Netflix's big Q4 lifts video service above 200mn subscribers

Netflix's video streaming service has surpassed 200 million subscribers for the first time as its expanding line-up of TV series and movies continues to captivate people stuck at home during the ongoing battle against the pandemic.

The subscriber milestone highlighted Netflix's fourth-quarter results released Tuesday. The service added another 8.5 million subscribers during the October-December period, capping Netflix's biggest year since its inception as a DVD-by-mail service in 1997. Netflix ended the year with nearly 204 million worldwide subscribers.

The fourth-quarter gains easily topped the projections of the roughly 6 million additional subscribers projected by Netflix's own management and Wall Street analysts, even as the company began rolling out price increases of 8% to 13% in the U.S. Netflix's stock surged by more than 12% extended trading after the latest subscriber numbers came out.

After upending the DVD-rental industry, Netflix introduced the then-revolutionary concept of streaming TV shows and films 14 years ago. At that time, its service had a mere 6 million subscribers.

The streaming service began to grow rapidly seven years ago when Netflix started producing its own shows and accelerated a worldwide expansion that now spans more than 190 countries. Since the February 2013 debut of its first original series, "House of Cards," Netflix has attracted more than 170 million additional subscribers. (AP)

This file photo shows a logo for Netflix on a remote control in Portland, Oregon. (AP)

Market Movements 20-01-2021

			Change	Closing pts
AUSTRALIA	-	All Ordinaries	+36.02	7,051.01
GERMANY	-	DAX	+106.31	13,921.37
FRANCE	-	CAC 40	+29.83	5,628.44
EUROPE	-	Euro Stoxx 50	+28.62	3,624.04
S. KOREA	-	KRX 100	+48.01	6,759.74
INDIA	-	Sensex	+393.83	49,792.12
CHINA	-	Shanghai SE	+16.71	3,583.09

			Change	Closing pts
JAPAN	-	Nikkei	-110.20	28,523.26
PHILIPPINES	-	PSEi	-55.15	7,143.30
PAKISTAN	-	KSE 100	-226.29	45,676.94

Business

Small businesses are likely to receive more grants and forgivable loans

How the Joe Biden presidency could impact your money

By Hal M. Bundrick
NerdWallet

As you take a closer look at your financial footing amid the headwinds of a pandemic, it's an excellent time to examine the possible impact of a Joe Biden presidency on money matters.

The balance of Congress has shifted following the Georgia runoffs, providing possible momentum for President Biden's agenda.

A new COVID check, taxes, health care - it's all on the line. Here's how.

A short fuse on another round of stimulus checks

Look for another round of pandemic relief shortly after Biden's inauguration, says Bernard Yaros Jr., an economist with Moody's Analytics.

"In February, we expect that there's going to be a COVID-specific relief package," Yaros says. That measure will likely once again extend unemployment insurance benefits, with enough support for another round of checks issued to Americans, "whether it's 2K or slightly lower," he says.

Small businesses are likely to receive more grants and forgivable loans, as well.

"And we're also thinking, you would probably get some additional funding for rental assistance," Yaros adds.

Moving from relief to stimulus

With Democrats having gained two seats in the Senate from the Georgia runoffs, there is now a greater possibility of moving from "relief" to "stimulus" mode in late 2021.

"That's because now that the Democrats have a simple majority in the Senate. They can pass changes to the tax code as well as implement changes in spending," Yaros says.

Moody's Analytics economists expect the Biden administration will dedicate increased funding for enhancements to "social safety nets," possibly including:

- Expanding eligibility for Medicare.
- Retooling Obamacare into Biden-care.
- Rolling out paid sick leave protections.
- Offering universal pre-K for 3- and 4-year-olds.
- Providing some kind of student debt forgiveness.

But on these initiatives, Democrats will "have to pick and choose," Yaros says.

"Among the more moderate Democrats, they're not going to want to increase the deficit too much. That's obviously going to be a limiting factor," he adds.

