CONSUMER FATIGUE | Page 8

US retail sales stall in December; underlying weakness emerging

Wednesday, February 11, 2026
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GULF TIMES
BUSINESS

DIVERSIFICATION PLAN: Page 2

Saudi Arabia to unveil updated strategy for $2tn economic plan

Sheikh Khalifa named president of Federation of GCC Chambers 24th session

The Federation of GCC Chambers (FGCCC) recently announced the transfer of its presidency for the 24th session to Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani, succeeding Oman Chamber of Commerce and Industry chairman Sheikh Faisal bin Abdullah al-Rawas.

The federation also restructured its Executive Office, appointing Abdullah bin Saleh Kamel as first vice-president, and Rabah bin Abdulrahman al-Rabah as second vice-president.

On this occasion, Sheikh Khalifa expressed his sincere appreciation to Sheikh Faisal for his distinguished leadership, noting that his tenure achieved tangible milestones that solidified the federation's role as the primary representative of the Gulf private sector and a key partner in regional economic integration.

He said the previous term witnessed the launch of several key digital initiatives, the expansion of the federation's presence in international forums, and the signing of strategic agreements that boosted economic and investment co-operation among GCC countries.

Sheikh Khalifa stressed that the next phase demands further progress amidst rapid global economic transformations. He affirmed that the federation would work to empower the Gulf private sector through a flexible strategic vision, transforming challenges into opportunities that ensure the sustainability and growth of the regional economy.

Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani.

With Sheikh Khalifa at the helm, the federation aims to continue championing the interests of the Gulf private sector. Its focus will remain on enhancing intra-GCC trade, boosting the competitiveness of private enterprises, and intensifying strategic partnerships with regional and international entities to advance Gulf economic integration and support sustainable development across the GCC.

With Sheikh Khalifa at the helm, the federation aims to continue championing the interests of the Gulf private sector

The federation will further focus on supporting the initiatives and projects launched during previous sessions, while introducing further qualitative programmes to empower the Gulf private sector in the upcoming phase.

Sheikh Khalifa is among the most prominent leaders in the Qatari and Gulf private sectors. He concurrently serves as the chairman the ICC Qatar and represents the region globally as a member of the executive board of the International Chamber of Commerce (ICC) in Paris. Furthermore, he holds the position of first vice-president of the Islamic Chamber.

With extensive experience in the economic, commercial, and investment sectors, Sheikh Khalifa has led numerous initiatives aimed at developing the private sector, strengthening public-private partnerships, and stimulating both local and foreign investment. He also holds memberships in several key economic councils and institutions and plays an active role in regional and international federations and chambers of commerce.

Al-Sayed meets minister-president of Wallonia

HE the Minister of State for Foreign Trade Affairs at the Ministry of Commerce and Industry, Dr Ahmed bin Mohammed al-Sayed has met with Minister-President of Wallonia, Adrien Dolimont, reports QNA. Discussions during the meeting dealt with trade and investment co-operation relations between the two sides and ways to support and develop them, in addition to a host of topics of mutual interest.

Qatar Free Zones Authority CEO meets Panama's minister of commerce and industry

CEO of the Qatar Free Zones Authority, Sheikh Mohammed bin Hamad bin Faisal al-Thani, recently met with Minister of Commerce and Industry of the Republic of Panama, Julio Molto at Ras Bufontas Free Zone, reports QNA. The meeting reviewed ways to enhance co-operation and exchange expertise in trade and investment between the two countries. Investment opportunities and the exceptional advantages offered by Qatar's free zones, supported by the country's advanced infrastructure, were also presented.

Philippines trade executive urges Qatar to tap wider pool of exporters

By Peter Alagos
Business Editor

The Philippines has urged Qatar to expand its partnerships with Filipino exporters, noting that while the country counts more than 1,200 food exporters, only 250 currently supply the GCC market.

Speaking at the Doha leg of the Department of Trade and Industry's (DTI) Outbound Business Matching Mission (OBMM) in the GCC during a B2B meeting with Qatar Chamber officials, Bianca Pearl R Sykimte, the director of the DTI's Export Marketing Bureau (DTI-EMB), said this gap "represents a vast opportunity for diversification and growth."

"With more than 1,200 food exporters, the Philippines has significant capacity. Yet GCC buyers, including those in Qatar, have so far tapped only 250 of our exporters, showing the vast opportunity to expand partnerships and diversify product offerings," Sykimte pointed out during a presentation at the B2B meeting.

Sykimte stressed that Philippine products "are well-positioned" to meet Qatar's evolving consumer preferences, from premium tropical flavours to halal-aligned botanicals. She emphasised that the country's exporters can deliver both novelty and authenticity to a competitive market.

"Philippine ingredients such as ube, coconut, calamansi, and mango deliver exactly what today's Qatari consumers are looking for — novelty, authenticity, and a distinctive taste experience that sets products apart in a competitive market," she emphasised.

Highlighting consumer trends, Sykimte noted that Qatari shoppers are increasingly drawn to plant-based, gluten-free, and clean-label snacks, areas where Filipino coconut-based treats and calamansi beverages align perfectly. Tropical flavours such as ube and pandan are already gaining traction across the region, she noted.

"Qatari shoppers are increasingly choosing plant-based, gluten-free, and clean-label snacks. Filipino coconut treats like chips, rolls, and fruit-based snacks align perfectly with these preferences...we are already seeing ube-based products gaining traction across the region, proving their commercial viability," Sykimte further explained.

Beyond food, Sykimte announced that the Philippines is also positioning its botanicals in Qatar's personal care market, where consumers value natural, halal-aligned, and climate-suited solutions. Ingredients such as moringa, pili oil, and rice bran oil were cited as tailored to the needs of Qatari consumers, including scalp care and hydration in hot climates, she noted.

"Qatari consumers have specific needs shaped by climate and lifestyle, including sensitivity concerns, scalp care for women wearing the hijab, brightening and anti-pigmentation, hydration, and sensorial fragrance experiences. Filipino botanicals address these priorities.

"Pili oil is an emerging premium ingredient recognised for deep hydration and barrier repair. It's sourced from the pili tree, which grows abundantly in the volcanic soils of the Bicol region in the Philippines," Sykimte also explained.

Citing trade figures, Sykimte noted that Philippine agri-food exports to Qatar reached "$22mn" in 2025, with bananas accounting for "21%" and sauces and condiments contributing "about 14.7%."

"We believe these numbers can grow significantly if Qatar taps into the wider exporter base," stated Sykimte, who also urged Qatari buyers to look beyond traditional categories and embrace the Philippines' diverse offerings in food and personal care.

Bianca Pearl R Sykimte, director of the Department of Trade and Industry's Export Marketing Bureau in the Philippines.

BUSINESS

Saudi regulator faces calls to review IPO localisation push

Bloomberg
Riyadh

Saudi Arabia's markets regulator is being urged to rethink its push to give local retail investors a larger share of initial public offerings, amid concerns the effort risks further weakening listing performance.

Several banks have been pressing the Capital Market Authority to reconsider guidance encouraging issuers to allocate as much as 30% of shares in IPOs to retail investors, saying it pushes too much stock toward individuals during a period of weak demand, according to people familiar with the matter.

Bankers have also complained that the guidance squeezes allocations for foreign institutional investors, running counter to recent reforms aimed at attracting more overseas capital into Saudi equities, said the people, who asked not to be identified discussing private information.

While there has been no formal rule change, the regulator began to indicate late last year that issuers should increase retail allocations, from about 10% to 20% previously, in order to win approval to list, according to some of the people.

A group of banks, including some of the kingdom's largest equity capital markets advisers, is now planning to lodge a written complaint to the regulator, some of the people said.

The CMA did not respond to an official request for comment.

The pressure on the regulator comes as Saudi Arabia's IPO market has shown signs of stalling. While still historically elevated, listing volumes stagnated at $4.2bn last year as concerns over valuations, oil prices and geopolitics weighed on market performance and deal flow. EFSIM Facilities Management was one company that scrapped plans to list in late 2025, in part due to weaker market demand, Bloomberg News reported.

Companies that did go public have often struggled in early trading. Only two of the 10 largest listings last year are trading above their offer price, according to data compiled by Bloomberg. Retail demand for several firms, including Alramz Real Estate Co and Consolidated Grunenfelder Saady Holding Co, has specifically been lacklustre.

Saudi retail traders have also become less active. The monthly value traded by local individuals fell to about $9bn in December, the lowest level since at least 2020, according to data from exchange operator Saudi Tadawul Group compiled by Bloomberg.

Part of the decline may be down to the performance of the Tadawul All Share Index, which had its worst year in a decade in 2025. While the benchmark has since rebounded, it continues to lag emerging-market peers.

Bankers say the market backdrop makes it difficult to meet the CMA's guidance on larger retail allocations, according to some of the people. They have also raised concerns that retail investors tend to sell shortly after listings, contributing to weak post-IPO performance.

Saudi Arabia to unveil updated strategy for $2tn economic plan

Bloomberg
Riyadh

Saudi Arabia plans to release an updated strategy for Crown Prince Mohammed bin Salman's $2tn economic diversification agenda as the kingdom adjusts its policies and spending priorities amid fiscal pressures.

