A view of the Stellantis logo on a building of the historic Mirafiori headquarters in Turin, Italy, Jan. 18, 2021. (AP)

Stellantis secures supply of battery-grade lithium

The carmaker Stellantis said Monday that it has secured a five-year supply of battery-grade lithium hydroxide in Europe to support its plans to convert to 98% electrified vehicles by 2025.

Stellantis, the company that combined PSA Peugeot and Fiat Chrysler, signed a binding agreement with Vulcan Energy Resources Ltd. in Germany, which uses geothermal energy to produce the battery-quality lithium hydroxide from brine without using fossil fuels. Vulcan will supply between 81,000 metric tons and 99,000 metric tons of lithium hydroxide over the five-year term of the agreement.

All top automakers are working on electric vehicles as fears grow about climate change. Also Monday, Nissan said it is investing 2 trillion yen ($17.6 billion) over the next five years and developing a cheaper, more powerful battery to boost its electric vehicle lineup.

Stellantis said its deal supports the decarbonized supply of key raw materials for electric vehicle battery packs.

The carmaker announced plans last July to convert nearly all of its production to electric or hybrid by 2025. Under the plans, more than 70% of vehicles sold in Europe and 40% of those sold in the United States will be low-emission vehicles by 2030.

"Stellantis is moving forward on its electrification strategy with speed and power. This agreement is further proof that we have the competitive spirit to deliver on our commitments," said Michelle Wen, Stellantis' chief purchasing and supply chain officer. (AP)

Market Movements 29-11-2021

			Change	Closing pts
SAUDI	-	Tadawul	+22.81	10,810.60
UK	-	FTSE 100	+65.92	7,109.95
EUROPE	-	Euro Stoxx 50	+19.93	4,109.51
UAE	-	DFM	+53.47	3,059.94
INDIA	-	Sensex	+153.43	57,260.58
PAKISTAN	-	KSE 100	+1,215.89	45,330.05

			Change	Closing pts
JAPAN	-	Nikkei	-467.70	28,283.92
EGYPT	-	EGX 30	-65.53	11,212.30
PHILIPPINES	-	PSEi	-77.56	7,200.88
SINGAPORE	-	Straits Times STI	-45.69	3,120.58

Food and gas prices pinch families

Inflation surges globally

BUDAPEST, Hungary, Nov 29, (AP): From appliance stores in the United States to food markets in Hungary and gas stations in Poland, rising consumer prices fueled by high energy costs and supply chain disruptions are putting a pinch on households and businesses worldwide.

Rising inflation is leading to price increases for food, gas and other products and pushing many people to choose between digging deeper into their pockets or tightening their belts. In developing economies, it's especially dire.

"We've noticed that we're consuming less," Gabor Pardi, a shopper at an open-air food market in Hungary's capital, Budapest, said after buying a sack of fresh vegetables recently. "We try to shop for the cheapest and most economical things, even if they don't look as good."

Nearly two years into the COVID-19 pandemic, the economic impact of the crisis is still being felt even after countries raced out of debilitating lockdowns and consumer demand rebounded. Now, another surge of infections and a new coronavirus variant, omicron, are leading countries to tighten their borders and impose other restrictions, threatening the global economic recovery.

Omicron has raised new fears that factories, ports and freight yards could be forced to close temporarily, putting more strain on global commerce and sending prices even higher.

"A new round of infections could further aggravate supply chains, putting even more upward pressure on inflation,'' said Rubeela Farooqi, chief U.S. economist at High Frequency Economics.

The economic reverberations are hitting central and Eastern Europe especially hard, where countries have some of the highest inflation rates in the 27-nation European Union and people are struggling to buy food or fill their fuel tanks.

A butcher at the Budapest food market, Ildiko Vardos Serfozo, said she's seen a drop in business as customers head to multinational grocery chains that can offer discounts by buying in large wholesale quantities.

"Buyers are price sensitive and therefore often leave us behind, even if our products are high quality. Money talks," she said. "We notice that inflation is not good for us. ... I'm just glad my kids don't want to continue this family business, I don't see much future in it."

In nearby Poland, Barbara Grotowska, a 71-year-old pensioner, said a discount supermarket in the capital of Warsaw that she's been hit hardest by her garbage collection fee nearly tripling to 88 zlotys ($21). She also lamented that the cooking oil she uses has gone up by a third of its price, to 10 zlotys ($2.40).

"That's a real difference," she said.

The recent pickup in inflation has caught business leaders and economists around the world by surprise.

In spring 2020, the coronavirus crushed the global economy: governments ordered lockdowns, businesses closed or slashed hours and families stayed home. Companies braced for the worst, canceling orders and putting off investments.

In an attempt to stave off economic catastrophe, wealthy countries - most notably the United States - introduced trillions of dollars worth of government aid, an economic mobilization on a scale unseen since World War II. Central banks also slashed interest rates in a bid to revive economic activity.