And while Vice President Kamala Harris holds the deciding vote in the event of a Senate tie, the 50-50 split between Democrats and Republicans doesn't constitute filibuster-proof power.

Reversing Trump tax cuts

Higher taxes are expected to partially fund the widening of these social safety nets.

Yaros says Biden is likely to succeed in reversing Trump's tax cuts, raising the corporate income tax rate to 28%, increasing the top rate for taxable incomes of more than $400,000 and eliminating some tax breaks for those making more than $1 million.

But the tax hikes may be smaller than widely anticipated, says Michael Zezas, head of U.S. public policy research at Morgan Stanley.

"In a Senate where Democrats have the slimmest majority possible, any one Democratic senator effectively has a veto. And when it comes to taxes, we expect many of the Biden administration's proposed taxes won't pass muster with Democratic moderates," Zezas says in an analysis.

"We estimate about $500 billion of tax increases are possible, obviously a smaller number than another potential COVID stimulus round, and also smaller than the $1 trillion-plus spending now in play for each of health care and infrastructure," Zezas added.

Even if Biden can swing the tax hikes, they aren't expected to kick in until 2024, Yaros says, "to make sure that there's no fiscal drag, at all, on the economy in these next couple of years when we're still digging ourselves out of the pandemic."

Revising retirement plans

Joe Biden also has some ideas to reshape employer-sponsored retirement plans.

One of those proposals is to equalize the tax benefit of contributing to a retirement plan so that "higher-income earners aren't getting more of the benefit than the lower-income workers, that it's standard across the board," says Anne Tyler Hall, founder and principal of Hall Benefits Law.

For example, someone in a 37% tax bracket is able to deduct the full amount of a retirement plan contribution; so $37 for every $100 pre-tax contribution. That's a greater tax benefit than someone in a lower tax bracket, such as 20%, who would receive a $20 deduction for each $100 pre-tax contribution. (AP)

OPEC chief congratulates Biden

Oil cartel keen to boost ties with US

VIENNA, Jan 20, (KUNA): OPEC's Secretary General, Mohammad Sanusi Barkindo congratulated US President-elect Biden and said they look forward to boosting ties with the US.

Barkindo, made his remarks in a speech during his participation in the Atlantic Council Global Energy Forum via videoconference.

"We congratulate President-elect Biden," he said, "and we look forward to deepening our relations with the US independent producers," Barkindo said.

He also pointed out the important US contribution to international efforts in April 2020 to help mitigate the devastating impact of the pandemic on the oil market.

He highlighted the effective relations with the United States and noted that OPEC's cooperation with US independent oil producers has grown over the years.

The forum is taking place under the patronage of Sheikh Mohammed Bin Zayed Al-Nahyan, Crown Prince of Abu Dhabi, from 19 to 22 January 2021.

Now in its fifth year, the event is focusing on the post-COVID-19 energy system, the energy transition and other emerging trends in the energy sector.

In the "2021 Global Energy Agenda" session, the Secretary General praised the achievements of the "Declaration of Cooperation" (DoC) and highlighted its role in supporting oil market stability to the benefit of producers, consumers and the world economy at large.

"Our target remains stable oil markets, and to ensure that we have stability on a sustainable basis, we need to flexible and adaptable," he told the panel.

DoC participating countries agreed at their 13th Ministerial Meeting on 5 January 2021 to meet on a monthly basis "to ensure that we do not allow this market imbalance to re-emerge," the Secretary General said.

"We all agree that the recovery is fragile, there are still uncertainties. But we are cautiously optimistic that the recovery will materialize this year."

He added that the OPEC and non-OPEC Ministerial Meeting will reconvene in March "to take stock and examine oil market conditions and developments."

The Secretary General reiterated the need to remain vigilant and adaptable to changes in the economy and oil market in the face of the ongoing COVID-19 uncertainties.

"I want to use this opportunity to assure consumer countries that we have their interests in mind. Our role is to assist the market to return to stability," the Secretary General said.