The government has begun discussing how to communicate its strategy for the next five years, Finance Minister Mohammed al-Jadaan said in an interview with Bloomberg Television at the recent AlUla Conference for Emerging Market Economies in Saudi Arabia.

He listed tourism, manufacturing, logistics and technology as focal areas but stopped short of offering more details or saying when the strategy would be released.

The International Monetary Fund is among those that have called for more clarity and communication from the Saudi government, which is redrawing its plans for major projects including new stadiums for the FIFA World Cup in 2034.

Saudi Arabia has been working to fine-tune its strategy for the Vision 2030 agenda to diversify the economy away from oil as it seeks to shrink its budget deficit. It has specifically sharpened its focus on spending more efficiently, a move that would help combat periods of volatility in oil prices and revenues.

Drawing more private capital and foreign investment have also become bigger priorities.

"We continue really to reprioritise, rework our policies, making sure that we enhance as we go to ensure that we enable the private sector to lead the economy," al-Jadaan said on the sidelines of the event, co-hosted by the IMF and Saudi Arabia's Ministry of Finance.

Saudi Arabia has been running budget deficits since 2022 as spending on economic diversification initiatives outpace revenues that have been dented by anaemic oil prices.

Officials have said sustained shortfalls are a deliberate choice being made to continue to support investment in the economy. They see the deficit shrinking to 3.3% this year from 5.3% in 2025, while Wall Street economists estimate the figure will be far higher.

The kingdom predicted its total financing needs will amount to about $58bn this year as it looks to plug its budget gap.

"We have quite a wide network of channels that we can tap in case we need more than what we have planned for," al-Jadaan said yesterday.

He highlighted the Saudi economy as a key point of strength. Gross domestic product expanded at the fastest pace in three years in 2025, with the oil sector emerging as a stronger engine of growth under new Opec+ supply policy.

Saudi Arabia's Minister of Finance Mohammed al-Jadaan. The government has begun discussing how to communicate its strategy for the next five years, al-Jadaan said in an interview with Bloomberg Television at the AlUla Conference for Emerging Market Economies in Saudi Arabia.

Kuwait exploring first shale development with Devon, EOG

Bloomberg
Dubai

Kuwait Oil Co (KOC) is in talks with companies including Devon Energy Corp and EOG Resources Inc to evaluate and potentially develop shale resources in the country, the latest Middle Eastern nation to consider tapping into these unconventional reserves.

"We've invited several companies to participate and assist us in evaluating and advancing our unconventional oil and gas opportunities," KOC Chief Executive Officer Ahmad al-Eidan said last week, adding that current discussions include the two American firms.

Gulf nations are looking to tap into resources that have previously been too expensive to develop by using technologies tested in the US shale patch. Saudi Arabia is spending more than $100bn to develop Jafurah — the world's largest shale gas field outside North America — while companies such as EOG and TotalEnergies SE are already active in the United Arab Emirates.

"At this stage, our immediate priority is to put the appropriate confidentiality framework in place" for firms to evaluate Kuwait's shale resources, al-Eidan said, citing ongoing discussions with one or two companies. The firms will then be able to review the relevant data before focusing on more detailed technical and commercial aspects of the operation.

Representatives for Devon and EOG did not immediately return messages seeking comment.

The shale moves also come amid Kuwait's plan to allow foreign companies — which have long operated in the country under technical service contracts — potentially more access to its oil sector. It's now looking to develop a new contract model that will allow global firms to invest in projects, while retaining sovereign ownership of its resources.

Kuwait Oil will invite international firms to invest at first in three offshore oil blocks under terms of the new contract it's developing. Boosting output at its offshore fields will help achieve an oil production capacity target of 4mn barrels a day by 2035.

State-owned KOC, which is responsible for exploration and production, will be working on that contract model over the next few months, al-Eidan said. After dealing with the offshore fields, KOC may extend the new contract model for international firms to its onshore fields, as there are additional deposits that require development within this framework, he said.

BARWA REAL ESTATE COMPANY Q.P.S.C.

Barwa Real Estate Company Q.P.S.C. presents below an extract of the consolidated financial statements of the Group for the year ended 31 December 2025. Ernst & Young - Qatar has issued an audit report, summary of which is presented below, on the consolidated financial statements from which the extract has been delivered. The complete set of consolidated financial statements and the audit report are available on the company's website www.barwa.com.qa

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BARWA REAL ESTATE COMPANY Q.P.S.C.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Barwa Real Estate Company Q.P.S.C. (the "Company") and its subsidiaries (together referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Ziad Nader
of Ernst and Young
Auditor's Registration No. 258

Date: 9 February 2026
Doha

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 QR'000	2024 QR'000
Rental income	1,482,393	1,441,207
Rental operation expenses	(306,348)	(293,812)
Net rental income	1,176,045	1,147,395
Income from consultancy and other services	367,124	382,052
Consultancy and other services expenses	(259,886)	(281,644)
Net consulting and other service income	107,238	100,408
Sale of property and construction services	8,637	91,224
Cost of sale of property and construction services	(7,888)	(77,291)
Profit on sale of property and construction services	749	13,933
Net fair value gain on investment properties	646,185	825,643
Gain from disposal of a subsidiary	-	67
Share of results of associates	1,109	32
Gain/ (loss) on revaluation of financial assets at fair value through profit or loss	12,036	(1,792)
Gain from sale of non-current asset held for sale	21,298	4,899
General and administrative expenses	(217,811)	(209,559)
Net impairment loss	(41,064)	(17,462)
Other income	104,670	46,118
Operating profit before finance cost, depreciation, amortisation and income tax	1,810,455	1,909,682
Finance income	111,468	171,499
Finance cost	(639,279)	(795,485)
Net finance cost	(527,811)	(623,986)
Profit before depreciation, amortisation and income tax	1,282,644	1,285,696
Depreciation	(10,467)	(13,106)
Amortisation of right-of-use assets	(790)	(4,061)
Profit before income tax and zakat	1,271,387	1,268,529
Tax and zakat expense	(31,575)	(11,143)
Profit from continuing operation	1,239,812	1,257,386
Net Profit / (loss) after tax from discontinued operations	563	(16,173)
Profit for the year	1,240,375	1,241,213
Attributable to:		
Equity holders of the Parent	1,243,162	1,236,149
Non-controlling interests	(2,787)	5,064
	1,240,375	1,241,213
Basic and diluted earnings per share		
(attributable to equity holders of the Parent expressed in QR per share)	0.3195	0.3177
Basic and diluted earnings per share for continuing operations		
(attributable to equity holders of the Parent expressed in QR per share)	0.3193	0.3218

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 QR'000	*2024* QR'000
Profit for the year	1,240,375	1,241,213
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	30,566	(125)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Net change in the fair value of financial assets at fair value through other comprehensive income	1,372	(7,834)
Other reserves	-	1,034
Other comprehensive income / (loss) for the year	31,938	(6,925)
Total comprehensive income for the year	1,272,313	1,234,288
Attributable to:		
Equity holders of the Parent	1,274,918	1,229,296
Non-controlling interests	(2,605)	4,992
	1,272,313	1,234,288

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 QR'000	2024 QR'000
OPERATING ACTIVITIES		
Profit before tax from continuing operation	1,271,387	1,256,243
Loss before tax from discontinued operation	563	10,464
Net profit before tax	1,271,950	1,266,707
Adjustments for:		
Finance cost	626,852	777,035
Unwinding of deferred finance cost	12,427	18,450
Finance income	(111,468)	(171,499)
Net fair value gain on investment properties	(646,185)	(825,643)
Depreciation	32,750	34,011
Amortisation of right-of-use assets	790	4,061
Share of results of associates	(1,109)	(32)
Provision for end of service benefit	24,593	16,452
Net impairment losses	41,064	17,462
Impairment of non-current assets held for sale	-	9,452
Gain from disposal of a subsidiary	-	(67)
Gain from sale of non-current asset held for sale	(21,298)	(4,899)
Loss on financial assets at fair value through profit or loss	(12,036)	1,792
Other income	(104,670)	(46,117)
Operating gain before working capital changes	1,113,660	1,097,165
Changes in working capital:		
Change in receivables and prepayments	140,010	2,912,010
Change in inventories	(219)	(627)
Change in trading properties	(56,876)	53,421
Change in amounts due from / due to related parties	(191,236)	(54,359)
Change in Assets classified as held for sale	(4,732)	-
Change in Liabilities related to assets classified as held for sale	(882)	-
Change in provisions	(111,915)	(38,496)
Change in payables and accruals	(105,837)	(208,263)
Cash flows from operations	781,973	3,760,851
End of service benefit paid	(16,109)	(11,201)
Income tax paid	(8,886)	(15,199)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	756,978	3,734,451
INVESTING ACTIVITIES		
Finance income received	122,207	135,140
Dividends received from an associate	-	15,927
Payments for investment properties	(137,742)	(161,612)
Proceeds from non-current assets held for sale	70,667	48,000
Net payments for financial assets at fair value through other comprehensive income	(575,274)	(149,366)
Net advances paid for purchase of projects and investments	(22,516)	(82,473)
Payments for purchase of property, plant and equipment	(9,697)	(11,851)
Proceeds from sale of property, plant and equipment	578	300
Dividend income received	35,509	7,466
Net receipts from financial assets at fair value through profit or loss	174	39,014
Net proceeds from sale of a subsidiary	-	72,499
Proceeds from liquidation of an associate	-	1,599
Net movement in short term deposits maturing after three months	817,808	(2,047,625)
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES	301,714	(2,132,982)
FINANCING ACTIVITIES		
Finance cost paid	(498,751)	(603,761)
Proceeds from obligations under Islamic finance contracts	-	806,725
Payments for obligations under Islamic finance contracts	(199,267)	(1,541,264)
Dividend paid to non-controlling interest	411	-
Dividends paid	(516,698)	(586,730)
Payment of lease liabilities	(13,360)	(19,814)
Change in restricted bank balances	8,115	14,008
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(1,219,550)	(1,930,836)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(160,858)	(329,367)
Net foreign exchange difference	19,851	6,989
Cash and cash equivalents at 1 January	557,534	879,912
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	416,527	557,534

