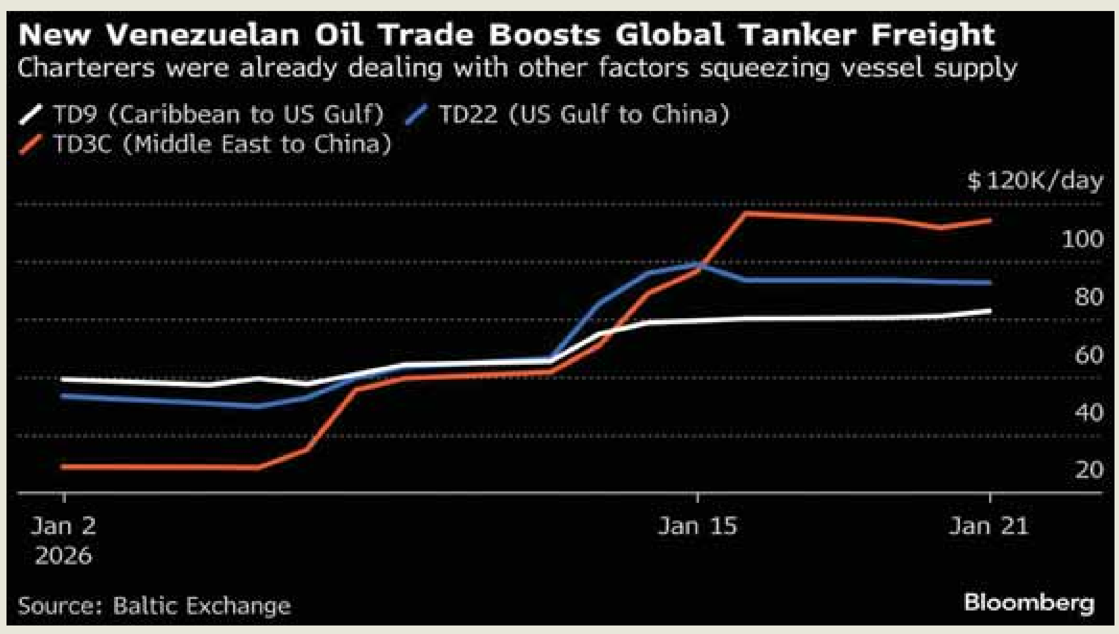
Bloomberg
Dubai/London

Rates to ship crude on tankers are surging more widely across the world after the US moved to exert control over Venezuelan flows, a trade once primarily handled by a dark fleet of ageing vessels. Shipowners are deploying legitimate tankers near the US Gulf in anticipation of higher demand for vessels instead of positioning them in the seas surrounding major production hubs such as the Middle East. That's led to rates on routes to China jumping, mirroring recent gains in the Caribbean and Mexico.

Daily earnings on the Middle East-to-China route have almost tripled this year to nearly $114,000, while rates from the US Gulf to China are 73% higher. Earnings for ships travelling from the Caribbean to the US Gulf have also jumped further, hitting a new two-year high on Wednesday at nearly $82,800.

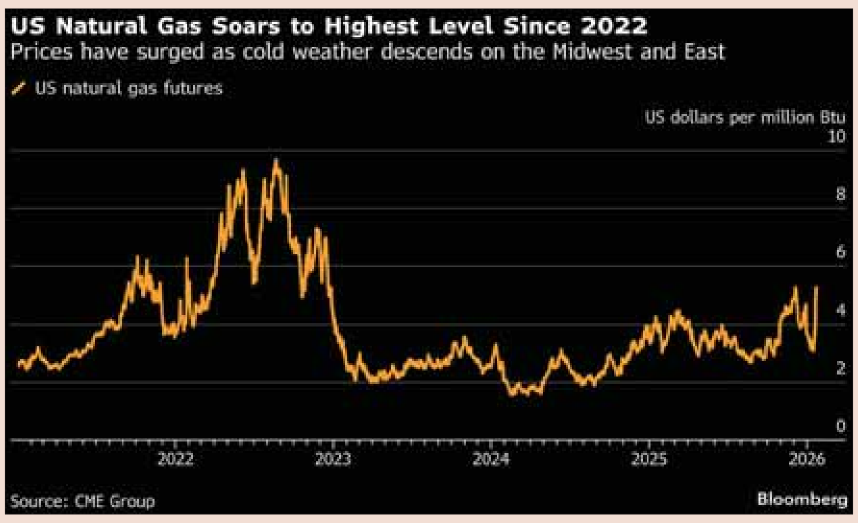
In a rare move, an empty tanker last week started a 45-day journey to the Americas from the Middle East. The Megan Glory completed a delivery to Sohar in Oman, signalled its intention to stay in the area on January 12, and then days later indicated it was headed to the US Gulf to wait for orders.