Also participating in the session were Dharmendra Pradhan, India's Minister of Petroleum and Natural Gas and Minister of Steel; Fatih Birol, IEA's Executive Director; Daniel Yergin, IHS Markit's Vice Chairman and Member of the Atlantic Council Energy Advisory Group; and Mary Nichols, Former Chair of the California Air Resources Board. The discussion was moderated by CNBC's Hadley Gamble.

In earlier sessions, Suhail Mohamed Al-Mazrouei, UAE's Minister of Energy and Infrastructure, described the COVID-19 impact last year as "extraordinary", adding that the efforts of the DoC countries have helped mitigate the pandemic's impact on the oil market. "We see this year as the year of recovery," he said.

The Minister also emphasized that each country should draft its own energy transition strategy based on the available national resources.

Dr Sultan Ahmed Al Jaber, Minister of Industry and Advanced Technology and CEO of ADNOC, commended the positive role of the Emirati leadership in helping to stabilize the global oil market.

"We have always made positive contributions to help address global challenges," he said, adding, "The challenge of climate change is no difference."

"Partnership, not just between countries but between industries, including oil and gas, is crucial to reach our collective objective" to address climate change. "The world will still rely on oil and gas for decades to come, so this industry can and must play a role in the transition to a low-carbon future."

The forum represents part of Abu Dhabi Sustainability Week.

In this file photo provided by the New York Stock Exchange, NYSE Vice Chairman John Tuttle (left), Stellantis CEO Carlos Taveras (center), and Chariman John Elkann (right), virtually ring the NYSE opening bell. Stellantis shares start trading in New York in the new auto giant created by the merger of Fiat Chrysler and PSA Peugeot. (AP)

'More must be done'

Yellen pushes senators on $1.9 trillion relief package

WASHINGTON, Jan 20, (AP): Janet Yellen, President-elect Joe Biden's choice as Treasury secretary, said Tuesday that the incoming administration would focus on winning quick passage of its $1.9 trillion pandemic relief plan, rejecting Republican arguments that the measure is too big given the size of U.S. budget deficits.

"More must be done," Yellen told the Senate Finance Committee during her confirmation hearing. "Without further action, we risk a longer, more painful recession now - and long-term scarring of the economy later."

Democrats voiced support for the Biden proposal while Republicans questioned spending nearly $2 trillion more on top of nearly $3 trillion that Congress passed in various packages last year.

Republicans questioned elements of the Biden proposal such as providing an additional $1,400 stimulus check to individuals earning less than $75,000. They also objected to the inclusion of such long-term Democratic goals as boosting the minimum wage to $15 per hour.

Sen. Tim Scott, R-S.C., said that the push for a higher minimum wage comes at a time when thousands of small businesses like restaurants have gone out of business, and that it would lead to more job losses.

Yellen said, however, that the increase in the minimum wage would help millions of frontline American workers who are risking their lives to keep their communities functioning and often working two jobs to put food on the table. "They are struggling to get by and raising the minimum wage would help these workers," she said.

Despite policy differences, Yellen, who would be the first woman to be Treasury secretary after being the first woman to be chair of the Federal Reserve, is expected to win quick Senate confirmation.

Sen. Ron Wyden, D-Oregon, who will become chairman when Democrats take over the Senate, said it was his hope that Yellen could be confirmed by the full Senate as soon as Thursday.

Biden last week unveiled a $1.9 trillion relief plan that would provide more aid to American families and businesses and more support for vaccine production and distribution as well as providing support for states and localities to avoid layoffs of teachers and first responders.

Many Republicans raised the soaring budget deficits as a reason to be cautious in passing further relief. Last year, the budget deficit climbed to a record $3.1 trillion.

Yellen said that she and Biden were aware of the country's rising debt burden but felt fighting the pandemic-recession was more important currently.

"Right now, with interest rates at historic lows, the smartest thing we can do is act big," she said. "In the long run, I believe the benefits will far outweigh the costs, especially if we care about helping people who have been struggling for a very long time."

