The Alibaba logo is seen outside a building in Beijing on Nov. 16, 2021. (AP)

Alibaba appoints new CFO, reshuffles e-commerce businesses

China's largest e-commerce group Alibaba said Monday it is appointing a new chief financial officer and reorganizing its e-commerce businesses amid a regulatory crackdown in the technology industry.

The company said in a statement Monday that Toby Xu will succeed Maggie Wu as its new CFO from April 1, 2022. Xu joined Alibaba from PricewaterhouseCoopers three years ago and was appointed deputy group CFO in July 2019.

Wu, who has been Alibaba's CFO since 2013 and has helped lead three Alibaba-related company listings, will continue to serve as an executive director on Alibaba's board.

She will also remain as a partner in the Alibaba Partnership - a group of senior executives who have the right to nominate a simple majority of Alibaba's board of directors.

"We are focused on the long-term, and succession within our management team on every occasion is always in the service of ensuring Alibaba will be stronger and better positioned for the future," said Daniel Zhang, chairman and CEO of Alibaba Group.

Separately, Alibaba said that it would be creating an International Digital Commerce team to handle its e-commerce businesses in international markets. A China Digital Commerce team will be in charge of e-commerce operations inside China, according to a post on the company's Alizila news hub.

The international and domestic digital commerce teams will be led by executives Jiang Fan and Trudy Dai respectively. (AP)

