Wednesday, December 18, 2024
Jumada II 17, 1446 AH
GULF TIMES
BUSINESS

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QND is an opportunity to renew loyalty, unity around wise leadership, says Sheikh Khalifa

POS transactions in Qatar total QR7.9bn in November: QCB

By Pratap John
Business Editor

Point of sale (POS) transactions in Qatar totalled QR7.9bn in value in November this year compared to QR7.21bn in the same period last year, the Qatar Central Bank (QCB) said yesterday.

In November 2022, POS transactions totalled QR6.84bn.

The total number of POS transactions last month stood at 38.3mn compared to 31.6mn in November last year and 30.01mn in November 2022, QCB said in a posting on 'X'. A point of sale transaction is a payment for goods or services, usually made in a retail setting. POS transactions can be conducted in person or online and are typically completed using credit or debit cards.

The total number of POS devices in Qatar stood at 75,755 in November this year. In November 2023, the number of POS devices in Qatar totalled 69,128 and in November 2022, it was 63,821.

According to QCB, e-commerce transactions totalled QR3.38bn in November this year compared to QR3.11bn in November last year and QR2.82bn in November 2022.

The volume of e-commerce transactions totalled 7.68mn in November compared to 5.66mn in November 2023 and 5.08mn in November 2022.

QCB data indicated that debit cards issued by local banks outnumbered credit cards in the country.

The total number of active (debit) cards in Qatar in November stood at 2.42mn, followed by credit cards (754,839) and prepaid cards (759,962).

QCB introduced the National Network System for ATMs and Points of Sale (NAPS), which is the Central payment system, in 1996 to facilitate the acceptance of cards transactions (debit cards and prepaid) on ATM, POS and E-Commerce terminals throughout the GCC region and Egypt.

Additionally, the system accept cards issued by QCB, GCC and Egypt regulated banks.

According to QCB, NAPS is one of the first switches in the region to achieve full (EMV) compliance both as an acquirer and issuer.

The system was upgraded in 2023 in line with the latest global standards in cards industry.

It is a round-the-clock service, which supports card tokenisation and card-less payments.

All banks in Qatar are members of the National Network System for ATMs and Points of Sale.

The total number of POS transactions last month stood at 38.3mn compared to 31.6mn in November last year and 30.01mn in November 2022, the QCB said in a posting on 'X'

QND embodies the national pride, belonging, loyalty: Sheikh Faisal

QNA
Doha

HE the Minister of Commerce and Industry Sheikh Faisal bin Thani bin Faisal al-Thani affirmed that the National Day represents a cherished memory for Qataris since it celebrates the founding of the State of Qatar by Sheikh Jassim bin Mohammed bin Thani and represents national pride and the connection and loyalty citizens feel toward their leaders.

In a statement to Qatar News Agency (QNA), he said that this occasion is a great national event, providing an opportunity to recall Qatar's rich history and the glories of the Qatari people while celebrating the achievements laid down by the founder and strengthened by the forefathers.

HE Sheikh Faisal congratulated His Highness the Amir Sheikh Tamim bin Hamad al-Thani, His Highness the Father Amir Sheikh Hamad bin Khalifa al-Thani, His Highness the Deputy Amir Sheikh Abdullah bin Hamad al-Thani, and the Qatari people and all residents of this blessed land.

He explained that the celebration of National Day carried profound significance, reflecting citizens' commitment to recalling their glorious history and the bright present, while looking forward to a promising future, thanks to the strategic vision of the wise leadership and its emphasis on ensuring that the State of Qatar remains at the forefront on all levels.

He pointed out that celebrating this occasion represents an opportunity to reinforce the values of patriotism and national pride and raise awareness among the emerging generations about the meanings of unity, solidarity, and loyalty, which are values that represent the national struggle to build the State. It is also an occasion to inspire determination, mobilise energies, and sacrifice for the nation's advancement and development.

HE Sheikh Faisal bin Thani bin Faisal al-Thani, Minister of Commerce and Industry.

Regarding the achievements of the Ministry of Commerce and Industry, HE Sheikh Faisal said that 2024 witnessed the realisation of many distinguished achievements, within the framework of implementing the Third National Development Strategy (2024-2030), which represents a new phase of development and growth as part of Qatar National Vision 2030. The Ministry focused on enhancing economic diversification and developing priority sectors, which support sustainable growth and strengthen Qatar's position as a regional and global hub for investment and innovation, he added.

The Ministry's efforts this year included working on a range of vital projects and initiatives that would lead to an annual growth rate of 4% for the GDP of non-oil sectors until 2030. It also focused on providing an attractive investment environment that supports small and medium enterprises, encouraging public-private partnerships, strengthening intellectual property protection, contributing to achieving national self-sufficiency, and attracting foreign direct investment to Qatar to reach a total value of $100bn (cumulative) by 2030.

As part of its leading role in enhancing the national economy, the Ministry of Commerce and Industry has given significant attention to the industrial sector, developing the 2024-2030 Manufacturing Strategy, which aims to strengthen the sector's capabilities and increase its contribution to GDP, enhance the growth potential and competitiveness of the industrial sector in the country, and increase the added value in the manufacturing industry to approximately QR70.5bn by 2030, with an annual growth rate of 3.4%.

