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Indian Rs	22.14
Pakistan Rs	74.05
Philippine Peso	14.55
Bangladesh Taka	27.58

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WTI Crude	\$75.12/bbl
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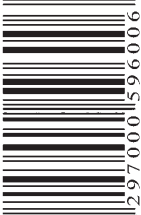
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THE GULF TIME

SHEIKH MOHAMED MEETS PRESIDENT OF BELARUS



President His Highness Sheikh Mohamed bin Zayed Al Nahyan with Alexander Lukashenko, President of Belarus, at Qasr Al Shati Palace, in Abu Dhabi on Friday. During the meeting, the two sides discussed bilateral relations and ways to enhance them to serve the interests of the two countries and their peoples —WAM

UAE is a global example of promoting values of peace

Says Abdullah bin Bayyah, while praising UAE's leadership for promoting values of tolerance and compassion globally

ABU DHABI / WAM

Shaikh Abdullah bin Bayyah, Chairman of the UAE Fatwa Council and Head of the Abu Dhabi Forum for Peace, praised the UAE's leadership for promoting the values of peace, tolerance, and compassion globally, making it a global example.

In his statement on the occasion of the annual International Day of Human Fraternity on February 4, Shaikh Abdullah noted the UAE's role in fostering inter-faith dialogue and hosting the signing of the Document on Human Fraternity by His Eminence Dr. Ahmed el-Tayyeb, Grand Imam of Al



Azhar and Chairman of the Muslim Council of Elders, and His Holiness Pope Francis, Head of the Catholic Church.

He emphasised the importance of highlighting similarities between humans as a way to achieve harmony and pave the way for peace.

Saqr Ghobash, Speaker of the Federal National Council (FNC),

Shaikh Abdullah bin Bayyah, Chairman of the UAE Fatwa Council emphasised the importance of highlighting similarities between humans as a way to achieve harmony and pave the way for peace

stressed that the UAE's celebration of the International Day of Human Fraternity is a testament to its pioneering role in promoting tolerance and coexistence.

■ For full story, read www.gulftime.ae

DRYDOCKS WORLD is a DP World company

Drydocks World, Aker Solutions form JV to upgrade FPSO vessel

Under the deal, the vessel will be redeployed at Rosebank field in UK, with upgrades allowing it to be kept in the field for 25 years without drydocking

DUBAI / WAM

Drydocks World, a DP World company, and Aker Solutions have formed a joint venture (JV) to upgrade a Floating Production Storage and Offloading (FPSO) vessel for the Rosebank oil and gas field in the UK.

The new joint venture combines the complementary strengths, resources, and experience of Drydocks World's leading marine and offshore services with Aker Solutions' integrated solutions, products and services to cater for the needs of the global energy industry.

The joint venture signed its first contract with Alterra Infrastructure, a global energy infrastructure, to upgrade, refurbish and electrify the FPSO, the Petrojarl Knarr. The vessel will be redeployed at Rosebank field, with the upgrades allowing it to be kept in the field for 25 years without drydocking.

The contract was officially signed in Dubai at DP World's Head Office by Sultan Ahmed bin Sulayem, Group Chairman and CEO of DP World and Chairman of Drydocks World; Sturla Magnus,



The new joint venture between Drydocks World and Aker Solutions will bring the shared strengths and values of both companies and provide a range of solutions including engineering, procurement and construction to a global market —WAM

Executive Vice President, Top-sides and Facilities at Aker Solutions; and Arne Hygen Tørnkvist, EVP of Alterra Infrastructure.

Aker Solutions will handle the detailed design and procurement of equipment in Norway, while Drydocks World will be responsible for the fabrication and construction work at their yard in Dubai.

The Petrojarl Knarr is currently at the Aker Solutions yard in Norway and will remain there until it is towed to Dubai later during 2023. The engineering, procurement and construction (EPC) work is planned for completion by the end of 2025.

Commenting on the cooperation, Bin Sulayem said, "This joint venture between Drydocks World and Aker Solutions will deliver world-class maritime engineering and construction solutions to the global energy industry. The sector needs smart, collaborative partnerships like this to ensure sustainable production and to successfully transition equipment and vessels for the future. Today's announcement is an important step forward."

Capt. Rado Antolovic PhD, CEO of Drydocks World-Dubai, said, "Based on our strong prior work-

■ While Drydocks World will be responsible for the fabrication and construction work of the equipment at their yard in Dubai, Aker Solutions will handle the detailed design and procurement of the vessel in Norway

■ The Petrojarl Knarr is currently at the Aker Solutions yard in Norway and will remain there until it is towed to Dubai later during 2023

ing relationship and the aligned cultures of each partner, the new joint venture between Drydocks World and Aker Solutions will bring the shared strengths and values of both companies and provide a range of solutions including engineering, procurement and construction to a global market."

■ For full story, read www.gulftime.ae

UAE President, Iraqi PM discuss bilateral relations

ABU DHABI / WAM

President His Highness Sheikh Mohamed bin Zayed Al Nahyan and Mohammed Shiaa' Al Sudani, Prime Minister of Iraq, discussed on Friday, in a telephone con-

versation, the relations, various aspects of cooperation and joint work between the two countries, and ways of developing them to achieve their common interests.

■ For full story, read www.gulftime.ae

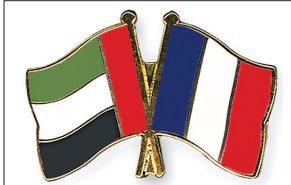
Sheikh Abdullah and French diplomat discuss partnership

ABU DHABI / WAM

His Highness Sheikh Abdullah bin Zayed Al Nahyan, Minister of Foreign Affairs and International Cooperation, received Catherine Colonna, French Minister of Europe and Foreign Affairs. During the meeting, which took place in Abu Dhabi, the two sides discussed their relations and available opportunities for widening their cooperation, under the framework of strategic partnership between the UAE and France.

They also talked about developments in the region, as well as relevant regional and international events, and stressed their keenness to continue consultations and coordination on issues of mutual concern.

Moreover, the two ministers discussed their countries' cooperation in the energy sector, especially in light of the strategic partner-



HH Sheikh Abdullah bin Zayed and French Minister of Europe and Foreign Affairs discuss strategic partnership and their countries' cooperation in the energy sector

ship agreement in the field of energy signed by the two countries in July 2022.

HH Sheikh Abdullah welcomed the visit of Colonna and highlighted the deep-rooted relations between the UAE and France, as well as the keenness of the two countries to enhance their strategic partnership and broaden the scope of their cooperation.

Dubai's weeklong real estate deals cross AED9bn

DUBAI / WAM

A total of 2,157 real estate transactions worth over AED9 billion were conducted during the week ending February 3, according to figures released by the Dubai Land Department (DLD).

The DLD report revealed that 237 plots were sold for AED1.56 billion, with an additional 1,920 apartment and villa sales recorded totalling AED5.77 billion.

Ranking first in transactions was a land in Al Wasl sold for AED147.5 million, followed by a land in Island 2 sold for AED112 million, and another in Mohammad bin Rashid Gardens sold for AED54 million.

Al Hebiah Fifth recorded the most transactions for this week by 108 sales transactions worth AED383.71 million, followed by Al Yufrah 1 with 28 sales transactions worth AED163.27 million, and Al Hebiah Fourth with 14 sales transactions worth AED149 million in third place.

UAE, Mexico to enhance cooperation in key fields

MEXICO CITY / WAM

The Ministry of Foreign Affairs and International Cooperation has coordinated a high-level economic delegation visit to Mexico.

The economic delegation, which was headed by Ahmed Ali Al Sayegh, Minister of State, explored investments and commercial opportunities to enhance cooperation between the UAE and Mexico in the fields of food security, technology, infrastructure, and industrial development.

The delegation comprised a number of key economic entities, including International Investors Council, Dubai FDI, Mubadala Investment Company, Strata Manufacturing, Dubai Chambers, DP World and Elite Agro. The entities and companies participating in the delegation expressed the importance of this visit, noting that it has paved the way for constructive discussion to advance cooperation across multiple fields of com-



The UAE and Mexico explore investments and commercial opportunities to enhance cooperation in the fields of food security, technology, infrastructure, and industrial development

mon interest in the future.

During the visit, a number of meetings were held between Ahmed Ali Sayegh and Mexican Ministers and officials, including Marcelo Ebrard, Minister of Interior and Exterior Relations, Secretary of Agriculture and Rural Development, Secretary of Culture, and Secretary of Tourism.

DHA, Trends ink deal to partner on several research projects in health

The partnership between the two entities will enhance the efficiency, competitiveness of health system in Dubai

DUBAI / WAM

The Dubai Health Authority (DHA) on Friday signed a memorandum of understanding with Trends Research and Advisory (Trends) during Arab Health 2023, to collaborate on several research projects, studies and polls relating to the health sector in the emirate.

The MoU was signed by Fatima Abbas, CEO of Strategy & Corporate Development Sector at the DHA and Dr Mohammed Abdullah Al-Ali, CEO of Trends Research and Advisory in presence of a number of senior officials from both sides.

Abbas highlighted that the MoU will support the authority's efforts to develop an innovative health system based on scientific research and enhance the competitiveness of the health sector in the emirate.

She stressed that Dubai



Health Authority pays great emphasis to building strategic partnerships and joint cooperation with various specialised centres and research institutions to benefit from their capabilities in assessing, monitoring, analysing and improving the health status of the population, and measuring the quality of health care services in the emirate.

Abbas said that Trends Research and Advisory has played a pioneering role in the field of studies and research.

She said the partnership will

The agreement with Trends will support Dubai Health Authority's efforts to develop an innovative health system based on scientific research, and achieve the authority's vision of a healthier and happier community

enhance the efficiency and competitiveness of the health system in Dubai, and achieve the authority's vision of a healthier and happier community.

Dr Muhammad Abdullah Al-Ali, CEO of Trends Research and Advisory, said that the signing of the MoU is in line with the regional and global "Trends" strategy aimed at expanding partnerships and constructively contributing to shaping the future with knowledge and science.

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

KHDA, Dubai Culture launch new heritage book about Al Marmoom Reserve

DUBAI / WAM

The Knowledge and Human Development Authority (KHDA), in collaboration with Dubai Culture and Arts Authority (Dubai Culture), has launched a new book "Al Marmoom" documenting Emirati heritage and life in the largest unfenced nature reserve in the UAE located in Al Marmoom area.

The book was written by Emirati writer and researcher Juma Khalifa bin Thalith, was launched at Al Safa Art and Design Library in a discussion session attended by Dr. Abdullah Al Karam, Director-General of the KHDA, and Hala Badri, Director-General of Dubai Culture and Arts Authority.

"Al Marmoom Reserve has become a popular destination for those seeking to experience the beauty of the desert and the cultural heritage of the UAE. The book on Al Marmoom highlights its environmental richness and cultural significance and provides educational content for future generations," Dr. Al Karam said. "Thanks to the efforts of government organisations, Al Marmoom has become a hub of happiness and a way of life."

Hala Badri stated, "The desert is an important symbol in Emirati

Al Marmoom Reserve has become a popular destination for those seeking to experience the beauty of the desert and the cultural heritage of the UAE

culture and preserving its environment is a priority. The book captures the history and civilization of the UAE, promoting sustainability and cultural awareness. It positions the country as a destination for culture, entertainment, sports, tourism, and the environmental preservation."

