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# GULF TIMES BUSINESS



MONTHS-LONG FIGHT: Page 2

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# Qatar CEOs see AI as catalyst for net job creation: PwC study

By Peter Alagos  
Business Editor

While chief executive officers across the world have expressed concerns about the potential for artificial intelligence (AI) to displace jobs, particularly at junior levels, CEOs in Qatar see AI as a powerful driver of job creation.

'PwC's 29th Global CEO Survey: Qatar findings' showed that CEOs here believe that the integration of AI technologies can lead to the emergence of new roles and opportunities, fostering an environment where innovation and growth can thrive.

The survey pointed out that this "overall confidence in AI use among businesses" in the country mirrors the government's firm resolve in utilising AI "as a cornerstone of [Qatar's] economic and strategic future, including the steady development of the nation's AI ecosystem as part of its broader digital transformation agenda."

"Its leadership has embedded AI across government, energy, healthcare, education, and urban development sectors," the survey noted.

"In Qatar, 84% of CEOs report having clearly defined roadmaps for AI initiatives, 81% cite a strong organisational culture that supports AI adoption, and 77% say they have access to the right technology environment to integrate AI at scale," according to the survey.

"As a result, AI is being embedded across core business functions, from demand generation and fulfilment to support services and directly into products, services, and customer experiences. Nearly three-quarters of CEOs in Qatar have



Bassam Hajhamad, Qatar Country senior partner and Consulting lead, PwC Middle East.

reported increased revenue as a direct impact of AI, significantly higher than 29% of their global peers," the survey continued.

Bassam Hajhamad, Qatar Country senior partner and Consulting lead, PwC Middle East, stated: "CEOs in Qatar are entering the next phase of growth with exceptional confidence, clarity of direction, and long-term purpose. Sound economic diversification policies, a strong focus on non-hydrocarbon sectors, and sustained investment in human capital continue to reinforce Qatar's forward-looking vision."

Hajhamad added: "As new investment opportunities open, business leaders are scaling AI, pursuing strategic acquisitions, and aligning closely with national priorities to drive efficiency and build a more innova-

tive, resilient, and competitive economy."

According to the survey, CEOs in Qatar take a different view from chief executives globally, who are concerned that AI may displace jobs, particularly at junior levels.

"Many see AI as a catalyst for net job creation. This confidence reflects not just corporate optimism, but alignment with Qatar's broader national workforce strategy," the survey emphasised.

It also stated, "The Qatar Digital Agenda 2030 aims to create more than 26,000 jobs in the Information and Communications Technology sector by 2030 and increase the ICT contribution to non-oil GDP by QR40bn.

There are targeted programmes to attract, develop, and retain digital talent, en-

suring that workforce growth keeps pace with technological ambition.

"Early initiatives, such as the 'Ouhoul' platform, are expected to evolve by 2026 into more data-driven tools that support national workforce planning, streamline the hiring of graduates from universities in Qatar, support private-sector recruitment beyond nationalisation programmes, and help employers access a broader pool of qualified talent."

The survey stated that Qatar "envisions a bold and distinctive future" by 2030, shaped by strategic foresight and innovation across sectors. It also reported that "nearly half of the CEOs surveyed in Qatar" viewed innovation as a critical component of their business strategy, the same as their global peers, but they demonstrated a significantly higher appetite for experimentation and collaboration.

In addition, "68%" of CEOs indicated they were open to testing new ideas with customers or end-users (against a global average of "31%"); "93%" would collaborate with external partners, such as research and academia, to accelerate innovation (vs "33%" globally); and "32%" would tolerate high risk in innovation projects (ahead of "25%" globally).

"The mindset is already translating into outcomes: more than half of CEOs (52%) report that over 10% of their revenues now come from new products or services. Innovation hubs, such as the TASMU Innovation Lab, connect public-sector priorities with Qatar's growing R&D ecosystem and global technology partners, helping translate experimentation into tangible, scalable solutions," the survey added.



Qatar Islamic Bank issued senior unsecured sukuk with a five-year tenor at a profit rate of 4.402%, equivalent to 80 basis points over the US treasuries

## Qatar Islamic Bank's \$750mn sukuk oversubscribes 2.3 times

Qatar Islamic Bank (QIB) has successfully returned to the international sukuk market with a \$750mn issue, which was oversubscribed 2.3 times, indicating the strength in the Shariah-principled lender's "resilient" business model and global investors' confidence in the Qatari economy. The bank issued senior unsecured sukuk with a five-year tenor at a profit rate of 4.402%, equivalent to 80 basis points over the US treasuries. The final pricing came well inside QIB's fair value, reflecting a 35 basis points tightening from initial price thoughts of 115 basis points area. Notably, this marks the first sukuk from a Qatari financial institution in 2026 and the lowest profit rate achieved by a Gulf Cooperation Council bank on a 5-year senior sukuk in the last twelve months. QIB held a series of investor calls with accounts across Europe, Asia and the Middle East. Demand accelerated rapidly, with the order book reaching a peak of \$1.7bn, representing 2.3 times oversubscription and ranking among the strongest recent sukuk order books.

The strength and quality of investor interest enabled QIB to tighten pricing decisively in a single iteration, finalising at 80 basis points over the US treasury rate. The issuance attracted a well-

diversified global investor base, comprising banks, private banks, asset managers and official institutions from across the international markets.

"The successful issuance of our \$750mn sukuk underscores the depth of global investor confidence in Qatar's strong and stable economy, its investor friendly policies along with QIB's strategy, financial strength and disciplined execution," said Bassel Gamal, QIB's Group chief executive officer. The strong demand and pricing outcome reflect the market's recognition of its resilient business model and consistent performance across cycles, he said.

"This transaction further diversifies our funding base, enhances our liquidity profile and positions QIB to continue supporting Qatar's economic growth while delivering sustainable long-term value to our stakeholders," he added.