Actions such as that from the Megan Glory are prompting charterers to dangle higher fees to deliver near-term cargoes on routes not involving the Americas. The Al Riqqa was fixed on Wednesday at a year-to-date high of 140 Worldscale points — an industry standard that uses 100 as base cost for a specific voyage — to ship Kuwaiti crude to Singapore by early February.



Natural gas prices soar as freeze grips major markets

Bloomberg
London/New York



US and European natural gas futures have posted multiday rallies this week as freezing weather sweeps across major markets for the fuel, sparking a wave of short-covering amid risks of stronger heating demand and disrupted production.

Front-month contracts in the US jumped to the highest since 2022 and are on track for a weekly gain of more than 70%, the biggest such move in records going back to 1990. European futures dipped Thursday after rising around 40% this year.

Americans are bracing for a severe winter storm that could cause unusually low temperatures across two-thirds of the nation and disrupt major gas production facilities in the south due to a freeze-off, where water solidifies inside pipelines. Consumption is expected to rise as households crank up their heaters, potentially draining inventories.

"This is a textbook winter-driven squeeze: fast, violent, and sentiment-shifting," Ole Hvalbye, an analyst at SEB AB, wrote in a note to clients.

The shift in US weather forecasts came days after hedge funds turned more bearish on gas at the end of last week, leaving the market poised for a rally as traders rushed to close out those wagers. In Europe, bearish bets have been elevated since the start of the heating season, before rapid storage withdrawals in recent weeks upended market sentiment.

While surging prices are a boon to US gas producers, they spell trouble for consumers struggling with high energy bills, which are a problem for governments around the globe.

Europe is also getting ready for another cold snap in the next few days, and relies on the US for liquefied natural gas imports ever since it lost most Russian pipeline flows during the 2022 energy crisis. Stockpiles are already at unusually low levels after a challenging stockpiling season last summer and repeated cold spells this winter.

"What's currently happening is a bidding war between the Henry Hub and the TTF, each fighting to keep/move the gas in its market," according to a note from Engie SA's EnergyScan, referring to the main gas trading points in the US and Europe. The continent is realising that the competition to attract LNG cargoes "isn't just with Asia, but also with the US."

Asia's gas benchmark also jumped this week to the highest level since late-November, according to traders, as the weather in the region turned colder, lifting demand. While the region has ample inventories — unlike Europe — a prolonged cold snap could raise global competition for the fuel. The rally across global gas markets comes after a period of relative calm, as new LNG projects slated to come online in 2026 and later this decade raised expectations of a looming glut that could dampen gas prices for years to come.

SEB's Hvalbye said the immediate trigger has been the weather, rather than any structural shock or change in long-term fundamentals.

Still, he said the price reactions underline a shift that has taken place in the gas market, particularly in Europe.

"Gas has become a far more global and flexible commodity, where traditional European seasonal logic matters less than before," Hvalbye said. "That also means that when weather or global flows shift, price reactions can be faster and sharper, exactly what we are now seeing play out."

QCB governor meets founder of Luma Group at WEF in Davos

The governor of the Qatar Central Bank HE Sheikh Bandar bin Mohammed bin Saoud al-Thani, who is also chairman of the Qatar Investment Authority (QIA), held a meeting on Wednesday with Joshua Fink, the founder of Luma Group, on the sidelines of the World Economic Forum Annual Meeting 2026 in Davos, Switzerland. During the meeting, they reviewed key global financial and investment developments.