Juma bin Thalith, the author of the book on Al Marmoom, was inspired to document the secrets and heritage of the area after the announcement of its inauguration as the largest eco-tourism destination by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. The reserve, implemented by nine government entities, sparked the author's interest in researching the human and environmental history of Al Marmoom and capturing its story in a book.



"The book on Al Marmoom Reserve highlights its environmental richness and cultural significance and provides educational content for future generations," Dr Abdullah Al Karam, Director-General of the KHDA said —WAM

MBRCGI, MBRIF to boost startups in vital sectors

DUBAI / WAM

The Mohammed Bin Rashid Centre for Government Innovation (MBRCGI) and the Mohammed Bin Rashid Innovation Fund (MBRIF) launched the second edition of the Pitch@GOV initiative as part of the UAE Innovates 2023. The event aims to foster collaboration between government entities and private sector organisations, entrepreneurs, and innovators to promote culture of innovation in the country. During the month-long event, a large number of federal and local government agencies, private and academic sector institutions, and community members will participate.

MBRCGI is organising the initiative in collaboration with Emirates Health Services (EHS) and the Roads and Transportation Authority (RTA) in Dubai to find innovative solutions to challenges in the healthcare and transportation sectors. The initiative seeks to utilise public-private partnerships and engage entrepreneurs in developing government work, helping startups turn their ideas into feasible solutions for future challenges.

The Pitch@GOV initiative aims to foster collaboration between government entities and private sector organisations, entrepreneurs, and innovators to promote the culture of innovation in the country

Huda Al Hashimi, Deputy Minister of Cabinet Affairs for Strategic Affairs, said, "The second edition of Pitch@GOV, a key part of UAE Innovates 2023's activities, is vital to support and enable innovative startups to accelerate the implementation of their projects and ideas.

"It is an important addition to MBRCGI's initiatives, which aim to strengthen partnerships between the government and private sectors as well as the community, in designing and implementing the innovative solutions to major future challenges."

■ For full story, read [gulftime.ae](#)

ABDULLAH BIN ZAYED MEETS BRITAIN'S SHADOW FOREIGN SECRETARY



HH Sheikh Abdullah bin Zayed Al Nahyan, Minister of Foreign Affairs and International Cooperation, with David Lammy, British Shadow Foreign Secretary and Member of Parliament in Abu Dhabi on Friday. During the meeting, HH Sheikh Abdullah and Lammy discussed the bilateral relations between the two countries and ways to enhance them in all fields to serve their common interests and benefit their peoples. They also reviewed the latest regional and international developments. HH Sheikh Abdullah welcomed Lammy's visit, stressing his keenness to strengthen and develop the close bilateral relations between the two countries and expand their cooperation in various fields. The meeting was attended by Reem bint Ibrahim Al Hashemy, Minister of State for International Cooperation, and Mansour Abdullah Khalifa Belhouli, UAE ambassador to the United Kingdom —WAM

TRENDS Research and Advisory has played a pioneering role in the field of studies and research

DHA, Trends to collaborate on several research projects

The deal will support authority's efforts to develop an innovative health system based on scientific research and enhance its competitiveness

DUBAI / WAM

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She stressed that Dubai Health Authority pays great emphasis to building strategic partnerships and joint cooperation with various specialised centres and research institutions to benefit from their capabilities in assessing, monitoring, analysing and improving the health status of the population, and measuring the quality of health care services in the emirate.

Abbas said that Trends Research and Advisory has played a pioneering role in the field of studies and research.

She said the partnership will enhance the efficiency and competitiveness of the health system in Dubai, and achieve the authority's vision of a healthier and happier community.

Dr Muhammad Abdullah Al-Ali, CEO of Trends Research and Advisory, said



Fatima Abbas, CEO of Strategy & Corporate Development Sector at the DHA and Dr Mohammed Abdullah Al-Ali, CEO of Trends Research and Advisory, during the signing of an MoU at Arab Health 2023 on Friday —WAM

- The partnership with Trends will enhance the efficiency and competitiveness of the health system in Dubai, and achieve the Dubai Health Authority's vision of a healthier and happier community
- The collaboration of Trends with DHA extends across several areas including joint research, opinion polls and field surveys, as well as exchanging ideas, on issues and interests of both sides in research and studies

that the signing of the MoU is in line with the regional and global "Trends" strategy aimed at expanding partnerships and constructively contributing to shaping the future with knowledge and science.

He said the collaboration with DHA extends across several areas including joint research, opinion polls and field surveys, as well as exchanging ideas,

on issues and interests of both sides in research and studies.

Al-Ali stressed that partnership agreements and memorandums of research and scientific cooperation with various institutions and entities helps contribute to a deeper understanding of various regional and global issues and provides a comprehensive and accurate analytical perspective.

Sharjah's Souq Al Jubail sees 4.4m visitors

SHARJAH / WAM

Souq Al Jubail, a project of Sharjah Asset Management Company, the investment arm of the government of Sharjah, welcomed more than 4.44 million visitors and achieved significant volumes of vegetable and fruit sales exceeding 2,354 tonnes during 2022.

The excellent turnout and

performance thus far have been credited to the Souq's exceptional quality and integrated services in line with the needs of the market, catering to various products, food and fresh supplies under one roof, as well as a series of events and campaigns organised by the market throughout the year.

Talal Mohamed, Director of Souq Al Jubail, said, "In

2022, Souq Al Jubail witnessed many distinguished developments and achievements in the quality of services provided in various sections of the Souq, and through numerous events and activities organised during the year. Souq Al Jubail has cemented its presence on the map of leading and distinguished family and tourist destinations in the

emirate of Sharjah and the greater region."

He revealed that the Souq received 2,609 tourists from across the globe.

Mohamed stressed that Souq Al Jubail's reception of more than 4 million visitors during the past year represented an increase of more than 17% compared to 2021.

■ For full story, read [gulftime.ae](#)

Abu Dhabi's Breakwater hosts Remote Control Boat Championships

As many as 34 competitors are taking part in three categories of the tournament which kicks off today

DUBAI / GULF TIME

Abu Dhabi Marine Sports Club announced that the UAE Remote Control Boat Championships begins on February 4 as part of the marine sports season in the capital, Abu Dhabi.

As many as 34 competitors are taking part in three categories of the tournament — 2 Cell, 3 Cell and 4 Cell for junior, novice and professional categories respectively.

The tournament bears great importance for the community of competitors in marine



The UAE Remote Control Boat Championships bears great importance for the community of competitors in marine sports, as it is one of the modern sports that has been widely spread around the world lately and witnesses greater participations and attendance

“The UAE Remote Control Boat Championships has gathered a great reputation and presence among young people in the past period, and continues to spread widely through the number of participants and the demand for registration

Nasser Al Dhaheeri, Head of the Modern Racing Department, Abu Dhabi

sports, as it is one of the modern sports that has been widely spread around the world lately and witnesses greater participations and attendance.

A remote briefing for the participants regarding the details of the track, laws and regula-

tions was held. The tournament was launched on Friday with the preliminary qualifiers and free trials. The qualifiers will follow with the participation of all the contestants in the first round.

Nasser Al Dhaheeri, Head of

the Modern Racing Department, Abu Dhabi confirmed that the UAE Remote Control Boat Championships saw a large participation, especially with the diversity of the categories and the great performance of the boats. He continued: "This tournament has gathered a great reputation and presence among young people in the past period, and continues to spread widely through the number of participants and the demand for registration. We expect a delightful and firm competition in all the categories."

HONG KONG'S gross domestic product shrank 3.5% last year, its third contraction in four years

Tourism-starved Hong Kong to give away 500,000 air tickets

The tickets will be distributed through Cathay Pacific Airways, its budget carrier HK Express as well as Hong Kong Airlines International Holdings

BLOOMBERG

Hong Kong will hand out 500,000 air tickets to bring in much-needed visitors as part of a global publicity campaign.

The city's leader John Lee announced the giveaway at the launch of the Hello Hong Kong campaign at a briefing, saying it was "probably the world's biggest welcome ever." Lee highlighted a number of events coming up including the Rugby Sevens and city marathon in a speech given in English, Mandarin and Cantonese.

Hong Kong will hand out 80,000 air tickets to residents in the summer, and another 80,000 to residents of the Greater Bay Area

The government is seeking to revive the economy and repair Hong Kong's global image which was damaged by often-violent protests in 2019, the imposition of tough security laws in 2020 and three years of self-imposed isolation during the pandemic. GDP shrank 3.5% last year, its third contraction in four years.

The tickets will be distributed through Cathay Pacific Airways, its budget carrier HK Express as well as Hong Kong Airlines International Holdings, Fred Lam, chief executive officer of the city's Airport Authority, said at the briefing. The giveaway will begin at the start of March and last six months, he said, adding there will be different ways to win tickets,



The ticket giveaway may pressure airlines. Cathay Pacific's flight capacity at the end of last year was 32% of its pre-Covid level. Hong Kong was Asia's busiest international airport prior to Covid-19 pandemic

such as a lottery system and two-for-one purchases.

Hong Kong received some 605,000 visitors last year as the city slowly dropped its Covid restrictions, up from 91,000 in 2021, according to the local tourism board. That compares with almost 56 million in 2019 before the pandemic hit.

The ticket giveaway may pressure airlines. Cathay Pacific's flight capacity at the end of last year was 32% of its pre-Covid level. Hong Kong was Asia's busiest international airport prior to Covid. The Airport Authority purchased the tickets in 2020 as part of a HK\$2 billion (\$255 million) rescue package for the airline industry.

The city will also hand out 80,000 air tickets to Hong Kong residents in the summer, and another 80,000 to residents of the Greater Bay Area, Lam said.

- The ticket giveaway will begin at the start of March and last six months. There will be different ways to win tickets, such as a lottery system and two-for-one purchases
- Hong Kong received some 605,000 visitors last year as the city slowly dropped its Covid restrictions, up from 91,000 in 2021. That compares with almost 56 million in 2019 before the pandemic hit

Moves are underway to boost the number of visitors from the rest of the country. Testing requirements and a quota system for mainland Chinese visitors are set to be dropped, while three more border crossings with the mainland will reopen as early as Monday, the South China Morning Post reported. The border reopened last month for the first time in three years.

Natixis SA estimates Hong Kong's economy lost \$27 billion in potential growth due to the effects of the pandemic and the city's strict Covid curbs.

Hong Kong's only remaining pandemic-era restriction is mandatory mask wearing in public places. The city's leader Lee said this week he hopes to remove the mask mandate when the winter surge is over.

Bed Bath & Beyond missed interest payments on bonds

BLOOMBERG

Bed Bath & Beyond Inc., the financially strapped home-goods retailer, missed interest payments on its bonds, a week after receiving a default notice from lenders.

The retailer failed to make payments on notes that total more than \$1 billion, a spokeswoman said in an emailed statement.

The default means Bed Bath & Beyond has entered a 30-day grace period, during which time it can still make the interest payments. The *Wall Street Journal* reported earlier on the missed payments.

The skipped payments are the latest sign of the retailer's worsening financial situation. Bed Bath & Beyond is weighing various financial options, including the possibility of a Chapter 11 bankruptcy filing, which would allow the company to continue operating while it attempts to reorganize.

The company received a default notice from JPMorgan Chase & Co. last week, and warned it didn't have enough funds to make payments.

