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COMMERCIAL BANK

Qatar's core residential market witnesses strong growth in sales transactions: Knight Frank

By Santhosh V Perumal
Business Reporter

Qatar's core residential market has been witnessing strong growth in sales transactions on continued liquidity and demand, indicating stability rather a retreat, according to Knight Frank, the London-based property consultant.

"Although residential prices are softening, strong growth in transaction volumes highlights continued liquidity and demand in Qatar's core residential markets and indicating stabilisation, rather than a market in retreat," said Faisal Durrani, Partner – Head of Research, Middle East and North Africa, Knight Frank.

The total value of residential sales in Qatar rose by 43.5% year-on-year to QR26.6bn in 2025 against a backdrop of expanding supply and softening prices, said the winter edition of the Qatar Real Estate Market Review from Knight Frank.

The number of transactions rose 50% to 6,831. In the fourth quarter (Q4) of 2025, activity remained concentrated in key locations, with Doha recording 564 transactions (QR2.4bn) and Al Wakra registering 387 transactions (QR895mn), underlining continued demand and liquidity in core residential markets.

Despite this uplift in sales activity, villa prices softened by 1% year-on-year, reflecting a more competitive pricing environment.

"As supply expands and buyers become increasingly value-led, this trend of a gradual softening is likely to persist. Despite this moderation, demand for homes in prime locations remains resilient,"



Qatar's core residential market has been witnessing strong growth in sales transactions on continued liquidity and demand, indicating stability rather a retreat, according to Knight Frank, the London-based property consultant

the report said. At a neighbourhood level, villa price performance in Q4-2025 was mixed, with prices increasing in Al Dafna (+6.5%) and Al Kheesa (+5%). Despite a 9.5% year-on-year decline in Abu Hamour, the area continued to command the highest average villa price (QR7,740 per sq m), while Umm Salal Ali remained the most affordable (QR5,800 per sq m).

Apartment sale prices fell 2% year-on-year, averaging QR12,865 per sq m. The Waterfront (QR15,265 per sqm) and Viva Bahriya, The Pearl Island (QR14,630 per sq m) recorded the highest pricing, reflecting continued demand for premium waterfront living.

Values remained unchanged in Qanat Quartier (QR14,590 per sq m) last year, while Porto Ara-

bia (QR11,787 per sq m) is still a relatively more affordable option within The Pearl Island.

The report found Qatar's residential rental market continues to be shaped by tenant demand for well-located, lifestyle-led communities, with rents remaining strongest for larger villas in established, lifestyle-led districts.

The average villa rental rate declined by 2.4%, averaging QR12,985 per month in Q4-2025, reflecting a modest market correction while demand remains focused on prime communities. Villa rents overall declined by 3% during 2025.

West Bay Lagoon continues to lead the market, with average monthly rents ranging from QR18,656 for 3-bedroom villas, rising to QR25,696 for 5-bedroom

villas. In Q4-2025, apartment lease rates declined by an average of 7%, reflecting softer rental conditions across the market, although demand remains concentrated in established, lifestyle-led districts.

The Pearl Island continues to command the strongest rents, with average monthly rates of QR8,440 for 1-bedroom apartments can rise as high as QR15,500 for 3-bedroom apartments. In contrast, Fox Hills remains the most affordable rental option for tenants, with 1-bedroom units averaging QR5,875 per month.

Apartment rental performance remains mixed by location, with The Waterfront and West Bay continuing to attract premium demand, where 3-bedroom apartments average QR12,200 and QR13,500 per month, respectively.

Opec+ set to keep oil production pause for March as prices jump

Reuters
London

Opec+ is likely to keep its pause on oil output increases for March when it meets on Sunday, five delegates told Reuters, even as crude climbs above \$70 a barrel on concern the US could launch a military strike on Opec member Iran.

The meeting of eight Opec+ members, which pump about half the world's oil, comes as Brent crude has risen to almost \$72 a barrel, its highest since August, despite speculation that a supply glut would push prices down.

The eight producers - Saudi Arabia, Russia, the United Arab Emirates, Kazakhstan, Kuwait, Iraq, Algeria and Oman - raised production quotas by about 2.9mn barrels per day from April through December 2025, roughly 3% of global demand. They then froze further planned increases for January

through March 2026 because of seasonally weaker consumption.

Three of the five Opec+ delegates, who all asked not to be identified as they are not authorised to speak to the media, said Sunday's meeting was unlikely to take any decisions beyond March.

Opec and authorities in Saudi Arabia and Russia did not immediately respond to requests for comment. Also on Sunday, a separate Opec+ panel called the Joint Ministerial Monitoring Committee is scheduled to meet, delegates said. The JMMC does not have decision-making authority on production policy.

US President Donald Trump has intensified pressure on Iran to curb its nuclear programme, threatening military action and deploying a US naval group to the region. Washington has imposed extensive sanctions on Tehran to choke off its oil revenue, a crucial source of state funding.

Oil forecast to hover near \$60

Reuters
London

Oil prices are likely to hold near the \$60 a barrel mark this year, as the prospect of oversupply in the market offsets the impact of geopolitical tensions that could disrupt cargoes, a Reuters poll showed yesterday.

The survey of 31 economists and analysts conducted in January forecast that Brent crude would average \$62.02 per barrel in 2026, slightly up from December's forecast of \$61.27. Brent was trading around \$70 on January 30 and averaged around \$68.20 last year.

US crude is projected to average \$58.72 per barrel, compared with December's estimate of \$58.15. Prices averaged \$64.73 in 2025.

Geopolitics are at the fore following US President Donald Trump's threats to Iran, expanded sanctions on Russia, and unrest across the Middle East. All

pose supply risks. However, analysts said US trade policy shifts, China's demand trajectory, and Opec+'s next steps will also steer prices this year.

"Geopolitics brings lots of noise but neither the events in Venezuela nor Iran should ultimately alter the big picture. The oil market appears to be in a last-ing surplus," said Norbert Ruecker, head of economics & next generation research at Julius Baer.

Analysts expect that surplus to range from 0.75 to 3.5mn barrels per day. Analysts broadly expect it to take years for any major increase in production from Venezuela after the US capture of President Nicolas Maduro earlier this month.

Kpler anticipates Venezuelan supply will dip through April because of the US crackdown on tankers under sanctions, but that it will rebound in the second half of the year as existing infrastructure is reactivated.