The sukuk will be rated 'A' by Fitch and will be listed on the London Stock Exchange's International Securities Markets. The joint lead managers and joint book-runners were Abu Dhabi Islamic Bank, Bank ABC, Citi, Dubai Islamic Bank, Dukhan Bank, Emirates NBD Capital, KFH Capital, Mashreq, MUFG, Q Invest, QNB Capital, Standard Chartered Bank, The Islamic Corporation for the Development of the Private Sector and Warba Bank.

# QSE key index falls 174 points; M-cap erodes QR11.2bn

By Santhosh V Perumal  
Business Reporter

Rising geopolitical tensions, ahead of a third round of talks between the US and Iran, was seen dampening sentiments in the Qatar Stock Exchange (QSE), which saw its key index plunge 174 points and capitalisation erode in excess of QR11bn this week. The real estate, consumer goods and banking counters witnessed higher than average selling pressure as the 20-stock Qatar Index tanked 1.55% this week which saw Nebras Energy concluded its negotiations with French multinational electric utility company ENGIE for the acquisition of the latter's entire stake in Qatar Power and Ras Girtas Power. As much as 63% of the traded constituents were in the red in the main market this week which saw Aamal Company reported net

## WEEKLY REVIEW

profit of QR443.3mn in 2025. The real estate and banking sectors accounted for more than 56% of the trading volumes in the main market this week which saw Aamal Company's joint venture Senyar Industries Qatar Holding planning to acquire Qatar International Cables Company. The Islamic index was seen declining faster than the other indices of the main market this week, which saw a total of 0.03mn AlRayan Bank-sponsored exchange traded fund QATR worth QR0.07mn trade across 24 deals. Market capitalisation eroded QR11.2bn or 1.67% to QR658.18bn on the back of large and midcap segments this week which saw a total of 0.01mn Doha Bank-sponsored exchange traded fund QETF worth QR0.14mn trade across 21 transactions.



The real estate, consumer goods and banking counters witnessed higher than average selling pressure as the 20-stock Qatar Index tanked 1.55% this week

Trade turnover and volumes were on the rise in the main market this week which saw no trading of sovereign bonds. The venture market saw increased trade

turnover and volumes in the main bourse this week which saw no trading of treasury bills. The Total Return Index tanked 1.47%, the All Share Index by

1.37% and the All Islamic Index by 1.62% this week which saw Zad Holding find place within microcap segment in the FTSE Russell Global Equity Index Series. The realty sector index plunged 3.84%, consumer goods and services (2.02%), banks and financial services (1.68%), industrials (1.19%), transport (1.09%) and telecom (0.2%); while insurance gained 3.06% this week which saw Meeza report net profit of QR66.4mn in 2025. Of the 54 stocks, as many as 16 gained, while 34 gained and four were unchanged this week which saw Qamco outline QR1.2bn capital expenditure for the next five years to boost capacity and advance sustainability related projects. Major shakers in the main market included Estithmar Holding, Medicare Group, Ezdan, Barwa, Qatar Islamic Bank, QNB, Leshna Bank, Qatar Oman Investment, Woqod, Medicare Group, Nebras

Energy, Mesaieed Petrochemical Holding, Qamco, Milaha and Gulf Warehousing. In the junior bourse, Techno Q saw its shares depreciate in value this week which saw QIB's \$750mn sukuk issue oversubscribe 2.3 times. Nevertheless, Beema, Qatar Insurance, Mosanada Facilities Management Services, Vodafone Qatar, Dukhan Bank, Qatar German Medical Devices and Zad Holding were among the movers in the main market this week which saw Standard and Poor's, an international credit rating agency, affirm 'AA-' ratings of Nakilat Inc. with "stable" outlook. The main bourse saw a 26% surge in trade volumes to 869.16mn shares, 35% in value to QR2.74bn and 30% in deals to 148,220 this week. In the venture market, trade volumes declined 87% to 0.05mn equities, value by 88% to QR0.1mn and transactions by 86% to 19 this week.

# Why gold beat the Dow in a milestone race

By Marty Fridson  
New York

Financial markets recently reached two milestones. On January 26, gold hit \$5,000 an ounce for the first time, and eleven days later, the Dow Jones Industrial Average cracked 50,000. Bullion got to its mark first - and that wasn't supposed to happen. Imagine if a prediction market in December 2020 had offered a proposition bet on which historic breakthrough would happen first. At that point, the Dow was already 61% of the way toward its big round number, while gold was just 37% of the way there. Extrapolating data trends from 1985 through 2020, you would have expected the Dow to reach 50,000 by 2027 and gold not to hit the \$5,000 target until 2035. But gold's trajectory took an astonishingly sharp upturn in the last five years. Its price doubled between 2022 and 2024 alone.

That surge helped the precious metal beat the stock index by what essentially amounts to a photo finish. So why did the trendlines fail to predict the outcome? In the case of the Dow, the index picked up speed in recent years as capital poured into US markets after the pandemic, but this surge was nothing compared to the rapid spike in the yellow metal. Analysts have offered several explanations for the dramatic acceleration in gold's gains. One underlying factor is geopolitical instability. Historically, turmoil tends to heighten demand for safe-haven assets. And there have been plenty of reasons to worry in recent years, including the now four-year-old Russia-Ukraine war, conflicts in the Middle East, and US President Donald Trump's tariff drama as well as his vow to gain control over Greenland. Inflationary anxieties have further bolstered gold's appeal, stoked by what many observers see as Trump's

efforts to step up political influence over the Federal Reserve. The president has long called for much lower interest rates. His nomination of Kevin Warsh, a previous proponent of tighter monetary policy, as the next Fed chair quelled those fears somewhat at the end of January, causing gold to back off from its January 28 peak. But it remains above the \$5,000 per ounce threshold. Meanwhile, worries about a potential pickup in inflation have undermined confidence in the dollar. In response, a number of nations' central banks have stepped up their purchases of gold in lieu of the US currency. China's central bank certainly moved in that direction, and its households and investors also helped drive the rally. The World Gold Council reported a 28% year-over-year increase in the population's purchases of gold bars and coins in 2025. Chinese gold ETFs have also enjoyed record inflows over the last year.