The strategy also aims to increase hydrocarbon exports to more than QR49bn, as well as boost investments to exceed QR326bn by 2030, increase the private sector's contribution to added value to about QR35.6bn, raise Qatar's ranking to be among the top 40 countries in the Competitive Industrial Performance Index and accelerate the transition to smart manufacturing, and knowledge-based industries.

Among the Ministry's notable achievements in 2024 is the offering of investment opportunities worth QR2.3bn in vital sectors such as plastics and aluminium, as part of its participation in the Government Procurement Forum, which contributed to supporting economic diversification, enhancing the competitiveness of the national economy and diversifying sources of income.

The Ministry also collaborated with the Public Works Authority (Ashghal) and the Ministry of Education and Higher Education to support the signing of the second package of the Qatar Schools Development Programme within the Public-Private Sectors Partnership. This project aims to build 14 modern schools capable for providing high-quality education to over 10,000 students by the 2025-2026 academic year.

QND represents the pride in prudent leadership's policies that helped build profound economic base: QCB governor

QNA
Doha

HE the Governor of Qatar Central Bank (QCB) Sheikh Bandar bin Mohammed bin Saoud al-Thani has underscored the importance of celebrating Qatar National Day (QND) as an occasion to renew patriotism and pride in national identity.

He delivered remarks to Qatar News Agency (QNA) on QND and highlighted that this day is an invaluable opportunity to bolster ethos of unity and solidarity among the people of Qatar across their various spectrums, adding that it is a reminder of the extraordinary milestones the country is making, starting from the founding stage by Sheikh Jassim bin Mohammed bin Thani, up to the achievements of the prudent leadership in bringing stability and prosperity to the State in various fields.

HE Sheikh Bandar availed himself of this opportunity to extend assurances of his highest consideration to His Highness the Amir Sheikh Tamim bin Hamad al-Thani on the occasion of QND. He emphasised that the prudent leadership of the State of Qatar has been making utmost efforts, in pursuit of the advancement of the State of Qatar and the pride of its people, with QND being a chance to renew allegiance to continuing the enduring development process the country is witnessing in light of His Highness the Amir's vision.

HE Sheikh Bandar bin Mohammed bin Saoud al-Thani, Governor of the Qatar Central Bank.

His Excellency stated that QND carries profound meanings for the people of Qatar as it is not solely confined to celebration, but rather epitomises the ethos of pride in national identity and entrenched traditions that reflect the State of Qatar's inveterate history. He pointed out that the people of Qatar stand united with their wise leadership and are proud of the achievements that were made at the financial and economic fields, underlining that the State of Qatar aspires to build a bright future that underscores its commitment to sustainability and innovation with an emphasis on safeguarding the inveterate Qatari identity.

HE Sheikh Bandar highlighted that QCB achieved milestones in 2024, by launching a plethora of strategies in alignment with the third National Development Strategy and the Qatar National Vision 2030, affirming the third strategy for financial sector would augment Qatar's economy and financial institutions, in addition to reinvigorating the role of financial sector to offer solutions that protect investors and help growth.

In addition, QCB launched the FinTech strategy that gives priority to innovation in financial services to keep up with technological advancements and expand the utilisation of AI, thereby shaping a more advanced future for the financial sector that is capable of converting challenges into opportunities for growth and prosperity.

HE Sheikh Bandar elucidated that the consistent growth of international reserves and foreign currency liquidity at QCB reached QR254.2bn in October 2024, recording a growth rate of 4.4% compared to October 2023. The total official reserves of the QCB also saw growth, reaching QR195.2bn in October 2024, with a growth rate of 5.7%, compared to October 2023.

He also addressed the strength, resilience, and high flexibility of the banking sector in Qatar, reflected in the capital adequacy ratio, which remains robust, reaching 19.90% at the end of September 2024, compared to 19.20% in December 2023.

Qatar's banking sector remains healthy on robust buffers and diligent QCB supervision: IMF

By Pratap John
Business Editor

Qatar's banking sector remains healthy, thanks to robust buffers, diligent QCB supervision and ample hydrocarbon liquidity, the International Monetary Fund (IMF) has said in its latest report.

An IMF team had visited Qatar for consultation with the authorities.

In the report, IMF said, "Continued vigilance is important to ensure (Qatar's) banking sector stability, including to manage banks' net foreign liabilities (although their average maturity have lengthened and external funding sources have become more diversified), address asset quality concerns in some banks, and monitor the interconnectedness between banks and the public sector.

"Moreover, formalising the financial safety net would further enhance predictability, efficiency, and confidence. Keeping the momentum in domestic financial market deepening is also important, guided by the Third Financial Sector Strategy. Qatar's excellent progress in fighting financial crimes should continue."

Following the post-World Cup growth moderation in 2023, Qatar's economy has shown signs of a gradual rebound, IMF noted.