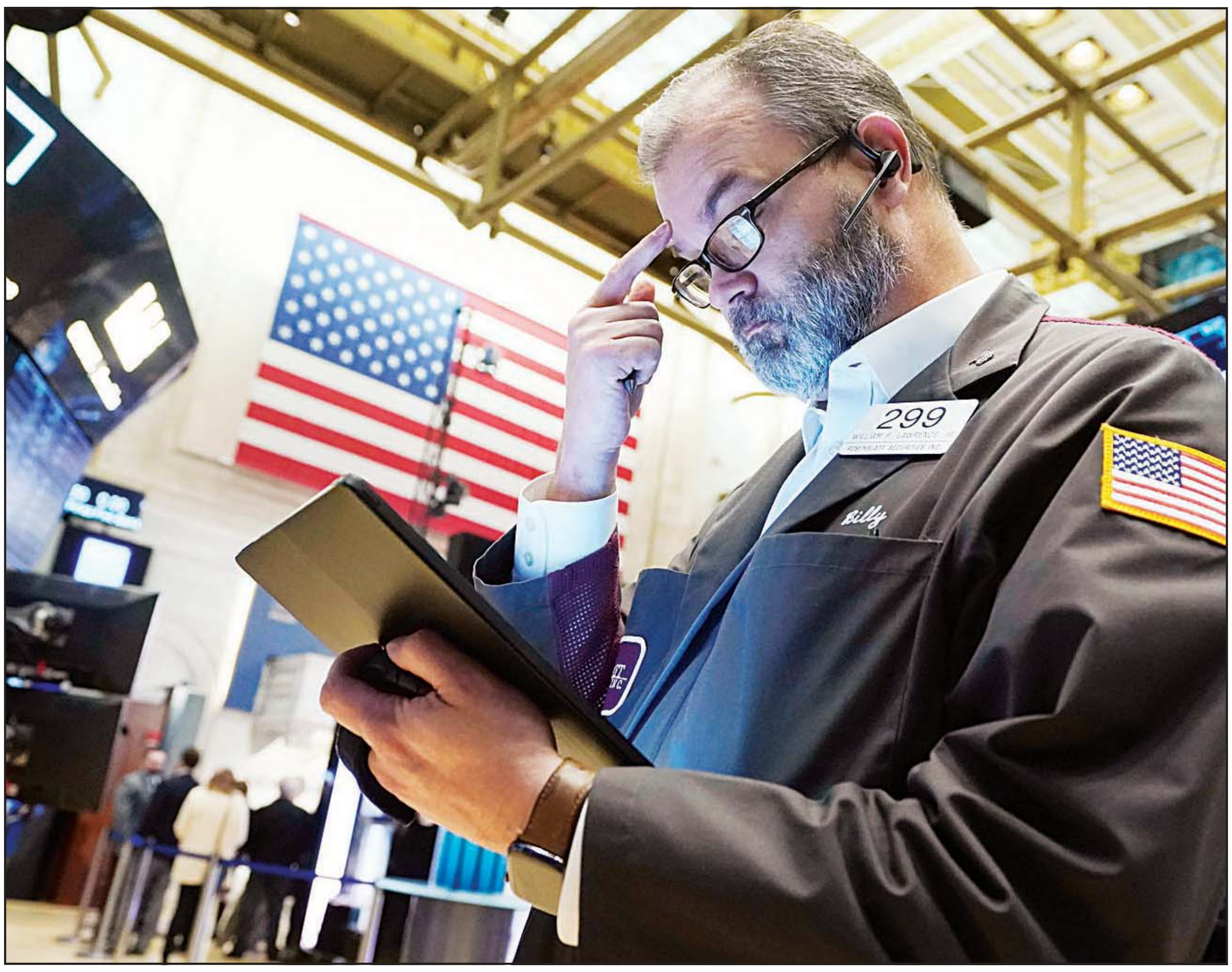
Market Movements 06-12-2021

			Change	Closing pts
UK	-	FTSE 100	+109.96	7,232.28
EUROPE	-	Euro Stoxx 50	+56.96	4,137.11
UAE	-	DFM	+72.68	3,162.23
EGYPT	-	EGX 30	+113.54	11,514.87
PHILIPPINES	-	PSEi	+75.55	7,130.74
PAKISTAN	-	KSE 100	+47.94	43,280.77
SINGAPORE	-	Straits Times STI	+14.39	3,116.32

			Change	Closing pts
SAUDI	-	Tadawul	-121.40	11,021.07
JAPAN	-	Nikkei	-102.20	27,927.23
INDIA	-	Sensex	-949.32	56,747.14

Stocks could keep rising even after Fed begins raising rates

Wall Street balks as Fed signals party's ending, but is it?



Trader William Lawrence works on the floor of the New York Stock Exchange, Thursday, Dec. 2, 2021. Wall Street is worried about the Federal Reserve pulling back its massive support for financial markets. The head of the central bank said this week that it may halt the bond-buying program meant to lower long-term interest rates sooner than expected. (AP)

NEW YORK, Dec 6, (AP): The Federal Reserve's job, its longest-serving chairman once said, is to "take away the punch bowl just as the party gets going," and that's exactly the message Wall Street took from comments by current Chair Jerome Powell this week.

Stock prices tumbled after Powell said the Fed may halt its immense support for financial markets sooner than Wall Street expected. History suggests, however, that stocks aren't always losers when the Fed pulls back its help.

Some economists and investors were already calling for just such a move given the economy's strong recovery from last year's brief recession and the stubborn persistence of high inflation that's sweeping the world.

But the S&P 500 sank 1.9% in one day after Powell said the Fed's monthly purchases of bonds, which recently began shrinking from $120 billion, may end months sooner than the June target it had been on pace for. Added to worries about the new coronavirus sweeping the world, it caused Wall Street's so-called "fear gauge" to rise sharply.

Wall Street has reason for concern. An early halt to the Fed's bond-buying program, which has helped keep long-term interest rates low and thereby supports the economy, would open the door for the central bank to make the more impactful decision to start raising short-term interest rates.

Those have been pinned at a record low near zero since early in the pandemic, one of the major reasons the S&P 500 has roughly doubled since hitting a four-year low in March 2020. Low rates are also a main reason many investors have brushed aside worries that stock prices have climbed too high, too fast.

An investor buying a 10-year Treasury, for example, is looking at a yield of just 1.44%, not even keeping up with current inflation levels.