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	2025 *QR'000*	2024 *QR'000*
ASSETS		
Cash and bank balances	1,767,825	2,734,027
Financial assets at fair value through profit or loss	130,750	118,824
Receivables and prepayments	1,048,851	1,147,380
Inventories	10,696	10,477
Trading properties	656,095	546,438
Due from related parties	84,610	68,834
Financial assets at fair value through other comprehensive income	816,082	239,437
Advances for projects and investments	286,715	269,138
Investment properties	32,010,374	31,347,223
Property, plant and equipment	435,361	467,730
Right-of-use assets	2,930	3,720
Investments in associates	3,985	8,080
Deferred tax assets	4,896	5,487
Goodwill	126,411	126,411
	37,385,581	37,093,206
Assets held for sale	78,705	73,743
TOTAL ASSETS	37,464,286	37,166,949
LIABILITIES AND EQUITY		
LIABILITIES		
Payables and other liabilities	842,788	950,008
Due to related parties	168,394	149,409
Provisions	58,641	170,556
Lease liabilities	220,917	203,572
Obligations under Islamic finance contracts	12,989,070	13,060,237
End of service benefits	148,348	139,864
Deferred tax liabilities	6,234	6,535
	14,434,392	14,680,181
Liabilities directly associated with the assets held for sale	609	1,491
TOTAL LIABILITIES	14,435,001	14,681,672
EQUITY		
Share capital	3,891,246	3,891,246
Legal reserve	2,153,494	2,148,008
General reserve	4,639,231	4,639,231
Other reserves	(296,565)	(336,607)
Retained earnings	12,464,301	11,966,414
Total equity attributable to equity holders of the Parent	22,851,707	22,308,292
Non-controlling interests	177,578	176,985
Total equity	23,029,285	22,485,277
TOTAL LIABILITIES AND EQUITY	37,464,286	37,166,949

These consolidated financial statements were authorised for issuance by the Board of Directors on 9 February 2026 and signed on their behalf by:

H.E. Abdulla Bin Hamad Al-Attiyah
Chairman

Eng. Ahmad Mohammad Al-Tayeb
Group Chief Executive Officer & Board Member

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Equity attributable to owners of the Parent							
	Share Capital QR'000	*Legal reserve QR'000*	*General reserve QR'000*	*Other reserves QR'000*	*Retained earnings QR'000*	*Total QR'000*	*Non-controlling interest QR'000*	*Total Equity QR'000*
Balance at 1 January 2025	3,891,246	2,148,008	4,639,231	(336,607)	11,966,414	22,308,292	176,985	22,485,277
Profit for the year	-	-	-	-	1,243,162	1,243,162	(2,787)	1,240,375
Other comprehensive income for the year	-	-	-	31,756	-	31,756	182	31,938
Total comprehensive income / (loss) for the year	-	-	-	31,756	1,243,162	1,274,918	(2,605)	1,272,313
Transfer to legal reserve	-	5,486	-	-	(5,486)	-	-	-
Contribution to the Social and Sports Fund	-	-	-	-	(31,079)	(31,079)	-	(31,079)
Reclassification of fair value reserve on disposal of financial assets at fair value through other comprehensive income	-	-	-	8,286	(8,286)	-	-	-
Liquidation of a subsidiary	-	-	-	-	-	-	7,698	7,698
Transactions with shareholders in their capacity as owners:								
Dividends for 2024	-	-	-	-	(700,424)	(700,424)	-	(700,424)
Dividend paid to Non-controlling interest	-	-	-	-	-	-	(4,500)	(4,500)
Balance at 31 December 2025	3,891,246	2,153,494	4,639,231	(296,565)	12,464,301	22,851,707	177,578	23,029,285

	Equity attributable to owners of the Parent							
	Share Capital QR'000	*Legal reserve QR'000*	*General reserve QR'000*	*Other reserves QR'000*	*Retained earnings QR'000*	*Total QR'000*	*Non-controlling interest QR'000*	*Total Equity QR'000*
Balance at 1 January 2024	3,891,246	2,069,055	4,639,231	(354,053)	11,564,845	21,810,324	171,993	21,982,317
Profit for the year	-	-	-	-	1,236,149	1,236,149	5,064	1,241,213
Other comprehensive loss for the year	-	-	-	(6,853)	-	(6,853)	(72)	(6,925)
Total comprehensive (loss) / income for the year	-	-	-	(6,853)	1,236,149	1,229,296	4,992	1,234,288
Transfer to Legal Reserve	-	78,953	-	-	(78,953)	-	-	-
Contribution to the Social and Sports Fund	-	-	-	-	(30,904)	(30,904)	-	(30,904)
Reclassification of fair value reserve on disposal of financial assets at fair value through other comprehensive income	-	-	-	24,299	(24,299)	-	-	-
Transactions with shareholders in their capacity as owners:								
Dividends for 2023	-	-	-	-	(700,424)	(700,424)	-	(700,424)
Balance at 31 December 2024	3,891,246	2,148,008	4,639,231	(336,607)	11,966,414	22,308,292	176,985	22,485,277

BUSINESS

Adani says US asked for information over Iran oil imports

Bloomberg
Mumbai

Adani Enterprises Ltd said the US has sought information from the company after a media report alleged it imported Iranian oil products into India, raising potential sanctions concerns.

The company initiated discussions with the Treasury Department's Office of Foreign Assets Control following the *Wall Street Journal*'s article last June, according to a regulatory filing Tuesday. Adani received the request for information on February 4 and stressed it is co-operating fully with US authorities.

Shares of Adani Enterprises, the flagship company of the Adani Group, fell as much as 3.5% yesterday, but trimmed losses to 1% at close in Mumbai.

The *WSJ* had reported that companies controlled by billionaire Gautam Adani were being probed by US prosecutors about imports of Iranian liquefied petroleum gas through the Group's port in Mundra. Iran's oil trade has long been subject to sanctions by Washington.

The inquiry adds to ongoing scrutiny of the conglomerate, including a US bribery probe in which the group's chairman has been indicted. It follows earlier allegations of market manipulation by short-seller Hindenburg Research in 2023, which had already pressured investor confidence. Adani has denied any wrongdoing.

Adani said the latest matter has no financial impact, noting that LPG accounted for just 1.46% of the company's revenue and 0.5% of the Group's overall revenue in the fiscal year ended March 2025.

The logo of the Adani Group is seen on the facade of its corporate house on the outskirts of Ahmedabad, India. Adani Enterprises said the US has sought information from the company after a media report alleged it imported Iranian oil products into India, raising potential sanctions concerns.

US says trade deal with India to include concessions on pulses

Bloomberg
New Delhi/Washington

India has agreed to phase out duties on a range of agricultural products including 'certain pulses' and 'additional' farm products, a White House fact sheet showed, fuelling opposition criticism over lack of transparency and impact on farmers in the South Asian nation.

The fact sheet mentioned that India will "eliminate or reduce tariffs" on a wide range of American food and agricultural products, including dried distillers' grains, red sorghum, tree nuts, fresh and processed fruit, certain pulses, soybean oil and additional products. Pulses and the vague reference to additional items were however not part of the joint statement the two nations issued on February 6.

India is the world's biggest producer and consumer of pulses and also imports them from nations including Canada, Australia, and Myanmar. The concessions will make US supplies more competitive compared with shipments from rivals.

As the details of the deal trickle out, concessions offered by India to American farm goods have sparked concerns among farmers' group such as Samyukt Kisan Morcha, which has vowed to organise protests over the coming days, including a strike on February 12.

Prime Minister Narendra Modi's government, which has long maintained that it will protect the interest of farmers in all trade pacts, has tried to assuage farmers' fears over the interim trade deal the two nations agreed on after months of negotiations.

Commerce Minister Piyush Goyal has repeatedly said that sensitive agricultural products such as dairy and poultry have been kept out of the trade talks, while no import concessions have been made for America's genetically-modified crops.

Farmers — one of the most influential voting blocks in India — include millions of smallholders with less than 2 hectares (5 acres) of land. They've proved powerful in the past in effecting political change. In 2021, Samyukt Kisan Morcha and other agriculture groups forced Modi's government to scrap three contentious farm laws through a yearlong protest movement.

India was considering lowering duties on pecans, pulses and non-genetically modified soybeans, as well as dried distilled grains, a by-product of ethanol production used in animal feed, Bloomberg reported earlier.