Banks and consumer goods drag QSE; M-cap falls QR4.46bn

By Santhosh V Perumal
Business Reporter

WEEKLY REVIEW

Amidst apprehensions over the US military action on Iran, the Qatar Stock Exchange (QSE) closed in the negative this week, which saw the Qatar Central Bank keep its key rates unchanged, following the Federal Reserve's stand. The banks and consumer goods counters witnessed higher than average selling pressure as the 20-stock Qatar Index fell 0.23% this week which saw QIIB report net profit of QR1.35bn in 2025. "The increased risk of escalation in geopolitical tensions is matter of concern for the markets in the region," a financial analyst told Gulf Times. About 63% of the traded constituents were in the red in the main bourse this week which saw Qamco report net profit of 768mn in 2025. The banks and industrials sectors accounted for about 64% of the trading volumes in the main bourse this week which saw the QSE unveil its multi-pronged strategy, which includes a comprehensive liquidity-enhancement

agenda and streamlining the initial public offering and listing, as it expects this year a robust pipeline of listings, encompassing new companies and additional bond and sukuk issuances. The Islamic index was seen making gains vis-à-vis declines in the other indices of the main market this week, which saw a total of 0.05mn AlRayan Bank-sponsored exchange traded fund QATR worth QR0.11mn trade across 26 deals. Market capitalisation shed QR4.46bn or 0.66% to QR675.66bn on the back of small cap segments this week which saw a total of 0.03mn Doha Bank-sponsored exchange traded fund QETF worth QR0.3mn trade across 30 transactions. Trade turnover and volumes were on the rise in the main market this week which saw a total of 0.09mn sovereign bonds valued at QR0.94bn trade across three deals. The Total Return Index fell 0.23% and the All Share Index by 0.43%, while the All Islamic Index was up 0.08% this week



The banks and consumer goods counters witnessed higher than average selling pressure as the 20-stock Qatar Index fell 0.23% this week

which saw Mesaieed Petrochemical Holding's (MPHC) 2025 net profit at QR533mn. The banks and financial sector index tanked 1.22%, consumer goods and services (0.6%) and insurance (0.21%); whereas transport shot up 2.5%, industrials (0.42%), telecom (0.41%) and real estate (0.02%) this week which saw Lesha Bank

report net profit of QR200.1mn in 2025. Major shakers in the main market include Estithmar Holding, Mannai Corporation, Medicare Group, Doha Bank, QIIB, QNB, Dukhan Bank, Aljarah Holding, Qatar German Medical Devices, Salam International Investments, Baladna, Al Faleh Educational Holding, Qatari Investors

Group, MPHC, Mazaya Qatar, Ezdan and Vodafone Qatar this week which saw Beema register net profit of QR95.6mn in 2025. Nevertheless, Mekdam Holding, Qamco, Beema, Gulf Warehousing, Nakilat, Commercial Bank, Mosanada Facilities Management Services, Barwa, Ooredoo, Nakilat and Milaha were among the movers in the main market this week which saw Mekdam Holding register net profit of QR42mn in 2025. The main bourse saw a 17% jump in trade volumes to 763.14mn shares, 18% in value to QR2.52bn and 26% in deals to 164,045 this week which saw Mosanada progressing well towards establishing a joint venture with a strategic partner in Saudi Arabia. In the venture market, trade volumes more than doubled to 0.13mn equities and value also more than doubled to QR0.26mn on 18% growth in transactions to 40 this week which saw a Knight Frank report that said Qatar's hospitality sector is set to see an addition of 2,126 rooms this year, reinforcing the country's expanding tourism base and continued recovery in travel demand.

Be careful what you wish for on a weaker dollar

By Mike Dolan
London

Suddenly, the dollar is back on the slide, on an inkling that Washington is ready to use more than words to reverse its long-standing overvaluation in pursuit of a global trade reset. But trying to prod gigantic currency markets into seismic shifts could get very messy indeed.

A relatively placid start to the year for foreign exchanges, despite major geopolitical ructions, had many assume the dollar's precipitous early year slide in 2025 had petered out. Re-accelerating US growth and its re-invigorated asset markets had drawn a line under it in many investors' eyes.

But the past week has seen Japanese authorities try to rope in US counterparts to defend the ailing yen ahead of elections next month. That revived speculation Washington could take more direct action to keep the dollar down and perhaps even reverse years of broad dollar appreciation.

Even though no official selling of dollars was detected, a "quote check" from US authorities yesterday - often seen as a prelude to intervention - sent the dollar/yen pairing plunging. Subsequent Japanese warnings against excessive yen weakness point back to last September's joint Washington-Tokyo statement.

The dollar slide hasn't been confined to the

yen. South Korea's won has rebounded, while China's yuan and Australia's dollar hit their highest in three years. The move shifted to Europe on Tuesday, with the euro soaring to its highest level in almost five years and the Swiss franc climbing to 10-year peaks.

The dollar's index against the most traded currencies - which had its worst first half of any year of the floating exchange era in 2025 - plummeted its weakest since early 2022.

The narrative returns once more to a long-standing assumption that President Donald Trump's administration wants a deeper unwind of the dollar's near-50% real rise in the decade before his return to power, as part of a push to shrink US trade deficits. Many of his closest advisers see tariff hikes and a more competitive exchange rate as central planks of any reboot of America's industrial economy.

Despite last year's dollar drop, the real effective exchange rate index has shaved only about 8% from the peak a year ago - and still sits 35% above levels in 2011. Although Treasury Secretary Scott Bessent has been vague about the administration's overall attitude to the dollar exchange rate - and may well have supported Japan on the yen simply to prevent an explosive rise in Japanese government bond yields going global - speculation has swirled nonetheless.

Inevitably, attention has returned to pre-election papers by Trump adviser - now Federal Reserve Governor - Stephen Miran, which raised the prospect of a so-called

"Mar-a-Lago Accord": a multi-pronged effort to devalue the dollar, echoing the 1985 Plaza Accord, when G5 powers coordinated to sell dollars and puncture the Reagan-era surge. But even if a weaker dollar suits Japan for now, it's hard to see why Europe or China would sign up for a forced jump in their own currencies - especially given the rancorous state of trade and political relations with the Trump administration.

And sending any such signal to global currency markets, which turn over almost \$10tn a day, risks opening a Pandora's box of other potential problems. The big concern for Washington about sowing seeds of a dollar devaluation in an election year is what that may mean for the stability of gigantic net foreign ownership of US assets - more than \$27tn and rising as of late last year.

