NO CAUSE FOR ALARM | Page 4

ECB is monitoring euro but rally not dramatic, says official

Saturday, February 7, 2026
Sha'ban 19, 1447 AH

GULF TIMES
BUSINESS

MOUNTING RISKS: Page 2

Wall Street's favourite trades collapse after market sell-off

Expert calls for strengthening cyber resilience across Qatar's key sectors

By Peter Alagos
Business Editor

A Doha-based cybersecurity expert has underscored the value of making proactive investments in public key infrastructure (PKI) and AI authentication, saying these are essential for strengthening cyber resilience in key sectors in the country.

Dr Salah Rustum, chairman and president of CIELTECH, described Qatar's energy sector as central to the global economy. His statement coincides with the themes discussed during the recently concluded 21st International Conference and Exhibition on Liquefied Natural Gas (LNG2026).

He cautioned that the sector shares the same exposure to cyber threats as other industries, thus calling for stronger PKI and AI authentication, as well as investment in education and inclusion.

Dr Rustum also expressed concern over small and medium sized enterprises (SMEs) and chambers of commerce, saying small businesses, particularly in fintech, e-commerce, and logistics, will feel the pressure most.

He emphasised the role of chambers of commerce and associations in bridging the gap. "The mentality of prioritisation should be changed and replaced by being objective and budget accordingly to cover all these new technologies.

However, compliance departments at banks and other businesses need to reshape and remodify their concepts vis-à-vis categorising objectively," he said.

Dr Salah Rustum, chairman and president of CIELTECH.

Highlighting inclusion as a cornerstone of resilience, Dr Rustum said: "This starts at schools, followed by university speciality in technology... women applicants must apply and compete with men for any position they feel they may excel at. We really need to give women equal opportunities and support their initiatives."

Dr Rustum also pointed out that Qatar's universities and training centres could become regional hubs for cybersecurity education. However, he cautions that quality must be prioritised.

Dr Rustum expressed optimism that Qatar can transform exposure into resilience and establish itself as a regional leader in cybersecurity by empowering women and youth, embedding compliance into business culture, and strengthening critical infrastructure.

Earlier, Dr Rustum highlighted opportunities for Qatar to align with global standards and strengthen digital trust. He emphasised that the potential aligning of Qatar's regulatory frameworks, such as the National Cybersecurity Strategy, with global shifts outlined for 2026 "is a moment of opportunity".

Dr Rustum also advised "to follow closely with the relevant authorities in both Europe and the US as a first step, and look into the legislation and work locally on its implementation in the shortest time possible."

He explained that one of the most critical changes will come on "March 15, 2026", when the validity of Secure Sockets Layer or Transport Layer Security (SSL/TLS) certificates will be reduced "from 365 days to 200 days", eventually reaching just "47 days". He cautioned that this will impose significant technical burdens on all organisations, regardless of size.

He pointed out that the shortening validity of SSL/TLS certificates, introduced by Google and Apple, will require swift adaptation, noting that small and medium sized enterprises (SMEs) may feel the pressure most. He also advised SMEs to seek assistance from technical companies in Qatar to ensure smooth compliance.

Dr Rustum expressed concern over small and medium sized enterprises and chambers of commerce, saying small businesses, particularly in fintech, e-commerce, and logistics, will feel the pressure most

QFC officials with some of the representatives from the companies that got licence at the Web Summit Qatar 2026.

QFC sees 44% year-on-year jump in applications during Web Summit 2026

By Santhosh V Perumal
Business Reporter

The Qatar Financial Centre (QFC), which laid out "targeted incentives" for companies looking to enter or expand within the Qatari market, witnessed 44% year-on-year (y-o-y) increase in applications at the recently concluded Web Summit, indicating its growing appeal in the international front.

More than 2,300 applications were received by the QFC, a leading onshore financial and business centre in the region and internationally.

Firms that registered with QFC during the Web Summit benefited from waived registration and annual fees for the first three years, tax credit for the first three years, in line with international standards, provided the applicant selects at least one technology activity from the approved activities list.

The QFC's return to Web Summit Qatar 2026 comes under the Start-Up Qatar Pavilion with a renewed focus on accelerating business set-up and supporting innovation-driven growth. Of the 2,300 applications, as many as 315 firms have already been licensed, while 1,105 qualified and "are in the pipeline", said the QFC in a social media handle X.

The third edition of Web Summit Qatar marked a key milestone in the five-year partnership, developing deeper, more meaningful connections between Qatar and the tech world. The conference brought together more than 25,000 attendees from 124 countries, including more than 1,500 startups and 600 investors.

The QFC enhanced the registration process through an integrated, one-stop-shop business setup model, with the presence of representatives from the Ministry of Interior and the Ministry of Labour enabling companies to complete key regulatory procedures and related permits in a single location.

As part of this streamlined approach, instant corporate banking services were made available, with QNB and Doha Bank hosting dedicated booths at Web Summit Qatar to support new registrations. In parallel, the QFC maintains agreements with multiple banks across Qatar, giving companies the flexibility in selecting their preferred banking partner.

This service enables eligible firms to open corporate bank accounts swiftly, reducing administrative hurdles and allowing businesses to become operational in a shorter timeframe.

As Qatar continues to strengthen its position as a global technology and investment hub, the QFC aims to connect with global founders, investors, and industry leaders while highlighting the advantages of establishing a presence in the country.

By pairing attractive incentives with practical, end-to-end support, QFC continues to position Qatar as a preferred destination for global companies seeking long-term growth in the region.

The four-day Web Summit attracted a record 30,274 participants from 127 countries, an 18% increase compared to last year, alongside close to 1,000 investors, and 1,637 startups, 38% of them founded by women.

The 2025 edition had seen more than 700 firms register with QFC in just four days.

QSE gains 45 points despite geopolitical uncertainties

By Santhosh V Perumal
Business Reporter

WEEKLY REVIEW

Notwithstanding the geopolitical tensions, the Qatar Stock Exchange (QSE) settled 45 points higher this week despite losers outnumber gainers by a slender margin.

The insurance, transport and banking counters witnessed higher than average demand as the 20-stock Qatar Index rose 0.4% this week which saw Gulf International Services (GIS) report net profit of QR678mn on revenues of QR4.92bn in 2025.

"Although markets positively see the US-Iran talks, they are still cautious (on the outcome)," a financial analyst told Gulf Times.