In short, the Dow's rise appears to have been an acceleration of existing trends, while gold's extreme surge was dependent on many exogenous factors and a bit of speculation - which obviously can't be predicted beforehand. Ultimately, though, does reaching these financial milestones truly matter? The achievements occasioned some predictable claims from analysts and the financial press. These assets crossed "critical" psychological thresholds, some argued, with the suggestion that doing so could generate momentum in that direction. But even if big round numbers like \$5,000 or \$50,000 have some psychological impact on investors, it's likely to be fleeting. Consider what happened after the Dow reached previous "psychologically important" thresholds: 1,000 (November 14, 1972), 5,000 (November 21, 1995), 10,000 (March 29, 1999), and 25,000 (January 4, 2018). In two cases, the Dow rose over

the next 12 months by double digits, but it fell in the other two. Whatever warm feeling arises from seeing a commodity or index clear a seemingly significant new level can thus fade quickly once new market-moving information arrives. One may argue that the rise of passive investing and factor-based trading could amplify any positive momentum garnered from breaking through a big round milestone - but the recent moves in gold suggest that this is not necessarily the case. The lesson to draw from all of this is that investors would be wise to avoid relying too heavily on either the extrapolation of past price trends or the lasting effect from the latest headline-grabbing market achievements. Milestones make for great copy, but shaky strategy.

■ The views expressed here are those of Marty Fridson, the publisher of *Income Securities Advisor*.

# UK set to slash bond sales by 20% and add to gilt tailwinds

Bloomberg  
London

The UK is expected to slash gilt sales in the coming year, a rare piece of good news for bond investors concerned about the country's strained finances.

The Debt Management Office, which issues bonds for the UK government, is expected to announce gross sales of £245bn (\$311bn) for the 2026/2027 fiscal year, according to the median estimate of 12 primary dealers surveyed by Bloomberg.

That would be the lowest volume in three years, representing a fall of £59bn, or about 20%, compared to the current fiscal year, and could relieve some near-term pressure on UK government borrowing costs - still the highest in the G7. "I think it'll leave the market in a comfortable place maybe for the next few months," said Dani Stoilova, an economist at BNP Paribas SA. "This is more of a return to what would be considered normal after we saw the pandemic shock and the energy crisis shock."

The DMO will announce the gilt remit, as it is known, after Chancellor of the Exchequer Rachel Reeves gives her spring statement on Tuesday. She will present updated economic forecasts but has signalled there will be no significant changes in policy.

The anticipated decline in gilt sales reflects a recent improvement in the UK fiscal position. Cash tax receipts have been higher than forecast by the budget watchdog and the government is spending much less than expected on debt interest.

Gilts climbed on Friday, in line with global peers, sending the 10-year yield two basis points lower to 4.26%.

Investors will be focused on how the 2026/2027 gilt sales are split across different maturities, and how that distribution has changed since Reeve's budget in November. The proportion of short-, medium- and long-dated bond sales is forecast to drop, as is the share of inflation-linked offerings, according to the dealers surveyed by Bloomberg.

The unallocated portion is forecast to be 10.2%, compared to 9.2% in March last year. That portion was adjusted to 2.7% by November's budget, reflecting sales that had been completed or assigned a maturity. The unallocated share will help the DMO strike a balance between "predictability and flexibility," according to NatWest Markets strategists including Paul Robson. The DMO has been reducing the average weighted maturity of its debt over the past year to ease pressure on long-end yields, as appetite from traditional buyers such as pension funds continues to wane. That has helped reduce the 30-year yield, which is particularly sensitive to fiscal risk, to its lowest level since April, just months after it hit a 27-year peak.

Issuance of ultra-short notes known as T-bills is expected to increase 30% to £13bn, according to the survey. The UK is currently consulting on measures to expand and deepen the bills market, which currently only accounts for 3% of central government sterling debt, far lower than in the US or Europe. The formal consultation closes this week.

The UK's debt ratio is around 93% of GDP after it shot up during the pandemic and Reeves has been forced into u-turns on planned spending cuts after rebellions from within her own party.

Still, February has been a good month for gilts. Ten-year yields hit their lowest level since 2024, fueled by slowing inflation, a weakening labour market and a knife-edge decision by the Bank of England to hold rates steady.

# Paramount beats Netflix in battle for Warner Bros

Bloomberg  
New York

Paramount Skydance Corp finally clinched its deal for Warner Bros Discovery Inc, outmaneuvering its rival Netflix Inc after a months-long battle by agreeing to pay \$111bn for the legendary Hollywood studio.

The victory for Paramount Chief Executive Officer David Ellison was hard won, requiring multiple bids over more than five months, visits to Washington, meetings with shareholders and President Donald Trump and the personal backing of his billionaire father Larry Ellison.

Netflix bowed out of its \$82.7bn offer for Warner Bros' studio and streaming business on Thursday after the board declared a recent Hail Mary bid from Paramount for the whole company was superior.

The dramatic eleventh-hour turnaround gives the Ellison family control of one of the most powerful media empires in the world, uniting two Hollywood studios behind legendary films from Casablanca and Harry Potter to Mission: Impossible; two major news networks in CNN and CBS; the streaming powerhouse HBO and dozens of cable networks.

"Once our board votes to adopt the Paramount merger agreement, it will create tremendous value for our shareholders," Warner Bros. CEO David Zaslav said in a statement. "We are excited about the potential of a combined Paramount Skydance and Warner Bros Discovery and can't wait to get started working together telling the stories that move the world."

Just months ago, it seemed as if the increasingly hostile relations between Warner Bros and Paramount had reached an ir-



Netflix headquarters in Los Angeles. Paramount Skydance Corp finally clinched its deal for Warner Bros Discovery, outmaneuvering its rival Netflix after a months-long battle by agreeing to pay \$111bn for the legendary Hollywood studio.

reparable low. After apparently losing the fight to Netflix in December, Paramount launched a multipronged campaign to get back in the game.