Yellen was nominated to be chair of the Fed by Barack Obama and she stepped down in February 2018 after President Donald Trump decided not to nominate her for a second four-year term. Since leaving the Fed, Yellen has been a distinguished researcher at the Brookings Institution, a Washington think tank.

In the financial disclosure forms filed with the committee, Yellen listed more than $7 million in speaking fees she has received from a number of top Wall Street firms such as Goldman Sachs and Citigroup since leaving the Fed. Yellen has agreed to recuse herself from Treasury matters involving certain firms that have compensated her for her talks.

In this file photo, former Fed Chair Janet Yellen speaks with FOX Business Network guest anchor Jon Hilsenrath in the Fox Washington bureau in Washington. (AP)

Stellantis will protect jobs & brands: CEO

MILAN, Jan 20, (AP): The CEO of Stellantis, the carmaker created from the merger of PSA Peugeot and Fiat Chrysler, said Tuesday that the tie-up will help preserve jobs, factories and the 14 storied brands as billions in annual savings are achieved.

Carlos Tavares told a virtual press conference just days after Stellantis' official birth as a new company that jobs only accounted for 10% of manufacturing costs - and that he had "tons of other things" he can do to improve profitability.

The company plans to create synergies that save 5 billion euros ($6 billion) per year, largely through reduced manufacturing, engineering and parts purchasing costs. But Tavares was confident that brands would be boosted, factories would be filled and no jobs would be lost, at least initially.

"Our commitment on this merger is that we will not shut down plants as a consequence of the merger,'' Tavares said. He pointed out that PSA Peugeot was able to turn around the money-losing Opel and Vauxhall brands within 18 months of buying them from General Motors.

"I think that there's many more things to do in our car company than just cutting costs," he said.

He said the current brands - which range from Jeep SUVs to Alfa Romeo sports cars and luxury Maserati sedans - "represent a strong asset to the company."

He said there was work to do on clarifying the brand identity, in some cases. And that the manufacturing synergies would be achieved through a system of "sister cars," unique models that share some combination of platforms and components.

He claimed that fears for job losses, including in Italy, where factories were under-utilized even before the pandemic, were unfounded.

"This merger is acting as a shield to protect the activity on the plants, rather than representing a risk for the people who may be anxious about the creation of this new entity," he said. The merger would produce greater sales, higher efficiencies and allow the launch of new models because of lower costs due to shared technology, he said.

But he also said that vehicles have to be competitive on price and quality, and if expenses get too high, profit margins will fall and other steps may have to be taken to reduce costs. "There are moments where you can't avoid it," he said.

EIB redirects its business to fight corona pandemic

BRUSSELS, Jan 20, (KUNA): In the year of the worst global health and economic crisis for generations, the European Investment Bank (EIB) Group Wednesday announced that it rapidly redirected its business to fight the COVID-19 pandemic and its economic consequences on all fronts.

It increased financing volumes to 76.8 billion euro (USD 93 billion), exceeding its own targets. A third of these funds, 25.5 billion euro (USD 31 billion) went into the immediate crisis response that started with a first package in March, said the EIB in its annual report.

"In the course of the year we dramatically increased and accelerated our involvement in fighting this devastating pandemic, helping thousands of companies in the European Union and across the world," said EIB President Werner Hoyer at the EIB Group's annual press conference via video link from Luxembourg today.

"The fight against the pandemic and its economic consequences will keep us busy in 2021," he stated.

The COVID-19 pandemic and the climate crisis are a twin challenge for the whole world, and this is why the EIB Group increased its efforts to support the EU neighbourhood, Africa and other regions, noted the report.

13 percent of last year's EIB financing 10.2 billion euro (USD 12 billion) went into countries outside the EU.

The EU bank achieved record lending in Africa, signing a volume of more than 4.7 billion euro (USD 5.7 billion), a 50 percent increase over the year before.