

Google's Q1 ad sales surge 32%, Alphabet profit doubles

Google's digital advertising network has shifted back into high gear, with its corporate parent reporting profit that more than doubled after an unprecedented setback during the early stages of the pandemic.

The robust first-quarter advertising growth announced Tuesday provides the latest sign that advertisers are expecting the economy to roar

back to life as more people get vaccinated against COVID-19 and burst out of their pandemic cocoons.

That is particularly true in the travel industry, a key part of the ad market that drastically curtailed its spending last year after governments around the world imposed lockdowns to prevent the spread of the novel coronavirus.

Google vast digital ad empire is now benefiting from that recovery, although company executives warned in a conference call that another wrong turn in the pandemic could discourage recent consumer splurging that's also spurring advertisers to spend more.

"It's too early to say how durable this consumer behavior will be as economies recover

and restrictions on mobility are lifted," said Ruth Porat, chief financial officer for Google's parent, Alphabet Inc.

Google's sales surged 32% from the same time last year to nearly \$45 billion during the January-March period. It's the third consecutive quarter of accelerating ad growth for Google following an 8% decline during last year's April-June period. (AP)



This April 26, 2017 file photo shows the Google mobile phone icon, in Philadelphia. Alphabet Inc., parent company of Google, reports financial results, April 27. (AP)

Market Movements

28-04-2021

	Change	Closing pts		Change	Closing pts
AUSTRALIA - All Ordinaries	+24.47	7,320.01	S. KOREA - KRX 100	-86.42	6,746.11
JAPAN - Nikkei	+62.08	29,053.97	PAKISTAN - KSE 100	-233.75	45,059.12
PHILIPPINES - PSEI	+112.67	6,469.14			
INDIA - Sensex	+789.70	49,733.84			
CHINA - Shanghai SE	+14.46	3,457.07			

Business

US home prices rise 11.9% in Feb

Fastest pace since 2014

'Impact of COVID-19 waning gradually'

Japan cbank keeps monetary policy and up economic view

TOKYO, April 28, (KUNA): Japan's central bank decided on Tuesday to maintain its ultra-easy monetary measures to support coronavirus-hit firms amid the resurgence of infections while upgrading its assessment of its economy.

At the end of a two-day policy meeting, Bank of Japan's (BoJ) Governor Haruhiko Kuroda and his eight board colleagues agreed to keep short-term interest rates at minus 0.1 percent and guiding 10-year Japanese government bond yield around zero percent, according to the statement.

"The central bank will closely monitor the impact of COVID-19 and will not hesitate to take additional easing measures if necessary, and also it expects short- and long-term policy interest rates to remain at their present or lower

levels," it said.

Meanwhile, in its outlook report published after the meeting, the BoJ revised up growth forecasts for the world's third-largest economy, saying it is expected to grow 4.0 percent in the current fiscal year, compared with the 3.9 percent growth estimated in January.

"Japan's economy is likely to recover, although the level of economic activity is expected to be lower than that prior to the pandemic for the time being," the central bank said.

"That is, with the impact of COVID-19 waning gradually and the economy being supported by an increase in external demand, accommodative financial conditions, and the government's economic measures, a virtuous cycle from income to spending is expected to operate," it added.

WASHINGTON, April 28, (AP): US home prices rose in February at the fastest pace in nearly seven years as strong demand for housing collided with a tight supply of homes on the market.

The February S&P CoreLogic Case-Shiller 20-city home price index, released Tuesday, rose 11.9% from a year earlier, the biggest gain since March 2014. The index had also surged - 11.1% - in January. The February gain was about what economists had expected.

Prices rose in all 20 cities, led by year-over-year gains of 17.4% in Phoenix, 17% in San Diego and 15.4% in Seattle. Chicago (up 8.6%) and Las Vegas (up 9.1%) registered the smallest gains. The broader Case-Shiller national home price index rose 12% - the biggest gain since February 2006.

Demand for housing has surged during the pandemic. Americans fortunate enough to work from home, have sought more space or a different location. Low mortgage rates are also encouraging buyers: The average 30-year



A 'Sale Pending' sign stands along side a new driveway in Madison County, Miss., Tuesday, March 16, 2021. US home prices increased at the fastest pace in seven years in January as the pandemic has fueled demand for single-family houses even as the supply for such homes shrinks. (AP)

fixed, home loan rate fell last week below 3% for the first time in two months. Yet so many have been reluctant to put their homes on the market during

the pandemic for safety reasons it has strained the supply of homes for sale even further.

Matthew Speakman, economist at the real estate firm Zillow, said that listings of homes have begun to tick up, potentially easing the supply shortage. If that continues, "the meteoric rise in home prices may finally have a reason to come back down to earth. For now, red hot home price appreciation shows few signs of cooling," Speakman said in a research note.

The Commerce Department reported last week that sales of new homes shot up nearly 21% in March to the highest level since 2006, bouncing back from a big drop in February when severe winter weather paralyzed much of the country.

