CSC reaches conditional agreement to acquire Intertrust N.V.

CSC, the world's leading provider of business, legal, tax, and digital brand services, announces a conditional agreement has been reached on a recommended public offer for all issued and outstanding ordinary shares of Intertrust. The combination of CSC and Intertrust creates a clear and differentiated leader for clients on an international scale, built on the combined strengths of each other's global teams with complementary geographic and service offerings.

Founded in 1899, with headquarters in Wilmington, Delaware, USA, and with 3,000 employees in 13 countries across the globe, CSC is the trusted partner for more than 180,000 corporate clients- including 90% of the Fortune 500 ® -as well as nearly 10,000 law firms and more than 3,000 financial institutions. CSC's success is built on its ability to provide its clients with best-in-class solutions to efficiently manage and handle key business processes. Since 2002, CSC has made more than 25 strategic acquisitions, building a solid reputation for successfully integrating deals while increasing profitability and customer loyalty.

"We have been following Intertrust's growth and transformation for many years, while at the same time building and growing our trust and corporate services offering in the United States, scaling our fund administration and international expansion solutions globally, and providing a service model to our clients to enable them to navigate an increasingly complex international regulatory environment," says CSC CEO and President Rod Ward.

"We feel we present a unique opportunity unmatched in the market due to our business model, our people, our industry-leading and award-winning customer service, stability, continuity, and our passion for the complex."

CSC believes that by combining its global corporate offering with Intertrust, it will establish itself as the clear and differentiated leader for corporate, fund, private, and capital markets clients at a time that the market needs it most. By combining the strengths of the two businesses, CSC believes it will become the preferred partner to help companies manage their needs with a full suite of core and specialized services provided by industry experts and supported by a single-source technology platform.

CSC's offer was backed with extensive due diligence and the strong conviction that it's in the best interest of Intertrust shareholders, providing the most short- and long-term value to current and prospective clients and employees. (Agencies)

Equities advance broadly on Wall Street

People walk by an electronic stock board of a securities firm in Tokyo, Monday, Dec. 6, 2021. Shares were mixed in Asia on Monday after troubled Chinese property developer Evergrande warned late Friday it may run out of money. (AP)

Banks and travel companies rebound

NEW YORK, Dec 6, (AP): Stocks rose broadly in morning trading on Wall Street Monday led by banks and a mix of travel-related companies that stand to benefit from more reopening of the economy.

The S&P 500 rose 1% as of 10:23 a.m. Eastern. More than 80% of stocks in the index gained ground. The Dow Jones Industrial Average rose 570 points, or 1.7%, to 35,146 and the Nasdaq rose 0.4%.

Bond yields rose, which benefits banks that rely on higher yields to charge more lucrative interest on loans. The yield on the 10-year Treasury rose to 1.38% from 1.33% late Friday. JPMorgan Chase rose 1.6%.

Airlines and a wide range of travel-related companies made solid gains. Delta Air Lines jumped 5.8% and Expedia Group rose 4.8%. The travel industry has been under pressure over concerns about the latest coronavirus variant and the potential for it to crimp economic activity in the midst of the busy holiday season.

U.S. crude oil prices rose 2.5% and helped send energy stocks higher. Exxon Mobil rose 1.3%.

The potential impact from the omicron variant of the COVID-19 virus is still unknown, though Wall Street was encouraged to see that Dr. Anthony Fauci, the White House's chief medical adviser, said early indications suggested that it may be less dangerous than the delta variant.

The broader market is coming off of a choppy week of trading as investors gauged the threat from COVID-19, along with a mixed batch of job market data and lingering inflation concerns. Investors will get more economic data this week that could help give them a clearer picture of the economy.

The Labor Department will release its job openings and labor turnover survey for October on Wednesday, along with its weekly unemployment benefits report on Thursday. Wall Street will get another update on inflation when the Labor Department releases the Consumer Price Index for November on Friday.

A mix of corporate news helped send several stocks higher. Del Taco Restaurants surged 65% on news it is being bought by Jack in the Box.