In recent days, the retailer's efforts to find a buyer in bankruptcy have stalled,



The Bed Bath & Beyond failed to make payments on notes that total more than \$1 billion, a spokeswoman said

Bloomberg News has reported, citing people with knowledge of the matter. That potentially puts the home-goods chain on a path towards liquidation.

The chain's decline has been years in the making. It accelerated in recent months as suppliers grew increasingly concerned about the company's future and demanded payments in advance.

"Multiple paths are being explored and we are determining our next steps carefully, and in a timely manner," the spokeswoman said.

Impossible Foods plans to lay off 20% of its workers

BLOOMBERG

Impossible Foods Inc., the maker of meatless burgers and sausages, is preparing to cut about 20% of its staff.

The Redwood City, California-based company currently employs about 700 workers. The new round of dismissals could reduce that amount by more than 100.

Impossible Foods offered voluntary separation payments and benefits to employees at the end of 2022, said the person, who asked not to be named

discussing private information. An internal document viewed by *Bloomberg* confirmed the separation packages being offered. The company previously reduced headcount in October, cutting about 6% of its workforce at the time.

Closely held Impossible Foods recently said its sales were up more than 50% in 2022 in dollar terms at US retail stores. In a September interview, Chief Executive Officer Peter McGuinness said Impossible Foods has a strong balance sheet and good cash position.

THAI AIRASIA ADDING BACK IDLED JETS



The tails of Thai AirAsia Airbus A320-200 commercial passenger planes are seen at the international departures terminal at Don Mueang International Airport in Bangkok. The budget carrier plans to resume operations of eight aircraft that were idled during the pandemic and is considering shifting planes from other parts of the group to cater for the growing number of visitors from China. Asia Aviation, the operator of Thailand's biggest low-cost airline, also expects improved earnings growth with the resumption of more flights to Chinese cities

—DPA

Finnair scraps in-flight duty free sales as on-board shopping fades

As part of the phase-out, the airline is offering a 40% closing-down sale on some items until the service ends

BLOOMBERG

Finnair Oyj will stop selling amenity kits, and other popular Finnish products on board its aircraft by the end of the month, reacting to slowing demand for in-flight shopping.

The move has the added benefit of reducing the overall weight of the aircraft, Finnair said, at a time when carriers are seeking to cut their fuel bills. In-flight sales will end on February 28, though passengers can still pre-order goods that will be delivered until April 18, the airline said in a statement.

As part of the phase-out, Finnair is offering a 40% closing-down sale on some items until the service ends. Finnair will continue to sell food and beverage on board, it said.

The carrier has seen its business model come under pressure in the past year after the closing down of Russian airspace in the wake of the Ukraine war added extra hours and fuel cost to its popular Asian routes.

In-flight sales are a legacy of the glory days of flying when airlines offered significant discounts on cigarettes, perfume and other items. Online shop-



In-flight sales are a legacy of the glory days of flying when airlines offered significant discounts on cigarettes, perfume and other items. Online shopping as well as duty-free outlets at airports have dented the appeal of the vast catalogues of products that airlines offered customers

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ping as well as duty-free outlets at airports have dented the appeal of the vast catalogues of products that airlines offered customers, even as carriers such

as Ryanair Holdings Plc say that ancillary revenue, which includes in-flight duty-free sales, made up as much as 45% of its total revenue in 2022.

Southwest names new tech chief

BLOOMBERG

Southwest Airlines Co. named a new executive to oversee technology investments and data platforms, just over a month after the carrier suffered from an operational meltdown that forced it to

cancel more than 16,700 flights.

Lauren Woods, who has been with the company since 2010, was named chief information officer and senior vice president of technology, taking over for Kathleen Merrill, according to a statement. Merrill had de-

cided in September to shift to an executive adviser role early this year, Southwest said.

While the change was in progress prior to the carrier's recent issues, it puts a new leader in charge of \$1.3 billion in technology investments and upgrades planned for 2023.

Asda seeks to reduce costs with overhaul of stores, shifts

The UK grocer wants to axe night shifts so that staff restock shelves during late evening or daylight hours

BLOOMBERG

Asda, the highly leveraged UK supermarket chain, is planning to cut jobs and change working practices to save costs.

Britain's third-largest grocer wants to axe night shifts so that staff restock shelves during late evening or daylight hours instead. That would remove the premium paid to night-shift employees who work after midnight and also cut more than 200 manager roles.

Asda is also suggesting reducing opening hours for its in-store post offices and closing a small number of pharmacies in its shops which will affect more than 260 roles.

- Asda reported a rebound in sales in November after two straight quarters of declines as the grocer focuses on keeping prices low
- The grocer said it would open 300 stores by the end of 2026 under the Asda Express banner as it seeks to accelerate its push into the convenience store market

The grocer, which has begun a consultation with employees, is following competitors with its biggest rival Tesco Plc cutting 1,600 jobs last year as it revamped overnight shifts.

UK supermarkets' profit margins are being squeezed as they have not been able to pass

on all their surging costs to shoppers at a time when consumers' real incomes are falling amid the worst inflation in four decades.

Brothers Mohsin and Zuber Issa acquired a majority stake in Asda with buyout firm TDR Capital in 2021 and there's specula-



Britain's third-largest grocer, Asda, is suggesting reducing opening hours for its in-store post offices and closing a small number of pharmacies in its shops which will affect more than 260 roles

tion that the owners will merge the retailer with the UK arm of EG Group, a petrol filling station and convenience business.

Analysts at CreditSights cut their recommendation to sell on Asda's bonds, citing the risk that a possible deal could mean

EG Group's debt maturities take priority over Asda. EG Group has about £7 billion (\$8.7 billion) of debt coming due by 2025.

"We believe that there is a meaningful probability of a deal going through, especially due to the shared ownership structure," the analysts wrote.

Asda reported a rebound in sales in November after two straight quarters of declines as the grocer focuses on keeping prices low. In December the grocer said it would open 300 stores by the end of 2026 under the Asda Express banner as it seeks to accelerate its push into the convenience store market.

INDUSTRY advocates argue that deferring decisions on any more wells would make the Alaska oil project nonviable

Battle intensifies over \$8b Alaska oil project dubbed ‘carbon bomb’

The project has been a lightning rod of controversy because of 614mn barrels of crude and 254mn metric tons of greenhouse gas emissions it could release

BLOOMBERG

It’s been called a “carbon bomb” and a caribou killer. Now, climate activists have one final, brief window of opportunity to quash ConocoPhillips’s proposed \$8 billion oil development in Alaska.

In an unexpected twist, some opponents are quietly encouraging President Joe Biden’s administration to actually approve the project, but in such a scaled-back way that it no long makes economic sense. They’re moving fast, before the Interior Department is set to issue its final ruling in about a month.

This “will be a really important 30 days,” said Abigail Dillen, president of the environmental group Earthjustice.

Foes of the venture see the latest Interior Department analysis as an opening. While the report endorsed a plan to drill wells at three to four locations across the Willow prospect in the National Petroleum Reserve-Alaska, the agency made clear the ultimate decision could take form of an outright denial or an approval with new strings attached.

The Interior Department also made it “crystal clear” that the administration has concerns about the project’s “outsize climate impacts and the impacts to Alaska Natives who rely on subsistence hunting to survive,” Dillen said.

But rather than ask Biden to kill the project altogether, some activists are pushing a plan they think will have more political appeal. If the administration approves a smaller project, that could be seen as a compromise between the president’s climate ambitions and his exhortations for oil industry to crank out more crude to lower energy costs.

In reality, though, ConocoPhillips has already said further reductions to the drilling project would jeopardise the



ConocoPhillips said the three drilling sites at Alaska “reflect an integrated design concept and provide a viable path forward for development of our leasehold”

■ ConocoPhillips has said further reductions to the drilling project would jeopardise the venture. If the government limits drilling to two locations, or well pads, Willow would no longer be economically viable, Erec Isaacson, the president of ConocoPhillips Alaska, said

■ Indigenous groups have said that the project would imperil the health and subsistence lifestyles of Alaska Natives whose cultures and existence depend on the caribou that migrate through the region

venture. If the government limits drilling to two locations, or well pads, Willow would no longer be economically viable, Erec Isaacson, the president of ConocoPhillips Alaska, told *Bloomberg* in December.

The Willow venture has been a lightning rod of controversy because of the 614 million barrels of crude and 254 million metric tons of greenhouse gas emissions it could release. Indigenous groups have also said that the project would imperil the health and subsistence lifestyles of Alaska Natives whose cultures and existence

depend on the caribou that migrate through the region.

In its report, the Interior Department’s Bureau of Land Management highlighted a preferred option for project that would be pared down to three well pads, with a fourth indefinitely put off. ConocoPhillips had pursued five.

ConocoPhillips said the three drilling sites “reflect an integrated design concept and provide a viable path forward for development of our leasehold.”

Some experts say there’s some legal risk to that strategy. It could lead to a run in with federal law

that requires the government to fully study the economic and environmental consequences of major decisions.

If the Interior Department were to in the end authorise a two- or even one-well-pad project, it could prompt new construction plans, roadway configurations and other infrastructure, with very different environmental and economic consequences than government initially analysed.

Leaders from Nuiqsut, Alaska, the village nearest the proposed development, who oppose the project have asked regulators to at least limit activities to a single well pad. That would still allow ConocoPhillips to tap 48% of oil at the site, while minimizing road construction and operations that could disturb the migration patterns of caribou critical to Alaska Natives’ subsistence culture, they said in a letter to federal regulators.

Industry advocates argue that deferring decisions on any more wells would make the project nonviable.

Some regulatory lawyers also say that the administration actually doesn’t have much latitude when it comes to veering from the current proposal, because of Congress’ nearly half-century-old mandate for the government to conduct an “expedient program of competitive leasing” in the National Petroleum Reserve-Alaska. Although the law doesn’t explicitly force the government to authorise drilling on leases in the reserve, they argue not doing so runs counter to Congress’ intent in compelling oil leasing.

Still, Willow has drawn support from Alaska leaders, labour unions and some Alaska Natives who say it will foster high-paying jobs, deliver much-needed crude and enhance US energy security.

Pakistan launches \$2.7b nuclear plant

BLOOMBERG

Pakistan inaugurated a \$2.7 billion nuclear reactor, providing some relief as the nation grapples with an energy crisis.

The 1,100 megawatts capacity power plant will generate some of the nation’s cheapest electricity, according to data from regulator National Electric Power Regulatory Authority. The facility was connected to the grid last March.

It’s the second unit at the Karachi nuclear power plant to use a Chinese-designed Hualong One reactor. China financed the facility’s expansion.

Pakistan “badly needs” clean and cheap sources of energy, whether it is nuclear, hydro or other renewables, Prime Minister Shehbaz Sharif said at a ceremony at the power plant in Karachi.

While the new facility is a wel-

The 1,100 megawatts capacity power plant in Pakistan will generate some of the nation’s cheapest electricity, according to data from regulator National Electric Power Regulatory Authority

come addition to Pakistan’s stretched grid, it won’t do much to curb dependence on expensive fossil fuel imports or solve nation’s energy shortages.

Pakistan’s inflation quickened to the fastest in almost 48 years in January as thousands of containers of food items, raw materials and equipment are stuck in ports after the cash-strapped government curtailed imports.



While the new nuclear facility is a welcome addition to Pakistan’s stretched grid, it won’t do much to curb dependence on expensive fossil fuel imports or solve the nation’s chronic energy shortages

French nuclear output rises to 12-month high

BLOOMBERG

France’s nuclear power plants were generating at the highest level in nearly a year, providing temporary relief in Europe’s fight to save natural gas this winter.

