

In this file photo, Twitter and Square CEO Jack Dorsey appears on a screen as he speaks remotely during a hearing before the Senate Commerce Committee on Capitol Hill, in Washington. (AP)



Square to buy installment payment firm Afterpay in \$29b deal

Digital payments company Square Inc. says it has agreed to acquire Afterpay, which provides a "buy now, pay later" option for merchants, in an all-stock deal valued at about \$29 billion. Square allows retailers to process credit card transactions using devices that plug into tablets or smartphones. The San Francisco-based company said Sunday it plans to integrate Afterpay into its services, enabling merchants to offer customers the option to pay for goods later without relying on a credit card. Afterpay users would be able to manage their installment payments directly in Square's cash app.

"Square and Afterpay have a shared purpose," Square CEO Jack Dorsey said in a statement. Some 70 million people use Square's cash app. As of June 30, Afterpay was serving more than 16 million users and nearly 100,000 merchants, including major retailers, the company said. Installment plans are popular with retailers because they encourage customers to spend more money. And they enable customers with insufficient funds or credit at the time of purchase to walk out of a store with the item they want. Payments are made in multiple installments over time, without interest - unless customers are late,

in which case additional fees or interest may kick in. "Afterpay is deeply committed to helping people spend responsibly without incurring service fees for those who pay on time," the companies said in a joint press release announcing the transaction. Square said it agreed to buy all of the Australian company's shares. Afterpay shareholders will get 0.375 shares of Square Class A common stock for each share of Afterpay, a 31% premium above its closing price Friday. The transaction is expected to close in early 2022. (AP)

Market Movements

02-08-2021

	Change	Closing pts		Change	Closing pts	
SAUDI	-	Tadawul	+90.09	11,157.02		
JAPAN	-	Nikkei	+497.43	27,781.02		
UK	-	FTSE 100	+49.42	7,081.72		
EUROPE	-	Euro Stoxx 50	+27.22	4,116.62		
UAE	-	DFM	+8.72	2,790.30		
EGYPT	-	EGX 30	+11.67	10,821.88		
PHILIPPINES	-	PSEI	+176.08	6,446.31		
		SINGAPORE	-	Straits Times STI	-5.72	3,161.22

Business

Lowest level in 15 months

China's manufacturing growth slows in July as export weakens

BEIJING, Aug 2, (AP) - China's manufacturing growth in July slowed to its lowest level in 15 months as export demand weakened and factories coped with disruptions in supplies of raw materials and components, two surveys found.

A monthly purchasing managers' index released by Caixin, a business magazine, declined to 50.3 from June's 51.3 on a 100-point scale on which numbers above 50 show activity increasing. A separate PMI issued by an industry group and the Chinese statistics agency fell to 50.4 from 50.9.

China rebounded relatively quickly from the coronavirus pandemic, but manufacturers have struggled as they wait for supply chains to return to pre-pandemic activity and foreign markets are hindered by renewed disease outbreaks.

Fell

Caixin's measure of new export orders fell to 50.3 from June's 51.3.

China's economy expanded by 7.9% over a year earlier in the three months ending in June, though that was magnified by comparison with early 2020, when factories and shops closed to fight the coronavirus pandemic. Output rose 1.3% compared with the previous quarter, up from the previous quarter's 0.6% growth but one of the past decade's weakest readings.

Exports rose 32.2% in June over a year ago but the government warned that might weaken in the second half of the year.

"The latest survey readings reinforce our view that the economy will tread water during the second half of the year," said Julian Evans-Pritchard of Capital Economics in a report. "It shouldn't be cause for alarm given how strong activity has been recently."

US manufacturing activity rises during July but at 'slower pace'

Ongoing supply-chain problems cited for slowdown



Trucks for export wait to be transported at a sea port in Yantai in eastern China's Shandong province Friday, July 30, 2021. China's manufacturing growth in July slowed to its lowest level in 15 months as export demand weakened and factories coped with disruptions in supplies of raw materials and components, two surveys found. (AP)

WASHINGTON, Aug 2, (AP) - Growth in U.S. manufacturing slowed in July amid ongoing supply-chain problems.

The Institute for Supply Management, a trade group of purchasing managers, said Monday that its index of manufacturing activity declined by 1.1 percentage points to a reading of 59.5. The index stood at 60.6 in June.

Any reading above 50 indicates growth in the manufacturing sector. July was the 14th consecutive month manufacturing has grown after contracting in April 2020 when the coronavirus triggered nationwide business shutdowns.

But the July reading showed slower growth in new orders and production. Manufacturers have struggled in recent months with supply-chain bottlenecks that have made it difficult for them to get computer chips and other necessary components for their products.

Taiwan economy loses momentum

TAIPEI, China, Aug 2, (AP) - Taiwan's economic growth slowed to 7.5% over a year earlier in the latest quarter as anti-coronavirus controls depressed consumer spending and manufacturing.

Growth in the three months ending in June decelerated from the previous quarter's 8.9%, government data showed Friday.

Measured compared with the previous quarter, growth slowed to 2% from the previous quarter's 3%.