Germany's DAX surged 0.9% to 15,298.76 while the CAC 40 in Paris climbed 0.8% to 6,820.83. Britain's FTSE 100 picked up 0.8% to 7,181.36. The future for the Dow industrials was 0.8% higher, while the contract for the S&P 500 gained 0.6%.

Shares were mostly lower in Asia on Monday after troubled Chinese property developer Evergrande warned late Friday it may run out of money.

Investors also are struggling with uncertainty about the newest coronavirus variant and about when the Federal Reserve will cut off its support for markets.

"This is a week that will force uncomfortable contemplation about 'known unknowns' mainly associated with omicron, Fed tightening and China (regulatory/property) risks," Mizuho Bank said in a commentary.

That will bring still more uncertainty after a tumultuous spell last week, it said.

Dropped

Hong Kong dropped 1.8% and the Shanghai Composite index gave up early gains, losing 0.5%. Benchmarks in South Korea and Australia advanced but Tokyo's fell.

India's benchmark dropped 0.9% and Taiwan's also edged lower. Thai markets were closed for a public holiday.

Chinese regulators scrambled to reassure investors after Evergrande, one of China's biggest developers, said it may run out of money to "perform its financial obligations" as it struggles to comply with pressure to reduce its $310 billion in debt.

The worry is that unsustainable levels of debt in the property sector might trigger a financial crisis. China wants to avoid a bailout but also is unlikely to let the situation deteriorate to the point where problems would cascade to that level.

A number of real estate companies have run into trouble as the government has pushed to reduce debt levels, but officials have issued statements saying China's financial system is strong and default rates are low. Most developers are financially healthy and Beijing will keep lending markets functioning, the most recent statements said.

Evergrande's shares plunged 9.8% early Monday, helping pull the Hang Seng in Hong Kong down to 23,467.42.

Chinese tech giant Alibaba, which has been embroiled in a multi-faceted crackdown on the industry, also dragged the benchmark lower, losing 5.4% after the company said it was replacing its chief financial officer, Maggie Wu and overhauling its e-commerce business.

In Tokyo, the Nikkei 225 gave up 0.4% to 27,927.37. Hong Kong's Hang Seng was down 417.31 points at 23,349.38. The Shanghai Composite index gave up early gains, shedding 18.13 points to 3,589.31.

But S&P/ASX 500 in Sydney ended slightly higher, gaining 0.1% to 7,245.10. In Seoul, the Kospi edged 0.2% higher to 2,973.25.

Last week's volatile swings on Wall Street ended Friday with more losses for stocks, as a mixed batch of U.S. job market data triggered another bout of dizzying trading.

The S&P 500 closed 0.8% lower, at 4,538.43. The Dow lost 0.2% to 34,580.08. The Nasdaq sank 1.9% to 15,085.47, while the Russell 2000 slumped 2.1% to 2,159.31.

Friday's jobs report, which is usually the most anticipated economic data by Wall Street each month, showed employers added only 210,000 jobs last month. Economists were expecting much stronger hiring of 530,000, and it raised worries the economy may stagnate while inflation remains high. That's a worse-case scenario called "stagflation" by economists, and the omicron variant's arrival makes its likelihood more uncertain.

In other trading Monday, U.S. benchmark crude oil advanced $1.22 to $67.48 per barrel in electronic trading on the New York Mercantile Exchange. It shed 24 cents to $66.26 on Friday.

Brent crude, the standard for pricing international oils, picked up $1.23 to $71.11 per barrel.

The U.S. dollar rose to 113.17 Japanese yen from 112.92 yen. The euro weakened to $1.1288 from $1.1309.

Highest inflation rate in 20 years

Consumer prices up 7.7 pct in Poland, 'faster' than expected

WARSAW, Poland, Dec 6, (AP): Poland said Tuesday that consumer prices have risen 7.7% over the past year, evidence that inflation is accelerating even faster than had been expected in the largest central European economy in the European Union.

The November number is the highest inflation rate in 20 years and marks a larger jump than what economists had predicted. Last month, it hit 6.8% annually, according to the statistics office.

