

Facebook employees take a photo with the company's new name and logo outside its headquarters in Menlo Park, California, on Oct. 28, 2021. (AP)



Russian court slaps Google, Meta with massive fines

A Moscow court on Friday slapped Google with a nearly \$100 million fine and also fined Facebook's parent company Meta \$27 million over their failure to delete content banned by local law, as Russia seeks to step up pressure on technology giants.

The Tagansky District Court ruled that Google repeatedly neglected to remove the banned content, and ordered the company to pay an administrative fine of about 7.2 billion rubles (about \$98.4 million).

Google said it would study the court documents before deciding on its next steps.

Later Friday, the court also slapped a fine of nearly 2 billion rubles (\$27.2 million) on Meta for failure to remove banned content.

Russian courts had previously imposed smaller fines on Google, Facebook and Twitter this year, and Friday's rulings marked the first time the size of the fine was calculated based on revenue.

Russian state communications watchdog Roskomnadzor said Google and

Meta were specifically accused of violating the ban on distributing content that promotes extremist ideology, insults religious beliefs and encourages dangerous behavior by minors, among other things.

The agency said that Facebook and Instagram have failed to remove 2,000 items despite the courts' requests to do so, while Google has failed to delete 2,600 such items.

It warned that they may face more revenue-based fines for failure to delete the banned content. (AP)

Market Movements

24-12-2021

		Closing pts	Change			Closing pts	Change
↑ Saudi	Tadawul	11,271.46	+67.03	↓ Japan	Nikkei	28,782.59	-15.78
↑ UAE	DFM	3,144.53	+18.24	↓ UK	FTSE 100	7,372.10	-1.24
↑ Egypt	EGX 30	11,755.46	+124.83	↓ Europe	Euro Stoxx 50	4,255.01	-10.85
↑ Singapore	Straits Times STI	3,108.28	+11.47	↓ Philippines	PSEi	7,181.86	-66.19
				↓ India	Sensex	57,124.31	-190.97
				↓ Pakistan	KSE	44,118.39	-148.51

Business

US existing home sales edge up in Nov

Omicron worries push mortgage rates down; 30-year at 3.05%

'We have stock'

WASHINGTON, Dec 25, (AP): Sales of previously occupied U.S. homes rose for the third straight month in November, reflecting strong demand, low mortgage rates and intense competition for a relatively few number of properties on the market.

Existing homes sales rose 1.9% last month from October to a seasonally-adjusted annual rate of 6.46 million units, the National Association of Realtors said Wednesday. That's the fastest pace since January, but below the 6.51 million units that economists had been expecting, according to FactSet.

Sales fell 2% from November last year, when they surged as buyers who had held off during the early days of the pandemic jumped back into the market. Through the first 11 months of this year, U.S. home sales are up 10% from the same stretch of 2020.

"2021 has been a very strong year," said Lawrence Yun, the NAR's chief economist.

Continued job growth, a stock market near all-time highs, rising rents and expectations that mortgage rates will move higher next year have been driving home sales, Yun said.

The housing market has strengthened during the pandemic as many Americans transitioned to working at home, which put additional living space at a premium. The surge in demand has led to fierce competition and sharply higher prices.

The national median home price jumped to \$353,900 last month, a 13.9% increase from November last year, the NAR said. The sharp increase is partly due to pricier homes making up a bigger share of all homes sold, Yun noted.

As prices continue to climb, many would-be buyers, especially those seeking a first

home, are being priced out of the market historically low mortgage rates.

First-time buyers accounted for just 26% of all sales last month, matching a previous low recorded in January 2014. Those buyers accounted for 32% of sales in November 2020.

"First-time buyers are really struggling to get into the market," Yun said.

Americans continued to snap up homes only days after they're listed. Homes typically remained on the market 18 days before they were sold last month, the same as in October but down from 21 days in November 2020. In a market that's more evenly balanced between buyers and sellers, homes typically remain on the market 45 days. All told, 83% of homes sold last month were on the market for less than a month.

At the end of November, the inventory of unsold homes stood at just 1.11 million homes for sale, down 9.8% from October and down 13% from a year ago. At the current sales pace, that amounts to a 2.1 months' supply, the NAR said.

Meanwhile, fears about the economic fallout from the omicron variant pushed long-term U.S. mortgage rates lower this week.

Mortgage buyer Freddie Mac reported Thursday that the average rate on the benchmark, 30-year home loan dipped to 3.05% this week from 3.12% last week. A year ago, the 30-year rate stood at 2.66%.

The average rate on 15-year, fixed-rate mortgages, popular among those refinancing their homes, fell to 2.3% from 2.34% last week. It was 2.19% a year ago.

Rates fell despite unusually high inflation because financial markets are worried that omicron will weigh on economic growth by forcing lockdowns and cancellations, discouraging Americans from going out to shop, eat and drink.

Low mortgage rates are contributed to a strong housing market, where demand outstrips supply and prices are rising sharply.



