HIGHER DEMAND | Page 8

Across the board buying bolsters QSE 159 points, M-cap adds QR10.78bn

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GULF TIMES
BUSINESS

RUPEE RESILIENCE : Page 4

Global funds look to India as financial market jitters pick up

Qatar set to have strongest growth in road freight in GCC in 2023-30, says IRU

By Santhosh V Perumal
Business Reporter

Qatar will post the strongest growth in road freight in the Gulf region at 35% between 2023 and 2030, according to IRU (International Road Transport Union), which represents the voice of more than 3.5mn companies operating mobility and logistics services in over 100 countries.

Qatar had the strongest growth in the GCC (Gulf Co-operation Council) road freight market in 2023 (6.1% year-on-year); even as the UAE is expected to have the highest growth in 2024 (3.8% year-on-year), IRU said in its briefing 'Road freight and trade in the Gulf Co-operation Council region: Challenges and opportunities'.

The size of the GCC road freight market was $22.6bn in 2023, which was 1.2% of the region's GDP (gross domestic product), the report said, adding it represents 27% of the overall freight transport industry's gross output and is expected to grow by 22% between 2023 and 2030. It is the second fastest growing mode in terms of market size, after air freight.

The UAE has the largest road freight market by size, 39% of the region's total in 2023; followed by Saudi Arabia (22%), it said, adding Oman has the highest share of road freight out of the total freight transport market, 27% in 2023; followed by Saudi Arabia (22%).

Almost all overland freight within the GCC is transported by road. Road freight in the region is projected to continue growing over the coming years, driven by planned infrastructure projects, growing intra-GCC trade, and e-commerce expansion across the broader Middle East and North African region.

"Current geopolitical conflicts are also boosting road freight demand in the GCC. The ongoing Red Sea crisis has notably impacted maritime shipping, with regional and intercontinental trade being rerouted away from the Suez Canal towards overland or intermodal options," the report said.

More than 1mn trucks are in operation in the GCC, a number that increases by 5% to 9% every year, it said, adding the GCC E-commerce sector grew by 7.6% year-on-year in 2023, reaching $23.8bn. "This rapidly growing cross-border sector will boost the need for road freight services across the Middle East and beyond," it said.

Highlighting that in terms of the types of road freight services available in the GCC, the full truck load (FTL) and less than truck load (LTL) segments currently constitutes almost half of the total road freight market; IRU said "this will continue to increase due to the region's strategic position and its free trade zones and economically dynamic cities."

Although intra-GCC trade has been growing rapidly, borders have not kept up, it said, adding there are a limited number of border crossing points, many of which have not been significantly upgraded for years.

The report also said many GCC-based companies are less digitalised than enterprises in more developed markets, reducing their competitiveness versus international companies.

The main trade itineraries within the GCC are UAE exports to Kuwait (17mn tonnes in 2022), followed by Oman exports to Qatar (15mn tonnes) and Saudi Arabia exports to the UAE (13mn tonnes), the IRU said, adding the total value of all these itineraries was $62bn in 2022.

Qatar recorded the strongest growth in the GCC road freight market in 2023 (6.1% year-on-year), according to IRU. **PICTURE:** Shaji Kayamkulam

Qatar Chamber board member Ali bin Abdullatif al-Misnad, who is also the president of QAFL, during its third meeting at the chamber's Doha headquarters.

Qatar Association for Freight Forwarding and Logistics identifies its members

The Qatar Association for Freight Forwarding and Logistics (QAFL) has held its third meeting at Qatar Chamber and was presided over by Qatar Chamber board member and QAFL president Ali bin Abdullatif al-Misnad.

During the meeting, which was attended by QAFL vice-president Ehab Matta of Qatar Airways, the following members of the association were identified: Ranjeev Menon, CEO of GWC Group; Elias Abou Jawdeh, Commercial and Business Development professional at Milaha; Nael al-Attiyat, country manager at Elite Express Cargo; Mohamed Elwan, CEO of Servex Global Logistics Group; Ahmed el-Fangary, country manager of DHL Express Qatar; and Firas Balawi, general manager of FedEx.

The meeting addressed several challenges facing the logistics and cargo services sector, as well as the opportunities available in this vital industry. The agenda included the introduction of newly appointed members, the approval of the minutes of the previous meeting, and the finalisation of standardised terms and conditions for freight and logistics companies.

Al-Misnad stressed the significance of co-operation and unifying standardised terms and conditions for freight and logistics companies in line with the standards of the FIATA International Federation of Freight Forwarders Associations.

It also highlighted concerns regarding the company's policy on dangerous goods. Al-Misnad called for a clearer approach that allows for the handling of these items in strict compliance with FIATA regulations.

He further underscored the significance of leveraging the membership of FIATA Region Africa and the Middle East to enhance international connections, as well as the necessity of increasing engagement through social media and mobile applications for future events. The meeting also included a presentation from Seyir Mobil, a Turkish company specialising in fleet management.

Milaha secures QR262mn EPCIC contract from North Oil Company

Milaha, a leading maritime and logistics provider, has secured a QR262mn EPCIC (Engineering, Procurement, Construction, Installation, and Commissioning) contract from North Oil Company (NOC) for the New Fiber Link Project.

Milaha's subsidiary, Halul Offshore Services Company secured the project, which will significantly enhance connectivity and data transmission capabilities within Qatar's energy sector.

Under the terms of the agreement, Halul Offshore Services, a trusted leader in EPCIC services, will undertake the construction of a new fibre cable system from Al Kabaan to Ras Laffan and the Al-Shaheen oil field.

The 140-kilometre cable will be installed using specialised equipment and subsea bridges. After installation, the cable will be buried and protected before being integrated with existing platform assets.

"This contract aligns perfectly with our strategic objectives of expanding our services portfolio and contributing to Qatar's sustainable development," said Fahad bin Saad al-Qahtani, Group Chief Executive Officer of Milaha.

By delivering a state-of-the-art fibre optic cable system, it will support the digital transformation of the energy sector and enhance operational efficiency, he said.

This project will be supported by a team of skilled professionals and technical experts, furthering Milaha's commitment to local employment and skills development in several fields, according to him.

Milaha was established in July 1957 as the first public shareholding company in Qatar. It owns and operates a diverse fleet of vessels for the offshore oil and gas sector, and for the marine transportation of gas, petroleum products, and containers.

UDC honoured with 'Best Cloud Transformation' and 'Digital Leadership' awards

United Development Company (UDC), the master developer of The Pearl Island and Gewan Island, has been honoured with the 'Best Cloud Transformation Project 2024' and 'Best Digital Transformation Leader 2024' awards.

The accolades were presented during the Middle East Enterprise AI & Analytics Summit and Awards held at Marsa Malaz Kempinski, The Pearl Island. It reflects UDC's ongoing commitment to technological innovation and digital transformation excellence, cementing its real estate sector leadership.

The Best Cloud Transformation Project 2024 award recognises UDC's achievement in fully automating and migrating its customer business operations to the cloud. Central to this transformation is The Pearl Island Super App, which leverages serverless computing to provide seamless operational control, efficiency, and security within a single platform.

The app consolidates all e-services, offering residents and visitors access to a wide range of amenities and services, thus elevating the living experience at The Pearl Island by making it more connected and convenient.

Further highlighting the company's success, UDC staff was awarded Best Digital Transformation Leader 2024, acknowledging the leadership that successfully executed UDC's Customer Experience (CX) strategy. By centralising customer operations in a unified cloud-based ecosystem, UDC has significantly improved service delivery and customer engagement. The launch of The Pearl Island mobile app represents a major milestone, integrating all e-services and offering residents and visitors seamless access to vital information and services, enhancing every aspect of life at The Pearl Island.

UDC's leadership in digital transformation was also prominently showcased during Cityscape Qatar 2024, where the company revealed a range of groundbreaking, AI-driven lifestyle solutions. These innovations which will be implemented across The Pearl and Gewan islands, are set to transform customer operations and community management.

Through the use of Artificial Intelligence (AI) and Internet of Things (IoT) technologies, UDC aims to revolutionise the living experience by offering streamlined and highly efficient solutions for every aspect of real estate management, from sales and marketing to after-sales services and property management.

By integrating smart technologies, UDC is reshaping the way it engages with customers and manages community services. Advanced digital platforms are enhancing customer interactions, making the sales process more personalised and efficient. The Omni-Channel AI Bot delivers real-time support across multiple platforms, ensuring a smooth and responsive customer journey.

Meanwhile, IoT-enabled systems monitor environmental conditions to optimise resource management, waste control, security, and overall community well-being.

A standout feature of UDC's digital transformation is the implementation of smart building access and parking solutions, designed to improve security and convenience for residents. These solutions, coupled with AI-powered property management and integrated e-services, are setting new benchmarks in operational efficiency. The Pearl Island mobile app further enhances the resident and visitor experience by offering access to all services, including luxury features like complimentary limousine service, adding a touch of convenience to daily life.

UDC executives receiving the Best Cloud Transformation Project 2024' and 'Best Digital Transformation Leader 2024' awards.

UDC's recognition with the Best Cloud Transformation Project 2024 award highlights the company's leadership in adopting advanced technologies to create smart, sustainable communities. These innovations go beyond technology integration; they aim to elevate the quality of life for residents and visitors, ensuring that The Pearl and Gewan islands remain at the forefront of modern, luxurious living in Qatar.

As UDC continues its journey toward digital transformation, the company is dedicated to leveraging cutting-edge technology to build more connected, efficient, and vibrant communities. This forward-thinking approach is set to shape the future of real estate development in Qatar, solidifying UDC's role as a pioneer in smart and sustainable living.

