

virtual currency groups align with US law enforcement

The Obama administration is joining with private companies to train US law enforcement officials about the virtual currency Bitcoin and how to fight crime arising from its use. The partnership, called the Blockchain Alliance, has two main goals, according to those involved in the project: educate investigators on how the technology works and enhance the reputation of a digital currency that's been associated with

high-profile crime even as it has slowly gained mainstream acceptance. The alliance announced Thursday includes the Departments of Justice and Homeland Security and representatives of private companies such as BitFury, BitPay and Coinbase that are involved in virtual currency. The name comes from the term "blockchain," which refers to the digital ledger on which Bitcoin transactions are recorded.

Supporters see Bitcoin, a decentralized form of money that offers users a degree of privacy for their transactions, as a fast and easy payment system that is gaining legitimacy among regulators and businesses. New York state regulators last month approved their first license for a company dealing in virtual currency. Online retailer Overstock.com this year installed a bitcoin ATM at its corporate headquarters in Salt Lake City. (AP)

popular US prepaid debit card hit by days-long glitch

A prepaid debit card founded by hip hop pioneer Russell Simmons and popular with poor Americans has experienced days-long problems that has left many low-income customers in the lurch. "We are still working through all of @RushCard's problems. We have made progress, but see that there a number of people still affected," Simmons tweeted Thursday.

The problems — including cards being made inactive and the return of direct deposits to payroll or government benefits administrators — arose in the wake of an Oct 12 scheduled maintenance and "technology transition," the company said. "Unfortunately, the transition did not go as planned and some of you experienced hardship as a result," RushCard posted on Facebook.

Since then, customers have taken to social media to post a slew of complaints and vent their frustration. "My bills are due...my son is without his meds and we are hungry ... please tell me something I'm sick of calling all of these numbers and getting hung up on," posted one apparent cardholder, Klynesha Jones, on RushCard's Facebook page. (AFP)

Govt once again just weeks away from potential default

US Treasury postpones debt auction due to borrowing limit

WASHINGTON, Oct 22, (RTRS): A grinding political battle in Congress over America's national debt led the US Treasury on Thursday to postpone a regular auction of government debt, a reminder that the country once again is just weeks away from a potential default.

The Obama administration warned last week the federal government would have to stop borrowing money no later than Nov 3 if the country's politicians do not raise the legal limit on federal debt. Many conservative Republicans balk at raising the debt limit without a plan for long-term deficit reduction.

On Thursday, the Treasury Department said in a statement it would not hold an auction for 2-year notes originally scheduled for Oct 27 because it might not be legally able to borrow money when the auction settles on Nov 2.

It also called on lawmakers to stop treating the debt ceiling as a political issue.

"The creditworthiness of the United States is not a bargaining chip, and Congress should address this matter without controversy," the department said.

Battles over the debt ceiling have become a regular facet of Washington's political calendar even though missing payments could lead to economic

calamity. America came dangerously close to falling behind on its bills in 2011 and 2013, but Thursday was the first time since 2004 that it called off an auction due to the debt ceiling.

Currently Congress is in disarray over a leadership vacuum in the Republican party. House Speaker John Boehner wants to step down but his fellow Republicans have been unable to agree on a successor. This is complicating efforts to negotiate on the debt ceiling.

The federal debt started scraping up against the \$18 trillion legal limit in March. Since then, the Treasury has employed emergency accounting measures like suspending investments in some federal pension funds to keep outstanding debt just under the limit while allowing debt auctions to continue.

Thursday's announcement stoked demand for 2-year notes on Wall Street, pushing their yield down to 0.6006 percent. But the Treasury said uncertainty over America's willingness to pay its debts were already pushing up yields for Treasury bills maturing in November compared to those that come due in October and December.

The Treasury said it will still hold auctions for 5-year and 7-year notes next week even though they are also scheduled to settle on Nov 2.

US home sales rebound in Sept

Jobless claims data point to firming labor market

WASHINGTON, Oct 22, (Agencies): Americans snapped up more homes in September, suggesting that the US housing sector remains insulated from global economic turmoil.

The National Association of Realtors said Thursday that sales of existing homes jumped 4.7 percent last month to a seasonally adjusted annual rate of 5.55 million. Buying activity rebounded after slipping in August, indicating that demand for housing continues despite a series of recent economic hits: stock market declines, falling factory orders, a slowdown in China, struggles in emerging nations such as Brazil and Turkey, and stagnation in Europe.