Sales of existing homes, however, fell in March for the second straight month, the National Association of Realtors reported last week, partly because so few houses are on the market.

The S&P 20-city index has climbed 83.5% since hitting bottom in March 2012 after the collapse of the mid-2000s housing bubble and the 2007-2009 Great Recession.

Investors adopt a wait-and-see stance ahead of Fed

Global shares mostly higher

TOKYO, April 28, (AP): Global shares were moderately higher in listless trading Wednesday, as investors watched for news out of a Federal Reserve meeting.

France's CAC 40 gained 0.3% in early trading to 6,291.87, while Germany's DAX edged up 0.2% to 15,279.81. Britain's FTSE 100 rose 0.2% to 6,961.41. The future for the Dow industrials slipped 0.1% to 33,834, and S&P 500 futures rose 0.1% to 4,182.12.

Japan's Nikkei 225 added 0.2% to finish at 29,053.97, while South Korea's Kospi slipped 1.1% to 3,181.47. Australia's S&P/ASX 200 added 0.4% to 7,064.70. Hong Kong's Hang Seng climbed 0.5% to 29,071.34, while the Shanghai Composite rose 0.4% to 3,457.07.

Analysts said Asian investors have adopted a wait-and-see stance ahead of the Fed meeting.

"But the wider point and the bigger driver of markets, as equities shuffled nervously ahead of the FOMC meeting today, is arguably just how much restraint the Fed will exercise," said Venkateswaran Lavanya at Mizuho Bank.

Also on tap is President Joe Biden's speech to a joint session of Congress, which is expected to lay out several parts of his agenda such as increased infrastructure spending, likely higher taxes on the wealthy and higher funding for government programs.

The slow pace of coronavirus vaccinations in some parts of Asia, including Japan, and a surge of cases in India are adding to continued worries about



People walk by an electronic stock board of a securities firm in Tokyo, April 28. Asian shares were mostly higher as investors await a meeting of the Federal Reserve and a speech to Congress by U.S. President Joe Biden. (AP)

the pandemic, in contrast with vaccination progress in the U.S. and parts of Europe.

Japan has declared a state of emergency in some urban areas, trying to curb travel, crowds and the spread of infections, as the country heads to a series of national holidays called Golden Week.

Investors expect U.S. corporate results due out this week to show stronger profits as more people are vaccinated and increase their spending. Global investors are gauging how companies fared during the first quarter and any other information that can help paint a clearer picture of where the economy

is headed.

The Federal Reserve started a two-day policy meeting Tuesday. Investors expect the U.S. central bank to keep its key lending rate close to zero and inject more money into the financial system through bond purchases.

In energy trading, benchmark U.S. crude fell 9 cents to \$62.85 a barrel in electronic trading on the New York Mercantile Exchange. Brent crude, the international standard, lost 13 cents to \$66.29 a barrel.

In currencies, the U.S. dollar fell to 108.85 Japanese yen from 108.92 yen. The euro cost \$1.2075, down from \$1.2091.

Economic slowdown hits payments

Visa Q2 profits fall 2%

NEW YORK, April 28, (AP): Visa Inc.'s fiscal second-quarter profits fell 2% from a year earlier, as the company dealt with a slowdown across its payment network due to the global pandemic.

The payment processing giant said Tuesday that it earned \$3.03 billion in its second quarter ended March 31, or \$1.38 a share, down from \$3.08 billion in the same period a year ago. Due to Visa buying back its own stock, the company's earnings per share last year was also \$1.38.

The results were better than the \$1.27 per share that analysts expected on average, according to FactSet. Shares rose 1.8% in after-hours trading.

Due to the nature of Visa's business model and how the company reports revenue, this quarter's results are more difficult to compare than previous quarters. However there are signs that Visa's business model took a hit during the pandemic, as the global economy has slowed and travel has come to a standstill.

Cross-border payments volume across Visa's network were down 11% from a year earlier, the company said.

That said, it appears payments are improving, particularly in the U.S. as the economy recovers. U.S. payments volume was up 13.5% from a year earlier on a constant dollar basis.

While credit card transactions declined steeply from a year earlier, debit card transactions were up 21% in the same period. A number of Americans shied away from using paper money in the pandemic, which may have translated into people using debit cards and touchless transaction. They also purchased more groceries and other items online.

Visa did not provide a fiscal full-year forecast, citing the uncertainty related to the pandemic and a lack of clarity about when travel would pick up again.

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Despite the pandemic, Gulf Bank continues to generate profits, due to its prudent policies and conservative approach

Gulf Bank grows Net Profit by 39% in the First Quarter of 2021 Compared to the First Quarter of 2020



Mr. Jassim Mustafa Boodai

Gulf Bank K.S.C.P. ("The Bank") announced its financial results for the first quarter ending 31 March 2021. The Bank recorded a net profit of KD 12 million, an increase of KD 3.4 million or 39% compared to the first quarter of 2020 net profit of KD 8.6 million. This increase was mainly due to the significant improvement in net interest income.