Consolidated financial results for the nine months period ended 30 September 2024

BALADNA achieved a substantial revenue growth of 11% and net profit growth of 118% for the nine months period ending 30 September 2024

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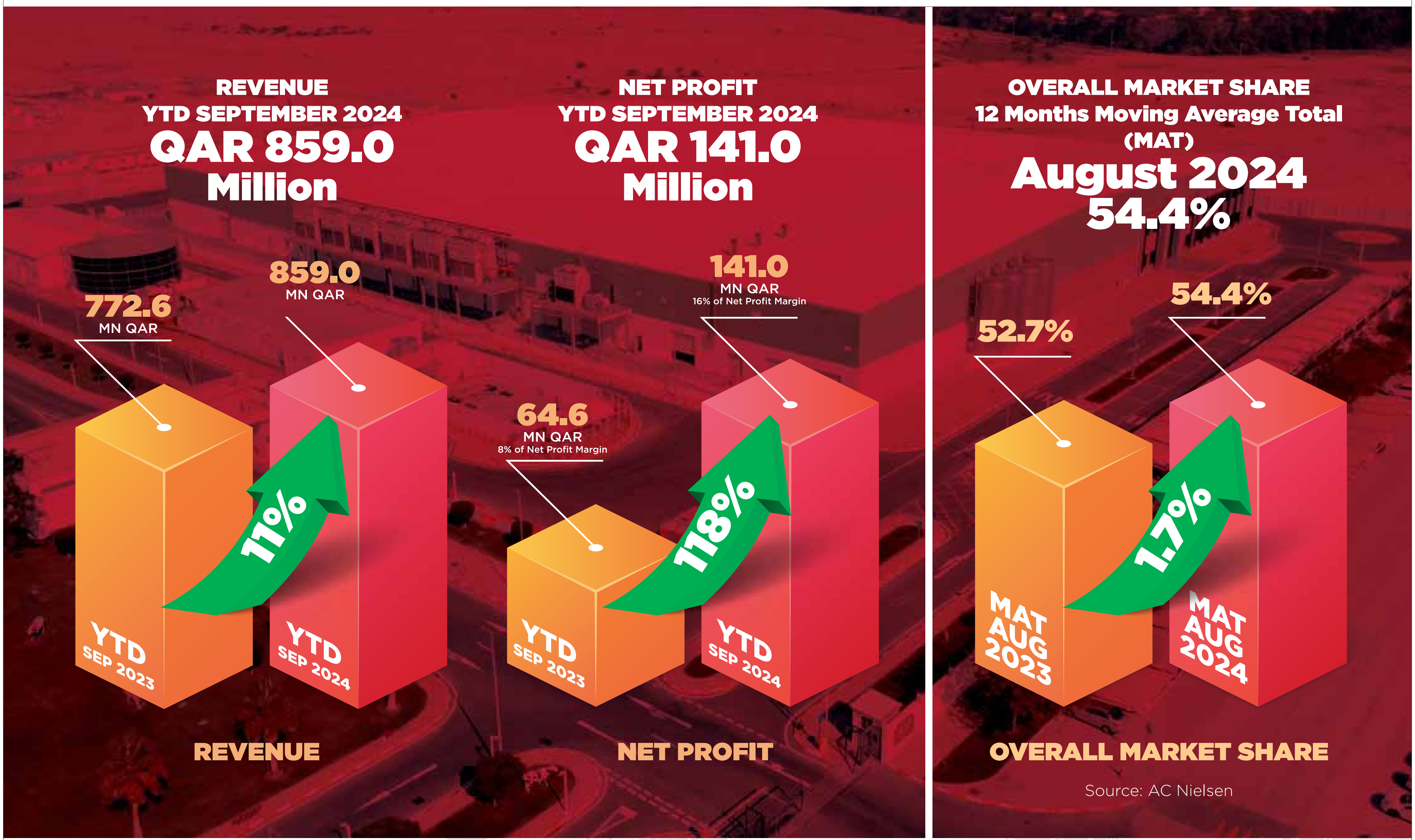
BALADNA Q.P.S.C.



Doha, Qatar, 28th October 2024: Baladna Q.P.S.C. the leading Dairy and Juice company in Qatar, announced its interim results for the nine months period ending on 30 September 2024, achieving strong growth in both revenue and net profit. The Company's performance highlights the success of its market-driven strategies and focus on operational excellence, positioning Baladna for sustained growth.

KEY HIGHLIGHTS

- 9M-2024 revenue of QAR 859.0 million, up 11% year-on-year (YoY), driven by increased sales volumes across all channels, new products, successful marketing campaigns and continued market share gains
- 9M 2024 net profit reached QAR 141.0 million, up 118% YoY, with net profit margins improving to 16%, driven by operational efficiencies and strategic cost controls, despite supply chain disruptions along with profit from international activities
- Q3 2024 revenue reached QAR 264.4 million, a 3% increase YoY, due to continued demand in core product lines
- Q3 2024 net profit up 82% YoY to QAR 40.6 million, due to improved margins and efficiency

Baladna's focus on delivering value through product innovation and operational improvements has driven strong results in the first nine months of 2024. The Company recorded revenue of QAR 859.0 million, up 11% YoY, supported by higher sales volumes across both HORECA and retail channels, and successful market share expansion in key product categories. Baladna's market share increased during the period as a result of its targeted marketing campaigns and consumer-centric product offerings. New product launches continued to resonate with consumer preferences, contributing to this revenue growth.

Net profit reached QAR 141.0 million, marking a significant 118% improvement YoY. This increase was driven by enhanced operational efficiencies across the value chain and disciplined cost control measures, which helped to drive net profit margin improvement from 8% to 16%. Additionally, Baladna benefitted profit from international activities and reduction in finance costs through effective negotiations, further contributing to a robust bottom line.

During the period, Baladna made strides in strategically enhancing its product portfolio while actively exploring opportunities for innovation and new offerings to capture evolving consumer demand. Key developments included the successful entry into the high protein milk and yoghurt market, expansion of Greek Yogurt portfolio with new flavours and increasing the variety of cheese products. The company also relaunched its juice portfolio with refreshed packaging and new flavours, aimed at enhancing the consumer experience. The revitalization of the Awafi product range, featuring the new brand proposition 'Every Day Value, Every Day Quality', supported by updated packaging, further solidified Baladna's position as a leader in delivering high-quality products. These initiatives demonstrate Baladna's dedication to product innovation, adapting to changing consumer preferences, and to supporting food security in Qatar.

A significant milestone during the period was Baladna's award of the annual government tender for the production and supply of evaporated milk in 2025, valued at approximately QAR 100 million. This project will be executed at Baladna's new state-of-the-art facility and further strengthens the Company's role in supporting Qatar's food security and self-sufficiency.

Internationally, Baladna made notable progress on its integrated dairy farming and production project in Algeria. Preliminary works commenced in September 2024, including the drilling of exploratory wells. The Company also signed a shareholder agreement with the Algerian National Investment Fund, under which Baladna will hold a 51% stake in the newly established Algerian company responsible for executing the project. Additionally, Baladna is exploring the establishment of an infant milk production project in Algeria, in partnership with Algerian National Investment Fund, complementing the milk powder production project. This cooperation is part of Baladna's efforts to expand its footprint in the region and support regional food security.

Looking ahead, Baladna remains focused on delivering sustainable growth through continued product innovation, operational excellence, and market expansion. The Company's commitment to cost control and financial discipline ensures it is well-positioned to create long-term value for shareholders.

Key Operating Highlights

- Increase profit from international activities
- Significant progress on Algeria project
- Winning the government tender for evaporated milk production and supply
- Market share gain and increase in revenue in all product categories
- New product launches to expand the portfolio
- Operational efficiency across entire value chain

For the complete financial statements, please visit:
https://baladna.com/corporate
or email: ir@baladna.com

SCAN ME

Saudi Arabia's oil export revenue slumps to lowest in over three years

Bloomberg
Riyadh

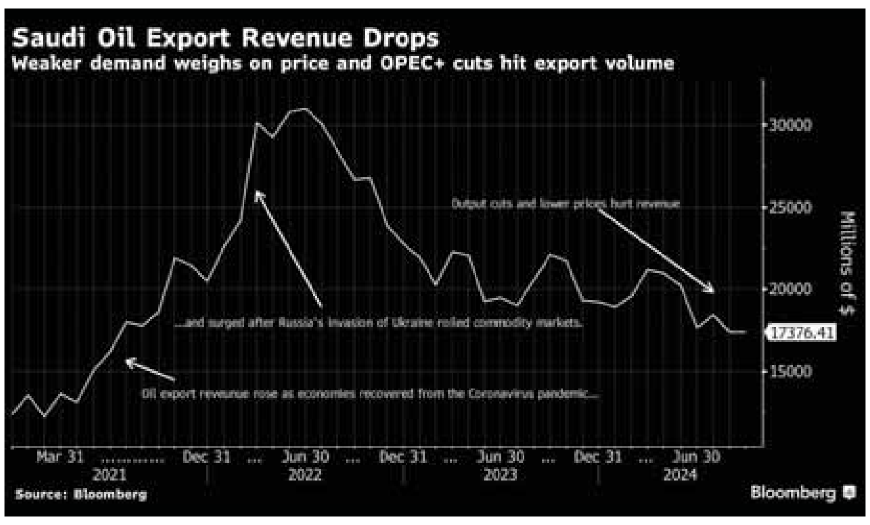
Saudi Arabia's revenue from oil exports has slumped to the lowest in more than three years as sluggish demand growth weighs on crude prices.