A home for sale in Mount Lebanon, Pennsylvania, on Tuesday, Sept. 21, 2021. Sales of previously occupied U.S. homes rose for the third straight month in November, driven by strong demand, low mortgage rates and intense competition for a relatively low number of properties on the market. The National Association of Realtors said Wednesday, Dec. 22, that existing home sales rose 1.9% last month from October to a seasonally-adjusted annual rate of 6.46 million units. (AP)

Smaller stores aim for last-minute shoppers

NEW YORK, Dec 25, (AP): After a wearying nearly two years of the pandemic, independent retailers are cautiously hoping their holiday seasons will be bright, despite the challenges this year ranging from supply chain snags to shortages of hot holiday items.

Many businesses ordered decorations, toys, stocking stuffers and other items well in advance this year and have turned to smaller vendors to fill in any gaps in their inventory. They've reached out directly to customers on social media. And they're hoping that shortages at bigger stores stemming from supply chain issues this year will lead to a burst of last-minute shopping in their stores.

So far, worries about omicron and rising cases haven't made a measurable dent on holiday shopping. For the week that ended Dec. 18, store traffic was up nearly 20% from a year earlier, though down 23% from the same week in the pre-pandemic year of 2019, according to Sensormatic Solutions. But there are still a few crucial shopping days left.

Small retailers are hoping they can capture some of the expected growth in holiday sales. The holiday shopping season is crucial because it can account for 20% or more of annual sales for retailers, and boosts store traffic and new customers. The National Retail Federation predicts a sales increase of 8.5% to 10.5% for all of November and December, after 8% growth in those months in 2020.

American consumers, flush with cash from government stimulus, rising stock prices and increases to their home equity, have kept spending despite high inflation and the on-going pandemic. That's put pressure on the global supply chain, leaving business owners scrambling to stock up on the products consumers want.

Last December, vendors warned Teresa Pries that shipping costs would be on the rise. So Pries, owner of two Revival 23 clothing and gift boutiques in Fresno and Clovis, California, took a gamble for this year: She ordered about four times what she normally would before the price increases kicked in. She also rented storage units for the first time to have room for the extra inventory.

"It's a little scary being a small business investing so heavily, but it has really paid off, our customers are thrilled," she said. "We thought okay, let's go for it. It's probably one of the best business decisions we had. Scary but good."

That gamble has paid off big time for Pries; her sales are up 90% compared with the same period last year. Now, her worry is less whether she bought too much, but the fact that she's selling out of items.

"I'm nearly sold out of every single candle, which has been a big gift item," she said.

As far as any worries about omicron putting a damper on store traffic: "We haven't seen anything that would indicate that is a factor," she said.

Other businesses are keeping up practices they started during the pandemic. Ann Cantrell has owned Annie's Blue Ribbon General Store in Brooklyn for 14 years. She said social media promotions to reach out to customers during the pandemic are still boosting sales, including a video of new items each Friday.

"When something new comes in we put it in our (Instagram and Facebook) Story online," she said. "We really relied heavily on that video every Friday, it started during pandemic and got an immediate reaction."

Still, she fears some sales will be hampered by the supply chain. For important items she ordered from multiple vendors. For example, she ordered Hanukkah gelt - chocolate coins wrapped in foil -- from three vendors and got two out of three.

"I think this is the year when you see it you buy it, on some levels with the supply chain" she said. "We're grateful for what we have in store, and waiting for exciting things we ordered months ago and are still waiting for."

Corey O'Loughlin and Nina Vitalino co-own Prep Obsessed in Palm Beach Gardens, Florida, an online boutique that also has a brick-and-mortar location. Black Friday sales jumped more than 30% over last year, a relief for the owners.

"I think that our biggest takeaway (from the Black Friday shopping weekend) is we're limited only by the inventory we can get, and speed of shipping product," Vitalino said. "If we're able to get more great product we can sell it."

They've had some delays problems getting items from some larger suppliers, such as clothing, gift and home decor merchant Mud Pie. So they've gotten creative, sourcing "smaller vendors, mom and pop wholesalers that we haven't done big business with before," Vitalino said.

"Customers are regularly commenting about how pleased they are with our inventory levels and selection," O'Loughlin said. "Most large retailers are completely picked over at this point, but we have full stock of our items."

Businesses are hoping for a surge during the last few days before Christmas. Guido Campello, co-CEO of Journelle, operates four lingerie stores, three in Manhattan and one in Chicago, Illinois. Journelle also has its own lingerie line. They stocked up about 35% more for the holidays. So far it has paid off, with sales up 30% over the Black Friday shopping weekend compared with a year ago.

Having product in stock will boost last-minute shopping, Campello expects.



Ann Cantrell, owner of Annie's Blue Ribbon General Store poses for a photo outside her store, Wednesday, Dec. 15, 2021, in the Brooklyn borough of New York. Cantrell has owned the store in Brooklyn for 14 years. She said social media promotions to reach out to customers during the pandemic are still boosting sales, including a video of new items each Friday. (AP)

Bank deposits rise: Erdogan

ANKARA, Dec 25, (KUNA): Turkish President Recep Tayyip Erdogan said on Friday bank deposits in Turkey using the local lira currency grew 23.8 billion Turkish liras (USD 2.2 billion) as of 15:00 Turkish local time (1200 GMT) on Friday.

