



In this file photo, a Hertz car rental is closed during the coronavirus pandemic in Paramus, New Jersey. (AP)

Hertz on track to exit bankruptcy protection this month

Hertz will likely emerge from Chapter 11 bankruptcy protection by the end of the month after a bankruptcy court confirmed the reorganization plan for the beleaguered car rental company.

Hertz Global Holdings Inc., which filed for bankruptcy protection in May 2020, said Thursday that its plan will erase more than \$5 billion in debt and provide more than

\$2.2 billion in liquidity. Creditors will be paid in full and existing shareholders will receive more than \$1 billion in value.

Hertz was among the first major corporations to be felled by the pandemic last year as infections surged and shut down travel on a global scale for both companies and vacationers.

It announced in March that it might sell a controlling stake in the company to two invest-

ment firms for \$4.2 billion. Knighthead Capital Management and Certares Opportunities would have the chance to buy the entire reorganized car rental company, but no less than a majority of its shares. The proposed investment, combined with a new \$1 billion first-lien financing, a new \$1.5 billion revolving credit facility, and a new asset-backed securitization facility to finance

its U.S. vehicle fleet, was eyed as a way to provide the funding needed for the company to complete its restructuring.

Hertz's emergence from bankruptcy protection comes at a time when Americans are getting vaccinated for COVID-19 and eager to start traveling again. Demand for car rentals is surging, and with limited supply, prices are skyrocketing. (AP)



Business

BUZZ

Pandemic used as opportunity to flee higher-cost metropolitan areas

Many Americans moved to affordable homes

LOS ANGELES, June 12, (AP): Many Americans who moved last year relocated to areas where homes were, on average, bigger and less expensive.

On average, people who moved to a different city in 2020 ended up in a ZIP code where average home values were nearly \$27,000 lower than in their previous ZIP code, according to Zillow.

People who relocated last year also moved to ZIP codes where the average home sold was 33 square feet bigger than their previous home, the real estate information company said.

Zillow based its findings on an analysis of data from tens of thousands of moves nationwide handled by relocation company North American Van Lines.

While the data doesn't show how many people who moved ended up buying a home, it suggests many Americans used the pandemic, and the broader acceptance of working remotely, as an opportunity to flee higher-cost metropolitan areas.

Home prices have been steadily rising over the past decade, but 2020 was the first year since at least 2016 where people, on average, weren't moving into areas with higher housing costs than they faced in their previous location, Zillow found.

"What that suggests to me is more movement away from the more expensive housing markets in the country," said Jeff Tucker, a senior economist at Zillow.

A survey by Redfin of people who moved to a different metropolitan area in the 12 months since March 2020 found similar trends. About two-thirds of respondents now have the same or lower housing costs, and nearly as many said their new home is the same size or bigger. The survey was made up of 500 people who use the online brokerage's website.

Many Americans continued moving to more affordable and less densely populated areas in the first three months of this year, according to some 300,000 moves handled by relocation tech company Updater.

The company found that pricey metropolitan areas like New York, Los Angeles and Boston, or midwestern cities like Cleveland and Indianapolis, continued to lose residents in favor of largely Southern and Western cities such as Nashville, Phoenix, Dallas and Tampa, Florida.

Still, outflows from dense urban cities such as New York, San Francisco and Boston slowed in the first quarter, the company said.

Rising prices, a dearth of homes on the market and the ability to work remotely motivated many Americans to relocate last year, especially those eager to move out of dense urban areas in the Northeast like New York City in favor of more suburban areas.

In the Zillow analysis, some of the metropolitan areas that saw the highest net outbound moves last year were Chicago, Los Angeles, New York, San Diego and San Francisco. Among the cities that saw the biggest net gain in people moving in: Phoenix, Dallas, Austin, Texas, Charlotte, North Carolina and Sarasota, Florida.



In this file photo, a sold sign stands in front of new home under construction in Houston. Mortgage rates remained near historic lows this week, Thursday, June 10. (AP)

30-year loan at 2.96%

US average mortgage rates tick lower

NEW YORK, June 12, (AP): Mortgage rates remained near historic lows this week. The benchmark 30-year home loan held below the 3% mark amid further signs of the economy's recovery from the pandemic recession.

Mortgage buyer Freddie Mac said Thursday the average for the 30-year rate loan dipped to 2.96% from 2.99% last week.