Income from the sale of crude oil and refined products dropped to $17.4bn in August, a 6% slide from the previous month, according to the state statistics agency. That's the lowest level of monthly revenue since June 2021.

The Saudi economy is still largely dependent on oil income for growth, even more so now that the country has embarked on an ambitious plan to expand its technology, tourism and manufacturing industries. The massive investment required to realise Crown Prince Mohammed bin Salman's plan to transform the economy relies on oil revenue to fund initiatives aimed at decreasing reliance on income from hydrocarbons.

That effort has been complicated by falling oil prices and lower production. Global benchmark Brent crude is down about 1% this year and is trading around $75 a barrel. Growth in oil consumption has been sluggish, particularly in China, one of the most important import markets, while new supply from countries like the US — now the world's top producer — is outpacing demand growth and weighing on prices.

The Organisation of Petroleum Exporting Countries and its allies have been restricting output to prop up the market. That's limited the amount of crude that Saudi Arabia, the leader of the alliance, can sell. The wider Opec+ group, which includes producers like Russia, is set to roll back some of those cuts in December, though it's left the door open to keeping those limits in place if needed to avoid oversupply.



An oil tanker is being loaded at Saudi Aramco's Ras Tanura oil refinery and terminal in Saudi Arabia. Income from the sale of crude oil and refined products dropped to $17.4bn in August, a 6% slide from the previous month, according to the state statistics agency. That's the lowest level of monthly revenue since June 2021.

Turkiye considers ending ban on short-selling of stocks

Turkish officials are discussing easing a ban on short-selling of equities in hopes of attracting more overseas capital, people familiar with the matter said, reports Bloomberg.

Turkiye imposed the ban early last year after a pair of earthquakes devastated entire regions in the country's southeast. Officials are now considering easing the ban gradually or lifting it completely, but details haven't been finalised and could change, the people said, asking not to be named because the discussions are private. The first step may involve the BIST-50 index of the 50 largest listed companies, they said. Lifting the short-selling ban on Turkiye's BIST-50 is among the options considered to unwind macro-prudential measures, according to a presentation by Treasury and Finance Minister Mehmet Simsek at the Brookings Institution in Washington, DC.

Short-selling stocks is a practice in which investors bet that shares will fall: a short-seller borrows stocks, sells them and then waits for their value to decline. If it does, they can then buy the shares back from the market at a lower price, return them to the lender, and pocket the difference.

BUSINESS

Global funds look to India as financial market jitters pick up on US election

Bloomberg
Mumbai

India is shaping up to be a destination for investors seeking a relative shelter from financial volatility linked to the US election.

A steady influx of foreign capital has positioned the nation's bonds among top performers in developing markets this year, while the country's stock market hit a record high last month, buoyed by robust domestic liquidity. India's appeal is driven by a blend of structural factors: stable political ties with both the US and Russia, capital controls that curb hot money flows, and a currency that's less impacted by big dollar moves than emerging market peers.

India's divergence from global markets was evident last week when its sovereign bonds remained relatively steady despite a global selloff in US Treasuries. The nation has become a key emerging market bet for abrdn plc, particularly ahead of the US presidential election on November 5, as hedge funds brace for a pickup in global volatility.

"India's local bond market is relatively insulated from the volatility of global markets, remaining peaceful amidst the storm," said Edward Ng, a bond fund manager at Nikko Asset Management Co. "Given the market's low volatility, we remain comfortable staying invested in Indian bonds," which may outperform in a strong-dollar environment, he said.

A key pillar of India's resilience is its currency — once one of Asia's most volatile. For much of 2024, the rupee has been stuck between 82.8 and 84.1 per dollar due to Reserve Bank of India's interventions. Data compiled by Bloomberg show that the currency has only shaved 1 percentage point off the returns on Indian bonds this year, less than half the rate of currency-related losses on emerging market local-currency bonds overall.

The rupee offers "minimal" volatility, Edwin Gutierrez, head of EM sovereign debt at abrdn, said in an interview. "In this world of uncertainty it ain't a bad place to be."

A vegetable seller counts Indian rupee notes in Mumbai. A key pillar of India's resilience is its currency — once one of Asia's most volatile. For much of 2024, the rupee has been stuck between 82.8 and 84.1 per dollar due to Reserve Bank of India's interventions.

To be sure, India isn't a hotspot for global equity investors right now. Signs of a slowdown in the country's robust economic growth and a rebound in Chinese stocks have led to outflows of $8.8bn from local shares in October, set for a record. While domestic investors' purchases have evened out foreign outflows, the stock market is still on track for its worst month since March 2020.

The selloff hasn't led to dramatic swings in the market. The 60-day historical volatility for the benchmark NSE Nifty 50 Index stands at 13.2% — 1.95 percentage points lower than the S&P 500 Index, indicating relative stability in comparison.

UBS Global Wealth Management suggests the selloff is a buying opportunity as the soft patch in India's growth and earnings appears transitory. The view followed Goldman Sachs Group Inc tactically lowering local shares to neutral from overweight last week.

India isn't the only emerging economy offering a low correlation to global sentiment. Amundi SA and William Blair & Company, LLC have said they favour frontier markets such as Nigeria and Kazakhstan, as potential buffers against US election-driven turmoil.

Yet these alternatives lack the liquidity and depth of India's $1.3tn sovereign debt market and $5tn of stocks. The country is also expected to lure more offshore funds as part of its inclusion in JPMorgan's bond index — BlackRock Inc and Amundi SA have launched ETFs to ride that wave.

India is due to join Bloomberg's EM gauges from January.

"India local still screens fairly attractively to us," compared with other assets globally like dollar-denominated debt, said Leonard Kwan, portfolio manager of T. Rowe Price Group Inc's dynamic EM bond strategy. "We're overweight rather than in line with the benchmark" on India.

Bloomberg LP is the parent company of Bloomberg Index Services Ltd, which administers indexes that compete with indexes from other providers.

Bloomberg QuickTake Q&A

Why the Philippines is building its capital market

By Ditas Lopez and Andreo Calonzo

The Philippines is reintroducing interest rate swaps and looking to boost the market for bond repurchase agreements to create alternative benchmarks for pricing loans, as the country posting some of the fastest growth rates in Asia prepares for increased capital demands. This would aid in financing for projects such as a potential revival of a controversial nuclear facility, airports and infrastructure, while also helping develop areas for industrial use. It remains to be seen how effective the tools could be, but financial authorities are pushing for changes they see as essential for keeping the economic momentum going.

Why the push?

A deep capital market helps businesses raise money aside from borrowing from banks and provides more options for investors. Bangko Sentral ng Pilipinas Governor Eli Remolona has been spearheading efforts to deepen the capital market that companies and enterprises can tap, which could reduce their dependence on bank loans for funds.

Paul Favila, chairman of the open market committee of the Bankers Association of the Philippines and a country manager for Citibank, said in October the Philippines would need $20bn every year through 2050 just to transition to clean energy. He sees the current system of financing as not being up to the task.

What's new?

Seven years ago, banks reintroduced the government securities repurchase market with regulators' backing. It didn't gain much traction due to a lack of players and a general reluctance to make use of the International Capital Market Association's Global Master Repurchase Agreement, which outlines various processes, including what happens in cases of default. This time, more market participants are getting ready to sign on and use the standard contract. Another way to boost deals would be to allow fund managers to participate in the repo market.

On interest-rate swaps, the Bankers Association of the Philippines would create the Peso IRS overnight reference rate, which will be equal to the Philippine central bank's variable overnight reverse repurchase rate that's set daily in an auction. A floating benchmark rate of this sort is crucial in making interest-rate swaps possible. At present, Philippine bonds are mostly bearing interest rates that are fixed.

Bloomberg LP, the parent company of Bloomberg News, is expected to provide the trading platform for the revamped peso interest rate swap.

Who are the parties involved?

For the Peso IRS, there are 15 banks: BDO, BPI, China Bank, Metrobank, PNB, Security Bank, RCBC, Union Bank, ANZ, Citi, DB, HSBC, ING Bank, JP Morgan Chase, and Standard Chartered Bank. They have committed to be market makers, quoting two-way prices for the one-, three-, and six-month swaps against the overnight reference rate. These market-based quotes from a large number of banks would form benchmarks that banks and borrowers can use for pricing loans.

Five others — BDO Private Bank, Maybank, Mizuho, MUFG, and SMBC — have committed to be regular participants.

Fund managers and trust entities are interested in becoming repo participants and asking the Bureau of Internal Revenue to similarly exempt them from the imposition of documentary stamp tax on their potential repo transactions, said Mari Toni Bautista, head of financial markets and financial markets sales for the Philippines at Standard Chartered Bank. Banks' repo deals are currently exempt from DST.

What's next?

The BAP is waiting for its overnight reference rate to be the recognized rate for the Peso IRS under the International Swaps and Derivatives Association.

On repos, fund managers' exemption from the documentary stamp tax could help expand market participation. As short-term benchmarks are established, a smooth yield curve that reflects market consensus could evolve, helping in pricing debt instruments of varying maturities.

China carmakers seen to double overseas capacity to beat tariffs

Bloomberg
Hong Kong

Chinese automakers could more than double their overseas full-process manufacturing capacity to beat punitive import tariffs and meet surging demand in emerging markets, according to BloombergNEF.