The recent measures taken by Turkish Central Bank and the economic plan will decrease inflation, Recep Tayyip Erdogan told local broadcaster ATV.

Due to these developments, Turkey's

citizens should trust in the lira, he added.

He revealed that the country would compensate lira depositors for foreign currency fluctuations, while encouraging citizens to move to Turkish lira-based assets.

About the new FX-protected Turkish lira deposits, Erdogan said Turkish citizens have two guarantees, one from the Turkish Central Bank and the other from the Treasury, according to Turkey's Anadolu Agency (AA).

AUB conducted a seminar on economic outlook of Kuwait for the senior management of Al Bahar Group

Ahli United Bank, Kuwait, conducted recently a seminar on 'Macro and Micro-economic outlook of Kuwait' for the senior management of the Mohamed Abdulrahman Al-Bahar Group at the Millennium Hotel and Convention Centre, Salmiya Kuwait.

Mr. Maher Tuffaha – Group Financial Controller began the symposium by welcoming the guests of Ahli United Bank, indicating the importance of symposium which comes at a time when all industries are reeling out of the pandemic impact witnessing an increasing demand and consumption levels. Mr. Maher Tuffaha furnished what is the general expectation from this seminar and how it will benefit the organization in planning their corporate strategy.

Mr. Abdullah Al Allangaway, GM – Treasury at Ahli United Bank started the seminar presenting the Global & Regional macro-economic outlook, briefing on the latest Fed policy meeting takeaways and provided tools for hedging risk evolving due to volatile markets. This was followed by a discourse on Kuwait economic recovery including credit growth, challenges and highlighted initiatives and reforms underway for opportunities ahead.

Subsequent to the macro-economic viewpoint, Mr.



Ahmed Abd Al-Rashid Ibrahim, GM - Corporate Banking at Ahli United Bank, took the stage to focus on the micro-economic industry level. As an introduction, a refresher to the previous presentation stating the facts about increase in inflation, supply chain constraints, consumer spending and behavior, aggregate growth in Bank finances and deposits – was discussed. Mr. Ibrahim then outlined the agenda of Corporate Banking's presentation, which was set to cover wide array of topics basis of research and rationalized the benefits company could reap from this presentation.

Mr. Ibrahim, started the session with business challenges during Covid-19 explaining about each of them and how the cash flow constrains faced during the unusual lockdown situation forced the clientele to flood the banks with restructuring / deferment request. Speaking

about the challenges - while supply chain disruptions troubled the manufacturing and trading sectors, technology gaps and business continuity challenges cropped up with several companies given working remotely has not been a usual way of functioning in this region. The corporates suffered with lack of adequate IT infrastructure, resources, knowhow which led to difficulties in accessing workplaces, offices, access to key management resources and difficulties in obtaining information. This problem further aggravated with limited human resources given the travel restrictions imposed world-wide.

Mr. Abdullatif Mohammad Alshaya, Executive Manager - Corporate Banking, at Ahli United Bank elaborated further bifurcating the industry activities into worst hit, medium hit and well performed, the focus was shifted onto the performance of the worst hit industries such as Aviation / Travel, Logistics and Real Estate industries. It was explained that Kuwait Aviation sector incurred around \$1Bn loss in 2020, although the position witnessed improvement by Q3'21, but were yet to revert to pre-pandemic levels.

Mr. Alshaya explained that

the Residential sector activity is the main driver in overall property sales and an upward trend is observed from Q3 Y21. It was discussed that on the other hand - Commercial sector and investment sector sales declined by in excess of 50% and 30% in Y-o-Y respectively in Y2020.

Further, Ahli United Bank team re-visited its industry acclaimed B2B systems along with detailing the bank's focus, efforts and investments in digitalization platforms, usage of latest AI technologies to provide an all-round, feature-rich, enriching, customer friendly and futuristic experience of the customer. The seminar followed by an interactive Q & A at conclusion.

It is worth mentioning that the seminar was convened by Al-Bahar Group, for understanding the nuances of

the market and gauging the consumer behavior in the post-covid era, to plan corporate strategy for the year 2022. The participants from Al Bahar in the symposium included Mr. Ihab Al Khatib, Group General Manager, Al-Bahar Group, Mr. Abdullateef Al-Bahar General Manager – FMCG along with the Heads of business departments of various group companies of Al Bahar.

The Leadership team of the Al Bahar Group led by the Group General Manager – Mr. Ihab Al Khatib appreciated the Ahli United Bank team for their informative presentation and advised that the insights were pragmatic for the group in planning their corporate strategy for the year. The Group thanked the visiting team and suggested that the Bank conducts more such knowledge sharing discourses in the future for benefit of its clientele.

