

In this file photo, a Puckett Machinery Company technician walks past a new heavy duty Caterpillar excavator that awaits modification at Puckett Machinery Company in Flo-wood, Mississippi. (AP)



Caterpillar Q4 sales slip, but results top Wall Street

Caterpillar's fourth-quarter sales dropped 15% as an unchecked pandemic continued to sap demand for big machinery, but the damage was not as bad as most had expected. Sales were \$11.24 billion, down significantly from last year's \$13.14 billion, yet far better than Wall Street projections of \$11.18 billion, according to a survey of analysts by Zacks Investment Research.

Construction sales fell 16% in North America and they were basically flat in Europe, Africa, and the Middle East. The Deerfield, Illinois, company earned \$780 million, or \$1.42 per share, in the quarter. Excluding one-time charges, however, per share earnings were \$2.12, which is 66 cents better than industry analysts had expected. That is still well below the

\$1.1 billion, or \$1.97 per share, that the company earned in the prior year. The construction industry has been dragged down by the global spread of COVID-19, particularly in the U.S., where the average number of deaths each day exceed 3,200, according to Johns Hopkins University. However, the pandemic has contorted the housing

market and thousands of families are seeking a place to live that can better accommodate working from home. After a spring slump due to the coronavirus outbreak, housing came back strong in the summer and fall. The U.S. Commerce Department estimates that 811,000 new homes were sold in 2020, an increase of nearly 19% compared with the previous year. (AP)

Market Movements

29-01-2021

	Change	Closing pts		Change	Closing pts
PAKISTAN - KSE 100	+219.49	46,385.54	AUSTRALIA - All Ordinaries	-46.72	6,870.87
			JAPAN - Nikkei	-534.03	27,663.39
			GERMANY - DAX	-233.06	13,432.87
			FRANCE - CAC 40	-111.31	5,399.21
			EUROPE - Euro Stoxx 50	-75.60	3,481.44
			S. KOREA - KRX 100	-192.23	6,453.28
			PHILIPPINES - PSEI	-239.22	6,612.62

Business

Wall St analysts expect carriers will lose money again this year

Airlines close books on rotten 2020 and so far, 2021 is grim

DALLAS, Jan 31, (AP) — Just how bad was 2020 for the airline industry? The six biggest US airlines lost \$34 billion, and Southwest suffered its first full-year loss since Richard Nixon was president and gasoline sold for 36 cents a gallon.

It was a disaster for airlines, worse than 9/11 or the global financial crisis — some very small carriers didn't survive it — and the new year is off to a grim start.

On Thursday, Southwest, American and JetBlue reported that they lost a combined \$3.5 billion in the final three months of the year. All issued dismal revenue outlooks for the current quarter that echoed similar pessimism from Delta, United and Alaska, which posted financial results earlier.

The airlines are looking past spring and hoping that as more people are vaccinated against COVID-19, they can salvage something from the peak summer vacation season.

But even that cautious optimism is threatened. Yes, the number of new reported cases of coronavirus in the US have eased in the last few weeks, but they remain high. And now a halting rollout of vaccines threatens to further delay a recovery in travel and the travel industry.

President Joe Biden reinstated COVID-19 travel restrictions this week on most non-US travelers from Brazil, the UK and South Africa. There is also a new U.S. requirement that non-citizens provide proof of a negative test for COVID-19 before boarding a flight to the United States.

The airlines support testing international travelers, viewing that as a way to eliminate other border barriers and quarantine requirements. However, they are dead-set against testing travelers within the United States, calling it costly and impractical.

A top official at the US Centers for Disease Control and Prevention said this week that the health agency is "actively looking" at testing passengers before they board domestic flights.

Southwest CEO Gary Kelly argued that the US has limited testing capacity and should focus its virus-control efforts on vaccinating people faster.

"Why pick on air travel?" Kelly said. "If you want to test people, test them — but test them before they go to the grocery store, test them before they go to a restaurant."

With travel likely to remain weak for several more months, airlines are continuing to slash costs and encourage workers to leave. Federal aid has averted more furloughs, at least through March. Airlines short on rev-

enue have amassed tens of billions of dollars from private lenders and taxpayer-funded relief to help them get through the pandemic.

The focus is now on the rate of cash burn, a balancing act that is essential to riding out the global pandemic. American said it will lose \$30 million a day in the first quarter. Southwest expects to burn \$10 million to \$15 million a day.

Wall Street analysts expect the airlines will lose money again this year, although not as much, according to data compiled by FactSet.

American Airlines

American Airlines Group Inc. reported a loss of \$2.2 billion in the fourth quarter and \$8.9 billion for all of 2020 after earning nearly \$1.7 billion the year before.

Fourth-quarter revenue dropped more than 64%, to \$4.03 billion, and the Fort Worth, Texas-based airline predicted a similar trend for the first quarter of 2021 — it expects revenue to lag year-ago numbers by 60% to 65%.

American expects to burn about \$30 million a day in the first quarter, roughly the same pace as the fourth quarter.