Paramount threatened Warner Bros with legal action for failing to carry out a fair sale process. The company began a tender offer for Warner Bros shares and was poised for a proxy fight at the next annual meeting. Zaslav, meanwhile, stopped responding to Ellison's messages. Warner Bros announced Netflix's bid as clearly superior and repeatedly rebuffed Paramount's attempts at reviving talks.

But last week Paramount slipped in one more offer and suggested it would be open to raising its price by \$1 a share and agreed to pay the \$2.8bn termination fee Warner Bros would be required to pay Netflix for bowing out, as well as other sweeteners. Netflix, which had

clinched a deal with Warner Bros in December for \$27.75 a share for most of the company except the cable business, granted a waiver for Warner Bros' board to open talks with Paramount for seven days. Negotiating down to the wire, Warner Bros in the end determined that Paramount's offer was indeed superior.

"We've always been disciplined, and at the price required to match Paramount Skydance's latest offer, the deal is no longer financially attractive," Netflix said Thursday in a statement. Instead, it will keep investing in its business, including about \$20bn this year on films, TV shows and other entertainment offerings.

Netflix shares were up 8.8% in premarket trading in New York on Friday, indicating that investors were happy to see the company walk away from the deal. Warner Bros shares, which have

gained 130% since Paramount's interest became known last September, fell, with investors no longer anticipating a bidding war. Paramount shares were up 4.1% on Friday.

The streaming industry leader said that while it believed its offer would have passed muster with regulators and created shareholder value, it didn't want to pay more.

Netflix's decision not to raise its offer "has paved the way for shareholders to receive meaningfully more cash and a truly viable path to government approvals," Ancora Holdings Group, an activist investor in Warner Bros., said in a statement. "This is a win-win for shareholders and the industry."

The takeover fight has been contentious, in Hollywood and in Washington. Both Netflix co-CEO Ted Sarandos and Ellison made pilgrimages to the US cap-

ital this week to meet with lawmakers. Sarandos spent about an hour on Thursday with officials in the Trump administration.

"I'm not doing press today," he said upon leaving the White House. Ellison attended Trump's State of the Union address on Tuesday as a guest of Lindsey Graham, a Republican Senator from South Carolina. Graham was also seen at the White House on Thursday.

Paramount will face ongoing scrutiny for its deal. It has agreed to pay \$7bn termination fee if it doesn't win regulatory approval and a daily "ticking fee" of 25 cents per quarter beginning after September 30 in the event the transaction does not close.

The US Senate Judiciary Committee had scheduled a hearing for March 4 to once again examine the Warner Bros. sale, following a hearing earlier this month. New Jersey Senator Cory Booker, a Democrat, once again extended an invitation for Ellison to attend.

Elizabeth Warren, a Massachusetts Democrat, also weighed in on the Paramount deal. "A Paramount Skydance-Warner Bros. merger is an antitrust disaster threatening higher prices and fewer choices for American families," she said in a statement. "A handful of Trump-aligned billionaires are trying to seize control of what you watch and charge you whatever price they want."

Netflix, an early mover in online TV, has built up a profitable business with more than 325mn consumers around the globe paying a monthly subscription for its TV shows and movies.

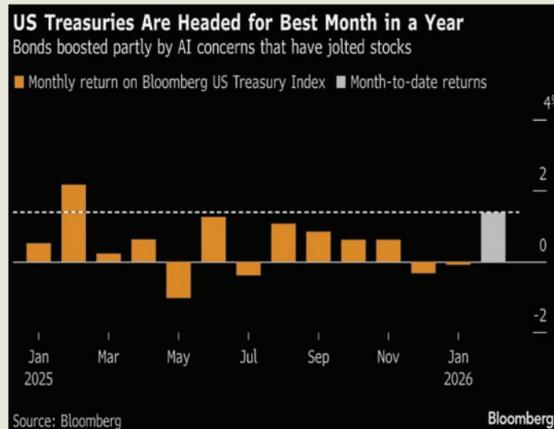
Legacy film and TV producers like Paramount and Warner Bros. have launched their own streaming businesses, but lack the subscriber base of rivals as their traditional networks lose viewers and advertisers.

# Best month in a year drives US 10-year yield back below 4%

Bloomberg  
Washington

US bonds are wrapping up their best monthly performance in a year against a backdrop of rising global risks, with resurgent demand serving as proof that investors still see Treasuries as the premier haven in turbulent times. During a month when warning signs flashed alarms in other markets - from real-world evidence of the disruptive and potentially disinflationary power of artificial intelligence to rising geopolitical tensions and worries about hidden dangers in private credit - traders flocked to US government debt. The result: US 10-year yields fell 25 basis points this month - the most in a year - to breach 4% for the first time since November. A Bloomberg index of Treasuries returned 1.5% in February, while a gauge of long-dated debt gained 4%. The rally is a reminder that, at least for now, the \$30tn US

government bond market has the edge as a safety play, despite doubts that have sprung up about the defensive appeal of US government securities under the turbulent policies of President Donald Trump's second term. "Absolutely US Treasuries will remain a go-to haven trade," said James Athey, a portfolio manager at Marlborough Investment Management. "The market is far too big, liquid and dominant for it to be completely or easily cast aside as a flight-to-quality destination." The gains have given positive direction to a market that has traded in a tight range for months amid mixed signals on US jobs, growth and inflation. While many investors say it will take a concrete economic catalyst for Treasuries to decisively move one way or the other, the flight to quality is providing a baseline of buying to offset negative pressures. "There is a safe haven component to the Treasury market," said Gregory Faranello, head of US rates trading and strategy for