A woman is silhouetted as she works at a farm land along the banks of river Yamuna in New Delhi. India has agreed to phase out duties on a range of agricultural products including 'certain pulses' and 'additional' farm products, a White House fact sheet showed, fuelling opposition criticism over lack of transparency and impact on farmers in the South Asian nation.

Singapore hikes economic growth forecast on AI boom

AFP
Singapore

Singapore yesterday upgraded its economic growth forecast for this year thanks to a boom in demand for AI-related products and as global trade "remained resilient" in the fact of Donald Trump's tariff campaign.

The trade ministry said gross domestic product is expected to expand 2.0-4.0 % in 2026, compared with its previous forecast of 1.0-3.0%.

The announcement comes after growth came in at 5.0% last year as a strong October-December helped it top the 4.8% estimated.

"The global economy has outperformed expectations, with most major economies turning in stronger-than-expected growth in the fourth quarter of 2025," the ministry said, adding that the strong performance in the fourth quarter was likely to carry into this year. "Notably, global trade activity remained resilient despite the US tariffs, likely reflecting effective US tariff rates that were lower than the announced headline rates."

Trade diversion as countries adjusted to the tariffs and "robust AI-related exports amidst the AI investment boom" helped drive the world economy, officials said, adding that investment in artificial intelligence is expected to continue this year.

As a major hub for high-end electronics, Singapore is seeing a significant boost in the production of semiconductors, memory chips, and server components essential for the data centres that power AI.

The city-state's position as a regional financial and digital hub also allows it to capture investments in AI software and infrastructure.

"Apart from the AI investment boom, which is expected to be sustained in 2026, expansionary fiscal policies in several economies such as the US, Germany and Japan, as well as accommodative global financial conditions, should also support global growth in the quarters ahead," the ministry said.

However, warned that the pace of growth in most major economies this year "is still expected to ease from 2025 levels, in part due to the drag from the full-year impact of the US tariffs and rising trade barriers that would weigh on non-AI-related global trade".

The wealthy Southeast Asian nation is heavily reliant on international trade and is vulnerable to any global slowdown.

Bloomberg QuickTake Q&A

Why the US has amassed a giant stockpile of copper

By James Attwood and Yvonne Yue Li

The US has quietly built up its biggest stockpile of copper in decades, distorting flows of the red metal to the rest of the world.

The influx of copper into American inventories has gathered momentum over the past year and added to upward pricing pressures. The higher prices have reverberated across the copper supply chain.

Why has so much copper been flowing to the US?

President Donald Trump's tariff agenda has been looming over the copper market since his return to the White House.

Fears that he would impose import duties on refined copper — the most commonly traded form of the industrial metal — pushed US prices above the global benchmark set in London in the first half of last year. New York's premium over London was so lucrative that trading houses such as Mercuria Energy Group Ltd, Hartree Partners LP and Trafigura Group raced to bring copper to US shores.

The rush of transatlantic shipments temporarily slowed after Trump unexpectedly spared refined metal from the tariffs announced in July, instead imposing a 50% duty on semi-finished copper products, such as pipes and wires, and so-called derivative products, which include electrical components.

However, Trump said he'd revisit the decision in the second half of this year, renewing concerns about tariffs on commodity-grade forms of copper. The profitable New York-London price gap, which had collapsed in July, was revived and US inventories continued to swell.

The country imported 1.7mn metric tonnes of copper last year, according to the US Geological Survey, almost double the volume from a year earlier.

How big is the US copper stockpile?

Copper held in secure, exchange-approved warehouses that back futures contracts traded on the CME's Comex have been on a relentless upswing since early 2025.

Comex inventories stood at 589,081 short tonnes (534,405 metric tonnes) as of February 6, a more than fivefold increase from a year prior and the highest level CME has recorded in data going back to 1989.

If the metal held in off-exchange inventories is included, the total US copper hoard is around 1mn metric tonnes, BMO Capital Markets estimates. That's roughly equivalent to how much the world's biggest copper mine, Escondida in Chile, produces in a year.

How has copper stockpiling in the US affected the global market?

The copper inflows into the US have tightened supply available for the rest of the world, exacerbating the pressures from a series of mine disruptions stretching from Chile to Indonesia.

These two dynamics, as well as speculative trading activity, have sent copper prices to records. Prices soared above $14,500 per metric tonne on the London Metal Exchange in late January, before taking a breather amid a broad metals selloff.

Analysts at Goldman Sachs Group Inc have warned that commodity-grade prices have overshot fundamentals. BNP Paribas SA strategist David Wilson said in February that the metal is "still overvalued" and levels above $11,000-11,500 a tonne are "almost entirely speculatively driven".

The elevated copper prices have taken a toll on fabricators in China — the world's biggest copper consumers — who shape the metal into wire, tubes and foil for manufacturers and have struggled to pass on their higher feedstock costs to customers. Many Chinese copper plants are expected to take longer breaks from production over the Lunar New Year holiday as near-record prices chill industrial demand for the metal.

While there's long-term optimism about rising copper usage for renewable energy technology, electric vehicles and data centres for artificial intelligence, the soft near-term demand outlook is reflected in stockpiles at exchange warehouses in London, Shanghai and New York, which have reached their highest level since 2003.

What could happen to the giant US copper stockpile?

Analysts and traders initially feared that the copper accumulated in the US would flood the global market and depress prices if the refined metal escaped Trump's tariffs.

More recently, views have shifted toward a large — or even larger — stockpile enduring as companies and the government look to protect the country's manufacturing base from scarce supply, volatile prices and overreliance on imports from China. That sentiment has been underpinned by the Trump administration's plans to create a $12bn stockpile of critical minerals, known as "Project Vault," via a public-private partnership.

It's unclear how much of Project Vault will be dedicated to copper, which is one of 60 minerals the US government considers to be "critical" and at high risk of supply chain disruption. Mining billionaire Robert Friedland, who was present at the Oval Office launch of Project Vault in early February, said the red metal would undoubtedly be included.

"The thrust of this argument is the notion that the copper stock build we are witnessing today could be not just commercial in nature but government driven too," BMO analysts wrote in a January report.

Is there precedent for the US amassing large amounts of copper?

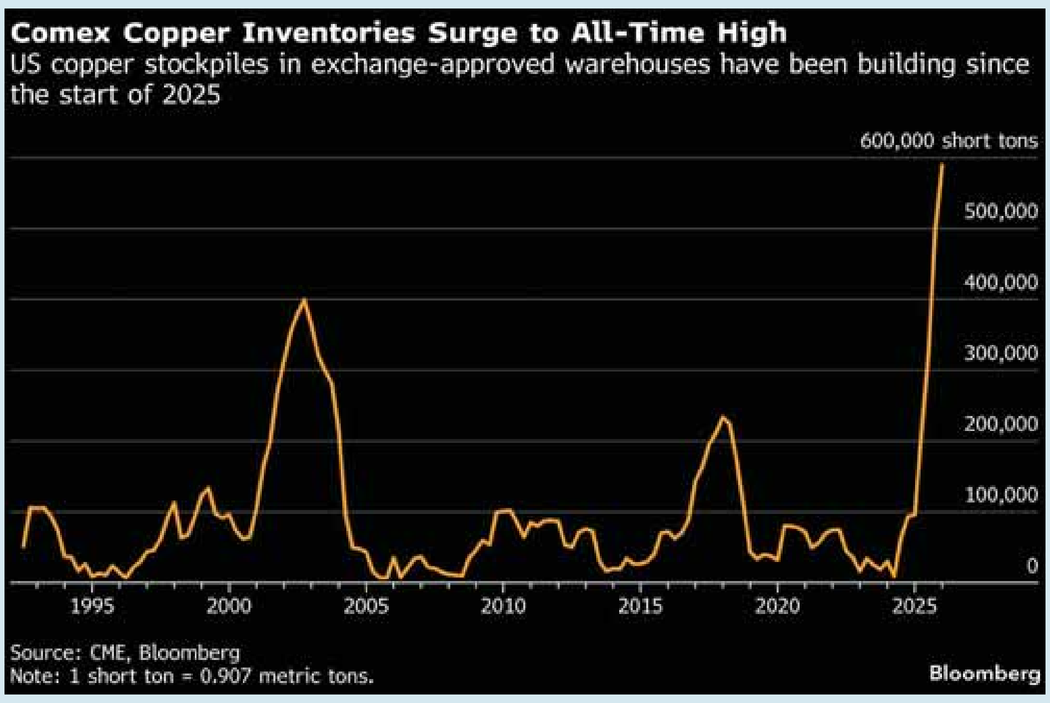
The BMO report said that "compared with other periods in history that were witness to major geopolitical upheavals, today's inventory still does not look so dramatic."

