In this file photo, a worker heads into the JBS meat-packing plant in Greeley, Colorado. (AP)

JBS confirms it paid $11m ransom in cyberattack

The world's largest meat processing company says it paid the equivalent of $11 million to hackers who broke into its computer system late last month.

Brazil-based JBS SA said on May 31 that it was the victim of a ransomware attack, but Wednesday was the first time the company's U.S. division confirmed that it had paid the ransom.

"This was a very difficult decision to make for our company and for me personally," said Andre Nogueira, the CEO of JBS USA. "However, we felt this decision had to be made to prevent any potential risk for our customers."

JBS said the vast majority of its facilities were operational at the time it made the payment, but it decided to pay in order to avoid any unforeseen issues and ensure no data was exfiltrated.

The FBI has attributed the attack to REvil, a Russian-speaking gang that has made some of the largest ransomware demands on record in recent months. The FBI said it will work to bring the group to justice and it urged anyone who is the victim of a cyberattack to contact the bureau immediately.

The attack targeted servers supporting JBS's operations in North America and Australia. Production was disrupted for several days.

Earlier this week, the Justice Department announced it had recovered most of a multimillion-dollar ransom payment made by Colonial Pipeline, the operator of the nation's largest fuel pipeline.

Colonial paid a ransom of 75 bitcoin – then valued at $4.4 million – in early May to a Russia-based hacker group. The operation to seize cryptocurrency reflected a rare victory in the fight against ransomware as U.S. officials scramble to confront a rapidly accelerating threat targeting critical industries around the world.

It wasn't immediately clear if JBS also paid its ransom in bitcoin. (AP)

Market Movements 10-06-2021

			Change	Closing pts
SAUDI	-	Tadawul	+6.09	10,796.33
JAPAN	-	Nikkei	+97.76	28,958.56
UK	-	FTSE 100	+7.17	7,088.18
UAE	-	DFM	+10.48	2,842.41
INDIA	-	Sensex	+358.83	52,300.47
PAKISTAN	-	KSE 100	+473.87	48,251.49
SINGAPORE	-	Straits Times STI	+9.03	3,162.50

			Change	Closing pts
EUROPE	-	Euro Stoxx 50	-0.78	4,096.07
EGYPT	-	EGX 30	-64.28	9,977.90
PHILIPPINES	-	All Shares	-26.83	6,875.71

ECB leaves its key interest rate benchmarks at record lows

Europe leaves stimulus running hot ahead of recovery

FRANKFURT, Germany, June 10, (AP): The European Central Bank left its key pandemic support for the economy running full blast even as the economy shows signs of recovery thanks to lower virus cases and fewer restrictions on activity in the 19 countries that use the euro currency.

The bank expects "a sizeable improvement" over the second quarter of the year, ECB President Christine Lagarde said Thursday after the decision was released.

But she cautioned that the rebound "continues to depend on the course of the pandemic and how the economy responds after reopening."

Lagarde went to some length to underscore that the bank's 25-member policy council did not even discuss an exit from its ongoing bond purchase stimulus, saying such a discussion would be "too early, premature."

While economic activity is picking up, Europe is not expected to reach pre-pandemic levels of output before 2022, well behind the US and China. Economic output was minus 0.3% in the first quarter; the ECB foresees a rebound over the remaining months of the year that would take growth to 4.6% for the year.

Lagarde downplayed inflation that has ticked higher recently, saying it was the result of temporary factors and an increase energy prices. She said there was still "significant economic slack" holding back underlying inflationary pressures and that the bank was concerned about post-pandemic "scarring" of the economy due to changed consumption habits and loss of jobs leading to workers needing training in new skills.

The central bank for the 19 countries that use the euro said in its policy statement Thursday that emergency bond purchases would remain at "a significantly higher pace" over the coming quarter than during the first three months of the year. That mirrored language from its last meeting on April 22, changed only to extend the higher pace of purchases by a quarter.

The ECB has been purchasing around 85 billion euros per month in government and corporate bonds as part of a 1.85 trillion euro ($2.25 trillion) effort slated to run at least through early next year. Purchases were stepped up in March amid lagging vaccinations and high COVID-19 case numbers.

The purchases drive up the prices of bonds and drives down their interest yields, since price and yield move in opposite directions. That influences longer-term borrowing costs throughout the economy, sending them lower.

