In this file photo, a man walks past a St. Louis Post-Dispatch newspaper box as the Gateway Arch is seen in the background in St. Louis. (AP)

hedge fund Alden in hunt for another big newspaper chain

Hedge fund Alden Global Capital, one of the country's largest newspaper owners with a reputation for intense cost cuts and layoffs, has offered to buy the local newspaper chain Lee Enterprises for about $141 million.

In a news release Monday, Alden said it sent Lee's board a letter with the offer. It already owns 6% of Lee's stock and is proposing to buy the rest for $24 a share. Alden says it does not foresee regulatory issues that could complicate a deal.

Lee stock jumped 22% to $22.59 Monday. The Iowa company's spokesperson did not immediately reply to a request for comment. Lee's papers include the St. Louis Post-Dispatch and the Buffalo News, along with dozens of smaller papers in more than two dozen states. The company had more than 5,000 full-time employees as of September 2020.

Alden scooped up the Tribune papers earlier this year in a deal that was bitterly contested by the Tribune company's own journalists and community leaders in Tribune's markets, who sought, ultimately without success, to find local buyers for papers including the Baltimore Sun and Chicago Tribune. Alden also owns the Denver Post, Orange County Register and Boston Herald. Alden has a reputation for slashing costs, including selling off newspapers' real estate, that go even beyond the newspaper industry's overall turn in that direction.

The newspaper business has been consolidating as it struggles with a digital transition and shrinking revenues, and financial firms like Alden have taken an increasingly prominent role as owners. Newsroom jobs dropped nearly in half from 2004 to 2018, according to Pew Research, and the pandemic has exacerbated those stresses. (AP)

Market Movements 23-11-2021

			Change	Closing pts
SAUDI	-	Tadawul	+84.76	11,256.52
JAPAN	-	Nikkei	+28.24	29,774.11
UK	-	FTSE 100	+11.23	7,266.69
EGYPT	-	EGX 30	+10.19	11,369.22
PHILIPPINES	-	PSEi	+118.49	7,401.16
INDIA	-	Sensex	+198.44	58,664.33

			Change	Closing pts
EUROPE	-	Euro Stoxx 50	-54.87	4,283.82
UAE	-	DFM	-27.26	3,144.39
PAKISTAN	-	KSE 100	-796.48	44,948.52
SINGAPORE	-	Straits Times STI	-9.55	3,227.53

Business

Resilient demand continues to push cost of a home higher

October existing home sales hit fastest pace since January

NEW YORK, Nov 23, (AP): Sales of previously occupied US homes ticked higher in October, marking their strongest annual pace since January even as competition for relatively few properties on the market pushed prices higher.

Existing homes sales rose 0.8% last month from September to a seasonally-adjusted annual rate of 6.34 million units, the National Association of Realtors said Monday. That was stronger than the 6.18 million units that economists had been expecting, according to FactSet.

Sales fell 5.8% from October last year, when they peaked following a summer and fall surge as buyers who had held off during the early days of the pandemic jumped back into the market.

"It looks like the housing market is remaining strong, resilient and one may even say, (had) something like a mini surge, not the big one we saw last year," said Lawrence Yun, the NAR's chief economist.

Continued job growth, a stock market at all-time highs and rising, but still historically low mortgage rates are helping to drive home sales, Yun said.

Resilient demand continues to push the cost of a home higher. The national median home price jumped to $353,900 last month, a 13.1% increase from October last year, the NAR said.

While up overall, sales were mixed by region. Sales fell 2.6% last month in the Northeast and were flat in the West. Sales rose 4.2% in the Midwest and edged up 0.4% in the South. Each region's sales were down from October last year.

An open house is posted in front of a home for sale in Westfield, Ind., Sept 25, 2020. Sales of previously occupied US homes ticked higher in October, marking their strongest pace since January, even as resilient demand and competition for relatively few properties on the market kept prices climbing. (AP)

Through the first 10 months of the year, home sales are up 11% from where they were last year and are 13% higher than they were in the same stretch of 2019.

"We're easily on pace for an annual total of at least 6 million this year, which would be the best performance in 15 years," Yun said.

Home sales have been healthy for most of this year, spurred by an ongoing desire among many people for greater space to wait out the coronavirus pandemic. Mortgage rates are also historically low, though they've begun to creep higher in recent weeks.

The average rate on the benchmark 30-year mortgage was 3.1% last week, up from 2.98% the previous week. A year ago, the rate averaged 2.72%. That upward trend is prompting some potential homeowners to act more quickly.

Homes continue to sell within days of being put up for sale. Homes typically remained on the market 18 days before getting snapped up last month. That follows a six-month streak of homes typically selling after 17 days on the market. In a market that's more evenly balanced between buyers and sellers, homes typically remain on the market 45 days. All told, 82% of homes sold in October were on the market for less than a month, the NAR said.

At the end of October, the inventory of unsold homes stood at just 1.25 million homes for sale, down 0.8% from September and down 12% from a year ago. At the current sales pace, that amounts to a 2.4 months' supply, the NAR said.