The industrials and banking sectors accounted for more than 58% of the trading volumes in the main bourse this week which saw Mosanada Facilities Management Services' board approve the proposal to establish a joint venture with a strategic partner in Saudi Arabia.

The Islamic index was making declines vis-à-vis gains in the other indices of the main market this week, which saw a total of 0.03mn AlRayan Bank-sponsored exchange traded fund QATR worth QR0.68mn trade across 28 deals.

Market capitalisation added QR4.14bn or 0.61% to QR679.8bn on the back of small and microcap segments this week which saw a total of 0.02mn Doha Bank-sponsored exchange traded fund QETF worth QR0.25mn trade across 23 transactions.

Trade turnover and volumes were on the rise in the main market this week which saw no trading sovereign bonds and treasury bills.

The Total Return Index rose 0.4% and the All Share Index by 0.7%, while the All Islamic Index was down 0.42% this week which saw AlRayan Bank disclose that its Green sukuk will start trading on the bourse from next week.

The insurance sector index shot up 3.71%, transport (1.72%) and banks and financial services (1.4%); while real estate fell 1.46%, industrials (1.36%), consumer goods and services (0.28%) and telecom (0.19%) this week which saw HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi disclose that Qatar's liquefied natural gas fleet is set to expand to 200 vessels within the next five years as part of efforts to ensure steady supply to its customers.

The insurance, transport and banking counters witnessed higher than average demand as the 20-stock Qatar Index rose 0.4% this week

Of the 54 stocks, as many as 25 gained, while 26 decline and three were unchanged this week which saw Hamad, Doha and Al Ruwais ports witness a year-on-year growth, particularly in the container and bulk cargo movement this January.

Major movers in the main market include Qatar Insurance, Qatar National Cement, Estithmar Holding, AlRayan Bank, QNB, Doha Bank, Qatar German Medical Devices, Al Mahhar Holding, Doha Insurance, Qatar Islamic Insurance, QLM, Vodafone Qatar and Nakilat this week.

Nevertheless, GIS, Qamco, Medicare Group, Beema, Qatar Cinema and Film Distribution, Inma Holding, Mekdam Holding, Mesaieed Petrochemical Holding, Ezdan, Barwa, Ooredoo and Gulf Warehousing were among the shakers in the main bourse. In the venture market, Techno Q saw its shares depreciate in value this week.

The main bourse saw 24% shrinkage in trade volumes to 580.94mn shares, 27% in value to QR1.87bn and 26% in deals to 121,531 this week.

In the venture market, trade volumes tanked 23% to 0.1mn equities, value by 19% to QR0.21mn and transactions by 38% to 25 this week.

Record volatility is not what gold buyers signed up for

By Jamie McGeever
Orlando, Florida

Gold's historic price swings and record volatility are hardly hallmarks of the ultimate safety play. This is not what investors, including central banks, signed up for.

Gold is essentially a cumbersome rock with high storage costs that pays no yield. But it's also long been considered the world's safest asset, attracting buyers seeking a store of value, a hedge against inflation, a haven during periods of volatility, portfolio diversification or a mix of all four.

But the extraordinary price moves of late call these assumptions into question.

The yellow metal plunged 10% yesterday, its biggest fall in more than 40 years, only to record its largest rise since 2008 a few days later. One-week realised volatility shot above 90%.

This followed a protracted speculative frenzy that drove bullion to a record high near $5,600 an ounce earlier last week, including a 30% surge in the first four weeks of 2026.

This is not what investors expect when increasing their allocations to gold. Bullion is supposed to be the most stable portion of an investment portfolio, an anchor amid a stormy sea of stocks, currencies and credit. That now seems quaint.

During the recent bout of volatility, some short-term investors, those who must "mark to market", were forced to frantically sell assets to cover snowballing losses generated by a supposed safe haven.

"Things become very frayed and dysfunctional with realised or implied volatility at these extreme levels," says Chris Weston, head of research at Pepperstone, about the precious metals rout. "One's ability to hedge is shot to pieces, as the cost is too crazy."

This level of churn is not what the biggest buyers of bullion - longer-term "buy and hold" investors, including central banks and reserve managers - bargained for either.

Central banks have hoovered up record quantities of gold since 2022, boosting its share of their reserves. Indeed, the yellow metal has leapfrogged the euro to become the second-largest asset in central bank reserves, behind only the US dollar. This multi-year diversification away from the greenback has been driven, in part, by growing unease about US foreign policy, including the aggressive use of sanctions, as well as the country's unsustainable fiscal trajectory.

Dollar "debasement" fears have grown among a larger cohort of investors, however, since President Donald Trump returned to the White House and began pursuing an unorthodox mix of trade, tax and foreign policy. That appears to be at the heart of the recent gold buying frenzy, which was amplified by momentum trading.

However, Trump's announcement yesterday of Kevin Warsh to be the new Federal Reserve Chair challenges gold's role as prime beneficiary from the so-called "debasement" trade.

Warsh, a former Federal Reserve governor, is seen as a policy hawk relative to other Fed officials. That suggests the central bank's policy stance under his direction is likely to lean on the tight side, at least marginally, puncturing the debasement trade bubble.

Is gold still a good "hedge" amid all the current market, geopolitical, and policy uncertainty crosscurrents?

BlackRock analysts suggest investors look for a "plan B" portfolio hedge, as US Treasuries no longer offer the portfolio protection they used to. Gold is a good tactical play with "idiosyncratic drivers", but isn't a long-term portfolio hedge.

Others believe gold still retains its hedging ability.

Analysts at Barclays reckon it is still a "useful" hedge, and their counterparts at UBS say it is an "attractive" hedge, on course for a new peak of $6,200 an ounce this year. A "mid-single-digit" portfolio allocation is "optimal" for those with an affinity for gold, they say.

Gold's longer-term fortunes may be largely determined by central banks.

Official demand for bullion cooled a bit late last year as gold prices soared, though reserve managers have indicated they plan to increase purchases this year.

Gold's 20% peak-to-trough slump between Thursday and Tuesday will have provided them with a more attractive entry point - but it may also make them reevaluate the world's oldest safe haven.

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

Wall Street's favourite trades collapse after market sell-off

Bloomberg
New York

All across Wall Street, day by day, the headlong rush into the most popular trades, from tech stocks to gold to cryptocurrencies, has given way to a sudden retreat from risk.