That's exactly what the bank wants at a time when many companies are struggling with reduced demand, higher debt and the need to keep credit lines open so they can get to the other side of the pandemic. That is one reason for Lagarde and the bank's governing council to avoid any early discussion of tapering the stimulus, since that could send market borrowing costs higher and hurt the recovery just as it's getting going.

Rising inflation complicates the ECB's messaging. Normally, rising prices would lead a central bank to withdraw its stimulus. But in this case, ECB officials and economists say recent higher inflation figures are the result of temporary factors that will fade, leaving inflation below the ECB goal.

Eurozone annual inflation hit 2.0% in May due largely to rising energy prices. The ECB's goal is less than, but close to 2%. The base comparison to lower energy prices during the pandemic year 2020 will soon drop out of the statistics, however, meaning post-pandemic inflation could be weaker than current figures might otherwise suggest.

The bank also left its key interest rate benchmarks at record lows. The rate at which it lends to banks is zero; the rate it pays on overnight deposits from bank remains at minus 0.5%

In this file photo, a man walks past the Euro sculpture in Frankfurt, Germany. The ECB is warning that some parts of the eurozone economy could face financial disruption from the ongoing pandemic. (AP)

Another jump in prices tightens the 'squeeze' on US consumers

Inflation pressures posing a risk to the economy's recovery

WASHINGTON, June 10, (AP): American consumers absorbed another surge in prices in May - a 0.6% increase over April and 5% over the past year, the biggest 12-month inflation spike since 2008.

The May rise in consumer prices that the Labor Department reported Thursday reflected a range of goods and services now in growing demand as people increasingly shop, travel, dine out and attend entertainment events in a rapidly reopening economy.

The increased consumer appetite is bumping up against a shortage of components, from lumber and steel to chemicals and semiconductors, that supply such key products as autos and computer equipment, all of which has forced up prices. And as consumers increasingly venture away from home, demand has spread from manufactured goods to services - airline fares, for example, along with restaurant meals and hotel prices - raising inflation in those areas, too.

In its report Thursday, the government said that core inflation, which excludes volatile energy and food costs, rose 0.7% in May after an even bigger increase in April, and has risen 3.8% over the past 12 months. Among specific items, prices for used cars, which had surged by a record 10% in April, shot up an additional 7.3% in May and accounted for one-third of last month's overall price jump.

But the price increases in May were widespread in a variety of categories, including household furnishings, clothing and airline fares. Food prices rose by 0.4. Energy costs were unchanged, but they're still up 28.5% from a year ago.

From the cereal maker General Mills to Chipotle Mexican Grill to the paint maker Sherwin-Williams, a range of companies have been raising prices or plan to do so, in some cases to make up for higher wages that they're now paying to keep or attract workers.

The inflation pressures, which have been building for months, are not only squeezing consumers but also posing a risk to the economy's recovery from the pandemic recession. One risk is that the Federal Reserve will eventually respond to intensifying inflation by raising interest rates too aggressively and derail the economic recovery.

In this file photo, airline passengers wait to check-in at George Bush Intercontinental Airport in Houston. As consumers increasingly venture away from home, demand has begun to shift away from manufactured goods and toward services, from airline fares to restaurant meals, triggering inflation in those areas. (AP)

The Fed, led by Chair Jerome Powell, has repeatedly expressed its belief that inflation will prove temporary as supply bottlenecks are unclogged and parts and goods flow normally again. But some economists have expressed concern that as the economic recovery accelerates, fueled by rising demand from consumers spending freely again, so will inflation.

That would be none too soon for consumers like Carmela Romanello Schaden, a real estate agent in Rockville Centre, New York. Schaden said she's having to pay more for a range of items at her hair salon. But she is feeling the most pain in the food aisle. Her monthly food bill, she said, is now $200 to $250 for herself and her 25-year-old son - up from $175 earlier in the year.

A package of strip steak that Schaden had normally bought for $28 to $32 jumped to $45. She noticed the increase right before Memorial Day but bought it anyway because it was for a family picnic. But she won't buy it again at that price, she said, and is trading down to pork and chicken.

So far, Fed officials haven't deviated from their view that higher inflation is a temporary consequence of the economy's rapid reopening, with its accelerating consumer demand, and the lack of enough supplies and workers to keep pace with it. Eventually, they say, supply will rise to match demand.