The prospect of unhedged US stocks and bonds suffering a 10-20% dollar hit may well destabilise that unprecedented investment imbalance - now a US liability to the rest of the world of about 90% of GDP. Japanese investors are the single biggest overseas holders of US Treasuries and European investors hold \$8tn of US stocks and bonds.

What's more, any sudden and sharp dollar slide would complicate things further for Fed policymakers, who are already mindful of tariff-driven imported inflation and have been signalling a longer pause in rate cuts despite political pressure. That suggests to many that Washington may sidestep this. "Treasury

Secretary Bessent is well versed on the double-edged nature and tensions inherent in any attempt to drive the dollar significantly lower for US bond markets, inflation, and in fuelling the latest round of 'sell US' market narrative," wrote SGH Macro Advisors economist Tim Duy.

Even if "Mar-a-Lago Accord" suspicions are fanciful, others see an anti-consensus dollar slide resuming regardless.

Stephen Jen of Eurizon SLJ Capital reckons the market is embarking on a second leg of a structural dollar correction - one which he thinks can coincide with buoyant growth and stock markets, and still be consistent with Washington's aggressive trade stance.

"In 2025, the dollar only experienced roughly one-third of its structural correction, in my guesstimate," Jen wrote. "The next third will likely come mainly against Asia, (and) euro/dollar may rise in sympathy."

But juggling fresh dollar weakness, brisk growth, high debt and Fed pressure alongside the biggest long position in US assets in history may be a hard act to pull off without triggering broad market ructions or extreme volatility. Against such an aggravated political and geopolitical backdrop, it seems even trickier. The eye-popping rise of gold over the past year doesn't seem so strange in that light.

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

Corporate America unloads shares with S&P 500 near record high

Bloomberg
New York

Corporate America is sending a gloomy message when it comes to the sustainability of the record run in US stocks. Wall Street is having a solid start to its earnings season, helping push the S&P 500 Index to an all-time high this week. Some of the most informed stakeholders, however, appear to be stepping aside.

Almost 1000 executives at roughly 6,000 US-listed firms have unloaded shares this month, compared with 207 who added, resulting in the highest sell-to-buy ratio in five years, data compiled by the Washington Service show.

While it's hard to know if any factors other than market performance dictated insiders' decisions to buy or sell, a cautious stance among corporate leaders - who likely know their businesses best - is a troubling sign with worries already swirling around lofty valuations, soaring AI spending and a blizzard of ominous developments in global affairs.

"The move of corporate insiders has proven to be a powerful signal on forward returns of stocks," said Joe Gilbert, a portfolio manager at Integrity Asset Management. "Between geopolitical risks and elevated equity valuations, we believe that executives are seeing these risks and using this as an opportunity to harvest gains, which we believe is something that investors should take note of."

A slump Thursday drove home the underlying concerns around US stocks, the day after the S&P 500 reached a record and touched the 7,000 level for the first time. The S&P 500 sank 0.1% and the Nasdaq 100 Index lost 0.5% Thursday as results from Microsoft Corp underscored growing unease over whether demand will justify massive spending on artificial intelligence.

There's still enthusiasm for US stocks, particularly among the retail crowd, which has reliably bought into recent pullbacks. The backdrop of resilient economic growth is a big part of the draw, but so is the expectation of robust company earnings.

As it turns out, while overall corporate results have been decent, there are hints of waning momentum. Of the about 150 companies that have reported as of Thursday morning, 77% delivered positive earnings surprises, on track for the weakest showing in a year, according to data compiled by Bloomberg Intelligence. Add that to lingering geopolitical uncertainty and stock-market valuations that look rich following three years of double-digit gains.

Futures on the S&P 500 Index traded down 0.4% in New York as investors assessed President Donald Trump's decision to nominate Kevin Warsh as the next Federal Reserve chair.

Market positioning suggests caution has been creeping in among institutional investors too. Sentiment turned less cheery last week, with bearish and neutral responses climbing to four-week highs, according to Deutsche Bank AG data. Discretionary investor allocations continue to rotate out of mega-cap growth and technology stocks into more cyclical areas, Deutsche Bank strategist Parag Thatte wrote.

Hedge funds have also tilted defensively. Single-stock positioning recorded the largest net selling in four weeks, data from Goldman Sachs Group Inc's prime brokerage desk as of January 23 show.

Bank of England embarks on a sweeping reorganisation

Bloomberg
London

Bank of England (BoE) Governor Andrew Bailey has warned for months that UK firms may start to trim jobs. That trend's now showing up under his own roof, as the bank embarks on a sweeping reorganisation driven by the need to pare costs.

It started with the central bank inviting employees to volunteer to leave. Now, it's looking at everything from moving staff to the North of England to selling off a sports club that's used for the Wimbledon tennis championships as it targets an 8% reduction to operating costs in the next financial year.

The UK central bank is also shaking up its research department, piloting the use of artificial intelligence and scaling back its work on climate-change resilience under the far-reaching measures, according to people familiar with the matter who asked not be named discussing internal operations.

Bosses at Threadneedle Street are simultaneously trying to invest more in the BoE's outdated tech infrastructure, after former Federal Reserve chair Ben Bernanke criticised its forecast software as out-of-date under a 2024 root-and-branch review that prompted a rethink of how the bank operates.

In order to redirect that expenditure toward IT, the bank's shifting away from its London-based operations which have the most intensive staffing costs. There's been a sharp rise in the BoE's wage bill in recent years: Since Bailey arrived in 2020, wage costs have jumped by 55%



Andrew Bailey, Bank of England governor.

to over £450mn (\$621mn), according to its most recent annual accounts.

The package of measures includes trimming the bank's property portfolio, albeit not at its Threadneedle Street headquarters where it's been based since the 1730s.

It is looking to re-initiate the sale of a London sports club that helps host the annual Wimbledon tennis tournament each year, Bloomberg earlier reported. Those premises were bought in the early 20th century to provide staff with leisure facilities and are currently leased to the All England Lawn Tennis Club which uses them to run the Wimbledon qualifiers.