There's been no single cause, like there was last April when President Donald Trump's trade war sent markets into a fearful tailspin. Instead, it's been a slow drumbeat of news that is sowing anxiety about valuations that many suspected had already run up too far — and causing investors to pull back all at once.

That was clear again on Thursday, when the S&P 500 slid 1.2%, its third straight daily decline, and the Nasdaq 100 extended its deepest slide since April. Software stocks extended their tumble after artificial-intelligence startup Anthropic rolled out a new model that's designed to carry out financial research, the second time this week the company has jolted markets, underscoring the competitive threat from the new technology.

Silver — which had tracked gold to record highs — cratered 20%. Bitcoin dropped more than 13%, erasing all of the gains seen since Trump's election 15 months ago, as investors unwound money-losing trades financed with borrowed money. US Treasuries rallied, resuming their usual role as a haven of last resort. And after the closing bell, Amazon.com Inc plunged more than 11% when it said it plans to invest $200bn this year, far more than the amount forecast by analysts who've grown increasingly concerned that tech companies are overspending on AI.

Traders work on the floor of the New York Stock Exchange. All across Wall Street, day by day, the headlong rush into the most popular trades, from tech stocks to gold to cryptocurrencies, has given way to a sudden retreat from risk.

Those jitters spilled into Asian markets yesterday, with South Korean stocks sinking over 5% at one point and chipmakers Samsung Electronics Co and SK Hynix Inc among the biggest drags. European stocks slid and Nasdaq 100 Index futures fell 0.4%.

"People are definitely going more defensive," said Brian Frank, president and portfolio manager at Frank Funds. "It's more of like a shoot first and ask questions later type environment.

The recent activity marks a strong shift from the mood on Wall Street heading into the year, when strategists were predicting that stocks were poised for the longest winning streak in nearly two decades. The forecasts rested on expectations that the AI boom would continue, the surprisingly resilient economy would keep bolstering corporate profits and that the Federal Reserve would dial down interest rates.

That outlook remains largely in place, as evidenced by the solid earnings reports that have been rolling out in recent weeks. But there's also been a renewed focus on some of the mounting risks: The companies that will be displaced by the AI boom; questions about the direction of the Fed if Trump's pick, Kevin Warsh, is confirmed as Jerome Powell's replacement as chair; and stretched valuations — on assets like gold, Bitcoin, or even tech giants like Alphabet Inc. — that may not be sustainable in the long run.

Fresh labour-market data also added to the pressure on markets Thursday. New figures from Challenger, Gray & Christmas Inc showed companies announced the largest number of job cuts for any January since the depths of the Great Recession in 2009, adding to concerns that economic momentum may be starting to crack.

The reversal was most dramatic for Bitcoin. After a meteoric rise for much of last year as Trump's victory set off a speculative rush into cryptocurrencies, the market for such tokens has tumbled sharply this month as investors yanked out cash.

On Thursday, the selloff in Bitcoin deepened as the trading day wore on, dragging down other tokens, exchange-traded funds and the treasury companies like Strategy Inc that hold vast sums of coins. By late afternoon in New York, it had slumped 13% to just over $63,000, wiping out roughly half its value since it hit a record high four months ago.

"The fear and uncertainty across the market is evident," said Chris Newhouse, head of business development at Ergonia.

In the stock market, the drop was more subdued. Yet the pressure was broad based, with nine of 11 major industry groups in the S&P 500 retreating. In addition to the worries about which companies will wind up on the losing end of AI technology, investors have been worried about whether the massive investments in the technology will wind up paying off. That was evident in the drop by Google's parent, Alphabet, which slipped after outlining an ambitious spending plan even as revenue beat estimates.

Kim Forrest, chief investment officer at Bokeh Capital Partners, said the recent retreat is a reflection of the worries that the hottest stocks and the other assets, like gold, had simply run-up too far and were due for a little reckoning.

"It's a reset," she said. "Momentum may have just strung itself out."

Canada rolls back EV regulations but boosts incentives

Reuters
Ottawa

Canadian Prime Minister Mark Carney said his government was scrapping a national electric-vehicle sales mandate, while boosting incentives for EV purchases and charging.

Carney said Canada will provide C$2.3bn ($1.68bn) to fund incentives of up to C$5,000 on EV purchases or leases by individuals and businesses, while also earmarking C$1.5bn for EV charging. Canada will also provide up to C$3.1bn for Canada's auto-manufacturing sector to help it make the costly transition to electric cars.

The measures follow the European Commission's recent decision to dial back rules that would have effectively phased out sales of gas- and diesel-engine cars, due to the slower-than-expected pace of EV adoption by consumers. But Canada's fresh incentives offer far more support for EVs than the United States, which recently scrapped key tax breaks for battery-powered cars.

Automakers praised Carney's announcement, which drew condemnation from some environmental groups.

Canada said it will introduce stronger emissions standards for the 2027-2032 model years, which it says will help achieve a goal of 75% EV sales by 2035 and 90% EV sales by 2040. By contrast, the United States in September ended its longstanding $7,500 EV tax credit. Since President Donald Trump took office last year, the US has taken a series of steps to make it easier for automakers to sell gas-powered vehicles.

Replacing Canada's EV sales mandate with stronger vehicle emissions standards "focuses on the results that matter to Canadians, while avoiding undue burdens on the Canadian auto industry," Carney said at a press briefing. In 2023, under then-prime minister Justin Trudeau, Ottawa mandated that 20% of all vehicles sold in 2026 be emissions-free. The push was unpopular with vehicle manufacturers, who said it imposed unsustainable costs. Carney said he still considered Canada to be "a leader on climate change," noting the country would release its climate-competitiveness strategy in the coming weeks.

Sam Hersh of the advocacy group Environmental Defence called the new EV strategy "a huge setback."

"This may be framed as short-term relief for automakers, but it will lead to long-term pain and put the industry on an inevitable path to decline," Hersh said. The Canadian Vehicle Manufacturers' Association praised Carney's action, saying "funding to support renewed purchase incentives and a robust charging infrastructure strategy will help continue to drive EV adoption."

Ontario Premier Doug Ford called the new strategy a "pivotal" moment as the country's economy and sovereignty are under attack by US President Donald Trump.

The advocacy group Consumer Choice Center also applauded Carney's EV announcement, saying "it was always wrong for the government to try to dictate to Canadians what type of car they ought to buy."