A resurgence of coronavirus cases prompted Taiwan's government to tighten social distance measures for factories and retailing. Consumer spending fell 0.4% from a year earlier.

Processor chip factories, a major export industry, were hit by water shortages that forced some to reduce output. The island also suffered power shortages.

Electronics exports should support growth in the second half of the year as developed markets ease restrictions and Taiwan consumer spending improves, said Lloyd Chan of Oxford Economics in a report.

Go raises its profit outlook

VW's 'earnings' beat pre-pandemic levels

FRANKFURT, Germany, Aug 2, (AP) - Germany's auto industry showed more strong results as Volkswagen's earnings and profit margins beat pre-pandemic levels and the company raised its profit outlook for the year despite an ongoing shortage of key electronic parts that is plaguing the industry as a whole.

Volkswagen raised its profit outlook for the full year while warning that shortages of semiconductor parts would continue to affect its business, leading the company to lower its forecast for deliveries to customers.

The earnings follow strong margins and profits announced last week by competitor Daimler's Mercedes-Benz. Germany's export- and China-focused auto industry has benefitted from a recovery in key global auto markets and continuing demand for the highly profitable premium vehicles that are its specialty. BMW reports earnings Aug. 3.

Volkswagen Group earnings were driven by its luxury brands, Porsche and Audi, both of which turned in record unit sales for the first half of the year and saw profit margins in double digits. A strong used car business helped boost profits at the company's financial services division.

Volkswagen's cash pile now stands at 35.0 billion euros (\$41.5 billion), money that it can invest in areas that are driving change in the industry, such as battery-powered cars, software and digitally driven services.

"We're keeping up our high pace, both operationally and strategically," CEO Herbert Diess said in a statement.

Wolfsburg-based Volkswagen turned in operating returns on sales of 8.8% and raised its profit outlook for the year by half a percentage point to 6.0%-7.5%.

Operating earnings came in at 11.4 billion euros, compared to a loss of 0.8 billion euros in the first half of last year, when the pandemic led to

factory shutdowns and closed dealerships. But earnings also beat the comparable figure of 10.0 billion euros from the first six months of 2019. Sales rose 35% over the first half of last year to 129.7 billion euros, also beating the 2019 figure.

Foot Locker buys atmos, Eurostar in pair of deals

NEW YORK, Aug 2, (AP) - Foot Locker is acquiring a pair of companies in deals worth over \$1 billion.

The New York footwear and clothing company said Monday that it's buying Text Trading Co., which owns and licenses Japanese retailer atmos, for \$360 million. The transaction accelerates Foot Locker's Asia-Pacific expansion.

Atmos, with fiscal 2020 revenue of about \$175 million, has 49 stores worldwide. Foot Locker Inc. also announced that it's buying athletic footwear and clothing company Eurostar

for \$750 million. Eurostar Inc. concentrates on Hispanic consumers, running 93 stores in California, Texas, Arizona, and Nevada. The company had approximately \$425 million in fiscal 2020 revenue.

"This acquisition enhances our product mix and provides access to a customer base and store footprint that are both differentiated from and complementary to our current portfolio," Foot Locker Chairman and CEO Richard Johnson said in a statement.

Both deals are expected to close late in the third quarter.



In this file photo, the logo for Foot Locker appears above a trading post on the floor of the New York Stock Exchange. (AP)

NBK Honors Al Rashidi For Olympic Medal



Mr. Isam Al Sager, NBK Group CEO, and Mr. Salah Al Fulajj, NBK - Kuwait CEO, honoring Al-Rashidi

National Bank of Kuwait (NBK) honored the skeet shooter Abdullah Al-Rashidi for winning the bronze medal in the Tokyo 2020 Olympics.

The Kuwaiti Olympic champion was received in NBK headquarters by Mr. Isam Al-Sager, NBK Group CEO and Mr. Salah Al-Fulajj, CEO of NBK - Kuwait, as an expression of the great pride of his bronze medal win in men's skeet championship.

In this ceremony, NBK executive management congratulated the Olympic champion on his achievement, saying that this honoring demonstrates the pride in his remarkable accomplishment and raising

Kuwait's flag high in this international competition.

NBK stressed that these achievements are a continuation for the series of successes made by the Kuwaiti sport, noting that his success is the deserved great reward for your talent, character and years of dedicated hard work and training.

NBK management addressed words of particular gratitude to Al-Rashidi, as well as all Kuwaiti players who took part in the games, the trainers, mentors and families, who have all made a great contribution to Kuwait's presence in the Olympics.

NBK pays a profound attention

to different kinds of sports and is committed to provide all the required support to Kuwaiti international champions who raise Kuwait's flag high in a major international event like the Olympics.

On his part, the Kuwaiti champion Abdullah Al-Rashidi expressed his deep appreciation for NBK's initiative to support and honor Kuwaiti athletes.

It is worth mentioning that NBK maintains its leading position among banking sector institutions in supporting national talents in all fields, including sports, by honoring them and highlighting their successes and achievements in international competitions, in addition to providing them with all sorts of support.