AmeriVet Securities. "We could break through these levels, and technically the market trades pretty well, but I don't see any fundamental reason for rates to move a lot lower from here." The bullish dynamic has fueled advances across government

bond markets, sending a global sovereign bond index to its fourth month of gains. The move has been particularly noticeable in Japan, where bonds are on pace for their biggest monthly rally since November 2023. Overseas investors are piling

into Japanese debt, with their purchases reaching the second-largest amount on record last month. Treasuries, though, remain the largest beneficiary. Over the first two months of the year, about \$16.3bn flowed into the market, according to EPFR. That helped push 10-year yields - a benchmark for everything from mortgages to credit cards - about 0.2 percentage points lower since the end of January. The move gathered momentum as a steady rollout of new AI tools threatened to upend industry after industry and keep pricing power in check across the broader economy, repeatedly rattling US stocks and pushing the S&P 500 down as much as 1.6% in one session. Rising tensions in the Middle East - fuelled by Trump's warnings over negotiations with Iran have added to the unease, as have concerns about looming risks in the \$1.8tn private credit market. "The market is repricing credit risk," making the interest-rate risk

inherent in holding Treasuries more attractive, especially with underlying inflation trending lower, said Priya Misra, a portfolio manager at JPMorgan Investment Management. For all of this month's gains, Treasuries have yet to clearly break out of the range they've been in since September. US two-year yields have traded between 3.4% to 3.6%, while the 10-year hovered around the 4% lower bound until it broke through that level earlier Friday. George Catrambone, head of fixed income at DWS Americas, turned neutral on 10-years this week, as that area "has come a long way in a short amount of time," and near 4%, "it's not a terrible place to take a bit of a breather." Marlborough's Athey said his team recently moved to a short position from neutral, on their view on the path for interest rates this year. Investors say they need fresh evidence to take the market one way or the other. They may get it next week, with the latest read on US payrolls.

# Most Asian markets end higher as traders extend their buying

AFP  
Hong Kong

Asian markets mostly rose on Friday as traders extended their buying at the end of a healthy week in Asia, where tech firms rallied on a reassessment of AI investments.

In Tokyo, the Nikkei 225 closed up 0.2% to 58,850.27 points; Hong Kong - Hang Seng Index ended up 1.0% to 26,630.54 points and Shanghai - Composite closed up 0.4% to 4,162.88 points yesterday.

After surging for the past two years on a rush into all things linked to artificial intelligence, Wall Street's Magnificent Seven tech titans have been slow out of the blocks this year amid concerns about extended valuations and profitability.

Worries about the impact of new tools that many warn pose a risk to a range of companies were compounded by a report on Sunday that signified parts of the global economy that could be at risk from the new gadgets, including credit card and food delivery firms.

That uncertainty has seen a shift from "downstream" companies that run apps and software to "upstream" firms such as chipmakers, many of which are based in Asia.

That was highlighted this week by another Wall Street sell-off, despite Nvidia reporting quarterly profits more than doubled, projecting more strong growth for the coming period.

Analysts said the losses showed firms needed to far exceed even elevated forecasts, making it even harder to please investors who have been piling into tech in recent years.

"Market expectations were already very elevated and part of the positive results had been priced in," said City Index's Julian Pineda.

"There are also concerns related to stretched valuations and Nvidia's dependence on capital spending by large technology companies investing in AI infrastructure.

"If the pace of AI investment moder-



Sculptures stand outside the Hong Kong Stock Exchange. The Hang Seng Index closed up 1.0% to 26,630.54 points yesterday.

ates due to cost optimisation efforts, it could indirectly affect Nvidia's growth outlook."

Most of Wall Street fell, with the Nasdaq shedding more than one percent.

Asia started off mixed but went into the home straight on a broadly positive note, with the Supreme Court's decision last Friday to slap down many of US President Donald Trump's tariffs seen largely benefiting regional economies.

Tokyo, Hong Kong, Shanghai, Sydney, Singapore, Bangkok and Wellington all advanced.

But Seoul sank one percent, having chalked up gains of more than eight percent this week thanks to a surge in market heavyweights Samsung and SK hynix. Manila, Mumbai and Jakarta also slipped.

London opened higher, Paris fell and Frankfurt was flat.

The yen extended a minor recovery against the dollar after a top Bank of Japan board member again urged officials

to continue hiking interest rates. However, the case for a pause was boosted by data showing Tokyo's inflation -- seen as a barometer for the country -- cooled last month.

The currency came under pressure this week after Prime Minister Sanae Takaichi nominated two academics to the BoJ board who are considered policy doves, days after reports said she had told its boss Kazuo Ueda of her concern about tightening further.

Oil prices rose as investors kept tabs on Iran nuclear talks between Washington and Tehran.

Mediators said the two sides had made "significant progress" in talks Thursday in Switzerland as they look to avert a war in the crude-rich Middle East. Officials agreed to further discussions next week in Austria. The Oman-mediated negotiations follow repeated threats from Trump to strike Tehran, with the US president last Thursday giving it 15 days to reach a deal.

# Emerging market equities snap seven-day winning streak

Reuters  
Singapore

Most emerging-market stocks and currencies fell on Friday but headed into the end of February after a bumper week with a gain for the month, which was dominated by rate decisions, heavyweight data drops and fresh nerves around the AI trade.

The benchmark EM equity index slipped 0.5% on the day, snapping a seven-session winning run. A comparable gauge for EM currencies fell 0.3%, ending a five-day streak of gains.

Nvidia's results on Wednesday failed to deliver the jolt some investors were hoping for. Upbeat forecasts were quickly drowned out by familiar fears of hairline cracks in the AI-driven rally and the drag of stretched tech valuations. Add in lingering uncertainty around President Donald Trump's tariff plans and simmering geopolitical tensions, and markets had enough ingredients for a cautious step back.

"A combination of factors has contributed to the steady drift lower. AI-driven bull-flattening into a more two-way, catalyst-dependent trading environment," said Adam Kurpiel at Societe Generale. In central and eastern Europe, shares were mixed.

Romanian stocks were up 0.6%, while the leu was flat. Romania's consolidated budget deficit edged into a surplus of 0.04% of economic output in January, for the first time since 2019. However, the country is still yet to approve a budget for this year. Fitch was to review Poland's credit rating later in the day.

