

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



Visa, Plaid call off merger following antitrust pressure

Visa Inc. on Tuesday called off its planned \$5.3 billion purchase of payment-processing technology company Plaid, citing the Justice Department's antitrust lawsuit filed last year to block the deal.

Plaid provides the infrastructure that allows consumers and businesses to make payments directly from their bank accounts. Services like Venmo, SoFi, Stripe and

TransferWise all use Plaid as a way for consumers to send money from their bank accounts to another party without having to use the debit-card infrastructure that's largely controlled by Visa and its competitor Mastercard.

After Visa bid to buy Plaid, politicians and antitrust experts argued the deal would give Visa - which is already the largest payment processing com-

pany in the world - even more power over how customers and businesses pay for goods and services.

The Justice Department's lawsuit argued, among things, that the deal would allow Visa to "maintain its monopoly position and supracompetitive prices in online debit."

In a statement, Visa said it still believes the deal between the two San Francisco-based

companies would have benefited consumers, financial institutions and developers but that it decided to scrap it to avoid an extended court battle.

"It has been a full year since we first announced our intent to acquire Plaid, and protracted and complex litigation will likely take substantial time to fully resolve," Visa's CEO Al Kelly said in a statement. (AP)

Market Movements

13-01-2021

	Change	Closing pts		Change	Closing pts
↑ AUSTRALIA - All Ordinaries	+14.79	6,953.89	PHILIPPINES - PSEI	-15.26	7,242.85
↑ JAPAN - Nikkei	+292.25	28,456.59	INDIA - Sensex	-24.79	49,492.32
↑ GERMANY - DAX	+14.65	13,939.71	↓ CHINA - Shanghai SE	-9.69	3,598.65
↑ FRANCE - CAC 40	+11.70	5,662.67			
↑ EUROPE - Euro Stoxx 50	+4.38	3,616.51			
↑ S. KOREA - KRX 100	+49.48	6,888.59			
↑ PAKISTAN - KSE 100	+169.92	46,091.96			

Business

JOB OPENINGS DOWN IN MOST INDUSTRIES

US consumer prices up 0.4% in Dec

Layoffs spike

WASHINGTON, Jan 13, (AP) - U.S. consumer prices rose 0.4% in December, led by a sharp rise in gasoline prices.

Last month's increase, the largest in four months, followed a 0.2% rise in November and no change at all in October, according to Labor Department numbers released Wednesday.

Inflation for all of 2020 rose a modest 1.4%, well below the Federal Reserve's 2% target. Analysts believe inflation will remain subdued with the U.S. economy still unable to break out of a pandemic-induced downturn.

For December, energy prices rose 4% with gasoline prices surging 8.4%. Even with that big jump, gasoline prices are 15.2% below where they were a year ago, when people were still commuting to work. Food costs rose 0.4% in December and are 3.9% higher than a year ago.

Core inflation, excluding volatile food and energy, rose a slight 0.1% last month, and just 1.6% over the past 12 months.

Inflation has been dormant over the past decade, a development that is allowing the Federal Reserve to keep interest rates at ultra-low levels during a surge in Covid-19 cases that has forced more business shutdowns at a time when millions are out of work.

Kathy Bostjancic, chief U.S. financial economist, said the benign inflation performance will likely mean that the Fed does not start raising interest rates until 2024.

"The Fed's policy objectives signal that monetary policy will remain very accommodative for a considerable time," Bostjancic said.

Meanwhile, layoffs spiked in November compared with the previous month and the number of job openings slipped, signaling that the job market has stalled as the resurgent coronavirus has brought about another wave of shutdowns of restaurants and bars and hobbled consumer spending.

While the layoffs were concentrated among restaurants, bars and hotels, the slowdown in job postings was widespread across most industries, showing a reluctance by businesses to hire more people amid a pandemic fueled recession.

The number of open jobs at the end of November slipped 1.6% to 6.5 million, the Labor Department said Tuesday, its first drop since August. Layoffs, however, soared 17.6% to 1.9 million, driven mostly by job cuts at restaurants, bars and hotels, which more than doubled.

The economy is likely to grow at a healthier pace later this year, economists forecast, as vaccines are more widely distributed and recent government stimulus provides more money for Americans to spend. The faster growth should boost hiring, but most employers for now appear to be in wait-and-see mode.

On Friday, the Labor Department said employers cut 140,000 jobs in December, the first time the nation has shed jobs since April when U.S. infections began to surge. The unemployment rate was stuck at a still-high 6.7%, the first time it hasn't declined since April. Jobs lost according to that report were also highly concentrated in fields like educational services and film production, as well as already suffering restaurants and hotels.

Tuesday's report, known as the Job Openings and Labor Turnover Survey, or JOLTS, adds more details about hiring and firing by businesses and government agencies.



President-elect Joe Biden, (right), listens as Janet Yellen, who Biden nominated to serve as Secretary of the Treasury, speaks at The Queen Theater, on Dec 1, 2020, in Wilmington, Delaware. (AP)

Yellen's Senate confirmation hearing set for Jan 19

The Senate Finance Committee announced Tuesday that it will hold a confirmation hearing for Treasury Secretary-nominee Janet Yellen on Jan. 19.