The 27-member European Commission in December agreed to drop its ban on new combustion-engine cars from 2035.

Carney, citing the damage US tariffs have done to the highly integrated North American auto sector, is pressing the country to diversify its trade and boost domestic manufacturing. Last November, the federal government scrapped a planned emissions cap on the oil and gas sector and dropped rules on clean electricity, moves designed to spur investment in energy production.

Canada will maintain counter-tariffs on auto imports from the United States and is looking at ways to encourage Canada-based manufacturers to boost production and investment. Last month, Carney struck an initial trade deal with China to slash tariffs on EVs.

Private credit stocks keep falling as software wipe-out spreads

Bloomberg
New York

The stock market rout this week that started in technology is quickly engulfing finance companies that invest in and lend to the software makers who are considered at risk from the development of artificial intelligence.

Alternative asset managers, investment banks and business development companies, or BDCs, are all taking a hit as investors flee software stocks after the newest AI tools from startup Anthropic sparked panic that companies from Oracle Corp to Datadog Inc to FactSet Research Systems Inc are in danger. The fear is that the finance firms could be left with steep losses from sour loans tied to these software creators.

"The selloff in software names has driven the selloff in the firms that own them, particularly those with leverage," said Mark Hackett, chief market strategist at Nationwide. "The intensity of the selloff is magnified by the crowded nature of the trade."

The tech-heavy Nasdaq 100 Index is on pace for its worst week since early April, when President Donald Trump's sweeping tariffs unleashed havoc across global markets, and that has spilled over into other areas of the market, with parts of the financials sector taking a big hit. A gauge of asset managers is down over 6% this week and the Invesco Global Listed Private Equity ETF has lost more than 7%, putting both on pace for their worst weeks since April. Meanwhile, the VanEck BDC Income ETF has dropped 5.6% for the week, which would be its biggest decline since October.

"Market timing is very difficult, and emotion-based selling is rarely wise," Hackett said. "But I would encourage investors to look at their exposures and make sure it matches their long-term plan."

Alternative asset manager Blue Owl Capital Inc, which initially focused on financing software businesses, is taking the hardest hit. The stock is on an 11-session losing streak, its longest since the company went public in 2021, losing 26% in that time and sending the shares to the lowest since August 2023. Shares of BDCs, which pool private credit loans, also fell to multiyear lows. Blue Owl's tech-focused BDC is trading at its lowest level on record.

"Software tends to be one of the top industry exposures for BDCs," BofA Securities Inc. analyst Ebrahim Poonawala wrote in a Feb. 4 note.

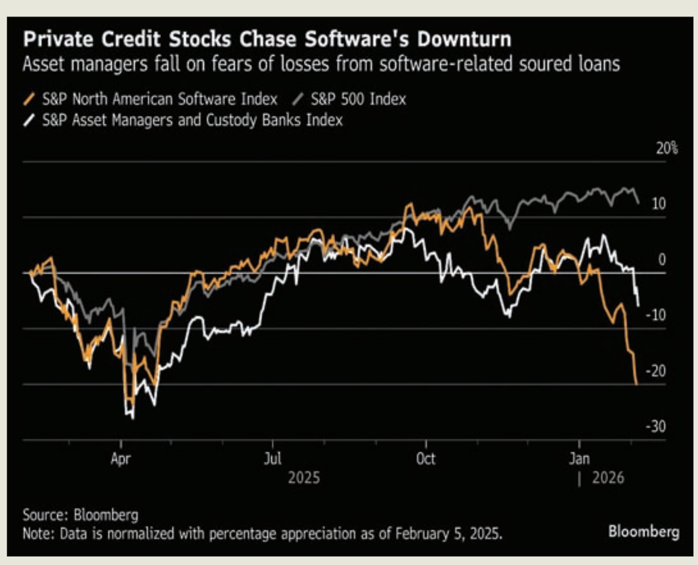
Investors were on tenterhooks this week as executives from Blue Owl, KKR & Co and Ares Management Corp tried to assuage concerns about the software exposure on their books during their earnings calls with analysts.

"The tech portfolio continues to be the most pristine amongst all of our portfolios," Blue Owl co-founder Marc Lipschultz said on the company's earnings call on Thursday.

However, the issues investors are anticipating are unlikely to show up in earnings and portfolios just yet.

"The challenge is that AI-related impacts on software borrowers won't likely be immediately observable in credit and will take time to emerge," said Bloomberg Intelligence analyst Michael Kaye.

The software scare is adding pain to a sector that was already facing unease about private credit.



Investors pulled around 15.4% of net assets from one of Blue Owl's tech and software focused BDCs last week after it dramatically increased the amount investors could withdraw.

And BlackRock Inc's private debt fund, BlackRock TCP Capital Corp, plunged the most in almost six years after it disclosed write-downs across a series of troubled investments.

However, some investing pros see the rout in private market shares as overdone, particularly since it's too soon to know the severity of impact.

"If this were a true inflection point for BDCs, we'd expect to see broad earnings erosion and accelerating credit stress," said John Cole Scott, president of CEF Advisers, who added to his BDC positions during the selloff, including shares of Blue Owl's tech fund. "The recent price weakness looks more like sentiment spillover than broad balance sheet impairment."

In addition, the AI software disruption could create new winners, and highly diversified portfolios may be positioned to benefit if those winners "more than offset a poor investment elsewhere," Morgan Stanley analyst Michael Cyprys wrote in a note.

BDCs should be due for a rebound, according to Matt Maley, chief market strategist at Miller Tabak & Co. The question is when.

"With all of the concerns surrounding the private credit markets right now, these stocks could test their 2025 lows as we move through the winter and into the spring months," he said.

The AI disruption fears could also threaten big banks by eating into M&A and initial public offering activity, Poonawala wrote.

Shares of Goldman Sachs Group Inc lost nearly 6% and Morgan Stanley has fallen 5% since Tuesday, their worst three-day performances since November.

Asia bourses extend global retreat as tech worries build

AFP
Hong Kong

Asian equities sank again yesterday as a tech rout that battered Wall Street for the third day in a row showed no sign of letting up amid growing unease about the hundreds of billions splashed out on artificial intelligence.

In Tokyo, the Nikkei 225 closed up 0.8% to 54,253.68 points; Hong Kong - Hang Seng Index ended down 1.2% to 26,559.95 points and Shanghai - Composite closed down 0.3% to 4,065.58 points yesterday.