That comes on top of plans to move the banking regulator out of its office in the City of London's Moorgate by 2028 and position a bigger share of its work-

force outside the capital. The bank is searching for a new location in the Yorkshire city of Leeds as it looks to increase the number of staff there from 100, last year, to 500 by 2027. It has brought in property services firm CBRE to help it identify a new site there and staff already in Leeds are ineligible for the voluntary departures while the bank expands its presence.

Elsewhere, the BoE is piloting artificial intelligence in several areas of its operations, and has scaled back in its stress-testing of the banking sector, shelving plans for a regular examination of climate risks amid growing threats elsewhere.

Two of the people said that the bank's bloated research department is also vulnerable to cost-cutting. Another said the central bank is currently reviewing its approach to research to

give policy areas more control but stressed that change was not part of the efforts to save money.

"The Bank manages its budget in order to deliver on its statutory objectives to maintain monetary and financial stability," a Bank of England spokesperson said.

"This requires us to make decisions in a constrained environment and as we implement a significant, multiyear transformation of all aspects of our operations. We are committed to making the Bank a more modern, efficient and resilient institution."

Officials at the central bank are also being asked to prioritise macroeconomic policy work as they scale back how often it stress-tests the resilience of the financial sector.

They'll transition to carrying out bank-capital stress tests once every two years rather than

annually, as of now. Those plans are expected to result in efficiencies for both the central bank and the participating private banks.

There's also a change in emphasis, with it focusing more on other potential shocks, such as those that could derive from the expansion of private markets, at the expense of those deriving from climate change.

The bank is yet to follow up its first so-called exploratory scenario looking at the financial risks posed by climate change in 2021, having aimed, at the time, to run those tests every other year. Bailey told lawmakers last week the BoE will "come back to it, but we have had to prioritise other exploratory scenarios in the meantime". Sam Woods, the outgoing head of the Prudential Regulation Authority, recently said it doesn't have plans to repeat the climate exercise, as the central bank believes it would not learn much more about the threat posed.

Campaigners and banks also note a lack of action on nature-related financial risks despite Chancellor of the Exchequer Rachel Reeves moving to add nature to the BoE's financial stability remit after she was appointed in 2024.

Asked at a recent Treasury select committee hearing whether the bank should look beyond climate risks to broader nature and environmental risks, Woods said: "With my CEO hat on, I do not think that we should. The reason is that you have to have a degree of focus for a regulator to be effective."

Some 16 banks also highlighted the exclusion of nature in a recent policy statement by the banking regulator on managing climate-related risks.

Rush to cut costs fuels record week for Europe's leveraged loans

Bloomberg
London

European leveraged loan issuance hit a record this week as a wave of private equity-backed firms tapped ferocious investor demand to cut their borrowing costs.

Over €26.5bn (\$31.6bn) of term loans were issued this week, the equivalent to around 5.3% of the total European leveraged loan market, according to data compiled by Bloomberg. Borrowers are seizing on a lull in geopolitical noise to tap debt markets, mindful of the vast amount of money sitting on the sidelines that could be put to work trimming some of the interest on their debts.

Repricings and re-financings, rather than new-money deals, dominated the term loan issuance.

Drug firm Decbra, for instance, managed to shave 50 basis points off both its euro- and dollar-denominated term loans, while Nordic tool supplier Ahlscut cut 75 basis points off its €2.6bn debt.

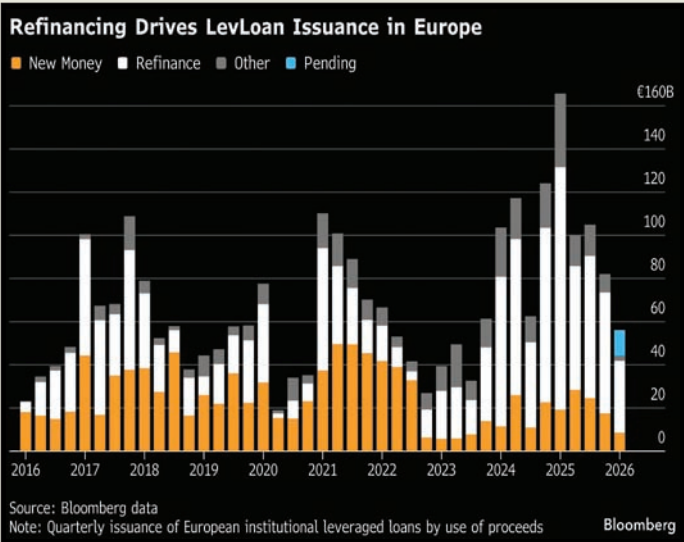
Junk bonds: Borrowers also offered investors over €7.2bn of high-

yield bonds - the highest amount in a week since July. But in a relatively benign interest rate environment, private equity firms tend to gravitate more toward loans due to their greater flexibility and easier repayment terms.

Last year the region saw record issuance of collateralised loan obligations - the biggest buyers of leveraged loans. As a result, there are more CLO warehouses open as ever before. That, combined with the massive inflows into high-yield bond funds, means investors have so much cash on hand they are willing to accept lower yields to keep their money at work.

Despite a brief uptick during Thursday's tech-induced selloff, the iTraxx Xover index, a key gauge of junk debt risk sentiment, has been hovering near four-year lows this week, giving borrowers a window of opportunity.

"The market knew that we were going to see an increase in issuance in the first quarter of the year, but politics kept the first three weeks of January very, very quiet so it is a bit of a catch up," said Frits Lieuw-Kie-



Song, a portfolio manager at Ironshield Capital Management LP. While the companies and their owners are currently in the driving seat, not all borrowers are having it their own way. European software firm Team. Blue, for example, halted a planned term loan deal, amid rising investor

unease about a sector facing disruption from artificial intelligence.

"Anything to do with software - which is one of the largest sectors especially in the loan space - will be very hard to price," Lieuw-Kie-Song added. "People are very worried about AI making SAAS programs

redundant," he said, referring to the Software as a Service business model.

Returns hit: Though many European corporates are benefiting from the repricings, the tighter pricings are squeezing the margins of CLO managers, as the cost of the debt they issued to finance their portfolios is falling at a slower pace.

Last week, for instance, four CLOs priced with their highest quality, triple-A notes at about Euribor plus 125 basis points on average, from about plus 130 in the second half of December.

CLO managers had already shown some sign of fatigue toward the end of 2025, as the sustained high volume of loans trading above par made it harder for them to find good quality paper at a discount. At the same time, some of these investment vehicles have been sitting on higher volumes of cash and accepting lower returns for the time being, rather than buy into an overpriced market.