The nation had 45 reactors online on Friday, producing 45,360 megawatts, according to grid operator RTE. That’s the highest since Feb. 11 last year, but about 12% lower than the average of the past five years.

That surge in output is likely to be short-lived though as fresh maintenance this month is likely to curb generation to historically low levels for this time of year.

Eight reactors are due to be taken off the system for maintenance this month, grid operator RTE said last month. As temperatures dip and German wind power output is poised to plunge in the coming days, they will be sorely missed and likely drive increased use of coal and gas plants.

Shell sees record 2022 profit

The firm’s integrated gas unit was firing on all cylinders in final quarter, delivering \$6bn of profit in its best-ever performance

BLOOMBERG

Shell Plc posted a fourth-quarter profit that was well ahead of expectations as its natural gas business thrived, lifting the oil major to a record performance in 2022 fuelled by soaring energy prices.

After a bumpy ride earlier in the year amid volatile markets, Shell’s integrated gas unit was firing on all cylinders in the final quarter, delivering \$6 billion of adjusted profit in its best-ever performance. The “scale and scope” of the business that produces and trades liquefied natural gas — a crucial fuel for Europe as Russia squeezed pipeline exports — helped drive this performance, the company said.

Flush with cash, Shell kept up the pace of share buybacks by announcing a further \$4 billion of purchases in the coming months, and went ahead with a planned 15% dividend hike.



Shell’s fourth-quarter adjusted net income of \$9.81 billion was well ahead of the average analyst estimate of \$7.97 billion compiled by the company. It posted a profit of \$39.87 billion for the full year, beating the previous record of \$28.4 billion set in 2008

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“We intend to remain disciplined while delivering compelling shareholder returns,” Sawan said in a statement. “Our results in the fourth quarter and across the full year demon-

strate the strength of Shell’s differentiated portfolio.”

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Like other oil majors, Shell has used a portion of the cash bonanza to get its balance sheet in shape. Shell’s gearing — a measure of net debt relative to its value — dropped to 18.9%, the lowest since 2015.

SIEMENS GAMESA ENDS COMPLEX QUARTER



Managing Director of Siemens Gamesa Jochen Eickholt (R) shows German Minister of Economics and Climate Protection Robert Habeck around a production hall of the wind turbine manufacturer in Cuxhaven, Germany. Siemens Gamesa announced the financial results for the first quarter of fiscal year 2023. The Mistral strategy program of the company continued to show progress in addressing current challenges and building the path to regaining profitability —DPA

OMV explores sale of oil, gas assets

BLOOMBERG

OMV AG is exploring a sale of some international oil and gas assets as the Austrian energy and chemicals company pushes ahead with a long-

term goal to pull back from upstream production.

The government-backed company is working with advisers to gauge interest in the multibillion-dollar portfolio from private equity and strategic buyers.

OMV in March announced plans to transform itself from one of eastern Europe’s biggest fossil-fuel firms to an integrated green enterprise built around the chemicals, recycling and electric-vehicle infrastructure.

Asia faces shortage of ships to install offshore mega wind farms

As nations embark on a rapid build-out of wind power, builders can’t churn out support vessels fast enough to keep up

BLOOMBERG

Asian nations counting on offshore wind farms to meet clean energy goals are facing an increasing shortage of ships for installing the massive turbines in the sea.

As countries embark on a rapid build-out of wind power in the next decade, builders can’t churn out the support vessels fast enough to keep up, shipping experts say. The situation is only going to get worse as blades get longer and require bigger ships to handle them.

“Specialised vessels are going to be in demand for projects in Taiwan and South Korea,” said

The shortage of ships is significant for Asia as the GWEC predicts the continent will top Europe as the region with the most new offshore wind installations through 2026.

A lack of vessels could set back countries’ efforts to diversify away from fossil fuels

Sean Lee, chief executive officer of shipyard Marco Polo Marine Ltd. “There will be more and more projects coming up, and a big wave of them in Japan from 2028.”

The complicated job of planting a wind turbine in the seabed requires several types of ships specially designed for the work: Turbine installers

feature massive cranes capable of hoisting objects weighing as much as the largest sequoia tree. Commissioning service operation vessels, or CSOVs, provide adjustable gangways that allow technicians to reach the turbine blades.

Excluding China, there are currently only about 10 turbine installing ships and a few



Excluding China, there are currently only about 10 turbine installing ships and a few dozen commissioning service operation vessels (CSOVs) operating worldwide

dozen CSOVs operating worldwide, according to shipbroker Clarksons. By 2030, demand

for turbine installers will outpace supply by about 15 vessels, while the gap for CSOVs

will widen to more than 145 CSOVs from 30 currently, it estimates.

China has 84 ships capable of installing wind turbines, according to trade group Global Wind Energy Council (GWEC). But the majority of those can only handle small turbines, with many having been converted from oil and gas ships. These are unlikely to meet specifications in Europe or elsewhere in Asia.

The global floating offshore wind market is expected to increase to a cumulative 27.6 gigawatts by 2035 from just 0.1 gigawatt currently installed, according to *BloombergNEF*.

AMAZON CEO Andy Jassy zeroed in on the company’s efforts to slash costs

Apple, Alphabet, Amazon hurt as economic slump hits demand

Shares of all three firms were down in premarket trading. That helped pull down Nasdaq 100 futures lower, indicating a possible reversal of earlier rally

BLOOMBERG

Technology bellwethers Apple Inc., Amazon.com Inc. and Alphabet Inc. posted results Thursday that show an economic slowdown is throttling demand for everything from electronics and e-commerce to cloud computing and digital advertising.

Apple’s sales fell more than analysts predicted during the holiday quarter, slammed by slack purchases of iPhones and Macs. Amazon’s revenue was trimmed by soft consumer demand for products sold online and slowing growth in a once-booming business that provides remote computing power to companies. Alphabet’s results missed estimates after customers curtailed orders for ads that appear alongside online search results.

“The war in Ukraine, inflationary pressures, economic uncertainty and macroeconomic headwinds kept the consumer sentiment weak in 2022 while smartphone users reduced the frequency of their purchases,” Harmeet Singh Walia, a senior analyst at Counterpoint Research, wrote in a report on Apple.

Economic weakness also affected business demand for ads and cloud computing, said Mandeep Singh, technology lead at Bloomberg Intelligence. The sluggish economy was most ev-



Alphabet Chief Financial Officer Ruth Porat told investors that the company will “meaningfully” slow the pace of hiring this year

Economic weakness affected business demand for ads and cloud computing, said Mandeep Singh, technology lead at Bloomberg Intelligence. The sluggish economy was most evident at Alphabet “as they called out advertisers pulling back, echoing what other ad vendors have said,” he said

ident at Alphabet “as they called out advertisers pulling back, echoing what other ad vendors have said,” he said in an interview. “Cloud consumption is coming down, though growth rates are still higher there.”

Shares of all three companies were down in premarket trading, with Amazon falling 5.4% and Alphabet losing 3.8%. Apple slid 3.2%. That helped

pull down Nasdaq 100 futures lower, indicating a possible reversal of the Thursday rally led by Meta Platforms Inc., whose results emphasized cost cuts and tens of billions of dollars in share buybacks.

The three companies emphasized ways they’re working to move past the slump. Alphabet Chief Executive Officer Sundar Pichai leaned heavily into arti-

cial intelligence as a way to improve search results and other products. Starting this year, DeepMind, a division focused on AI research, will be included in Alphabet’s corporate costs. That will show how the technology is being incorporated into other businesses — rather than just Alphabet’s “Other Bets” division — the company said.

“I’m excited by the AI-driven leaps we’re about to unveil in search and beyond,” Pichai said in a statement.

Part of Apple’s weakness last quarter was the result of supply-chain constraints, particularly in China, where Covid-related lockdowns impeded production while also keeping consumers out of stores. Apple CEO Tim Cook said a loosening of Covid rules in China — one of Apple’s biggest markets — is helping brighten his outlook.

“When you look at the opening that started happening in December, we saw a marked change in traffic in our stores as compared to November — and that followed through to demand as well,” Cook said on a conference call with analysts. Production “is now back where we want it to be,” he also said.

Amazon CEO Andy Jassy zeroed in on the company’s efforts to slash costs, reversing the massive ramp-up in hiring and spending prompted by the boom in online commerce that accompanied the pandemic.

Google workers protest against job cuts, wages

BLOOMBERG

Google employees staged protests on both US coasts this week to call attention to labor conditions for subcontracted workers and support thousands of co-workers who were recently laid off.

Rallies, one held on Wednesday at Google headquarters in Mountain View, California, and another Thursday near Google’s corporate offices in New York City, came after the company announced the largest reduction in its history — 12,000 positions, or 6% of its global workforce. Other major tech firms including Microsoft Corp., Salesforce Inc. and Amazon.com Inc. have also recently announced layoffs.

The protest in New York, which drew about 50 employees outside a Google store on Ninth Avenue, began just minutes after parent company Alphabet Inc. reported fourth-quarter results, including \$13.6 billion in profit.

“Today, Google has debunked its own rationale for laying off 12,000 of our co-workers,” said Alberta Devor, a software engineer. “It is clear that the menial savings the company is pocketing from laying off workers is nothing in comparison to the billions spent on stock buybacks or the billions made in profit last quarter.”

Both demonstrations were organized by the labor group Alphabet Workers Union — a “minority union” that doesn’t have collective bargaining rights, and whose members include Google subcontract-



The rallies came after the company announced the largest reduction in its history — 12,000 positions, or 6% of its global workforce. Other major tech firms including Microsoft Corp., Salesforce Inc. and Amazon.com Inc. have also recently announced layoffs

tors as well as employees. “Today shows that some of the issues we’re talking about affect all workers regardless of what their actual job title or job status is,” Devor, who has worked at Google for more than three years and is an AWU member, said in an interview.

At Wednesday’s rally in California, dozens of subcontractors spoke out against what they called substandard conditions, including what they said were “poverty wages and no benefits.” Their tasks include reviewing content to help train the company’s AI-powered algorithms, as well as screening YouTube clips and searching ads for offensive or sensitive material. But the workers say their pay and benefits fall far below Google’s own minimum standards and benefits for its direct contract workers.

FOR THE SAKE OF CLIMATE



Climate activists protest on the Hatun Suerueque Bridge against the expansion of the A100 highway in Berlin on Friday. Members of the climate movement Fridays for Future protest nationwide against the expansion of highways —DPA

President Lula says Brazil needs more tools to fight rising inflation

The president has been complaining about the central bank’s restrictive monetary policy since taking office

BLOOMBERG

Brazil President Luiz Inacio Lula da Silva defended the use of additional tools besides interest rates to rein in inflation, including a more active policy to reduce foreign exchange volatility and the regulation of fuel prices and food stocks.

In a 180-page message to lawmakers on Thursday, Lula blamed his predecessor Jair Bolsonaro for abandoning the use of “important instruments to fight inflation,” leading to an over-reliance on high interest rates that are hurting the economy. He also said a more stable currency would help mitigate inflation.

“A more passive exchange rate policy in recent years has accentuated the volatility of the Brazilian currency against the dollar, with perverse consequences for prices,” Lula said in the message delivered by his Chief of Staff Rui Costa at the beginning of the congressional year.