Foreign funds lift QSE 120 points; M-cap adds QR7.2bn

By Santhosh V Perumal
Business Reporter

Tracking strong momentum in the global markets, the Qatar Stock Exchange yesterday saw its key index gain as much as 120 points and capitalisation add in excess of QR7bn.

A higher than average demand at the telecom, banking and insurance counters lifted the 20-stock Qatar Index by 1.07% to 11,336.59 points, although it touched an intraday low of 11,204 points.

The foreign institutions' increased net buying had its influence on the main market, whose year-to-date gains improved to 5.33%.

About 54% of the traded constituents extended gains to investors in the main bourse, whose capitalisation, added QR7.2bn or 1.07% to QR680.12bn mainly on large and midcap segments.

The Gulf institutions were seen increasingly bullish in the main bourse, whose trade turnover and volumes were seen strengthening.

The Islamic index was seen gaining slower than the other indices of the main market, which saw as many as 0.03mn exchange traded funds (sponsored by AlRayan Bank and Doha Bank) valued at QR0.15mn trade across two deals.

However, the local retail investors were increasingly net profit takers in the main bourse, which saw no trading of sovereign bonds.

The domestic funds were also increasingly bearish in the main market, which saw no trading of treasury bills.

The Total Return Index gained 1.07%, the All Share Index by 1.1% and the All Islamic Index by 0.97% in the main bourse.

The telecom sector index shot up 1.8%, banks and financial services (1.57%), insurance (1.14%), industrials (0.71%), real estate (0.7%) and consumer goods and services (0.03%); while transport declined 1.04%.

A higher than average demand at the telecom, banking and insurance counters lifted the 20-stock Qatar Index by 1.07% to 11,336.59 points, although it touched an intraday low of 11,204 points.

As many as 29 gained, while 17 declined and eight were unchanged.

Major movers in the main market included Qatar Islamic Bank, Qatar National Cement, QIIB, Qatar Insurance, Qatari Investors Group, QNB, Lesha Bank, Industries Qatar, Mesaieed Petrochemical Holding, Ooredoo and Vodafone Qatar.

In the junior bourse, Techno Q saw its shares appreciate in value.

Nevertheless, Qatar General Insurance and Reinsurance, Qatar Cinema and Film Distribution, Milaha, Nakilat and Qamco were among the shakers in the main market.

The foreign institutions' net buying increased substantially to QR155.21mn compared to QR15.2mn on January 21.

The Gulf institutions' net buying expanded considerably to QR33.32mn against QR18.41mn the previous day.

However, the Qatari retail investors' net selling expanded drastically to QR132.64mn compared to QR3.51mn on Wednesday.

The domestic institutions' net selling strengthened significantly to QR49.06mn against QR30.31mn on January 21.

The Arab retail investors turned net sellers to the tune of QR3.77mn compared with net buyers of QR0.08mn the previous day.

The foreign individuals' net profit booking expanded perceptibly to QR2.22mn against QR0.69mn on Wednesday.

The Gulf retail investors were net sellers to the extent of QR0.86mn compared with net buyers of QR0.9mn on January 21.

The Arab funds had no major net exposure against net profit takers to the tune of QR0.09mn the previous day.

The main market saw a 7% jump in trade volumes to 135.44mn shares, 61% in value to QR627.67mn and 39% in deals to 32,118.

In the venture market, a total of 0.01mn equities valued at QR0.03mn changed hands across seven transactions.

IndiGo profit plunges 78% as December meltdown takes a toll

Bloomberg
New Delhi

IndiGo, India's biggest airline, reported a quarterly profit that missed expectations on one-time charges due to December's unprecedented disruptions that led to nearly 3,000 flight cancellations and tighter regulatory oversight.

Net income for InterGlobe Aviation Ltd, the operator of IndiGo, slipped 78% to 5.5bn rupees ($60mn) for the three months ended December 31 compared with the year-ago period, according to an exchange filing Thursday. A Bloomberg survey of analysts had expected a profit of 19.97bn rupees.