In a sign that some managers are starting to hoard cash, almost two out of three European CLOs have positive cash balances, according

to a Bank of America report, with the median cash position at 0.5%, the highest since 2019. An uptick in recent distressed stories means that managers are becoming much more selective about the "limited supply of good quality loans paying sufficiently wide spreads," analysts led by Dustin Walpert wrote.

Similarly, Fitch Ratings identified 29 European CLOs holding more than 1% of cash at the end of 2025, compared with just five at the end of 2024, according to a report.

New money: Many of these managers are eagerly awaiting the prospect of more enticing yields on the new-money deals that are expected this year, as M&A activity looks set to pick up. A handful of mega-deals are anticipated in the next few months, including the buy-outs of Electronic Arts Inc., Sealed Air and BASF Chemicals.

"There's a broad sense of optimism among market participants, with consensus building around a supportive environment for risk assets, carry strategies, and especially credit," Raphael Thuin, head of capital market strategies at Tikehau Capital.



Indonesia vows market reform after \$80bn rout

MSCI flags possible downgrade to frontier market status; CEO of Indonesia Stock Exchange resigns amid market turmoil; government plans reform to improve transparency, governance; MSCI concerns to be resolved by May, regulator says

Reuters
Jakarta/Singapore

Indonesia's chief economic minister promised increased financial market transparency and improved corporate governance yesterday, after the stock exchange chief resigned to take responsibility for a \$80bn share rout. Airlangga Hartarto, at a news conference, said authorities were committed to stock market reform and that the country's economic fundamentals remained sound. Proposed improvement measures include doubling the free float requirement of shares to 15%, allowing pension and insurance funds to increase capital market investment to 20% of their portfolio from 8%, and checking the affiliation of shareholders with ownership of less than 5%. "The government guarantees protection for all investors by maintaining good governance and transparency," Airlangga said.

Index provider MSCI flagged a possible downgrade of Indonesian stocks to "frontier" status on Wednesday due to concern about share ownership and trading transparency, triggering the steepest two-day share price fall since April. Indonesia Stock Exchange CEO Iman Rachman resigned yesterday. "I hope this is the best decision for the capital market. May my resignation lead to improvement in our capital market," Iman told a press conference. "Hopefully, the index, which opened positively this morning, will continue to improve in the coming days." The Financial Services Authority (OJK) will ensure Iman's resignation does not affect operations, an OJK official told reporters. It will take the lead in implementing reforms and aims to resolve the MSCI's concerns by May, the official said. "We remind all investors to remain calm and rational when making investment decisions," said Inarno Djajadi, who oversees capital markets at the regulator. The benchmark Jakarta Composite Index dropped more than 8% on Wednesday and Thursday but was last up 1.18%, a day after authorities announced the proposed measures to address MSCI's concern and ease investor worry. The rupiah was last at 16,790 to the US dollar, hovering near its

weakest-ever rate of 16,985 set last week. Someone had to take responsibility for the loss of confidence, said Mohit Mirpuri, portfolio manager at SGM Capital in Singapore, referring to Iman. "The bigger picture is a reset and an opportunity for the exchange to emerge stronger with clearer standards and governance," Mirpuri said. Foreign capital outflows have increased due to concern about how President Prabowo Subianto is widening the fiscal deficit and expanding state involvement in financial markets. This month's appointment of his nephew Thomas Djiwandono to the central bank and last year's firing of respected finance minister Sri Mulyani Indrawati have shaken confidence in Prabowo's stewardship. Regulators said communication with MSCI has been positive and that they were awaiting a response to their proposed measures which they hoped to implement soon. Their swift action appears to have allayed investor concern but sentiment remains fragile. "Policymakers want to fix this," said Paul Dmitriev, senior analyst and co-portfolio manager at Global X ETFs. "The government has every incentive to fix these issues as systemic outflows would be substantial and could materially impact the market."

Strong exports lift Hong Kong's 2025 growth above estimates

AFP
Hong Kong

Hong Kong's economy expanded 3.5% on-year in 2025, according to preliminary government figures released yesterday, beating estimates and marking an acceleration on the third consecutive year of expansion. Robust trade figures and an increase in investment contributed to Friday's figure, which is higher than the government's growth goal for the year and beat a Bloomberg projection of 3.2%. The financial hub's good performance came despite what a government statement called "external uncertainties... given escalating geopolitical tensions". "Sustained moderate expansion of the global economy, coupled with persistently strong global demand for artificial intelligence-enabled electronic-related products will lend support to Hong Kong's export performance," the statement said. The demand for electronic-related products, as well as "buoyant regional trade flows in Asia", saw last year's total exports of goods increase by 12% over 2024, it added. Imports of goods rose 12.6% compared to 2024, while exports of services rose 6.3%, supported by sustained growth in inbound tourism and cross-boundary financial activities. Meanwhile capital inflows to Hong Kong's stock exchange made it one of the world's most active



People shop in a fruit market in Hong Kong. Hong Kong's economy expanded 3.5% on-year in 2025, according to preliminary government figures released yesterday, beating estimates and marking an acceleration on the third consecutive year of expansion.

financial markets in 2025. Both the capital and property markets saw increases in price and volume in the city last year, officials said. Personal consumption was up 1.6% on-year. The Consumer Price Index (CPI) rose 1.4%, according to data released last week, with the government estimating inflation would stay modest in the near term. Hong Kong has its own trade policies as a special administrative region of China, but is still vulnerable to floating US tariffs due to its significant re-exporting of Chinese goods. The government expects the city's economy to maintain "good momentum" this year. Standard Chartered Bank said

in its outlook that Hong Kong's exports of goods was "likely to decelerate" this year thanks to the payback effects from front-loading activities. Hong Kong, an entrepot for China, has benefited from Beijing playing "the exports strategy really well" in 2025, said Kelvin Lam, an economist at Pantheon Macroeconomics. China managed to cultivate and open alternative markets for goods supposedly destined for the United States, he told AFP. However, China's export growth "will face increasing headwinds for its existing strategy, as the non-US new markets start carrying out their own protectionist measures to protect local industries," Lam added.