The president has been complaining about the central bank’s restrictive monetary policy since taking office. In a TV interview two weeks ago, he said too tight inflation targets were “choking the economy,” and said a recently-approved law giving the central bank autonomy was



Brazilian President Luiz Inacio Lula da Silva speaks at an event with leaders of trade union federations at the government headquarters in Planalto —DPA

“A more passive exchange rate policy in recent years has accentuated the volatility of the Brazilian currency against the dollar, with perverse consequences for prices,” President Lula said in the message delivered by his Chief of Staff Rui Costa at the beginning of the congressional year

“nonsense.” Brazil’s inflation outlook further deteriorated on his comments, leading policymakers to signal that the key rate will have to remain at the current 13.75% level for longer in order to anchor expectations.

In his message, Lula said Latin America’s largest economy lost its ability to smooth out swings in prices of food and

fuel when the government cut down on grain storage facilities and changed the corporate focus of state-owned Petroleo Brasileiro SA, making it more dependent on imports.

In addition, the Bolsonaro administration “abandoned sector-specific policies to induce an increase in the production of critical goods,” the message read.

Italy to study KKR’s offer for Telecom Italia

BLOOMBERG

Italy will “study the details” of KKR & Co’s offer for Telecom Italia SpA, Economy and Finance Minister Giancarlo Giorgetti said.

The government, which is stakeholder of the beleaguered phone carrier, will “evaluate the offer when it has full information on it” Giorgetti said Friday in Rome, according to Ansa newswire. The minister reiter-

ated that the government’s goal is public control of the network.

On Thursday Telecom Italia said it’s open to evaluate other offers for its network unit, besides KKR’s non-binding bid. The company’s board is scheduled to meet again on Feb. 24 to decide on the US investment firm’s offer.

KKR’s offer would value Telecom Italia’s network at about €20 billion (\$22 billion) includ-

ing debt, Bloomberg reported earlier Thursday citing people familiar with the matter.

Telecom Italia Chief Executive Officer Pietro Labriola is seeking to sell the network to cut the company’s gross debt of more than €30 billion, which has become more burdensome as interest rates have risen. The carrier has been holding talks for months with state lender Cassa Depositi e Prestiti SpA about the sale.

Tesla expected to announce Mexico project soon, Ebrard says

The government has been working with the carmaker led by Elon Musk to help it find a location to set up a plant

BLOOMBERG

Tesla Inc. is expected to announce an investment in Mexico very soon as the country works to expand infrastructure and renewable energy supply to take advantage of a boom in companies relocating, Foreign Affairs Minister Marcelo Ebrard said.

The Mexican government has been working with the carmaker led by billionaire Elon Musk to help it find a location to set up a plant in the country and the company has seen several locations, Ebrard said, declining to give details of the project.

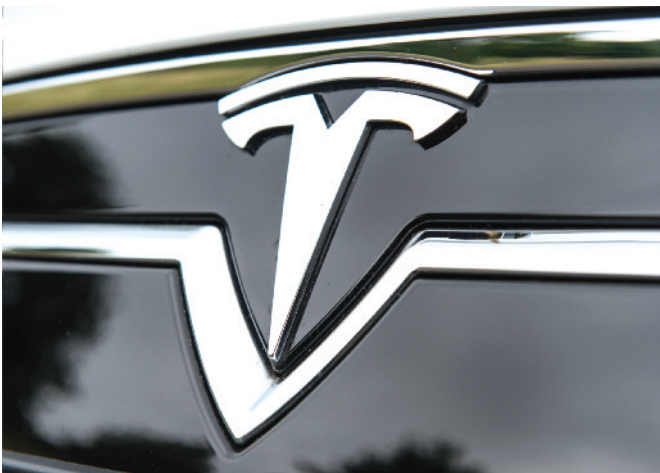
“What I would think is that we’re very close to have this announcement by Tesla, but I don’t have an exact date yet,” he said during an interview on board of a government plane taking him

Mexico, particularly its northern states, is a favorite destination for companies that aim to relocate operations from China closer to the US, a process known as nearshoring

to Puerto Penasco, in the northwestern state of Sonora. “They will make their announcement. We can’t announce it.”

Tesla did not respond to a request for comment.

Ebrard, 63, a top candidate for the ruling Morena party ahead of the 2024 elections, spoke on the way to visit the Puerto Penasco solar plant project, part of the government’s much lauded Sonora Plan, that



Mexico has come to loggerheads with the US over the president’s nationalist energy policy

envisions building extensive renewable energy infrastructure to help it meet ambitious climate goals and promote com-

pany investments.

Puerto Penasco “symbolizes the course that the CFE is going to take,” said Ebrard, noting that

almost 30% of energy generated by the Comision Federal de Electricidad, as the company is formally known, is clean. The government is looking to expand that, with the help of partners, he said. “We want to connect to a growing clean energy market throughout the region, northern Mexico and southern United States.”

Mexico pledged to reduce carbon emissions by 35% in 2030 during the UN climate change convention in November alongside US special presidential envoy John Kerry. Ebrard reiterated that Mexico will need \$48 billion in renewable investments to achieve that goal and is working closely with the US to obtain the funding needed for it.

The foreign affairs minister also said the CFE plant is among

six that will help Mexico generate 80 gigabytes of clean energy through the end of the decade. The plan will rely heavily on demand from the automotive and aeronautical industries in the country and clean energy companies from California, he said.

Mexico, particularly its northern states, is a favorite destination for companies that aim to relocate operations from China closer to the US, a process known as nearshoring. Shortages of electricity supply, in particular from renewable sources, is one of the main constraints that the country is trying to alleviate to promote nearshoring.

About 400 companies are lined up to enter the Mexican market and 25 industrial parks are being developed, Ebrard said.

IT WASN'T the first time a spy balloon had been spotted over US territory

China spy balloon over US adds to tensions ahead of key talks

The balloon was first spotted earlier this week and had been loitering since over Montana, where Minuteman III intercontinental-ballistic-missile silos are located

BLOOMBERG

The Pentagon is tracking what it said was a Chinese surveillance balloon over sensitive nuclear sites in the western US, an incident that injected new strain into relations before a planned Beijing visit by Secretary of State Antony Blinken.

The balloon was first spotted earlier this week and had been loitering over Montana, where Minuteman III intercontinental-ballistic-missile silos are located, a senior Defense Department official said, adding that it posed no physical or intelligence threat. US Defense Secretary Lloyd Austin informed President Joe Biden of the incursion, but recommended leaving it alone because of the possible risk of falling debris.

US officials declined to answer several questions about the balloon, including the precise target of its surveillance, its size or other specifications. "It is currently traveling at an altitude well above commercial air traffic and does not present a military or physical threat to people on the ground," Brigadier General Pat Ryder, a Pentagon spokesman, told reporters.

Later Thursday, Canada's defense department said it was tracking "a potential second incident," without elaborating. The White House declined to comment on the Canadian statement.

Chinese Foreign Ministry spokeswoman Mao Ning said Friday that Beijing was looking into the claims and cautioned the US against "hyping" them up. "We have no intention to violate other countries' sovereignty and airspace," Mao told a regular news briefing in Beijing, adding that she hoped "the relevant parties will handle the matter in a cool-headed way"



US Secretary of Defence Lloyd Austin speaks during a press conference on the Ukraine Defence Contact Group meeting at the US Ramstein Airbase —DPA

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olate other countries' sovereignty and airspace," Mao told a regular news briefing in Beijing, adding that she hoped "the relevant parties will handle the matter in a cool-headed way."

The administration disclosed the balloon's existence just days before Blinken's expected China trip, the first such-high-level visit to Beijing since before the coronavirus pandemic. The trip was presented as part of Biden's effort to set a "floor" under the relationship, and it was unclear if Blinken would go ahead.

The senior official said the US

had raised the balloon issue with China, and the Wall Street Journal reported that the State Department had summoned the Chinese charge d'affaires. Mao sidestepped questions about whether Blinken's trip was happening, saying she had no information to provide.

It wasn't the first time a spy balloon had been spotted over US territory, although this one appeared to be staying longer than in past cases. The technology doesn't offer China any intelligence-gathering capability beyond what its low-orbit satel-

lites already provide, the US official said.

The official declined to say why the US believed the balloon belonged to China, saying only that US had high confidence in the assessment. The Chinese have for decades complained about the US surveillance by ships and spy planes near its territory, leading to occasional confrontations.

Austin convened a meeting of his top advisers while on a trip to the Philippines on Wednesday and informed Biden. The US defense chief had been in the Philippines as part of a US effort to rally allies and counter what officials believe is China's increased assertiveness in the South China Sea and toward Taiwan.

Tensions between Washington and Beijing have been running high, with the Biden administration becoming more explicit about its willingness to defend Taiwan in the event of a conflict. Last week, an Air Force general told his staff he believed the US and China would be at war by 2025. China, at the same time, has taken a softer tone, calling for an end to hostile rhetoric.

"The Chinese may see the spy balloon as a bargaining chip that may give them leverage in the talks with the US," according to Michael Raska, an assistant professor at Nanyang Technological University's S. Rajaratnam School of International Studies in Singapore. They are aware that Washington is interested in restarting a dialogue on crisis management mechanisms and may be testing the US reaction, he said.

Czech incoming president warns against caps on Ukraine arms

BLOOMBERG

The Czech Republic's incoming president said the only limit to weapons deliveries to Ukraine should be nuclear arms, signaling support for sending fighter jets as he expressed confidence that Ukrainian forces can defeat Russia.

Petr Pavel, a retired top Nato general who takes office March 9, also said President Vladimir Putin's government isn't the only one to possess nuclear weapons.

"I believe that we shouldn't put any cap on equipment," Pavel told Bloomberg Television in an interview in Prague Friday, responding to a question on sending jets to Kyiv. "The only exception is nuclear weapons and direct involvement of Nato in the conflict."

After agreeing last month to send battle tanks to Ukraine, the US, UK and European Union member states have drawn a new red line at delivering air power to Ukraine. President Joe Biden this week said the US would not send F-16 warplanes.

The newly elected Czech leader signaled that there should be no such limits.

Pavel secured a convincing victory over billionaire former Prime Minister Andrej Babis on Saturday after a campaign that pledged to return the Czech Republic's highest office to the European mainstream. For two decades, the office has been occupied by figures who have challenged the country's Euro-Atlantic orientation.

The 61-year-old president-elect, a newcomer to



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politics, has vocally denounced the invasion of Ukraine and called for more sanctions against Russia.

Pavel also warned that Nato members' possession of nuclear weapons should act as a deterrent to any Russian considerations of atomic arms.

"We have nuclear capability as well," Pavel said. "We don't want to use it at all, but we are ready if necessary."

Nato's top military officer as the chief of the alliance's Military Committee from 2015 to 2018, Pavel offered his assessment of Ukraine's capabilities as the military prepares for a Russian offensive in the coming weeks. With assistance from Nato and other allies, Kyiv should be able to push Russian forces out of its territory and reclaim sovereignty, he said.

Modi government officials opt for silence over Adani stock rout

Hindenburg's accusations against the Adani Group have provided ammunition to PM's opponents before 2024 elections

BLOOMBERG

The Adani Group's \$120 billion loss in market value after Hindenburg Research accused it of fraud roughly equates to India's annual infrastructure budget. But the government has shown few signs of worry — or at least that's the impression it's giving to the markets.