The selling continued to be felt across assets, with silver taking another beating and bitcoin wiping out all the gains built up since Donald Trump's US election win.

January's bristling rally has given way to caution this month as traders grow concerned about stretched valuations in the tech arena and the wisdom of the investments pumped into AI amid questions about when they will see returns.

Those fears have increased during the earnings season as big-name firms unveiled eye-watering levels of planned spending for the sector: Between them, Amazon and Google parent Alphabet have outlined around $385bn in possible outlays.

The panic has been compounded after AI startup Anthropic - which created the Claude chatbot - unveiled a model that could replace numerous software tools, including for legal work and data marketing.

"When AI starts to replicate tasks traditionally performed by professionals - drafting, analysing, coding, reviewing - it naturally raises questions about the long-term pricing power of certain software products," wrote Saxo Markets' Charu Chanana.

"Investors are no longer impressed simply by the presence of AI features.

"This is why the pressure has shown up most clearly in (Software as a Service): it's where the market is first forced to debate what AI will replace, who retains pricing power, and who absorbs the costs of adoption."


An external view of the Hong Kong Stock Exchange. The Hang Seng Index closed down 1.2% to 26,559.95 points yesterday.

All three main indexes on Wall Street saw hefty losses on Thursday, with the Nasdaq leading the way down again. It has suffered its worst three-day period since Trump's tariff-induced April meltdown.

And the gloom carried into Asia, where Seoul - which has led the region's rally thanks to its heavy tech weighting - lost around five percent at one point before ending 1.4% lower.

Hong Kong, Shanghai, Sydney, Singapore, Mumbai, Taipei and Manila were also deep in the red, although Tokyo, Manila and Bangkok rose.

Jakarta sank more than two percent after ratings agency Moody's cut Indonesia's sovereign credit outlook to negative, citing concerns about its fiscal health, foreign reserves and debt at state-owned firms.

Adding to the selling was data showing that US monthly job openings hit the lowest since 2020, while firms announced the most January job cuts since 2009 during the global financial crisis.

That ramped up concerns about the US economy.

Precious metals were once again on the receiving end of the selling juggernaut, with silver losing around 18% at one point before recovering to sit around $72 an ounce - its lowest since December - having topped out above $121 just a week ago.

Gold fell just below $4,800 before paring its losses. However, that compared with its peak last Thursday of $5,595.

The commodities were hammered last weekend by a surge in the dollar - after Trump picked a relative policy hawk to head the Federal Reserve - and easing geopolitical tensions.

The flight from risk has sent bitcoin to depths not seen since October and was a whisker from breaching $60,000 - wiping out all the Trump trade gains built up on hopes the president would introduce more crypto-friendly measures.

The digital unit has now lost more than half its value since touching its record high above $126,000 in October.

Oil prices rose more than one percent as officials from Iran and the United States kicked off talks in Oman on Tehran's nuclear programme and other issues, with Washington refusing to rule out military action.

Shares in British-Australian giant Rio Tinto finished flat in Sydney, having earlier shed more than two percent after it dropped merger talks with Swiss resources firm Glencore.

Toyota names new CEO, hikes profit and sales forecasts

AFP
Tokyo

Toyota has named a new CEO to "accelerate" decision-making, the Japanese auto giant said yesterday as it hiked its profit and sales forecasts for the current fiscal year despite the impact of US tariffs.

Current finance chief Kenta Kon will take over from chief executive Koji Sato on April 1 after three years in charge, the firm said.

"This change in roles is intended to accelerate management decision-making in response to changes in the internal and external environment," Toyota said.

The move would also help "establish a structure that will enable Toyota to fully carry out its mission of contributing to society through industry", it added.

The announcement came as the firm expects to see net profit of 3.57tn yen ($22.8bn) for the year ending in March, down 25.1 percent year-on-year but up from the 2.93tn yen previously anticipated.

Despite the "negative impact of US tariffs that newly arose this fiscal year, we have reduced the extent of the profit decline by implementing cost reductions and marketing efforts", Toyota said in a statement.


Toyota Motor's incoming CEO Kenta Kon.

Sales are expected to climb 4.1% year-on-year to 50tn yen, a slight upwards revision.

Operating profit is forecast to hit 3.8tn yen, up from the previous projection of 3.4tn yen.

However, Toyota said the September-December quarter saw net and operating profit fall despite a rise in sales, largely because of a "tariff impact" that increased expenses.

The firm announced last month that global sales hit a new record in 2025, helping it retain its title as the world's top automaker and widen the gap with German rival Volkswagen.

The overall increase came despite flat sales in China, a crucial market where Toyota faces intensifying competition from local automakers including electric-car champion BYD.

US sales climbed eight percent despite the 25% tariff on Japanese auto exports imposed by Washington between April and mid-September on top an existing 2.5% toll.

The United States is a key market where Toyota generates almost a quarter of its sales. But of the 2.52mn vehicles it sold there in 2025, only 1.39mn were produced in the country.

Even so, Toyota increased output last year by 10% at its factories in the United States, where it produces increasingly popular hybrid vehicles.

To keep exporting to the United States on competitive terms, Japanese automakers have had to slash export prices.

In exchange for lowering tariffs from 27.5% to 15%, Tokyo agreed in July to invest $550bn in the US economy.

Japanese automakers have also been pressured by the Trump administration to export vehicles made in their US plants to Japan.

EM currencies and stocks down

Reuters
Singapore

Most emerging market currencies were largely subdued against the dollar yesterday, while stocks continued to decline and were set for the steepest weekly drop for both assets in more than two months.

MSCI's index tracking global EM stocks was down 0.3%, set to snap a six-week winning streak, its longest run in a year. The currencies equivalent was flat on the day, but on track for a weekly decline.

The week has been punishing for EM equities in particular, as wild swings in precious metal prices and a sell-off in tech stocks caused a whiplash reaction in tech-exposed Asian EMs and resource-heavy markets in Latin America and South Africa.

"Though flows were for rotation away from tech into other sectors, broader markets sold off in the risk-off sentiment. The obvious question which arises is whether the ongoing events can translate into systemic risks," said Mohit Kumar, an economist at Jefferies.

"We had been in the diversification camp, away from US tech, and favoured a broadening of the rally and into Europe and EM. Does it change our views? Not much."

On the day, bourses in South Korea and Hong Kong closed 1.4% and 1.2% lower respectively, after Amazon.com projected a 50% surge in capital spending this year, amplifying concerns over investments in artificial intelligence.