Real GDP growth declined from 4.2% in 2022 to 1.2% in 2023, mainly due to contracting construction activities and moderating services growth after the 2022 FIFA World Cup. Tourism, on the other hand, strengthened significantly since the World Cup.

Recent high frequency indicators and labour market development point to gradual growth strengthening in 2024. The 2024-25 real GDP growth is expected to reach 2%, supported by public investment, spillovers from the ongoing LNG expansion project, and strong tourism.

The medium-term outlook is more favourable, with the average annual growth projected to be around 4.75%, benefitting from the significant LNG production expansion and NDS3 reform implementation.

Following the earlier monetary policy tightening, headline inflation is likely to ease to 1% in 2024 and gradually converge to 2%. The fiscal and current accounts are projected to remain in surpluses over the medium term. Risks to the outlook are broadly balanced.

"While some fiscal space was deployed to support the slowing economy in 2023, the fiscal stance remained consistent with the level that ensures intergenerational equity. Continued fiscal discipline is expected for 2024, and broadly prudent spending plans are envisaged under the upcoming 2025 budget. The extension of the medium-term budget to cover five years and progress in implementing programme-based budgeting are commendable," IMF noted.

Adopting a full-fledged medium-term fiscal framework, with a fiscal anchor to ensure intergenerational equity and complemented by greater transparency and risk management, will enhance fiscal sustainability and support economic transformation.

The Qatar Central Bank has broadly maintained the monetary policy in line with the US Federal Reserve, consistent with the currency peg to the dollar. Its progress in enhancing liquidity management is commendable, and continued efforts are important to further strengthen the effectiveness of the monetary operational framework.

"Achieving Qatar's vision to shift from a state-led growth model to a more knowledge-based and private sector-driven one requires enhancing human capital and economic complexity. Strong reform momentum created by NDS3 is encouraging, and the success hinges on proper prioritisation and enhanced inter-agency co-ordination in reform implementation.

China said to plan record budget deficit of 4% of GDP, keep 5% growth target

Reuters
Hong Kong

Chinese leaders agreed last week to raise the budget deficit to 4% of gross domestic product (GDP) next year, its highest on record, while maintaining an economic growth target of around 5%, two sources with knowledge of the matter said.

The new deficit plan compares with an initial target of 3% of GDP for 2024, and is in line with a "more proactive" fiscal policy outlined by leading officials after December's Politburo meeting and last week's Central Economic Work Conference (CEWC), where the targets were agreed but not officially announced.

The additional one percentage point of GDP in spending amounts to about 1.3tn yuan ($179.4bn). More stimulus will be funded through issuing off-budget special bonds, said the two sources, who requested anonymity as they were not authorised to speak to the media.

These targets are usually not announced officially until an annual parliament meeting in March. They could still change before the legislative session.

The State Council Information Office, which handles media queries on behalf of the government, and the finance ministry did not immediately respond to a Reuters request for comment.

The stronger fiscal impulse planned for next year forms part of China's preparations to counter the impact of an expected increase in US tariffs on Chinese imports as Donald Trump returns to the White House in January.

The two sources said China will maintain an unchanged GDP growth target of around 5% in 2025.

Referring to the Reuters report, Morgan Stanley said that it expects the quota for off-budget bonds to expand modestly, which, combined with an expansion in the official deficit, could lead to around 2tn yuan in augmented fiscal expansion.

"5% GDP target does not imply aggressive and balanced stimulus. We think the high growth target aims to guide expectations and boost confidence, rather than act as a binding constraint," it said.

People riding electric scooters cross a street in Beijing. The stronger fiscal impulse planned for next year forms part of China's preparations to counter the impact of an expected increase in US tariffs on Chinese imports as Donald Trump returns to the White House in January.

A state media summary of the closed-door CEWC last week said it was "necessary to maintain steady economic growth", raise the fiscal deficit ratio and issue more government debt next year, but did not mention specific numbers.

Reuters reported last month that government advisers had recommended Beijing not to lower its growth target.

The world's second-largest economy has stuttered this year due to a severe property crisis, high local government debt and weak consumer demand. Exports, one of the few bright spots, could soon face US tariffs in excess of 60% if Trump delivers on his campaign pledges.

The US president-elect's threats have rattled China's industrial complex, which sells goods worth more than $400bn annually to the US. Many manufacturers have been shifting production abroad to escape tariffs.

Exporters say the levies will further shrink profits, hurting jobs, investment and economic growth in the process. They would also exacerbate China's industrial overcapacity and deflationary pressures, analysts said. The summaries of the CEWC and the Politburo meetings also flagged that China's central bank would switch to an "appropriately loose" monetary policy stance, raising expectations of more interest rate cuts and liquidity injections.

The previous "prudent" stance that the central bank had held for the past 14 years coincided with overall debt — including that of the government, households and companies — jumping more than five times. The economy expanded roughly three times over the same period.

China is likely to rely heavily on fiscal stimulus next year, analysts say, but could also use other tools to cushion the impact of tariffs.

Reuters reported last week, citing sources, that China's top leaders and policymakers are considering allowing the yuan, to weaken next year to mitigate the impact of punitive trade measures.