But those efforts to jump-start economies have had unintended consequences: as consumers felt more emboldened to spend the money they had received through government assistance or low-interest borrowing, and vaccine rollouts encouraged people to return to restaurants, bars and shops, the surge in demand tested the capacity of suppliers to keep pace.

Vendor Misi Kovacs prepers the meat to sell in a food market in Budapest, Hungary, Nov. 20, 2021. From appliance stores in the United States to food markets in Hungary and gas stations in Poland, rising consumer prices fueled by high energy costs and supply chain disruptions are putting a pinch on households and businesses worldwide. As economies recover from lockdowns caused by the COVID-19 pandemic, increased consumer demand has helped lead to rising inflation. (AP)

Ports and freight yards were suddenly clogged with shipments, and prices began to rise as global supply chains seized up - especially as new outbreaks of COVID-19 sometimes shut down factories and ports in Asia.

The rise in prices has been dramatic. The International Monetary Fund predicts that world consumer prices will rise 4.3% this year, the biggest jump since 2011.

It is most pronounced in the developing economies of central and Eastern Europe, with the highest annual rates recorded in Lithuania (8.2%), Estonia (6.8%) and Hungary (6.6%). In Poland, one of Europe's fastest-growing economies, inflation came in at 6.4% in October, the highest rate in two decades.

Several shoppers at a vegetable stand in Warsaw said they are anxious about rising prices for staples like bread and cooking oil and are expecting the situation to get worse in the new year, when energy prices are set to rise.

Piotr Molak, a 44-year-old vegetable vendor, said he has not yet had to raise prices on the potatoes, apples or carrots he sells but the cherry tomatoes he imports from Spain and Italy, which he buys in euros, have gotten far more expensive as Poland's currency, the zloty, has weakened.

"We will mostly feel this in the new year when electricity goes up," Molak said. "We are really going to feel it when we have to spend more on our home than on pleasure."

The weakening of currencies across central and Eastern Europe against the U.S. dollar and euro is pushing up the price of imports and fuel and exacerbating the pinch from supply backups and other factors.

Hungary's currency, the forint, has lost around 16% of its value against the dollar in the last six months and slipped to a historic low against the euro last week. That's part of a strategy by Hungary's central bank to keep the country competitive and attract foreign companies seeking cheap labor, said Zsolt Balassi, a portfolio manager at Hold Asset Management in Budapest.

But prices on imported goods have skyrocketed, and global oil prices set in U.S. dollars have pushed fuel costs to record levels.

"As the Hungarian forint, and actually all regional currencies, are more or less constantly weakening, this will constantly raise oil prices in our currencies," Balassi said.

In response to record fuel prices, which peaked this month at 506 forints ($1.59) for gasoline and 512 forints ($1.61) for diesel per liter, Hungary's government announced a 480-forint ($1.50) cap at filling stations.

While giving some relief, Hungary's upcoming elections, in which the right-wing governing party faces the most serious challenge since it was elected in 2010, were likely a factor, Balassi said.

"This is obviously a political decision which has huge economic disadvantages, but probably it makes the households happy," he said.

The political nature of some economic decisions is not limited to Hungary.

Poland's central bank, also facing a weakening currency, has been accused by critics of allowing inflation to rise too high for too long to encourage economic growth and bolster support for the ruling party.

The bank surprised markets with the timing and size of two base interest rate hikes in October and November in a bid to ease prices, while Hungary's central bank has raised rates in smaller increments six times this year.

Still, if central banks move too aggressively too soon to control inflation, it could short-circuit the economic recovery, said Carmen Reinhart, chief economist at the World Bank.

New COVID variant cited

WTO delays key meeting

GENEVA, Nov 29, (AP): The World Trade Organization is postponing its conference of government ministers set to open Tuesday after Switzerland initiated new travel restrictions following the emergence of a worrying new coronavirus variant, officials said.

The MC12 conference at WTO headquarters in Geneva was set to take up key issues like a long-awaited agreement on subsidies for fisheries, seen as a major way to prevent overfishing in the world's seas, and an effort to waive patent and other intellectual property protections linked to COVID-19 vaccines.

Ambassadors from the WTO's 164 member states agreed Friday to delay the four-day conference after new Swiss travel restrictions meant all participants wouldn't be able to attend in person, and a virtual meeting was not deemed to be an option, the a Geneva-based trade official said on condition of anonymity because he was not authorized to discuss the matter publicly.

British ambassador Simon Manley tweeted a photo of WTO Director-General Ngozi Okonjo-Iweala on a dais during the meeting of ambassadors, and wrote that it depicted her announcing the postponement over the health situation and "the inability of all delegations to attend."

The European Union's international trade office's Twitter page said the conference "is postponed for now - a difficult but wise decision by @wto given the epidemiological situation."

The Swiss health department said that all direct flights from southern Africa were banned, and as of Friday evening, all people arriving from that region as well as Belgium, Hong Kong and Israel - other places where the variant was detected - must present a negative COVID-19 test and go into quarantine for 10 days.