The calculus is tricky. Prime Minister Narendra Modi is considered a close ally of Gautam Adani, whose business interests often align with the government's growth goals. A show of support may assuage investors and stabilize losses for the ports-to-energy conglomerate, which abruptly dropped a \$2.4 billion share sale this week, further sinking the stock.

But rallying around Adani, one of the world's richest people, could become a political liability ahead of next year's national elections. Modi, the son of a tea seller, has sold himself as an anti-corruption reformer,

Rallying around Adani, one of the world's richest people, could become a political liability ahead of next year's national elections. PM Modi, the son of a tea seller, has sold himself as an anti-corruption reformer, which may create an optics problem if the Adani Group selloff becomes a systemic risk

which may create an optics problem if the Adani Group selloff becomes a systemic risk.

For now, officials have downplayed the Adani Group's woes in interviews with Bloomberg News. India's banks are at a comfortable level, Finance Minister Nirmala Sitharaman said in an interview with a television network. Ashwini Vaishnaw, a cabinet minister, said India's



The calculus is tricky. Prime Minister Narendra Modi is considered a close ally of Gautam Adani, whose business interests often align with the government's growth goals

economy is resilient to the stock rout. The finance secretary, T.V. Somanathan, echoed that view, saying the issue is "between one private company and the regulator and the market."

One finance ministry official, who didn't want to be named speaking about a private firm, said the government doesn't

need to intervene because the stock rout is ultimately about valuation and has nothing to do with the Adani Group's solvency.

The official said it was up to the Securities and Exchange Board of India to probe the allegations. SEBI is exploring possible irregularities in the Adani

Group's recent share sale, according to Reuters. Meanwhile, the Reserve Bank of India has asked lenders for details of their exposure to the group, according to people with knowledge of the matter.

The Adani Group's stock wipe-out, one of the biggest in India's history, relegated the country's much-hyped \$550 billion budget to a sideshow this week. In interviews with local news outlets, finance ministry officials spent much of their time sidestepping questions about Adani. The finance ministry didn't respond to requests for comment.

POLITICAL FODDER

Hindenburg's accusations against the Adani Group, which included stock manipulation and accounting fraud, have provided ammunition to Modi's opponents before 2024 elections.

Opposition lawmakers called for a parliament debate on public sector investments in "com-

panies losing market value endangering the hard-earned savings" of millions of Indians — a demand that was rejected. India's legislature was adjourned for a second consecutive session on Friday amid raucous heckling over the revelations in the Hindenburg report.

The main opposition Congress party now plans to hold nationwide protests on Monday to highlight the exposure of state-owned institutions to Adani's businesses and draw attention to the billionaire's links to Modi. The Adani Group has tried to contain the fallout, denying all charges of impropriety and questioning the motivations of Hindenburg, an activist short seller based in New York.

Nationalist symbolism has peppered many of the company's rebuttals. In a video statement, Chief Financial Officer Jugeshinder Singh spoke in front of a massive Indian flag. Adani released his own video on Thursday.

US, Philippines agree to resume joint South China Sea patrols

BLOOMBERG

The US and the Philippines have agreed to resume joint patrols in the South China Sea amid lingering tensions with China in the disputed waters.

The decision was reached during Thursday's meeting between US Defense Secretary Lloyd Austin and his Philippine counterpart, Carlito Galvez, where they also exchanged views "on shared regional security challenges in the Indo-Pacific," according to a Feb. 2 readout from the Pentagon published on its website.

In 2016, the Philippines under then-President Rodrigo Duterte halted joint patrols with the US in the South China Sea, saying the Southeast Asian country needed to reassess its relationship with the US. The current leader, Ferdinand Marcos Jr., has sought to boost the two nations' longstanding alliance, while the US under President Joe Biden has repeated commitments to defend the Philippines in the contested sea.

Beijing has been asserting its claims to a wide swath of the

Beijing has been asserting its claims to a wide swath of the South China Sea, including islands and reefs Manila sees as its own. Chinese ships have regularly been seen trailing Philippine fishing vessels, often intercepting them and forcing them to divert from contested areas

South China Sea, including islands and reefs Manila sees as its own. Chinese ships have regularly been seen trailing Philippine fishing vessels, often intercepting them and forcing them to divert from contested areas.

The US Defense Department's statement also said the decision to add four more Philippine facilities for American access under a key military deal will help in responding more effectively to natural disasters and to "other crises, including in the South China Sea."

Turkey could OKs Finland's Nato bid before May vote

Finland and Sweden continue to say they are seeking to join the bloc hand-in-hand

BLOOMBERG

Turkey is nearing a decision to approve Finland's accession to the North Atlantic Treaty Organization by next month at the latest, potentially leaving Sweden out in the cold, according to people familiar with the matter.

President Recep Tayyip Erdogan is close to concluding that steps taken by Helsinki to address security concerns have been enough for lawmakers to ratify the country's Nato membership, said the people, who spoke on condition of anonymity. The announcement may come before Turkey's parliament goes into recess in mid-March ahead of elections slated for May, they said.

"We have addressed the concerns raised by Turkey," Finnish Prime Minister Sanna Marin said Thursday. "It is up to two countries, Turkey and Hungary, to ratify. We are expecting and waiting them to ratify our applications as soon as possible."

The possible move by Turkey represents a show of support by Erdogan for an expansion of the



This file photo shows President of Turkey Recep Tayyip Erdogan speaks during a press conference at the end of the G20 summit —DPA

30-nation Nato alliance, though the status of Sweden remains uncertain. Sweden has been pushing to join the alliance alongside Finland since Russia invaded Ukraine almost a year ago, but Erdogan has blocked the proposal over the Nordic nation's alleged support for Kurdish militants.

Relations between Turkey and Sweden worsened in recent weeks after protesters in Stockholm displayed an upside-down effigy of Erdogan and a far-right

activist burned a copy of the Koran. Sweden's government this week proposed a new law to ban activities that support terror organizations. Finland and Sweden continue to say they are seeking to join the bloc hand-in-hand, though while they filed their applications simultaneously each country put in its own bid.

"It's important that we today send a clear message — Finland and Sweden applied together, it is in everyone's interest that we join together," Marin said.

President Recep Tayyip Erdogan is close to concluding that steps taken by Helsinki to address security concerns have been enough for lawmakers to ratify the country's Nato membership

Turkey and Hungary are the only two Nato countries that have yet to ratify the applications, which must be approved by all members.

Erdogan's strong stance against Sweden may be a push to consolidate support of his conservative and nationalist voters in the upcoming election. He speaks frequently about the expansion of Nato membership and has kept countries guessing on when Turkey might approve the accession, if at all.

The president's continued refusal to approve the membership of Sweden could jeopardize the finalizing by the US Congress of a sale of American-made F-16 fighter jets to Turkey.

WEAK POTENTIAL growth in the UK means that output will not get back to pre-pandemic levels until 2026

BOE brings peak UK interest rate into view with hike to 4%

Inflationary pressures are still there and Bank of England would have to be ‘absolutely sure’ before shifting its stance, Governor Andrew Bailey said

BLOOMBERG

The Bank of England (BOE) signalled the fastest pace of interest-rate hikes in three decades may be drawing to a close after it raised its benchmark lending rate a half point.

Policy makers led by Governor Andrew Bailey voted 7-2 to raise the benchmark lending rate to 4%, the highest since 2008. The majority said strong pay growth and an ongoing shortage of workers were driving price pressures in the economy.

But the BOE’s latest forecasts showed that inflation is likely to fall sharply this year to around 4% from a four-decade high of 11.1% last October, and it could be below the 2% target in 2024. Those findings suggest that policy makers may not need to raise rates much more, although Bailey maintained the risks are tilted towards the upside.

BOE Governor Andrew Bailey pointed out that the bank’s projections were inherently uncertain, subject to volatile energy and commodity markets, and that it has previously underestimated pay growth

“We have seen a turning of the corner, but it is very early days, and the risks are very large,” Bailey said at a press conference after the decision. He added that it’s “too soon to declare victory. Inflationary pressures are still there” and the BOE would have to be “absolutely sure” before shifting its stance.

The BOE has underestimated inflation in the past and will not claim the battle is won until prices are falling in line with its



Money markets trimmed bets on how high the BOE would hike rates, with traders now seeing the peak around 4.35% versus 4.4%

outlook. Bailey said the bank needs pay and services inflation, which has hit a 30-year high of 6.8%, to ease and he added that the risks are skewed more strongly to the upside than at any time on record.

“It is clear that the central bank feels it is coming to the end of its hiking cycle,” said Jamie Niven, a fund manager at Candriam. Sterling fell as much as 0.9% to \$1.2265. The yield on 10-year gilts tumbled 23 basis points to 3.08%, heading for its biggest slide since October.

Money markets trimmed bets on how high the BOE would hike rates, with traders now seeing the peak around 4.35% versus 4.4% before the decision. After that is reached in the middle of 2023, they are pricing a quarter-point cut by year-end with more in 2024.

The BOE did not lean against the market path for rates, which imply two quarter point rate rises may still be needed. Although its central forecast

Policy makers led by BOE Governor Andrew Bailey voted 7-2 to raise the benchmark lending rate to 4%, the highest since 2008

The Bank of England may be reluctant to raise rates into a recession. It believes the UK is now in recession, with output due to contract almost 1% over five quarters

was for inflation to fall below 1% in two years’ time using those assumptions, the BOE said that “an inflation forecast that took into account these upside risks was judged to be much closer to the 2% target.”

Bailey pointed out that the bank’s projections were inherently uncertain, subject to volatile energy and commodity markets, and that it has previously underestimated pay growth. Deputy Governor Dave Ramsden also noted that had the BOE not changed the way it incorporates future energy prices into the forecast, its inflation forecast would be a percentage point higher.

The BOE may also be reluctant to raise rates into a recession. It believes the UK is now in recession, with output due to contract almost 1% over five quarters. The projections imply 500,000 job losses over the next three years. Weak potential growth means that output will not get back to pre-pandemic levels until 2026.

The BOE outlook is for a shorter and shallower recession than projected in November. The central bank estimated a 0.5% contraction this year. Bailey said that was “pretty similar” to the 0.6% drop the International Monetary Fund (IMF) expects for the UK.



Barclays’s fixed-income traders are expected to report their best year ever when the bank publishes fourth-quarter results later this month. The unit’s revenues are anticipated to surge 49% to \$7.07 billion for the year

Barclays fixed-income traders may be getting a 15% bonus increase

BLOOMBERG

Barclays Plc is weighing an increase in the bonus pool for its fixed income trading division, with the unit expected to produce record revenue after 2022’s wild market swings.

The British bank is considering boosting the overall incentive compensation for fixed income traders by as much as 15%, according to people familiar with the matter. The proposals are still under discussion and could change.

Equities trading, which suffered from a decline in derivatives activity last year, might see its overall compensation pot drop as much as 10%, two of the people said, asking not to be identified discussing private matters. Like other Wall Street firms, Barclays is considering cutting bonus pools for their investment bankers by as much as 40% amid a dealmaking slump, the people said.

Barclays is also among firms — including Goldman Sachs Group Inc., Bank of America Corp. and Citigroup Inc. — considering giving some of their lowest performers no bonus at all — known as getting “zeroed out,” receiving a “goose egg” or “bagel.”