The CEWC summary kept a pledge to "maintain the basic stability of the exchange rate at a reasonable and balanced level". Readouts from 2022 and 2023 also included this line.

Saudi Arabia has extracted lithium from oilfield runoffs, says vice-minister

Reuters
Riyadh

Saudi Arabia has successfully extracted lithium from brine samples from national giant Aramco's oilfields and plans to launch a commercial pilot programme for direct extraction soon, the Saudi vice-minister of mining affairs said yesterday.

Lithium Infinity, also known as Lihytech, a startup launched out of King Abdullah University for Science and Technology, will lead the extraction project with cooperation from Saudi mining company Ma'aden and Aramco, Khalid al-Mudaifer told Reuters.

"They are extracting lithium through their new technology they have developed in King Abdullah University for Science and Technology and they are in accelerated development in this regard," he said.

"They're building a commercial pilot at the oil fields. So the brines that come out of the field will feed into this commercial pilot on a continuous basis," added al-Mudaifer.

Lithium is a key component in the batteries of electric cars, laptops, and smartphones. Reuters previously revealed that Saudi Arabia and the United Arab Emirates' national oil companies planned to extract the mineral from oil runoffs.

Other oil companies, including ExxonMobil and Occidental Petroleum, plan to take advantage of emerging technologies to filter lithium from brine, as the world seeks to move away from fossil fuels.

The vice minister said that while the cost of extracting lithium from the brine runoffs from oil fields remained higher than the traditional method of extraction from salt flats, but added he expected that if lithium prices grew the project would soon be commercially viable.

Aramco, KAUST, and Ma'aden did not immediately reply to Reuters requests for comments. Ma'aden is majority owned by the kingdom's sovereign wealth fund.

Saudi Arabia, whose economy for decades has relied on oil, has spent billions on trying to turn itself into a hub for EVs as part of Saudi Crown Prince Mohammed bin Salman's attempts to find alternative sources of wealth.

Syria central bank sets rate for exchange houses at 12,500 pounds per US dollar

Reuters
Damascus

Syria's central bank has set its foreign exchange rate for financial institutions and banks at 12,500 pounds per US dollar, the first time the rate has been officially set since Bashar al-Assad's regime was toppled on December 8.

The Syrian currency had already strengthened from its rate of 15,000 to the dollar in the final days of al-Assad's rule, currency exchangers in Damascus told Reuters late last week.

The traders said the return of thousands of Syrians who had sought refuge abroad during the country's 13-year war and the open use of US dollars and the Turkish lira in markets had contributed to the rise.

Several official rates were used under al-Assad, including for foreign exchange houses, remittances from abroad and for UN agencies. There were also black market rates but using foreign currencies for everyday trade could land Syrians in jail, and many feared even uttering the word "dollar" in public.

The statement by the Central Bank of Syria on Monday laid out exchange rates for a number of foreign currencies including the Saudi riyal, Chinese yuan and Russian rouble.

Reuters reported on Monday that the country's gold reserves remained intact despite the war and recent chaos of al-Assad's ouster but that the country has only a small amount of foreign currency reserves in cash.

Conflict-hit Syria has been gripped by an economic crisis in recent years, also due to tough Western sanctions, a currency squeeze in part due to a financial meltdown in neighbouring Lebanon, and al-Assad's loss of northeastern oil-producing territories.

A severe devaluation of the Syrian pound pushed most Syrians below the poverty line with meagre public sector wages and the crushing of a number of industries.

The country's new government, picked by the rebels who seized Damascus in a lightning offensive that ended 50 years of Assad family rule, say they will raise wages and prioritise improving services.

The government has also told business leaders it will adopt a free-market model and integrate the country into the global economy in a major shift from decades of corrupt state control, Reuters reported last week.

United Development Company (UDC) Partners with Dreama in Cooperation Agreement

Within the framework of the permanent partnership and cooperation to consolidate partnership and contribution to social responsibility, United Development Company (UDC), the master developer of The Pearl and Gewan Islands, and the Orphan Care Center "Dreama" signed their cooperation framework agreement for cooperation between the two parties, as this agreement aims to enhance humanitarian and social initiatives in the country, by providing effective support to orphaned children.

The agreement includes several key points and clauses, most notably the commitment of both parties to ensure that Dreama's members participate in local and national events organized on The Pearl and Gewan Islands. This provides them with the opportunity to engage in and contribute to community activities. In addition, joint awareness events and programs will be organized to be agreed upon later, to enhance community awareness about orphans' issues and needs.

Key Areas of Cooperation

The agreement centers on the commitment of both UDC and Dreama to involve Dreama's members in events held at UDC's The Pearl and Gewan Islands by engaging them in various community activities. Both organizations seek to enhance the social experiences and confidence of orphaned children, while also fostering a sense of community and inclusion. From cultural festivals to sports events, this participation will provide Dreama's members with meaningful experiences that connect them to the broader social fabric of Qatar.