The no-frills carrier took an exceptional charge of 15.5bn rupees that included the cost of last month's disruptions and the new labour rules being introduced, the filing said. The hit was partially cushioned by a 21% increase in other income to 10.7bn rupees.

Revenue rose 6.2% to 234.7bn rupees, also missing estimates. Total costs were up 9.6% to 224.3bn rupees as the carrier absorbed expenses, including refunds and payouts to "severely impacted" fliers. The regulator's order to cut 10% of flights further weighed on capacity and utilisation.

The December meltdown marked one of the worst operational crises in Indian aviation, stranding tens of thousands of passengers and exposing weaknesses in IndiGo's manpower planning and rostering. This quarter is usually a strong one for Indian carriers propelled by festival and holiday-related travel.

"The months of October and November started very well and disruption in December changed some of our numbers," Chief Executive Officer Pieter Elbers said in a post-earnings call.

With IndiGo controlling nearly two-thirds of India's domestic market, the mass cancellations quickly pushed fares higher and prompted regulators and the government to consider the need for stronger competition. The regulator imposed a fine on IndiGo last week after deploying on-site monitors and seeking an explanation from Elbers for the "significant lapses in planning."

"Our long-term fundamentals remain strong, backed by our expanding fleet, growing domestic and international network," he said in a statement.

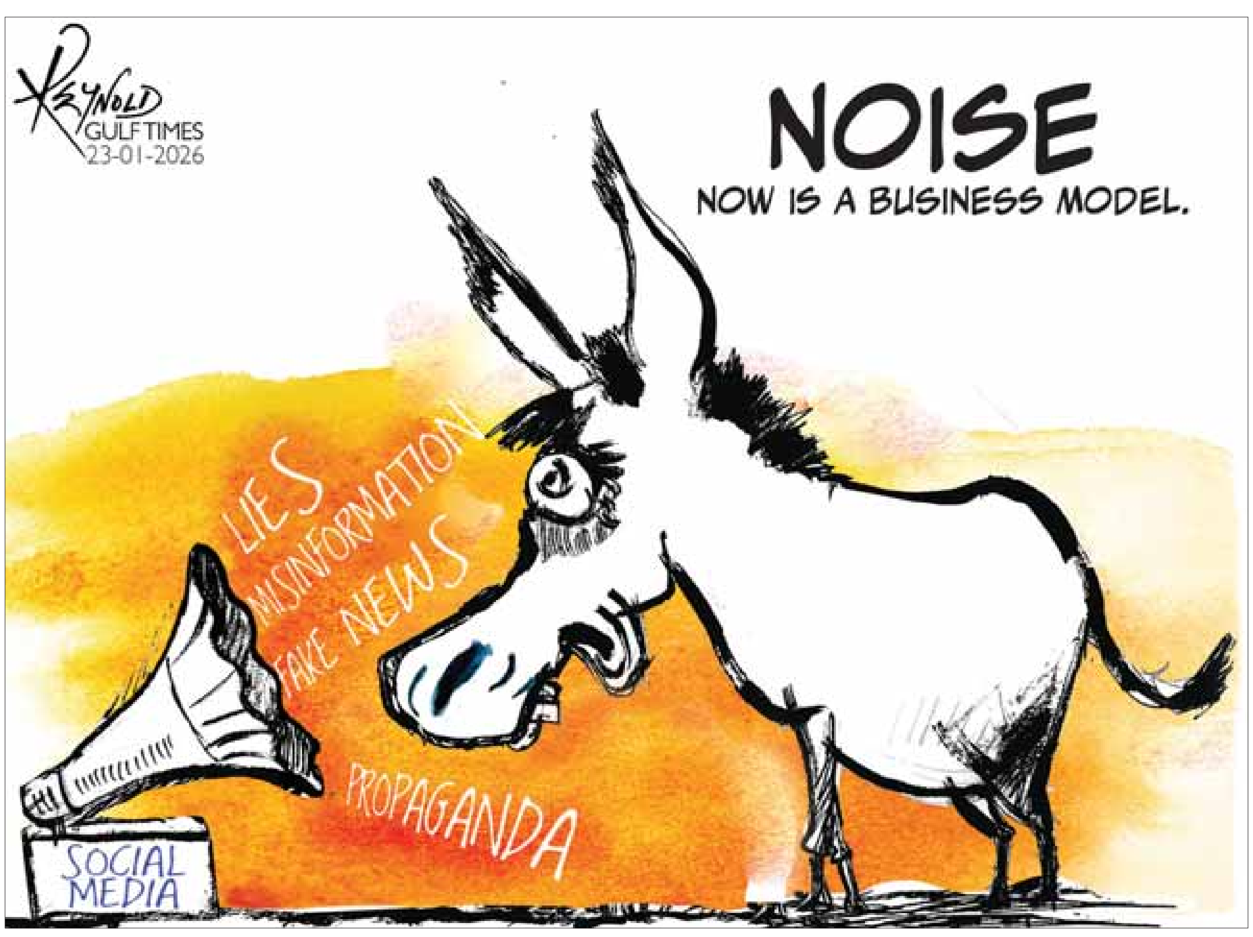
The airline had a net increase of 23 planes, pushing its fleet to 440 aircraft by the end of the quarter. It expects a 10% rise in capacity in the ongoing March quarter, it said in the filing.

