



الإمارات للمزادات  
EMIRATES AUCTION

DOWNLOAD OUR APP

**EMIRATES AUCTION**  
& START BIDDING

**BID NOW**

www.EmiratesAuction.com





الإمارات  
THE EMIRATES

**FOREX (AED)**

SAR	0.9850	USD	3.6800
EURO	3.9053	YEN	0.0273
GBP	4.5271	CAD	2.7316

**EXCHANGE RATE**

Sri Lankan Rs	99.40
Indian Rs	22.26
Philippine Peso	15.01
Pakistani Rs	60.99
Bangladesh Taka	27.58

**ENERGY**

Brent Crude	\$77.07/bbl
WTI Crude	\$72.48/bbl
Natural Gas	\$6.32/MMBtu

**PRECIOUS METALS**

Gold	\$1,809.70/t oz
Gold-Dubai	AED217.00/gm
Silver	\$23.62/t oz

**TEN TOLA GOLD BULLION**



BUY FOR  
**(AED) 25,310.88**



الإمارات للمزادات  
EMIRATES AUCTION

DOWNLOAD OUR APP

**EMIRATES AUCTION**  
& START BIDDING

**BID NOW**

www.EmiratesAuction.com



Saturday  
Sunday



Price UAE: AED 2

# THE GULF TIME

## SHEIKH THEYAB OPENS MOTHER OF THE NATION FESTIVAL



His Highness Sheikh Theyab bin Mohamed bin Zayed Al Nahyan, Member of the Executive Council, during the opening of the 6th Mother of the Nation Festival at Abu Dhabi Corniche on Friday. The annual celebration is underway until December 18. It features art installations, international and local music performances, interactive workshops and family-friendly activities that help to strengthen community bonds across the emirate

—WAM

## UAE stresses importance of cultural coordination among Arab countries

The Under-Secretary of MCY praised the efforts of cultural authorities in region to build a unified Arab cultural entity

RIYADH / WAM

Mubarak Al Nakhi, Under-Secretary of the Ministry of Culture and Youth (MCY), participated in the 23rd session of the Conference of Arab Culture Ministers, which was held in the Saudi capital, Riyadh, under the patronage of His Highness Prince Badr bin Abdullah bin Farhan, Saudi Arabia's Minister of Culture and Chairman of the National Committee for Education, Culture and Science in the Kingdom.

During the opening ceremony, Al Nakhi handed over the presidency of the conference to His Highness Prince Badr, as the previous edition of the conference was hosted by the UAE



“The UAE firmly believes in the importance of enriching Arab culture and preserving national and civilisational identity of our homeland

**Mubarak Al Nakhi,**  
Under-Secretary of the Ministry of Culture and Youth

last year at the Dubai International Exhibition Centre on the sidelines of Expo 2020 Dubai.

Addressing the conference, Al Nakhi stressed the importance of cultural coordination between Arab countries, and praised the efforts of cultural authorities in the region to build a unified Arab cultural entity. This entity would contribute to strengthening dia-

logue, coexistence, peace and brotherhood, he said, adding that would enable Arab societies and cultural institutions to keep in step with the accelerated global transformations, and work towards a sustainable future by building knowledge-based economies.

**SAUDI ARAMCO seeks to expand its liquids to chemicals capacity to up to 4 million barrels per day by 2030**

## Aramco, Shandong Energy partner on downstream projects in China

The scope of the agreement between the two sides extend to cooperation across technologies related to hydrogen, renewables and carbon capture and storage

DHAHRAN / WAM

The Saudi Arabian Oil Company (Aramco) and Shandong Energy group, are exploring collaboration on integrated refining and petrochemical opportunities in China.

The companies have signed a memorandum of understanding (MoU) which includes a potential crude oil supply agreement and chemicals products offtake agreement, supporting Aramco's role in building a thriving downstream sector in Shandong Province.

“Both Shandong Energy and Aramco share a lot of common interests, complementary strategies with expansive scope for cooperation, especially in oil and gas resources development and integrated refining and petrochemicals development along the whole industrial chain

**Li Wei,** Chairman of Shandong Energy group



Under the agreement, Aramco and Shandong Energy group will explore collaboration on integrated refining and petrochemical opportunities in China

- The agreement between Aramco and Shandong Energy group include a potential crude oil supply pact and chemicals products offtake deal
- The pact with Shandong Energy group strengthens Aramco's efforts to support demand for energy, petrochemicals and non-metallics in China

The signing ceremony, which was conducted with the participation of Shandong Provincial People's Government, underlined the importance of Aramco's collaboration with Chinese companies. The scope of the MoU extends to cooperation across technologies related

to hydrogen, renewables and carbon capture and storage.

Mohammed Y. Al Qahtani, Aramco Senior Vice President of Downstream, said: “Through collaborations such as this in China's energy heartland, we are creating new pathways for growth in a country that is driv-

“Through collaborations such as this one in China's energy heartland, we are creating new pathways for growth in a country that is driving the increased integration of refining and petrochemical processes

**Mohammed Y Al Qahtani,**  
Aramco Senior Vice President of Downstream

ing the increased integration of refining and petrochemical processes. I am delighted that this spirit of cooperation is being extended across hydrogen, renewables and carbon capture and excited by the potential for further cooperation in these key areas which will shape our collective future.”

The announcement strengthens Aramco's efforts to support demand for energy, petrochemicals and non-metallics in China as the firm seeks to expand its liquids to chemicals capacity to up to 4 million barrels per day by 2030.

■ For full story, read [www.gulftime.ae](http://www.gulftime.ae)

## UAE President appoints Faras Al Ramahi as GPSSA Director-General

ABU DHABI / WAM

President His Highness Sheikh Mohamed bin Zayed Al Nahyan has issued a federal decree appointing Faras Al Ramahi as Director-General of the General Pension and Social Security

Authority (GPSSA).

During his career that spans over more than 26 years, Al Ramahi held a number of positions in the financial field, and has experience in asset management, corporate finance and investment banking services.

## Dubai records AED9.1b in weeklong realty deals

DUBAI / WAM

A total of 3,186 real estate transactions worth over AED 9.1 billion were conducted during the week ending December 9, according to figures released by the Dubai Land Department (DLD).

The DLD report revealed that 419 plots were sold for AED2.24 billion, while 2,233 apartments and villas were purchased for AED4.64 billion.

The top three transactions were a land in Marsa Dubai sold for AED 265.69 million, followed by a land that was sold for AED 64.16 million in World Islands, and a land sold for AED 38 million in Palm Deira.

Al Hebiah Fifth recorded the most transactions for this week with 200 sales transactions worth AED 621.52 million, followed by Jabal Ali First with 79 transactions worth AED 255.32 million, and Al Yufrah 2 with 25 transactions worth AED 32 million.

The top three transfers for



As many as 419 plots were sold in Dubai for AED2.24bn, while 2,233 apartments and villas were purchased for AED4.64bn during the week on December 9

apartments and villas were an AED 54 million apartment, an AED 50 million apartment and an AED 37 million apartment all located in Jumeirah Second.

The value of mortgaged properties for the week landed at AED 1.75 billion, with the highest being a land in MeAisem First, mortgaged for AED 360 million.

## Etihad Airways to reintroduce its A380 fleet

ABU DHABI / WAM

Etihad Airways has announced that it is reintroducing four of its A380s in the summer of 2023, following a surge in demand for air travel across the airline's network and customer feedback.

Mohammed Ali Al Shorafa, Chairman of Etihad Aviation Group, said, “It is wonderful to announce the return of this splendid aircraft. The A380's reintroduction further boosts Etihad's capacity into the key United Kingdom market, with a knock-on effect for the wider Gulf Cooperation Council and the Indian subcontinent that will bring more visitors to the city of Abu Dhabi.”

Antonoaldo Neves, CEO of Etihad Airways, said, “We know this will be welcomed by our guests who love Etihad's incredible A380 and its award-winning cabins.”

## UAE issues federal decree law on 9% corporate tax

DUBAI / WAM

The UAE issued Federal Decree-Law No. 47 of 2022 on Taxation of Corporations and Businesses (the 'corporate tax law'). Businesses will become subject to UAE corporate tax (corporate tax) from the beginning of their first financial year that starts on or after June 1, 2023.

The UAE's Corporate Tax regime will levy a standard rate of 9 percent for taxable profits exceeding AED375,000. Profits up to and including that threshold will be taxed at a 0 percent rate to support small businesses and start-ups.

The Ministry of Finance confirmed the Federal Decree-Law on Taxation of Corporations and Businesses is an important milestone in building an integrated tax regime that supports the strategic objectives of the



The UAE's corporate tax regime will levy a standard rate of 9% for taxable profits exceeding AED375,000

UAE and enhances its global economic competitiveness, as well as provides the national economy with sufficient flexibility to deal with and support international financial systems within the framework of the UAE's established partnerships.

■ For full story, read [www.gulftime.ae](http://www.gulftime.ae)

## MoHRE, ICP complete 4.7 million visa, employment transactions in 10 months

The digital link between the two entites completes process of formalities for residents and companies in a matter of minutes

DUBAI / WAM

The Ministry of Human Resources and Emiratization (MoHRE) and the Federal Authority for Identity, Citizenship, Customs & Port Security (ICP) announced completing 4,719,000 joint transactions in the first 10 months of 2022 as the two entities offer 35 common services – 23 for business owners and families employing domestic helpers, and 12 for private sector employers and employees.

The digital link between MoHRE and ICP aligns with the objectives of the UAE Digital Government Strategy 2021-2025 to enhance the UAE's pioneering global role across fields that adopt advanced technology in customers services.

With this digital link, MoHRE



transfers transactions to ICP to complete the process in a matter of minutes, boosting efficiency and ensuring data accuracy.

Major General Suhail Saeed Al Khaili, Director-General of ICP, said, “Following the directives of the UAE's wise leadership and in line with the UAE Centennial 2071 Plan, which aims to enhance the community's quality of life, we are working hard to accelerate the development of government services. We aim to implement a comprehensive link

MoHRE, ICP offer 35 common services — 23 for business owners and families employing domestic helpers, and 12 for private sector employers and employees

between the systems of federal entities in the UAE, automate government services, procedures, and transactions, and accelerate comprehensive digital transformation.”

From the beginning of the year 2022 until the end of October, the number of transactions completed via the digital bridge between MoHRE and UAE ICP surpassed 4.7 million. **PAGE 2**



# THE GULF TIME

CHAIRMAN OF THE BOARD  
SAEED SAIF

Tel: 02-4468000, Fax: 02-4485401

Email: editor@gulftime.ae, business@gulftime.ae,  
local@gulftime.ae  
Printed at: Al Wathba Printing Press

## UAE issues Personal Status law for non-Muslim expats

ABU DHABI / WAM

The UAE announced a Federal Decree-Law on Personal Status to all non-Muslim foreigners in the country, to be applied from February 1, 2023.

The Federal Personal Status Law comes in line with the UAE's continuous efforts to develop its legislative ecosystem and supports the country's endeavours and ambitions for the next fifty years, through strengthening the country's position as a destination for tolerance, family stability and demographic diversity.

The provisions of the Decree-Law apply to non-Muslim foreigners residing in the country unless someone adheres to the application of his country's law. Moreover, non-Muslim foreigners may agree to implement other legislation on family or personal status in force in the UAE instead of the provisions of this Decree-Law.