The timing of the hearing will mean that Yellen will appear before a panel still controlled by Republicans. Democrats will not take over control of the Senate until Jan. 20

after President-elect Joe Biden and Vice-President-elect Kamala Harris are sworn into office.

With the election to the Senate of two Democrats from Georgia last week, the Senate will be split 50-50. Harris will give Democrats a majority once she is sworn in. As vice-president, Harris will be able to break

50-50 ties.

Yellen is expected to win easy confirmation. She will be the first woman to be Treasury secretary in the nation's history and also the first person to have held all three top economic posts - chair of the president's Council of Economic Advisers, chair of the Federal Reserve and head of Treasury.

The committee announcement did not provide any guidance on how fast the panel will vote on Biden's nomination of Yellen or when the nomination will be taken up by the full Senate. Biden is hoping to get Yellen's nomination through the Senate quickly so that she will be able to help win congressional passage of another COVID-19 relief package. (AP)

French govt hopes lift as US freezes tariffs over tech tax

France economy contracts 4 pct in Q4 2020

PARIS, Jan 13, (Agencies) - France's economy contracted by four percent in the final quarter of last year, compared to the previous three months, the Central Bank announced on Wednesday.

In light of the fourth quarter performance, the Bank of France said it was sticking with a previous estimate that the euro zone's second-biggest economy shrank by nine percent over the course of last year.

The central bank also estimated the economy was down this month from pre-pandemic levels.

Finance Minister Bruno Le Maire said yesterday that France faces a challenge in achieving its expectations for an economic growth of six percent this year, adding that growth in 2021 depends on how quickly Covid-19 vaccines

were distributed.

Also:

PARIS: France's government breathed a sigh of relief Friday after the US indefinitely delayed tariffs on French cosmetics and other goods designed as retaliation for a French tax on technology giants.

The US Trade Representative's office said in a statement Thursday that it suspended the tariffs targeting France, which had been scheduled to enter in force this week, because it is investigating similar tech taxes from a growing number of other countries, too.

French Finance Minister Bruno Le Maire said his government "takes note" of the US decision and called for a global agreement on taxing online behemoths like Google and Amazon.

It's among multiple trade disputes that have damaged trans-Atlantic ties in recent years. In a statement Friday to The Associated Press, Le Maire urged "a global settlement of trade disagreements between the United States and Europe, which make everyone lose, especially in this time of crisis."

The U.S. government argues that the French tax unfairly targets American companies. France says that its tax targets any company with huge revenues, and is aimed at making the tech giants pay taxes in the countries where they do business instead of tax havens.

While France has led the charge on tech taxes, several other countries have introduced similar measures that worry the U.S., including Britain, India, Turkey and Brazil.

Market for new planes remains depressed by pandemic

Boeing deliveries drop despite Max's return

CHICAGO, Jan 13, (AP) - Boeing Co got a bump in orders and deliveries of new planes in December, but it wasn't enough to salvage a poor year for the big aircraft maker.

Chicago-based Boeing still reported more cancellations than new orders for its 737 Max jet, which was grounded for 21 months after crashes in Indonesia and Ethiopia killed 346 people.

The market for new planes remains depressed by the pandemic, which has devastated air travel and caused airlines to reconsider aircraft purchases. Despite the December numbers, Boeing's full-year numbers for 2020 still declined from 2019.

Boeing finished 2020 with 157 deliveries, including planes handed over to cargo airlines and military customers. That was down from 380 deliveries in 2019. European rival Airbus finished the year with 566 deliveries.

Deliveries are crucial because aircraft makers get much of their cash when planes are delivered. Short on cash during the Max grounding, Boeing has borrowed billions and cut thousands of jobs to reduce costs.

The Federal Aviation Administration's decision in November to approve changes to a flight-control system on the Max allowed Boeing to resume shipping previously built Maxes to airline customers. Boeing delivered 39 planes in December, including 27 Maxes, of which 10 went to American Airlines



In this file photo, workers stand near a Boeing 737 Max airplane parked at Renton Municipal Airport next to the Boeing assembly facility in Renton, Washington. (AP)

and eight to United Airlines.

However, Boeing delivered none of its larger 787 jets as it worked to fix manufacturing problems where sections are the fuselage come together.

Boeing reported 90 new orders in December. The bulk, 75, came in a single previously announced order by Irish discount airline Ryanair. The total included cargo carrier DHL's order for eight Boeing 777 freighters, which was announced Tuesday.

However, Boeing also reported canceled orders for 105 Max planes, all but five by leasing companies that

fear it will be difficult to find operators to take the planes.

The totals don't include Alaska Airlines' decision to buy 23 more Max jets. That deal was announced last month but will be reported with January orders, a Boeing spokesman said.

For 2020, orders fell to 184 from 246 in 2019.

Airbus reported 383 orders in 2020.

Boeing said it has a backlog of nearly 3,300 unfilled orders for the Max and about 4,200 for all planes, including cargo freighters.



In this file photo, a worker cleans and sanitizes a pump at the Speedway gas station in Concord, NH. US consumer prices rose 0.4% in December, led by a sharp rise in gasoline prices. (AP)