The rate for a 15-year loan, which is a popular option among homeowners refinancing their mortgages, edged down to 2.23% from 2.27% last week.

The Sunbelt cities in the South and West have been relocation hot spots for years as many Americans seek relatively affordable housing and warmer weather. And, of course, snowbirds and retirees from the Northeast and Midwest have long flocked to Florida, Arizona and Nevada, among other Sunbelt destinations.

The pandemic in many ways just intensified existing migration patterns and accelerated established trends, including that of people moving from the Northeast and Midwest to the Sunbelt, Tucker said.

Last year's relocation wave, happening during a red-hot housing market, likely benefited relocating homeowners in particular. Competition would have helped

In the latest economic news, the government reported that the number of Americans seeking unemployment benefits dropped last week for the sixth straight week, to 376,000, a new pandemic low.

"Despite the stronger economy, the housing market is experiencing a slowdown in purchase application activity due to modestly higher mortgage rates," said Sam Khater, Freddie Mac's chief economist. "However, it has yet to translate into a weaker home price trajectory because the shortage of in-

ventory continues to cause pricing to remain elevated."

Another report Thursday found that Americans moved to slightly bigger homes in less expensive areas. On average, people who moved to a different city in 2020 ended up in a ZIP code where average home values were nearly \$27,000 lower than in their previous ZIP code, according to Zillow.

Rising prices, a dearth of homes on the market and the ability to work remotely motivated many Americans to relocate last year.

where in L.A., according to Zillow. While the typical home value in areas movers relocated to in Los Angeles was \$614,793 higher, on average, than in the areas they moved from.

Zillow also found that the average size of homes in ZIP codes where people moved to last year increased to 1,913 square feet from an average of 1,880 square feet in their previous location. That increase in square footage is about the size of a walk-in closet, pantry or bathroom.

"The move toward bigger homes is also consistent with this hypothesis that its being driven by home workers, because one thing they need is a home office in most cases," Tucker said.

Spending will be up 5.5%

As kids 'return' to class, stores sees strong sales

NEW YORK, June 12, (AP): As more children go back to the physical classroom and families look to restart their lives, back-to-school spending this year could top pre-pandemic levels, according to one key spending measure.

Mastercard SpendingPulse, which tracks spending across all payment forms including cash, forecasts that spending will be up 5.5% between July 15 and Sept. 6. That's compared with the year-ago period when sales were up a modest 1.2% as the pandemic wreaked havoc on schools' reopening plans and back-to-school shopping.

In a more telling sign of a rebound, back-to-school sales should increase 6.7% on a two-year basis, according to Mastercard SpendingPulse. The figures exclude sales from autos and gas.

Last year, parents focused their spending online and bought supplies and electronics to help their children set up work stations at home. When it came to apparel, they limited their purchases to sweatpants and other comfy clothes for their kids and avoided department stores.

The rosy forecast issued Thursday comes as retailers, particularly mall-based stores, are seeing a strong recovery as newly vaccinated shoppers feel safe going out and socializing. On Wednesday, the National Retail Federation, the nation's largest retail trade group, sharply revised its annual outlook for retail sales. It now expects the increase to be anywhere from 10.5% to 13.5% compared to an earlier forecast made in February of at least 6.5%.

"The economy and consumer spending have proven to be much more resilient than initially forecasted," Matthew Shay, president and CEO of the retail trade group, said in a statement. "The combination of vaccine distribution, fiscal stimulus and private-sector ingenuity have put millions of Americans back to work."

While NRF noted risks related to worker shortages, an overheating economy, tax increases and over-regulation, it pointed out that overall households are healthier, and consumers are showing their ability and willingness to spend.

The downside is that many retailers may not be able to fully capitalize on this sudden surge of spending. For many items produced overseas, stores had to place their orders at least six months ago, and they were conservative, says Steve Sadove, senior adviser for Mastercard and former CEO and chairman of Saks Inc. He also cited the logjam at ports, making it difficult for retailers to bring in goods to their stores.

"The supply chain is backed up. The ports are backed up," he said. "You're going to find scarcity." He said that a number of retailers he has spoken to are having to air ship items instead of transport them by boat in order to have them in stores in time for back-to-school.

For this back-to-school season, Sadove said clothing should enjoy a stronger-than-expected rebound, with Mastercard SpendingPulse forecasting a 78.2% sales increase compared with last year. On a two-year basis, the figure is expected to be up 11.3%. Sadove said that retailers are seeing a shift in consumer spending toward trendier items like cropped tops and mini skirts.