The rising prices mark one of the most serious setbacks for a economy that has been growing quickly since throwing off communism three decades ago and whose modernization has been helped by EU membership.

Polish Prime Minister Mateusz Morawiecki announced Tuesday that his government had approved measures to cushion the blow from inflation, including tax cuts on fuel and subsidies aimed at helping millions of households.

They are meant "to protect Polish families, protect budgets and reduce the burdens related to the increase in prices," he said.

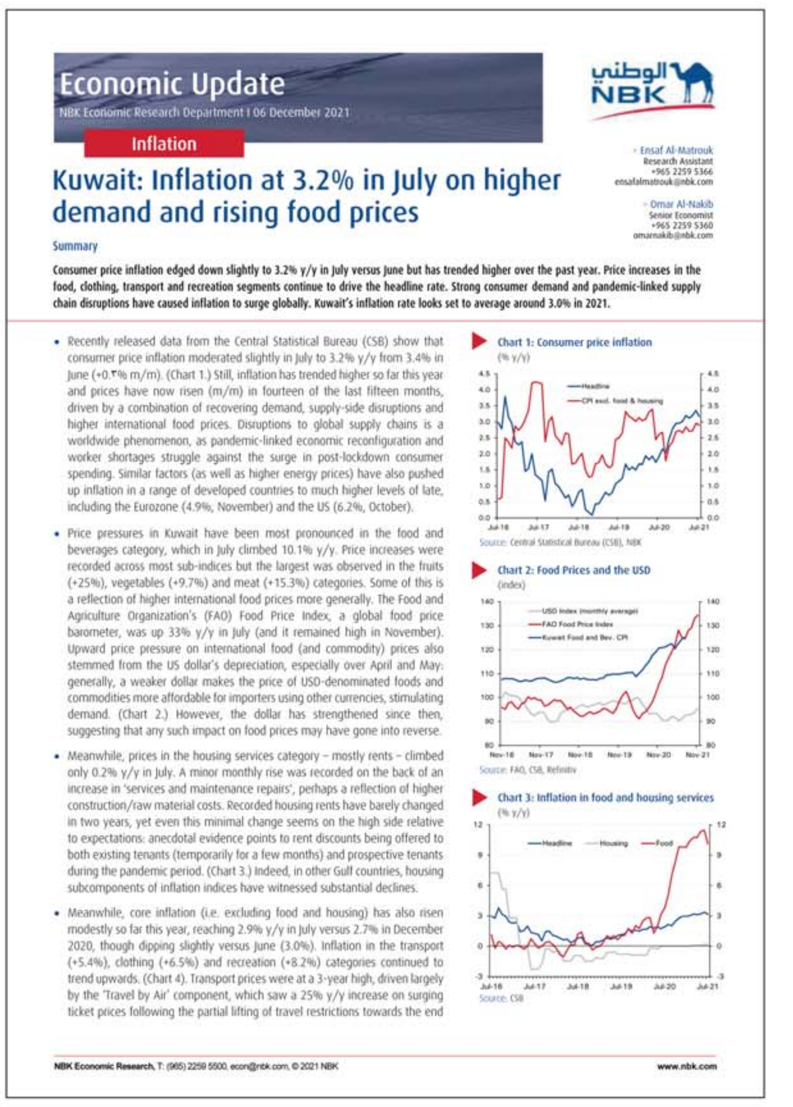
Morawiecki has blamed rising inflation partly on the soaring cost of Russian gas imports. He also faulted the EU's climate program and efforts to reduce greenhouse gases, with the cost of emitting carbon hitting records recently.

Poland's rising prices were reported as the annual inflation rate across the 19 countries that use the euro currency hit 4.9% in November, the highest since record-keeping began in 1997, the European Union's statistics agency said Tuesday.

Eurozone consumer prices are being driven up by a huge spike in energy costs, much like Poland's increases are fueled by gasoline prices. They have skyrocketed 36.6% since last year, exacerbated by a weakening of the country's currency, the zloty. The weaker zloty means that imports - including oil, which is priced in U.S. dollars - become more expensive for Polish consumers.