Shares of American soared 17%. Analysts say American is now caught up in volatile trading that has seen other stocks, notably GameStop, become wrapped up in a battle between small investors and short sellers. Parker declined to discuss the situation or say whether American would issue new stock while the share price is elevated.

The fourth-quarter loss amounted to \$3.86 per share, after removing special gains. Analysts expected a loss of \$3.92 per share, according to a survey by Zacks Investment Research.

Southwest Airlines

Southwest posted a \$908 million loss for the fourth quarter, compared with a profit of \$514 million a year earlier, and said bookings have stalled in the face of high numbers of new reported cases of COVID-19.

The Dallas airline predicted that January revenue will fall 65% to 70% compared with the same month last year, and February revenue will fall 65% to 75%.

Jetblue Airways

JetBlue reported a loss of \$381 million, after reporting a profit in the fourth quarter of 2019. The New York-based airline said its adjusted loss was \$1.53 per share, compared with the average forecast loss of \$1.72 per share in the Zacks survey.

For the year, JetBlue lost \$1.36 billion. JetBlue shares rose slightly.

US consumer spending fell 0.2% in Dec in face of virus

Long-term mortgage rates slip; 30-year at 2.73%

WASHINGTON, Jan 31, (AP) — US consumers slowed their spending by 0.2% in December, cutting back for a second straight month in a worrisome sign for an economy struggling under the weight of a still out-of-control pandemic.

The decline reported Friday by the Commerce Department followed a seasonally adjusted 0.7% drop in November. It was the latest sign that consumers, whose spending is the primary driver of the US economy, are hunkered down and avoiding traveling, shopping and dining out. Since making a brief bounce-back from the viral pandemic last spring, consumer spending has barely grown. Sales at retailers have declined for three straight months.

Friday's report from the government also showed that personal incomes, which provide the fuel for spending, rose a modest 0.6% after two months of declines. Yet Americans who have been fortunate enough to keep their jobs have been largely stockpiling savings rather than spending. That could bode well for the economy later this year, once consumers feel more willing and are more able to spend.

The latest figures reflect a shaky economy. On Thursday, the government estimated that the economy grew at a 4% annual rate in the final three months of 2020 but shrank last year by the largest amount in 74 years. At the same time, the job market is faltering, with nearly 10 million jobs still lost to the pandemic, which erupted 10



In this file photo, A 'For Sale' sign stands in front of a house in Westwood, Mass. US long-term mortgage rates slipped this week as the economy remains burdened by the coronavirus pandemic. Mortgage buyer Freddie Mac reported Thursday, Jan 28, 2021 that the average rate on the benchmark 30-year fixed-rate home loan eased to 2.73% from 2.77% last week. By contrast, the rate stood at 3.51% a year ago. (AP)

months ago. Hiring has slowed for six straight months, and employers shed jobs in December for the first time since April.

The outlook for 2021 remains uncertain. Economists warn that a sustained recovery won't likely take hold until vaccines are successfully distributed and administered nationwide and government-enacted rescue aid spreads through the economy, which could take months. In the meantime, millions of individuals and businesses continue to struggle.

Last week, for instance, 847,000 laid-off Americans applied for unemployment benefits, an elevated figure that showed that many companies keep cutting jobs as the pandemic continues to rage. Before the virus erupted in the United States in March, weekly applications for jobless aid had never topped 700,000, even during the Great Recession.

In the coming months, as vaccines become widely distributed and administered, growth is expected to revive. After an initial slowdown in the current quarter, many analysts believe growth will achieve stronger gains for the rest of the year, allowing GDP to expand roughly 5% for 2021 as a whole.

Yet that forecast hinges on the widespread use of vaccines and the gradual reopening of businesses and the rehiring of millions of laid-off workers. The prospect of increased support from Congress' approval of at least part of President Joe Biden's \$1.9 trillion relief plan and pent-up spending from the savings buildup of higher-income households has also raised hopes. A \$900 billion rescue aid package that the government enacted late last year is providing some help, too.

On Wednesday, the Federal Reserve kept its benchmark short-term interest rate near zero and stressed that it would keep pursuing its low-rate policies until a recovery is well underway. The Fed acknowledged that the economy has faltered in recent months, with hiring weakening especially in industries affected by the raging pandemic, notably restaurants, bars, hotels and others involved in face-to-face public contact.

Friday's government report on consumer spending showed that inflation by a measure preferred by the Fed rose 0.4% in December after no change in October and November. That left prices up 1.3% over the past 12 months, well below the Fed's 2% target.

Most analysts think inflation will

creep higher in coming months as the economy recovers. But Fed Chair Jerome Powell has made clear that the central bank sees no signs that inflation may grow undesirably high.

The savings rate remained at an elevated 13.7% of after-tax income in December, up from 12.9% in November. Americans' savings have reached high levels since the pandemic hit nearly a year ago, reflecting business restrictions and the reluctance of many to leave home. Economists estimate that households have accumulated about \$1.6 trillion in savings since the onset of the pandemic.

In the final three months of 2020, consumer spending, which accounts for about 70% of the economy, grew at a 2.5% annual rate. Many analysts say that figure should grow as federal aid spreads through the economy.