Officials also note that year-over-year gauges of inflation now look especially large because they are being measured against the early months of the pandemic, when inflation tumbled as the economy all but shut down. In coming months, the year-over-year inflation figures will likely look smaller.

Still, last month, after the government reported that consumer prices had jumped 4.2% in the 12 months ending in April, Fed Vice Chair Richard Clarida acknowledged; "I was surprised. This number was well above what I and outside forecasters expected."

And the month-to-month readings of inflation, which aren't subject to distortions from the pandemic have also been rising since the year began.

Some economists say they fear that if prices accelerate too much and stay high too long, expectations of further price increases will take hold. That, in turn, could intensify demands for higher pay, potentially triggering the kind of wage-price spiral that bedeviled the economy in the 1970s.

Rising commodity costs are forcing Americans to pay more for items from meat to gasoline. Prices for corn, grain and soybeans are at their highest levels since 2012. The price of lumber to build homes is at an all-time high.

NBK and LOYAC support Cybercrime Awareness Among Youth

National Bank of Kuwait (NBK) continues its support to LOYAC and sponsors its Cybercrime Committee Program as part of its commitment toward corporate social responsibility.

Joanne Al Abduljaleel

NBK's Sponsorship to the program aims to raise awareness on the cybercrime protection laws in Kuwait, and the most common mistakes that youth make on social media.

The Cyber Crime Committee Program runs for 3 weeks, where participants will explore and research with specialists from the Ministry of Interior about topics that encourage their role as active members in our society.

The Program addresses cybercrime in Kuwait, the legality and how to correctly use online platforms. The participants are to create and showcase an awareness campaign based on their research and information they received.

"NBK's sponsorship is part of its ongoing drive to fulfill its corporate social responsibilities", said NBK Public relations Officer, Joanne Al Abdul Jaleel.

"As part of the program, NBK and LOYAC will produce a video campaign for social media to help raise awareness on cybercrime."

Al Abdul Jaleel added "NBK's sponsorship and support comes in line with the bank's customary and ongoing spirit of corporate citizenship as well as the vital role it plays in supporting youth."

NBK continues to promote a range of philanthropic missions and social welfare programs as part of the humanitarian dimension of its corporate social responsibility to assert its leadership in supporting Kuwait's social development, standing as a model in serving all aspects of the community.

LOYAC is a nonprofit organization that runs several programs for the youth to develop their professional skills, enhance their personal growth and help them find their sense of purpose by extending themselves to others.

Sixth straight drop

US 'unemployment' benefits fall to 376K

WASHINGTON, June 10, (AP): The number of Americans applying for unemployment benefits fell for the sixth straight week as the U.S. economy, held back for months by the coronavirus pandemic, reopens rapidly.

Jobless claims fell by 9,000 to 376,000 from 385,000 the week before, the Labor Department reported Thursday. The number of people signing up for benefits exceeded 900,000 in early January and has fallen more or less steadily ever since. Still, claims are high by historic standards. Before the pandemic brought economic activity to a near-standstill in March 2020, weekly applications were regularly coming in below 220,000.

Nearly 3.5 million people were receiving traditional state unemployment benefits the week of May 29, down by 258,000 from 3.8 million the week before.

Businesses are reopening rapidly as the rollout of vaccines allows Americans to feel more comfortable returning to restaurants, bars and shops. The Labor Department reported Tuesday that job openings hit a record 9.3 million in April. Layoffs dropped to 1.4 million, lowest in records dating back to 2000; 4 million quit their jobs in April, another record and a sign that they are confident enough in their prospects to try something new.

"As life normalizes and the service sector continues to gain momentum, we expect initial jobless claims to continue to trend lower,□ said Joshua Shapiro, chief U.S. economist at the economic and financial consulting firm Maria Fiorini Ramirez, Inc.

In May, the U.S. economy generated 559,000 million new jobs, and the unemployment rate dropped to 5.8% from 6.1% in April. Many economists expected to see even faster job growth. The United States is still short 7.6 million jobs from where it stood in February 2020.

But employers are posting vacancies faster than would-be applicants can fill them. Many Americans are contending with health and childcare issues related to COVID-19 and with career uncertainty after the coronavirus recession wiped out many jobs for good. Some are taking their time looking for work because expanded federal jobless benefits pay more than their old jobs.

Many states are scheduled to begin dropping the federal benefits this month. Altogether, 15.3 million people were receiving some type of jobless aid the week of May 22; a year earlier, the number exceeded 30 million.