The cost of heating jumped 13.4%, while food and non-alcoholic beverage prices rose 6.4%.

While rising prices are straining households and businesses worldwide, they are hitting countries in central Europe, including Poland and Hungary, especially hard.



Economic Update

NBK Economic Research Department I 06 December 2021

Inflation

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Kuwait: Inflation at 3.2% in July on higher demand and rising food prices

Summary

Consumer price inflation edged down slightly to 3.2% y/y in July versus June but has trended higher over the past year. Price increases in the food, clothing, transport and recreation segments continue to drive the headline rate. Strong consumer demand and pandemic-linked supply chain disruptions have caused inflation to surge globally. Kuwait's inflation rate looks set to average around 3.0% in 2021.

- Recently released data from the Central Statistical Bureau (CSB) show that consumer price inflation moderated slightly in July to 3.2% y/y from 3.4% in June (+0.٣% m/m). (Chart 1.) Still, inflation has trended higher so far this year and prices have now risen (m/m) in fourteen of the last fifteen months, driven by a combination of recovering demand, supply-side disruptions and higher international food prices. Disruptions to global supply chains is a worldwide phenomenon, as pandemic-linked economic reconfiguration and worker shortages struggle against the surge in post-lockdown consumer spending. Similar factors (as well as higher energy prices) have also pushed up inflation in a range of developed countries to much higher levels of late, including the Eurozone (4.9%, November) and the US (6.2%, October).
- Price pressures in Kuwait have been most pronounced in the food and beverages category, which in July climbed 10.1% y/y. Price increases were recorded across most sub-indices but the largest was observed in the fruits (+25%), vegetables (+9.7%) and meat (+15.3%) categories. Some of this is a reflection of higher international food prices more generally. The Food and Agriculture Organization's (FAO) Food Price Index, a global food price barometer, was up 33% y/y in July (and it remained high in November). Upward price pressure on international food (and commodity) prices also stemmed from the US dollar's depreciation, especially over April and May: generally, a weaker dollar makes the price of USD-denominated foods and commodities more affordable for importers using other currencies, stimulating demand. (Chart 2.) However, the dollar has strengthened since then, suggesting that any such impact on food prices may have gone into reverse.
- Meanwhile, prices in the housing services category – mostly rents – climbed only 0.2% y/y in July. A minor monthly rise was recorded on the back of an increase in 'services and maintenance repairs', perhaps a reflection of higher construction/raw material costs. Recorded housing rents have barely changed in two years, yet even this minimal change seems on the high side relative to expectations: anecdotal evidence points to rent discounts being offered to both existing tenants (temporarily for a few months) and prospective tenants during the pandemic period. (Chart 3.) Indeed, in other Gulf countries, housing subcomponents of inflation indices have witnessed substantial declines.
- Meanwhile, core inflation (i.e. excluding food and housing) has also risen modestly so far this year, reaching 2.9% y/y in July versus 2.7% in December 2020, though dipping slightly versus June (3.0%). Inflation in the transport (+5.4%), clothing (+6.5%) and recreation (+8.2%) categories continued to trend upwards. (Chart 4). Transport prices were at a 3-year high, driven largely by the 'Travel by Air' component, which saw a 25% y/y increase on surging ticket prices following the partial lifting of travel restrictions towards the end

Chart 1: Consumer price inflation
(% y/y)

Source: Central Statistical Bureau (CSB), NBK

Chart 2: Food Prices and the USD
(index)

Source: FAO, CSB, Refinitiv

Chart 3: Inflation in food and housing services
(% y/y)