Exports and knockdown assembly — where key parts of cars are made in China then shipped overseas for assembly — have traditionally been Chinese manufacturers' preferred approach to tapping foreign markets. But as jurisdictions including the US, the European Union and Turkey impose tariffs, investments in full-process manufacturing are booming, according to the report, published Wednesday.

"As the electric vehicle market in China saturates, increasing domestic competition and overcapacity are pushing Chinese EV brands abroad in search of new growth markets," BNEF said in the report.

Chinese carmakers have built and commissioned full-process manufacturing plants across nine countries, with an annual production capacity of 1.2mn vehicles as of 2023. That's set to more than double to 2.7mn units in over a dozen countries by 2026 if company announcements are all delivered on time, BNEF said.

Full-process manufacturing involves the four major steps of auto production: stamping, welding, painting and final assembly. It's capital intensive but has high production capacity compared to knock-down assembly.

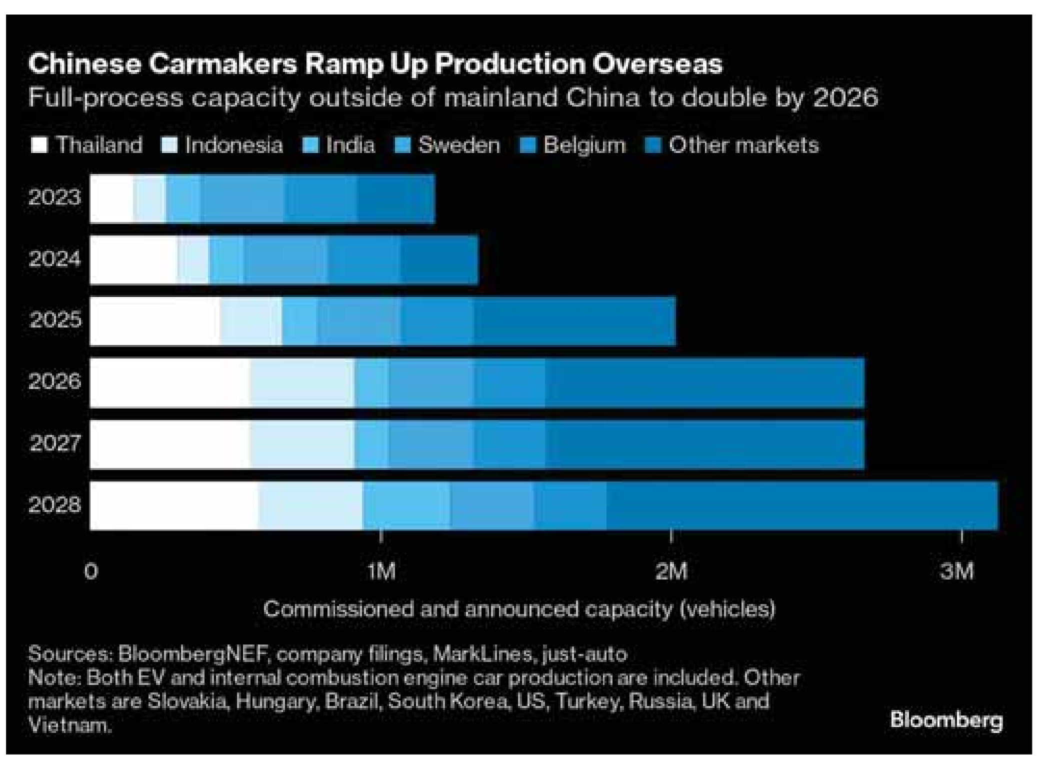
BYD Co, China's best-selling car brand, along with Chinese state-backed manufacturers Chery Automobile Co, Changan Automobile Co, GAC Auto Corp and SAIC Motor Corp, announced 10 new or expansion projects for their overseas plants from 2023 through to August 31, BNEF said. Popular locales include Thailand, Indonesia and Brazil.

Chinese automakers are also expanding into Southeast and Central Asia, Latin America and the Middle East with both exports and local production projects.

BYD and Volvo Car AB, which is controlled by Chinese automaker Zhejiang Geely Holding Group Co, are driving the capacity expansion in Europe. BYD is building a plant in Hungary and has also announced plans for another in Turkey, which gives it access to the EU. Poland, which has deals with Chinese battery suppliers, is also becoming popular among Chinese EV makers. Spain and Italy are pursuing investments as well. Geely, Dongfeng Motor Group Co and Xpeng Inc are reported to be scouting locations for a plant in the region.

By comparison, the growth of overseas knockdown-assembly is slower. The total commissioned capacity for contracted and self-developed vehicle knockdown assembly plants by Chinese manufacturers and their foreign partners is set to rise to 2.8mn units by 2026, from 2.2mn vehicles in 2023.

The surge in overseas auto investments has triggered concerns from Beijing. China's Ministry of Commerce told carmakers in July that they should protect EV know-how and prioritize knockdown assembly, as well as be careful when investing in countries with geopolitical risks such as Turkey and India, Bloomberg reported in September.



BUSINESS

Stimulus matters more than US election for Chinese stocks

Bloomberg
Beijing

Investors inured to years of Sino-American trade spat seem willing to brave the risk of even higher tariffs following the US presidential election, and are favouring Chinese assets on bets for more stimulus. Whether it be Donald Trump or Kamala Harris as the new US leader, global money managers expect escalated hostility toward China. But rather than shun Chinese assets altogether on that prospect, they are banking that Beijing's policies will continue to support stocks, especially those listed on the mainland.

A dovish central bank is also seen as a boon for local government bonds. The mood though is less sanguine when it comes to the yuan, as monetary easing to offset any post-election headwinds has the potential to weaken the Chinese currency. The dominant view is that another term for Trump, who is advocating a 60% levy on all Chinese imports, will be overall more negative for the Asian country than a Harris win. Still, there's less fear of a market shock akin to that seen when the Republican won in 2016. Trade wars are no longer a novelty, and investors have been steadily de-risking from China as geopolitical tensions simmered under the current administration.

Investors are also well aware that the MSCI China Index almost doubled during Trump's term but is down more than 40% under President Joe Biden so far, highlighting how a myriad of factors including China's regulatory crackdown has affected market performance.

"Policy stimulus is more important for the Chinese economy and stock market than the US election in my view," said Jian Shi Cortesi, a portfolio manager at Gam Investment Management in Zurich. "The Chinese government has more policy measures prepared to respond to potential trade measures if Trump wins."

A neck-and-neck race between Trump and Harris less than two weeks into the election is making it hard for funds to position in anticipation of the results, and explains their greater focus on China's policy signals.

Chinese stocks have seen a dramatic revival since a stimulus blitz in September, with the CSI 300 Index up more than 20% since last month's low. Jefferies and M&G Investments are among those that believe an election-driven selloff will be a chance to add Chinese stocks.

The stimulus rollout is centred around lifting domestic demand and hitting the nation's annual growth goal, Vice-Finance Minister Liao Min said in an interview with Bloomberg on Friday. Consumption has become an important consideration in China's fiscal policymaking, he said, pointing to an initiative to fund a consumer goods trade-in programme.

"If Trump gets elected you would have volatility, particularly around Chinese equities," but some of the negative impact can be balanced out by forthcoming policy support, said Fabiana Fedeli, global chief investment officer for equities, multi asset and sustainability at M&G. "If anything, if we see some big declines, we'll probably use it as an opportunity to buy."

Many investors say shares listed on the mainland will be better insulated from election swings than those trading in Hong Kong or the US — where foreign access is easier. An analysis by Bloomberg Economics shows compared to 2018-2019, when Trump's tweets on trade and tariffs sent shock waves through global financial markets, there's less such correlation now.

Back then, "the world was integrating and so tariffs and policy out of the US became a bit of a shock not just to investors but also to companies in the region," Andrew Swan, head of Asia excluding Japan equities at Man Group, said in a Bloomberg TV interview. "The world now understands we are living a different sort of geopolitical landscape."To be sure, exports have been a rare bright spot as China suffers a slowdown in domestic demand, meaning trade tensions can be a bigger economic headwind than in the past.

The country is more vulnerable to tariffs than it was in 2018, according to TS Lombard, and a Trump victory may delay Beijing's stimulus as it opts to keep powder dry until there is clarity on US policy.

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CHIEF / SENIOR ACCOUNTANT. Indian male (B.com). Having 18 years of experience (12+yrs GCC experience) in financial accounting. Expertise in GL, AR, AP, Banking, budgeting, Cash flow, WPS, MIS, FS Finalization. Sound knowledge MS office, Tally, Peachtree and ERP software's. Can join immediately. Having Qatar Driving License, transferable work visa with NOC. Contact: 33106139, email: sreejunair84@gmail.com

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ESTIMATION ENGINEER (MECHANICAL): UPDA/ MMUP Registered, Graduated mechanical Engineer with over 10 years of industry expertise in MEP and building services across diverse sectors including residential and commercial buildings ,infrastructure, oil and gas projects etc. Seeking for a challenging opportunity in estimation, procurement and cost control. Currently available with transferable visa and NOC. Email: suhail4kl@gmail.com / Mob: 77304620.