Taiwan's economy grows at fastest pace in 15 years

AFP
Taipei

Taiwan's export-driven economy grew at the fastest pace in 15 years in 2025, on soaring global demand for the democratic island's artificial intelligence technology, government data showed yesterday. The island of more than 23mn people is a global powerhouse in the manufacturing of semiconductor chips, which power AI, and are found in everything from smartphones to electric vehicles. Gross domestic product for Taiwan expanded by 8.6% last year compared with 5.3% in 2024, and faster than the government's own forecast for 7.4% growth. Economic growth set a cracking pace in the fourth quarter, growing 12.7% from a year ago. "Due to stronger-than-expected external demand driven

by emerging technologies, such as artificial intelligence, real exports of goods and services grew by 38.82% in the fourth quarter from a year ago, the Directorate-General of Budget, Accounting and Statistics said in a statement. Imports also rose by 24.60% year on year for the three month period, the statement said. Lynn Song, chief economist for Greater China at ING Bank NV, said the fourth quarter results "continued to blow away market expectations", Bloomberg News reported. "Taiwan has remained one of the key beneficiaries of the tech boom," Song said. The rate of expansion is "likely to slow in 2026, but Taiwan is still set to record another year of very strong growth", Capital Economics senior Asia economist Gareth Leather said in a note. Taiwan's economic growth is expected to slow to 3.5% this year,

according to an earlier official forecast. Taiwanese tech manufacturers have been massive beneficiaries of the AI revolution as US tech giants, including Nvidia and Apple, pour billions of dollars into semiconductors, servers and data centres. In 2025, exports rose nearly 35% from a year earlier to a record \$640.75bn, previous data showed, driven by a nearly 90 percent increase in ICT shipments ranging from AI and high-performance computing to cloud-related products. "There has been a huge demand for servers and graphics processing units produced in Taiwan over the past two years driven by the global AI wave," said Lien Koshiung, an analyst at Taiwan Institute of Economic Research. The United States was the biggest export destination last year, accounting for nearly 31% of Taiwan's total shipments.

Asian markets hit by fresh tech fears as gold retreats

AFP
Hong Kong

Asian stocks took a hit yesterday amid fresh worries over vast investments in artificial intelligence (AI), gold and silver tumbled after hitting multiple record highs, and oil retreated on hopes for an easing of US-Iran tensions. In Tokyo, the Nikkei 225 closed down 0.1% to 53,322.85 points; Hong Kong - Hang Seng Index ended down 2.1% to 27,387.11 points and Shanghai - Composite closed down 1.0% to 4,117.95 points yesterday. Markets have endured a rollercoaster ride this week as traders weathered a weaker dollar, Donald Trump's threats against Tehran, a resumption of tariff warnings and a possible US government

shutdown. Fresh optimism in the tech sector about the future of AI has provided support, however, with healthy earnings from companies including Meta, Samsung and SK hynix providing much cheer. However, the positivity took a hit on Thursday after Microsoft announced a surge in spending on AI infrastructure and revived concerns that companies could take some time before seeing a return on their investments. There are also fears that firms' valuations may be a little too stretched and markets could be in a bubble, having soared in recent years to record highs on the back of a tech-fuelled rally. "Microsoft suffered its worst session since the Covid era crash, falling 12 percent and accounting for over two-thirds of the S&P 500's decline,"

wrote National Australia Bank's Rodrigo Catril. "Concerns centred on rising investment spending, slower Azure (cloud service) growth, and a longer runway to monetising AI." Wall Street ended mostly in the red, with Dow the only advancer. Asia also struggled amid speculation Trump will pick Kevin Warsh, a former Fed governor and a man considered more hawkish on interest rates, as the next boss of the central bank. The president has said he will name a successor to Jerome Powell on Friday morning US time. Hong Kong, Shanghai, Tokyo, Sydney, Singapore, Taipei and Bangkok were all down. Seoul, Manila and Wellington rose. Paris was flat as data showed France's economy grew slower last year than

2024. London opened lower but Frankfurt rose. Jakarta rose after a two-day rout sparked by index compiler MSCI calling on regulators to look into ownership concerns. The compiler said: "If insufficient progress is made towards achieving necessary transparency enhancements by May 2026, MSCI will reassess Indonesia's market accessibility status." It warned this could result in "a weighting reduction in MSCI Emerging Markets Indexes for all Indonesian securities and a potential reclassification of Indonesia from Emerging Market to Frontier Market status". Gold was also in retreat, sitting around \$5150 an ounce, a day after topping out above \$5,595. Silver was at \$106 from a peak of more than \$121. The precious metals were also weighed by

a slight uptick in the dollar, having tumbled on Trump appearing to be happy to see the world's reserve currency weaken despite the potential risk of pushing up US inflation. Investors are keeping tabs on developments in the Middle East after the US president sent an "armada" to the region and warned Iran of possible strikes if it did not reach a fresh nuclear deal. Both main contracts were down more than one percent, having spiked as much as five percent Thursday. Still, concerns remain about a conflict in the crude-rich region, which would send prices soaring, also putting upward pressure on inflation. In Washington, the US Senate edged closer to a vote on a funding deal to avert a government shutdown following a bitter standoff over Trump's sweeping immigration crackdown.

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Eurozone growth beats 2025 forecasts despite Trump woes, shows data

AFP
Brussels

Eurozone growth beat expectations to reach 1.5% last year, official data showed Friday, picking up pace for a second year running in spite of a bruising trade standoff with the United States.

Europe is working to close the gap with economic rivals China and the United States, and spiking tensions with President Donald Trump's administration over trade have created added impetus to bolster its competitiveness. Last year's uptick in the single-currency area's economy builds on the modest 0.9% expansion recorded in 2024, after an anaemic 0.4% a year earlier.

Analysts at Bloomberg had forecast growth to be 1.4%, while the European Commission itself predicted 1.3%.

Quarter-on-quarter growth for the eurozone reached 0.3% in the last three months of 2025, according to statistics agency Eurostat.

"Accelerating growth in Germany, Spain and Italy, to a lesser extent, made up for slow growth in France," said ING chief economist Bert Colijn.

The eurozone ended the year with "decent economic growth despite sig-

nificant uncertainty and economic tension," he wrote.

Data released in Germany showed its economy grew faster than expected at the end of 2025, expanding 0.2% over the year, suggesting a recovery is gathering pace in Europe's struggling industrial powerhouse.

But annual growth in the eurozone's second-biggest economy France slowed to 0.9%, national data showed, impacted by a disappointing fourth quarter as the government wrestled with passing a new budget.