The Decree-Law provisions regulate the marriage conditions and the procedures of contracting and documenting the marriage before the competent courts. The Decree-Law specifies the procedures of divorce that can be initiated jointly



The Federal Personal Status Law for non-Muslim expats come in line with the UAE's continuous efforts to develop its legislative ecosystem and supports the country's endeavours and ambitions for the next fifty years

or unilaterally. It organises the procedures for settling the financial claims after divorce, and the arrangement of joint custody for the children. Moreover, the Decree-Law organises the procedures for inheritance and testaments (wills) and proofs of paternity.

## UAE, Bangladeshi discuss ways to boost cooperation

ABU DHABI / WAM

Abdullah Ali Al Hamoudi, UAE ambassador to the People's Republic of Bangladesh, met with Shahriar Alam, State Minister of Foreign Affairs of the People's Republic of Bangladesh.

During the meeting, both sides discussed strengthening and widening the horizons and areas of cooperation between the two countries, as well as a number of issues of common interest. They also talked about consolidating trade and economic cooperation, food security, renewable energy, and participation in COP28.

Al Hamoudi examined the depth of relations between the UAE and Bangladesh in all fields, stressing that there are many opportunities to enhance cooperation between the two

The UAE ambassador and Bangladeshi State Minister of Foreign Affairs talked about consolidating trade and economic cooperation, food security, renewable energy, and participation in COP28

countries in areas of common interest.

For his part, Alam praised the strong and deep-rooted bilateral relations between the two countries and the constructive cooperation at all levels, stressing keenness to strengthen collaboration in a manner that serves the common interests of the two countries and peoples.



Abdullah Ali Al Hamoudi, UAE ambassador to Bangladesh, with Shahriar Alam, State Minister of Foreign Affairs of the People's Republic of Bangladesh, during the meeting

## SHEIKH HAMDAN BIN MOHAMMED MEETS FERJAN DUBAI TEAM



His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai, Chairman of Dubai Executive Council, and Chairman of Dubai's Higher Committee for Development and Citizens Affairs, with the team behind Ferjan Dubai, a community initiative that seeks to promote engagement and bring Emiratis living in various Dubai neighbourhoods together through a virtual communications platform. HH Sheikh Hamdan lauded the team's efforts and initiatives, which are aligned with the directives of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, to enrich the quality of life in Dubai's neighbourhoods —WAM

### THE UAE Centennial 2071 Plan aims to enhance the community's quality of life

## MoHRE, ICP complete 4.7mn joint transactions in 10 months

The digital link between two entities completes process of formalities in a matter of minutes, boosting efficiency and ensuring data accuracy

DUBAI / WAM

The Ministry of Human Resources and Emiratization (MoHRE) and the Federal Authority for Identity, Citizenship, Customs & Port Security (ICP) announced completing 4,719,000 joint transactions in the first 10 months of 2022 as the two entities offer 35 common services — 23 for business owners and families employing domestic helpers, and 12 for private sector employers and employees.

The digital link between MoHRE and ICP aligns with the objectives of the UAE Digital Government Strategy 2021-2025 to enhance the UAE's pioneering global role across fields that adopt advanced technology in customers services.

With this digital link, MoHRE transfers transactions to ICP to complete the process in a matter of minutes, boosting efficiency and ensuring data accuracy.

Major General Suhail Saeed Al Khaili, Director-General of ICP, said, "Following the directives of the UAE's wise leadership and in line with the UAE Centennial 2071 Plan, which aims to enhance the community's quality of life, we are working hard to accelerate the development of government services. We aim to implement a comprehensive link between the systems of federal entities in the UAE, automate government services, procedures, and transactions, and accelerate comprehensive digital transformation."

"The goal is to simplify procedures, accelerate digital transformation, and improve customers' journey by boosting efficiency and reducing time, effort, and speed of completion. We are delighted to cooperate with all government entities in this regard, especially the Ministry of Human Resources and



The digital link between the Ministry of Human Resources and Emiratization (MoHRE) and ICP aligns with the objectives of the UAE Digital Government Strategy 2021-2025 to enhance the UAE's pioneering global role across fields that adopt advanced technology in customers services —WAM

- From the beginning of the 2022 until the end of October, the number of transactions completed via the digital bridge between MoHRE and UAE ICP surpassed 4.7 million
- The number of transactions related to private sector employers and employees, which were completed via the digital link between MoHRE and ICP exceeded 3,519,000

Emiratization," he added.

For his part, Khalil Ibrahim Al Khoori, Under-Secretary for Human Resources Affairs at MoHRE, said, "We are keen on translating the directives of the wise leadership into practice to boost the levels of customer happiness. We aim to develop services and operational frameworks in line with the government's plan for digital transformation and technological solutions that focus on the customer experience and contribute to designing an advanced government experience that meets the needs of cus-

tomers. All our efforts are directed towards offering the best government services in the world."

The number of transactions related to private sector employers and employees, which were completed via digital link between MoHRE and ICP during the same period, exceeded 3,519,000, which included checking the entry date, cancelling a labour card, golden residency transactions, temporary work permits, part-time work permits, and others.

■ For full story, read [gulftime.ae](https://gulftime.ae)

## ALC extends Al Dhafra Book Festival 2022

ABU DHABI / WAM

Following the notable turnout at the Al Dhafra Book Festival 2022, held in its new format at the Public Park in Zayed City, the Abu Dhabi Arabic Language Centre (ALC), part of the Department of Culture and Tourism - Abu Dhabi (DCT Abu Dhabi), has extended the festival for two additional

days until Sunday, December 11.

The decision is in line with the ALC's efforts to provide an opportunity for the largest number of visitors to benefit from the festival over the weekend, and explore new titles offered by participating publishers, and to enjoy the event's activities. The Centre is committed to promoting reading as a practice in the com-

munity, in addition to spreading culture and awareness, and empowering the community to play an active role in the UAE's sustainable development.

The Al Dhafra Book Festival 2022 presents a wide range of diverse literary, musical, and heritage-based activities, in a celebratory atmosphere suitable for visitors and families.

## Etihad to reintroduce four of its A380s in summer of 2023

The move comes following a surge in demand for air travel across the airline's network and customer feedback

ABU DHABI / WAM

Etihad Airways announced that it is reintroducing four of its A380s in the summer of 2023, following a surge in demand for air travel across the airline's network and customer feedback.

Mohammed Ali Al Shorafa, Chairman of Etihad Aviation Group, said, "It is wonderful to announce the return of this splendid aircraft. The A380's reintroduction further boosts Etihad's capacity into the key United Kingdom market, with a knock-on effect for the wider Gulf Cooperation Council and the Indian subcontinent that will bring more visitors to the city of Abu Dhabi."



Etihad's A380s feature The Residence and three cabin classes on the double-decker aircraft, including nine First Apartments, 70 Business Studios and 405 Economy Smart Seats. This includes 80 Economy Space seats with a seat pitch of up to 36 inches

Antonoaldo Neves, Chief Executive Officer of Etihad Airways, said, "We know this will be welcomed by our guests who love Etihad's incredible A380

and its award-winning cabins. We have decided the time is right to return some of our A380s to the fleet to satisfy the demand, which has made them

“The A380's reintroduction further boosts Etihad's capacity into the key United Kingdom market, with a knock-on effect for the wider Gulf Cooperation Council and the Indian subcontinent that will bring more visitors to the city of Abu Dhabi

Mohammed Ali Al Shorafa,  
Chairman of Etihad Aviation Group

financially viable once more. We look forward to welcoming our guests on board this remarkable aircraft again."

Etihad's A380s feature The Residence and three cabin classes on the double-decker aircraft, including nine First Apartments, 70 Business Studios and 405 Economy Smart Seats. This includes 80 Econ-

omy Space seats with a seat pitch of up to 36 inches.

The nine First Apartments, set across a single aisle, offer a private living space with a large leather lounge chair and an ottoman which opens up to become a separate 80.5" long fully-flat bed. The First Apartment is one of the most spacious in its class. It also offers a

24" swivelling LCD TV monitor and personal vanity unit. For the first time, Etihad plans to eventually offer The Residence as an optional extra for guests to further enhance their First experience. The Lobby, available to guests in First and Business class, is a serviced lounge and bar area between the two cabins, featuring leather sofas, refreshments and a large TV with a USB connection.

Etihad expects to return four of its A380s to the fleet in the summer of 2023, with plans to operate to London's Heathrow Airport, freeing up capacity for increased frequencies on existing routes and launching new destinations.



WHILE THE C919 delivery is significant, the jet faces an uphill battle to challenge European and American duopoly

# China delivers first domestic jet to take on Boeing, Airbus

The single-aisle plane was delivered to China Eastern at Pudong International Airport in Shanghai and then made a short flight to city’s Hongqiao Airport

BLOOMBERG

China Eastern Airlines Corp became the first recipient of the Chinese-made C919 passenger jet, a milestone in the country’s aviation ambitions as it bids to compete with aircraft made by Airbus SE and Boeing Co.

The single-aisle plane was delivered to China Eastern at Pudong International Airport in Shanghai and then made a short flight to the city’s Hongqiao Airport, landing at midday.

The C919, built by Commercial Aircraft Corp of China Ltd, is one of five ordered by China Eastern to be delivered through 2023. It is due to start flying commercially next spring. Comac, as the manufacturer is known, added 300 new orders in November from undisclosed buyers, on top of 815 already booked for the narrowbody, mostly from Chinese lessors.

The C919, built by Commercial Aircraft Corp of China Ltd, is one of five ordered by China Eastern to be delivered through 2023

Comac has struggled to drum up interest for the C919 overseas, not helped by 14 years of planning, testing and missed deadlines. The plane was awarded a production cer-



Comac has struggled to drum up interest for the C919 overseas, not helped by 14 years of planning, testing and missed deadlines

tificate in November, but Comac hasn’t provided details on how many it will roll out a month, an industry benchmark to gauge demand.

The C919 delivered to China Eastern has 164 seats in two cabins, including eight in business class and the rest in economy class, and 20 drop-down screens to play videos. The middle seat in each row is 1.5 centimeters (0.6 inches) wider than the neighboring ones. According to Comac’s website, the C919 is designed to carry 158 to 192 passengers.

China Eastern previously disclosed the aircraft is \$99 million at list price. Costs aren’t published for the similar-sized Airbus 320neo series and Boeing 737 Max family, but they’ve previously listed equivalent aircraft at \$111 million to \$122

■ The C919 delivered to China Eastern has 164 seats in two cabins, including eight in business class and the rest in economy class, and 20 drop-down screens to play videos

■ The middle seat in each row is 1.5 centimeters (0.6 inches) wider than the neighbouring ones. According to Comac’s website, the C919 is designed to carry 158 to 192 passengers

million. China’s four major airline groups have about 2,200 Airbus and Boeing planes between them.

While the C919 delivery is significant, the plane faces an uphill battle to challenge the European and American manufacturing duopoly. Airbus received one of its biggest orders ever from China over summer and Boeing planes are widely

used in the country, even though its 737 Max has yet to return to commercial service.

Comac’s suppliers include General Electric Co, Honeywell International Inc and CFM International Inc, a joint venture between GE and Safran SA. China Eastern had a fleet of 750 jets at the end of June, including 357 A320s and 288 Boeing 737s.

## AirAsia plans to start its new airline in Cambodia

BLOOMBERG

Capital A Bhd’s AirAsia Aviation Group plans to start a low-cost airline in Cambodia, as tycoon Tony Fernandes reorganises his network following the collapse of a joint venture in Japan and sale of an India affiliate.