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HSE OFFICER. Almost 14 year Working Experience in Building construction,Oil and Gas Industry and Shut down,Certified with NEBOSH IGC IOSH, OSHA, Environmental management, Diploma in Industrial safety, Basic First Aider, Fire Fighting, with Visa Transferable. Contact - 70630259, Email - khan.raghib84@gmail.com

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SOFTWARE QA TESTER/BUSINESS ANALYST / HR Executive. Indian Female, BE in Computer Science with 8 years of experience working as etl tester, manual tester, Business Analyst and HR Executive with Mphasis, Wipro and Cycle world. Available to join immediately with valid QID. Contact: 70350911, email: alsaba26@gmail.com

SENIOR/CHIEF ACCOUNTANT. Sri Lankan Male with BSc. Accounting (UK) and CIMA (UK) qualified having more than 14 years of experience in Finance. Proficient in MIS Report and analysis, budget and forecast, statutory and ICV audit, treasury management, costing and pricing, WPS and Book keeping. Worked knowledge in SAP and Oracle,having Qatar driving licence, can join immediately. Call: 77956941, Email - gazzadsiraj@gmail.com

HR ASSISTANT AND ADMINISTRATION Officer: Indian Female, Qualified in B.com & MBA (HR). 3 Years Experienced (Oman and Qatar) in office administration with excellent coordination and communication skills in company operations, HR, Payroll, Documentations and digital skills including MS Office. Ready to join immediately with valid QID. Mob: - +974-31464234 & Email: shahanasmoidu26@gmail.com

ARCHITECT 12+ years experience in various roles as consultant, client representative & contractor, overseeing large EPC projects and most types of building projects, talented designer and review of design proposal, shop drawing and technical submittals, specialist in design development, supervision, engineering coordination, cost control & procurement to producing high quality of project deliverables. UPDA grade A. Contact: 77020005, email: abedbour@outlook.com

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SENIOR ACCOUNTANT / ACCOUNTANT. Indian Male. B.Com with 16 years of experience in GCC, 5yrs in Qatar. Proficient in all accounting aspects including finalization, Banking, AP, AR, GL Reconciliation, Cash flow, Budgeting, Petty Cash, Payroll, monthly report, etc. Proficiency in Sap, Sage, Tally, Solution ERP, etc. Transferable Visa with NOC. Join immediately. Contact: 50718613, Email: unni.nvkm7@gmail.com

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ACCOUNTANT with 15 years Qatar experience until finalisation. Well-versed in MS Office, ERP system and accounting software. Indian male having Qatar driving licence, QID with NOC. Mob. 66966298, Email. binsemmi@gmail.com

SALES AND MARKETING / ACCOUNTANT: Indian female having bachelor degree having 6 years of experience in Qatar and India as a sales and accounting industry, experience in financial statement, Reconciliation, MIS REPORT, LC, payroll, Target oriented, Good communication skills, Maintaining Relationship with CLIENTS, Out door sales experience, Direct meeting with clients and negotiating skill, can join immediately. Contact Mob: 31414830, Email: sanasetr00@gmail.com

JUNIOR ACCOUNTANT, INDIAN MALE: BCOM & MBA Finance. 3 Year Experience 2 Year Experience in Qatar. 1 Year Experience in India. Immediately Available. Transferable Visa with NOC. Contact: +974 74770324. Email:- mohammednasirkopala@gmail.com

POST GRADUATE IN LOGISTICS AND SUPPLY Chain Management with more than a year of experience in Sales and Business Development. I am looking for job opportunities within Sales, Administration or Operations. I have both QID and Driving license. Contact: 70332957, email: jeswin01998@gmail.com

LOGISTIC COORDINATOR: Post graduate with 3 years experience in logistics currently in Qatar with transferable visa and NOC. Ph: 77937122, Email: basilrajuvdy@gmail.com

IT PROFESSIONAL. Fresh MCA postgraduate currently in Qatar with transferable visa and NOC. Ph: 77937122, Email: basilrajuvdy@gmail.com

LOOKING FOR MECHANICAL ENGINEERING related Job. Filipino with 3 years of experience in heavy equipment as service engineer and service motorpool engineer. However, I am open to any mechanical engineering job opportunities available. I would be thrilled to discuss how my expertise could be of use to your company. Contact: 31603408, email: lynson.sebastian@gmail.com

MECHANICAL ENGINEER (MEP): UPDA and QCDD Approved 8+ years of Experience in Technical Executions, Testing & Commissioning and Hand over to Civil Defense of HVAC, Fire Fighting, Plumbing Drainage,High Rise Commercial Building, Factory, Residential Building project's with Contractor Available with Transferable Visa NOC. Contact: 50076246, email: khurshiad009@gmail.com

ADMIN ASSISTANT & DOCUMENT Controller: Results-driven Indian male Admin Assistant with over 10 years of experience in streamlining operations and enhancing productivity. Proficient in SAP, ERP systems, and Microsoft Office Suite (Excel, Word, PowerPoint, Outlook). Holds a transferable work visa, NOC, and valid Qatar driving license. Ready to contribute immediately. Contact: 66588370, email: shafil.aliabk@gmail.com

SALES MANAGER: INDIAN MALE having 13 Years experience in Qatar serving oil&gas /construction/ infrastructure projects/Industries. Have Good Sales acumen & experience in Techno-commercial roles. Valid Qatar driving license, NOC with transferable Visa. Contact: 31605449, Mail: manojsnair333@gmail.com

CIVIL ENGINEER (UPDA GRADE A), experienced in building construction both implementation and supervision structurally and fitout-works (15 years working in contractor companies and 7 years in consultancy management). Looking for job. For contact, please call: 33258025, Email: nilmalagdao@gmail.com

MECHANICAL ENGINEER with UPDA Grade "Expert", looking for fulltime/part time job of project management in water/wastewater treatment. 30+ years experience with driving license & transferable visa. Contact: 66903712 on call / WA / ravigovind1962@gmail.com

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MECHANICAL ENGINEER, having 2+ years experience in MEP department and largely experienced in HVAC system. I worked in kharama substation project, I had NOC transferable visa available. Contact: 71087031, Email: gowthamgmpari@gmail.com

ACCOUNTANT, INDIAN MALE, Bcom with 10 years Qatar and GCC experience, expert in Tally prime and ERP systems, MS office and all aspects of Accounting include Payroll, Receivable, payable, Bank reconciliation, petty cash, closing entries and finalization of accounts, Ready to join immediately with transferable visa (Qatar) with NOC. Contact: 70757038, Email: martinhormese@gmaill.com

VAN SALESMAN / OUTDOOR SALES EXECUTIVE with 15+ years of experience in Qatar and Sri Lanka, specializing in motor spare parts, oil, lubricants, batteries, construction materials, and FMCG. Fluent in English and Arabic, with a valid driving license (Auto & Manual). Available immediately with QID and NOC. Email: tharheem4@gmail.com, mob: 70869997.

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ADMINISTRATIVE / EXECUTIVE, Secretary & Customer Service. An experienced lady with more than 5 years of experience in customer service and administration. Proficient in administrative tasks management, boosting customer satisfaction and enhancing operational efficiency. Available to immediately join with transferable visa. Contact: +974 66980942, Email: banufareek4@gmail.com

QA/QC MANAGER/AUDITOR/ENGINEER/ Corp QHSE. UPDA Grade A, Certificates of ISO 9001:2015, ISO 450 01/14001/31000/22301/27001/50001, PMP, NDT, Six sigma, 25 yrs. Exp. in Quality Management for Oil & Gas, Building, Commercial & Residential Towers, Hotels, Airport, Structure, Road, Infrastructure, Metro, Hospital, School Projects. Visa transferable with NOC. Contact: 77769774, Email: ajitmisra99@gmail.com

REGISTERED BSC NURSE with valid QCHP license seeking job. NOC available. Contact: 55918518, email: jithinpappachan672@gmail.com

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HSE MANAGER with 13yr experience in Construction, Infrastructure, Environmental & Waste management, building, pipe line, micro tunnel. Having MBA in OHS Leadership (Spain), B.TECH in Environmental Engineering, Level 6&7 diploma (UK), ISO 45001, NEBOSH IGC 123, IIRSM, GradIOSH, IOSH MS, First Aid, IEMA, OSHA 30HR etc. Email: aoguchi007@gmail.com / Mobile: +97466332843, (Qatar) / +966597506926 (KSA).

ASSISTANT SALES MANAGER. I am an accomplished sales and marketing professional with 25 years of extensive experience in the building materials sector, including paints, wood products, plywood, interior supplies, safety products, and power tools. I possess a transferable visa and am actively seeking new opportunities. Contact mob. 30081498, Email: sulfisha2000@gmail.com

CIVIL ENGINEER: With over 3 years of GCC experience, specializing in drafting & technical drawings using AutoCAD, Revit, & ArcGIS. Skilled in creating blueprints & developing 3D models. Proficient in construction site supervision & surveying with advanced instruments like TS, DGPS, & Auto Level. Ready to join immediately with a transferable visa and NOC. Contact: 30796102, Email: yogendrashrestha8082@gmail.com

SENIOR ARCHITECT / LEAD ARCHITECT, 09 years of experience (Architectural, Fit-out, Landscaping and Marine Works) in Consultancy and Contracting field. Contact: 31119783, email: ibrahim898957@yahoo.com

INDIAN, DRAFTSMAN with more than 10 years of experience in Qatar. Looking for immediate placement. Have experience in Infrastructure, Wet & Dry utilities, Drainage works. Skills Well Experienced in Auto Cad, Civil 3D & Ms office. Have Transferable Visa with NOC. Mob: 33932557, Email: deonsimon30@gmail.com

INDIAN, ACCOUNTANT with more than 4 years of experience in India and Qatar is looking for immediate placement. Have experience in AR, AP, Payroll, GL UpTo finalization of Account. Have Driving licence and RP available. Contact Mob: 66413474, Email - neopaul1234@gmail.com