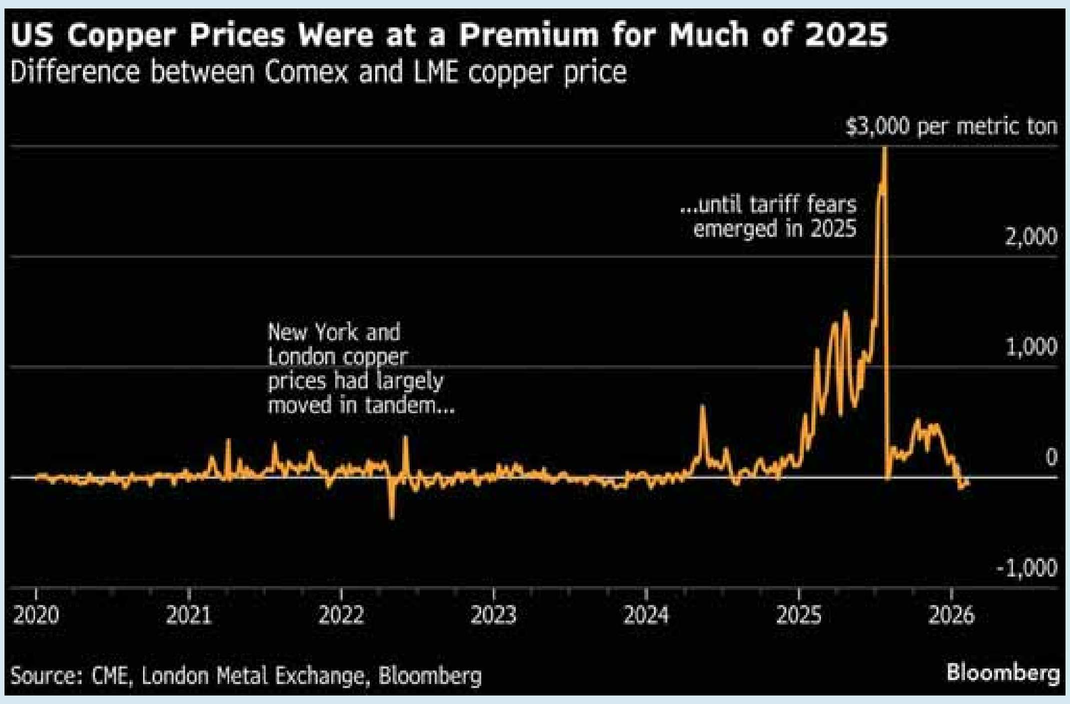
During the Cold War, the US stockpiled minerals to try to ensure enough supply during a multi-year conflict with the Soviet Union. It held 10 months worth of copper consumption in the early 1960s. The 1mn tonnes of the red metal currently sitting in the US is enough to meet about seven months of demand, according to BMO estimates.

Is there enough warehousing space in the US for all this copper?

Yes. The CME added 649,979 short tonnes of copper warehousing capacity in the US last year, taking the total to a little over 1.1mn short tonnes spread across seven states: Arizona, Kentucky, Louisiana, Maryland, Michigan, Texas and Utah.

Meanwhile, warehouse firms are still applying to provide additional space to store copper at CME-approved locations. Henry Bath LLC, for example, applied in January to host warehousing capacity in Cartersville, Georgia, for copper deliverable against the Comex copper futures contract. If approved, this would be a new location for the Comex-registered copper warehousing network.





BUSINESS

CORPORATE RESULTS

BP annual profit slides 86% on lower oil prices, write-down

British oil giant BP announced yesterday an 86% slide in annual net profit, hit by lower crude prices and a huge write-down linked to its green energy transition.

Profit after tax dropped to $55mn last year from $381mn a year earlier, BP said in a statement.

The results come ahead of Meg O'Neill taking over as BP's chief executive in April, becoming the first woman to lead an oil major.

BP said the annual results included an impairment totalling around $4bn linked to its "transition businesses in the gas and low carbon energy segment". It added that its annual performance was "delivered against a weaker oil price environment".

Underlying earnings, which strip out some energy-price movements and one-off charges, fell 16% to $7.5bn last year. Energy prices have been under pressure on concerns that US President Donald Trump's tariffs will crimp economic growth.

They dropped further as a result of higher output by Opec+ nations and hopes of an end to the war in Ukraine, as Russia remains a major energy producer. More recently, prices have risen as Trump ramped up military threats against Iran, but have since cooled on easing tensions between Washington and Tehran. The international oil price benchmark, Brent North Sea crude, was steady Tuesday at $69 per barrel.

Kering

French luxury group Kering reported yesterday a steep fall in net profit but forecast a return to growth as sales declines were stanched at Gucci and other key brands.

The group, which embarked on a deep restructuring effort with the hiring of CEO Luca de Meo last year, also posted lower debt and announced an exceptional dividend payout.

"The group's 2025 performance does not reflect its true potential," De Meo, who was poached from Renault, said in a statement.

"We have seen signs of a rebound on the market" in the third quarter, which "lets us begin 2026 with optimism", he later told a press conference. Kering has struggled to turn things around at Gucci, its flagship Italian fashion house famous for its handbags, in recent years, and in March it wooed Georgian designer Demna to take over as artistic director.

Overall sales dropped by 13% to 14.7bn euros ($17.5bn) last year while net profit plunged by 93.6%, Kering said, reflecting the steep losses at Gucci and Yves Saint Laurent, by far its biggest brands.

Barclays

British bank Barclays said yesterday that its net profit rose 16% last year, helped by income growth at its investment division as US President Donald Trump's tariffs blitz caused volatility in markets.

Profit after tax climbed to £6.2bn ($8.4bn) from £5.3bn in 2024, Barclays said in a statement. Total income grew nine percent to £29.1bn year on year. Its investment bank saw income rise 11% to £13.1bn.

Setting a new performance target, chief executive CS Venkatakrishnan said the bank aimed "to secure sustainably higher returns through to 2028 and beyond" thanks to improved efficiency measures and "harnessing new technology, including AI".

He added that the bank plans to return more than £15bn in capital distributions to shareholders through to 2028.

"Barclays has put in a strong showing, beating profit expectations, posting a firmer capital position and lifting its longer-term targets above market forecasts," said Matt Britzman, an equity analyst at Hargreaves Lansdown.

Philips

Dutch electronics and medical device manufacturer Philips said yesterday it had bounced back into the black in 2025, as it seeks to turn the page on a scandal over faulty sleep apnoea machines.

Philips posted a profit of 897mn euros last year, after three straight years of losses.

"We strengthened our company while navigating a dynamic macro environment. We ended the year with strong, robust margin expansion despite tariffs," chief executive Roy Jakobs said in a statement.

The profit came in above the consensus forecast of analysts polled by the company of 775mn euros.

Once famous for making lightbulbs and televisions among other products, Amsterdam-based Philips in recent years has sold off subsidiaries to focus on medical care technology.

It posted overall sales of 17.8bn euros in 2025, compared to the 18.0bn euros it banked in 2024. Analysts' consensus forecast was for sales of 17.7bn.

AstraZeneca

British pharmaceutical giant AstraZeneca said yesterday that its net profit jumped 45% last year on strong sales of cancer drugs, as it expands its reach in the United States and China.

Profit after tax rose to $10.2bn in 2025 from $7.0bn a year earlier, AstraZeneca said in a statement.

Revenue increased nine percent to $58.7bn, boosted by a rise in cancer drug sales.

"In 2025, we saw strong commercial performance across our therapy areas and excellent pipeline delivery," chief executive Pascal Soriot said in an earnings statement.

"The momentum across our company is continuing in 2026," he added.

Soriot later told reporters he was "very confident" the company would achieve its target of $80bn in annual revenue by the end of the decade. "If AstraZeneca knocks it out of the park with its current pipeline of final-stage trials, it could stand head and shoulders above the peer group," said Dan Coatsworth, head of markets at AJ Bell.

AstraZeneca has recently expanded its footprint into its two largest markets, the United States and China.

Hedging has changed; portfolios need a new playbook

By **Taosha Wang**
Hong Kong

Portfolio hedging has relied on the same rules for decades, but as technology, geopolitics and the nature of trading undergo rapid change, hedging needs an update.

The old playbook assumed stable relationships: risk-off meant bonds rallied, "safe havens" cushioned drawdowns and diversification could be left on autopilot.

That assumption is proving unreliable. Rising leverage, shifts in global alliances, technological disruption and policy uncertainty underscore the need for resilient portfolios. Capturing long-term growth while preserving capital now requires more deliberate design.

Start with one of the most widely held hedges: high-grade bonds.

US government bonds and investment-grade credit no longer automatically belong in a portfolio's "low-risk" bucket. While they exhibit low volatility under normal conditions, their hedging power often falters during inflationary, fiscal, or liquidity-driven shocks - as 2022 demonstrated. The current environment features multiple risks that could disproportionately impact bonds. Ongoing fiscal expansion in the United States raises debt sustainability concerns, while threats to central bank independence and rising tensions between the US and its trading partners could impact foreign appetite for US debt. Meanwhile, in credit, indices are becoming more concentrated as large tech firms issue bonds to finance massive artificial intelligence capital expenditures.

The implication here is not that bonds are unattractive, but that investors must be precise about the risks they are underwriting and realistic about how those risks may reduce bonds' classic hedging ability when inflation and fiscal narratives dominate. Another major change is that "safe haven" no longer means "stable."

Gold is a prime example. Gold's scarcity value and long-standing role as a store of wealth remain real, and its biggest buyers are still price-insensitive central banks. Since the Russia-Ukraine war in 2022, these official buyers have steadily increased their purchases.

However, gold's volatility recently rose above 40, according to CBOE gold volatility index, which indicates a level higher than most major equity indices. That's largely because gold's over 200% rally since 2022 has attracted significant speculative interest.