The airline aims to begin operations late next year after receiving regulatory approvals, Capital A said in a statement. In a subsequent interview with *Bloomberg Television*, Fernandes said the venture will start with two aircraft and eventually expand to 15.

“It’s time for expansion and time for growth,” Fernandes said. “Cambodia is a very attractive market, population is up to 13 million, huge tourism potential, not a lot of airline capacity here, the largest airline only has four planes.”

Capital A operates budget airlines in Malaysia, Indonesia, Thailand and the Philippines. AirAsia Japan Co. filed for bankruptcy with the Tokyo District Court in 2020, while the company recently sold its stake in an Indian joint venture to partner Tata Group.

The new airline should be



AirAsia’s new airline aims to begin operations late next year after receiving regulatory approvals, Capital A said. Its CEO Tony Fernandes said in an interview the venture will start with two aircraft and eventually expand to 15

profitable “from the get-go,” Fernandes said.

AirAsia India predicted it would break even in four months when it began flying in 2014, but it never made money in a market where high fuel taxes and cut-throat competition can make even dominant players unprofitable. Now the entire aviation industry faces the added challenge of emerging from the Covid crisis, though demand is rebounding swiftly and airfares are rising.

## UK regulator delays ruling on Heathrow passenger fee

BLOOMBERG

Britain’s aviation regulator delayed a decision on fee hikes at London Heathrow airport as it evaluates how a UK recession and rising interest rates are likely to impact travel demand.

An interim charge of £31.57 (\$38) per passenger should be applied from February through

the rest of 2023 pending a final ruling on a five-year charging structure, the Civil Aviation Authority said in a filing.

The decision met with hostility from airlines at Heathrow, which already has some of the highest fees in the world. IAG, owner of British Airways, said next year’s levy will be 56% higher than in 2021.

## Airfares set for big jump again in business, economy in 2023

Asia, which was slower to lift Covid travel curbs, is set for some of the biggest changes as demand swells, Amex GBT said

BLOOMBERG

Airfares will increase around the world next year, by as much as 12% on Europe-Asia routes and 10% for North America-Asia flights, according to American Express Global Business Travel (Amex GBT).

Asia, which was slower to lift Covid travel curbs, is set for some of the biggest changes as demand swells, Amex GBT said in its Air Monitor 2023. The region’s relatively strong economic prospects could also push up prices, it said.

Drivers of fare increases globally include inflation, rising fuel costs and capacity constraints. Higher fares between Europe and Asia also reflect the impact of rerouting to avoid Russian airspace, which is off-limits to many airlines following the invasion of Ukraine. The detour can add as much as three hours to journeys, pushing up fuel consumption and costs.

Ticket prices are already elevated from before the pandemic, which wreaked havoc on travel and forced airlines to slash capacity. Major markets like the US and Europe then struggled to cope with the surge in demand when restrictions were lifted.

The 12% Asia-Europe in-



While demand is back around pre-Covid levels, airlines have cut capacity to deal with issues such as staff shortages and high fuel costs, causing ticket prices to climb

Drivers of airfare increases globally include inflation, rising fuel costs and capacity constraints. Higher fares between Europe and Asia also reflect the impact of rerouting to avoid Russian airspace, which is off-limits to many airlines following the invasion of Ukraine

crease relates to economy fares, while business-class tickets for flights between the continents are forecast to rise 7.6% on average. North America-Asia fares could jump 5.6% in business.

One of the biggest changes will be for business-class tickets within Australia, which are forecast to rise about 19%, according to the report. While demand is

back around pre-Covid levels, airlines have cut capacity to deal with issues such as staff shortages and high fuel costs, causing ticket prices to climb.

With Europe also seeing a shortfall of airline capacity versus demand, intra-regional airfares are expected to climb 6% in business and 5.5% in economy next year, Amex GBT said.

### A319 OF GERMAN ARMED FORCES AT BERLIN AIRPORT



The Airbus A319 of the German Armed Forces’ Special Air Mission Wing parked at the military section of Berlin Brandenburg Airport (BER) before the departure of Germany’s Foreign Minister Annalena Baerbock to Dublin in Schoenefeld, Brandenburg —DPA

## JetBlue moves away from carbon credits

BLOOMBERG

JetBlue Airways Corp is walking away from the purchase of carbon offsets for its domestic flights in 2023, instead opting to step up its investment in and use of sustainable aviation fuel (SAF).

The carrier disclosed the shift as part of a wider commitment to reducing lifecycle greenhouse gas emissions from jet fuel by 50% per rev-

enue ton kilometre by 2035 from 2019 levels, a reduction the carrier said is its most aggressive near-term target. JetBlue earlier pledged to reach net zero emissions by 2040, a decade ahead of a broader airline industry target.

The growing use of carbon credits is controversial, as critics argue that many of the investments don’t or can’t guarantee a reduction in emissions elsewhere.

An October report from Carbon Market Watch found that Europe’s leading airlines misled consumers with claims they can fly guilt-free by using offsets to neutralise the environmental impact of air travel, and United Airlines Holdings Inc.

Chief Executive Officer Scott Kirby has been a vocal critic of companies that rely on the programs as their sole response to climate change.

## Mike Ashley’s Frasers group defies cost-of-living crisis

The firm expects “many more” opportunities for acquisitions in the next six to 12 months, said its CEO Michael Murray

BLOOMBERG

Fraser’s group Plc’s string of acquisitions and property sales are helping bolster Mike Ashley’s shopping empire as the cost-of-living crisis weighs on most retailers’ performance.

Fraser’s, which owns Sports Direct and House of Fraser, is sticking to its goal of adjusted profit before tax at a record £450 million (\$549 million) to £500 million for this financial year. The group said it had “strong strategic and trading momentum” at a time when many consumers are pulling back on spending.

The shares fell more than 3% in early trading in London.

Acquisitions are supporting the group’s performance with

first-half revenue rising by 12.7%, but only 3.9% when takeover deals are stripped out of the numbers. The profit forecast is also being boosted by gains on property sales and foreign exchange movements, rather than profit from retail operations which fell 40% in the first half, said *Bloomberg Intelligence* analyst Charles Allen.

Founded by entrepreneur Mike Ashley, Fraser’s is now run by his son-in-law Chief Executive Officer Michael Murray who has introduced a strategy of upgrading stores. He wants to position Fraser’s to cater to both tighter budgets and bigger spenders with the Flannels brand selling luxury goods.

Murray is also following Ashley’s lead and driving a highly



Founded by entrepreneur Mike Ashley, Fraser’s is now run by his son-in-law Chief Executive Officer Michael Murray who has introduced a strategy of upgrading stores

acquisitive strategy. Fraser’s, one of the only British retailers to see its share value increase this year, has snapped up struggling

rivals including Savile Row tailor Gieves & Hawkes and online businesses Misguided and Studio Retail Group. It has in-

■ Fraser’s, which owns Sports Direct and House of Fraser, is sticking to its goal of adjusted profit before tax at a record £450 million (\$549 million) to £500 million for this financial year

■ Fraser’s group said it had “strong strategic and trading momentum” at a time when many consumers are pulling back on spending

creased its stakes in suitmaker Hugo Boss AG and fast-fashion hub Asos Plc. The company also recently bought Amara Living with a goal of developing luxury homewear for Flannels.

“It’s in the business’s DNA to be entrepreneurial and to acquire strategic acquisitions,” said Murray.

Fraser’s expects “many more” opportunities for acquisitions in the next six to 12 months and will look at those that have strategic value, Murray said. The group only considers acquisitions that “benefit our brand portfolio, our platform and operating capabilities or increase our distribution channels,” he added.



INDIA aims to nearly triple its clean-power capacity by 2030

# India unveils \$29.6b plan to upgrade grid for clean power

The project will help boost the country’s inter-regional transmission capacity from 112 gigawatts to 150 gigawatts by the end of the decade

BLOOMBERG

India unveiled a 2.44 trillion rupee (\$29.6 billion) plan to build transmission lines to connect renewable generation, as it aims to nearly triple its clean-power capacity by 2030.

The project will connect solar plants in the sun-drenched deserts of Rajasthan and Gujarat and wind farms in Tamil Nadu to the national network, the power ministry said in a statement. It will help boost India’s inter-regional transmission capacity from 112 gigawatts to 150 gigawatts by the end of the decade.

A lack of transmission lines has held back renewable electricity in India. As the nation embarks on its path to net zero by 2070, it needs to address this shortfall so that clean power can flow to urban and industrial hubs that are often far from generation sources.

India has a generation capacity of 173 gigawatts from non-fossil fuel sources and plans to almost triple it to 500 gigawatts by 2030. The transmission plan includes building transformers and high voltage lines to carry power long distances, as well as laying submarine cables to ship electricity from offshore wind projects.

The power networks sector welcomed the plan, but sounded a note of caution on how contracts will be awarded. Private transmission companies have been lobbying New Delhi to allocate all projects through competitive bids, rather than the current practice of giving some to state-run Power Grid Corp. of India Ltd. without competition.

“The plan presents a very large



A lack of transmission lines has held back renewable electricity in India

■ The project for upgrading the grid for clean power will connect solar plants in the sun-drenched deserts of Rajasthan and Gujarat and wind farms in Tamil Nadu to the national network, the power ministry said

■ India has a generation capacity of 173 gigawatts from non-fossil fuel sources and plans to almost triple it to 500 gigawatts by 2030

opportunity to the industry and is absolutely crucial to India’s renewables ambitions,” said Vijay Chhibber, director general at lobby group Electric Power Transmission Association, which represents the private network companies. “What we still need is a complete clarity on how these projects will be awarded.”

## NTPC PLANS TO BUILD MASSIVE NUCLEAR FLEET

NTPC Ltd, India’s top power producer, is planning to build a massive nuclear fleet that’ll aid the nation’s push to shift away from coal and curb emissions to

hit net-zero by 2070.

The state-run company aims to install 20 to 30 gigawatts of nuclear capacity by 2040, according to a person familiar with the plans, who requested anonymity to discuss the private proposals and said the target remains tentative. India currently has 22 operational reactors with about 6.8 gigawatts of capacity.

New Delhi-based NTPC is considering deploying small-scale modular reactors, known as SMRs, as part of the strategy. The producer has an overall power fleet of 70 gigawatts, of which more than 80% is coal-fired.

India’s transmission plan includes building transformers and high voltage lines to carry power long distances, as well as laying submarine cables to ship electricity from offshore wind projects

The company will also keep pursuing larger projects in a joint venture with state-run Nuclear Power Corp. of India Ltd. — which currently operates all of India’s atomic generation capacity — the people said. NTPC has assembled a 15-member team in Mumbai to drive its nuclear ambitions, according to one of the people.

Nuclear power is undergoing a renaissance as Asian and European countries look to decarbonise, deal with a squeeze on natural gas and other fuels following Russia’s invasion of Ukraine, and aim to bolster their energy independence. China, Japan and South Korea are all looking to build more reactors

NTPC is considering building SMRs of 100 megawatts to 300 megawatts, the people said. The state-run electricity generator is favoring the smaller reactors as they would be quicker to build and easier to adjust to the grid requirements, one of the people said. They can also be installed off-grid in remote areas that lack connectivity.

NTPC is aiming to reduce the share of fossil fuels to nearly 50% of its overall capacity by 2032, compared with about 90% now.