This agreement serves as a fundamental pillar to strengthen the ongoing collaboration between United Development Company and Dreama Center in supporting community initiatives, particularly in preparing the children of Dreama to enhance their professional growth and personal development through providing them with training opportunities and through their continuous engagement in community activities organized on The Pearl and Gewan Islands. This partnership contributes to achieving a shared vision focused on developing the individual capabilities of the participants, thereby enhancing their active role in the community.

Skills Development and Employment Opportunities

A key part of the cooperation is UDC's commitment to providing short-term administrative training and skill development opportunities for Dreama's members. UDC recognizes the importance of equipping Dream's children with practical skills that will help them succeed in the future in Qatar's growing job market.

These training programs, available on a rolling basis, will focus on equipping participants with essential workplace skills such as communication, organization, and basic administrative knowledge. By preparing these children for the professional world, UDC aims to help them build stable and prosperous futures, contributing positively to Qatar's workforce and economy.

UDC's Vision for Social Responsibility

The agreement with Dreama Center is a significant step forward in UDC's corporate social responsibility strategy, reinforcing the company's commitment to supporting all groups within Qatar's society. As the master developer of The Pearl and Gewan Islands, UDC is deeply invested in not only building world-class communities but also in ensuring that these communities are inclusive, sustainable, and socially responsible.

Drema Orphan Care Center in Qatar is a specialized institution dedicated to providing comprehensive care for orphans and fostering their family stability through innovative programs and initiatives that facilitate their integration into society. The center offers social, psychological, and educational support to its children, focusing on developing their skills and abilities for a promising future.

BUSINESS

Qatar Airways Privilege Club and Marriott Bonvoy, global travel programme by Marriott International, are enhancing their partnership to provide the airline's Privilege Club members with new benefits to unlock more travel experiences across the globe.

Qatar Airways Privilege Club, Marriott Bonvoy partnership brings new benefits to members

Qatar Airways Privilege Club and Marriott Bonvoy, global travel programme by Marriott International, are enhancing their partnership to provide the airline's Privilege Club members with new benefits to unlock more travel experiences across the globe.

Privilege Club members with a Marriott Bonvoy account can now convert their Avios into Marriott Bonvoy points.

This enhancement is the first-of-its-kind for airline loyalty programmes in the Europe, Middle East and Africa region, providing members with a new way to use their Avios across Marriott Bonvoy's portfolio of more than 30 brands and 10,000 global destinations.

Qatar Airways Privilege Club members can now convert their Avios to Marriott Bonvoy points at a two-to-one ratio.

To do this, members simply need to log into their Qatar Airways Privilege Club account through the Qatar Airways app or website, visit the Marriott Bonvoy partner page, and select the number of Avios they wish to convert. A minimum of 1,000 Avios is required in their Privilege Club account to complete a transaction.

This added advantage to the partnership provides members with more choice for spending their Avios. Privilege Club members are now able to book complimentary nights across renowned brands such as W Hotels, JW Marriott, Autograph Collection, Westin, and Moxy Hotels.

Qatar Airways Senior Vice-President Loyalty, Thomas Vadakedath said, "Qatar Airways Privilege Club is pleased to expand its long-standing partnership with Marriott Bonvoy. With the latest enhancement, we are excited to offer Privilege Club members a new way to spend their Avios, and access rewards of their choice with Marriott Bonvoy."

Marriott International Vice-President Loyalty & Partnerships, Europe, Middle East & Africa, Jitendra Jain said, "We are excited to expand our collaboration with Qatar Airways to further elevate travel experiences of our most loyal customers.

The addition of this benefit reflects our commitment to curate and deliver enhanced benefits and extraordinary travel experiences for our members across our global network."

Ahlibank celebrates Qatar National Day

Attendees enjoyed the vibrant atmosphere and came together to express their pride in the country's accomplishments under the wise leadership of His Highness the Amir Sheikh Tamim bin Hamad al-Thani.

Ahlibank proudly celebrated Qatar National Day at its head office in Al Sadd, bringing together employees, customers, and stakeholders to honour the rich heritage, unity, and progress of Qatar.

The event reflected the bank's deep commitment to the nation and its vision for a prosperous and sustainable future.

The celebration featured a series of cultural activities, traditional performances, and interactive sessions designed to highlight some of Qatar's values and achievements.

Attendees enjoyed the vibrant atmosphere and came together to express their pride in the country's accomplishments under the wise leadership of His Highness the Amir Sheikh Tamim bin Hamad al-Thani.

Ahlibank CEO Hassan AlEfrangi stated: "Qatar National Day is a time for us to celebrate our nation's unity and successes, as well as our shared vision for a bright future. At Ahlibank, we take immense pride in contributing to Qatar's development by providing innovative banking solutions for the financial and economic sector and empowering our people and businesses.

"Today, we reaffirm our unwavering commitment to serving this great nation and supporting its aspirations under the leadership of His Highness the Amir Sheikh Tamim bin Hamad al-Thani. We are honoured to be part of Qatar's remarkable journey and remain dedicated to building a sustainable and inclusive future for generations to come."

The event also served as an opportunity to strengthen Ahlibank's connection with the community while reflecting the bank's mission to foster growth and innovation in alignment with Qatar National Vision 2030.