The precious metal is familiar and trading in it has become more accessible, drawing in marginal buyers who are often more price-sensitive. While gold jewellery has long been a store of wealth in India, and Chinese households have long used bullion to diversify currency exposure in a country with a largely closed capital account, we're now seeing increased participation from retail investors.

This is evidenced by the significant spike in exchange-traded funds' gold holdings since 2024. This leaves gold more exposed to violent momentum swings - such as the 14% intraday selloff on January 30, the worst since the 1980s, which was followed by gold's best one-day performance since 2008.

When traditional havens fail, "set-and-forget" diversification breaks down, broad-based directional hedges can't be relied on, and statistical hedges matter more. Statistical hedges target assets with low or negative marginal correlation to a portfolio's key risks, lowering volatility without necessarily sacrificing returns. Importantly, assets serving as a statistical hedge may appear risky in isolation, but not when part of a larger portfolio.

For example, Chinese stocks have increasingly acted as a hedge to US equity risk. The two markets' performance diverged sharply during the "DeepSeek moment" in early 2025, when a cost-efficient, open-source Chinese AI model forced investors to reassess US tech dominance and valuation moats. Over the next 12 months, Chinese equities benefited from three forces: a re-evaluation of its tech sector, stabilising macro conditions and renewed policy support for the private sector. MSCI China delivered a 28% return in 2025, versus 16% for the S&P 500, the best performance for the former, in both absolute and relative terms, in years.

Allocating to China should not be considered a bet against America, however. It's more about hedging portfolio risk in a multipolar world that seems to be moving away from unchallenged US exceptionalism.

Statistical hedges, unlike classic hedges, require constant reassessment as macro regimes shift. Correlations are unstable and shock-dependent: what hedges a growth scare can fail in an inflation shock.

For example, energy was a decent hedge in 2022 because inflation and supply disruption were the key risks. But if we're entering a period of oversupply in certain energy markets, that hedging ability may no longer hold.

Using a "macro regime lens" is particularly important in an AI-driven cycle that is unpredictable and vulnerable to sudden shifts.

Currently, the hundreds of billions of dollars in AI capex we're seeing appear to be boosting global GDP, pulling forward demand for physical resources, and raising leverage. This trend may initially prove inflationary, but that could change if productivity gains arrive. Moreover, AI-related job losses could push central banks to ease even as resource constraints persist, potentially exacerbating the risk of disorderly inflation.

This is where copper could play a role. Typically considered a growth barometer rather than a hedge, copper faces structurally rising demand from AI and renewable energy investment, risking severe and prolonged supply shortages. Copper could thus benefit from the AI boom but also serve as a hedge against the tail risks of resource scarcity and disruptive inflation.

In the new hedging playbook, protection is designed, not presumed. One must break the reflex to label assets as "risk-on" or "risk-off". An asset can be an effective hedge and yet be volatile, headline-grabbing, and profitable.

Investors will need to identify specific risks, select the hedges best suited to address them, and then constantly monitor the risk landscape. In a world of unstable correlations and violent macro regime shifts, diversification is now an active discipline.

■ *Taosha Wang is a portfolio manager at Fidelity International. The views expressed here are those of the author.*

Alphabet seeks $9.4bn from pound and Swiss franc bond sales

Bloomberg
California

Alphabet Inc is selling at least $9.4bn in sterling and Swiss franc-denominated bonds, including an ultra-rare issue of a 100-year note, following a bumper deal in the US.

The sterling offering is expected to be a record £4.5bn ($6.2bn) and includes tenors of three to 32 years as well as the 100-year bond, according to people familiar with the matter, who asked not to be identified. The Google parent drew a record £24bn of bids, they said.

The Swiss offering will be a minimum of 2.45bn Swiss francs ($3.2bn) across maturities of three, six, 10, 15 and 25 years. Both deals are expected to price later today.

"The market in Europe will be able to absorb this supply," said Jack Daley, a portfolio manager at TwentyFour Asset Management. For the sterling offering, "there will be a large demand and especially as a deal of this size will become a larger portion of the index."

On Monday, Alphabet raised $20bn in a seven-part dollar debt sale, exceeding earlier expectations for a $15bn deal. It attracted more than $100bn of orders at its peak — among the strongest ever for a corporate bond offering.

That set the tone for today's offerings. All of the dollar tranches have gained in value on the secondary market, "showing there is very much demand for these names," said Daley.

The previous record corporate bond sale in the sterling market came from National Grid Plc in 2016 with a £3bn ($4.1bn) four-part sale, while in the Swiss market Roche Holding AG raised a record 3bn Swiss francs in a 2022 deal. The mega debt spree comes after Alphabet said its capital expenditures will reach as much as $185bn this year — double what it spent last year — to finance its ambitions in artificial intelligence.

Other tech firms, including Meta Platforms Inc. and Microsoft Corp, have also announced huge spending plans for 2026, while Morgan Stanley expects borrowing by the massive cloud-computing companies known as hyperscalers to reach $400bn this year, up from $165bn in 2025.

Still, those massive borrowing needs have started to raise some concerns about potential pressure on bond valuations.

Alphabet's 100-year note is the first sale with such an extreme maturity by a technology firm since Motorola sold this type of debt in 1997, according to data compiled by Bloomberg. The market for 100-year bonds is dominated by governments and institutions like universities. For corporates, potential acquisitions, outdated business models and technological obsolescence make such deals a rarity.

"I could not justify taking such a long maturity bond in most companies — especially on one subject to an ever-changing landscape," said Alex Ralph, co-portfolio manager of Nedgroup Investments Global Strategic Bond Fund. "100-year bonds tend to have a habit of calling the top of a market as well."

Still, demand from UK pension funds and insurers has made sterling a go-to market for issuers seeking longer-dated funding.

Investors turned out in force for the tranche, which attracted a record £5.75bn of bids, according to people familiar with the matter. Global corporates have also been turning to the Swiss franc bond market in recent years to diversify their debt-raising programmes.

In 2025, US firms including Thermo Fisher Scientific Inc and construction equipment maker Caterpillar Inc sold Swiss franc debt.

Alphabet tapped the euro bond market as recently as November, raising €6.5bn ($7.7bn). That deal, added to an issue earlier in the year, made it the biggest borrower in the euro market in 2025, according to data compiled by Bloomberg.

Bank of America Corp, Goldman Sachs Group Inc and JPMorgan Chase & Co are arranging both offerings, with Barclays Plc, HSBC Holdings Plc and NatWest Group Plc also on the sterling deal. BNP Paribas SA and Deutsche Bank AG are on the Swiss franc issue.

The Google headquarters in Mountain View, California. Google parent Alphabet is selling at least $9.4bn in sterling and Swiss franc-denominated bonds, including an ultra-rare issue of a 100-year note, following a bumper deal in the US.

EM stocks, currencies rise

Reuters
London

Most central and eastern European currencies held their ground yesterday, while regional stocks were mixed as investors braced for a data-heavy week.

MSCI's index tracking global EM stocks rose 0.7% and was up for a second straight session to hit a more than one-week high, while a similar gauge for currencies was flat.

Hungary's forint briefly notched its strongest level in more than two years before falling 0.4%. After hovering near two-year highs in recent sessions, the currency could face fresh headwinds if January inflation data, due Thursday, comes in sharply lower. A softer inflation print would only strengthen the case for renewed rate cuts, potentially taking some wind out of the forint's uptick.

Investors will get further insights on the central bank's thinking when minutes from its January meeting land on Wednesday. Adding to the backdrop, Hungary is also heading toward a national election in early April.

Budapest shares were flat, while Warsaw equities rose 0.2%.

The Polish zloty, one of the region's laggards so far this year, slipped from a more than one-week high notched in the prior session as traders positioned ahead of the release of the country's inflation data later this week. Regional equities have started the year on a strong note, with Hungary up 17%, Romania up 12.3% and Poland up 7.6%.

That easily outpaces the US S&P 500's roughly 0.5% rise, highlighting a rotation that analysts say still has room to grow as investors trim exposure to pricey US tech and hunt for value in overlooked corners of the market.

"There are several reasons to like EM equities right now. We put the most weight on the potential for further dollar weakness, accelerating earnings, and exposure to the global AI supply chain," LPL Financial analysts said.

"In 2026, EM earnings are expected to grow 29%, more than double current earnings growth expectations for the US at 14%. EM valuations remain compelling."

Turkish stocks, which are up nearly 23% year-to-date, were down 0.14%. The central bank is expected to revise its 2026 inflation forecasts higher this week and may slow, or even pause, rate cuts in the months ahead. Meanwhile, December industrial production fell 2.1%.

In South Africa, the rand retreated from a more than one-week high as prices of precious metals cooled.

Russia's rouble hovered near a three-week low ahead of a policy decision later this week.

The central bank is expected to keep rates unchanged, after January data showed price growth picking up again.

ArcelorMittal confirms long-stalled French steel plant revamp

AFP
Dunkirk, France

ArcelorMittal said yesterday that it would build a low-carbon electric furnace at its steel mill in northern France, after months of wrangling with officials over the project's economic viability.

Unions feared the company would drop the plan announced two years ago to "decarbonise" the Dunkirk site by replacing two coal-fired furnaces with electric arc models.