The Bank's return on assets improved from 0.5% in the first quarter of 2020 to 0.8% and return on equity grew from 5.3% to 7.6%.

The improvement in Net profit was mainly driven by a 13% or KD 3.7 million increase in net interest income caused by a continuing decline in the cost of funds. The higher operating expenses of KD 1.7 million were set off by lower credit costs (including general provisions) of KD 2.2 million. Compared with 31st December 2020, total assets increased by 2.6% to KD 6.3 billion, loans and advances to customers climbed 2.7% to KD 4.2 billion, customer deposits grew by 3.6% to KD 4.2 billion, and shareholders' equity stood at KD 637 million.

The Bank's regulatory capital ratios remained strong as the Tier 1 ratio of 14.3% was 485 basis points above the regulatory minimum of 9.5% and the Capital Adequacy Ratio (CAR) of 17.7% was 621 basis points above the regulatory minimum of 11.5%.

Commenting on the results, Gulf Bank's Chairman, Mr. Jassim Mustafa Boodai, said: "I am pleased to announce that Gulf Bank has started 2021 strong, with an increase of 39% in net profit during our first quarter compared to the same period last year. Despite the challenges that we continue to face as a result of the coronavirus pandemic, Gulf Bank managed to increase our profitability, generating an operating margin of KD 21 million, an increase of 8% compared to the first quarter of 2020. These results are a testament to Gulf Bank's sound policies and prudent management, and they demonstrate that the Bank is on the right path to achieving its strategy, while continuing to create value for its shareholders."

Steadfast Path

Gulf Bank's CEO, Mr. Tony Daher, commented: "During the first quarter of the year, Gulf continued to generate strong profit growth despite the challenges facing the economy and the banking sector. Thanks to our stability and prudent risk management policies, we were able to achieve a balanced performance. These results increase our confidence, and confirm that we are on the right course to achieving Gulf Bank's strategic objectives and push us to intensify our efforts as we continue on our path to leadership in the sector."

On March 27, 2021, Gulf Bank held its Annual General Meeting and obtained approval from its shareholders to pay cash dividends of 5 fils per share, representing a 50% payout ratio for the fourth consecutive year.

Diraya Awareness Campaign

As part of its ongoing commitment to enhancing economic sustainability, Gulf Bank is participating in the Diraya campaign, an awareness campaign initiated by the Central Bank of Kuwait and the Kuwait Banking Association to educate customers about their banking rights and the general public about all matters related to banking and finance. The campaign aims to increase public awareness of the important role of the banking sector, as well as the various services it provides.

Commenting on the Diraya campaign, Daher continued: "With the latest advancements and progress witnessed by the financial and banking industry, the need for greater financial awareness is more important than ever, in the hopes that customers can make the most of all the services available to them without compromising any rights or security. Gulf Bank fully supports the Diraya campaign and encourages all its customers to follow the campaign's activities and stay tuned to all its awareness messages."

Gulf Bank is currently supporting the Diraya campaign by providing dedicated educational and informative messages through the Bank's various channels, concerning topics such as: banking cybersecurity, customer rights, and the role of banks in the overall development of the economy.

"A" Credit Ratings

- Gulf Bank continues to be well recognized in terms of its creditworthiness and financial strength internationally, rated "A" by all four leading credit rating agencies.
- Moody's Investors Service affirmed the Long-Term Deposits Rating of "A3" with a "Stable" outlook.
- Fitch Ratings affirmed the Bank Long-term Issuer Default Rating of "A-" with a "Negative" outlook.
- S&P Global Ratings affirmed the Bank Issuer Credit Rating at



Mr. Tony Daher

"A-" with a "Negative" outlook. Capital Intelligence affirmed Gulf Bank's Long-term Foreign Currency Rating of "A+" with a "Stable" outlook.

Gulf Bank, Bank of the Future

Gulf Bank has also set its upcoming five-year strategy, which will focus on:

- Promoting growth in the corporate banking segment by increasing product offerings and focusing on small and medium-sized enterprises;
- Increasing the Bank's market share in the retail banking sector, and targeting youth and affluent client segments; and
- Developing the Bank's digital banking platforms to increase competitiveness and improve customer service.

Digital Transformation

Commenting on the Bank's digital transformation strategy, Mr. Daher said: "As part of Gulf Bank's strategy, we are digitally transforming most of the Bank's major activities in a way that increases efficiencies, enhances the Bank's performance, and strengthens its corporate controls. We anticipate that our technological enhancements will facilitate smoother operations for both our customers and the Bank, and we are continuously enhancing our security levels to elevate Gulf Bank's customer protection and improve service."

Thanks & Appreciation

Mr. Boodai concluded his remarks by stating: "On behalf of the Board of Directors, we would like to extend our appreciation to the Central Bank of Kuwait and the Capital Markets Authority for their dedicated efforts in supporting and promoting Kuwait's banking sector. I would also like to thank our shareholders, customers, and Board of Directors for their valuable contributions, with a special note of appreciation to our team members for their loyalty over the years."