In South Asia, Mumbai's benchmark was down 0.7%. Pakistan's international dollar bonds slipped, Islamabad equities fell 0.3%, and the rupee was little changed versus the dollar after Pakistan struck targets linked to the Taliban government in major Afghan cities overnight.

Even so, this week's bouts of risk-off sentiment haven't derailed the broader EM run. The equity index remained on track for a third consecutive monthly advance. The currencies index was also on course for a third straight monthly gain, and a third straight weekly rise.

Morgan Stanley raised the EM equity gauge's target, which was up 14% year-to-date, to 1,700 points. But the brokerage said it continued to anticipate a high degree of volatility through the year and emphasised stock-picking.

South Korean equities have been at the forefront of the rally, up nearly 50% this year. Turkey, meanwhile, looked set for a modest 0.3% monthly gain in equities, a sharp comedown from January's 23% surge.

Earlier this month, Istanbul widened its year-end inflation range after a string of hotter inflation prints cooled expectations for faster rate cuts. Separately, unemployment ticked up to 8.1% in January.

Johannesburg stocks were headed for a 14th straight month of gains and their best week since April 2025 after markets gave the national budget a positive reception.

Across the broader EM landscape, a flood of inflation readings this month showed economic resilience was holding, and the numbers didn't set off fresh alarm bells, helping keep sentiment supported.

# Foreign investors pile into JGBs as yields settle, BoJ hike fears ease

Reuters  
Tokyo

Foreign investors heavily bought Japanese government bonds (JGBs) last week, drawn by relatively higher yields after January's sharp selloff eased and on hopes the Bank of Japan may not rush further rate hikes. They bought long-term Japanese bonds worth 1.89tn yen (\$12.13bn) in the week to February 21, snapping a two-week trend of net selling, data from Japan's Ministry of Finance showed on Friday. Some analysts said if Japan follows through on its \$550bn US investment commitment agreed last year, it could significantly

impact the cross-currency basis swap market used to hedge dollar exposure, boosting hedged returns on Japanese government bonds (JGBs) for dollar-based investors.

Foreigners, meanwhile, invested 402bn yen in Japanese stocks as they extended their recent buying streak into a ninth successive week.

The Nikkei logged a record 59,332.43 on Thursday as software shares gained after investor fears over disruption from artificial intelligence eased.

At the same time, Japanese investors divested approximately 1.9tn yen worth of foreign long-term bonds in their largest weekly net sales since April 5.

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## GIS to strengthen market presence locally and globally

By Santhosh V Perumal  
Business Reporter

Gulf International Services (GIS) -- the holding entity of Gulf Drilling International (GDI), Gulf Helicopters, Al Koot and Amwaj -- is strengthening its market presence in Qatar and globally, adapting strategies to the unique needs of each segment.

"We seek to harness the competitive strengths of our group companies by capitalising on their unique capabilities and identifying opportunities that align with our strategic objectives. This includes pursuing expansions into complementary sectors, strengthening our presence in core markets, and broadening our operational reach to ensure resilience and growth over time," said Sheikh Khalid bin Khalifa al-Thani in a board report submitted before shareholders at the annual general assembly meeting.

The group is committed to re-positioning its core businesses by improving cost efficiency and optimising asset utilisation, as it seeks to capitalise on opportunities from the expansion of Qatar's North Field, said the report.

These initiatives aim to leverage GIS's domestic and global capabilities to deliver sustainable value for shareholders.

In addition, GIS seeks to diversify revenue streams by capitalising on opportunities arising from the expansion of Qatar's North Field.

In 2026, GDI will focus on sustaining high asset utilisation, securing stronger commercial terms, and maintaining financial resilience.

The company will continue strengthening client relationships while advancing its cost optimisation and organisational transformation programs to enhance efficiency and agility.

GDI also plans to expand its asset base and explore business diversification opportunities to

broaden revenue streams. Backed by its reputation for safe and reliable operations and the benefits of scale within Qatar, GDI is well-positioned to navigate market cycles and deliver sustainable value to its stakeholders both in Qatar and internationally.

Given the current oil prices and the announced oil and gas industry-related expansion plans by many countries, including Qatar's North Field expansion, the demand prospects for offshore oil and gas services remains robust, it said in reference to prospects for Gulf Helicopters.

GIS' insurance subsidiary maintains ambition for growth, with growth prospective well-received by the market.

It plans to opportunistically expand internationally while increasing local market share and providing outstanding customer service.

Qatar's catering services market is expected to experience continued positive growth, supported by major upcoming

projects such as the expansion of North Field South (NFS), the anticipated North Field West (NFW) development, the carbon dioxide project, solar initiatives in Dukhan and Mesaieed.

"These projects present significant opportunities for service providers in the industrial catering, accommodation and facility management space," the board report said.

In parallel, the company is actively exploring opportunities for collaboration in international markets, particularly in regions where its shareholder entities have an established presence.

As part of its broader business diversification strategy, the company also plans to expand its catering services into new sectors, including the healthcare, and facility management.

These strategic initiatives aim to strengthen the company's core offerings while positioning it to capitalise on emerging growth opportunities across both domestic and international markets.

## German inflation dips to 2% in February

Reuters  
Berlin

German inflation unexpectedly eased to 2% in February, pushed down by falling energy costs, provisional data showed on Friday, following a softening of price growth across the eurozone and expectations that interest rates will remain unchanged.

Analysts polled by Reuters had forecast inflation, which is European Union-harmonised, to remain unchanged from the 2.1% reported for January. Core inflation, excluding food and energy, stayed at 2.5%.

"Inflation in Germany remains in the green," said Ulrich Kater, chief economist at DekaBank. "Price increases have been dampened in recent months by lower energy prices and a strong euro against the US dollar." Other sets of economic indicators released on Friday offered a mixed picture for Germany, with unemployment remaining

above the 3mn mark as years of stagnation in Europe's largest economy took a toll.