"This has not been an easy recommendation to make … But as Director-General, my priority is the health and safety of all MC12 participants - ministers, delegates and civil society. It is better to err on the side of caution," Okonjo-Iweala said in a WTO statement. This marks the second time the pandemic has forced a postponement of the 12th Ministerial Conference. The meeting was originally due to take place in June 2020 in Nur-Sultan, Kazakhstan. (backslash)

Across town on Friday, the World Health Organization classified the worrying new variant that was first detected in South Africa as a highly transmissible variant of concern, and named it the omicron variant - as part of the Greek-letter identification system used by the UN health agency.

South Africa's delegation at the WTO has led the push for an easing of protections for patents and other intellectual property behind tools aimed to fight pandemic including vaccines, diagnostics and therapeutics, in hopes of making them more available to the developing world.

Turkey to invest $10b in strategic transition plan

ANKARA, Nov 29, (KUNA): Turkey's energy giant Tupras unveiled plans to invest up to USD 10 billion by 2050 as part of its Strategic Transition Plan.

Under the parent company Koc Holding's 'Carbon Transition Program', which comprises feasible steps to combat the climate crisis and for the company to become carbon neutral by 2050, Tupras plans to decrease its carbon footprint, Anadolu Agency (AA) reported.

Thanks to investments towards new energy resources and energy efficiency projects, Tupras projects a reduction of its carbon emissions by 27 percent in 2030 and 35 percent by 2035 compared to 2017 levels, before becoming carbon neutral in 2050.

As part of the Plan, the company will mostly invest in new energy resources such as sustainable aviation fuels, green hydrogen and zero-carbon electricity.

"In the new period, we will focus on sustainable refining, biofuels, zero-carbon electricity and green hydrogen," AA quoted Tupras General Manager Ibrahim Yelmenoglu as saying at a press conference.

"Our strong side, refining, will be the main driver of our transition," he pointed out.

Tupras will assign nearly USD 2.3 billion by 2035 for energy efficiency, modernization, decarbonization and value-added production projects, while refining is expected to constitute 90 percent of the company's operating margin by 2030 and 70 percent between 2030 and 2035.

"Most of the resources that we will gain from refining will be transferred to new areas and reducing our carbon footprint, while we aim to continue with our high dividend pay policy," Yelmenoglu noted.

In the course of time, hydrogen will become our main commercial product, rather than just a side product in our production process, he added.

With plans to have one gigawatt of installed capacity by 2030 and 2.5 GW by 2035, the company aims to provide consumers with zero-carbon electricity.

Tupras has four refineries established in Kocaeli, Izmir, Kirikkale and Batman with a total crude oil processing capacity of 30 million tons per year, according to AA report.

OPEC basket price drops by $5.22 to settle at $76.09 pb

VIENNA, Nov 29, (KUNA): OPEC crude basket price dropped by USD 5.22 to settle at USD 76.09 per barrel last Friday in comparison to Thursday's price of USD 81.31 pb, according to the organization's daily bulletin.

In Monday's bulletin the organization indicated that the basket's monthly average for the month of October reached USD 82.11 pb, whereas the monthly average of September was USD 73.88 pb, which reflects the stability of the price average since the beginning of the year up until last weekend where it settled at USD 81.15 pb.

The bulletin also mentioned that the annual basket price average for last year was USD 41.47 pb.

The OPEC+ alliance decided during a ministerial meeting, on November 4, to maintain current oil production plan, designed to increase the output gradually.

The alliance's officials are scheduled to re-examine market status at another meeting due on December 2.

Peugeot Kuwait launches lease to own financing campaign

Kuwait Automotive Imports Company, launches vehicle lease to own campaign for Peugeot customers.

KAICO has initiated a marketing campaign to drive Kuwait's shift from car ownership to usership for its European brand Peugeot in Q4.

According to the latest market figures car leasing is the fastest-growing form of new car finance for consumers. Peugeot Kuwait is championing this behavioral shift by offering customers competitive rates for all the Peugeot line-up.

"The new car finance market is changing, and we're changing with it. With this campaign we're aiming at providing customers with the opportunity to experience the fantastic Peugeot range at affordable monthly rates" says KAICO general manager Mr. Ashish Tandon.

Building on the success of the Peugeot 508 and Peugeot 2008, KAICO aims to attract an even wider customer group to its technologically advanced vehicles in Q4.

"Traditionally leasing has been the reserve of businesses, not the general public. We want to change that. We're launching with the campaign on both passenger and commercial vehicles. Leasing offers certainty in uncertain times. We want everyone to know that leasing a new car is a simple, affordable option for everybody to consider, with rates that will appeal to a wide audience, starting from KD 119 per month" added Peugeot Business Manager, Mr. Stefan Craita

To enquire about KAICO's lease to own financing, visit the Peugeot Showroom, located on 4th Ring Road in Al Rai Area.