Ahlibank extends its heartfelt congratulations to all citizens and residents of Qatar on this occasion and looks forward to continuing its role in contributing to further accomplishments.

Fed rate view in focus as robust US stocks year draws to close

Reuters
New York

A banner year for US stocks gets one of its last big tests with this week's Federal Reserve meeting, as investors await the central bank's guidance on interest rate cuts.

The Nasdaq Composite index breached 20,000 for the first time ever in the past week, another milestone for equities in a year during which the tech-heavy index has gained 32% while the S&P 500 has risen about 27%.

Expectations that the Fed will cut interest rates have supported those gains. But while the central bank is expected to lower borrowing costs by another 25 basis points next week, investors have moderated their bets on how aggressively policymakers will move next year due to robust economic growth and sticky inflation.

Bond yields, which move inversely to Treasury prices, have risen in recent sessions as a result, taking the benchmark US 10-year yield to a three-week high of 4.38% on Friday. While stocks have pushed higher despite the rise in yields, the 10-year is approaching the 4.5% level some investors have flagged as a potential trip-wire for broader market turbulence.

"Anything that results in an expectation that maybe the Fed moves even more slowly from here than investors were expecting could create a little bit of downside for stocks," said Jim Baird, chief investment officer with Plante Moran Financial Advisors.

The trajectory of monetary policy is closely monitored by investors, as the level of rates dictates borrowing costs and is a key input in determining stock valuations. Interest rate expectations also sway bond yields, which can dim the allure of equities when they rise because Treasuries are backed by the US government and seen as virtually risk-free if held to term.

Fed fund futures indicated a 96% chance the Fed will cut by 25 basis points when it gives its policy decision on Wednesday, according to CME FedWatch data.

But the path for rates next year is less certain. Fed fund futures are implying the rate will be at 3.8% by December of next year, down from the current level of 4.5%-4.75%, according to LSEG data. That is about 100 basis points higher than what was priced in September.

The Fed's summary of economic projections released at the meeting will provide one indication of where policymakers see rates heading. Officials pencilled in a median rate of 3.4% for the end of next year when the summary was last released in September. One sign of potential support for a slower pace of cuts came from Fed Chair Jerome Powell, who this month said the economy is stronger now than the central bank had expected in September.

Another factor that could make Fed officials more cautious about future cuts is the presidential election of Donald Trump, whose pro-growth economic policies and favouring of tariffs are causing concerns about stronger inflation next year.

Analysts at BNP Paribas said they expect a "hawkish cut", with the central bank likely to "open the door for a pause in further cuts of undefined length".

Carol Schleif, chief market strategist at BMO Private Wealth, said markets "will be trying to read into how worried is the Fed about inflation."

Qatar poised to strengthen role as global hub for dialogue

Qatar continues to consolidate itself as a key location for fostering global dialogues, global media group The Business Year (TBY) has stated.
Following the recently held 22nd edition of the Doha Forum, a space where key policymakers unite to discuss how to overcome critical challenges that the world faces, Doha will once again take the spotlight as a hub for regional collaboration on January 15, 2025.
TBY, which has been providing investors, businesses, and governments with first-hand insights into the world's most dynamic markets for over 15 years, will host, in partnership with Msheireb Properties, the 'Qatar Investment and Innovation Conference: Investing in the Future'.
Staying true to the country's identity of creating dialogues that transcend borders, the event, set to be held at Barahat Msheireb, will bring together key decision-makers and industry leaders from across the GCC to discuss the critical topics shaping the region's economic and investment landscape.
By leveraging its expertise in providing quality insights, TBY will host two panels to delve into the potential of the GCC as a world-class region for business. The first

panel, 'The Future of Free Zones – Innovation and Opportunities', will feature Khaled Ahmed, CEO and board member of MMS for Meydan Free Zone in Dubai; Jigar Sagar, board member of MMS for Meydan Free Zone; Hamed Ahli, head of Free Zones; and Hussain al-Mahmoudi, CEO of Sharjah Research Technology & Innovation Park.
The second panel, 'The GCC Moving Forward – Innovative and Sustainable Initiatives', will be moderated by Alex Krunic, senior adviser to the chairman of Commercial Bank of Kuwait, who will oversee discussions with Fahad al-Sharekh, vice-chairman of Kamco Invest Saudi; Sami Zaitoon, managing partner of Moore Qatar; and Irene Vidal, CEO of FMM.
As key stakeholders from GCC free zones convene, conference attendees will gain valuable insights into the opportunities unlocked by cross-border knowledge sharing and explore strategies for the region to unite in realising its potential as a global investment hub.
The Qatar Investment and Innovation Conference will also serve as an introduction to The Business Year's upcoming 10th annual report, The Business Year: Qatar 2025. This special edition will offer an in-depth look at the country's economic progress and opportunities, with a focus on its Third National Development Strategy. The conference aims to provide attendees with valuable insights into the direction of investment and innovation in Qatar and the wider region.