The European Central Bank (ECB) has targeted a 2% inflation rate in the medium term and its President Christine Lagarde said on Monday said inflation and interest rate policy remained in a "good place". Eurozone inflation fell to a 16-month low of 1.7% in January, prompting some policymakers to warn price growth could slow too much and that the ECB must be ready to act.

"The ECB will maintain its current course for the time being," said Thomas Gitzel, chief economist at VP Bank. The number of unemployed people in Germany fell slightly, according to labour office figures. But in remaining above 3mn it underscores the challenge facing Chancellor Friedrich Merz's government, which has vowed to boost growth after two years of contraction and will fight several state elections this year, starting next month.

## Canada's fourth quarter GDP unexpectedly contracts, full-year growth at 1.7%

Reuters  
Ottawa

Canada's economy contracted in the fourth quarter, coming well below expectations, as manufacturers heavily dipped into inventories to meet demand instead of producing fresh goods, data showed on Friday, closing out the slowest year of growth for the country since 2020.

Gross domestic product contracted at an annualised pace of 0.6% in the October-December quarter, Statistics Canada said, compared with a revised 2.4% increase in the prior quarter. US President Donald Trump's tariffs on imported goods have severely hit Canada's manufacturing sector, particularly industries such as steel and aluminum, automobiles, copper and wood products, and medium- and heavy-duty trucks and bus parts. This has forced them to curtail output, jobs and investments.

The country's overall growth in 2025 was 1.7%, the slowest pace of annual growth since the decline in 2020, StatsCan said. Analysts had forecast GDP to be flat in the fourth quarter. Even though exports, household spending and government investment aided growth, it was not enough to offset the big dent caused by the inventory drawdown.

Businesses withdrew C\$23.46bn (\$17.2bn) from inventories at an annualised pace, almost matching the 2024 fourth quarter number when companies raced to beat incoming US tariffs by supplying products from inventories.

Companies had been actively adding to inventories in the previous two quarters before the fourth quarter, StatsCan said.

The Bank of Canada had projected economic growth of about 1.7% for the year and expected fourth-quarter growth to be flat.

Statistics Canada revised the annualised third quarter growth downward to 2.4% from 2.6% previously, and upwardly revised second quarter contraction to 0.9% from 1.8% on an annualised basis.

Besides inventories, investments in building apartments, condos and houses also pulled GDP down in the fourth quarter, with residential structure investment falling by an annualised 4.4% in the fourth quarter. But economists said there were still some bright spots.

"The details of the quarterly results were much firmer than the headline suggests," said Doug Porter, chief economist at BMO Capital Markets, although he cautioned that at just 0.7% year-on-year growth since the end of 2024, the economy was hardly thriving and trade uncertainty and tariff impacts loomed large.

While Canada's exports to its biggest trading partner, the US, have been declining, exports rose 1.5% in the fourth quarter after increasing 0.9% in the third, on higher unwrought gold exports.

Household spending rose 0.4% in the fourth quarter after declining 0.2% in the third quarter and total capital investment grew 0.8%, driven by increased government investment in weapons systems, the statistics agency said.

On a month-on-month basis, GDP grew by 0.2%, up from no change in the previous month. Statistics Canada calculates monthly GDP by industrial output and quarterly GDP by spending and expenditure.

An advance estimate showed GDP is likely to stall in January. Statistics Canada cautioned it could revise the estimate.

The Canadian dollar was little changed after the data, up 0.04% to C\$1.3672 against the US dollar, or 73.14 US cents. Yields on the two-year government bond fell 1.7 basis points to 2.209%.

## US producer prices rise strongly in January

Reuters  
Washington

US producer prices accelerated in January, with the cost of goods outside food and energy increasing by the most in more than 3-1/2 years as businesses passed on import tariffs and raised prices at the start of the year.

The stronger-than-expected increase in the Producer Price Index reported by the Labor Department on Friday reinforced economists' expectations that the Federal Reserve would not resume cutting interest rates before June.

The PPI was boosted by a widening in margins, including for professional and commercial equipment wholesaling as well as apparel, footwear, and accessories retailing. Some components, including domestic airfares and healthcare, which go into the calculation of the Personal Consumption Expenditures price indexes, the inflation measures tracked by the US central bank for its 2% target, increased solidly last month.

Economists continued to expect that the so-called core PCE inflation, excluding the volatile food and energy components, maintained a strong pace of increase in January.

"Wider margins for producers could add some upside for consumer costs in coming months as firms pass along higher costs for services," said Ben Ayers, senior economist at Nationwide. "Given still-buoyant core inflation and the recent firming of job gains, we expect the Fed to remain on pause during its upcoming March meeting."

The PPI for final demand rose 0.5% last month after advancing by a downwardly revised 0.4% in December, the Labor Department's Bureau of Labor Statistics said. Economists polled by Reuters had forecast the PPI gaining 0.3% after a previously reported 0.5% increase in December.



Workers apply shipping labels to boxes at a warehouse in Linden, New Jersey. US producer prices accelerated in January, with the cost of goods outside food and energy increasing by the most in more than 3-1/2 years as businesses passed on import tariffs and raised prices at the start of the year.

In the 12 months through January, the PPI increased 2.9% after rising 3.0% in December. The moderation in the year-on-year producer inflation rate reflected last year's high readings dropping out of the calculation. The report was delayed by the brief shutdown of the federal government early this month.

A 0.8% jump in services drove the rise in the monthly PPI, reflecting a 2.5% increase in trade services, which measure changes in margins received by wholesalers and retailers. Margins for professional and commercial equipment wholesaling surged 14.4%, indicating businesses were passing on tariffs.

Prices also rose for chemicals and allied products wholesaling, bundled wired telecommunications access services, health, beauty and optical goods retailing, and food and alcohol retailing. Transportation and warehousing services prices climbed 1.0%, but the cost of services less trade, transportation, and ware-

housing was unchanged. "The problem last month appeared to be tariff-related," said Paul Ashworth, chief North America economist at Capital Economics. "If we exclude trade and transportation, other core services prices were unchanged."