"As long as the 10-year stays below 1.50%, there is no alternative" to buying stocks, said Josh Wein, portfolio manager at Hennessy Funds.

To see how that's lifted Wall Street, consider what investors are paying for each $1 of corporate earnings. The S&P 500's price is trading at close to 24 times the earnings per share its companies have produced over the last 12 months, according to FactSet. That's more expensive than its average price-earnings level over the last two decades of slightly less than 18.

But stocks could keep rising even after the Federal Reserve begins raising interest rates. Usually, such rate hike campaigns occur when the U.S. economy has enough strength to stand on its own, without assistance from the central bank. And that in itself can push corporate profits, the lifeblood of the stock market, higher.

Since 1983, the S&P 500 has had a positive return in the 12 months following the start of a rate-hike campaign in six of seven occurrences, according to BofA Global Research. The average return was 6.1%.

Broaden the time horizon to two years following the first rate increase, and the S&P 500 still had a positive return in all but one of them.

To be sure, that one exception has a similarity with today's market, according to Savita Subramanian, equity strategist at BofA Securities. The S&P 500 was much more expensive than normal in 1999, amidst the dot-com bubble, with S&P 500 prices trading at 30.5 times their earnings.

The historical record of U.S. stocks' performance when the Fed slows its bond purchases is not as deep. That's because such bond-buying programs have only become a routine part of the central bank's toolbox since the 2008 financial crisis.

Stocks did struggle a bit in the summer of 2013 when then Fed Chair Ben Bernanke suggested it could begin slowing, or tapering, its bond purchases. That caught investors by surprise, and the ensuing mini-swoon for the market came to be known as the "taper tantrum."

But stocks nevertheless quickly got back to rising. The Fed didn't end up raising short-term interest rates until late 2015, more than two years after the taper tantrum.

"While some worry that the end of tapering accelerates the point at which interest rates rise, I don't believe that will happen, although this fear of higher rates adds to market jitters in the short-term," said David Bahnsen, chief investment officer at The Bahnsen Group.

Highest since 2011

World food prices surge for 4th mth

ROME, Dec 6, (KUNA): The barometer of food commodity prices in international markets rose for the fourth consecutive month in November, led by strong demand for wheat and dairy products, the Food and Agriculture Organization of the United Nations (FAO) reported.

"The FAO Food Price Index averaged 134.4 points in the month, its highest level since June 2011 and 1.2 percent higher than during October," reads the report.

The index, which tracks monthly changes in the international prices of commonly-traded food commodities, was 27.3 percent higher than its level in November 2020.

The FAO Dairy Price Index led November's aggregate rise, increasing by 3.4 percent from the previous month.

"Strong global import demand persisted for butter and milk powders as buyers sought to secure spot supplies in anticipating of tightening markets," it explained.

It added that the FAO Cereal Price Index increased by 3.1 percent in November from the previous month and was 23.2 percent higher than its year-ago level.

Maize export prices rose slightly and international rice prices remained broadly steady, while wheat prices hit their highest level since May 2011.

"The increase reflected strong demand amid tight supplies, especially of higher quality wheat, while prices were also supported by concerns about untimely rains in Australia and uncertainty regarding potential changes to export measures in the Russian Federation," it argued.

The FAO Sugar Price Index was 1.4 percent higher in November than in October and nearly 40 percent above its level in November 2020.

The increase was primarily driven by higher ethanol prices, though large shipments from India and a positive outlook for sugar exports by Thailand tempered the upward pressure on quotations.

The FAO Vegetable Oil Price Index declined by 0.3 percent from a record high reached in October, reflecting lower values for soy and rapeseed oils as well as lower crude oil prices. International palm oil prices remained firm.

The FAO Meat Price Index decreased by 0.9 percent, its fourth consecutive monthly decline.