The real estate market appears to have reached a stable plateau in recent months, aided by mortgage rates near historic

lows and steady job gains that have reduced the unemployment rate to a healthy 5.1 percent. Yet first-time buyers remain scarce and relatively few properties are being listed for sale, capping the potential growth of the sector.

"The report adds to the evidence that home sales, and housing activity generally, are trending up," said Jim O'Sullivan, chief US economist at High Frequency Economics. "The strength in housing has been offsetting weakness in manufacturing."

But any further acceleration in sales will depend on more properties coming up for sale.

Sales have advanced 8.8 percent over the past 12 months, while the number of listings has declined 3.1 percent. The housing market contains 4.8 months' supply of homes, significantly lower than the 6 months associated with a strong market.

Tight inventories have fueled rising home values. The median home sales price was \$221,900 in September, a 6.1 percent annual increase.

The rising prices have created afford-

ability pressures that could cap sales growth. Prices have increased at nearly three times the annual 2.2 percent increase in hourly average earnings.

All four geographic regions — Northeast, Midwest, South and West — experienced higher sales last month on a seasonally adjusted basis.

Yet first-time buyers are largely missing from the market.

Only 29 percent of sales last month went to first-time buyers, a percentage that continues to be significantly lower than the historical share of 40 percent. The younger millennial generation, ages 18 to 34, suffers from a shortage of down payment savings as they cope with lower starting salaries and high student debt loads.

In a separate report, the number of Americans filing new applications for unemployment benefits rose less than expected last week, remaining at levels consistent with a fairly healthy labor market.

Initial claims for state unemployment benefits increased 3,000 to a seasonally

adjusted 259,000 for the week ended Oct 17, the Labor Department said on Thursday. They remained not too far from levels last seen in late 1973.

It was the 33rd straight week that claims were below the 300,000 threshold, which is normally associated with a firming job market.

At current levels, there is not much scope for claims to fall further and the very low level of layoffs suggests the labor market remains in good shape, despite a recent abrupt slowdown in job growth.

Signs that employers are holding on to their workers even as global demand is slowing implies strong domestic economic fundamentals that could keep the door open to an interest rate increase from the Federal Reserve this year.

The dollar trimmed losses against the yen after the data, while prices for US government debt rose.

Economists polled by Reuters had forecast claims rising to 265,000 last week. A Labor Department analyst said there were no special factors influencing the data.

Australia's Santos rejects \$5.1b bid

SYDNEY, Oct 22, (AFP): Embattled Australian oil and gas giant Santos on Thursday rejected an "opportunistic" Aus\$7.1 billion (US\$5.1 billion) takeover bid by investment syndicate Scepter Partners, which manages money for Asian and Gulf-based royals.

Santos has been hit hard by a plunge in crude prices and announced a strategic review to pay down debt in August, slashing capital expenditure, cutting jobs and possibly selling some assets.

But it said it was not interested in the approach from Scepter, which bid Aus\$6.88 cash for each Santos share, a 26 percent premium on Wednesday's closing price.

The offer sent Santos stock, which has lost more than half its value over the past year, soaring more than 20 percent in early trade before ending 16.18 percent higher at Aus\$6.32.

"The proposal is considered to be opportunistic in nature and does not reflect the fair underlying asset value of the company," Santos said in a statement, revealing the indicative and highly conditional proposal was received Tuesday.

"The proposal was also subject to numerous conditions, some of which would be adverse to Santos' continued evaluation of other alternatives in its current strategic review process."

While Santos has stakes in oil and gas production in several countries, including Indonesia and Vietnam, its main assets include a 13.5 percent of Exxon Mobil's US\$19 billion liquefied natural gas venture in Papua New Guinea and the US\$18.5 billion Gladstone LNG project in Australia.

"We would certainly expect a sweetened bid. The question is by whom," IG's market strategist Evan Lucas said.

"The board would want a minimum of Aus\$10 a share, based on the net present value of their assets, but that is unlikely given the current oil prices."

Global crude oil prices have halved over the past year to below \$US50 a barrel, amid rising supplies and lack-lustre demand.

The decline has battered energy company shares and raised prospects for a spate of mergers and acquisitions. In September, Papua New Guinea-focused Australian energy producer Oil Search knocked back an Aus\$11.6 billion takeover offer from Woodside Petroleum.

The Bermuda-headquartered Scepter is a direct investment business whose stakeholders include a standing syndicate of ruling families, ultra-high-net-worth industrialists and sovereign wealth funds.

Its website lists Prince Abdul Ali Yil Kabier from the Brunei royal family as a founder and director, along with Sheikh Juma Al Maktoum, uncle to the Crown Prince of Dubai.