Indonesian stocks came under pressure again, down 2.1%, after Moody's lowered Indonesia's credit rating, citing reduced predictability in policymaking. Indonesia's five-year credit default swap spread, or the cost of insuring against a default, climbed to a 15-month high.

The continued volatility in equities dampened sentiment across emerging Europe, with bourses in Hungary and Romania down 0.2% and 1.2% respectively.

Polish stocks were set for their ninth consecutive week of gains. Central banker Henryk Wnorowski said the likelihood of an interest rate cut in March seems quite high, as the bank awaits new inflation forecasts next month.

South African stocks gained 0.3%, driven by an uptick in gold prices, while Turkish stocks slipped 0.5%.

Still, BofA's Flow Show data showed that inflows into EM equities had resumed this week, at $7.8bn, and outflows resumed from EM debt instruments.

Indonesian markets slide again after Moody's cuts outlook

Reuters
Jakarta/Singapore

Indonesia's stocks and currency skidded yesterday after Moody's lowered the country's credit rating outlook, the latest jolt for Southeast Asia's largest economy, wiping about $120bn off its equity market in a turbulent start to the year.

International investors have reacted nervously to President Prabowo Subianto's attempt to ramp up growth to 8%, as concerns over fiscal health and central bank independence cool sentiment on Indonesia.

The benchmark Jakarta Composite Index lost 2.5% while the rupiah dropped as much as 0.37% to 16,888 per dollar, its lowest since January 22 and down 1% for the year.

Stocks have fallen 5% for the week so far, after last week's decline of 6.9%.

Moody's move to cut the outlook to negative from stable for the $1.4tn G20 economy, citing reduced predictability in policymaking, came a week after MSCI flagged transparency issues that triggered the market rout.

The agency also cited concerns about policy effectiveness and signs of weakening governance, which could erode Indonesia's long-established policy credibility if they persist.

Moody's yesterday also cut its outlook for five of the country's biggest banks and seven companies, including its biggest telecoms firm Telkom Indonesia, its cellular provider unit Telkomsel, instant-noodle maker Indofood CBP Sukses Makmur and heavy equipment and mining company United Tractors, due to their sensitivity to a potential decline in the sovereign rating.

The outlook reduction also affected energy firm Pertamina, its upstream unit and miner MIND ID. Telkom, Pertamina, MIND ID and the four banks are state-owned.

Finance Minister Purbaya Yudhi Sadewa brushed off the concerns yesterday, saying Indonesian economic fundamentals were strong, with economic growth accelerating and the fiscal deficit, though swelling, under control. "There's no strong reason to downgrade," Purbaya told reporters, adding that fiscal policy was on track to boost growth.

"On the flip side, we should slowly see prospects for an upgrade. Maybe by year-end, when our economic growth is 6% or more."

Prabowo's year-old sovereign wealth fund Danantara Indonesia, his main vehicle to push growth, said Moody's outlook cut "a constructive reminder to strengthen our institutional foundations".

Moody's said that without sufficient policy coordination and cohesiveness, Danantara's establishment raised risks to policy credibility and potential contingent liability for the government.

In a statement, Danantara chief Rosan Roeslani said the fund was still in an institution-building phase and would follow global best practices.

"The Moody's outlook downgrade is a warning shot, which could trigger other ratings agencies to follow suit, particularly if the nature of policymaking remains subject to a heightened degree of uncertainty," OCBC economists said.

Authorities' responses to avert a rating downgrade would be watched closely over the next year or more, they added in a note.

Indonesia's dollar bonds stayed under pressure, though they recouped some small losses from Thursday.

The yield on 10-year benchmark bonds was little changed at 6.317%, LSEG data showed.

The country's five-year credit default swap spread, or the cost of insuring against a default, climbed to a 15-month high.

"The main potential impact on Indonesian markets is a higher risk premium across asset classes," said Rully Arya Wisnubroto, a market analyst at Mirae Asset Sekuritas Indonesia.

This would put pressure on long-term government bonds, state companies' and major banks' stocks, as well as sentiment toward the rupiah and capital flows, he added.

Moody's Baa2 rating for Indonesia puts the sovereign at the second-lowest tier of investment grade.

The two other major agencies, S&P Global Ratings and Fitch Ratings, currently rate Indonesia similarly, both with a "stable" outlook. They have yet to issue reviews this year.

"Recent volatility in Indonesian stock prices have not materially affected our views on the sovereign ratings," Rain Yin, a sovereign analyst at S&P, told Reuters in an emailed response.

Yin, however, cautioned that fiscal deterioration could exert more downward pressure on S&P's rating in the absence of offsetting improvements.

Fitch did not immediately respond to a request for comment.

Official's vows for changes and the resignations of five top officials of the financial regulator and stock exchange have failed to stabilise the market.

Foreigners have already dumped about $860mn worth of shares in net terms since last Wednesday, exchange data showed, versus $1bn in sales for the whole of 2025.

Germany's dealmakers fire up M&A engine for lightning $26bn start

Bloomberg
Berlin

Germany's dealmakers are having one of their best ever starts to a year. The value of transactions involving German companies has more than doubled to roughly $26bn since the start of 2026, according to data compiled by Bloomberg. That's broadly on par with the same period in previous banner years in 2007 and 2021 and compares with a much more modest increase across Europe as a whole, the data show.

Deals have involved some of the country's most iconic names, including national stock exchange Deutsche Boerse AG and sports brand Puma SE. The fast start stands in contrast to 2025, when Germany largely missed out a global deals boom.

This week, Berlin agreed to pay around €3.3bn ($3.9bn) for a 25.1% stake in the German unit of power-grid operator Tennet Holding BV; Henkel AG said it will buy Netherlands-based specialty coatings company Stahl Holdings BV for €2.1bn; and Heidelberg Materials AG struck an A$1.7bn ($1.2bn) deal for the construction materials business of Australia's Maas Group Holdings.

Companies and their investors have developed "a resilience to short-term irritations" like geopolitical events, said Berthold Fuerst, head of investment banking and capital markets in the DACH region at Deutsche Bank AG.

"European, specifically German, companies as well as private equity firms are much more determined to doing deals at the moment," said Fuerst. "We're also seeing a lot of interest in Europe from other regions."