Source: CSB

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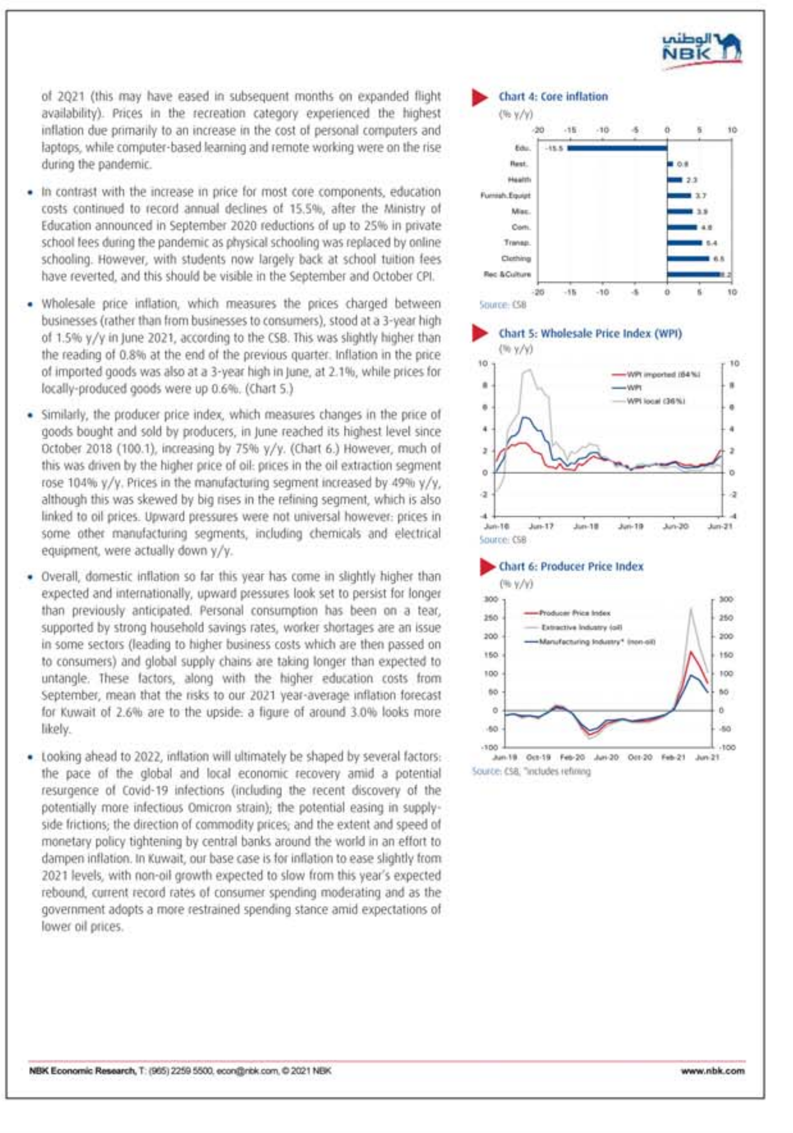

of 2Q21 (this may have eased in subsequent months on expanded flight availability). Prices in the recreation category experienced the highest inflation due primarily to an increase in the cost of personal computers and laptops, while computer-based learning and remote working were on the rise during the pandemic.

- In contrast with the increase in price for most core components, education costs continued to record annual declines of 15.5%, after the Ministry of Education announced in September 2020 reductions of up to 25% in private school fees during the pandemic as physical schooling was replaced by online schooling. However, with students now largely back at school tuition fees have reverted, and this should be visible in the September and October CPI.
- Wholesale price inflation, which measures the prices charged between businesses (rather than from businesses to consumers), stood at a 3-year high of 1.5% y/y in June 2021, according to the CSB. This was slightly higher than the reading of 0.8% at the end of the previous quarter. Inflation in the price of imported goods was also at a 3-year high in June, at 2.1%, while prices for locally-produced goods were up 0.6%. (Chart 5.)
- Similarly, the producer price index, which measures changes in the price of goods bought and sold by producers, in June reached its highest level since October 2018 (100.1), increasing by 75% y/y. (Chart 6.) However, much of this was driven by the higher price of oil: prices in the oil extraction segment rose 104% y/y. Prices in the manufacturing segment increased by 49% y/y, although this was skewed by big rises in the refining segment, which is also linked to oil prices. Upward pressures were not universal however: prices in some other manufacturing segments, including chemicals and electrical equipment, were actually down y/y.
- Overall, domestic inflation so far this year has come in slightly higher than expected and internationally, upward pressures look set to persist for longer than previously anticipated. Personal consumption has been on a tear, supported by strong household savings rates, worker shortages are an issue in some sectors (leading to higher business costs which are then passed on to consumers) and global supply chains are taking longer than expected to untangle. These factors, along with the higher education costs from September, mean that the risks to our 2021 year-average inflation forecast for Kuwait of 2.6% are to the upside: a figure of around 3.0% looks more likely.
- Looking ahead to 2022, inflation will ultimately be shaped by several factors: the pace of the global and local economic recovery amid a potential resurgence of Covid-19 infections (including the recent discovery of the potentially more infectious Omicron strain); the potential easing in supply-side frictions; the direction of commodity prices; and the extent and speed of monetary policy tightening by central banks around the world in an effort to dampen inflation. In Kuwait, our base case is for inflation to ease slightly from 2021 levels, with non-oil growth expected to slow from this year's expected rebound, current record rates of consumer spending moderating and as the government adopts a more restrained spending stance amid expectations of lower oil prices.