ADMIN / ASSISTANT ACCOUNTANT / Secretary: Filipina, 1yr experience as Internal Auditor, 2 yrs Secretary, 2 yrs Admin Staff, with GCC experience. Knowledgeable in Accounting, focus system, Auditing, MS office, tenders, quotations, invoicing, procurement. Ready to join immediately with valid QID and NOC. Contact: 33047194, email: angelicajoymartin@yahoo.com

ADMIN ASSISTANT / SECRETARY / Receptionist: Filipina, 10 years experience as Secretary, 9 years experience as Admin Assistant/Receptionist, with almost 1 year GCC experience. Knowledgeable in MS Office, basic accounting task, quotations, and procurement. Ready to join immediately with valid QID. Contact: 31490129, Email: clyde_lasar_lim@yahoo.com

GENERAL DENTIST, NEPALI FEMALE, BDS (Pakistan), MDS (Nepal) in Conservative Dentistry&Endodontics; having 7+ years of experience, QCHP Prometric license Exam passed, with a valid QID. Looking for a job. Ready to join immediately. Contact: 55296521, email: salonishilpi2@gmail.com

SALES EXECUTIVE. Indian youth with 13 years experience in logistics clearance and building materials sales in Qatar. Have good contacts with major companies. Contact: 31213141, email: haseebkm@gmail.com

ELV AND ELECTRICAL DRAFTSMAN. Having 9 years experience in Qatar. Diploma holder in Electrical and Electronics Engineering, Area of Expertise-Structured Cabling System,CCTV, WIFI, Access Control, Lighting and Power. Proficient with Autocad, MS Excel and MS word. Ready to join immediately. Please contact: 55479607, Email: nithinsimon476@gmail.com

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SOFTWARE DEVELOPER. Indian youth - Skills - Flutter, Fire Base, C/C++, SQL, Java, Python, HTML, CSS, PHP, Git. Having valid Qatar Driving License. Contact: 51193220, email: vasimfayasshafeek@gmail.com

HSE MANAGER/ENGINEER: Grandiosh, PTW, with 18 years experience in Oil & Gas, infrastructure,road, high rise building, facility management, telecom. certisfy with NEBOSH, IDPOSH level 6,H2s,ISO 45001,9001,14001, traffic management, lifting, scaffolding, Gas detector. Email: pee4devine@gmail.com / mob: 70301963.

SENIOR / CHIEF ACCOUNTANT / Finance manager. qualification MBA Finance, M.com, B.com with 24 yrs of exp (including 15 yrs Dubai GCC Gulf) upto finalization proficient in financial-MIS reporting, cash-fund flow management, treasures, budgeting forecasting and auditing and exp with different nature of business accounting & softwares with NOC. Contact: 31645319, Email: mafazeel@yahoo.com

HSE OFFICER / HSE COORDINATOR with over 12yrs GCC experience in infrastructure. MEP and hospitality/ facilities management. Have BSC.,NVQ level 6; diploma. NEBOSH IGC. OSHA with valid Qatar driving licence available for placement. Contact: 70206724, email: ayoawofade@yahoo.com

EMPLOYEE RELATIONS OFFICER / Welfare Officer. With over 5 years of experience in HR and 7 years experience in oil and gas offshore and onshore operations. Having a degree in arts and diploma in F&B, Valid QID freelancer looking for a suitable position to join immediately. Email: tonnie8758@gmail.com / mob: 30652234.

ACCOUNTANT, INDIAN FEMALE. Having 7 years experience in Qatar, ability to work accounts up to finalization, banking, A/R,A/P, bank reconciliation,G/L, Petty cash,Budgeting, monthly &yearly reports and also experts in Tally,Quick Book,Microsoft Nav 2016 and Peachtree, Having QID (under family sponsorship) ready to join immediately. Contact: 55291380, Email: sheelashajan@gmail.com

Big Tech stocks lose some of their shine as earnings growth slows

Bloomberg
New York

Slowing profit growth is removing some of the invincibility surrounding the stock market's technology giants as they prepare to report earnings this week. Whether they can reverse that trend will go a long way to determining if the rally in equities can keep going.

The five biggest companies in the S&P 500 Index by market capitalization — Apple Inc, Nvidia Corp, Microsoft Corp, Alphabet Inc and Amazon.com Inc — are projected to post average earnings growth of 19% in their third-quarter results, according to data compiled by Bloomberg Intelligence. While that would handily top the S&P 500's projected 4.3% increase, it also would represent their slowest collective expansion in six quarters, BI data shows.

What's more, the gap between Big Tech and the rest of the market is expected to continue to narrow into 2025, by which time last year's roughly 35% quarterly earnings growth will be a distant memory. So the question for investors is what this means for these stocks, all of which have soared through the market's latest rally, and whether they can continue leading indexes higher.

"Sentiment is a lot shakier than in past quarters, and the factors driving the market now feel more negative," said Andrew Choi, portfolio manager at Parnassus Investments in San Francisco. "That doesn't mean the rally is over, but there are opportunities elsewhere, especially as we have these debates about Big Tech valuations, slower earnings momentum, and every story now has some element of controversy or debate that's weighing on sentiment."

For most of the past two years, the tech giants have led the S&P 500 higher, fuelled by relentlessly expanding profits and investors willing to keep paying higher multiples for those earnings. That's changed in recent months, however.

Since peaking on July 10 following a 22% rally to start the year, the Bloomberg Magnificent 7 Index, which is comprised of the five S&P behemoths as well as Meta Platforms Inc. and Tesla Inc, has fallen 2%. That lags every major sector in the S&P 500, with the utilities, real estate, financial and industrial groups jumping more than 10% and the broader index gaining 3.1% over the same span. All of which has put Big Tech companies in a position they're unaccustomed to: stock market underdogs.

They're facing greater scrutiny with valuations elevated and questions about when their heavy spending on artificial intelligence initiatives will pay off.

"Tech ceding its market leadership position could last through the end of the year, but that doesn't scare us off from owning them long term," said Ross Mayfield, investment strategist at Baird. "It's obviously a risk that earnings growth is decelerating, and valuations may be a little stretched. But they still bring so much growth to the table and there's still significant upside to earnings potential over the coming years."

While Tesla has already posted better than expected third-quarter profits and an encouraging outlook, Big Tech earnings season really kicks off in earnest this week. Google-owner Alphabet reports on Tuesday, followed by Microsoft and Meta Platforms on Wednesday, and Apple and Amazon on Thursday. Nvidia isn't expected to give results until late November.

All of this week's reporters come with their own issues. Microsoft faces concerns about its prospects in AI. Apple has seen early signs of tepid demand for its newest iPhones, although long-term optimism helped send the stock to a record last week. Amazon investors are worried about heavy capital spending eating into profits. And Alphabet has regulatory uncertainty as the US Justice Department investigates it for monopoly practices.

AI will be a big focus for investors watching the earnings reports, particularly how much the companies are spending on expensive infrastructure. In the third quarter, Microsoft, Alphabet, Amazon and Meta Platforms are projected to have poured $56 billion into capital expenditures, up 52% from the same period a year ago.

Investors generally buy the premise that the companies' AI investments represent the future of technology. But there's also little evidence of an immediate burst of profitability for companies like Microsoft, which has integrated AI features into its software products. Disappointment over the disparity between AI spending and outcomes marred an otherwise strong second-quarter earnings season. Now, it's raising concerns about future profit margins.

"Top-line gains are starting to get offset by surging AI-related capital spending," Bloomberg Intelligence strategists Gina Martin Adams and Michael Casper wrote in a research note. "That implies peak margins are likely in the past, at least for the near term."

Big Tech's recent underperformance has coincided with souring sentiment from the so-called smart money on Wall Street. Hedge funds have been selling Magnificent Seven stocks over the past several months, and despite modest buying in October net long positions as a percentage of total US exposure are still around the lowest level since mid-2023, according to data from Goldman Sachs prime brokerage desk.

Despite the slump in megacap stock prices, many of these companies are carrying valuations that are higher than historical averages. Apple is trading at 32 times estimated profits over the next 12 months, compared with an average of 20 times over the past decade, according to data compiled by Bloomberg. Microsoft is priced at 33 times, compared with an average of 25.

US stocks rally faces gauntlet of tech earnings, jobs data and election

Reuters
New York

The rally in US stocks is wobbling as it confronts a stretch of potentially market-shaking events, starting next week with corporate results from tech titans and the closely watched employment report, while the US election is also nearing.

The benchmark S&P 500 is up about 22% on the year, but has edged back from record-high levels in recent days.

Still, equities remain at elevated valuations, which could make stocks vulnerable should any of the near-term market events fall short of expectations. The S&P 500's price-to-earnings ratio, based on earnings estimates for the next 12 months, is at 21.8, near its highest level in over three years, according to LSEG Datastream.

"People will be on pins and needles for most of next week," said Peter Tuz, president of Chase Investment Counsel Corp "The market is expensive... Any time you have an elevated market the potential for a bigger downdraft exists if something disappointing happens."

Five of the "Magnificent Seven" group of megacap companies that have played a major role in driving the market over the past couple of years are set to report quarterly results next week: Google parent Alphabet, Microsoft, Facebook owner Meta Platforms, Apple and Amazon.

Because of their massive market values, those companies jointly account for 23% of the weight of the S&P 500, meaning market reaction to their results could sway broader indexes in coming days.

The Magnificent Seven stocks trade an average forward P/E ratio of 35 times, as the companies overall have posted much stronger profit growth than the rest of the S&P 500. But that gap is expected to close in coming quarters.