But with President Emmanuel Macron in attendance, Arcelor executives said 1.3bn euros ($1.55bn) would be invested to replace one of the coal furnaces with an electric model coming online in 2029.

Half of the funding will come from Energy Efficiency Certificates (CEE), a scheme financed by contributions from energy suppliers. "With this strategic investment, ArcelorMittal confirms... its commitment to France and Europe," the company's head of flat steel products in Europe, Reiner Blaschek, said during Macron's visit.

The company has been pressing European officials to protect the steel sector as it faces intense competition, in particular from Asian rivals not subject to strict emission regulations.

While posting a rise in 2025 operating profit to $2.9bn this week, it welcomed in particular reforms to an EU "carbon tax" to offset the CO2 emissions of foreign firms

Arcelor's Dunkirk site is among the 50 biggest industrial sources of greenhouse gases in France, the government says. With employees worried of job cuts if Arcelor scales back its European operations, leftist lawmakers have proposed nationalising the French operations, with a bill set for debate in the Senate on February 25.

Asia markets extend gains as Tokyo enjoys another record day

AFP
Hong Kong

Asian shares extended gains yesterday following a Wall Street rally, with Tokyo's Nikkei jumping more than two per cent to another record after Japanese Prime Minister Sanae Takaichi's stunning election triumph.

In Tokyo, the Nikkei 225 closed up 2.3% to 57,650.54 points; Hong Kong - Hang Seng Index ended up 0.6% to 27,183.15 points and Shanghai - Composite closed up 0.1% to 4,128.37 points yesterday.

Gains across world markets have brought some calm to trading floors after last week's asset-wide rollercoaster ride, with tech firms battered by AI spending fears finding their feet.

Investors were also gearing up for the release of key US data this week hoping for a fresh insight into the world's biggest economy and an idea about the Federal Reserve's plans for interest rates.

Stocks in Tokyo continued their blistering run at the start of the week that came on the back of Takaichi's landslide lower-house election win that paves the way for increased fiscal stimulus and massive tax cuts.

Tech firms, which have been a key driver of the Nikkei's surge over the past year to multiple record highs, led the way again with investment giant SoftBank piling on more than 10%, while Tokyo Electron, Sony and Advantest were also sharply higher.

However, Nozomi Moriya of UBS Securities warned the premier had to meet expectations.

"As the market is already starting to price in expectations before they actually materialise, whether such hopes will be realised and then surpassed is something that will need to be monitored," she wrote.

"The Takaichi administration now needs to make some critical decisions, including whether to prioritise economic policy in addition to security measures, and whether to prioritise growth as well as focus on such measures as cutting consumption tax on food."

There were also gains in Hong Kong, Seoul, Singapore, Taipei, Manila, Mumbai, Bangkok, Jakarta and Wellington.

London and Frankfurt dipped at the open but Paris edged up.

Sentiment was given a lift by another strong day on Wall Street, where Magnificent Seven members Microsoft, Meta and Nvidia led the charge.

However, investors remain concerned about the vast sums of cash pumped into the artificial intelligence sector, with questions being asked about when profits will be realised, if at all.

"Several big tech results have revived investor concerns about huge spending, with Amazon, Google, Meta, and Microsoft collectively expected to spend around $650bn in the race to win AI dominance," said City Index senior market analyst Fiona Cincotta.

Attention also turns to the macro outlook this week, with Washington due to release key non-farm payrolls figures Wednesday, having been delayed from Friday owing to a brief government shutdown. Closely-watched inflation and retail sales figures are also lined up for release.

The readings come amid signs of weakness in the US labour market, with President Donald Trump's top economic adviser Kevin Hassett warning of more soft readings to come. "I think that you should expect slightly smaller job numbers that are consistent with high GDP growth right now," he told CNBC on Monday.

"One shouldn't panic if you see a screenful of numbers that are lower than you're used to, because, again, population growth is going down and productivity growth is skyrocketing."

A pedestrian walks past an electronic quotation board displaying numbers of the Nikkei Stock Average on the Tokyo Stock Exchange and a graph showing stock price movements since last year in Tokyo. The Nikkei 225 closed up 2.3% to 57,650.54 points yesterday.

Russia-owned oil refinery in Germany warns of risks from US sanctions

Reuters
Berlin/London

Management at a Russian-owned oil refinery in Germany have privately warned Berlin that US sanctions are hurting its business and threatening fuel supply for the country's capital and the region, according to correspondence seen by Reuters.

In a January letter, management of the PCK Schwedt refinery, controlled by Rosneft, made an "urgent appeal" to economy and energy minister Katherina Reiche to resolve a standoff with the United States over the refinery's future.

The letter outlines escalating problems at the refinery, which fuels nine out of 10 cars in Berlin, its airport, supplies petrol across the state of Brandenburg and eastern Germany and key ingredients to the chemicals industry.

Berlin's lobbying won the refinery an exception from sanctions imposed late last year on Rosneft as part of Washington's effort to squeeze Russia's energy sector, but it expires on April 29.

The business, however, depends on long-term supply contracts, banks for payments and insurers to cover oil cargoes, all of which is being hit by fear about being swept up by sanctions, said one person with direct knowledge of the matter. That pressure, he said, could accelerate the refinery's sale and one oil group and a large energy investor had explored buying the business.

"We are already experiencing… restrictions in our operating business," management of the refinery wrote in the letter, urging the government to secure a permanent exception from US sanctions.

"The consequences of the ongoing sanctions affect the security of supply for the region," the letter warned.

The discussions are unfolding against the backdrop of pressure from Washington, with October sanctions on Rosneft and Lukoil, Russia's two largest oil firms, squeezing a vital German artery supplied by the former Soviet state of Kazakhstan. The sanctions, although suspended, have shaken confidence in Rosneft's German arm among banks, insurers and its main supplier, Kazakhstan, said the first source.

Unimot, a Polish fuel importer which buys 2mn tons of fuel annually from the refinery, underscored looming risk.

"There's no way to replace that refining and logistical capacity in terms of supplying fuels for Brandenburg but also for Poland. This is a result of a gross neglect by Germany to resolve the Rosneft issue," said Robert Brzozowski, Unimot's deputy chief executive.

"Supplies for April are already being contracted. Everyone is concerned, but most importantly oil suppliers, who are wondering whether the ship that will bring oil on April 29 will not violate sanctions," he said.

A task force of officials from Germany's government, from the local state of Brandenburg and refinery management, will meet in the coming days to discuss possible solutions, said a third person familiar with the discussions.

IMF chief plays down dollar's 'short term variations'

Bloomberg
New York

The head of the International Monetary Fund (IMF) downplayed the dollar's decline over the past year, saying the US currency will probably retain its preeminent position.

"We should not get carried away by short term variations of the exchange rate," the IMF Managing Director Kristalina Georgieva said in an interview on Monday with Bloomberg Television. "I don't see a change in the role of the dollar anytime soon."

People "should look closely to why the dollar plays such an important role in the international monetary system," she said, citing "the depth and liquidity of capital markets in the United States, the size of the economy and the entrepreneurial spirit of the US."

Georgieva, echoing comments she's made in the past year, spoke at an IMF conference on emerging markets in Al-Ula, Saudi Arabia.

The Bloomberg dollar index, which tracks the greenback against a basket of 10 other leading currencies, fell 8.1% last year, the most since 2017. It's declined another 1.3% this year as the Trump administration's tariffs and the US government's weakening fiscal position fuel concern among global investors. On Monday, Bloomberg reported that Chinese regulators have advised financial institutions to rein in their holdings of US Treasuries, citing concerns over concentration risks and market volatility.

Treasury Secretary Scott Bessent said last week that the US "always has a strong dollar policy," and that authorities hadn't intervened to drive the greenback down. His comments came shortly after Trump was asked if he was worried about the dollar's depreciation, with the president answering: "No, I think it's great."

Kristalina Georgieva, IMF Managing Director.

Warsh will face challenges shrinking Fed's portfolio, says Citi

Bloomberg
Washington

Federal Reserve Chair nominee Kevin Warsh is likely to take a gradual approach to shrinking the central bank's $6.6tn portfolio to avoid rekindling money market tensions, according to strategists at Citigroup Inc.

Any attempt by the central bank to resume unwinding its balance sheet — a process known as quantitative tightening — could revive pressures in the $12.6tn repurchase market, the strategists said. The Fed abandoned the process in December after rates in the repo market — where banks borrow and lend to each other for day-to-day needs — surged.

"The bar for restarting QT is quite high given the large volatility that repo markets experienced last year," strategists Alejandra Vazquez Plata and Jason Williams wrote. "Presumably, the FOMC would prefer to avoid a repeat of October 2025 and instead opt to take a gradual approach to balance sheet management."

Warsh, a former Fed governor, has called for dramatically paring back the central bank's financial footprint, which ballooned under successive rounds of asset purchases amid the global financial crisis and Covid-19 pandemic. At its peak in June 2022, the Fed's balance sheet had swelled to as much as $8.9tn from just $800bn nearly two decades earlier.

The Fed stopped shrinking its portfolio after an increase in government borrowing late last year which, combined with the unwind, caused a notable squeeze by siphoning cash out of money markets. It then pivoted to buying Treasury bills each month in a bid to add reserves back into the financial system.