The largest German deal of the year so far is Deutsche Boerse's planned acquisition of European fund distribution platform Allfunds Group Plc for about €5.3bn.

That was announced last month, just days before France's billionaire Pinault family agreed to sell its 29% stake in Puma to China's Anta Sports Products Ltd for €1.5bn.

There's more big M&A already in the works.

Bloomberg News reported that Blackstone Inc. and Japanese industrial equipment maker Yanmar Holdings Co are possible bidders for a majority stake in Volkswagen AG's Everllence SE, with a deal potentially valuing the heavy diesel engine unit at as much as €6bn. Also in the German auto sector, Continental AG is working on a multibillion-euro sale of its ContiTech industrial unit as the final part of a broader breakup plan.

"The pressure among many corporates to transform and focus resources is met by high demand of private equity firms to invest in Europe's largest economy," said Christian Kames, co-head of investment banking in the DACH region at Lazard Inc.

Meanwhile, Germany is embarking on a historic rearmament that's expected to lead to more investment in the country's defence sector. Private equity firms have been setting up dedicated funds to target military assets, while arms manufacturers like Düsseldorf-based Rheinmetall AG have seen their shares surge — giving them the financial heft to potentially pursue M&A.

Stephan Waldhausen, partner at law firm Freshfields in Germany, said he expected to see private equity firms and strategic players team up to expand production capabilities and add new technologies in aerospace and defence.

US consumer sentiment rises to six-month high

Bloomberg
Washington

US consumer sentiment unexpectedly improved to the highest in six months, largely propelled by wealthier Americans who have benefited from stock-market gains.

The preliminary February sentiment index increased to 57.3 from 56.4 in January, according to the University of Michigan.

The survey period includes responses from Jan 20-Feb 2. The median estimate in a Bloomberg survey of economists called for a reading of 55.

The report also showed consumers grew more sanguine about the short-term inflation outlook. They expect prices to rise an annualised 3.5% over the next 12 months, the lowest in a year, data Friday showed. At the same time, longer-term inflation expectations crept higher.

While sentiment surged for those with stock holdings, confidence remained weak for those without, the report showed. The S&P 500 was near a record high during the survey period, helping drive consumers' perception of their current financial situation to a four-month high.

"These trends are consistent with the fact that asset values have soared, which benefits asset owners but not others," Joanne Hsu, director of the survey, said in a statement.

However, concerns persist about the job market and the impact of inflation on personal finances. Respondents assessed the highest probability since July 2020 of losing their own job.

Data out this week showed a labour market struggling to gain traction. Employer vacancies dropped in December to the lowest level since 2020, private-sector payrolls rose an uninspiring 22,000 last month and companies announced the largest number of job cuts for any January since 2009, according to several government and private reports.

The current conditions gauge rose to a four-month high of 58.3, while the expectations index eased. Buying conditions for durable goods also improved to the highest since October, according to the report.

"Robust aggregate spending is consistent both with strength stemming from the disproportionate share of spending generated by wealthier consumers who are more confident, as well as the fact that less-confident, lower-wealth consumers may be exercising much more care over their spending," Hsu said.

Eurozone ministers to weigh euro-stablecoins, more joint debt issuance

Reuters
Brussels

Eurozone finance ministers will discuss on February 16 how to boost the global role of the euro and strengthen Europe's economic security through issuing euro-denominated stablecoins and more joint EU debt, a paper prepared for them shows.

The document, seen by Reuters, was prepared by the European Commission, the European Union's executive arm.

It comes as the global economy is buffeted by trade tensions, doubts about the dollar as a safe-haven currency and rapid innovation in payment technologies.

"Faced with the risk of increasing weaponisation of the international monetary and financial system, the EU needs to act to strengthen its economic and financial security and the capacity to promote its own interests," the paper said.

The euro, now used by 21 of the 27 EU member countries, is the world's second-biggest reserve currency after the US dollar, accounting for around 20% of global currency reserves, compared to a 60% share for the dollar.

In the paper for ministers, the Commission argues that a stronger position for the euro would help global financial stability and EU trade and financial relations, enhance the EU's capacity to stand up for its values and help implement its sanctions policy effectively.

It would also shield its economy from external pressure, and lower financing costs and exposure to currency risks for businesses.

The Commission said EU governments should look at the possibility of issuing euro-denominated digital assets like stablecoins, tokenised deposits and central bank digital currencies (CBDC), and address the risks related to foreign currency-backed stablecoins. Euro-denominated instruments account for less than 1% of the rapidly growing stablecoin market, which is completely dominated by dollar-denominated assets.

This creates the risk that capital from Europe will flow to the United States, fuelling demand for US assets at the expense of European ones, EU officials said.

EU governments should also seek to deepen the euro-denominated debt market through "EU issuance to jointly finance common projects with a clear EU value added" and by encouraging companies and governments outside the eurozone to issue debt in euros, the paper said.

Markets are keen to see more issuance of joint EU debt, a triple-A rated asset, but Germany and some other northern European countries are reluctant or opposed.

Around 1tn euros of joint EU debt issued by various EU institutions is currently outstanding, compared to some $27tn in US debt, making EU debt much less liquid and less attractive for large investors.

The paper prepared for the ministers also said the euro would also play a bigger global role if the European Central Bank offered more bilateral liquidity arrangements to third countries.

The ECB is working on that already, three sources told Reuters on Thursday.

ECB President Christine Lagarde also said the central bank would present EU leaders meeting on February 12 with a similar checklist of "significant reforms" needed to enhance growth and competitiveness "and to really unleash the talent of Europe".

ECB is keeping an eye on euro rally but sees no cause for alarm: Official

Bloomberg
Frankfurt

The European Central Bank (ECB) is keeping an eye on the euro's recent rally but Governing Council member Yannis Stournaras sees no cause for alarm.

"We're monitoring exchange rates and monitoring all variables that affect activity and inflation," the Greek central-bank chief told Bloomberg Television, stressing that the strengthening since March 2025 is already a part of the ECB's projections and that the common currency remains within a historic trading range to the dollar.

"Most of the appreciation has taken place in the first quarter of last year," he said yesterday. "So it was not something dramatic that should lead us to change our course of action."

The remarks come less than a day after the ECB left its deposit rate at 2% for a fifth meeting, with President Christine Lagarde on Thursday repeating that officials consider themselves to be in a "good place" and also playing down the euro's recent rise.

Most investors and economists expect no further reductions in borrowing costs following the eight already enacted this cycle.