The US Supreme Court last Friday struck down President Donald Trump's sweeping tariffs, which he had pursued under a law meant for use in national emergencies. However, Trump swiftly imposed a 10% global tariff for 150 days to replace some of the emergency duties, before raising the rate to 15%.

Within services, airline fares increased 2.6% and the cost of portfolio management fees rose 1.5%. Prices for physician care soared 0.8%, but the cost of hospital outpatient care fell 0.9% while inpatient care increased 0.2%. The wholesale cost of hotel and motel rooms decreased 4.1%. These are among the components that feed into the core PCE inflation. Producer goods prices fell

0.3%, with the cost of energy declining 2.7% amid a 5.5% drop in gasoline.

Wholesale food prices decreased 1.5%, pulled down by a 10.5% plunge in fresh fruits and melons. The Trump administration has rolled back some tariffs on fruit and vegetables, including bananas, to lower costs for consumers. Egg prices crashed 63.9%, but the cost of beef and veal increased 1.1%.

Excluding food and energy, goods prices vaulted 0.7%, the biggest gain since May 2022, after rising 0.4% in December. Core goods prices advanced 4.2% year-on-year, the largest gain since March 2023. Economists continued to believe that core PCE inflation increased by as much as 0.5% in January, which would translate to a year-on-year advance of 3.2%.

Core PCE inflation rose 0.4% in December and increased 3.0% year-on-year.

The government will publish the delayed PCE inflation report for January on March 13.

## Saudi Aramco bringing shale gas revolution to Arabian Desert

Reuters  
Dubai

The shale revolution that made the United States the world's top oil producer is taking shape in the Arabian Desert.

Deep in the sands southeast of Saudi Arabia's giant Ghawar oilfield, state oil company Aramco is pushing ahead with a natural gas megaproject that could boost the kingdom's revenues by billions of dollars in the coming years.

It has brought in US and Chinese firms like Halliburton and Sinopec to deploy advanced machinery - including "walking rigs", towering structures capable of moving short distances without dismantling and reassembling - to speed up drilling and well completions at the Jafurah basin. While the kingdom has scaled back its futuristic giga-projects and reversed plans to lift oil capacity, Aramco - the world's biggest oil exporter - has raised its gas production targets with this \$100bn bet at the centre, as it seeks to become a major global

natural gas player. Jafurah, estimated to contain 229tn standard cubic feet of raw gas and 75bn barrels of condensate, is potentially the biggest shale gas development outside the US. For decades, Saudi Arabia has burned a portion of its most valuable asset - crude oil - to power its grid. Now, with fewer than five years left to fulfil Crown Prince Mohammed bin Salman's Vision 2030 agenda to diversify the oil-reliant economy, the pressure is on to replace those liquid fuels with gas.

"Jafurah is not just a large gas field. It is a strategic platform that supports the Kingdom's broader growth ambitions across key sectors, including energy, artificial intelligence, and major industries like petrochemicals," Aramco said in a statement in response to Reuters questions.

On Thursday, Aramco officially announced the start of production at Jafurah, a milestone for a project that underwent years of incubation mirroring the early years of the US shale boom. It said output began in December 2025, a disclosure that Reuters reported that month after



Aramco's oil field in the Empty Quarter, Shaybah, Saudi Arabia. Deep in the sands southeast of Saudi Arabia's giant Ghawar oilfield, Aramco is pushing ahead with a natural gas megaproject that could boost the kingdom's revenues by billions of dollars in the coming years.

it was included in the Saudi finance ministry budget statement.

"The excellent progress at Jafurah is a testament to a decade of relentless innovation and focus on value creation," Aramco's Upstream President Nasir al-Naimi told Reuters.

"Early well performance has been outstanding, validating our high-tech

approach and reaffirming the significance of this flagship project to our gas growth strategy."

The maths is simple: Saudi Arabia uses more than 1mn barrels per day (bpd) of crude and fuel oil for domestic power generation. Aramco aims to replace 500,000 bpd of that by 2030 with gas, freeing up the

crude for export. At current prices of around \$70 a barrel, 500,000 bpd of crude would generate nearly \$12.8bn in revenue a year. In its statement on Thursday, Aramco said it expects the gas expansion to generate incremental operating cash flows of \$12bn to \$15bn in 2030.

"Through our strategic gas expansion, we anticipate attractive double-digit returns as we set about unlocking significant volumes of high-value liquids and capitalize upon captive domestic gas demand," al-Naimi told Reuters.

Reuters analysis of rig data from Baker Hughes, tender awards, and corporate filings reveals that Jafurah has emerged as the kingdom's priority capital project and a new frontier for US oilfield services firms just as the US shale boom matures and they look for opportunities elsewhere.

Jafurah offers a rare prize: A massive, untapped unconventional basin requiring the hydraulic fracturing and horizontal drilling expertise perfected in Texas.

Rig count data shows that while activity in the US Permian Basin has

plateaued, gas drilling in Saudi Arabia has increased as development of Jafurah picked up and capital was re-deployed after the kingdom scrapped a previously planned 1mn-bpd oil capacity expansion.

Aramco has announced around \$26bn worth of contracts for Jafurah's first two phases since 2018, when it awarded Halliburton a contract for unconventional so-called gas stimulation, usually fracking. Other first-phase contracts went to Sinopec, South Korea's Samsung Engineering and Italy's Saipem.

To make shale extraction viable in the punishing desert environment, its engineers have also developed bespoke technology, according to company journals. Solutions include treating Gulf seawater to remove well-clogging sulphates for underground injection and ultra-strong diamond drill bits to cut through abrasive rock without overheating.

Aramco is targeting 2bn standard cubic feet per day (bcfd) of gas from Jafurah, 420mn standard cfd of ethane, and 630,000 bpd of associated liquids by 2030.