Still, a Warsh-led Fed has options to reduce its footprint, according to the Citi strategists. It could shrink the weighted average maturity of its holdings by rolling longer-maturity Treasury holdings into short-dated debt as the "path of least resistance." The presumptive chair could reach a consensus among policymakers while he prioritises getting the committee's backing for interest-rate cuts, they said.

The Citi strategists said the Fed could also opt to decrease the pace of its T-bill purchases from about $40 billion a month currently, or stop them altogether. Other options include letting its holdings of mortgage-backed securities roll off.

An analysis from Citi shows that even if the Fed ended its purchases as early as June, reserves are unlikely to move significantly lower by December 2026. They expect policymakers to reduce the pace of purchases to about $20bn per month starting in mid-April through the rest of the year.

The New York Fed's open markets desk has anticipated that reserve management purchases will remain elevated for a few months to offset expected large increases in non-reserve liabilities during the tax season in April. After that, the pace of total purchases will likely be significantly reduced.

The minutes of the December Federal Open Market Committee meeting showed participants expressed their preferences for purchases to be in T-bills so that the composition of the Fed's portfolio would begin to shift toward that of Treasury securities outstanding.

Kevin Warsh.

US retail sales stall in December; underlying weakness emerging

Reuters
Washington

US retail sales were unexpectedly unchanged in December as households scaled back spending on motor vehicles and other big-ticket items, potentially setting consumer spending and the economy on a slower growth path heading into the new year. The Commerce Department also revised down retail sales for October, suggesting consumer fatigue amid rising cost-of-living challenges that have been partly attributed to higher prices due to tariffs on imports. The weak report, together with a marginal rise in business inventories, prompted economists to downgrade their economic growth estimates for the fourth quarter.

Frigid temperatures in January could also weigh on spending this quarter. While spending could still be supported by expected larger tax refunds as part of President Donald Trump's tax cuts, economists also said some households could opt to save the windfall given labour market sluggishness.

"Overall, signs of earlier consumer strength may be starting to falter, in line with gloomy sentiment indicators and a falling saving rate," said Thomas Ryan, North America economist at Capital Economics. "That said, given the expected stimulus as the bigger rebate checks begin to flow, consumption at the end of the first quarter may turn out to be a lot stronger than it currently looks at the start."

The flat reading in retail sales last month followed an unrevised 0.6% increase in November, the Commerce Department's Census Bureau said yesterday. Economists polled by Reuters had forecast retail sales, which are mostly goods and are not adjusted for inflation, would rise by 0.4%.

Sales increased 2.4% year-on-year in December. October's monthly sales were revised to show them declining 0.2% instead of 0.1% as previously estimated.

The Census Bureau is still catching up on data releases after delays caused by last year's government shutdown.

Some of the weakness in sales last month likely reflected seasonal adjustment issues around the holiday season.

Economists also blamed the 43-day shutdown for the weak sales performance.

Receipts at auto dealerships decreased 0.2%. A further decline is likely in January after manufacturers reported a drop in sales units for the month. Furniture and home store sales fell 0.9% while receipts at electronics and appliance stores slipped 0.4%. Sales at clothing outlets dropped 0.7%.

There were also decreases in sales at miscellaneous store retailers as well as health and personal care stores. Sales at food services and drinking places, the only services component in the report and a gauge of discretionary spending, dipped 0.1%.

But receipts at building materials and garden equipment stores increased 1.2%, while sales at sporting goods, hobby, musical instruments and book stores gained 0.4%. Online retail sales edged up 0.1% after being unchanged in November.

Retail had been strong despite consumers being downbeat about the economy amid higher prices from tariffs and a softening labour market. That has come at the expense of savings, with the saving rate falling to a three-year low of 3.5% in November from 3.7% in October. It has dropped from a peak of 31.8% in April 2020.

But household wealth has surged, driven by a strong stock market rally and still-high home prices, creating what economists have termed a K-shaped economy. Spending has largely been driven by upper-income households, who have benefited from the higher asset prices, while lower-income households are barely keeping their heads above water amid slowing wage gains.

Stocks on Wall Street were mixed. The dollar was steady against a basket of currencies. US Treasury yields fell.

Shoppers outside an Arcteryx store along Fifth Avenue in New York. US retail sales were unexpectedly unchanged in December as households scaled back spending on motor vehicles and other big-ticket items, potentially setting consumer spending and the economy on a slower growth path heading into the new year.

Tech volatility underscores push to diversify in US stock market

Bloomberg
New York

The tech sector's once relentless push higher in the US stock market has turned into a topsy-turvy ride, forcing investors to seek calmer waters where stodgy, old-economy companies ply their trades.

That's meant diverting cash from the artificial intelligence trade, where it's gotten more difficult to discern winners from losers, and into areas like materials and energy producers, or makers of consumer goods.

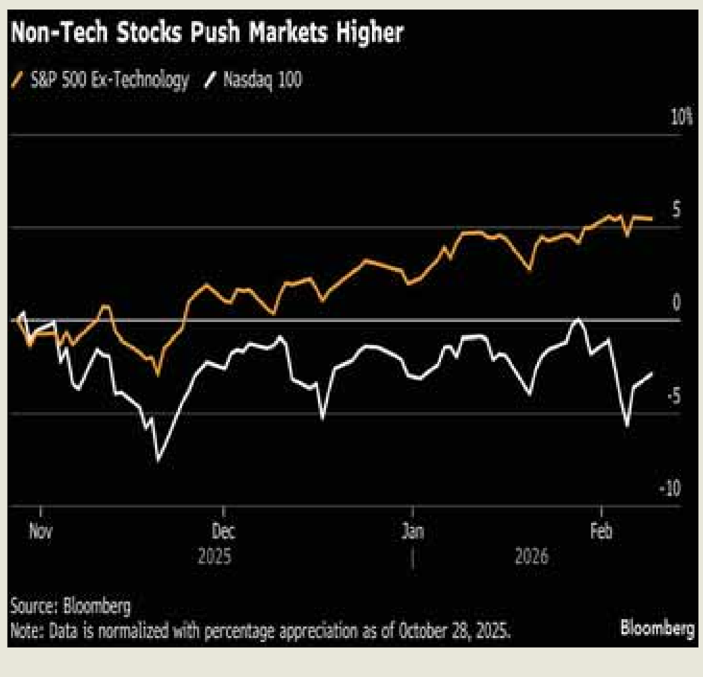
Some of the non-tech stocks that have helped push their sectors higher since late October include Southwest Airlines Co, which is up 72%, lithium producer Albemarle Corp (71%), Moderna Inc (65%) and logistics giant CH Robinson Worldwide Inc (56%).

The S&P 500 Index, stripped of technology, can return 6% by May, based on the direction of its 20-day moving average, JC O'Hara, chief technical strategist at Roth, said by phone. He said he's not negative on the technology sector but "giving a round of applause" to the sectors that are contributing to broadening gains.

"Tech is so big that if you just reduce tech by a smidgen, and you take that money and put it into other areas of the market, which are so much smaller, those areas are gonna explode," O'Hara said.

That view has been gaining traction on Wall Street all year, though it came in for a bit of a reconsideration last week when a tech-led selloff spread to all corners of the market. The computer and software companies then drove Friday's rebound, and outperformed again Monday. The Nasdaq 100 Index traded up 0.1% in New York, while the S&P 500 was up 0.2%.

But it's that volatility that has strategists advising investors look for alternatives. After three years of tech outperformance, positioning has become so skewed toward the group that the prospects for non-tech industries have improved.



"Broadening is just beginning," Savita Subramanian, head of US equity and quantitative strategy at Bank of America Corp, said in a Monday note. The average S&P 500 stock, outside of the Magnificent Seven mega-cap tech names, is held at a rate of 20% below its weighting in the index and owned by a "paltry" 10% of funds on average, according to the bank.

"Years of narrow, large cap leadership have forced active managers into mega caps, leaving the average stock out in the cold," Subramanian said. By comparison, the Magnificent Seven names are held by up to 90% of funds and all but Tesla Inc. and Apple Inc. are overweight. She said those names look "particularly vulnerable" as a rotation into other corners of the market are funded by selling in mega-cap tech stocks.

A look at earnings expectations support the thesis that leadership will broaden. The median stock in the Russell 3000 is expected to grow earnings by 11% this year, which is the strongest growth in four years, according to data from Morgan Stanley.

That would continue a trend in place since November. The S&P 500 Information Technology sector has slipped by 6.7% since October 28, while the energy sector has climbed by 23%, the materials sector is up 17% and consumer staples and industrials have both risen by 12%. More broadly, the S&P 500 has climbed 1.1% since the tech peak.

"A big movement right now is not away from tech but it's answering, 'how do you diversify a portfolio that is so heavily weighted in tech?' and that's by going back to the old economy-type stocks," Roth's O'Hara said.

The move from a narrow set of tech stocks into a broader range of industrials and other sectors has helped the Dow Jones Industrial Average rise above 50,000 points, he said.

And there remains concern that the technology sector will languish, as declines by mega-cap tech names Amazon.com Inc, Microsoft Corp, Alphabet Inc and Meta Platforms Inc dragged on the Nasdaq 100 Index and funds tracking its performance, like the Invesco QQQ Trust.