IndiGo's passenger load factor slipped to 84.6% from 86.9% in the same period last year. It carried 31.9mn passengers during the quarter. The debt increased by 2.7% to 768.58bn rupees compared to the preceding quarter.

While the events last month were unprecedented for IndiGo known for its ultra-optimised business model, the carrier's earnings have been hit in the past by foreign exchange losses and the grounding of dozens of planes due to issues with Pratt & Whitney engines.

IndiGo shares have dropped 15.3% since the beginning of December compared to a 3.3% decline in the benchmark S&P BSE Sensex.

The December meltdown marked one of the worst operational crises in Indian aviation, stranding tens of thousands of passengers and exposing weaknesses in IndiGo's manpower planning and rostering



China's Africa lending nearly halves in 2024; shift to yuan

Reuters
Johannesburg

Chinese lending to Africa nearly halved to $2.1bn in 2024, the first annual decline since the Covid-19 pandemic, as the country shifts to selective, strategic projects, according to data released on Wednesday by Boston University.

The lending, which is less than a tenth of the $28.8bn peak in 2016, reflects China's move away from large infrastructure projects such as railways and roads and toward smaller, commercially viable projects, according to Boston University's Global Development Policy Center.

"As the era of billion-dollar projects winds down, China's evolving financial instruments may define a new, more selective phase of engagement," the report said, noting that Chinese lending had consistently exceeded $10bn annually between 2012 and 2018.

Beijing had to take losses on some loans after the economic stress of the pandemic pushed Zambia, Ghana and Ethiopia into default. The university's Chinese Loans to Africa Database, which tracks lending to the continent going back to 2000, found that China has increasingly pivoted away from dollar-denominated megaprojects characteristic of the early Belt and Road Initiative and toward targeted, smaller-scale financing denominated in yuan.

"China increasingly employs RMB-denominated loans, small and medium-sized enterprise (SME) on-lending via domestic banks in African countries, and (foreign direct investment)," the report said, pointing to a shift to FDI rather than traditional development loans.

In 2024, the most recent year for which data is available, all Chinese infrastructure loans to Kenya were yuan-denominated, the research showed.

Kenya also converted $3.5bn worth of loans from Beijing to yuan in October. Ethiopia is also considering the shift, while the China Development Bank and the Development Bank of Southern Africa signed a deal last year for the first yuan-denominated financing cooperation.

Financing for projects exceeding $1bn also declined in favour of funds channelled via regional African banks and directed toward projects perceived as commercially viable.

In 2024, China funded just six projects across the continent — two in Angola, and one each in Kenya, Egypt, the Democratic Republic of Congo, and Senegal.

Angola, which secured $1.45bn for power grid and road upgrades, was the top recipient, reflecting Beijing's focus on long-standing partnerships and strategic projects.