National Day celebration is an opportunity to renew loyalty, belonging and unity around the wise leadership: Sheikh Khalifa

QNA
Doha

Chairman of Qatar Chamber, Sheikh Khalifa bin Jassim bin Mohammed al-Thani praised the Qatar National Day celebrations, commemorating the founding day by Sheikh Jassim bin Mohammed bin Thani on that historic day in 1878. This occasion is a cherished national event for everyone, both citizens and residents.

Sheikh Khalifa said in special statements to Qatar News Agency (QNA) that this day reminds us of Qatar's rich history, during which we recall the significant achievements made at all levels.

He noted that it is also an annually renewed opportunity to express loyalty and pride, reaffirm unity around the wise leadership and renew the commitment to continue working and exerting efforts for the advancement and prosperity of Qatar.

The rulers of Qatar, over the years, have successfully upheld the approach of the late founder Sheikh Jassim bin Mohammed bin Thani in strengthening the states position and preserving its unity.

This was achieved by establishing principles of justice and transparency and utilising all resources to achieve further progress, prosperity and development for the noble Qatari people. Qatar has secured a distinguished position among nations, enjoying immense potential and leading economic growth, he added.

Sheikh Khalifa continued, saying, "I am pleased, on my own behalf and on behalf of the members of the Qatar Chamber's Board of Directors and its staff, to extend my heartfelt congratulations and best wishes, coupled with profound loyalty and dedication, to the leader of the nation's march, His Highness the Amir Sheikh Tamim bin Hamad al-Thani, His Highness the Father Amir Sheikh Hamad bin Khalifa al-Thani, His Highness the Deputy Amir Sheikh Abdullah bin Hamad al-Thani, to the wise government of Qatar and to the noble Qatari people on the occasion of National Day. I pray that God continues to bless Qatar with growth, development, and security."

Qatar Chamber chairman affirmed that during 2024, the Chamber continued its role in enhancing the business environment in the country, representing and supporting the interests of Qatar's private sector, and promoting the investment climate and opportunities in the state.

It also worked to enhance Qatar's investment appeal and consolidate its position as a leading global hub for business, investment, and trade. He highlighted that 2024 was a year filled with significant activities, achievements, and initiatives in the Chamber, in line with the state's efforts to achieve comprehensive and sustainable development under Qatar National Vision

2030, particularly following the launch of the Third National Development Strategy 2024-2030, which focuses on sustainable economic growth.

He further noted that, in alignment with the wise governments policies to facilitate business operations and encourage investment, the Chamber reduced its service fees in accordance with Cabinet Decision No 19 of 2024, amending some of the fees for services provided by the Qatar Chamber of Commerce and Industry. This move aimed to alleviate some financial burdens on Qatari companies.

He mentioned that during this year, the Chamber organised and participated in over 270 events, hosted around 75 foreign trade delegations to discuss ways to enhance mutual investments and co-operation between Qatar's private sector and its counterparts in these countries. It also took part in over 40 international events, organised or participated in over 26 forums and conferences, and signed Memoranda of Understanding with 15 entities and counterpart chambers of commerce.

Regarding the Chamber's goals under its sectoral strategy, Sheikh Khalifa said that the Chamber is focused on empowering the private sector to play its full role in the comprehensive development journey.

It also aims to promote the investment climate and available opportunities regionally and internationally, aligning with the country's strategy, especially the Third National Development Strategy, which emphasises achieving sustainable economic growth within the framework of Qatar National Vision 2030.

Qatar Chamber holds training programmes on ESG sustainability reports and AI

Qatar Chamber, in co-operation with the Regional Network Consultancy (RNC), recently held a virtual training programme to help companies and institutions prepare sustainability reports.
The programme saw participation from many trainees representing various countries, including KSA, Yemen, Jordan, Qatar, and others.
The two-day training, titled 'Sustainability Reporting Specialist According to Professional Reference', covered several topics, including environmental, social, and governance (ESG) practices; the objectives and levels of ESG standards; and the methodology for implementing ESG standards.
It also addressed the ESG decision-making process, the design of the sustainability report according to the standards of the Global Reporting Initiative (GRI), the report's content and stages, and the application of sustainability reports according to ESG standards.
Meanwhile, the chamber, in co-operation with Rowed Advisory and Business Development, organised a two-day training course on ChatGPT and Copilot and their roles in achieving job objectives, with the participation of 28 trainees.


The programme saw participation from many trainees representing various countries, including KSA, Yemen, Jordan, Qatar, and others.

US retail sales beat expectations

Reuters
Washington

US retail sales increased in November amid an acceleration in motor vehicle purchases, consistent with strong underlying momentum in the economy as the year winds down.

Retail sales jumped 0.7% last month after an upwardly revised 0.5% gain in October, the Commerce Department's Census Bureau said yesterday.

Economists polled by Reuters had forecast retail sales, which are mostly goods and are not adjusted for inflation, advancing 0.5% after a previously reported 0.4% rise in October.

Estimates ranged from a 0.1% dip to a 1.0% jump. Labour market resilience, characterised by historically low layoffs and strong wage growth, is underpinning consumer spending and keeping the economic expansion on track.