The volatility and disruptions sparked by the war have helped create the most profitable period in history for the companies that move energy, metals and crops around the world

# Trafigura records \$7b profit in blowout year

BLOOMBERG

Trafigura group earned a record \$7 billion in its last financial year, more than the previous four years combined, as the commodities trader cashed in on wild price swings and arbitrage opportunities driven by Russia’s invasion of Ukraine.

Earnings more than doubled in the 12 months through September, Trafigura said, while revenue surged to \$318.5 billion. The oil and petroleum products business had “an exceptionally strong year,” said Chief Financial Officer Christophe Salmon.

The volatility and disruptions sparked by the war have helped create the most profitable period in history for the companies that move energy, metals and crops around the world. Rivals including Glencore and Vitol group have also reported blockbuster results.

The trader paid dividends of \$1.7 billion, which are mostly used to buy back preference shares through which Trafigura employees own the company. The value of preference shares in Trafigura soared by 247% over the year, *Bloomberg* reported last month. And Trafigura included more employees in its partnership during the year, increasing the number of shareholders from about 1,000 to more than 1,100. The industry’s role in supply-

■ Trafigura group — the commodities trader — cashed in on wild price swings and arbitrage opportunities driven by Russia’s invasion of Ukraine

■ Earnings of the firm more than doubled in the 12 months through September, Trafigura said, while revenue surged to \$318.5 billion

ing key commodities has been thrown into the spotlight following the war in Ukraine as governments around the world increase their focus on resource security. Trafigura announced earlier this week it signed a \$3 billion German government-backed loan for gas supply, which followed a similar but smaller deal to provide metals to customers in Germany.

Trafigura paid an effective tax rate of 12% on its profits, compared with 11% in the previous year.

“We are interfacing a lot more with governments and regulators on particular issues, just providing market intelligence — what we’re seeing, what we’re thinking — so they can formulate good policy,” CEO Jeremy Weir said.

## GERMANY FIRES UP EXTRA COAL FOR ELECTRICITY



Steam rises from cooling towers of Jaenschwalde lignite-fired power plant of Lausitz Energie Bergbau AG. Germany relied even more heavily on coal for electricity in the third quarter of this year compared to last year, said the Federal Statistical Office —DPA

# German utility inks 25-year deal to import gas via new terminal

The firm signed a long-term capacity booking for 3bn cubic meters of LNG per year at a terminal in northern town of Stade

BLOOMBERG

German utility EnBW Energie Baden-Wuerttemberg AG agreed to import liquefied natural gas (LNG) and green ammonia for 25 years as the country substitutes lower Russian supplies.

The company signed a long-term capacity booking for 3 billion cubic meters of LNG per year at a terminal in the northern town of Stade, EnBW’s trading executive director Peter Heydecker said in an interview.

Germany has relied on LNG from the countries including the US to supply its industry and population after Russia cut supplies amid its war in Ukraine

That is about a quarter of the total capacity of the Hanseatic Energy Hub terminal and just a fraction of Germany’s needs. But every deal to bring more LNG to Europe’s largest economy is one more step towards diversifica-



Germany will need to shift away from gas at some point as the country seeks to become carbon-neutral by 2045

tion of supplies amid a historic crisis, according to Heydecker.

“Germany is working hard on diversifying its energy sources, gradually replacing Russian gas with LNG. And this deal is an important step towards that strategy,” said Heydecker. “In the future, we will be able to shift to climate-neutral green hydrogen.”

Germany has relied on LNG from the countries including the US to supply its industry and population after Russia cut supplies amid its war in Ukraine. With no import terminals in the country, the government has

made ambitious plans to build up infrastructure to start importing the super-chilled fuel, and passed a law to accelerate projects’ approval times.

Energy firms, such as EnBW, are now seeking agreements to reserve access to the planned LNG import infrastructure.

The start of the land-based terminal in Stade was pushed from 2026 to beginning of 2027, as the operator is working to make it ready to receive green ammonia, said Johann Killinger, managing director of Hanseatic Energy Hub.

# European natural gas prices jump

BLOOMBERG

European natural gas prices jumped for a third session as a blast of unusually cold weather across the northern half of the continent tests its resilience to a historic energy crisis.

Benchmark futures surged 6.5% after settling at the highest level since mid-October.

From London to Latvia, temperatures are set to drop below freezing in the coming days with little sign of letting up, forecasts show. It’s the first real trial of the season for Europe’s strained power and gas network, with wind power slumping and nuclear output in Sweden and France hobbled by outages.

The continent’s gas storage

levels have dropped to about 90% full, from almost 96% in mid-November, according to data from Gas Infrastructure Europe. The cold snap has coincided with additional outages at facilities in Norway.

Europe is importing record volumes of liquefied natural gas as lower pipeline flows from Russia exacerbate the crisis.

# Big Oil betting billions on global ‘climate catastrophe’

The fossil fuel projects by oil producers will only be needed if the world misses key climate goals: UK-based think tank

BLOOMBERG

The world’s biggest oil producers are spending billions of dollars on fossil fuel projects that will only be needed if the world misses key climate goals, according to Carbon Tracker, a non-profit think tank.

Companies invested \$58 billion in oil and gas projects in 2021 and 2022 that will only be required if fossil fuel demand grows to a level at which scientists forecast a “climate catastrophe,” the London and New York-based researcher said in a report. They may pull the trigger on a further \$23 billion of investments next year that would help warm the

■ Most international oil companies have cut their long-term capital spending plans since the pandemic as they focus on returning cash to investors over new production

■ Exxon is due to publish its capital budget for next year. Chevron said it will allocate an extra \$2 billion to capital spending next year at \$17 billion

planet more than 2.5 degrees Celsius above preindustrial levels, said the report, titled “Paris Maligned.”

Big Oil’s capital spending on new projects has become a crucial balancing act. Investing in long-term projects bolsters energy security at a time when state producers like Russia

have shown willingness to weaponise their supplies but can also lock in emissions for decades to come, furthering the risk of irrevocable climate change.

Even climate-friendly Democrats including President Joe Biden have been calling for more oil production this year



Companies have invested \$58 billion in oil and gas projects in 2021 and 2022 that will only be required if fossil fuel demand grows to a level at which scientists forecast a ‘climate catastrophe,’ UK-based Carbon Tracker said in a report

as gasoline prices spiked following Russia’s invasion of Ukraine. Industry executives including Chevron Corp. Chief Executive Officer Mike Wirth

criticised the whiplash of being told to stop and start production, saying such policies inhibit long-term investment. “Investors must scrutinise

company spending plans as investments in many new oil and gas projects lock in future emissions that are incompatible with Paris,” report co-author Mike Coffin said in a press release in reference to the Paris Agreement on climate change.

Most international oil companies have cut their long-term capital spending plans since the pandemic as they focus on returning cash to investors over new production.

Exxon is due to publish its capital budget for next year. Chevron Corp. said it will allocate an extra \$2 billion to capital spending next year at \$17 billion.



APART FROM any buyout, Softbank Founder Masayoshi Son's rising influence has fuelled governance concerns

# Son lifts SoftBank's stake to 34%, edging towards buyout

The billionaire owns more than a third of the firm he founded, after aggressive buybacks in the last two months reduced its outstanding stock by 90 million

BLOOMBERG

Masayoshi Son has quietly tightened his grip on SoftBank Group Corp during a tumultuous market downturn, edging closer to the point where he could bid to take the world's largest technology investor private.

The billionaire now owns more than a third of the company he founded, after aggressive buybacks in the last two months reduced SoftBank's outstanding stock by almost 90 million. Son's stake in the company rose to 34.2% from 32.2% as of end-September, according to *Bloomberg* calculations based on company filings. That's up from 26.7% in March 2019.



Masayoshi Son is closer to the point where he could mount an effort to take SoftBank private, an idea he has repeatedly discussed internally

Under Japanese law, Masayoshi Son of Softbank gains additional rights after breaching one-third ownership. The 65-year-old wields more control over asset sales, some buybacks, mergers and corporate bylaws by having the power to veto any special resolution put before shareholders by activist investors

Under Japanese law, Son gains additional rights after breaching one-third ownership. The 65-year-old wields more control over asset sales, some buybacks, mergers and corporate bylaws by having the power to veto any special resolution put before shareholders by activist investors.

Son is also closer to the point where he could mount an effort to take SoftBank private, an idea he has repeatedly discussed internally. One option long debated is a "slow-burn" buyout to gradually buy back shares until the founder has a big enough stake to squeeze out remaining investors. Under Japanese regulations, Son could compel other shareholders to sell if he gets to 66% ownership, in some cases without paying a premium.

"There's not a single reason why SoftBank should be listed," SMBC Nikko Securities senior analyst Satoru Kikuchi said. The company can raise the funds it needs without being listed and without a public entity's restrictions and costs, he said. "It's not a good fit for the current business model."

The idea of a buyout has been debated fiercely for years inside SoftBank. Advocates argue that going private would free SoftBank from regulatory oversight

■ The idea of a buyout has been debated fiercely for years inside SoftBank. Advocates argue that going private would free the firm from regulatory oversight and shareholder scrutiny over investments and staffing

■ At SoftBank's current market capitalisation, the price of an MBO would be about \$50bn — roughly double the size of Michael Dell's buyout of Dell Inc in 2013 — assuming the need to buy two-thirds of the company

and shareholder scrutiny over investments and staffing. Venture capital peers Tiger Global and Sequoia Capital are closely held. Son would take the company private if he could afford it, one person familiar with the billionaire's thinking said.

But many lieutenants oppose a buyout, according to another person close to the situation, who asked not to be identified because the talks are private. It would be an enormous financial undertaking that would consume

management's attention and leave it short of cash to make acquisitions and investments.

At SoftBank's current market capitalisation, the price of an MBO would be about \$50 billion — roughly double the size of Michael Dell's buyout of Dell Inc in 2013 — assuming the need to buy two-thirds of the company.

"He's not going to have any money left to go out and do the investing that he wants to do," said Kirk Boodry, an analyst at Redex Research.

# Chinese EV giant BYD enters Malaysia in Sime Darby deal

BLOOMBERG

China's BYD Co will sell its electric vehicles in Malaysia in a 500 million ringgit (\$113 million) tie-up with Sime Darby Motors Sdn Bhd.

Sime Darby will be BYD's exclusive distributor in Malaysia, with the first showroom to open later this month, the companies said in a statement. They plan to have 20 dealerships by next year, and 40 by 2024, they said.

BYD will bring its flagship Atto 3 to Malaysian market, with the standard model priced at 148,800 ringgit, and the extended-range version at 167,800 ringgit.

The deal adds yet another country to BYD's growing list of export destinations, which now stretches from North to Southeast Asia, Australia and Europe to Latin America.

BYD has announced its entry or started selling into several foreign markets such



China's BYD will bring its flagship Atto 3 to Malaysian market, with the standard model priced at 148,800 ringgit, and the extended-range version at 167,800 ringgit

as Brazil, Chile, Germany, Israel, Japan, and India.

Thailand, and more broadly Southeast Asia, has become a new battleground for EV makers, especially as Chinese brands look beyond their home market for further growth.

# Indian agency releases Vivo phones held over violations

BLOOMBERG

An Indian state agency released nearly 27,000 Vivo Mobile Communications smartphones for export after withholding the shipment for more than a week over alleged rule violations.

The federal finance ministry's revenue intelligence unit allowed the Chinese company to collect the devices it was holding at the New Delhi Airport over an alleged mis-declaration of phone models and their value, people familiar with the matter said, asking not to be named discussing a sensitive matter. Vivo had sought to export the devices to

neighbouring markets.