The syndicate says it represents over US\$14 billion in discretionary assets and more than US\$100 billion in net worth of core stakeholders.



The Twitter logo appears on a phone post on the floor of the New York Stock Exchange. Twitter CEO Jack Dorsey said that the company is in the midst of 'rebooting' as it seeks to fulfil what he sees as its vital mission as a rapid source of information. (AP)

Go to 'reboot' growth, relationship with developers: Dorsey

Twitter launches polls feature on mobile, web

LOS ANGELES, Oct 22, (Agencies): Twitter officially unveiled a new polls feature on its service Wednesday, allowing users to create simple multiple-choice polls. The new feature is being rolled out to all users over the next few days and available both via Twitter's mobile apps and website. Polls will remain open for voting for 24 hours after creation.

Twitter unveiled Moments on the day of its Twitter Flight developer conference, which for the first time is going to be opened by its new CEO Jack Dorsey. The company made Dorsey permanent CEO earlier this month after he led it for more than three months as interim CEO.

Twitter has been experimenting with different ways to bring polls to its service for some time. Back in 2014, the company was experimenting with Twitter Cards that featured polls. More recently, select users have been able to add polls directly to their tweets. Those recent tests included tweets with polls from publications like Entertainment Weekly, and it's easy to see how media and the entertainment industry could embrace this new feature to communicate with its audience.

Dorsey said Wednesday that the struggling messaging platform is in the midst of "rebooting" as it seeks to fulfill what he sees as its vital mission as a rapid source of information.

Speaking at the Twitter developers conference in San Francisco, Dorsey said the relationship with Twitter and third-party developers had become strained, but promised to work to improve the situation. "Somewhere along the line, our relationship with developers became a little bit complicated," he said.

"I apologize for our confusion," he said, adding that "we want to reset our relationship, make sure we are learning, we are listening, we are rebooting."

Dorsey said the developers play a key role in helping Twitter fulfil its important role in the global community.

"Twitter is unique because it is a brand, a bird, a logo that just about everyone on the planet has seen. It stands for something," he said.

"Twitter empowers the conversation that the world needs to see."

Dorsey also told the 1,500 developers that Twitter would make available analytical tools that can help them get better data on how people use applications.

Dorsey, a co-founder of Twitter, this month began his second stint as CEO as the San Francisco-based company seeks to revive growth and move toward profitability.

One of the first things Dorsey announced was the new Moments feature, which enables members to get a

glimpse at breaking news.

On Oct 13 Twitter said it was slashing eight percent of its workforce, or some 340 jobs, as Dorsey outlined his new "roadmap" to boost users and revenues at the money-losing messaging platform.

The San Francisco-based platform, which has not yet turned a profit, has struggled to expand its user base above 300 million, lagging rival networks such as Instagram and well behind the much larger Facebook.

However, Twitter says that one billion people have seen content published on its network through other sites or applications.

Twitter promised new tools that will allow better integration with third-party apps, and better integration into websites.

Twitter also announced a partnership with JCDecaux display advertising, which will incorporate Twitter content into its signs.

Twitter is also hoping to convince businesses of the advantages of its platform, which include new tools that allows them to get a close understanding of users, including such information as demographics and personal interests.

A merchant, for example, can identify a customer via Twitter and engage in a live conversation on the platform — for example to correct a placed order.

UAW approves new contract with Fiat Chrysler

DETROIT, Oct 22, (AP): The United Auto Workers union has approved a new four-year contract with Fiat Chrysler.

UAW members at Fiat Chrysler's US factories voted 77 percent in favor of the agreement, the union said. The contract covers 40,000 workers at 23 US factories.

It was the second time in a month that Fiat Chrysler workers voted on a contract. A previous deal was soundly rejected largely because it didn't eliminate a much-hated two-tiered pay system. The new agreement gives raises to all workers and eliminates the two tiers over eight

years. Fiat Chrysler said in a statement that it was pleased that the contract passed. UAW President Dennis Williams said the agreement boosts wages and gives members job security "while still allowing the company to competitively produce high quality vehicles."

The union will use the Fiat Chrysler deal as a template for talks with Ford and General Motors. It was unclear Thursday whether the union would pick one company to focus on or try to negotiate with both.

Williams says Ford and GM make more money and should be able to pay

more, a statement that conflicts with company goals of cutting labor costs to bring them more in line with foreign automakers with US factories.