Other policymakers agreed with Stournaras on the euro.

"Movement on the dollar has stabilised in recent days," Bank of France Governor Francois Villeroy de Galhau told BFM Business Television. "We are around $1.18 – coincidentally — it's the historic rate when you look at the average since the creation of the euro." Austria's Martin Kocher said the dollar-euro exchange rate hasn't changed significantly since mid-last year, adding that it's not "a very good anchor for decision-making."

Yannis Stournaras, Governing Council member of the European Central Bank.

"We don't actually see that much euro strength — our growth is too weak for that," he told reporters in Vienna. "The exchange rate has remained relatively stable lately."

Latvia's Martins Kazaks also highlighted that the euro rate has fluctuated in a relatively narrow corridor in recent months, saying the moves are already "baked into" the ECB's baseline scenario.

He warned, though, that a "sizeable and pacey" strengthening would lower the inflation outlook, "potentially triggering a policy response."

Stournaras sees risks to the outlook for inflation and economic growth as balanced, describing officials as "quite confident."

"We don't feel that we should change the course of action," he said. "We are data dependent. It has proven a very good practice up to now."

Speaking separately, Spain's Jose Luis Escriva was also relaxed about the current situation around prices, though he stressed that officials stand ready to act quickly if needed.

"We see that inflation expectations are anchored at that level, and our forecasts for the next two years are to remain in that environment," he told Cadena Ser radio. "Everything points to the fact that the best course at this moment is interest-rate stability.

Europe's economy has shown resilience to headwinds like tariffs, expanding by a better-than-expected 0.3% in the fourth quarter. Growth is likely to be underpinned by heftier government spending in Germany and elsewhere.

Risks remain, however. Erratic US trade policy is the main one, while euro-area inflation sank to 1.7% in January.

That could embolden the Governing Council's dovish minority even as the ECB forecasts a return to 2% in 2028.

"There is a real risk of lower-than-expected inflation," Finland's Olli Rehn said in a blog post, citing subdued economic expansion, a slowdown in wage gains, the stronger euro and an increase in Chinese imports.

Professional forecasters kept their inflation outlook unchanged from October, according to an ECB survey published yesterday. They see euro-area price gains at 2% in the longer term — after a dip below the mark this year and a blip above in 2028.

Analysts expect growth to be slightly faster in 2026 than previously anticipated, after the economy performed better at the end of last year.

"There have been no major surprises in the eurozone economy over the past few months," Estonia's Madis Muller said in a blog post. "The ECB's December forecast continues to provide a good basis for making interest-rate decisions."

Stellantis shares plunge on $27bn bill for EV pullback

Reuters
Milan

Stellantis announced 22.2bn euros ($26.5bn) of charges yesterday as it scales back its electric-vehicle ambitions, hammering its shares as traditional automakers pay the price of misjudging the switch to cleaner driving.

The move is the biggest in a series of write-downs, including at Ford and General Motors, as some automakers pull back from EVs in response to the Trump administration rolling back subsidies and weaker-than-expected demand.

Stellantis' Milan-listed shares slumped as much as 30% to their lowest since the group's 2021 creation with the merger of Fiat Chrysler and Peugeot maker PSA.

The drop means the write-down is now larger than the company's market value. Western automakers face their biggest challenge since the invention of the car over a century ago: Juggling investment between EVs and petrol models while contending with fast-rising Chinese rivals and higher trade barriers.

Stellantis is particularly exposed because it leans heavily on high-margin Jeep and Ram pickup truck sales in the US, where demand for EVs is especially subdued.

Under former CEO Carlos Tavares, forced out in late 2024 after US sales collapsed, Stellantis had aimed for fully electric cars to make up 100% of its European sales and 50% of US sales by 2030. Industrywide, fully electric vehicles accounted for 19.5% of European sales last year, up nearly 30% but well short of expectations. They made up just 7.7% of US new car sales.

On a call with reporters, CEO Antonio Filosa, who took over last summer, said those assumptions were "over optimistic."

"What we are announcing today is an important strategic reset of our business model ... to put our customer preferences back at the centre of what we do, globally and in each region," he said.

Although Stellantis has shifted to launching more fossil-fuel models in the US, Filosa insisted it was still "investing in electrification".

Stellantis premium brand Alfa Romeo reveals the Milano, its first fully electric car, during an event in Milan (file). Stellantis announced $26.5bn of charges yesterday as it scales back its electric-vehicle ambitions, hammering its shares as traditional automakers pay the price of misjudging the switch to cleaner driving.

Russ Mould, investment director at AJ Bell, said the writedown showed Stellantis "got it wrong on how quickly the world would transition from combustion engines to electric power".

But he added that the success of Chinese rivals "begs the question as to whether Stellantis' frustration over its EV sales is linked to market issues or that drivers simply don't like its vehicles." Fabio Caldato, portfolio manager at AcomeA SGR, which owns Stellantis shares, said higher-than-expected charges had become more likely after the impairments by GM and Ford.

"Further encouraging data is needed to restore full investor confidence in Stellantis," he told Reuters.

The charges, booked in second-half 2025 results, also reflect quality problems that Filosa blamed on cost cuts under Tavares. He said they had forced Stellantis to hire 2,000 engineers globally.

The charges also include reductions to the group's EV supply chain, revised assumptions for warranty provisions due to poor product quality, and previously announced job cuts in Europe.

About 6.5bn euros of the write-downs relate to cash payments expected to be spread over four years from 2026.

"Whilst an impairment was very much expected, the magnitude and larger cash-out component... is a key negative," Citi analysts said in a note. Filosa began scaling back the Fiat to Jeep maker's EV ambitions last year.

As part of that shift, the Italian-French-American group on Thursday agreed to sell its 49% stake in a battery joint venture in Canada to South Korean partner LG Energy Solution .

Gartner analyst Pedro Pacheco warned that Stellantis and others risked pulling back too far.

"There is an overreaction in terms of the strategic pivoting," he said. "They need to... do things right because their survival might depend on this."

Stellantis now expects a preliminary net loss of between 19bn and 21bn euros in the second half of fiscal 2025 and won't pay a dividend this year.

It expects industrial cash burn of between 1.4-1.6bn euros in the second half.

For 2026, Stellantis forecast a mid-single-digit increase in net revenue and a low-single-digit adjusted operating income margin. It expects positive industrial free cash flows in 2027.