Barclays’s fixed-income traders are expected to report their best year ever when the bank publishes fourth-quarter results later this month. The unit’s revenues are anticipated to surge 49% to \$7.07 billion for the year, according to analyst estimates compiled by

Equities trading, which suffered from a decline in derivatives activity last year, might see its overall compensation pot drop as much as 10%

Like other Wall Street firms, Barclays is considering cutting bonus pools for their investment bankers by as much as 40% amid a dealmaking slump

Bloomberg.

That would top the record set in 2020 when the pandemic fueled a surge in client activity and volatility.

Under Chief Executive Officer CS Venkatakrishnan, Barclays has been investing in the firm’s prime brokerage business, which offers hedge funds and other asset managers financing for products including equities, fixed-income and foreign exchange. As part of the focus, Barclays last year hired 18 people from Credit Suisse group AG.

Those investments helped fuel the increase in revenues last year. The company is also looking to grow its business dedicated to trading securitized products, mortgages and treasuries, Venkatakrishnan said last year.

Deutsche Bank prepares to reduce more staff

BLOOMBERG

Deutsche Bank AG is preparing further job cuts to keep costs in check, with the focus likely to be areas outside the trading unit.

Meeting expense targets in an inflationary environment will require a redoubling of savings efforts, including job cuts, Chief Executive Officer Christian Sewing said at an earnings press conference. He singled out the lender’s consumer banking activities in Germany as one area where cuts would take place.

The investment bank — a key earnings driver in recent years — won’t be heavily affected, people familiar with the matter said. The trading unit is more likely to add staff on balance, while any cuts among teams advising on deals and capital underwriting will be limited since Deutsche Bank hired fewer people than rivals during the 2021 boom.

Deutsche Bank said that it’s seeking to keep costs steady at least year’s level, despite high inflation and expected growth in revenue. Non-interest expenses fell 5% in 2022, even as



Deutsche Bank said that it’s seeking to keep costs steady at least year’s level, despite high inflation and expected growth in revenue

employee numbers increased.

The new focus on job cuts comes after the end of a restructuring program, launched in 2019, that initially aimed to eliminate 18,000 roles and ended up only seeing about 8,000 positions disappear. Deutsche Bank has said it deliberately missed the reduction target partly to keep up with revenue growth that was far above expectations.

Staff reductions in Germany will partly take place on the back of Deutsche Bank’s ongoing efforts to cut the number of retail branches.

Denmark hikes key rate under new governor

BLOOMBERG

Denmark’s Nationalbanken raised its benchmark interest rate less than the European Central Bank (ECB) as its new governor seeks to weaken the krone and defend the peg to the euro.

The central bank in Copenhagen, which doesn’t hold scheduled meetings, raised the current account rate to 2.1% from 1.75%, it said.

The 35 basis-point hike comes on the second day of the job for Christian Kettel Thomsen, who took over from the retiring Lars Rohde. It followed hours after a 50 basis-point hike by the ECB in Frankfurt. Danish economists were split on whether the Denmark would match the ECB hike or raise by less.

“The krone exchange rate is on the strong side,” Jeppe Juul Borre, chief economist at Arbejdernes Landsbank A/S, said in a note. “By giving a little leash to the ECB’s interest rate, one also relieves some pressure on the krone.”

The new governor is dealing with a krone that since May 2020 has traded on the strong side of its 7.46038 parity against the euro amid a record current-account surplus.

BMO expects benefits in Bank of the West’s smaller markets

The Bank of the West deal expands the Bank of Montreal’s US footprint to 32 states and gives it 1.8 million new customers

BLOOMBERG

Bank of Montreal (BMO), which just completed its \$16.3 billion takeover of Bank of the West, expects to be able to gain share even in US markets where the firm only has a sparse branch presence.

The Bank of the West deal expands Bank of Montreal’s US footprint to 32 states and gives it 1.8 million new customers. But, in many of those markets, Bank of the West has a limited branch presence, raising questions about whether the Canadian lender will have sufficient scale to attract new customers.

While such a sparse footprint in some cities would have hurt a bank’s ability to grow in a market a decade ago, customers’ increased reliance on digital capabilities makes even a single branch in a city sufficient for many clients to give a bank their business, said Ernie Johannson, Bank of Montreal’s head of North American personal and business banking.

“Consumers are very much what we call ‘light-branch



In many markets, Bank of the West has a limited branch presence, raising questions about whether Bank of Montreal will have sufficient scale to attract new customers

Bank of Montreal sees the new Bank of the West markets being of particular benefit to its digital deposit-taking efforts and its wealth-management franchise. The Toronto-based company purchased Bank of the West from BNP Paribas

ready’ — as in they have digital capability, but they want to know that there is a branch somewhere where they can have a conversation,” she said. “That combination of a light branch with a strong digital capability is really the power play in retail right now. You combine that with marketing and analytics, and you’re able to really

punch above your weight based on your branch market share.”

Bank of Montreal sees the new Bank of the West markets being of particular benefit to its digital deposit-taking efforts and its wealth-management franchise, Johannson said. The Toronto-based company purchased Bank of the West from BNP Paribas SA.

Santander profit beats estimates on rate boost as costs jump

The bank committed to double-digit revenue growth this year, while aiming to increase return on tangible equity

BLOOMBERG

Banco Santander SA’s earnings beat estimates as a revenue boost stemming from central-bank rate hikes offsets the impact of higher expenses and the cost of covering souring loans.

The Spanish retail-banking giant posted net income of €2.29 billion in the fourth quarter of 2022, exceeding the consensus analyst forecast of €2.1 billion, according to a statement.

The lender committed to double-digit revenue growth this year, while aiming to increase return on tangible equity, a measure of profitability, to above 15%.

Banco Santander benefited from a surge in margins as its loan portfolio of more than €1 trillion reprices to reflect official rate increases in a number of the bank’s key markets

Santander benefited from a surge in margins as its loan portfolio of more than €1 trillion reprices to reflect official rate increases in a number of the bank’s key markets. As Héctor Grisi takes the reins as the lender’s new chief executive officer, his challenges include keeping a lid on cost pressures and preserving loan quality as borrowing costs rise.

“We expect revenue growth

will continue to offset cost inflation pressures and the anticipated increase in cost of risk,” Chairman Ana Botín said in a statement.

The bank reported “strong numbers and positive guidance” albeit with a “slight miss” on capital, Goldman Sachs Group Inc. analysts led by Chris Hallam wrote in a research note. The 2023 goals may imply “a meaningful upgrade”



Banco Santander posted net income of €2.29 billion (\$2.52 billion) in the fourth quarter of 2022, exceeding the consensus analyst forecast of €2.1 billion, according to a statement

against current consensus.

Santander beat targets for profitability, revenue growth and capital it unveiled last

February. However the lender fell wide of its cost-to-income ratio goal set for the year of about 45%, with the metric

coming in at 45.8%.

The bank, laden with increased salary and other costs linked to inflation, said operating expenses climbed 12% in the quarter from a year earlier.

Net loan-loss provisions rose 106% in the fourth-quarter from a year ago to €3.02 billion after the lender released provisions previously, with the bank flagging a “single name” in Brazilian corporate and investment banking exposure.

Underlying net profit in Spain for the quarter jumped to €456 million from €73 million a year earlier, boosted by higher net interest and fee income.

US futures decline as tech earnings curb enthusiasm

BLOOMBERG

US equity futures dropped after disappointing earnings from Apple Inc., Amazon.com Inc. and Alphabet Inc. poured cold water on the rally fuelled by investor optimism that rates are getting close to peaking.

Positive sentiment from this week's surge in the Nasdaq 100 and S&P 500 evaporated as investors parsed late results from the tech trio that showed an economic slowdown is throttling demand for electronics, e-commerce, cloud computing and digital advertising

A slowdown in profit growth this year. Carmakers also weighed on the index, following US peers lower after Ford Motor Co's disappointing earnings report.

Asian shares were mixed, with a regional index slipping with Chinese stocks while Japanese and Australian benchmarks eked out gains.

There was no respite in the rout of Gautam Adani's companies. All 10 of the group's stocks fell as the Indian billionaire battles to restore confidence in his conglomerate's financial health after accusations of fraud by short-seller Hindenburg Research. Shares of Adani Enterprises Ltd. dropped as much as 35%, the most ever during intraday trading, before paring loss.

The Stoxx Europe index retreated after closing within a whisker of a bull market on February 2, with all industry groups in the red on Friday. French drugmaker Sanofi was the biggest decliner in index-points terms after forecasting



The Stoxx Europe index retreated after closing within a whisker of a bull market on February 2, with all industry groups in the red on Friday

FOREIGN investors offloaded China shares for the first time since January 3

Chinese stock rally falters as investors seek fresh impetus

The CSI 300 Index, a benchmark of mainland shares, declines as much as 1% on Friday and also for the week, ending this year's run of weekly gains

BLOOMBERG

Chinese stocks saw their worst week in more than a month as investors looked for further catalysts to sustain a world-beating rally since the nation's reopening.

The CSI 300 Index, a benchmark of mainland shares, fell 1% on Friday and also for the week, ending this year's run of weekly gains. The Hang Seng China Enterprises Index, which tracks Chinese stocks trading in Hong Kong, lost 5% in its biggest five-day drop since the reopening euphoria started at the end of October.

The setback suggests sentiment is turning more cautious after optimism over China's Covid Zero exit led to scorching gains over the past three months. While data during the Lunar New Year holidays pointed to a comeback in consumer spending, the economy has yet to regain its footing with weakness in the property market a key drag.

"There is a growing divergence in views on the pace of recovery, with retail investors less confident and expecting only slow and gradual progress," said Liu Dejun, managing director at Beijing Guanghua Private Fund Management Co. "Most institutional investors have increased exposure and remain upbeat over the long term."

Market reaction was muted even as officials said the border between Hong Kong and mainland China will fully reopen for the first time in three years. Daily quotas and testing requirements will be dropped and all boundary checkpoints will reopen from next week, according to the city's leader John Lee.



China bulls are likely to see the selloff as a short-term correction, rather than the start of a downturn. Analysts at Citigroup Inc this week said the reopening trade has more room to run amid the nation's strong economic outlook

- The Hang Seng China Enterprises Index, which tracks Chinese stocks trading in Hong Kong, lost 5% in its biggest five-day drop since the reopening euphoria started at the end of October
- While data during the Lunar New Year holidays pointed to a comeback in consumer spending, China's economy has yet to regain its footing with weakness in the property market a key drag

Some of Friday's worst performers on the Hang Seng China gauge were those that had posted the largest gains in this rebound, including Country Garden Services Holdings Co. and Baidu Inc.

Foreign investors offloaded mainland shares on Friday for the first time since January 3, having boosted holdings at a record monthly pace. Mainland investors sold a net HK\$17.5 billion (\$2.3 billion) worth of Hong Kong shares this week, the most since 2021.

However, China bulls are likely to see the selloff as a short-term correction, rather than the start of a downturn. Analysts at Citigroup Inc. this week said the reopening trade has more room to run amid the nation's strong economic outlook, while those at Jefferies Financial Group Inc. anticipate an upgrade in earnings estimates.

"I don't expect the panic-selling of 2022 to return. However, it is good to be cautious given the strong rally," said Qi Wang, chief executive officer at Mega

Foreign investors have boosted holdings at a record monthly pace. Mainland investors sold a net HK\$17.5bn (\$2.3bn) worth of Hong Kong shares this week, the most since 2021

Trust Investment in Hong Kong. Meanwhile, the border between Hong Kong and mainland China will fully reopen next week for the first time in three years, reviving the city's role as the business gateway between the country and the rest of the world.