Despite the historically low interest rates, the lack of supply combined with a surge in home prices has left many would-be buyers frustrated, especially those shopping for homes in the more affordable end of the market.

Among homes priced at $150,000 or less, sales slumped 24% last month, reflecting a dearth of properties available in that price range. Sales of homes in the $250,000 to $500,000 range dropped 2%. Much of October's home sales increase was concentrated among properties that sold for $750,000 and higher, the NAR said.

Turkish lira falls 10% after Erdogan defends rate cuts

ANKARA, Turkey, Nov 23, (AP): The Turkish currency weakened by nearly 10% against the U.S. dollar Tuesday, a day after President Recep Tayyip Erdogan insisted there would be no turning back from his unconventional policy of cutting interest rates despite high inflation.

The lira plunged to a record low of 13.44 against the dollar before recovering some of its losses. It was trading at 12.51 against the dollar in the late afternoon - down 9.9% from Monday's close. The currency was trading at 14.08 against the euro. The lira has lost some 40% of its value since the start of the year.

Erdogan, who had declared himself an "enemy" of high borrowing costs, portrayed his economic policies as "an economic war of independence" during a late-night televised address to the nation. He made clear that his government would not step back from its policy of lowering borrowing rates to boost growth.

Contrary to traditional economic theory, Erdogan argues that high interest rates cause inflation. Typically, central banks raise those rates to tame rising consumer prices.

"Either we were going to give up on investments, production, growth and employment by keeping to the understanding that has prevailed in our country for years, or we were going to engage in a historic struggle in line with our priorities," Erdogan said. "As always, we preferred the struggle."

"We are determined to do the right thing for our nation," he continued. "We encourage investment, production and exports. ... We protect employment. ... We care about growth."

Turkey's Central Bank has cut interest rates by 4 percentage points since September, raising concerns about its independence from Erdogan's government. The president has sacked three bank governors since 2019.

Inflation is running at around 20%, eroding the public's purchasing power.

A man changes Turkish lira for USD and Euro at a currency exchange shop, in Ankara, Turkey, Tuesday, Nov. 23, 2021. The Turkish currency weakened by nearly 10% against the U.S. dollar Tuesday, a day after President Recep Tayyip Erdogan insisted there would be no turning back from his unconventional policy of cutting interest rates despite high inflation. (AP)

US to release 50m barrels of oil to ease energy costs

Actions by US and others risk counter moves by Gulf nations

WASHINGTON, Nov 23, (AP): President Joe Biden on Tuesday ordered 50 million barrels of oil released from America's strategic reserve to help bring down energy costs, in coordination with other major energy consuming nations, including China, India and the United Kingdom.

The move is aimed at global energy markets, but also at U.S. voters who are coping with higher inflation and rising prices ahead of Thanksgiving and winter holiday travel. Gasoline prices are at about $3.40 a gallon, more than 50% higher than a year ago, according to the American Automobile Association.

Administration officials said that reports of a possible release and consultations with other countries ahead of the announcement had caused oil prices to drop nearly 10% in anticipation of the news. The government will begin to move barrels into the market in mid to late December.

But the actions are unlikely to immediately bring down gas prices significantly as families begin traveling for the holidays. Administration officials noted that gasoline usually responds at a lag to changes in oil prices, and they suggested this is one of several steps in ultimately bringing down costs.

There was no discernable impact on the price for a benchmark barrel of U.S. crude right after the announcement. Prices have been up and down all month, and were up less than 1% so far in this holiday shortened week.

The actions by the U.S. and others risk counter moves by Gulf nations, especially Saudi Arabia, and by Russia. Saudi Arabia and other Gulf countries have made clear they intend to control supply to keep prices high for the time being.

As word spread in recent days of a coming joint release from U.S. and other countries' reserves, there were warnings from OPEC interests that those countries may respond in turn, reneging on promises to increase supplies in coming months.

Biden has scrambled to reshape much of his economic agenda around the issue of inflation, saying that his recently passed $1 trillion infrastructure package will reduce price pressures by making it more efficient and cheaper to transport goods.

Republican lawmakers have hammered the administration for inflation hitting a 31-year high in October. The consumer price index soared 6.2% from a year ago - the biggest 12-month jump since 1990.

Storage tanks are shown at a refinery in Detroit, Tuesday, April 21, 2020. The White House on Tuesday said it had ordered 50 million barrels of oil released from strategic reserve to bring down energy costs. (AP)

Senate Republican Leader Mitch McConnell tore into the White House in a floor speech last week, saying the victims of higher prices were middle class Americans.

"The three biggest drivers of the staggering 6.2% inflation rate we logged last month were housing, transportation, and food," the Kentucky senator said. "Those aren't luxuries, they're essentials, and they take up a much bigger share of families' budgets from the middle class on down."

The Strategic Petroleum Reserve is an emergency stockpile to preserve access to oil in case of natural disasters, national security issues and other events. Maintained by the Energy Department, the reserves are stored in caverns created in salt domes along the Texas and Louisiana Gulf Coasts. There are roughly 605 million barrels of sweet and sour petroleum in the reserve.