The new agreement with Fiat Chrysler gradually eliminates the tiered pay system that the union agreed to in 2007 when all three Detroit automakers were in financial trouble, bringing all US factory workers to the same wage over eight years. But members have resented the varying pay, and the company's current CEO, Sergio Marchionne — who took over when Chrysler merged with Italian automaker Fiat in 2009 — has called the two-tier wages "unsustainable."

'They're not just good enough'

Car infotainment distracts even with voice commands

DETROIT, Oct 22, (AP): Car infotainment systems that use voice commands may let drivers keep their hands on the wheel, but they're still highly distracting.

It takes drivers up to 27 seconds to return to full attention after using voice commands to make a hands-free call, turn on the radio or perform other tasks, according to two studies released Thursday by the AAA Foundation for Traffic Safety. Traveling at 25 miles per hour, that would equal the length of three football fields.

The studies, done for AAA by the University of Utah, compared various voice-operated systems from 2015 model-year vehicles.

Infotainment systems in the Chevrolet Equinox, Buick Lacrosse and Toyota 4Runner were the least distracting, because they were more intuitive and better at understanding voice commands. Systems in the Ford Taurus, Chevrolet Malibu, Volkswagen Passat, Nissan Altima, Chrysler 200 and Hyundai Sonata performed less well.

The system in the Mazda6 was the most distracting. The researchers found that Mazda's system required multiple steps, had poor voice detection and took longer to complete tasks. To select a radio station, users had to say "frequency" and then the station number.

Practice with the systems didn't necessarily help. The 257 research subjects took the cars home for five days, but the tasks that were difficult on the first day remained difficult a few days later, the researchers found. The least distracting systems still impaired drivers for at least 15 seconds, the studies said. Older drivers

took a longer time to resume full attention than younger ones. Researchers measured the return to full attention by timing participants' response to a flashing light.

Researchers also studied the level of distraction when drivers use mobile phones with voice commands. They found Google Now was more intuitive — and slightly less distracting — than Apple's Siri and Microsoft's Cortana. The phone study had 65 participants.

Joel Cooper, a research assistant professor of psychology at the university and one of the studies' authors, said voice command systems tend to be rigid, forcing drivers to use very specific commands to do various tasks. Even when drivers use the right commands, the systems don't always understand them. When the systems don't work, drivers get distracted trying to diagnose the problem.

"They're just not good enough," Cooper told The Associated Press. "They make a promise that they are a safe alternative, but they just don't always function as promised."

Mazda said a more advanced system that should minimize distraction is being used in the 2016 Mazda6 and other new models.

"We're always looking for new ways to make that interface between user and machine smoother and more intuitive," the company said in a statement.

While these studies focused on hands-free voice command systems, future studies for AAA will try to compare those systems to more traditional infotainment systems that require drivers to use their hands and look down at the dashboard, Cooper said.

Flash crash trader's lawyer calls extradition plea false

LONDON, Oct 22, (RTRS): The US request to extradite London-based trader Navinder Sarao, accused of helping to spark the 2010 Wall Street "flash crash", is "false and misleading" because it misrepresented the way markets work, his lawyer said on Thursday.

Sarao is wanted by US authorities after being charged with 22 criminal counts including wire fraud, commodities fraud, commodity price manipulation and attempted price manipulation.

The 36-year-old, who lives and worked at his parents' modest home near London's Heathrow airport, is accused of using an automated trading programme to "spoo" markets by generating large sell orders that pushed down prices.

He then cancelled those trades and bought contracts at lower prices, prosecutors say. The flash crash saw the Dow Jones Industrial Average briefly plunge more than 1,000 points, temporarily wiping out nearly \$1 trillion in market value.

Sarao's team are looking to block extradition on the grounds that the US charges would not be offences under English law, and if they are, that he should be tried in Britain.

At a hearing on Thursday to consider

whether a US trading expert could give evidence when the case is decided next year, Sarao's lawyer James Lewis said his testimony was needed to debunk the US extradition request because it demonstrated there was nothing unusual in traders cancelling orders.

"Americans had to create the crime of spoofing," Lewis told London's Westminster Magistrates' court, citing a report by Professor Lawrence Harris from the Marshall School of Business at the University of Southern California.

"The (US extradition) request is false and misleading," he added. "It's simply not the reality of what happens in any market. It's arrant nonsense."

Mark Summers, representing the US authorities, said they were not suggesting cancelling trades was in itself wrong, but that Sarao had never planned to execute the orders he had posted.

"His intention was to manipulate the market process by creating a false impression of liquidity. It was bogus from the outset," Summers said, adding the United States disputed the report by Professor Harris, a former Chief Economist at the US Securities and Exchange Commission.