Spain's economy meanwhile grew at more than twice the eurozone average last year, expanding 2.8%, fuelled by strong consumer demand, rising exports and robust tourism.

The eurozone's fourth-largest economy has outshone its peers since 2021, supported by low energy costs, domestic consumption and a tourism boom since the end of the Covid pandemic.

Analysts at Capital Economics said they expected Spain to "continue to outperform for some time as high immigration boosts employment and domestic demand."

Spain's left-wing government credits immigration for much of the country's dynamic economic growth of recent years, and has recently moved to regu-

larise around 500,000 undocumented migrants. ING's Colijn said the eurozone-wide outlook for 2026 was "becoming more upbeat" with industrial production expected to benefit from defence investments and German infrastructure spending in particular.

He predicted "accelerated growth over the coming quarters," noting that even a "modest" pickup would be something to celebrate given the "significant turmoil" in international relations.

But he warned other factors were set to keep dragging on growth, from the uncertain global environment to a loss of competitiveness across the eurozone.

"These broader structural concerns are not being addressed quickly enough at the moment, which curbs longer-term prospects," he said.

Across the broader 27-country European Union, the economy expanded by 1.6% last year, the data showed.

EU leaders will hold talks on competitiveness next month in Belgium as the bloc seeks to revive its economy and foster innovation.

The bloc's competitiveness push has produced mixed outcomes so far, according to an annual assessment published Friday by the European Commission, which is pushing for stepped-up action.

ExxonMobil needs solid legal framework to drill in Venezuela: CEO

AFP
New York

ExxonMobil CEO Darren Woods reiterated yesterday the need to see strengthened legal safeguards before reinvesting in Venezuela as the oil giant reported a dip in profits.

ExxonMobil CEO Darren Woods told CNBC that he was committed to helping the Trump administration understand the need to "make sure the right legal framework is in place" in the oil rich country.

Trump criticised Woods' reticence to invest in Venezuela following a White House meeting earlier this month shortly after the United States seized Venezuelan leader Nicolas Maduro and Washington took control of Venezuela's oil sector.

ExxonMobil reported profits of \$6.5bn, down 14.6% from the same time last year. Revenues were \$82.3bn, down 1.3%.

ExxonMobil said it reached production records at the end of 2025 in Guyana and the shale-rich Permian Basin in the United States as the company attained its highest annual oil and natural gas volumes in 40 years.

But lower crude prices translated into a drop in profits in ExxonMobil's upstream exploration and production division, offset by slightly higher earnings in the company's refining-oriented division.

On Venezuela, Trump said earlier this month that he "didn't like" Woods stance at the White House meeting.

Woods called Venezuela "uninvestable" at the January 9 meeting, citing the company's history of having assets taken by the country.

On Thursday, Venezuela's parliament adopted reforms to a hydrocarbons bill. The revised law offers greater guarantees to private players, relinquishes state control of exploration, and lowers taxes.

Woods' comments at the White House were meant to communicate the "significant challenges that have to be addressed if we are going to achieve the priorities that the White House has," Woods told CNBC yesterday.

Woods said the company has worked to help US and global administrations understand challenges in their sector, adding he's confident the administration is listening and can work effectively with the Venezuelan government and its people.

Trump taps ex-Fed insider Warsh to lead world's top central bank

Reuters
Washington

President Donald Trump yesterday chose former Federal Reserve Governor Kevin Warsh to head the US central bank when Jerome Powell's leadership term ends in May, giving a frequent Fed critic a chance to put his idea of monetary policy "regime change" into practice at a moment when the White House has pushed for more control over the setting of interest rates.

"I have known Kevin for a long period of time, and have no doubt that he will go down as one of the GREAT Fed Chairmen, maybe the best. On top of everything else, he is 'central casting, and he will never let you down," Trump said in announcing his latest move to put his stamp on a Fed he persistently criticises for not caving to his demands for deep reductions in borrowing costs.

Global stocks edged higher while the dollar rose and the price of gold plunged after Trump announced his pick of Warsh, who markets perceive as someone who would support lower rates but who would stop well short of the more aggressive easing associated with some of the other potential nominees.

Trump announced the nomination, which requires confirmation by the US Senate, in a post on social media. How quickly Warsh's nomination gets through a closely divided Senate is unclear. One key Republican on the Senate Banking Committee, which will be the first body to review the nomination, already has repeated an earlier vow



Kevin Warsh.

not to support any nominee to the Fed as long as Trump's Department of Justice continues with a criminal probe of Powell that became public earlier this month.

"My position has not changed: I will oppose the confirmation of any Federal Reserve nominee, including for the position of Chairman, until the DOJ's inquiry into Chairman Powell is fully and transparently resolved," Senator Thom Tillis of North Carolina said in a post on X.

With Republicans holding a 13-11 majority on the committee and all Democrats likely to oppose Warsh's nomination, Tillis could deadlock the panel if he maintains his current position. Other Repub-

lican senators on the panel, however, said Warsh would be good for Fed independence.

"No one is better suited to steer the Fed and refocus our central bank on its core statutory mandate," Senator Bill Hagerty said in a social media post. The Fed has long been seen as a stabilising force in global financial markets due in no small part to its perceived independence from politics, and Trump's escalating efforts to test that independence will be a key issue through the approval process.

It has also opened the door to the possibility that Powell, who called the criminal probe a pretext to pressure the Fed into setting monetary policy as the president wish-

es, may opt to stay on at the Fed as a governor even after his term as central bank chief is up in a bid to safeguard it from political capture.

The nomination caps a months-long process that often resembled a public audition as Warsh, White House economic adviser Kevin Hassett and other top contenders - including sitting Fed Governor Christopher Waller and Wall Street insider Rick Rieder - appeared regularly on television to tout their credentials and showcase their thoughts about the economy and Fed policy.

Trump in August named White House economic adviser Stephen Miran to fill a vacant governor's seat on the Fed, where he has become a leading proponent of the aggressive rate cuts that Trump has long sought.

Trump has also tried to force out Fed Governor Lisa Cook in a battle now before the Supreme Court that, if successful, would mark the first time a president has ever fired a US central bank policymaker.

While Warsh, 55, is no White House insider, he has been a confidant of the president and a guest at the president's Florida estate, and looks poised to push many of Trump's priorities as a "shadow" Fed chief until Powell's tenure in the top job ends in mid-May.