"From Monday, there will be full resumption of normal travel between Hong Kong and the mainland," the city's leader John Lee said in a press briefing on Friday along with other top officials. Daily quotas and testing requirements will be dropped and all boundary checkpoints will reopen from next week, Lee said. He also announced the lifting of a ban on unvaccinated travellers from anywhere in the world.

Money has been flowing back into Hong Kong as investors bet on a recovery in China and the city after the nation's pivot away from Covid Zero. The benchmark Hang Seng Index has surged almost 50% since the end of October, with \$1.6 trillion added to the value of the local stock market. That came after the equity gauge plunged to a 13-year low in October. The economy is projected to expand about 2.8%, according to median estimate in a Bloomberg survey.

<div><div>ADX</div><div>بورس أبوظبي الأوراق المالية Abu Dhabi Securities Exchange</div></div> <div><div>Daily Financials</div><div>As of 2023-Feb-03Generated on 2023-Feb-03 22:04</div></div>																																																							
<table><tr><th colspan="6">Capitalization (AED)</th><th colspan="3">Securities</th><th colspan="3">Total</th><th colspan="2">Bin Block</th></tr><tr><th>Regular + Private</th><th>Regular Board</th><th>Private Board</th><th>FUND Board</th><th colspan="2">Dual Listing Companies</th><th>Traded</th><th>Declined</th><th>Advanced</th><th>Unchanged</th><th>Value (AED)</th><th>Volume</th><th>Trades</th><th>Trades</th></tr><tr><td>2.53713E+12</td><td>2.4672E+12</td><td>69931517448</td><td>629920000</td><td colspan="2">31684306036</td><td>65</td><td>16</td><td>41</td><td>8</td><td>1,241,906,926.67</td><td>172,615,456</td><td>9,997</td><td>0</td></tr></table>														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	2.53713E+12	2.4672E+12	69931517448	629920000	31684306036		65	16	41	8	1,241,906,926.67	172,615,456	9,997	0
Capitalization (AED)						Securities			Total			Bin Block																																											
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International Holding Company PJSC	IHC	1.00	2,193,539,885	396.000	410.100	153.500	413,698,685.90	1,043,234.00	507	(1.900)	(0.48)	2,193,539,885.00	868,641,794,460.00																																										
Al Wathba National Insurance Co.	AWNIC	1.00	207,000,000	4.460	4.950	4.460						207,000,000.00	923,220,000.00																																										
Bank of Shajah	BOS	1.00	2,200,000,000	0.465	0.580	0.435	59,645.25	129,022.00	10	0.000	0.00	2,200,000,000.00	1,023,000,000.00																																										
Abu Dhabi Islamic Bank	ADIB	1.00	3,632,000,000	9.490	10.460	6.890	9,528,196.51	1,013,446.00	324	0.100	1.06	3,632,000,000.00	34,467,680,000.00																																										
Abu Dhabi National Insurance Company	ADNIC	1.00	570,000,000	5.770	7.630	5.730	818,342.21	142,073.00	3	0.010	0.17	570,000,000.00	3,288,900,000.00																																										
Abu Dhabi Commercial Bank	ADCB	1.00	6,957,379,354	8.790	11.300	8.150	10,356,088.43	1,178,944.00	408	0.090	1.03	6,957,379,354.00	61,155,364,521.66																																										
Al Ain Alahia Insurance Co.	ALAIN	10.00	15,000,000	33.000	45.000	32.820						150,000,000.00	495,000,000.00																																										
Al Buhaira National Insurance Company	ABNIC	1.00	250,000,000	2.550	2.550	2.000						250,000,000.00	637,500,000.00																																										
Al Fujairah National Insurance Company	AFNIC	100.00	1,331,000	210.000	210.000	210.000						133,100,000.00	279,510,000.00																																										
Al Khazna Insurance Co.	AKIC	1.00	100,000,000	0.238								100,000,000.00	23,800,000.00																																										
Al Dhafra Insurance Co.	DHAFRA	1.00	100,000,000	5.400	6.610	5.000						100,000,000.00	540,000,000.00																																										
Commercial Bank International	CBI	1.00	1,737,383,050	0.765	1.100	0.625						1,737,383,050.00	1,329,098,033.25																																										
Emirates Insurance Co.	EIC	1.00	150,000,000	6.120	8.390	6.120						150,000,000.00	918,000,000.00																																										
Finance House	FH	1.00	302,837,770	2.140	2.150	1.600						302,837,770.00	648,072,827.80																																										
Hayah Insurance Company P.J.S.C	HAYAH	1.00	200,000,000	0.981	1.460	0.584	1,237.36	1,276.00	4	(0.009)	(0.91)	200,000,000.00	196,200,000.00																																										
GFH Financial Group B.S.C	GFH	0.97	3,832,593,838	0.929	1.500	0.870	285,878.23	307,602.00	6	0.002	0.22	3,727,197,507.46	3,560,479,675.50																																										
Gulf Investment House Company	GIH	1.17	406,495,660	4.500	5.010	4.400						473,367,443.90	1,829,230,470.00																																										
Insurance House	IH	1.00	118,780,500	0.855	1.010	0.669						118,780,500.00	101,557,327.50																																										
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	0.622	0.960	0.600	10,610.00	17,500.00	2	0.017	2.81	150,000,000.00	93,300,000.00																																										
Multiply Group PJSC	MULTIPLY	0.25	11,200,000,000	4.160	5.080	1.510	66,520,156.73	16,098,415.00	712	0.070	1.71	2,800,000,000.00	46,592,000,000.00																																										
First Abu Dhabi Bank	FAB	1.00	11,047,612,688	14.100	24.060	13.340	75,700,890.00	5,429,233.00	1,534	0.280	2.03	11,047,612,688.00	155,771,338,900.80																																										
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	1.620	2.100	1.600	3,240.00	2,000.00	1	(0.170)	(9.50)	2,000,000,000.00	3,240,000,000.00																																										
Sharjah Islamic Bank	SIB	1.00	3,081,597,750	2.140	2.150	1.650	4,856,808.65	2,271,426.00	88	0.020	0.94	3,081,597,750.00	6,594,619,185.00																																										
ILLY HOLDING PJSC	HH	1.00	120,000,000	4.290	5.450	2.430	2,619.95	626.00	7	0.000	0.00	120,000,000.00	514,800,000.00																																										
Oman & Emirates Investment Holding Co	OEICHC	1.00	121,875,000	0.378	0.400	0.324						121,875,000.00	46,068,750.00																																										
Waha Capital Company	WAHA	1.00	1,944,514,687	1.260	1.690	1.160	1,439,158.74	1,132,664.00	34	(0.010)	(0.79)	1,944,514,687.00	2,450,088,505.62																																										
Umm Al Qaiwain General Investment Co. P.S.C	QIC	1.00	363,000,000	1.180	1.370	1.000						363,000,000.00	428,340,000.00																																										
The National Bank of Ras Al Khaimah	RAKBANK	1.00	1,676,245,428	4.970	5.400	4.190						1,676,245,428.00	8,330,939,777.16																																										
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																																										
Abu Dhabi National Takaful Co.	TKFL	1.00	105,000,000	5.500	7.200	4.160						105,000,000.00	577,500,000.00																																										
United Arab Bank	UAB	1.00	2,062,550,649	0.850	0.860	0.606						2,062,550,649.00	1,753,168,051.65																																										
United Fidelity Insurance Company (P.S.C)	UFIDE JTYU NITED	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	0.632	0.700	0.500						330,939,180.00	209,153,561.76																																										
Sharjah Insurance Company	SICO	1.00	150,000,000	1.500	1.500	1.500						150,000,000.00	225,000,000.00																																										
Total			62,789,933,582				583,281,557.96	28,767,461.00	3,640			54,618,378,035.36	1,219,097,903,512.05																																										
	Index Traded	FADFSI 14	Index Open Declined 4	16,311.33			Index Close Advanced 8	16,382.08		Index Change Unchanged 2	70.75	Index Change %	0.43																																										
												Sector Capitalization	1,21366E+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	3.500	6.500	3.200	9,349,806.97	2,665,931.00	69	(0.020)	(0.57)	280,000,000.00	3,920,000,000.00																																										
Sawaed 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	0.450	0.450						310,000,000.00	139,500,000.00																																										
GHITHA HOLDING P.J.S.C.	GHITHA	1.00	241,600,000	71.900	123.000	28.300	33,737,055.40	472,049.00	145	0.200	0.28	241,600,000.00	17,371,040,000.00																																										
FOODCO NATIONAL FOODSTUFF PrJSC	FNF	1.00	280,000,000	3.690	4.880	1.190	1,166.09	347.00	4	0.180	5.13	280,000,000.00	1,033,200,000.00																																										
Manazel PJSC	MANAZEL	1.00	2,600,000,000	0.384	0.533	0.360	485,367.16	1,253,740.00	34	0.003	0.79	2,600,000,000.00	998,400,000.00																																										
ANAN INVESTMENT HOLDING P.J.S.C	ANAN	1.00	2,312,729,034	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	7.240	8.900	5.300	12,279,896.04	1,708,962.00	67	(0.050)	(0.69)	250,000,000.00	1,810,000,000.00																																										
Easy Lease Motorcycle Rental PJSC	EASYLEASE	1.00	30,000,000	32.000	61.900	25.960	12,209,217.34	380,132.00	83	0.000	0.00	30,000,000.00	960,000,000.00																																										
Q Holding PSC	QHOLDING	1.00	6,855,598,886	3.340	5.460	3.090	4,768,502.91	1,427,827.00	175	0.020	0.60	6,855,598,886.00	22,897,700,279.24																																										
Al Seer Marine Supplies & Equipment Company	ASM	1.00	1,000,000,000	8.620	13.960	8.190	5,302,886.10	610,675.00	47	0.120	1.41	1,000,000,000.00	8,620,000,000.00																																										
Response Plus Holding PrJSC	RPM	1.00	200,000,000	5.180	12.680	4.850	7,954,163.87	1,565,149.00	67	0.080	1.57	200,000,000.00	1,036,000,000.00																																										
PALMS SPORTS PrJSC	PALMS	1.00	150,000,000	9.270	14.940	8.470	6,831,101.54	758,939.00	15	0.130	1.42	150,000,000.00	1,390,500,000.00																																										
Total			15,401,027,920				92,919,163.42	10,843,751.00	706			14,561,027,920.00	69,931,517,447.62																																										
	Index Traded	FADFSI 10	Index Open Declined 2	16,311.33			Index Close Advanced 7	16,382.08		Index Change Unchanged 1	70.75	Index Change %	0.43																																										
												Sector Capitalization	69931517448																																										
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	2.320	2.590	1.300	102,706.26	45,857.00	44	0.280	13.73	95,040,000.00	220,492,800.00																																										
AGTHIA Group	AGTHIA	1.00	791,577,090	4.160	5.480	3.870	153,052.54	36,883.00	19	0.030	0.73	791,577,090.00	3,292,960,694.40																																										
Total			886,617,090				255,758.80	82,740.00	63			886,617,090.00	3,513,453,494.40																																										
	Index Traded	FADCSI 2	Index Open Declined 0	9,007.61			Index Close Advanced 2	9,110.30		Index Change Unchanged 0	102.69	Index Change %	1.14																																										
												Sector Capitalization	3513453494																																										