Chart 4: Core inflation
(% y/y)

Edu.	-15.5
Rest.	0.8
Health	2.3
Furnish.Equipt	3.7
Misc.	3.9
Com.	4.8
Transp.	5.4
Clothing	6.5
Rec.&Culture	8.2

Source: CSB

Chart 5: Wholesale Price Index (WPI)
(% y/y)

Source: CSB

Chart 6: Producer Price Index
(% y/y)

Source: CSB, *includes refining

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Shares tumble 18 pct at opening bell

Lucid crashes after disclosing SEC subpoena

SILVER SPRING, Md., Dec 6, (AP): Shares in the electric vehicle startup Lucid Group tumbled Monday after saying that said it had been subpoenaed by government regulators, apparently over the process by which it became a publicly-traded company last summer.

Lucid shares skidded 18% at the opening bell, and it dragged much of the EV sector down with it. Shares in Tesla fell 4% as did Fisker. Rivian and Nikola slipped almost 2%.

In a filing with the Securities and Exchange Commission, the California company said an investigation by the SEC "appears to concern the business combination between the company and Atieva Inc. and certain projections and statements."

Lucid, formerly known at Churchill Capital Corp. IV, began trading on NASDAQ in July after combining with Atieva, a so-called special purpose acquisition company. Commonly referred to as a "SPAC," they are used as a shortcut to go public, bypassing the lengthy and costly process of a traditional initial public offering.

SPACs - also called "blank-check companies" because they have no real business other than hunting for privately owned businesses to buy - exploded in popularity last year, and the furor reached a fever pitch early in 2021 when they were raising an average of $6 billion every week. SPACs offer investors a way to get into those exciting, potentially high-growth companies or companies or industries, and few sectors are as hot lately as electric vehicle makers.

Projections

Companies going the SPAC route often feel more license to highlight projections for big growth they're expecting in the future, for example. In a traditional IPO, the company is limited to highlighting its past performance, not necessarily the greatest selling point for young startups that have little to show for in sales or profits.

Before the steep selloff Monday, Lucid had a market capitalization of nearly $78 billion, in the same neighborhood of Detroit stalwarts GM and Ford. Electric Truck maker Rivian, which has only delivered a few hundred vehicles, passed Ford in valuation on its first day of public trading last month with shares soaring past $100.

The Lucid investigation is the latest setback for the electric vehicle sector, which saw top executives for Lordstown Motors step down in June after a critical report from short-selling firm Hindenburg Research which questioned the number of preorders the company claimed to have received for its marquee Endurance vehicle. Shares in Lordstown, which also went public through a SPAC, are down 80% this year.

Shares in electric and hydrogen-powered truck startup Nikola are down more than 40% this year after allegations of fraud, again coming from Hindenburg Research. Nikola's founder Trevor Milton resigned in September after the Hindenburg report called Nikola's success "an intricate fraud" based on "an ocean of lies." Milton's resignation came just two weeks after signing a $2 billion partnership with General Motors.