The government agency passed the order to release the smartphones a day after *Bloomberg News* reported that the devices were being withheld for inspection. It wasn't immediately clear if the revenue intelligence unit will be pressing charges against Vivo.

The shipment, worth nearly \$15 million, is unlikely to be exported as the packaging of many of the phones was damaged and the devices were switched on to check unique ID numbers, the people said.

The finance ministry and Vivo didn't respond to emailed requests for comment.

## FLOODS IN INDONESIA



People drive through a flooded road in Palembang City, Indonesia, on Friday

—DPA

# Thailand's I-Tail starts trading in Bangkok

BLOOMBERG

I-Tail Corp Pcl, Thailand's top pet food maker, ended lower in its trading debut after the country's second-largest initial public offering this year.

Shares of the Bangkok-based company closed at 31 baht, 3.1% below its IPO price of 32 baht, erasing gains of as much as 5.5% earlier. The unit of frozen and seafood products

maker Thai Union Group Pcl raised 21.1 billion baht (\$606 million) after selling 660 million shares at the top of a marketed range. It's the largest debut in Bangkok since Thai Life Insurance Pcl in July.

The offering marks a year of some resilience for Thailand's IPO market, as improving sentiment toward local equities and the participation of local investors saw the execution of

several deals even as they vanished in traditional venues.

About \$3.2 billion was raised in proceeds in the Southeast Asia country this year, a 20% annual drop that compares with a 44% plunge across Southeast Asia and a 70% decline in Hong Kong.

The company's line of products include mini-pouch tuna flakes and vitamin drinks for cats, according to its website.

# Walmart's payments startup PhonePe seeks to raise \$1bn

The all-equity round is expected to close in the next two weeks and may take Indian firm's valuation close to \$13b

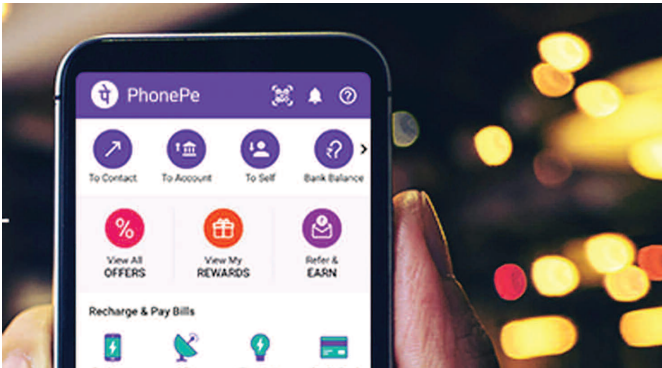
BLOOMBERG

Walmart Inc-owned digital payments brand PhonePe is seeking to raise as much as \$1 billion from General Atlantic and existing investors including Tiger Global Management, Qatar Investment Authority and Microsoft, people familiar with the matter said, even as global funding dries up for startups.

The all-equity round is expected to close in the next two weeks and may take PhonePe's valuation close to \$13 billion, including new capital invested, said the people, asking not to be named as the details of the deal are private. The valuation catapults PhonePe among India's most valuable brands in a digital payments market forecast by Boston Consulting Group to triple in size to \$10 trillion by 2026.

The company is in talks with SoftBank Group Corp's Vision Fund, an investor in PhonePe's parent entity Flipkart, although Walmart will remain top investor, the people said. Forced to go on the defensive due to its portfolio losses, SoftBank has cut its investments sharply this year.

PhonePe declined to respond



Revenue at PhonePe grew about 140% to 16.5 billion rupees (\$200 million), while losses narrowed by about 15% in the business year ended in March, the company said

The valuation catapults PhonePe among India's most valuable brands in a digital payments market forecast by Boston Consulting Group to triple in size to \$10 trillion by 2026

market capitalisation has dropped to \$4 billion — down about 70% from its market debut last year. Competition is escalating between PhonePe, Paytm, Alphabet Inc's Google Pay and Amazon.com Inc's Amazon Pay, as well as a raft of startups looking to capitalise on India's fast-digitising economy. SoftBank also backs Paytm.

PhonePe is closer to profitability in its core business, one of the people said. Revenue at the digital payments player grew about 140% to 16.5 billion rupees (\$200 million), while losses narrowed by about 15% in the business year ended in March, the company said.

# China Evergrande to give creditors glimpse of restructuring plan

The blueprint's delay has frustrated investors and highlights their struggle in a country still relatively new to defaults

BLOOMBERG

The developer at the epicenter of China's property debt crisis appears to be inching closer to unveiling a restructuring blueprint, after a long delay that has frustrated investors and highlights their struggle in a country still relatively new to defaults.

China Evergrande Group planned to meet with an ad-hoc group of its dollar bondholders to formally discuss a debt restructuring proposal, people familiar with the matter said. The meeting could mark a significant step towards more details of a keenly-awaited restructuring plan, after the builder roiled

- Evergrande's restructuring would be one of China's biggest ever, with implications for banks, trust firms and millions of home owners
- The builder has become emblematic of a broader crisis in the property sector, where strains spread after a government crackdown from 2020 on excessive borrowing and real estate speculation

markets late last year by defaulting on dollar bonds.

Other people familiar with the matter said late last week that offshore creditors were signing confidentiality agreements to advance debt negotiations.

Evergrande is the world's most indebted developer, and its restructuring would be one of China's biggest ever, with implications for banks, trust firms and millions of home owners.

The builder has become emblematic of a broader crisis in the property sector, where strains spread after a government crackdown from 2020 on excessive borrowing and real estate speculation.



As Evergrande's case illustrates, creditors face a long and uncertain road to recovering funds

truss earlier this year. Those securities just had one of their biggest rallies ever in recent weeks, after China ramped up efforts to rescue the sector and relaxed some Covid controls. Average prices have climbed to about 68 cents on the dollar, near the highest since April.

But as Evergrande's case illustrates, creditors face a long and uncertain road to recovering funds. The developer's dollar notes still trade below 10 cents.

The planned meeting between Evergrande and the ad-hoc group is still subject to change, the people familiar said, asking not to be identified discussing private matters.



SINCE RUSSIA'S Ukraine invasion began, India has been one of the biggest swing nations

# Modi to skip Putin summit over Ukraine nuke threats

The relationship between India and Russia remains strong but trumpeting the friendship may not be beneficial for the Indian PM, said a senior official

BLOOMBERG

Indian Prime Minister Narendra Modi won't be holding an annual in-person summit with Vladimir Putin after the Russian president threatened to use nuclear weapons in the war in Ukraine, according to people with knowledge of the matter.

The relationship between India and Russia remains strong but trumpeting the friendship at this point may not be beneficial for Modi, said a senior official with knowledge of the matter, who asked not to be named due to the sensitivity of the issue.

It would mark only the second time the leaders of India and Russia haven't met face to face since 2000, when the relationship was elevated to a strategic partnership. The summit, usually held in December, was cancelled just once in 2020 at the height of the pandemic.

"It won't be this year," Kremlin spokesman Dmitry Peskov said of prospects for a Putin-Modi summit, the state-run *Tass* news service reported.

India's decision was clear at a regional summit held in September in Uzbekistan, when Modi urged Putin to seek peace in Ukraine, said a Russian official familiar with preparations, who asked not to be identified to discuss matters that aren't public.

Publicly, the Kremlin has touted India as a key country that hasn't joined the international criticism over the invasion of Ukraine and pushed to step up trade as sanctions have cut off flows with the US



Russian President Vladimir Putin with Indian PM Narendra Modi on the sidelines of the Shanghai Cooperation Organisation (SCO) summit in Samarkand, Uzbekistan, on September 16 —DPA

India's decision on prospects for a Putin-Modi summit was clear at a regional summit held in Uzbekistan, when Indian PM Narendra Modi urged Russian President Vladimir Putin to seek peace in Ukraine, said a Russian official

The Kremlin has touted India as a key country that hasn't joined the international criticism over the invasion of Ukraine and pushed to step up trade as sanctions have cut off flows with the US and Europe

and Europe.

A spokesperson for India's Ministry of External Affairs didn't respond to an emailed request for comment.

India is quietly scaling back engagement as Russia's war in Ukraine is well into its 10th month, fuelling a surge in energy and food prices. Modi's government is trying to balance

between Moscow, a key provider of weapons and cheap energy, and the US and its allies, which have imposed sanctions and price caps on Russian oil.

Since Russia's invasion began, India has been one of the biggest swing nations. Modi's government abstained from UN votes to condemn Putin's war and held back from participat-

ing in US-led efforts to sanction Moscow, using the opportunity to snatch up cheap Russian oil.

But it has come under pressure from the US and other nations India has aligned with to counter China's growing assertiveness along its Himalayan border. The US recently approved a package to upgrade the F-16 fighter jet fleet of India's historic rival, Pakistan, a move New Delhi strongly opposed.

India also angered Japan by joining the Russia-led Vostok-2022 war games held around a group of islands known as the southern Kurils in Russia and the Northern Territories in Japan — a territorial dispute that dates back to the end of World War II. While India didn't take part in the naval exercises, ties have been tested.

## US readies human rights sanctions on Russia, China

BLOOMBERG

The US is preparing a fresh round of sanctions on Russia and China for what it describes as human rights abuses by both countries, according to an official familiar with the matter.

The sanctions against Russia were expected to focus on the country's efforts to procure weapons — especially drones — which is also under heavy US sanctions.

The penalties against Chinese entities will focus on that country's fishing industry, the official said, who asked not to be named to discuss actions that haven't yet been announced.

A majority of the sanctions, yet to be unveiled, will be levied under the Global Magnitsky Act, a law that expanded the use of economic sanctions to cases of human rights violations.

The measure is named for Sergei Magnitsky, a lawyer who died in Russian custody



While the sanctions against Russia were expected to focus on its efforts to procure weapons which is under heavy US sanctions, penalties against Chinese entities will focus on country's fishing industry

after accusing officials in that country of corruption.

A spokesperson for the US Treasury Department declined to comment. The sanctions were reported earlier by the *Wall Street Journal*. The US has levied hundreds of sanctions against individuals, companies and government entities in Russia.

## Peru's ousted president faces 20-year sentence

BLOOMBERG

Pedro Castillo, the Peruvian leader ousted for trying to dissolve congress, faces as many as 20 years in prison if found guilty of the crime of rebellion, at a time when Mexico is offering him political asylum.

Judge Juan Carlos Checkley ordered Castillo held through December 13 for additional investigations, considering him a flight risk. The seriousness of the alleged crimes of rebellion and conspiracy "augur a grave sanction," Checkley said.

Castillo's decision to suspend the congress, rewrite the consti-

tution, order a curfew and reorganise the courts "typifies the crime of rebellion," prosecutor Marco Huaman said during the ousted president's presentation before the judge. A suspect found guilty of such crime "shall be punished with a prison sentence of not less than 10 years and not more than 20 years," Huaman said.

Castillo faced possible removal from office through an impeachment vote when he tried to dissolve congress. But his announcement triggered a backlash, with ministers resigning en masse and the military speaking out against the plans."

## S Korean truckers vote to end two-week strike

BLOOMBERG

South Korean truck drivers voted to end a two-week strike that has disrupted supply chains of key export industries.

A majority of union members who voted agreed to return to work, according to an emailed statement. That came after the government ordered striking truckers in the steel and petrochemical industries back to work.