"I see a handful of companies that deservedly have very high multiples but if that reason for being deserved falters then there's a lot of room below for those stocks to fall," said Bryant VanCronkhite, senior portfolio manager at Allspring Global Investments.

Investors will be looking across these megacap companies to see if their increased spending on artificial intelligence capabilities is starting to show benefits.

AI "hyperscalers" — Microsoft, Amazon, Alphabet and Meta — are set to increase capital expenditures by 40% this year, while such capex spending for the rest of S&P 500 companies are on pace to fall 1% in 2024, according to BofA Global Research.

Tesla, the first of the Magnificent Seven to report results, saw its shares surge on Thursday after CEO Elon Musk said he expects vehicle sales to grow 20% to 30% next year.

Next week is the busiest week of the third-quarter reporting season overall, with well over 150 S&P 500 companies set to post results.

The US jobs report on Nov 1 comes as investors are weighing whether a stronger-than-expected economy could lead to fewer interest rate cuts by the Federal Reserve than initially anticipated.

Economists expect the employment report to show that the economy created 140,000 jobs in October, according to Reuters data. The report could be "messy" in the wake of two significant storms, but the wages data will be important to watch, said Nanette Abuhoff Jacobson, global investment strategist at Hartford Funds.

"If we saw an uptick in wages, that would be concerning," Jacobson said. "The bond market is already getting a whiff of possibly stronger growth than expected, possibly inflation rearing its ugly head again, and the possibility of the Fed not being able to ease as much as what's priced in."

Benchmark Treasury yields climbed to three-month highs this week, reflecting expectations of a potentially less dovish Fed as well as possibly increased spending under the next president. Bets on Donald Trump prevailing have risen on prediction markets in recent weeks, with the Republican seen as backing policies including tariffs that could lead to higher inflation.


Traders work on the floor of the New York Stock Exchange. The rally in US stocks is wobbling as it confronts a stretch of potentially market-shaking events, starting next week with corporate results from tech titans and the closely watched employment report, while the US election is also nearing.

US leveraged loan sales hit record $986bn in repricing run

Bloomberg
New York

Companies have issued a record $986bn of debt in the US leveraged loan market this year, mostly to cut interest expense on existing debt.

That figure surpassed 2017 as the busiest year for new issuance, according to Bloomberg-compiled data going back to 2013. Most of this year's volume has come from companies refinancing current obligations or locking in lower margins through repricing.

The type of deals getting done underscores a painful market dynamic for investors: too much leveraged loan demand and not enough supply of new debt for uses like buyout financing.

Issuers are able to slash margins anywhere from a quarter to three-fourths of a percentage point as lenders are more willing to take the cut given a dearth of opportunities to fund acquisitions. Those that don't agree to such deals risk getting rolled out as others keen to put their money to work join in.

For such investors, it can be difficult to replace a repriced loan in their portfolio with one that offers a decent yield and sufficient credit quality.

"There's an element of frustration of like 'didn't this just get repriced?,'" said Grant Nachman, founder and chief investment officer of Shorecliff Asset Management. "If issuers take it too tight, you have to work that much harder to find something to replace it with. There's really no substitute for hard work."

Borrowers, on the other hand, are taking advantage of healthy secondary trading levels — which have recovered to 97 cents on the dollar — to get better terms on their loans.

Software company UKG Inc on Thursday repriced a $6.3bn loan, the largest such transaction of the year.

Market-making firm Citadel Securities just finalised a $4bn repricing. Fertitta Entertainment, the holding company for businesses of American billionaire Tilman Fertitta, has started syndicating a $3.6bn deal.

Demand has been boosted by a surge in creations of collateralised loan obligations, the biggest buyers of leveraged loans. Issuance of CLOs, which repackage loans into bonds, is up 69% on a year-over-year basis.

Despite the strong new issuance volume, the focus on refinancings and repricings has left the size of the US leveraged loan market unchanged at around $1.4tn, according to the Morningstar LSTA US Leveraged Loan Index.

This year, "new money" transactions like buyout financing — which boost the size of the leveraged loan market — have only made up about 10% of total volume.

That's changing. In September, almost 20% of issuance volume came from acquisition-related transactions.

The momentum has continued this month. Currently in syndication is a $3.3bn leveraged loan package to help support the buyout of R1 RCM Inc, which helps hospitals with billing and payment functions.

More could be on the way in 2025 as the Federal Reserve is expected to continue lowering interest rates, potentially spurring acquisition activity.

"We don't have a ton of conviction about a big spike in leveraged buyout supply in the rest of this year, particularly with the election coming up," said Corry Short, a credit strategist at Barclays Plc. "But could we see it pick up in 2025? Sure."

Whiplash week for US bonds suggests more volatility on horizon

Bloomberg
Washington

Treasuries traders wrapped up a tumultuous week in which a gauge of bond-market volatility soared to a new high for the year, suggesting more upheaval to come.

In a furious five days of trading, yields first jumped, sending the 10-year yield above 4.2% for the first time since July. The moves came despite few new catalysts, as investors continued to reassess their outlook for interest-rate cuts from the Federal Reserve and for the US election.

The severity of this week's back and forth suggests even greater volatility in coming days, when the US bond market must weather a myriad of events — from key jobs data, to the US election, to a meeting by the Fed. The ICE BofA Move Index, which tracks expected swings in Treasuries in the coming month, climbed to the highest level this year on Tuesday.

"We are in a new regime of elevated volatility; for the past decade, it's not like that," said Tracy Chen, portfolio manager at Brandywine Global Investment Management. "We are going to see more volatility as we get closer to the election."

Yields on 10-year notes rose 2 basis points to about 4.24% on Friday, extending the weekly to 15 basis points. Two-year yields touched 4.11% Friday, the highest since mid-August, as oil prices climbed.

Prior to this month, the bond market had been on its best run in 14 years. But losses in October have eroded those gains and Treasuries are now up just 1.7% this year, trailing the 4.4% return in T-bills, the equivalent of cash.

Arif Husain, chief investment officer of fixed-income at T. Rowe Price., said 10-year yields will test 5% in next six months on rising inflation expectations and concerns over US fiscal spending.

Billionaire investor Paul Tudor Jones said he's avoiding fixed-income because "all roads lead to inflation," echoing the view of Stanley Druckenmiller, who has said he shorted bonds.

Still, some technical indicators suggest this week's selloff in Treasuries was — at its peak — overdone. And 10-year yields have already risen more than 50 basis points since the Fed's half-point reduction in September, defying expectations that the start of an easing cycle would provide a tailwind to bond investors.


People walk in front of the US Treasury building in Washington, DC. Treasuries traders wrapped up a tumultuous week in which a gauge of bond-market volatility soared to a new high for the year, suggesting more upheaval to come.

Trades on Friday instead showed appetite in the options market to hedge a move lower in yields, with a large position looking for the benchmark rate to slip to roughly 4.12% by the end of Monday's session.

The selloff was driven by "a realization that risk of a recession is not that high," and the "market pricing in a risk of a Republican sweep," said Priya Misra, portfolio manager at JPMorgan Asset Management. "I do think that the move is overdone," but investors don't have a lot conviction to step in because of the election risks, she said.

Rising speculation that Republicans may control both the White House and Congress has hit appetite for longer-term bonds, on concern about a worsening fiscal and inflation outlook under Trump's tax-cut and tariff plans.

However, before investors get to the election, they'll have the chance to scrutinize a jobs report and PCE price data next week for clues on how fast and how far the Fed will bring borrowing costs down.

Interest-rate swaps show traders are expecting the Fed to lower rates by 122 basis points through September 2025, compared with 195 basis points priced in about a month ago.

The Fed starts the two-day policy meeting on November 6, one day after the election. And on the bond supply side, the Treasury will reveal its borrowing plans for the quarter on October 30.

The government will also sell a total of $183bn in two-, five- and seven-year notes next week.

World economies defy the gloom

By Fahad Badar

Delegates arrive for the annual IMF summit, as signs of growth emerge from the world's two largest economies. There will still be plenty of challenges to discuss as geopolitics continues to be turbulent

It is often a good sign for economic prospects if the news on macroeconomics is not on the front page. While conflicts and geopolitical tensions dominate the agenda, economic activity in some of the world's largest markets has revived and recessions have been averted.

The jobs growth data for September in the US surprised most commentators. Non-farm payrolls jumped 254,000, around twice the amount expected by most economists. It was too soon after the 50 basis points interest rate reduction in mid-September for this to have been the likely or only cause. Data were also revised upwards slightly for July and August, showing 72,000 more jobs created than the previous figures indicated.

The official unemployment rate fell to 4.1% from 4.2%. Ten-year US Treasury yields picked up, indicating the possibility of interest rates staying at the current level of 4.75-5.0%, rather than being cut, which had been the expectation before the announcement on employment.

The Federal Reserve chairman Jerome Powell, by signalling a series of cuts, may have announced too much, as the data may not support the moves.

In China, the Government has acted decisively to inject stimulus, after a period of sluggish growth and deflation. On 24 September, a week after the US Federal Reserve cut interest rates, the People's Bank of China cut the official rate. It also eased reserve requirements for banks and reduced the cost of mortgages. The stock market responded with a surge in valuations, with shares on the Hong Kong index rising around 20% in a six-day period in late September, early October. Given some internal challenges around indebted construction companies and local authorities, the stimulus may be only for the short- to medium-term, but it is substantial in scale.