'Average' US price of gas dips 2 cents

CAMARILLO, California, Dec 6, (AP): The average U.S. price of regular-grade gasoline fell 2 cents over past two weeks, to $3.46 per gallon.

Industry analyst Trilby Lundberg of the Lundberg Survey said Sunday that the price drop is partly because of a crash in crude oil costs.

It was the first decline in gas prices in 14 weeks, Lundberg said. The average price at the pump is $1.24 higher than it was one year ago.

Economists foresee persistent inflation

Overall US economy to expand by 5.5% this year: survey

WASHINGTON, Dec 6, (AP): The nation's business economists have sharply raised their forecasts for inflation, predicting an extension of the price spikes that have resulted in large part from bottlenecked supply chains.

A survey released Monday by the National Association for Business Economics found that its panel of forecasters expects consumer prices to rise 6% this quarter compared with a year ago. That marks an increase from the 5.1% inflation the forecasters predicted in September for the same 12-month period.

Eighty-seven percent of the panelists have identified supply chain bottlenecks as a major factor in the acceleration of prices.

Julie Coronado, vice president of the NABE, said that nearly three-fourths of the panel of 48 forecasters expects the Fed's preferred inflation gauge, which reflects consumer spending patterns, to increase 4.9% this year - far above the central bank's 2% annual inflation target.

Nearly 60% of the NABE panelists expect the job market to reach full employment over the next year. Two-thirds of the panelists said they think wage gains will keep inflation elevated over the next three years.

On Friday, the government reported that the unemployment rate tumbled to 4.2% in November from 4.6% in October. The NABE panel expects the unemployment rate to keep declining to 3.8% by the end of 2022.

Last month, employers added just 210,000 jobs, the government estimated Friday. That was the weakest monthly gain in nearly a year and less than half of October's gain of 546,000 jobs. The NABE panel, though, expects monthly gains in payroll jobs to average 337,000 next year, up about 5% from its projection in the September survey.

The forecasting panel expects the overall economy, as measured by the gross domestic product, to expand by 5.5% this year. That would mark a robust bounce-back from the 3.4% drop in GDP last year, when the economy was derailed by nationwide shutdowns caused by the eruption of the pandemic. Next year, the NABE forecasters expect GDP to grow by a still-solid 3.9%.

Burgan Bank announces the winner of the Al-Thuraya Salary Account monthly draw

Burgan Bank, announced today Mr. WAHEED NAYEF ALAJMI as the lucky winner of the draw prize of Al-Thuraya Salary Account monthly draw.

The draw rewards new and existing customers who transfer their salary to Burgan Bank by offering them a chance to win KD 10,000 every month. Each account holder has one chance to enter the draw.

The Al-Thuraya account holders have the option to hold money in Kuwaiti Dinar and other major currencies and can access account-related services such as standing orders, loans and credit cards, and benefit from the discounts and offers throughout the year.

Customers wishing to open the Al-Thuraya account can do so by simply visiting the nearest Burgan Bank branch and obtain all the necessary details.

For further information, customers can also visit the bank's website on www.burgan.com.

Erdogan pledges to end 'fluctuation' of lira rates

ISTANBUL, Dec 6, (KUNA): Turkish President Recep Tayyip Erdogan said his government will "tame" the current price movements and currency fluctuations "not too long from now."

"The Government will always support producers and those who provide employment with low-interest rates," Turkey's Anadolu Agency quoted him as saying says during the opening ceremony of services projects in the southeastern province of Siirt.

On next year's minimum wage, to be determined this month, Erdogan said, "We will relieve our low-income people a little more by setting the minimum wage at a level that will compensate for losses."

Regarding the foreign exchange reserves at the Central Bank (CBRT), he said they have risen dramatically from USD 27.5 billion to USD 126 billion over the nearly two decades of the rule of his Justice and Development (AK) Party.

Recent interest rate cuts in Turkey have been followed by price hikes with the lira, the nation's currency, losing value, according to the AA report.