The truckers' strike has added to worries after South Korea's exports fell the most in two-and-a-half years in November, dragged down by an economic slowdown in China and cooling demand for semiconductors. The nation is emerging as one of the most visible hot spots for growing labor discontent, as workers around the world demand safer conditions and better wages in the face of soaring food and commodities prices.

The public appears to be backing the government's hard-line approach to the strike. President Yoon Suk Yeol's support rate rose two percentage points to 33% in a weekly tracking poll by Gallup Korea, to reach its highest level



The truckers' strike has added to worries after South Korea's exports fell the most in two-and-a-half years in November, dragged down by an economic slowdown in China and cooling demand for semiconductors

since mid-September. Separate polling has shown the public wants truckers to reach a deal and get back to work.

Since November 24, the truckers have been protesting a lack of progress on wage demands after months of negotiations following a previous work stoppage in June. The union attempted to expand and extend a system that calculates minimum wages based on operating costs, including fuel prices.

## Dhaka arrests politicians before protest

Bangladesh has come under pressure recently over higher food and fuel costs

BLOOMBERG

Two senior Bangladeshi opposition leaders were arrested by plainclothes police officers as part of a crackdown ahead of a planned demonstration in the capital to force Prime Minister Sheikh Hasina to step down and call for elections.

Bangladesh has come under pressure in recent months as higher food and fuel costs have eaten into foreign currency reserves, prompting Hasina's government to appeal for a \$4.5 billion loan from the International Monetary Fund.

Opposition parties have said the crisis has stemmed from what they regard as a corrupt and authoritarian government. Supporters of Bangladesh Nationalist Party, which is the largest opposition group, want Hasina to resign and pave the way for elections that are due in January 2024 under a nonpartisan caretaker system.

Mirza Fakhru Islam Alamgir, secretary-general of the BNP, and Mirza Abbas, one of its standing committee members, were taken away in the dead of night, the party said in a Facebook post.

The police confirmed the arrests, saying the two leaders



Police arrest a member of Bangladesh opposition Nationalist Party (BNP) during a rally in Dhaka, Bangladesh, on December 08 —DPA

incited attacks when a gathering of opposition supporters clashed with police officials. More than 50 policemen were seriously injured, Harun-or-Rashid, chief of the police detective branch, said.

Bangladeshi police fired rubber bullets and tear gas to disperse BNP protesters after they attempted to gather in Dhaka, leaving at least one dead and 100 people injured. The government has arrested more than 1,000 opposition leaders and supporters since December 1, the party said.

The BNP decided at an emergency meeting to hold on Satur-

day's rally in an open field instead of the streets of the capital, ending a standoff between the opposition party and the police over the choice of venue.

The party live-streamed supporters arriving at the venue and chanting "Take Back Bangladesh" in what could become the largest political assembly for the BNP since its rule ended in 2006.

Despite the attempts to lower the political temperature, the mass arrests are a blow to the BNP, a former ruling party that has lost traction in Bangladesh for the past 16 years. Its chief and

Bangladesh's opposition parties have said the crisis has stemmed from what they regard as a corrupt and authoritarian government. Supporters of Bangladesh Nationalist Party, which is the largest opposition group, want PM Sheikh Hasina to resign and pave the way for elections that are due in January 2024 under a nonpartisan caretaker system

former premier Khaleda Zia is out on suspended sentences for corruption cases though her movement is restricted, while her son Tarique Rahman lives in exile in London.

"In recent weeks, we have seen an alarming escalation of repression by the authorities, who are carrying out mass arrests of political activists, raising serious concerns about violence, intimidation and harassment ahead of the parliamentary elections," Yamini Mishra, Amnesty International's regional director for South Asia, said.

## China embargo on Taiwan fish deepens in wake of Pelosi trip

Curbs on food imports were just one part of Beijing's explosive response to US House Speaker's visit to Taipei

BLOOMBERG

China has dramatically scaled back purchases of Taiwanese fish this year, as Beijing seeks to punish the island's democratically elected government for expanding ties with the US and its allies.

China imported \$56 million worth of fish and crustaceans in the six months from May to October, compared with \$138 million during the same period a year earlier, according to China Customs data. Recent purchases have been almost entirely limited to cuttlefish, squid and products not intended for human consumption, such as aquarium animals and brine shrimp for feeding other fish. Taiwan exported an average

Chinese President Xi Jinping has sought to ramp up pressure on Taiwan's leader, Tsai Ing-wen, over her refusal to accept Beijing's position that both sides belong to "one China"

of about \$175 million of fish and crustaceans to China over the past five years, according to Chinese data. That's compared with \$100 million in the first 10 months of this year.

While food makes up a tiny fraction of Taiwan's more than \$328 billion of two-way trade with China last year, it's one area where Beijing can find al-



A man takes selfies with fluttering Taiwan flags on a footbridge in Taipei ahead of the island's national day celebrations amid growing threats from China on October 05 —DPA

ternative sources, unlike the island's vital semiconductor industry. China announced in the wake of US House Speaker

Nancy Pelosi's visit to Taipei in August that it would suspend imports of some fish and fruit from the island.

Chinese President Xi Jinping has sought to ramp up pressure on Taiwan's leader, Tsai Ing-wen, over her refusal to accept Beijing's position that both sides belong to "one China."

The curbs on food imports were just one part of Beijing's explosive response to the Pelosi visit, which included firing ballistic missiles over the island and halting some talks with Washington.

Since April 2021, Chinese customs authorities have asked global exporters to submit new registration documents to retain access to the country's market, prompting the US, Japan and other nations to voice concerns over possible disruptions to supply chains.

Taiwan said its companies

were asked to provide supplementary documentation in August. The Agriculture Council in Taipei said at a news briefing that around 100 firms have submitted the documents, but the website of China Customs shows only one, Wei-I Foodstuff Co, has so far received approval.

Taiwan Premier Su Tseng-chang accused China of breaking World Trade Organization rules, saying in a briefing that "aquatic products were banned without any warning after pineapple, sugar apples and grouper a while ago."

The government in Taipei would take steps to "reduce the damage done to related businesses," he said, adding that it would work to open more markets to fishermen.



CANADA'S OSFI said that persistent inflation and rising interest rates have exacerbated vulnerabilities

# Canada bank regulator raises capital buffer as risks mount

Office of the Superintendent of Financial Institutions said that it's lifting the domestic stability buffer to 3% by February 1, up from its current 2.5% level

BLOOMBERG

Canada's banking regulator increased a key capital requirement for large banks — and raised the potential range of the measure — giving it more power to protect the country's financial system from elevated risks.

The Office of the Superintendent of Financial Institutions (OSFI) said that it's lifting the domestic stability buffer to 3% by February 1, up from its current 2.5% level. The regulator also boosted the range of the buffer to as much as 4%, beyond the previous limit of 2.5%.

Canada's five largest banks are sitting on about C\$73.3 billion (\$54 billion) in extra Common Equity Tier 1 capital beyond what regulators require them to hold, giving them ample capacity to absorb potential loan losses

The measures show OSFI sees growing risks to the financial system — including rising household debt, persistent inflation and geopolitical turmoil — that require it to have more latitude to protect the financial system.

Yet the economy is currently growing and loan losses are low, making this a good time to make banks build larger buffers that can later be released when stresses begin to materialise and they need to put the capital to work to absorb losses and maintain lending, the agency said.

"We're seeing that loan growth



Bank of Montreal shares fell as much as 2.3%, the biggest drop among any of the large Canadian banks

is remaining stable, and we see delinquencies also remaining stable," Angie Radiskovic, OSFI's assistant superintendent and chief risk and strategy officer, said on a conference call with reporters.

"We have seen a bit of an uptick recently in delinquencies, but that comes off a very low level to begin with."

Canada's five largest banks are sitting on about C\$73.3 billion (\$54 billion) in extra Common Equity Tier 1 capital beyond what regulators require them to hold, giving them ample capacity to absorb potential loan losses. That stockpile, however, is expected to decline over the next year as three of the firms complete major acquisitions.

Bank of Montreal shares fell as much as 2.3%, the biggest drop among any of the large Canadian banks, and touched their lowest point in a month in intraday trading.

■ The OSFI sees growing risks to the financial system — including rising household debt, persistent inflation and geopolitical turmoil — that require it to have more latitude to protect the financial system

■ Canada's economy is currently growing and loan losses are low, making this a good time to make banks build larger buffers that can later be released when stresses begin to materialise and they need to put the capital to work to absorb losses and maintain lending, the agency said

The lender, which is buying Bank of the West from BNP Paribas SA for \$16.3 billion, is the most affected by OSFI's announcement, according to National Bank of Canada analyst Gabriel Dechaine.

Bank of Montreal could explore alternatives such as credit-risk transfers, assuming it hasn't already reached an agreement with OSFI to achieve the mini-

mum buffer "over several quarters," Dechaine said.

"BMO's capital position suddenly looks a lot weaker," Dechaine said. Representatives for Bank of Montreal didn't immediately respond to requests for comment.

The increase to the domestic stability buffer brings the total capital cushion that the banks are required to hold to 11%.



Christine Lagarde, President of the European Central Bank (ECB), gives a press conference at the bank's headquarters in Frankfurt, Germany, on October 27 —DPA

## Euro-zone banks return \$472bn in ECB funding

BLOOMBERG

Euro-area banks are returning another €447.5 billion (\$472 billion) in cheap loans to the European Central Bank after officials toughened the terms of the program to help fight double-digit inflation.

The repayment will shrink the outstanding amount of so-called TLTRO loans, which were used during the pandemic to keep credit flowing to households and businesses, by about 25%.

The median forecast in a Bloomberg poll of economists was for €333 billion to be given back this month, though the range of predictions was wide. In November, €296 billion was returned.

The repayment, announced by the ECB, was the second such opportunity for banks after officials decided in October to better align the program with rising interest rates by making the funding pricier.

Another €51.9 billion of TLTROs will mature before the end of the year, bringing the overall tally of outstanding cheap loans to about €1.3 trillion, Executive Board member Isabel Schnabel said via Twitter.

The premium on two-year swap rates over German cash counterparts — a measure of collateral scarcity — dropped 4 basis points to 74 basis points after the announcement, the lowest since November 16.

Lenders may have had regulatory incentives — like re-

Euro-area banks' repayment to the ECB will shrink the outstanding amount of so-called TLTRO loans, which were used during pandemic to keep credit flowing to households and businesses, by about 25%

ducing levies based on the size of their balance sheet — to return more funding this month, Barclays economists Ludovico Sapio and Paola Sabbione said in a report to clients before the announcement.

Raising TLTRO financing costs stopped banks from earning risk-free interest income by parking cash back at the ECB. While the measure sparked concerns by some lenders, ECB President Christine Lagarde insisted it's necessary to ensure the "best possible transmission" of monetary policy.

The Governing Council is expected to raise rates by 50 basis points when it meets next Thursday — bringing the deposit rate to 2%. It will also discuss a gradual reduction of its €5 trillion bond portfolio — another key way to shrink the ECB's balance sheet alongside the cheap-loan repayments.

Banks will have further options for reimbursement in each of the next three months, and then on a quarterly basis.



UK Chancellor of the Exchequer Jeremy Hunt leaves 11 Downing Street, London, for the House of Commons to deliver his autumn statement on November 17 —DPA

## UK to consult on central bank digital currency

BLOOMBERG

The UK government will bring forward a consultation on the case for a central bank digital currency "in the coming weeks," Chancellor of the Exchequer Jeremy Hunt said.

The Bank of England will also release a paper setting out technology considerations informing the potential build of a digital pound, Hunt said in a written statement to Parliament. Hunt announced the plan as part of a wider set of reforms to spur the UK's financial services industry.