This month delegates gather for the annual IMF summit meeting in Washington. It is likely that there will be more attention focused on politics than on economic data. The next possible interest rate cut would be in November, but the prospects for a cut have receded following the US jobs data; moreover this is the month of the US presidential election. There are sharp divides between the two candidates, Kamala Harris and Donald Trump, although many of the most significant differences are on social and cultural issues. There is less difference on economic policies, although some of the differences are substantive. Neither is advocating free trade policies. Trump has talked in terms of a general import tariff, as well as sector-specific levies. Harris favours subsidies for strategic industries and a lower level of tariffs.

The economic effect of the US election will also be felt in terms of shifting allegiances and geopolitics. Trump has openly asserted that he would be able to oversee a deal to end the Ukraine war. This would presumably mean agreeing new frontiers on what is roughly the current front line of the conflict. This would potentially displease both sides, and there would be the significant issue of monitoring and policing any peace deal. If a truce were to hold, however, there would be a chance for Ukrainians and Russians and their economies to recover.

There is even less chance of peace in the Middle East, where Israel continues its attacks against Hamas and Hezbollah. All-out war between Israel and Iran would probably help Trump's campaign. A win for Trump could signal more wins for populist, anti-immigration right-wing parties in Europe. Economic policy is a challenge for Europe, where populations are ageing and growth has been subdued.

Another consideration for the US election, considering how sharply divided political allegiances have become, concerns how close election result is, and whether the result is contested. A narrow win for Harris would mean continuity in terms of White House policy, but with potentially a backdrop of social and political unrest domestically.

Regarding emerging economies, the IMF summit will likely include discussions on bailouts and debt relief. Fewer bailouts were necessary following the rise in interest rates in 2022-23 than had been feared – just Pakistan, Bangladesh and Ghana were affected. The pressure should

ease now that rates have fallen, although the prospects of further cuts have fallen back.

A period of relative economic stability in major markets combined with geopolitical turbulence is unusual, and unlikely to last. Political instability shows little sign of easing, and ultimately there will be economic consequences.

■ *The author is a Qatari banker, with many years of experience in the banking sector in senior positions.*

Across the board buying lifts QSE 159 points; M-cap adds QR10.78bn

By Santhosh V Perumal
Business Reporter

The real estate, telecom and industrials counters witnessed higher than average demand as the 20-stock Qatar Index shot up 1.53% to 10,559.95 points yesterday

The Qatar Stock Exchange (QSE) yesterday opened the week on a stronger note with its key index gaining more than 159 points and capitalisation adding about QR11bn on an across the board buying interests.

The real estate, telecom and industrials counters witnessed higher than average demand as the 20-stock Qatar Index shot up 1.53% to 10,559.95 points, although the index touched an intraday high of 10,575 points.

The foreign funds were seen net buyers in the main market, whose year-to-date losses truncated to 2.5%.

As much as 90% of the traded constituents extended gains to investors in the main bourse, whose capitalisation added QR10.78bn or 1.76% to QR622.31bn on the back of large cap segments.

The Arab individuals were seen bullish in the main market, which saw as many as 0.16mn exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.36mn trade across 13 deals.

The Islamic index was seen outperforming the other indices in the main bourse, which trade turnover and volumes were on the increase.

The Gulf institutions turned net buyers in the main market, which saw no trading of treasury bills.

The foreign individuals were seen increasingly net buyers in the main bourse, which saw no trading of sovereign bonds. The Total Return Index rose 1.53%, the All Islamic Index by 1.8% and the All Share Index by 1.45% in the main market.

The realty sector index shot up 2.29%, telecom (2.23%), industrials (1.69%), transport (1.41%), banks and financial services (1.35%), insurance (1.28%) and consumer goods and services (0.59%).

Major gainers in the main market included Ezdan, Alijarah Holding, Qatari Investors Group, Al Khaleej Takaful, Salam International Investment, QIIB, Masraf Al Rayan, Lesha Bank, Baladna, Meeza, Qatar Investors Group, Aamal Company, Qamco, Mazaya Qatar and Ooredoo. In the junior bourse, Techno Q saw its shares appreciate in value.

Nevertheless, Qatar General Insurance and Reinsurance, Zad Holding, Al Meera and Qatar National Cement were the losers in the main bourse. In the venture market, Al Mahhar Holding saw its shares depreciate in value.

The foreign institutions turned net buyers to the tune of QR25.18mn compared with net sellers of QR49.8mn on October 24.

The foreign individual investors' net buying increased perceptibly to QR5.11mn against QR3.06mn last Thursday.

The Arab individuals were net buyers to the extent of QR3.84mn compared with net sellers of QR17.92mn the previous trading day.

The Gulf institutions turned net buyers to the tune of QR3.67mn against net profit takers of QR6.14mn on October 24.

However, the Qatari individuals' net selling expanded substantially to QR25.45mn compared to QR12.83mn last Thursday. The domestic funds turned net sellers to the tune of QR8.42mn against net buyers of QR81.64mn the previous trading day.

The Gulf retail investors were net sellers to the extent of QR3.94mn compared with net buyers of QR2.49mn on October 24.

The Arab institutions had no major net exposure against net profit takers to the extent of QR0.5mn last Thursday.

Trade volumes in the main market soared 80% to 233.09mn shares and value by 22% to QR451.29mn, while transactions were down 5% to 12,630.

In the venture market, trade volumes more than doubled to 3.81mn equities and value also more than doubled to QR8.83mn on 10% jump in deals to 120.


QICCA board member for International Relations Sheikh Dr Thani bin Ali al-Thani and QICCA secretary-general Ibrahim Shahbik attended the concluding ceremony.

QICCA concludes 'Qualification and Preparation of Arbitrators Programme'

The Qatar International Centre for Conciliation and Arbitration (QICCA) at Qatar Chamber recently concluded the 'Qualification and Preparation of Arbitrators Programme', held in co-operation with Qatar University's Centre for Continuing Education.

QICCA board member for International Relations Sheikh Dr Thani bin Ali al-Thani and QICCA secretary-general Ibrahim Shahbik attended the concluding ceremony. Sheikh Dr Thani delivered the graduation certificates to the 25 trainees who completed the fifth stage of the programme, titled 'Practical Trial'. The programme aimed to prepare and qualify Qatari personnel through a scientific and training curriculum focused on arbitration.

In a statement, Sheikh Dr Thani said since its launch in 2016, QICCA's programme has graduated many trainees in the field of arbitration who play a major role in the country's arbitration processes today. He noted that the programme equips its graduates with comprehensive knowledge of arbitration, covering procedural, practical, and legal aspects.

He also highlighted that the centre helps programme graduates refine their expertise and gain practical experience by involving them in arbitration cases, provided the parties involved do not object.

Sheikh Dr Thani emphasised the growing awareness of the importance of arbitration as a means of settling disputes arising from commercial contracts. He noted that arbitration in Qatar is experiencing significant growth due to increased economic and commercial activity.

He highlighted the programme's broad turnout, attracting numerous employees from governmental and semi-governmental entities, particularly in legal and engineering fields. The registration for the next edition will be opened soon, he added.

MCIT announces strategic partnership between DIC and 'Startup Grind' in Qatar

QNA
Doha

The Ministry of Communications and Information Technology (MCIT) represented by the Digital Incubation Center (DIC) has announced a strategic partnership with Startup Grind Qatar Chapter. This collaboration aims to foster innovation, entrepreneurship, and digital transformation within the local startup ecosystem, providing a robust platform for aspiring entrepreneurs to grow and scale their businesses.

Through this partnership, DIC and Startup Grind Qatar Chapter will collaborate to host a series of events, workshops, and mentorship programs designed to empower startups and entrepreneurs in Qatar. These initiatives will focus on key areas such as digital innovation, business development, and networking opportunities, aligning with Qatar's vision to become a leading hub for technology and entrepreneurship in the region.

Eman Ahmad al-Kuwari, Director of Digital Innovation Department at MCIT, said: "This partnership marks a significant step in strengthening the support system for startups in Qatar. By combining our resources and expertise, we aim to create a nurturing environment that encourages innovation and accelerates the growth of new businesses."

Startup Grind, a global startup community designed to educate, inspire, and connect entrepreneurs, brings a wealth of experience and an extensive network of industry leaders and investors to this partnership. "Partnering with the Digital Incubation Center is an exciting opportunity for us to further support the entrepreneurial community in Qatar," said Indica Amarsinghe, Chapter Lead of Startup Grind Qatar Chapter.

MCIT is driving sustainable growth and contributing to the country's economic diversification efforts by fostering a culture of innovation and nurturing the next generation of entrepreneurs. MCIT provides essential resources and support through its strategic initiatives and partnerships that enable aspiring startups to thrive.

UK banks facing billions more in payouts after auto loan ruling

UK banks are facing paying billions in extra compensation after a London court ruling that said lenders weren't transparent enough to customers taking out car loans, in a decision that sent bank shares tumbling, reports Bloomberg.

Citigroup Inc analysts said their previous estimate of a £9bn ($11.7bn) charge for the sector could double if the ruling against Close Brothers Group Plc and FirstRand Ltd sets a precedent for broader motor financing in Britain.

Shares in Lloyds Banking Group Plc slumped 7.4% on Friday, their biggest decline in more than two-and-a-half years, after the judgment.

The Court of Appeal judges considered whether the commission paid to brokers had been properly disclosed to people taking out auto loans.

"The consumers were very poorly served by the brokers and the lenders alike," the judges wrote in their ruling. The decision may see Lloyds alone pay out £2.5bn, Jonathan Pierce, an analysts at Jefferies International Ltd, said in a note to clients.