Strong household balance sheets, reflecting record stock market prices and high home prices, are also driving spending. Household savings remain supportive.

The solid increase in retail sales came despite a late Thanksgiving holiday that pushed Cyber Monday into December, and was consistent with a strong start to the holiday shopping season.

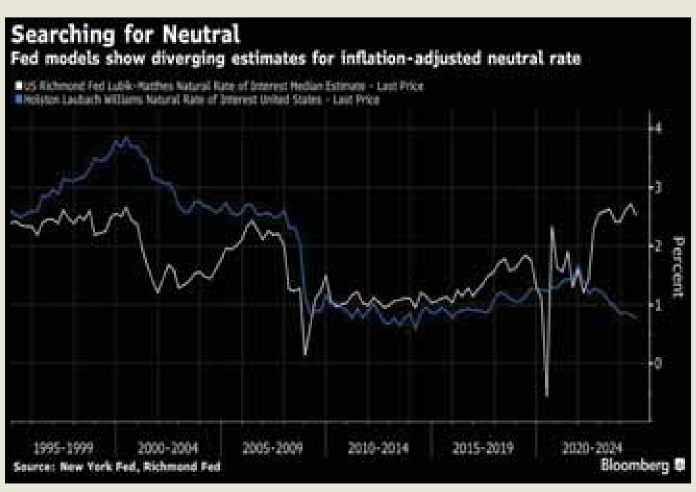
It was also in spite of a less favourable seasonal factor, the model that the government uses to strip seasonal fluctuations from the data.

Federal Reserve officials were expected to cut interest rates by 25 basis points today, the third reduction in borrowing costs since the US central bank embarked on its easing cycle in September.

Bond traders make risky bets on neutral rate 'no one knows'

Bloomberg
New York

On Wall Street's bond desks, everyone, it seems, has an opinion on the neutral rate. It's 3.3%. No, it's 4.5%. Actually, it's 2.4%. And on and on, all day long, five days a week.
The truth is, as the bond veteran Greg Peters puts it, "no one knows what neutral is."
Of course, they know what it is. That's fairly straightforward: The level of benchmark interest rates that neither boosts nor slows the US economy. They just can't quite figure out, though, how to calculate it with any precision in an economy that's still adjusting to all the shocks it got on both the supply and demand side during the pandemic.
Which is why those estimates on Wall Street — and inside the halls of the Federal Reserve itself — are all over the place. And it means, in turn, that investors have wildly different takes on whether the Fed's three-month-old easing cycle — designed to bring the benchmark rate back down to neutral as inflation cools — is just beginning or getting close to the end.
All of this has made bond-yield swings violent of late, especially in the wake of data releases suggesting a surprisingly resilient or weak economy. "Absolutely schizophrenic," says Peters, who helps manage more than $800bn as co-CIO at PGIM Fixed Income. "It's really, really volatile." On days, for instance, when the monthly jobs report is released, the move, up or down, in two-year Treasury yields is now six times greater on average than it was prior to 2022.
In other words, the stakes are raised in the bond market. Get the neutral-rate call wrong and you can lose a lot of money, an unnerving prospect for a group still trying to recoup the losses they racked up during a brutal



three-year selloff that ran through last fall.
A bet, for instance, on a sub-3% neutral rate is a bet the Fed will cut the benchmark rate a couple more percentage points, making bonds yielding just above 4% today a buy. But if it turns out the Fed is actually almost done with cuts, then those bond positions amassed around current yields are vulnerable to fresh losses.
Peters' solution is to play it safe. He's part of a group on Wall Street comfortable acknowledging he doesn't know where neutral is beyond the broadest of ranges — "I don't understand the obsession with a made-up number" — and so his plan is to sell Treasuries when 10-year yields drop to 3.5% and buy them when yields climb to 4.5%.
For years, the neutral rate was widely considered to be pretty low. There were disagreements about the exact level, of course, but a broad consensus formed during the long, sluggish expansion that followed the 2008 financial crisis that it hovered somewhere around 2.5%.
Covid scrambled that. The inflation surge that followed the pandemic was not, as Fed policymakers had insisted, transitory. Nor was the boost to the economy that came with it. So much fiscal and monetary stimulus had been pumped into the financial system that both inflation and growth remain high today — even after the Fed rapidly raised rates in 2022 and 2023.
Throw in other inflationary forces that are emerging — like the swollen US budget deficits and the gradual push to erect trade barriers across the globe — and it's clear to most everyone (save a few notable exceptions) that the neutral rate has risen. It's just the magnitude that's so hotly debated, including at Fed meetings.
Policy makers' estimates of the long-run interest rate — broadly seen as a proxy for the neutral rate — are as low as 2.375% and as high as 3.75%.
That's the widest range since the Fed began publishing the figures over a decade ago. Officials will update their estimates when they huddle next week for a policy meeting in which they're widely expected to to cut the benchmark rate another quarter point to a range of 4.25% to 4.5%.
Outside the Fed, the range is even wider. Lorie Logan, the president of the Dallas Fed, has tabulated the estimates ginned up all across economic circles.