BOE officials led by Deputy Governor Jon Cunliffe have become increasingly vocal about the need for so-called central bank digital currencies, or CBDC, which would give consumers and businesses a form of money that's as safe as cash but usable in online

The Bank of England will release a paper setting out technology considerations informing the potential build of a digital pound, Chancellor of the Exchequer Jeremy Hunt said

transactions.

They note a sharp drop in the use of cash is leaving money increasingly controlled by private companies that don't have the explicit government guarantee carried by banknotes and coins.

However, a UK parliamentary panel said earlier this year that officials have given no convincing reason it is needed. The House of Lords Economic Affairs Committee.

## Bond-buying added to Bank Indonesia in law overhaul

BLOOMBERG

Indonesia is one step closer to requiring the central bank to come to the government's aid through crisis bond-buying, while dropping earlier proposals to expand the monetary authority's role.

A parliament commission has approved a draft of the financial sector omnibus law that retained a provision calling on Bank Indonesia (BI) to undertake debt monetisation in times of crisis. An earlier version sought to add job creation and economic growth to BI's current mission of maintaining rupiah stability.

The central bank's mandate is to "achieve rupiah stability, maintain payment system stability, and participate in maintaining financial system stability in order to support sustainable economic growth," according to the most recent version reviewed by Bloomberg.

The bill was passed by parliament's finance commission and will be debated at a plenary session next week. "Without financial sector reform, Indonesia will continue to depend on foreign capital for investment needs and economic activity," said Finance Minister Sri Mulyani Indrawati.

## China's Xiamen International Bank considers \$1.3bn Hong Kong IPO

The lender is working with advisers for preparation of the share sale, which could take place as soon as next year

BLOOMBERG

Xiamen International Bank Co, set up almost four decades ago with both local and foreign investors, is considering a Hong Kong initial public offering that could raise about HK\$10 billion (\$1.3 billion), according to people familiar with the matter.

The Chinese lender is working with advisers for preparation of the share sale, which could take place as soon as next year, said the people, who asked not to be identified as the information is private. The state-backed bank could file a preliminary prospectus as early as the first quarter, one of the people said.

Considerations are at an early stage and details of the offering such as size and timing could still change, the people said. A representative for Xiamen International Bank didn't immediately respond to requests for comment.

If successful, Xiamen International Bank would be the first bank to list in the Asian financial hub since China's Dongguan Commercial Rural Bank Co, which raised about \$1.2 billion in its September 2021 IPO, according to data compiled by



Founded in 1985 in coastal Fujian province, Xiamen International Bank is China's first bank that was jointly owned by domestic and overseas shareholders, according to its website

If successful, Xiamen International Bank would be the first bank to list in Hong Kong since China's Dongguan Commercial Rural Bank Co, which raised about \$1.2 billion in its September 2021 IPO, according to data compiled by Bloomberg

Bloomberg. Hong Kong has only seen a few \$1 billion-plus IPOs since then as China's economic outlook and global recession concerns weigh on the broader equity market.

Founded in 1985 in coastal Fujian province, Xiamen International Bank is China's first bank that was jointly owned by domestic and overseas shareholders, according to its website.

It became a commercial bank wholly owned by local investors in 2013 after restructuring. Its biggest shareholder is Fujian Futou Investment LLC, controlled by the Fujian provincial government.

Xiamen International Bank has more than 40 branches and sub-branches in cities including Beijing, Shanghai, Zhuhai, Xiamen and Fuzhou.

## Pound went on a wild ride close to dollar parity in 2022

British PM Rishi Sunak has kicked off a more austere fiscal program, and the currency has recovered some ground

BLOOMBERG

Three prime ministers, four finance ministers and one ill-fated budget dragged the pound within an inch of parity versus the US dollar in 2022.

It was a wild ride for the currency, which suffered as political chaos engulfed the UK throughout the year. But everything went into overdrive in September, when the government's gamble on a huge tax giveaway backfired, investors dumped sterling and UK bonds, and the Bank of England was forced to intervene to prevent a gilt market crash.

As the turmoil unfolded, sterling was being compared to an

The pound has suffered as political chaos engulfed the UK throughout the year. Sterling was being compared to an emerging-market currency and the UK's long standing credibility on international markets was coming undone

emerging-market currency and the UK's long standing credibility on international markets was coming undone.

Now, even with the worst past, it will be stuck in a weak trading range as the country embarks on a much-needed repair job on its economy and finances. Strategists and portfolio managers expect it to stay between \$1.10 and \$1.30 for some time.

"Ever since the Brexit vote we've always called sterling a bit of a 'basket-case' currency, in that it follows growth much more closely than rate differentials," said Eva Sun-Wai, fund manager at M&G Investment Management, whose Global Macro Bond Fund has been short the currency for most of the year.

"And if we are coming into a very steep contraction and our



The UK still faces long-term imbalances and underwhelming economic growth, which will limit sterling's upside

growth is worse than other regions, that will hurt."

The pound, which opened the year at \$1.35, dropped to a record-low \$1.035 on September

26, just days after the disastrous mini-budget. Ultimately, the reverberations through the currency and gilt markets forced the government into a u-turn

and led to the demise of Liz Truss as prime minister.

A new leader, Rishi Sunak, has kicked off a more austere fiscal program, and the pound has recovered some ground.

It's currently trading around \$1.20-\$1.23, well above September's lifetime low, but has been left battered and bruised by its annus horribilis. In addition, the UK still faces long-term imbalances and underwhelming economic growth, which will limit sterling's upside. The expected new range continues a long-term downward trend for the currency. Its average in the five years before the 2016 Brexit vote was roughly \$1.59.



THE MSCI All-Country World Index is on track for its worst year since the global financial crisis in 2008

# World’s top money managers see double-digit stock gains in 2023

Amid recent optimism that inflation has peaked, 71% of the respondents in a *Bloomberg News* survey expect equities to rise, versus 19% forecasting declines

BLOOMBERG

Some of the world’s biggest investors predict that stocks will see low double-digit gains next year, which would bring relief after global equities suffered their worst loss since 2008.

Amid recent optimism that inflation has peaked — and that the Federal Reserve could soon start to change its tone— 71% of respondents in a *Bloomberg News* survey expect equities to rise, versus 19% forecasting declines. For those seeing gains, the average response was a 10% return.

The informal survey of 134 fund managers incorporates the views of major investors including BlackRock Inc., Goldman Sachs Asset Management and Amundi SA. It provides an insight into the big themes and hurdles they expect to be grappling with in 2023 after inflation, the war in Ukraine and hawkish central banks battered equity returns this year.

The stock market could be derailed again by stubbornly high inflation or a deep recession, however. Those are the top worries for the upcoming year, cited by 48% and 45% of participants, respectively. Stocks could also reach new lows early in 2023, with many seeing gains skewed to the second half.

“Even though we might face a recession and falling profits, we have already discounted part of it in 2022,” said Pia Haak, chief investment officer at Swedbank Robur, Sweden’s biggest fund manager. “We will have better visibility coming into 2023 and this will hopefully help markets.”

Even after a recent rally, the MSCI All-Country World Index is on track for its worst year



Belief in a dovish turn, reinforced in part by Federal Reserve officials themselves, sparked a 14% surge in the S&P 500 over seven weeks

■ The stock market could be derailed again by stubbornly high inflation or a deep recession next year. Those are the top worries for the upcoming year, cited by 48% and 45% of participants, respectively

■ Stocks could reach new lows early in 2023, with many fund managers seeing gains skewed to the second half

since the global financial crisis in 2008. The S&P 500 will probably end 2022 with a similarly poor performance.

The energy crisis in Europe and signs of slower economic growth have kept a lid on stock prices even as China begins to ease some of its tough Covid curbs. Plus, there are growing fears that the slowdown already underway in many economies will eventually take a bite out of earnings.

The *Bloomberg* survey was conducted by reporters who reached out to fund managers and strategists at major investment firms between November 29 and December 7. Last year, a similar survey predicted that

aggressive policy tightening by central banks would be the biggest threat to stocks in 2022.

Hideyuki Ishiguro, senior strategist at Nomura Asset Management, expects 2023 to be the “exact opposite of this year.” Part of that is due to valuations, which have slumped to leave the MSCI ACWI trading near its long-term average forward 12-month price-to-earnings ratio.

When it comes to specific sectors, respondents generally favored companies that can defend earnings through an economic downturn. Dividend payers and insurance, health care and low volatility stocks were among their picks, while some preferred banks and

emerging markets including India, Indonesia and Vietnam.

After being hammered this year as interest rates climbed, US technology stocks may also come back in favour, according to the survey. More than half of respondents said they’d selectively buy the sector.

With valuations still relatively cheap despite the recent rally and bond yields expected to fall next year, tech behemoths including Apple Inc., Amazon.com Inc. and Google parent Alphabet Inc. are expected to benefit, fund managers said.

Some are bullish on China, particularly as it moves away from Covid zero. A slump earlier this year has put valuations well below their 20-year average, making them more attractive compared with US or European peers.

In the *Bloomberg* survey, the 10% gain predicted for stocks in 2023 would fall short of previous market rebounds, such as in 2009 and 2019.

For fund managers, better news on inflation and growth could be the catalysts for a stronger performance. Almost 70% of respondents said they were the main potential positive factors. They also cited a full China reopening and a ceasefire in Ukraine as upside triggers.

The emphasis on inflation and growth as the make-or-break elements is in line with the findings of Bank of America Corp.’s latest fund manager survey. It showed recession expectations were at the highest since April 2020, while a “stagflation” scenario of low growth and high inflation was “overwhelmingly” the consensus view.

# BofA says don’t bet on a rise in equities after last Fed hike

BLOOMBERG

While investors are impatient for the Federal Reserve to deliver its last rate hike to pile back into equities, history shows they should be wary of doing so while inflation remains persistently high, according to Bank of America Corp. (BofA) strategists.

An analysis by Michael Hartnett and his team showed that stocks outperformed after the Fed stopped increasing rates during periods of disinflation in the past 30 years. However, during the era of persistently high inflation in the 1970s and 1980s, equities had fallen after the last hike, they wrote in a note. In the current cycle, they expect the Fed to raise rates for the last time in March 2023.

US stocks have already pulled back this week after rallying in the fourth quarter as signs of a resilient economy stoked fears the Fed would remain hawkish for longer, leading to the risk of a contraction next year. About \$5.7 billion flowed out of global equity funds in the week through December 7, Bank of America said, citing EPFR Global data.

Citigroup Inc. strategists

US stocks have already pulled back this week after rallying in the fourth quarter as signs of a resilient economy stoked fears the Fed would remain hawkish for longer, leading to the risk of a contraction next year

this week became the latest to warn about weaker returns in 2023, saying the recovery had left valuations looking expensive again.

Bank of America’s Hartnett recommends buying assets that perform well against the backdrop of high, but stable, inflation, as well as dips in commodities, banks, small caps and value stocks, and European and emerging-market assets. Investors should avoid tech stocks, private equity and private credit, he said.

The flows data showed European equity funds had outflows for a 43rd straight week. By style, US value funds had inflows, while small caps, large caps and growth funds saw redemptions.

Among sectors, consumer and communication services had small inflows, while materials and tech had outflows of \$300 million and \$200 million, respectively.