Andrew Hunter, senior US economist at Capital Economics, said he expects spending growth to reach a 7% annual rate in the current first quarter and then rise further "as the vaccine rollout reaches critical mass."

Gregory Daco, chief US economist at Oxford Economics, said he thinks consumer spending will rise 6.4% for the entire year after having fallen 3.9% in 2020.

iPhone maker set to roll out new privacy control

Apple CEO lambasts tech rivals

SAN RAMON, California, Jan 31, (AP) — Apple CEO Tim Cook lambasted social media companies, though without naming them, accusing them of prioritizing user attention and data collection at the cost of allowing and even rewarding dangerous conspiracies, extremism and polarization.

"Too many are still asking the question 'how much can we get away with?' when we should be asking 'what are the consequences?' What are the consequences of not just tolerating but rewarding content that undermines public trust in life-saving vaccinations? What are the consequences of seeing thousands of users join extremist groups and then perpetuating an algorithm that recommends more?" he said Thursday.

Speaking at a virtually held International Conference on Computers, Privacy & Data Protection, Cook said it's "time to stop pretending that this approach doesn't come with a cost" — of polarization, lost trust and "yes, of violence."

"A social dilemma cannot be allowed to become a social catastrophe," he added, referring to the Netflix documentary about technology's — and especially social media's — corrosive effects on society.

Apple is getting ready to roll out a new privacy control in the early spring to prevent iPhone apps from secretly shadowing people. That puts the feature on course to come out after a more than six-month delay aimed at placating Facebook and other digital services that depend on such data surveillance to help sell ads. Although Apple didn't provide a specific date, the general timetable disclosed Thursday means the long-awaited safeguard known as App Tracking Transparency will be part of an iPhone software update likely to arrive in late March or some point in April.

After delaying the planned September introduction of the safeguard amid a Facebook-led outcry, Apple had previously said it would come out early this year. Apple released the latest schedule update as part of Data Privacy Day, which CEO Tim Cook will salute during a speech scheduled Thursday at a technology conference in Europe.



In this file photo, a man leaves an Apple store in Beijing. Apple says it will roll out a new privacy control in spring 2021 to prevent iPhone apps from secretly shadowing people. (AP)

Apple has been holding off to give Facebook and other app makers more time to adjust to a feature that will require iPhone users to give their explicit consent to being tracked. Analysts expect a significant number of users to deny that permission once it requires their assent. Currently, iPhone users are frequently tracked by apps they install unless they take the extra step of going into iPhone settings to prevent it.

Facebook stepped up its attacks on Apple's new privacy control last month in a series of full-page ads in The New York Times, The Wall Street Journal and other national newspapers. That campaign suggested some free digital services will be hobbled if they can't compile personal information to customize ads. On Wednesday, CEO Mark Zuckerberg questioned Apple's motives with the changes, saying the iPhone maker "has every incentive" to use its own mobile platform to interfere with rivals to its own messaging app.

NBK Extends Validity of NBK Miles



Surajit Banerjee



Banerjee:

We are keen on the safety of our customers and committed to preserve their rights

Banerjee pointed out that the extension of the validity of NBK Miles Points comes as part of the bank's endeavors to provide the required support to customers by all means, so that they benefit from their points in an easy and convenient way once these exceptional circumstances come to an end.

Banerjee noted that NBK Credit Cards give customers the opportunity to take part in the campaigns launched all year round. Customers also enjoy a unique lifestyle thanks to the many benefits offered by these cards to their holders, ensuring they enrich their banking experience at all times.

Customers earn NBK Miles Points every time they shop in stores or online, withdraw cash, or make any other payment transaction inside or outside Kuwait as well as when using their cards while traveling. They can redeem their points online to book flights with 800 airlines, or an accommodation with 150,000 hotels or rent a car at leading car rentals from around the world. Customers can also exchange their points with any other airline rewards program participating in the NBK Miles Program.

NBK Credit Cards are the best and convenient method to make payments and give customers access to many benefits, especially when using their credit card for shopping, including the NBK Rewards Program, NBK Miles Program, NBK Secure Shopping, and warranty extension service.

National Bank of Kuwait (NBK) is keen to preserve the rights of its customers and to meet all their needs in an easy and convenient way, while keeping them safe under the prevailing exceptional circumstances. To this end, the bank has extended the validity of NBK Miles Points available for NBK Credit Cardholders expiring in January 2021 until June 2021.

This extension gives NBK Customers the opportunity to use NBK Miles at a later time to allow them get the utmost benefits when life returns back to normal.

Customers earn NBK Miles Points when using the following NBK Credit Cards: Visa Infinite Credit Cards, World Elite Mastercard, NBK Miles World Mastercard and Visa Signature

On this occasion, Surajit Banerjee Head of Credit Cards Product, National Bank of Kuwait said: "NBK is keen on the safety of its customers and is committed to preserve their rights and give them the utmost benefit from the reward programs provided to them, in view of the prevailing exceptional circumstances."