In particular, department stores are enjoying a solid recovery after struggling last year with stiff competition from discount stores like Walmart and Target. The department sector's sales should be up 25.3% during the back-to-school period, compared to a year ago. Sales should rise 9.5% on a two-year basis.

Sadove told The AP that department stores are reaping the benefits of their moves to expand into online services like allowing online shoppers to pick up orders at the stores. They're also expanding into new categories like wellness.

Consumer electronics should have strong sales growth compared to a year ago and on a two-year basis. But online sales are expected to drop 6.6% for this period compared to last year when shoppers focused mostly on buying online. Still, that figure should be up 53.2% on a two-year basis, according to Mastercard SpendingPulse.



In this file photo, fifth graders wearing face masks are seated at proper social distancing spacing during a music class at the Milton Elementary School in Rye, New York. (AP)

Ahli United Bank named Best Bank Private Bank, Kuwait 2021

Ahli United Bank (AUB) was awarded "Best Private Bank, Kuwait 2021" by the International Business Magazine. This prestigious Award is given annually by the International Business Magazine. AUB was conferred this Award in recognition of its successful clients services model that has been achieved by offering distinguished services and successful workshops to raise the customer awareness, and more importantly, managed clients' crises and cooperation within the digital transformation process.

In granting this Award, International Business Magazine conducted through precise supervision and scrutiny by a team of key experts in this field in addition to a judging panel composed of research experts and editors to make the final selection of the winners, where AUB received the highest votes

On this occasion, Mrs. Jehad Al-Humaidhi, Acting CEO of Ahli United



Bank, said: "We are delighted to have received this prestigious Award, which is added to the Bank's record of awards, stating that this Award is an apparent evidence of the continued growth, leadership and excellence achieved by AUB's Private Banking and Wealth Management."

Al-Humaidhi added that winning this Award by AUB in these exceptional circumstances that still cast their shadow over the economic scene due to the repercussions of Covid-19

pandemic is a strong indication of the Bank's success in adapting to various condition and succeeding in offering and providing more banking solutions, and continuing to develop services and products that gain customer confidence and recognition.

Al-Humaidhi expressed the Bank's sincere thanks and appreciation to the Wealth Management team for their outstanding performance and dedication.

Mr. Meshari Shehab, Deputy General Manager of the Private Banking and



Mishary Shehab

Wealth Management, commented that client satisfaction is placed at the core point of the Private Banking approach to its Wealth Management services. High level of client satisfaction was achieved by availing the enormous banking services of AUB to the clients' particular needs. Therefore offering tailor made services on an exclusive level.

Finally, Mr. Shehab emphasized the Digitalization efforts critical role in addressing the ever increasing challenges presented by the clients' growing business requirements. These efforts synchronized perfectly with evolving business landscape of Digital Banking.

American plans orders for electric-powered aircraft

FORT WORTH, Texas, June 12, (AP): American Airlines said Thursday it plans to invest \$25 million in U.K.-based Vertical Aerospace Group and consider a \$1 billion order for small, electric-powered aircraft that can take off and land like helicopters.

The American announcement came as Vertical Aerospace disclosed that it has agreed to merge with special-purpose acquisition company Broadstone Acquisition and become a publicly traded company later this year.

American, Microsoft's M12, Honeywell, Rolls-Royce and others will take stakes in Vertical through private investment in public equity, or PIPE transactions. Another investor, Irish aircraft leasing company Avolon, said Thursday that it placed a \$2 billion conditional order for up to 500 Vertical aircraft.

Vertical is working to develop a four-passenger electric aircraft that could carry people from city centers to airports. The company said it plans to conduct its first test flight later this year and hopes to gain regulatory approvals as early as 2024.

American said it expects to make a "pre-order" up to 250 aircraft - suggesting a price tag of \$4 million per aircraft - with an option for 100 more. The order hinges on Vertical meeting certain terms, which the companies did not detail.

The deal is the latest move by a major airline to demonstrate interest in developing technology around electric aircraft and alternative fuels. United announced a similar deal with another electric vertical-takeoff hopeful, Archer Aviation, in February. Critics view the announcements as greenwashing by airlines whose planes are a growing source of climate-changing emissions.