The flows data showed European equity funds had outflows for a 43rd straight week. By style, US value funds had inflows, while small caps, large caps and growth funds saw redemptions



## Daily Financials

As of 2022-Dec-09 Generated on 2022-Dec-09 17:59

Capitalization (AED)							Securities				Total		Bin Block	
Regular + Private	Regular Board	Private Board	FUND Board	Dual Listing Companies			Traded	Declined	Advanced	Unchanged	Value (AED)	Volume	Trades	Trades
2.66245E+12	2.58506E+12	77398140345	673607500	32772232063			63	24	26	13	1,081,137,751.58	164,141,810	10,889	0
Financials	Symbol	Face Val (AED)	Issued Shares	Last Close	High 52	Low 52	Value (AED)	Volume	Trades	Change	Change %	Paid Up Capital (AED)	Market Cap. (AED)	
International Holding Company PJSC	IHC	1.00	2,193,539,885	410.000	410.000	150.200	203,999,953.20	498,884.00	708	0.000	0.00	2,193,539,885.00	899,351,352,850.00	
Al Wathba National Insurance Co.	AWNIC	1.00	207,000,000	5.500	5.500	5.500						207,000,000.00	1,138,500,000.00	
Bank of Sha'jah	BOS	1.00	2,200,000,000	0.489	0.629	0.450	239,863.00	505,116.00	40	0.001	0.20	2,200,000,000.00	1,075,800,000.00	
Al Dhafra Insurance Co.	DHAFRA	1.00	100,000,000	5.400	6.610	4.350						100,000,000.00	540,000,000.00	
Abu Dhabi Islamic Bank	ADIB	1.00	3,632,000,000	9.120	10.460	6.580	16,185,468.87	1,790,046.00	411	0.010	0.11	3,632,000,000.00	33,123,840,000.00	
Abu Dhabi National Insurance Company	ADNIC	1.00	570,000,000	5.900	7.630	5.780	126,084.50	21,370.00	7	0.000	0.00	570,000,000.00	3,363,000,000.00	
Abu Dhabi Commercial Bank	ADCB	1.00	6,957,379,354	9.200	11.300	8.150	11,508,137.66	1,259,299.00	576	0.100	1.10	6,957,379,354.00	64,007,890,056.80	
Al Ain Alahlia Insurance Co.	ALAIN	10.00	15,000,000	32.820	45.000	32.820						150,000,000.00	492,300,000.00	
Al Buhaira National Insurance Company	ABNIC	1.00	250,000,000	2.450	2.450	1.820	7,350.00	3,000.00	1	0.150	6.52	250,000,000.00	612,500,000.00	
Al Fajairah National Insurance Company	AFNIC	100.00	1,331,000	224.000								133,100,000.00	298,144,000.00	
Al Khazna Insurance Co.	AKC	1.00	100,000,000	0.238								100,000,000.00	23,800,000.00	
Commercial Bank International	CBI	1.00	1,737,383,050	0.725	1.100	0.530						1,737,383,050.00	1,259,602,711.25	
Emirates Insurance Co.	EIC	1.00	150,000,000	6.800	8.390	6.800						150,000,000.00	1,020,000,000.00	
Finance House	FH	1.00	302,837,770	2.150	2.150	1.600						302,837,770.00	651,101,205.50	
Hayah Insurance Company P.J.S.C	HAYAH	1.00	200,000,000	1.100	1.460	0.541	51,481.72	48,446.00	12	0.040	3.77	200,000,000.00	220,000,000.00	
GFH Financial Group B.S.C	GFH	0.97	3,832,593,838	0.947	1.500	0.870	27,175.11	28,696.00	1	0.003	0.32	3,727,197,507.46	3,629,466,364.59	
Gulf Investment House Company	GIH	1.17	406,495,660	4.750	5.010	4.400						473,567,443.90	1,930,854,385.00	
Insurance House	IH	1.00	118,780,500	0.769	1.010	0.669						118,780,500.00	91,342,204.50	
Invest Bank	INVESTB	1.00	3,180,982,143	0.450								3,180,982,143.00	1,431,441,964.35	
Methaq Takaful Insurance Compnay	METHAQ	1.00	150,000,000	0.627	0.960	0.618	38,912.10	62,179.00	5	0.006	0.97	150,000,000.00	94,050,000.00	
Multiply Group PJSC	MULTIPLY	0.25	11,200,000,000	4.980	5.080	1.510	129,345,414.57	26,029,813.00	1,242	0.000	0.00	2,800,000,000.00	55,776,000,000.00	
First Abu Dhabi Bank	FAB	1.00	11,047,612,688	16.540	24.060	16.500	43,405,052.20	2,612,893.00	781	0.140	0.84	11,047,612,688.00	182,727,513,859.52	
National Bank of Fujairah	NBF	1.00	2,000,000,000	4.990	4.990	4.600						2,000,000,000.00	9,980,000,000.00	
National Bank of Umm Al Qaiwain	NBQ	1.00	2,000,000,000	1.800	2.100	1.600						2,000,000,000.00	3,600,000,000.00	
Sharjah Islamic Bank	SIB	1.00	3,081,597,750	1.950	2.120	1.650	1,051,363.69	542,114.00	57	0.020	1.04	3,081,597,750.00	6,009,115,612.50	
Oman & Emirates Investment Holding Co	OEIHC	1.00	121,875,000	0.378	0.400	0.324	11.72	31.00	1	0.000	0.00	121,875,000.00	46,068,750.00	
Waha Capital Company	WAHA	1.00	1,944,514,687	1.380	1.850	1.240	1,434,917.03	1,043,222.00	40	0.000	0.00	1,944,514,687.00	2,683,430,268.06	
Umm Al Qaiwain General Investment Co. P.S.C	QIC	1.00	363,000,000	1.180	1.370	1.000	497,488.00	421,600.00	1	0.000	0.00	363,000,000.00	428,340,000.00	
The National Bank of Ras Al Khaimah	RAKBANK	1.00	1,676,245,428	4.650	5.400	4.190						1,676,245,428.00	7,794,541,240.20	
Ras Alkhaima National Insurance Co.	RAKNIC	1.00	121,275,000	4.500	4.500	3.500						121,275,000.00	545,737,500.00	
Sharjah Insurance Company	SICO	1.00	150,000,000	1.500	1.500	0.960						150,000,000.00	225,000,000.00	
Abu Dhabi National Takaful Co.	TKFL	1.00	105,000,000	5.600	7.200	4.160	16,492.00	2,945.00	2	0.290	5.46	105,000,000.00	588,000,000.00	
United Arab Bank	UAB	1.00	2,062,550,649	0.839	0.839	0.606						2,062,550,649.00	1,730,479,994.51	
United Fidelity Insurance Company (P.S.C)	FIDELITYUNITED	1.00	160,000,000	1.600	1.600	1.600						160,000,000.00	256,000,000.00	
Union Insurance Company	UNION	1.00	330,939,180	0.550	0.720	0.500						330,939,180.00	182,016,549.00	
Total			62,669,933,582				407,935,165.37	34,869,654.00	3,885			54,498,378,035.36	1,286,927,229,515.78	
	Index Traded	FADFSI 16	Index Open Declined 4	17,599.40		Index Close Advanced 6	17,570.62		Index Change Unchanged 6	128.78		Index Change % 0.16	Sector Capitalization 1.28132E+12	
Private Companies	Symbol	Face Val (AED)	Issued Shares	Last Close	High 52	Low 52	Value (AED)	Volume	Trades	Change	Change %	Paid Up Capital (AED)	Market Cap. (AED)	
Invictus Investment Company PLC	INVICTUS	0.25	1,120,000,000	3.950	6.500	3.500	11,222,479.60	2,813,019.00	81	0.000	0.00	280,000,000.00	4,424,000,000.00	
Sawaheed Holding P.J.S.C	SAWAED	1.00	51,100,000	6.700	7.000	6.700						51,100,000.00	342,370,000.00	
The National Investor PRJSC	TNI	1.00	310,000,000	0.450	0.500	0.450						310,000,000.00	139,500,000.00	
G-HITHA HOLDING P.J.S.C.	G-HITHA	1.00	241,600,000	68.200	123.000	24.000	36,563,629.10	516,393.00	73	2.400	3.40	241,600,000.00	16,477,120,000.00	
FOODCO NATIONAL FOODSTUFF PrJSC	FNF	1.00	280,000,000	2.100	2.120	1.080	44,607.48	21,255.00	6	0.250	13.51	280,000,000.00	588,000,000.00	
Manazel PJSC	MANAZEL	1.00	2,600,000,000	0.394	0.590	0.360	381,488.59	963,508.00	26	0.001	0.25	2,600,000,000.00	1,024,400,000.00	
ANAN INVESTMENT HOLDING P.J.S.C	ANAN	1.00	2,312,729,034	4.070	4.070	4.070						2,312,729,034.00	9,412,807,168.38	
ESG EMIRATES STALLIONS GROUP P.J.S.C	ESG	1.00	250,000,000	8.100	8.900	5.300	14,980,339.30	1,827,133.00	69	0.140	1.70	250,000,000.00	2,025,000,000.00	
Easy Lease Motorcycle Rental PJSC	EASYLEASE	1.00	30,000,000	36.140	61.900	24.000	14,507,909.64	391,074.00	71	1.260	3.37	30,000,000.00	1,084,200,000.00	
Q Holding PSC	QHOLDING	1.00	6,855,598,886	4.330	6.990	3.480	9,769,438.53	2,283,512.00	308	0.050	1.17	6,855,598,886.00	29,684,743,176.38	
Al Seer Marine Supplies & Equipment Company	ASM	1.00	1,000,000,000	9.500	14.000	8.890	11,164,748.07	1,183,535.00	108	0.000	0.00	1,000,000,000.00	9,500,000,000.00	
Response Plus Holding PrJSC	RPM	1.00	200,000,000	5.800	12.680	5.370	9,179,866.04	1,566,725.00	51	0.030	0.51	200,000,000.00	1,160,000,000.00	
PALMS SPORTS PrJSC	PALMS	1.00	150,000,000	10.240	14.940	8.640	6,448,861.28	651,394.00	23	0.320	3.23	150,000,000.00	1,536,000,000.00	
Total			15,401,027,920				114,263,367.63	12,217,548.00	816			14,561,027,920.00	77,398,140,344.76	
	Index Traded	FADFSI 10	Index Open Declined 4	17,599.40		Index Close Advanced 4	17,570.62		Index Change Unchanged 2	128.78		Index Change % 0.16	Sector Capitalization 77398140345	
Consumer Staples	Symbol	Face Val (AED)	Issued Shares	Last Close	High 52	Low 52	Value (AED)	Volume	Trades	Change	Change %	Paid Up Capital (AED)	Market Cap. (AED)	
Ras Al Khaimah Poultry & Feeding Co.	RAPCO	1.00	95,040,000	1.440	3.070	1.390						95,040,000.00	136,857,600.00	
HLV HOLDING PJSC	HH	1.00	120,000,000	3.250	3.820	2.430						120,000,000.00	390,000,000.00	
AGTHIA Group	AGTHIA	1.00	791,577,090	4.140	5.480	4.120	943,960.34	227,821.00	24	0.010	0.24	791,577,090.00	3,277,129,152.60	
Total			1,006,617,090				943,960.34	227,821.00	24			1,006,617,090.00	3,803,986,752.60	
	Index Traded	FADCSI 1	Index Open Declined 1	8,705.94		Index Close Advanced 0	8,687.34		Index Change Unchanged 0	18.60		Index Change % 0.21	Sector Capitalization 380398675	