"As we come out of an unprecedented global economic shutdown, oil supply has not kept up with demand, forcing working families and businesses to pay the price," Energy Secretary Jennifer Granholm said in a statement. "This action underscores the president's commitment to using the tools available to bring down costs for working families and to continue our economic recovery."

The Biden administration has argued that the reserve is the right tool to help ease the supply problem. Americans used an average of 20.7 million barrels a day during September, according to the Energy Information Administration. That means that the release nearly equals about two-and-a-half days of additional supply.

The pandemic made energy markets - like everything else - haywire on multiple fronts. As the closures began in April, 2020, demand collapsed and oil futures prices turned negative. Energy traders did not want to get stuck with crude that they could not store. But as the economy recovered, prices jumped to a seven-year high in October.

U.S. production has not recovered. Energy Information Administration figures indicate that domestic production is averaging roughly 11 million barrels daily, down from 12.8 million before the pandemic started.

Republicans have also seized on Biden's efforts to minimize drilling and support renewable energy as a reason for the decreased production, though there are multiple market dynamics at play as fossil fuel prices are higher around the world.

"President Biden's policies are hiking inflation and energy prices for the American people. Tapping the Strategic Petroleum Reserve will not fix the problem," said Sen. John Barrasso, R-Wyoming. "We are experiencing higher prices because the administration and Democrats in Congress are waging a war on American energy."

Meanwhile, Biden and administration officials insist that tapping more oil from the reserve is not a contradiction with the president's long-term climate goals, because this is a short-term fix to meet a specific problem, while climate policies are a long-term answer over decades.

They argue that because they are pushing to boost renewable energy, there will eventually be less dependence in the U.S. on fossil fuels. But that's a politically convenient argument - in simple terms, higher prices reduce usage, and significantly higher gasoline prices could force Americans into less reliance on fossil fuels.

The White House decision comes after weeks of diplomatic negotiations. Biden and China President Xi Jinping talked over steps to counter tight petroleum supplies in their virtual meeting earlier this month, when the two "discussed the importance of taking measures to address global energy supplies," according to the White House account of the conversation.

Co reports Q3 earnings of $499mn

Best Buy shares tumble on theft & supply constraints

NEW YORK, Nov 23, (AP): Best Buy Co.'s shares tumbled Tuesday after the nation's largest consumer electronics chain posted a decline in gross profit margin for the fiscal third quarter, citing organized theft and increased promotions compared to a year ago.

The company also offered a muted forecast for a key sales metric for the holiday fourth quarter amid supply constraints that are bedeviling the entire retail industry.

Shares were down more than 16%, or $22.17 per share to reach $115.63 in morning trading. The stock decline came even as Best Buy's overall third-quarter results beat Wall Street estimates.

"We are definitely seeing more and more particularly organized retail crime and incidents of shrink in our locations," Best Buy CEO Corie Barry told analysts during a conference call. "This is a real issue that hurts and scares real people."

She noted that the company is hiring security guards and working with its vendors on creative ways to stage the product. Barry told reporters during a separate call that the company is seeing organized theft increase across the country, but particularly in San Francisco.

Best Buy is one of a number of retailers calling out increased incidents in organized crime. On Monday night, a group of thieves smashed windows at a Nordstrom store in an upscale mall in Los Angeles.

Best Buy is also facing a slowdown in computing sales from a year ago when locked-down consumers were adapting to working and learning from home. Computing and tablet sales account for about 45% of the company's domestic revenue mix.

"Relative to last year, when consumers were still adapting to working and learning at home, there just isn't the impetus in computing that there once was," said Neil Saunders, managing director at GlobalData Retail.

Appliances remained strong, up 10.9% for the quarter on top of a 39.3% increase in the year-ago period as shoppers continue to renovate their homes.

The company reported third-quarter earnings of $499 million, or $2 per share. Earnings, adjusted for amortization costs and costs related to mergers and acquisitions, were $2.08 per share.

The results beat Wall Street expectations. The average estimate of 11 analysts surveyed by Zacks Investment Research was for earnings of $1.95 per share.

Gross margin fell to 23.4% from 24% in the year-ago period.

The consumer electronics retailer posted revenue of $11.91 billion in the period, also topping the average Street forecast of $11.71 billion.

The company posted a 1.6% increase in sales at stores opened at least year. That's on top of the 23% increase it posted in the year-ago period.

For the current quarter ending in January, Best Buy expects revenue in the range of $16.4 billion to $16.9 billion, compared with the average analyst estimate of $16.95 billion.

The company expects full-year revenue in the range of $51.8 billion to $52.3 billion. Analysts expect $51.86 billion.

Best Buy forecasts comparable sales for the fourth quarter in the range of down 2% to up 1%. Analysts expect 0.1% increase.

The company is raising its full-year outlook for same-store sales to be in the range of 10.5% to 11.5%. Analysts expect 11.5%.

Best Buy shares have risen 38% since the beginning of the year, while the S&P's 500 index has increased 25%. The stock has risen 16% in the last 12 months.