A lawyer and distinguished visiting fellow in economics at Stanford University's Hoover Institution, Warsh has said he believes the president is right to press the Fed for steep rate cuts, and has criticised the central bank for underestimating the inflation-busting potential of productivity growth supercharged by artificial intelligence.

US producer prices post biggest gain in five months in December

Reuters
Washington

US producer prices increased by the most in five months in December amid some pass-through from import tariffs, suggesting inflation could pick up in the months ahead and allow the Federal Reserve to keep interest rates steady for a while.

The larger-than-expected rise in the Producer Price Index last month reported by the Labor Department yesterday was driven by a surge in services, mostly trade services, which measure changes in margins received by wholesalers and retailers. There were also strong increases in the prices of hotel and motel rooms as well as airline fares. But goods prices were unchanged.

The US central bank on Wednesday left its benchmark overnight interest rate in the 3.50-3.75% range. Fed Chair Jerome Powell attributed the overshoot in inflation to tariffs, adding "but there's an expectation that sometime in the middle quarters of the year we'll see tariff inflation topping out."

"This report validates the pivot of the Fed away from labour market risks back toward price stability," said Carl Weinberg, chief economist at High Frequency Economics. The PPI for final demand jumped 0.5% last month, the biggest rise since July, after an unrevised 0.2% gain in November, the Labor Department's Bureau of Labor Statistics said. Economists polled by Reuters had forecast the PPI climbing 0.2%.

In the 12 months through December, the PPI increased 3.0% after rising by the same margin in November. The PPI advanced 3.0% in 2025 after rising 3.5% in 2024. The BLS is now caught up on the PPI and Consumer Price

Index releases that were delayed by the 43-day shutdown of the federal government. US Senate Republicans and Democrats were on Friday racing to avoid another shutdown at midnight, which would delay data releases from the BLS, including January's employment report due next Friday.

A 0.7% increase in services accounted for the rise in the PPI last month. They were driven by a 1.7% jump in margins for final demand trade services, which made up two-thirds of the increase in services. Businesses have been absorbing some of President Donald Trump's sweeping import tariffs, preventing a sharp increase in inflation.

"Tariff impacts continued to flow through producer costs unevenly in December," said Ben Ayers, senior economist at Nationwide. "At a broad level, costs associated with tariffs remain muted... but localised effects can be pronounced. Trade services... spiked in December, likely from producers looking to recoup some of the losses caused by higher production costs over 2025."

The cost of services less trade, transportation and warehousing increased 0.3%, while prices for transportation and warehousing services rose 0.5%.

Portfolio management fees increased 2.0% after gaining 1.4%. Airline fares soared 2.9% while wholesale prices of hotel and motel rooms surged 7.3%. These categories are among the components that go into the calculation of the Personal Consumption Expenditures price indexes, the inflation measures tracked by the Fed for its 2% target.

Economists' estimates for December core PCE inflation ranged from an increase of 0.3% to 0.4%, which would translate into a year-on-year rise of 3.0%.

Gold and silver plunge as wild swings rock metals markets

Bloomberg
London

Gold and silver suffered their biggest slide in years, in a whipsawing reversal of a scorching rally that's lifted prices to all-time highs.

Gold dropped as much as 8% to crash through \$5,000 an ounce, while silver slumped below \$100 as the sell-off swept through the broader metals markets. Copper dropped almost 4% in London, after surging above \$14,000 a ton for the first time on Thursday, in its biggest intraday jump since 2008.

A wave of investor demand into precious metals over the past year has taken out record after record, shocked seasoned traders and driven exceptional price volatility. That only accelerated in January, as investors piled into the time-honoured havens amid concerns about currency debasement and the Federal Reserve's independence, trade wars and geopolitical tensions.

While gold and silver are still set for hefty monthly gains, yesterday's sell-off is the first major shock to the rally since a similar slump in October. It was triggered by the dollar rebounding after a report the Trump administration was preparing to nominate Kevin Warsh for Federal Reserve chair, now confirmed. The greenback's rally undercut sentiment among investors who had been piling into metals after the president signalled a willingness to let the currency weaken.

Gold's move "validates the cautionary tale of fast-up, fast-down", said Christopher Wong, a strategist at Oversea-Chinese Banking Corp. While reports of Warsh's nomination were a trigger, a correction was overdue, he said.

"It's like one of those excuses markets are waiting for to unwind those parabolic moves." Soaring prices and volatility had already strained traders' risk models and balance sheets, leaving the market primed for extreme moves by hampering their



Gold and silver suffered their biggest slide in years, in a whipsawing reversal of a scorching rally that's lifted prices to all-time highs

ability to trade. A record wave of purchases of call options, contracts which give holders the right to buy at a pre-determined price, was also "mechanically reinforcing upward price momentum," Goldman Sachs Group Inc. said in a note, as the sellers of the options hedged their

exposure to rising prices by buying more. Even after the pullback, gold is still up by more than 17% in January, headed for its sharpest monthly gain since the early 80s. The jump in silver has been eye-watering, with the white metal up nearly

40% so far this year. Chinese investors have been a key driver of the wider rally in metals, buying in such force that it prompted the Shanghai Futures Exchange to rush out measures to cool the surge. China's only pure-play silver fund, meanwhile, had to halt trading briefly and turned away new investors, as too much money piled in.

Friday's selloff was partly driven by profit-taking by speculators, said Andreas Schuler, FX and precious metals trader at Basler Kantonalbank. Long standing investors like private banks and institutional buyers have not moved, he added, noting that silver had seen extreme sell-offs in recent months, and days later ended up trading higher than before.

With gold and silver jumping so much already this year, some technical indicators flashed warning signs. One is the relative-strength index, which in recent weeks signalled that both metals may have become overbought, due for a correction. Gold's RSI

recently hit 90, the highest it has been for the precious metal in decades.

"The extent of the correction suggests that market participants were simply waiting for an opportunity to take profits after the rapid price rise," analysts at Commerzbank AG wrote in a note Friday.

President Donald Trump said he intends to nominate Warsh to be the next chair of the Fed in a post yesterday.

The former Fed governor has a longstanding reputation as an inflation hawk, but has aligned himself with the president in recent months by arguing publicly for lower interest rates.

Meanwhile, the risk of another US government shutdown was avoided after Trump and Senate Democrats reached a tentative deal.

The White House is continuing to negotiate with Democrats on placing new limits on immigration raids that have provoked a national outcry.